

Annual Report **2016**

promoting responsible road transport



What We Do

Established in 1967, the British Vehicle Rental & Leasing Association is the UK trade body for companies engaged in the rental and leasing of cars and commercial vehicles.

The BVRLA's 900+ members operate a combined fleet of around 4.5 million cars, vans and trucks. BVRLA members buy nearly half of all new vehicles sold in the UK, supporting around 317,000 jobs and contributing nearly £25bn to the economy each year.

By consulting with government and maintaining industry standards, the BVRLA helps its members deliver safe, sustainable and affordable road transport to millions of consumers and businesses.

Company Information

For the year ended 31 December 2016

HONORARY LIFE PRESIDENT FH Aldous

CHAIRMAN SC Oliphant

VICE CHAIRMAN MR Dyer

HONORARY TREASURER BP Back

MEMBERS OF THE COMMITTEE OF MANAGEMENT

FH Aldous	PG Cakebread	JM Lawes
BP Back	BC Dilly	SC Oliphant
NA Bell	MR Dyer	TR Porter
NJ Brownrigg	PA Grime	KM Shahbo
TP Buchan	D Hosking	B Swallow

SECRETARY & CHIEF EXECUTIVE GC Keaney

REGISTERED OFFICE

River Lodge, Badminton Court, Amersham, Bucks HP7 0DD

REGISTERED NUMBER

00924401 (England and Wales)

AUDITORS

The Fish Partnership

Chartered Accountants & Statutory Auditor
The Mill House, Boundary Road, Loudwater,
High Wycombe, Bucks HP10 9QN

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Contact Us

BVRLA

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The BVRLA: a unifying voice

THE VEHICLE RENTAL AND leasing industry's ability to adapt and move with the prevailing economic and political environment has always been one of its greatest strengths.

This capacity was tested hard in 2016 and will be for the foreseeable future as we come to terms with Brexit, the focus on air quality, implications of connected vehicles and the arrival of autonomous driving at increasing levels over the next few decades.

It is at times like this that the BVRLA plays its most important role, providing a powerful, unified voice on behalf of its diverse range of members.

With Brexit we have the benefit of having our needs aligned with almost every other business group in the UK. BVRLA members need as much business stability as possible and will be relying on the UK government to take a pragmatic rather than dogmatic approach to the future trade and regulatory relationship we agree with our EU colleagues.

If Brexit is the first policy priority for UK government and businesses, air quality is not far behind. The BVRLA is fully engaged on a number of work streams in this area. It is helping policymakers develop some workable plans for a diesel scrappage scheme and network of clean air zones.



It is also working with tax officials, vehicle manufacturers and data providers to ensure that the new emissions standards being introduced this year are manageable for IT systems and reporting purposes and do not end up having an adverse impact on the new car and van market.

The government has also said that it wants to review the tax treatment of diesel vehicles. With a membership that owns and operates millions of diesel cars, vans and trucks, the BVRLA will look to join forces with other automotive trade bodies to ensure that policymakers take a measured and balanced approach. It is essential that the government provides a fair, well signposted tax regime that encourages a managed shift away from diesel where appropriate, but doesn't punish businesses and individuals for decisions that have already

been made and were encouraged by previous government taxation policy.

When it comes to the issue of connected and autonomous vehicles, the BVRLA is in the unusual position of asking the government to provide more legislation and market guidance. This technology is ushering in a new era of increasingly data-driven business models, and regulators need to catch up.

Free, fair and open access to labour, finance, parts and other essential business necessities are already enshrined in law. The same approach now needs to be taken with data.

As ever, the BVRLA will keep you updated on these and other important developments in the months and years ahead. ❖

Simon Oliphant
BVRLA CHAIRMAN



New look: early in 2017 the BVRLA signalled its intention to remain fresh and innovative with a clearer, modern logo and branding

50 years of work under our belt, and we're doing more than ever

THE BVRLA CELEBRATES 50 years as a trade body this year. We will be taking a few brief pauses in 2017 to look back at those five decades of achievement and the people that made it happen.

