

## Form AR27

Trade Union and Labour relations (Consolidation) Act 1992

### Employers' Association's details

Name of Employers' Association:

The Retail Motor Industry Federation Ltd

Year ended:

31/12/2018

List number:

206E

Head or Main Office:

201 Great Portland Street  
London  
W1W 5AB

Has the address changed during the year to which the return relates?

Yes

No

X

(Tick as appropriate)

Website address (if available)

General Secretary:

Contact name for queries regarding the completion of this return:

Christopher Thomas

Telephone Number:

0207 580 9122

E-mail:

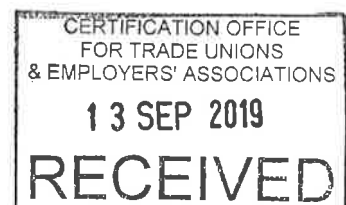
chris.thomas@rmif.co.uk

Please follow the guidance notes in the completion of this return. Any difficulties or problems in the completion of this return should be directed to the Certification Office as below or by telephone to: 0330 109 3602.

The address to which returns and other documents should be sent are:

-For Employers' Associations based in England and Wales: Certification Office for Trade Unions and Employers' Associations, Lower Ground Floor, Fleetbank House, 2-6 Salisbury Square, London, EC4Y 8JX.

-For Employers' Associations based in Scotland: Certification Office for Trade Unions and Employers' Associations, Melrose House, 69a George Street, Edinburgh EH2 2JG.



# The Retail Motor Industry Federation Limited

## Company Information

### Directors

P. Johnson (Chairman)  
R. Collings  
S. Field  
K. A. Finn  
S. G. James  
C.B. Madderson  
M.C. Marshall  
C.B. Parlett  
S. Robinson  
K. Savage  
M. Squires  
C. Thomas  
J. Tomlinson  
C. Weeks

### Secretary

C. Thomas

### Company number

00133095

### Registered Office

201 Great Portland Street  
London  
W1W 5AB

### Auditor

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

## Return of members

(see note 9)

| Number of members at the end of the year |                  |                |   |               |
|--|------------------|----------------|---|---------------|
| Great Britain                            | Northern Ireland | Irish Republic | Elsewhere Abroad<br>(including Channel Islands) | Totals        |
| <b>9,851</b>                             | <b>324</b>       |                |   | <b>10,175</b> |

## Change of officers

Please complete the following to record any changes of officers during the twelve months covered by this return.

| Position held      | Name of Officer ceasing to hold office | Name of Officer Appointed | Date of Change   |
|--------------------|--|---------------------------|------------------|
| Director           | Geoff Bates                            |                           | 25 July 2018     |
| Director           | Anthony P Lowe                         |                           | 11 December 2018 |
| Executive Director |  | Chris Weeks               | 25 July 2018     |
|                    |  |                           |                  |
|                    |  |                           |                  |
|                    |  |                           |                  |
|                    |  |                           |                  |

## Revenue account/General Fund

(see notes 11 to 16) For the year ended 31 December 2018

| Previous Year |   | £ | £ |
|---------------|---|---|---|
|               | <b>Income</b>   |   |   |
|               | From Members                      Subscriptions, levies, etc  |   |   |
|               | Investment income    Interest and dividends (gross)<br>Bank interest (gross)<br>Other (specify)   |   |   |
|               | Other income            Rents received<br>Insurance commission<br>Consultancy fees<br>Publications/Seminars<br>Miscellaneous receipts (specify)<br>Other                                  |   |   |
|               | <b>Total income</b>   |   |   |
|               | <b>Expenditure</b>  |   |   |
|               | Administrative expenses<br>Remuneration and expenses of staff<br>Occupancy costs<br>Printing, Stationery, Post<br>Telephones<br>Legal and Professional fees<br>Miscellaneous (specify)    |   |   |
|               | Other charges            Bank charges<br>Depreciation<br>Sums written off<br>Affiliation fees<br>Donations<br>Conference and meeting fees<br>Expenses<br>Miscellaneous (specify)<br>Other |   |   |
|               | Taxation  |   |   |
|               | <b>Total expenditure</b>  |   |   |
|               | Surplus/Deficit for year  |   |   |
|               | Amount of fund at beginning of year   |   |   |
|               | Amount of fund at end of year   |   |   |

## Accounts other than the revenue account/general fund

(See notes 11 to 16)

| <b>Account 2</b>        |   | <b>Fund Account</b> |   |
|-------------------------|---|---------------------|---|
| <b>Name of account:</b> |   | £                   | £ |
| <b>Income</b>           | From members<br>Investment income<br>Other income (specify) |                     |   |
|                         |   |                     |   |
|                         | <b>Total Income</b>   |                     |   |
| <b>Expenditure</b>      | Administrative expenses<br>Other expenditure (specify)      |                     |   |
|                         |   |                     |   |
|                         | <b>Total Expenditure</b>                                    |                     |   |
|                         | Surplus (Deficit) for the year                              |                     |   |
|                         | Amount of fund at beginning of year                         |                     |   |
|                         | Amount of fund at the end of year (as Balance Sheet)        |                     |   |

| <b>Account 3</b>        |   | <b>Fund Account</b> |   |
|-------------------------|---|---------------------|---|
| <b>Name of account:</b> |   | £                   | £ |
| <b>Income</b>           | From members<br>Investment income<br>Other income (specify) |                     |   |
|                         |   |                     |   |
|                         | <b>Total Income</b>   |                     |   |
| <b>Expenditure</b>      | Administrative expenses<br>Other expenditure (specify)      |                     |   |
|                         |   |                     |   |
|                         | <b>Total Expenditure</b>                                    |                     |   |
|                         | Surplus (Deficit) for the year                              |                     |   |
|                         | Amount of fund at beginning of year                         |                     |   |
|                         | Amount of fund at the end of year (as Balance Sheet)        |                     |   |

## Accounts other than the revenue account/general fund

(See notes 11 to 16)

| <b>Account 4</b>        |   | <b>Fund Account</b> |   |
|-------------------------|---|---------------------|---|
| <b>Name of account:</b> |   | £                   | £ |
| <b>Income</b>           | From members<br>Investment income<br>Other income (specify) |                     |   |
|                         |   |                     |   |
|                         | <b>Total Income</b>   |                     |   |
| <b>Expenditure</b>      | Administrative expenses<br>Other expenditure (specify)      |                     |   |
|                         |   |                     |   |
|                         | <b>Total Expenditure</b>                                    |                     |   |
|                         | Surplus (Deficit) for the year                              |                     |   |
|                         | Amount of fund at beginning of year                         |                     |   |
|                         | Amount of fund at the end of year (as Balance Sheet)        |                     |   |

| <b>Account 5</b>        |   | <b>Fund Account</b> |   |
|-------------------------|---|---------------------|---|
| <b>Name of account:</b> |   | £                   | £ |
| <b>Income</b>           | From members<br>Investment income<br>Other income (specify) |                     |   |
|                         |   |                     |   |
|                         | <b>Total Income</b>   |                     |   |
| <b>Expenditure</b>      | Administrative expenses<br>Other expenditure (specify)      |                     |   |
|                         |   |                     |   |
|                         | <b>Total Expenditure</b>                                    |                     |   |
|                         | Surplus (Deficit) for the year                              |                     |   |
|                         | Amount of fund at beginning of year                         |                     |   |
|                         | Amount of fund at the end of year (as Balance Sheet)        |                     |   |

## Accounts other than the revenue account/general fund

(see notes 17 to 18)

| <b>Account 6</b>        |   | <b>Fund Account</b>                                  |   |
|-------------------------|---|--|---|
| <b>Name of account:</b> |   | £  | £ |
| <b>Income</b>           | From members<br>Investment income<br>Other income (specify) |  |   |
|                         |   |  |   |
|                         |   | <b>Total Income</b>                                  |   |
| <b>Expenditure</b>      | Administrative expenses<br>Other expenditure (specify)      |  |   |
|                         |   |  |   |
|                         |   | <b>Total Expenditure</b>                             |   |
|                         |   | Surplus (Deficit) for the year                       |   |
|                         |   | Amount of fund at beginning of year                  |   |
|                         |   | Amount of fund at the end of year (as Balance Sheet) |   |

| <b>Account 7</b>        |   | <b>Fund Account</b>                                  |   |
|-------------------------|---|--|---|
| <b>Name of account:</b> |   | £  | £ |
| <b>Income</b>           | From members<br>Investment income<br>Other income (specify) |  |   |
|                         |   |  |   |
|                         |   | <b>Total Income</b>                                  |   |
| <b>Expenditure</b>      | Administrative expenses<br>Other expenditure (specify)      |  |   |
|                         |   |  |   |
|                         |   | <b>Total Expenditure</b>                             |   |
|                         |   | Surplus (Deficit) for the year                       |   |
|                         |   | Amount of fund at beginning of year                  |   |
|                         |   | Amount of fund at the end of year (as Balance Sheet) |   |

## Balance sheet as at 31 December 2018

(see notes 19 and 20)

| Previous Year |  | £'000                    | £'000  |
|---------------|--|--------------------------|--------|
|               | <b>Fixed Assets</b> (as at page 8)             |                          | 3,975  |
|               | <b>Investments</b> (as per analysis on page 9) |                          |        |
|               | Quoted (Market value £14,339)                  |                          | 14,339 |
|               | Property                                       |                          | 9,740  |
|               | <b>Total Investments</b>                       |                          | 28,054 |
|               | <b>Other Assets</b>                            |                          |        |
|               | Sundry debtors                                 | 663                      |        |
|               | Cash at bank and in hand                       | 259                      |        |
|               | Stocks of goods                                |                          |        |
|               | Others (specify)                               |                          |        |
|               | <b>Total of other assets</b>                   |                          | 922    |
|               |  | <b>Total assets</b>      | 28,976 |
|               |  |                          |        |
|               |  |                          |        |
|               | <b>Liabilities</b>                             |                          |        |
|               | Fund (Account)                                 |                          |        |
|               | Fund (Account)                                 |                          |        |
|               | Fund (Account)                                 |                          |        |
|               | Revaluation Reserve                            |                          |        |
|               | Loans  |                          |        |
|               | Bank overdraft                                 |                          |        |
|               | Tax payable                                    | 226                      |        |
|               | Sundry creditors                               | 515                      |        |
|               | Accrued expenses                               | 1,478                    |        |
|               | Provisions- deferred tax                       | 2,067                    |        |
|               | Other liabilities                              | 471                      |        |
|               |  | <b>Total liabilities</b> | 4,757  |
|               |  | <b>Total assets</b>      | 24,219 |



