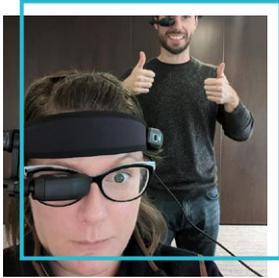
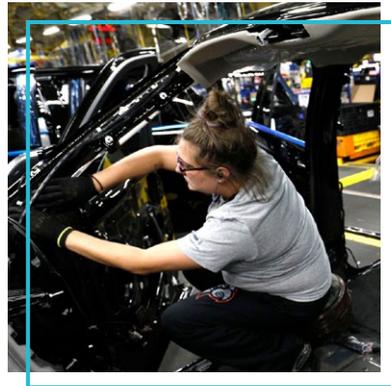




INSTITUTE OF THE
MOTOR INDUSTRY



ANNUAL REPORT 2023



Highlights of our Year

- **94K+** members across **74** countries
- **34,203** student members, increased by **3,590** (12% increase)
- **540** IMI Centres
- IMI careers activity reached **112,567** young people and **26,848** teachers and advisors
- **1,491,909** unique website visits
- Grew the IMI TechSafe community from **3,265** to **9,496**
- **73%** member satisfaction rate, increased by **6%**
- **Equity, Diversity and Inclusion** Resource Hub launched
- **139** pledges signed for **Equity, Diversity and Inclusion**
- **22,820** LinkedIn followers, with **6,803** new followers for Policy Watch
- **88,000** individuals recognised for their achievements
- Net promoter score of **23** (increase of 13 points)
- **1,143** pieces of PR coverage, with an audience reach of **4,300,000**
- **5.6%** of national media coverage including broadcast media
- Representing **846,000** individuals working within UK automotive
- **10,000th** apprentice milestone achieved

Company Information

Directors

K Finn (Chair)

S Nash (Chief Executive Officer)

S James (Chief Financial Officer)

K L Woolley (Chief Operating Officer)

A Tomsett (Honorary Treasurer)

M Crandon

A Davies

Dr E Hills

R Leech

C Mason

I Plummer

M Rogers

A Simms

R Siney

Registered Number
00225180

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

Auditor
**Azets Audit Services,
Gladstone House,
77-79 High Street,
Egham,
Surrey,
TW20 9HY**



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Notice is hereby given

That an Ordinary General Meeting (being the one hundredth and third Annual General Meeting of the Institute) will be held digitally and at Fanshaws on Wednesday 25th October 2023 at 2.00 pm.

AGENDA

1. Apologies for absence
2. Minutes of the Annual General Meeting of 26 October 2022
3. Installation of President – 2023/2024
4. Installation of Vice Presidents – 2023/2024
5. Installation of Honorary Treasurer – 2023/2024
6. Declaration of Directors
7. Revenue Account and Balance Sheet of the Institute for the year ended 31 March 2023 and the Auditor's Report
8. Annual Report for the year ended 31 March 2023
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 Antonella Dimaria, IMI, Fanshaws, Brickendon, Hertford SG13 8PQ, or email ceooffice@theimi.org.uk

The Annual Report will be available on the IMI website from September 2023.

About Us

For 103 years the IMI has existed for the sole purpose to educate and train people working in an emerging automotive industry.

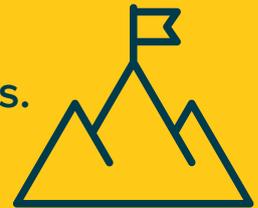
Our vision

is to build a skilled, adaptable, diverse and professional international automotive workforce.



Our mission

is to provide our members with the skills and professional recognition to achieve their career ambitions.



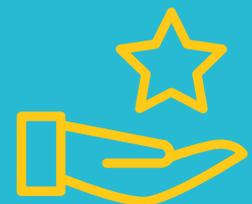
Our focus

is to support automotive professionals to be the best they can be across the globe.



Our values

Flexible
Responsive
Effective
Exemplary



Chair's Statement



“ The IMI is delivering against its mission of providing the best skills, solutions and tools for IMI members ”

I am pleased to report an excellent performance by the IMI in 2022/23. Against a volatile backdrop and in a rapidly changing automotive industry, the IMI is delivering against its mission of providing the best skills, solutions and tools for IMI members to fulfil their career ambitions.

I would like to highlight a few facts that illustrate that strong performance:

- The IMI has grown its **membership community to 94,454 across 74 countries**. This is an increase of 18,616 since April 2022
- There are now **540 IMI Centres** around the world
- IMI careers activity reached **112,567 young people** and **26,848 teachers and advisors**.

The IMI is showing real leadership in enabling the automotive sector to be seen as more inclusive and diverse. The IMI Diversity Task Force, led by IMI President Professor Jim Saker, is throwing new light on the challenges and barriers that under-represented groups face when working in, or trying to enter, the automotive sector. And they are working with the industry to make recommendations and develop solutions. This important activity is outlined in the Chief Operating Officer's report on page 11, and we are enormously grateful to the diverse group of industry leaders who have contributed to this.

In 2022/23, the IMI team, led by Chief Executive Steve Nash, was recognised in five industry awards, including Best Member Support during COVID-19, and the Motor Trader Outstanding Achievement Award 2022 for Steve Nash. This recognition was well deserved. In a very challenging post-pandemic environment, the IMI is developing products and services that are fit for a new era and generation of automotive professionals; delivering high levels of member satisfaction; and maintaining strong financial disciplines and performance.

Kevin Finn | Chair



Chief Executive Officer’s Report



“ The IMI’s vision – of a diverse, skilled, adaptable and professional international automotive workforce – is closer than ever ”

This year marks the conclusion of the IMI’s three-year strategic plan. In 2020, we established four key strategic priorities. That would underpin our work in the coming years:

- Inspiring Talent and Developing Skills
- Adapting to the Future
- Changing Perceptions and Instilling Confidence
- Embracing Emerging Technologies

1,143 pieces of PR coverage, with an audience reach of **4,300,000**

5.6% of national media coverage including broadcast media



Those years have certainly been eventful! A global pandemic, climate crisis, ongoing war in Europe, bewildering technological change, record skills shortages, supply chain trauma, rapid rises in the cost of living – they have all had a huge impact on the automotive sector and the people who work in it.

While the IMI has of course been impacted, I am pleased to report that we are making real and sustainable progress against all four strategic priorities. As a result, the IMI’s vision – of a diverse skilled, adaptable and professional international automotive workforce – is closer than ever, though there is lots of work still to do!



Inspiring Talent and Developing Skills

The IMI is playing a central role in helping the UK automotive industry meet its talent challenges, particularly record job vacancies and skills gaps.

To enable the industry to draw from the widest pool of talent, the IMI Diversity Task Force is providing evidence that is changing perceptions of the automotive industry. The Task Force is also delivering practical resources for organisations so that under-represented groups can thrive in the industry. We are already seeing positive impacts: in 2022/23 the IMI delivered its most diverse and inclusive WorldSkills Competition finals ever.

The IMI has engaged in ongoing positive negotiations with the government to get some key occupations such as light and heavy vehicle technicians, body and paint operatives onto the Shortage Occupation List – the means by which a controlled number of people can be brought into the UK to meet skills gaps.

