IMI INSTITUTE OF THE MOTOR INDUSTRY

ANNUAL REPORT

2018

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THE BOARD 2017/18

A SMITH
CHAIRMAN

S NASH
CHIEF EXECUTIVE OFFICER

S JAMES
CHIEF FINANCIAL OFFICER

K WOOLLEY
CHIEF OPERATING OFFICER

T MURPHY
D LOCKHART
A TOMSETT
S MARTINDALE
K FINN
A DAVIES
M CRANDON
R SINEY
G BRADDOCK
M ROGERS
A SIMMS

Registered Office

Fanshaws
Brickendon
Hertford
Hertfordshire
SG13 8PQ

Registered Number

00225180

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN

that an Ordinary General Meeting (being the ninety seventh Annual General Meeting of the Institute) will be held at 'Fanshaws', Brickendon, Hertford on Wednesday 31 October 2018 at 2.00 pm.

AGENDA

1. Apologies for absence
2. Minutes of the Annual General Meeting of 1 November 2017
3. Installation of President – 2018/2019
4. Installation of Vice Presidents – 2018/2019
5. Installation of Honorary Treasurer – 2018/2019
6. Declaration of Directors
7. Revenue Account and Balance Sheet of the Institute for the year ended 31 March 2018 and the Auditor's Report
8. Annual Report for the year ended 31 March 2018
9. Appointment of Auditors
10. Any other business

by Order of the Board

S James, Chief Financial Officer
14 June 2018
'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 request a proxy notice, to:
Simon James, Chief Financial Officer, c/o Ann Stillion, IMI, Fanshaws, Brickendon, Hertford SG13 8PQ, or email ceooffice@theimi.org.uk

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

CHAIRMAN'S STATEMENT

Professional service to our members and the automotive industry continues to be our focus at the Institute of the Motor Industry.

Advancing levels of professionalism, consulting and guiding Government, raising awareness of the exciting career opportunities that await - all key to our future success and all central to our present thinking and activity.

It has been another year where the teams at the IMI have excelled in responding to changes within our industry whilst continuing to deliver quality products and services to our growing membership.

We have adapted well in the Apprenticeship arena, responding positively with our partners to ensure the right information and guidance continues to be available with regard to the Levy and the transition from Frameworks to Standards.

The IMI has continued to compete well with our MOT training product in the face of growing competition, successfully maintaining the number 1 position in the market.

An ever changing sector, often driven by legislation and technological advancement, requires a flexible and highly skilled team to adapt with the pace and creativity required to deliver great products and services to our growing membership. I am proud that Steve Nash and the whole IMI team have responded magnificently to the challenges of last year.

We have been flexible but we have also been innovative with the launch of new eLearning products, the student membership campaign, international market growth and harnessing virtual reality to promote future careers in our industry.

Last year also saw the start of our Licence to Practise Campaign which is fundamentally important for our whole industry; with an unregulated market it is our duty and purpose to protect and promote professionalism for the greater good, safety and enhancement of the sector.

In summary, we have innovated, we have grown and we have inspired - all whilst achieving a surplus in a competitive and changing landscape.

Adrian Smith
Chairman

CHIEF EXECUTIVE OFFICER'S REPORT

> As CEO at the Institute of the Motor Industry I look back with pride after another challenging but successful year of work.

Against the backdrop of increased competition and radical changes for our sector, the IMI team has responded well, demonstrating our collective professionalism and flexibility as an organisation to evolve, grow and respond to challenge.

Steering the IMI through constant transition and change has been a demanding but satisfying journey – seeing our organisation flourish and grow is a tribute to the skills within the business and the quality that we stand for and deliver across the industry.

I would like to share some key factors behind our success in the last financial year:

CONTINUED TIGHT FISCAL MANAGEMENT

I am delighted that we delivered a year end result in 2017/18 that exceeded budget and facilitated us boosting our reserves.

THE EFFECTIVE PERFORMANCE OF OUR DEPARTMENTS

The introduction of the new Apprenticeship Standards has necessitated the development of a new function within the organisation to support our role as an approved End-Point Assessment Organisation (EPAO).