## Fixed Assets Account

(see note 21)

|  | Land & Buildings    |  |  | Fixtures & Fittings | M<br>V<br>E |
|--|---------------------|--|--|---------------------|-------------|
|  | £                   |  |  | £                   |             |
| <b>Cost or valuation</b>                 | See annual accounts |  |  |                     |             |
| At start of period                       |                     |  |  |                     |             |
| Additions during period                  |                     |  |  |                     |             |
| Less: Disposals during period            |                     |  |  |                     |             |
| Less: DEPRECIATION:                      |                     |  |  |                     |             |
| Total to end of period                   |                     |  |  |                     |             |
| <b>Book amount at end of period</b>      |                     |  |  |                     |             |
| Freehold                                 |                     |  |  |                     |             |
| Leasehold (50 or more years unexpired)   |                     |  |  |                     |             |
| Leasehold (less than 50 years unexpired) |                     |  |  |                     |             |
| <b>As balance sheet</b>                  |                     |  |  |                     |             |

## Analysis of investments

(see note 22)

|                 |   | Other Funds<br>£    |
|-----------------|---|---------------------|
| <b>Quoted</b>   | British Government & British Government Guaranteed Securities | See annual accounts |
|                 | British Municipal and County Securities                       |                     |
|                 | Other quoted securities (to be specified)                     |                     |
|                 | Total quoted (as Balance Sheet)                               |                     |
|                 | *Market Value of Quoted Investments                           |                     |
| <b>Unquoted</b> | British Government Securities                                 |                     |
|                 | British Municipal and County Securities                       |                     |
|                 | Mortgages   |                     |
|                 | Other unquoted securities (to be specified)                   |                     |
|                 | Total quoted (as Balance Sheet)                               |                     |
|                 | *Market Value of Unquoted Investments                         |                     |

\* Market value of investments to be stated where these are different from the figures quoted in the balance sheet

## Analysis of investment income (controlling interests)

(see notes 23)

|  |  |   |                             |
|--|--|---|-----------------------------|
| <b>Does the association, or any constituent part of the association, have a controlling interest in any limited company?</b>                     |  | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |
| If YES name the relevant companies:  |  |   |                             |
| Company name<br><br>Remit Group Ltd<br>Big Oil Ltd<br>Trusted Dealers Ltd<br>RMISC Ltd<br>The Vehicle Builders and Repairers Association Limited | Company registration number (if not registered in England & Wales, state where registered)<br><br>6552314<br>6386529<br>7342935<br>8008286<br>02848820 |   |                             |
| <b>Incorporated Employers' Associations</b>  |  |   |                             |
| <b>Are the shares which are controlled by the association registered in the association's name</b>   |  | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |
| If NO, please state the names of the persons in whom the shares controlled by the association are registered.                                    |  |   |                             |
| Company name   | Names of shareholders  |   |                             |
| <b>Unincorporated Employers' Associations</b>  |  |   |                             |
| <b>Are the shares which are controlled by the association registered in the names of the association's trustees?</b>                             |  | YES <input type="checkbox"/>            | NO <input type="checkbox"/> |
| If NO, state the names of the persons in whom the shares controlled by the association are registered.   |  |   |                             |
| Company name   | Names of shareholders  |   |                             |

## Summary sheet

(see notes 24 to 33)

|   | All funds except<br>Political Funds<br>£'000 | Political<br>Funds<br>£'000 | Total<br>Funds<br>£'000 |
|---|--|-----------------------------|-------------------------|
| <b>Income</b>   |  |                             |                         |
| From Members  | 4,099  |                             | 4,099                   |
| From Investments  | 356  |                             | 356                     |
| Other Income (including increases<br>by revaluation of assets)          | 2,575  |                             | 2,575                   |
| <b>Total Income</b>   | 7,030  |                             | 7,030                   |
| <b>Expenditure</b><br>(including decreases by revaluation<br>of assets) | 7,710  |                             | 7,710                   |
| <b>Total Expenditure</b>  | 7,710  |                             | 7,710                   |
| <br>  |  |                             |                         |
| <b>Funds at beginning of year</b><br>(including reserves)               | 24,899                                       |                             | 24,899                  |
| <b>Funds at end of year</b><br>(including reserves)                     | 24,219                                       |                             | 24,219                  |
| <br>  |  |                             |                         |
| <b>Assets</b>   |  |                             |                         |
| Fixed Assets  |  |                             | 3,975                   |
| Investment<br>Assets  |  |                             | 24,079                  |
| Other Assets  |  |                             | 922                     |
|   |  | <b>Total Assets</b>         | 28,976                  |
| <b>Liabilities</b>  |  |                             |                         |
|   |  | <b>Total Liabilities</b>    | 4,757                   |
| <br>  |  |                             |                         |
| <b>Net assets (Total Assets less Total Liabilities)</b>                 |  |                             | 24,219                  |

**Notes to the accounts**

(see note 34)

All notes to the accounts must be entered on or attached to this part of the return.

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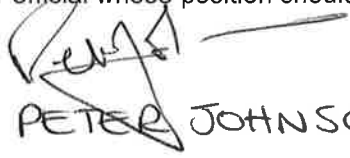
## Accounting policies

(see notes 35 and 36)

## Signatures to the annual return

including the accounts and balance sheet contained in the return.

(see notes 37 and 38)

|  |   |
|--|---|
| Secretary's Signature:<br><br>Name: CHRISTOPHER THOMAS<br>Date: 28 August 2019. | Chairman's Signature:<br>(or other official whose position should be stated)<br><br>Name: PETER JOHNSON<br>Date: 28/8/19. |
|--|---|

## Checklist

(see note 39)

(please tick as appropriate)

|   |     |   |    |   |
|---|-----|---|----|---|
| Has the return of change of officers been completed? (see Page 2) | Yes | x | No |   |
| Has the list of officers been completed? (see page 2a)            | Yes | x | No |   |
| Has the return been signed? (see Note 38)                         | Yes | x | No |   |
| Has the auditor's report been completed? (see Note 39)            | Yes | x | No |   |
| Is the rule book enclosed? (see Note 40)                          | Yes |   | No | x |
| Has the summary sheet been completed? (see Notes 6 and 25 to 34)  | Yes | x | No |   |

## Checklist for auditor's report

(see notes 40 to 44)

The checklist below is for guidance. A report is still required either set out overleaf or by way of an attached auditor's report that covers the 1992 Act requirements.

1. In the opinion of the auditors or auditor do the accounts they have audited and which are contained in this return give a true and fair view of the matters to which they relate?  
(See section 36(1) and (2) of the 1992 Act and notes 43 and 44)

Please explain in your report overleaf or attached.

YES - SEE AUDIT REPORT

2. Are the auditors or auditor of the opinion that the union has complied with section 28 of the 1992 Act and has:
- kept proper accounting records with respect to its transactions and its assets and liabilities; and
  - established and maintained a satisfactory system of control of its accounting records, its cash holding and all its receipts and remittances.

(See section 36(4) of the 1992 Act set out in note 43)

Please explain in your report overleaf or attached.

YES - SEE AUDIT REPORT

3. Your auditors or auditor must include in their report the following wording:

**In our opinion the financial statements:**

- give a true and fair view of the matters to which they relate to.
- have been prepared in accordance with the requirements of the sections 28, 32 and 36 of the Trade Union and Labour Relations (consolidation) Act 1992.

## Auditor's report (continued)

|  |   |  |
|--|---|--|
| Signature(s) of auditor or auditors:             | <i>Kingston Smith LLP</i>                                 |  |
| Name(s):   | Kingston Smith LLP  |  |
| Profession(s) or Calling(s):                     | Registered Auditor  |  |
| Address(es):                                     | Devonshire House<br>60 Goswell Road<br>London<br>EC1M 7AD |  |
| Date:  | 24 June 2019  |  |
| Contact name for enquiries and telephone number: | <i>Janice Riches</i><br>0207 566 3804                     |  |

N.B. When notes to the accounts are referred to in the auditor's report a copy of those notes must accompany this return.



# 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 2018 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 2018 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 sections 28, 32 and 36 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Other information

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

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

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

We have nothing to report in this regard.

## 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 8, 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.

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

## 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.

A handwritten signature in black ink that reads "Kingston Smith LLP". The signature is written in a cursive, flowing style.

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

24 June 2019

Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

**THE RETAIL MOTOR INDUSTRY FEDERATION LIMITED**

**Company No. 00133095**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31ST DECEMBER 2018**

**The Retail Motor Industry Federation Limited**  
**Report and Financial Statements**  
**For the year ended 31st December 2018**

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# The Retail Motor Industry Federation Limited

## Chairman's Report

### For the year ended 31 December 2018

It gives me great pleasure to be able to report on another excellent year for the Retail Motor Industry Federation, against a continuing background of a tough economic and industry environment. Brexit has caused tremendous uncertainties and the introduction of the Apprenticeship Levy could, and should, have been handled much better. Still, a very strong financial performance has been achieved again this year.

An operating profit of £469k was recorded before the exceptional past service cost relating to GMP Equalisation of £320k, which was £479k better than the result for the previous year, with turnover up by just over £1m (4%). It is particularly pleasing that, despite the economic environment which was a major factor in unrealised investment losses over the year of £730k and a £340k reduction in value of our property including Great Portland Street, London, our operating performance ensured we maintained our balance sheet strength over the year, with net assets at just under £27m. It is this balance sheet strength that continues to provide the Federation with the necessary strength to deal with the potential for volatility in the UK in the short and medium term. Operating cash flow continues to be very solid, and overall balances stood at £2.5m at the end of the year, a rise of £88k over the 12 months.

Remit, our joint venture training subsidiary, enjoyed its most successful year to date, despite the challenging and uncertain training environment as the impact of the introduction of the Apprenticeship Levy and associated funding changes continued to work through. The Remit sub-group achieved a profit before tax of £762k for the year, an increase of £561k from the previous year. An especially impressive aspect of this performance was that turnover in the sub-group increased by £1.1m compared to the previous year, despite the Remit Resourcing Ltd subsidiary, which was sold in the previous year, contributing £2.2m to the comparative figures. So the like for like increase in turnover was £3.3m or 13%.

