



**RETAIL
MOTOR
INDUSTRY
FEDERATION
ANNUAL
REPORT
2015**



A driving force for the automotive industry

This is my first report as Chairman, having taken up the post on 1st July 2015, and it therefore gives me particular pleasure to be able to report on an excellent performance across the board in 2015. Turnover was up by 23%, year over year. Expenditure remained tightly controlled allowing Operating Profit to rise to £694k from £105k in the previous year. The difficult financial environment, which resulted in losses on the revaluation of our investments of £249k for the year, was balanced by an increase of £669k in our investment property valuation and as a result the final profit before taxation was £1,480k.

In 2015 all of our trade associations reported surpluses apart from a very small deficit in the National Motorcycle Dealers Association. Remit, our joint venture training subsidiary, having returned to profit in the previous year, significantly increased its group profit before taxation by 62% to £765k. Operating Cash Flow was strong during the year with cash balances across the group rising by 26%, and net assets rose significantly to £23.9m despite the difficult investment environment which held back the value of the Federation's investment portfolio. The Federation therefore continues to have significant balance sheet strength which is particularly important when considering the likely volatility in the UK economy in the immediate future. This financial strength also gives the Board and the associations the scope to invest where appropriate in the continuing development of products and services for members.

Membership has continued to grow strongly, reaching almost 10,000 at the end of the financial year. The Independent Garages (IGA) had a particularly successful year growing its membership. The Petrol Retailers (PRA) and Franchised Dealers (NFDA) also showed good growth despite a landscape which is seeing ever increasing consolidation. This has particularly been seen in the Bodyshop sector where membership of the National Association of Bodyshops (NAB) fell slightly over the year.

The new constitution continues to prove its worth, with the funding of central activities by the rental and other income from the Federation's investments, allowing the individual associations to focus on front line services for the benefit of members. This new dynamic in customer relations is contributing strongly to the membership growth that I have already mentioned. In last years Chairman's report it was noted that this strategy was also intended to encourage other trade associations to join the Federation, and I am very pleased to report that in July 2015, the Vehicle Builders and Repairers Association (VBRA) joined the Federation, where it will work closely with the NAB. I am also delighted to note that, for the first time since the new constitution was put in place, our central services did reach the position of being fully funded from the various sources of investment income.

The excellent all round performance for the year has been achieved by a professional Board overseeing the activities of the RMI supported by a highly competent and committed team of staff. I would like to take this opportunity to thank all of my colleagues, Board and staff, for their efforts and for delivering such a successful year.

I would also like to take this opportunity to thank my predecessor as Chairman, Alec Murray. The Federation has benefited from the decision and actions taken under his leadership. The new constitution gives us a solid foundation for the years ahead.



Peter Johnson

P. Johnson
Chairman
26 April 2016



The Independent Garage Association is the largest and most prominent representative body in the Independent garage sector. We are the voice of the industry in matters arising in the UK Government and in Europe regarding legislative and regulatory issues. The IGA aims to support and encourage independent garages to thrive in all aspects of their business by offering advice, information and services which ensure that the independent service and repair sector can remain efficient and competitive in an increasingly complex business landscape.

IGA members are involved in the service and repair and sale of motor vehicles.

- 2015 has seen the previously solid foundations continue to strengthen around membership growth and retention.
- IGA membership continues to be perceived as value for money which in turn has allowed the sales team to cease cold calling activities for new member sign-ups and focus on supporting existing members. New membership now stems from incoming enquiries
- A number of successful IGA initiatives have taken place. These include:
 - New courses launched; Multimeter and a further two in development; Sensors & Actuators and Oscilloscopes
 - 25 member events took place nationally with just under 2000 garages in attendance
 - Launch of a new IGA website
 - Creation of the IGA Diagnostic Specialist Award to be rolled out when SERMI is released
- The IGA has achieved widespread coverage in trade magazines, online and radio.
- The Government recognises and understands the value the independent sector provides to the economy, and it has engaged on several different issues during the year.
- The apprentice Trailblazer initiative was strongly influenced by the IGA and will continue to see the qualification develop to see highly skilled technicians of the future.

RMI Standards and Certification (RMISC) acts as a conduit to the RMI's future quality standards facilitation across the motor industry.

- The motor industry continues to strengthen its focus on quality service and customer satisfaction. RMISC will provide a variety of accredited standards across a wide range of industry needs.
- A number of successful RMISC initiatives have taken place. These include:
 - Achieving UKAS accreditation against ISO 17065 superseding EN 45011:1998
 - Successfully transferred accreditation from PAS125 to BS10125
 - Successfully passed the UKAS annual audit
 - Achieved the CTSI (Chartered Trading Standards Institute) Code approval for the Trust My Garage Code Scheme
 - Through IMI Awards, developed a delivery method for the New MOT Tester training course and trialled in the awarding bodies pilot
 - Developed the new Trust My Garage website to be launched in 2016



The NAB and VBRA, are the UK's leading representative bodies for the automotive body repair sector and are part of the Retail Motor Industry Federation (RMI). Bodyshop membership ranges from larger groups; including the UK's leading body repair centres, to small independent repairers. The associations lobby on issues affecting the UK Body Repair Sector and engage with professional industry organisations, legislative bodies and government to ensure our members and the sectors' views are communicated and represented.

- In 2015, the National Association of Bodyshops (NAB) merged with the Vehicle Builders and Repairers Association (VBRA). With over 200 years of combined industry experience, the vision for the two associations is to unite, working as one to provide a more cohesive and authoritative approach to the issues and challenges that affect the body repair sector.
- The appointment of Jason Moseley as Executive Director of NAB / VBRA towards the end of 2015 has provided our association with a clear direction for the future, with Jason's ultimate goal being that the joint association will be the leading voice for the sector.
- The association currently has membership of circa 1,000; representing a significant proportion of the collision repair supply chain.
- In 2015, the sector saw continued change in vehicle technology, legislation and commercial agreements, with the on-going consolidation and acquisition activity continuing to define the landscape in the coming years.
- Industry debate surrounding the Code of Practice for the Disposal of Motor Salvage, which was redrafted in the earlier half of the year. NAB/VBRA is of the opinion that the current Code has been drafted to protect insurers, rather than consumers, and that it is based almost entirely on financial considerations., and has been lobbying hard against the proposed code, with representatives of the NAB meeting with the Department for Transport (DfT) and the Parliamentary Advisory Council for Transport Safety (PACTS)
- The NAB/VBRA's work surrounding the collapse of the accident management company Drive Assist has led to a high profile director disqualification. It is hoped that this acts as a deterrent for anybody who may be intent on abusing the body repair industry in the future.
- The 2016 body shop market will continue to be dynamic with NAB / VBRA championing that its members be treated fairly. It is now the sole UK repairers trade body, and will continue helping mitigate risks and improve business opportunities for members.



The National Association of Motor Auctions (NAMA) represents vehicle auctions in the UK. The UK motor auction sector sells around 1.5 million vehicles per annum and NAMA represents 90% of these sales. Members not only auction vehicles but offer a range of remarketing services such as transportation, valeting and reconditioning as well as on-line services.

