



# 2021 ANNUAL REPORT 2021



INSTITUTE OF THE  
MOTOR INDUSTRY

Company Number 00225180

“From the beginning of the pandemic it was our stated intention to be there to support our members with whatever help they needed”

STEVE NASH, CHIEF EXECUTIVE, THE IMI

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Year Ended  
31 March 2021

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INSTITUTE OF THE  
MOTOR INDUSTRY

**Directors**

- K Finn (Chair)
- S Nash (Chief Executive Officer)
- S James (Chief Financial Officer)
- K L Woolley (Chief Operating Officer)
- T Murphy
- A Tomsett - (Hon Treasurer)
- A Davies
- M Crandon
- R Siney
- G Braddock
- M Rogers
- A Simms
- E Hills
- R Leech

**Registered Number**  
00225180

**Registered Office**  
Fanshaws  
Brickendon  
Hertford  
Hertfordshire  
SG13 8PQ



## NOTICE IS HEREBY GIVEN

That an Ordinary General Meeting (being the hundredth Annual General Meeting of the Institute) will be held digitally on Wednesday 27th October 2021 at 1pm.

### Agenda

1. Apologies for absence
2. Minutes of the Annual General Meeting of 27th October 2020
3. Installation of President – 2021/2022
4. Installation of Vice Presidents – 2021/2022
5. Installation of Honorary Treasurer – 2021/2022
6. Declaration of Directors
7. Revenue Account and Balance Sheet of the Institute for the year ended 31 March 2021 and the Auditor's Report
8. Annual Report for the year ended 31 March 2021
9. Appointment of Auditors
10. Any other business

By Order of the Board

**S James**

Chief Financial Officer

The Institute's Articles of Association 15.1 provides: on a vote on a resolution at a General Meeting on a show of hands or on a poll, every Corporate Member present in person or by proxy has one vote.

Article of Association 16.1 provides: a "proxy notice" (as defined in Model Article 31(1)) and any authentication of it demanded by the Board Members must be received at an address specified by the Institute in the proxy notice not less than 48 hours before the time for holding the meeting or adjourned meeting at which the proxy appointed pursuant to the proxy notice proposes to vote; and any proxy notice received at such address less than 48 hours before the time for holding the meeting or adjourned meeting shall be invalid.

**Please confirm attendance, or request a proxy notice, to:**  
Simon James, Chief Financial Officer, c/o Georgia Murnane,  
IMI, Fanshaws, Brickendon, Hertford SG13 8PQ,  
or email [ceoffice@theimi.org.uk](mailto:ceoffice@theimi.org.uk)

The Annual Report will be available on the IMI website from September 2021, anyone requiring a hard copy should contact [ceoffice@theimi.org.uk](mailto:ceoffice@theimi.org.uk) or at the address above.



## I am proud to report that the IMI rose to the extraordinary challenges of the pandemic in 2020/21



As the IMI entered its centenary year in 2020, the organisation was focused on its vision of building a skilled, adaptable and professional international automotive workforce. Our mission – “To provide our members with the best skills, solutions and tools to fulfil their career ambitions” – felt as relevant in 2020 as it must have done in 1920.

Then Covid-19 struck, and all the IMI's planned centenary celebrations were overtaken by the impact of a global pandemic.

I am delighted to report, however, that the IMI came through this exceptionally challenging year extremely well and that the team responded brilliantly to the unprecedented circumstances.

Working remotely for the entire year, the team focused on being there to support all of our members and stakeholders at a difficult time. As a result, we saw membership retention increase and overall membership growing beyond 85,000, which is by some margin the highest number anyone can recall.

Despite losing more than one-third of our planned revenue due to successive lockdowns, by exercising prudent cost controls and continuing to develop new business streams both at home and internationally, I am delighted to report that we were still able to end the year in surplus.

I would like to highlight just a couple of notable initiatives:

First, in 2020/21 the IMI team undertook key projects in Mexico and China, working as valued partners of the UK Government's Department for International Trade (DIT). These have the potential to develop into long-term engagements.

The IMI also continued to support MOT Testers with our online training and annual assessment solutions, leading to creditable growth in this increasingly competitive sector and consolidating our number-one provider position.

I am equally delighted to report that Steve Nash and the leadership team continued to develop a number of key strategic activities which will strengthen the organisation going forward. These included a key partnership with VOCANTO (part of the Lucas-Nuelle Group) that will enable IMI members to access a new, state-of-the-art online learning platform.

While face-to-face training all but ceased in 2020/21, engagement with online learning grew significantly. The IMI's Hybrid & Electric Vehicle modules proved to be exceptionally popular with both UK and international delegates.

The IMI also played a key role in working with the various UK regulators to develop exceptional regulatory arrangements. This allowed extra flexibility for students and apprentices to continue and (as much as they could remotely) complete their programmes; often it was only the practical elements of the training that were left outstanding.

I am proud to report that the IMI rose to the extraordinary challenges of the pandemic in 2020/21. The team was guided by the IMI's vision and mission, and the organisation came through strongly and in good financial health, while drawing on minimal government support.

**Kevin Finn | Chairman**





**OUR GLOBAL REACH**

As well as working on projects in Mexico and China, we have centres in the following countries:

- Bahrain, Cayman Islands, China, Cyprus, Ecuador, Germany, Iceland, Ireland, Malaysia, Oman, Philippines, Saudi Arabia, Singapore, South Africa, Trinidad and Tobago, United Arab Emirates

**INCREASED MARKET SHARE IN MOT TESTER TRAINING AND ASSESSMENT**

**57%**

market share this year

**44%**

market share last year

**36,851**

total sales

**6%**

up on last year



**ANYTIME, ANYWHERE LEARNING**

New partnership launched with e-learning training experts VOCANTO

**26**

Light Vehicle modules

**5**

Electric Vehicle modules



Chief Executive Officer's Report



The organisation closes the year in robust financial health, with a record membership community



“No plan survives first contact with the enemy.” In 2020/21 the IMI proved the 19th-century Prussian military commander Helmuth von Moltke wrong.

The Coronavirus pandemic presented the IMI team with the combined challenges of adapting and responding to the immediate needs of our members and stakeholders affected by C-19, while continuing to focus on the support they need to deal with unprecedented changes occurring in the automotive sector.

Guided by our vision and mission, and underpinned by our four strategic priorities, the whole IMI team has done a fantastic job in the financial year ended 31 March 2021, and I am incredibly proud of all of them.

The IMI's four key strategic priorities

- ▶ 1. Growing our global membership community to develop talent and raise professional standards
- ▶ 2. Changing and adapting to thrive in the future
- ▶ 3. Building brand value and awareness to influence and drive positive change
- ▶ 4. Transforming through digitalisation to drive high levels of engagement and service

Yes, the IMI had to respond to uniquely challenging circumstances, but our core strategy held strong. As a result, the organisation closes the year in robust financial health, with a record membership community, and with a membership offering that is highly relevant, increasingly digital and capable of adapting to our community's future requirements.

