



RETAIL
MOTOR
INDUSTRY
FEDERATION
ANNUAL
REPORT
2020



RMI

A driving force for the automotive industry

CHAIRMAN'S REPORT



2020 will be a year undoubtedly remembered as one in which individuals, businesses, and government faced unprecedented challenge. We must all be forever grateful for our outstandingly world class NHS.

Challenges varied by Association, from closed showrooms for long periods of time, to cancelled MOT's for months, petrol retailers down to 40% of their normal volume, and a bodyshop sector hit by a 60/70% decline in business. All had to find new ways of doing business, many via the internet and through the rapid growth of click & collect. Auctions operated online and service stations became the local grocery and off license. Through a lot of ingenuity most of our members survived and now look with optimism to 2021 and beyond. Sadly a number did not and will be missed.

I was particularly proud of the way our Associations teams have supported our members at this time, working tremendously hard to maintain our service levels through lock down and furlough periods.

In financial terms we ended up having what would have been a good year in more normal times, but an exceptional year given the circumstances. We achieved an operating profit of £36k, down from £357k in the previous year, but far better than we had expected for much of 2020. Turnover was significantly down at £22.2m, compared to £27.5m in 2019, but this was almost entirely accounted for by a fall in training income, and in particular the reduction in apprentices going through Remit, our joint venture training subsidiary. In addition, we also accrued investment gains of £458k, although the value of our investment property decreased by £915k. So while we did ultimately record a loss of £276k after tax and minority interests, and our balance sheet strength fell by £607k over the year, the most important thing during 2020 was to be there for our members when they needed our support.

Like so many of our members, a priority for the Federation during 2020 was to protect our cash flow position. This we achieved with great success, and we ended 2020 with cash balances of £3.3m at the end of the year, up from £1.6m the year before.

Remit despite the fall in turnover and challenging trading environment successfully negotiated its way through the year and recorded a profit before tax of £137k. Their operating environment had been challenging and uncertain as the impact of the implementation of the Apprenticeship Levy and associated funding changes continued, but on top of this they had to deal with the pandemic and its impact on apprentice numbers.

While this year is well down on the profit before tax of £837k achieved in 2019, to have achieved a profit at all is a great credit to the whole management team. With the focus of Remit's business becoming less and less automotive related, a trend that has been ongoing for a number of years, our belief that we were not the right long-term partner for Remit has strengthened. I can confirm that in 2021 we sold our stake in the company to its management. This has generated additional cash funds which can be re-invested in a way more directly of benefit to our members.

The Associations themselves had a remarkably solid year in respect of their membership, with overall membership numbers almost unchanged over the year despite the inevitable loss of some members due to the pandemic. Core subscription income from members fell by £166k but this was mainly due to discontinued activities from the previous year, rather than any loss of members.

Whilst the activities of the associations were dominated by the immediate needs of their members during the pandemic, it is remarkable how much else they have achieved during 2020. Some of the key achievements to highlight include, the NFDA's Drive My Career initiative which received a "highly commended" at the Motor Trader Industry Awards. The NFDA's Electric Vehicle Accreditation (EVA) also continued to grow. This scheme is co-funded by the Governments Office for Zero Emission Vehicles and is run in partnership with the Energy Saving Trust. The IGA's Interactive Garage Guide to Working with Covid proved hugely successful as our members looked to re-open their businesses after the first lockdown and ensure that their businesses provided a Covid safe working environment. The PRA's affiliated body, the Car Wash Association, has also continued to grow rapidly and has pressed for improvements in trading and health and safety standards across the car wash industry.

I would like to take this opportunity to thank all of my colleagues, Board and staff, for their efforts in delivering so much during this challenging year.

We can only hope that in the next few months and years ahead, the UK will continue its recovery from the pandemic, and from the economic issues caused by that, and that the outlook for our members will continue to improve accordingly.

P. Johnson
Chairman

17 June 2021

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Had more exposure in national press than at any time over the last 5 years

THE INDEPENDENT GARAGE ASSOCIATION (IGA)

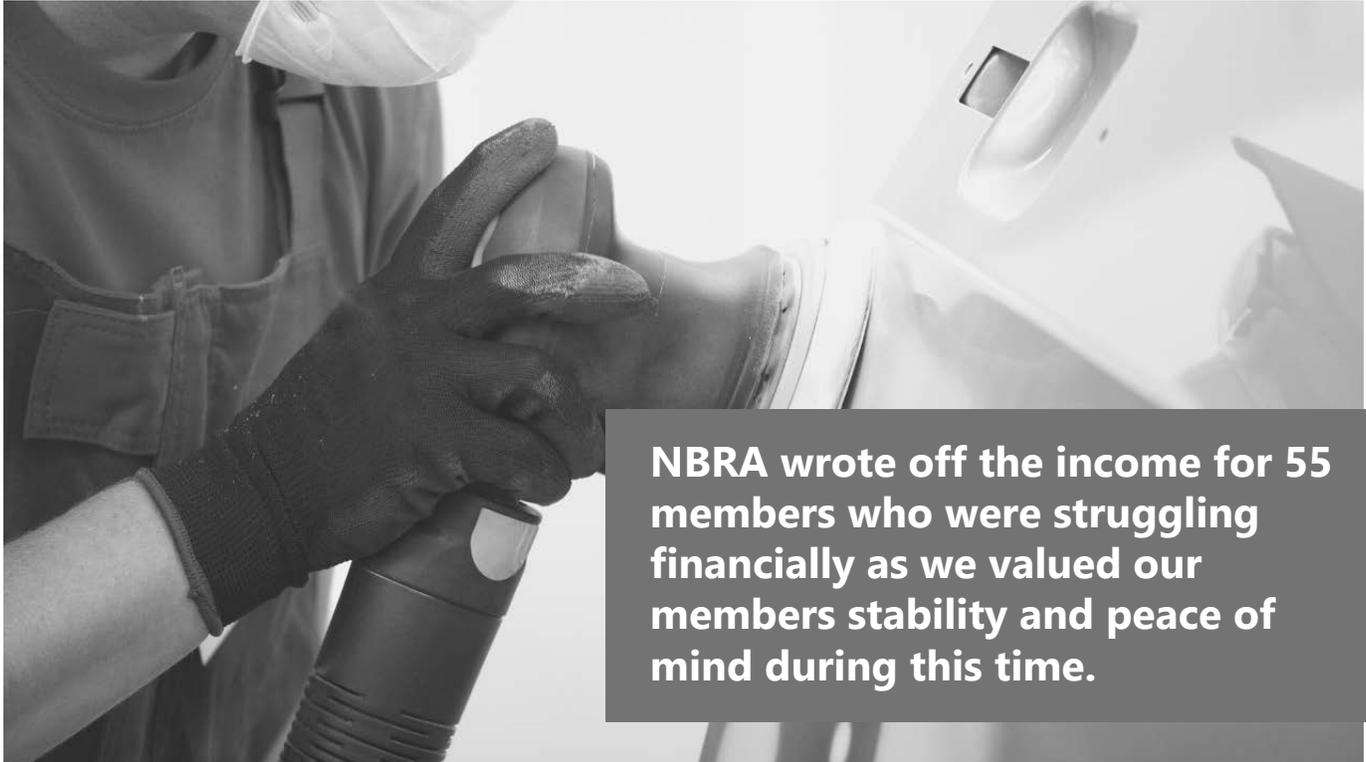
The Independent Garage Association (IGA) is the largest and most prominent representative body in the independent garage sector, being the voice of the industry in matters arising in the UK Government and in Europe regarding legislative and regulatory issues. The IGA supports and encourages independent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

2020 was an unprecedented year for the whole world due to the impact of COVID-19, and particularly challenging for the independent garage sector. Classed as key workers, many tried to stay open to ensure front line workers remained mobile, however with the Government announcing an MOT exemption many struggled with the ever-changing rules and regulations that severely impacted their businesses.