STRONG MOT INCOME

Our high quality online solution is still industry leading and we will continue to develop it going forward. We will also be taking steps to bring into membership any of the c.30,000 MOT Testers or Managers we have qualified who are not already members.

CONTINUED GROWTH OF MEMBERSHIP

In real terms membership stands at a historically high level of c.40,000 members since we engaged those holders of IMI accreditations who were not already members, extended our student offer and brought over 620 IMI Centres into membership.

MEMBER CENTRIC REALIGNMENT OF OUR STRATEGY

This is an explicit statement of our core purpose as a membership organisation and professional body. The conspicuous and ongoing success of our awarding activities and other recognition products, both in the UK and internationally, supports our aim to offer all of our members and partner organisations every means to attain and maintain the highest professional standards.

FLEXIBILITY AND INNOVATION OF OUR TEAM

In an industry that is undergoing unprecedented change we aim to help our members to remain informed and support them with skills solutions that enable them to stay on top of new developments. That means not only constantly maintaining and reviewing our offering of over 350 regulated qualifications, around 25 accreditations and numerous quality assured programmes, but also ensuring that we lead on new and emerging technologies. Hence our electric and hybrid qualifications and accreditations are widely used both in the UK and internationally, by manufacturers and independent operators alike.

EFFECTIVE THOUGHT LEADERSHIP

As the automotive industry's professional body it is our role to provide a voice and represent the interests of our members to those in authority. This is why we have proactively lobbied government on issues such as the apprentice reforms and put forward proposals for the regulation of individuals working on the high voltage systems of electric and hybrid vehicles as well as, going forward, advanced driver assistance systems (ADAS), autonomous and connected vehicles.

The future is exciting and the IMI has the following business objectives over the coming years to ensure we remain at the forefront of the automotive sector:

- Our Purpose is Your Success – keeping our focus clear
- Grow our membership and demonstrate clear benefit and value
- Continuing to grow our income models to secure our long term future
- Increase our effectiveness as a public voice on behalf of the industry
- Further develop international markets
- Continue developing innovative products and services
- Encourage our teams to think creatively and embrace innovation

Every year seems to bring new challenges and new hurdles for us to overcome as an organisation. But we embrace change and look for the opportunities it provides.

What will not change is the IMI's commitment to lead, serve and protect our members on their own journey through the industry.

Steve Nash
Chief Executive Officer

CHIEF FINANCIAL OFFICER'S REPORT

PERFORMANCE

Overall the IMI delivered a strong performance again in 2017/18 with a Profit After Tax of £930k, £479k/106% better than budget of £451k.

Turnover was £9.4m, down compared to last year and budget, in part due to uncertainty in the automotive market resulting in lower than expected apprenticeship numbers and take up of new standards. Managed Investment returns were down compared to last year's strong performance, mainly due to volatility in world stock markets in the last quarter of the year. Expenditure was £8.7m, down compared to last year and budget, due to rigorous cost control. The overall performance, helped by the international business, eLearning MOT products, and financial initiatives has afforded the organisation the opportunity to rebuild its reserves as well as support the continued investment required to deliver its Business Objectives.

The financial initiatives undertaken this year contributed significantly to Profit After Tax and helped to offset the capital cost of investment in IT systems, included: Irrecoverable VAT minimised and a Standard Method Override claim for past irrecoverable VAT secured; Research and Development Tax Credits utilised; and the capitalisation of IT systems, web and product development optimised.

The IMI Board approved a budget surplus for 2018/19, which will allow continued further capital investment in the IT and web infrastructure, systems and products to support delivery of its Business Objectives.

RISK MANAGEMENT

The directors of IMI have a robust risk management policy and keep the IMI Group's activities under constant review, particularly with regard to any major risks. The risk management policy reflects the purpose and approach to risk management and the role of staff and senior management in identifying and reporting risk, and taking mitigating actions to reduce risk levels. There is an organisational risk register that identifies all known strategic risks assigned to individual risk owners. The risk register includes mitigating actions to eliminate or reduce each risk and is reviewed monthly for effectiveness.

