

**THE SOCIETY OF MOTOR
MANUFACTURERS AND TRADERS
LIMITED**

Annual Report and Financial Statements
for the year ended 31 December 2015

Registered Number: 00074359



THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

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THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

NOTICE IS HEREBY GIVEN that a General Meeting of the Members of The Society of Motor Manufacturers and Traders Limited will be held at 2680 Kings Court, Solihull Parkway, Birmingham Business Park, Birmingham, B37 7YE, on Friday 8 July 2016 at 10 30 a m for the purpose of

- 1 Receiving and considering the Report of the Directors and the audited consolidated Financial Statements for the year ended 31 December 2015
- 2 Transacting any other general business of the meeting

I therefore confirm that this meeting has been convened in accordance with the requirements of the Companies Act 2006

By Order of the Board



Mr SB Samuels
Company Secretary

Date 7 June 2016

Note A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote in his stead A proxy need not be a member of the Society Any instrument appointing a proxy shall be in the form of a letter under the hand of a Director or Secretary of the appointing Company and shall be deposited at the Society's Registered Office not less than 24 hours before the time of holding the meeting

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Strategic Report for the year ended 31 December 2015

The Directors have the pleasure in presenting their Annual Report and the audited Financial Statements of the Group for the year ended 31 December 2015

Principal Activities

The Society of Motor Manufacturers and Traders Limited ("SMMT") is the trade association for the UK motor industry. Since 1902 it has encouraged and promoted the interests of the whole industry, in the UK and abroad.

The main activities of the Society are

- Position the UK motor industry as a critical contributor to the UK economy, a major employer and source of technological innovation through all relevant communication channels
- Secure competitive advantage for the UK motor industry and mitigate risk by ensuring the SMMT is the influential voice of the industry in the major policy debates and regulatory discussions
- Improve the efficiency and effectiveness of the organisation ensuring the smooth delivery of essential value-added services, advice and support to the industry
- Strengthen the financial position of the organisation by increasing the size and diversity of SMMT's membership and through the development of new and existing services
- Develop and exploit all opportunities to grow the UK motor industry - the market, business and products - at home and abroad

SMMT will continue to work closely with other relevant organisations to promote the strengths and values of the manufacturing, service and repair, aftermarket, supply chain and other related services of the UK industry and abroad.

Review of Business

2015 was a challenging but successful year. SMMT supported a UK automotive industry which saw record demand and production for the UK automotive industry. UK new car registrations for 2015 stood at 2,633,503 units, confirming four years of consecutive growth. Overall, the market exceeded forecast, rising 6.3%. Alternatively fuelled vehicle (AFV) demand meanwhile, grew 40.3%, securing the biggest ever market share of 2.8% for a year, demonstrating sector commitment to low-carbon technology and products. British manufacturers also made more cars in 2015 than any year since 2005. Production increased 3.9% on 2014, with output at 1,587,677 overtaking pre-recession levels for the first time. A record number of cars – representing 77.3% of total production – were for export, up 2.7% on 2014 levels. This was all achieved despite wider economic challenges including in the Chinese market and falling oil prices.

Following the May 2015 General Election, an early commitment by the new Conservative government to industry, through the Automotive Council and Industrial Strategy, as well as citing UK automotive Productivity as an aspiration for other sectors in the flagship Government Productivity Plan, continued a positive tone for industry-government engagement. SMMT played an important and leading role in achieving this continuation, however this and the successful sector performance was not achieved without facing adversity during the year.

SMMT's role as the voice of the industry came ever critical when the emissions testing issue emerged in September 2015. Despite being linked to just one manufacturer, the severity and breadth of the issue put the entire industry under significant scrutiny. SMMT members, the media, political stakeholders and other groups all called on SMMT to take a proactive, strong leadership role in defending the industry and robustly communicating the achievements of the sector in producing ever-cleaner, ever more fuel efficient and ever-safer vehicles.

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Strategic Report for the year ended 31 December 2015 (continued)

Review of Business (continued)

The emissions issue dominated much of the latter part of 2015, but should not under-value the wealth of other activities SMMT delivered to support members and wider industry related to technical, environmental and business support. In 2015, SMMT notably developed further its evidence base and messaging ahead of the EU referendum, continuing to highlight the key issues and benefits of participation in Europe.

2016 will see challenges on emissions testing, trust and reputation, wider economic stability and the EU referendum continue to face the automotive industry and require SMMT to take a proactive and leading role and serve the diverse range of companies and sectors that make up its membership. SMMT will ensure that high-profile issues of emissions and Europe will be significantly resourced, but not detract from its continued wider ambitions supporting competitiveness, communicating positively, and addressing issues such as skills shortages, energy costs and the cumulative impact of taxes and regulations.

Collaboration

2015 saw SMMT strengthen key partnerships on critical issues, and also continue its leading role in the UK Automotive Council. In 2016, the SMMT will continue to build on this approach and even more effectively promote the interests of the UK automotive sector at home and abroad. In the UK, as aforementioned, the Automotive Council will continue to be the SMMT's focus for the strong partnership between the motor industry, government and other stakeholders. SMMT will play a key role in reviewing the Council's industrial strategy documents, focusing on its key work streams on technology, strengthening the supply chain and business environment. SMMT will seek new dialogue and relationships in 2016 as it seeks to proactively engage further on air quality, environmental reputation and international awareness of the diversity and strength of the UK automotive sector.

SMMT will continue to work with other organisations with a stake in the automotive sector including SEMTA, IMI, RMI and NFDA, the main business organisations CBI and EEF, the professional bodies IMechE, RAEng and IET, as well as the main trade associations in, and adjacent to, the UK motor industry. 2015, and going into 2016, sees SMMT continue to have strong relationships and dialogue with Unite on key competitiveness issues.

Relations with ACEA, CLEPA and FIGIEFA are stronger than they have been for a number of years and there is support for the UK approach to policy making for the sector which has competitiveness at its heart. SMMT also has much stronger ties with other equivalent associations, such as the VDA and CCFA in Europe. Working with these associations, the SMMT will play a significant role in shaping and influencing European policy debates and regulation. In addition, the SMMT is now a full council member of OICA and will seek to promote the UK abroad at conferences and events, supporting the "Great" campaign.

Promotion

SMMT implemented an effective communications strategy in 2015, defending the industry in the most public of fora and ensured there is ongoing political and stakeholder support for the industry. In 2016, SMMT will seek to inform and educate stakeholders, consumers and the media about the positive contribution the automotive sector can make to air quality and on other issues. We will continue to develop new relationships with key media globally and develop creative, opportunistic events and stories that have a high profile.

As well as seizing the opportunities to strengthen the UK's international competitiveness for investment, exports, innovation and employment and skills, we must also address the challenges facing the sector. SMMT will work with all its members in 2016 to address these. SMMT will prioritise the issue of public trust in the sector. We must rebuild trust in the sector as its quality, performance (economically, socially and environmentally) and achievements are second to none. Much will be delivered through key events and media communication activities, including a particular focus at the 2016 SMMT International Automotive Summit on key issues around trust and sustainability.

**Strategic Report
for the year ended 31 December 2015 (continued)**

Promotion (continued)

SMMT will also increase its impact internationally following solid progress made last year through trade related events for members and media activities to raise the profile of UK automotive. The positive success story - especially in terms of productivity - is certain to be on the international agenda in 2016 and we will further expand our international promotional work through digital, broadcast and print media. A series of activities at international automotive trade exhibitions are planned for 2016 in India, China, the Middle East including Iran, Germany, Canada and Australia.

SMMT working in partnership with Messe Frankfurt will see the inaugural and high profile international event of Automechanika Birmingham being held in June 2016, providing a multifaceted opportunity for SMMT and its members to engage in activity and opportunities to further raise their profile, promote business and support competitiveness.

Government Relations and the Political Landscape

Securing continued government support for the Automotive Council and Industrial Strategy was a significant achievement in 2015. The General Election presented some uncertainty in the 2015 political landscape. In 2016 the political uncertainty facing business will be at the fore again with the EU referendum likely in June 2016, London mayoral and Scottish parliamentary elections in May and the implementation of an ambitious and uncertain devolution agenda. The EU referendum is a significant political risk, and SMMT in 2016 will continue to aim to minimise this risk, and ensure its communication and positioning on Europe is supported with evidence and case studies from its membership.

SMMT will ensure that the UK automotive industry's positions on all key issues – industrial strategy, Europe, air quality, emissions and testing, post-2020 CO2 regulations and WLTP, motoring taxation, business energy and business rates, manufacturing and skills, connectivity and the digital agenda, vehicle safety and security and UK business support, innovation and growth – are heard and influence the key debates. This will be done through a coordinated political and media campaign.

2016 will see a further focus or new approach on some issues. SMMT will continue to take a strategic leadership role in the agenda on ultra-low emissions vehicles, connected and autonomous vehicles, and thought leadership around the digital agenda and industry 4.0. Skills and funding changes in 2015 and the new Apprenticeship Levy also announced in 2015, will be a key focus in 2016 – SMMT will be seeking how to best engage and influence these issues for its membership.