The celebrations started in March with the publication of our 50th Anniversary magazine, a video and our 'Big Event' Annual Dinner, but there will be even more opportunities for members to join together and share some memories in the months ahead.

Meanwhile, business will go on, and for the vehicle rental and leasing industry, it is moving on at quite a pace. Our sector is

going through an unprecedented level of change as it embraces new technologies, addresses new challenges and reacts to changing customer demands.

At the same time, the BVRLA has to meet the needs of a growing membership, which has risen by more than 40% over the last decade. Our members now own and operate a staggering 3.9 million cars and 800,000 commercial vehicles, a fleet size that has risen by around 80% over the same period.

The secret to thriving in this exciting environment is careful planning and investment and there has been plenty of this over the past 12 months.

One of the most exciting developments has seen the association acquire the property adjacent to our own. Any of you that have visited the BVRLA in recent years will have noticed the cramped conditions and lack of adequate meeting and training areas.

By doubling our office space, we now have the room to create a more open and productive working environment for our staff and the ability to host a wider range of member activities on site. There is plenty of room for any further growth in the association, too.

Elsewhere, we are continuing to invest in the technology



Gerry Keaney: BVRLA Chief Executive

that underpins our services. Our new customer relationship management (CRM) system has had a huge impact in streamlining many of our back-office administrative tasks and improving our ability to provide relevant and timely communications to members.

We have now started work on a new website that will make the BVRLA's wealth of information and advice more accessible, on a wider range of devices. Our new site will be integrated with our CRM, giving us a much better understanding of our interactions with members and their customers.

This understanding is more crucial than ever as your association builds up the governance programme that protects our industry's self-regulatory status. Our new Codes of Conduct and our governance

regime are firmly established and recognised by regulators and consumer bodies.

We can't afford to stand still in this area, and we are pushing ahead with plans to create a new e-learning platform. We are confident that this will provide our diverse membership with a flexible and cost-effective way of training, developing and accrediting their staff, using course materials that are relevant to their needs and take account of the latest trends and issues impacting the sector.

I would just like to finish by saying thank you to everyone who has contributed to another successful year, working for us and with us. It's been a great team effort. ❖

Gerry Keaney
BVRLA CHIEF EXECUTIVE

The BVRLA has to meet the needs of a growing membership, which has risen by more than 40% over the last decade

Committee of Management Report

The members of the committee present their report with the financial statements of the company and the group for the year ended 31 December 2016.

Principal activity

The principal activity of the group in the year under review was that of the representation of members involved in the provision of vehicle rental, leasing, contract hire and fleet management services.

Members of the Committee

The members of the committee shown below have held office during the whole of the period from 1 January 2016 to the date of this report:

FH Aldous
BP Back
NA Bell
TP Buchan
PG Cakebread
BC Dilly
MR Dyer
PA Grime
D Hosking
JM Lawes
SC Oliphant
TR Porter
KM Shahbo

Other changes in Committee of Management members holding office are as follows:

R Shaw resigned 18 February 2016
RJ Schooling resigned 30 April 2016
KS McCall resigned 18 May 2016
B Swallow appointed 18 February 2016
NJ Brownrigg appointed 25 August 2016

No members of the committee received any remuneration during the year from the company. In accordance with the Articles of Association, one-third of the members retire and, being eligible, offer themselves for re-election.

Charitable contributions

During the year the company made charitable donations of £20,000 to Ben, the automotive industry benevolent fund.

Responsibilities of the members of the Committee of Management

The members of the committee are responsible for preparing the Committee of Management Report and the financial statements in accordance with applicable law and regulations.

Company law requires the members of the committee to prepare financial statements for each financial year. Under that law the members of the committee have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the members of the committee 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 company and the group and of the surplus or deficit of the group for that period. In preparing these financial statements, the members of the committee are required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgements and accounting estimates that are reasonable and prudent.