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

The principal risks as identified by the directors are:

- Loss of apprenticeship income as the new Trailblazer apprenticeship standards are introduced. To mitigate this risk, the IMI continues to ensure it is the Awarding Organisation of choice for the sector by maintaining close engagement with employers and manufacturers and developing products in line with industry requirements.

- Non-compliance with Data Protection legislation as a result of poor data controls. A number of measures have been adopted to mitigate this risk including communication of data policies and procedures to staff, creation of a data permission model and continuous improvement of data systems.

TURNOVER FOR 2017/18

£9.4m

PROFIT AFTER TAX 2017/18

£0.9m

BREXIT

It is still our consideration that the result of the referendum and the subsequent invoking of Article 50 to leave the European Union will have little impact on the IMI in the short or medium term. The process to gain full agreement of exit terms is ongoing with the scheduled date of departure 29 March 2019 with a further transition period up to 31 December 2020.

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

GDPR

The IMI, like most other organisations, has had to comply with the General Data Protection Regulation (GDPR) from May 2018. In order to achieve compliance, the Executive team and IMI Board is overseeing a detailed programme of works which has reviewed IMI data processes, identified any gaps and associated risks and implemented a robust mitigation plan to enhance data protection and privacy.

SCOPE OF RESPONSIBILITY

The CEO has IMI Board delegated responsibility for maintaining a sound system of internal control that supports the achievement of the IMI policies, aims and objectives as set out in the IMI Strategic Plan 2017-20 and Financial Strategy whilst safeguarding the public funds and organisational assets, in accordance with the responsibilities assigned to the CEO in Managing Public Money.

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

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

The IMI Board is chaired by a non-executive Director (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 IMI Board and Executive team through monitoring and reviewing the adequacy and effectiveness within the organisation of:

Corporate governance arrangements

Processes for managing risks

Internal audit and related activity

Management responses to the recommendations resulting from internal audit work

CEO Statements on Internal Control

Financial Statements

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the IMI policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised and to manage them efficiently, effectively and economically. The system of internal control has been in place in IMI for the year ended 31 March 2018 and up to the date of the approval of the Annual Report and accounts, and accords with Treasury guidance.

REVIEW OF EFFECTIVENESS

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

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

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

CORPORATE SOCIAL RESPONSIBILITY

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

SECTOR

We believe that professionalism and ethical working should be at the centre of how the sector operates and in this respect our work promoting the Professional Register to the sector and to consumers is key. We believe the technicians working on electric and hybrid vehicles should be licensed for their own and the public's safety and we continue to campaign with government to bring this about, together with a broad range of automotive businesses including manufacturers, franchised and independent dealers. To this end the CEO appeared in front of the Parliamentary Select Committee in March 2017 and he has since met with members of the House of Commons and Lords, and as a result the IMI was mentioned in Hansard. We recognise the achievements of individuals and organisations at our Outstanding Achievers event as well as presenting awards at our Annual Dinner for those who make outstanding contributions to the sector and the work of the IMI.

PEOPLE

For the third year running, we participated in the Best Companies to Work For survey and were awarded a One Star Accreditation, coming 70th in the Sunday Times Top 100 Best Not For Profit Companies to Work For. The survey showed that staff felt that managers talk openly and honestly with them and that their job is good for their personal growth. Our staff rated us highly in the "Personal Growth", "Giving Something Back" and "My Manager" categories. We involve staff in monthly communications meetings, which are recorded for those who work remotely, and hold an annual business plan sharing day together with separate team sessions throughout the year, so everyone knows what the objectives are and how they contribute to them. The staff on our Social Committee organise fun and charity events throughout the year. Training and development is key for our people, and we aim to support our staff in their careers aims. Our staff volunteering scheme allows all full and part time employees to take up to two days per year for an approved volunteering activity. We also have a staff recognition and appreciation scheme rewarding those who demonstrate our company values of being Flexible, Responsive, Effective and Exemplary, where IMI staff can nominate colleagues for their effort and commitment. This year, for the first time, all staff were offered a free health check with just over one third taking advantage of the offer.