SMMT is seeking to increase and diversify its engagement and issues coverage with ministers, key policy makers and officials at UK, EU and local/regional level through a strategic and co-ordinated political engagement programme, as well as contributing to key consultations, inquiries and policies across all SMMT Sections.

**Strategic Report
for the year ended 31 December 2015 (continued)**

Manufacturing, technology & innovation

The international competitiveness of UK automotive manufacturing, investment, innovation and skills, technology and productivity will continue to be a strategic objective for SMMT. Maintaining a supportive UK business environment that secures automotive investment and jobs for the future will be a key focus for our continued collaboration in the Automotive Council and its Business Environment and Skills group as well as separate thought leadership and lobbying by SMMT.

SMMT will continue to maximise UK business opportunities from global shifts in technology and innovation. In 2015 SMMT successfully expanded its technology and innovation portfolio to embrace the rapidly developing technology area around connected and autonomous vehicles (CAVs), focus on early market development for Fuel Cell Electric Vehicle (FCEV) and support cross-industry learning, collaboration and excellence in innovation and engineering at SMMT. SMMT has successfully established the UK automotive industry at the heart of the rising digital agenda, shaping industry and government's early thinking and strategy on connected and autonomous vehicles. The SMMTConnected event in March 2015, which brought together SMMT members, key adjacent industries, government, academia and stakeholders, was a milestone that will be developed in 2016. The KPMG report commissioned by SMMT for launch at the event highlighted a £51bn economic and social opportunity for the UK by 2030 from embracing the CAVs – something on which SMMT will want to help the UK industry capitalise in 2016.

Particularly welcome is SMMT, industry and Government continuing to support the 'Go Ultra Low' campaign, jointly funded and with project management and communications resource from SMMT, priorities for GUL 2016 will include an increased profile with the Fleet audience, the launch of a new creative advertising campaign in April and presence at both Consumer and Fleet motoring events.

SMMT's role in providing information on the technology and innovation agenda across the whole of the automotive industry remains critical. It will increase awareness and access to resources and opportunities to collaborate, especially among SMEs and small innovative companies. SMMT will fully support and complement the activities of the Automotive Council Technology Group, the Advanced Propulsion Centre, Innovate UK, the Transport System and other Catapults, and the KTN. To play our role in the innovation landscape, we will work in partnership with these key institutions, universities and research bodies as well as EUCAR, CLEPA and ERTICO on the EU Horizon 2020 programme.

Member Value

Over the course of 2015 SMMT further cemented its position as one of the largest and most influential trade associations in the UK. We welcomed over 120 new companies to the Society and grew our membership base to nearly 700 organisations. Our priorities reflect those of our members and have resonated with the wider industry. This has helped us develop closer working relations with members and assisted our engagement with many non-members.

Our portfolio of products and services reflects the growing needs of businesses who operate in this competitive sector. We want to ensure members engage and make use of all the services we offer and, in 2016, will continue our engagement campaign and look to develop our offerings. We will also look to further develop our support for SMEs with a particular emphasis on supporting business development opportunities and promoting the expertise and capabilities of our members as production volumes in the UK continue to rise.

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Strategic Report for the year ended 31 December 2015 (continued)

Operations and Commercial Activities

During 2015 SMMT initiated a programme to replace/upgrade the strategic business systems (SBS) deployed across the group. This was essential given historic under-investment and a need for the organisation to operate in a more efficient manner to meet the needs of the sector. Phase 1 of the implementation plan focused on SMMT Industry Forum Limited and its ERP requirements for Professional Services Automation (PSA). In 2016, Phase 2 will focus initially on Motor Codes Limited and its move to Alternate Dispute Resolution/Ombudsman status. Phase 3 will include SMMT core activities and enable new leaner group web sites to be built on the new platform with less bespoke functionality and better integration with CRM (Customer Relationship Management), PSA and Accounting systems.

Good governance is an imperative to facilitate the fair balance of representation in SMMT's activities in addressing the competing Trade Sections' demands, sector priorities and stakeholder interests. During 2015 we introduced an Information Governance Framework and Policies, covering such aspects as IT business continuity, data sharing, data loss, retention and destruction of data and subject access requests. This is an important policy approach across the group, to ensure our continued compliance with an increased profile of Data Protection requirements, including SMMT's compliance with DVLA's local and off shore data privacy controls. We have also taken a systematic approach to ensure the security of SMMT data and our network could not be compromised by hackers. During 2016, work will continue on such actions as well as embedding the Policies into all aspects of the collection, receipt and use of data and information across the SMMT group. This should build on SMMT's reputation for integrity in its data compliance and in further preparation for the forthcoming European Data Protection Directive and in line with governance best practice – the UK Corporate Governance Code.

For many years SMMT has led the approach amongst trade bodies on compliance. 2016 will see the adoption of new Business Systems to simplify the administration of the processes of ongoing compliance with health & safety, anti-trust and bribery legislation. As well as ensuring internal checks and balances, SMMT is increasingly looking to extend working knowledge for the benefit of the membership.

Each of the operational services will continue to evolve the provision of their own activities during 2016. The collective strategy is to empower all staff across the business with the knowledge and, through Business Systems, the tools, to perform their roles with greater responsibility and accountability both within the organisation and to our members.

The transition of MVRIS to a new service provider should see the service migrate in the first half of 2016. The provision of the Vehicle Safety Recall Service, again facilitated through carefully arranged contracts in compliance with the various data protection provisions required of SMMT and from the participants concerned, will be developed further for the Fleet services sector in 2016 as such initiatives bring valuable cost efficiencies to our Members and wider customer base. In addition, there will be a feasibility study to introduce a new vehicle specification and options data service, which is much sought after by the insurance and RV sectors of the industry.

In parallel with the business system programme, SMMT will continue to benchmark the performance of core elements against recognised quality standards. In 2015 SMMT Industry Forum Limited achieved ISO 9001 as well as Investors in People 'Bronze', which was also awarded to Motor Codes Limited. Successful groundwork in 2015 should enable the group to apply for certification against ISO 27001 for information security management and BS OHSAS 18001 for health & safety. The London office will submit for a fourth successive accreditation against ISO 14001, the office based environmental management system.

**Strategic Report
for the year ended 31 December 2015 (continued)**

Operations and Commercial Activities (continued)

Work continues on the drafting and approval of the new Automotive Quality Management System Requirements replacing the current ISO/TS16949 2009. The standard utilises the new high level structure adopted within the new ISO9001 2015 as the basis for the document. SMMT IATF Oversight has the responsibility for the development of section 9 Performance Evaluation and Section 10 improvement.

The target for the global release is Q4 2016 and includes a full IATF OEM review of the draft in February 2016 and a Global Conference for all interested parties (IATF, Certification Bodies, Oversight, Auditors and Suppliers) in April 2016 as part of the review and approval process.

Both SMMT Industry Forum Limited and Motor Codes Limited have separate business plans which align to that of SMMT Group. For 2016, SMMT Industry Forum Limited will build on the success of the past year, developing new product offerings and look at new opportunities both within and without the automotive sector. There is no denying the opportunities are significant in areas such as rail where there is not the inherent commitment to continuous improvement, cost competitiveness and productivity that typifies automotive.

At present, a proportion of the SMMT Industry Forum Limited business is the result of government funding for competitiveness improvement. LTASC and SIG are just two schemes which use public sector funding to leverage private sector investment. IF has been mindful of the fragility of government spending in these areas which has been part of the motivation behind their business strategy and the need to develop into new sectors with a flexible and nimble workforce structure. SMMT Industry Forum Limited still has a stable base of long term contracts in place which provides the breathing space to develop private sector business and attracting new customers. This will be the key priority to fuel further growth in 2016 and underpins the "2020 Vision" which will propel the Company to new levels of success over the next 5 years.

SMMT Industry Forum Limited has also played a leading role in the Automotive Industrial Partnership and has created an Automotive industry standard careers and jobs framework with detailed job descriptions for more than 100 critical job roles across the industry. Using this framework, SMMT Industry Forum Limited has undertaken a detailed national research programme with a sample size representing 83,000 employees to understand critical skills and job role shortages across the industry both now and in the future. The report will inform the national skills strategy for the sector and will be published early in 2016.

In September 2015, Motor Codes Limited appointed a new Managing Director. Motor Codes Limited is fundamentally changing its business model during 2016, broadening its range of services, official ombudsmen status. As such it will transition its services and business structure, ensuring any investment required is offset by increased revenue opportunities in the medium term. It will continue to deliver for both the wider automotive retail industry and consumers, contributing to the business plan of the SMMT.

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Strategic Report for the year ended 31 December 2015 (continued)

Transition to FRS102

This is the first year that the Company has presented its results under FRS 102. The last financial statements under the UK GAAP were for the year ended 31 December 2014. The date of transition to FRS 102 was 1 January 2014. The impact of this adoption is further explained in note 28.