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

During 2020, the IGA:

- Provided daily updates for the whole sector regarding the furlough scheme
- Wrote to the Chancellor requesting that a flexible furlough scheme be considered as the initial lockdown was lifted
- Wrote to the Local Councils Minister seeking clarity on rates relief for garages
- Wrote to the transport minister highlighting the implications and risks associated with the MOT exemption
- Developed a Covid Secure audit to provide consumers with confidence when dealing with their local independent garage
- Re-opened office to be accessible for all members and provide support for the IGA team
- Re-opened training academies to ensure members still had access to training for MOT testers
- Was nominated for three learning and development awards and achieved finalist status in all three for Covid support
- Published an interactive Garage Guide to Working with Covid to ensure all current relevant information was available in one place
- Introduced Payment Holidays to support members through the initial lockdown
- Had more exposure in national press than at any time over the last 5 years
- Published a Labour Rate Report that investigated the rates charged by independent garages across the country
- Introduced a new technical information package for members to subscribe to at preferential rates



NBRA wrote off the income for 55 members who were struggling financially as we valued our members stability and peace of mind during this time.

THE NATIONAL BODY REPAIR ASSOCIATION (NBRA)

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

- NBRA's role during the pandemic was to support and inform members through what challenges may lie ahead
- Initial messages consisted of 'Market forecasts', 'Bodyshop advice' and 'Safety advice'
- An early achievement through lobbying efforts came from Bodyshop's classification as an "Essential Service", a huge step forward towards protecting jobs across the UK and keeping the repair industry moving

- NBRA's legal support helped to break down the Government's 'Job Retention Scheme' (furlough) for members in an easy-to-digest format NBRA followed this up with our very own 'Corona Calculator', helping to calculate staff levels, work capacity and what to charge in order to, at a minimum, break-even as a repair business
- NBRA offered charge out guides to assist with understanding what to charge for certain covid related activity
- Whilst new car dealers were forced to close, NBRA began to lobby with NFDA to re-open dealer aftermarket for parts
- NBRA wrote off the income for 55 members who were struggling financially as we valued our members stability and peace of mind during this time
- NBRA published guides to COVID-19 charges; produced a courtesy car calculator; issued rates relief grants; cash advances; business interruption CBILS loans; bank loans advice and lobbied for flexible furlough which eventually came into fruition
- NBRA tackled challenges regarding loss of parts within the industry; over-engineering by quiet staff worried about their roles; unreasonable contracts being released taking advantage of work shortages and repairer desperation
- Confusion with new Insurance Industry Regulations (IIR) to ADAS lead to NBRA hosting a webinar, followed by a learning campaign titled '12 Days of ADAS'



NFDA membership continues to grow and retain a strong profile in a consolidating market

THE NATIONAL FRANCHISED DEALERS ASSOCIATION (NFDA)

The National Franchised Dealers Association (NFDA) represents the interests of franchised car and commercial vehicle retailers to UK Government, European Commission and Parliament, vehicle manufacturers, the media and other industry stakeholders.

- During the pandemic, NFDA significantly increased lobbying and communication efforts to best represent dealers through the crisis and keep them up to date on the latest developments affecting our industry. Notably, thanks to the association’s lobbying in conjunction with SMMT, automotive retailers were allowed to reopen a fortnight before other non-essential retailers in June following the first lockdown
- NFDA continues to liaise regularly with key Government departments and secure frequent media coverage in relevant trade and national media outlets
- Through the pandemic, NFDA saw exceptional engagement levels with members including record figures on the association’s website. In addition to providing members with timely guidance and daily updates during the pandemic, NFDA has hosted extremely well-attended weekly calls with Chief Executives of the largest dealer groups and virtual meetings with dealers across the UK
- The NFDA Working Groups continue to work on key issues in the areas of EVs, used cars, HR, finance and insurance, IT/ Data and Aftersales. The Better Regulations working group will be focusing on the forthcoming changes to the Block Exemption Regulations. In addition, NFDA has been working closely with our German and other European franchised dealer associations and established the Alliance of European Car Dealers and Repairers (AECDR) for franchised dealers across Europe
- Following a record year for NFDA’s Drive My Career, the association’s recruitment initiative received a Highly Commended at the Motor Trader Industry Awards. In 2020, Drive My Career ran a number of highly successful campaigns to raise awareness of the career opportunities in automotive including the “DMC Apprentice Takeover” during National Apprenticeship Week.
- Following its first, extremely successful year, NFDA’s Electric Vehicle Approved (EVA) continued to grow in 2020. EVA, which recognises retailers’ expertise in EVs, is co-funded by the Government’s Office for Zero Emission Vehicles (OZEV) and run in partnership with Energy Saving Trust
- In 2020, NFDA has launched a number of new surveys to obtain direct feedback from dealers and provide useful insights into the retail side of the automotive sector. These included the Dealer Reopening Survey and HR Survey. The NFDA Dealer Attitude Survey continues to be well received by dealers, manufacturers, trade and national press
- NFDA Commercial Vehicle Division continues to engage with Government departments, including DVSA on lobbying for the introduction of privatisation of truck testing at ATF’s Overall, NFDA
- membership continues to grow and retain a strong profile in a consolidating market



THE NATIONAL ASSOCIATION OF MOTOR AUCTIONS (NAMA)

The National Association of Motor Auctions (NAMA) represents vehicle auctions in the UK. The UK motor auction sector sells over 2 million vehicles per annum and NAMA represents 90% of these sales. NAMA members not only auction vehicles but offer a range of complimentary remarketing services such as transportation, valeting and reconditioning. During the COVID-19 pandemic vehicle auctions have operated effectively on-line ensuring a good supply of used vehicles are available to supply the market.

- NAMA represents the interests of its members with Government and industry stakeholders lobbying on key industry issues. NAMA
- members sell over 90% of the vehicles sold at auction in the UK NAMA's Vehicle Grading Scheme
- continues to expand and has been key to the ability of auctions to operate effectively during the COVID-19 pandemic
- A new refresher course is being developed to enhance the existing Grading Appraiser Course. The courses together will continue to raise standards within the vehicle auction sector
- NAMA continues to develop its close working relationship with the National Automotive Auction Association (NAAA) in the USA

NAMA's Vehicle Grading Scheme continues to expand and has been key to the ability of auctions to operate effectively during the COVID-19 pandemic.



