

imi

THE INSTITUTE OF THE
MOTOR INDUSTRY

ANNUAL REPORT 2013

Join us on our journey...

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Ordinary General Meeting (being the ninety second Annual General Meeting of the Institute) will be held at 'Fanshaws', Brickendon, Hertford on Wednesday 30 October 2013 at 2.00 pm.

AGENDA

- 1 Apologies for absence
- 2 Minutes of the Annual General Meeting of 31 October 2012
- 3 Installation of President – 2013/2014
- 4 Installation of Vice Presidents – 2013/2014
- 5 Installation of Honorary Treasurer – 2013/2014
- 6 Declaration of Directors
- 7 Revenue Account and Balance Sheet of the Institute for the year ended 31 March 2013 and the Auditor's Report
- 8 Annual Report for the year ended 31 March 2013
- 9 Appointment of Auditors
- 10 Any other business

by Order of the Board

CTHOMAS
Finance & IT Director
1st June 2013

'Fanshaws'
Brickendon
Hertford
SG13 8PQ

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 proxy notice, to:

Christopher Thomas, Finance & IT Director, C/O Ann Stillion, IMI, Fanshaws, Brickendon, Hertford SG13 8PQ, or email ceoffice@motor.org.uk

Lunch will be available from 1.00 pm, with the Group Board in attendance

DIRECTORS' REPORT

Group information as at 31 March 2013

The Directors of the company during the year were:

- G Braddock
- G E Clark
- A Davies (Appointed 27th February 2013)
- K Finn
- D Lockhart
- S Martindale
- T Murphy
- S Nash
- C Roberts (Resigned 19th March 2013)
- M Rogers
- S Sillars OBE (Resigned 31st December 2012)
- A S Smith
- L Stansfield
- C Thomas
- A Tomsett



Registered Office

Fanshaws
Brickendon
Hertford
SG13 8PQ

Auditors

BDO LLP
Arcadia House
Maritime Walk
Ocean Village
Southampton
SO14 3TL

The Directors present their report and the Audited financial statements for the year ended 31 March 2013.

Principal Activity

The principal activity of the group during the year was that of a Professional Body, Awarding Body and provider of educational services for the retail motor industry.

Limited by Guarantee

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



CHAIRMAN'S REPORT

Chairman **Adrian Smith** on how the current economic climate makes the IMI more relevant than ever

It will come as no surprise to hear that the Motor Industry has been going through a difficult time in recent years. The current economic climate continues to pose many threats and throw up new challenges for automotive businesses, with consumers cutting back on their mileage, as well as spending less on maintenance and repair.

Further, the automotive sector is also racing to keep up with uniquely changing skills needs. Vehicles are becoming ever more sophisticated, bringing new challenges to motor vehicle technicians. Meanwhile, customer buying habits are changing to accommodate the rapid advancement of online technology leaving some businesses in the position of needing to adapt or risk disappearing from the public eye.

The challenges are many, but it is precisely because of these challenges that an over arching body such as the IMI is more relevant than ever. The IMI's vision is to ensure that the automotive retail sector has a skilled, competent and professional workforce, able to keep pace with the demands of new technology and changing markets. We understand that, in order to reach our vision, we need to find comprehensive and viable solutions to the challenges faced by the sector.

Nowhere can this understanding be seen more clearly than in the considerable work that has taken place in 2012/13 towards the delivery of the Professional Register as a viable Voluntary Licence to Practise for the sector. The Professional Register is a physical embodiment of the IMI's vision and values and underpins all the other work strands we are undertaking. I look forward with great anticipation to seeing the positive impact the Register will have in the coming years.

The Professional Register forms the cornerstone of an extensive work programme being undertaken by the IMI. Through this year's Annual Report you will see how the IMI is working on solutions to key challenges across the sector. These include attracting and retaining talent, meeting current and future skills needs, addressing the needs of management and leadership, challenging public perceptions and developing up-to-date and relevant qualifications in a changing environment. The IMI

"The Professional Register is a physical embodiment of the IMI's vision and values and underpins all the other work strands we are undertaking. I look forward with great anticipation to seeing the positive impact the Register will have in the coming years."

really does have something for everyone and I believe there are exciting times ahead.

I would like to take the opportunity to thank the team at the IMI and IMI Awards, the members of the Group Board, IMI Awards Board and sub-committees, along with the many volunteers whose dedicated commitment and hard work play a significant role in helping the Institute fulfil its ambition of meeting the professional needs of the retail motor industry's workforce and employers.

Finally, I would like to welcome Steve Nash, who joined the IMI as Chief Executive Officer in January 2013 from his position as Aftermarket Director at BMW. Steve is extremely well known and respected in the sector and brings with him a wealth of motor industry experience. Steve's previous role as President of the IMI also means that he understands the vision and values of the organisation extremely well and I am certain that Steve will be hugely successful in his new role.

Adrian Smith
Chairman, IMI



CEO'S REPORT

The IMI's CEO, **Steve Nash** FIMI, looks back on a year of progress

The end of 2012/13 marks the halfway point of the work streams funded by the second round of the UK Commission for Employment and Skills' (UKCES) Employer Investment Fund (EIF) and, as such, has been a year of intense activity at the IMI. As a newcomer into the role of CEO in 2013 I am extremely excited by what I have seen and believe the activities we are undertaking will go a long way to ensuring a bright future for the UK retail motor industry.



Professional Register as centrepiece of EIF funded activities

It would be remiss of me to begin this report without highlighting the progress made around the Professional Register, which forms the centrepiece of so much of our work, over the past year. The successful development of the public facing element of the Professional Register in 2012 ready for launch in April 2013 means that next year we can look forward to the Register playing a key role in raising standards in the sector, challenging public perceptions and ultimately helping to attract a new generation into the sector. IMI Members, Automotive Technician and Automotive Management accredited individuals who are listed on the Register can also look forward to a much higher profile going forward as a consumer promotion is due in the next year.

Continuing Professional Development (CPD) portfolio update

To support the register and help to meet skills needs across the sector, the IMI has also continued to develop its extensive Continuing Professional Development (CPD) partnership offering. Highlights of 2012/13 include the addition of courses from the Institute of Advanced Motorists and heavy vehicle manufacturer Scania. Courses aimed at helping automotive business managers were also added from providers such as Remit, Penny Mallory, Bodyshop Consulting and the Trading Standards Institute. I believe the IMI's CPD portfolio is now one of the best training resources available in the sector and I hope to see the Professional Register successfully helping to promote it to a wider audience next year.

"It is important to plan a route to success and address every detail of what is required to achieve that success. Without a final 'destination' or a goal in mind, it is impossible to put the best plan into place."

Penny Mallory
CPD Delivery Partner



Back to the Future. The IMI's extensive CPD partnership offering covers everything from augmented reality to more traditional courses.



"The motor industry changes week in and week out, new technologies, new developments and new strategies for training. If you don't keep your CPD up you'll get left behind and that's why I think the Professional Register is a good thing."