Key Performance Indicators

In order to ensure financial rigour and accountability SMMT provides some consistent measures of performance. The following metrics are reported and reviewed on a regular basis by the SMMT Executive Board.

	2015	2014
Number of employees and contractors	130	125
Overheads per employee	£92,545	£88,178
Turnover per employee	£162,819	£157,400
Number of new members	126	106
Number of events	3,761	3,436

Strategic Report for the year ended 31 December 2015 (continued)

Principal Risks and Uncertainties, including Financial Risk Management

There is regular discussion and review by the SMMT Senior Management team, SMMT Finance and SMMT Executive Boards of both risk and opportunities faced by the Society from which agreed actions and countermeasures are implemented, monitored and reassessed as appropriate. In broad terms and as a consequence of the SMMT's alignment with the sectors performance principal risks may be summarised at a strategic level

Reputation. SMMT's public integrity and compliance best practice are prerequisites to our winning and sustaining a number of government contracts at all levels in the group. The organisation's public profile and standing also underpins the necessary trust and confidence that enables our dialogue and activities with the UK government, political parties, EU Institutions and our contact with various regulators. To address these points SMMT run a compliance programme with regular training for staff and members, as well as having processes in place to counter risks, which are periodically independently reviewed.

Subscription income: SMMT's subscription income is dependent upon the sustained relevance and performance of our services to members as well as our members' turnover. SMMT has a dedicated membership programme and regular survey of membership as well as an active recruitment drive for new members. Over time our activities are less financially reliant upon economic challenges to subscription income.

The image and profile of the Automotive Sector and products in the UK. Our corporate prosperity is closely aligned to the current and future prosperity of the Automotive Sector in the UK. Over recent years the case for a strong national manufacturing base has been accepted and championed by the main political parties to the benefit of the business environment and fiscal policies. Equally the development of autonomous vehicles has presented a significant profile and market opportunity for the sector in the UK. Good progress has also been made in further developing the activities of the Automotive Council, with consequent activities for Skills, Technology and Supply Chain improvements. SMMT has also restructured to combine the Communications and International teams to better represent the UK to overseas inward investment.

SMMT staff. Staff are our principal asset and their well-being and performance is key to our success. We are committed to training and developing people to reach their full potential. We have a generous training budget to support this and a newly introduced performance and development process to appropriately identify needs. We pride ourselves on our total remuneration package that includes a wide range of employee benefits and incentives designed at retaining staff. We are recognised as an Investor in People at Bronze level and are striving for Silver recognition. It is our aim to be recognised externally as a top employer.

Credit Risk. The Company is exposed to credit risk from customers who experience financial difficulties. This is managed by controlled expansion of the customer base and reducing the Company's dependence on any one particular customer. All trade debtor balances are monitored closely to identify any potential bad debts as early as possible.

Funding Risk. At the current time the parent Company provides support to the subsidiaries so as to maintain their cash balances within the agreed overdraft facility. The cash position is monitored closely by Group management to ensure that any risk of non-compliance with banking requirements is minimised.

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Strategic Report for the year ended 31 December 2015 (continued)

Share Capital

SMMT is a Company limited by guarantee

Donations

The Company made £107,220 of charitable donations during the year (2014 £206,260)

By Order of the Board



Mr SB Samuels
Company Secretary
17 May 2016

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Directors' Report for the year ended 31 December 2015

Results and Dividends

The results of the SMMT for the year are set out on page 17. No dividend is permitted and it is recommended that the whole of the retained profit be added to reserves.

The financial position of the Group is presented in the balance sheet. Total members' funds at 31 December 2015 were £29,583,000 (2014: £27,696,000) comprising total fixed assets of £36,746,000 (2014: £35,568,000), Creditors due after one year of £2,090,000 (2014: £1,575,000), Provisions for liabilities of £Nil (2014: £Nil) and net current liabilities of £677,000 (2014: Net current assets of £1,016,000).

Future Developments

2016 presents a number of new opportunities and activities for SMMT and the UK automotive industry, and will also see a focus on emissions, Europe and trust. The EU referendum and issues around Europe will inevitably include debating the impacts on a major UK manufacturing sector such as automotive. SMMT will be proactive in Q1, with key outputs including a member survey on views on the EU including future UK membership, and like other organisations, referendum activities in Q2 will run in compliance with Electoral Commission rules. Following the results of the EU referendum, SMMT will be assessing the impact of Brexit.

EU legislative processes on key industry issues will be ongoing in 2016 – real driving emissions (RDE), type approval and CO2 are being looked at, requiring SMMT to develop industry positions and continue its other activities such as SMMT's annual CO2 Report. Published in March, this report will take a new focus and format, seeking greater debate and discussion on addressing challenges, and similarly a new approach to the annual SMMT Sustainability Report will be taken, through launching it and have a focused panel at the SMMT International Summit in June.

2016 will see a series of Shows and events, from the Commercial Vehicle Show in April, to the inaugural Automechanika Birmingham in June. Alongside Automechanika, SMMT will hold its successful and growing Open Forum and Meet the Buyer events, seeking to further support member ambitions for growth and new business opportunities. Supporting UK manufacturing and growth, will be a key theme for other SMMT activities, including developing a report on industry 4.0 and new developments in manufacturing, and taking a leading role in supporting the Automotive Council's Sector Strategy refresh. SMMT will not just be promoting industry in the UK, but also abroad, including preparation for a return to Iran.

SMMT will celebrate its 100th Annual Dinner with plans developing to make this a memorable event. Significant investment in the internal operations across the group will also enable the SMMT to increase its productivity and efficiency in addressing the challenges of its short and mid-term plans.

Equal opportunities policy

It is the SMMT's policy to employ individuals with the necessary qualifications and experience without regard to sex, marital status, race, creed, colour, age, nationality or religion. Full and fair consideration is given to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities.

The SMMT recognises the great importance of the contributions made by all employees and aims to keep them informed of matters affecting them as employees and on developments within the SMMT. Communication and consultation is achieved by a variety of means, both within individual operating divisions and on Group wide basis.

Financial Risk Management

This information is disclosed within the Strategic Report, including within the section "Principal Risks and Uncertainties, including Financial Risk Management".

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Directors' Report for the year ended 31 December 2015 (continued)

Directors and their interests

Under the terms of the Articles of Association certain members of Council are further elected to represent their Section on the SMMT Executive Board and it is the members of this committee who constitute the statutory directors for the purposes of the Companies Act

The Directors of the Company who were in office during the year and up to the date of signing the Financial Statements were

Mr TJ Abbott	(resigned 31/12/15)
Mr L Bleasdale	
Mr M Cartwright	(appointed 01/01/15)
Mr P Crossman	
Mr J Davies	(resigned 31/12/15)
Mr S Egerton	
Mr J Faulkener	(appointed 01/01/15, resigned 31/12/15)
Mr LAC Fuller	
Dr KP Fouquet	(resigned 24/03/15)
Dr GT Gillespie	
Mr GC Grieve	(appointed 01/01/15)
Mr M Hawes	
Dr S Hoffman	(appointed 24/03/15)
Mr P Hopkirk	
Mr AP Humphrey	(appointed 01/01/15)
Mr G Jones	
Mr J King	(appointed 20/01/15)
Mr H Kirner	(resigned 24/03/15)
Mr N Lee	
Mr N Morgan	(appointed 01/01/15)
Mr JM Neill CBE	
Mr DJA Northey	
Mr M Ovenden	(resigned 01/07/15)
Mr AD Owen OBE	(resigned 31/12/15)
Mr JA Parsons	(resigned 31/12/15)
Mr D Petts	
Mr P Price	
Mr K Ramirez	
Mrs P Randall	(resigned 31/12/15)
Mr R Rickell	(appointed 20/01/15)
Mr M Rosher	(appointed 01/01/15, resigned 31/12/15)
Mr SB Samuels	
Mr R Shaw	(appointed 20/01/15)
Mr D Smith	
Mr MP Spencer	
Dr R Speth	
Mr SDA Sproule	(appointed 08/09/15)
Mr N Stein	(resigned 20/01/15)
Mr M Straughan	
Mr T Tozer	(resigned 31/12/15)
Ms A Useinovic	(appointed 01/01/15, resigned 31/12/15)
Mr E Vassallo	(appointed 01/01/15, resigned 31/12/15)
Mr A Walker	
Mr PJT Willis	(appointed 01/01/15)
Mr J Wright	

Directors' Report for the year ended 31 December 2015 (continued)

Directors and their interests (continued)

The following directors were appointed on 1 January 2016

Mr AJ Barrett

Mr N Connor

Mr R Harvey

Mr MG Megal

Mr A Morgan

Mr D Morris

Mr S Roser

Mr A Whitehorn

Mr P Williams

Mr S Willis

The following director was appointed on 20 January 2016

Mr N Butler

Going Concern

The Financial Statements have been prepared on a going concern basis, which the Directors believe to be appropriate. The Directors have prepared a Business Plan which reflects the Group's expectations for continued growth over the 2016 and 2017 years. Based on the assumptions of this plan and the results of 2016 trading to date, the Directors consider that the Company has sufficient funds for the foreseeable future to meet its liabilities as they fall due for payment.

