



INSTITUTE
OF THE MOTOR
INDUSTRY

20
15

ANNUAL REPORT

Together, driving up standards

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN

that an Ordinary General Meeting (being the ninety fourth Annual General Meeting of the Institute) will be held at 'Fanshaws', Brickendon, Hertford on Wednesday 28 October 2015 at 2.00 pm.

AGENDA

- | | |
|----|--|
| 1 | Apologies for absence |
| 2 | Minutes of the Annual General Meeting of 29 October 2014 |
| 3 | Installation of President – 2015/2016 |
| 4 | Installation of Vice Presidents – 2015/2016 |
| 5 | Installation of Honorary Treasurer – 2015/2016 |
| 6 | Declaration of Directors |
| 7 | Revenue Account and Balance Sheet of the Institute for the year ended 31 March 2015 and the Auditor's Report |
| 8 | Annual Report for the year ended 31 March 2015 |
| 9 | Appointment of Auditors |
| 10 | Any other business |

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.

by Order of the Board

C THOMAS
Finance & IT Director
1st June 2015

'Fanshaws'
Brickendon
Hertford
SG13 8PQ

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@theimi.org.uk

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

IMI NON-EXECUTIVE BOARD DIRECTORS

G Braddock

G E Clark *(resigned April 2014)*

M Crandon *(joined April 2014)*

A Davies

K Finn

D Lockhart

A Mackrill *(joined April 2014, resigned March 2015)*

S Martindale

T Murphy

M Rogers

R Siney *(joined October 2014)*

AJS Smith

A Tomsett

CHAIRMAN'S FOREWORD

The development and facilitation of professional standards is critical in a fast moving industry and I believe an overarching body such as the IMI is best placed to make this happen.

It is an exciting and dynamic time to be part of the automotive sector. The industry has seen more change in the past decade than in the previous 50 years and the pace of change shows no sign of slowing down.

Technology is evolving - fast. Hybrid cars are now common place and electric propulsion is rapidly gaining significant traction. Hydrogen Fuel Cell technology is already on the horizon along with a number of potential alternatives.

Driverless cars were once seen as science fiction, but in 2015 we are seeing them tested on UK roads for the first time. The government is determined to make the UK a world leader in autonomous technology, with ramifications for everybody working in the motor industry.

The way we are selling cars is also changing. Virtual showrooms and greater online integration, coupled with changes in consumer behaviour and fresh methods of vehicle tenure are ensuring that it is not just technical personnel who have to keep up with the pace of change.

All these developments will have a huge impact on every part of the motor industry and the work of the IMI will be more important than ever. The development and facilitation of professional standards is critical in a fast moving industry and I believe an overarching body such as the IMI is best placed to make this happen.



I'm confident that the IMI is well prepared to meet the challenges and opportunities which the industry faces. In the design of the Annual report you will see a new look and feel for the IMI. The rebranding is the public face of an evolution which began last year when projects funded by UKCES were successfully completed. The team at the IMI has since done an excellent job in refocusing the organisation rolling out a new three year strategy where I expect to see it flourishing for many years to come. I am certain you will see IMI qualifications, accreditations and the Professional Register at the forefront of the industry as it heads into the future.

It has also been encouraging to see the IMI taking a strong stance on issues that affect the industry. The IMI's campaigns around licensing of technicians, careers and apprenticeships are already ensuring the industry has a higher profile with government and the media than ever before. These are also ensuring that the IMI is better placed than ever to represent and support the industry to government and the wider audience.

Of course the IMI cannot lead the industry alone and we are grateful to all the companies and individuals that have supported the organisation's work this year.

AJS Smith. FIMI FloD FCMl
Chairman, IMI

CEO'S REPORT

Steve Nash looks back on a year of new beginnings for the IMI

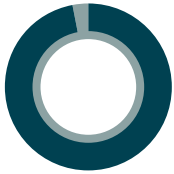
WELCOME TO A NEW LOOK IMI

2014/15 has been an extremely exciting time for the IMI. With our UKCES funded activities behind us, the IMI moved into a new era with a new look and a new three year strategy which aims to establish the IMI as the UK's most respected and admired industry body; Internationally recognised as authoritative, valued and supported across our sector and beyond. The IMI's new brand identity is a visual embodiment of this new era and is displayed throughout this year's Annual Report, offering a contemporary classic feel which reflects our history and the journey ahead.

The brand changes are not just skin deep. The IMI has worked to streamline its complex offer and provide a single identity for all products and services under new product groupings. The most obvious change for the sector is that the ATA and AMA brands have been phased out to become IMI Accreditation. Furthermore, the IMI's various careers related materials previously seated under Autocity have been combined under IMI Careers and Resources.

The rebrand is an integral part of the IMI's strategy for growth along with development of overseas business and diversifying its service offering. As the voice of the sector, the IMI is also raising its profile by working with the industry to promote best practice, drive up standards and encourage new talent to join our exciting industry.