The Associations themselves had another very solid year regarding membership. With 10,175 members at the end of December, this represented a fall of 294 on the year, and as with the previous year, consolidation was the main issue behind this, affecting the Petrol Retailers Association (PRA) and National Body Repair Association (NBRA) in particular. Core subscription income from members fell by £423k but this was mainly due to the decision to stop some activities in the federation's Big Oil subsidiary (much of which is classified as membership subs in our accounts), which were expected to become loss making, rather than there being any underlying issues with membership.

During 2018 the Associations were able to build on this solid position to achieve a number of key successes. These include the NFDA's Drive My Career initiative, which launched in February 2018, with the aim of attracting more young talent in to the industry – a common concern for many of our members across all of our Associations. Another important development, through our RMI SC subsidiary, has been the commencement of External Quality Assurance (EQA) services in respect of automotive apprenticeship end point assessment in conjunction with the Institute for Apprenticeships and Technical Education, which again re-inforces our commitment to developing talent within the industry and ensuring consistently high standards of training. The IGA's Trust My Garage accreditation also continues to go from strength to strength with around 3,000 qualifying members now.

The strong performance this year owes much to the efforts of the management team. I would like to take the opportunity to thank all of my colleagues, Board and staff, for their efforts in delivering so much during this excellent year. I would particularly like to thank Tony Lowe and Geoff Bates who stood down from the Board this year. Tony had represented the NBRA for many years, and Geoff represented the VBRA, with both completing a spell as Chairmen of their respective associations during that time, and playing key roles in the rationalisation and reorganisation of Bodyshop trade bodies which was so important for their future.

We can only hope that in the next few critical months we see decisive political leadership that leads us through the current embarrassing and destructive Brexit quagmire.

**P. Johnson**  
**Chairman**  
**31 May 2019**



# The Retail Motor Industry Federation Limited

## Strategic Report

### For the year ended 31 December 2018

The directors present their strategic report for the year ended 31st December 2018.

#### Review of the business and key performance indicators

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

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

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

With profitable results, the Group has been able to maintain its retained reserves at just under £27m despite unrealised investment losses over the year of £730k and a £340k reduction in value of our property including Great Portland Street. Cash balances also rose slightly across the group to just over £2.5m, and these measures continue to reflect a healthy capital position for the group.

Group sales performance also rose this year by £1.1m to £27.2m. When the effect of discontinued operations is taken out, the like for like increase was £3.3m or 13%, with the excellent performance of our Remit sub-group responsible for this. Operating profit also rose to £469k before the exceptional past service cost relating to GMP equalisation of £320k from a loss of £10k in the previous year. Membership numbers fell slightly to 10,175 at the end of the year, 294 lower than at the end of 2017.

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

#### IGA

- Undertook extensive research into the business practices of third-party work providers that place themselves between the customer and the garage.
- Operated as part of the Automotive Aftermarket Liaison Group (AALG) to present a united front on issues affecting the industry as a whole.
- Retained a position at board-level within the European garage and representative body CECRA and chaired the Independent Repairers Division.
- Shared experiences and best practice with a number of European Trade Associations.
- Created and delivered on-site and centre based training to 7,500 individuals.
- Supported independent garage business with the increase in demand of business related issues.
- Sponsored various awards, celebrating the success of independent garages across the UK.
- Conducted analysis, working alongside The Intellectual Property Office and raising awareness of the legal and safety implications of using non-proprietary consumer-supplied parts and the impact on independent garages.
- Initiated plans for a TV advert to promote the IGA consumer brand, "Trust My Garage", to drive customers to member businesses.
- Continues to maintain excellent relations with Government and remain abreast of important industry issues.



# The Retail Motor Industry Federation Limited

## Strategic Report (continued)

### For the year ended 31 December 2018

#### NFDA

- NFDA represents the interests of franchised dealers to UK Government, European Commission and Parliament, vehicle manufacturers, the media and other industry stakeholders.
- The NFDA Working Groups continue to work on key issues in the areas of used cars, aftersales, finance and insurance, HR and training and IT/Data. In 2019 a newly formed Block Exemption Regulation (BER) Strategy Group will be established to lobby on changes to the regulations.
- NFDA Parliamentary Engagement Programme continues enabling MPs to visit NFDA member dealership sites to raise awareness of the automotive retail industry including dealer investment, regulatory issues, employment and career opportunities.
- NFDA has issued a best practice guidance on multi-user vehicles for members following the ASA ruling against Glyn Hopkin.
- NFDA 'Drive My Career' (DMC) website was launched in February 2018. This is a new, unique initiative which connects young jobseekers with automotive retailers and highlights the exciting career opportunities that the automotive industry offers. DMC continues to grow with considerable support from NFDA and NAMA members, in addition to support from a number of manufacturers.
- NFDA is working on an Electric Vehicle Approved (EVA) scheme with Government due to be launched in 2019.
- The NFDA Dealer Attitude Survey continues to be well received by dealers, manufacturers, trade and national press. A number of meetings on the survey have also taken place with manufacturer Chief Executives.
- The NFDA Consumer Attitude Survey continues to gain traction both with manufacturers and dealers and has also received considerable media coverage.
- NFDA continues to assist members with the introduction of WLTP in 2018 and the implementation of RDE in 2019. NFDA is liaising with manufacturers on this issue.
- The NFDA continues to engage with Government departments, including DVSA on issues involving Type Approval regulation and privatisation of truck testing.
- NFDA has produced a 'plug-in' guide on electric vehicles for NFDA members to give to their customers.
- NFDA has produced a range of marketing materials for members to educate their customers on 'clean diesel.'
- NFDA continues to assist members with the FCA's Motor Finance Enquiry and continues to develop our relationship with the Financial Conduct Authority (FCA) to ensure regulation is developed in a way that does not hinder consumer's access to financial products.
- NFDA membership continues to grow and retain a strong profile in a consolidating market.

#### NAMA

- NAMA represents the interests of its members with Government and industry stakeholders lobbying on key industry issues.
- NAMA's Vehicle Grading Scheme continues to expand with over two thirds of vehicles sold at auction now being graded.
- The NAMA Grading Appraiser Training course has trained over 700 candidates raising standards of vehicle appraising across the industry.
- NAMA has launched a new auction market attitude report which has been well received by members and the media.
- NAMA continues to develop its close working relationship with the National Automotive Auction Association (NAAA) in the USA.

#### NMDA

- In November 2018 the NMDA appointed a new Chairman, Paul Barkshire of Lings Motor Group. Under his direction the NMDA Executive Committee has focused on apprenticeship training, reducing motorcycle crime and the continued success of the NMDA Dealer Attitude Survey.

# The Retail Motor Industry Federation Limited

## Strategic Report (Continued)

### For the year ended 31 December 2018

#### NMDA (continued)

- The NMDA Dealer Attitude Survey continues to be recognised by dealers and manufacturers as the industry's standard survey that examines the ongoing relationship between dealers and manufacturers.
- NMDA has launched a monthly blog in the British Dealer News magazine.
- NMDA membership continues to grow and retains a strong profile within the industry.

#### PRA

- The net reduction in UK forecourts was the lowest for many years, although the smaller independents continued to decline with nearly 100 forecourts closing.
- PRA serves a large proportion of the independents including 80% of the motorway services network.
- Consolidation by acquisition remained a feature with many small to mid-size groups disappearing as sale prices rose again. This placed further strain on membership subscription income. New ways of financing the association are being introduced including corporate and associate memberships.
- The Car Wash Association was formalised with the registration of the company and the logo. The association was formed to tackle the unfair competition to automated car washes from the unregulated hand car washes.
- PRA actively responded to Government Consultations and also appeared as an expert witness at the Environmental Audit Committee's (EAC) Inquiry into unregulated Hand Car Washing. Their report was issued in November.
- PRA has been working with The Department of Business, Energy and Industrial Strategy (BEIS) planning for a "no deal" Brexit. This involved a review and update of the National Emergency Plan for filling stations as well as issues regarding supply and distribution of retail fuel.
- Parliamentary Committees are seeking to bring forward the Government's Road to Zero plans to 2030. In order to present the Government with a balanced view of possible unintended consequences of such a policy, the primary fuel related trade associations including PRA, have joined as the Trade Associations Working Group (TAWG).
- Other issues being tackled include forecourt crime with the Home Office, the introduction of biofuels and labelling with DfT, business rates and charging for cash machines with HMT, unregulated hand car washes with OLME, GLAA, IASC, Home Office, Church of England (Clever Initiative).

#### NBRA

- NBRA has developed a strategy with a vision of "The Bodyshop Industry – Fully Repaired" which includes strong long term objectives and a new clearer purpose.
- NBRA has been involved in many industry events with Director Chris Weeks presenting at various conferences including: Automechanika, ABP Night of Knights, CAPS conference, I Love Claims Conference, the Credit Hire Organisation (CHO) conference and The Insurance Times Summit.
- NBRA hosted a group of top UK Insurance body repair leaders to discuss and build a strong understanding of the relationship between repairers and insurers.
- NBRA has met with insurers including AXA, Ageas, Esure, LV, ERS and Saga, to share strategies and business goals.
- NBRA introduced a new service called NBRA Cam, which allows repairers to video cars on check in and check out and identify old damage as part of membership.
- NBRA launched the 2018 Insurer Attitude Survey which investigates Insurer Treatment of the Body Repair Industry. The report has been well received by members and the media.
- NBRA representative Tony Lowe stepped down from his post with NBRA and also resigned from the RMI board.
- NBRA delivered a balanced budget in 2018 and saw membership increase in Q4.

**The Retail Motor Industry Federation Limited**  
**Strategic Report (Continued)**  
**For the year ended 31 December 2018**

**VBRA**

- VBRA has evolved its National Manufacturers Council and has appointed Chris Weeks as temporary Chairman.
- The end point assessment for the VBRA Trailblazer Standard for Vehicle Bodybuilding has been approved by Government.
- VBRA delivered its first VBRA webinar on skills shortages in the industry.
- VBRA has exhibited at key industry events including the Commercial Vehicle show.
- VBRA membership has remained strong.

**Future Developments**

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

**Principal risks and uncertainties**

The Board continues to consider that, despite a very positive year in 2018, the principal risks to the business will be associated with a potential future lack of growth in the UK economy and the pressures that this would exert on our members' businesses. In Remit, the principal risks in the business arise from the impact of the Apprenticeship Levy, the use of levy funds by larger employers, levels of Government funding available for non-levy payers and Remit's own ability to manage and run Apprenticeships and adult learning efficiently.

**Financial risk management**

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

By order of the board



**C. Thomas**  
Secretary  
31 May 2019

# The Retail Motor Industry Federation Limited

## Report of the Directors

### For the year ended 31 December 2018

The directors present their report and financial statements for the year ended 31st December 2018.