Alan Stevens MIMI, Quality and Funding Manager, Kwik Fit GB Ltd Training Academy

"When I was younger I saw people with letters after their name and I thought; "I want that!" Membership gives an indication to others of the pride I have in my career and also recognition of my qualifications and experience."

Andy Savva FIMI,
MD of Brunswick Garage

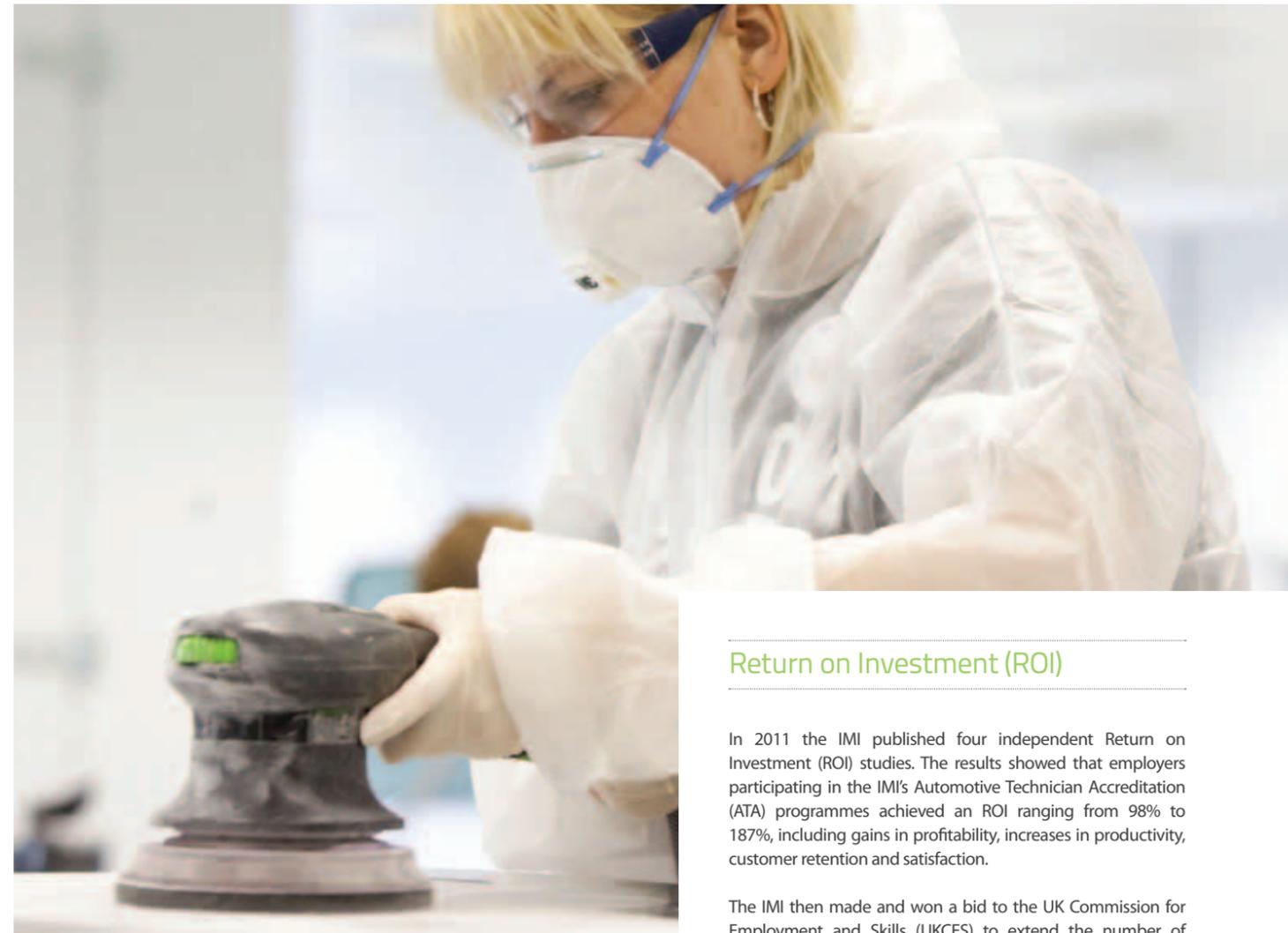
Membership Update

IMI membership continues to be of central importance to the IMI to fulfil its function as a professional body. Last year saw a 90% retention rate in membership despite difficult economic conditions and the IMI welcomed 876 new members. Aside from inclusion on the Professional Register for members with Licentiate grade or higher, from the 2013/14 membership year, we will introduce an exclusive member benefit for those members that hold Certificated Automotive Engineer (CAE) and Advanced Automotive Engineer (AAE) status. In partnership with Andrew Marsh of Auto Industry Insider we will be publishing quarterly technical updates exclusively for CAE and AAE members. These updates aim to help members to respond to rapidly-changing technological developments and best practice.

The IMI has also developed voluntary recognition standards specifically designed for automotive trainers and assessors. The Standards aim to benefit individuals and their employer by recognising a trainer's or assessor's track record and capability through experience, qualifications, achievements and CPD. Achievers of the Standard(s) will have the opportunity to use post-nominal letters which are assigned to the particular standard and level achieved, they will also be eligible to appear on the Professional Register. These post nominal letters are: Automotive Trainer Professional (ATP), Advanced Automotive Trainer Professional (AdATP), Automotive Assessor Professional (AAP) and Advanced Automotive Assessor Professional (AdAAP).

The IMI's Member Association network also continued to be a core feature of membership and the 30 active MAs, run by volunteer members, provided 166 networking and CPD events for members across the country.

2012/13 IN NUMBERS



Return on Investment (ROI)

In 2011 the IMI published four independent Return on Investment (ROI) studies. The results showed that employers participating in the IMI's Automotive Technician Accreditation (ATA) programmes achieved an ROI ranging from 98% to 187%, including gains in profitability, increases in productivity, customer retention and satisfaction.

The IMI then made and won a bid to the UK Commission for Employment and Skills (UKCES) to extend the number of studies to cover key areas of automotive retail skills across the four nations:

1. Apprenticeships
2. Management and Leadership
3. Heavy Vehicle irtec inspection
4. Accident Repair

These studies will give us access to a greater range of skill levels and employers of various sizes to produce a series of ROI studies that will make relevant business cases for investment in skills across the automotive retail sector. Return on Investment will be measured through changes in metrics resulting from a change programme, such as training, leading to a quantifiable and acceptable financial benefit exceeding the cost of the investment.

The ROI project started in April 2012. We formed confidential partnerships with employers, set out detailed action plans, discussed each training programme, and identified their business measures. Currently the ROI team are working with employers to extract quantitative measures through cohorts of technicians, apprentices, manager training and qualitative measures through their levels of satisfaction and engagement. The data is being analysed and the results will be reported to sector Stakeholders, the government and the UKCES.