97%

MARKET SHARE

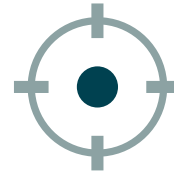
for apprenticeship certificates issued for the sector



250

QUALIFICATIONS

combined under IMI Learning and Development



96%

OF APPROVED CENTRES

said IMI continues to exceed their requirements

A NEW THREE YEAR STRATEGY FOR THE IMI

In 2014 the IMI began a new three year strategy designed to ensure the IMI could continue to support the automotive sector without government funded projects. This entailed a 3 year Financial Strategy, supported by our reserves and approved by the Board, with a planned deficit in year one, a much smaller deficit in year two and a small surplus in year three. Thereafter, as a result of our business transformation programme, the organisation is expected to move forward strongly. I am happy to report that we outperformed the budget in 2014/15 and have been able to deliver a budget that will realise a greatly reduced deficit, as planned, in 2015/16. The rebrand is an integral part of the IMI's strategy for growth along with development of overseas business and diversifying its service offering. As the voice of the sector, the IMI is also raising its profile by working with the industry to promote best practice, drive up standards and encourage new talent to join our exciting industry.

REINTEGRATION

At the heart of the strategy is the reintegration of IMI and IMI Awards. Reintegration commenced in April and enables the organisation to develop new and existing services, forge new links between learners and the IMI and open avenues for the IMI to increase operations in the international market. IMI Awards has grown to attain a dominant position in the sector as its leading automotive awarding organisation demonstrating a market share of 66% for overall automotive qualifications and 97% for apprenticeship certificates issued for the sector. Awarding product development and operations, which offer over 250 qualifications are now combined under IMI Learning and Development. Under this same grouping, IMI offer Accreditations, eLearning, Continuing Professional Development and Quality Assured Programmes.

BUSINESS GROWTH THROUGH DIVERSIFICATION

One of the core aims of the new Strategy is to add profitable business streams by identifying and exploiting new markets. The number of qualifications IMI offer has continued to grow, and in-line with the new 3 year strategic plan, IMI has diversified into new areas, creating new qualifications for Construction Plant Maintenance, Land Based engineering and for Vehicle Restoration. Vehicle restoration is a particularly interesting piece of work which has generated a lot of press coverage in the classic car industry. A recent arrangement with The Federation for Industry Sector Skills and Standards (FISSS) will also see the IMI administering UK based Logistic apprenticeship certification for the first time.

CREATING A COMMERCIAL CULTURE

As with any successful commercial organisation, it is essential we continue to develop and diversify our product offering in order to meet the ever evolving demands of the sector we serve.

It has been a year of significant change for all awarding bodies, with cuts in funding, major changes in government education policy and much tighter regulation by Ofqual. However, IMI's awarding organisation has continued to grow its network of approved centres and adapt to the changing educational landscape. The number of centres has increased by 39 over the course of the year, with 600 as at the end of March 2015. This includes 553 UK centres and 47 overseas centres.

In addition to the restructuring within the business, there has been the creation of a number of new job roles to support the changing business, both within the Awarding Operations and Awarding Product Development teams. There have also been significant revisions to systems and processes, including the gradual roll out of a new I.T system for the approved centre network known as Centres Hub. This makes it much easier for centres to liaise with their External Quality Assurers (EQA's), other IMI staff, and replaces many paper based documents. This new system, in addition to helping our growing centre network, is also designed to support the application to the regulators for the IMI to become a new Awarding Organisation. The intention is that once IMI has successfully been recognised by the regulators that IMI Awards will run existing qualifications out, and all new qualifications will be IMI.

Apprenticeship qualification registrations in England, Wales and Northern Ireland have increased, if only slightly from 2013-14, highlighting that confidence is gradually returning to the sector. UK regulated full-time qualification candidate numbers overall in England, Scotland, Wales and Northern Ireland were slightly down on 2013/14. However growth in Quality Assured Programmes and International non-regulated qualification registrations helped offset this fall, with a significant 98% increase in International registrations.

IMI approved centre survey was carried out in February 2015. This was the 19th consecutive annual survey, and considering the significant changes in vocational education that have taken place over the course of the year, the results have been extremely positive. Overall performance was excellent with 96% stating that IMI continues to exceed their requirements or fulfils them completely, and 98% of centres would highly recommend IMI Awards to another training provider.



553

UK

approved centres



47

OVERSEAS

approved centres



200

COLLEGES

and training provider's use
IMI eLearning system

In addition to IMI submitting an application to become an Awarding Organisation in its own right, IMI Awards ensured continuing regulatory compliance by submitting an annual statement to Ofqual and the Welsh Government. In Scotland IMI Awards continued to fulfil its regulatory requirements for SQA Accreditation.

eLEARNING

Another element of both our new 'commercial culture' and diversification strategy is growth through acquisitions. In March of 2014 the IMI successfully completed the acquisition of Automotive Technician Training (ATT) - an eLearning system which is used in the training of light vehicle technicians in over 200 colleges in the UK and Ireland. The multimedia blended eLearning platform is used in classrooms by teachers and can be accessed by students from home and covers the entire curriculum for IMI Awards, City and Guilds and Pearson/Edexcel light vehicle qualifications up to level 3.

Former ATT Technical Director Tom Denton also joined the IMI as eLearning Development Manager where he has begun working with the internal and external industry experts to further develop the platform which includes resources to support body, paint, motorcycle and heavy vehicle qualifications for the sector.

INTERNATIONAL STRATEGY

For many years the IMI has had a presence overseas thanks to our membership model's appeal in foreign markets. However, whilst we have gained the respect of motor industries around the world, we have yet to fully maximise the opportunity this presents. That is why in our three year journey we will fully exploit international business opportunities for all IMI products and services by developing a robust repeatable model.

One of our first key focus areas is Malaysia, where IMI has an established presence and staff on the ground. Building on last year's Memorandum of Understanding, signed with the Malaysian government, in which we agreed to deliver training support across a network of colleges in the region to enhance skills of the automotive workforce, we have been building our media presence in the country. Working with a local agency and our Malaysia based regional manager we achieved substantial coverage and have significant interest in our products and services.