As the IMI's Chief Executive, I am delighted to share some of the team's key achievements in this extraordinary year.

Serving our membership, serving our people

From the beginning of the pandemic it was our stated intention to be there to support our members with whatever help they needed. Despite the whole organisation having to move swiftly to remote working, our membership team undertook daily outbound calls to individual members, just to check on their wellbeing and to offer help, support and advice. These calls were extremely well received.

We dramatically increased our member and Centre communications, sharing daily updates and important information via our Covid-19 Hub, as well as via new regular webinars, Q&A sessions and podcasts. We helped members with everything from furlough arrangements to rates rebates, updates on regulation changes, government loans and, crucially, advice on mental health, wellbeing and enhancing soft skills.

We made a concerted effort to engage with our own team throughout, drawing on the IMI's special 'family spirit'. Aside from a few exceptions where short-term arrangements were agreed by request for a small number of staff facing child care and home-schooling challenges, it was only necessary for the IMI to draw minimally on the government's furlough scheme.

REACHING OUT DURING THE PANDEMIC

4,671

wellbeing calls made to members





### Growing our global community, influence and impact

I am delighted to report that membership grew with the addition of more than 10,000 new members to a historically high level in excess of 85,000. Our retention of existing members also increased over the previous year.

(As part of our centenary celebrations, it had originally been our aim to grow membership to 100,000 in 2020. Inevitably this was affected by the pandemic, but it remains a realistic aim which we will refocus on in 2021/22).

Despite the challenging business environment our team continued to identify and develop new commercial opportunities throughout the year, with the following being just a few selected examples.

Our online training and assessment solutions for MOT Testers saw record uptake in an increasingly competitive marketplace, consolidating our number-one position as a provider. This despite an ever larger number of MOT Testers declining to take the mandatory annual test as the DVSA continued to increase the required pass mark.

We also partnered with the Scottish Motor Trade Association (SMTA) to support the AutoEsure initiative, aimed at upskilling the Scottish automotive workforce around new and emerging technologies.

As a trusted partner of the UK Government's Department for International Trade (DIT) we successfully tendered for and completed projects in Mexico and China, aimed at helping both countries to develop their automotive skills base to UK international standards. In each case, further larger scale engagements are expected.

We have significantly raised our media profile in 2020/21, as well as our 'thought leadership' output, and will continue to do so, particularly around issues such as electrification and the need to increase the numbers of EV-qualified technicians in the run-up to the 2030 ban on sales of new petrol and diesel light vehicles. We will also be looking at how the industry can improve its appeal to fresh talent, with a particular focus on greater diversity in the workforce and wider inclusion of under represented groups. >>>

IMPROVING OUR DIGITAL OFFERING TO SUPPORT MEMBERS



1

podcast



26

webinars



2,795

registrations



1,956

attendees



5,000

YouTube visits for online content



### Enabling Students and Apprentices to keep developing their talent

Students and apprentices were particularly badly affected by the successive lockdowns and ongoing restrictions. With colleges and training academies largely closed throughout the year, many were unable to continue or complete their programmes. Many apprentices were placed on furlough and some were made redundant by their employer part way through their studies.

The IMI team were extremely influential in working with the various Regulators across the four UK nations in the construction and agreement of Extraordinary Regulatory Frameworks, which enabled us to maximise remote engagement with both students and apprentices. In many instances it was possible to help them actually complete their studies and gain certification through remote invigilation, while in other cases all but the essential practical elements were concluded.

A number of apprentices who had been made redundant were also helped to both finish their studies and to find alternative employment.

### Increasing online engagement and advancing new technology skills

Engagement with the IMI's online learning resources grew throughout the financial year, with particular emphasis on new and emerging technologies.

Our Hybrid & EV programmes have been extremely popular with delegates from the UK and around the world, as were our ADAS (Advanced Driver Assistance Systems) modules.

The IMI Level 2 and 3 Hybrid and EV qualifications in particular, leading to IMI TechSafe recognition and professional registration, are now the most popular automotive qualifications in the market.

### Delivering on our strategic business objectives

Despite the immediate challenges posed by the pandemic, we were able to build on our strategic business objectives throughout the year.

Notably, the IMI-Vocanto partnership provides our members with a state of the art online learning platform. This was developed to the point of launch by year end.

Further developments were undertaken on the new website which had been redeveloped and launched at the beginning of the year. We also developed new online community platforms for both members and IMI Centres, all aimed at increasing our digital engagement capabilities and improving our services.

### In summary

I am so proud of the fantastic job that the whole IMI team did throughout the 2020/21 financial year.

We adapted incredibly well to enforced remote working; we were there at all times to support our members and stakeholders, and we continued to make progress against our strategic priorities.

Despite the pandemic wreaking havoc with our original budgets – resulting in the loss of more than one-third of our normal revenues – we exercised tight fiscal controls and continued to find new and alternative business streams. As a result we were still able to deliver a year-end surplus while drawing on minimal government support.

In uniquely challenging circumstances, this is an excellent result from an excellent team.

Finally, I want to thank our Chairman and Board who provided first-class support, advice and counsel throughout.

**Steve Nash | CEO**



#### HELPING MEMBERS LEARN AND GROW

In 12 months we have sold

**43,806** CPD courses\*  
\*Includes MOT Training and Assessment



#### TOP 3 CPD SELLERS\*

**Electric Vehicles Level 2&3**

Electric Vehicles Level 4

**Electric Vehicle Learning**

\*Excludes MOT Training and Assessment



## Chief Financial Officer's Report



Our strategic objective to develop talent and raise professional standards applies internally as well



### Performance

Despite extraordinary circumstances, the IMI delivered a strong performance again in 2020/21 with a Profit after Tax of £19k.

Turnover was £71m, £2.3m/24% down compared to last year, reflecting the unexpected events of the financial year in which a global pandemic brought huge challenges to the industry. Expenditure was £7.7m, £1.0m/12% down compared to last year, due to cost control and lower direct costs as a result of the reduced operational activity during national lockdown restrictions. The overall performance, helped by eLearning MOT products, financial initiatives and a gain on investments has afforded the organisation the opportunity to increase its reserves as well as support the continued investment required to deliver its strategic business objectives.

Financial initiatives contributed significantly to Profit After Tax and helped to offset the capital cost of investment in IT systems, product development was optimised and Research and Development Tax Credits utilised.

The IMI Board approved a budget surplus for 2021/22, which will allow continued capital investment in IT and web infrastructure, systems and products to support delivery of its business objectives.