- Monthly auction data reports for cars and light commercial vehicles. The report gives an insight for both members and their customers on the health of the auction market. The report each month looks at auction conversion rates, prices and age and mileage of auction sales. Webinars have also been introduced to highlight the report to members and stakeholders.
- NAMA has developed a standardised vehicle grading scheme that allows customers to identify a vehicle's condition in a consistent manner. This is particularly beneficial for auction customers who are buying on-line. The number of vehicles now being offered for sale under the scheme is in the region of 1 million a year.
- The NAMA Grading Appraiser course at Stephenson College has now trained over 500 candidates improving standards of appraising vehicles across the industry.
- NAMA was awarded the prestigious IMI recognition award for the Appraiser Training course and Grading Scheme.
- NAMA represents the interest of our members with Government and industry stakeholders on issues affecting the industry.



The National Franchised Dealers Association (NFDA) represents franchised car and commercial vehicle dealers in the UK. Membership consists of major dealer groups, medium sized regional 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 on-line.

- NFDA represents the interests of franchised dealers to UK Government, European Commission and Parliament, vehicle manufacturers, the media and other industry stakeholders.
- NFDA has successfully lobbied the European Commission to look in-depth at the relationship between suppliers and dealers.
- NFDA has successfully lobbied Government to ensure the new Consumer Rights Act was implemented in a manner sensitive to business needs. This included the introduction of Representative Actions and the new Alternative Dispute Resolution scheme. In addition, NFDA obtained the concession that dealers could base a refund to customers for a rejected vehicle using the valuation guide prices.
- NFDA has successfully lobbied the FCA with respect to their remedies for the GAP insurance market. NFDA specifically achieved a reduction in the proposed cooling off period from 30 days to 4 ensuring that the market survived the changes.
- The NFDA Working Groups continue to work on key issues in the areas of used cars, aftersales, finance and insurance and HR and training.
- NFDA Trusted Dealers continues to grow and develop as a used car sales portal for members and is now working in conjunction with Auto Trader.
- The NFDA Dealer Attitude Survey continues to be well received by dealers, manufacturers, trade and national press.
- NFDA has launched the Consumer Attitude Survey to assess consumer perceptions of the franchised sector, and are working in conjunction with an external research company. The research will be carried out twice a year.
- Campaigning for better regulation for dealer truck technicians regarding driver CPC regulations.
- Liaison with Government departments, including DVSA on issues involving Type Approval regulation and privatisation of truck testing.
- NFDA membership continues to grow in a consolidating market.



The Petrol Retailers Association is committed to supporting its members to develop all aspects of their activities by offering information, services and advice which ensures that the independent fuel retailing sector can continue to grow and be competitive in an ever more challenging business environment. This also requires the PRA to challenge and work with all appropriate Government departments to ensure that the sustainability of independent forecourt retailers is properly considered.

- Since 2000, more than 4,000 independent petrol stations have closed. This represents more than 60% - many in already challenged rural areas.
- This trend continues with a further 165 independents closing in 2015 and at this rate, a further 1,000 filling stations may be lost in the next 5 years or so
- At the same time oil companies have been steadily retreating from front line retailing such that some 3,000 sites have been acquired by the larger groups
- Today, independent forecourts total 5,800 or 70% of all the UK's filling stations. Hence the strategic and operational importance of the PRA

PRA lobbying activities encompass most of the key Government departments including:-

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

During the past year, the PRA has produced an extensive "Market Review", improved the presentation and content of the fortnightly e-newsletter Petrol Heads Up for members and the sector, as well as making the website www.ukpra.co.uk even more user friendly.

As a result, Membership has continued to grow in all four home countries

Big Oil Ltd is a wholly owned subsidiary of the Retail Motor Industry Federation and continues to provide valuable contribution to the Group. It is continues to be sub-licenced to Wayne Fuelling Systems following the acquisition of Vianet Fuel Systems by Wayne International.



The National Motorcycle Dealers 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.

- The NMDA continue to liaise with Government departments on issues including road safety, electric motorcycle subsidies, motorcycle security and rider training.
- The NMDA has successfully raised its profile within the industry and continues to receive coverage in the motorcycle trade press.
- The NMDA continues to work closely with the MCIA on issues affecting the motorcycle sector.
- The NMDA Motorcycle Dealer Attitude Survey is now recognised as the industry's standard survey and has increased its national participation to 40% of UK dealers since going digital.
- The NMDA has been appointed by the Government to lead and co-ordinate the development of a new Trailblazers apprenticeship standard for motorcycle technicians. This work is expected to be finished and approved by 2017 in time for the new Employer Levy introduction.

The directors present their strategic report for the year ended 31st December 2015.

Review of the business and key performance indicators

As the main trade association 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 fourth year under these Articles and this gives each association the autonomy to determine their service and growth strategy, whilst retaining the benefit of remaining within the Federation. These changes have allowed the associations to retain and grow their subscriber base whilst adding valuable services for members.

With profitable results, and reflecting the increase in the value of our long leasehold property, retained reserves of the Group increased by £1.64m with members funds standing at £23.3m. During the year cash and investment balances grew by £1.67m to £24.6m and continue to reflect a healthy capital position for the Group.

Group sales performance improved again in 2015. The Remit group of businesses also performed better in 2015, and this resulted in a Group retained profit of £1.33m (2014 - £1.83m). Membership numbers increased to 9,805 at the end of the year, 998 higher than at the end of 2014.

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

IGA

- The year continued in a positive way with member growth and retention being consistent and member satisfaction running at an all-time high, maintaining record breaking levels.
- The IGA's Trust My Garage code scheme achieved approval from Chartered Trading Standards Institute (CTSi) allowing its 2600 Independent garages to display the TSi logo to consumers.
- The positive membership climate has changed and the role of field sales resources no longer need to carry out cold call activities and only follow up on new member leads. This has allowed the resources flexibility to engage with existing members on a more frequent basis.
- Membership communications events proved to be ever popular with 25 events taking place last year to just under 2000 garages.
- The highly successful technical training initiative progressed in the development of a number of new courses being Multimeter and electrical principles. To date the Technical Training programme has delivered courses to over 6500 technicians and over 2500 garages since they were introduced.
- Lobbying at a national and international level continues to play an important part in maintaining the IGA's profile with government and in the press. Highlights include continued pressure in respect of access to manufacturer technical information and work with the ProMOTe campaign on 4-Year MOT.
- Meetings at a ministerial level have kept the door open on changes to Small Waste Oil Burner (SWOB) guidance.

NFDA

- NFDA successfully lobbied the FCA to ensure that their proposed remedies for the GAP insurance market did not adversely affect dealers. In particular, we have managed to reduce the proposed cooling off period from 30 days to 4 and have also allowed for customers to initiate a sale of GAP within the 4 day period.
- NFDA have been campaigning with Government for action to be taken on mileage fraud. NFDA are pushing for tighter regulation of mileage adjustment companies and the outright banning of odometer change.
- NFDA continues to lobby the European Commission to take action to address the unbalanced relationship between dealers and manufacturers and unfair contract terms.
- NFDA have successfully launched a new consumer attitude survey to understand the views of consumers towards franchised dealers.
- NFDA membership is the highest it has been with new increased subscription structure and this will ensure revenue growth despite consolidation.

