THE INSTITUTE OF ADVANCED MOTORISTS LIMITED

England & Wales · Charity number 249002

Details

Other names	I A M, IAM, IAM ROADSMART
Status	Registered
Legal form	Charitable company
Company number	00562530
Registered	1966-11-18
Register	View on the Charity Commission register

Contact

Address	IAM RoadSmart 1 Albany Place Hyde Way Welwyn Garden City AL7 3BT
Phone	02089969600
Email	enquiries@iam.org.uk
Website	www.iamroadsmart.com

Activities

Objects: TO IMPROVE THE STANDARD OF DRIVING AND THE PROMOTION OF ROAD SAFETY FOR THE PUBLIC BENEFIT, IN PARTICULAR BY (BUT NOT LIMITED TO), THE OPERATION OF AN ADVANCED DRIVING TEST

Activities: IAM RoadSmart provides for the public an advanced driving and motorcycle test, and through its research into many aspects of road safety, seeks to become a significant influencer of road safety policy and practice.

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Classification

- **How:** Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** UNITED KINGDOM.
- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£6,479,000	£7,493,000	£5,467,000	68
2024-03-31	£6,521,000	£6,984,000	£6,593,000	68
2023-03-31	£6,169,000	£7,220,000	£7,259,000	60
2022-03-31	£6,319,000	£6,396,000	£9,028,000	50
2021-03-31	£5,726,000	£5,667,000	£8,680,000	61

Trustees

Name	Role	Appointed
Angela Bell		2023-09-28
Mark Jonathan Powell		2023-09-28
Nicholas David John Lomas		2020-02-27
Nicholas John Antony Stein		2020-02-27
Sarah Jennifer Whiteside-Jones		2023-09-28
Shona Johnstone		2025-01-29
Thomas Kelman		2023-01-01

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THE INSTITUTE OF ADVANCED MOTORISTS LIMITED

England & Wales - Charity number 249002

Accounts



INSTITUTE OF ADVANCED MOTORISTS LIMITED (THE)
(Limited by guarantee)

Report of the Council and Financial Statements
for the year ended
31 March 2025

Company No. 562530
Registered Charity Nos: 249002 (England & Wales) and SC041201 (Scotland)

FRIDAY
AEH9GVFN
A09 12/12/2025 #41
COMPANIES HOUSE

INSTITUTE OF ADVANCED MOTORISTS LIMITED (THE)

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Reference and Administration

The Council (the trustees, who also serve as directors of the company under the Companies Act) present their annual report and the audited financial statements for the year ended 31 March 2025 for the Institute of Advanced Motorists Limited ('IAM'), (Companies House Registered number: 562530; Registered Charity Numbers 249002 (Charity Commission, England and Wales) and SC041201 (Office of the Scottish Registered Charity Regulator).

The financial statements have been prepared in compliance with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP) applicable to charities preparing their accounts under the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") (effective 1 January 2019).

The names of the Patron, President, Honorary Vice President, Council (Trustees) and Senior Leadership Team who served during the year and since the year end are listed below.

Patron	HRH Prince Edward, The Duke of Kent
President	Nigel Mansell CBE
Honorary Vice President	Stuart Donald QPM

Trustees	**Membership**
Stuart Malcolm Donald QPM	Chair
Shona Johnstone	Chair
Nicholas David John Lomas	Deputy Chair (3 – Chair) (1)
Nicholas John Anthony Stein	
Victoria Ann Milford	(2 – Chair)
Tom Kelman	(1 – Chair)
Mark Armitage	(1)
Angela Bell	(1)
Rupert Newman	(2)
Mark Powell	(2)
Sarah Whiteside-Jones	(2)

Committees

1. Finance & Audit Committee
2. Remuneration Committee
3. Nominations Committee

Senior Leadership Team

Antony Kildare
Mark Armitage
Nicholas Lyes
Andrew McLachrie
Kat Hyde
Nicola Smith
Carlota Da Veiga Pestana

Registered Office

1 Albany Place, Hyde Way, Welwyn Garden City, Hertfordshire, AL7 3BT

Professional Advisers

Statutory Auditor	Crowe U.K. LLP, 55 Ludgate Hill, London, EC4M 7JW
Bankers	HSBC Bank plc, 60 Queen Victoria Street, London, EC4N 4TR
Investment Advisors	Portfolio Management Consultancy Limited (PMCL), 100 Liverpool St, London, EC2M 2AT
Investment Managers	Waverton Investment Management (W1M), 16 Babmaers Street, London, SW1Y 6AH
	J M Finn & Co Limited, 4 Coleman Street, London, EC2R 5TA
	Rathbone Investment Management, 8 Finsbury Circus, London, EC2M 7AZ
	Ruffer LLP, 80 Victoria Street, London, SW1E 5JL

Structure, Governance and Management

Objects

The objects of IAM are to improve driving standards and promote road safety for the public benefit, in particular (but not limited to) through the operation of an advanced driving and motorbike riding test.

Public benefit

The trustees have reviewed IAM's aims in the context of the requirement that they be demonstrably for the public benefit. In carrying out this review, the trustees have had due regard to the Charity Commission's guidance on public benefit.

Primary activities

Formed in 1956, as the Institute of Advanced Motorists, IAM RoadSmart as we know it today, grew into the UK's largest road safety charity.

With almost 70 years' experience educating and upskilling drivers and riders, the charity's purpose has been to make roads safer for all. Course fees and membership, in addition to a commercial offering, have been key in generating income, but the current economic climate and membership demographic poses some challenges and has highlighted the need to change and diversify.

Our federated group structure was developed to support the delivery of services; this provided a semi-autonomous relationship for local groups that drove up membership and raised funds for the charity. The charity's membership peaked in the 1990's but has since declined highlighting a need to change our membership offering and the systems and processes used to deliver it, as well as diversifying our income streams to enable to charity to maximise its impact.

Where we are now

IAM seeks to achieve its objectives and fulfil its public benefit requirement by funding and evolving the following activities:

Promoting the IAM RoadSmart brand as the UK's leading road safety charity and advocate, helping to improve driving and riding skills through courses and coaching.

IAM's Advanced driving test was launched in 1956 and an advanced test for motorcyclists was introduced in 1976. Through programmes delivered by IAM's volunteer network, the skills taught and tested are constantly updated for the ever-changing features and challenges of the UK's roads and vehicle technologies. By improving awareness of hazards and risk and teaching best practice techniques, IAM reduces the likelihood that drivers and riders will put themselves (and others) into a position of danger through error, omission or poor behaviour on the roads.

1. IAM RoadSmart Groups exist throughout the UK, with volunteers delivering support and advice to drivers and riders seeking to improve their on-road skills, many of whom go on to pass the Test. Since inception, IAM has awarded advanced status to over 500,000 drivers and riders.
2. IAM continues to serve the demand from professional driving organisations seeking to enhance their internal driver training programmes by accrediting them with the Advanced Driver qualification.
3. Lobbying government and undertaking road safety research, together with publicity using social and broadcast media and the Press as well as direct communication to IAM RoadSmart Members are important features of IAM's work to promote road safety. Regular tips, blogs and press releases are also used to help all drivers and riders improve their skills as we seek to "inform and influence" on road safety issues. RoadSmart magazine continue to be the communication valued by Members as their primary source to reinforce IAM RoadSmart.
4. Members' knowledge and awareness of road safety issues.