The Directors have formed a judgement at the time of approving the Financial Statements that the Company has adequate resources available to continue operating and to discharge all financial obligations as they fall due for the foreseeable future from the date of approval of the Financial Statements.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report, Directors' Report and the Group and Parent Company Financial Statements (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 prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

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 the Company and of the profit or loss of the group and Company 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" has been followed, subject to any material departures disclosed and explained in the financial statements,
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Directors' Report for the year ended 31 December 2015 (continued)

Statement of Directors' Responsibilities (continued)

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

Directors' and Officers' Insurance

The Group maintains cover under a qualifying third party indemnity for all Directors and Officers against liabilities which may be incurred by them whilst acting as Directors or Officers. This was in force during the financial year and also at the date of approval of the financial statements.

Provision of information to Auditors


So far as each of the Directors is aware at the time the report is approved:

- There is no relevant audit information of which the Group's auditors are unaware, and
- Each of the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution will be proposed at the next annual general meeting for their reappointment.

This report was approved by the board on 17 May 2016 and signed on its behalf



Mr M Hawes
Director

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Independent Auditors' Report to the members of The Society of Motor Manufacturers and Traders Limited

Report on the Financial Statements

Our opinion

In our opinion, the Society of Motor Manufacturers and Traders Limited's group Financial Statements and Parent Company Financial Statements (the "Financial Statements")

- Give a true and fair view of the state of the group's and of the parent Company's affairs as at 31 December 2015 and of the group's profit and cash flows 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

What we have audited

The Society of Motor Manufacturers and Traders Limited's Financial Statements comprise

- Consolidated and Parent Company Balance Sheet as at 31 December 2015,
- Consolidated Profit and Loss Account and consolidated Statement of Comprehensive Income for the year then ended,
- Consolidated Cash Flow Statement for the year then ended,
- The Consolidated and Parent Company Statement of Changes in Equity for the year then ended, and
- The notes to the financial statements, which include a summary of significant accounting policies and other explanatory information

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the Financial Statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion

- We have not received all the information and explanations we require for our audit, or
- 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

We have no exceptions to report arising from this responsibility.

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Independent Auditors' Report to the members of The Society of Motor Manufacturers and Traders Limited (continued)

Directors' Remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the Financial Statements and the Audit

Our responsibilities and those of the Directors

As explained more fully in the Directors' Responsibilities Statement set out on pages 13 & 14, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of Financial Statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- Whether the accounting policies are appropriate to the Group's and the Parent Company's circumstances and have been consistently applied and adequately disclosed,
- The reasonableness of significant accounting estimates made by the Directors, and
- The overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the Financial Statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Neil Philpott (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham

17 August 2016.

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Consolidated Profit and Loss account for the year ended 31 December 2015

	Note	2015 £'000	2014 £'000
Turnover		20,207	18,786
Staff costs (including exceptional pension costs of £Nil (2014 £1,364k))	5	(8,123)	(9,049)
Depreciation and other amounts written off tangible and intangible fixed assets	7	(441)	(485)
Other operating charges		(11,589)	(10,299)
Profit on disposal of fixed assets	8	-	-
Operating profit/(loss)	7	54	(1,047)
Share of operating profit in joint venture		343	223
Profit/(loss) on ordinary activities before interest and investment income		397	(824)
Income from other fixed asset investments	9	578	1,102
Other interest receivable and similar income	10	24	14
Interest payable and similar charges	11	(269)	(95)
Profit on ordinary activities before taxation		730	197
Tax on profit on ordinary activities	12	(70)	(180)
Profit for the financial year	24	660	17

All amounts relate to continuing operations

The notes on pages 23 to 58 form part of these financial statements

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Consolidated Statement of Comprehensive Income for the year ended 31 December 2015

	Note	2015 £'000	2014 £'000
Profit for the financial year		660	17
Other comprehensive income			
Actuarial gain/(loss) on pension scheme	26	1,589	(3,552)
Deferred tax on actuarial gain/(loss)		(362)	865
Total comprehensive income/(expense) for the year		1,887	(2,670)

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Consolidated Statement of Changes in Equity for the year ended 31 December 2015

	Profit and loss account £'000	Total Shareholders' funds £'000
Balance at 1 January 2014	30,366	30,366
Profit for the financial year	17	17
Actuarial gain/(loss) on pension liability	(3,552)	(3,552)
Deferred tax	865	865
Balance at 31 December 2014 and 1 January 2015	27,696	27,696
Profit for the financial year	660	660
Actuarial gain/(loss) on pension liability	1,589	1,589
Deferred tax	(362)	(362)
Balance at 31 December 2015	29,583	29,583

Parent Company Statement of Changes in Equity for the year ended 31 December 2015

	Profit and loss account £'000	Total Shareholders' funds £'000
Balance at 1 January 2014	30,455	30,455
(Loss)/profit for the financial year	(316)	(316)
Actuarial gain/(loss) on pension liability	(3,552)	(3,552)
Deferred tax	865	865
Balance at 31 December 2014 and 1 January 2015	27,452	27,452
Profit for the financial year	230	230
Actuarial gain/(loss) on pension liability	1,589	1,589
Deferred tax	(362)	(362)
Balance at 31 December 2015	28,909	28,909

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Consolidated Balance Sheet as at 31 December 2015

Registered number 00074359

	Note	2015 £'000	2014 £'000
Fixed assets			
Intangible assets	14	2,627	1,773
Tangible assets	15	10,858	11,098
Investments	17	23,261	22,697
		36,746	35,568
Current assets			
Debtors	18	4,888	5,583
Cash at bank and in hand		2,172	1,538
		7,060	7,121
Creditors: amounts falling due within one year	19	(7,737)	(6,105)
Net current (liabilities)/assets		(677)	1,016
Total assets less current liabilities		36,069	36,584
Creditors: amounts falling due after more than one year	20	(2,090)	(1,575)
Provisions for liabilities			
Pension liability	26	(4,396)	(7,313)
Net assets		29,583	27,696
Capital and reserves			
Profit and loss account	24	29,583	27,696
Total shareholders' funds		29,583	27,696

The financial statements on pages 17 to 58 were approved by the Board of Directors on 17 May 2016 and were signed on its behalf by



Mr M Hawes
Director


THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Parent Company Balance Sheet as at 31 December 2015

Registered number 00074359

	Note	2015 £'000	2014 £'000
Fixed assets			
Intangible assets	14	2,324	1,707
Investment property	16	885	750
Tangible assets	15	10,084	10,342
Investments	17	22,918	22,474
Current assets		36,211	35,273
Debtors	18	3,152	4,420
Cash at bank and in hand		2,167	1,439
		5,319	5,859
Creditors' amounts falling due within one year	19	(6,097)	(4,792)
Net current (liabilities)/assets		(778)	1,067
Total assets less current liabilities		35,433	36,340
Creditors' amounts falling due after more than one year	20	(2,090)	(1,575)
Provisions for liabilities			
Pension liability	26	(4,396)	(7,313)
Net assets		28,909	27,452
Capital and reserves			
Profit and loss account	24	28,909	27,452
Total shareholders' funds		28,909	27,452

The financial statements on pages 17 to 58 were approved by the Board of Directors on 17 May 2016 and were signed on its behalf by



Mr M Hawes
Director

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Consolidated Cash Flow Statement for the year ended 31 December 2015

	Note	2015 £'000	2014 £'000
Net cash from operating activities	27a	186	1,004
Corporation tax		285	-
Net cash generated from operating activities		471	1,004
Net cash from investing activities	27b	(740)	(825)
Net cash from financing activities	27c	849	1,575
Net increase in cash and cash equivalents		580	1,754
Cash and cash equivalents at the beginning of the year		2,720	966
Cash and cash equivalents at the end of the year		3,300	2,720

Cash and cash equivalents includes cash of £2,172,000 (2014 £1,538,000) and cash held for investment of £1,128,000 (2014 £1,182,000) at the end of the year

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Notes to the Financial Statements for the year ended 31 December 2015

1 General information

The Society of Motor Manufacturers and Traders Limited's ('the Company') principal activity continues to be acting as the trade association for the UK motor industry. Since 1902 it has encouraged and promoted the interests of the whole industry, in the UK and abroad. The Society's main activities include securing competitive advantage for the UK motor industry but also mitigating risk by ensuring the SMMT is the influential voice of the industry in the major policy debates and regulatory discussions, and improving the efficiency and effectiveness of the organisation ensuring the smooth delivery of essential value-added services, advice and support to the industry.

The Company is incorporated and domiciled in the UK. The address of its registered office is 71 Great Peter Street, London, SW1P 2BN.

2. Statement of compliance

The group and individual financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The Company has adopted FRS 102 in these financial statements. Details of the transition to FRS 102 are disclosed in note 28.

3.1 Basis of accounting

The financial statements have been prepared on the going concern basis, under the historical cost convention unless otherwise indicated, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. It is considered that the only area involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements is the defined benefit pension scheme, where the Group has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including, life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimate these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

The principal accounting policies, which have been applied consistently throughout the year, are set out below.