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

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

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

RMI indirectly owns 42% of Remit Food Limited which provides training to the catering and hospitality industry.

The financial statements have been consolidated to include the subsidiaries.

#### Employee Involvement

The 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.

#### Disabled Persons

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

#### Results and Dividend

The results for the year are set out on page 13. 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. Bates        | (Resigned 25 July 2018)                     |
| R. Collings     |   |
| S. Field        | (Appointed 2 May 2019)                      |
| K. A. Finn      |   |
| S. G. James     | Executive Director                          |
| A. P. Lowe      | (Resigned 11 December 2018)                 |
| C. B. Madderson | Executive Director                          |
| M. C. Marshall  |   |
| C. B. Parlett   |   |
| S. Robinson     | Executive Director                          |
| K. Savage       |   |
| M. Squires      |   |
| C. Thomas       | Finance Director and Company Secretary      |
| J. Tomlinson    |   |
| C. Weeks        | Executive Director (Appointed 25 July 2018) |

# **The Retail Motor Industry Federation Limited**

## **Report of the Directors (Continued)**

### **For the year ended 31 December 2018**

#### **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.

#### **Auditor**

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

#### **Corporate Governance**

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

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

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

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

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

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

#### **Remuneration Committee**

The Remuneration Committee reviews and sets the remuneration levels for executive and non-executive directors. The committee is comprised of the following directors: Mr P Johnson, Mr C Parlett, Mr M. Squires, Mr M. Marshall and Mr R Collings. 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 J Tomlinson, Mr R Collings 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 is comprised of Mr P Johnson, Mr K Finn and Mr C Parlett.

# The Retail Motor Industry Federation Limited

## Report of the Directors (Continued)

### For the year ended 31 December 2018

#### 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.

31 May 2019

201 Great Portland Street  
London W1W 5AB

On behalf of the Board



**C. Thomas**  
Director

# 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 2018 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 2018 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Other information

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

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

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

We have nothing to report in this regard.

### **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 8, 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:

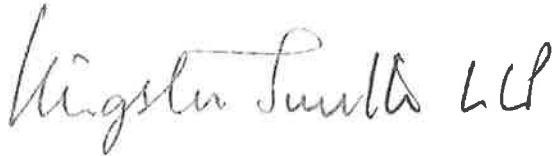
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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.

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

## 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.



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

24 June 2019

Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

**The Retail Motor Industry Federation Limited**  
**Group Profit and Loss Account**  
**For the year ended 31st December 2018**

|   | Note  | Continuing Operations | Discontinued Operations | 31 December 2018 | Continuing Operations as restated | Discontinued Operations | 31 December 2017 as restated |
|---|-------|-----------------------|-------------------------|------------------|-----------------------------------|-------------------------|------------------------------|
|   |       | £ '000                | £ '000                  | £ '000           | £ '000                            | £ '000                  | £ '000                       |
| <b>Turnover</b>   | 3     | 27,212                | -                       | 27,212           | 23,945                            | 2,240                   | 26,185                       |
| Cost of sales   |       | (12,541)              | -                       | (12,541)         | (12,294)                          | (2,102)                 | (14,396)                     |
| <b>Gross profit</b>   |       | 14,671                | -                       | 14,671           | 11,651                            | 138                     | 11,789                       |
| Operating expenses  |       | (14,522)              | -                       | (14,522)         | (11,721)                          | (153)                   | (11,874)                     |
| Profit on disposal of subsidiary                            |       | -                     | -                       | -                | -                                 | 75                      | 75                           |
| <b>Operating Profit / (Loss)</b>                            | 4     | 149                   | -                       | 149              | (70)                              | 60                      | (10)                         |
| Investment income   | 5     | (388)                 | -                       | (388)            | 758                               | -                       | 758                          |
| Other finance income  | 19(b) | 1                     | -                       | 1                | 1                                 | -                       | 1                            |
| Gain/(Loss) on revaluation of investment property           | 11    | 225                   | -                       | 225              | (200)                             | -                       | (200)                        |
| <b>(Loss) / Profit before taxation</b>                      |       | (13)                  | -                       | (13)             | 489                               | 60                      | 549                          |
| Taxation  | 8     | 90                    | -                       | 90               | (116)                             | -                       | (116)                        |
| <b>Profit for the financial year</b>                        |       | 77                    | -                       | 77               | 373                               | 60                      | 433                          |
| Profit attributable to non-controlling interest             |       | (311)                 | -                       | (311)            | (116)                             | 12                      | (104)                        |
| <b>(Loss) / Profit attributable to owners of the parent</b> |       | (234)                 | -                       | (234)            | 257                               | 72                      | 329                          |

**The Retail Motor Industry Federation Limited**  
**Group Statement of Comprehensive Income**  
**For the year ended 31st December 2018**

|   | <b>Note</b> | <b>2018<br/>£ '000</b> | <b>2017<br/>£ '000</b> |
|---|-------------|------------------------|------------------------|
| <b>Profit for the financial year</b>                                |             | 77                     | 433                    |
| <b>Other Comprehensive Income:</b>                                  |             |                        |                        |
| Remeasurements of net defined benefit obligations                   | 19(b)       | 353                    | 35                     |
| (Loss)/ Gain on revaluation of property net of related deferred tax | 10, 18      | (373)                  | 489                    |
| <b>Total comprehensive income for the financial year</b>            |             | <u>57</u>              | <u>957</u>             |
| Attributable to non-controlling interest                            |             | (311)                  | (104)                  |
| Attributable to members of the parent                               |             | <u>(254)</u>           | <u>853</u>             |

**The Retail Motor Industry Federation Limited**  
**Group and Company Balance Sheet**  
**as at 31st December 2018**

|  | Note   | Group<br>2018<br>£ '000 | Group<br>2017<br>£ '000 | Company<br>2018<br>£ '000 | Company<br>2017<br>£ '000 |
|--|--------|-------------------------|-------------------------|---------------------------|---------------------------|
| <b>Fixed Assets</b>  |        |                         |                         |                           |                           |
| Intangible assets  |        |                         |                         |                           |                           |
| Goodwill   | 9      | 88                      | 175                     | 88                        | 176                       |
| Negative Goodwill  | 9      | (158)                   | (321)                   | -                         | -                         |
| Course Materials   | 9      | 423                     | 130                     | -                         | -                         |
|  |        | 353                     | (16)                    | 88                        | 176                       |
| Tangible assets  |        |                         |                         |                           |                           |
| Investment property  | 10     | 4,345                   | 6,174                   | 3,887                     | 5,599                     |
| Investments  | 11     | 9,885                   | 8,525                   | 9,740                     | 8,300                     |
|  | 12     | 14,333                  | 14,792                  | 14,339                    | 14,798                    |
|  |        | 28,916                  | 29,475                  | 28,054                    | 28,873                    |
| <b>Current Assets</b>  |        |                         |                         |                           |                           |
| Debtors  |        |                         |                         |                           |                           |
| Cash at bank and in hand                                       | 14     | 2,671                   | 2,374                   | 663                       | 667                       |
|  |        | 2,515                   | 2,427                   | 259                       | 652                       |
|  |        | 5,186                   | 4,801                   | 922                       | 1,319                     |
| <b>Creditors: Amounts falling due within one year</b>          |        |                         |                         |                           |                           |
|  | 15     | (4,812)                 | (4,621)                 | (2,690)                   | (2,772)                   |
| <b>Net Current Assets/(Liabilities)</b>                        |        |                         |                         |                           |                           |
|  |        | 374                     | 180                     | (1,768)                   | (1,453)                   |
| <b>Total Assets less Current Liabilities</b>                   |        |                         |                         |                           |                           |
|  |        | 29,290                  | 29,655                  | 26,286                    | 27,420                    |
| <b>Creditors: amounts falling due after more than one year</b> |        |                         |                         |                           |                           |
| Provision for Other Liabilities                                | 16     | (143)                   | (198)                   | -                         | -                         |
|  | 18     | (2,154)                 | (2,521)                 | (2,067)                   | (2,521)                   |
| <b>Net Assets excluding pension liability</b>                  |        |                         |                         |                           |                           |
|  |        | 26,993                  | 26,936                  | 24,219                    | 24,899                    |
| <b>Pension retirement obligations</b>                          |        |                         |                         |                           |                           |
|  | 19 (b) | -                       | -                       | -                         | -                         |
| <b>Net Assets including pension liability</b>                  |        |                         |                         |                           |                           |
|  |        | 26,993                  | 26,936                  | 24,219                    | 24,899                    |
| <b>Capital and Reserves</b>                                    |        |                         |                         |                           |                           |
| Revaluation reserve  |        | 3,716                   | 4,089                   | 3,716                     | 4,089                     |
| Profit and loss reserve  |        | 22,216                  | 22,097                  | 20,503                    | 20,810                    |
| <b>Members' funds</b>  |        |                         |                         |                           |                           |
|  |        | 25,932                  | 26,186                  | 24,219                    | 24,899                    |
| Non-controlling interests                                      |        |                         |                         |                           |                           |
|  |        | 1,061                   | 750                     | -                         | -                         |
|  |        | 26,993                  | 26,936                  | 24,219                    | 24,899                    |

The financial statements were approved by the board of directors and authorised for issue on 31 May 2019 and are signed on its behalf by:

P. Johnson  
Chairman

C. Thomas  
Finance Director

Company Registration Number: 00133095

**The Retail Motor Industry Federation Limited**  
**Group and Company Statement of Changes in Equity**  
**For the year ended 31st December 2018**

| Group  | Revaluation<br>Reserve<br>£'000 | General<br>Reserve<br>£'000 | Total<br>£'000 | Non<br>controlling<br>interest<br>£'000 | Total<br>£'000 |
|--|---------------------------------|-----------------------------|----------------|---|----------------|
| <b>Balance at 1 January 2017</b>                         | 3,600                           | 21,750                      | 25,350         | 841                                     | 26,191         |
| <b>Year ended 31 December 2017</b>                       |                                 |                             |                |   |                |
| Surplus for the year                                     | -                               | 329                         | 329            | 104                                     | 433            |
| Other comprehensive income for the year                  | 489                             | 35                          | 524            | -                                       | 524            |
| Increase in investment in subsidiary                     | -                               | (66)                        | (66)           | (1)                                     | (67)           |
| Disposal of non-controlling interest                     | -                               | 43                          | 43             | 10                                      | 53             |
| Disposal of subsidiary                                   | -                               | 6                           | 6              | (204)                                   | (198)          |
| Total comprehensive income for the year                  | 489                             | 347                         | 836            | (91)                                    | 745            |
| <b>Balance at 31 December 2017</b>                       | 4,089                           | 22,097                      | 26,186         | 750                                     | 26,936         |
| <b>Year ended 31 December 2018</b>                       |                                 |                             |                |   |                |
| (Deficit) /Surplus for the year                          | -                               | (234)                       | (234)          | 311                                     | 77             |
| Other comprehensive<br>(expenditure)/income for the year | (373)                           | 353                         | (20)           | -                                       | (20)           |
| Total comprehensive (expenditure)/income<br>for the year | (373)                           | 119                         | (254)          | 311                                     | 57             |
| <b>Balance at 31 December 2018</b>                       | 3,716                           | 22,216                      | 25,932         | 1,061                                   | 26,993         |

| Company  | Revaluation<br>Reserve<br>£'000 | General<br>Reserve<br>£'000 | Total<br>£'000 |
|--|---------------------------------|-----------------------------|----------------|
| <b>Balance at 1 January 2017</b>                         | 3,600                           | 20,767                      | 24,367         |
| <b>Year ended 31 December 2017</b>                       |                                 |                             |                |
| Surplus for the year                                     | -                               | 8                           | 8              |
| Other comprehensive income for the year                  | 489                             | 35                          | 524            |
| Total comprehensive income for the year                  | 489                             | 43                          | 532            |
| <b>Balance at 31 December 2017</b>                       | 4,089                           | 20,810                      | 24,899         |
| <b>Year ended 31 December 2018</b>                       |                                 |                             |                |
| Deficit for the year                                     | -                               | (660)                       | (660)          |
| Other comprehensive (expenditure)/income<br>for the year | (373)                           | 353                         | (20)           |
| Total comprehensive expenditure for the<br>year          | (373)                           | (307)                       | (680)          |
| <b>Balance at 31 December 2018</b>                       | 3,716                           | 20,503                      | 24,219         |

**The Retail Motor Industry Federation Limited**  
**Group Statement of Cash Flows**  
**For the year ended 31st December 2018**

|  |           | Group               |                     |
|--|-----------|---------------------|---------------------|
|  | Note      | 2018<br>£ '000      | 2017<br>£ '000      |
| <b>Cashflows from operating activities</b>                               | <b>20</b> |                     |                     |
| Cash generated from/(absorbed by) operations                             |           | 816                 | (388)               |
| Income taxes (paid)  |           | (31)                | (22)                |
| <b>Net cash inflow /(outflow) from operating activities</b>              |           | <u>785</u>          | <u>(410)</u>        |
| <b>Cashflow from investing activities</b>                                |           |                     |                     |
| Purchase of intangible assets  |           | (504)               | (168)               |
| Purchase of tangible fixed assets  |           | (209)               | (507)               |
| Proceeds on disposal of tangible fixed assets                            |           | -                   | 6                   |
| Interest received  |           | 362                 | 384                 |
| Receipts from sales of investments                                       |           | 2,522               | 1,958               |
| Payments to acquire investment securities                                |           | (2,813)             | (2,267)             |
| Proceeds on disposal of shares in subsidiary to non-controlling interest |           | -                   | (146)               |
| Purchase of shares in subsidiary from non-controlling interest           |           | -                   | (67)                |
| <b>Net cash (used in) investing activities</b>                           |           | <u>(642)</u>        | <u>(807)</u>        |
| <b>Cashflow from financing activities</b>                                |           |                     |                     |
| Payment of finance lease obligations                                     |           | (55)                | (9)                 |
| <b>Net cash (used in) financing activities</b>                           |           | <u>(55)</u>         | <u>(9)</u>          |
| <b>Net increase/(decrease) in cash and cash equivalents</b>              |           | <u>88</u>           | <u>(1,226)</u>      |
| <b>Cash and cash equivalents at beginning of year</b>                    |           | 2,427               | 3,653               |
| <b>Cash and cash equivalents at end of year</b>                          |           | <u><u>2,515</u></u> | <u><u>2,427</u></u> |
| <b>Cash and cash equivalents consists of:</b>                            |           |                     |                     |
| Cash at bank and in hand   |           | <u><u>2,515</u></u> | <u><u>2,427</u></u> |

# The Retail Motor Industry Federation Limited

## Notes to the Financial Statements

### For the year ended 31st December 2018

#### 1 Accounting Policies

##### 1.1 Company Information

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

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

##### 1.2 Accounting Convention

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

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

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

As permitted by s408 Companies Act 2006, the Company has not presented its own profit and loss account and related notes. The Company's loss for the year was (£660,290) (2017: Profit £8,486).

##### 1.3 Exemption for qualifying entities under FRS102

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

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

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

##### 1.4 Going Concern

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

##### 1.5 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.

###### *Advertising revenue*

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



**The Retail Motor Industry Federation Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st December 2018**

**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.

**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 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                   |

**The Retail Motor Industry Federation Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st December 2018**

**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.

# The Retail Motor Industry Federation Limited

## Notes to the Financial Statements

### For the year ended 31st December 2018

#### 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.

**The Retail Motor Industry Federation Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st December 2018**

**1 Accounting Policies (continued)**

**1.15 Financial instruments (continued)**

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.

**The Retail Motor Industry Federation Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st December 2018**

**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.

**The Retail Motor Industry Federation Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st December 2018**

**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 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.

**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.

**The Retail Motor Industry Federation Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st December 2018**

**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.

*Release of negative goodwill to profit or loss*

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

The period of benefit is assessed annually. See note 9 for the carrying amount of negative goodwill and note 1.6 for the period over which the negative goodwill is released.

*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 judgement on 26 October 2018. This has been estimated at £320,000 and included as a past service cost (note 6). See note 19 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 is recognised as an intangible asset described as course materials.

The time taken to prepare these course materials is based on management's estimate rather than detailed time records. The total amount capitalised in the year was £504k 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 £211k as shown in Note 9.

**The Retail Motor Industry Federation Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st December 2018**

**3 Turnover**

|                       | 2018<br>£ '000 | 2017<br>£ '000 |
|-----------------------|----------------|----------------|
| Subscriptions         | 4,781          | 5,204          |
| Membership activities | 213            | 459            |
| Rental income         | 288            | 293            |
| Commission            | 183            | 181            |
| Other income          | 2,222          | 2,191          |
| Training              | 19,525         | 17,857         |
|                       | <b>27,212</b>  | <b>26,185</b>  |

**4 Operating Profit**

|  | 2018<br>£ '000 | 2017<br>£ '000 |
|--|----------------|----------------|
| The operating profit is stated after charging/(crediting):                 |                |                |
| Auditors' remuneration in respect of audit services                        | 29             | 27             |
| Auditors' remuneration in respect of non-audit services                    |                |                |
| –audit of subsidiaries   | 37             | 36             |
| –taxation  | 17             | 19             |
| –other   | 29             | 15             |
| Depreciation of owned tangible fixed assets                                | 281            | 222            |
| Depreciation of tangible fixed assets held under finance leases            | 57             | 19             |
| Loss on disposal of tangible fixed assets                                  | -              | (1)            |
| Amortisation of goodwill   | (76)           | (73)           |
| Amortisation of intangible assets  | 211            | 38             |
| Operating lease rentals  | 612            | 690            |
| Exceptional item - past service cost relating to GMP equalisation (Note 2) | 320            | -              |
|  | <b>27,212</b>  | <b>26,185</b>  |

**5 Investment Income**

|  | 2018<br>£ '000 | 2017<br>£ '000 |
|--|----------------|----------------|
| (Loss)/ profit on sale of investments        | (20)           | (5)            |
| (Loss)/ profit on revaluation of investments | (730)          | 379            |
| Investment interest receivable               | 225            | 223            |
| Dividends receivable                         | 137            | 161            |
|  | <b>(388)</b>   | <b>758</b>     |



**The Retail Motor Industry Federation Limited**  
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| <b>6 Staff Costs including Executive Directors</b> | <b>2018</b><br><b>£ '000</b> | <b>2017</b><br><b>£ '000</b> |
|--|------------------------------|------------------------------|
| Wages and salaries                                 | 12,920                       | 12,052                       |
| Social security costs                              | 1,350                        | 1,330                        |
| Pension costs                                      | 411                          | 322                          |
| Defined benefit past service costs                 | 320                          | -                            |
|  | <u>15,001</u>                | <u>13,704</u>                |

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

|                  | <b>2018</b> | <b>2017</b> |
|------------------|-------------|-------------|
| Members services | 71          | 68          |
| Training         | 317         | 313         |
| Administration   | 15          | 15          |
|                  | <u>403</u>  | <u>396</u>  |

| <b>7 Directors' Emoluments</b>                         | <b>2018</b><br><b>£ '000</b> | <b>2017</b><br><b>£ '000</b> |
|--|------------------------------|------------------------------|
| Emoluments   | 688                          | 664                          |
| Company contributions to money purchase pension scheme | 44                           | 25                           |
|  | <u>732</u>                   | <u>689</u>                   |

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

|  | <b>2018</b><br><b>£ '000</b> | <b>2017</b><br><b>£ '000</b> |
|--|------------------------------|------------------------------|
| <i>Highest paid director</i>                             |                              |                              |
| Emoluments   | 167                          | 148                          |
| Aggregate contributions to money purchase pension scheme | 13                           | 12                           |
|  | <u>180</u>                   | <u>160</u>                   |

Two directors (2017 - two) were members of the defined contribution scheme.

| <b>8 Taxation</b>  | <b>2018</b><br><b>£ '000</b> | <b>2017</b><br><b>£ '000</b> |
|--|------------------------------|------------------------------|
| <b>Domestic current year tax</b>                             |                              |                              |
| UK Corporation tax   | 113                          | 27                           |
| Adjustments for prior years                                  | (28)                         | 1                            |
| Total current tax charge                                     | <u>85</u>                    | <u>28</u>                    |
| <b>Deferred Tax:</b>   |                              |                              |
| Deferred tax (credit)/ charge for the current year (note 18) | (21)                         | 88                           |
| Impact of change in tax rate                                 | (154)                        | -                            |
| Group deferred tax (credit)/ charge                          | <u>(175)</u>                 | <u>88</u>                    |
| Total tax (credit) / charge                                  | <u>(90)</u>                  | <u>116</u>                   |

**Factors that may affect future tax charges**

The group has estimated tax losses of £11,479,000 (2017: £10,887,000) available to carry forward against future trading profits of the same trade.

