boundless

BY CSMA

2018 Annual Report and Accounts

Civil Service Motoring Association Ltd

–SINCE–
1923

A message from the Association Chair

Heather Glanville
Association Chair

It was a great honour to be appointed Association Chair in March 2019, and I also realise what an exciting opportunity it is to have the chance to take our Association forward. Having been Club Leader and CSMA Board Member, I'm well aware of the challenges we face, but equally aware that the future holds tremendous possibilities for us.

I'd like to say thank you to our last Chair, Martin Hunter, for his commitment to the Association and the work he put in to lead us to our current position of strength and stability.

'Member First is a concept that's at the heart of our club. Whatever we do, the first question we ask is: 'How will our members benefit from this?'

95 years of good times
For the best part of 100 years we've been bringing members together to share their passions and to help them get the most from their free time – and trying to get them some great deals along the way. It's why Frank Vernon Edwards started the club in the first place and it's the reason we're still here nearly a century later. This idea is as relevant in today's uncertain landscape as it was in 1923 and, although 2018 saw an increase in new members joining Boundless, we know we're going to have to work hard to keep it relevant and practical for our next generation of members. This is a challenge that's always at the heart of the decisions we make – how can we continue to improve our Club for existing members and also attract new ones? Of course, we're helped to some extent in this task by our mutuality. The fact that we don't need to pay dividends to shareholders means our profits can be put back into the Club to create exclusive events and experiences for our members. It also means we can offer some great member privileges at our Boundless-owned properties. For example, we've just bought the West Cliff Hotel in Bournemouth, and can offer members worthwhile privileges such as free parking, free use of the spa and late check-out. This is something our collective buying power and owned assets allows us to do, but it's not the whole story, and we need to recognise that developing our Club brings challenges that we need to face.

How do we move forward?
We know that resting on our laurels won't do – we have to explore new paths and test new ideas. Something we were very proud of during 2018 was the Boundless Summer event, our exclusive music festival where 4000 members and their guests enjoyed music from acts such as UB40 and the Gipsy Kings. We also hosted over 600 volunteer-run events – participation was up by four per cent – and we saw a 30 per cent increase in the number of members registering to volunteer for the Club. We see increased member involvement as essential – that's why we survey our membership every year. We want to know what they think and we use what they tell us to help steer our decisions. As a direct result, we're including more coverage of member events in the magazine and we've increased the amount of motoring content. We've also moved away from plastic wrapping around the magazine to a compostable polywrap – we're proud to be one of the first large-scale magazines to do this. We also increased the amount of advertising income by over 50 per cent on 2017, which shows that, if we get the content and quality right, more businesses will want to advertise with us. We're also very pleased with our relationship with our new publishing partner, Immediate Media, and we share a client list with other prestigious brands, such as Radio Times, Top Gear and English Heritage.

Investing in our club
2018 was an exciting year for the Association as the company reinforced its strong financial position. Operating profits increased from £14k to £442k. Excluding the funding of the club and special events, operating profit was £1.3m compared to £0.8m in 2017. Overall profit before tax fell from £0.9m to £0.1m due to the decline in the value of listed investments, but we believe that investing in these assets continues to provide long-term benefits for our members.

During the year, we also made two significant acquisitions. As I previously mentioned, the West Cliff Hotel – an 83-bedroom property right in the heart of Bournemouth – was bought for £5m. It's a lovely hotel which will provide our members with a high-quality destination in a popular seaside town. We also acquired Parliament Hill Ltd, a company which provides benefits to third-party member organisations, for £2.4m. This exciting acquisition gives us the opportunity to access a greater number of benefits for our members and generate a strong financial return.

Member First
Member First is a concept that's at the very heart of our club. Whatever we do, the first question we ask is: 'How will our members benefit from this?' And this concept begins with our people – it's one of the core values we use to measure the performance of our team. I hope this is reflected in the loyalty of our members. We were all very touched by a recent letter from a member who's been with us for 73 years – what a testament to the value our Club can bring to the lives of our members! Another important matter regarding our people is gender pay equality. We carry out regular audits to make sure our pay policies operate free from gender bias and are pleased to say that we are consistent on this throughout.

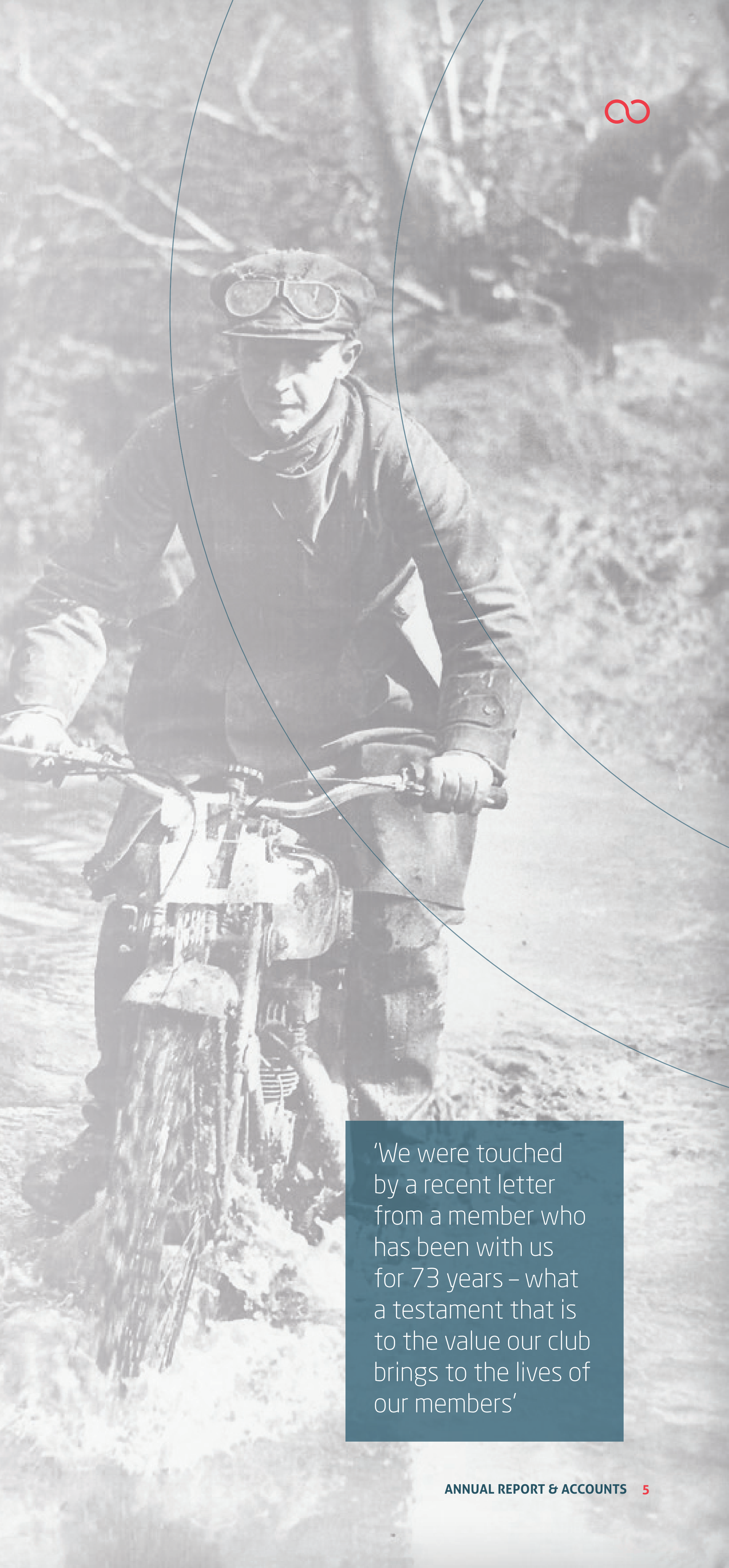
Our leisure business also benefited from investment during 2018, including the West Cliff Hotel purchase. Profits in our hotel business alone increased by 69 per cent from 2017 to 2018 and we now have over 50 per cent more holiday units than we did at the start of 2018. These have already entertained over 50,000 guests. We also completed the latest wave of investment at Whitemead Forest Park, in the Forest of Dean, which now has 29 glamping pods for members and their guests and families to enjoy. Our impact on the environment is always high on our agenda, and we're pleased to announce that we've retained the David Bellamy Gold Conservation Award for our work on the environment for another year.