3.2 Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions. Exemptions under FRS 102 paragraph 1.12 have been applied in relation to presentation of a cash flow statement, related party transactions, certain financial instrument disclosures and the non-disclosure of key management personnel compensation.

3.3 Related party transactions

The Company has taken advantage of the exemption granted under FRS 102 paragraph 1.12 (e) to not disclose transactions with other group companies where they are wholly owned by a common parent entity.

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Notes to the Financial Statements for the year ended 31 December 2015 (continued)

3. Summary of significant accounting policies (continued)

3.4 Status

The Society is a Company limited by guarantee and not having a share capital. The liability of the members who constitute the Society is limited to £1 per member.

3.5 Going Concern

The Financial Statements have been prepared on a going concern basis, which the Directors believe to be appropriate.

The Directors have formed a judgement at the time of approving the financial statements that the Company has adequate resources available to continue operating and to discharge all financial obligations as they fall due for the foreseeable future from the date of approval of the financial statements.

The following accounting policies have been applied in dealing with items which are considered material in relation to the Company's Financial Statements.

3.6 Consolidation

The consolidated Financial Statements incorporate the Financial Statements of the Company and its subsidiary undertakings Motor Codes Limited and SMMT Industry Forum Limited. As a consolidated Profit and Loss account is published, a separate Profit and Loss account for the Parent Company is omitted from the group financial statement by virtue of section 408 of the Companies Act 2006.

As The Society of Motor Manufacturers and Traders Limited is the ultimate parent of the Group, these Financial Statements are not incorporated within any others. There are no intermediary levels of consolidation either.

Copies of these accounts can be obtained from Companies House.

3.7 Joint Ventures

The Commercial Vehicle Show LLP in which the group has a long term interest and shares control under a contractual arrangement is defined as a joint venture and is accounted for using the gross equity method. The period end of the limited liability partnership is 30 June. The results of the joint venture for the period 1 July to the group's year end are excluded on the basis they are immaterial for the purpose of giving a true and fair view.

3.8 Turnover

Services

Turnover represents the value of services provided net of valued added tax which arose predominantly in the United Kingdom.

Subscriptions

Subscriptions are accounted for in the period to which they relate.

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Notes to the Financial Statements for the year ended 31 December 2015 (continued)

3. Summary of significant accounting policies (continued)

3 9 Tangible Assets and Depreciation

Tangible assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows

Long leasehold land and buildings - Over period of the lease and not exceeding 50 years

Furniture, fixtures, equipment and computers - 20% to 33 1/3% straight line

3 10 Intangible Assets and Amortisation

Software under development which satisfies the criteria of FRS 102, section 18 "Intangible assets other than goodwill" is held at cost less any impairment loss

Intangible assets in operation are stated at cost less amortisation. Amortisation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows

Capitalised development costs – 14 28% to 20% straight line

3 11 Operating Lease Agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

3 12 Investments

Long term investments are classified as fixed assets. Listed investments are measured at fair value at the balance sheet date. Movements in unrealised changes in the market value are accounted for through the profit and loss account. Unlisted investments are stated at cost. A review for impairment is undertaken when circumstances indicate that the carrying amount may have fallen below cost

3 13 Current Taxation

Corporation tax payable is provided on taxable profits at the current rate

3 14 Deferred Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Balance Sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the Balance Sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the Financial Statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the Financial Statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the Balance Sheet date. Deferred tax is measured on a non-discounted basis

3 15 Foreign Currency Translation

Transactions denominated in foreign currencies are translated into Sterling at the rate of exchange ruling at the date of the transaction. Assets and liabilities in foreign currencies are translated into Sterling at rates of exchange ruling at the end of the financial year. All exchange differences are dealt with in the Profit and Loss account

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Notes to the Financial Statements for the year ended 31 December 2015 (continued)

3. Summary of significant accounting policies (continued)

3 16 Pension Scheme Arrangements

The Company makes contributions to the SMMT Pension and Death Benefit Scheme, a defined benefits scheme. The assets of the scheme are held separately from those of the Society in separate trustee administered funds.

The increase in the present value of the liabilities of the scheme expected to arise from employee service in the period is charged to the profit and loss account. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities, arising from the passage of time, are included in pension finance costs. Past-service costs are recognised immediately to operating surplus, unless the changes to the pension scheme are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period. Actuarial gains and losses are recognised in reserves in the year in which they arise. Deferred tax is recognised to the extent that it is regarded as more likely than not that it will be recovered.

The Society also operates a defined contribution agreement. Contributions payable are charged to the profit and loss account in the year they are payable.

3 17 Retirement Healthcare Benefits other than Pensions

The accumulated cost to the Society of contributions to the retirement healthcare costs of qualifying employees have been accrued in the Balance Sheet.

3 18 Government Grants

Income from Government grants is credited to the profit and loss account in the same period as the related expenditure is incurred. Where grants are received as a contribution towards the costs of fixed assets they are released to the profit and loss account over the expected useful economic lives of the related assets.

Notes to the Financial Statements for the year ended 31 December 2015 (continued)

3 Summary of significant accounting policies (continued)

3 19 Financial Instruments

Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances, are initially recognised at transaction price, 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

Such assets are subsequently carried at amortised cost using the effective interest method

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the assets expire or are settled, or (b) substantially all the risk and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

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

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

3 20 Investment Property

Properties held by a Group Company to earn rentals or for capital appreciation are accounted for as Investment Properties. An Investment Property is initially recognised at cost and then measured at fair value at each accounting period date with the movement being taken to the profit and loss account.

The investment property was purchased in April 2013 with fair value updated using a Directors Valuation for 2014 and 2015.

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Notes to the Financial Statements for the year ended 31 December 2015 (continued)

4 Turnover

	Year ended 31 December 2015	Year ended 31 December 2014
	£'000	£'000
Subscriptions	4,928	4,509
MVRIS income	3,905	4,023
SMMT Industry Forum Limited income	6,535	4,779
Seminar and functions income	1,450	1,507
Other income	3,389	3,968
	20,207	18,786

The turnover is attributable to the principal activity of the group

An analysis of turnover is given below

	Year ended 31 December 2015	Year ended 31 December 2014
	£'000	£'000
UK	17,631	16,163
EU	623	539
Other	1,953	2,084
	20,207	18,786

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Notes to the Financial Statements for the year ended 31 December 2015 (continued)

5 Staff Costs

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

	Year ended 31 December 2015	Year ended 31 December 2014
	Number of employees	Number of employees
Society of Motor Manufacturers and Traders Limited	87	81
SMMT Industry Forum Limited	32	35
Motor Codes Limited	11	9
	130	125

Staff costs for the above persons

	Year ended 31 December 2015	Year ended 31 December 2014
	£'000	£'000
Wages and salaries	6,472	6,199
Social security costs	767	722
Other pension costs (note 26)	487	1,801
Defined contribution pension costs	397	327
	8,123	9,049

Included within Other pension costs are exceptional costs of £Nil (2014 £1,364k) relating to a revised calculation of past service costs

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Notes to the Financial Statements for the year ended 31 December 2015 (continued)

6 Directors' Emoluments

The Directors' aggregate emoluments, including pension contributions, in respect of qualifying services was

	Year ended 31 December 2015 £'000	Year ended 31 December 2014 £'000
Directors' emoluments	475	477
Pension fund contributions		
- defined benefit scheme	14	15
- defined contribution scheme	24	24
	513	516

During the year 1 Director (2014 1) was a member of the defined benefit scheme and 1 Director (2014 1) accrued benefits under a defined contribution scheme

The emoluments in respect of the highest paid Director were £322,389 (2014 £313,400) and £24,401 (2014 £23,690) was paid into a personal pension plan

Key management personnel are deemed to only be the Company's Directors

7. Operating profit/(loss)

	Year ended 31 December 2015 £'000	Year ended 31 December 2014 £'000
<i>Operating profit/(loss) is stated after charging/(crediting).</i>		
Audit fees		
SMMT and consolidated Financial Statements	34	33
SMMT Industry Forum Limited	12	12
Motor Codes Limited	8	7
SMMT Group	54	52
Other fees paid to Auditors for non-audit services		
Tax Advisory Service	11	37
Tax Compliance Service	15	14
Other Consulting Services	-	38
All other fees paid to Auditors for non-audit services	26	89
Depreciation of owned tangible fixed assets	410	452
Amortisation of owned intangible fixed assets	28	33
Loss on disposal of fixed assets	3	-
Operating lease charges	139	171
Impairment of trade receivables	23	58

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Notes to the Financial Statements for the year ended 31 December 2015 (continued)

8. Profit on disposal of fixed assets

There were no significant disposals of fixed assets in either the current or the prior year

9 Income from other Fixed Asset Investments

	Year ended 31 December 2015	Year ended 31 December 2014
	£'000	£'000
Dividends from listed investments	633	658
Profit on disposal of investments	906	780
Unrealised losses on investments	(961)	(336)
	578	1,102

