2019
Annual Report and Accounts

Civil Service Motoring Association Ltd

boundless

BY CSMA

A message from the Association Chair

Heather Glanville
Association Chair

Our mutuality and values are the cornerstone of our club. We're driven by a member-first approach that fosters community spirit and good fellowship, and we're committed to doing this in a responsible and sustainable manner. Our aim is to deliver value to current members and to ensure our club will appeal to the next generation of members. We are focused on delivering great-value products with exceptional member service and we will invest in ways that help improve the experience members have with Boundless.

'Our club has been around since 1923. We've stood together through the most turbulent of times – it was built on the strength of community and fellowship.'

Leisure properties

One of the areas we've invested in most in recent years is our portfolio of leisure properties, which we know are very popular with members. We're incredibly proud of our most recent purchase, West Cliff Hotel Bournemouth, which we acquired in 2018. We opened the hotel to members in the spring of 2019 after spending over £1.5m on refurbishing the communal areas, the spa and many of the bedrooms, while making sure that health and safety levels met our exceptionally high standards. We still have work to do, and will continue to invest in improving the hotel's amenities but, having stayed there a number of times myself, I can say that we've made tremendous progress and it's heartening to see that so many members have already visited. It's also encouraging that we've seen year-on-year growth of 12 per cent at our properties in general, as well as six per cent of stays at West Cliff being booked by members. All in all, over 30,000 members and their guests stayed at our properties in 2019. . This is a consequence of introducing a range of exclusive member benefits to make sure, wherever possible, that members receive extra special treatment when they visit. In addition, our holiday park, Whitemead Forest Park, has retained the David Bellamy Gold Award, recognising the great work we continue to do in making sure we operate in an environmentally friendly way.

Enjoying the member benefits

Our longest-standing partner, LV=, continues to be a favourite with members, who have taken out 320,000 policies, no surprise given the quality of the offer they provide to us. Our travel partners are always popular with members too, and over 14,000 member bookings were made in 2019. Our club has always been here to help members get more from their free time, so it's encouraging to see so many members thinking of Boundless when booking their holidays. Sales of new cars through our motoring partner Griffin continue to be popular with members, with 700 sales in 2019. Since we launched our partnership with Griffin in 2018, members have saved a total of over £6m on new cars. We're constantly talking to potential new partners and renegotiating with existing ones to improve the offers and discounts we can provide to our membership. In 2019 we launched eight new partner deals to members and renegotiated 15 existing deals to improve what we already provide. As ever, we welcome your opinion on any other deals you'd like to see.

We've also been doing lots of work behind the scenes. 2019 saw substantial restructuring of, and investment in, our IT infrastructure and digital capabilities. The technology system we use to communicate with our members (CRM) has been upgraded to be even more secure and scalable for the future, and we've introduced a number of new processes and systems to ensure we have a best-in-class approach to the way we manage our members' data.

World class content

The September/October 2019 issue of Boundless magazine was our first-ever member issue, with the majority of content being sourced in conjunction with our members. Not only did members contribute to feature ideas, but they were also the subject of many of the features themselves. We had a fantastic response to this from our members, so we're planning to do the same in future years. You may also remember our 50 Greatest Drives article, where we asked members to vote on their favourite UK drive in the January/February issue. It was interesting to see how interested other people were in what our members voted for. The results of this survey and highlights from the article were picked up by over 100 regional and national newspapers and news websites, including The Times. The quality of our magazine is reflected in the amount of income it generates from advertising. In 2019 it brought in over £600,000 from carefully selected advertisers, funds which contribute to the creation of such a high-quality publication.

Giving something back

2019 was the year we launched our support for Public Service Day, where we asked the public to say thank you to the UK's civil-service and public-sector workers for their contribution in keeping the country running. After all, giving something back to those who give most to society is why we're here. We're also a mutual, which means all profits are reinvested in the club for the benefit of our members. An extension of this philosophy is the Boundless Foundation, set up in 2016, through which we've been able to donate nearly £90,000 to good causes. These include charities close to our members' hearts, such as Independent Age, Make-A-Wish, Guide Dogs and Mind, along with a number of charities specific to civil-service and public-sector workers.

Our Member Communities and Events team, supported by our volunteer network, had their most successful year yet in 2019. We saw nearly 6000 members engaging with Boundless over the various events we held last summer and we'll be looking to build on this success in future, with even more exciting opportunities for members to get involved with the club.

Financial Performance

Our financial focus was to grow income through diversification of our financial investments, and 2019 was a significant year for the Association as the group continued to consolidate these acquisitions. Bournemouth West Cliff Hotel provides guests with a high-quality and value-for-money experience in a very popular seaside town. Our recent acquisition, Parliament

Hill, continues to deliver benefits to third-party membership organisations. With an audience base of nearly 4m people, this gives us tremendous leverage when negotiating deals and discounts, which will ultimately benefit our membership too.

Overall turnover has grown, partly due to the income from West Cliff Hotel and Parliament Hill. Reported operating profit has fallen from £0.3m to a loss of £0.6m. However, £1.3m of the reported costs relates to write-downs relating to our previous IT infrastructure, and the cost of restructuring and amortisation of investments. Excluding these items, like-for-like operating profit has grown from a profit of £0.3m to a profit of £0.6m. Income increased from £18.1m to £20.2m and overall profit before tax changed from a loss of £0.1m to a profit of £1.1m. The overall net assets of the Association have grown by £2.4m to £34.9m.