As we move on with this strategy we will use the lessons learned in Malaysia to broaden our activities to new markets. Our newly appointed International Business Development Manager is already looking at opportunities in China, Africa and the Middle East which I hope to report on in the future.





98%

INCREASE
in International
registrations



88%

INCREASE
increase in irtec
registrations



7,862

APPRENTICESHIP
completion certificates
issued

PRODUCT AND SKILLS SOLUTIONS

Whilst the IMI offers a fantastic range of products and services for the motor industry, we also have a complex offering which can seem confusing for those looking in from the outside. That is why we have committed to developing a cohesive product strategy which provides a compelling offer to the sector and supports Professional Registration.

IMI Accreditations continued to evolve in line with sector needs. They were also renamed (previously ATA and AMA) to ensure consistency, create the direct link to IMI and drive brand awareness.

In conjunction with the Society of Operations Engineers (SOE), irtec continued to gain momentum with the Heavy Vehicle and Bus and Coach sector, resulting in an 88% increase in registrations over the previous year. Quality Assured Programmes have also seen a healthy 65% increase in take up compared to the previous year.

One of our biggest achievements in 2014/15 came in the area of management and leadership, when the IMI announced the launch of a common standard for automotive management and leadership across the sector. The 'Automotive Management and Leadership Competency Framework' aims to ensure consistency of managerial training across the sector and a reduction in replication of training. Currently a large amount of training is replicated when managers move from one franchise or manufacturer to another. The common standard allows professionals to transfer mapped programmes or qualifications if they move from one company to another.

29 manufacturers and dealer groups engaged with IMI's standard and 17 completed mapping of their management training programmes against it. Early adopters involved in the project include Vauxhall, Toyota GB, Sytner, Marshall and fleet management company ARI Fleet. Whilst major organisations have been involved with the initial introduction, independent operators can also benefit from the scheme through IMI Management Accreditation which formed the basis for development of the new standard. This means that independents will, for the first time, be able to match their management credentials to industry agreed standards.

SECTOR SKILLS RESPONSIBILITIES

The Sector Skills department of the IMI continued to deliver the core products of National Occupational Standards (NOS), qualification structures and Apprenticeship frameworks/standards, as well as continuing to support the organisation with research requirements and monitoring skills policy. In 2014/15, using Universal Services funding via the UKCES, ten suites of NOS were reviewed including

Accident Repair, vehicle fitting and lift truck maintenance and repair. All of these NOS suites underpin competence and knowledge qualifications for the automotive retail sector. In addition, the Scottish Vocational Qualification structures (8 in total) were reviewed to ensure they matched recently reviewed suites of National Occupational Standards.

Responsible for the Apprenticeship certification for the sector, IMI issued 7,862 apprenticeship completion certificates during the 2014/15 academic year. In addition IMI also bid for and secured the mandate to issue apprenticeship certification for the former Sector Skills Council, Skills for Logistics' footprint. This will effectively double the number of apprenticeship certificates that the department will issue.

IMI continued to monitor and respond to the 4 Nations skills policy and various detailed skills consultations, which during 2014/15 really focused on the new Apprenticeship standard development and around the funding model of Apprenticeships. The IMI also continued to carry out the research function to support group activities and growth plan, particularly around the International exploration and scoping papers as well as Apprenticeship Benchmark, member analysis and employer panel surveys; not to mention the production of the regular 'Policywatch' newsletter.

THE PROFESSIONAL REGISTER

As part of the new branding and strategic direction the IMI introduced a new core purpose which places the Professional Register at the heart of everything we do: "The IMI believes that the development and facilitation of professional registration is critical to personal and business success. We exist to make this happen." As such the development and promotion of the Professional Register was a central piece of work in 2014/15.

A refreshed Professional Register website was launched in December, which includes improvements based on feedback received since its public facing launch the previous year. Developments include improved search functionality, page design and interactive advice for vehicle owners with videos featuring Suzi Perry and a female technician. 40,000 automotive professionals, including IMI Accreditation holders and IMI Members, are also benefitting from the changes with improved optimisation built into the site, ensuring high ranking in web searches for those looking for vehicle repairs, maintenance and servicing, using key terminology used by consumers, not just those used by trade.



65%
INCREASE
 in Quality Assured
 Programmes



95%
RETENTION RATE
 as IMI welcomed 590
 new members



121
NETWORKING & CPD EVENTS
 provided by IMI Member
 Association networks

The Professional Register's website development was timed to align with campaign launched in December based on new consumer research findings. The independent survey revealed that women are reluctant to go to a professional technician because of worries about spiraling costs and being uncomfortable in the atmosphere of the garage. The campaign launch began with radio interviews which reached 4.5 million people and kicked off the start of a four month cycle of promotion on women's interest websites and across social media platforms as well as trade advertising.

All activities resulted in a 238% increase in unique Professional Register website visitors and 414% increase in organic traffic to the Professional Register website with 22,494 visitors throughout the year. Particular achievements were the face-to-face events, press and PR activities alongside online media advertising, which have enabled us to reach out further to consumers across the nations.

MEMBERSHIP

Membership plays a large part in the IMI's new strategy, with the development of a robust offering for the international market (where demand for UK based qualifications and recognition is high). Also in place are plans to connect IMI learners with IMI membership, opening up a new market of individuals each year. It is thought this will lead to a significant increase in market presence of the IMI's Professional Register. Data protection legislation had previously prevented this activity due to IMI and IMI Awards operating as separate organisations.