10. Other Interest Receivable and similar Income

	Year ended 31 December 2015	Year ended 31 December 2014
	£'000	£'000
Interest receivable	24	14
	24	14

11 Interest Payable and similar Charges

	Year ended 31 December 2015	Year ended 31 December 2014
	£'000	£'000
Bank loans and overdrafts	37	-
Other interest payable	-	-
Pension finance cost (note 26)	232	95
	269	95

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Notes to the Financial Statements for the year ended 31 December 2015 (continued)

12 Tax on profit on ordinary activities

(A) Analysis of charge in the year

	Year ended 31 December 2015 £'000	Year ended 31 December 2014 £'000
Corporation tax.		
UK corporation tax on profits of the year	-	-
Adjustment in respect of prior periods	-	(68)
UK Corporation tax charge/(credit) on profit for the year	-	(68)
Deferred tax		
Origination and reversal of timing differences	131	183
Adjustment in respect of prior periods	(30)	16
Effect of changes in tax rates	(31)	49
Deferred tax charge	70	248
Tax charge on profit on ordinary activities (note 12(b))	70	180

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Notes to the Financial Statements for the year ended 31 December 2015 (continued)

12 Tax on profit on ordinary activities (continued)

(B) Factors affecting tax charge/(credit) for the year

The current tax charge (2014 charge) assessed for the year is lower (2014 higher) than the standard rate of corporation tax in the UK of 20.25% (2014 21.49%). The differences are explained below

	Year ended 31 December 2015	Year ended 31 December 2014
	£'000	£'000
Profit on ordinary activities before tax	730	197
Profit on ordinary activities multiplied by effective rate of corporation tax in the UK of 20.25% (2014 21.49%)	148	42
Effects of		
Expenses not deductible for tax purposes	312	228
Dividends and distributions received	(277)	(277)
Tax losses utilised	-	-
Movement in unrealised gains	(199)	(75)
Movement in short term timing differences	-	829
Effect of realised capital gains	147	126
Adjustment to tax charge in respect of prior periods	(30)	(52)
Effects of other tax rates / credits	(31)	(641)
Tax charge for the whole year (note 12(a))	70	180

Factors that may affect tax charges

During the year the main rate of corporation tax was reduced from 21% to 20%. This change was effective from 1 April 2015.

A change to the UK corporation tax rate was announced in the Chancellor's Budget on 16 March 2016. The change announced is to reduce the main rate to 17% from 1 April 2020. Changes to reduce the UK corporation tax rate to 19% from 1 April 2017, and 18% from 1 April 2020 have already been substantially enacted on 26 October 2015.

As the change to 17% had not been substantively enacted at the balance sheet date its effects are not included in these financial statements.

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Notes to the Financial Statements for the year ended 31 December 2015 (continued)

13 Profit/(loss) attributable to members of the parent Company

	2015	2014
	£'000	£'000
Dealt with in the financial statements of the parent Company	107	(374)
Retained by subsidiary undertaking – Motor Codes Limited	26	40
Retained by subsidiary undertaking – SMMT Industry Forum Limited	184	128
Retained by joint venture undertaking	343	223
	660	17

14 Intangible Assets

The Group	Capitalised Development Costs
	£'000
Cost	
At 1 January 2015	1,926
Additions	882
Disposals	-
At 31 December 2015	2,808
Accumulated Amortisation	
At 1 January 2015	153
Charge for the year	28
Disposals	-
At 31 December 2015	181
Net book Value	
As at 31 December 2015	2,627
As at 31 December 2014	1,773

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Notes to the Financial Statements for the year ended 31 December 2015 (continued)

14. Intangible Assets (continued)

The individual intangible assets, excluding goodwill, which are material to the financial statements are capitalised development costs. The breakdown by Company within the group is as follows,

- SMMT - Net book value £2,324k, remaining amortisation period is 5 years
- SMMT Industry Forum Limited - Net book value £238k, remaining amortisation period is 7 years
- Motor Codes Limited - Net book value £65k, remaining amortisation period is 2 years

The Company	Capitalised Development Costs
	£'000
Cost	
At 1 January 2015	1,707
Additions	617
Disposals	-
At 31 December 2015	2,324
Accumulated Amortisation	
At 1 January 2015	-
Charge for the year	-
Disposals	-
At 31 December 2015	-
Net book Value	
As at 31 December 2015	2,324
As at 31 December 2014	1,707

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Notes to the Financial Statements for the year ended 31 December 2015 (continued)

15. Tangible Assets

The Group	Long leasehold Land and buildings	Furniture, Fixtures, Equipment and Computers	Total
	£'000	£'000	£'000
Cost			
At 1 January 2015	11,443	1,517	12,960
Additions	-	173	173
Disposals	-	(3)	(3)
At 31 December 2015	11,443	1,687	13,130
Accumulated Depreciation			
At 1 January 2015	695	1,167	1,862
Charge for the year	188	222	410
Disposals	-	-	-
At 31 December 2015	883	1,389	2,272
Net book Value			
As at 31 December 2015	10,560	298	10,858
As at 31 December 2014	10,748	350	11,098

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Notes to the Financial Statements for the year ended 31 December 2015 (continued)

15. Tangible Assets (continued)

The Company	Long leasehold Land and buildings	Furniture, Fixtures, Equipment and Computers	Total
	£'000	£'000	£'000
Cost			
At 1 January 2015	10,693	1,327	12,020
Additions	-	127	127
Disposals	-	(3)	(3)
At 31 December 2015	10,693	1,451	12,144
Accumulated Depreciation			
At 1 January 2015	669	1,009	1,678
Charge for the year	174	208	382
At 31 December 2015	843	1,217	2,060
Net book Value			
As at 31 December 2015	9,850	234	10,084
As at 31 December 2014	10,024	318	10,342

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Notes to the Financial Statements for the year ended 31 December 2015 (continued)

16 Investment Property

Company	£'000
At 1 January 2015	750
Revaluation	135
At 31 December 2015	885
Net book Value	
As at 31 December 2015	885
As at 31 December 2014	750

17. Investments

	Group 2015 £'000	2014 £'000	Company 2015 £'000	2014 £'000
Investments listed on recognised stock exchange at market value	22,818	22,374	22,818	22,374
Investment in subsidiary undertakings at cost	-	-	-	-
Investment in joint venture	443	323	100	100
	23,261	22,697	22,918	22,474
	Market Value 2015 £'000	Cost 2015 £'000	Market Value 2014 £'000	Cost 2014 £'000
Listed investments	21,690	20,238	21,192	18,723
Cash held for investment	1,128	1,128	1,182	1,182
	22,818	21,366	22,374	19,905

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Notes to the Financial Statements for the year ended 31 December 2015 (continued)

17 Investments (continued)

	2015 £'000
Market value as at 1 January 2015	21,192
Purchases at cost	8,891
Proceeds on disposals	(8,338)
Realised gains on disposals	906
Unrealised loss from changes in market value	(961)
Market value as at 31 December 2015	21,690

The total market value of investments of £22,818,000 (2014 £22,374,000) includes £9,114,000 (2014 £6,436,000) which were listed outside the United Kingdom and whose cost was £8,851,000 (2014 £5,893,000). All remaining investments were listed on the London Stock Exchange. Cost excludes impairment.

The Directors believe that the carrying value of the investments is supported by their underlying net assets.

Subsidiary undertakings

Shares in subsidiary undertakings represent the following holdings

<u>Entity Name</u>	<u>Investment value</u>	<u>%</u>	<u>Activities of Business</u>	<u>Place of Incorporation</u>
Motor Codes Limited	£2	100	Administration and promotion of the Motor Industry Codes of Practice	England and Wales
SMMT Industry Forum Limited	£2	100	Business Improvement Activities	England and Wales

The registered address of both subsidiaries is 71 Great Peter Street, London, SW1P 2BN

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Notes to the Financial Statements for the year ended 31 December 2015 (continued)

17. Investments (continued)

Joint Venture

The Company is a member in The Commercial Vehicle Show LLP and its share amounts to one third of the profit or loss. The other members are The Road Haulage Association Limited and IRTE Services Ltd. The principal activity of the Limited Liability Partnership is that of organising and running the annual Commercial Vehicle Show.