Attracting and retaining new members

In 2019 we saw an increase of eight per cent in brand-new members joining our club. People joining as a result of online activity and after booking a stay at one of our leisure properties have both gone up. Our member referral programme continues to encourage new members to join, rewarding people for referring their friends and family. We encourage all our members to spread the word as the more members we have the more value we can provide to the membership. The number of members who renewed their membership was exceptionally high this year at over 90 per cent, which is a strong indicator that people see the value that membership provides. One of the challenges we face today is the number of new members renewing after their first year, so we're working hard to ensure we provide even stronger offers and brilliant content to ensure the next generation of members remain members for years to come.

Year one retention rate continued to be a focus for us, with the introduction of a new digital welcome pack and additional member contact points throughout their first year. These included welcome calls, emails and letters to help new members understand the wealth of benefits on offer and the variety of things they can get involved with.

97 years of community

Each year brings new political and cultural challenges and, as I write this, we're in the middle of an entirely new challenge – one that I never considered I'd have to face. Who would ever have dreamed that hugging their grandchildren would be forbidden. Our club has been around since 1923, since when our strength of community and fellowship has held us together through the most turbulent of times. I, for one, will be squeezing my family just that little bit tighter once this is all over, and will do my best to make sure I never take life's simple pleasures for granted. We can soon look forward to doing those things again with the people we love – days out, holidays, events, hobbies and activities are all ways of bringing families together and enabling our members to get more from their time and money. These are the things that we care most about at Boundless, and I'm excited at the prospect of bringing even more value and a greater sense of community to all of our members.

Heather Glanville

'We saw nearly 6,000 members engaging with Boundless over the various events held last summer and will be looking to build on this success in the future'

Club Report for 2019

At the end of my first year as Club Leader, I'm delighted to report a continuing increase in participation within our Member Communities during 2019. Members clearly enjoy the wide variety of activities available through our volunteer groups, who provide such great added value to our Association.

While our groups continue to develop their own activities, I've also been delighted to note the increasing integration of our volunteer community into the events programme run by Britannia House and, in particular, the positive responses our volunteers receive from members attending these events.

New initiatives introduced towards the end of 2018, designed to increase member participation within our community groups, continued to see a good results, with many groups reporting an increase in member participation. Inevitably, though, some groups struggled during the year, due to falling attendances or members not stepping up to support their group committee. As always, the flow of new volunteers continues to be vital to the success of our Member Communities. With this in mind, we've begun a number of new projects aimed at improving the support and recognition our Boundless volunteers receive, including starting the process of gaining our Investors in Volunteers accreditation.

I believe effective communication remains essential in delivering the most beneficial support for our volunteer community. This, combined with a clear understanding of the help and backing our valued volunteers will receive, will lead to the continued success of our Member Communities.

Our 2019 programme of events, led by Britannia House and supported by volunteers, was the most successful yet, despite the summer weather not always being overly kind! We saw nearly 6000 members engaging with Boundless over the various events we held last summer, and we'll be looking to build on this success in the future with even more exciting opportunities for members to get more value from their membership.

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

Madeleine Grubb
Club Leader

> 'I believe effective communication remains essential in delivering the most beneficial support for our volunteer community'

Local Groups

Jeff Kenyon, Mike Millward and Bernard Ward
Local Group Representatives

In 2019 we saw a welcome increase in our membership and guest numbers, up nine per cent on the previous year at 11,255. There was also a small increase in the number of events held by our 35 Local Groups during the year, with 22 groups enjoying increased attendances and the remaining 13 reporting varying levels of reduced numbers.

The introduction of our calendar pages in Boundless magazine has helped to bolster the number of members attending events, but it's without doubt the continued enthusiasm and dedication of our volunteers that's largely responsible for the high number of members attending Local Group events.

The events offered by our groups continue to be extremely varied, with most groups running regular club nights or other social gatherings, plus a wide range of one-off visits and activities reflecting the diverse interests of our members. Local Groups' social breaks were also well supported, with a number of groups again putting on a selection of motorsport events across the country, complementing the activities of our dedicated Motorsports Group.

None of the above would have been possible without the commitment of our many Local Group volunteers, who organise and run these events and provide so much pleasure for our members. If you're interested in helping at your Local Group, or would like to receive more information about events taking place near you, then please contact your Local Group secretary. A list of Local Group secretaries can be found on p118 of Boundless magazine.

Motoring Interest Groups

Ian Jarrett
Motoring Interest Groups Leader

As in previous years, our motoring groups continued to promote events and successfully engage with members. Member engagement was perhaps more prevalent in some activities, such as karting and motorcycling, where many events were led by non committee members. Our Classic Vehicle Group was the most prolific, hosting over 30 events during 2019, including a visit to Belgium and a new event, the Juniper Hop, organised by one of our group members.