As part of our ongoing efforts to make membership fit for purpose in the modern industry, 2014/15 also saw the development of new benefits for members which were introduced at the end of the year. A new partnership with specialist A.C.T. gave members access to information and advice on HR topics, such as contracts, policies and procedures. In addition, members can now access Health and Safety compliance information to help them manage issues, comply with regulations, and protect people from risks associated with their business.

Last year saw a 95% retention rate thanks to refreshed renewal communications in membership and the IMI welcomed 590 new members. This resulted in 13,181 registered members at the close of 2014/15.

The IMI's Member Association network also continued to be a core and much valued feature of membership. The 24 active MAs, run by volunteer members' tireless and enthusiastic efforts, provided 121 networking and CPD events for members across the country.

VOICE OF THE SECTOR

As the voice of the retail motor industry, we believe it is important for the IMI to take a strong stance on issues which affect those working in the motor industry. We also believe that training and CPD are vital if today's workforce is to remain competent and fit for purpose in the face of advancing technology and increasing consumer expectations.



A black and white photograph of a man, Gary, standing in a warehouse aisle. He is wearing a white short-sleeved shirt with a Ford logo and a striped tie. He is holding a piece of paper and looking upwards. The aisle is lined with high metal shelving units filled with boxes and supplies. The lighting is dramatic, with strong shadows and highlights.

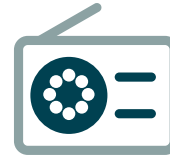
As the voice of the retail motor industry, we believe it is important for the IMI to take a strong stance on issues which affect those working in the motor industry.



40,000
INDIVIDUALS
listed on the
Professional Register



238%
INCREASE
in unique Professional
Register website visitors



3.5
MILLION PEOPLE
listened to IMI
radio interviews

The embodiment of commitment in this area is our campaign for the introduction of a Licence to Practise for automotive technicians. The IMI believes this is the only way to ensure a minimum standard is in place and end the situation where businesses who invest in training are forced to compete on cost with those who do not.

We took to the radio waves twice in 2014/15 to highlight this issue, conducting interviews in England and Scotland on over 25 stations reaching nearly 3.5 million people. The story was later covered across the entire BBC local radio network. In the run up to the General Election we continued pressing politicians on licensing, resulting in responses from the Prime Minister and from the Leader of the Opposition amongst others.

Over the course of 2014/15 we have also spoken on behalf of the sector on the issue of Apprenticeships and on the need to make the industry more female friendly, ensuring the IMI is at the forefront of debates around the automotive sector.

CAREERS INFORMATION ADVICE AND GUIDANCE

Our previous work under UKCES funding has allowed us to develop an extensive Careers Information, Advice and Guidance (CIAG) offering for everyone in the industry, from a first interest in joining the sector at school, right through to progressing their career as adults.

The IMI jobs platform continues to mature and in 2014/15 underwent a redevelopment in-line with the IMI's new branding activities. Over 24,000 individuals visited job listings on the site which was a significant uplift in expected numbers. Overall 29,000 adults engaged with IMI CIAG resources demonstrating that IMI has become a leading provider of careers information amongst automotive professionals.

IMI Careers and Resources continued to deliver free learning resources to schools, which highlight automotive careers in their content. 606 schools used IMI's free motor industry themed teaching resources in 2014/15 as well as employability skills resources and the work experience toolkit. Through these and other online tools designed to help young people discover careers in the motor industry almost 17,000 young people engaged with our CIAG. The home of IMI Careers and Resources (formerly known as Autocity) received 97,034 hits in total over the year. We are particularly proud of our careers resources and believe these activities and achievements will go a long way to ensuring the industry has the talent it requires for a profitable future

RECOGNISING THE BEST IN OUR SECTOR

The UK's best young automotive talent in the fields of Autobody, Autorefinishing and Autotech competed for gold at the final of the IMI Skill Auto competition which took place at The Skills Show held at the NEC Birmingham from 14th–16th November. Over 75,000 visitors attended the show, which provides a platform for the best of the nation's young talent to compete in 70 fields, as well as giving visitors the chance to have a go at new skills and gain careers advice.

The Autotech competition, which tests participant's diagnostic and vehicle servicing skills, was won by Callum Byrne, an apprentice at Chapel Motor Repair representing Peterborough College. Stuart Davidson, an apprentice at Thompson Accident Repair representing Newcastle College won gold at the Autobody competition and Blake Robey, from Sharp Customs and Chesterfield College took the top prize in Autorefinishing.

We are always grateful for industry support for the IMI Skill Auto competition, this year key companies supporting the competition included Würth, Morelli, GTG and Car-o-Liner.

In addition, the Skill Auto stand at the Skills Show featured vehicles kindly provided by VW, Kia, Jaguar Land Rover and Toyota.





29,000
ADULTS
 engaged with IMI
 CIAG resources



17,000
YOUNG PEOPLE
 engaged with IMI CIAG
 resources



75,000
VISITORS
 attended The
 Skills Show

OUTSTANDING ACHIEVERS

Having outgrown Fanshaws, the 2014 Outstanding Achievers Awards was held at the Heritage Motor Centre in Warwickshire under the IMI banner for the first time. The event took place on the 23rd October and as is customary His Royal Highness Prince Michael of Kent, who is patron of the IMI Group, attended the event and presented the awards. Prince Michael described the winners as “*future leaders and current role models in the sector.*” The awards also included recognition of two IMI Awards centres (South Devon College and Riverpark Training), who go out of their way to ensure their learners receive the best training they possibly can.