Two years ago, in our ‘EV Revolution Interrupted’ research, the IMI identified the looming skills gap in the number of people qualified to work on electric vehicles in the UK. We highlighted the impact this would have on the government’s 2030 deadline for the phasing out of new petrol and diesel cars and vans. Today, in large part due to the IMI’s market-leading IMI TechSafe, that gap is closing. In 2022/23 the IMI TechSafe community of EV-qualified technicians tripled and currently has 9,496 on its Professional Register. Across the sector, 2022 saw a record number of technicians (14,800) certified to safely work on electric vehicles, boosting the total number of qualified technicians to 39,000 – that is 16% of all technicians in the UK.



Representing
846,000
individuals
working within
UK automotive

Grew the IMI
TechSafe
community
from **3,265**
to **9,496**



Overall, we ended the year with 24,897 members on our Professional Register, an increase of 4,377.

As more and more people see the value of recognised qualifications, particularly around the emerging automotive technologies, so the perceived value of IMI membership grows. This year the global IMI membership community grew to 94,454 – an increase of 18,616 since April 2022. This is a phenomenal achievement.

Indeed, IMI qualifications are becoming worldwide standards. The opening of IMI’s China office in Shanghai was a landmark event, facilitated by the UK Department for International Trade and its China equivalent, and underlines the efforts made by the IMI team to create appropriate standards around new vehicle technologies. It is our ambition to grow the IMI’s international footprint and to use technology to deliver further portable international solutions.

Adapting to the future

The automotive industry is at the nexus of many technological and societal changes, and the IMI is creating solutions that enable individuals and organisations to respond to these.

The IMI’s qualifications enable individuals to stay relevant in an era of unprecedented disruption. And by developing an appropriately skilled automotive workforce – participation in the IMI’s Electric Vehicle qualifications is 37% up on the previous year – we are enabling the industry to meet the environmental targets set by governments around the world.

I am pleased to report that the IMI is an increasingly influential voice in many areas of policy that affect the automotive industry. We have consistently delivered high-quality research and commentary on the future of automotive skills, and this year the IMI joined the Advisory Board for the All-Party Parliamentary Group for Employability.

One notable product innovation, among many, was the BS 10125 CPD solution. As a result of the IMI’s work, alongside other organisations, more body shops are now in a position to gain the appropriate qualifications and accreditations to take on insurance work.

The way that the IMI operates and delivers services for members is itself changing. To make the IMI’s Fanshaws headquarters a location that can be used by our community, we are investing in the facilities, principally in the public-facing areas. To reduce our own carbon footprint, we are moving to more environmentally friendly heat and energy sources, and the IMI is electrifying its own vehicle fleet.

Changing Perceptions and Instilling Confidence

For the IMI to make positive change, we must have the trust and confidence of our community. So, across all our activity, we are consulting extensively with members and industry organisations to create the appropriate solutions that the industry needs.

The continuing growth of the IMI’s key product and membership metrics suggests that this industry-led approach is working.

- **Member satisfaction:** In the latest financial year, the IMI recorded a 73% member satisfaction rate, a 6% year-on-year increase. The member Net Promoter Score (NPS) has increased by 13 points since the previous survey (September 2022), putting the IMI in the “great” category. But we will not be resting on our laurels!
- **IMI products and qualifications:** Total registrations on all IMI products (91,838) are 9% higher than the previous year. After the Coronavirus pandemic, when it was almost impossible for many people to engage in practical technical training, organisations are clearly committed to meeting skills shortages and investing in a highly skilled workforce – and individuals are prepared to engage in this. At 62,392, registrations for IMI qualifications are 12% higher than the previous year.
- **End Point Assessments:** The IMI is growing its End Point Assessment activities and passed the 10,000th apprentice registration milestone for End Point Assessment. The IMI is now the market leader in automotive End Point Assessments. As an industry, however, we are a long way off the level of apprenticeship starts that we were at before the introduction of the new Apprenticeship Standards, although we are now moving in the right direction.
- **MOTs:** The IMI’s market share of MOT assessment and e-learning increased to 58%, up by 4% on the previous year. We have invested in the online experience for MOT testers, and this improved experience enables the IMI to work with organisations such as MOT Juice for the first time and support more MOT testers than ever. We have delivered valuable information to the government, as part of its MOT consultation, which sheds light on the unique maintenance requirements of electric vehicles.

Overall, the IMI’s ability to maintain this level of trust and performance is only possible because we maintain full compliance with all our relevant national regulatory bodies: Ofqual in England; SQA in Scotland; CCEA in Northern Ireland; and QiW in Wales.

Embracing Emerging Technologies

This year the IMI successfully completed a two-year digital transformation programme. This involved significant investment in the IMI’s digital capabilities to improve the member experience.

The digital transformation programme is covered in the Chief Financial Officer’s report. IMI members and partners should be assured that our commitment to a seamless digital delivery of the core IMI products and services is ongoing.

Financials

As is outlined in the Chief Financial Officer’s Statement, the IMI has shown once again that it is a sustainable not-for-profit organisation. In a volatile environment, the IMI’s financial performance enables us to reinvest in key products and member services, and we know that these are particularly valuable at a time when the cost of living is rising and budgets are under pressure.

Some thank-yous

As always, I would be remiss if I did not take this opportunity to express my thanks to all the stakeholders who enable the IMI to deliver all that it does. The IMI team at Fanshaws continues to do their utmost to deliver for our members and the automotive community. Our IMI Approved Centres who go above and beyond in the training, education and development of the sector. Our supporting partners who work closely with us to deliver against our objectives and goals. And, of course, our members who year after year come together to help better our beloved sector.

Steve Nash | CEO



Chief Operating Officer's Report



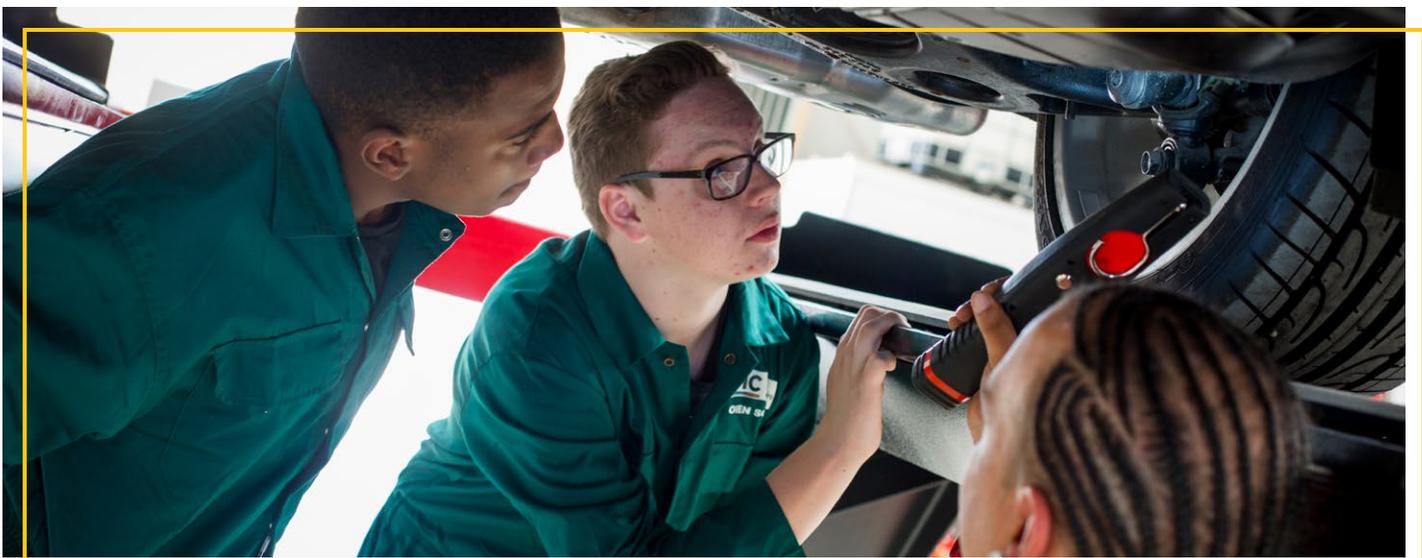
“ We are on a mission to improve diversity and inclusion across the sector and to challenge and change the negative perceptions of automotive as a career choice ”