IAM RoadSmart provides a range of services for businesses whose employees' roles involve driving cars, vans, or motorcycles. These solutions enable employers to implement a comprehensive risk management programme, supporting road safety via driver training and ensuring compliance with health and safety law.

1. On-road courses designed specifically for business drivers, including Driving for Work, Vehicle Familiarisation, UK Familiarisation, and other courses targeting specific skills and behaviours.
2. Online fleet risk management tools including licence checking and vehicle-related checks to ensure 'grey fleet' compliance
3. Driver risk assessments and e-learning delivered via a mobile app, allowing tailored educational content to be provided to drivers as part of an ongoing training programme.
4. Webinar-style workshops including Toolbox Talks for drivers, and courses offering managers an introduction to best practice in managing work-related road safety.
5. Other courses include Advanced Driver Fast Track and training for in-house driver assessors.

Through the provision of the Driver Retraining Academy (DRA), the IAM Group offers retraining for offenders through delivery of drink and drug drive rehabilitation scheme courses.

Through our strategic partner, we have a branded insurance offer for our members. This offer introduces members to insurers who may see our members as lower risk. We receive commission for policies taken out.

We offer several Skills Day activities across the UK – these events provide members and the wider public the opportunity to practice their driving and riding techniques in a controlled area, with the opportunity to learn new skills.

Council acknowledges that the success of IAM's activities is dependent on the goodwill and commitment of volunteers operating within IAM RoadSmart Groups. Council expresses its appreciation for the commitment and dedication of those volunteers, without which IAM would be unable to deliver their courses – thank you.

Strategy

With support from the Board of Trustees, we have continued to progress with the delivery of our five-year plan, focusing on growing our reach and improving our communications and messaging to align with our five strategic pillars, as follows:

1. Grow the brand name and corporate identity to be recognised nationally, with an increased presence and authoritative voice in the policy and campaigning space. We will:
    - Place road safety at the heart of all we do.
    - Elevate our policy and campaigning activities to make an impact on road safety issues in the UK.

2. Invest in fundraising initiatives that will help grow our community and raise awareness of our role as a national charity.

3. Increase skills development, knowledge sharing, competency, and on road confidence through education and coaching. We will:
    - Make road safety skills and education up to date, relevant and accessible to all.
    - Diversify and refresh educational tools and products to engage existing and new audiences.
    - Reflect new road safety challenges, embracing new learning styles and technologies, engaging with those who put the most drivers and riders on the road and those who use the road for a living.

4. Develop a broad, diverse, and inclusive community of passionate road users across the UK. We will:
    - Support an increasingly diverse community of road safety experts across the United Kingdom.
    - Be inclusive, recognising those that have passed the advanced test and demonstrate the highest level of skill that is up-to-date and relevant, as well as those that choose not to take the advanced test but still have a passion and interest in road safety.
    - Provide support to enable our community to ensure it is sustainable and that it can continue to deliver key services.

5. Promote a well led, progressive, ethical charity that lives and breathes by its culture and behaviours. We will:
    - Be well-run and sustainable, supported by effective leadership, governance, systems, and infrastructure.
    - Monitor effective stewardship of resources and assets to ensure the charity have an impact on improving road safety.
    - Work to mitigate any negative impacts we may cause.

6. Embrace being digital to the core. Enabling and simplifying our service and offerings, growing our reach and enriching the community experience. We will:
    - Transform using best in show technology to support our growth and diversification ambitions, measuring deliverables along the way.
    - Work with digital experts, providers, and originators to adopt and apply tried and tested approaches.
    - Modernise the charity with new and innovative products and experiences.

Constitution & Membership

IAM was established on 10 March 1956 as a company limited by guarantee and is governed by a Memorandum and Articles of Association, which were adopted by Special Resolution on 20 February 2009 and amended by Special Resolution on 18 November 2009.

IAM operates the Advanced Driver and Rider Tests ("Test(s)"). Individuals who successfully pass these Tests (or are eligible for exemption) are IAM RoadSmart ordinary Members (or "Members") subject to payment of membership subscriptions. Prospective members who have not yet passed the Tests are classed as Associate Members (or "Associates"). IAM's Memorandum and Articles of Association provide that the following matters are subject to the determination of IAM RoadSmart Members at Annual or other General Meetings:

- Receiving the Council's report on the Company's activities since the previous Annual General Meeting.
- Electing members of the Council.
- Varying the annual Membership subscription.

Subsidiary Undertakings

IAM's three subsidiary undertakings that were active during the year are as follows:

- IAM Drive & Survive Limited ("Drive & Survive") provides corporate risk management and driver training services.
- IAM Driver Retraining Academy Limited ("DRA") which provides drink and drug drive rehabilitation courses.
- Institute of Advanced Motorcyclists Limited which provides access to insurance services to Members.

Corporate Governance

Appointments to Council

The Council consists of such IAM RoadSmart Members and suitable individuals as shall from time to time agree on the invitation of the Council, to serve as a trustee on the Council.

The Nominations Committee of the Council is responsible for identifying potential new trustees and making recommendations to Council. New trustees who join the Council during the year are required to offer themselves for election at the next Annual General Meeting. New trustees are selected based on the skills, expertise and experience they bring to the Council. A role definition for trustees is in place.

Induction and training

All new trustees receive an induction briefing, which includes their general charity and company law responsibilities, IAM's Memorandum and Articles of Association and the functions of IAM's Council, committees, and management. Training for trustees is provided when required, including updates on best practice in charity governance.

Trustees are also encouraged to seek guidance and support from the Charity Commission website which offers free guidance and learnings to trustees on key aspects of their role.

Rotation of trustee appointments

Trustees retiring by rotation at the AGM are Victoria Milford, Angela Bell, and Sarah Whiteside-Jones.

Stuart Donald retired from the Council as a Trustee and Chair on 26th March 2025 and was appointed Honorary Vice President.

Shona Johnstone was appointed as a trustee by the council on 29 January 2025 – and will seek member appointment at the upcoming AGM. Shona was appointed Chair of Council by the trustees on 26 March 2025.

Charity Governance Code

Trustees on the Council are committed to their governance responsibilities, aiming to maintain a framework that is effective, compliant, and efficient. This year, IAM assessed internal financial controls using the CC8 (Internal Control for Charities) checklist. This was reviewed by the Trustees at the Finance & Audit Committee in June 25, to ensure they are satisfied with the current assessment.

To support the CC8, we have compiled a comprehensive list of policies that aligns with its elements, providing Trustees with a complete overview. This list will also clarify which policies fall under the Trustees' review requirements. This effort

is part of the ongoing review of our policy management and governance to ensure the adoption of best practices in this area.

Decision Making, Committees, and IAM RoadSmart Groups

The Council seeks to ensure it has an appropriate mix of skills and experience to discharge its responsibilities effectively and in line with good governance practice and is assisted in its work by three committees to which certain powers and responsibilities are delegated. The members of the **committees** are set out on page 2 of this report.