THE ANNUAL DINNER

The 2014/15 annual dinner was held for a second year at the Grand Connaught Rooms in London and attracted a host of industry leaders to celebrate outstanding achievement in the motor industry and the work of the IMI. As part of our continued efforts to showcase high standards in the sector the IMI presented several industry luminaries with awards at this year's event to recognise their outstanding contributions to the sector.

This year's prestigious Sue Brownson Award for outstanding leadership in the motor industry went to Joe Greenwell CBE, Chairman of the RAC Foundation and CEO of the Automotive Investment Organisation, for his outstanding commitment to the industry's advancement. Last year's winner, Lord March, was awarded a prestigious Honorary Fellowship of the IMI along with Eddie Hawthorne, Group Managing Director of Arnold Clark.



The IMI also singled out individuals for their outstanding contributions in the sector in three new award categories. Steph Savill, from Foxy Lady Drivers Club was recognised as an outstanding contributor to the sector on behalf of female drivers, whilst Andy Kent from Andy's Kars Ltd was singled out for his individual achievement giving disabled and disadvantaged people opportunities in the motor industry. Andrew Moring from Morelli Group picked up outstanding contribution to the work of the IMI for his support of the Skill Auto competition.

IMI FUTURE PLANS

Strategic Objectives 2014-2017



REINTEGRATION:

Create one business fit to deliver the IMI's Strategic Plan.

BUSINESS GROWTH THROUGH DIVERSIFICATION:

To add profitable business streams by identifying and exploiting new markets.

CREATING A COMMERCIAL CULTURE:

Further development and embedding of IMI culture and values that are changing in-line with the business changes to benefit our staff, members and customers.

INTERNATIONAL STRATEGY:

Fully exploit international business opportunities for all IMI products and services using a robust repeatable model.

PRODUCT AND SKILLS SOLUTIONS:

Develop a cohesive product strategy which provides a compelling offer to the sector and supports Professional Registration.

SECTOR SKILLS RESPONSIBILITIES:

To monitor policy particularly around the skills landscape and provide the research needed to underpin the IMI's domestic and international activities; and developing and reviewing National Occupational Standards that continue to be the back bone of qualification products for the sector.

REDEFINITION OF IMI VALUES:

- We are **flexible** because we are open minded, adapt our priorities and embrace change
- We are **responsive** because we seek feedback, question to understand and find solutions to go above and beyond expectation
- We are **effective** because we use our colleagues' strengths to develop simple high quality solutions that create value
- We are **exemplary** because we demonstrate respect, we listen and we care

REDEFINITION OF THE IMI PURPOSE:

IMI believes that the development and facilitation of Professional Registration is critical to business and personal success. We exist to make this happen.

BUSINESS PLAN OBJECTIVES 2015-16

- Deliver the agreed budget for 2015-2016 achieving net revenue targets, maintaining a tight control on overdue debts and expenditure by 31/3/16.
- Achieve product volume targets by 31/3/16 through the implementation of a UK and International business development plan with integrated marketing and communication activities.
- Ensure regulatory compliance across all business areas throughout the 2015-2016 financial year.
- Deliver organisational capacity and capability to achieve the Strategic Aims for 2015-16.
- Position the IMI's sector specific careers related activities and products as market leaders and reach 110,000 individuals by 31/3/16.
- Review, plan, design and deliver IT and web infrastructure and systems/ products to support the delivery of the business strategy during 2015-16 year.
- Deliver a business-wide research plan including keeping abreast and reporting on opportunities and threats presented by changing government skills policies in order to inform the development of the strategic direction of the IMI in the UK and internationally during the 2015-16 year.
- Create and implement a business-wide member-centric strategy which underpins our mission as a professional body, positioning professional registration as the pinnacle of achievement, delivering 42,100 professional registrants and 13,183 members by 31/3/16.
- Position IMI's eLearning products as market leaders both in the UK and internationally resulting in 25% increase in sales and adoption by 3 new international markets by March 2016.
- Achieve awarding organisation status and establish the IMI as the retail motor industry's awarding organisation of choice during 2015-16 year.



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 2014 - 2017 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 supports 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 2015 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 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 2014 - 2017 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 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.

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 2015 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 Financial Reporting Council's (FRC'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 FRC'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 2015 and of the group's loss 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 strategic report and 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.

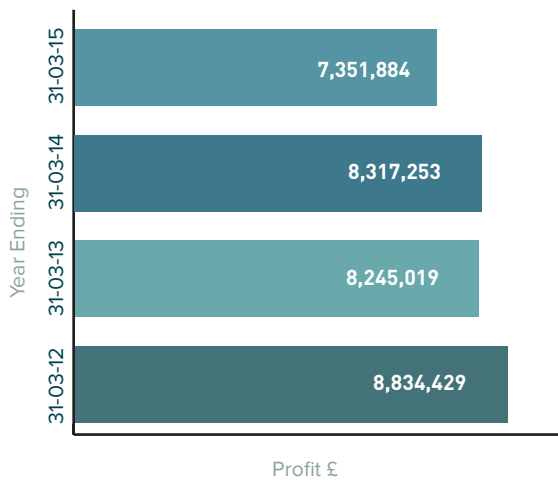
Malcolm Thixton (senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor
Southampton, United Kingdom