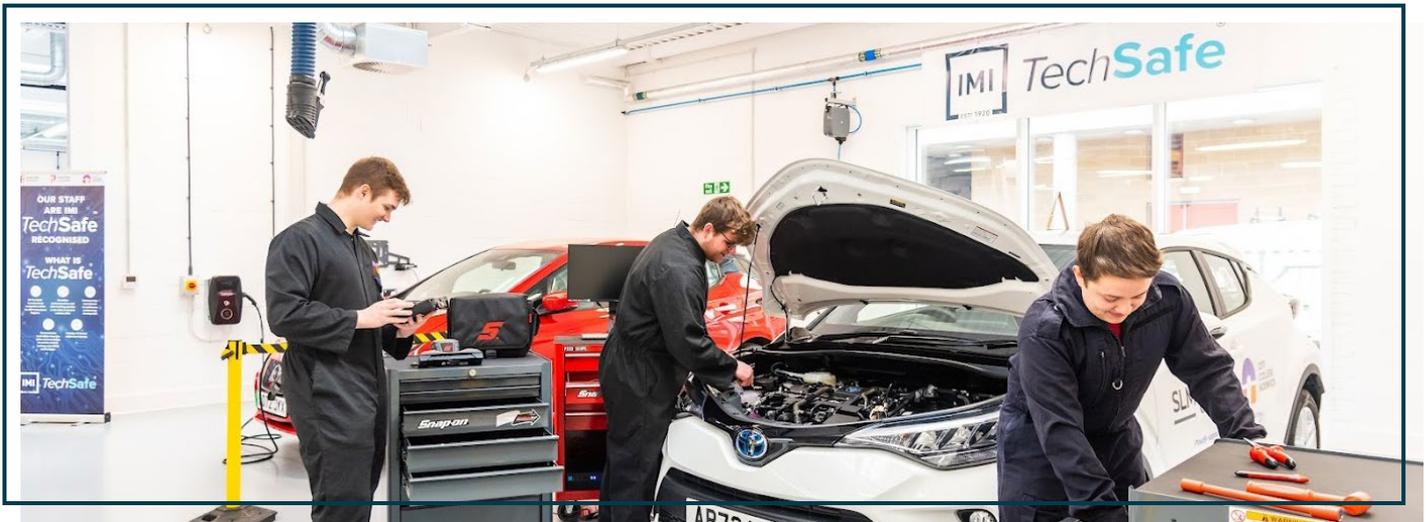
The work of the IMI's Diversity Task Force has enabled us to see more clearly that for the automotive sector to thrive, we need to attract and retain talented people into our sector. We need to draw in talent from the whole breadth of society. We need a diverse workforce to enable businesses to overcome the emerging challenges facing the sector.

We believe that it is only by embracing people from every community in society, and creating a workplace culture where they can do their best work and feel like they belong, that the sector can attract and retain the talent it needs to adapt and thrive in the future.

To clearly acknowledge the need for a diverse workforce, this year we updated the IMI's vision statement, which is *'to build a skilled, adaptable, diverse and professional international automotive workforce'*.

I am pleased to report that we are making progress towards realising the IMI's vision.





Supporting apprentices and young people

For the automotive sector to attract the next generation of talent, we must recognise their values and concerns about issues such as sustainability, diversity, equity, inclusion, mental health, and flexible working.

This means optimising career pathways and positioning the sector as an attractive career destination. The small and dedicated IMI careers team undertakes a huge amount of work to showcase the sector as a positive career destination for all. From our own research we know that there is a need to engage young people at primary school age where their career ideas begin forming. This has informed our strategy and last year we extended our reach to include primary, female-only, SEND and faith schools. We continued to provide free resources and lesson plans to schools as well as attend traditional careers events. We worked through partners to help amplify our messages as well as provide tangible outcomes such as paid internships. We also continued our work educating careers teachers and influencers.

Our work with WorldSkills UK, as the competition partner for automotive, enables us to identify the best talent across the UK in the disciplines of light vehicle technology, heavy vehicle technology, body repair and refinishing. IMI Skills Competitions continue to attract more interest with 246 more entrants than the previous year and a competitor pool which has become more diverse.

The best talent gets the opportunity to train as part of WorldSkills Squad UK to compete on an international platform. These are life-changing opportunities for automotive apprentices. The next international competition is in Lyon, France in 2024 and two IMI Skills Competition competitors will be representing the UK. We are proud to have them represent automotive.

Of course, the IMI supports people of all ages. Our careers team has been able to support over 66,000 adults with upskilling needs and job searching.

Supporting skills development

As the automotive sector market leader of skills development solutions, the IMI supports thousands of individuals every year through regulated and non-regulated qualifications, bite-sized learning, e-learning modules, events, webinars, and published content. Our dedicated teams covering external quality assurance, centre care, and assessment services support our growing network of IMI Centres. These teams make a significant contribution to our 92% centre retention rate, and we will continue to adapt and develop in response to what our centres need from us.

With a network of over 540 centres in 74 countries the IMI has a long history of global partnerships. With a growing number of centres in China, this year we passed a significant international development milestone with the opening of our Shanghai office.

Supporting IMI Centres and learners was particularly challenging during and post-COVID-19, but enabling learners to achieve their qualification, despite interrupted learning, was a driving force for our teams.

We have seen a growth in registrations across IMI qualifications with a 12% increase on the previous year. The most popular qualification, and leading the market, is the IMI's Electric Vehicle qualification which saw a 37% increase in registrations compared to the previous year.

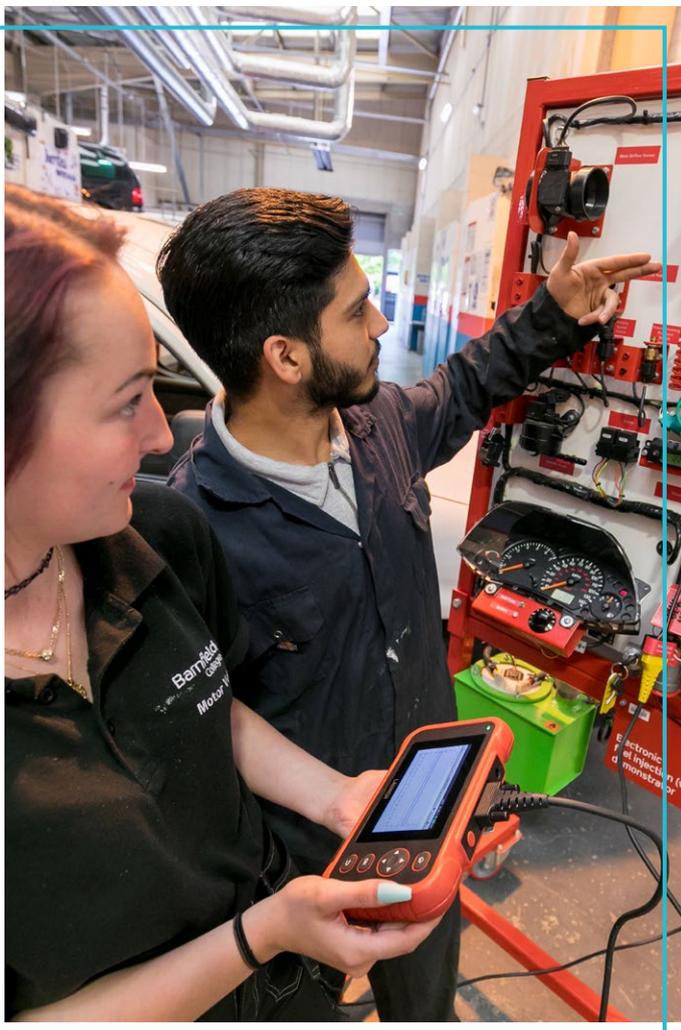
With a sector-wide portfolio of 20 Apprenticeship Standards the IMI has significantly grown its End Point Assessment services over the past few years to become market leaders. Passing the 10,000th apprentice registration for End Point Assessment last year felt like a significant milestone.