Digital was another area where improvements were made following feedback from our members. Navigating the website had been an issue but, having listened to what members told us, we have now made changes to improve its usability. There's still work to do and we'll carry on making adjustments, but it's encouraging to see that over 70 per cent of new members joining the Club have done so via the website.

Our partner deals and offers are a cornerstone of Boundless membership and 2018 was another successful year in this respect. The arrival of our new partner Griffin, for example, who came on board to replace Car Select, was well received by members, a move which resulted in over £70k in commission income and the sale of 340 cars. We also sold 6000 holidays through our travel partners – it's great to be able to report that our travel-partner deals are still so popular. In addition, our flagship partner LV=, and the exclusive discounts our members receive from them, is still tremendously popular. To date, members have taken out more than 350,000 insurance policies – it's a 90-year partnership that we're really proud of.

We're in an era of digital transactions and immediate gratification, of social-media dominance and political uncertainty. We have less free time than we used to and we work harder than ever. But sharing good times with people we love will never go out of style. Being part of a community that shares similar values and exists to make our lives more enjoyable will always have a place. I'm delighted to be your Association Chair at this exciting time and I will do everything I can to ensure this wonderful club will thrive for many years to come.

Heather Glanville



'We were touched by a recent letter from a member who has been with us for 73 years – what a testament that is to the value our club brings to the lives of our members'

Club Report for 2018

I am delighted to report on the continuing success enjoyed by our engaged members during 2018. Not least, feedback we have received indicates the ever-growing levels of positivity amongst our Member Communities, who continue to provide great added value to our Association.

Whilst enjoying continuing successes, Member Communities are also always looking to develop the activities so many of our members enjoy. During 2018, we introduced an initiative to open up new individual volunteering opportunities to work alongside our traditional group structure and thereby strengthen our overall volunteer network. This initiative has enabled us to more than double the number of members who would like to contribute to their Club by volunteering in one form or another and bodes well for the future.

Our Local and Interest Groups continue to strive to produce events that are both diverse and interesting for the wider membership and, while many continue to grow, we did see a few groups struggle during 2018. We have therefore been working towards developing initiatives that allow these groups to learn and benefit from those who are thriving. A key aspect of this has been ensuring there is effective and meaningful communication between all groups, the Club leadership and the Club Council – this is seen as vital to the continued success of Member Communities.

During the late summer months of 2018, Member Communities, supported by many volunteers, delivered and enjoyed two very successful member events at Chester Zoo and Beaulieu Motor Museum. This was a new departure for Member Communities and promoted Boundless at its very best. It also provided a great shop window for our volunteer community and the wider membership. This initiative has now been expanded to incorporate all Boundless events delivered during 2019.

I never fail to be amazed at the commitment, time and energy given so freely by our many volunteers and would like to take this opportunity to recognise and thank this very special group of our membership.

Madeleine Grubb
Club Leader

'I never fail to be amazed at the commitment, time and energy given so freely by our many volunteers'

Local Groups

Jeff Kenyon, Mike Millward and Bernard Ward
Local Group Representatives

In 2018, total attendances at events organised by the 39 Local Groups fell slightly to just under 11,000. However, attendance numbers were variable across the groups, with 21 groups noting reduced attendances whilst 18 recorded a positive trend.

The events offered by the groups continued to be extremely varied, with most groups running regular monthly club nights or other social gatherings, whilst also offering a wide range of one-off visits and activities accommodating the many diverse interests of the members within the Club. Groups' social breaks were well supported and some Local Groups put on a selection of motorsport events across the country, complementing the activities of the Interest Groups.

Boundless magazine featured several reports during 2018 of Local Group events. These were very well received by the groups and is a promotional channel the Local Groups representatives would like to see more of to supplement the targeted e-shots currently available to groups to potentially attract new members from their local catchment areas.

Should you be interested in receiving information about local events near you then make sure your Local Group Secretary has your email address. A list of Local Group Secretaries can normally be found on p118 of *Boundless* magazine.

All of the above would not have been possible without the commitment of our many Local Group volunteers who organise these events and provide so much pleasure and enjoyment for our members. Should you be interested in helping at your Local Group, please contact that Group's Secretary.

Motoring Interest Groups

Ian Jarrett
Motoring Interest Groups Leader

Our Motoring Interest Groups in general had a successful 2018 although there were some challenges such as the introduction of the revised General Data Protection Regulations and reduced access to venues for some activities that needed to be addressed.