Elsewhere, our Motorsports Group continued with its programme of competitions and track days and also hosted a new Autosolo event at Brooklands Museum. The Boundless karting team, competing at the Le Mans 24hr event, demonstrated the very best ethos of our club by generously assisting a rival team, who were experiencing difficulties, to reach their fundraising goal. Our Motorcycle Group members also ventured onto the Continent with a visit to the Ardennes region of France, in addition to events and tours on home soil. Our Marshalling Group have continued to encourage members who are either unable or do not wish to actually compete to take part in motorsport by joining our teams supporting various events around the country. These range from young-driver encouragement events to the UK round of the World Rally Championship. There was also a rekindling of interest in our 4x4 activities by co-organising with other clubs, although land-access issues continue to prove challenging.

Members from our motoring groups were also able to promote Boundless activities at several high-profile UK events. Our Classic Vehicle Group were represented at the NEC Classic Car show in Birmingham, our Motorcycle Group exhibited at shows in London and Milton Keynes, and our Motorsports Group exhibited at Brooklands Museum.

Many more motoring events have been organised for 2020, with the aim of building on the success and innovation demonstrated during 2019.

Social Breaks and Holidays

Trevor Rudderham
Social Group Leader

Many members have once again been enjoying the wide variety of hosted breaks the group provides, making 2019 another successful year. Although the overall numbers attending our breaks were slightly down on the previous year, we – in common with many other holiday providers – have put this down to the political uncertainty surrounding Brexit and the suspected potential issues facing anyone going on holiday, especially abroad.

We've been working hard to ensure all our breaks are advertised widely to the membership, and support from the Member Communities team has helped considerably with this. To be able to promote 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've also been sending our members monthly emails to remind them to check out the Social Breaks web page, where full details of all our breaks are available, along with contact and booking details. Using all these channels has helped increase our success, and given us the opportunity to continue giving our members the best possible experience at our breaks.

Our committee was at full strength for 2019 but, as always, committee members come and go, and we're always looking to add new members. If you're interested in joining in, full training is given to ease you into our programme of hosting breaks and helping out on the committee.

We've introduced some new breaks for 2020 but also retained some old favourites, so we can provide a varied and exciting programme for our members and their guests. Planning for 2021 is already under way, with offerings across the country and great hopes for continued success in the future.

Camping and Caravanning

Graham Davis
Camping and Caravanning Leader

2019 was another successful year for camping and caravanning, with an increase both in the number of rallies we held and the number of members taking part. Several new ideas and venues have helped, plus the trend towards holding rallies close to a significant local event, such as a flower show or steam rally, certainly appears to have encouraged many members to come along.

The Camping & Caravanning Committee continue to work well together and attracted a new member to join the committee in 2019, further enhancing our knowledge and experience to develop and guide our future activities.

Our Facebook page has gone from strength to strength, especially in publicising rallies and giving members the opportunity to report on how enjoyable our rallies are.

On behalf of the committee, I would like to thank our many rally marshals, assistants and other helpers for their support during the year and would welcome any new members who wish to join us.

Directors' reports and financial statements FOR THE YEAR ENDED 31 DECEMBER 2019

STRATEGIC REPORT

The directors present the strategic report for the year ended 31 December 2019

Fair review of the business

The focus of the year was to continue to grow income through diversification enabled by the two acquisitions made during the course of 2018 and to deliver value to our membership whilst retaining and attracting Boundless members. 2019 was a significant year for the Association as the group continued to consolidate these significant acquisitions. West Cliff Hotel in Bournemouth provides our members and customers with a high quality and value for money destination in a popular seaside town. Parliament Hill Ltd continues to deliver benefits to third party member organisations.

2019 saw substantial restructuring of, and investment in our IT infrastructure and digital capabilities. Going forward, we will look to develop and build on the success of previous years by providing great member experiences and investing in the future for the benefit of our members.

Financial Performance

Short term financial performance remains important as we look to continue the long term success of the Association. Overall turnover has grown, in part, due to the full year income attributable to West Cliff Hotel and Parliament Hill. We have also seen increased income from our leisure business due to expansion in facilities. Reported operating profit has fallen from £0.3m to a loss of £0.6m. However, £1.3m of the reported costs relates to write downs relating to our previous IT infrastructure, the cost of restructuring and amortisation of investments. Excluding these items, like for like operating profit has grown from a profit of £0.3m to a profit of £0.6m. On a like for like basis operating profit excluding club funding is £1.4m compared to £1.1m in 2018. 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 Association's ethos and long term future. Income increased from £18.1m to £20.2m as sales for our leisure properties grew through both acquisition and development of current properties. Overall commission and fees also increased due to income generated through Parliament Hill. Subscription income dropped by £0.1m due to a decline in the number of subscribing members from 213,479 to 199,757, partly offset by the price increase.

Overall profit before tax changed from a loss of £0.1m to a profit of £1.1m.

Total costs increased from £18.0m to £21.1m due to the full year effect of hotel and company acquisitions together with increased spend on marketing activity and technology to strengthen our membership proposition. We continue to evaluate the overall property assets of the Association including our commercial and leisure properties. The group continues to look to review the property portfolio to ensure there are high quality destinations available to all our members to visit and which offer a fair return on investment. Our aim is to ensure that properties provide a significant benefit to the overall membership. Properties that do not offer sufficient scale or are loss making will be considered for sale. The company will also continue to ensure it operates efficiently in a secure and compliant manner. Our overall risk management has been strengthened through successful implementation of revised people and technology driven Disaster Recovery and Business Continuity processes that have enabled the business to continue to operate despite lockdown restrictions imposed in early 2020.