To ensure the IMI’s suite of skills development solutions remains current we reviewed and updated thousands of questions and assessments during the year. To ensure the IMI develops new solutions in line with sector needs we carry out our own research into future skills gaps and shortages, which we also use to inform business leaders and policy makers.

Our research and solution innovation has more recently enabled the IMI to support members and the wider sector to upskill around electric vehicle technology, hydrogen technology and advanced driver-assistance systems (ADAS) technologies.

With hundreds of thousands of learner interactions per year, the IMI remains dedicated to harnessing new and emerging technologies to improve operational effectiveness, learner outcomes and digital experience.

Through engagement with more than 100,000 individuals who undertake learning with the IMI during the year, we have been able to grow our community of student members to 34,203, which is an increase of 12% on the previous year. It is a vibrant community focused on achieving their individual career ambitions and it is our mission to help them and our wider membership community succeed.



Supporting our members

Much effort has been put into supporting the IMI membership community during a period of instability, high inflation rates and increased cost-of-living pressures. We recognise that these are very difficult times for many of our members.

In response, we have been able to enhance the membership benefits package again to add greater value in the form of enhanced professional and lifestyle discounts.

The IMI’s membership retention rate remains strong at 86%, and our new member pipelines grow and strengthen as more people engage with our learning and upskilling solutions. The membership community overall growth in the year was 19,164, resulting in a total membership community of 94,454.

Professional recognition continues to be a top priority for IMI members. Being able to demonstrate knowledge, experience, skills and professionalism through professional designation and recognition has resulted in an increase of 4,377 members on the Professional Register and an increase of 6,231 members achieving IMI TechSafe recognition.

The IMI’s MotorPro magazine keeps members informed and up to date with changes in the sector. The magazine goes from strength to strength with a broad mix of content and the newly introduced weekly IMI MotorPro digital newsletter has been well received. This new member benefit is content-led and focuses on issues that are important to members.

Our membership team is dedicated to supporting members and we were delighted when their efforts were recognised with a professional body sector award for Best Member Support (during COVID-19).

The growing inventory of what and how the IMI supports members has had a positive effect on our Member Satisfaction survey engagement and results. The most recent survey delivered a record response rate and an overall increase in member satisfaction.



88,000
individuals
recognised
for their
achievements



34,203
student members,
increased by 3,590
(12% increase)



Influence and reach

We take seriously our role representing the voice of the members on topics and government policy decisions that will impact their business or professional standing. The IMI is regarded as the authority on sector skills development and, as such, has a prominent role to play influencing and shaping automotive and vocational education policy and debate.

Contributing to key consultations throughout the year and having been invited to join the All-Party Parliamentary Group for Employability, we continue to broaden our lobbying on behalf of members and the wider sector.

Keeping members informed about skills and education policy, funding, or legislation changes, Policy Watch digital update was launched in October 2022. This was positively received, gaining more than 7,000 subscribers in the first few months of publication.

We continue to build on our solid research into skills gaps and shortages to champion the need for skills development. Often asked to comment on technical skills gaps, such as those needed to maintain and repair electric and hybrid vehicles, the IMI is viewed as a reliable source of data and insight into current and future skills requirements. Publications on the topic during the year have included annual baseline reports, quarterly and monthly automotive skill and employment reports.

Our following on social media is something else that goes from strength to strength. With our followers growing by 23.6% and our reach increasing by 12.3%, we continue to increase our share of voice across the sector. Social media strengthens the sense of community as we promote the work of our members, centres and partners as well as sharing the IMI's vision and mission.

Working with trade press is one of the ways the IMI spreads messages of vital importance to the sector. During the year, over 1,140 stories and news items achieved press coverage which reached a global audience of 426,094,439 individuals. These news items covered topics such as: equity, diversity and inclusion and the need to adapt for the future; the skills crisis; advancements in automotive technology and business models; and the sector employment landscape.

Committed to making positive change

We are on a mission to improve diversity and inclusion across the sector and to challenge and change the negative perceptions of automotive as a career choice.

Delivering on that mission, the IMI Diversity Task Force is a people-centric, industry-led approach. Because our members have shared their lived experience of exclusion and overcoming barriers, together we have been able to create case studies, employer toolkits, guides and resources so that everyone can be more educated and informed. These resources are free and available on our digital hub.

I am pleased that we have also been able to develop regulated qualifications at levels 3, 4 and 5. These qualifications – Managing Equality, Diversity and Inclusion – include e-learning, guides, support materials, and video case studies.

To facilitate the sharing of best practice around diversity and inclusion initiatives, we established the Automotive Diversity Network for members who are in HR or EDI roles.

The IMI has built strong partnerships with organisations such as The Automotive 30% Club, National Careers Week Foundation and the Driving Pride Network. Like us, our partners are all committed to making positive change.

For the 2023 IMI Annual Dinner and Awards, a new award was introduced to recognise individuals or organisations that champion equity, diversity and inclusion. We were delighted to be inundated with nominations for this award and hear some truly inspiring stories of what people and businesses are doing to make automotive a more diverse and inclusive sector. It really is an exciting time for the sector.

These and other Diversity Task Force achievements have featured across social media and press campaigns throughout the year, reaching an audience of almost five million.

We are tremendously grateful to the members of the Diversity Task Force who give their time with no expectation of payment or reward, such is their commitment and dedication to making the sector a place where everyone is welcomed and treated with respect.