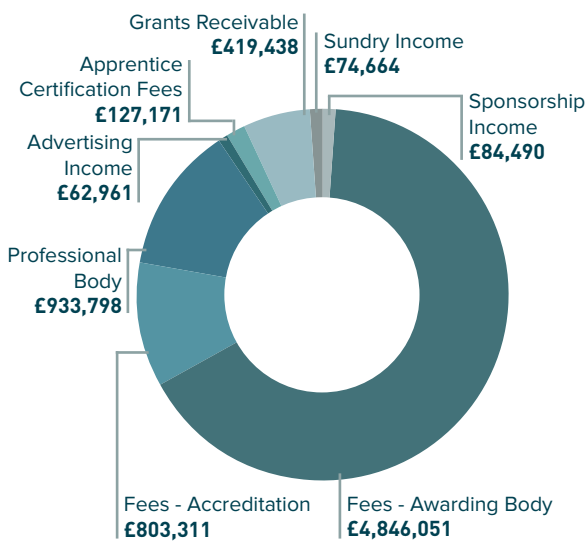
24th August 2015

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

TOTAL REVENUE

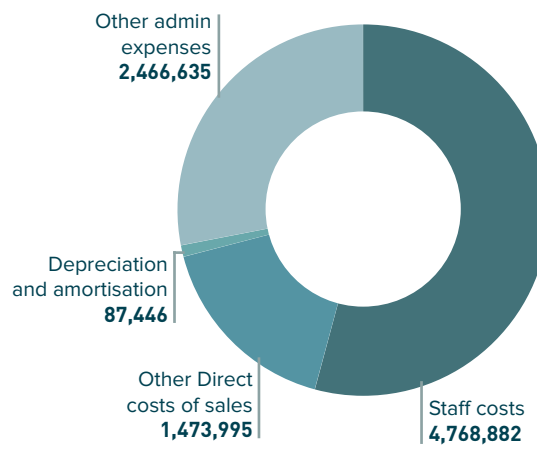


REVENUE ANALYSIS



Total **£7,351,884**

OPERATING EXPENSES



Total **£8,796,635**

FINANCIAL STATEMENTS

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31 March 2015

	NOTE	2015 £	2014 £
TURNOVER	2	7,351,884	8,317,253
Cost of sales		2,630,788	2,884,385
GROSS PROFIT		4,721,095	5,432,868
Administrative expenses		6,212,002	5,304,546
GROUP OPERATING (LOSS)/PROFIT	3	(1,490,907)	128,322
Other interest receivable and similar income		22,461	109,710
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,468,446)	238,032
Taxation on (loss)/profit on ordinary activities	6	-	15,119
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(1,468,446)	253,151

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.

CONSOLIDATED BALANCE SHEET

At 31 March 2015

Company number 00225180	NOTE	2015 £	2015 £	2014 £	2014 £
FIXED ASSETS					
Intangible assets	8		504,167		550,000
Tangible assets	9		891,026		836,242
			1,395,193		1,386,242
CURRENT ASSETS					
Stocks	11	8,071		2,657	
Debtors	12	1,052,815		1,029,432	
Cash at bank and in hand		5,199,255		7,539,087	
		6,260,141		8,571,176	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR					
	13	1,233,586		2,067,224	
NET CURRENT ASSETS			5,026,555		6,503,952
TOTAL ASSETS LESS CURRENT LIABILITIES			6,421,748		7,890,194
CAPITAL AND RESERVES					
Educational Prize Fund	15		27,598		27,598
Profit and loss account	15		6,394,150		7,862,596
SHAREHOLDERS' FUNDS			6,421,784		7,890,194

The financial statements were approved by the board of directors and authorised for issue on 24th August 2015

COMPANY BALANCE SHEET

At 31 March 2015

Company number 00225180	NOTE	2015 £	2015 £	2014 £	2014 £
FIXED ASSETS					
Intangible assets	8		504,167		550,000
Tangible assets	9		891,026		836,242
Fixed asset investments	10		500,000		500,000
			1,895,193		1,886,242
CURRENT ASSETS					
Stocks	11	8,071		2,657	
Debtors	12	752,396		482,235	
Cash at bank and in hand		1,771,661		2,874,753	
		2,532,128		3,359,645	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR					
	13	3,159,368		1,877,232	
NET CURRENT (LIABILITIES)/ASSETS			(627,240)		1,482,413
TOTAL ASSETS LESS CURRENT LIABILITIES			1,267,953		3,368,655
CAPITAL AND RESERVES					
Educational Prize Fund	15		27,598		27,598
Profit and loss account	15		1,240,355		3,341,057
SHAREHOLDERS' FUNDS	16		1,267,953		3,368,655

The financial statements were approved by the board of directors and authorised for issue on 24th August 2015

CONSOLIDATED CASHFLOW STATEMENT

For the year ended 31 March 2015

	NOTE	2015 £	2015 £	2014 £	2014 £
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	19		(1,688,323)		251,289
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest received			22,461		109,710
TAXATION					
Corporation tax paid			14,883		(42,500)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT					
Payments to acquire intangible fixed assets		(550,000)		(374,091)	
Payments to acquire tangible fixed assets		(148,361)		4,762	
Receipts from sale of tangible fixed assets		9,508			
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			(688,853)		(369,329)
CASH OUTFLOW BEFORE USE OF FINANCING			(2,339,832)		(50,830)
FINANCING					
Fanshaw renovation costs			-		(21,247)
DECREASE IN CASH	20		(2,339,832)		(72,077)

The notes on pages 28 to 35 form part of these financial statements.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

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 2015 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.