The Association's overall financial strength continues to improve. The assets of the group grew from £32.5m to £34.9m, an overall increase of £2.4m. Reported in the accounts is a £5.5m 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 £5.7m of cash and realisable investments at the year end.

A pandemic has been declared by the World Health Organisation post year end, the directors have considered the impact of Covid-19 on its future trading through continual review of budgets and forecasts. During this review estimations and judgements have been made in respect of timing in resuming activities of the group. There is no impact on the estimations used at the year end in respect of assets and liabilities as Covid-19 was not a pandemic at that point in time and was not impacting on the value of assets or liabilities held at 31 December 2019.

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

The current coronavirus pandemic is providing significant challenges to the Association's future prosperity as it is for all businesses. Although the current economic environment is uncertain as to when and to what extent we will be able to reopen our leisure properties, the strength of our membership, our ability to provide relevant benefits, a sense of community and our strong balance sheet should enable us to emerge in a strong position from the crisis. The use of digital technology to improve our offerings and member experience is now more important than ever.

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.

The board and management have invested significant time in ensuring the business is well placed in terms of income diversification, cash liquidity and operational efficiency to miminise the overall risk.

On behalf of the board on 22 June 2020

C J Slinn
Director

DIRECTORS' REPORT

The directors present their report and consolidated financial statements for the year ended 31 December 2019.

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.

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	(Resigned 31 May 2019)
E A Fitzgerald	(Appointed 28 June 2019)
H C Glanville	
M Grubb	
T J Howe	
M G Hunter	(Resigned 4 March 2019)
C J Slinn	
G B Steward	(Resigned 31 December 2019)
G O'Sullivan	(Appointed 23 May 2019)
A C Thurbon	

Results

The group results for the year are set out on pages 12 and 13.

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 (South) LLP, (formerly 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
22 June 2020

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

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 2019 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 2019 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 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.

Danielle Griffin
(Senior Statutory Auditor)
for and on behalf of Moore (South) LLP

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

Date: 2 July 2020

Group income statement

For the year ended 31 December 2019

	Notes	2019 £	2018 as restated £
REVENUE	3	20,179,767	18,115,916
Cost of sales		(3,515,806)	(3,892,622)
GROSS PROFIT		16,663,961	14,223,294
Administrative expenses		(17,565,958)	(14,141,949)
Other operating income		260,774	171,982
OPERATING (LOSS)/PROFIT	5	(641,223)	253,327
Investment income	9	5,067	2,420
Finance costs	10	(189,138)	(188,799)
Other gains and losses	11	422,435	(129,696)
Revaluation of investment properties	15	1,465,981	-
PROFIT/(LOSS) BEFORE TAXATION		1,063,122	(62,748)
Taxation	12	92,881	25,470
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		1,156,003	(37,278)

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

When Parliament Hill Ltd was acquired the financial statements were accounted for on a different basis. With effect from the 1 January 2019 the company has adopted the group accounting policies and this has resulted in the prior year being restated and an overall loss being reported in the prior year.

Group statement of comprehensive income

For the year ended 31 December 2019

	Notes	2019 £	2018 as restated £
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		1,156,003	(37,278)
OTHER COMPREHENSIVE INCOME			
Revaluation of property, plant and equipment	15	1,465,981	-
Actuarial gain/(loss) on defined benefit pension schemes	25	-	(395,000)
Tax relating to revaluation of properties	12	(263,877)	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR		1,202,104	(395,000)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,358,107	(432,278)

Group statement of financial position

As at 31 December 2019

	Notes	2019 £	£	2018 as restated £	£
FIXED ASSETS					
Goodwill	14		2,112,410		2,352,684
Other intangible assets	14		641,498		-
Total intangible asset			2,753,908		2,352,684
Property, plant and equipment	15		28,037,574		25,716,569
			30,791,482		28,069,253
CURRENT ASSETS					
Inventories	18	141,433		123,244	
Trade and other receivables	19	2,553,778		2,482,838	
Investments	20	5,608,776		6,679,093	
Cash and cash equivalents	21	2,591,474		1,701,067	
		10,895,461		10,986,242	
CURRENT LIABILITIES	22	(4,675,225)		(4,656,441)	
NET CURRENT ASSETS			6,220,236		6,329,801
TOTAL ASSETS LESS CURRENT LIABILITIES			37,011,718		34,399,054
NON-CURRENT LIABILITIES	23		(878,443)		(1,234,177)
PROVISIONS FOR LIABILITIES	26		(1,274,823)		(664,532)
NET ASSETS			34,858,452		32,500,345
EQUITY					
Revaluation reserve			4,361,489		3,159,385
Retained earnings			30,496,963		29,340,960
TOTAL EQUITY			34,858,452		32,500,345

The financial statements were approved by the board of directors and authorised for issue on 17 May 2020 and are signed on its behalf by:

C J Slinn
Director

Company statement of financial position

As at 31 December 2019

	Notes	2019 £	£	2018 £	£
FIXED ASSETS					
Investments	16		15,586,691		15,586,691
CURRENT ASSETS					
Trade and other receivables	19	16,999,898		16,560,669	
Cash and cash equivalents	21	4,955		12,522	
		17,004,853		16,573,191	
CURRENT LIABILITIES	22	(2,523,172)		(2,365,308)	
NET CURRENT ASSETS			14,481,681		14,207,883
TOTAL ASSETS LESS CURRENT LIABILITIES			30,068,372		29,794,574
NON-CURRENT LIABILITIES	23		(100,000)		(233,333)
NET ASSETS			29,968,372		29,561,241
EQUITY					
Retained earnings			29,968,372		29,561,241

The financial statements were approved by the board of directors and authorised for issue on 17 May 2020 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 2019

AS RESTATED FOR THE PERIOD ENDED 31 DECEMBER 2018:	Notes	Revaluation reserve £	Retained earnings £	Total £
BALANCE AT 1 JANUARY 2018		3,159,385	29,773,238	32,932,623
YEAR ENDED 31 DECEMBER 2018:				
Loss for the year		-	(37,278)	(37,278)
Other comprehensive income:				
Actuarial movements on defined benefit plans	25	-	(395,000)	(395,000)
Total comprehensive income for the year		-	(432,278)	(432,278)
BALANCE AT 31 DECEMBER 2018		3,159,385	29,340,960	32,500,345
YEAR ENDED 31 DECEMBER 2019:				
Profit for the year		-	1,156,003	1,156,003
Other comprehensive income:				
Revaluation of property, plant and equipment		1,465,981	-	1,465,981
Tax relating to revaluation of properties	12	(263,877)	-	(263,877)
Total comprehensive income for the year		1,202,104	1,156,003	2,358,107
BALANCE AT 31 DECEMBER 2019		4,361,489	30,496,963	34,858,452

Company statement of changes in equity

For the year ended 31 December 2019

AS RESTATED FOR THE PERIOD ENDED 31 DECEMBER 2018:	Notes	Retained earnings £
BALANCE AT 1 JANUARY 2018		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
YEAR ENDED 31 DECEMBER 2019:		
Profit and total comprehensive income for the year	4	407,131
BALANCE AT 31 DECEMBER 2019		29,968,372

Group statement of cash flows

For the year ended 31 December 2019

	Notes	2019 £	£	2018 as restated £	£
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated from operations	31		1,581,161		586,530
Interest paid			(189,138)		(188,799)
NET CASH INFLOW FROM OPERATING ACTIVITIES			1,392,023		397,731
INVESTING ACTIVITIES					
Purchase of intangible assets		(661,196)		-	
Purchase of investments net of cash acquired		-		(1,781,851)	
Purchase of property, plant and equipment	15	(1,379,980)		(8,078,501)	
Proceeds on disposal of fixed asset investments		1,492,752		8,500,000	
Interest received		5,067		2,420	
NET CASH USED IN INVESTING ACTIVITIES			(543,357)		(1,357,932)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			848,666		(960,201)
Cash and cash equivalents at beginning of year			1,701,067		2,661,268
CASH AND CASH EQUIVALENTS AT END OF YEAR			2,549,733		1,701,067
RELATING TO:					
Cash at bank and in hand	21		2,591,474		1,701,067
Bank overdrafts included in creditors payable within one year	22		(41,741)		-

Company statement of cash flows

For the year ended 31 December 2019

	Notes	2019 £	£	2018 £	£
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash (absorbed by)/generated from operations	32		(7,567)		2,470,244
INVESTING ACTIVITIES					
Purchase of subsidiaries		-		(2,486,090)	
NET CASH USED IN INVESTING ACTIVITIES			-		(2,486,090)
NET DECREASE IN CASH AND CASH EQUIVALENTS			(7,567)		(15,846)
Cash and cash equivalents at beginning of year			12,522		28,368
CASH AND CASH EQUIVALENTS AT END OF YEAR			4,955		12,522

Notes to the financial statements

For the year ended 31 December 2019

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 2019. 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 INTANGIBLE FIXED ASSETS OTHER THAN GOODWILL

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

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the
asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

Software	20% per annum on cost

1.6 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% - 10% 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.

1.7 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.

1.8 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.

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.

1.9 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.

1.10 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.

1.11 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.

1.12 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.

1.13 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.

1.14 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.

1.15 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.

1.16 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 leased asset are consumed.

1.17 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:

	2019 £	2018 £
Turnover		
Subscription income	4,946,578	4,971,212
Commission and advertising income	6,301,735	5,710,299
Leisure property income	8,931,454	7,623,751
	20,179,767	18,115,916

The number of subscribing members at 31 December 2019 was 199,757 (2018 - 213,479).

Revenue analysed by geographical market

	2019 £	2018 £
UK	20,179,767	18,115,916

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 £407,131 (2018 - £22,111 profit for year).