**The Retail Motor Industry Federation Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st December 2018 (Continued)**

**8 Taxation (continued)**

| Factors affecting the tax charge for the year  | 2018<br>£ '000 | 2017<br>£ '000 |
|--|----------------|----------------|
| (Loss) /Profit before tax  | (13)           | 549            |
| (Loss) /Profit before tax multiplied by the standard rate of UK Corporation tax of 19% (2017 - 19.25%) | (2)            | 106            |
| Effects of:  |                |                |
| Non deductible expenses  | 11             | 6              |
| Capital allowances for year (in excess of) / lower than depreciation                                   | (34)           | 16             |
| Amortisation of intangible assets  | (31)           | (34)           |
| Tax losses utilised  | -              | 14             |
| Unutilised tax losses carried forward  | (8)            | 40             |
| Effect of change in corporation tax rate on deferred tax   | (154)          | -              |
| Dividends not taxable  | (26)           | (31)           |
| Unrelieved losses and other adjustments  | 56             | 24             |
| Capital gain not taxable   | -              | (33)           |
| FRS102 pension adjustments not deductible/ chargeable for tax  | 66             | 7              |
| Change in unrecognised deferred tax assets   | 36             | -              |
| Adjustments in respect of prior years  | (4)            | 1              |
|  | <u>(88)</u>    | <u>10</u>      |
|  | <u>(90)</u>    | <u>116</u>     |
| Tax (credit) / expense for the year  | <u>(90)</u>    | <u>116</u>     |

**Tax rate changes**

Changes to the corporation tax rates to reduce the rate to 17% for 1 April 2020 were substantively enacted by the balance sheet date. Deferred taxes at the balance sheet date have been measured using this enacted tax rate and reflected in these financial statements.

The impact of the change in tax rate other than as shown above is to increase the deferred tax credit to other comprehensive income in the year by £95,000.

**9 Intangible Fixed Assets**

|                                  | Goodwill     | Group<br>Software | Course<br>Materials | Total        | Company<br>Goodwill |
|----------------------------------|--------------|-------------------|---------------------|--------------|---------------------|
|                                  | £'000        | £'000             | £'000               | £'000        | £'000               |
| <b>Cost</b>                      |              |                   |                     |              |                     |
| At 1st January 2018              | 1,153        | 205               | 168                 | 1,526        | 607                 |
| Additions- internally developed  | -            | -                 | 504                 | 504          | -                   |
| At 31st December 2018            | <u>1,153</u> | <u>205</u>        | <u>672</u>          | <u>2,030</u> | <u>607</u>          |
| <b>Amortisation</b>              |              |                   |                     |              |                     |
| At 1st January 2018              | 978          | 205               | 38                  | 1,221        | 431                 |
| Amortisation charge for the year | 87           | -                 | 211                 | 298          | 88                  |
| At 31st December 2018            | <u>1,065</u> | <u>205</u>        | <u>249</u>          | <u>1,519</u> | <u>519</u>          |
| <b>Net book value</b>            |              |                   |                     |              |                     |
| At 31st December 2018            | <u>88</u>    | <u>-</u>          | <u>423</u>          | <u>511</u>   | <u>88</u>           |
| At 31st December 2017            | <u>175</u>   | <u>-</u>          | <u>130</u>          | <u>305</u>   | <u>176</u>          |

**The Retail Motor Industry Federation Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st December 2018 (Continued)**

**9 Intangible Fixed Assets (continued)**

| <b>Negative Goodwill</b>                   | <b>Group<br/>£'000</b> |
|--|------------------------|
| <b>Cost</b>                                |                        |
| At 1st January 2018 and 31st December 2018 | 822                    |
| <b>Amortisation</b>                        |                        |
| At 1st January 2018                        | 501                    |
| Amortisation for the year                  | 163                    |
| At 31st December 2018                      | 664                    |
| <b>Net book value</b>                      |                        |
| At 31st December 2018                      | 158                    |
| At 31st December 2017                      | 321                    |

**Group intangible asset - Software**

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

**Group 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.

**Group and company intangible asset - Goodwill**

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

**The Retail Motor Industry Federation Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st December 2018 (Continued)**

**10 Fixed Assets - Tangible**

| <b>Group</b>                    | <b>Long Leasehold Property</b> | <b>Short Leasehold Property</b> | <b>Leasehold Improvements</b> | <b>Furniture and Equipment</b> | <b>Computer Hardware</b> | <b>Total</b>  |
|---------------------------------|--------------------------------|---------------------------------|-------------------------------|--------------------------------|--------------------------|---------------|
|                                 | <b>£ '000</b>                  | <b>£ '000</b>                   | <b>£ '000</b>                 | <b>£ '000</b>                  | <b>£ '000</b>            | <b>£ '000</b> |
| <b>Cost or Valuation</b>        |                                |                                 |                               |                                |                          |               |
| At 1st January 2018             | 5,100                          | 127                             | 458                           | 1,207                          | 806                      | 7,698         |
| Additions                       | -                              | -                               | 84                            | 28                             | 97                       | 209           |
| Disposals                       | -                              | -                               | -                             | -                              | (1)                      | (1)           |
| Transfer to Investment Property | (1,135)                        | -                               | -                             | -                              | -                        | (1,135)       |
| Revaluation                     | (565)                          | -                               | -                             | -                              | -                        | (565)         |
| <b>At 31st December 2018</b>    | <b>3,400</b>                   | <b>127</b>                      | <b>542</b>                    | <b>1,235</b>                   | <b>902</b>               | <b>6,206</b>  |
| <b>Depreciation</b>             |                                |                                 |                               |                                |                          |               |
| At 1st January 2018             | -                              | 127                             | 205                           | 645                            | 547                      | 1,524         |
| Charge for the year             | -                              | -                               | 52                            | 127                            | 159                      | 338           |
| Eliminated on disposals         | -                              | -                               | -                             | -                              | (1)                      | (1)           |
| <b>At 31st December 2018</b>    | <b>-</b>                       | <b>127</b>                      | <b>257</b>                    | <b>772</b>                     | <b>705</b>               | <b>1,861</b>  |
| <b>Net Book Value</b>           |                                |                                 |                               |                                |                          |               |
| At 31st December 2018           | 3,400                          | -                               | 285                           | 463                            | 197                      | 4,345         |
| At 31st December 2017           | 5,100                          | -                               | 253                           | 562                            | 259                      | 6,174         |

**Long Leasehold Property (Group and Company)**

The long leasehold property was professionally valued as at 31 December 2018 on the basis of fair value by hb Surveyors and Valuers, independent valuers, in line with the requirements of Financial Reporting Standard 102. The valuation was made on an existing use value which is the amount a willing buyer would pay a willing seller in an arm's length transaction, assuming vacant possession and by reference to market evidence of recent transaction prices. The historical cost of the fixed asset portion was £66,173. (2017- £86,500)

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

**The Retail Motor Industry Federation Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st December 2018 (Continued)**

**10 Fixed Assets - Tangible (continued)**

| Company                            | Long<br>Leasehold<br>Property<br>£ '000 | Leasehold<br>Improvements<br>£ '000 | Furniture<br>and<br>Equipment<br>£ '000 | Computer<br>Hardware<br>£ '000 | Total<br>£ '000 |
|------------------------------------|---|-------------------------------------|---|--------------------------------|-----------------|
| <b>Cost or Valuation</b>           |   |                                     |   |                                |                 |
| At 1st January 2018                | 5,100                                   | 458                                 | 668                                     | 263                            | 6,489           |
| Additions                          | -                                       | 85                                  | 17                                      | 19                             | 121             |
| Disposals                          | -                                       | -                                   | -                                       | (1)                            | (1)             |
| Transfer to investment property    | (1,135)                                 | -                                   | -                                       | -                              | (1,135)         |
| Revaluation                        | (565)                                   | -                                   | -                                       | -                              | (565)           |
| <b>At 31st December 2018</b>       | <b>3,400</b>                            | <b>543</b>                          | <b>685</b>                              | <b>281</b>                     | <b>4,909</b>    |
| <b>Depreciation</b>                |   |                                     |   |                                |                 |
| At 1st January 2018                | -                                       | 205                                 | 513                                     | 172                            | 890             |
| Charge for the year                | -                                       | 49                                  | 36                                      | 48                             | 133             |
| Eliminated in respect of disposals | -                                       | -                                   | -                                       | (1)                            | (1)             |
| <b>At 31st December 2018</b>       | <b>-</b>                                | <b>254</b>                          | <b>549</b>                              | <b>219</b>                     | <b>1,022</b>    |
| <b>Net Book Value</b>              |   |                                     |   |                                |                 |
| At 31st December 2018              | <u>3,400</u>                            | <u>289</u>                          | <u>136</u>                              | <u>62</u>                      | <u>3,887</u>    |
| At 31st December 2017              | <u>5,100</u>                            | <u>253</u>                          | <u>155</u>                              | <u>91</u>                      | <u>5,599</u>    |

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       |               |
|-------------------------|---------------|---------------|---------------|---------------|
|                         | 2018<br>£'000 | 2017<br>£'000 | 2018<br>£'000 | 2017<br>£'000 |
| Furniture and equipment | <u>208</u>    | <u>265</u>    | -             | -             |

**11 Fixed Assets - Investment Property**

**Investment property (Group)**

|  | 2018<br>£ '000 |
|--|----------------|
| <b>Fair value</b>  |                |
| At 1st January 2018  | 8,525          |
| Reclassification from tangible fixed assets on change of use | 1,135          |
| Revaluation  | 225            |
| At 31st December 2018  | <u>9,885</u>   |

**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. During the year, part of the property, which had been owner occupied, was rented out to a third party. This change in use, results in this part of the property being reclassified as investment property at fair value at the date of the change in use.

**The Retail Motor Industry Federation Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st December 2018 (Continued)**

**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 has been arrived at on the basis of a valuation carried out at 22 March 2019 by Lambert Smith Hampton who are not connected with the company. The valuation is based on rental value and yields for the location and similar properties.

If investment properties were stated on a historical cost basis rather than a fair value basis, the amounts would have been £399k (2017-£379k) (Group).

**Investment property (Company)**

|  | <b>2018</b>  | <b>2017</b>  |
|--|--------------|--------------|
|  | <b>£'000</b> | <b>£'000</b> |
| <b>Fair value</b>  |              |              |
| At 1st January   | 8,300        | 8,500        |
| Revaluation  | 305          | (200)        |
| Reclassification from tangible fixed assets on change of use | 1,135        | -            |
| At 31st December   | <u>9,740</u> | <u>8,300</u> |

**Investment Property (Company)**

If investment properties were stated on a historical cost basis rather than a fair value basis, the amounts would have been £184k (2017-£164k).