Research

It is extremely important to remain relevant in the automotive sector and we are keen to ensure our services are up to standard and doing the work they were intended to do. That is why we have undertaken a wide range of review activities in 2012/13 which covered areas such as ATA Parts Accreditation, ATA Air Conditioning, AMA Trait, Membership Profiling and the HUBcap and Headlight services on the Autocity website. The IMI also undertook research which covered wider automotive sector issues in areas such as automotive sector perceptions and the generation of regional sub-sector careers fact sheets, which were made available through our careers services.



Accreditation

The IMI's Automotive Technician Accreditation scheme (ATA) has also had an exciting year in 2012/13. With 32,000 ATA's now registered, a significant development across all routes has been the successful placement of all accredited technicians on the Professional Register. ATA has also continued to expand with the inclusion of two new accreditations.

In May 2012, after working closely with the industry and VOSA, an ATA route in Light Vehicle Inspection was launched. Meeting VOSA's 'technical competence' criteria, this new ATA route provides an approved entry route for individuals looking to take the VOSA MOT tester training course.

In November 2012, in readiness for the Government's digital radio switchover, the IMI announced a new benchmark standard for automotive technicians, 'ATA Digital Radio Installation Technician', aimed at specialist auto-electricians and retailers of in-car audio equipment. Developed in partnership with Digital Radio UK and a pilot group of motor industry training providers, retailers and vehicle manufacturers, the IMI anticipates significant demand for the accreditation as motorists require upgrading of their audio equipment in advance of the switchover.

Our partnership with the Society of Operations Engineers (SOE) and the Institute of Road Transport Engineers (IRTE) continues to prosper through the development and success of irtec, the accreditation scheme for individuals working on commercial, trailer and passenger carrying vehicles. The annual target of 1,000 new accreditations was exceeded. The scheme also extended its offer to include Heavy Vehicle Trailer Inspection Technician licences, the first independent accreditation of its kind in the trailer industry. The development of Master Technician now provides a seamless career path for technicians in the heavy vehicle sector.

Another significant area of development for the IMI has been development of our management and leadership offering. The IMI is aiming to accredit up to 13,000 managers by 2015, and we have made some excellent inroads in this area already and believe we're now at a turning point, with no less than 28 vehicle manufacturer brands, as well as HR Directors from the majority of the major Dealer Groups, in advanced discussions with us about creating a benchmark standard that will be universally recognised and respected. The continued support we receive across the industry is invaluable to our development work and in the achievement of our vision. An innovative tool called AMA Trait has been developed to improve recruitment, selection and development of managers.



The UK's best young automotive talent in the fields of Autobody, Autopaint and Autotech competed for gold at the final of the SkillAuto competition

Careers Activities

In 2012/13 the careers team undertook a series of nationwide events to promote awareness of opportunities in the retail automotive industry, including educating professionals as part of EIF funded activities all aimed at increasing the profile of automotive careers. A key objective of this programme is to ensure careers professionals understand the fantastic career opportunities available and the types of students we need in our apprenticeship programmes. This was achieved by providing them with a greater understanding of the requirements for starting a career in the motor industry, with insights from major employers and recent apprentices about working and learning in the automotive retail sector. The events have been a resounding success and have attracted a great deal of praise from UKCES.

In 2012 the IMI also launched HUBcap, an online resource and community for Careers and Academic Professionals, available through our Autocity website www.autocity.org.uk. Created specifically for Academic Professionals and Careers Practitioners, HUBcap features a comprehensive database of key fact sheets covering the opportunities available in different sub-sectors of the motor industry, apprenticeship figures and Careers Labour Market Information broken down by region. HUBcap aims to become the "go to" website for careers practitioners looking for information about motor industry careers.

In February, the IMI careers department achieved the Matrix Standard, a nationally recognised quality standard for organisations that deliver Information, Advice and Guidance (IAG) on learning and work.

Skillauto Competitions

The UK's best young automotive talent in the fields of Autobody, Autopaint and Autotech competed for gold at the final of the SkillAuto competition which took place for the first time at the Skills Show held at the NEC Birmingham from 15th – 17th November 2012. Over 100,000 young people attended the show, which provides a platform for the best of the nation's young talent to compete in their chosen fields, as well as giving visitors the chance to have a go at new skills and gain careers advice.

Matthew Quinn, an apprentice at the Charles Hurst Accident Repair Centre in County Antrim, secured a Gold medal in the Autobody repair competition, while Gary Greer an apprentice at John Lennon Accident Repair in Country Tyrone won Gold in the Autopaint contest. The Autotech competition, which tests participant's diagnostic and vehicle servicing skills, was won by Mark Yates, an apprentice at Holdcroft Honda in Stoke on Trent.

Qualifications and Standards

The IMI continued to undertake important work developing standards and qualifications for the automotive sector. Two additional suites of National Occupational Standards (NOS) have been added to the IMI's portfolio during 2012/13. The first one of these suites is for Automotive Glazing and supports two qualifications, both at Level 2, for Autoglazing Technicians and Windscreen Repairers. The second suite, developed in collaboration with SEMTA SSC, was Motorsport and will support qualifications for a Level 2 Motorsport Trackside Technician.

2012/13 saw the development of three new Apprenticeship frameworks in England, Wales and Northern Ireland which were; Level 2 Caravan & Motorhome maintenance & Repair, Level 3 Caravan & Motorhome maintenance & Repair and Level 3 Vehicle Damage Assessment (VDA). The development of these new frameworks opens up the training offer for the Automotive Sector and will hopefully encourage new blood into the sector. During 2012/13 the IMI also took ownership of the Level 2 Automotive Glazing and Level 2 Windscreen Repair frameworks.

Communications

In 2012/13 the IMI has looked to significantly expand its communications channels in order to ensure awareness of our products and services is as high as possible. We have significantly increased our activity and reach on social media platforms including Facebook, Twitter and LinkedIn and we hope to reap the benefits of this work when we launch a consumer campaign for the Professional Register later in 2013. We have also continued to expand our online presence with the successful launch of Motor Industry Magazine (MIM) online www.mimonline.org.uk which extends the offer of MIM to current members in addition to reaching those who have an interest in our sector. We also continue the development of our jobs platform www.mimjobs.org.uk which pulls automotive jobs from various sources, both internal and external, to create a one stop shop for those looking for jobs within our sector. This work also ties in with our careers platform www.autocity.org.uk which can match current vacancies on MIMJobs to pre-defined skill sets entered by individuals looking for careers opportunities in the industry.



IMI Awards

IMI Awards continues to be the Awarding Organisation of choice for motor vehicle qualifications, and expanded its network of centres to 549 worldwide by the end of March 2013. IMI Awards' range of products and services continues to expand in response to demand from customers. 2012/2013 saw the introduction of a range of new regulated qualifications which includes: Caravan and Motorhome, Cycle, Land-based Engineering, Warehousing and Storage. In addition IMI Awards continues to be the only Awarding Organisation approved to offer ATA, AMA and irtec accreditations.