### Risk Management

The directors of IMI have a robust risk management policy and keep the IMI Group's activities under constant review, particularly with regard to any major risks.

The risk management policy reflects the purpose and approach to risk management and the role of staff and senior management in identifying and reporting risk, and taking mitigating actions to reduce risk levels. There is an organisational risk register that identifies all known strategic risks assigned to individual risk owners. The risk register is reviewed monthly and includes mitigating actions to eliminate or reduce each risk.

Risk owners are trained to identify risks, implement mitigating strategies and to deal with issues that arise. Risks which are considered to be high in impact and likelihood are reported to the IMI Board twice a year. Any interim significant high impact changes in risk levels are reported to the IMI Board as they occur. A number of independent quality assurance committees for IMI continue to function to ensure that the activities of the group are closely monitored.

The principal risks as identified by the directors are:

- Loss of apprenticeship income as the new apprenticeship standards are introduced. To mitigate this risk, the IMI continues to ensure it is the Awarding Organisation of choice for the sector by maintaining close engagement with employers and manufacturers and developing products in line with industry requirements.
- Due to Covid-19, IMI approved centres operations and learner engagement is restricted. Therefore unable to deliver apprenticeship standards End-point Assessments, recognition and certification solutions at the same levels as budget expectations. To mitigate this risk, the IMI has an increased focus on cost efficiencies and are exploring other opportunities to support our centres with interim solutions.



### Brexit

The Executive team, in consultation with the IMI Board, will continue to consider and plan for any longer term risks as the full effects of Brexit become clearer, but there are no obvious challenges to our strategy. The UK is still our core market and our growth overseas is largely outside of the EU.

### Scope of responsibility

The CEO has IMI Board delegated responsibility for maintaining a sound system of internal control that supports the achievement of the IMI policies, aims and objectives as set out in the IMI Strategic Plan and Financial Strategy whilst safeguarding the public funds and organisational assets, in accordance with the responsibilities assigned to the CEO in managing public money.

The IMI has been supported by the IMI Board who are responsible for:

- Agreeing and signing off the organisation's strategies and enabling frameworks
- Monitoring performance against annual business objectives and targets
- Identifying the central activities required to support delivery of the corporate plan and approving the annual budget
- Evaluating the impact of emerging issues or significant divergences from corporate and business objectives delivery.

The IMI Board is chaired by a non-executive Director (Kevin Finn) and comprises the organisation's CEO, two executive directors together with non-executive members. An Audit and Remuneration Committee of non-executive Directors supports the IMI Board and Executive team through monitoring and reviewing the adequacy and effectiveness within the organisation of:

- Corporate governance arrangements
- Processes for managing risks
- Internal audit and related activity
- Management responses to the recommendations resulting from internal audit work
- CEO Statements on Internal Control
- Financial Statements. >>>

**STRONG  
PERFORMANCE  
IN EXTRAORDINARY  
CIRCUMSTANCES**

**£19k**

Profit after tax

## DEVELOPING AND SUPPORTING OUR PEOPLE



**276 courses**  
taken by IMI staff



**79 wellbeing courses** taken



**Over 40** staff wellbeing surveys  
circulated during the pandemic

### The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the IMI policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised and to manage them efficiently, effectively and economically. The system of internal control has been in place in IMI for the year ended 31 March 2021 and up to the date of the approval of the Annual Report and accounts, and accords with Treasury guidance.

### Review of effectiveness

The CEO has IMI Board delegated responsibility for reviewing the effectiveness of the system of internal control. That review of the effectiveness of the system of internal control is informed by the Senior Management Team and other managers within the organisation, who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports.

The IMI Board is the governing body of the organisation and carries responsibilities for setting IMI policy priorities and for promoting the efficient and effective use of staff and other resources whilst ensuring that it fulfils its aims and objectives. The main responsibilities of the IMI Board are as follows:

- It has a duty to enable the organisation to achieve its strategic aims. This responsibility includes considering and approving the organisation's final Strategic Plan and Business Objectives and resource deployment.
- It regularly monitors the performance of the organisation against its planned strategies and key performance indicators.
- The IMI Board's financial responsibilities include ensuring the solvency of the organisation and safeguarding its assets and receiving and approving the Annual Report and Accounts.
- It is entrusted with public funding and therefore has a particular duty to observe the highest standards of corporate governance. This includes ensuring and demonstrating integrity and objectivity in the transactions of IMI and, wherever possible, following a policy of openness and transparency in the dissemination of decisions
- It has oversight of the organisation's arrangements for internal and external audit, as well as ensuring the existence and integrity of financial and other control systems. This responsibility is delegated to the Audit and Remuneration Committee.

### Corporate social responsibility

Our continuing work as a not-for-profit organisation supporting members and promoting the motor industry demonstrates the importance we place on our social responsibility. We continue to work on behalf of the automotive sector, together with the people we employ. The support we give our community locally and industry-wide, as well as our efforts to care for the environment ensure that the IMI has a positive impact on society, the environment and the automotive sector.



## People

Our vision is to offer our employees meaningful work with a clear purpose in an attractive work environment where everyone feels welcome, valued and able to contribute. Our strategic objective to develop talent and raise professional standards applies internally as well.

Due to the current pandemic, there has been an increased focus on health and wellbeing which has helped maintain the service to our members at the highest level possible. We involve staff in monthly communication meetings, hold an annual business plan sharing day together with separate team sessions throughout the year. This helps us ensure all staff have clarity on what the objectives are and how they contribute to them.

Our Social Committee organises fun and charity events throughout the year.

*“Our vision is to offer our employees meaningful work with a clear purpose in an attractive work environment where everyone feels welcome, valued and able to contribute”*

## Environment

We work in a way which is as environmentally friendly as possible, through careful purchasing, printing and recycling. No office waste goes to landfill but is recycled or re-used; our IT equipment is energy star rated and efficient; we maintain and cherish our Grade II listed head office building, and support the local wildlife trust while maintaining our grounds as a “corridor for wildlife”. Again this year we are making available the Annual Report to all our members on the website, thereby saving printing, paper and distribution, and Member Association events are sent out via email rather than post. Our own fleet of company cars has green options and we provide free electric charging points at our head office. Staff can opt for paperless payslips, we are reducing the use of single-use plastics and our plastic waste is recycled.

## Community

As an organisation, we support BEN, the automotive charity, through payroll giving and supporting their Christmas event. We also hold charity events to raise funds and BEN is the charity supported by the Annual Dinner raffle, which due to national lockdown restrictions did not go ahead in this financial year.