The **Finance & Audit Committee (FAC)** is responsible for ensuring financial reporting obligations are met for IAM and its subsidiaries (together "the IAM Group"). This involves ensuring the statutory financial statements for the IAM Group are properly audited and that accepted recommendations of the auditors are implemented. Whilst also establishing, maintaining, monitoring, and reviewing financial controls throughout the IAM Group, to safeguard its assets and ensure its financial integrity. The Committee also confirms that IAM's investment policy is appropriate and monitors the performance of those investments and confirms IAM's reserves policy is appropriate. The Finance and Audit Committee meet formally once a quarter, with additional meetings as needed to monitor financial performances.

The **Remuneration Committee** approves the remuneration of IAM's Senior Leadership Team and monitors the overall remuneration policy across the IAM Group. The Senior Leadership Team determines the salaries of all other executive staff within budget parameters set by Council. The remuneration Committee meets formally 3 times a year, with additional meetings as needed, monitoring people and culture policies.

The **Nominations Committee** is tasked with assessing the structure and composition of the Council, specifying requirements for trustee and senior executive positions, identifying, and assessing candidates and making recommendations to the Council regarding appointments to those roles.

The day-to-day management of the IAM Group is delegated by the Council to the Chief Executive and the Senior Leadership Team listed on page 2.

IAM RoadSmart Groups are geographically based independent charities or other entities that are affiliated to IAM subject to the Group Rules which are maintained by IAM. Accordingly, the IAM Group's consolidated financial statements do not incorporate the financial statements or activity of IAM RoadSmart groups.

Risk management and internal control

The IAM Group has a formal process for assessing risks and implementing risk management strategies. This involves identifying risks and prioritising them in terms of likelihood of occurrence and potential impact, together with devising and implementing mitigations as considered appropriate. Risk Registers are maintained by the Compliance and Governance Manager with each risk owner required to review risks allocated to them on a quarterly basis. Additionally, each Director is required to present the risks within their area to the Senior Leadership Team in turn, on a monthly rolling basis. This allows the Senior Leadership Team to have oversight of all risks. Risks identified as strategic in nature are presented to the Finance & Audit Committee as a standing agenda item, and then the Council meeting for further consideration by Trustees.

Some of the key risks are:

Risk	Management of risk
Erosion of Advanced Driver training benefits due to technology reliance	A growing reliance on vehicle automation technology risks diminishing the perceived value of our Advanced Driver Training course, as drivers may prioritise technological solutions over personal skill improvements. This trend, particularly significant for commercial drivers but applicable to all our members/customers, could lead to reduced demand for advanced training programs and a loss of market relevance for IAM RoadSmart. Drivers may mistakenly view technology as a standalone solution to road safety, overshadowing the importance of human expertise. To address this, we are actively helping drivers transition to new technologies by developing resources like the ADAS (Advanced Driver Assistance Systems) guide, which is now available on the IAM RoadSmart commercial website. Collaborative efforts with the EU Hi-Drive project and Leeds University are providing critical insights into market needs and informing future products. Additional measures include targeted lobbying for updated training frameworks, technology-focused awareness campaigns are scheduled for 2025, and member surveys integrated into onboarding processes to capture our members/customers evolving needs. In addition to this, we will take steps to diversify our portfolio offering to the public.
Single entry point into membership	Our reliance on the Advanced Course as the sole entry point for membership restricts our ability to attract a broader and more diverse community, hindering our growth plan and inclusivity objectives. This model limits engagement with a diverse group of drivers and riders impacting IAM RoadSmart's capacity for long-term community expansion and financial sustainability. In response, we have implemented strategic initiatives to diversify our membership offerings. These include targeting younger members (17-26) while actively recruiting those aged 27-55, launching a donation-based Road Safety Sponsor tier for those impacted by road safety incidents, and reviewing membership tiers to reduce entry restrictions. Plans for new commercial memberships and an updated member journey are also underway to ensure greater accessibility and inclusivity.
Brand /Tone of Voice (ToV) review	The risk associated with the Brand/Tone of Voice (ToV) review centres on the current brand identity lacking clarity and being perceived as outdated, which could deter audience engagement and growth. This may lead to reduced brand relevance and appeal, as well as inconsistent messaging that could affect trust and recognition. To mitigate these risks, ongoing efforts are focused on developing a new Tone of Voice as part of the website transformation Additionally, training plans are being developed to ensure widespread adoption of the new ToV. These initiatives aim to enhance brand consistency and appeal, ultimately improving audience engagement and growth opportunities.
Ageing Member Demographic	One of the key drivers of our transformation plan is the ageing demographic of our existing membership base. The base is predominantly 60+, with fewer 'younger' members being added. We have focused on enhancing the member proposition through new benefits and offers, as well as providing enriched content and engagement approaches. These mitigation actions have bourn fruit as we as seeing member engagement improve. We continue to look at alternative membership options to support our existing membership offer, and appeal to newer audiences.

Strategic Report

During the year ended 31 March 2025, in accordance with the Charities (Protection and Social Investment) Act 2016, the trustees report that the charity raises funds through online donations, public appeals, challenge events, Big Give campaigns, regular giving from individuals, and corporate donations. Fundraising is carried out by staff employed directly by the charity, supported by volunteers, and no professional fundraisers or commercial participators were engaged during the year.

The charity is registered with the Fundraising Regulator and has committed to comply with the Code of Fundraising Practice, and the trustees are not aware of any failure to comply with this Code during the year. All fundraising activities are overseen by senior management and the trustees through regular reporting and review, with policies and procedures in place to ensure compliance with legal and regulatory requirements.

No complaints were received during the year in relation to fundraising activities. The trustees take seriously their responsibility to protect vulnerable people and the wider public, and measures are in place to safeguard against undue pressure or exploitation. These include adherence to the Code of Fundraising Practice, clear opt-out opportunities, respectful communications, and training of staff and volunteers in responsible fundraising practices.

Strategic Review of Activities and achievements

Our activities progressed during the year ended 31 March 2025. Some of the most notable achievements in the year can be summarised into these headings:

Growth

- Campaign development with a focus on growing our reach and building a diverse and inclusive community.
- Increased profiling of IAM RoadSmart in the media - gaining more media appearances and coverage and continued with the Opinion Panel. This has been strengthened by carrying out our own research to form the basis of media stories, and utilising IAM RoadSmart internal experts to comment on stories and raise awareness of ongoing issues.
- Launched new Skills Days for the 2025 season.
- A review of existing and new products took place and this resulted in a product roadmap and portfolio summary for 2025/2026.
- We delivered the Youth Empowerment Initiative using funds raised through the Big Give Christmas Challenge in December 2024. This funded places on our Motorcycle and Car Skills Days in the 2025 season.

The progress made in the IAM Group by company may be summarised as follows:

Institute of Advanced Motorists Limited

At the close of 2024/2025, our membership stood at 69,396. While natural demographic shifts and lapsed members impacted numbers, we continue to welcome new members, helping to balance these changes and strengthen our community.

Category	24/25		23/24	
Associate	5,222	7%	2,896	4%
Fellow	1,088	2%	3,556	5%
Full	63,086	91%	68,222	91%
Totals	**69,396**	**100%**	**74,674**	**100%**

The IMI Local Observer Programme closed on 31 March 2025. From March 2025 all Advanced Driving and Riding courses will be delivered by National Observers; the process to achieve this began on 31 March 2023. Adopting one standard of observing has created a clear and logical process for our volunteers, customers, and partners, with our focus being on 'competency assessment, not experience'.