Apprenticeship qualification numbers saw a small increase in registrations. This may be a good indication that, given the continued difficult economic climate, the sector is recovering. Regulated qualification candidate numbers overall were slightly down on 2011/12. This was mainly due to the full implementation of Functional Skills in place of Key Skills and further significant, government-led educational policy changes, which has resulted in many schools being unable to use IMI Awards lower level qualifications. On a positive note IMI Awards' Quality Assured Awards saw a significant 29% increase in registrations, and Automotive Technician Accreditation (ATA) numbers saw a positive 1.5% increase when compared with the previous year.

ePortfolio has been a great success and now has over 129 IMI Awards qualifications available for centres to access. Over 100 centres are using it with over 5,000 registered learners. The system has been praised by everyone who has seen it, including Ofsted during a centre visit.

The 17th IMI Awards Annual Survey provided very positive responses regarding IMI Awards' customer service and highlighted, yet again, that overall performance continues to improve. 264 centres (48%) responded to the survey, the highest number ever.

In addition to IMI Awards submitting a statement confirming compliance with Ofqual's General Conditions, an audit carried out by SQA confirmed that IMI Awards was fulfilling its regulatory requirements in Scotland.

The 2012 Outstanding Achievers Awards, held on the 19th June 2012, saw a number of exceptional individuals recognised for their achievements, and attainment of an IMI Awards internationally recognised qualification. The awards also included recognition of two IMI Awards centres – whose passion, dedication and high quality training has helped their candidates achieve the very best. The awards were presented by HRH Prince Michael of Kent, patron of the IMI Group.

Steve Nash
CEO, IMI



Winners and finalists of 2012 Outstanding Achievers Awards

THE OUTSTANDING ACHIEVERS 2012

LIGHT VEHICLE	Michael Ross nominated by Raytheon
HEAVY VEHICLE	Andrew Ledbury nominated by Scania Training Centre
PAINT	Adam Simpson nominated by South Devon College
BODY REPAIR	David Langdon nominated by Exeter College
MOTORCYCLE	Alan Ireland nominated by Wirral Metropolitan College
FAST FIT	Sam Sinderberry nominated by Motov8
YOUNG STUDENT	Jamie Sparkes nominated by Exeter College
NON TECHNICAL	Kallum Lowe nominated by Volvo Training & Development Centre
APPROVED CENTRE OF THE YEAR	S & B Automotive Academy
SPECIALIST CENTRE OF THE YEAR	ITAS 2007



"The main challenges I see come from the rapidly evolving technology going into modern vehicles. For instance, electronic systems are becoming more and more complex along with the diagnostic equipment needed to work on them."

Graham Tribble, Acting Section Head for Automotive and Marine at South Devon College

THE IMI: OUR FUTURE PLANS

- 1 Develop and gain Board approval for a 3 year business and financial strategy which examines and provides for the achievement of financial sustainability of the IMI Group beyond the current funding cycle.
- 2 Deliver the agreed budget for 2013-14. Ensure the UK Commission for Employment and Skills Employer Investment Fund (EIF2) projects are delivered within the 10% parameter.
- 3 Promote IMI products or IMI influenced products and services to achieve 26,279 of upskilling interventions by the end of the year 2013/14.
- 4 Establish the IMI's Professional Register as the automotive voluntary licence to practice by 31 March 2014, achieving 41,500 registered professionals and a pipeline of 5,380 potential registered professionals
- 5 Develop and maintain National Occupational Standards (NOS), Apprenticeships and qualifications through the delivery of Universal Services contract to agreed deadlines, and fulfil the requirements of holding Issuing Authority and Apprentice certification status.
- 6 Deliver employee and customer service satisfaction surveys by 31 March 2014.
- 7 Develop organisational capacity and capability to achieve business objectives for the year 2013/2014.
- 8 As part of the UK Commission for Employment and Skills Employer Investment Fund (EIF2) contract deliverables, deliver 4 major Return on Investment studies comprising a total of 9 work-streams and disseminate studies using multi-channel communications strategy. Evaluate and report on the impact of the studies on employers' ambition to up-skill.
- 9 Deliver UK Commission for Employment and Skills Employer Investment Fund (EIF2) – Increasing Current Competence contractual deliverables and achieve 29,800 accredited individuals by 31 March 2014.
- 10 Deliver UK Commission for Employment and Skills Employer Investment Fund (EIF2) – Improving Management and Leadership contractual deliverables by 31 March 2014.
- 11 Deliver the UK Commission for Employment and Skills Employer Investment Fund (EIF2) – Expand and Embed the Professional Register contractual deliverables by 31 March 2014.
- 12 Deliver UK Commission for Employment and Skills Employer Investment Fund (EIF2) – Attract and Retain Talent contractual deliverables and provide a sector specific careers information service resulting in 74,000 accessing careers information by 31 March 2014
- 13 As per the UK Commission for Employment and Skills Employer Investment Fund (EIF2) – AutoStart contract deliverables, deliver the programme to 149 14-16 year olds on an automotive-specific vocational education programme by 31 March 2014.
- 14 Deliver the business-wide research plan including monitoring and evaluation research plans for the 6 EIF2 projects by the deadlines agreed.
- 15 Develop and deliver integrated marketing and communication plans to deliver EIF2 and departmental deliverables by 31 March 2014.

A VISION FOR THE AUTOMOTIVE RETAIL INDUSTRY

In 2012 we published our first manifesto which included our vision, five key challenges we face as a sector and set out how we proposed to tackle those challenges.

FIVE KEY CHALLENGES



Changing public perception of the sector and increasing consumer confidence



Developing the next generation – attracting and retaining talented individuals



Preparing for the future – ensuring that current and future skills needs are met



Developing great leaders to drive change



Ensuring businesses understand the benefits of professionalism



Our vision is that the automotive retail sector has a skilled, competent and professional workforce, able to keep pace with the demands of new technology and changing markets and remain competitive in a global market. In order to make our vision a reality, we continue our work of providing the sector with the support it needs to address the five key challenges it faces (see left).

It may sound like a tall order, but the IMI has programmes in place across the automotive sector to help meet the challenges the industry faces and we are making progress on all of these challenges, but we still have a long journey ahead. Whether you are in school considering your career options or a senior manager with many years experience behind you we have something for you. Join us on our Journey - we might surprise you!

CHALLENGING PERCEPTIONS

Public perception and consumer confidence of the automotive sector is often poor, making it difficult to attract new talent into the industry and harming the reputation of those who work to the highest standards. This is why one of the IMI's key aims is to help improve the sector's image.

In 2013 the IMI's Professional Register went live to the public at www.imiregister.org.uk. The Register allows the public to search for qualified and competent individuals for the first time and ensures that the most talented personnel can be placed at the forefront of the automotive retail sector.