PRA

- The last year has seen the continuing disinvestment by oil companies in their UK retail assets with acquisition by independents. Almost simultaneously private equity investors have acquired both full and partial stakes in the emerging “super” dealer groups with just 4 retail companies controlling nearly 25% of independent site numbers. All 4 groups are supportive PRA members.
- PRA has improved communications with members and industry contacts with the increasingly popular “Petrol Heads Up” fortnightly e-newsletter. This is now a credible advertising channel so boosting income for the Association. Other successful communications have included the annual Market Review, the Live & Local regional Forums and much improved website www.ukpra.co.uk
- Much effort has been directed towards improving the commercial service benefits for Members and we expect to see this attracting further retailers as we go forward.
- The PRA Chairman continues to be in demand from all media channels including national press, TV and radio on a wide variety of forecourt retailing issues.
- Members views are well represented to the highest levels of Government with personal meetings during the last 6 months with the Cabinet Minister without Portfolio, Minister for Energy (DECC), Exchequer Secretary to the Treasury, Minister for Police & Crime (Home Office), Chief Executive (HMRC) and many other senior politicians and officials.
- Following the very sad passing of Robin Hulf, Director of Hulf McRae, last autumn, PRA has engaged the services of Pepper Public Affairs as political advisers.

NAB/VBRA

- For the first time in recent history, 2015 saw the body shop industry unite under a single association by the joining forces of National Association of Bodyshops (NAB) with the Vehicle Builders and Repairers Association (VBRA) combining to represent 1,000 members.
- The NAB/VBRA Technical Helpline usage continued to grow in supporting members undertake safe and quality repairs through the access of vehicle specific repair data. Manned by a dedicated team of specialists dealing with an average of 777 calls every month, totalling 9324 over the course of the year, with 86% of enquiries answered on the same working day.
- When the accident management company DriveAssist went into administration there were hundreds of unsecured creditors owed millions of pounds. Bodyshops were particularly badly affected. NAB has pursued DriveAssist through the Insolvency Service on behalf of our members.
- NAB/VBRA has been proactively engaged with the DFT to alert them that a new proposed salvage code of practice and the voluntary categorisation and disposal of vehicle salvage represents a considerable risk to consumers.
- Through continual liaison with government NAB/VBRA has help drive the safeguarding of consumers through the appointment of an independent watchdog, The Motor Insurance Conduct Adjudicator (MICA).

The sales performance of Big Oil Limited, acquired in 2007, continued to improve through the year and with the partnership agreement with Vianet Fuel Services, Big Oil has delivered a further year of profitability. RMISC Limited also delivered a further profit in 2015, and now has a positive net asset position on its balance sheet.

201 Great Portland Street continues to deliver a sustainable revenue flow for the Company with all prime space let.

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 2015, 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 not from whether or not Apprenticeships will continue to exist, but from the levels of Government funding available, the impact of Apprenticeship Reform, the flow of Government funds and Remit's own ability to manage and run Apprenticeships, Traineeships 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 available funds for operations.

By order of the board



C. Thomas
Secretary
Date: 26 April 2016

The directors present their report and financial statements for the year ended 31st December 2015.

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

RMI indirectly owns 23% of the equity voting shares of Remit Resourcing Limited which provides consultancy and outsource services to the automotive sector as well as indirectly owning 26% of Remit Food Limited which provides training to the catering and hospitality industry.

The financial statements have been consolidated to include the subsidiaries.

Employee Involvement

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

Disabled Persons

The company policy is to consider applications from disabled persons for those vacancies that they are able to fill. All necessary assistance with initial training is given. Arrangements are made, whenever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Results and Dividend

The results for the year are set out on page 9. No dividend is permitted for the parent company and the whole of the retained profit will be taken to reserves.

Share Capital

The company is limited by guarantee.

Directors and their Interests

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

P. Johnson	Chairman
A. Murray	Chairman (resigned 30 June 2015)
G. Bates	(appointed 26 June 2015)
K. J. Briggs	Finance Director and Company Secretary (resigned 5 October 2015)
B. V. Evans	
P. Hill	
S. G. James	Executive Director
P. Jones	
A. P. Lowe	
C. B. Madderson	Executive Director
M. C. Marshall	
C. B. Parlett	
S. Robinson	Executive Director
K. Savage	
C. Thomas	Finance Director and Company Secretary (appointed 5 October 2015)

Political and Charitable Donations

The group donated £3,030 (2014 - £300) for charitable purposes. There were no political contributions.

Auditors

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

Corporate Governance

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

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

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

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

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

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

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

Remuneration Committee

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

Audit and Risk Committee

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

Nominations Committee

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

Statement of Directors' Responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Statement of disclosure to auditors

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

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

In accordance with Section 414 (c) 11 of the Companies Act 2006, the Directors have chosen to include information about future developments and principal risks in the Strategic Report.

By Order of the Board



C. Thomas
Secretary

201 Great Portland Street
London W1W 5AB

Date: 26 April 2016

We have audited the financial statements of The Retail Motor Industry Federation Limited for the year ended 31 December 2015 which comprise the Consolidated Income Statement, the Consolidated and Company Statement of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated and Company Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102.

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 members those matters which we are required to include in an auditors' report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2015 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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



Devonshire House
60 Goswell Road
London EC1M 7AD

Date: 17 May 2016

	Note	2015 £ '000	2014 £ '000
Turnover	3	21,858	17,734
Cost of sales		<u>(6,889)</u>	<u>(3,777)</u>
Gross profit		14,969	13,957
Operating expenses		<u>(14,275)</u>	<u>(13,852)</u>
Operating Profit	4	694	105
Investment income	5	117	664
Gain on revaluation of investment property	11	669	1,450
Profit on ordinary activities before taxation		1,480	2,219
Tax on profit on ordinary activities	8	<u>(147)</u>	<u>(389)</u>
Profit on ordinary activities after taxation		1,333	1,830
Profit attributable to non-controlling interest		<u>(447)</u>	<u>(273)</u>
Profit attributable to owners of the parent		886	1,557

The income statement has been prepared on the basis that all operations are continuing operations.

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2015

	Note	2015 £ '000	2014 £ '000
Profit for the financial year		1,333	1,830
Other Comprehensive Income:			
Remeasurements of net defined benefit obligations	18(b)	36	(47)
Gain on revaluation of property net of related deferred tax	10, 17	273	203
Total comprehensive income for the financial year		<u>1,642</u>	<u>1,986</u>
Attributable to non-controlling interest		(447)	(273)
Attributable to members of the parent		<u>1,195</u>	<u>1,713</u>

	Note	Group 2015 £ '000	Group 2014 £ '000	Company 2015 £ '000	Company 2014 £ '000
Fixed Assets					
Intangible assets					
Goodwill	9	364	452	352	440
Negative Goodwill	9	(643)	(17)	-	-
Computer Software	9	31	100	-	-
		<u>(248)</u>	<u>535</u>	<u>352</u>	<u>440</u>
Tangible assets					
Investment property	10	4,181	3,864	4,056	3,731
Investments	11	7,625	6,750	7,400	6,750
	12	<u>13,520</u>	<u>13,454</u>	<u>13,526</u>	<u>13,460</u>
		<u>25,078</u>	<u>24,603</u>	<u>25,334</u>	<u>24,381</u>
Current Assets					
Stocks	14	2	4	-	-
Debtors	15	3,036	2,067	635	593
Cash at bank and in hand		<u>3,498</u>	<u>2,766</u>	<u>564</u>	<u>715</u>
		6,536	4,837	1,199	1,308
Creditors: Amounts falling due within one year	16	<u>(5,569)</u>	<u>(5,147)</u>	<u>(1,776)</u>	<u>(1,732)</u>
Net Current Assets/(Liabilities)		<u>967</u>	<u>(310)</u>	<u>(577)</u>	<u>(424)</u>
Total Assets less Current Liabilities		26,045	24,293	24,757	23,957
Provision for Liabilities and Charges	17	<u>(2,095)</u>	<u>(1,985)</u>	<u>(2,095)</u>	<u>(1,985)</u>
Net Assets excluding pension liability		23,950	22,308	22,662	21,972
Pension retirement obligations	18 (b)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Assets including pension liability		<u>23,950</u>	<u>22,308</u>	<u>22,662</u>	<u>21,972</u>
Capital and Reserves					
Revaluation reserve		3,077	2,804	3,077	2,804
Profit and loss reserve		<u>20,248</u>	<u>19,326</u>	<u>19,585</u>	<u>19,168</u>
Members' funds		23,325	22,130	22,662	21,972
Minority interests		<u>625</u>	<u>178</u>	<u>-</u>	<u>-</u>
		<u>23,950</u>	<u>22,308</u>	<u>22,662</u>	<u>21,972</u>