Group	2015	2014
Investment in Joint Venture	£'000	£'000
Share of current assets	566	343
Share of liabilities due within one year	(123)	(20)
	443	323
Reconciliation of Net assets		£'000
Net assets at 1 January 2015		323
Amount shown within the Profit & Loss account in the year		343
Drawings during the year		(223)
Net assets at 31 December 2015		443

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Notes to the Financial Statements for the year ended 31 December 2015 (continued)

18 Debtors

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Trade debtors	2,620	3,221	1,194	1,912
Amounts owed by group undertakings	-	-	910	601
Corporation tax	-	273	-	276
Deferred tax (note 21)	6	438	-	443
Other debtors	542	596	512	642
Prepayments and accrued income	1,720	1,055	536	546
	4,888	5,583	3,152	4,420

Trade debtors for the group are stated after provisions for impairment of £64,000 (2014 £59,000)

Trade debtors for the Company are stated after provisions for impairment of £18,000 (2014 £10,000)

19 Creditors' amounts falling due within one year

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Bank loans and overdrafts	371	-	371	-
Trade creditors	2,614	1,318	1,811	743
Amounts owed to group undertakings	-	-	200	4
Corporation Tax	-	-	-	-
Other taxation and social security	472	306	323	143
Other creditors	1,143	886	1,687	1,177
Accruals and deferred income	3,137	3,595	1,705	2,725
	7,737	6,105	6,097	4,792

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Notes to the Financial Statements for the year ended 31 December 2015 (continued)

20 Creditors amounts falling due after more than one year

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Bank loans and overdrafts	2,090	1,575	2,090	1,575
	2,090	1,575	2,090	1,575

The bank loan has a rate of interest of 1.95% above the Bank of England base rate and is secured on our property at 71 Great Peter Street. The maturity date is 31 December 2020 with quarterly instalment payments commencing March 2016.

21. Taxation, including deferred taxation

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Asset/(liability) brought forward	438	(179)	443	(181)
Movement during the year	(432)	617	(481)	624
Asset/(liability) carried forward	6	438	(38)	443

Deferred taxation consists of the tax effect of timing differences in respect of

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Accelerated capital allowances	(442)	(452)	(473)	(446)
Short term timing differences	(105)	(118)	(119)	(122)
Unrealised gains	(262)	(479)	(261)	(476)
Losses not yet utilised	24	24	24	24
Deferred tax asset/(liability)	(785)	(1,025)	(829)	(1,020)
Pension Deferred tax asset	791	1,463	791	1,463
Total deferred tax asset/(liability)	6	438	(38)	443

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Notes to the financial statements for the year ended 31 December 2015 (continued)

21 Taxation, including deferred taxation (continued)

The deferred tax asset not recognised in these financial statements is as follows

Group and Company

	2015	2014
	£'000	£'000
Tax losses available	134	119
	134	119

22 Contingent Liabilities

There are cross guarantees between all Companies in The Society of Motor Manufacturers and Traders Limited Group in favour of the Group's lenders. This is in the form of a fixed and floating charge over the assets of the Group.

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Notes to the Financial Statements for the year ended 31 December 2015 (continued)

23 Financial instruments

The Group and Company have the following financial instruments

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Financial assets at fair value through profit or loss				
- Investments	21,690	21,192	21,690	21,192
Financial assets that are debt instruments measured at amortised cost				
- Trade debtors	2,620	3,221	1,194	1,912
- Amounts owed by group undertakings	-	-	910	601
- Other debtors	542	596	512	642
- Prepayments and accrued income	1,720	1,055	536	546
	4,882	4,872	3,152	3,701
Financial liabilities measured at amortised cost				
- Trade creditors	2,614	1,318	1,811	743
- Bank loans	2,461	1,575	2,461	1,575
- Amounts owed to group undertakings	-	-	200	4
- Other taxation and social security	472	306	323	143
- Other creditors	1,143	886	1,687	1,177
- Accruals and deferred income	3,137	3,595	1,705	2,725
	9,827	7,680	8,187	6,367

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Notes to the Financial Statements for the year ended 31 December 2015 (continued)

24 Reserves

Group	Profit & Loss Account	Total
	£'000	£'000
At 1 January 2015	27,696	27,696
Profit for the financial year	660	660
Actuarial gain on pension liability	1,589	1,589
Deferred tax	(362)	(362)
At 31 December 2015	29,583	29,583

The Profit and Loss account is represented as follows

	2015	2014
	£'000	£'000
Pension reserve	(1,430)	(1,430)
Profit and Loss account excluding pension reserve	31,113	29,251
	29,583	27,821

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Notes to the Financial Statements for the year ended 31 December 2015 (continued)

24 Reserves (continued)

Company	Profit & Loss Account	Total
	£'000	£'000
At 1 January 2015	27,452	27,452
Profit for the financial year	230	230
Actuarial gain on pension liability	1,589	1,589
Deferred tax	(362)	(362)
At 31 December 2015	28,909	28,909
The Profit and Loss account is represented as follows		
	2015	2014
	£'000	£'000
Pension reserve	(1,430)	(1,430)
Profit and Loss account excluding pension reserve	30,339	29,007
	28,909	27,577

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Notes to the Financial Statements for the year ended 31 December 2015 (continued)

25 Financial Commitments

The Group have the following minimum lease payments under non-cancellable operating leases for each of the following periods

	2015	2014
	£'000	£'000
Payments due		
Within one year	129	138
Between two and five years	252	308
In over five years	6,210	6,255
	6,591	6,701

The item shown in over 5 years represents the rent payable on SMMT's Head office at 71 Great Peter Street. At 31 December 2015 this lease has 143 years remaining

26 Pension Liability

Group and Company

The Society operates a pension scheme providing benefits based on career average pay. The assets of the scheme are held separately from those of the Society.

A full actuarial valuation was carried out at 31 December 2013. The work undertaken by the scheme actuary has been updated to 31 December 2015 by a qualified actuary, independent of the scheme's sponsoring employer.

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Notes to the Financial Statements for the year ended 31 December 2015 (continued)

26 Pension Liability (continued)

The major assumptions used by the actuary were

	2015	2014
	%	%
Inflation assumption	2.25 and 3.25	2.15 and 3.35
Discount rate	3.80	3.65
Expected rate of salary increases	3.55	3.65
Expected rate of increase in pension payments, RPI capped at 5% pa	3.10	3.20
CPI capped at 2.5% pa	-	-

The current mortality assumptions include sufficient allowance for future improvements in mortality rates and they are

	2015	2014
	Years	Years
Prior to retirement	AXC00 ₁	AXC00 ₁
After retirement	S1PXA ₂	S1PXA ₂

In accordance with recent legislation changes relating to the use of CPI rather than RPI, the actuary has made an allowance for this statutory revaluation of pension in excess of the GMP (Guaranteed Minimum Pension) in deferment, but not in respect of any other benefits

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Notes to the Financial Statements for the year ended 31 December 2015 (continued)

26 Pension Liability (continued)

The assets and liabilities in the scheme and the expected rate of return were

	2015		2014	
	Long-term rate of return expected	Value	Long-term rate of return expected	Value
	%	£'000	%	£'000
Equities	N/A	22,672	N/A	21,821
Bonds – UK gilts	N/A	5,755	N/A	6,437
Bonds – other	N/A	9,189	N/A	9,956
Cash	N/A	764	N/A	273
Total fair value of assets	3.80	38,380	3.65	38,487
Fair value of scheme liabilities,		(42,776)		(45,800)
Deficit in the scheme		(4,396)		(7,313)

The expected return on scheme assets was determined by considering the expected returns available on the assets underlying the current investment portfolio. Expected yields on bonds are based on gross redemption yields at the balance sheet date whilst the expected returns on the equity and property investments reflect the long-term real rates of return experienced in the respective markets.

Total cost recognised as an expense:

	2015	2014
	£'000	£'000
Current service cost	487	437
Past service cost	-	1,364
Interest cost	232	95
Total operating charge	719	1,896

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Notes to the Financial Statements for the year ended 31 December 2015 (continued)

26 Pension Liability (continued)

Analysis of the finance (costs)/income

	2015	2014
	£'000	£'000
Expected return on pension scheme assets	1,390	2,162
Interest on pension scheme liabilities	(1,622)	(1,650)
Pension finance (costs)/income	(232)	512

Analysis of the amount recognised in Statement of Comprehensive Income

	Current year		Cumulative	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Actuarial gain/(loss)	1,589	(3,552)	(8,027)	(9,616)

The actual return on the scheme assets was £714,000 (2014 £3,796,000)

Movement in deficit during the year

	2015	2014
	£'000	£'000
Deficit in scheme at start of year	(7,313)	(2,363)
Current service cost	(487)	(437)
Contributions	2,047	498
Interest cost	(232)	(95)
Past service costs	-	(1,364)
Actuarial gain/(loss)	1,589	(3,552)
Deficit in scheme at the end of the year	(4,396)	(7,313)

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Notes to the Financial Statements for the year ended 31 December 2015 (continued)

26. Pension Liability (continued)

During the year the contribution rate was 7% for all employees. The contribution for the group was 8.5% on average.

The contribution rate to be paid by the employer to the scheme for the year ended 31 December 2016 is 8.5%.

The estimated contributions to be paid in the year ended 31 December 2016 are £371,000.