**12 Fixed Assets - Investments**

|                          | <b>Cash</b>     | <b>Listed</b>      | <b>Total</b>  |
|--------------------------|-----------------|--------------------|---------------|
|                          | <b>Deposits</b> | <b>Investments</b> |               |
|                          | <b>£'000</b>    | <b>£'000</b>       | <b>£'000</b>  |
| <b>Group</b>             |                 |                    |               |
| <b>Cost or valuation</b> |                 |                    |               |
| At 1st January 2018      | 1,607           | 13,185             | 14,792        |
| Additions                | -               | 2,813              | 2,813         |
| Disposals                | (447)           | (2,075)            | (2,522)       |
| Revaluations             | -               | (750)              | (750)         |
| At 31st December 2018    | <u>1,160</u>    | <u>13,173</u>      | <u>14,333</u> |

**The Retail Motor Industry Federation Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st December 2018 (Continued)**

**12 Fixed Assets - Investments (continued)**

| <b>Company</b>           | <b>Shares in<br/>Group<br/>Undertakings<br/>£'000</b> | <b>Cash<br/>Deposits<br/>£'000</b> | <b>Listed<br/>Investments<br/>£'000</b> | <b>Total<br/>£'000</b> |
|--------------------------|---|------------------------------------|---|------------------------|
| <b>Cost or valuation</b> |   |                                    |   |                        |
| At 1st January 2018      | 6   | 1,607                              | 13,185                                  | 14,798                 |
| Additions                | -   | -                                  | 2,813                                   | 2,813                  |
| Disposals                | -   | (447)                              | (2,075)                                 | (2,522)                |
| Revaluations             | -   | -                                  | (750)                                   | (750)                  |
| At 31st December 2018    | <u>6</u>  | <u>1,160</u>                       | <u>13,173</u>                           | <u>14,339</u>          |

Listed investments have been revalued to their mid market value at the balance sheet date. The historic cost of investments at 31st December 2018 was £12,973,212 (2017 - £12,256,479).

**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.

| <b>Trading Company:</b>  | <b>Principal Activity</b> | <b>Proportion of<br/>ordinary<br/>shares held</b> |
|--|---------------------------|---|
|  |                           | %   |
| Remit Group Limited  | Training Provider         | 51  |
| Big Oil Limited  | Online Information Portal | 100   |
| RMI SC Limited   | Certification services    | 100   |
| Remit Food Limited   | Training Provider         | 42*   |
| <b>Trading Company limited by guarantee:</b>                   |                           |   |
| Trusted Dealers Limited  | Online marketing          | n/a**   |
| The Vehicle Builders and Repairers Association                 | Repairs                   | n/a***  |
| <b>Non Trading Companies:</b>                                  |                           |   |
| The Petrol Retailers Association Limited                       | Dormant                   | 100   |
| Motor Industry Pension Plan Trustees Limited                   | Dormant                   | 100   |
| Assessed Education Limited (Formerly Remit IT Academy Limited) | Dormant                   | 51*   |
| Remit Showroom Limited   | Dormant                   | 34*   |
| <b>Non Trading Companies limited by guarantee:</b>             |                           |   |
| 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   |

**The Retail Motor Industry Federation Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st December 2018 (Continued)**

**12 Fixed Assets - Investments (continued)**

The registered office of Remit Group Limited, Remit Food Limited, Assessed Education Limited, Remit Showroom 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 2018 have been consolidated with those of the parent company. The non-trading subsidiaries have not been included in the consolidation as they are immaterial.

\* Indirectly held voting shares.

\*\* 58.7% of the voting shares are held.

\*\*\* 100% of the voting shares are held

**13 Financial Instruments**

|   | Group        |              | Company      |              |
|---|--------------|--------------|--------------|--------------|
|   | 2018<br>£000 | 2017<br>£000 | 2018<br>£000 | 2017<br>£000 |
| <b>Carrying amount of financial assets</b>      |              |              |              |              |
| Debt instruments measured at amortised cost     | 2,170        | 1,790        | 387          | 321          |
| <b>Carrying amount of financial liabilities</b> |              |              |              |              |
| Measured at amortised cost                      | 4,047        | 2,612        | 2,465        | 1,295        |

**14 Debtors**

|   | Group          |                | Company        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2018<br>£ '000 | 2017<br>£ '000 | 2018<br>£ '000 | 2017<br>£ '000 |
| Trade debtors                           | 624            | 519            | 152            | 154            |
| Amounts owed by subsidiary undertakings | -              | -              | 107            | 30             |
| Other debtors                           | 208            | 248            | 128            | 186            |
| Prepayments and accrued income          | 1,831          | 1,607          | 276            | 297            |
| Deferred tax asset (see note 18)        | 8              | -              | -              | -              |
|   | 2,671          | 2,374          | 663            | 667            |



**The Retail Motor Industry Federation Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st December 2018 (Continued)**

**15 Creditors: Amounts falling due within one year**

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2018<br>£ '000 | 2017<br>£ '000 | 2018<br>£ '000 | 2017<br>£ '000 |
| Obligations under finance leases       | 54             | 54             | -              | -              |
| Trade creditors                        | 924            | 720            | 272            | 293            |
| Amounts owed to subsidiary undertaking | -              | -              | 471            | 460            |
| Social security and other taxes        | 713            | 677            | 226            | 192            |
| Other creditors                        | 542            | 494            | 243            | 234            |
| Accruals and deferred income           | 2,579          | 2,676          | 1,478          | 1,593          |
|  | <u>4,812</u>   | <u>4,621</u>   | <u>2,690</u>   | <u>2,772</u>   |

**16 Creditors: amounts falling due after one than more year**

|                                 | Group          |                | Company        |                |
|---------------------------------|----------------|----------------|----------------|----------------|
|                                 | 2018<br>£ '000 | 2017<br>£ '000 | 2018<br>£ '000 | 2017<br>£ '000 |
| Obligations under finance lease | 143            | 198            | -              | -              |

**17 Finance lease obligations**

|   | Group          |                | Company        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2018<br>£ '000 | 2017<br>£ '000 | 2018<br>£ '000 | 2017<br>£ '000 |
| Future minimum lease payments due under finance leases: |                |                |                |                |
| Within one year   | 65             | 65             | -              | -              |
| In two to five years                                    | 173            | 238            | -              | -              |
|   | <u>238</u>     | <u>303</u>     | -              | -              |
| Less: future finance charges                            | (41)           | (51)           | -              | -              |
|   | <u>197</u>     | <u>252</u>     | -              | -              |

**18 Provision for Other Liabilities**

**Deferred Taxation**

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

| Deferred tax asset                             | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2018<br>£ '000 | 2017<br>£ '000 | 2018<br>£ '000 | 2017<br>£ '000 |
| Tax losses available against future profits    | 8              | 24             | -              | -              |
| (Accelerated) / decelerated capital allowances | -              | (26)           | -              | -              |
| Other timing differences                       | -              | 2              | -              | -              |
|  | <u>8</u>       | <u>-</u>       | <u>-</u>       | <u>-</u>       |

| Deferred tax liability  | Group        |              | Company      |              |
|---|--------------|--------------|--------------|--------------|
|   | 2018         | 2017         | 2018         | 2017         |
| Revaluation gains on listed investments and investment and own-use property | <u>2,154</u> | <u>2,521</u> | <u>2,067</u> | <u>2,521</u> |

**The Retail Motor Industry Federation Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st December 2018 (Continued)**

**18 Provision for Other Liabilities (continued)**

| <b>Deferred tax movements in the year</b> | <b>Group<br/>2018<br/>£ '000</b> | <b>Company<br/>2018<br/>£ '000</b> |
|---|----------------------------------|------------------------------------|
| Liability at 1st January 2018             | (2,521)                          | (2,521)                            |
| Asset at 1st January 2018                 | -                                | -                                  |
| Credit to profit and loss account         | 175                              | 262                                |
| Credit to other comprehensive income      | 192                              | 192                                |
| <b>(Liability) at 31st December 2018</b>  | <b><u>(2,154)</u></b>            | <b><u>(2,067)</u></b>              |
| Analysed as:                              |                                  |                                    |
| Liability at 31st December 2018           | (2,154)                          | (2,067)                            |
| Asset at 31st December 2018               | -                                | -                                  |

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.

|  | <b>2018<br/>£ '000</b> | <b>2017<br/>£ '000</b> |
|--|------------------------|------------------------|
| Amounts potentially available to credit the Profit and Loss account: |                        |                        |
| Accelerated depreciation   | 164                    | 207                    |
| Other short term timing differences                                  | 1                      | -                      |
| Losses carried forward   | <u>2,181</u>           | <u>2,111</u>           |
| <b>Total potential deferred tax asset</b>                            | <b><u>2,346</u></b>    | <b><u>2,318</u></b>    |

**19 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:

|                            | <b>Group</b>           |                        |
|----------------------------|------------------------|------------------------|
|                            | <b>2018<br/>£ '000</b> | <b>2017<br/>£ '000</b> |
| within one year            | 648                    | 746                    |
| between two and five years | 1,050                  | 1,399                  |
| in over five years         | 161                    | 161                    |
|                            | <u>1,859</u>           | <u>2,306</u>           |

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

**The Retail Motor Industry Federation Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st December 2018 (Continued)**

**19 Future Financial Commitments (Continued)**

**(a) Operating Leases (continued)**

**Lessor**

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

|                            | Group  |        |
|----------------------------|--------|--------|
|                            | 2018   | 2017   |
|                            | £ '000 | £ '000 |
| within one year            | 116    | 294    |
| between two and five years | 219    | 76     |
| over five years            | 808    | -      |
|                            | 1,143  | 370    |

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

**(b) Pension Costs**

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

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

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

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

The most recent actuarial valuation upon which the amounts included in the accounts are based, was carried out at 5 April 2016. Using this as a basis, the actuarial valuation of the scheme has been updated to 31st December 2018 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 2018 amounted to £105,000 (2017 - £99,000). Payments for future years under the current schedule of contributions will be £107,000 for 2019 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 |         |
|---|-------------------|---------|
|   | 2018              | 2017    |
|   | £' 000            | £' 000  |
| Scheme liabilities at 1st January   | 22,946            | 25,003  |
| Exceptional past service costs  | 320               | -       |
| Interest cost   | 561               | 659     |
| Actuarial (gains) / losses on scheme liabilities  | (1,120)           | (1,484) |
| Net benefits paid from scheme assets  | (1,057)           | (1,232) |
| Scheme liabilities at 31st December   | 21,650            | 22,946  |
| Total actuarial gain of £1,120,000 (2017-£1,484,000) on the liabilities is analysed as follows: |                   |         |
|   | 2018              | 2017    |
|   | £ '000            | £ '000  |
| Gain on change in actuarial assumptions   | 1,120             | 1,484   |
|   | 1,120             | 1,484   |