Interest and attendances at Classic Vehicle events increased with alternatives introduced to replace less popular events. Karting activity increased with the Bristol, London and East Anglia Championships growing in popularity. This increased popularity enabled Karting to field two teams at the Le Mans event. One team were awarded the Tracey Pope Sportsmanship Award for not giving up when facing technical and mechanical problems, a true reflection of the Boundless ethos. Elsewhere, Motorcycling continued to conduct successful tours and ride outs, and Motorsports continued to engage members with Track Days and Autotests etc. Our 4x4 Group faced difficulties in securing venues for holding events, however arrangements with other organisers to share locations will allow activity to continue as we go forward. Marshalling teams have seen some reduction in participation, although this is general across motorsports and is not confined to Boundless Member Communities.

We continue to benefit from having so many enthusiastic and committed volunteers enjoying their particular motoring activities and providing great events for our members.

Social Breaks and Holidays

Trevor Rudderham
Social Group Leader

2018 has again been a successful year with another increase in the number of members and their guests who have enjoyed our breaks and holidays. Support from the Member Communities team has helped considerably with this.

To be able to advertise each break using all the promotional channels available has been a real advantage. *Boundless* magazine continues to be the principal form of advertising for our programme, backed up by our newsletter which is published in January and goes out in both printed and electronic formats. Additionally, our Facebook page continues to expand and is increasingly being used by our members for short notice updates. We have also utilised a monthly email to serve as a memory jogger for our members. The Social Breaks web page has full details of the breaks available, along with the contact and booking details. Using all these channels has been the catalyst to our success and has given us the opportunity to continue growing the levels of member engagement at our breaks.

Our committee did struggle, however, to keep up to strength, being at just four members for much of the year. I was therefore delighted to see two new committee members following the committee elections in December and look forward to working with them.

Looking forward, our 2019 programme is already proving popular with many of the early-season breaks selling out quickly. We have introduced some new breaks whilst also offering some old favourites, thereby providing a varied and exciting programme for our members and their guests. Planning for 2020 is already being mapped out with offerings in most parts of the country and with great hopes for continued success in the future.

Camping and Caravanning

Graham Davis
Camping and Caravanning Leader

2018 saw another successful year for the Camping & Caravanning Group. Although the overall number of rallies decreased slightly, the number of members attending these rallies showed a healthy increase.

Once again, the Group ventured into new areas of the country with several new ideas for rallies and different formats being trialled – many of which proved very popular with members.

There were several changes to the C&C Committee make-up during the year however, following the Interest Group Elections, the Committee have now settled down under new leadership and are working towards a successful future.

The Camping & Caravanning Facebook page continues to be extremely popular with more and more members engaging through this medium. Whether it's publicising rallies, asking for advice or simply sharing great experiences, the Group's page is a vibrant demonstration of the ongoing passion many of our members have for camping and caravanning.

Looking forward to 2019, the Committee are delighted that the total number of rallies has increased for the year, both here in the UK and on the Continent. Also, that we have been able to welcome many new Rally Marshals who have not marshalled a C&C Rally for Boundless before is a real positive for the Group. I'd like to personally thank all the Marshals and the many other helpers for their support during the year and the many hours of hard work they put in to providing such a great programme of rallies for our members. We would welcome any new members who may be interested in joining us.

Directors' reports and financial statements FOR THE YEAR ENDED 31 DECEMBER 2018

STRATEGIC REPORT

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

Fair review of the business
2018 was an exciting year for the Association as the group continued to develop and grow. During the year two significant acquisitions were made. West Cliff Hotel, an eighty bedroom hotel in Bournemouth, was purchased for £5m. The hotel will provide our members with a high quality and value for money destination in a popular seaside town. We also purchased Parliament Hill Ltd., which provides benefits to third party member organisations, for £2.4m. Acquiring this company represents a significant opportunity as the Association had previously been developing this type of business. We will be able to access a greater number of benefits for our members as well as generating a good financial return. These acquisitions show that we continue to build on the success of previous years by delivering sustainable profits and investing in the future for the benefit of our members

Financial Performance
Short term financial performance remains very important as we look to continue the long term success of the Association . Overall turnover has grown, in part, due to the acquisitions of West Cliff Hotel and Parliament Hill. We have also been able to renew and develop commercial relationships with other providers which has increased commission income. Reported operating profit has increased from £17k to £442k as the operations and business has grown. Excluding the funding of the club and special events, operating profit is £1.3m compared to £0.8m in 2017. The board are mindful that the support of our member communities and events program through funding of activities and events remains at the core of the Associations ethos and long term future. Income increased from £16m to £18.3m as sales for our leisure properties grew through both acquisition and development of current properties. Commission and advertising income also increased, whilst subscription income dropped due to a decline in the number of subscribing members from 231,105 to 213,479. A positive development is the growth in advertising income which demonstrates the popularity, wide readership and commercial success of the magazine.

Overall profit before tax fell from £0.9m to £0.1m due to the decline in the value of listed investments in the fourth quarter of the year. However the company believes that investing in assets that will provide benefits for members will limit the volatility of investment returns over time and represents a better use of Association assets.

Overall costs increased from £13.2m to £14.2m due to the effect of the hotel and company acquisitions together with increased spend on marketing activity to strengthen our membership proposition. We continue to evaluate the overall property assets of the Association including our commercial and leisure properties. The group has leased out two floors of the head office building on a ten year lease generating £0.2m of income per year. In addition to the purchase of West Cliff significant investment was made in Whitemead Forest Park which included refurbishment of the central hub and expansion in accommodation. The park remains a popular and high quality venue for our members, their families and friends to visit. The group continues to look to develop the property portfolio to ensure there are high quality destinations available for our members to visit. Our aim is to ensure that properties provide a significant benefit to the overall membership - reflected in having sufficient scale so many members can visit, and the ability to provide a fair commercial return. Properties that do not offer sufficient scale or are loss making will be considered for sale.

The Association's overall financial strength continues to improve. Overall the assets of the group fell from £32.9m to £32.6m. However there was a significant pension deficit risk mitigation exercise which reduces the likelihood of pension deficits arising. Reported in the accounts is a £2.3m pension asset, although this is not recognised in the balance sheet due to accounting rules. The overall cash liquidity of the Association remains strong with £5.9m of cash and realisable investments at the year end.

Long Term Aims
The long term aims of the Association are to have a sustainable business and to provide experiences that will enable our current and future members to make the most of their spare time. We also continue to provide benefits of quality and value that are supplied by the Association directly or by our trusted partners. Underlying these aims is a commitment to the member communities and the club structure that supports them. The long term aim is to invest in assets that will enhance member experiences whilst providing a good commercial return.