ENVIRONMENT

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

COMMUNITY

As an organisation, we support BEN, the automotive charity, through payroll giving and supporting their Christmas event. We also hold charity events to raise funds and BEN is the charity supported by the Annual Dinner raffle. As an organisation the IMI also donates to other local community, charity and school events. Including all activities, the IMI and its staff contributed over £16,500 to charities last year.

This report was approved by the board on 4 July 2018 and signed on its behalf.

Simon James
Chief Financial Officer

Steve Nash
Director

STAFF COMMENTS:

"There is a sense of family in the organisation and a collective desire to do well for each other and for our customers. I love that the atmosphere is relaxed and light hearted."

"I feel like I am valued as an individual employee rather than a part of a faceless workforce. I'm supported both personally and professionally and encouraged to work hard and progress. We help and support each other."

DIRECTOR'S REPORT

The directors present their report and the financial statements for the year ended 31 March 2018.

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

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

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

PRINCIPAL ACTIVITY

The principal activity of the Group during the year was that of a professional body, awarding body, End-Point Assessment Organisation and Sector Skills Council.

LIMITED BY GUARANTEE

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

RESULTS AND DIVIDENDS

The surplus for the year, after taxation, amounted to £930,134 (2017 - £1,144,832).

The directors do not recommend the payment of a dividend (2017: £Nil). Charitable donations in the period were £16,500 (2017 - £16,800).

DIRECTORS

The directors who served during the year were:

A Smith (Chairman)
S Nash (Chief Executive Officer)
S James (Chief Financial Officer)
K Woolley (Chief Operating Officer)
T Murphy
D Lockhart
A Tomsett
S Martindale
K Finn
A Davies
M Crandon
R Siney
G Braddock
M Rogers
A Simms (appointed 3 May 2017)

MATTERS COVERED IN THE STRATEGIC REPORT

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

DISCLOSURE OF INFORMATION TO AUDITORS

KPMG LLP were appointed as auditors during the year.

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

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

This report was approved by the board on 4 July 2018 and signed on its behalf.

Steve Nash
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE INSTITUTE OF THE MOTOR INDUSTRY

OPINION

We have audited the financial statements of The Institute of the Motor Industry ("the company") for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland;* and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

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

GOING CONCERN

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

STRATEGIC REPORT AND DIRECTORS' REPORT

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

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

We have nothing to report in these respects.

DIRECTORS' RESPONSIBILITIES

As explained more fully in their statement set out on page 12, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

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

Benjamin Stapleton (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
58 Clarendon Road
Watford
Hertfordshire
WD17 1DE

4 July 2018

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 £	2017 £
Turnover	3	**9,449,576**	9,785,993
Cost of sales		**(1,989,111)**	(2,310,283)
Gross profit		**7,460,465**	7,475,710
Administrative expenses		**(6,746,169)**	(6,741,564)
Operating profit	4	**714,296**	734,146
Income from fixed assets investments		**30,824**	14,111
Profit/(loss) on disposal of fixed asset investments		-	19,070
Interest receivable and similar income		**1,654**	7,837
Changes in fair value of investments		**(24,507)**	110,285
Profit before taxation		**722,267**	885,449
Taxation on profit	7	**207,867**	259,383
Profit for the year		**930,134**	1,144,832
Total comprehensive income for the year attributable to:			
Members of the parent Company		**930,134**	1,144,832
		930,134	1,144,832

There was no other comprehensive income for 2018 (2017:£NIL).

The notes on pages 20 to 30 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	Note	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Intangible assets	8		**2,464,177**		1,682,553
Tangible assets	9		**525,904**		512,107
Investments	10		**1,981,292**		1,022,434
			4,971,373		3,217,094
Current assets					
Stocks	11	**27,938**		8,113	
Debtors	12	**2,432,837**		1,970,192	
Cash at bank and in hand		**1,489,437**		3,059,393	
		3,950,212		5,037,698	
Current liabilities					
Creditors: amounts falling due within one year	13	**(1,388,538)**		(1,651,879)	
Net current assets			**2,561,674**		3,385,819
Net assets			**7,533,047**		6,602,913
Capital and reserves					
Other reserves	15		**27,598**		27,598
Profit and loss account	15		**7,505,449**		6,575,315
Equity attributable to owners of the parent Company			**7,533,047**		6,602,913

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 4 July 2018.