5. OPERATING (LOSS)/PROFIT

	2019 £	2018 £
Operating (loss)/profit for the year is stated after charging:		
Depreciation of owned property, plant and equipment	1,359,281	1,230,719
Loss on disposal of property, plant and equipment	631,655	-
Amortisation of intangible assets	259,972	50,057
Cost of inventories recognised as an expense	1,141,718	960,363
Operating lease charges	35,255	34,377

6. AUDITOR'S REMUNERATION

	2019 £	2018 £
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the group and company	15,500	15,000
Audit of the financial statements of the company's subsidiaries	37,000	36,500
	52,500	51,500
For other services		
All other non-audit services	5,000	10,000

7. EMPLOYEES

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

	2019 Number	2018 Number
Members services and administration	347	312

Employees' aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	7,223,239	6,195,879
Social security costs	513,582	486,060
Pension costs	266,292	241,930
	8,003,113	6,923,869
Redundancy payments made or committed	170,973	-

8. DIRECTORS' REMUNERATION

	2019 £	2018 £
Remuneration for qualifying services	482,656	556,964
Company pension contributions to defined contribution schemes	26,011	30,759
Compensation for loss of office	128,334	-
	637,001	587,723

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2018 - 4).

The number of directors at the year end who were entitled to receive bonuses under long term incentive schemes was nil (2018 - 0).

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

	2019 £	2018 £
Remuneration for qualifying services	231,874	223,518
Company pension contributions to defined contribution schemes	16,990	17,014

9. INVESTMENT INCOME

	2019 £	2018 £
Interest income		
Interest on bank deposits and accumulations on investments	5,067	2,420

10. FINANCE COSTS

	2019 £	2018 £
Interest on financial liabilities measured at amortised cost:		
Interest on other loans	189,138	188,799

11. OTHER GAINS AND LOSSES

	2019 £	2018 £
Fair value gains/(losses) on financial instruments		
Realised and unrealised gains/(losses) on current asset investments	422,435	(129,696)

12. TAXATION

	2019 £	2018 £
Current tax		
UK corporation tax on profits for the current period	-	23,164
Adjustments in respect of prior periods	(7,626)	63,517
Total current tax	(7,626)	86,681
Deferred tax		
Origination and reversal of timing differences	(85,255)	(112,151)
Total tax credit	(92,881)	(25,470)

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

	2019 £	2018 £
Profit before taxation	1,063,122	(62,748)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	201,993	(11,922)
Tax effect of expenses that are not deductible in determining taxable profit	(102,777)	(46,912)
Tax effect of income not taxable in determining taxable profit	(99,852)	(9,889)
Adjustments in respect of prior years	(7,626)	63,517
Depreciation in excess of capital allowances	(24,894)	(88,702)
Other tax adjustments - including pension contributions	(23,750)	32,463
Change in accounting policy	(35,975)	35,975
Taxation credit	(92,881)	(25,470)

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

	2019 £	2018 £
Deferred tax arising on:		
Revaluation of property	263,877	-

13. PRIOR YEAR ADJUSTMENT

When Parliament Hill Ltd, a subsidiary company, was acquired the financial statements were accounted for on a cash basis. During the current year the company has adopted the accruals basis to be in line with group accounting policies, this has resulted in a prior year adjustment relating to Institute sales.

14. INTANGIBLE FIXED ASSETS

Group	Goodwill £	Software £	Total £
Cost			
At 1 January 2019	2,402,741	-	2,402,741
Additions	-	661,196	661,196
At 31 December 2019	2,402,741	661,196	3,063,937
Amortisation and impairment			
At 1 January 2019	50,057	-	50,057
Amortisation charged for the year	240,274	19,698	259,972
At 31 December 2019	290,331	19,698	310,029
Carrying amount			
At 31 December 2019	2,112,410	641,498	2,753,908
At 31 December 2018	2,352,684	-	2,352,684

The company had no intangible fixed assets at 31 December 2019 or 31 December 2018.

15. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land & buildings £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 January 2019	19,218,516	86,034	13,983,288	17,264	33,305,102
Additions	9,779	-	1,370,201	-	1,379,980
Disposals	-	-	(1,404,255)	-	(1,404,255)
Revaluation	2,931,961	-	-	-	2,931,961
Transfer to assets held for sale	269,182	-	(269,182)	-	-
At 31 December 2019	22,429,438	86,034	13,680,052	17,264	36,212,788
Depreciation and impairment					
At 1 January 2019	733,321	81,920	6,756,983	16,309	7,588,533
Depreciation charged in the year	268,203	1,028	1,089,352	698	1,359,281
Eliminated in respect of disposals	-	-	(772,600)	-	(772,600)
At 31 December 2019	1,001,524	82,948	7,073,735	17,007	8,175,214
Carrying amount					
At 31 December 2019	21,427,914	3,086	6,606,317	257	28,037,574
At 31 December 2018	18,485,195	4,114	7,226,305	955	25,716,569

Included within the land and buildings held by the company is freehold property classed as investment property. 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. In December 2019 an informal valuation was carried out by Flude Commercial Limited and the property was valued at £6,113,985 using an open market valuation and taking into account remedial works required. The revaluation surplus of £2,931,961 was split equally between the revaluation of Freehold Land and Buildings and Investment Property, resulting in the increase reflected in the income statement and through the statement of comprehensive income in the prior year.

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 £9,573,155 (2018 - £10,003,037), 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 £10,657,168 (2018 - £7,994,105) as security for the future pension obligations of the scheme.