PRA participated with Government appointed consultants to scope out processes for shop and outside working

THE PETROL RETAILERS ASSOCIATION (PRA)

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

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

In 2020 the net reduction in UK

- forecourts was the lowest for many years with only 6 forecourts closing PRA serves 72% of the “Top 50”
- Independent fuel retailers (65% of all forecourts) and 80% of the motorway service area network
- New ways of financing the association have been successfully introduced including corporate and associate memberships which has been particularly successful

- PRA works alongside the Government and is a member of the Downstream Oil Industries Forum hosted by BEIS (Business Energy and Industrial Strategy). Virtual meetings were convened fortnightly during the early days of lockdown to discuss the continued operation of the UK fuel infrastructure
- During the pandemic the PRA participated with Government appointed consultants to scope out processes for shop and outside working
- The Government have issued a substantial number of consultation documents and PRA responded on behalf of its members on issues such as the Decarbonisation of Transport, BREXIT, Access to cash, Road pricing, Forecourt crime, Restrictions on high sugar and salt products, Tobacco, Reform of Business rates, Fuel duty and the introduction of E10 petrol
- PRA is affiliated to the Car Wash Association (CWA) who represent the automated sector of car wash operators and also tackle the unfair competition from the many non-compliant hand car washes
- CWA have been successful in recruiting most of the companies in the automated car wash sector including multiple forecourt operators as well as equipment manufacturers and suppliers
- Lobbying activities continue to address the issues of non-compliant hand car washes with the Home Office, DEFRA, Environment Agency, HSE, OLME, GLAA, IASA and also via the Church of England (Clewer Initiative)
- The pandemic been incredibly challenging for members with the 4 home countries under their devolved powers bringing in different CV-19 regulations and at different times
- CWA provided a vital interface and communications link between various government departments as the UK went in to lockdown
- CWA was successful in lobbying for automated car washes to remain open providing much needed income particularly for forecourt operators who had seen an unprecedented decline in fuel volumes



THE NATIONAL MOTORCYCLE DEALERS ASSOCIATION (NMDA)

The National Motorcycle Dealers Association (NMDA) represents the interests of motorcycle retailers across the UK, to Government, motorcycle manufacturers and other trade bodies such as the MCIA. Members of the NMDA offer a range of services including the sale of new and used motorcycles, servicing, parts, MOTs, clothing and accessories.

- NMDA saw membership remain stable in 2020 despite the challenges of the last 12 months. NMDA
- supported dealers by ensuring Covid safe measures were in place along with assisting them through staffing and operational challenges. Additionally, the association launched the “It’s Covid Safe To Ride” campaign to encourage the use of motorcycles as an alternative to public transport during the pandemic.
- Lobbying activities and successes were made with concessions from Government to ensure key workers could continue to access Compulsory Basic Training.
- 2020 saw the highest response rate for the NMDA Dealer Attitude Survey since its inception, with British Dealer News remaining engaged as the trade press outlet with the greatest reach in the industry.

NMDA saw membership remain stable in 2020 despite the challenges of the last 12 months.



THE VEHICLE BUILDERS AND REPAIRERS ASSOCIATION (VBRA)

The Vehicle Builders and Repairers Association (VBRA Commercial) is the UK's lead body for the Vehicle Bodybuilding and Vehicle Body Repair Industry. It sets and monitors its members' industry operating standards in order to ensure that customers who choose to use a VBRA member will have confidence and assurance that in their choice they will be provided with high standards of service and repairs.

- VBRA and NBRA work very closely with our team in constant collaboration. For this reason, and the fact that our industries are so similar, work was shared
- VBRA produced market messages, legal advice and charge out guides
- VBRA was heavily involved in the production and execution of technical advice through webinars
- This included an Insurance Industry Regulations (IIR) and ADAS webinar

Work was completed to form a brand new Commercial Vehicle repair charge out guide.

The Retail Motor Industry Federation Limited

Strategic Report

For the year ended 31 December 2020

The directors present their strategic report for the year ended 31 December 2020.

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. These changes gave 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.

Future Developments

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

Principal risks and uncertainties

The Board continues to consider that the principal risks to the business will be associated with a potential future lack of growth in the UK economy and the pressures that this would exert on our members' businesses. However, the manner in which the UK economy is able to recover from the Covid-19 pandemic has now added considerably to this risk in the short and medium term. 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. However, this risk has been dealt with by the decision to sell the investment in Remit which completed in May 2021.

Financial risk management

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

Section 172 statement

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

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

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

The Retail Motor Industry Federation Limited

Strategic Report (continued)

For the year ended 31 December 2020

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

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

Covid-19 and its impact

The directors have considered the impact of the ongoing Covid-19 pandemic and the various measures taken to contain it, on the operations of the company. The principal risks arising from the pandemic fall in to two main categories. The first of these is the effect on income including investment returns and the second is the effect on its own people.

In terms of income, the risk continues to be loss of members, either due to businesses closing, or due to businesses being unable to afford their membership fees due to the impact of the pandemic. Either way, as we move on through 2021 there is likely to be a continued impact on membership subscriptions and other related income areas. Given the level of reserves and balance sheet strength which the RMI has, this is not considered to be a risk to the RMI in the short or medium term, and the board has accepted that some use of these reserves in the next year or two may be sensible and manageable in order to ensure that the RMI and its associations continue to provide the best service possible to all of its members during this time. However, longer term, there will be a need to ensure that the organisation is right-sized for the future. This situation is being constantly monitored and where appropriate, steps have already been taken in order to achieve this.

In terms of its people, the RMI has carried out risk assessments and otherwise ensured that the working environment for all of its people is as safe as possible, whether those people are in the RMI's own offices or visiting members' premises. Whilst vaccine developments and the wider progress of the pandemic mean that this risk has reduced now in comparison to earlier in the pandemic, the RMI is still very aware that some potential remains for this to have a significant impact in the short term.

In determining the appropriate basis of preparation of these financial statements, the directors are required to consider whether the group and company can continue in operational existence for the foreseeable future, being a minimum period of 12 months from the date of approval of the financial statements. The group and company continue to be impacted as a result of the Covid-19 pandemic and the government's measures to contain it. Management has considered the group and the company's financial performance since the balance sheet date, and the likely impact on reserves as a result. Management has prepared forecasts and cash flow projections up to 31 December 2022 and is confident that the group and company will have sufficient resources to operate for at least the next 12 months.

By order of the board

C. Thomas
Secretary
17 June 2021



The Retail Motor Industry Federation Limited

Report of the Directors

For the year ended 31 December 2020

The directors present their report and financial statements for the year ended 31 December 2020.

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

The RMI owned 51% of the issued share capital of Remit Group Limited ('Remit') which provides national multi-sector apprenticeships and adult learning training, selling this investment on 12 May 2021. This sale included its indirect holdings in Remit Food Limited which provides training to the catering and hospitality industry and Assessed Education Limited which provides delivery of end point assessment of apprenticeship standards. It also owns 100% of the issued share capital of Big Oil Limited which provided on-line pricing information for the petrol retail market in the year and 100% of RMI SC Limited, which provides certification and commercial services to the motor industry. The RMI is also the only, and therefore controlling, member of VBRA Limited which continues to manage the property investment of the VBRA trade association.

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

The financial statements have been consolidated to include the subsidiaries.

Results and Dividend

The results for the year are set out on page 15. No dividend is permitted for the parent company and the whole of the retained profit will be taken to reserves.