139 
pledges
signed for
EDI

ED&I
Resource Hub
launched 

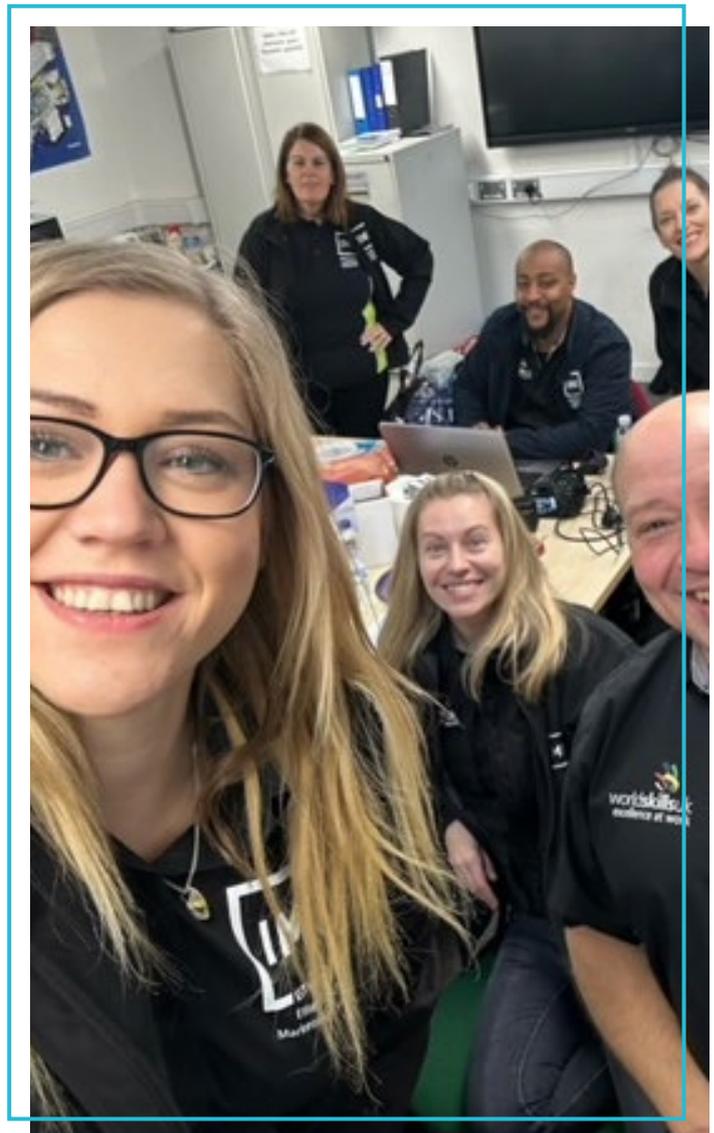
Team IMI

We achieve everything we do through our fabulous team of colleagues who are all dedicated to improving the status, professionalism and recognition of individuals working in the automotive sector. I am proud that we are a relatively small team that delivers big impact.

Our staff are highly engaged across work-related projects and initiatives such as our Inclusion Champions group, charity work, and monthly ‘townhalls’. We are pleased that staff satisfaction during the year exceeded our target by 17%.

Everyone is working hard and is committed to making the IMI a more diverse and inclusive workplace. Our programme of activities, learning and experience on this shared journey is, in my view, absolutely contributing to the positive staff satisfaction results, with one colleague recently saying: “The IMI is willing to hear some hard truths, which is very rare. I am proud to work in an organisation that is willing to be open minded and shows a real desire to make progress in this area [of equity, diversity and inclusion].”

Lesley Woolley | COO



Chief Financial Officer's Report



“ Despite the ongoing economic and post-pandemic volatility, I am pleased to report a strong financial performance by the IMI. This has enabled a number of strategic initiatives to be brought forward ”

I am pleased to report a strong financial performance by the IMI, despite the ongoing economic and post-pandemic volatility. Individual members are facing cost-of-living increases. Organisations continue to be impacted by inflation and supply chain issues. And the ability of individuals to undertake face-to-face learning is still not back to where it was pre-pandemic. In this climate, it is a credit to the adaptability and resilience of the whole IMI team that we can share these strong results.

Full-year income for 2022/23 is £12.03m, a 16% increase on the previous year. This increase has been primarily driven by EPA registrations and qualification registrations.

We have maintained close control on costs, although we have seen these increase due to EPA costs, IT costs and legal & professional fees.

Overall, the IMI's surplus is £258k, which is ahead of budget though slightly down on the previous year.

This strong financial performance overall has enabled a number of strategic initiatives to be brought forward.

One key area of investment is digital transformation. We believe that transforming through digitalisation will drive high levels of engagement and service.

The IMI has successfully delivered a two-year programme. As part of this, we have significantly improved system connectivity, integration and data quality; improved cyber-security and IT governance; improved member digital journeys; and delivered and launched a new data warehouse, CRM and communications solution.

The results of this digital transformation programme are already coming through in terms of increased member engagement, improved experience and, with the recent implementation of PowerBi, unrivalled reporting and forecasting enabling us to better understand what the market is doing. We have also successfully implemented a Courses API, allowing partners and IMI Centres to offer their employees access to the IMI's Annual MOT Assessment and Training from their own Learning Management System or Intranet. Looking forward, the IMI sees digital innovation as integral to member value. For example, we are researching, piloting and introducing wearable technology for remote assessment and quality assurance.

The IMI's products and qualifications are going from strength to strength, with total registrations on all IMI products 9% higher than in 2022/23. After the Coronavirus pandemic, when it was almost impossible for many people to engage in practical technical training, organisations are more committed to meeting skills shortages and investing in a highly skilled workforce. At 62,392, registrations for IMI qualifications are also 12% higher than the previous year.

With the IMI's unwavering dedication to delivering the best automotive education portfolio, IMI qualifications are quickly becoming go-to worldwide standards. The opening of the IMI's China office in Shanghai, facilitated by the UK Department for International Trade and its China equivalent, underlines the efforts made by the IMI team to create appropriate standards around new vehicle technologies not only in the UK but on an International level.

The IMI is growing its End Point Assessment activities and passed the 10,000th apprentice registration milestone for

End Point Assessment in November 2022, which means that the IMI is now the market leader in automotive End Point Assessments. Just one of the many ways we are trying to bring new work-ready talent into the sector and help reduce the current skills gap crisis that we are facing.

The IMI's market share of MOT assessment and eLearning increased to 58%, up 4% from 2022/23. We have made significant investments in the digital experience for MOT Testers. This improved experience has enabled the IMI to work with a more comprehensive range of organisations and support more MOT Testers.

Risk management

The Directors of the IMI have a robust risk management policy and keep the IMI Group's activities under constant review, particularly regarding 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 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. Several independent quality assurance committees for the IMI continue to function to ensure that the activities of the Group are closely monitored.

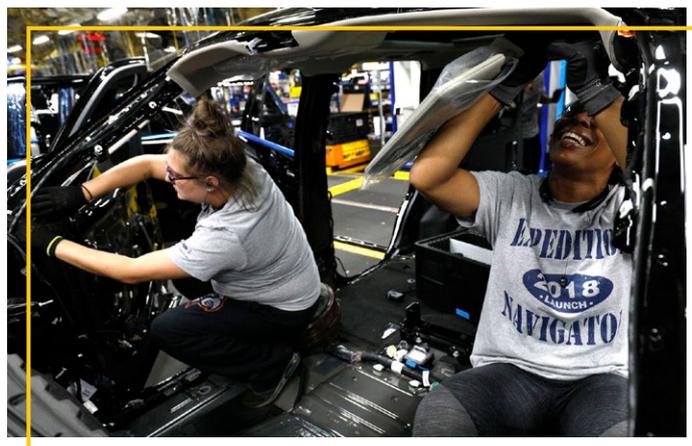
The principal risks as identified by the directors are:

- 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.
- Loss of MOT-tester assessment income due to a contraction of the overall MOT tester market. In spite of this contraction, the IMI continues to maintain its key strategic position as the market leader via a competitively priced and quality offering.