People & Culture

Volunteer recruitment

We continued to grow and diversify our pool of volunteers with over 5,000 volunteers at 31March 2025.

Investors in People

IAM RoadSmart was awarded the Silver Investors in People accreditation. This recognition reflects our strong commitment to supporting and developing our people, fostering a positive workplace culture, and continuously striving for improvement in leadership and management practices.

Investing in Volunteers

IAM RoadSmart proudly achieved the Investing in Volunteers accreditation, a nationally recognised standard for volunteer management and support.

This milestone reflects our continued commitment to valuing, developing, and supporting our dedicated volunteer network, who are at the heart of our mission to improve road safety.

Achieving this standard demonstrates that our volunteer practices met best-in-class benchmarks, and it reinforces our aim to provide a positive, inclusive, and rewarding experience for all who contribute their time and expertise to our cause.

PR, research and lobbying

IAM RoadSmart continues to be in contact with UK Ministers and civil servants to help shape the updated road safety strategy while we have also had meetings with all devolved Governments in the UK. Since the election we have met two new UK Ministers. During the general election campaign, we published our 'safer roads for all' manifesto. We have expanded our Opinion Panel to include non-members for research purposes.

We continue to be represented at the highest level with Motoring Agencies and our campaigns have had some significant cut through. Our clear policy positioning has enabled us to be a more authoritative voice, and this has cascaded through to our community. We have also commenced additional thought-leadership research to enhance our lobbying which will be published in 2025/26.

We saw a significant increase of 900% in media reach during the calendar year 2024 compared to 2023, driven by research, surveys, a new media centre and new processes in responding to requests.

Publications

RoadSmart Magazine continues to develop, and readers' feedback and engagement continues to increase with each issue.

Our newsletters, member polls and communications regularly attract opinions which are used by our Policy & Research and Marketing & Communications teams. We draw on the opinions, views and experiences from members and other sources to develop and strengthen new campaigns. By doing this we continue to create engaging and informative content.

One of our key areas of support is influencing key decision makers and our activities and progress in this area are summarised below.

We have increased our research and campaigning on graduated driver licensing, issues impacting younger drivers, drug-driving, smart motorways and handheld mobile phone use. We continue to represent our members at the highest Government level within the Department for Transport, National Highways, Transport Scotland and have met with Ministers in Wales and Northern Ireland. We continue to publish our annual Road Safety Report.

IAM Drive & Survive Limited ("Drive & Survive")

D&S is in a strong position to thrive, with the right operational foundations in place. We have made great progress with our marketing using platforms such as LinkedIn to raise our profile. In addition, we have attended relevant events such as The Safety, Health & Wellbeing Live and The Health & Safety Event. Part of our growth strategy for 25/26 is to focus on retaining, securing, repeat business from our existing customers as well as new business within the health and safety and fleet sector. Driving for work continues to be our bestselling product (87% of our course bookings in March 2025) despite

the wealth of other products and services we offer.

IAM Driver Retraining Academy Limited ("DRA")

Drink Driver Rehabilitation Scheme continues to be a growth opportunity across the UK, Scotland and Wales. It is, however, a highly competitive market so we continue to look at ways of increasing our referrals through marketing to solicitors, The Law Society and courts. We are also working on increased automation when it comes to referrals, digital registrations and bookings.

Conversion rates remain a priority, and DRA has a target of 65% and is currently 62%. Trustpilot reviews for DRA are excellent, with an average rating of 4.7.

IAM has renewed its DRA Welsh license, and a Welsh language policy is now in place. The activities previously carried out by DRA have now been integrated into the company's primary purpose and are delivered within the parent charity. These activities are expected to continue in the future.

Institute of Advanced Motorcyclists Limited

The company continues to manage the IAM Group's arrangements with insurance brokers and derives its income from commissions on introductions to motor insurers and other bodies. Commission income totalled £254k to the year-end 31 March 2025 – representing a 14% decrease on 23/24. We recognise that the current insurance market is proving challenging, with insurance premiums increasing year on year.

Future activities

Our strategy has been extended to cover five years of growth as we work to future proof the charity.

Commercial

We continue to invest in the growth of commercial through the diversification and creation of new products in addition to delivery platforms supported by IAM's ongoing IT strategy.

Drive & Survive

- Accreditation model from large scale organisations (tapping into the HGV and bus market), to train their trainers. This is scalable as it removes the need for IAM to find trainers, and we secure monthly fees.
- Targeting new business from larger accounts (300 plus drivers).
- Scalability with the development of more online bookings for new courses, all of which are being currently scoped out.
- Additional revenue opportunities through the selling of bulk charity courses.
- Corporate sponsorship.
- Grant opportunities.
- New IT capabilities with external partners to automate and digitalise customer service touchpoints to enable a seamless commercial customer journey and greater retention and upselling of clients.
- API add-ons to the IAM commercial website to create a micro revenue model of taster or top up digital courses paid for in advance.

Drink Drive Rehabilitation Scheme

- Growth opportunities are possible in expansion of online courses, weekend and bank holiday courses.
- Bidding for applicable tenders.
- Responding to relevant industry contract opportunities Membership retention, recruitment, fundraising.

Since April 2025, we have launched two fundraising campaigns. The first is an always on campaign called Road Safety Sponsor, which enables supporters to donate unrestricted funds for the charity to use where they are needed most. The second is the Volunteer Support Fund, aimed at supporting volunteers who have additional support needs or disabilities. Both campaigns have been launched in the first half of this financial year.

Looking ahead, we plan to participate in the Big Give Christmas Challenge again in December 2025, with the ambition of

raising £25,000 to fully fund two Skills Days in 2026 – one Car and one Motorcycle Skills Day – to continue this important work.

In addition, we are launching various challenge events, including giving supporters the opportunity to take part in RunFest at Silverstone in November, as well as other challenge events across the country through our partnership with Run for Charity.

We are also preparing for fundraising activities to mark the 70th anniversary in 2026. We continue to engage with our community to better understand their needs and aspirations, and we look forward to working with charitable trusts, companies, and individual supporters who wish to fundraise on our behalf.

Our existing members will see change as we work to embed increased member value; the focus for us is on improving the member experience, giving members more choice and a personalised experience as part of their membership fees.

Promotion of any changes will be shared with our members, as well as with the wider community across nations to grow our reach.

New membership tiers and products

Whilst we focus on adding value for our current members to the existing membership model, activity is underway to explore what the future looks like. It is notable that membership is declining across membership organisations. We are aware that the wider public are absorbing content and information in different ways. As a result, educational content is a core focus for us, across channels, and we are looking at how this can help grow our reach and tap into new audiences of all demographics. From investing in new online content, to launching an IAM RoadSmart Podcast series, with a forward view to looking at a new subscription model and a commercial membership offer.

Diversifying product ranges

We plan to create new on-road courses, assessments, and online training to upskill members of the public, IAM members and those who drive for work, with delivery expected throughout 2025 and into the following financial year.

We are reviewing delivery on regional activity, to build our brand profile and presence in each nation.