Steve Nash
Director

The notes on pages 20 to 30 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	Note	2018 £	2018 £	2017 £ As Restated (see note 1.19)	2017 £ As Restated (see note 1.19)
Fixed assets					
Intangible assets	8		**2,464,177**		1,682,553
Tangible assets	9		**525,904**		512,107
Investments	10		**1,981,293**		1,022,435
			4,971,374		3,217,095
Current assets					
Stocks	11	**27,938**		8,113	
Debtors	12	**2,432,837**		1,970,192	
Cash at bank and in hand		**1,489,437**		3,059,193	
		3,950,212		5,037,498	
Current liabilities					
Creditors: amounts falling due within one year	13	**(1,494,879)**		(1,758,020)	
Net current assets			**2,455,333**		3,279,478
Net assets			**7,426,707**		6,496,573
Capital and reserves					
Other reserves	15		**27,598**		27,598
Profit and loss account	15		**7,399,109**		6,468,975
			7,426,707		6,496,573

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent Company for the year was £930,134 (2017 - profit £7,658,418).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 4 July 2018. The notes on pages 20 to 30 form part of these financial statements.

Steve Nash
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

	Educational prize fund	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£
At 1 April 2017	27,598	6,575,315	6,602,913	6,602,913
Comprehensive income for the year				
Profit for the year	-	930,134	930,134	930,134
Total comprehensive income for the year	-	930,134	930,134	930,134
At 31 March 2018	27,598	7,505,449	7,533,047	7,533,047

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

	Educational prize fund	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£
At 1 April 2016	27,598	5,430,483	5,458,081	5,458,081
Comprehensive income for the year				
Profit for the year	-	1,144,832	1,144,832	1,144,832
Total comprehensive income for the year	-	1,144,832	1,144,832	1,144,832
At 31 March 2017	27,598	6,575,315	6,602,913	6,602,913

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

	Educational prize fund	Profit and loss account	Total equity
	£	£	£
At 1 April 2017 as previously reported	27,598	(44,611)	(17,013)
Prior period restatement (see note 1.19)	-	6,513,586	6,513,586
At 1 April 2017 as restated	27,598	6,468,975	6,496,573
Comprehensive income for the year			
Profit for the year	-	930,134	930,134
Total comprehensive income for the year	-	930,134	930,134
At 31 March 2018	27,598	7,399,109	7,426,707

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

	Educational prize fund	Profit and loss account	Total equity
	£	£	£
At 1 April 2016	27,598	(1,189,443)	(1,161,845)
Comprehensive income for the year			
Profit for the year as restated (see note 1.19)	-	7,658,418	7,658,418
Total comprehensive income for the year	-	7,658,418	7,658,418
At 31 March 2017 as restated (see note 1.19)	27,598	6,468,975	6,496,573

The notes on pages 20 to 30 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018