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

Statement as to disclosure of information to auditors

So far as the members of the committee are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each member of the committee has taken all the steps that he or she ought to have taken as a member of the committee in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

Auditors

The auditors, The Fish Partnership, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



GC Keane
SECRETARY AND CHIEF EXECUTIVE
21 FEBRUARY 2017

Auditors' Report

This is the report of the independent auditors to the members of British Vehicle Rental & Leasing Association Limited.

We have audited the financial statements of British Vehicle Rental and Leasing Association Limited for the year ended 31 December 2016 on pages 11 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

Respective responsibilities of members of the committee and auditors

As explained more fully in the statement of the responsibilities of the members of the Committee of Management, set out on page seven, the members of the committee 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 International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

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

Opinion on financial statements

In our opinion the financial statements:

- ▶ give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2016 and of the group's surplus for the year then ended;
- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ▶ have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Committee of Management Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- ▶ adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- ▶ the parent company financial statements are not in agreement with the accounting records and returns; or
- ▶ certain disclosures of Committee of Management members' remuneration specified by law are not made; or
- ▶ we have not received all the information and explanations we require for our audit; or
- ▶ the Committee of Management members were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Group Strategic Report or in preparing the Committee of Management Report.

Martin Sheehy
SENIOR STATUTORY AUDITOR

FOR AND ON BEHALF OF:

The Fish Partnership
Chartered Accountants & Statutory Auditor
The Mill House, Boundary Road
Loudwater
High Wycombe
Bucks HP10 9QN

21 February 2017



Scenes from the BVRLA Industry Conference 2016

Consolidated Income Statement

Year ended 31 December 2016		2016	2015
	NOTES*	£	£
Turnover		2,475,938	2,173,815
Cost of sales		362,849	324,500
Gross surplus		2,113,089	1,849,315
Administrative expenses		1,941,078	1,645,929
Operating surplus	4	172,011	203,386
Interest receivable and similar income		47,161	42,800
Surplus before taxation		219,172	246,186
Tax on surplus		13,801	633
Surplus for the financial year		205,371	245,553

* The notes on pages 14 to 17 form part of these financial statements

Consolidated Balance Sheet

31 December 2016

2016

2015

	NOTES*	£	£	£	£
Fixed assets					
Tangible assets	6		391,376		327,202
Investments	7		—		—
			391,376		327,202
Current assets					
Debtors	8	353,902		389,204	
Cash at bank and in hand		3,529,848		3,352,601	
		3,883,750		3,741,805	
Creditors					
Amounts falling due within one year	9	917,258		930,311	
Net current assets			2,966,492		2,811,494
Total assets less current liabilities			3,357,868		3,138,696
Provisions for liabilities			16,453		2,652
Net assets			3,341,415		3,136,044
Reserves					
Income and expenditure account			3,341,415		3,136,044
			3,341,415		3,136,044

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the members of the Committee of Management on 21 February 2017 and were signed on its behalf by:

SC Oliphant
Chairman



BP Back
Honorary Treasurer



* The notes on pages 14 to 17 form part of these financial statements

Company Balance Sheet

31 December 2016		2016		2015	
	NOTES*	£	£	£	£
Fixed assets					
Tangible assets	6		391,376		327,202
Investments	7		1		1
			391,377		327,203
Current assets					
Debtors	8	286,592		321,247	
Cash at bank and in hand		3,254,270		3,348,187	
		3,540,862		3,669,434	
Creditors					
Amounts falling due within one year	9	1,498,051		1,746,192	
Net current assets			2,042,811		1,923,242
Total assets less current liabilities			2,434,188		2,250,445
Provisions for liabilities			16,453		2,652
Net assets			2,417,735		2,247,793
Reserves					
Income and expenditure account			2,417,735		2,247,793
			2,417,735		2,247,793

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the members of the Committee of Management on 21 February 2017 and were signed on its behalf by:

SC Oliphant
Chairman



BP Back
Honorary Treasurer



* The notes on pages 14 to 17 form part of these financial statements

Notes

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2016

1 Statutory Information

British Vehicle Rental and Leasing Association Limited is a private company, limited by guarantee, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2 Accounting Policies

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A 'Small Entities' of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the income and expenditure account after or up to the date that control passes respectively. As a consolidated income and expenditure account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Turnover

Subscriptions income and income from the sale of goods and services are included in the financial statements on the basis of amounts receivable for the year, net of Value Added Tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property:	2% on cost
Fixtures and fittings:	20% on cost
Computer equipment:	33% on cost

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Related parties transactions

The company has taken advantage of the exemption not to disclose details of the transactions or balances between Group entities which have been eliminated on consolidation.