Campaigns, Policy, PR

There will be continued focus on policy and campaigning; this work will continue to elevate our brand and raise awareness of our purpose as a national road safety charity; we will be looking to launch new campaigns focusing on younger drivers, graduated driver licensing, motorcyclists and improving driving behaviours. We will feed into and respond to the Government's updated road safety strategy. We will publish thought leadership research around the Gig Economy to amplify our influence and commercial brand. We will demonstrate the value of the Advanced Driver Course. We will begin a programme of policy seminars to reestablish IAM RoadSmart as one of the key campaigning organisations for safer roads.

We will increase our media reach and extend our position as a trusted voice in the sector, representing our membership and amplifying our core purpose to attract new audiences, aided by new communication methods to push our standards and expertise. Our goal remains to be the 'go-to' charity for media to comment on road safety.

Events development

Further development of a digital and in-person events schedule will help diversify our audience and grow our community, generating revenue for the charity. From a range of topical and relatable webinars, to fundraising opportunities and an evolving Group engagement plan – all linked in to our 70th year and beyond.

Digital to the core

Continued focus and investment will be given to our new corporate website which has been designed to better position the charity for growth, with fundraising and business services at the forefront. The site will continue to evolve the member, volunteer and community experience, inviting a more diverse audience into our community; there will be elements of the website that will need to be evolved as we push ahead with new and ongoing projects designed to elevate the charity in the road safety space.

Further activity will take place to embrace new and online audiences; these won't necessarily be Associate or Full members, but they may be followers and supporters who wish to engage in what we're doing. From more online content to the evolvement of a Podcast series - launching in 2025 – we will continue to challenge thinking that will create a charity and discipline that can empower, relate and be considered relevant for all.

We will launch IAM RoadSmart experiences over the summer – an opportunity for members and non-members to engage with us in a way that is not course or product specific. The focus will be on safe driving and riding, engaging a diverse and inclusive community and supporting the 'fun' value that we promote.

Financial Review

The Group Statement of Financial Activities on page 18 shows a net movement in funds of £991k deficit (2023-2024 £666k deficit). This headline deficit continues to be a concern and matter of focus for the trustees, it was caused by 3 key elements, two of which were known about and part of the organisation's transformation:

- Investments: Despite continued uncertainty and volatility in the markets—particularly in the second half of the year—our investments delivered gains of £23K, driven primarily by stronger performance in the first half. In March 2025, all investment holdings were consolidated into a single portfolio with Waverton to enable a more focused and actively managed investment strategy. This step supports our revised investment policy, which is designed to enhance oversight and better manage risk in a challenging market environment. Further information on our investment approach is provided in a later section.
- Transformation Spend: As part of the desire to move the organisation to operational sustainability, we did incur some spend on the start of that transformation activity – totalling £111k. This spend is part of a 5-year commitment to ensure the organisation achieves financial security and sustainability and at least break even at an operating position within the time of that 5-year plan. Further funds will be incurred in 2025/26 and 2026/27 as part of the plan.
- Operating Performance: As mentioned, - and driving the cause for the 5-year plan - the organisation has made sustained losses at an operating position for many years – 2024/25 was no different. The group loss in 2024/25 was £1.014m (£903k loss excluding transformation). This level of underlying loss has always been prevalent in IAM's results but was historically masked by investment returns. The focus of the 5-year plan, amongst other things, is to ensure these operating losses are eliminated moving forward.

The overall deficit remains at £1m – but the vast majority of that loss is for known reasons and contributors. The Balance Sheets on page 19 show that the net assets of the Group have decreased by £991K from £6.458m to £5.467m. This movement was contributed to by an operating deficit in the year of £1.014M, including transformation spends of £111K and investment gains of £221k (Capital Gains and returns). All funds held by the Group at year end were unrestricted and undesignated.

Reserves

The Finance and Audit Committee conducted a full review of our reserves policy during the year which was ratified in March 2025 by Council. The outcome of that review provided that the appropriate minimum level of reserves at £4.7m for the group to hold is between 6 and 9 months of operating expenses, together with any existing liability or specifically ring-fenced funds. Reserves are held for several reasons – in the main to support operating activity should there be a catastrophic impact on income (e.g. pandemic), to service any long-term commitments, or any existing known liabilities.

In light of the revised policy, the Finance and Audit Committee consider it prudent to hold 9 months of operating reserves in the current economic climate. Additionally, the necessary funds ring-fenced for delivery of the 5-year plan should also be held.

As at 31 March 2025, free reserves stood at £5.602m – this represents approximately 9 months of operating expenses plus funds to deliver the 5-year plan.

Investment & Investment Policy

IAM appointed an independent investment advisor during 2023/24. PMCL, a regulated investment advisor specialising in the Charity and Not-For-Profit sector, was selected following a competitive external tender process involving multiple firms.

Following PMCL's appointment, a comprehensive review of our Investment Policy was undertaken in line with our Reserves Policy. The updated Investment Policy, reflecting the outcomes of this review, was formally approved at the

June 2023 Council Meeting. The policy aims to achieve the best possible financial return within an acceptable level of risk by appointing reputable and experienced external investment managers operating under clearly defined mandates.

In line with this revised approach, IAM consolidated all its investment holdings with Waverton Investment Management during 2024/25. This move supports a more streamlined, actively managed strategy and enhances oversight of portfolio performance. PMCL continues to monitor the portfolio and reports regularly to the Finance and Audit Committee and Council. Any performance concerns are reviewed by PMCL, and appropriate recommendations are made.

IAM does not routinely draw income from its investment portfolio; instead, income is reinvested to support a total return objective (combined income and capital return), with flexibility for drawdowns to meet operational needs as required. As at 31 March 2025, the market value of IAM's consolidated investment portfolio with Waverton was £6.34m (2024: £6.70m). All investments continue to be managed in line with our Investment Policy.

Going Concern

The Trustees have assessed the ability of IAM and the IAM Group to continue as a going concern. That assessment included consideration of the recent trading performance, the level of investments held as reserves and the associated risk profile of those investments, the key risks faced by the IAM Group as described under 'Risk management and internal control' on page 7, together with the underlying budgets for 2025/26 and a roll forward of the budget for 2025/26 using prudent assumptions.

The trustees' consideration of going concern also considered a stress test utilising the potential for circumstances which although unlikely would have a significant impact. Those unlikely circumstances included significant reductions in income from membership, other courses and assessments, and commercial activities, while assuming that operating and capital expenditure was maintained at budgeted and forecast levels, and the potential for investment portfolios to fall by up to 50%. The stress test indicated that the going concern basis of accounting would remain appropriate as at the date of approval of the financial statements.

The Trustees' assessment is that IAM and the IAM Group will remain going concerns for a period of at least 12 months from the date of approval of this report and of the financial statements.

Related parties

None of the trustees receives remuneration or other benefit from their activities as a Trustee with IAM. Any connection between a Trustee or member of the Senior Leadership Team of IAM and a contractual party must be disclosed to the Council. During the year under review, no such related party transactions were reported.

Statement as to disclosure of information to the auditor. In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company and group's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

Crowe U.K. LLP has indicated its willingness to continue in office.