Significant Risks
Alongside all other commercial and regulatory risks, the defined benefit pension scheme continues to present a significant risk, although the latest valuation of the fund shows a surplus as opposed to the large deficit of recent years and our requirement to contribute cash annually to reduce this deficit has now ceased.

The board and management invest significant time and effort in managing and monitoring all risks through well defined processes, such as strategic risk monitoring, a risk and audit committee and utilisation of specialist risk management resources.

In order to provide a stable return and security for the group's cash assets an investment mandate is in place that ensures funds are placed in low risk UK bank accounts or managed funds that offer potentially higher returns than cash deposits. Investment in property assets are also held which provide a member benefit through provision of high quality and good value leisure properties.

On behalf of the board on 17 May 2019

C J Slinn
Director

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

C Fillery
M Grubb
H C Glanville
C A Higgins
(Resigned 28 February 2018)
T J Howe
M G Hunter
(Resigned 4 March 2019)
C J Slinn
G B Steward
A C Thurbon

DIRECTORS' REPORT

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

Principal activities
The principal activities of the Association are the provision of motoring, financial services and other benefits to members and the ownership and management of leisure properties which are offered at a discount to subscribing members. (The public is allowed access to all of the Association's leisure properties at a premium.) All members are provided with the opportunity to participate in various activities under the umbrella of the CSMA Club structure.

Results
The group results for the year are set out on pages 9 and 10.

Disabled persons
The group has an equal opportunities approach to all recruitment, promotion and learning and development activity. It also strives to provide a working environment where all employees are treated with dignity and respect.

Employee involvement
The Association is committed to providing equality of opportunity for all its employees and eliminating discrimination. We ensure that all applicants and employees receive equal treatment regardless of their race, gender, marital status, sexual orientation, age, religion or religious beliefs or disability. The Association recognises and accepts its responsibility as an employer to promote equal opportunities and ensures that the principles of the policy are communicated and implemented accordingly.

The group communicates with its employees regularly through a number of different channels to ensure engagement with the group objectives and the role they have to play in achieving these. The focus is on promoting two way communication, with supplementary information being provided through team briefings and the company intranet.

Employees are actively involved in the development of new initiatives and in the changes that impact upon them and their departments.

Auditor
The auditor, Moore Stephens (South) LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

C J Slinn
Director
17 May 2019

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual 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). 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 company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

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

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

Independent auditor's report

TO THE MEMBERS OF THE CIVIL SERVICE MOTORING ASSOCIATION LIMITED

Opinion
We have audited the financial statements of The Civil Service Motoring Association Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the Group Income Statement, the Group Statement of Comprehensive Income, the Group statement of Financial Position, the Company Statement of Financial Position, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows, the Company Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

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

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of our audit:
- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception.
In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone 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

Christopher Goodwin
(Senior Statutory Auditor)
for and on behalf of Moore Stephens (South) LLP

Chartered Accountants
Statutory Auditor
Priory House
Pilgrims Court
Sydenham Road
Guildford
Surrey
GU1 3RX

Date: 20 May 2018

Group income statement

For the year ended 31 December 2018

	Notes	2018 £	2017 £
REVENUE	3	18,305,262	16,016,431
Cost of sales		(3,892,622)	(2,827,230)
GROSS PROFIT		14,412,640	13,189,201
Administrative expenses		(14,141,950)	(13,209,838)
Other operating income		171,982	37,833
OPERATING PROFIT	5	442,672	17,196
Investment income	9	2,420	60,271
Finance costs	10	(188,799)	(47,004)
Other gains and losses	11	(129,696)	656,843
Revaluation of investment properties	14	-	215,640
PROFIT BEFORE TAXATION		126,597	902,946
Taxation	12	25,470	30,873
PROFIT FOR THE FINANCIAL YEAR		152,067	933,819

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

Group statement of comprehensive income

For the year ended 31 December 2018

	2018 £	2017 £
PROFIT FOR THE FINANCIAL YEAR	152,067	933,819
OTHER COMPREHENSIVE INCOME		
Revaluation of property, plant and equipment	-	215,640
Actuarial movements on defined benefit pension schemes	(395,000)	(1,084,000)
Tax relating to revaluation of properties (note 12)	-	(18,329)
OTHER COMPREHENSIVE INCOME FOR THE YEAR	(395,000)	(886,689)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(242,933)	47,130

Group statement of financial position

As at 31 December 2018

	Notes	2018 £	£	2017 £	£
FIXED ASSETS					
Goodwill	13		2,352,684		-
Property, plant and equipment	14		25,716,569		21,349,618
CURRENT ASSETS					
Inventories	17	123,244		109,940	
Trade and other receivables	18	2,482,838		1,636,734	
Investments	19	6,679,093		12,817,789	
Cash and cash equivalents	20	1,701,066		2,661,268	
		10,986,241		17,225,731	
CURRENT LIABILITIES	21	(4,467,095)		(3,866,149)	
NET CURRENT ASSETS			6,519,146		13,359,582
TOTAL ASSETS LESS CURRENT LIABILITIES			34,588,399		34,709,200
NON-CURRENT LIABILITIES	22		(1,234,177)		(1,112,045)
PROVISIONS FOR LIABILITIES	25		(664,532)		(664,532)
NET ASSETS			32,689,690		32,932,623
EQUITY					
Revaluation reserve			3,159,385		3,159,385
Retained earnings			29,530,305		29,773,238
TOTAL EQUITY			32,689,690		32,932,623

The financial statements were approved by the board of directors and authorised for issue on 17 May 2019 and are signed on its behalf by:

C J Slinn
Director

Company statement of financial position

As at 31 December 2018

	Notes	2018 £	£	2017 £	£
FIXED ASSETS					
Investments	15		15,586,691		12,600,601
CURRENT ASSETS					
Trade and other receivables	18	16,560,669		19,078,954	
Cash and cash equivalents	20	12,522		28,368	
		16,573,191		19,107,322	
CURRENT LIABILITIES	21	(2,365,308)		(2,124,571)	
NET CURRENT ASSETS			14,207,883		16,982,751
TOTAL ASSETS LESS CURRENT LIABILITIES			29,794,574		29,583,352
NON-CURRENT LIABILITIES	21		(233,333)		-
NET ASSETS			29,561,241		29,583,352
EQUITY					
Retained earnings			29,561,241		29,583,352

The financial statements were approved by the board of directors and authorised for issue on 17 May 2019 and are signed on its behalf by:

C J Slinn
Director

Company Registration No. 00252734

Group statement of changes in equity

For the year ended 31 December 2018

	Notes	Revaluation reserve £	Retained earnings £	Total £
BALANCE AT 1 JANUARY 2017		2,962,074	29,923,419	32,885,493
YEAR ENDED 31 DECEMBER 2017:				
Profit for the year		-	933,819	933,819
Other comprehensive income:				
Revaluation of property, plant and equipment		215,640	-	215,640
Actuarial movements on defined benefit plans	24	-	(1,084,000)	(1,084,000)
Tax relating to revaluation of properties	12	(18,329)	-	(18,329)
Total comprehensive income for the year		197,311	(150,181)	47,130
BALANCE AT 31 DECEMBER 2017		3,159,385	29,773,238	32,932,623
YEAR ENDED 31 DECEMBER 2018:				
Profit for the year		-	152,067	152,067
Other comprehensive income:				
Actuarial movements on defined benefit plans	24	-	(395,000)	(395,000)
Total comprehensive income for the year		-	(242,933)	(242,933)
BALANCE AT 31 DECEMBER 2018		3,159,385	29,530,305	32,689,690

Company statement of changes in equity

For the year ended 31 December 2018

	Notes	Retained earnings £
BALANCE AT 1 JANUARY 2017		29,239,439
YEAR ENDED 31 DECEMBER 2017:		
Profit and total comprehensive income for the year	4	343,913
BALANCE AT 31 DECEMBER 2017		29,583,352
YEAR ENDED 31 DECEMBER 2018:		
Loss and total comprehensive income for the year	4	(22,111)
BALANCE AT 31 DECEMBER 2018		29,561,241

Group statement of cash flows

For the year ended 31 December 2018

	Notes	2018 £	£	2017 £	£
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated from/(absorbed by) operations	30		586,530		(1,353,316)
Interest paid			(188,799)		(47,004)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES			397,731		(1,400,320)
INVESTING ACTIVITIES					
Purchase of investments net of cash acquired		(1,781,851)		-	
Purchase of property, plant and equipment	13/14	(8,078,502)		(3,255,714)	
Proceeds on disposal of property, plant and equipment		-		849,145	
Proceeds on disposal of current asset investments		8,500,000		-	
Other investments and loans made		-		(3,500,000)	
Interest received	9	2,420		40,734	
NET CASH USED IN INVESTING ACTIVITIES			(1,357,933)		(5,865,835)
NET CASH USED IN FINANCING ACTIVITIES			-		-
NET DECREASE IN CASH AND CASH EQUIVALENTS			(960,202)		(7,266,155)
Cash and cash equivalents at beginning of year			2,661,268		9,927,423
CASH AND CASH EQUIVALENTS AT END OF YEAR			1,701,066		2,661,268

Company statement of cash flows

For the year ended 31 December 2018

	Notes	2018 £	£	2019 £	£
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated from operations	31		2,470,244		2,962
INVESTING ACTIVITIES					
Purchase of investments	13	(2,486,090)		-	
NET CASH USED IN INVESTING ACTIVITIES			(2,486,090)		-
NET CASH USED IN FINANCING ACTIVITIES			-		-
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS			(15,846)		2,962
Cash and cash equivalents at beginning of year			28,368		25,406
CASH AND CASH EQUIVALENTS AT END OF YEAR			12,522		28,368

Notes to the financial statements

For the year ended 31 December 2018

1. ACCOUNTING POLICIES

Company information
The Civil Service Motoring Association Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Britannia House, 21 Station Street, Brighton, BN1 4DE.

The group consists of The Civil Service Motoring Association Limited and all of its subsidiaries.

1.1 ACCOUNTING CONVENTION

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

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of freehold properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The consolidated statement of comprehensive income and balance sheet include the financial statements of the company and its subsidiary undertakings made up to the 31 December 2018. One subsidiary, Parliament Hill Limited, is exempt from audit by virtue of s479A of the Companies Act 2006. Intra-group transactions are eliminated fully on consolidation.

1.2 GOING CONCERN

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

1.3 REVENUE

Revenue includes:
- Subscriptions receivable (excluding Value Added Tax) where income is recognised in accordance with the related period of membership with amounts deferred at the period end;
- Commission receivable from third party partners in respect of discounted services provided to members calculated in accordance with the underlying period on which the commissions are based;
- Amounts receivable in respect of sales of advertising in magazines published during the year, recognised in accordance with the related date of publication; and
- Amounts receivable in respect of services provided at the leisure properties during the year, based on the members period of occupation.

1.4 INTANGIBLE FIXED ASSETS - GOODWILL

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated useful life.

Goodwill is amortised over 10 years.

1.5 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land & buildings
Nil for land, buildings 2% - 5% per annum on cost or valuation

Plant and machinery
6% - 33% per annum on cost

Fixtures, fittings & equipment
5% - 33% per annum on cost

Motor vehicles
10% - 25% per annum on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement, subject to an appropriate adjustment for revalued amounts.

1.6 NON-CURRENT INVESTMENTS

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in the income statement.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 IMPAIRMENT OF NON-CURRENT ASSETS

At each reporting end date, the group reviews the carrying amounts of its tangible 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.

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.

1.8 INVENTORIES

Inventories are stated at the lower of cost and estimated selling price.

The cost of inventories is calculated on a first in first out basis.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories over its estimated selling price is recognised as an impairment loss in the income statement. Reversals of impairment losses are also recognised in the income statement.

1.9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are basic financial assets and 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.

1.10 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 a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets
Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the income statement, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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 the income statement.

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

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

Basic 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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
Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Derecognition of financial liabilities
Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.11 EQUITY INSTRUMENTS
Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.12 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 income statement 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.

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 income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is 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.

1.13 EMPLOYEE BENEFITS
The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

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.

1.14 RETIREMENT BENEFITS
The group operates both defined contribution and defined benefit pension schemes.

Contributions payable in the year to the defined contribution pension schemes are charged to operating profit in the group's income statement.

The defined benefit scheme was closed to new and existing members in the year ended 31 December 2014, with the company making no additional contributions other than to fund any deficit in the scheme as necessary. Accordingly there are no amounts charged to the income statement with respect to the defined benefit scheme. A full actuarial valuation of the defined benefit scheme is carried out every three years and updated to 31 December each year by an independent qualified actuary. The difference between the market value of the scheme's assets and the present value of the liabilities is included in the group's statement of financial position as an asset (to the extent that it is recoverable through reduced future contributions) or a liability, net of recoverable deferred tax.

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

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.

1.16 CURRENT ASSET INVESTMENTS
Current asset investments are stated at market value with changes in market value being charged or credited to the income statement.