16. FIXED ASSET INVESTMENTS

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Investments in subsidiaries	30	-	-	15,586,691	15,586,691

Movements in non-current investments

Company	**Shares in group undertakings** £
Cost or valuation	
At 1 January 2019 and 31 December 2019	15,586,691
Carrying amount	
At 31 December 2019	15,586,691
At 31 December 2018	15,586,691

17. FINANCIAL INSTRUMENTS

	Group 2019 £	2018 £	Company 2019 £	2018 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	3,190,998	2,237,267	16,967,393	16,573,024
Equity instruments measured at cost less impairment	3,117,776	4,188,093	-	-
Carrying amount of financial liabilities				
Measured at amortised cost	4,900,469	4,872,641	2,523,172	2,013,108

18. INVENTORIES

	Group 2019 £	2018 £	Company 2019 £	2018 £
Finished goods and goods for resale	141,433	123,244	-	-

19. TRADE AND OTHER RECEIVABLES

Amounts falling due within one year:	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Trade receivables		344,965	395,399	-	-
Amounts due from subsidiary undertakings		-	-	16,962,438	16,560,502
Other receivables		329,029	140,802	32,729	-
Prepayments and accrued income		880,168	1,378,691	4,731	167
		1,554,162	1,914,892	16,999,898	16,560,669
Deferred tax asset	26	999,616	567,946	-	-
		2,553,778	2,482,838	16,999,898	16,560,669

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

20. CURRENT ASSET INVESTMENTS

	Group 2019 £	2018 £	Company 2019 £	2018 £
Listed investments	3,117,776	4,188,093	-	-
Assets held for sale	2,491,000	2,491,000	-	-
	5,608,776	6,679,093	-	-

21. CASH AT BANK AND IN HAND

	Group 2019 £	2018 £	Company 2019 £	2018 £
Current accounts	149,691	31,311	4,955	12,522
Deposit accounts	2,438,803	1,657,866	-	-
Petty cash	2,980	11,889	-	-
	2,591,474	1,701,066	4,955	12,522

22. CURRENT LIABILITIES

	Group 2019 £	2018 £	Company 2019 £	2018 £
Bank loans and overdrafts	41,741	-	-	-
Trade payables	397,875	787,906	24,740	8,042
Amounts owed to group undertakings	-	-	400,000	-
Corporation tax payable	28,965	36,590	-	-
Other taxation and social security	301,562	251,906	-	85,533
Other payables	470,532	503,360	234,817	401,242
Accruals and deferred income	3,434,550	3,076,679	1,863,615	1,870,491
	4,675,225	4,656,441	2,523,172	2,365,308

23. NON-CURRENT LIABILITIES

	Group 2019 £	2018 £	Company 2019 £	2018 £
Other payables	878,443	1,234,177	100,000	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.

24. PROVISIONS FOR LIABILITIES

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Deferred tax liabilities	26	1,274,823	664,532	-	-

25. RETIREMENT BENEFIT SCHEMES

Defined contribution schemes	2019 £	2018 £
Charge to profit and loss in respect of defined contribution schemes	266,292	241,930

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 2019 was £2,771 (2018 - £43,393).

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 2019 by an independent qualified actuary.

Funding policy
The Trustee is required to carry out an actuarial valuation every 3 years. The last actuarial valuation of the Scheme was performed by the Scheme Actuary for the Trustee as at 31 December 2016. This valuation revealed a funding surplus of £2.3 million. Because this valuation revealed the Scheme was in surplus, the Trustee agreed that the Company should cease contributions from 30 September 2017 (previously, the Company was paying monthly contributions of £75,000 to the Scheme).

The Company does not expect to pay any contributions to the Scheme during the accounting year beginning 1 January 2020, however the contribution requirement will be reassessed as part of the actuarial valuation being carried out as at 31 December 2019. This valuation is expected to be completed later this year.

From April 2014 the scheme has been closed to both new and existing members with contributions limited to the group making good any shortfall, should one arise in the future.

Key assumptions

	2019 %	2018 %
Discount rate	1.9	2.7
Expected rate of increase of pensions in payment	3.5	3.7
Expected rate of salary increases	3.0	3.5
CPI inflation	2.2	2.5
RPI inflation	3.0	3.5

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

	2019 Years	2018 Years
Retiring today		
- Males	22.4	22.7
- Females	24.1	24.6
Retiring in 20 years		
- Males	23.7	24.1
- Females	25.5	26.2

Amounts recognised in the income statement:

	2019 £	2018 £
The effect of any curtailment or settlement	-	267,000
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	-	-

Amounts taken to other comprehensive income:

	2019 £	2018 £
Actual return on scheme assets	(6,868,000)	1,259,000
Less: calculated interest element	1,014,000	963,000
Return on scheme assets excluding interest income	(5,854,000)	2,222,000
Actuarial changes related to obligations	2,682,000	(2,260,000)
Effect of changes in the amount of surplus that is not recoverable	3,172,000	146,000
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

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

	2019 £	2018 £
Present value of defined benefit obligations	40,530,000	38,289,000
Fair value of plan assets	(46,029,000)	(40,616,000)
Surplus in scheme	(5,499,000)	(2,327,000)
Asset not recognised due to asset ceiling	5,499,000	2,327,000
Total liability recognised	-	-

Movements in the present value of defined benefit obligations

	2019 £
At 1 January 2019	38,289,000
Benefits paid	(1,007,000)
Actuarial gains and losses	2,682,000
Interest cost	1,014,000
Other	(448,000)
At 31 December 2019	40,530,000

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

Movements in the fair value of plan assets

	2019 £
At 1 January 2019	40,616,000
Interest income	1,014,000
Return on plan assets (excluding amounts included in net interest)	5,854,000
Benefits paid	(1,007,000)
Other	(448,000)
At 31 December 2019	46,029,000

The actual return on plan assets was £6,868,000 (2018 - £(1,295,000)).