**Simon James** | Chief Financial Officer



## Chief Operating Officer's Report



At a time of social and industry transformation, I'm excited about how the IMI has been able to support the automotive sector and help to map its future



The IMI's centenary year was memorable, though not for the reasons we expected. I'm so proud of the way the whole IMI team has been able to support our members, Centres, apprentices, young people and indeed the wider automotive community through the Coronavirus pandemic. The IMI really has lived up to our core mission during a time of huge challenge and change.

### Supporting our membership community

As soon as the pandemic struck, we took a number of steps to support our membership community. Indeed, our decision to make minimal use of the government's furlough scheme was taken specifically so that our people would be on hand to support the IMI membership community.

We created an online Covid hub and updated this regularly with new information and resources. We launched and hosted webinars to address and answer questions about the fast-changing situation. We created new member benefits that would help members' careers. Our membership team engaged with literally hundreds of people via supportive member wellbeing calls.

Membership growth was strong in the year with the total number of new members in the period 1 April 2020 to 31 March 2021 at 10,578. This seems to indicate that professional recognition and development are important to people in a volatile work environment.

We also saw a large increase in membership benefit usage, particularly careers support. In one two-month period, careers support saw in excess of 1,300 members using this service with 365 members accessing soft skills and management content.

### Supporting IMI Centres

Face-to-face learning had to stop during the lockdowns of 2020/21 and this obviously had a dramatic effect on IMI Centres. It was our responsibility to support our Centres so that this would not, in turn, have a negative impact on thousands of learners achieving their qualifications in a timely manner.

To help colleges and training providers navigate this hugely challenging situation, we delivered 26 webinars to a global audience, explaining the changes in the regulatory frameworks and other related issues. We launched a number of initiatives, including virtual Centre visits, so that IMI teams could visit and offer support; in total, 1,800 engagement activities were delivered remotely to support IMI centre staff. A huge amount of work also went into helping IMI Centres with 'adaptations' and centre assessment grades, forced on them as a result of the Extraordinary Regulated Framework, that was introduced during spring 2020, from the qualification regulators.

### Supporting apprentices and young people

The Covid-19 pandemic had a huge impact on automotive apprenticeships. Many apprenticeship programmes were stalled and apprentices put on furlough. The IMI team rose to this challenge by making sure that many apprentices were able to complete their end-point assessments either virtually or in-person in a Covid-secure way. In total, 582 apprentices undertook EPA activities, across eight different Apprenticeship Standards.

Due to the pandemic, WorldSkills UK made the decision to pause their annual event which meant that young automotive professionals were unable to showcase >>>



INSPIRING THE FUTURE  
OF AUTOMOTIVE

**582**

apprentices undertook  
EPA Activities across

**8**

different Apprenticeship  
Standards





their skills. By the time the event was postponed, we had over 300 competitors registered who had completed their passive stage and, 84 people who were set to progress to the National Qualifiers. We didn't want them to be disappointed and so, we made the decision to run our own competition, the IMI Skills Competition of which we had excellent take up with 93% of registrants completing the competition.

To support each individual, we also created digital toolkits which gave hints and tips on career progression routes and access to a range of training resources.

### Increasing diversity

There is already strong evidence that a diverse workplace delivers a better customer experience and improved performance and profitability. This is a hugely important issue for the automotive sector, which lags behind other industries in terms of workforce diversity.

The automotive sector needs to attract, develop and nurture a more diverse workforce to help cope with the challenges it faces in the future. We need to make the sector a more attractive place to work for all individuals but specifically for those currently under-represented in the workforce. With this in mind, the IMI launched a Diversity Task Force led by the President, Professor Jim Saker.

A lot of good work has already been done on highlighting and addressing the gender imbalance in the automotive sector – which is of course important – but the IMI's Task Force has taken the decision to widen the diversity discussion and focus on a broader set of issues by setting up three key working groups to understand challenges relating to: race and ethnicity; physical and non-visible disabilities; and gender identity.

In each of these areas, the working group will work with subject matter experts and representatives from across the automotive workforce to better understand the challenges and generate case studies, examples of best practice as well as recommendations for change.

At a time of social and industry transformation, I'm excited about how the IMI has been able to support the automotive sector and help to map its future.

A GROWING COMMUNITY

**11,142**

Retained  
members

**10,578**

New members

**OVER**

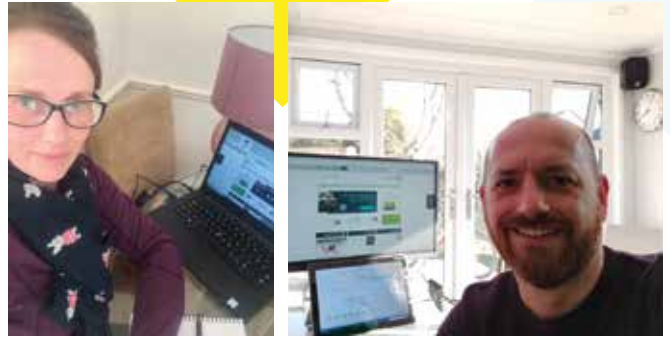
**85,000**

Members

# The IMI A Year In Pictures

As we've transitioned through the global COVID-19 pandemic, we've embraced change and found new ways to support people in automotive; we've taken our offering online and, on-boarded new platforms to help our community feel supported.

Here are a few highlights...



### Adapting how we worked, to help others

In our centenary year, and despite all the challenges of remote working, the IMI team focused back on our core mission of supporting individual automotive professionals and the wider industry



### Helping the sector through significant change

The year 2020/21 was dominated by the Coronavirus pandemic. Workplaces, training centres and colleges were forced to close. The impact on the automotive sector was profound

### Delivering topical and useful MOT support with MotorPro

For people working in the MOT sector, 2020/21 was a confusing and difficult time. The IMI worked closely with the DVSA to keep MOT testers informed, and even produced an MOT-focused edition of the member magazine MotorPro



### Helping people with careers advice and guidance

The pandemic was a time of challenge and change for many people. Redundancies were common, sadly. Many in the sector were put on furlough. The IMI launched our biggest ever offer to members with our IMI Careers Hub and reached thousands of people via our virtual careers fairs



### Taking IMI member support online

Almost all face-to-face training stopped during the pandemic, but the IMI team worked tirelessly to keep IMI Centres updated on regulatory changes. In total, we held 26 support webinars

In a volatile period, we saw many new automotive professionals join the IMI. To help them understand the value of being part of the IMI family, we launched new member webinars



### Giving young people a platform to share their talent

Young people were severely affected by the pandemic. To help them showcase their talents, the IMI successfully ran our first virtual IMI Skills Competitions with WorldSkills UK





**On boarding new ways for our members to reach us**

Offering personal support to the IMI membership community has been our mantra in the pandemic. We successfully launched a new Web Chat function on our website and already have a strong TrustPilot score