Approved by the board and authorised for issue on 26 April 2016



.....
P. Johnson
Chairman



.....
C. Thomas
Finance Director

Company Registration Number: 00133095

Group	Revaluation Reserve	General Reserve	Total	Non controlling interest	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2014	2,601	17,816	20,417	(95)	20,322
Year ended 31 December 2014					
Surplus for the year	-	1,557	1,557	273	1,830
Other comprehensive income for the year	203	(47)	156	-	156
Total comprehensive income for the year	203	1,510	1,713	273	1,986
Balance at 31 December 2014	2,804	19,326	22,130	178	22,308
Year ended 31 December 2015					
Surplus for the year	-	886	886	447	1,333
Other comprehensive income for the year	273	36	309	-	309
Total comprehensive income for the year	273	922	1,195	447	1,642
Balance at 31 December 2015	3,077	20,248	23,325	625	23,950

Company	Revaluation Reserve	General Reserve	Total
	£'000	£'000	£'000
Balance at 1 January 2014	2,601	17,833	20,434
Year ended 31 December 2014			
Surplus for the year	-	1,382	1,382
Other comprehensive income for the year	203	(47)	156
Total comprehensive income for the year	203	1,335	1,538
Balance at 31 December 2014	2,804	19,168	21,972
Year ended 31 December 2015			
Surplus for the year	-	381	381
Other comprehensive income for the year	273	36	309
Total comprehensive income for the year	273	417	690
Balance at 31 December 2015	3,077	19,585	22,662

	Note	Group		Company	
		2015 £ '000	2014 £ '000	2015 £ '000	2014 £ '000
Net cash from operating activities	19	41	607	(108)	(330)
Income taxes refunded		102	12	19	-
Net cash generated from operating activities		<u>143</u>	<u>619</u>	<u>(89)</u>	<u>(330)</u>
Cashflow from investing activities					
Purchase of intangible fixed assets		-	(17)	-	-
Purchase of tangible fixed assets		(122)	(64)	(59)	(14)
Proceeds on disposal of tangible fixed assets		20	-	-	-
Interest received		366	353	344	353
Receipts from sales of investments		8,344	2,924	8,344	2,924
Payments to acquire investment securities		(8,691)	(2,474)	(8,691)	(2,474)
Purchase of subsidiary undertaking (net of cash acquired)		<u>672</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash used in investing activities		<u>589</u>	<u>722</u>	<u>(62)</u>	<u>789</u>
Net increase in cash and cash equivalents		<u>732</u>	<u>1,341</u>	<u>(151)</u>	<u>459</u>
Cash and cash equivalents at beginning of year		2,766	1,425	715	256
Cash and cash equivalents at end of year		<u><u>3,498</u></u>	<u><u>2,766</u></u>	<u><u>564</u></u>	<u><u>715</u></u>
Cash and cash equivalents consists of:					
Cash at bank and in hand		<u><u>3,498</u></u>	<u><u>2,766</u></u>	<u><u>564</u></u>	<u><u>715</u></u>

1 Accounting Policies

1.1 Company Information

The Retail Motor Industry Federation is a company limited by guarantee, 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 or Ireland" ("FRS102") and the requirements of the Companies Act 2006.

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

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

These financial statements for the year ended 31 December 2015 are the first financial statements of Retail Motor Industry Federation Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic or Ireland. The date of transition to FRS 102 was 1 January 2014. An explanation of how the transition to FRS 102 has affected the reported Group and Company financial position and group financial performance is given in note 21.

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 £381,415 (2014: £1,381,816).

1.3 Revenue recognition

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

Subscriptions

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

Advertising revenue

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

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 Principal Accounting Policies (continued)

1.4 Intangible Fixed Assets - goodwill

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

1.5 Intangible Fixed Assets other than Goodwill

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

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

1.6 Amortisation of Intangible Assets

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

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

Amortisation is charged to operating expenses in the Income Statement.

1.7 Tangible Assets

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

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

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

1.8 Investment Properties

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

1 Principal Accounting Policies (continued)

1.9 Impairment of fixed assets

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

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.

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

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

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

1.10 Investments

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

1.11 Investment in Subsidiaries

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

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

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

1.12 Stocks

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

1.13 Cash and cash equivalents

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

1 Principal Accounting Policies (continued)

1.14 Financial instruments

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

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

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

Basic financial assets

Basic financial assets, which include trade and other receivables 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.

Other financial assets

Other financial assets, classified at fair value through the profit or loss are measured at fair value.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

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. 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 company transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Classification of financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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.

1 Principal Accounting Policies (continued)

1.14 Financial instruments (continued)

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

Other financial liabilities

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

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

Derecognition of financial liabilities

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

1.15 Provisions for Liabilities

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

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

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

1.16 Taxation

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

Current tax

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

Deferred tax

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

1 Principal Accounting Policies (continued)

1.16 Taxation (continued)

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

1.17 Employee benefits

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

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

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

1.18 Retirement benefits

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

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

Defined benefit pension plan

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

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

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

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

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

1.19 Leases

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

1 Principal Accounting Policies (continued)

1.19 Leases (continued)

The group has taken advantage of the exemption in respect of lease incentives on leases in existence on the date of transition to FRS 102 (1 January 2014) and continues to credit such lease incentives to the profit and loss account over the period to the first review date on which the rent is adjusted to market rates.

1.20 Foreign exchange

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

2 Significant judgements and estimates

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

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

Key sources of estimation uncertainty

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

Deferred tax

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

Useful economic lives of intangible assets

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

Release of negative goodwill to profit or loss

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

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

2 Significant judgements and estimates (continued)*Defined benefit pension scheme*

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

3 Turnover

	2015 £ '000	2014 £ '000
Subscriptions	4,581	4,293
Membership activities	551	478
Rental income	320	230
Commission	269	260
Other income	944	706
Training	15,193	11,767
	<u>21,858</u>	<u>17,734</u>

4 Operating Profit

	2015 £ '000	2014 £ '000
The operating profit is stated after charging/(crediting):		
Auditors' remuneration in respect of audit services	26	25
Auditors' remuneration in respect of non-audit services		
–audit of subsidiaries	43	33
–taxation	18	18
–other	14	12
Depreciation of owned tangible fixed assets	178	259
Loss on disposal of tangible fixed assets	40	8
Amortisation of goodwill	(87)	26
Amortisation of intangible assets	63	-
Operating lease rentals - land and buildings	782	740
Foreign exchange differences	(6)	-
	<u> </u>	<u> </u>

5 Investment Income

	2015 £ '000	2014 £ '000
(Loss)/profit on sale of investments	(68)	58
(Loss)/gain on revaluation of investments	(181)	253
Investment interest receivable	257	284
Dividends receivable	109	69
	<u>117</u>	<u>664</u>

6 Staff Costs including Executive Directors	2015 £ '000	2014 £ '000
Wages and salaries	7,726	7,079
Social security costs	845	808
Pension costs	269	253
	<u>8,840</u>	<u>8,140</u>

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

	2015	2014
Members services	53	50
Training	207	185
Administration	15	15
	<u>275</u>	<u>250</u>

7 Directors' Emoluments	2015 £ '000	2014 £ '000
Emoluments	580	471
Compensation for loss of office	-	100
Company contributions to money purchase pension scheme	20	26
	<u>600</u>	<u>597</u>

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

	2015 £ '000	2014 £ '000
<i>Highest paid director</i>		
Emoluments	145	129
Aggregate contributions to money purchase pension scheme	10	10
	<u>155</u>	<u>139</u>

Three directors (2014 - three) were members of the defined contribution scheme.