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 2015 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 March 2015 (continued)

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.

GOODWILL

Goodwill arising on acquisition is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. Positive goodwill is capitalised and amortised through the profit and loss account over the directors' estimate of its useful economic life of 5 years. Impairment tests on the carrying value of goodwill are undertaken:

- at the end of the first full financial year following acquisition;
- in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Previously the group amortised its goodwill over a period of years. During the year the directors reassessed the useful economic life of this asset to twelve years. This has resulted in a reduction to the amortisation charge for the year of £64,167.

GOVERNMENT GRANTS

Grants relating to expenditure on tangible fixed assets are credited to the profit and loss account at the same rate as the depreciation on the assets to which the grant relates. The deferred element of the grant is included in creditors as deferred income.

Grants of a revenue nature are credited to the profit and loss account in the period to which they relate.

GOING CONCERN

The directors have reviewed the cash flow projections of the group for the next 12 months after the date of signing the financial statements. The directors are confident they will have adequate resources to enable the company and group to meet its liabilities as they fall due for a period of not less than twelve months from the date of approval of these financial statements. The directors consider this to be sufficient for the group and company to continue as a going concern for the foreseeable future. The directors have therefore prepared these financial statements on a going concern basis.

2. TURNOVER

	2015 £	2014 £
Analysis by class of business:		
Fees - Awarding body	-	4,513,462
Accreditation fees	-	862,286
Professional Body	-	959,663
Advertising Income	-	59,181
Apprentice Certification Fees	-	172,314
Grants Receivable	-	1,584,179
Sundry Income	-	107,277
Sponsorship Income	-	58,891
	-	8,317,253

Turnover arises solely within the United Kingdom.

3. OPERATING (LOSS)/PROFIT

	2015 £	2014 £
This is arrived at after charging/(crediting):		
Depreciation of tangible fixed assets	87,446	59,518
Amortisation of positive goodwill	45,833	
(Profit)/loss on disposal of tangible fixed assets	(3,377)	1,174
Fees payable to the company's auditor or an associate of the company's auditor for the auditing of the company's annual accounts	19,570	19,000
Fees payable to the company's auditor or an associate of the company's auditor for other services:		
- taxation compliance services	8,490	8,240
- other non-audit services	4,350	4,225
Exchange differences	9,899	1,805
Operating lease payments	135,593	101,076

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 March 2015 (continued)

4. EMPLOYEES

	Group 2015 £	Group 2014 £
Staff costs (including directors) consist of:		
Wages and salaries	3,987,465	3,572,458
Social security costs	414,418	377,413
Other pension costs	366,999	277,679
	4,768,882	4,227,550

The average number of employees (including directors) during the year was as follows:

	Group 2015 £	Group 2014 £
Office and management	104	92
Directors	4	4
	108	96

5. DIRECTORS' REMUNERATION

	2015 £	2014 £
Directors' emoluments	534,666	485,310
Company contributions to money purchase pension schemes	69,690	39,286

There were 4 directors in the group's defined contribution pension scheme during the year (2014 - 4).

The total amount payable to the highest paid director in respect of emoluments was £228,777 (2014 - £228,965). Company pension contributions of £Nil (2014 - £Nil) were made to a money purchase scheme on their behalf.

Directors' remuneration of £83,044 (2014 - £Nil) and pension contributions of £2833 (2014 - £Nil) were recharged to IMI Awards Limited for the management of the entity's affairs.

6. TAXATION ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	2015 £	2014 £
UK Corporation tax		
Adjustment in respect of previous periods	-	(15,119)

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

	2015 £	2014 £
(Loss)/profit on ordinary activities before tax	(1,468,446)	238,032
(Loss)/profit on ordinary activities at the standard rate of corporation tax in the UK of 21% (2014 - 23%)	(308,374)	54,747
Effect of:		
Expenses not deductible for tax purposes	56	7,927
Depreciation for period in excess/(deficit) of capital allowances	17,654	(52,117)
Adjustment to tax charge in respect of previous periods	-	(15,119)
Income not taxable	27,279	(80,500)
Unrelieved tax losses	404,348	76,384
Short term timing differences	(5,122)	(6,441)
Current tax credit for the year	-	(15,119)

The IMI has unutilised tax losses brought forward of £2,500,000 (2014 - £674,000) available for carry forward against future trading profits of the IMI.

7. 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 loss for the year includes a loss after tax of £2,100,702 (2014 - £578,695) 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 2015 (continued)

8. INTANGIBLE FIXED ASSETS

Group	Goodwill £
Cost At 1 April 2014 and 31 March 2015	550,000
Amortisation Provided for the year and at 31 March 2015	45,833
Net book value At 31 March 2015	504,167
At 31 March 2014	550,000

Company	Goodwill £
Cost At 1 April 2014 and 31 March 2015	550,000
Amortisation Provided for the year and at 31 March 2015	45,833
Net book value At 31 March 2015	504,167
At 31 March 2014	550,000