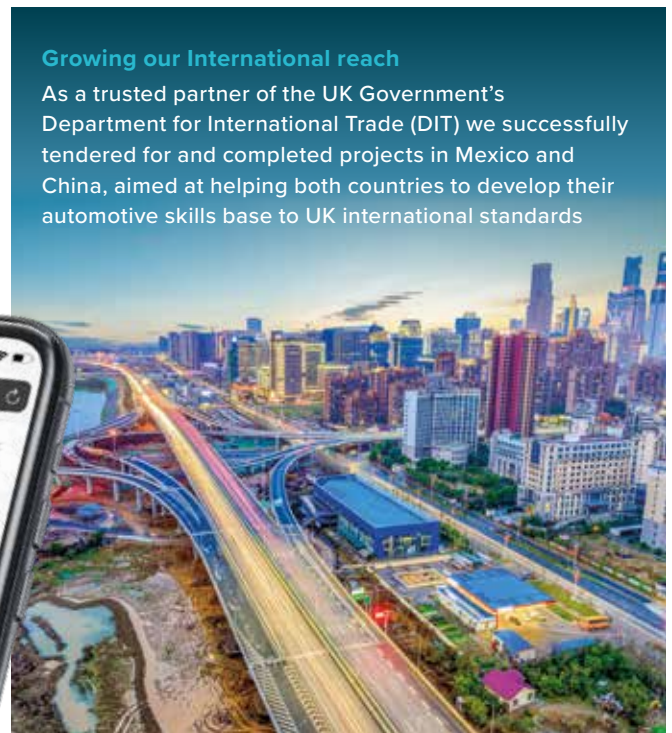
**Lobbying government to gain more sector support**

While working from home, the IMI's chief executive Steve Nash has engaged at the highest levels of government, including with Skills Minister Gillian Keegan (a former automotive apprentice!), to lobby for the automotive sector



**Placing focus on diversity and inclusion in the sector**

There's a lot of evidence to show that women were disproportionately negatively impacted by the pandemic. Not only did we celebrate our own IMI women on International Women's Day, we also launched a new Diversity Task Force. This will explore issues of race and ethnicity; physical and non-visible disabilities; and gender identity

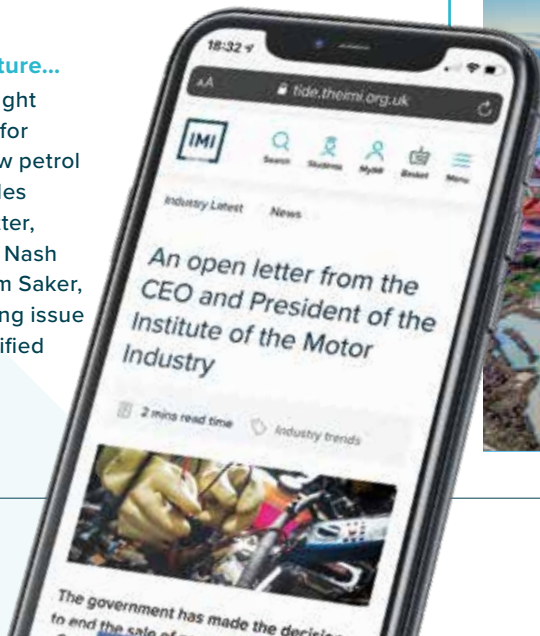


**Growing our International reach**

As a trusted partner of the UK Government's Department for International Trade (DIT) we successfully tendered for and completed projects in Mexico and China, aimed at helping both countries to develop their automotive skills base to UK international standards

**Preparing for the future...**

The government brought forward the deadline for ending the sale of new petrol and diesel light vehicles to 2030. Our open letter, written by CEO Steve Nash and new President Jim Saker, highlighted the looming issue of the lack of EV-qualified technicians



The directors present their report and the financial statements for the year ended 31 March 2021.

### Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the group and parent company 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 they have elected to prepare the group and parent company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 parent company and of the group's profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

### Principal Activity

The principal activity of the Group during the year was that of a professional body, awarding body, end point assessment organisation and Sector Skills Council.

### Limited by guarantee

The company is limited by guarantee. In the case of a winding up, the current members of the Institute are guarantors for an amount not exceeding £1 each.

### Results and dividends

The surplus for the year, after taxation, amounted to £18,603 (2020 - £476,938).

No dividends were paid in the year (2020 - £nil).

Charitable donations in the period were £5,348 (2020 - £33,969).

### Directors

K Finn (Chair)  
S Nash (Chief Executive Officer)  
S James (Chief Financial Officer)  
K L Woolley (Chief Operating Officer)  
T Murphy  
A Tomsett - (Hon Treasurer)  
A Davies  
M Crandon  
R Siney  
G Braddock  
M Rogers  
A Simms  
E Hills (Joined September 2020)  
R Leech (Joined September 2020)  
S Martindale (Resigned 27th October 2020)





#### Matters covered in the strategic report

The Directors have included a business review within the strategic report. Also included in the strategic report are details of future developments by the group, the principal risks and uncertainties and a review of the key performance indicators as assessed by the directors.

#### Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware,
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

This report was approved by the board on 7th July 2021 and signed on its behalf.

**Steve Nash** | Chief Executive



### Opinion

We have audited the financial statements of The Institute of The Motor Industry ("the company") for the year ended 31 March 2021 which comprise the Consolidated Statement of Comprehensive Income, Consolidated and Company Statements of Financial Position, Consolidated and Company Statements of Changes in Equity, Consolidated Statement of Cash Flows and related notes, including the accounting policies in note 1.

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 March 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the company or to cease their operations, and as they have concluded that the group and the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the group and company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the group or the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the group or the company will continue in operation.



### Fraud and breaches of laws and regulations – ability to detect

#### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Group’s high-level policies and procedures to prevent and detect fraud including the Group’s channel for “whistleblowing”, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and Audit and Remuneration Committee meeting minutes.
- Considering remuneration incentive schemes and performance targets for management and directors.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. This included unusual double entry combinations impacting revenue, unusual double entry combinations impacting cash and journal entries containing key words.

#### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies’ legislation), distributable profits legislation, taxation legislation and regulation set by Ofqual (England), SQA (Scotland), Qualifications Wales (Wales) and CCEA (Northern Ireland). These are specific to the industry and enable the Institute to operate as an awarding organisation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

We identified the following areas as those most likely to have such an effect: data protection regulations, health and safety, anti-bribery, employment and environmental. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

#### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations. >>>

### Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report, and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

### Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

### Directors' responsibilities

As explained more fully in their statement set out on page 22, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### The purpose of our audit work and to whom we owe our responsibilities

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

*B. J. Stapleton*

Benjamin Stapleton (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
12 July 2021

Chartered Accountants  
58 Clarendon Road  
Watford  
Hertfordshire  
WD17 1DE





# FINANCIAL STATEMENTS

Year ended 31 March 2021

## Consolidated Statement of Comprehensive Income

For the Year Ended 31 March 2021

	Note	2021 £	2020 £
Turnover	3	7,050,106	9,325,378
Cost of sales		(2,145,426)	(2,452,958)
<b>Gross profit</b>		<b>4,904,680</b>	<b>6,872,420</b>
Administrative expenses		(5,531,854)	(6,267,566)
<b>Operating (loss)/profit</b>	4	<b>(627,174)</b>	<b>604,854</b>
Income from fixed assets investments		18,844	42,387
Interest receivable and similar income		447	2,916
Changes in fair value of investments		194,795	(173,219)
<b>(Loss)/profit before taxation</b>		<b>(413,089)</b>	<b>476,938</b>
Taxation on (loss)/profit	7	431,691	-
<b>Profit for the year</b>		<b>18,603</b>	<b>476,938</b>
Total comprehensive income for the year attributable to:			
Members of the parent Company		18,603	476,938

There was no other comprehensive income for 2021 (2020: £nil).

The notes on pages 34 to 46 form part of these financial statements.

## Consolidated Statement of Financial Position

As at 31 March 2021

	Note	2021 £	2021 £	2020 £	2020 £
<b>Non Current Assets</b>					
Intangible Assets	8		3,287,567		3,293,291
Tangible assets	9		501,199		485,181
Investments	10		240,687		1,835,893
			<b>4,029,452</b>		<b>5,614,365</b>
<b>Current Assets</b>					
Stocks	11	13,969		13,969	
Debtors	12	1,953,537		2,099,239	
Cash		3,650,602		2,285,267	
		<b>5,618,107</b>		<b>4,398,475</b>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	13	<b>(1,477,844)</b>		<b>(1,861,725)</b>	
<b>Net Current assets</b>			4,140,264		2,536,750
<b>Net Assets</b>			<b>8,169,716</b>		<b>8,151,114</b>
<b>Capital and reserves</b>					
Other reserves	15		27,598		27,598
P&L Account			8,142,118		8,123,516
			<b>8,169,716</b>		<b>8,151,114</b>

Company registered number: 00225180

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 July 2021.

The notes on pages 34 to 46 form part of these financial statements.



**Steve Nash**  
Director



## Company Statement of Financial Position

As at 31 March 2021

	Note	2021 £	2021 £	2020 £	2020 £
<b>Non Current Assets</b>					
Intangible Assets	8		3,287,567		3,293,291
Tangible assets	9		501,199		485,181
Investments	10		240,687		1,835,893
			<b>4,029,452</b>		<b>5,614,365</b>
<b>Current Assets</b>					
Stocks	11	13,969		13,969	
Debtors	12	1,953,537		2,099,239	
Cash		3,650,602		2,285,267	
		<b>5,618,107</b>		<b>4,398,475</b>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	13	<b>(1,477,844)</b>		<b>(1,861,726)</b>	
<b>Net Current assets</b>			<b>4,140,264</b>		<b>2,536,749</b>
<b>Net Assets</b>			<b>8,169,716</b>		<b>8,151,114</b>
<b>Capital and reserves</b>					
Other reserves	15		27,598		27,598
P&L Account			8,142,118		8,123,516
			<b>8,169,716</b>		<b>8,151,114</b>

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent Company for the year was £18,603 (2020 - profit £476,938).

Company registered number: 00225180

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 July 2021.

The notes on pages 34 to 46 form part of these financial statements.



**Steve Nash**  
Director

## Consolidated Statement of Changes in Equity

For the Year Ended 31 March 2021

	Educational prize fund £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
At 1 April 2020	27,598	8,123,516	8,151,114	8,151,114
<b>Comprehensive income for the year</b>				
Profit for the year	-	18,603	18,603	18,603
<b>Total comprehensive income for the year</b>	-	18,603	18,603	18,603
<b>At 31 March 2021</b>	<b>27,598</b>	<b>8,142,118</b>	<b>8,169,716</b>	<b>8,169,716</b>

## Consolidated Statement of Changes in Equity

For the Year Ended 31 March 2020

	Educational prize fund £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
At 1 April 2019	27,598	7,646,578	7,674,176	7,674,176
<b>Comprehensive income for the year</b>				
Profit for the year	-	476,938	476,938	476,938
<b>Total comprehensive income for the year</b>	-	476,938	476,938	476,938
<b>At 31 March 2020</b>	<b>27,598</b>	<b>8,123,516</b>	<b>8,151,114</b>	<b>8,151,114</b>

The notes on pages 34 to 46 form part of these financial statements.

## Company Statement of Changes in Equity

For the Year Ended 31 March 2021

	Educational prize fund £	Profit and loss account £	Total equity £
At 1 April 2020	27,598	8,123,516	8,151,114
<b>Comprehensive income for the year</b>			
Profit for the year	-	18,603	18,603
<b>Total comprehensive income for the year</b>	-	18,603	18,603
<b>At 31 March 2021</b>	<b>27,598</b>	<b>8,142,118</b>	<b>8,169,716</b>

## Company Statement of Changes in Equity

For the Year Ended 31 March 2020

	Educational prize fund £	Profit and loss account £	Total equity £
At 1 April 2019	27,598	7,646,578	7,674,176
<b>Comprehensive income for the year</b>			
Profit for the year	-	476,938	476,938
<b>Total comprehensive income for the year</b>	-	476,938	476,938
<b>At 31 March 2020</b>	<b>27,598</b>	<b>8,123,516</b>	<b>8,151,114</b>

The notes on pages 34 to 46 form part of these financial statements.



## Consolidated Statement of Cash Flows

For the Year Ended 31 March 2021

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Profit for the financial year		18,603	476,938
<b>Adjustments for:</b>			
Amortisation of intangible assets	8	893,809	672,743
Depreciation of tangible assets	9	44,204	58,513
Decrease/(increase) in stocks		-	13,969
Interest received		(447)	(2,916)
Taxation credit		(431,691)	-
Decrease/(increase) in debtors		344,009	157,703
(Decrease)/increase in creditors		(383,881)	71,466
Fair value (gains)/losses recognised in profit and loss		(194,795)	173,219
Investment income		(18,844)	(42,387)
Corporation tax received		233,384	-
<b>Net cash generated from operating activities</b>		<b>504,350</b>	<b>1,579,248</b>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		(888,085)	(937,755)
Purchase of tangible fixed assets		(60,221)	(33,027)
Purchase of listed investments		-	-
Sale of listed investments		1,790,000	-
Interest received		447	2,916
Investment income		18,844	42,387
<b>Net cash from/(used in) investing activities</b>		<b>860,985</b>	<b>(925,479)</b>
<b>Net increase in cash and cash equivalents</b>		<b>1,365,335</b>	<b>653,769</b>
Cash and cash equivalents at beginning of year		2,285,267	1,631,498
<b>Cash and cash equivalents at the end of year</b>		<b>3,650,602</b>	<b>2,285,267</b>
<b>Cash and cash equivalents at the end of year comprise:</b>			
Cash at bank and in hand		3,650,602	2,285,267
		3,650,602	2,285,267

## Notes to the Financial Statements

For the Year Ended 31 March 2021

### 1. Accounting policies

#### 1.1 Basis of preparation of financial statements

The Institute of the Motor Industry is a company limited by guarantee and incorporated in England and Wales under the Companies Act. The address of the registered office is given on the company information page and details of the principal activities are given in the strategic report.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 2).