	2018 £	2017 £
Cash flows from operating activities		
Profit for the financial year	**930,134**	1,144,832
Adjustments for:		
Amortisation of intangible assets	**313,473**	172,372
Depreciation of tangible assets	**62,124**	56,512
Decrease/(increase) in stocks	**(19,825)**	2,083
Interest received	**(1,654)**	(7,837)
Taxation credit	**(207,867)**	(259,383)
Increase in debtors	**(462,645)**	(486,360)
(Decrease)/increase in creditors	**(263,341)**	413,606
Fair value (gains)/losses recognised in profit and loss	**24,507**	(110,285)
Dividends received	**(30,824)**	(14,111)
Corporation tax received	**207,867**	13,588
Profit/loss on disposal of investments	-	(19,070)
Net cash generated from operating activities	**551,949**	905,947
Cash flows from investing activities		
Purchase of intangible fixed assets	**(1,095,097)**	(707,466)
Purchase of tangible fixed assets	**(75,921)**	(72,964)
Purchase of listed investments	**(1,000,000)**	(426,278)
Sale of listed investments	**16,635**	121,424
Interest received	**1,654**	7,837
Dividends received	**30,824**	14,111
Net cash used in investing activities	**(2,121,905)**	(1,063,336)
Net increase / (decrease) in cash and cash equivalents	**(1,569,956)**	(157,389)
Cash and cash equivalents at beginning of year	**3,059,393**	3,216,782
Cash and cash equivalents at the end of year	**1,489,437**	3,059,393
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**1,489,437**	3,059,393
	1,489,437	3,059,393

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and the Republic of Ireland* and the Companies Act 2006. A prior period restatement has been made as set out in note 1.19.

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

The directors consider that the group is a going concern and have prepared the accounts on a going concern basis. The group has realised a surplus for the year of £930,134 and have budgeted for a further surplus in 2018/19. At 31 March 2018 the aggregate of cash and liquid investments was £3,470,729 and the directors expect to have access to adequate cash and working capital for the foreseeable future. Their assessment covers a period of at least one year from the date of approval of these statutory accounts.

The following principal accounting policies have been applied:

1.2 Basis of consolidation

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

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

1.3 Turnover

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

1.4 Intangible assets
Goodwill

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

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

Other intangible assets

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

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

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

The estimated useful lives range as follows:
Software development costs - 7 years
Product development costs - 3 to 5 years
Goodwill - 12 years

1.5 Tangible fixed assets

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

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

Depreciation is provided on the following basis:
Motor vehicles - 25% reducing balance
Fixtures and fittings - 10%-33% per annum
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.

1.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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

1.7 Stocks

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

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

1.8 Debtors

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

1.9 Cash and cash equivalents

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

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

1.10 Financial assets

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

1.11 Financial liabilities

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

1.12 Creditors

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

1.13 Government grants

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

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

1.14 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

1.15 Leased assets: the Group as lessee

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

1.16 Pensions

Defined contribution pension plan

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

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

1.17 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of Financial Position

date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of Financial Position date.

1.18 Interest income

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

1.19 Prior period restatement

In preparing the financial statements, the directors identified that the company should have recognised a dividend from a subsidiary (IMI Awards Limited) in the year ended 31 March 2017. Had this dividend income been correctly accounted for in the year to 31 March 2017, it would have required the company to impair the cost of its investment in that subsidiary. The directors have therefore restated the prior period financial statements for the company. The consolidated results previously reported are unaffected. This has resulted in the following:

- Dividend income for the year ended 31 March 2017 increased by £7,013,585
- Investment impairment for the year ended 31 March 2017 increased by £499,999

The impact of the above is to increase the company's profit after tax and net assets by £6,513,586. As a result, the company's intercompany creditors liability reduced by £7,013,585 and the carrying value of investments reduced by £499,999. There is no tax impact resulting from these adjustments.

1.20 Taxation

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

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

Tax refunds in respect of research and development claims and similar items are recognised on receipt due to the uncertainty relating to the success of the claim.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

2. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Other key sources of estimation uncertainty

Tangible fixed assets (see note 9)

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

Intangible fixed assets (see note 8)

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

3. TURNOVER

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

	2018 £	2017 £
Fees - Awarding body	**5,150,874**	5,323,485
Professional body	**983,006**	909,596
Other income	**3,315,696**	3,552,912
	9,449,576	9,785,993

Analysis of turnover by country of destination:

	2018 £	2017 £
United Kingdom	**9,027,327**	9,487,568
Rest of the world	**422,249**	298,425
	9,449,576	9,785,993