22,820
LinkedIn followers,
with **6,803**
new followers for
Policy Watch



1,491,909
unique website
visits

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:

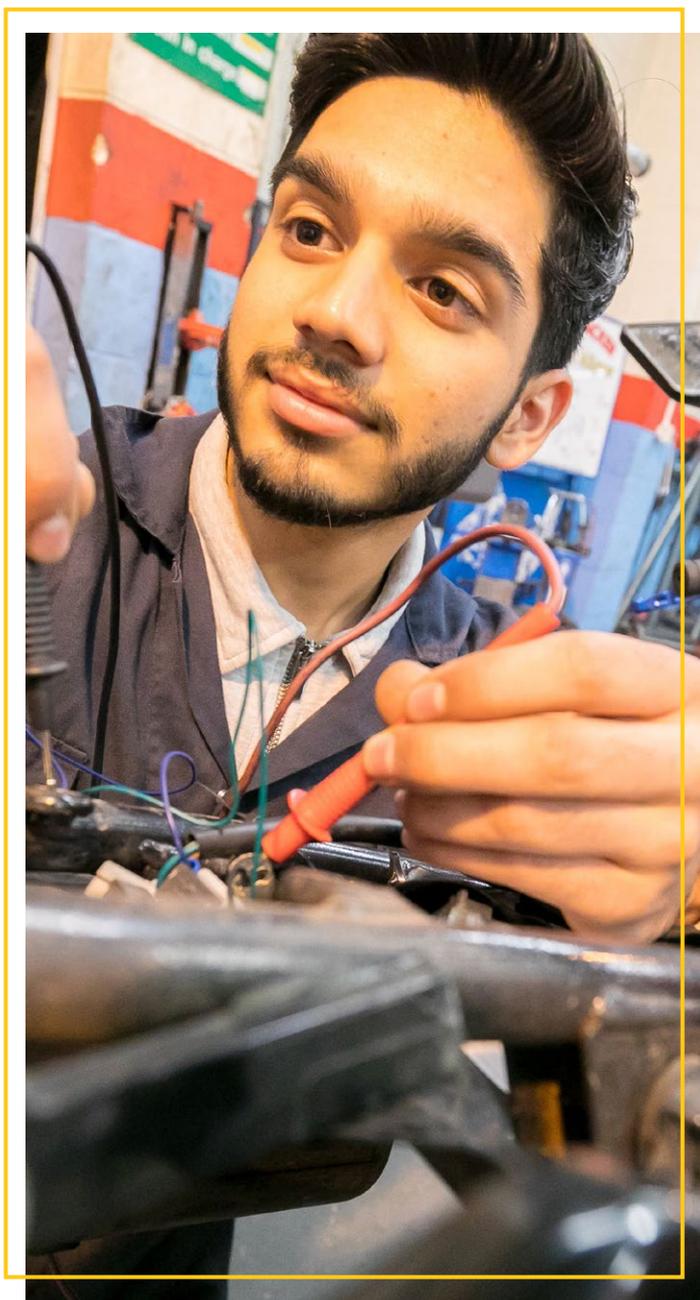
- Agreeing and signing off the organisation's strategies and enabling frameworks
- Monitoring performance against annual business objectives and targets
- Identifying the central activities required to support delivery of the corporate plan and approving the annual budget.
- Evaluating the impact of 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
- Risk management processes
- CEO Statements on Internal Control
- Financial Statements.

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 the IMI for the year ended 31 March 2023 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 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 the IMI's policy priorities and for promoting the efficient and effective use of staff and other resources whilst ensuring that the organisation 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, 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, 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 the 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

As a not-for-profit organisation, the IMI places great importance on supporting members, promoting the automotive industry and its wider social responsibility. We support our local community and the industry. We have an active policy to care for the environment. In all these ways, we try to make sure 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 objective in an engaging work atmosphere where everyone feels appreciated and capable of contributing. Our strategic goal of developing talent and raising professional standards applies to our people and membership community.

The IMI has focused more on health and wellbeing over the past few years. We involve staff in monthly communication meetings and jointly hold an annual business dissemination day with separate team sessions throughout the year. This helps us ensure all staff have transparency on the IMI’s objectives and how they contribute to them.

Our social committee arranges fun and charitable occasions throughout the year.

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 by maintaining our grounds as a ‘corridor for wildlife’.

This year we are again making the annual report available to members in digital format, thereby saving printing, paper and distribution. Invitations to Member Association events are sent out via email rather than post. The IMI’s 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. The IMI Annual Dinner raffle raises funds for Ben. Since January 2022 we have also given our members and customers the opportunity to donate to the humanitarian efforts being made by the British Red Cross and UNICEF in aid of the Ukraine Crisis.

Simon James | Chief Financial Officer

The IMI – A year in pictures



May 2022:

COO Lesley Woolley became a Patron of the Automotive 30% club to help them realise their goal of introducing more females within the sector, specifically within senior positions.

August 2022:

CEO Steve Nash appeared on The Agenda at the British Motor Show 2022 to discuss the major challenges facing the sector and how the IMI is driving change.



IMI INSTITUTE OF THE MOTOR INDUSTRY

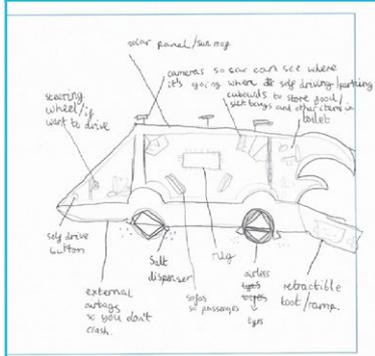
10,000
APPRENTICES
AND COUNTING

October 2022:

The IMI hit its milestone 10,000th apprentice.

June 2022:

The IMI partnered with Sytner Group to deliver their Business Studies Competition in 2022, titled: Design the car of the future. This saw secondary school and primary school children compete against each other to design, market and launch what they thought would be the car of 2030.



October 2022:

We launched Policy Watch via LinkedIn Newsletters as a brand-new way of delivering the latest policy information to our community.



April 2022:

We delivered IMI TechSafe CPD cycles to the automotive sector, enabling those with the recognition to keep their status and knowledge up to date.



September 2022:

The IMI won an award at MEMCOM for Best Member Support during the COVID-19 pandemic.



November 2022:

Once again the IMI held the WorldSkills Competition, where apprentices across the UK competed in the various sub sectors of the automotive industry to see who truly is the best. This was our most inclusive and diverse to date.



March 2023:

The IMI's Annual Dinner at the Intercontinental Hotel, Park Lane, London saw hundreds of the automotive sector's finest join us for an evening of celebrating the best in automotive, with a brand-new award focusing on those championing EDI in the workplace.

January 2023:

The IMI opened its first Wholly Owned Foreign Enterprise (WOFE) in China.



December 2022:

We invested in all-new Real Wear technology to enable End Point Assessments to be delivered remotely.



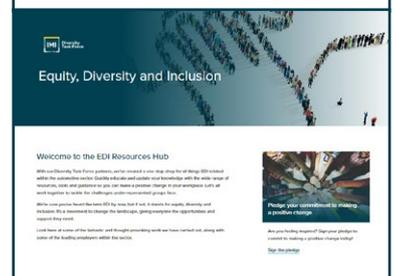
February 2023:

We launched the new BI 10125 CPD solution for employers and employees working within the Body Sector.



March 2023:

We launched the new EDI Resources Hub, giving our community access to the latest tools and guides for all things EDI.



Directors' Report

The directors present their annual report and financial statements for the year ended 31 March 2023.

