RETAIL MOTOR INDUSTRY FEDERATION ANNUAL REPORT 2017

RMI

A driving force for the automotive industry

CHAIRMAN'S REPORT

It gives me great pleasure to be able to report on another excellent year for the Retail Motor Industry Federation. With a very strong financial performance achieved against the background of what has been a tough economic and industry environment, where issues such as Brexit and, specifically in our case, the implementation of the Apprenticeship Levy, have created a great deal of uncertainty.

An operating loss of £10k was achieved, £297k less than the result for the previous year and an overall fall in turnover of 4% (which related to our Remit subsidiary). However, once our investment income (which rose again this year by 6% to £758k) and a further increase in the value of our property in London (by £400k net) are accounted for then we have been able to add a further £745k to the value of our balance sheet. This left the net assets at the end of the year standing at £26.9m. This will provide the Federation with the necessary strength to deal with the potential for volatility in the UK economy in the short and medium term, due to the issues already mentioned.

Operating cash flow continued to be very solid, although overall balances did fall by £1.2m over the year. The largest portion of this fall in the cash position (£538k) occurred in Remit, our joint venture training subsidiary, which continued to experience a very challenging and uncertain trading environment, as the introduction of the apprenticeship levy and other funding changes continued to work through. Despite this, the Remit sub-group achieved a profit before tax of £200k for the year, and although down on the £580k achieved in the previous year, given the market conditions this was a satisfactory performance. A factor in this fall was the sale by Remit of its majority shareholding in Remit Resourcing Ltd in October 2017. This subsidiary had contributed £98k to the profit in 2016.

The Associations themselves had a solid year regarding membership. With 10,469 members at the end of December, this represented a fall of 299 over the year. The trend for consolidation continues and affected both the Petrol Retailers Association (PRA), and National Body Repair Association (NBRA) in particular. Overall though, member numbers held up well, consolidating the level of growth in the previous 2 years, and some associations including the National Franchised Dealers Association (NFDA) and Independent Garage Association (IGA) continued to experience growth in membership.

2017 also saw the Federation progress the strategic objectives that had been reviewed and developed in the previous year, and a number of key successes were achieved. These included the opening of a second Academy of Automotive Skills based in Runcorn, to supplement the academy in Southam, and MOT related training remained a key focus. Remit also opened a new training academy in Derby which offers programmes in light vehicle, heavy vehicle and body and paint, and also made a significant investment in the development of its FUSE social learning platform.

The strong performance this year, owes much to the efforts of the excellent and committed management team, supported by the RMIF board which oversees the Federation's activities. I would like to take this opportunity to thank all of my colleagues, Board and staff, for their efforts in delivering such a good year. I would particularly like to thank Bettine Evans, who stood down from the Board during the year, having made a significant contribution over many years as a representative of the Independent Garage Association.

P. Johnson
Chairman
29 August 2018

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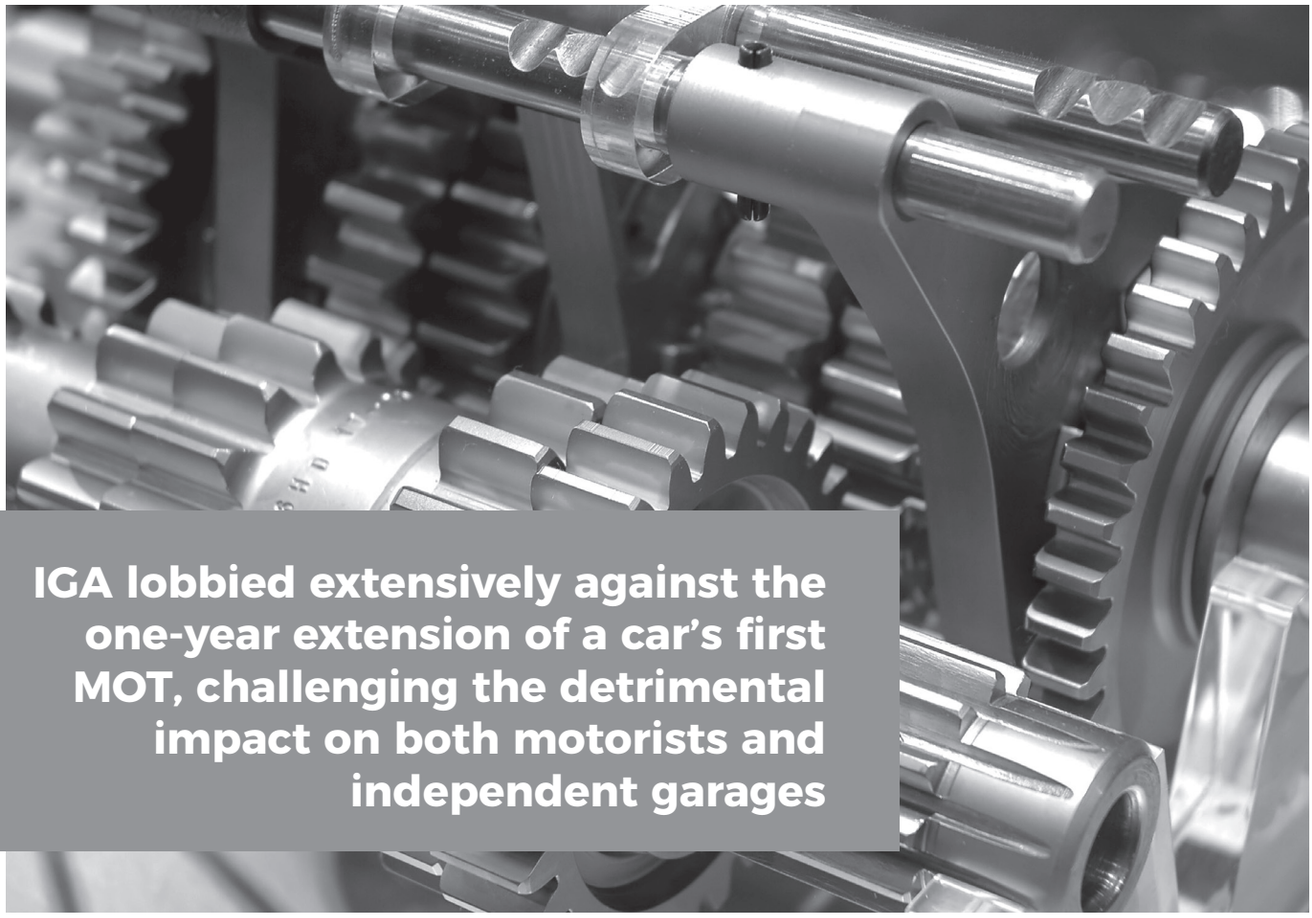

IGA lobbied extensively against the one-year extension of a car's first MOT, challenging the detrimental impact on both motorists and independent garages

THE INDEPENDENT GARAGE ASSOCIATION (IGA)

The Independent Garage Association (IGA) is the largest and most prominent representative body in the independent garage sector, and is the voice of the industry in matters arising in the UK Government and in Europe regarding legislative and regulatory issues. The IGA support and encourage 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. IGA members are involved in the service, repair and sale of motor vehicles.