Share Capital

The company is limited by guarantee.

Directors and their Interests

The directors who served during the year and up to the date of signature of the financial statements are listed below.

Board of Directors

P. Johnson	Chairman
G. Balmer	(Appointed 4 May 2021)
R. Collings	
R. Collison	(Appointed 4 May 2021)
S. Field	(Resigned 4 May 2021)
K. A. Finn	
S. G. James	Executive Director
C. B.. Madderson	Executive Director
M. C. Marshall	(Resigned 4 February 2020)
D. Newman	(Appointed 4 February 2020)
C. B. Parlett	(Resigned 4 May 2021)
S. Pearson	
S. Robinson	Executive Director
K. Savage	
C. Thomas	Finance Director and Company Secretary
R. Thorogood	(Appointed 4 May 2021)
C. Weeks	Executive Director

Future Developments

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

Employee Involvement

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

Engagement with suppliers and members

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

The Retail Motor Industry Federation Limited

Report of the Directors (continued)

For the year ended 31 December 2020

Disabled Persons

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

Auditor

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

Corporate Governance

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

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

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

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

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

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

The board is also very aware of the continuing potential impact of the Covid-19 pandemic both on its members, and on its own operations and people, and has sought to ensure that the appropriate governance is in place and actions taken in order to mitigate the risks arising from this.

Remuneration Committee

The Remuneration Committee reviews and sets the remuneration levels for executive and non-executive directors. The committee comprised of the following directors: Mr P Johnson, Mr C Parlett 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 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.

The Retail Motor Industry Federation Limited

Report of the Directors (continued)

For the year ended 31 December 2020

Nominations Committee

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

Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102, 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (FRS 102). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and of the company and of the profit or loss of the group for that period. In preparing these financial statements, the Directors are required to:

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

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

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

Statement of disclosure to auditors

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

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

On behalf of the Board



C. Thomas
Director

17 June 2021

The Retail Motor Industry Federation Limited

Energy and Carbon Report

For the year ended 31 December 2020

The information and data results provided below have been produced in a format which meet the mandatory requirements for Streamlined Energy and Carbon Reporting (SECR). As this is the first year of reporting, no comparative information is shown.

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

Methodology

This report has been compiled in accordance with the requirements set out in the HM Government document - Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance March 2019 and utilising the UK Government GHG conversion factors. The above was in conjunction to the ESOS methodology (Energy Savings Opportunity Scheme version 6, October 2019).

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

The Streamlined Energy and Carbon reporting included in this report covers the period of 1 January to 31 December 2020.

2020 Results

Scope	Usage (KwH)	Emissions (Kg Co ₂ e)
Scope 1 - natural gas	22,403	4,556
Scope 2 - electricity (location based)	33,272	7,687
Scope 3 - road transport (partner and staff related)	635,897	155,073
Total	691,572	167,316

Intensity ratio	Emissions (tCo ₂ e)
Tonnes of Co ₂ e per £m revenue	22.56
Tonnes of Co ₂ e per full time headcount	2.29

Energy efficiency measures

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

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

As part of this commitment, we are in the process of converting our fleet of company vehicles from diesel to hybrid/electric vehicles as they come up for renewal.

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 2020 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 2020 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and of the Trade Union and Labour Relations (Consolidation) Act 1992.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The 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 9, 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.

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

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

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

Our approach was as follows:

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

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.

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

- 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.

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 Moore Kingston Smith LLP
Chartered Accountants
Statutory Auditor

22 June 2021

Devonshire House
60 Goswell Road
London
EC1M 7AD

The Retail Motor Industry Federation Limited
Group Profit and Loss Account
For the year ended 31 December 2020

	Note	31 December 2020	31 December 2019
		£ '000	£ '000
Turnover	3	22,191	27,466
Cost of sales		<u>(9,589)</u>	<u>(11,736)</u>
Gross profit		12,602	15,730
Operating expenses		(14,355)	(15,373)
Other operating Income		<u>1,789</u>	<u>-</u>
Operating Profit	4	36	357
Investment income	5	746	1,604
Other finance income	18(b)	1	1
(Loss) on revaluation of investment property	11	<u>(915)</u>	<u>(735)</u>
(Loss) /Profit before taxation		(132)	1,227
Taxation	8	<u>(81)</u>	<u>(246)</u>
(Loss) /Profit for the financial year		(213)	981
Profit attributable to non-controlling interest		<u>(63)</u>	<u>(350)</u>
(Loss)/Profit attributable to owners of the parent		<u>(276)</u>	<u>631</u>

The Profit and Loss Account has been prepared on the basis that all operations are continuing operations.

The Retail Motor Industry Federation Limited
Group Statement of Comprehensive Income
For the year ended 31 December 2020

	Note	2020 £ '000	2019 £ '000
(Loss)/Profit for the financial year		(213)	981
Other Comprehensive Income:			
Remeasurements of net defined benefit obligations	18(b)	9	(16)
(Loss) on revaluation of property net of related deferred tax	10, 17	(403)	(192)
Total comprehensive (expenditure) /income for the financial year		<u>(607)</u>	<u>773</u>
Attributable to non-controlling interest		(63)	(350)
Attributable to members of the parent		<u>(670)</u>	<u>423</u>

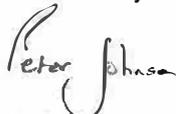
The Retail Motor Industry Federation Limited
Group and Company Balance Sheet
as at 31 December 2020

	Note	Group 2020 £ '000	Group 2019 £ '000	Company 2020 £ '000	Company 2019 £ '000
Fixed Assets					
Intangible assets					
Software	9	107	-	107	-
Course Materials	9	361	496	-	-
		<u>468</u>	<u>496</u>	<u>107</u>	<u>-</u>
Tangible assets					
Investment property	10	4,118	4,437	3,515	4,009
Investments	11	7,930	8,845	7,780	8,700
	12	<u>16,349</u>	<u>15,869</u>	<u>16,355</u>	<u>15,875</u>
		<u>28,865</u>	<u>29,647</u>	<u>27,757</u>	<u>28,584</u>
Current Assets					
Debtors					
Cash at bank and in hand	13	2,950	3,800	823	802
		<u>3,321</u>	<u>1,643</u>	<u>5</u>	<u>287</u>
		6,271	5,443	828	1,089
Creditors: Amounts falling due within one year					
	14	<u>(5,321)</u>	<u>(5,009)</u>	<u>(3,314)</u>	<u>(3,326)</u>
Net Current Assets/(Liabilities)					
		<u>950</u>	<u>434</u>	<u>(2,486)</u>	<u>(2,237)</u>
Total Assets less Current Liabilities					
		29,815	30,081	25,271	26,347
Creditors: amounts falling due after more than one year					
Provision for Other Liabilities	15	(398)	(91)	-	-
	17	<u>(2,258)</u>	<u>(2,224)</u>	<u>(2,142)</u>	<u>(2,113)</u>
Net Assets excluding pension liability					
		27,159	27,766	23,129	24,234
Pension retirement obligations					
	18 (b)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Assets including pension liability					
		<u>27,159</u>	<u>27,766</u>	<u>23,129</u>	<u>24,234</u>
Capital and Reserves					
Revaluation reserve					
Profit and loss reserve		3,121	3,524	3,121	3,524
		<u>22,564</u>	<u>22,831</u>	<u>20,008</u>	<u>20,710</u>
Members' funds					
		25,685	26,355	23,129	24,234
Non-controlling interests					
		<u>1,474</u>	<u>1,411</u>	<u>-</u>	<u>-</u>
		<u>27,159</u>	<u>27,766</u>	<u>23,129</u>	<u>24,234</u>

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 £711,108 (2019: loss of £223,243).