4. OPERATING PROFIT

The operating profit is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	**62,124**	56,512
Amortisation of intangible assets, including goodwill	**313,473**	172,372
Fees payable to the Group's auditor and its associates for the audit of the company's annual accounts	**26,000**	20,600
Fees payable to the Group's auditors and its associates for other services to the group:		
- Taxation compliance services	**1,950**	5,000
- Taxation advisory services	**60,000**	32,050
- Other non-audit services	**12,000**	34,581
Exchange differences	**1,115**	(7,603)
Defined contribution pension cost	**381,223**	337,487
Payments under operating leases	**92,532**	95,327

5. EMPLOYEES

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

	2018 £	2017 £
Wages and salaries	**4,086,284**	3,952,398
Social security costs	**411,385**	506,872
Cost of defined contribution scheme	**381,223**	337,487
	4,878,892	4,796,757

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

	2018 No.	2017 No.
Office and management	**109**	108
Directors	**3**	3
	112	111

6. DIRECTORS' REMUNERATION

	2018 £	2017 £
Directors' emoluments	**521,980**	498,769
Company contributions to defined contribution pension schemes	**42,192**	17,963
	564,172	516,732

During the year retirement benefits were accruing to 2 directors (2017 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £252,578 (2017 - £240,932).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2017 - £Nil).

7. TAXATION

	2018 £	2017 £
Corporation tax		
Adjustments in respect of previous periods	**(207,867)**	(259,383)
Total current tax credit	**(207,867)**	(259,383)

Factors affecting tax credit for the year

The tax assessed for the year is lower than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	**722,267**	885,449
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	**137,231**	177,090
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**8,821**	3,717
Capital allowances for year in excess of depreciation	**(13,885)**	-
Adjustments to tax charge in respect of prior periods	**(207,867)**	(259,383)
Non-taxable income	**(5,857)**	(291,706)
Tax losses (utilised)/carried forward	**(127,616)**	109,040
Other permanent differences	**1,306**	1,859
Total tax credit for the year	**(207,867)**	(259,383)

Factors that may affect future tax charges

The Institute of the Motor Industry has unutilised gross tax losses carried forward of £2,952,000 (2017 - £3,624,000) available for carry forward against future trading profits of the Institute of the Motor Industry.

The group has recognised net deferred tax of £Nil comprising a net liability for accelerated capital allowances of £219,000 and a net asset for trading losses carried forward of £219,000. In addition, an unrecognised net asset of £283,000 is carried for in relation to trading losses. The deferred tax asset has not been recognised due to the uncertain timing of their reversal. All deferred tax has been calculated at an expected tax rate of 17%.

The group is exploring the opportunity to make a further research and development claim in respect of its development expenditure. A successful claim will impact the future tax charge.

8. INTANGIBLE ASSETS GROUP AND COMPANY

	Software and product development costs £	Goodwill £	Total £
Cost			
At 1 April 2017	1,481,074	550,000	2,031,074
Additions	1,095,097	-	1,095,097
At 31 March 2018	2,576,171	550,000	3,126,171
Amortisation			
At 1 April 2017	211,022	137,499	348,521
Charge for the year	267,640	45,833	313,473
At 31 March 2018	478,662	183,332	661,994
Net book value			
At 31 March 2018	2,097,509	366,668	2,464,177
At 31 March 2017	1,270,052	412,501	1,682,553

9. TANGIBLE FIXED ASSETS GROUP AND COMPANY

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 April 2017	396,653	19,037	993,470	374,915	1,784,075
Additions	-	-	29,386	46,535	75,921
At 31 March 2018	396,653	19,037	1,022,856	421,450	1,859,996
Depreciation					
At 1 April 2017	-	17,714	952,751	301,503	1,271,968
Charge for the year	-	331	16,874	44,919	62,124
At 31 March 2018	-	18,045	969,625	346,422	1,334,092
Net book value					
At 31 March 2018	396,653	992	53,231	75,028	525,904
At 31 March 2017	396,653	1,323	40,719	73,412	512,107

10. FIXED ASSET INVESTMENTS GROUP

	Listed investments £
Cost or valuation	
At 1 April 2017	**1,022,434**
Additions	**1,000,000**
Disposals	**(16,635)**
Revaluations	**(24,507)**
At 31 March 2018	**1,981,292**
Net book value	
At 31 March 2018	**1,981,292**
At 31 March 2017	1,022,434