The group financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons. Despite the impact of the pandemic on the organisation's activities, the group has realised a surplus for the year ended 31 March 2021 of £19k and the aggregate of cash and liquid investments at the year-end was £3,890k. These assets represent a strong balance sheet and liquidity position, and the directors expect to achieve a surplus result in the coming financial year.

The directors have prepared cash flow forecasts for the period to 31 July 2022. In preparing these forecasts they have considered the potential ongoing impact of Covid-19 on the group and its operations. Specifically, they have considered a severe but plausible downside scenario in which the reduced level of revenues earned during the 2020/21 financial year continues until 31 December 2021 followed by a recovery to more normal levels. The forecasts also take into account potential cost mitigation actions which are within the group's control. These forecasts indicate that, even in the severe but plausible downsides considered, the group will have sufficient funds to meet its liabilities as they fall due for that period.

The following principal accounting policies have been applied:

#### 1.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its owned subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

#### 1.3 Turnover

Turnover represents amounts receivable in respect of membership, examination, registration and centre fees receivable during the year in accordance with applicable accounting standards. Income is recognised on an accruals basis. Membership income is recognised on a straight line basis over the period of membership.

#### 1.4 Intangible assets

##### Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Income Statement over its useful economic life.

Estimates of the useful economic life of goodwill are based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

#### 1.4 Intangible assets (continued)

##### Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

The expected useful economic life of software and product development costs are estimated based on business plans which set out the period over which the asset is expected to generate economic benefits.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

The estimated useful lives range as follows:

Software development costs	7 years
Product development costs	3-5 years
Goodwill	12 years

#### 1.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, except for freehold property, using the following methods.

Depreciation is provided on the following basis:

Fixtures and fittings	10% - 33% per annum
Computer equipment	33% per annum

Freehold property has not been depreciated as the directors consider that the residual value of the property is so high, that any depreciation charged would be both annually and cumulatively immaterial.

#### 1.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in listed company shares are remeasured to market value at each Statement of Financial Position date. Gains & losses on remeasurement are recognised in profit or loss for the period.

#### 1.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

#### 1.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### 1.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

#### 1.10 Financial assets

Financial assets, other than investments, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

#### 1.11 Financial liabilities

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

#### 1.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.



**1.13 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Consolidated Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

**1.14 Foreign currency translation****Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

**1.15 Leased assets: the Group as a lessee**

Assets obtained under hire purchase contract and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Consolidated Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**1.16 Pensions****Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

**1.17 Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of Financial Position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of Financial Position date.

**1.18 Interest income**

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

**1.19 Taxation**

Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Tax refunds in respect of research and development claims and similar items are recognised as income once the directors are virtually certain as to the success of the claim.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;

### 1.19 Taxation (continued)

- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

## 2. Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the group as a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the group's tangible and intangible fixed assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future performance of the asset and where it is the component of a larger cash generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty:

### Tangible fixed assets (see note 9)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

### Intangible fixed assets (see note 8)

Intangible fixed assets are amortised over their useful lives taking into account the time over which the intangible asset will provide benefit to the company. In assessing the life of the intangible the directors consider market conditions and the current benefit provided to the company.

### 3. Turnover

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
Fees - Awarding body	4,073,215	5,372,100
Professional body	846,655	1,062,628
Other income	2,130,236	2,890,650
Total	7,050,106	9,325,378

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	6,875,724	8,992,129
Rest of the world	174,382	333,249
Total	7,050,106	9,325,378

### 4. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	44,204	58,513
Amortisation of intangible assets, including goodwill	893,809	672,743
Exchange differences	3,404	945
Defined contribution pension cost	356,755	335,392
Payments under operating leases	170,204	142,867
Fees payable to the Group's auditor and its associates for the audit of the company's annual accounts	30,000	28,500
Fees payable to the Group's auditor and its associates for other services to the group		
Taxation advisory services	21,625	30,000
IT advisory services	46,500	-



## 5. Employees

Staff costs, including directors' remuneration, were as follows:

	2021 £	2020 £
Wages and salaries	3,490,260	3,601,960
Social security	360,338	376,755
Cost of defined contribution scheme	356,755	335,392
	<u>4,207,353</u>	<u>4,314,107</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Office and management	95	95
Directors	3	3
	<u>98</u>	<u>98</u>

The Group has taken advantage of the Government Coronavirus Job Retention Scheme in 2020. The staff costs above are shown net of the claims made of £24,026, including £23,740 claim against wages and salaries, £224 against social security costs and £63 against pension costs.

## 6. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	495,463	608,669
Company contributions to defined contribution pension schemes	10,426	26,921
	<u>505,889</u>	<u>635,590</u>

During the year retirement benefits were accruing to 2 directors (2020 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £240,672 (2020 - £290,652).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2020 - £Nil).

## 7. Taxation

	2021 £	2020 £
<b>Corporation tax</b>		
Current tax on income for the period	-	-
Adjustments in respect of previous periods	(431,691)	-
<b>Total current tax credit</b>	<b>(431,691)</b>	<b>-</b>

### Factors affecting tax credit for the year

The current tax credit for the period is lower than the standard rate of corporation tax in the UK.

The differences are explained below:

	2021 £	2020 £
Profit/(loss) on ordinary activities before tax	(413,089)	476,938
Total tax at 19.00%	(78,487)	90,618
<b>Effects of:</b>		
Adjustment in respect of previous periods	(431,691)	-
Deferred tax movement not recognised	359,349	(80,803)
Non-taxable income	(280,862)	(9,815)
<b>Total tax credit for the year</b>	<b>(431,691)</b>	<b>-</b>

### Factors that may affect future tax charges

The Institute of the Motor Industry has unutilised gross tax losses carried forward of £7,929,503 (2020 - £3,839,966) available for carry forward against future trading profits of the Institute of the Motor Industry.