- IGA lobbied extensively against the one-year extension of a car's first MOT, challenging the detrimental impact on both motorists and independent garages.
- IGA operated as part of the Automotive Aftermarket Liaison Group (AALG) to present a united front on issues affecting the industry as a whole.
- IGA has retained a position at board-level within the European garage representative body CECRA.
- IGA has created the first Training Catalogue, showcasing the range of MOT and technical courses the association offers.
- IGA has provided increased levels of business-related support to members through a streamlined helpline service.
- IGA sponsored the inaugural Workshop Awards, celebrating the successes of Independent Garages across the UK.
- IGA announced the first-ever Work Provider Study, analysing the implications of independent businesses using 'work providers' for additional work.
- IGA campaigned for the Apprentice Trailblazer scheme's introduction, having successfully assisted in its development into a wholly Government-owned, fairly assessed employment board.
- IGA conducted analysis, raising awareness about the legal and safety implications of using consumer-supplied parts and the impact on independent garages.
- The implementation of the Trust My Garage £1,000 Guarantee, to provide consumers with reassurance of the quality service independent garages offer.
- IGA continues to maintain excellent relations with Government and remain abreast of important industry issues.

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.

- Chris Weeks was appointed Director of the NBRA in December 2017. He has a background in insurance, accident management and was previously the director of a 71,000 cars a year bodyshop group.
- NBRA has made considerable progress with the Information Commissioners Office (ICO) investigation into criminal unauthorised access of personal data held by an NBRA member. With our cooperation this has led to seizure of hardware and thousands of documents and eventually an arrest.
- NBRA has highlighted the need for more skills investment in order to help bodyshops keep up with the latest changes in technology in their response to the Governments' industrial strategy green paper.
- NBRA has taken a prominent national media position in relation to poor treatment of repair businesses by insurers and accident management companies.
- NBRA social media activity continues to grow.
- A new NBRA strategy has been developed with initiatives supporting the things that matter to members: 'better terms, better process and better buying'. The strategy is being rolled out in 2018.

A new NBRA strategy has been developed with initiatives supporting the things that matter to members

NFDA has launched 'Drive My Career'. This is a new, unique initiative which connects young jobseekers with automotive retailers

THE NATIONAL FRANCHISED DEALERS ASSOCIATION (NFDA)

The National Franchised Dealers Association (NFDA) represents franchised car and commercial vehicle dealers in the UK. Membership consists of major dealer groups, medium sized businesses and small family owned dealers. Members represent all the major car and commercial vehicle franchises and offer a range of services to consumers including new and used car sales, servicing, parts, body repairs, MOTs and increasingly offer services online.

- NFDA represents the interests of franchised dealers to UK Government, European Commission and Parliament, vehicle manufacturers, the media and other industry stakeholders.
- The NFDA Working Groups continue to work on key issues in the areas of used cars, aftersales, finance and insurance, HR and training. In 2017 a newly formed Brexit Strategy Group was established reporting to DExEU on the issues facing the retail sector.
- NFDA has launched a Parliamentary Engagement Programme enabling MPs to visit NFDA member dealership sites to raise awareness of the automotive retail industry including dealer investment, regulatory issues, employment and career opportunities.
- NFDA has led the way in providing guidance and compliance to franchised dealer members in relation to the new General Data Protection Regulations. A series of workshops have been held throughout the year with high levels of attendance.
- NFDA has launched 'Drive My Career'. This is a new, unique initiative which connects young jobseekers with automotive retailers and highlights the exciting career opportunities that the automotive industry offers.
- NFDA Trusted Dealers continues to grow and develop as a used car sales portal for members and continues to work with Auto Trader.
- The NFDA Dealer Attitude Survey continues to be well received by dealers, manufacturers, trade and national press. A number of meetings on the survey have also taken place with Chief Executives of manufacturers.
- The NFDA Consumer Attitude Survey continues to gain traction both with manufacturers and dealers and has also received considerable media coverage.
- The NFDA continues to engage with Government departments, including DVSA on issues involving Type Approval regulation and privatisation of truck testing.
- NFDA continues to assist members with finance and insurance issues. We also continue to develop our relationship with the Financial Conduct Authority (FCA) to ensure regulation is developed in a way that does not hinder consumer's access to financial products.
- The NFDA strongly lobbied for the retention of the 3-1-1 MOT when the Government announced plans to extend the MOT testing time to 4 years from 3 years.
- 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 around 1.6million vehicles per annum and NAMA represents 90% of these sales. NAMA members not only auction vehicles but offer a range of complementary remarketing services such as transportation, valeting and reconditioning as well as on-line auction services.

- NAMA represents the interests of its members with Government and industry stakeholders lobbying on key industry issues.
- NAMA's Vehicle Grading Scheme continues to expand with over two thirds of vehicles sold at auction now being graded.
- The NAMA Grading Appraiser Training course has trained over 700 candidates raising standards of vehicle appraising across the industry.
- NAMA has relaunched the monthly auction market data report making the report more user friendly and simple to understand.
- NAMA continues to develop its close working relationship with the National Automotive Auction Association (NAAA) in the USA.

The NAMA Grading Appraiser Training course has trained over 700 candidates

The majority of the Top 50 independents are supportive PRA members

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.