8 Taxation	2015 £ '000	2014 £ '000
Domestic current year tax		
UK Corporation tax	158	29
	<u>158</u>	<u>29</u>
Deferred Tax:		
Deferred tax (credit)/charge for the current year (note 17)	(11)	360
Group deferred tax (credit)/charge	<u>(11)</u>	<u>360</u>
Total tax charge	<u>147</u>	<u>389</u>

Factors that may affect future tax charges

The group has estimated tax losses of £10,883,000 (2014: £10,840,000) available to carry forward against future trading profits of the same trade.

8 Taxation (continued)

Factors affecting the tax charge for the year	2015 £ '000	2014 £ '000
Profit on ordinary activities before tax.	<u>1,480</u>	<u>2,219</u>
Profit on ordinary activities before tax multiplied by the standard rate of UK Corporation tax of 20.25% (2014 - 21.5%)	<u>300</u>	<u>477</u>
Effects of:		
Non deductible expenses	18	12
Capital allowances for year (in excess of) / lower than depreciation	14	4
Amortisation of intangible assets	(35)	-
Tax losses utilised	(43)	(30)
Change in unrecognised deferred tax assets	(49)	-
Dividends	(22)	(15)
Revaluation gains treated as non-taxable	(43)	(49)
FRS102 pension adjustments not deductible/ chargeable for tax	7	(10)
	<u>(153)</u>	<u>(88)</u>
Tax expense for the year	<u>147</u>	<u>389</u>

9 Intangible Fixed Assets

	Group		Total	Company
	Goodwill	Software		Goodwill
	£'000	£'000	£'000	£'000
Cost				
At 1st January 2015	1,153	220	1,373	607
Disposals	-	(15)	(15)	-
At 31st December 2015	<u>1,153</u>	<u>205</u>	<u>1,358</u>	<u>607</u>
Amortisation				
At 1st January 2015	701	120	821	167
Amortisation charge for the year	88	63	151	88
Amortisation on disposals	-	(9)	(9)	-
At 31st December 2015	<u>789</u>	<u>174</u>	<u>963</u>	<u>255</u>
Net book value				
At 31st December 2015	<u>364</u>	<u>31</u>	<u>395</u>	<u>352</u>
At 31st December 2014	<u>452</u>	<u>100</u>	<u>552</u>	<u>440</u>

9 Intangible Fixed Assets (continued)

Negative Goodwill	Group £'000
Cost	
At 1st January 2015	21
Additions	801
At 31st December 2015	<u>822</u>
Amortisation	
At 1st January 2015	4
Amortisation for the year	175
At 31st December 2015	<u>179</u>
Net book value	
At 31st December 2015	<u>643</u>
At 31st December 2014	<u>17</u>

Acquisition of a business - The Vehicle Builders and Repairers Association Limited

On 9 July 2015 the company acquired 100% of The Vehicle Builders and Repairers Association Limited. The acquisition method of accounting has been used.

No consideration was paid, and net assets at the date of transfer consisted of:

	Book Value	Fair Value
	£	£
Cash and cash equivalents	598,121	598,121
Property, plant and equipment	262,245	262,245
Investment property	28,125	28,125
Trade and other receivables	4,169	4,169
Trade and other payables	(105,594)	(105,594)
		787,066
Goodwill		787,066
Total consideration		<u>-</u>
Contribution by the acquired business for the reporting period since acquisition:		£
Turnover		155,404
Profit / (loss) for the financial year		<u>(77,904)</u>

Acquisition of a business - Remit Food Limited

On 7 May 2015 Remit Group Limited, a 51% subsidiary of RMIF, acquired 51% of Remit Food Limited, a company limited by shares incorporated in England and Wales, company number 09568966. The consideration was the issue of 510 ordinary Class A £1 shares.

9 Intangible Fixed Assets (continued)

Also on 7 May 2015 Remit Food Limited acquired the trade, assets and liabilities of Back-up Recruitment Limited for cash consideration of £1. The assets and liabilities acquired were:

	Book Value	Fair Value
	£	£
Cash and cash equivalents	73,786	73,786
Property, plant and equipment	2,000	2,000
Trade and other receivables	204,765	204,765
Trade and other payables	(248,733)	(248,733)
Tax liabilities	(18,223)	<u>(18,223)</u>
		13,595
Goodwill		<u>13,594</u>
Total consideration		<u><u>1</u></u>
Contribution by the acquired business for the reporting period since acquisition:		£
Turnover		1,047,702
Profit for the financial year		<u><u>265,566</u></u>

Group intangible asset - Software

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

Group and company intangible asset - Goodwill

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

10a) Fixed Assets - Tangible

Group	Long Leasehold Property £ '000	Short Leasehold Property £ '000	Leasehold Improvements £ '000	Furniture and Equipment £ '000	Computer Hardware £ '000	Motor Vehicles £ '000	Total £ '000
Cost or Valuation							
At 1st January 2015	3,560	127	215	702	653	-	5,257
Additions	-	-	6	27	89	-	122
Acquisitions from business combinations	-	188	-	61	88	83	420
Disposals	-	-	-	(65)	(114)	(28)	(207)
Revaluation	340	-	-	-	-	-	340
Transfer to investment property	-	(188)	-	-	-	-	(188)
At 31st December 2015	3,900	127	221	725	716	55	5,744
Depreciation							
At 1st January 2015	-	125	122	613	533	-	1,393
Charge for the year	-	2	21	52	94	9	178
Acquisitions from business combinations	-	10	-	47	69	31	157
Eliminated on disposals	-	-	-	(53)	(93)	(9)	(155)
Transfer to investment property	-	(10)	-	-	-	-	(10)
Exchange adjustments	-	-	-	4	(4)	-	-
At 31st December 2015	-	127	143	663	599	31	1,563
Net Book Value							
At 31st December 2015	3,900	-	78	62	117	24	4,181
At 31st December 2014	3,560	2	93	89	120	-	3,864

Long Leasehold Property (Group and Company)

The long leasehold property was professionally valued 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 £ '000	Leasehold Improvements £ '000	Furniture and Equipment £ '000	Computer Hardware & Software £ '000	Total £ '000
Cost or Valuation					
At 1st January 2015	3,560	215	555	162	4,492
Additions	-	6	27	26	59
Disposals	-	-	-	(2)	(2)
Revaluation	340	-	-	-	340
At 31st December 2015	3,900	221	582	186	4,889
Depreciation					
At 1st January 2015	-	122	503	136	761
Charge for the year	-	21	32	21	74
Eliminated in respect of disposals	-	-	-	(2)	(2)
At 31st December 2015	-	143	535	155	833
Net Book Value					
At 31st December 2015	3,900	78	47	31	4,056
At 31st December 2014	3,560	93	52	26	3,731

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

Fair value	2015 £ '000
At 1 January 2015	6,750
Transfers from tangible fixed assets	178
Acquisitions from business combinations	28
Revaluations	669
At 31 December 2015	7,625

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.