REPORT OF THE COUNCIL (continued)

Statement of Trustees' Responsibilities

The Trustees (who are also directors of IAM for the purposes of company law) are responsible for preparing the Report of the Council and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Report of the Council (including the Strategic Report) was approved on behalf of the Council by:

Shona Johnstone

Shona Johnstone
Chair
1 Albany Place
Hyde Way
Welwyn Garden City
Hertfordshire
AL7 3BT

Date: ...15/10/2025.....

Independent Auditor's Report to the Members and the Trustees of The Institute of Advanced Motorists Limited

Opinion

We have audited the financial statements of the Institute of Advanced Motorists ('the charitable company') and its subsidiaries ('the group') for the year ended 31 March 2025 which comprise the Group Statement of Financial Activities, the Group and Charity Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including material accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2025 and of the group's income and expenditure, 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 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 14, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures

responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011, and The Charities and Trustee Investment (Scotland) Act 2005, together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulations, Health and Safety legislation, taxation legislation, and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Finance and Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Vincent Marke

For and on behalf of Crowe

U.K. LLP

Statutory Auditor

London, United Kingdom

Date: 15/10/2025

GROUP STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2025 (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)

	Note	GROUP		IAM	
			Restated		Restated
		2025 £000	2024 £000	2025 £000	2024 £000
Income from:					
Donations and legacies					
Subscriptions (including Gift Aid)		3,608	3,597	3,608	3,597
Other income	3.1	51	35	51	35
Charitable activities					
Test fees		742	701	742	701
Other trading activities					
Training and related services	3.2	1,880	1,979	953	451
Investments	10	198	178	198	178
Total income		6,479	6,490	5,552	4,962
Expenditure on:					
Raising funds					
Fundraising and publicity	3.4	1,307	979	1,307	979
Training and related services	3.4	1,580	1,711	794	491
		2,887	2,690	2,101	1,470
Charitable activities					
Research and advocacy	3.4	771	558	771	558
Membership services	3.4	2,181	1,974	2,181	1,974
Tests	3.4	495	706	495	706
Quality assurance	3.4	1,159	1,059	1,159	1,059
		4,606	4,297	4,606	4,297
Total expenditure	3.4	7,493	6,987	6,707	5,767
Net (expenditure)		(1,014)	(497)	(1,155)	(805)
Net gains /(loss) on listed investment portfolio	9	23	(203)	23	(203)
Net (Loss) for the year	4	(991)	(700)	(1,132)	(1,008)
Net movement of funds in year		(991)	(700)	(1,132)	(1,008)
Balances brought forward at 1 April		6,458	7,158	4,682	5,377
Gift Aid Profits from Trading Subsidiaries		-	-	140	313
Balances carried forward at 31 March		5,467	6,458	3,690	4,682

The above results are from continuing activities and there are no other gains and losses except as stated above.

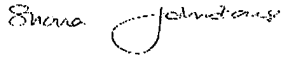
The notes on pages 21 to 36 form part of these accounts.

COMPANY NUMBER 562530

BALANCE SHEETS AS AT 31 MARCH 2025

	Note	Group		IAM	
		2025 £000	Restated 2024 £000	2025 £000	Restated 2024 £000
Fixed assets					
Intangible assets	7	239	254	239	254
Tangible assets	8	19	26	19	26
Investments	9	6,335	6,566	6,465	6,696
		6,593	6,846	6,723	6,976
Current assets					
Stocks	11	5	27	5	7
Debtors	12	649	753	2,241	2,113
Cash at bank and in hand		446	624	270	433
		1,100	1,404	2,516	2,553
Current liabilities					
Creditors: amounts due within one year	13	(2,013)	(1,792)	(5,336)	(4,847)
Net current (liabilities)		(913)	(388)	(2,820)	(2,294)
Total assets less current liabilities		5,680	6,458	3,903	4,682
Non-Current Liabilities					
Creditors: amount falling due after more than one year					
Provision for Liabilities		(213)	-	(213)	-
Net assets		5,467	6,458	3,690	4,682
Unrestricted funds					
General fund	14	5,467	6,458	3,690	4,682
		5,467	6,458	3,690	4,682

The financial statements on pages 21 to 36 were approved by the Council on 15th October 2025 and authorised for issue and signed on its behalf by



15/10/2025

Shona Johnstone

Chair

The notes on pages 21 to 36 form part of these accounts.

GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 £000	2025 £000	2024 £000	2024 £000
Cash flows from operating activities:					
Net cash generated in operating activities	17		(28)		(373)
Cash flows from investing activities:					
Payments to acquire intangible fixed assets	7	(81)		(23)	
Payments to acquire tangible fixed assets	8	(13)		9	
Net drawdown (additions) / from to investments	9	(277)		234	
Movement in cash investments	9	23		(43)	
Listed investment income	10	197		174	
Bank interest received	10	1		5	
Net cash (utilised)/ provided by investing activities			(150)		356
Change in cash and cash equivalents in the year			**(178)**		**(17)**
Cash and cash equivalents at start of the year			624		641
Cash and cash equivalents at end of the year			**446**		**624**

The notes on pages 21 to 36 form part of these accounts.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2025

1 General information

The Institute of Advanced Motorists Limited (IAM) is a company limited by guarantee incorporated in England and has no share capital. The liability of members in the event of winding-up is limited to 25p per member.

The address of IAM's registered office and principal place of business is 1 Albany Place, Hyde Way, Welwyn Garden City AL7 3BT.

IAM's and the IAM Group's principal activities are detailed in the Report of the Council.

2 Accounting policies

(a) Basis of accounting and going concern

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. A separate statement of financial activities for IAM is not presented as permitted by the SORP.

Monetary amounts in these financial statements are rounded to the nearest £1,000 except where otherwise indicated.

IAM meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The trustees assess whether use of the going concern basis of accounting is appropriate i.e., whether there are material uncertainties related to events or conditions that may cast doubt on the ability of the charitable company and the group to continue as a going concern. The trustees review forecasts and projections covering a period of at least one year from the date of approval of the financial statements in making that assessment. The trustees do not consider there are any such material uncertainties.

The trustees' consideration of going concern also considered a stress test utilising the potential for circumstances which although unlikely would have a significant impact. Those unlikely circumstances included significant reductions in income from membership, other courses and assessments, and commercial activities, while assuming that operating and capital expenditure was maintained at budgeted and forecast levels, and the potential for investment portfolios to fall by up to 50%. The stress test indicated that the going concern basis of accounting would remain appropriate as at the date of approval of the financial statements.

Accordingly, the trustees consider that the going concern assumption remains valid.

(b) Basis of consolidation

The consolidated financial statements include on a line-by-line basis the financial statements of IAM and its subsidiary companies made up to 31 March 2025. Subsidiaries acquired during the year are consolidated using the acquisition method. Their results are incorporated from the date that control passes. The difference between the cost of acquisition of shares in subsidiaries and the fair value of the net assets acquired is capitalised as purchased goodwill and amortised through the income and expenditure account over an estimated useful economic life.

(c) Functional and presentational currencies

The consolidated financial statements are presented in sterling which is also the functional currency of the Group.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2025

2 Accounting policies (continued)

(d) Turnover

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Subscriptions received in advance of their due date are treated as income received in advance. Otherwise, subscriptions are credited to the Statement of Financial Activities when received. Test fee income is credited to the Statement of Financial Activities when received. Provision is made at the year-end for the costs of outstanding tests for which the income has already been received. All other income is credited in the period to which it relates.