- Independent forecourts including Motorway Service Areas now total 5,400 or 70% of all the UK's filling stations. Hence the strategic and operational importance of the PRA.
- Following the retreat of oil companies from front line retailing large groups have developed, some of which are financially backed by private equity funds.
- Motor Fuels Group announced earlier this year a £1.2bn bid to acquire MRH. Their combined site portfolio would exceed 950 sites.
- During 2017, more than 20 PRA members with close to 125 sites sold their businesses and this has had significant adverse impact on annual revenue.
- Property values of freehold sites have continued to increase, but with the market for Alternatively Fuelled Vehicles gathering pace, the peak may have been reached.
- Car Wash Association reformed to tackle the unfair competition to automated car washes from the unregulated hand car washes.

The majority of the Top 50 independents are supportive PRA members who recognise the value of close contact with key Government departments including:

- HM Treasury/HM Revenue & Customs: fuel taxation, tax loss from hand car wash operations, rural duty rebate schemes.
- DBEIS – National Emergency Plan for Fuel (NEP-F) covering storage, supply and retailing. Sales and production statistics. "Road to Zero by 2040".
- DCLG/VOA – Business Rates, including TTW ATM's.
- DfT – Motoring issues, fuel quality (biofuels) and alternative fuels such as electric charging, hydrogen and gas-to-liquid (GTL). Fuel dispenser labelling.
- Home Office – Forecourt Crime Senior Steering Group (FCSSG), unregulated hand car washes.
- OLME and GLAA – Unregulated hand car washes.
- DEFRA – Vehicle washing guidelines and unregulated hand car washes.

During the past year, PRA has again produced an extensive 'Market Review', improved the presentation and content of the fortnightly e-newsletter 'Petrol Heads Up' for members and the industry, as well as making the website more user friendly.

Big Oil Ltd is a fully owned subsidiary of RMIF Ltd and continues to provide a valuable contribution to the Group. It continues to be sub-licenced to Vianet Fuel Systems following acquisition by Wayne International which, in turn, was acquired by Dover Corporation. The business involving Big Oil has been renamed Dover Fuelling Solutions and negotiations for a new contract with both Platts and DFS are under way for 2019 onwards.

THE NATIONAL MOTORCYCLE DEALER ASSOCIATION (NMDA)

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

• NMDA has been part of a Home Office group working on policies to find ways to minimise crime and increase police involvement following the heightened trend of moped crime over the past year.
• NMDA has continued to lead and coordinate the development of a new Trailblazer apprenticeship standard for motorcycle technicians. The association has now reached the submission stage of the end-point assessment for Government approval.
• The NMDA Dealer Attitude Survey continues to be recognised by dealers and manufacturers as the industry's standard survey which examines the ongoing relationship between dealers and manufacturers.
• NMDA continues to lobby government to review the driving licence directive (DLD3) motorcycle rider licensing, to lower the age riders can obtain a full motorcycle licence from 24 to 17.
• NMDA membership continues to grow and retain a strong profile.

NMDA has continued to lead and coordinate the development of a new Trailblazer apprenticeship standard for motorcycle technicians

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.

- In 2017 VBRA worked with a consultant to help grow and retain membership. This included representation at all major commercial vehicle shows.
- A new and improved strategy for membership growth has been developed and will be rolled out later this year.
- VBRA has been focusing on understanding the requirements for apprenticeship training and has been working on developing a Trailblazer standard for the sector.

VBRA has been focusing on understanding the requirements for apprenticeship training

STRATEGIC REPORT

The directors present their strategic report for the year ended 31 December 2017.

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

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

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

With profitable results, and an increase in the value of our long leasehold property, retained reserves of the Group increased by £745k with members funds standing at £26.9m. During the year cash and investment balances fell by £746k to £25.7m, but this continues to reflect a healthy capital position for the Group.

Group sales performance did fall this year to £26.2m, partly due to the sale of our subsidiary, Remit Resourcing Ltd during the year, but also due to the challenging and changing environment for apprenticeships experienced by the remaining Remit sub-group. Consequently retained profit fell to £433k (2016 - £1.78m). Membership numbers fell slightly to 10,469 at the end of the year, 299 lower than at the end of 2016.

Some of the key areas of activity that the Retail Motor Industry Federation has been involved in during the year are included in the Reports of the Associations.

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

Principal risks and uncertainties
The Board continues to consider that, despite a very positive year in 2017, the principal risks to the business will be associated with a potential future lack of growth in the UK economy and the pressures that this would exert on our members' businesses. In Remit, the principal risks in the business arise from the impact of the Apprenticeship Levy, the use of Levy funds by larger employers, levels of Government funding available for non-Levy payers and Remit's own ability to manage and run Apprenticeships and adult learning efficiently.

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

By order of the board

C. Thomas
Secretary
29 August 2018

REPORT OF THE DIRECTORS

The directors present their report and financial statements for the year ended 31 December 2017.

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

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

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

RMI indirectly owns 42% of Remit Food Limited which provides training to the catering and hospitality industry and also owned 23% of the equity voting shares of Remit Resourcing Limited which provided consultancy and outsource services to the automotive sector until it was sold in November 2017.

The financial statements have been consolidated to include the subsidiaries up to the date they left the group.

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

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

Results and Dividend
The results for the year are set out on page 16. No dividend is permitted for the parent company and the whole of the retained profit will be taken to reserves.

Share Capital
The company is limited by guarantee.

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

Board of Directors
P. Johnson Chairman
G. Bates (Resigned 25 July 2018)
R. Collins (Appointed 28 April 2017)
B. V. Evans (Resigned 28 April 2017)
S. G. James - Executive Director
K. A. Finn
A. P. Lowe (Appointed 28 April 2017)
C. B. Madderson - Executive Director
M. C. Marshall
J. Moseley - Executive Director (Resigned 20 October 2017)
C. B. Parlett
S. Robinson - Executive Director
K. Savage
M. Squires
C. Thomas - Finance Director and Company Secretary
J. Tomlinson

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

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

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

The Board comprises a Chairman, a Finance Director, four Executive Directors with eight other Directors.

Directors are drawn from different disciplines so as to provide both balanced management and critical assessment of the Federation's activities.

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

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

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

The Board is responsible for the Federation's system of internal financial control. Its principal features include review

REPORT OF THE DIRECTORS (CONTINUED)

of financial information with senior management, monthly monitoring of results, operations, capital expenditure and significant financing matters of the Federation as a whole, and clearly defined levels of authority at all times. However, it must be appreciated that any such system can only provide reasonable rather than absolute assurance against material misstatement of financial information or loss.

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

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

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

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

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.