Prior to acquisition, one eighth of the property was rented out to a related party, and the remainder was used by the business.

11 Fixed Assets - Investment Property (continued)

In July 2015, following the change in ownership of the company, the owner-occupied portion of the property ceased to be used by the business and was left vacant. This triggered a change in use, resulting in the whole property being classified as an investment property at its fair value.

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	2015 £ '000	2014 £ '000
Cost at 1 January	164	164
Acquisitions from business combinations	27	-
Reclassification on change of use	188	-
Cost at 31 December	<u>379</u>	<u>164</u>

Investment property (Company)

Fair value	2015 £'000	2014 £'000
At 1 January 2015	6,750	5,300
Revaluation	650	1,450
At 31 December 2015	<u>7,400</u>	<u>6,750</u>

Investment Property (Company)

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

	2015 £ '000	2014 £ '000
Cost at 1 January and 31 December	<u>164</u>	<u>164</u>

12 Fixed Assets - Investments

Group	Cash Deposits	Listed Investments	Total
Cost or valuation	£'000	£'000	£'000
At 1st January 2015	2,823	10,631	13,454
Additions	-	8,691	8,691
Disposals	(1,805)	(6,639)	(8,444)
Revaluations	-	(181)	(181)
At 31st December 2015	<u>1,018</u>	<u>12,502</u>	<u>13,520</u>

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 2015	6	2,823	10,631	13,460
Additions	-	-	8,691	8,691
Disposals	-	(1,805)	(6,639)	(8,444)
Revaluations	-	-	(181)	(181)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st December 2015	<u>6</u>	<u>1,018</u>	<u>12,502</u>	<u>13,526</u>

Listed investments have been revalued to their mid market value at the balance sheet date. The historic cost of investments at 31st December 2015 was £12,391,315 (2014 - £9,920,164).

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 (formerly Retail Motor Industry Training Limited)	Training Provider	51
Big Oil Limited	Online Information Portal	100
Remit Resourcing Limited	Outsource servicer	26*
RMI SC Limited	Certification services	100
Remit Food Limited	Training Provider	26*
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 Dealer 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

12 Fixed Assets - Investments (continued)

The financial statements for the trading subsidiaries for the year ended 31 December 2015 have been consolidated with those of the parent company. The non-trading subsidiaries have not been included in the consolidation as they are immaterial.

* Indirectly held voting shares.

** 58.7% of the voting shares are held.

*** 100% of the voting shares are held

13 Financial Instruments

	Group		Company	
	2015 £000	2014 £000	2015 £000	2014 £000
Carrying amount of financial assets				
Debt instruments measured at amortised cost	2,597	1,712	442	392
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount of financial liabilities				
Measured at amortised cost	1,745	1,696	554	578
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

14 Stocks

	Group		Company	
	2015 £ '000	2014 £ '000	2015 £ '000	2014 £ '000
Finished goods and goods for resale	2	4	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

15 Debtors

	Group		Company	
	2015 £ '000	2014 £ '000	2015 £ '000	2014 £ '000
Trade debtors	899	625	175	157
Amounts owed by subsidiary undertakings	-	-	28	86
Other debtors	281	416	239	149
Prepayments and accrued income	1,795	1,019	193	201
Deferred tax asset (see note 17)	61	7	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>3,036</u>	<u>2,067</u>	<u>635</u>	<u>593</u>

16 Creditors: Amounts falling due within one year

	Group		Company	
	2015 £ '000	2014 £ '000	2015 £ '000	2014 £ '000
Trade creditors	482	869	124	297
Social security and other taxes	599	343	172	177
Other creditors	664	484	258	104
Accruals and deferred income	3,824	3,451	1,222	1,154
	<u>5,569</u>	<u>5,147</u>	<u>1,776</u>	<u>1,732</u>

Retail Motor Industry Training Limited has an overdraft facility with Lloyds Bank Plc which is secured by a debenture of a fixed and floating charge over the assets of that company. At 31 December 2015, this overdraft had not been used.

17 Provision for Liabilities and Charges
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	
	2015 £ '000	2014 £ '000	2015 £ '000	2014 £ '000
Tax losses available against future profits	40	-	-	-
Accelerated / decelerated capital allowances	19	5	-	-
Other timing differences	2	2	-	-
	<u>61</u>	<u>7</u>	<u>-</u>	<u>-</u>

Deferred tax liability	Group		Company	
	2015	2014	2015	2014
Gains on listed investments and investment and own-use property	2,095	1,985	2,095	1,985
	<u>2,095</u>	<u>1,985</u>	<u>2,095</u>	<u>1,985</u>

17 Provision for Liabilities and Charges (continued)

Deferred tax movements in the year	Group 2015 £ '000	Company 2015 £ '000
Liability at 1 January 2015	(1,985)	(1,985)
Asset at 1 January 2015	7	-
Charge to income statement	11	(43)
Charge to other comprehensive income	(67)	(67)
Liability / (asset) at 31 December 2015	<u>(2,034)</u>	<u>(2,095)</u>
Analysed as:		
Liability at 31 December 2015	(2,095)	(2,095)
Asset at 31 December 2015	<u>61</u>	<u>-</u>

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

	2015 £ '000	2014 £ '000
Amounts potentially available to credit Profit and Loss account:		
Accelerated depreciation	186	170
Other short term timing differences	3	1
Losses carried forward	<u>2,177</u>	<u>2,168</u>
Total potential deferred tax asset	<u>2,366</u>	<u>2,339</u>

18 Future Financial Commitments
(a) Operating Leases

The group had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	Group	
	2015 £ '000	2014 £ '000
Operating leases which expire:		
within one year	385	460
between one and five years	604	403
later than five years	536	162
	<u>1,525</u>	<u>1,025</u>

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

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

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

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

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

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

The most recent actuarial valuation upon which the amounts included in the accounts are based, was carried out at 5 April 2013. Using this as a basis, the actuarial valuation of the scheme has been updated to 31st December 2015 by an independent qualified actuary in accordance with section 28 of FRS 102.

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

Contributions for the year ended 31 December 2015 amounted to £99,000 (2014 - £180,000). Payments for future years under the current schedule of contributions will be £99,000 for 2016 together with 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	
	2015	2014
	£' 000	£' 000
Scheme liabilities at 1st January	21,729	19,321
Interest cost	745	829
Actuarial (gains) / losses on scheme liabilities	(646)	2,533
Net benefits paid from scheme assets	(878)	(954)
	<u>20,950</u>	<u>21,729</u>

Total actuarial loss of £646,000 on the liabilities is analysed as follows:

	2015	2014
	£' 000	£' 000
(Loss) on change in actuarial assumptions	646	(2,533)
	<u>646</u>	<u>(2,533)</u>

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

Changes in fair value of scheme assets	Group and Company	
	2015	2014
	£ '000	£ '000
Fair value of scheme assets at 1st January	23,158	21,470
Return on scheme assets (excl amounts incl in net interest)	(463)	1,765
Employer contributions	99	180
Net benefits paid from scheme assets	(878)	(954)
Expenses paid	(135)	(132)
Interest income	745	829
	<u>22,526</u>	<u>23,158</u>

Amounts recognised in income are as follows:

	2015	2014
	£ '000	£ '000
Expenses paid	<u>135</u>	<u>132</u>

The actual return on scheme assets for the year was a gain of £282,000 (2014 - £2,594,000).