Principal activities

The principal activity of the company continued to be that of a professional body, awarding body, end point assessment organisation and Sector Skills Council.

Results and dividends

The results for the year are set out on page 28.

Directors

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

K Finn (Chair)

S Nash (Chief Executive Officer)

S James (Chief Financial Officer)

K Woolley (Chief Operating Officer)

A Tomsett (Honorary Treasurer)

M Crandon

A Davies

Dr E Hills

R Leech

C Mason

I Plummer

M Rogers

A Simms

R Siney

Auditor

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

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

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.

On behalf of the Board



S Nash
(Chief Executive Officer)
Director

5th July 2023



Independent Auditor's Report

Opinion

We have audited the financial statements of Institute of the Motor Industry (the 'company') for the year ended 31 March 2023 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice)*.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its 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.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report. We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

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

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- reviewing minutes of meetings of those charged with governance;
- assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

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

Azets Audit Services

Paul Creasey (Senior Statutory Auditor)
For and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor

5th July 2023

Gladstone House
77-79 High Street
Egham
Surrey
TW20 9HY



FINANCIAL
STATEMENTS
2023



Statement of Comprehensive Income

For the Year Ended 31 March 2023

	Notes	2023 £	2022 £
Income	3	12,032,284	10,370,660
Cost of sales		(3,465,251)	(3,090,730)
Gross surplus		8,567,033	7,279,930
Administrative expenses		(8,186,688)	(7,019,810)
Other operating income		-	6,234
Operating surplus	4	380,345	266,354
Income from other fixed asset investments		37,603	24,854
Other interest receivable and similar income		3,338	157
Changes in fair value of investments		(163,675)	16,461
Surplus before taxation		257,611	307,826
Tax on surplus	8	-	-
Surplus for the financial year		257,611	307,826

Balance sheet

As at 31 March 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Goodwill	9		137,502		183,336
Other intangible assets	9		3,378,031		3,171,732
Total intangible assets			3,515,533		3,355,068
Tangible assets	10		659,689		499,921
Investments	11		1,893,473		2,057,148
			6,068,695		5,912,137
Current assets					
Debtors	14	2,526,525		2,255,495	
Cash at bank and in hand		2,243,786		2,239,124	
		4,770,311		4,494,619	
Creditors: amounts falling due within one year	15	(2,103,853)		(1,929,214)	
Net current assets			2,666,458		2,565,405
Net assets			8,735,153		8,477,542
Reserves					
Educational prize fund			27,598		27,598
Profit and loss account	18		8,707,555		8,449,944
Members' funds			8,735,153		8,477,542

The financial statements were approved by the board of directors and authorised for issue on 5th July 2023 and are signed on its behalf by:



K Finn (Chair)
Director



S Nash
(Chief Executive Officer)
Director

Company Registration No. 00225180

Statement of Changes in Equity

For the Year Ended 31 March 2023

	Educational prize fund £	Profit and loss account £	Total £
Balance at 1 April 2021	27,598	8,142,118	8,169,716
Year ended 31 March 2022:			
Profit and total comprehensive income for the year	-	307,826	307,826
Balance at 31 March 2022	27,598	8,449,944	8,477,542
Year ended 31 March 2023:			
Profit and total comprehensive income for the year	-	257,611	257,611
Balance at 31 March 2023	27,598	8,707,555	8,735,153

Statement of Cash Flows

For the Year Ended 31 March 2023

	Notes	2023		2022	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	22		1,469,361		1,490,875
Investing activities					
Purchase of intangible assets		(1,283,148)		(1,083,118)	
Purchase of tangible fixed assets		(222,492)		(44,246)	
Purchase of investments		-		(1,800,000)	
Interest received		3,338		157	
Other income received from investments		37,603		24,854	
Net cash used in investing activities			(1,464,699)		(2,902,353)
Net increase/(decrease) in cash and cash equivalents			4,662		(1,411,478)
Cash and cash equivalents at beginning of year			2,239,124		3,650,602
Cash and cash equivalents at end of year			2,243,786		2,239,124

Notes to the Financial Statements

For the Year Ended 31 March 2023

1. Accounting policies

Company information

The Institute of the Motor Industry is a private company limited by guarantee incorporated in England and Wales. The registered office is Fanshaws, Brickendon, Hertford, Hertfordshire, SG13 8PQ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Consolidated accounts have not been prepared on the basis that all subsidiaries are dormant for the year ended 31 March 2022 and 31 March 2023, or their activities, assets and liabilities are not material to the group.

1.2 Going concern

As at 31 March 2023, the company has reserves in excess of £8.7 million with no external debt owed. Based on this the directors believe that the company is financially secure and will be able to continue as a going concern.

After reviewing the company's forecasts and projections up to 31 March 2026 and taking into account the current economic conditions, the directors are confident that the company has adequate resources to continue in operational existence for the foreseeable future.

1.3 Income and expenditure

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Memberships

Membership income comprises memberships which run for a period of one year. Revenue is recognised evenly over the annual membership period with amounts received in the current financial year that relate to the following financial year treated as deferred income at the balance sheet date.

Training

Training revenue is recognised at the point at which the training takes place and has been evidenced. Any amounts received in the current financial year that relate to the following year are treated as deferred income at the balance sheet date.

Other commercial activities

The other services are recognised as income when the services are provided.

1.4 Intangible fixed 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 company's share of its identifiable assets and liabilities of the acquire 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, which is 12 years.

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.

1.5 Intangible fixed assets other than goodwill

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.

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

Software and product development costs 3-5 years

1.6 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 recognised on the following bases:

Freehold property	Not depreciated
Fixtures and fittings	10% – 33% per annum
Computers	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.

1.7 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in surplus or deficit.

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

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value,

which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in surplus or deficit, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through surplus and deficit, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in surplus or deficit.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in surplus or deficit.

Derecognition of financial assets

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

Basic financial liabilities

Basic financial liabilities, including creditors that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Notes to the Financial Statements (continued)

For the Year Ended 31 March 2023

Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in surplus or deficit in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Taxation

Tax is recognised in the 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 report date in the countries where the company operates and generates 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;

- 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 company 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.

1.11 Employee benefits

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

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.12 Retirement benefits

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

The contributions are recognised as an expense in the 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 company in independently administered funds.

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 Statement of Comprehensive Income at the same rate as depreciation on the asset 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 Statement of Comprehensive Income in the same period as the related expenditure.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2. Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

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

Impairment of assets

Management determine whether there are indicators of impairment of the company'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.

Useful economic life of tangible assets

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.