Statement of disclosure to auditors
Each of the directors in office at the date of approval of this annual report confirms that:

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

By order of the board

C. Thomas
Secretary
29 August 2018

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 2017 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 2017 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

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

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

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 13, the directors are responsible for the preparation of the financial statements and for being

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE RETAIL MOTOR INDUSTRY FEDERATION LIMITED (CONTINUED)

satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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 state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and company's members as a body, for our work, for this report, or for the opinions we have formed.

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

Devonshire House
60 Goswell Road
London
EC1M 7AD

31 August 2018

GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	Continuing Operations £ '000	Discontinued Operations £ '000	31 December 2017 £ '000	Continuing Operations £ '000	Discontinued Operations £ '000	31 December 2016 £ '000
Turnover	3	**23,945**	**2,240**	**26,185**	**24,572**	**2,784**	**27,356**
Cost of sales		(4,835)	(2,102)	(6,937)	(6,898)	(2,377)	(9,275)
Gross profit		**19,110**	**138**	**19,248**	**17,674**	**407**	**18,081**
Operating expenses		(19,180)	(153)	(19,333)	(17,485)	(309)	(17,794)
Profit on disposal of subsidiary		-	75	75	-	-	-
Operating Profit / (Loss)	4	**(70)**	**60**	**(10)**	**189**	**98**	**287**
Investment income	5	758	-	758	712	-	712
Other finance income	20(b)	1	-	1	2	-	2
(Loss)/Gain on revaluation of investment property	11	(200)	-	(200)	1,100	-	1,100
Profit on ordinary activities before taxation		**489**	**60**	**549**	**2,003**	**98**	**2,101**
Tax on profit on ordinary activities	8	(116)	-	(116)	(295)	(21)	(316)
Profit for the financial year		**373**	**60**	**433**	**1,708**	**77**	**1,785**
Profit attributable to non-controlling interest		(116)	12	(104)	(177)	(59)	(236)
Profit attributable to owners of the parent		**257**	**72**	**329**	**1,531**	**18**	**1,549**

	Note	2017 £ '000	2016 £ '000
Profit for the financial year		433	1,785
Other Comprehensive Income:			
Remeasurements of net defined benefit obligations	20(b)	35	26
Gain on revaluation of property net of related deferred tax	10, 19	489	523
Total comprehensive income for the financial year		957	2,334
Attributable to non-controlling interest		(104)	(236)
Attributable to members of the parent		853	2,098

	Note	Group 2017 £ '000	Group 2016 £ '000	Company 2017 £ '000	Company 2016 £ '000
Fixed Assets					
Intangible assets					
Goodwill	9	175	263	176	264
Negative Goodwill	9	(321)	(482)	-	-
Course Materials	9	130	-	-	-
		(16)	(219)	176	264
Tangible assets	10	6,174	5,053	5,599	4,803
Investment property	11	8,525	8,725	8,300	8,500
Investments	12	14,792	14,112	14,798	14,118
		29,475	27,671	28,873	27,685
Current Assets					
Stocks	14	-	1	-	-
Debtors	15	2,374	3,308	667	639
Cash at bank and in hand		2,427	3,653	652	721
		4,801	6,962	1,319	1,360
Creditors: Amounts falling due within one year	16	(4,621)	(6,082)	(2,772)	(2,318)
Net Current Assets/(Liabilities)		180	880	(1,453)	(958)
Total Assets less Current Liabilities		29,655	28,551	27,420	26,727
Creditors: amounts falling due after more than one year	17	(198)	-	-	-
Provision for Other Liabilities	19	(2,521)	(2,360)	(2521)	(2,360)
Net Assets excluding pension liability		26,936	26,191	24,899	24,367
Pension retirement obligations	20 (b)	-	-	-	-
Net Assets including pension liability		26,936	26,191	24,899	24,367
Capital and Reserves					
Revaluation reserve		4,089	3,600	4,089	3,600
Profit and loss reserve		22,097	21,750	20,810	20,767
Members' funds		26,186	25,350	24,899	24,367
Non-controlling interests		750	841	-	-
		26,936	26,191	24,899	24,367

The financial statements were approved by the board of directors and authorised for issue on 29th August 2018 and are signed on its behalf by:

P. Johnson
Chairman

C. Thomas
Finance Director

Company Registration Number: 00133095

Group	Revaluation Reserve £'000	General Reserve £'000	Total £'000	Non controlling interest £'000	Total £'000
Balance at 1 January 2016	3,077	20,248	23,325	625	23,950
Year ended 31 December 2016					
Surplus for the year	-	1,549	1,549	236	1,785
Other comprehensive income for the year	523	26	549	-	549
Increase in investment in subsidiary	-	(73)	(73)	(20)	(93)
Total comprehensive income for the year	523	1,502	2,025	216	2,241
Balance at 31 December 2016	3,600	21,750	25,350	841	26,191
Year ended 31 December 2017					
Surplus for the year	-	329	329	104	433
Other comprehensive income for the year	489	35	524	-	524
Increase in investment in subsidiary	-	(66)	(66)	(1)	(67)
Disposal of non-controlling interest	-	43	43	10	53
Disposal of subsidiary	-	6	6	(204)	(198)
Total comprehensive income for the year	489	347	836	(91)	745
Balance at 31 December 2017	4,089	22,097	26,186	750	26,936

Company	Revaluation Reserve £'000	General Reserve £'000	Total £'000
Balance at 1 January 2016	3,077	19,585	22,662
Year ended 31 December 2016			
Surplus for the year	-	1,156	1,156
Other comprehensive income for the year	523	26	549
Total comprehensive income for the year	523	1,182	1,705
Balance at 31 December 2016	3,600	20,767	24,367
Year ended 31 December 2017			
Surplus for the year	-	8	8
Other comprehensive income for the year	489	35	524
Total comprehensive income for the year	489	43	532
Balance at 31 December 2017	4,089	20,810	24,899