Realised and unrealised investment gains and losses on current asset investments are included within the income statement.

2. JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY
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.

Critical judgements
The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Assessing indicators of impairment
In assessing whether there have been any indicators of impairment to assets, the board consider both internal and external sources of information such as market conditions and experience of recoverability. There have been no indicators of impairments identified during the financial year under review.

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 as follows:

Determination of residual values and useful economic life of property, plant and equipment and goodwill
The group depreciates tangible fixed assets and amortises goodwill over their estimated useful economic lives, having regard to the anticipated residual value of the respective assets. The estimation of the useful economic lives of the assets is based on historic performance as well as expectations about future use, requiring estimates and assumptions to be applied. The actual lives of tangible fixed assets and goodwill can vary depending upon a variety of factors including technological innovation, product life cycles and maintenance programmes.

Discount factors for assets carried at fair value
The group carries certain assets and liabilities at fair value which requires consideration of the financial effect of the time value of money and future movements in investment returns in arriving at an appropriate discount factor to determine the carrying value of an asset or liability. Such estimates as are made take into consideration the experience returns as well as anticipating the future variability in investment assets and the availability of funding within the market, which are then applied to the company circumstances.

3. REVENUE
An analysis of the group's revenue is as follows:

	2018 £	2017 £
Turnover		
Subscription income	4,971,212	5,152,443
Commission and advertising income	5,710,299	5,411,734
Leisure property income	7,623,751	5,452,254
	18,305,262	16,016,431

The number of subscribing members at 31 December 2018 was 213,479 (2017 - 231,105).

Revenue analysed by geographical market

	2018 £	2017 £
UK	18,305,262	16,016,431

4. HOLDING COMPANY RESULTS
As permitted by s408 Companies Act 2006, the company has not presented its own income statement and related notes. The company's loss for the year was £22,111 (2017 - £343,913 profit for year).

5. OPERATING PROFIT

	2018 £	2017 £
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned property, plant and equipment	1,230,719	961,491
Loss on disposal of property, plant and equipment	-	99,571
Amortisation of intangible assets	50,057	-
Cost of inventories recognised as an expense	3,892,622	2,827,230
Operating lease charges	34,377	33,653

6. AUDITOR'S REMUNERATION

	2018 £	2017 £
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the company's financial statements	16,500	16,000
Audit of the company's subsidiaries	27,500	27,000
	44,000	43,000
For other services		
All other non-audit services	5,000	5,000

7. EMPLOYEES
The average monthly number of persons (including directors) employed by the group and company during the year was:

	2018 Number	2017 Number
Members services and administration	302	240

Employees' aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	6,195,879	5,241,938
Social security costs	486,060	437,707
Pension costs	241,930	217,763
	6,923,869	5,897,408
Defined benefit pension plan settlements	-	(409,000)
	6,923,869	5,488,408

8. DIRECTORS' REMUNERATION

	2018 £	2017 £
Remuneration for qualifying services	556,964	544,885
Amounts receivable under long term incentive schemes	-	68,746
Company pension contributions to defined contribution schemes	30,759	32,883
	587,723	646,514

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2017 - 4).

The number of directors at the year end who were entitled to receive bonuses under long term incentive schemes was nil (2017 - 2).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2018 £	2017 £
Remuneration for qualifying services	223,518	210,227
Amounts receivable under long term incentive schemes	-	39,483
Company pension contributions to defined contribution schemes	17,014	18,909

9. INVESTMENT INCOME

	2018 £	2017 £
Interest income		
Interest on bank deposits and accumulations on investments	2,420	60,271

10. FINANCE COSTS

	2018 £	2017 £
Interest on financial liabilities measured at amortised cost:		
Interest on other loans	188,799	47,004

11. OTHER GAINS AND LOSSES

	2018 £	2017 £
Fair value (losses)/gains on financial instruments		
Realised and unrealised (losses)/gains on current asset investments	(129,696)	656,843

12. TAXATION

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	23,164	-
Adjustments in respect of prior periods	63,517	-
Total current tax	86,681	-
Deferred tax		
Origination and reversal of timing differences	(112,151)	(30,873)
Total current tax	(25,470)	(30,873)

The charge for the year can be reconciled to the profit/(loss) per the income statement as follows:

	2018 £	2017 £
Profit before taxation	126,597	902,946
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%)	24,053	173,817
Tax effect of expenses that are not deductible in determining taxable profit	(46,912)	14,474
Tax effect of income not taxable in determining taxable profit	(9,889)	(14,132)
Adjustments in respect of prior years	63,517	-
Depreciation in excess of capital allowances	(88,702)	196,834
Transfer pricing adjustments	-	(242,586)
Other tax adjustments - including pension contributions	32,463	(159,280)
Taxation credit	(25,470)	(30,873)

In addition to the amount charged to the income statement, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2018 £	2017 £
Deferred tax arising on:		
Revaluation of property	-	18,329

13. INTANGIBLE FIXED ASSETS

Group - Goodwill	£
Cost	
At 1 January 2018	-
Additions - business combinations	2,402,741
At 31 December 2018	2,402,741
Amortisation and impairment	
At 1 January 2018	-
Amortisation charged for the year	50,057
At 31 December 2018	50,057
Carrying amount	
At 31 December 2018	2,352,684
At 31 December 2017	-

On 19 October 2018 the group acquired 100% of the issued share capital of Parliament Hill Limited.

The fair value for each class of asset and liabilities was:

	£
Fixed assets	6,504
Cash	707,903
Other current assets	189,819
Current liabilities	(320,877)
Net assets acquired	583,349
Goodwill	2,402,741
	2,986,090
Consideration	
Cash	2,486,090
Deferred	500,000
	2,986,090

The company had no intangible fixed assets at 31 December 2018 or 31 December 2017.

14. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land & buildings £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 January 2018	16,059,720	86,034	11,711,420	17,264	27,874,438
Additions	5,808,796	-	2,276,210	-	8,085,006
Disposals	-	-	(4,342)	-	(4,342)
Transfer to assets held for sale	(2,650,000)	-	-	-	(2,650,000)
At 31 December 2018	19,218,516	86,034	13,983,288	17,264	33,305,102
Depreciation and impairment					
At 1 January 2018	643,089	80,549	5,777,564	15,612	6,516,814
Depreciation charged in the year	249,232	1,371	979,419	697	1,230,719
Transfer from assets held for sale	(159,000)	-	-	-	(159,000)
At 31 December 2018	733,321	81,920	6,756,983	16,309	7,588,533
Carrying amount					
At 31 December 2018	18,485,195	4,114	7,226,305	955	25,716,569
At 31 December 2017	15,416,631	-	5,931,335	1,652	21,349,618

Included within the land and buildings held by the company is freehold property classed as investment property. During 2016 the company reviewed the use of Britannia House and as part of the property is utilised by tenants deemed that 50% of the property is Investment Property. The net book value of the whole property at 1 January 2017 was £2,800,000. During the year the property was valued at £3,250,000 in October 2017 on the basis of a sale with vacant possession and this was carried out by Flude Commercial Limited, an independent firm of Chartered Surveyors. The revaluation surplus of £431,280 was split equally between the revaluation of Freehold Land and Buildings and Investment Property, resulting in the increase being reflected in the income statement and through the statement of comprehensive income.