3 Employees

The average number of employees during the year was 20 (2015 - 21).

4 Operating Surplus

The operating surplus is stated after charging:

Depreciation – owned assets

2016
£ 47,710

2015
£ 14,434

5 Individual Income Statement

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

6 Tangible Fixed Assets

GROUP	Freehold property	Fixtures & fittings	Computer equipment	Totals
COST	£	£	£	£
At 1 January 2016	477,431	82,342	159,669	719,442
Additions	—	—	111,884	111,884
At 31 December 2016	477,431	82,342	271,553	831,326
DEPRECIATION				
At 1 January 2016	161,269	78,685	152,286	392,240
Charge for year	8,867	1,612	37,231	47,710
At 31 December 2016	170,136	80,297	189,517	439,950
NET BOOK VALUE				
At 31 December 2016	307,295	2,045	82,036	391,376
At 31 December 2015	316,162	3,657	7,383	327,202
COMPANY	Freehold property	Fixtures & fittings	Computer equipment	Totals
COST	£	£	£	£
At 1 January 2016	477,431	82,342	159,669	719,442
Additions	—	—	111,884	111,884
At 31 December 2016	477,431	82,342	271,553	831,326
DEPRECIATION				
At 1 January 2016	161,269	78,685	152,286	392,240
Charge for year	8,867	1,612	37,231	47,710
At 31 December 2016	170,136	80,297	189,517	439,950
NET BOOK VALUE				
At 31 December 2016	307,295	2,045	82,036	391,376
At 31 December 2015	316,162	3,657	7,383	327,202

The value of non-depreciable freehold land was estimated at 31 December 1996 at £70,000, as no split of the purchase price of the new office building was available.

7 Fixed Asset Investments

COMPANY	Shares in group undertakings
	£
COST At 1 January 2016 and 31 December 2016	1
NET BOOK VALUE At 31 December 2016	1
At 31 December 2015	1

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiary

BVRLA Services Limited

Registered office: England

Nature of business: Provision of member services

CLASS OF SHARES

Ordinary shares

% HOLDING

100.00

8 Debtors: Amounts Falling Due Within One Year

	GROUP		COMPANY	
	2016 £	2015 £	2016 £	2015 £
Trade debtors	152,950	230,021	85,640	166,960
Other debtors	200,952	159,183	200,952	154,287
	<u>353,902</u>	<u>389,204</u>	<u>286,592</u>	<u>321,247</u>

9 Creditors: Amounts Falling Due Within One Year

	GROUP		COMPANY	
	2016 £	2015 £	2016 £	2015 £
Bank loans and overdrafts	58,731	191,671	58,731	191,671
Trade creditors	27,254	89,935	27,253	87,666
Amounts owed to group undertakings	—	—	834,672	1,031,506
Taxation and social security	33,775	27,557	33,775	27,557
Other creditors	797,498	621,148	543,620	407,792
	<u>917,258</u>	<u>930,311</u>	<u>1,498,051</u>	<u>1,746,192</u>

10 Leasing Agreements

Minimum lease payments fall due as follows:

GROUP	Non-cancellable operating leases	
	2016 £	2015 £
Within one year	23,153	14,978
Between one and five years	19,655	1,671
	<hr/> 42,808	<hr/> 16,649

COMPANY	Non-cancellable operating leases	
	2016 £	2015 £
Within one year	23,153	14,978
Between one and five years	19,655	1,671
	<hr/> 42,808	<hr/> 16,649

11 Company Limited by Guarantee

The company is limited by guarantee and does not have share capital.







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