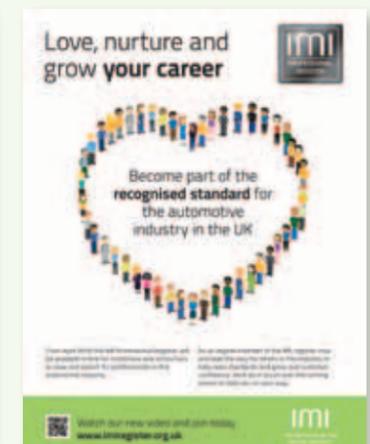


"It's important for us to encourage new customers to our business and to stabilise our customer base. The Employer Recognition Scheme (ERS) is a great opportunity for independent businesses to promote themselves alongside main dealers, giving customers confidence and trust that we can do just as a professional job."

John Cross, Hitchin Motor Care

ACHIEVED SO FAR...

- ✓ Trade media campaign to create awareness of Professional Register
- ✓ Production and distribution of short animated film about Professional Register
- ✓ Launched the public facing Professional Register April 2013
- ✓ Over 40,000 individuals on the register from across sub sectors and the UK
- ✓ Piloted Employer Recognition Scheme (ERS) to provide enhanced status to those that employ registered professionals.



NEXT STEPS...

- Target of 50,000 on register by 2014 and 100,000 on by 2016
- Continued trade awareness campaign of Professional Register to reach the 500,000 individuals working in the sector
- Planned consumer campaign to create awareness of the Professional Register and create further demand for registered professionals and recognised employers
- Provide media with broad range of case studies of excellent working practices of individuals and organisations across the sector, giving balanced coverage to consumers.





DEVELOPING THE NEXT GENERATION

The automotive sector needs to attract bright young and enthusiastic people, if we are to maintain the employment and skills levels needed to keep the sector competitive.

The IMI's dedicated careers team works hard to introduce young people to the motor industry and can support apprentices right through to their first job. The IMI's careers website Autocity www.autocity.org.uk also hosts a wealth of resources and activities, from communities for young people to resources for careers advisors. Autocity is also the home of the SkillAuto competition - which recognises the best young automotive talent in the industry today.



ACHIEVED SO FAR...

- ✔ Held 4 nations "Insight into Automotive Career" events across the UK, informing and showcasing our excellent careers opportunities in our sector
- ✔ Reached over 10,000 career practitioners and teachers through communications, events and engagement
- ✔ Continued development of Autocity website achieving 75,928 visitors over last 12 months
- ✔ Developed social media channels to reach and engage with younger target audience
- ✔ Developed free automotive related teaching resources for numeracy, business and enterprise at key stage 3 and 4 to engage and attract young people to our sector
- ✔ Achieved 149 registrations on Autostart – vocational programme for 14-16 year olds 12,000+ Apprentices starts last year
- ✔ Developed Apprenticeship frameworks for Level 2 Caravan & Motorhome maintenance & Repair, Level 3 Caravan & Motorhome maintenance & Repair and Level 3 Vehicle Damage Assessment (VDA)
- ✔ 86,000 individuals accessed IMI careers information in 2012/13.

NEXT STEPS...

- Provide evidence through our return on investment case studies on the benefits of recruiting automotive Apprentices
- Develop and launch free automotive related ICT and Literacy headlight resource
- Take up of Headlight from 200 to 350+ schools and engagement with 7,500 students across the UK
- Employability Skills Programme - 9,000 students better prepared for work in our sector
- Develop and launch jobs matching service on our Autocity website linked to our MIMjobs platform.

PREPARING FOR THE FUTURE

Working in the automotive industry is a fast moving career and the introduction of new technologies, such as electric drive and the rapid development of driver safety technology, means skills needs are changing all the time.

To ensure current and future skills needs are met, the IMI has developed a network of approved training providers, which includes the likes of Mercedes Benz and Jaguar Land Rover, to give individuals in a wide variety of roles access to quality automotive CPD. The IMI also continues to develop ATA in order to ensure a benchmark exists for technical competency in vital skill areas across the sector.

ACHIEVED SO FAR...

- ✔ 160 CPD courses available to support skills development both online and face to face
- ✔ Face to face CPD courses available from Mercedes, Scania, Institute of Advanced Motorists, Calex UK, University of Hertfordshire and PAR Automotive
- ✔ Online course offering covering technical, business and management topics from leading providers
- ✔ Redevelopment and distribution of the IMI course guide for 2013/14
- ✔ Developed Vehicle Inspection and DAB Radio and Electric Vehicle ATA accreditations
- ✔ Reviewed and updated ATA Refrigerant Handler and ATA Parts Advisor
- ✔ Developed Modular Assessed Outcome module method of ATA re-accreditation to encourage continuous learning.



Our members' magazine, MIM, prominently features the IMI's wide variety of quality automotive CPD

NEXT STEPS...

- Promote IMI products or IMI influenced products and services to achieve 26,279 up skilling interventions by the end of the year 2013/14
- Achieve 6,500 ATA Registrations, 80 AMA Registrations and 1000 irtec registrations
- 6000 CPD interventions logged by individuals on the Professional Register
- 40 new CPD modules developed for the IMI's CPD partnership programme
- Aim to have 50,000 people on the Professional Register by 2014 committed to current competence, CPD and ethical behaviour
- Review and update ATA Fast Fit and develop new Roadside Assistance and Recovery routes.



ACHIEVED SO FAR...

- ✓ Developed AMA as an accreditation for automotive managers 
- ✓ Working with 28 Vehicle Manufacturers and major dealer groups to establish a benchmark standard for managers across the sector.

DEVELOPING GREAT LEADERS

To address the challenges the sector faces we need the very best competent and skilled leaders. However, at present only 15% of managers in the sector have a management-level qualification and only 9% have a management-related qualification.

To help develop leaders in the industry the IMI has a whole suite of management related CPD courses available through our partnership programme. The IMI is also developing and implementing benchmark standards for individuals in management positions across the sector through its Automotive Management Accreditation (AMA) scheme.



NEXT STEPS...

- Establish a benchmark standard for managers working across the automotive sector
- Achieve 80 employers engaged in AMA mapped solutions
- Achieve 12 Vehicle Manufacturers and 8 Training Providers using AMA mapped solutions
- Achieve a minimum of 750 sector managers on improved management development programmes using AMA mapped solutions
- Redevelopment of the AMA website including new discussion forums
- Undertake Return on Investment (ROI) studies with managers who receive training and accreditation.

MAKING THE CASE FOR PROFESSIONALISM

The IMI recognises that our vision cannot be achieved without the support of businesses operating in the sector. We know that skills development is fundamental to remaining competitive and profitable; we also know that often businesses do not always see the value of up-skilling.