Notes to the Financial Statements (continued)

For the Year Ended 31 March 2023

3. Income

	2023 £	2022 £
Turnover analysed by class of business		
Fees – Awarding body	4,235,927	3,874,194
Professional body	1,081,633	1,040,562
Other income	6,696,801	5,455,904
	<u>12,032,284</u>	<u>10,370,660</u>

	2023 £	2022 £
Turnover analysed by geographical market		
United Kingdom	11,823,057	10,162,814
Rest of the world	191,303	207,846
	<u>11,994,360</u>	<u>10,370,660</u>

4. Operating surplus

	2023 £	2022 £
Operating surplus for the year is stated after charging/(crediting):		
Exchange gains	(1,017)	(2,976)
Government grants	-	(6,234)
Depreciation of owned tangible fixed assets	62,724	45,523
Amortisation of intangible assets	1,122,683	1,015,617
	<u>1,184,380</u>	<u>1,052,930</u>

5. Auditor's remuneration

Fees payable to the company's auditor and associates:

For audit services

Audit of the financial statements of the company

	2023 £	2022 £
	34,900	29,000

6. Employees

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

Office and management

Directors

Total

	2023 Number	2022 Number
	98	95
	3	3
	101	98

Their aggregate remuneration comprised:

Wages and salaries

Social security costs

Pension costs

	2023 £	2022 £
	4,023,837	3,910,684
	526,608	487,197
	320,897	291,106
	4,871,342	4,688,987

7. Directors' remuneration

Remuneration for qualifying services

Company pension contributions to defined contribution schemes

	2023 £	2022 £
	513,143	520,695
	38,293	22,370
	551,436	543,065

Notes to the Financial Statements (continued)

For the Year Ended 31 March 2023

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 2022:

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

	2022 £
Remuneration for qualifying services	244,575

8. Taxation

	2022 £
Current tax	
UK corporation tax on profits for the current period	-

The actual charge/(credit) for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £
Profit before taxation	
Expected tax charge based on the standard rate of corporation tax in the UK of 19% (2022: 19%)	
Tax effect of expenses that are not deductible in determining taxable profit	
Deferred tax movement not recognised	
Impact of rate difference between deferred and current tax	
Taxation charge for the year	-

Factors that may affect future tax charges

The Institute of the Motor Industry has unutilised gross tax losses carried forward of £9,853,779 (2022: £5,997,041) 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 £830,735 and a net asset for trading losses carried forward of £835,278. In addition, an unrecognised net asset of £1,632,711 is carried forward in relation to tax losses. The deferred tax asset has not been recognised due to the uncertain timing of their reversal.

An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021.

9. Intangible fixed assets

	Goodwill £	Software and product development costs £	Total £
Cost			
At 1 April 2022	550,000	6,582,571	7,132,571
Additions – internally developed	-	1,283,148	1,283,148
At 31 March 2023	550,000	7,865,719	8,415,719
Amortisation and impairment			
At 1 April 2022	366,664	3,410,839	3,777,503
Amortisation charged for the year	45,834	1,076,849	1,122,683
At 31 March 2023	412,498	4,487,688	4,900,186
Carrying amount			
At 31 March 2023	137,502	3,378,031	3,515,533
At 31 March 2022	183,336	3,171,732	3,355,068

10. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Computers £	Total £
Cost				
At 1 April 2022	396,653	1,143,664	493,752	2,034,069
Additions	-	189,478	33,014	222,492
At 31 March 2023	396,653	1,333,142	526,766	2,256,561
Depreciation and impairment				
At 1 April 2022	-	1,071,081	463,067	1,534,148
Depreciation charged in the year	-	37,389	25,335	62,724
At 31 March 2023	-	1,108,470	488,402	1,596,872
Carrying amount				
At 31 March 2023	396,653	224,672	38,364	659,689
At 31 March 2022	396,653	72,583	30,685	499,921

Notes to the Financial Statements (continued)

For the Year Ended 31 March 2023

11. Fixed asset investments

	Notes	2023 £	2022 £
Investments in subsidiaries	12	1	1
Listed investments		1,893,472	2,057,147
		1,893,473	2,057,148

Movements in fixed asset investments

Cost or valuation	Shares in subsidiaries £	Other investments £	Total £
At 1 April 2022	1	2,057,147	2,057,148
Valuation changes	-	(163,675)	(163,675)
At 31 March 2023	1	1,893,472	1,893,473
Carrying amount			
At 31 March 2023	1	1,893,472	1,893,473
At 31 March 2022	1	2,057,147	2,057,148

12. Subsidiaries

Details of the company's subsidiaries at 31 March 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% held direct
IMI Awards Limited	Fanshaws Lane, Brickendon, Hertford, Hertfordshire, England, SP13 8PQ	Dormant company	Ordinary	100.00
Motor Industry Management Limited	Fanshaws Lane, Brickendon, Hertford, Hertfordshire, England, SP13 8PQ	Dormant company	Ordinary	100.00
The College of the Motor Industry Limited	Fanshaws Lane, Brickendon, Hertford, Hertfordshire, England, SP13 8PQ	Dormant company	Ordinary	100.00
The Institute of the Motor Industry Consulting (Shanghai) Limited	Room 2204, Floor 2, No 488, Anchi Road, Jaiding, Shanghai, China	Professional body and awarding body	Ordinary	100.00

13. Financial instruments

Carrying amount of financial assets		2022 £
Instruments measured at fair value through surplus or deficit		2,057,147

14. Debtors

Amounts falling due within one year:	2023 £	2022 £
Trade debtors	1,559,801	1,433,535
Other debtors	133,353	73,297
Prepayments and accrued income	833,371	748,663
	2,526,525	2,255,495

15. Creditors

Amounts falling due within one year:	2023 £	2022 £
Trade creditors	670,159	587,717
Taxation and social security	155,992	244,046
Other creditors	67,503	32,192
Accruals and deferred income	1,210,199	1,065,259
	2,103,853	1,929,214

16. Retirement benefit schemes

Defined contribution schemes	2023 £	2022 £
Charge to profit or loss in respect of defined contribution schemes	320,897	291,106

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

17. Members' liability

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £1.

Notes to the Financial Statements (continued)

For the Year Ended 31 March 2023

18. 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.

19. Operating lease commitments

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

	2023 £	2022 £
Within one year	155,288	58,092
Between two and five years	383,003	33,526
	<u>538,291</u>	<u>91,618</u>

20. Related party transactions

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

The Institute paid membership fees amounting to £17,695 (2022: £7,300) to Federation of Awarding Bodies, a company of which S James is a director. There were further transactions with the entity totalling £2,543 (2022: £Nil).

RMI S&C and Retail Motor Industry owed the Institute £743 (2022: £19,942) at the reporting date.

K Finn is a director of Autologic Diagnostics Limited, The Royal Motor Industry Federation Limited, K Finn & Co Ltd, RMI SC Ltd and Retail Motor Industry Foundation Ltd. Autologic Diagnostics Limited owed the Institute £2,553 (2022: £1,861) at the reporting date, while the other entities had no amount owing to the Institute.

During the year, there were sales made to Autologic Diagnostics Limited for £3,118 (2022: £2,514) and sales credit notes were issued to RMI SC for £40,176 (2022: £20,617). There were further transactions with the Royal Motor Industry Federation Limited for £12,000 (2022: £Nil) and K Finn & Co Ltd for £29,119 (2022: £Nil).

Key management personnel include all directors and a number of senior management who together have authority and responsibility for planning, directing and controlling the activities of the company. The total compensation paid to key management personnel for services provided to the company was £1,055,899 (2022: £1,106,601)

21. Ultimate controlling party

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

22. Cash generated from operations

	2023 £	2022 £
Surplus for the year after tax	257,611	307,826
Adjustments for:		
Investment income	(40,941)	(25,011)
Amortisation and impairment of intangible assets	1,122,683	1,015,617
Depreciation and impairment of tangible fixed assets	62,724	45,523
Other gains and losses	163,675	(16,461)
Movements in working capital:		
Decrease in stocks	-	13,969
Increase in debtors	(271,030)	(301,958)
Increase in creditors	174,639	451,370
Cash generated from operations	1,469,361	1,490,875

23. Analysis of changes in net funds

	1 April 2022 £	Cash flows £	31 March 2023 £
Cash at bank and in hand	2,239,124	4,662	2,243,786

Institute of the Motor Industry

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