(e) Investments and investment income

Listed investments are included in the financial statements at the quoted bid price at the balance sheet date. Listed investment income is credited when received and realised gains and losses on disposals of listed investments are recognised on the date of disposal. Unrealised gains and losses on listed investments held at the year-end are recognised in the Statement of Financial Activities. Bank interest receivable is credited in the period to which it relates.

(f) Expenditure

Expenditure is recognised when a liability is incurred. Costs of generating funds are those incurred in the IAM's Group's fundraising and publicity activities, together with the trading activities of IAM's subsidiaries. Charitable activities include expenditure associated with membership services, advanced driving and motorcycle tests, research, and advocacy and the "RoadSmart" magazine. Expenditure includes direct costs and support costs relating to these activities.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Governance costs are allocated on the basis of the staff cost incurred on each activity. Support costs include central functions and the amortisation of goodwill and have been allocated to activity cost categories on a basis consistent with the percentage use of resources expended.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

(g) Fund accounting

The general fund is an unrestricted fund which is available for use at the discretion of the trustees in furtherance of the general objectives of the charity and has not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of any designated fund is set out in the notes to the financial statements.

Restricted funds are funds subject to specific restrictions imposed by donors.

(h) Tangible fixed assets and depreciation

Tangible fixed assets with a cost in excess of £1,000 are capitalised at cost. Depreciation of fixed assets is charged at rates estimated to write off their cost or valuation less any residual value over the expected useful lives commencing with the year of acquisition. The following annual rates of depreciation have been used:

Leasehold improvements	-	20%
Computer equipment	-	20% to 33⅓%
Office equipment	-	20%

2 Accounting policies (continued)

(i) **Intangible fixed assets – capitalisation, amortisation and impairment**
Intangible fixed assets are capitalised at cost. Amortisation of fixed assets is charged at rates estimated to write off their cost or valuation (less any residual value) over the estimated useful lives commencing with the year of acquisition. The following annual straight-line rates of amortisation have been used:
Computer software - 20%
Where factors, such as technological advancement, changes in the nature of the markets served by utilisation of intangible assets, or changes in market price indicate that the residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

Assets under construction are assets pending completion and transfer into the relevant fixed asset category. These assets are capitalised at cost and not subject to depreciation or impairment unless extraordinary circumstances have occurred which would require provision to be made.

All other assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired. If there is an indication of impairment, the recoverable amount of the asset is compared to the carrying amount of the asset. The recoverable amount is the higher of the fair value less costs to sell and value in use. If the recoverable amount is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount by recognising an impairment loss in the Statement of Financial Activities.

(j) **Stocks**
Stocks are valued at the lower of cost and net realisable value.

(k) **Pensions**
The cost to the group in respect of its pension arrangements is charged to the Statement of Financial Activities on a payable basis. These arrangements are with a defined contribution group personal pension plan, with defined employer contributions.

(l) **Foreign currencies**
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling at the date of the transaction. Exchange differences are recognised in the Statement of Financial Activities.

(m) **Operating leases**
Operating lease rentals are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

(n) **Redundancy costs**
Accruals for redundancy costs are recognised when there is a legal or constructive obligation at the balance sheet date.

(o) **Financial instruments**
The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at fair value.

Accounting policies (continued)

(p) **Critical accounting estimates and areas of judgement**
Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no critical estimates and judgements

(q) **Provision for Liabilities**
Provisions are recognised when the charity has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimate. Provisions are reviews at each balance sheet date and adjusted to reflect the current best estimate.

3.1 Other income

	2025 £000	2024 £000
Non-Government grants	34	3
Donations	0	5
Sundry income	17	16
	51	24

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2025

3.2 Trading activities of subsidiaries

IAM is a registered charity and derives income from its wholly owned trading subsidiaries. These subsidiaries are incorporated in Great Britain and their activities are described in note 9. All subsidiaries receive/pay interest at market rates on any indebtedness due from/to IAM. A summary of their results is shown below:

	IAM Drive Survive Limited	IAM Group Services Limited	Institute of Advanced Motorcyclists	Professional Driver Services Limited	IAM Driver Retraining Academy Limited	Total
	Year ended 31 March 2025					
	£000	£000	£000	£000	£000	£000
Turnover:						
Sale of goods	665	-	262	-	-	927
Cost of sales	(388)	-	-	-	-	(388)
Gross profit	275	-	262	-	-	540
Administrative expenses	(355)	-	(3)	-	-	(357)
Management charges	(51)	-	(34)	-	-	(85)
Operating (loss)/profit	(128)	-	225	-	-	97
Interest payable to related parties	(20)	-	-	-	-	(20)
Interest receivable from related parties	-	-	60	-	-	60
(Loss)/profit before and after taxation	**(148)**	**-**	**285**	**-**	**-**	**137**
	Year ended 31 March 2024					
	£000	£000	£000	£000	£000	£000
Turnover:						
Sale of goods	667	-	296	-	565	1,528
Cost of sales	(475)	-	-	-	(293)	(768)
Gross profit	192	-	296	-	272	760
Administrative expenses	(421)	-	(6)	-	(134)	(560)
Management charges	47	-	(22)	-	43	68
Operating (loss)/profit	(182)	-	268	-	182	269
Interest payable to related parties	(18)	-	-	-	5	(13)
Interest receivable from related parties	-	-	52	-	-	52
(Loss)/ Profit before and after taxation	**(200)**	**-**	**320**	**-**	**187**	**308**

The profits of UK subsidiaries, after group relief, are distributed to the charity and there is, therefore, no liability to corporation tax for those entities. Management charges represent reimbursement of costs incurred by IAM on behalf of the subsidiaries. There were £140k gift aid payments paid during the financial year ended 2025 (whilst £313K gift aid payments made to the charity in respect of financial year ended 2024).

3.3 Net assets of subsidiaries

	IAM Drive & Survive Limited	IAM Group Services Limited	IAM Motoring Trust Trading Limited	Institute of Advanced Motorcyclists Limited	Professional Driver Services Limited	IAM Driver Retraining Academy Limited	Drive & Survive UK Limited	IAM Roadsmart Limited	Total
	31 March 2025								
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Current assets	190	169	-	2,968	228	326	-	-	3,881
Creditors	(1,799)	-	(55)	(175)	-	-	(218)	-	(2,247)
Net (liabilities)/assets	**(1,609)**	**169**	**(55)**	**2,793**	**228**	**326**	**(218)**	**-**	**1,634**
	31 March 2024								
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Current assets	258	169	-	2,766	227	330	-	-	3,751
Creditors	(1,719)	-	(55)	(133)	-	(5)	(218)	-	(2,130)
Net (liabilities)/assets	**(1,461)**	**169**	**(55)**	**2,633**	**227**	**325**	**(218)**	**-**	**1,621**

3.4 Total expenditure

	Direct staff £000	Other direct costs £000	Support costs £000	Total 2025 £000	Total 2024 £000
Costs of raising funds					
Membership subscriptions and Publicity	376	176	754	1,307	979
Training and related services	409	1,171	-	1,580	1,711
	785	1,347	754	2,887	2,690
Charitable activities					
Research and advocacy	351	20	400	771	558
Membership services	333	1,034	814	2,181	1,974
Tests	14	291	190	495	706
Quality assurance	648	104	408	1,159	1,059
	1,346	1,449	1,812	4,606	4,297
Total expenditure	2,131	2,796	2,566	7,493	6,987

3.5 Council expenses

	2025 £000	2024 £000
Travel and subsistence:		
Expenses reimbursed to 7 trustees (2024: 7 trustees)	2	2

Expenses reimbursed to trustees in 2024/25 amounted to £2K. The cost of trustee indemnity insurance was included in IAM's general insurance premium for the year and not separately identified.