Amounts recognised in other comprehensive income

	2015	2014
	£ '000	£ '000
Actuarial gain/(loss) on liabilities	646	(2,533)
Actuarial (loss)/gain on scheme assets in excess of interest	(463)	1,765
	183	(768)
Restriction on recognising assets	(147)	721
Total gain / (loss) recognised in other comprehensive income during the period	<u>36</u>	<u>(47)</u>

Assumptions

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

	%	%
RPI Inflation	3.30%	3.30%
CPI Inflation	2.20%	2.20%
Revaluations in deferment	2.20%	2.20%
Pension increases- 5% LPI	3.20%	3.20%
Pension increases- 2.5% LPI	2.20%	2.20%
Pension increases- Post 88 GMP benefits	2.00%	1.90%
Discount rate for scheme liabilities	3.70%	3.50%

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

The actuary assumed that pre and post retirement mortality is in line with standard tables at 100% of the SIPxA tables, improvements in line with the CMI 2012 projections and a long term rate of improvement of 1.5%. Under this assumption the average life expectancy of males aged 65 is 23.0 years (2014: 22.9 years) and of females aged 65 of 25.3 years (2014: 25.2 years). Longevity at age 65 for future pensioners is 25.2 years for males (2014: 25.1 years) and 27.6 for females (2014: 27.5 years).

No allowance has been made for cash commutations.

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

Amounts included in the statement of financial position	2015	2014
	£ '000	£ '000
Fair value of scheme assets	22,526	23,158
Present value of funded defined benefit obligations	(20,950)	(21,729)
Unrecognised asset	<u>(1,576)</u>	<u>(1,429)</u>
Net retirement benefit obligations	<u>-</u>	<u>-</u>

Analysis of fair value of scheme assets

	2015		2014	
	£ '000	%	£ '000	%
Equities	11,713	52%	11,810	51%
Fixed interest gilts	3,154	14%	3,474	15%
Index-linked gilts	5,406	24%	5,558	24%
Corporate bonds	<u>2,253</u>	<u>10%</u>	<u>2,316</u>	<u>10%</u>
Fair value of assets	<u>22,526</u>	<u>100%</u>	<u>23,158</u>	<u>100%</u>

19 Cash generated from operations

	Group		Company	
	2015	2014	2015	2014
	£ '000	£ '000	£ '000	£ '000
Profit for the financial year	1,333	1,830	381	1,382
Adjustments for:				
Income tax recognised in profit or loss	147	389	43	296
Fair value gains on investment property	(669)	(1,450)	(650)	(1,450)
Investment income recognised in profit or loss	(117)	(664)	(95)	(664)
Loss on disposal of tangible fixed assets	40	12	-	-
Amortisation and impairment of intangible assets	(24)	92	88	30
Depreciation and impairment of tangible fixed assets	178	190	74	89
Post employment benefits less payments	36	(47)	36	(47)
Movements in working capital:				
(Increase) / Decrease in stocks	2	4	-	-
(Increase) / Decrease in debtors	(804)	116	(29)	4
Increase / (decrease) in creditors	(81)	135	44	30
Cashflow from operating activities	<u>41</u>	<u>607</u>	<u>(108)</u>	<u>(330)</u>

20 Related Party Transactions

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

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

Transactions with key management personnel

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

	2015 £ '000	2014 £ '000
Learning Resources International - development of VLE system purchases	-	2
Education & Media Services Limited- commission receivable on book sales	4	3
RJ Foulston & Co Limited - consultancy purchases	18	18
P. Johnson - consultancy services	-	8
K. Briggs - professional services	110	57
	<u>110</u>	<u>57</u>

Mr R Foulston, director and minority shareholder of Remit Group Limited, has a controlling interest in Education & Media Services Limited. At the year end, the company's subsidiary, Remit Group Limited, was owed £nil (2014 - £nil) by Education & Media Services Limited.

He also has a controlling interest in Learning Resources International Limited. During the year, amounts of £nil (2014 - 4,200) owed by Learning Resources International Limited were written off by the company's subsidiary, Remit Group Limited. At the year end, the company's subsidiary, Remit Group Limited, was owed £nil (2014 - £nil).

He also has a controlling interest in RJ Foulston & Co Limited. At the year end, the company's subsidiary, Remit Group Limited, owed £127,325 (2014 - £12,250) to RJ Foulston & Co Limited.

C. B. Madderson, director of The Retail Motor Industry Federation Limited, invoiced The Retail Motor Industry Federation Limited £60,000 (2014: £56,000) for consultancy services and £4,895 (2013: £24,550) for reimbursement of expenses. At 31 December 2015, £nil was owed to C. B. Madderson (2014: £7,059). The amounts for professional services are included within Directors' emoluments in note 7.

P. Johnson, director of The Retail Motor Industry Federation Limited, was paid £nil (2014 - 7,500) for consultancy services in relation to Remit.

K. Briggs, director of The Retail Motor Industry Federation Limited, invoiced The Retail Motor Industry Federation Limited £110,400 (2014 - £52,200) for professional services and £9,408 (2014 - £4,719) for reimbursement of expenses. At 31 December 2015, £nil was owed to K. Briggs (2014 - £16,513). The amounts for professional services are included within Directors' emoluments in note 7.

Transactions with group undertakings

During the year, Remit Group Limited was charged salary and administration costs of £60,932 (2014 - £86,744) on normal commercial terms by the parent company Retail Motor Industry Federation Limited. At 31 December 2015, the group owed £4,167 (2014 - £19,900) to the Retail Motor Industry Federation Limited.

During the year, Remit Group Limited recharged £36,007 of administration costs (2014 - £5,242) on normal commercial terms to Remit Resourcing Limited, a 51% subsidiary. At 31 December 2015, Remit Group Limited owed £32,389 (2014 - was owed £89,482) to Remit Resourcing Limited.

20 Related Party Transactions (continued)

During the year, Remit Group Limited recharged £Nil of administration costs (2014 - £3,030) on normal commercial terms to Remit Showroom Limited, a 67% subsidiary. At 31 December 2015, Remit Group Limited owed £2,448 (2014 - was owed £31,370) to Remit Showroom Limited.

During the year, Remit Group Limited recharged £51,824 of staff costs on normal commercial terms to Remit Food Limited, its 51% subsidiary. At 31 December 2015, Remit Group Limited owed £76,639 to Remit Food Limited.

A 58% subsidiary company, Trusted Dealers Limited, had transactions during the year totalling £224,047 (2014 - £159,049) with its ultimate controlling party, the Retail Motor Industry Federation Limited ('RMIF'), relating to salaries paid by RMIF and recharged to Trusted Dealers Limited.

Trusted Dealers Limited has entered into relationships, on an arms length basis, with Judgeservice Research Limited to reimburse a portion of its costs (at cost or less) in providing office space and administration to the company. The total amount paid during the period in respect of these services amounted to £20,820 (2014 - £17,816). N Addley, the owner of Neil Addley Sales and Marketing, is a director of Judgeservice Research Limited.

Included in trade and other payables at the year end is £2,955 (2014 - £5,421) owed to Judgeservice Research Limited. There is no security on this balance and it is monies owed for allocation of office space and administration reimbursement as described above.