When a decision is made to sell a property the asset is moved from fixed assets to current assets. Following the decision to sell two properties in 2018, these assets have been reclassified to current assets held for sale from tangible fixed assets.

The land and buildings held by the company comprise freehold properties with a depreciated historic cost of £10,003,037 (2017 - £7,521,998), which were valued on an existing use basis as at 31 December 2013 by Savills (L&P) Limited, an independent firm of Chartered Surveyors. Each property is included in the balance sheet at this valuation plus any subsequent revaluations less depreciation subsequently charged. The directors are not aware of any material change in value since the date of the last valuation.

On 7 August 2008 the company granted a charge in favour of The Civil Service Motoring Association Limited Pension and Life Assurance Scheme in respect of property stated in these financial statements at a value of £7,994,105 (2017 - £7,645,405) as security for the future pension obligations of the scheme.

15. FIXED ASSET INVESTMENTS

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Investments in subsidiaries	29	-	-	15,586,691	12,600,601

Movements in non-current investments

Company	**Shares in group undertakings** £
Cost or valuation	
At 1 January 2018	12,600,601
Additions	2,986,090
At 31 December 2018	15,586,691
Carrying amount	
At 31 December 2018	15,586,691
At 31 December 2017	12,600,601

16. FINANCIAL INSTRUMENTS

	Group 2018 £	2017 £	Company 2018 £	2017 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	2,237,267	3,245,659	16,573,024	19,105,151
Equity instruments measured at fair value	4,188,093	12,817,789	-	-
Carrying amount of financial liabilities				
Measured at amortised cost	(4,872,641)	(4,842,543)	(2,013,108)	(2,130,556)

17. INVENTORIES

	Group 2018 £	2017 £	Company 2018 £	2017 £
Finished goods and goods for resale	123,244	109,940	-	-

18. TRADE AND OTHER RECEIVABLES

Amounts falling due within one year:	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Trade receivables		395,399	443,429	-	-
Corporation tax recoverable		-	15,597	-	-
Amounts due from subsidiary undertakings		-	-	16,560,502	19,068,859
Other receivables		140,802	126,356	-	7,924
Prepayments and accrued income		1,378,691	595,557	167	2,171
		1,914,892	1,180,939	16,560,669	19,078,954
Deferred tax asset	25	567,946	455,795	-	-
		2,482,838	1,636,734	16,560,669	19,078,954

Whilst considered to be repayable on demand, no date has been set for the repayment of amounts owed by group undertakings.

19. CURRENT ASSET INVESTMENTS

	Group 2018 £	2017 £	Company 2018 £	2017 £
Listed investments	4,188,093	12,817,789	-	-
Assets held for sale	2,491,000	-	-	-
	6,679,093	12,817,789	-	-

The significant factors in the reduction in current asset investments at 31 December 2018, as compared to the previous year, was due to the purchase of West Cliff Hotel, Bournemouth and Parliament Hill Limited.

20. CASH AT BANK AND IN HAND

	Group 2018 £	2017 £	Company 2018 £	2017 £
Current accounts	31,311	114,283	12,522	28,368
Deposit accounts	1,657,866	2,540,011	-	-
Petty cash	11,889	6,974	-	-
	1,701,066	2,661,268	12,522	28,368

21. CURRENT LIABILITIES

	Group 2018 £	2017 £	Company 2018 £	2017 £
Trade payables	787,906	710,563	8,042	1,478
Corporation tax payable	36,590	-	-	-
Other taxation and social security	251,906	136,088	85,533	136,088
Other payables	503,360	139,775	401,242	123,418
Accruals and deferred income	2,887,333	2,879,723	1,870,491	1,863,587
	4,467,095	3,866,149	2,365,308	2,124,571

22. NON-CURRENT LIABILITIES

	Group 2018 £	2017 £	Company 2018 £	2017 £
Other payables	1,234,177	1,112,045	233,333	-

The group has received advance commission from Liverpool Victoria Friendly Society Limited, repayable by deduction of £300,000 per annum from future commissions until 31 December 2027. The present value of this sum is included within other payables.

23. PROVISIONS FOR LIABILITIES

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Deferred tax liabilities	25	664,532	664,532	-	-

24. RETIREMENT BENEFIT SCHEMES

Defined contribution schemes	2018 £	2017 £
Charge to profit and loss in respect of defined contribution schemes	241,930	217,763

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

The amount outstanding at 31 December 2018 was £43,393 (2017 - £157).

Defined benefit schemes
The Civil Service Motoring Association Limited Pension & Life Assurance Scheme is a funded defined benefit scheme, the assets of which are held separately from those of the employer and are managed by Trustees. A full actuarial valuation was carried out at 31 December 2016. The results have been updated to 31 December 2018 by an independent qualified actuary.

Funding
The latest actuarial valuation carried out on 31 December 2018 revealed a funding surplus of £2.3 million. As the latest valuation revealed the scheme was in surplus, the Trustees agreed that the group should cease paying shortfall contributions to the scheme from 30 September 2017 (previously the group was paying monthly contributions of £75,000 to the scheme). As part of the enhanced transfer value exercise the group paid £395,499 towards enhancing members' transfer values during the year. Otherwise the group did not pay any normal contributions to the scheme during the year. The group does not expect to pay any contributions to the scheme during the accounting year beginning 1 January 2019.