	Note	Group 2017 £ '000	Group 2016 £ '000
Cashflows from operating activities	**21**		
Cash (absorbed by) generated from operations		(388)	776
Income taxes (paid)		(22)	(192)
Net cash (outflow)/inflow from operating activities		(410)	584
Cashflow from investing activities			
Purchases of intangible assets		(168)	-
Purchase of tangible fixed assets		(507)	(459)
Proceeds on disposal of tangible fixed assets		6	6
Interest received		384	433
Receipts from sales of investments		1,958	1,678
Payments to acquire investment securities		(2,267)	(1,994)
Proceeds on disposal of shares in subsidiary to non-controlling interest		(146)	-
Purchase of shares in subsidiary from non-controlling interest		(67)	(93)
Net cash (used in) investing activities		(807)	(429)
Cashflow from financing activities			
Payment of finance lease obligations		(9)	-
Net cash (used in) financing activities		(9)	-
Net (decrease)/ increase in cash and cash equivalents		(1,226)	155
Cash and cash equivalents at beginning of year		3,653	3,498
Cash and cash equivalents at end of year		2,427	3,653
Cash and cash equivalents consists of:			
Cash at bank and in hand		2,427	3,653

1 Accounting Policies

1.1 Company Information

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

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

1.2 Accounting Convention

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

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

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

As permitted by s408 Companies Act 2006, the Company has not presented its own profit and loss account and related notes. The Company's profit for the year was £8,486 (2016: £1,156,195).

1.3 Exemption for qualifying entities under FRS102

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

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

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

1.4 Going Concern

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

1.5 Revenue recognition

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

Subscriptions

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

Advertising revenue

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

1 Accounting Policies (continued)

Training

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

Management development and consultancy

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

1.6 Intangible Fixed Assets - goodwill

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

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

1.7 Intangible Fixed Assets other than Goodwill

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

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

1.8 Amortisation of Intangible Assets

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

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

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

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

1.9 Tangible Assets

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

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

1 Accounting Policies (continued)

1.9 Tangible Assets (continued)

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

1.10 Investment Properties

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

1.11 Impairment of fixed assets

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

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

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

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

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

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

1.12 Investments

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

1.13 Investment in Subsidiaries

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

1 Accounting Policies (continued)

1.13 Investment in Subsidiaries (continued)

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

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

1.14 Stocks

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

1.15 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.

1.16 Financial instruments

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

Financial instruments are recognised in the group's and company's balance sheet when the group and company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

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

Impairment of financial assets

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

1 Accounting Policies (continued)

1.16 Financial instruments (continued)

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

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

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

Other financial liabilities

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

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

Derecognition of financial liabilities

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

1.17 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.

1.18 Taxation

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

Current tax

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

1 Accounting Policies (continued)

1.18 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.

1.19 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.

1.20 Retirement benefits

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

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

Defined benefit pension plan

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

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

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

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

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

1 Accounting Policies (continued)

1.21 Leases

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

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

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

1.22 Foreign exchange

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

2 Significant judgements and estimates

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

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

Key sources of estimation uncertainty

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

Deferred tax

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

2 Significant judgements and estimates (continued)

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

Release of negative goodwill to profit or loss
The annual amount of negative goodwill credited to profit or loss is sensitive to the directors' estimate of the period over which the group is expected to benefit from the net assets acquired.
The period of benefit is assessed annually. See note 9 for the carrying amount of negative goodwill and note 1.6 for the period over which the negative goodwill is released.

Defined benefit pension scheme
The group and company have obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 20 for the disclosures relating to the defined benefit scheme.

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

The time taken to prepare these course materials is based on management's estimate rather than detailed time records. The total amount capitalised in the year was £167,602 as shown in note 9.

3 Turnover

	2017 £ '000	2016 £ '000
Subscriptions	5,204	4,863
Membership activities	459	628
Rental income	293	291
Commission	181	206
Other income	2,191	1,057
Training	17,857	20,311
	26,185	27,356

4 Operating Profit

	2017 £ '000	2016 £ '000
The operating profit is stated after charging/(crediting):		
Auditors' remuneration in respect of audit services	27	26
Auditors' remuneration in respect of non-audit services		
–audit of subsidiaries	36	43
–taxation	19	21
–other	15	23
Depreciation of owned tangible fixed assets	222	182
Depreciation of tangible fixed assets held under finance leases	19	-
Loss on disposal of tangible fixed assets	(1)	(1)
Amortisation of goodwill	(73)	(60)
Amortisation of intangible assets	38	31
Operating lease rentals	690	782
Foreign exchange differences	-	2

5 Investment Income

	2017 £ '000	2016 £ '000
Profit/(loss) on sale of investments	(5)	(21)
Profit/(loss) on revaluation of investments	379	300
Investment interest receivable	223	275
Dividends receivable	161	158
	758	712

6 Staff Costs including Executive Directors

	2017 £ '000	2016 £ '000
Wages and salaries	12,052	10,911
Social security costs	1,330	1,181
Pension costs	322	381
	13,704	12,473

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

	2017	2016
Members services	68	64
Training	313	289
Administration	15	15
	396	368

7 Directors' Emoluments

	2017 £ '000	2016 £ '000
Emoluments	664	612
Company contributions to money purchase pension scheme	25	24
	689	636

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

	2017 £ '000	2016 £ '000
Highest paid director		
Emoluments	148	145
Aggregate contributions to money purchase pension scheme	12	12
	160	157

Two directors (2016 - two) were members of the defined contribution scheme.

8 Taxation

Domestic current year tax	2017 £ '000	2016 £ '000
UK Corporation tax	27	105
Adjustments for prior years	1	-
Total current tax charge	28	105
Deferred Tax:		
Deferred tax charge for the current year (note 19)	88	211
Group deferred tax charge	88	211
Total tax charge	116	316

Factors that may affect future tax charges

The group has estimated tax losses of £10,887,000 (2016: £10,872,000) available to carry forward against future trading profits of the same trade.