The group has recognised net deferred tax of £Nil comprising a net liability for accelerated capital allowances of £545,755 and a net asset for trading losses carried forward of £541,345. In addition, an unrecognised net asset of £965,261 is carried for in relation to tax losses. The deferred tax asset has not been recognised due to the uncertain timing of their reversal. All deferred tax has been calculated at an expected tax rate of 19%. The group is exploring the opportunity to make a further research and development claim in respect of its development expenditure. A successful claim will impact the future tax charge.

An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly and increase the net deferred tax asset by £nil.

## 8. Intangible assets

### Group and Company

	Software and product development costs £	Goodwill £	Total £
<b>Cost</b>			
At 1 April 2020	4,611,368	550,000	5,161,368
Additions	888,085	-	888,085
At 31 March 2021	5,499,453	550,000	6,049,453
<b>Amortisation</b>			
At 1 April 2020	1,593,079	274,998	1,868,077
Charge for the year	847,975	45,833	893,809
At 31 March 2021	2,441,054	320,831	2,761,886
<b>Net book value</b>			
At 31 March 2021	3,058,398	229,169	3,287,567
At 31 March 2020	3,018,289	275,002	3,293,291

## 9. Tangible fixed assets

### Group and Company

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>					
At 1 April 2020	396,653	19,037	1,085,635	447,314	1,948,639
Additions	-	-	32,297	27,925	60,221
Disposals	-	(19,037)	-	-	(19,037)
At 31 March 2021	396,653	-	1,117,931	475,239	1,989,824
<b>Depreciation</b>					
At 1 April 2020	-	19,037	1,020,348	424,073	1,463,458
Charge for the year	-	-	24,072	20,132	44,204
Disposals	-	(19,037)	-	-	(19,037)
At 31 March 2021	-	-	1,044,420	444,205	1,488,625
<b>Net book value</b>					
At 31 March 2021	396,653	-	73,512	31,034	501,199
At 31 March 2020	396,653	-	65,287	23,241	485,181

## 10. Fixed asset investments

### Group

	Listed investments £
<b>Cost</b>	
At 1 April 2020	1,835,892
Disposals	(1,790,000)
Revaluations	194,795
At 31 March 2021	240,687
<b>Net book value</b>	
At 31 March 2020	1,835,892
At 31 March 2021	240,687



## 10. Fixed asset investments (continued)

### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
IMI Awards Limited	Ordinary shares	100%	Dormant
Motor Industry Management Limited	Ordinary shares	100%	Dormant
The College of the Motor Industry Limited	Ordinary shares	100%	Dormant

The above subsidiaries share a registered office address with the company, which can be found on the company information page.

### Company

	Investments in subsidiary companies £	Listed investments £	Total £
<b>Cost</b>			
At 1 April 2020	1	1,835,892	1,835,893
Additions	-	-	-
Disposals	-	(1,790,000)	(1,790,000)
Revaluations	-	194,794	194,794
At 31 March 2021	1	240,686	240,687
<b>Net book value</b>			
At 1 April 2020	1	1,835,892	1,835,893
At 31 March 2021	1	240,686	240,687

## 11. Stocks

### Group and Company

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Finished goods and goods for resale	13,969	13,969	13,969	13,969

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Stock recognised in cost of sales during the year as an expense was £nil (2020 - £13,969).

## 12. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	884,966	1,093,247	884,966	1,093,247
Other debtors	263,656	82,713	263,656	82,713
Prepayments and accrued income	804,914	923,279	804,914	923,279
<b>Total</b>	<b>1,953,537</b>	<b>2,099,239</b>	<b>1,953,537</b>	<b>2,099,239</b>

The impairment loss recognised in the group statement of comprehensive income for the year in respect of bad and doubtful trade debtors was £5,979 (2020 - £Nil).

## 13. Creditors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade creditors	452,584	481,687	452,584	481,687
Amounts owed to group undertakings	-	-	-	1
Taxation and social security	287,954	181,344	287,954	181,344
Other creditors	15,233	53,648	15,233	53,648
Accruals and deferred income	722,074	1,145,046	722,074	1,145,046
<b>Total</b>	<b>1,477,844</b>	<b>1,861,725</b>	<b>1,477,844</b>	<b>1,861,726</b>

## 14. Financial instruments

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Financial assets measured at fair value through profit or loss	240,687	1,835,892	240,687	1,835,892
Financial assets that are equity instruments measured at cost less impairment	-	-	-	1
Financial assets that are debt instruments measured at amortised cost	4,535,569	3,378,515	4,535,569	3,378,515
<b>Total</b>	<b>4,776,256</b>	<b>5,214,407</b>	<b>4,776,256</b>	<b>5,214,408</b>
Financial liabilities measured at amortised cost	(1,189,890)	(1,680,381)	(1,189,890)	(1,680,382)
<b>Total</b>	<b>3,586,366</b>	<b>3,534,026</b>	<b>3,586,366</b>	<b>3,534,026</b>

Financial assets measured at amortised cost comprise cash and trade debtors.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, other creditors, accruals and deferred income.

## 15. Reserves

### Educational prize fund

This reserve represents bequests received by the Institute, which are to be distributed as specific awards. Upon issue of an appropriate award a transfer is made from the reserve to the profit and loss account, until the fund is fully utilised.

### Profit and loss account

This reserve represents the accumulated profits and losses, less dividends paid and other adjustments.

## 16. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £356,755 (2020 - £335,392). Contributions totalling £901 (2020 - £28,283) were payable to the fund at the reporting date.

## 17. Commitments under operating leases

At 31 March 2021 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Not later than 1 year	107,185	135,380	107,185	135,380
Later than 1 year and not later than 5 years	111,214	212,239	111,214	212,239
Total	218,399	347,619	218,399	347,619

## 18. Related party transactions

During the year the Institute made transactions with the following entities, with directors in common.

	2021 £	2020 £
Federation of Awarding Bodies	2,680	2,680
Autologic Diagnostics Limited	2,746	313
RMI S&C and Retail Motor Industry	2,316	11,437

During the year the Institute paid membership fees amounting to £2,680 (2020 - £2,680) to Federation of Awarding Bodies, a company of which S James is a director.

RMI S&C and Retail Motor Industry owed the Institute £123 at the reporting date.

K Finn was a director of Autologic Diagnostics Limited & RMI S&C and Retail Motor Industry.

Autologic Diagnostics Limited owed the Institute £1,373 at the reporting date, while FAB had no amount owing to the Institute.

At the reporting date £5,348 (2020: £24,769) has been provided by the Institute as charitable donation to BEN, a charity of which S Nash is a trustee.

Key management personnel include all directors and a number of senior management across the Group who together have authority and responsibility for planning, directing and controlling the activities of the group. The total compensation paid to key management personnel for services provided to the Group was £1,117,711 (2020 - £1,067,726).

## 19. Controlling party

The company is controlled by its members, and as such has no ultimate controlling party.







**INSTITUTE**  
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