**The Retail Motor Industry Federation Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st December 2018 (Continued)**

**19 Future Financial Commitments (Continued)**

**(b) Pension Costs (Continued)**

| <b>Changes in fair value of scheme assets</b>                | <b>Group and Company</b> |               |
|--|--------------------------|---------------|
|  | <b>2018</b>              | <b>2017</b>   |
|  | <b>£ '000</b>            | <b>£ '000</b> |
| Fair value of scheme assets at 1st January                   | 27,056                   | 26,298        |
| Return on scheme assets (excluding amounts in net interest)  | (1,017)                  | 1,331         |
| Employer contributions                                       | 105                      | 99            |
| Net benefits paid from scheme assets                         | (1,057)                  | (1,232)       |
| Expenses paid  | (139)                    | (135)         |
| Interest income  | 665                      | 695           |
|  | <u>25,613</u>            | <u>27,056</u> |
| <b>Amounts recognised in income are as follows:</b>          | <b>2018</b>              | <b>2017</b>   |
|  | <b>£ '000</b>            | <b>£ '000</b> |
| Expenses paid - operating expenses                           | 139                      | 135           |
| Exceptional past service costs - employment costs (note 6)   | 320                      | -             |
| Interest on net defined benefit asset - other finance income | (1)                      | (1)           |
| Pension expense recognised in profit and loss                | <u>458</u>               | <u>134</u>    |

The actual return on scheme assets for the year was a gain of £2,026,000 (2017 - £4,747,000).

| <b>Amounts recognised in other comprehensive income</b>               | <b>2018</b>    | <b>2017</b>    |
|---|----------------|----------------|
|   | <b>£ '000</b>  | <b>£ '000</b>  |
| Actuarial (loss)/ gain on liabilities                                 | 1,120          | 1,484          |
| Actuarial gain/(loss) on scheme assets in excess of interest          | <u>(1,017)</u> | <u>1,331</u>   |
|   | 103            | 2,815          |
| Change in the effect of the asset ceiling                             | <u>250</u>     | <u>(2,780)</u> |
| Total gain recognised in other comprehensive income during the period | <u>353</u>     | <u>35</u>      |

**Assumptions**

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

|   | %     | %     |
|---|-------|-------|
| RPI Inflation                           | 3.50% | 3.40% |
| CPI Inflation                           | 2.40% | 2.30% |
| Revaluations in deferment               | 2.40% | 2.30% |
| Pension increases- 5% LPI               | 3.30% | 3.20% |
| Pension increases- 2.5% LPI             | 2.30% | 2.30% |
| Pension increases- Post 88 GMP benefits | 2.10% | 2.00% |
| Discount rate for scheme liabilities    | 2.90% | 2.50% |

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 2014 projections and a long term rate of improvement of 1.5% (2017: 100% of the SIPxA tables, improvements in line with the CMI 2012 projections and a long term rate of improvement of 1.5%). Under these assumptions the average life expectancy of males aged 65 is 22.9 years (2017: 22.8 years) and of females aged 65 of 25.0 years (2017: 24.9 years). Longevity at age 65 for future pensioners currently aged 45 is 25.1 years for males (2017: 25.0 years) and 27.3 for females (2017: 27.2 years).

No allowance has been made for cash commutations.

**The Retail Motor Industry Federation Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st December 2018 (Continued)**

**19 Future Financial Commitments (Continued)**

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

| <b>Amounts included in the statement of financial position</b> | <b>2018</b>       | <b>2017</b>       |
|--|-------------------|-------------------|
|  | <b>£ '000</b>     | <b>£ '000</b>     |
| Fair value of scheme assets                                    | 25,613            | 27,056            |
| Present value of funded defined benefit obligations            | (21,650)          | (22,946)          |
| Unrecognised asset   | <u>(3,963)</u>    | <u>(4,110)</u>    |
| Net retirement benefit obligations                             | <u>          </u> | <u>          </u> |

**Analysis of fair value of scheme assets**

|                       | <b>2018</b>   |             | <b>2017</b>   |             |
|-----------------------|---------------|-------------|---------------|-------------|
|                       | <b>£ '000</b> | <b>%</b>    | <b>£ '000</b> | <b>%</b>    |
| Diversified (Nominal) | 10,245        | 40%         | -             | 0%          |
| Diversified (Real)    | 15,368        | 60%         | -             | 0%          |
| Equities              | -             | 0%          | 13,528        | 50%         |
| Fixed interest gilts  | -             | 0%          | 4,058         | 15%         |
| Index-linked gilts    | -             | 0%          | 6,764         | 25%         |
| Corporate bonds       | -             | 0%          | <u>2,706</u>  | <u>10%</u>  |
| Fair value of assets  | <u>25,613</u> | <u>100%</u> | <u>27,056</u> | <u>100%</u> |

**20 Cash generated from operations**

|  | <b>Group</b>  |               |
|--|---------------|---------------|
|  | <b>2018</b>   | <b>2017</b>   |
|  | <b>£ '000</b> | <b>£ '000</b> |
| Profit for the financial year                              | 77            | 433           |
| Adjustments for:   |               |               |
| Income tax recognised in profit or loss                    | (90)          | 116           |
| Fair value losses/ (gains) on investment property          | (225)         | 200           |
| Investment income recognised in profit or loss             | 388           | (758)         |
| Finance costs  | -             | 2             |
| Loss on disposal of tangible fixed assets                  | -             | (1)           |
| Amortisation and impairment of intangible assets           | 135           | (35)          |
| Depreciation and impairment of tangible fixed assets       | 338           | 241           |
| Post employment benefits less payments                     | 353           | 35            |
| Profit on disposal of subsidiary                           | -             | (75)          |
| Movements in working capital:                              |               |               |
| (Increase) / Decrease in stocks                            | -             | 1             |
| (Increase) / Decrease in debtors                           | (340)         | 601           |
| Increase / (decrease) in creditors                         | 180           | (1,148)       |
| Cashflow generated from/(absorbed by) operating activities | <u>816</u>    | <u>(388)</u>  |

**The Retail Motor Industry Federation Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st December 2018 (Continued)**

**21 Related Party Transactions**

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

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

***Transactions with key management personnel***

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

|                                     | <b>2018</b>   | <b>2017</b>   |
|-------------------------------------|---------------|---------------|
|                                     | <b>£ '000</b> | <b>£ '000</b> |
| GB Commercial Services - Commission | 8             | 7             |

G. Bates, director of The Retail Motor Industry Federation Limited until July 2018, has a controlling interest in G.B. Commercial Services Limited. There were no balances owing at the year end (2017-£nil)

***Transactions with group undertakings***

During the year, Remit Group Limited was charged salary and administration costs of £50,000 (2017 - £50,000) on normal commercial terms by the parent company Retail Motor Industry Federation Limited. At 31 December 2018, Remit Group Limited owed £80,471 (2017 - £30,004) to the Retail Motor Industry Federation Limited.

During the year, Remit Group Limited recharged £1,067,257 (2017 - £203,674) of staff costs on normal commercial terms to Remit Food Limited, its 82% subsidiary. At 31 December 2018, Remit Group Limited owed £565,049 (2017 - £91,201) to Remit Food Limited.

At the year end, the Retail Motor Industry Federation Limited owed £16,126 to Remit Food Limited (2017-£14,632) for VAT received on its behalf.

A 58% subsidiary company, Trusted Dealers Limited, had transactions during the year totalling £197,622 (2017 - £259,642) with its ultimate controlling party, the Retail Motor Industry Federation Limited (RMIF), relating to salaries paid by RMIF and recharged to Trusted Dealers Limited. Included in trade and other payables at the year end is £22,616 (2017 - £25,124) owed to the Retail Motor Industry Federation Limited.

Trusted Dealers Limited has entered into relationships, on an arms length basis, with Judgeservice Research Limited to reimburse a portion of its costs (at cost or less) in providing office space and administration to the company. The total amount paid during the period in respect of these services amounted to £31,469 (2017 - £25,647). N Addley, the owner of Neil Addley Sales and Marketing, is a director of Judgeservice Research Limited.

**The Retail Motor Industry Federation Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st December 2018 (Continued)**

**21 Related Party Transactions (continued)**

Included in trade and other payables at the year end is £3,017 (2017 - £2,580) owed to Judgeservice Research Limited. There is no security on this balance and it is monies owed for allocation of office space and administration reimbursement as described above.

The following directors of Trusted Dealers Limited are also directors of companies which have, during the period, advertised vehicles on the Trusted Dealers website. These transactions were made on an arms length basis and the value of sales made by Trusted Dealers Limited are shown in the table below. There are £nil outstanding balances arising from these transactions at 31st December 2018 (2017: £Nil).

| Director of Trusted Dealers Limited | Other Relevant Directorship | Sales by Trusted Dealers |         |
|-------------------------------------|-----------------------------|--------------------------|---------|
|                                     |                             | 2018                     | 2017    |
| R T Forrester                       | Vertu plc                   | 60,000                   | 60,000  |
| P Jones & A Bruce                   | Lookers plc                 | 163,296                  | 172,899 |
| K Savage                            | Perrys Motor Sales Limited  | 16,800                   | 96,329  |
|                                     |                             | 240,096                  | 329,228 |

**22 Guarantees and other Financial Commitments**

In 2016, Remit Group Limited entered into a lease agreement for rent of £102,500 per annum for 10 years ending 24 April 2026. Retail Motor Industry Federation Limited is a guarantor for the lease.

**23 Capital Commitments**

At 31 December 2018, the group had capital commitments of £nil (2017-£76,000).

**24 Re-statement of Comparatives**

During the year, the group analysed costs incurred between cost of sales and administrative expenses to better reflect the nature of the costs and the underlying trading activity. The 2017 profit and loss comparatives for cost of sales and administrative expenses have been restated on a basis consistent with the analysis adopted in 2018. This resulted in an increase to cost of sales of £7,459k and a decrease to administrative expenses of the same amount.