8 Taxation (continued)

Factors affecting the tax charge for the year	2017 £ '000	2016 £ '000
Profit on ordinary activities before tax.	549	2,101
Profit on ordinary activities before tax multiplied by the standard rate of UK Corporation tax of 19.25% (2016 - 20%)	106	420
Effects of:		
Non deductible expenses	6	15
Capital allowances for year (in excess of) / lower than depreciation	16	(6)
Amortisation of intangible assets	(34)	(30)
Tax losses utilised	14	-
Unutilised tax losses carried forward	40	-
Effect of change in corporation tax rate on deferred tax	-	(80)
Dividends not taxable	(31)	(32)
Revaluation gains treated as non-taxable	-	(16)
Unrelieved losses and other deductions	24	40
Capital gain not taxable	(33)	-
FRS102 pension adjustments not deductible/ chargeable for tax	7	5
Adjustments in respect of prior years	1	-
	10	(104)
Tax expense for the year	116	316

9 Intangible Fixed Assets

	Group Goodwill	Software	Course Materials	Total	Company Goodwill
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1st January 2017	1,153	205	-	1,358	607
Additions- internally developed	-	-	168	168	-
At 31 December 2017	1,153	205	168	1,526	607
Amortisation					
At 1st January 2017	890	205	-	1,095	343
Amortisation charge for the year	88	-	38	126	88
At 31st December 2017	978	205	38	1,221	431
Net book value					
At 31st December 2017	175	-	130	305	176
At 31st December 2016	263	-	-	263	264

9 Intangible Fixed Assets (continued)

Negative Goodwill	Group £'000
Cost	
At 1st January 2017 and 31st December 2017	822
Amortisation	
At 1st January 2017	340
Amortisation for the year	161
At 31st December 2017	501
Net book value	
At 31st December 2017	321
At 31st December 2016	482

Further acquisition of Remit Food Limited

During 2017, Remit Group Limited acquired a further 14% shareholding in Remit Food Limited in addition to the 65% previously purchased bringing its overall shareholding to 82%. In January 2017, it disposed of 80 B Ordinary B £1 Shares of Remit Food Limited for £53k. In April 2017 it acquired 100 Ordinary B £1 Shares for £25k and in May 2017 it acquired 150 Ordinary B £1 shares for £37.5k

Group intangible asset - Software

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

Group intangible asset- Course Materials

Course materials includes group course materials required to deliver apprenticeship training courses. This content was created by staff specifically employed for the purpose.

Group and company intangible asset - Goodwill

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

10a) Fixed Assets - Tangible

Group	Long Leasehold Property	Short Leasehold Property	Leasehold Improvements	Furniture and Equipment	Computer Hardware	Motor Vehicles	Total
Cost or Valuation	**£ '000**	**£ '000**	**£ '000**	**£ '000**	**£ '000**	**£ '000**	**£ '000**
At 1st January 2017	4,500	127	341	850	771	35	6,624
Additions	-	-	132	436	200	-	768
Disposals	-	-	(15)	(79)	(165)	(35)	(294)
Revaluation	600	-	-	-	-	-	600
At 31st December 2017	5,100	127	458	1,207	806	-	7,698
Depreciation							
At 1st January 2017	-	127	175	648	595	26	1,571
Charge for the year	-	-	39	75	123	4	241
Eliminated on disposals	-	-	(9)	(78)	(171)	(30)	(288)
At 31st December 2017	-	127	205	645	547	-	1,524
Net Book Value							
At 31st December 2017	5,100	-	253	562	259	-	6,174
At 31st December 2016	4,500	-	166	202	176	9	5,053

Long Leasehold Property (Group and Company)

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

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

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 2017	4,500	341	651	216	5,708
Additions	-	132	95	73	300
Disposals	-	(15)	(78)	(26)	(119)
Revaluation	600	-	-	-	600
At 31st December 2017	5,100	458	668	263	6,489
Depreciation					
At 1st January 2017	-	175	558	172	905
Charge for the year	-	38	30	26	94
Eliminated in respect of disposals	-	(8)	(75)	(26)	(109)
At 31st December 2017	-	205	513	172	890
Net Book Value					
At 31st December 2017	5,100	253	155	91	5,599
At 31st December 2016	4,500	166	93	44	4,803

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	
	2017	**2016**	**2017**	**2016**
	£'000	**£'000**	**£'000**	**£'000**
Furniture and equipment	265	-	-	-

11 Fixed Assets - Investment Property

Investment property (Group)

Fair value	**2017**
	£ '000
At 1st January 2017	8,725
Revaluation	(200)
At 31st December 2017	8,525

Investment property - Group and Company

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

Investment property - Group only

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

11 Fixed Assets - Investment Property (continued)

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

Group	**2017**	**2016**
	£ '000	**£ '000**
Cost at 1st January and 31st December	379	379

Investment property (Company)

	2017	**2016**
Fair value	**£'000**	**£'000**
At 1st January	8,500	7,400
Revaluation	(200)	1,100
At 31st December	8,300	8,500

Investment Property (Company)

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

	2017	**2016**
	£ '000	**£ '000**
Cost at 1st January and 31st December 2017	164	164

12 Fixed Assets - Investments

	Cash Deposits	**Listed Investments**	**Total**
Group	**£'000**	**£'000**	**£'000**
Cost or valuation			
At 1st January 2017	1,432	12,680	14,112
Additions	175	2,092	2,267
Disposals	-	(1,961)	(1,961)
Revaluations	-	374	374
At 31st December 2017	1,607	13,185	14,792

12 Fixed Assets - Investments (continued)

Company	Shares in Group Undertakings £'000	Cash Deposits £'000	Listed Investments £'000	Total £'000
Cost or valuation				
At 1st January 2017	6	1,432	12,680	14,118
Additions	-	175	2,092	2,267
Disposals	-	-	(1,961)	(1,961)
Revaluations	-	-	374	374
At 31st December 2017	6	1,607	13,185	14,798

Listed investments have been revalued to their mid market value at the balance sheet date. The historic cost of investments at 31st December 2017 was £12,256,479 (2016 - £12,194,250).

Shares in Group Undertakings

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

Trading Company:	Principal Activity	Proportion of ordinary shares held %
Remit Group Limited	Training Provider	51
Big Oil Limited	Online Information Portal	100
RMI SC Limited	Certification services	100
Remit Food Limited	Training Provider	42*
Trading Company limited by guarantee:		
Trusted Dealers Limited	Online marketing	n/a**
The Vehicle Builders and Repairers Association	Repairs	n/a***
Non Trading Companies:		
The Petrol Retailers Association Limited	Dormant	100
Motor Industry Pension Plan Trustees Limited	Dormant	100
Remit IT Academy Limited	Dormant	51*
Remit Showroom Limited	Dormant	34*
Non Trading Companies limited by guarantee:		
The National Franchised Dealers Association Limited	Dormant	n/a
The National Association of Radiator Specialists Limited	Dormant	n/a
Motorcycle Rider Training Association Limited	Dormant	n/a
Motorcycle Retailers Association Limited	Dormant	n/a
Society of Motor Auctions Limited	Dormant	n/a
Independent Garage Association Limited	Dormant	n/a
Cherished Numbers Dealers Association Limited	Dormant	n/a
National Conciliation Service Limited	Dormant	n/a

12 Fixed Assets - Investments (continued)

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

The financial statements for the trading subsidiaries for the year ended 31 December 2017 have been consolidated with those of the parent company. The non-trading subsidiaries have not been included in the consolidation as they are immaterial.