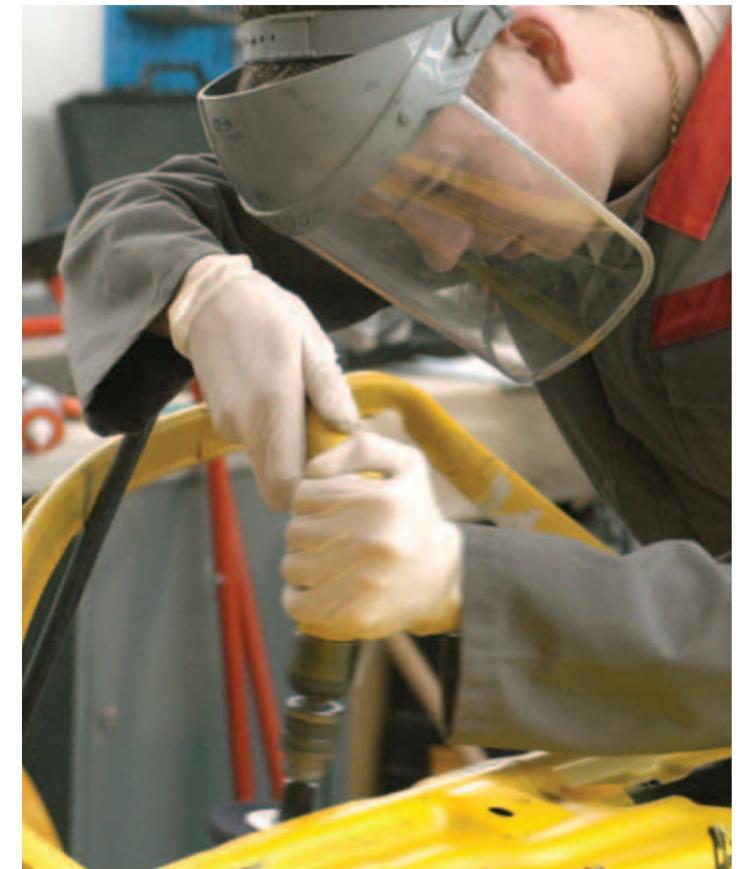
This is why a vital strand of the IMI's work is undertaking four major Return on Investment (ROI) studies in the areas of Apprenticeships, Leadership and Management, Heavy Vehicle and Vehicle Body Repair.

CURRENTLY UNDERWAY...

- ✓ IMI worked with the University of Leicestershire to undertake ROI studies which showed employers achieved a positive return on investment on training of between 97% and 187%
- ✓ In order to help employers understand the impact of and value of training to their business, the IMI is conducting 4 major ROI studies covering:
 - Apprenticeships
 - Management and Leadership
 - Heavy Vehicle
 - Accident Repair

NEXT STEPS...

- Develop and publish ROI reports
- Develop and execute a communications plan for key findings of the ROI studies
- Undertake Case Studies with individuals who have engaged with IMI products.



"The motor industry is a vibrant and ever changing industry and I believe this is set to accelerate over the next few years. It is a very complex business, but very satisfying if you get it right."

Martin Ward FIMI.
MD Westons Car and Commercials

STATEMENT ON THE SYSTEMS OF INTERNAL CONTROL AND RISK

Risk

The directors of IMI and IMI Awards Ltd 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 includes mitigating actions to eliminate or reduce each risk and is reviewed monthly for effectiveness. All major projects are assessed on commencement for risk and resource implications and regularly reviewed over their life cycle for changes in risk profile.

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 are reported to the Group Board twice a year. Any interim significant high impact changes in risk levels are reported to the Group Board as they occur.

A number of independent quality assurance committees for both IMI and IMI Awards Ltd continue to function to ensure that the activities of the Group are closely monitored.

Scope of responsibility

The CEO has responsibility for maintaining a sound system of internal control that supports the achievement of the Institute of the Motor Industry policies, aims and objectives as set out in the IMI Strategic Plan 2009 - 2014 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 Institute of the Motor Industry has been supported by the Group Board who are responsible for:

- Setting 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 Group Board is chaired by a non executive Director (Adrian Smith) and comprises of the organisation's CEO, two executive directors together with non executive members. An Audit and Remuneration Committee of non executive Directors support the Group 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.

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 Institute of the Motor Industry 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 Institute of the Motor Industry for the year ended 31 March 2013 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 responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and 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. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Group Board and the Audit and Remuneration Committee and measures to address weaknesses and ensure continuous improvement of the systems are in place.

In maintaining and reviewing the effectiveness of the system of internal control the role of the Institute of the Motor Industry bodies which informed my review are detailed opposite:

The Institute of the Motor Industry Group Board

The Group Board is the governing body of the organisation and carries responsibilities for setting the Institute of the Motor Industry 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 Group Board are as follows:

- The Group Board 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 Institute of the Motor Industry and, wherever possible, following a policy of openness and transparency in the dissemination of decisions.
- The Group Board 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.
- The Group Board regularly monitors the performance of the organisation against its planned strategies and key performance indicators.
- The CEO is responsible to the UKCES for ensuring value for money, regularity and propriety in deploying all the organisation's resources. The Group Board's financial responsibilities included ensuring the solvency of the organisation and safeguarding its assets and receiving and approving the Annual Report and Accounts.
- The Group Board had 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.

The Audit and Remuneration Committee

In addition to their other activities, the Audit and Remuneration Committee oversees the adequacy and effectiveness of the system of internal controls as described above. It achieved this by:

- Reviewing the planned activity and results of the external and internal audit teams;
- Considering the adequacy of Management responses to issues identified by audit and other review bodies on a quarterly basis;
- Regular reports from the Chairman of the Audit and Remuneration Committee, to the Group Board, concerning internal control, risk management and corporate governance.

Internal Audit

In light of work performed in 2011/12, the external audit feedback and the work performed by the Audit and Remuneration Committee, the Group Board concluded that there was no formal need for an internal audit in the 2012/13 year. However some internal work on payroll and purchase ordering has been commissioned for 2013/14.

Significant internal control problems

There are presently no significant internal control problems.

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 group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

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

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.

On behalf of the board

S Nash
28 August 2013

INDEPENDENT AUDITOR'S REPORT

To the members of The Institute of the Motor Industry

We have audited the financial statements of The Institute of the Motor Industry for the year ended 31 March 2013 which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2013 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

*Malcolm Thixton (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Southampton
United Kingdom
28 August 2013*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31 March 2013

	Note	2013 £	2012 £
Turnover	2	8,245,019	8,834,429
Cost of sales		2,824,964	3,293,303
Gross profit		5,420,055	5,541,126
Administrative expenses		4,914,154	4,271,560
Group operating profit	3	505,901	1,269,566
Other interest receivable and similar income		46,908	36,988
Interest payable and similar charges	6	(5)	-
Profit on ordinary activities before taxation		552,804	1,306,554
Taxation on profit on ordinary activities	7	34,541	255,191
Profit on ordinary activities after taxation		518,263	1,051,363

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the profit and loss account.

The notes on pages 27 to 38 form part of these financial statements.