Reconciliation of opening and closing balances of the present value of the scheme liabilities

	2015	2014
	£'000	£'000
Scheme liabilities at start of year	45,800	37,640
Current service cost	487	437
Past service cost	-	1,364
Interest cost	1,622	1,634
Contributions by scheme participants	139	164
Actuarial (gains)/losses	(2,265)	5,809
Benefits paid and death in service insurance premium	(3,007)	(1,248)
Scheme liabilities at end of year	42,776	45,800

Reconciliation of opening and closing balances of the fair value of Scheme assets

	2015	2014
	£'000	£'000
Fair value of Scheme assets at start of year	38,487	35,277
Expected return on scheme assets	1,390	1,539
Actuarial (losses)/gains	(676)	2,257
Contributions by employer	2,047	498
Contributions by scheme participants	139	164
Benefits paid and death in service insurance premium	(3,007)	(1,248)
Scheme assets at end of year	38,380	38,487

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Notes to the Financial Statements for the year ended 31 December 2015 (continued)

27. Notes to the Consolidated Cash Flow Statement

(a) Reconciliation of profit to net cash from operating activities

	2015	2014
	£'000	£'000
Profit for the financial year	660	640
Tax on profit on ordinary activities	70	180
Interest receivable and similar income	(24)	(526)
Interest payable and similar charges	269	-
Share of operating profit in joint venture	(343)	(223)
Income from fixed asset investments	(578)	(1,102)
Operating profit/(loss)	54	(1,031)
Depreciation and other amounts written off tangible assets and investments	441	485
Pension costs less contributions	(1,560)	1,287
(Increase)/Decrease in debtors	(10)	824
(Decrease)/Increase in creditors	1,261	(561)
Decrease in provisions	-	-
Net cash from operating activities	186	1,004

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Notes to the Financial Statements for the year ended 31 December 2015 (continued)

27 Reconciliation of profit to net cash from operating activities (continued)

(b) Cash flow from investing activities

	2015	2014
	£'000	£'000
Interest received	24	14
Dividends received	621	617
Drawings from joint venture	223	203
Purchase of tangible fixed assets	(173)	(96)
Purchase of intangible fixed assets	(882)	(1,707)
Proceeds of disposal of fixed assets	-	-
Purchase of fixed asset investments	(8,891)	(8,700)
Proceeds on disposal of fixed asset investments	8,338	8,844
Net cash from investing activities	(740)	(825)

(c) Cash flow from financing activities

	2015	2014
	£'000	£'000
Bank loan raised	886	1,575
Interest paid	(37)	-
Net cash from financing activities	849	1,575

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Notes to the Financial Statements for the year ended 31 December 2015 (continued)

28. Transition to FRS 102

This is the first year that the Company has presented its results under FRS 102. The last financial statements under the UK GAAP were for the year ended 31 December 2014. The date of transition to FRS 102 was 1 January 2014. Set out below are the changes in accounting policies which reconcile profit for the financial year ended 31 December 2014 and the total equity as at 1 January 2014 and 31 December 2014 between UK GAAP as previously reported and FRS 102.

The relevant transition adjustments impacting profit for the financial years are:

- Unrealised gains/losses on investments are now shown through the profit or loss account rather than through the revaluation reserve. In addition, the revaluation reserve in both the consolidated and Company balance sheets has also been updated to reflect the change in transition accounting.
- Deferred tax is required to be booked against the cumulative unrealised gains/losses on investments. A cumulative adjustment up to and including 31 December 2013 was included in the equity reconciliation, with 2014 impact shown separately below.
- Deferred tax relating to capital gains tax on 2680 Kings Court cannot now be netted off against the other properties in the group.
- Pension interest income and costs are now incorporated within the actuarial gain/(loss) and so processed through reserves rather than the Profit and Loss statement. In addition the movement to the cumulative position on the actuarial gain/(loss) causes a deferred tax movement.
- Company only – 2680 Kings Court, being the property utilised by the subsidiary SMMT Industry Forum Limited, is required to be classed as an Investment Property in the Company accounts, where it is held at fair value. This requires the reversal of depreciation previously booked, separate presentation on the Balance Sheet as well as any fair value movement to be shown through the Profit and Loss account. This is reversed for the consolidation.

In addition to the transition adjustments identified above which affect profit for the financial year the following adjustments have arisen which have had no effect on net equity or profit and loss account but which have affected the presentation of these items on the balance sheet:

- Computer software, with a net book value of £66,000 at 1 January 2015, has been reclassified from tangible to intangible assets as required under FRS 102. This has no effect on the Company's net assets nor on the profit for the year, except that the previous depreciation charge is now described as amortisation.
- Under FRS 102 the deferred tax asset arising on the post-employment benefit liability, is now included within deferred tax on the balance sheet. Under the previous UK GAAP, and applying FRSs 17 and 19, the deferred tax asset arising on the post-employment liability was offset against the liability. This has no effect on the Company's equity or profit for the year.

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Notes to the Financial Statements for the year ended 31 December 2015 (continued)

28 Transition to FRS 102 (continued)

The Group	2014	
	£'000	£'000
Profit for the financial year		
UK GAAP – as previously reported		878
Reclassification of unrealised (losses)/gains on investments	(336)	
Reclassification of pension interest income and costs to be within the actuarial gain/(loss) rather than the Profit and Loss Statement	(623)	
Total adjustment to profit before tax for the financial year		(959)
Recognition of deferred tax relating to revaluation reserve	94	
Movement in deferred tax relating to property	4	
Total adjustment to tax expense		98
Total adjustment to profit for the financial year		(238)
FRS 102		17
	2014	
	£'000	£'000
Other comprehensive income		
UK GAAP – as previously reported		(3,521)
Reclassification of unrealised (losses)/gains on investments	336	
Reclassification of pension interest income and costs to be within the actuarial gain/(loss) rather than the Profit and Loss Statement	623	
Movement in deferred tax relating to cumulative actuarial gain/(loss)	(125)	
FRS 102		(2,687)

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Notes to the Financial Statements for the year ended 31 December 2015 (continued)

28. Transition to FRS 102 (continued)

The Group	Revaluation Reserve	Profit & Loss Account	Total Shareholders' Funds
	£'000	£'000	£'000
Total Equity at 1 January 2014			
Under UK GAAP	2,715	28,228	30,943
Reclassification of Investment unrealised gains and losses from Revaluation Reserve to Profit and Loss Account	(2,715)	2,715	-
Recognition of deferred tax relating to revaluation reserve	-	(570)	(570)
Movement in deferred tax relating to property	-	(7)	(7)
FRS 102	-	30,366	30,366

The Group	Revaluation Reserve	Profit & Loss Account	Total Shareholders' Funds
	£'000	£'000	£'000
Total Equity at 31 December 2014			
Under UK GAAP	2,379	25,921	28,300
Reclassification of Investment unrealised gains and losses from Revaluation Reserve to Profit and Loss Account	(2,379)	2,379	-
Recognition of deferred tax relating to revaluation reserve	-	(476)	(476)
Movement in deferred tax relating to cumulative actuarial gain/(loss) movement		(125)	(125)
Movement in deferred tax relating to property	-	(3)	(3)
FRS 102	-	27,696	27,696

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Notes to the Financial Statements for the year ended 31 December 2015 (continued)

28 Transition to FRS 102 (continued)

The Company	2014	
	£'000	£'000
Profit for the financial year		
UK GAAP – as previously reported		534
Reclassification of unrealised (losses)/gains on investments	(336)	
Reclassification of pension interest income and costs to be within the actuarial gain/(loss) rather than the Profit and Loss Statement	(623)	
Reversed depreciation on assets now classed as investment property	15	
Total adjustment to profit before tax for the financial year		(944)
Recognition of deferred tax relating to revaluation reserve	94	
Total adjustment to tax expense		94
Total adjustment to profit for the financial year		(850)
FRS 102		(316)
Other comprehensive income	2014	
	£'000	£'000
UK GAAP – as previously reported		(3,521)
Reclassification of unrealised (losses)/gains on investments	336	
Reclassification of pension interest income and costs to be within the actuarial gain/(loss) rather than the Profit and Loss Statement	623	
Movement in deferred tax relating to cumulative actuarial gain/(loss)	(125)	
FRS 102		(2,687)

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

Notes to the Financial Statements for the year ended 31 December 2015 (continued)

28 Transition to FRS 102 (continued)

The Company	Revaluation Reserve	Profit & Loss Account	Total Shareholders' Funds
	£'000	£'000	£'000
Total Equity at 1 January 2014			
Under UK GAAP	2,715	28,299	31,014
Reclassification of Investment unrealised gains and losses from Revaluation Reserve to Profit and Loss Account	(2,715)	2,715	-
Reverse depreciation on assets now classed as investment property	-	11	11
Recognition of deferred tax relating to revaluation reserve	-	(570)	(570)
FRS 102	-	30,455	30,455

The Company	Revaluation Reserve	Profit & Loss Account	Total Shareholders' Funds
	£'000	£'000	£'000
Total Equity at 31 December 2014			
Under UK GAAP	2,379	25,648	28,027
Reclassification of Investment unrealised gains and losses from Revaluation Reserve to Profit and Loss Account	(2,379)	2,379	-
Movement in deferred tax relating to cumulative actuarial gain/(loss) movement		(125)	(125)
Reverse depreciation on assets now classed as investment property	-	26	26
Recognition of deferred tax relating to revaluation reserve	-	(476)	(476)
FRS 102	-	27,452	27,452