* Indirectly held voting shares.
** 58.7% of the voting shares are held.
*** 100% of the voting shares are held

Sale of Subsidiary Undertaking
On 1 November 2017, Remit Group Limited sold its 46% shareholding in Remit Resourcing Limited for £137,000. RMI's share of the loss of Remit Resourcing Limited up to the date of disposal was £3,553 (2016 - £18,178 profit). RMI's share of net assets at the time of the disposal was £61,821 giving a profit on sale of £75,179 in the consolidated accounts. The profit on sale is included in the results of discontinued operations.

13 Financial Instruments

	Group		Company	
	2017 £000	2016 £000	2017 £000	2016 £000
Carrying amount of financial assets				
Debt instruments measured at amortised cost	1,790	2,713	321	312
Carrying amount of financial liabilities				
Measured at amortised cost	2,612	4,318	1,295	1,016

14 Stocks

	Group		Company	
	2017 £ '000	2016 £ '000	2017 £ '000	2016 £ '000
Finished goods and goods for resale	-	1	-	-

15 Debtors

	Group		Company	
	2017 £ '000	2016 £ '000	2017 £ '000	2016 £ '000
Trade debtors	519	1,083	154	174
Amounts owed by subsidiary undertakings	-	-	30	26
Other debtors	248	292	186	151
Prepayments and accrued income	1,607	1,895	297	288
Deferred tax asset (see note 19)	-	38	-	-
	2,374	3,308	667	639

16 Creditors: Amounts falling due within one year

	Group		Company	
	2017	2016	2017	2016
	£ '000	£ '000	£ '000	£ '000
Obligations under finance leases	54	-	-	-
Trade creditors	720	1,026	293	396
Amounts owed to subsidiary undertaking	-	-	460	9
Social security and other taxes	677	563	192	210
Other creditors	494	493	234	273
Accruals and deferred income	2,676	4,000	1,593	1,430
	4,621	6,082	2,772	2,318

17 Creditors: amounts falling due after one than more year

	Group		Company	
	2017	2016	2017	2016
	£ '000	£ '000	£ '000	£ '000
Obligations under finance lease	198	-	-	-

18 Finance lease obligations

	Group		Company	
	2017	2016	2017	2016
	£ '000	£ '000	£ '000	£ '000
Future mimimum lease payments due under finance leases:				
Within one year	65	-	-	-
In two to five years	238	-	-	-
	303	-	-	-
Less: future finance charges	(51)	-	-	-
		-	-	-
	252	-	-	-

19 Provision for Other Liabilities

Deferred Taxation

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

Deferred tax asset	Group		Company	
	2017	2016	2017	2016
	£ '000	£ '000	£ '000	£ '000
Tax losses available against future profits	24	36	-	-
(Accelerated) / decelerated capital allowances	(26)	(1)	-	-
Other timing differences	2	3	-	-
	-	38	-	-

Deferred tax liability	Group		Company	
	2017	2016	2017	2016
Revaluation gains on listed investments and investment and own-use property	2,521	2,360	2,521	2,360

19 Provision for Liabilities and Charges (continued)

Deferred tax movements in the year	Group 2017 £ '000	Company 2017 £ '000
Liability at 1st January 2017	(2,360)	(2,360)
Asset at 1st January 2017	38	-
Charge to profit and loss account	(88)	(50)
Charge to other comprehensive income	(111)	(111)
(Liability) at 31st December 2017	(2,521)	(2,521)
Analysed as:		
Liability at 31st December 2017	(2,521)	(2,521)
Asset at 31st December 2017	-	-

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.

	2017 £ '000	2016 £ '000
Amounts potentially available to credit the Profit and Loss account:		
Accelerated depreciation	207	185
Other short term timing differences	-	3
Losses carried forward	2,111	2,066
Total potential deferred tax asset	2,318	2,254

20 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 2017 £ '000	Group 2016 £ '000
within one year	746	543
between two and five years	1,399	1,216
in over five years	161	614
	2,306	2,373

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

20 Future Financial Commitments (Continued)

(a) Operating Leases (continued)

Lessor

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

	Group	
	2017	**2016**
	£ '000	**£ '000**
within one year	294	304
between two and five years	76	370
	370	674

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

(b) Pension Costs

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

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

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

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

The most recent actuarial valuation upon which the amounts included in the accounts are based, was carried out at 5 April 2016. Using this as a basis, the actuarial valuation of the scheme has been updated to 31st December 2017 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 2017 amounted to £99,000 (2016 - £99,000). Payments for future years under the current schedule of contributions will be £107,000 for 2018 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**	
	2017	**2016**
	£' 000	**£' 000**
Scheme liabilities at 1st January	25,003	20,950
Interest cost	659	758
Actuarial (gains) / losses on scheme liabilities	(1,484)	4,242
Net benefits paid from scheme assets	(1,232)	(947)
Scheme liabilities at 31st December	22,946	25,003

Total actuarial gain of £1,484,000 on the liabilities is analysed as follows:

	2017	**2016**
	£ '000	**£' 000**
(Loss)/gain on change in actuarial assumptions	1,484	(4,242)
	1,484	(4,242)

20 Future Financial Commitments (Continued)

(b) Pension Costs (Continued)

Changes in fair value of scheme assets	**Group and Company**	
	2017	**2016**
	£ '000	**£ '000**
Fair value of scheme assets at 1st January	26,298	22,526
Return on scheme assets (excluding amounts in net interest)	1,331	3,929
Employer contributions	99	99
Net benefits paid from scheme assets	(1,232)	(947)
Expenses paid	(135)	(127)
Interest income	695	818
Fair value of scheme assets at 31st December	27,056	26,298

Amounts recognised in income are as follows:	**2017**	**2016**
	£ '000	**£ '000**
Expenses paid - operating expenses	135	127
Interest on net defined benefit asset - other finance income	(1)	(2)
Pension expense recognised in profit and loss	134	125

The actual return on scheme assets for the year was a gain of £2,026,000 (2016 - £4,747,000).