CONSOLIDATED BALANCE SHEET

At 31 March 2013

Company number 00225180					
	Note	2013 £	2013 £	2012 £	2012 £
Fixed assets					
Tangible assets	9		527,605		693,427
Current assets					
Stocks	11	2,812		2,851	
Debtors	12	953,001		1,254,066	
Cash at bank and in hand		7,611,164		6,504,595	
		8,566,977		7,761,512	
Creditors: amounts falling due within one year					
	13	1,436,292		1,303,203	
Net current assets			7,130,685		6,458,309
Total assets less current liabilities			7,658,290		7,151,736
Capital and reserves					
Fanshaws Renovation Fund	15		21,247		32,956
Educational Prize Fund	15		27,598		27,598
Profit and loss account	15		7,609,445		7,091,182
Shareholders' funds			7,658,290		7,151,736

The financial statements were approved by the board of directors and authorised for issue on 28 August 2013.

AJ S Smith
Director

The notes on pages 27 to 38 form part of these financial statements.

COMPANY BALANCE SHEET

At 31 March 2013

Company number 00225180					
	Note	2013 £	2013 £	2012 £	2012 £
Fixed assets					
Tangible assets	9		526,193		688,660
Fixed asset investments	10		500,000		500,000
			1,026,193		1,188,660
Current assets					
Stocks	11	2,812		2,851	
Debtors	12	441,801		733,642	
Cash at bank and in hand		3,625,140		3,374,907	
		4,069,753		4,111,400	
Creditors: amounts falling due within one year					
	13	1,127,349		977,511	
Net current assets			2,942,404		3,133,889
Total assets less current liabilities			3,965,597		4,322,549
Capital and reserves					
Fanshaws Renovation Fund	15		21,247		32,956
Educational Prize Fund	15		27,598		27,598
Profit and loss account	15		3,919,752		4,261,995
Shareholders' funds			3,968,597		4,322,549

The financial statements were approved by the board of directors and authorised for issue on 28 August 2013.

AJ S Smith
Director

The notes on pages 27 to 38 form part of these financial statements.

CONSOLIDATED CASHFLOW STATEMENT

For the year ended 31 March 2013

	Note	2013 £	2013 £	2012 £	2012 £
Net cash inflow from operating activities	18		1,213,300		849,701
Returns on investments and servicing of finance					
Interest received		46,908		36,988	
Interest paid: bank loans		(5)		-	
Net cash inflow from returns on investments and servicing of finance			46,903		36,988
Taxation			(216,993)		(214,154)
Corporation tax paid					
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(35,113)		(75,713)	
Receipts from sale of tangible fixed assets		110,181		26,050	
Net cash inflow/(outflow) from capital expenditure and financial investment			75,068		(49,663)
Cash inflow before use of financing			1,118,278		622,872
Financing					
Fanshaw renovation costs			(11,709)		-
Increase in cash	19		1,106,569		622,872

The notes on pages 27 to 38 form part of these financial statements.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 March 2013

1. Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

The following principal accounting policies have been applied:

Basis of consolidation

The consolidated financial statements incorporate the results of The Institute of the Motor Industry and all of its subsidiary undertakings as at 31 March 2013 using the acquisition or merger method of accounting as required. Where the acquisition method is used, the results of subsidiary undertakings are included from the date of acquisition.

Turnover

Turnover represents amounts receivable in respect of subscriptions, services provided and grants received during the year. Income is recognised on an accruals basis.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, except for freehold land and property, evenly over their expected useful lives. It is calculated at the following rates:

Motor vehicles	- 25% reducing balance
Fixtures and fittings	- 10% - 33% on cost
Computer equipment	- 33% on cost

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 annually and cumulatively immaterial.

Stocks

Stocks represent books and merchandise and are valued at the lower of cost and net realisable value.

Foreign currency

Foreign currency transactions of individual companies are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the profit and loss account.

The results of overseas operations are translated at the average rates of exchange during the year and the balance sheet translated into sterling at the rates of exchange ruling on the balance sheet date. Exchange differences which arise from translation of the opening net assets and results of foreign subsidiary undertakings are taken to reserves.

All other differences are taken to the profit and loss account with the exception of differences on foreign currency borrowings used to finance or provide a hedge against foreign equity investments, which are taken directly to reserves to the extent of the exchange difference arising on the net investment in these enterprises. Tax charges or credits that are directly and solely attributable to such exchange differences are also taken to reserves.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the group anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Leased assets

All leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Pension costs

Contributions to the group's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 March 2013 (continued)

2. Turnover

	2013 £	2012 £
Analysis by class of business:		
Fees -Awarding body	4,544,309	4,394,684
Fees -Accreditation	823,912	727,689
Professional Body	966,819	966,751
Advertising Income	40,029	64,395
Apprentice Certification Fees	163,696	218,107
Grants Receivable	1,567,424	2,274,778
Sundry Income	109,220	161,235
Sponsorship Income	29,610	26,790
	8,245,019	8,834,429

Turnover arises solely within the United Kingdom.

3. Operating profit

	2013 £	2012 £
This is arrived at after charging:		
Depreciation of tangible fixed assets	85,564	123,275
Loss on disposal of tangible fixed assets	5,190	18,290
Fees payable to the company's auditor or an associate of the company's auditor for the auditing of the company's annual accounts	18,500	18,000
Fees payable to the company's auditor or an associate of the company's auditor for other services:		
• taxation compliance services	8,000	8,000
• other non-audit services	4,100	10,700
Exchange differences	2,869	123

Amounts paid to the company's auditor in respect of services to the company, other than the audit of the company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 March 2013 (continued)

4. Employees

	Group 2013 £	Group 2012 £
Staff costs (including directors) consist of:		
Wages and salaries	3,102,658	2,814,735
Social security costs	327,157	307,766
Other pension costs	278,733	242,730
	3,708,548	3,365,231
	Group 2013 Number	Group 2012 Number
The average number of employees (including directors) during the year was as follows:		
Office and management	90	84
Directors	4	4
	94	88

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 March 2013 (continued)

5. Directors' remuneration

	2013 £	2012 £
Directors' emoluments	242,876	176,750
Company contributions to money purchase pension schemes	51,164	45,738

There were 4 directors in the group's defined contribution pension scheme during the year (2012 - 3).

The total amount payable to the highest paid director in respect of emoluments was £142,300 (2012 - £100,587). Company pension contributions of £43,300 (2012 - £40,509) were made to a money purchase scheme on their behalf.

6. Interest payable and similar charges

	2013 £	2012 £
Bank loans and overdrafts	5	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 March 2013 (continued)

7. Taxation on profit on ordinary activities

	2013 £	2012 £
UK Corporation tax		
Current tax on profits of the year	42,500	245,038
Adjustment in respect of previous periods	(7,959)	10,153
Total current tax	34,541	255,191

The tax assessed for the year is higher than/lower than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	2013 £	2012 £
Profit on ordinary activities before tax	552,804	1,306,554
Profit on ordinary activities at the standard rate of corporation tax in the UK of 24% (2012 - 26%)	132,673	339,704
Effect of:		
• Expenses not deductible for tax purposes	1,415	1,262
• Depreciation for period in excess of capital allowances	10,705	11,702
• Adjustment to tax charge in respect of previous periods	(7,959)	10,153
• Income not taxable	(104,489)	(111,885)
• Short term timing differences	7,708	5,247
• Small profit relief	(5,512)	(992)
Current tax charge for the year	34,541	255,191

IMI Limited has unutilised tax losses brought forward of £342,500 (2012 - £341,000) available for carry forward against future trading profits of the IMI Limited.