Fair value of plan assets at the reporting period end

	2019 £	2018 £
Cash	5,098,000	33,000
Annuities	773,000	754,000
Equities	-	6,414,000
Diversified Growth Funds	17,772,000	20,055,000
Liability Driven Investments	22,386,000	13,360,000
	46,029,000	40,616,000

Towards the end of the year, the Scheme's entire equity holdings were transferred to the Blackrock liquid cash fund. These assets were subsequently reinvested in the existing Payden DCF on 13 January 2020.

26. 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 2019 £	Liabilities 2018 £	Assets 2019 £	Assets 2018 £
Accelerated Capital Allowances	-	-	237,020	307,489
Tax losses	-	-	762,596	260,457
Revaluations	1,262,728	664,532	-	-
Other short term timing differences	12,095	-	-	-
	1,274,823	664,532	999,616	567,946

The company had no deferred tax assets or liabilities.

Movements in the year:	Group 2019 £	Company 2019 £
Liability at 1 January 2019	96,586	-
Charge to profit or loss	(85,256)	-
Charge to other comprehensive income	263,877	-
Liability at 31 December 2019	275,207	-

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.

27. OPERATING LEASE COMMITMENTS

Lessee

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

	Group 2019 £	2018 £	Company 2019 £	2018 £
Within one year	5,339	56,864	-	-
Between one and five years	-	5,339	-	-
	5,339	62,203	-	-

Lessor

At the reporting end date the group had contracted with tenants for the following minimum lease payments:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Within one year	160,998	160,988	-	-
Between two and five years	348,807	509,795	-	-
	509,805	670,783	-	-

28. CAPITAL COMMITMENTS

Amounts contracted for but not provided in the financial statements:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Acquisition of property, plant and equipment	-	65,638	-	-

At 31 December 2019 £2,122,000 (2018 - £2,506,000) of expenditure had been authorised but not contracted.

29. 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.

30. SUBSIDIARIES

Details of the company's subsidiaries at 31 December 2019 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

31. CASH GENERATED FROM GROUP OPERATIONS

	2019 £	2018 £
Profit/(loss) for the year after tax	1,156,003	(37,278)
Adjustments for:		
Taxation credited	(92,881)	(25,470)
Finance costs	189,138	188,799
Investment income	(5,067)	(2,420)
Losses on disposal of property, plant and equipment	631,655	-
Fair value gains on investment properties	(1,465,981)	-
Amortisation and impairment of intangible assets	259,972	50,057
Depreciation and impairment of property, plant and equipment	1,359,281	1,230,719
Investment gains and losses	(422,435)	129,696
Pension scheme non-cash movement	-	(395,000)
Decrease in provisions	-	(47,959)
Movements in working capital:		
Increase in inventories	(18,189)	(13,304)
Decrease/(increase) in trade and other receivables	360,730	(559,731)
(Decrease)/increase in trade and other payables	(371,065)	68,421
Cash generated from operations	1,581,161	586,530

32. CASH GENERATED FROM OPERATIONS - COMPANY

	2019 £	2018 £
Profit/(loss) for the year after tax	407,131	(22,111)
Movements in working capital:		
(Increase)/decrease in trade and other receivables	(439,229)	2,518,285
Increase/(decrease) in trade and other payables	24,531	(25,930)
Cash (absorbed by)/generated from operations	(7,567)	2,470,244

33. ANALYSIS OF CHANGES IN NET FUNDS - GROUP

	1 January 2019 £	Cash Flows £	31 December 2019 £
Cash at bank and in hand	1,701,067	890,407	2,591,474
Bank overdrafts	-	(41,741)	(41,741)
	1,701,067	848,666	2,549,733

34. ANALYSIS OF CHANGES IN NET FUNDS - COMPANY

	1 January 2019 £	Cash Flows £	31 December 2019 £
Cash at bank and in hand	12,522	(7,567)	4,955

35. PRIOR PERIOD ADJUSTMENT

Changes to the statement of financial position - group

	As previously reported £	Adjustment £	As restated at 31 Dec 2018 £
Creditors due within one year			
Other payables	(4,178,599)	(189,346)	(4,367,945)
Capital and reserves			
Profit and loss	29,530,306	(189,346)	29,340,960

Changes to the income statement - group

	As previously reported £	Adjustment £	As restated at 31 Dec 2018 £
Period ended 31 December 2018			
Revenue	18,305,262	(189,346)	18,115,916

Boundless by CSMA
Britannia House
21, Station Street
Brighton
BN1 4DE

boundless

BY CSMA

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