The financial statements were approved by the board of directors and authorised for issue on 17 June 2021 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 31 December 2020

Group	Revaluation Reserve £'000	General Reserve £'000	Total £'000	Non controlling interest £'000	Total £'000
Balance at 1 January 2019	3,716	22,216	25,932	1,061	26,993
Year ended 31 December 2019					
Surplus for the year	-	631	631	350	981
Other comprehensive (expenditure)/income for the year	(192)	(16)	(208)	-	(208)
Total comprehensive (expenditure) / income for the year	(192)	615	423	350	773
Balance at 31 December 2019	3,524	22,831	26,355	1,411	27,766
Year ended 31 December 2020					
(Deficit)/Surplus for the year	-	(276)	(276)	63	(213)
Other comprehensive (expenditure)/income for the year	(403)	9	(394)	-	(394)
Total comprehensive (expenditure)/income for the year	(403)	(267)	(670)	63	(607)
Balance at 31 December 2020	3,121	22,564	25,685	1,474	27,159
Company	Revaluation Reserve £'000	General Reserve £'000	Total £'000		
Balance at 1 January 2019	3,716	20,503	24,219		
Year ended 31 December 2019					
Surplus for the year	-	223	223		
Other comprehensive income for the year	(192)	(16)	(208)		
Total comprehensive (expenditure)/ income for the year	(192)	207	15		
Balance at 31 December 2019	3,524	20,710	24,234		
Year ended 31 December 2020					
Deficit for the year	-	(711)	(711)		
Other comprehensive (expenditure)/ income for the year	(403)	9	(394)		
Total comprehensive (expenditure) for the year	(403)	(702)	(1,105)		
Balance at 31 December 2020	3,121	20,008	23,129		

The Retail Motor Industry Federation Limited
Group Statement of Cash Flows
For the year ended 31 December 2020

	Note	Group	
		2020 £ '000	2019 £ '000
Cashflows from operating activities	19		
Cash generated from operations		2,211	(57)
Income taxes (paid)		(64)	(160)
Net cash (outflow) /inflow from operating activities		<u>2,147</u>	<u>(217)</u>
Cashflow from investing activities			
Purchase of intangible assets		(248)	(364)
Purchase of tangible fixed assets		(433)	(306)
Interest received		288	362
Receipts from sales of investments		3,153	3,407
Payments to acquire investment securities		(3,175)	(3,701)
Net cash (used in) investing activities		<u>(415)</u>	<u>(602)</u>
Cashflow from financing activities			
Payment of finance lease obligations		(54)	(53)
Net cash (used in) financing activities		<u>(54)</u>	<u>(53)</u>
Net increase /(decrease) in cash and cash equivalents		<u>1,678</u>	<u>(872)</u>
Cash and cash equivalents at beginning of year		1,643	2,515
Cash and cash equivalents at end of year		<u>3,321</u>	<u>1,643</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		<u>3,321</u>	<u>1,643</u>

The Retail Motor Industry Federation Limited

Notes to the Financial Statements

For the year ended 31 December 2020

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.

1.3 Exemptions for qualifying entities under FRS102

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

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

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

1.4 Going Concern

In determining the appropriate basis of preparation of the financial statements, the directors are required to consider whether the group and company can continue in operational existence for the foreseeable future, being a minimum period of 12 months from the date of approval of the financial statements. Both during the year and subsequent to the year end, the group have been impacted as a result of the COVID-19 outbreak and the government's measures to contain it. Management has considered the group and the company's financial performance since the balance sheet date and has prepared forecasts and cash flow projections up to 31 December 2022, taking into account the estimated ongoing impact on the group and company of COVID-19.

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

1.5 Revenue recognition

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

Subscriptions

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

The Retail Motor Industry Federation Limited

Notes to the Financial Statements

For the year ended 31 December 2020

1 Accounting Policies (continued)

Training

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

Other commercial activities

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

1.6 Intangible Fixed Assets - goodwill

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

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

1.7 Intangible Fixed Assets other than Goodwill

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

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

1.8 Amortisation of Intangible Assets

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

- Goodwill 5 years straight line
- Software 3 years straight line
- Course Materials 3 years straight line or over the period for which the content is expected to be used if shorter.

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

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

1.9 Tangible Assets

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

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

The Retail Motor Industry Federation Limited

Notes to the Financial Statements

For the year ended 31 December 2020

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 31 December 2020

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 31 December 2020

1 Accounting Policies (continued)

1.15 Financial instruments (continued)

Basic financial liabilities

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

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

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

Other financial liabilities

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

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

Derecognition of financial liabilities

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

1.16 Provisions for Other Liabilities

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

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

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

1.17 Taxation

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

Current tax

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

The Retail Motor Industry Federation Limited

Notes to the Financial Statements

For the year ended 31 December 2020

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 31 December 2020

1 Accounting Policies (continued)

1.20 Leases

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

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

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

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

1.21 Foreign exchange

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

1.22 Government grants

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

2 Significant judgements and estimates

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

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

Key sources of estimation uncertainty

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

Deferred tax

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

The Retail Motor Industry Federation Limited
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2 Significant judgements and estimates (continued)

Useful economic lives of intangible assets

The annual amortisation charge for intangible assets is sensitive to changes in the estimated lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, and economic utilisation. Goodwill impairment reviews are also performed annually. These reviews require an estimation of the value in use of the cash generating units to which the goodwill has been allocated. The value in use calculation requires the group to estimate the future cashflows expected to arise for the cash generating unit and a suitable discount rate to calculate present value. See note 9 for the carrying amount of intangible assets and note 1.8 for the useful economic lives for each class of assets.

Defined benefit pension scheme

The group and company have obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. Estimates have also been made of the additional liabilities that arise for the requirement to equalise guaranteed minimum pension benefits (GMP) following the court judgements on 26 October 2018 and 20 November 2020. This was included in the 2018 liabilities for the first time and was estimated at £320,000 and included as a past service cost. See note 18 for the disclosures relating to the defined benefit scheme.

Intangible assets- capitalisation and amortisation of course materials

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

The total amount capitalised in the year was £137k 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 £272k as shown in note 9.