8. Profit for the financial year

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The group profit for the year includes a loss after tax of £342,243 (2012 - £285,200 profit) which is dealt with in the financial statements of the parent company.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 March 2013 (continued)

9. Tangible fixed assets

GROUP	Freehold land and buildings £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 April 2012	396,653	285,819	1,011,589	189,997	1,884,058
Additions	-	-	-	35,113	35,113
Disposals	-	(253,976)	-	-	(253,976)
At 31 March 2013	396,653	31,843	1,011,589	225,110	1,665,195
Depreciation					
At 1 April 2012	-	152,944	912,790	124,897	1,190,631
Provided for the year	-	8,432	27,722	49,410	85,564
Disposals	-	(138,605)	-	-	(138,605)
At 31 March 2013	-	22,771	940,512	174,307	1,137,590
Net book value					
At 31 March 2013	396,653	9,072	71,077	50,803	527,605
At 31 March 2012	396,653	132,875	98,799	65,100	693,427

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 March 2013 (continued)

9. Tangible fixed assets (continued)

COMPANY	Freehold land and buildings £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 April 2012	396,653	285,819	1,011,589	179,830	1,873,891
Additions	-	-	-	35,113	35,113
Disposals	-	(253,976)	-	-	(253,976)
At 31 March 2013	396,653	31,843	1,011,589	214,943	1,655,028
Depreciation					
At 1 April 2012	-	152,944	912,790	119,497	1,185,231
Provided for the year	-	8,432	27,722	46,055	82,209
Disposals	-	(138,605)	-	-	(138,605)
At 31 March 2013	-	22,771	940,512	165,552	1,128,835
Net book value					
At 31 March 2013	396,653	9,072	71,077	49,391	526,193
At 31 March 2012	396,653	132,875	98,799	60,333	688,660

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 March 2013 (continued)

10. Fixed asset investments

COMPANY

	Group Undertakings £
Cost	
At 1 April 2012 and 31 March 2013	500,000

Subsidiary undertakings, associated undertakings and other investments

The principal undertakings in which the company's interest at the year end is 20% or more are as follows:

	Country of incorporation or registration	Class of share capital held	Proportion of share capital held	Nature of business
IMI Awards Limited	England and Wales	Ordinary shares	100%	An awarding body and provider of educational services
Motor Industry Management Limited	England and Wales	Ordinary shares	100%	Dormant
College of Motor Industry Limited	England and Wales	Ordinary shares	100%	Dormant

11. Stocks

	Group 2013 £	Group 2012 £	Company 2013 £	Company 2012 £
Books and merchandise	2,812	2,851	2,812	2,851

There is no material difference between the replacement cost of stocks and the amounts stated above.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 March 2013 (continued)

12. Debtors

	Group 2013 £	Group 2012 £	Company 2013 £	Company 2012 £
Trade debtors	549,801	532,534	104,698	109,911
Amounts owed by group undertakings	-	-	46,399	34,115
Other debtors	109,101	101,008	85,540	72,630
Prepayments and accrued income	294,099	620,524	205,164	516,986
	953,001	1,254,066	441,801	733,642

All amounts shown under debtors fall due for payment within one year.

13. Creditors: amounts falling due within one year

	Group 2013 £	Group 2012 £	Company 2013 £	Company 2012 £
Trade creditors	162,789	246,041	81,785	233,647
Corporation tax	42,500	224,952	-	3,310
Other taxation and social security	155,202	140,187	103,866	95,379
Other creditors	83,262	60,024	62,178	38,288
Accruals and deferred income	992,539	631,999	879,520	606,887
	1,436,292	1,303,203	1,127,349	977,511

14. Pensions

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension charge amounted to £278,733 (2012 - £242,730). Contributions amounting to £44,957 (2012 - £21,115) were payable to the fund and are included in creditors.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 March 2013 (continued)

15. Reserves

GROUP	Fanshaws Renovation Fund £	Educational Prize Fund £	Profit and loss account £
At 1 April 2012	32,956	27,598	7,091,182
Profit for the year	-	-	518,263
Fanshaws renovation costs	(11,709)	-	-
At 31 March 2013	21,247	27,598	7,609,445

COMPANY	Fanshaws Renovation Fund £	Educational Prize Fund £	Profit and loss account £
At 1 April 2012	32,956	27,598	4,261,995
Loss for the year	-	-	(342,243)
Fanshaws renovation costs	(11,709)	-	-
At 31 March 2013	21,247	27,598	3,919,752

16. Reconciliation of movements in shareholders' funds

	Group 2013 £	Group 2012 £	Company 2013 £	Company 2012 £
Profit/(loss) for the year	518,263	1,051,363	(342,243)	285,200
Fanshaws renovation costs	(11,709)	-	(11,709)	-
Net additions to/(deductions from) shareholders' funds	506,554	1,051,363	(353,952)	285,200
Opening shareholders' funds	7,151,736	6,100,373	4,322,549	4,037,349
Closing shareholders' funds	7,658,290	7,151,736	3,968,597	4,322,549

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 March 2013 (continued)

17. Related party disclosures

During the year the Institute paid rents amounting to £4,572 (2012 - £3,875) and miscellaneous expenses amounting to £Nil (2012 - £478) to Scottish Motor Trade Association, a company of which Adrian Smith is a director.

In addition, consultancy fees amounting to £78,769 (2012 - £123,701) were paid to Sillars and Co Limited, a company in which Sarah Sillars, director, has a controlling interest.

The transactions were undertaken at arms length.

Controlling parties

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

Advantage has been taken of the exemption allowed by FRS 8 "Related Party Transactions" not to disclose any transactions with any entities that are included in the consolidated financial statements.

18. Reconciliation of operating profit to net cash inflow from operating activities

	2013 £	2012 £
Operating profit	505,901	1,269,566
Depreciation of tangible fixed assets	85,564	123,275
Loss on sale of tangible fixed assets	5,190	18,290
Decrease in stocks	39	1,163
Decrease/(increase) in debtors	301,065	(429,737)
Increase/(decrease) in creditors	315,541	(132,856)
Net cash inflow from operating activities	1,213,300	849,701

19. Reconciliation of net cash flow to movement in net funds

	2013 £	2012 £
Increase in cash	1,106,569	622,872
Opening net funds	6,504,595	5,881,723
Closing net funds	7,611,164	6,504,595

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 March 2013 (continued)

20. Analysis of net funds

	At 1 April 2012 £	Cash flow £	At 31 March 2013 £
Cash at bank and in hand	6,504,595	1,106,569	7,611,164
Total	6,504,595	1,106,569	7,611,164

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