9. TANGIBLE FIXED ASSETS

Group	Freehold land and buildings £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Assets under construction £	Total £
Cost						
At 1 April 2014	396,653	19,037	1,036,701	261,948	312,140	2,026,479
Additions	-	-	21,457	33,483	93,421	148,361
Disposals	-	-	(91,491)	-	-	(91,491)
Transfers	-	-	-	305,840	(305,840)	-
At 31 March 2015	396,653	19,037	966,667	601,271	99,721	2,083,349
Depreciation						
At 1 April 2014	-	15,901	968,961	205,375	-	1,190,237
Provided for the year	-	784	33,567	53,095	-	87,446
Disposals	-	-	(85,360)	-	-	(85,360)
At 31 March 2015	-	16,685	917,168	258,470	-	1,192,323
Net book value At 31 March 2015	396,653	2,352	49,499	342,801	99,721	891,026
At 31 March 2015	396,653	3,136	67,740	56,573	312,140	836,242

9. TANGIBLE FIXED ASSETS (CONTINUED)

Company	Freehold land and buildings £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Assets under construction £	Total £
Cost						
At 1 April 2014	396,653	19,037	1,036,701	251,782	312,140	2,016,313
Additions	-	-	21,457	33,483	93,421	148,361
Disposals	-	-	(91,491)	-	-	(91,491)
Transfers	-	-	-	305,840	(305,840)	-
At 31 March 2015	396,653	19,037	966,667	591,105	99,721	2,073,183
Depreciation						
At 1 April 2014	-	15,901	968,961	195,209	-	1,180,071
Provided for the year	-	784	33,567	53,095	-	87,446
Disposals	-	-	(85,360)	-	-	(85,360)
At 31 March 2015	-	16,685	917,168	248,304	-	1,182,157
Net book value	396,653	2,352	49,499	342,801	99,721	891,026
At 31 March 2015	396,653	3,136	67,740	56,573	312,140	836,242

10. FIXED ASSET INVESTMENTS

Company	Group undertakings £
Cost	
At 1 April 2014 and 31 March 2015	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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 March 2015 (continued)

11. STOCKS	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Books and merchandise	8,071	2,657	8,071	2,657

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

12. DEBTORS	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Trade debtors	599,871	605,116	8,071	145,181
Amounts owed by group undertakings	-	-	-	6,655
Corporation tax recoverable	236	15,119	-	-
Other debtors	84,490	86,801	84,490	75,509
Prepayments and accrued income	368,218	322,396	309,797	254,890
	1,052,815	1,029,432	752,396	482,235

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

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Trade creditors	217,889	443,887	217,889	418,322
Amounts owed to group undertakings	-	-	1,926,957	-
Other taxation and social security	199,711	225,889	199,711	161,042
Other creditors	48,411	616,449	47,236	592,142
Accruals and deferred income	767,575	780,999	767,575	705,726
	1,233,586	2,067,224	3,159,368	1,877,232

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 £366,999 (2014 - £277,679). Contributions amounting to £832 (2014 - £25,228) were payable to the fund and are included in creditors.

15. RESERVES

Group	Educational Prize Fund £	Profit and loss account £
At 1 April 2014	27,598	7,862,596
Loss for the year	-	(1,468,446)
At 31 March 2015	27,598	6,394,150

Company	Educational Prize Fund £	Profit and loss account £
At 1 April 2014	27,598	3,341,057
Loss for the year	-	(2,100,702)
At 31 March 2015	27,598	1,240,355

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
(Loss)/profit for the year	(1,422,613)	253,151	(2,054,869)	(578,695)
Fanshaws renovation costs	-	(21,247)	-	(21,247)
Net (deductions from)/additions to shareholders' funds	(1,422,613)	231,904	(2,054,869)	(599,942)
Opening shareholders' funds	7,890,194	7,658,290	3,368,655	3,968,597
Closing shareholders' funds	6,467,581	7,890,194	1,313,786	3,368,655

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 March 2015 (continued)

17. COMMITMENTS UNDER OPERATING LEASES

The group and company had annual commitments under non-cancellable operating leases as set out below:

Group	Other 2015 £	Other 2015 £
Operating leases which expire:		
Within one year	-	14,998
In two to five years	118,671	91,436
	118,671	106,434

18. RELATED PARTY DISCLOSURES

During the year the Institute paid rents amounting to £4,105 (2014 - £3,892) to Scottish Motor Trade Association, a company of which Adrian Smith is a director.

During the prior year the company loaned £5,000 to Linda Stansfield, director. At the year end a total of £833 (2014 - £3,333) was still outstanding.

During the prior year the company loaned £5,000 to Christopher Thomas, director. At the year end a total of £3,438 (2014 - £4,688) was still outstanding.

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.

19. RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2015 £	2015 £
Operating (loss)/profit	(1,490,907)	128,322
Depreciation of tangible fixed assets	87,446	59,518
(Profit)/loss on sale of tangible fixed assets	(3,377)	1,174
(Increase)/decrease in stocks	(5,414)	155
Increase in debtors	(38,266)	(61,312)
(Decrease)/increase in creditors	(283,638)	123,432
Net cash (outflow)/inflow from operating activities	(1,688,323)	251,289

20. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2015 £	2014 £
Decrease in cash	(2,339,832)	(72,077)
Opening net funds	7,539,087	7,611,164
Closing net funds	5,199,255	7,539,087

21. ANALYSIS OF NET FUNDS

	At 1 April 2014 £	Cash flow £	At 31 March 2015 £
Decrease in cash	7,539,087	(2,339,832)	5,199,255
Total	7,539,087	(2,339,832)	5,199,255

The IMI believes that the development and facilitation of professional registration is critical to personal and business success.

We exist to make this happen.