Estimation of fair value of investment properties

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

The Retail Motor Industry Federation Limited
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3 Turnover

	2020 £ '000	2019 £ '000
Subscriptions	4,046	4,212
Membership activities	7	58
Rental income	276	222
Commission	53	153
Other income	2,165	2,183
Training	15,644	20,638
	<u>22,191</u>	<u>27,466</u>

4 Operating Profit

	2020 £ '000	2019 £ '000
The operating profit is stated after charging/(crediting):		
Auditors' remuneration in respect of audit services - current year	33	28
Auditors' remuneration in respect of audit services - prior year	23	-
Auditors' remuneration in respect of:		
–audit of subsidiaries	46	45
–taxation	20	20
–other	27	28
Depreciation of owned tangible fixed assets	296	231
Depreciation of tangible fixed assets held under finance leases	57	57
Amortisation of goodwill	-	(70)
Amortisation of intangible assets	276	291
Operating lease rentals	611	504
Government grants - Furlough grants	(1,789)	-
	<u>(1,789)</u>	<u>-</u>

5 Investment Income

	2020 £ '000	2019 £ '000
Profit on sale of investments	562	1,142
(Loss)/ Profit on revaluation of investments	(104)	100
Investment interest receivable	162	215
Dividends receivable	126	147
	<u>746</u>	<u>1,604</u>

The Retail Motor Industry Federation Limited
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6 Staff Costs including Executive Directors	2020 £ '000	2019 £ '000
Wages and salaries	13,244	13,770
Social security costs	1,381	1,480
Pension costs	671	571
Redundancy costs	119	18
	<u>15,415</u>	<u>15,839</u>

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

	2020	2019
Members services	65	68
Training	339	358
Administration	15	15
	<u>419</u>	<u>441</u>

7 Directors' Emoluments	2020 £ '000	2019 £ '000
Emoluments	752	784
Company contributions to money purchase pension scheme	50	49
	<u>802</u>	<u>833</u>

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

	2020 £ '000	2019 £ '000
<i>Highest paid director</i>		
Emoluments	168	177
Aggregate contributions to money purchase pension scheme	14	14
	<u>182</u>	<u>191</u>

Two Directors (2019 - two) were members of the defined contribution scheme.

8 Taxation	2020 £ '000	2019 £ '000
Domestic current year tax		
UK Corporation tax	44	145
Adjustments for prior years	7	(16)
Total current tax charge	<u>51</u>	<u>129</u>
Deferred Tax:		
Deferred tax charge for the current year (note 17)	30	117
Group deferred tax charge	30	117
Total tax charge	<u>81</u>	<u>246</u>

Factors that may affect future tax charges

The group has estimated tax losses of £11,770,00 (2019: £11,645,000) available to carry forward against future trading profits of the same trade.

The Retail Motor Industry Federation Limited
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8 Taxation (continued)

Factors affecting the tax charge for the year	2020 £ '000	2019 £ '000
(Loss)/Profit before tax	(132)	1,227
(Loss)/Profit before tax multiplied by the standard rate of UK Corporation tax of 19% (2019 - 19%)	(25)	233
Effects of:		
Non deductible expenses	8	33
Capital allowances for year lower than depreciation/ (in excess of)	(30)	(88)
Amortisation of intangible assets	-	25
Tax losses utilised	(22)	(2)
Unutilised tax losses carried forward	(23)	(17)
Effect of change in corporation tax rate on deferred tax	145	-
Dividends not taxable	(24)	(28)
Unrelieved losses and other adjustments	20	70
FRS102 pension adjustments not deductible/ chargeable for tax	(2)	3
Change in unrecognised deferred tax assets	27	33
Adjustments in respect of prior years	7	(16)
	<u>106</u>	<u>13</u>
Tax expense for the year	<u>81</u>	<u>246</u>

9 Intangible Fixed Assets**Group**

	Goodwill £'000	Software £'000	Course Materials £'000	Total £'000
Cost				
At 1st January 2020	1,153	-	1,036	2,189
Additions- internally developed	-	-	137	137
Additions - purchased	-	111	-	111
Disposals	(426)	-	-	(426)
At 31st December 2020	<u>727</u>	<u>111</u>	<u>1,173</u>	<u>2,011</u>
Amortisation				
At 1st January 2020	1,153	-	540	1,693
Amortisation charge for the year	-	4	272	276
Disposals	(426)	-	-	(426)
At 31st December 2020	<u>727</u>	<u>4</u>	<u>812</u>	<u>1,543</u>
Net book value				
At 31st December 2020	<u>-</u>	<u>107</u>	<u>361</u>	<u>468</u>
At 31st December 2019	<u>-</u>	<u>-</u>	<u>496</u>	<u>496</u>

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9 Intangible Fixed Assets (continued)

Company	Goodwill	Software	Total
	£'000	£'000	£'000
Cost			
At 1st January 2020	607	-	607
Additions - purchased	-	111	111
At 31st December 2020	<u>607</u>	<u>111</u>	<u>718</u>
Amortisation			
At 1st January 2020	607	-	607
Amortisation charge for the year	-	4	4
At 31st December 2020	<u>607</u>	<u>4</u>	<u>611</u>
Net book value			
At 31st December 2020	<u>-</u>	<u>107</u>	<u>107</u>
At 31st December 2019	<u>-</u>	<u>-</u>	<u>-</u>
Negative Goodwill			Group
			£'000
Cost			
At 1st January 2020 and 31st December 2020			<u>822</u>
Amortisation			
At 1st January 2020			822
Amortisation for the year			-
At 31st December 2020			<u>822</u>
Net book value			
At 31st December 2020			<u>-</u>
At 31st December 2019			<u>-</u>

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.

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10 Fixed Assets - Tangible

Group	Long Leasehold Property £ '000	Leasehold Improvements £ '000	Furniture and Equipment £ '000	Computer Hardware £ '000	Total £ '000
Cost or Valuation					
At 1st January 2020	3,730	409	1,191	855	6,185
Additions	9	2	377	45	433
Revaluation	(399)	-	-	-	(399)
At 31st December 2020	3,340	411	1,568	900	6,219
Depreciation					
At 1st January 2020	-	279	760	709	1,748
Charge for the year	-	52	196	105	353
At 31st December 2020	-	331	956	814	2,101
Net Book Value					
At 31st December 2020	3,340	80	612	86	4,118
At 31st December 2019	3,730	130	431	146	4,437

Long Leasehold Property (Group and Company)

The long leasehold property was professionally valued as at 31 December 2020 on the basis of fair value by hb Surveyors and Valuers, independent valuers, in accordance with RICS Red Book - Global. The valuation was made on an existing use value which is the amount a willing buyer would pay a willing seller in an arm's length transaction, assuming vacant possession and by reference to market evidence of recent transaction prices. The historical cost of the fixed asset portion was £250k (2019- £241k)

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
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10 Fixed Assets - Tangible (continued)

Company	Long Leasehold Property	Leasehold Improvements	Furniture and Equipment	Computer Hardware	Total
Cost or Valuation	£ '000	£ '000	£ '000	£ '000	£ '000
At 1st January 2020	3,730	407	604	303	5,044
Additions	9	-	4	14	27
Revaluation	(399)	-	-	-	(399)
At 31st December 2020	<u>3,340</u>	<u>407</u>	<u>608</u>	<u>317</u>	<u>4,672</u>
Depreciation					
At 1st January 2020	-	273	504	258	1,035
Charge for the year	-	48	38	36	122
At 31st December 2020	<u>-</u>	<u>321</u>	<u>542</u>	<u>294</u>	<u>1,157</u>
Net Book Value					
At 31st December 2020	<u>3,340</u>	<u>86</u>	<u>66</u>	<u>23</u>	<u>3,515</u>
At 31st December 2019	<u>3,730</u>	<u>134</u>	<u>100</u>	<u>45</u>	<u>4,009</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	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Furniture and equipment	<u>95</u>	<u>151</u>	<u>-</u>	<u>-</u>

11 Fixed Assets - Investment Property**Investment property (Group)**

Fair value	2020 £ '000
At 1st January 2020	8,845
Revaluation	(915)
At 31st December 2020	<u>7,930</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.