From April 2014 the scheme has been closed to both new and existing members with contributions

Key assumptions

	2018 %	2017 %
Discount rate	2.7	2.4
Expected rate of increase of pensions in payment	3.7	3.6
Expected rate of salary increases	3.5	3.4
CPI inflation	2.5	2.4
RPI inflation	3.5	3.4

Mortality assumptions
Life expectations on retirement at an assumed retirement age of 65:

	2018 Years	2017 Years
Retiring today		
- Males	22.7	22.9
- Females	24.6	24.7
Retiring in 20 years		
- Males	24.1	24.3
- Females	26.2	26.2

Amounts recognised in the income statement:

	2018 £	2017 £
The effect of any curtailment or settlement	267,000	(409,000)
Other costs and income	20,000	-
Past service cost and settlement restricted to zero due to effect of the unrecognised surplus at the start of the year	(287,000)	-
Total surplus	-	(409,000)

Amounts taken to other comprehensive income:

	2018 £	2017 £
Actual return on scheme assets	1,259,000	(1,638,000)
Less: calculated interest element	963,000	1,046,000
Return on scheme assets excluding interest income	2,222,000	(592,000)
Actuarial changes related to obligations	(2,260,000)	(48,000)
Effect of changes in the amount of surplus that is not recoverable	146,000	1,724,000
Past service cost and settlement restricted to zero due to effect of the unrecognised surplus at the start of the year	287,000	-
Total costs	395,000	1,084,000

The amounts included in the group statement of financial position arising from obligations in respect of defined benefit plans are as follows:

	2018 £	2017 £
Present value of defined benefit obligations	38,289,000	42,245,000
Fair value of plan assets	(40,616,000)	(44,426,000)
Surplus in scheme	(2,327,000)	(2,181,000)
Asset not recognised due to asset ceiling	2,327,000	2,181,000
Total liability recognised	-	-

Movements in the present value of defined benefit obligations

	2018 £
At 1 January 2018	42,245,000
Past service cost	20,000
Plan introductions, changes, curtailments and settlements	(1,609,000)
Benefits paid	(905,000)
Actuarial gains and losses	(2,260,000)
Interest cost	963,000
Other	(165,000)
At 31 December 2018	38,289,000

The defined benefit obligations arise from plans which are wholly or partly funded.

Movements in the fair value of plan assets

	2018 £
At 1 January 2018	44,426,000
Interest income	963,000
Return on plan assets (excluding amounts included in net interest)	(2,222,000)
Plan introductions, changes, curtailments and settlements	(1,876,000)
Benefits paid	(905,000)
Contributions by the employer	395,000
Other	(165,000)
At 31 December 2018	40,616,000

Fair value of plan assets at the reporting period end

	2018 £	2017 £
Bonds	-	8,762,000
Gilts	-	34,751,000
Cash	33,000	103,000
Annuities	754,000	810,000
Equities	6,414,000	-
Diversified Growth Funds	20,055,000	-
Liability Driven Investments	13,360,000	-
	40,616,000	44,426,000

25. 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 the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Group	Liabilities 2018 £	Liabilities 2017 £	Assets 2018 £	Assets 2017 £
Accelerated Capital Allowances	-	-	307,489	455,795
Tax losses	-	-	260,457	-
Revaluations	664,532	664,532	-	-
	664,532	664,532	567,946	455,795

The company had no deferred tax assets or liabilities.

Movements in the year:	Group 2018 £	Company 2018 £
Liability at 1 January 2018	208,737	-
Charge to profit or loss	(112,151)	-
Liability at 31 December 2018	96,586	-

The deferred tax asset and liability are expected to reverse in the foreseeable future. The asset relates to the depreciation charged being in excess of allowances claimed and the liability relates to the potential tax due on the disposal of tangible fixed assets recorded at valuation.

26. OPERATING LEASE COMMITMENTS

Lessee

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

	Group 2018 £	2017 £	Company 2018 £	2017 £
Within one year	56,864	38,114	-	-
Between two and five years	5,339	32,744	-	-
	62,203	70,858	-	-

27. CAPITAL COMMITMENTS

Amounts contracted for but not provided in the financial statements:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Acquisition of property, plant and equipment	65,638	418,020	-	-

28. CONTROLLING PARTY

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount, not exceeding 25 pence, towards the assets of the company in the event of liquidation. There is no single controlling party.

29. SUBSIDIARIES

Details of the company's subsidiaries at 31 December 2018 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held Direct	% Held Indirect
Boundless Enterprises Limited, England & Wales	Dormant	Ordinary	100.00	
Boundless Experiences Limited, England & Wales	Dormant	Ordinary	100.00	
Boundless Innovation Limited, England & Wales	Dormant	Ordinary	100.00	
CSMA Boundless Limited, England & Wales	Dormant	Ordinary	100.00	
CSMA Capital Limited, England & Wales	Non-trading	Ordinary	100.00	
CSMA Leisure Properties Limited, England & Wales	Dormant	Ordinary		100.00
CSMA Mortorplex Limited, England & Wales	Dormant	Ordinary	100.00	
CSMA Recovery Services Limited, England & Wales	Dormant	Ordinary		100.00
CSMA Rescue Limited, England & Wales	Dormant	Ordinary		100.00
Motoring & Leisure Services Limited, England & Wales	Motoring and financial services, leisure property management	Ordinary	100.00	
Parliament Hill Limited, England & Wales	Member benefits and services	Ordinary	100.00	

All subsidiaries are included in the financial statements at cost less any provision for impairment

CSMA Rescue Limited, CSMA Recovery Services Limited and CSMA Leisure Properties Limited are 100% subsidiaries of Motoring & Leisure Services Limited

30. CASH GENERATED FROM GROUP OPERATIONS

	2018 £	2017 £
Profit for the year after tax	152,067	933,819
Adjustments for:		
Taxation credited	(25,470)	(30,873)
Finance costs	188,799	47,004
Investment income	(2,420)	(60,271)
Losses on disposal of property, plant and equipment	-	99,571
Fair value gains on investment properties	-	(215,640)
Amortisation and impairment of intangible assets	50,057	-
Depreciation and impairment of property, plant and equipment	1,230,719	961,491
Investment gains and losses	129,696	(656,843)
Pension scheme non-cash movement	(395,000)	(1,084,000)
Decrease in provisions	(47,959)	(47,920)
Movements in working capital:		
Increase in inventories	(13,304)	(35,006)
(Increase) in trade and other receivables	(559,731)	(76,643)
Decrease in trade and other payables	(120,924)	**(1,188,005)**
Cash generated from/(absorbed by) operations	586,530	(1,353,316)

31. CASH GENERATED FROM OPERATIONS - COMPANY

	2018 £	2017 £
(Loss)/profit for the year after tax	(22,111)	343,913
Movements in working capital:		
Decrease/(increase) in trade and other receivables	2,518,285	(54,786)
(Decrease) in trade and other payables	(25,930)	(286,165)
Cash generated from operations	2,470,244	2,962

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