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

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

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

COMPANY

	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 1 April 2017 as restated (see note 1.19)	**1**	**1,022,434**	**1,022,435**
Additions	**-**	**1,000,000**	**1,000,000**
Disposals	**-**	**(16,635)**	**(16,635)**
Revaluations	**-**	**(24,507)**	**(24,507)**
At 31 March 2018	**1**	**1,981,292**	**1,981,293**
Net book value			
At 31 March 2018	**1**	**1,981,292**	**1,981,293**
At 31 March 2017 as restated (see note 1.19)	1	1,022,434	1,022,435

11. STOCKS

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Finished goods and goods for resale	**27,938**	8,113	**27,938**	8,113

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

Stock recognised in cost of sales during the year as an expense was £Nil (2017 - £2,083).

12. DEBTORS

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade debtors	**1,469,082**	1,439,730	**1,469,082**	1,439,730
Other debtors	**353,299**	302,913	**353,299**	302,913
Prepayments and accrued income	**610,456**	227,549	**610,456**	227,549
	2,432,837	1,970,192	**2,432,837**	1,970,192

The impairment loss recognised in the group statement of comprehensive income for the year in respect of bad and doubtful trade debtors was £27,297 (2017 - £4,109). The impairment loss recognised in the company statement of comprehensive income for the year in respect of bad and doubtful trade debtors was £27,297 (2017 - £4,109).

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £ As Restated (see note 1.19)
Trade creditors	**320,907**	524,943	**320,907**	524,943
Amounts owed to group undertakings	-	-	**1**	1
Taxation and social security	**215,095**	313,398	**215,095**	313,398
Other creditors	**4,029**	115,193	**4,029**	115,193
Accruals and deferred income	**848,507**	698,345	**954,847**	804,485
	1,388,538	1,651,879	**1,494,879**	1,758,020

14. FINANCIAL INSTRUMENTS

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £ As Restated (see note 1.19)
Financial assets measured at fair value through profit or loss	**1,981,292**	1,022,434	**1,981,292**	1,022,434
Financial assets that are equity instruments measured at cost less impairment	-	-	**1**	1
Financial assets that are debt instruments measured at amortised cost	**2,958,519**	4,556,241	**2,958,519**	4,556,041
	4,939,811	5,578,675	**4,939,812**	5,578,476
Financial liabilities measured at amortised cost	**(1,173,443)**	(1,338,481)	**(1,279,784)**	(1,444,622)
	(1,173,443)	(1,338,481)	**(1,279,784)**	(1,444,622)

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

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

15. RESERVES

Educational prize fund

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

Profit and loss account

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

16. PENSION COMMITMENTS

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £381,223 (2017 - £337,487). Contributions totalling £56,129 (2017 - £27,955) were payable to the fund at the reporting date.

17. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2018 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Not later than 1 year	**130,547**	50,289	**130,547**	50,289
Later than 1 year and not later than 5 years	**216,004**	29,355	**216,004**	29,355
Total	**346,551**	79,644	**346,551**	79,644

18. RELATED PARTY TRANSACTIONS

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

	2018 £	2017 £
Scottish Motor Trade Association	**109,230**	84,341
Autologic Diagnostics Limited	-	2,198
Norton Way Motors Limited	-	1,728
RMI S&C and Retail Motor Industry	**43,957**	185,463

During the year the Institute paid rents amounting to £2,279 (2017 - £4,256) to Scottish Motor Trade Association, a company of which A J S Smith is a director.

At the reporting date £4,167 (2017 - £Nil) was outstanding from S James, a director during the period.

At the reporting date £Nil (2017 - £277) was outstanding from K L Woolley, a director during the period.

Key management personnel include all directors and a number of senior management across the Group who together have authority and responsibility for planning, directing and controlling the activities of the group. The total compensation paid to key management personnel for services provided to the Group was £1,648,767 (2017 - £1,348,991).

19. CONTROLLING PARTY

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

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