The following directors of Trusted Dealers Limited are also directors of companies which have during the period advertised vehicles on the Trusted Dealers website. These transactions were made on an arms length basis and the value of sales made by Trusted Dealers Limited are shown in the table below. There are no outstanding balances arising from these transactions at 31 December 2015 (2014: £Nil).

Director of Trusted Dealers Limited	Other Relevant Directorship	Sales by Trusted Dealers	
		2015	2014
R T Forrester	Vertu plc	60,000	59,347
P Jones & A Bruce	Lookers plc	172,899	172,103
K Savage	Perrys Motor Sales Limited	96,329	96,329
		329,228	327,779

21 Reconciliations on adoption of FRS102

This is the first year that the Group and Company has presented its results under FRS 102. The last financial statements prepared under the previous UK GAAP were for the year ended 31 December 2014. The date of transition to FRS 102 was 1 January 2014.

The following adjustments were made on the transition to FRS 102:

Reconciliation of members funds	Notes	At 1 January 2014			At 31 December 2014		
		As previously stated £000	Effect of transition £000	FRS 102 £000	As previously stated £000	Effect of transition £000	FRS 102 £000
Non current assets							
Goodwill		482	-	482	452	-	452
Negative Goodwill		(21)	-	(21)	(17)	-	(17)
Other intangible assets	(iii)	-	149	149	-	100	100
Tangible fixed assets	(iii),(iv)	5,811	(2,067)	3,744	10,808	(6,944)	3,864
Investment properties	(iv)	-	5,300	5,300	-	6,750	6,750
Investments		13,593	-	13,593	13,454	-	13,454
		<u>19,865</u>	<u>3,382</u>	<u>23,247</u>	<u>24,697</u>	<u>(94)</u>	<u>24,603</u>
Current assets							
Stocks		8	-	8	4	-	4
Other debtors		2,257	-	2,257	2,067	-	2,067
Bank and cash		1,425	-	1,425	2,766	-	2,766
		<u>3,690</u>	<u>-</u>	<u>3,690</u>	<u>4,837</u>	<u>-</u>	<u>4,837</u>
Creditors due within one year							
Creditors		(4,985)	-	(4,985)	(5,147)	-	(5,147)
		<u>(4,985)</u>	<u>-</u>	<u>(4,985)</u>	<u>(5,147)</u>	<u>-</u>	<u>(5,147)</u>
Net current liabilities		<u>(1,295)</u>	<u>-</u>	<u>(1,295)</u>	<u>(310)</u>	<u>-</u>	<u>(310)</u>
Provisions - Deferred tax liability	(iv),(v)	-	(1,630)	(1,630)	-	(1,985)	(1,985)
Net assets		<u>18,570</u>	<u>1,752</u>	<u>20,322</u>	<u>24,387</u>	<u>(2,079)</u>	<u>22,308</u>
Reserves							
Revaluation Reserve	(iv),(v)	5,442	(2,841)	2,601	10,759	(7,955)	2,804
General Reserve	(iv),(v)	13,225	4,591	17,816	13,450	5,876	19,326
Members' funds		<u>18,667</u>	<u>1,750</u>	<u>20,417</u>	<u>24,209</u>	<u>(2,079)</u>	<u>22,130</u>
Minority interests		(97)	2	(95)	178	-	178
		<u>18,570</u>	<u>1,752</u>	<u>20,322</u>	<u>24,387</u>	<u>(2,079)</u>	<u>22,308</u>

21 Reconciliations on adoption of FRS102 (continued)**Reconciliation of profit or loss for the year****At 31 December 2014**

	Notes	As previously stated £000	Effect of transition £000	FRS 102 £000
Turnover		17,734		17,734
Cost of sales		(3,777)		(3,777)
Gross profit		13,957	-	13,957
Administrative expenses	(iv)	(13,744)	(108)	(13,852)
Operating profit		213	(108)	105
Investment income	(v)	411	253	664
Investment property gains	(iv)	-	1,450	1,450
Profit on ordinary activities before taxation		624	1,595	2,219
Tax on profit on ordinary activities	(iv)	(92)	(297)	(389)
Profit on ordinary activities after taxation		532	1,298	1,830
Minority interests		(273)	-	(273)
Retained profit for the financial year		259	1,298	1,557
Reconciliation of other comprehensive income				
Profit for the financial year		259	1,298	1,557
Actuarial gains/(losses) on defined benefit pension schemes		(180)	133	(47)
Gain on revaluation of property net of related deferred tax	(iv)	5,210	(5,007)	203
Unrealised gain on investments	(v)	253	(253)	-
Tax on components of other comprehensive income		-	-	-
Total comprehensive income for the year		5,542	(3,829)	1,713

Notes to the Reconciliation**(i) Group - Statement of Cashflows**

The company's cash flow statement reflects the presentation requirements of FRS102, which is different to that prepared under FRS 1.

21 Reconciliations on adoption of FRS102 (continued)**(ii) Group and Company - Defined Benefit Pension Scheme**

Under previous UK GAAP the group and company recognised an expected return on defined benefit plan assets in the profit and loss account. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in the profit and loss account. There has been no change in the defined benefit liability at either 1 January 2014 or 31 December 2014. The effect of the change has been to reduce the credit to the profit and loss account in the year to 31 December 2014 by £133,000 and reduce the debit in other comprehensive income by an equivalent amount.

(iii) Group - Software

Computer software with a net book value of £149,055 at 1 January 2014 and £99,484 at 31 December 2014 has been reclassified from tangible to intangible assets, as required under FRS 102. This has no effect on the group's net assets nor on the profit for the year, except that the previous depreciation charge is now described as amortisation.

(iv) Group and Company - Mixed use property

Under previous UK GAAP the company's long leasehold property had been classified as tangible fixed assets and included at valuation based on an independent valuation report of £10,310,000. The property is mixed use; part used for the company's own business and part rented out to third parties. As described in note 11, FRS 102 requires mixed use property to be separated between investment property and property, plant and equipment. The company's mixed use property has been separated out resulting in a reclassification from property, plant and equipment to investment property of £5,300,000 as at 1 January 2014 and £6,750,000 as at 31 December 2014.

The impact on profit for the year ended 31 December 2014 was to increase profit by £1,192,745. This comprises the revaluation increase of the investment property element of £1,450,000 during 2014, and £24,931 of depreciation on leasehold improvements written back following reclassification to investment property which is not depreciated, less the deferred tax charge of £282,186 on the revaluation.

The 31 December 2014 balance sheet has reclassified £6,586,324 from the revaluation reserve to retained earnings and included £1,899,626 as a deferred tax provision.

(v) Group and Company - Listed investment revaluations

Unrealised revaluation gains or losses on listed investments are recognised in profit or loss under FRS 102, whereas before these were recognised as balance sheet movements and the surplus is no longer recognised in a revaluation reserve. In addition to this, deferred tax is recognised in respect of these movements, where under previous UK GAAP it would only have been recognised when there was a commitment to sell. This adjustment has reclassified £603,444 from the revaluation reserve to general income and a deferred tax provision of £70,000 has been included at 1 January 2014. A revaluation gain of £107,351 and tax charge of £15,000 has been recognised in the profit and loss account for the year ended 31 December 2014. The 31 December 2014 balance sheet has reclassified £710,794 from the revaluation reserve to retained earnings and £85,000 as a deferred tax provision.