Amounts recognised in other comprehensive income	**2017**	**2016**
	£ '000	**£ '000**
Actuarial (loss)/ gain on liabilities	1,484	(4,242)
Actuarial gain/(loss) on scheme assets in excess of interest	1,331	3,929
	2,815	(313)
Change in the effect of the asset ceiling	(2,780)	339
Total gain recognised in other comprehensive income during the period	35	26

Assumptions

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

	%	%
RPI Inflation	3.40%	3.50%
CPI Inflation	2.30%	2.40%
Revaluations in deferment	2.30%	2.40%
Pension increases- 5% LPI	3.20%	3.30%
Pension increases- 2.5% LPI	2.30%	2.30%
Pension increases- Post 88 GMP benefits	2.00%	2.00%
Discount rate for scheme liabilities	2.50%	2.70%

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

The actuary assumed that pre and post retirement mortality is in line with standard tables at 100% S2PxA tables, improvements in line with the CMI 2014 projections and a long term rate of improvement of 1.5% (2016: 100% of the SIPxA tables, improvements in line with the CMI 2012 projections and a long term rate of improvement of 1.5%). Under these assumptions the average life expectancy of males aged 65 is 22.8 years (2016: 23.1 years) and of females aged 65 of 24.9 years (2016: 25.4 years). Longevity at age 65 for future pensioners currently aged 45 is 25.0 years for males (2016: 25.3 years) and 27.2 for females (2016: 27.8 years).

No allowance has been made for cash commutations.

20 Future Financial Commitments (Continued)

(b) Pension costs (Continued)

Amounts included in the statement of financial position	2017 £ '000	2016 £ '000
Fair value of scheme assets	27,056	26,298
Present value of funded defined benefit obligations	(22,946)	(25,003)
Unrecognised asset	(4,110)	(1,295)
Net retirement benefit obligations	-	-

Analysis of fair value of scheme assets

	2017		2016	
	£ '000	%	£ '000	%
Equities	13,528	50%	13,675	52%
Fixed interest gilts	4,058	15%	3,682	14%
Index-linked gilts	6,764	25%	6,574	25%
Corporate bonds	2,706	10%	2,367	9%
Fair value of assets	27,056	100%	26,298	100%

21 Cash generated from operations

	Group	
	2017 £ '000	2016 £ '000
Profit for the financial year	433	1,785
Adjustments for:		
Income tax recognised in profit or loss	116	316
Fair value gains (losses) on investment property	200	(1,100)
Investment income recognised in profit or loss	(758)	(712)
Finance costs	2	-
Loss on disposal of tangible fixed assets	(1)	(1)
Amortisation and impairment of intangible assets	(35)	(29)
Depreciation and impairment of tangible fixed assets	241	182
Post employment benefits less payments	35	26
Profit on disposal of subsidiary	(75)	-
Movements in working capital:		
(Increase) / Decrease in stocks	1	1
(Increase) / Decrease in debtors	601	(262)
Increase / (decrease) in creditors	(1,148)	570
Cashflow (absorbed by) /generated from operating activities	(388)	776

22 Related Party Transactions

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

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

Transactions with key management personnel
During the year, the group entered into the following transactions on normal commercial terms:

	2017 £ '000	2016 £ '000
Education & Media Services Limited- commission receivable on book sales	-	2
GB Commercial Services - Commission	7	-

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

G. Bates, director of The Retail Motor Industry Federation Limited, has a controlling interest in G.B. Commercial Services Limited. There were no balances owing at the year end (2016-£nil)

Transactions with group undertakings
During the year, Remit Group Limited was charged salary and administration costs of £50,000 (2016 - £59,489) on normal commercial terms by the parent company Retail Motor Industry Federation Limited. At 31 December 2017, the Remit Group Limited owed £30,004 (2016 - £nil) to the Retail Motor Industry Federation Limited.

During the year, Remit Group Limited recharged £203,674 (2016 - £362,858) of staff costs on normal commercial terms to Remit Food Limited, its 82% subsidiary. At 31 December 2017, Remit Group Limited owed £91,201 (2016 - £28,194) to Remit Food Limited.

At the year end, the Retail Motor Industry Federation Limited owed £14,632 to Remit Food Limited (2016- £nil) for VAT received on its behalf.

A 58% subsidiary company, Trusted Dealers Limited, had transactions during the year totalling £259,642 (2016 - £232,781) with its ultimate controlling party, the Retail Motor Industry Federation Limited (RMIF), relating to salaries paid by RMIF and recharged to Trusted Dealers Limited.
Included in trade and other payables at the year end is £25,124 (2016 - £nil) owed to the Retail Motor Industry Federation Limited.

Trusted Dealers Limited has entered into relationships, on an arms length basis, with Judgeservice Research Limited to reimburse a portion of its costs (at cost or less) in providing office space and administration to the company. The total amount paid during the period in respect of these services amounted to £25,647 (2016 - £26,867). N Addley, the owner of Neil Addley Sales and Marketing, is a director of Judgeservice Research Limited.

22 Related Party Transactions (continued)

Included in trade and other payables at the year end is £2,580 (2016 - £5,169) owed to Judgeservice Research Limited. There is no security on this balance and it is monies owed for allocation of office space and administration reimbursement as described above.

The following directors of Trusted Dealers Limited are also directors of companies which have, during the period, advertised vehicles on the Trusted Dealers website. These transactions were made on an arms length basis and the value of sales made by Trusted Dealers Limited are shown in the table below. There are £nil outstanding balances arising from these transactions at 31st December 2017 (2016: £Nil).

Director of Trusted Dealers Limited	Other Relevant Directorship	Sales by Trusted Dealers 2017	2016
R T Forrester	Vertu plc	60,000	60,000
P Jones & A Bruce	Lookers plc	172,899	172,899
K Savage	Perrys Motor Sales Limited	96,329	96,329
		329,228	329,228

23 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.

24 Capital Commitments

At 31 December 2017, the group had capital commitments of £76,000 (2016-£nil).

Directors
P. Johnson (Chairman)
G. Bates
R. Collins
S. G. James
K. A. Finn
A.P. Lowe
C.B. Madderson
M.C. Marshall
C.B. Parlett
S. Robinson
K. Savage
M. Squires
J. Tomlinson
C. Thomas

Secretary
C. Thomas

Auditor
Kingston Smith LLP
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Company number
00133095

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W1W 5AB