The Retail Motor Industry Federation Limited
Notes to the Financial Statements
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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 £480k (2019-£480k) (Group).

Investment property (Company)

	2020
Fair value	£'000
At 1st January	8,700
Revaluation	(920)
At 31st December	7,780

Investment Property (Company)

If investment properties were stated on a historical cost basis rather than a fair value basis, the amounts would have been £265k (2019-£265k).

12 Fixed Assets - Investments

	Cash Deposits £'000	Listed Investments £'000	Total £'000
Group			
Cost or valuation			
At 1st January 2020	441	15,428	15,869
Additions	526	2,649	3,175
Disposals	-	(3,153)	(3,153)
Revaluations	-	458	458
At 31st December 2020	967	15,382	16,349

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12 Fixed Assets - Investments (continued)

Company Cost or valuation	Shares in Group Undertakings £'000	Cash Deposits £'000	Listed Investments £'000	Total £'000
At 1st January 2020	6	441	15,428	15,875
Additions	-	526	2,649	3,175
Disposals	-	-	(3,153)	(3,153)
Revaluations	-	-	458	458
At 31st December 2020	<u>6</u>	<u>967</u>	<u>15,382</u>	<u>16,355</u>

Listed investments have been revalued to their mid market value at the balance sheet date. The historic cost of investments at 31st December 2020 was £13,572,701 (2019 - £13,925,412).

Shares in Group Undertakings

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

Trading Company:	Principal Activity	Proportion of ordinary shares held %
Remit Group Limited	Training Provider	51
Big Oil Limited	Online Information Portal ceased 29 February 2020	100
RMI SC Limited	Certification and Commercial Services	100
Remit Food Limited	Training Provider	42*
Assessed Education Limited	End Point Assessor	51*
Trading Company limited by guarantee:		
Trusted Dealers Limited	Online marketing ceased 31 December 2018	n/a**
The Vehicle Builders and Repairers Association	Investment company	n/a***
Non Trading Companies:		
The Petrol Retailers Association Limited	Dormant	100
Motor Industry Pension Plan Trustees Limited	Dormant	100
Remit Training Limited	Dormant	51*
Non Trading Companies limited by guarantee:		
The National Franchised Dealers Association Limited	Dormant	n/a
The National Association of Radiator Specialists Limited	Dormant	n/a
Motorcycle Rider Training Association Limited	Dormant	n/a
Motorcycle Retailers Association Limited	Dormant	n/a
Society of Motor Auctions Limited	Dormant	n/a
Independent Garage Association Limited	Dormant	n/a
Cherished Numbers Dealers Association Limited	Dormant	n/a
National Conciliation Service Limited	Dormant	n/a
Car Wash Association	Dormant	n/a

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12 Fixed Assets - Investments (continued)

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

The financial statements for the trading subsidiaries for the year ended 31 December 2020 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 Debtors

	Group		Company	
	2020 £ '000	2019 £ '000	2020 £ '000	2019 £ '000
Trade debtors	480	590	167	294
Amounts owed by subsidiary undertakings	-	-	55	37
Other debtors	282	190	207	123
Prepayments and accrued income	2,188	3,020	394	348
	2,950	3,800	823	802

14 Creditors: Amounts falling due within one year

	Group		Company	
	2020 £ '000	2019 £ '000	2020 £ '000	2019 £ '000
Obligations under finance leases	49	53	-	-
Trade creditors	606	1,110	268	376
Amounts owed to subsidiary undertaking	-	-	962	684
Social security and other taxes	1,455	744	379	264
Other creditors	718	609	561	290
Accruals and deferred income	2,493	2,493	1,144	1,712
	5,321	5,009	3,314	3,326

15 Creditors: amounts falling due after one than more year

	Note	Group		Company	
		2020 £ '000	2019 £ '000	2020 £ '000	2019 £ '000
Obligations under finance lease	16	41	91	-	-
Social security and other taxes		357	-	-	-
		398	91	-	-

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16 Finance lease obligations	Group		Company	
	2020 £ '000	2019 £ '000	2020 £ '000	2019 £ '000
Future minimum lease payments due under finance leases:				
Within one year	60	63	-	-
In two to five years	50	110	-	-
	110	173	-	-
Less: future finance charges	(20)	(29)	-	-
	90	144	-	-

17 Provision for Other Liabilities**Deferred Taxation**

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

Deferred tax liability	Group		Company	
	2020	2019	2020	2019
Revaluation gains on listed investments and investment and own-use property	2,258	2,224	2,142	2,113
Deferred tax movements in the year			Group	Company
			2020	2020
			£ '000	£ '000
Liability at 1st January 2020			(2,224)	(2,113)
Asset at 1st January 2020			-	-
Charge to profit and loss account			(30)	(25)
Charge to other comprehensive income			(4)	(4)
(Liability) at 31st December 2020			(2,258)	(2,142)
Analysed as:				
Liability at 31st December 2020			(2,258)	(2,142)
Asset at 31st December 2020			-	-
The charge to other comprehensive income comprises:				
Effect of change in tax rates			(80)	-
Effect of fair value revaluation loss on own-use property			76	(4)
			(4)	(4)

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Notes to the Financial Statements
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17 Provision for Other Liabilities (continued)

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

	2020 £ '000	2019 £ '000
Amounts potentially available to credit the Profit and Loss account:		
Accelerated depreciation	89	123
Other short term timing differences	2	1
Losses carried forward	<u>2,315</u>	<u>2,214</u>
Total potential deferred tax asset	<u><u>2,406</u></u>	<u><u>2,338</u></u>

18 Future Financial Commitments**(a) Operating Leases****Lessee**

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

	Group	
	2020 £ '000	2019 £ '000
within one year	688	611
between two and five years	1,234	583
in over five years	161	161
	<u>2,083</u>	<u>1,355</u>

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

Lessor

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

	Group	
	2020 £ '000	2019 £ '000
within one year	291	206
between two and five years	597	580
over five years	956	1,076
	<u>1,844</u>	<u>1,862</u>

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

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For the year ended 31 December 2020

18 Future Financial Commitments (Continued)**(b) Pension Costs**

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

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

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

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

The most recent actuarial valuation was carried out at 5 April 2019. Using the 5 April 2019 valuation as a basis, the actuarial valuation of the scheme has been updated to 31st December 2020 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 2020 amounted to £95,000 (2019 - £95,000). Payments for future years under the current schedule of contributions will be £95,000 for 2021 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	
	2020	2019
	£' 000	£' 000
Scheme liabilities at 1st January	21,848	21,650
Interest cost	428	612
Actuarial losses on scheme liabilities	2,338	644
Net benefits paid from scheme assets	(890)	(1,058)
Scheme liabilities at 31st December	<u>23,724</u>	<u>21,848</u>

Total actuarial loss of £2,338,000 (2019-loss of £644,000) on the liabilities is analysed as follows:

	2020	2019
	£ '000	£ '000
(Loss)/gain on change in actuarial assumptions	<u>(2,338)</u>	<u>(644)</u>
	<u>(2,338)</u>	<u>(644)</u>

The Retail Motor Industry Federation Limited
Notes to the Financial Statements
For the year ended 31 December 2020

18 Future Financial Commitments (Continued)**(b) Pension Costs (Continued)****Changes in fair value of scheme assets**

	Group and Company	
	2020	2019
	£ '000	£ '000
Fair value of scheme assets at 1st January	27,522	25,613
Return on scheme assets (excluding amounts in net interest)	2,638	2,223
Employer contributions	95	95
Net benefits paid from scheme assets	(890)	(1,058)
Expenses paid	(105)	(80)
Interest income	542	729
	<u>29,802</u>	<u>27,522</u>

Amounts recognised in income are as follows:

	2020	2019
	£ '000	£ '000
Expenses paid - operating expenses	105	80
Interest on net defined benefit asset - other finance income	(1)	(1)
Pension expense recognised in profit and loss	<u>104</u>	<u>79</u>

The actual return on scheme assets for the year was a gain of £3,180,000 (2019 - £2,952,000).

Amounts recognised in other comprehensive income

	2020	2019
	£ '000	£ '000
Actuarial (loss) on liabilities	(2,338)	(644)
Actuarial gain on scheme assets in excess of interest	2,638	2,223
	300	1,579
Change in the effect of the asset ceiling	<u>(291)</u>	<u>(1,595)</u>
Total gain/ (loss) recognised in other comprehensive income during the period	<u>9</u>	<u>(16)</u>

Assumptions

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

	%	%
RPI Inflation	3.15%	3.20%
CPI Inflation	2.65%	2.20%
Revaluations in deferment	2.65%	2.20%
Pension increases- 5% LPI	3.05%	3.10%
Pension increases- 2.5% LPI	2.15%	2.30%
Pension increases- Post 88 GMP benefits	2.20%	2.00%
Discount rate for scheme liabilities	1.40%	2.00%

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

The actuary assumed that pre and post retirement mortality is in line with standard tables at 100% S2PxA tables, improvements in line with the CMI 2018 projections with a value of 7.0 for the smoothing parameter, 0.5 for the adjustment parameter A and a long term rate of improvement of 1.5% (2019: 100% S2PxA tables, improvements in line with the CMI 2018 projections and a long term rate of improvement of 1.5%). Under these assumptions the average life expectancy of males aged 65 is 22.3 years (2019: 22.2 years) and of females aged 65 of 24.2 years (2019: 24.1 years). Longevity at age 65 for future pensioners currently aged 45 is 24.0 years for males (2019: 23.9 years) and 26.0 for females (2019: 25.9 years).

No allowance has been made for cash commutations.

The Retail Motor Industry Federation Limited
Notes to the Financial Statements
For the year ended 31 December 2020

18 Future Financial Commitments (Continued)**(b) Pension costs (Continued)**

Amounts included in the statement of financial position	2020	2019
	£ '000	£ '000
Fair value of scheme assets	29,802	27,522
Present value of funded defined benefit obligations	(23,724)	(21,848)
Unrecognised asset	<u>(6,078)</u>	<u>(5,674)</u>
Net retirement benefit obligations	<u>-</u>	<u>-</u>

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

Analysis of fair value of scheme assets

	2020		2019	
	£ '000	%	£ '000	%
Diversified (Nominal)	12,517	42%	11,284	41%
Diversified (Real)	<u>17,285</u>	<u>58%</u>	<u>16,238</u>	<u>59%</u>
Fair value of assets	<u>29,802</u>	<u>100%</u>	<u>27,522</u>	<u>100%</u>

19 Cash generated from operations

	Group	
	2020	2019
	£ '000	£ '000
(Loss)/profit for the financial year	(213)	981
Adjustments for:		
Income tax recognised in profit or loss	81	246
Fair value losses/ (gains) on investment property	915	735
Investment income recognised in profit or loss	(746)	(1,604)
Amortisation and impairment of intangible assets	276	221
Depreciation and impairment of tangible fixed assets	353	288
Post employment benefits less payments	9	(16)
Movements in working capital:		
Decrease/ (Increase) in debtors	850	(1,137)
Increase in creditors	686	229
Cashflow generated from /(absorbed by) operating activities	<u>2,211</u>	<u>(57)</u>

Net Debt Reconciliation

	1 January	Cashflows	31 December
	£'000	£'000	£'000
Cash at bank and in hand	1,643	1,678	3,321
Finance Leases	<u>(144)</u>	<u>54</u>	<u>(90)</u>
Net debt	<u>1,499</u>	<u>1,732</u>	<u>3,231</u>

The Retail Motor Industry Federation Limited

Notes to the Financial Statements

For the year ended 31 December 2020

20 Related Party Transactions

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

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

Transactions with group undertakings

During the year, Remit Group Limited was charged salary and administration costs of £45,750 (2019 - £50,000) on normal commercial terms by the parent company Retail Motor Industry Federation Limited. At 31 December 2020, Remit Group Limited owed £54,202 (2019 - due from £5,204) to the Retail Motor Industry Federation Limited.

During the year, Remit Group Limited recharged £1,465,858 (2019 - £2,409,191) of staff costs on normal commercial terms to Remit Food Limited, its 82% subsidiary. At 31 December 2020, Remit Group Limited owed £1,808,802 (2019 - £197,945) to Remit Food Limited.

At the year end, the Retail Motor Industry Federation Limited owed £11,319 to Remit Food Limited (2019-£3,522) and £303 to Assessed Education (2019-£nil) for VAT received on its behalf.

A 58% subsidiary company, Trusted Dealers Limited, had transactions during the year totalling £nil (2019 - £10,531) with its ultimate controlling party, the Retail Motor Industry Federation Limited (RMIF), relating to salaries paid by RMIF and recharged to Trusted Dealers Limited.

At 31 December 2020, the Retail Motor Industry Federation Limited owed £221,508 (2019- £255,000) to Trusted Dealers Limited.

21 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.

22 Capital Commitments

At 31 December 2020, the group had capital commitments of £nil (2019-£315,000).

23 Contingent Liability

Guaranteed Minimum Pension (GMP) is a portion of pension that was accrued by individuals who were contracted out of the State Second Pension prior to 6 April 1997. Historically, there was an inequality of benefits between male and female members who have GMP. A High Court case concluded on 26 October 2018 which confirmed that GMPs need to be equalised. This was included in the 2018 pension liabilities for the first time. A further court ruling in 2020 confirmed that all transfers with GMPs built up between 17 May 1990 and 5 April 1997 need to be equalised. At present, the additional liability arising from the 2020 Court judgement is not able to be reliably estimated and as such, no liability has been reflected in the defined benefit scheme liabilities disclosures in these accounts.

24 Events after Reporting Date

On 12 May 2021, the company sold its entire shareholding in Remit Group Limited (including its indirect holdings in Remit Food Limited and Assessed Education Limited) for £2m plus £250,000 deferred consideration.

The Retail Motor Industry Federation Limited
Company Information
For the year ended 31 December 2020

Directors

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

Secretary

C. Thomas

Company number

00133095

Registered Office

201 Great Portland Street
London
W1W 5AB

Auditor

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