3.6 Directors' emoluments

No director/trustee received emoluments during the year (2024: £nil).

No pension payments were made in respect of directors/trustees (2024: £nil).

3.7 Employees whose emoluments exceed £60,000

	2025 Number	2024 Number
The number of employees whose emoluments (including taxable benefits but not employer pension costs) exceeded £60,000 during the year was as follows:		
£60,001 to £70,000	2	3
£70,001 to £80,000	-	2
£80,001 to £90,000	2	1
£90,001 to £100,000	-	-
£100,001 to £110,000	-	-
£110,001 to £120,000	-	-
£120,001 to £130,000	1	1
£130,001 to £140,000	-	-
£140,001 to £150,000	-	-
£150,001 to £160,000	-	1
£160,001 to £170,000	1	-
	6	8

Pension contributions of £53,133 (2024: £48,555) were made during the year to a defined contribution scheme in respect of 6 employees (2024: 8 employees) included in the above analysis. The average number of employees was 68 (2024: 68).

3.8 Staff costs

	2025 £000	2024 £000
Wages and salaries	2,984	2,804
Social security costs	327	302
Defined contribution pension costs	113	107
	3,445	3,213

During the year, the IAM Group incurred redundancy costs of £13,386 (2024: £25,803).

All group staff salaries are paid by IAM. IAM charges subsidiaries a management fee incorporating a charge for the utilisation of staff employed by IAM.

The total remuneration including employers' national insurance of the current Senior Leadership Team (as per page 2) who are the key management personnel of the IAM Group was £700,918 (2023: £632,475).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2025

4. Net expenditure for the year

	2025 £000	2024 £000
Net expenditure for the year is stated after charging:		
Depreciation	22	30
Amortisation of intangible assets	88	87
Auditor's remuneration - audit fees	39	38
Auditor's remuneration - tax services	6	7
Operating lease payments - motor vehicles	68	72

5 Allocation of support costs

	Cost of generating funds	Membership services	Tests	Quality assurance	Research and advocacy	Total 2025	Total 2024
	£000	£000	£000	£000	£000	£000	£000
Management	99	107	26	54	53	339	288
Finance	160	174	40	87	85	546	502
Information technology	233	251	59	126	123	792	571
Facilities	199	215	50	108	106	678	407
Human resources	22	23	5	11	11	72	71
Governance (See note 6)	41	44	10	22	22	139	134
	754	814	190	408	400	2,566	1,973

Support costs are allocated using a combination of headcount and floor space applicable to the service provided.

6 Governance – Group and IAM

	2024 £000	2025 £000
Direct costs:		
Audit and accounting fees	62	75
Professional fees	11	30
Council costs	11	1
Salary costs	55	28
	139	134

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2025

7 Intangible fixed assets

	Goodwill	Computer Software	Assets under construction (See note)	Total
	£000	£000	£000	£000
Cost				
At 1 April 2024	2,927	462	127	3,516
Additions	-	9	72	81
Transfer	-	-	(9)	(9)
Disposals	-	-	-	-
At 31 March 2025	2,927	471	190	3,588
Amortisation				
At 1 April 2024	2,927	335	-	3,262
Charge	-	88	-	88
Transfer	-	-	-	-
Disposals	-	-	-	-
At 31 March 2025	2,927	423	-	3,350
Net book value				
At 31 March 2025	-	49	190	239
At 31 March 2024	-	127	127	254
IAM				
Cost				
At 1 April 2024	-	462	127	589
Additions	-	9	72	81
Transfer	-	-	(9)	(9)
Disposals	-	-	-	-
At 31 March 2025	-	471	190	661
Amortisation				
At 1 April 2024	-	335	-	335
Charge	-	88	-	88
Transfer	-	-	-	-
Disposals	-	-	-	-
At 31 March 2025	-	423	-	423
Net book value				
At 31 March 2025	-	49	190	239
At 31 March 2024	-	127	127	254

Note: Assets under construction relates to the ongoing development of DARTS, (the Groups CRM system). These costs are transferred to computer software and amortised from the first month of going live once developments are released and go live.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2025

8 Tangible fixed assets

	Leasehold Improvements	Computer equipment	Office equipment	Total
	£000	£000	£000	£000
Group				
Cost				
At 1 April 2024	54	115	285	454
Additions	-	13	-	13
Transfers	-	-	-	-
Disposals	-	-	-	-
At 31 March 2025	54	128	285	467
Depreciation				
At 1 April 2024	54	95	278	427
Charge	-	15	7	22
Disposals	-	-	-	-
At 31 March 2025	54	110	285	449
Net book value				
At 31 March 2025	-	19	0	19
At 31 March 2024	-	20	6	26
IAM				
Cost				
At 1 April 2024	54	115	285	454
Additions	-	13	-	13
Transfers	-	-	-	-
Disposals	-	-	-	
At 31 March 2025	54	128	285	467
Depreciation				
At 1 April 2024	54	95	278	427
Charge	-	15	7	22
Disposals	-	-	-	-
At 31 March 2025	54	110	285	449
Net book value				
At 31 March 2025	-	19	0	19
At 31 March 2024	-	20	6	26

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2025

9 Fixed asset investments

	Group		IAM	
	£000	£000	£000	£000
Shares in subsidiary companies (see below)				
Cost at 1 April 2024 and 31 March 2025		-		130
Listed investments				
Market value at 1 April 2024	6,448		6,448	
Net additions / (disposals)	(275)		(275)	
Net (loss)/gain on investment assets	23		23	
Market value at 31 March 2025		6,196		6,196
Cash				
At 1 April 2024	118		118	
Increase /(decrease) in cash	21		21	
At 31 March 2025		139		139
		6,335		6,465
Shares in subsidiary companies (see below)				
Cost at 1 April 2023 and 31 March 2024		-		130
Listed investments				
Market value at 1 April 2023	6,885		6,885	
Net acquisitions	(234)		(234)	
Net gain on investment assets	(203)		(203)	
Market value at 31 March 2024		6,448		6,448
Cash				
At 1 April 2023	161		161	
Increase / (decrease) in cash	(43)		(43)	
At 31 March 2024		118		118
		6,566		6,696

9.1 Subsidiary companies

IAM Drive & Survive Limited (registered number 2019635) provides risk management and corporate driver training services.

IAM Driver Retraining Academy Limited (registered number 08248082) provides Drink Drive Rehabilitation Scheme courses.

Institute of Advanced Motorcyclists Limited (registered number 5889513) manages arrangements with brokers for the IAM Group's exclusive insurance scheme for IAM RoadSmart members.

IAM owns 100% of the issued share capital of the above companies, all of which are incorporated and registered in England and have the same registered address as IAM. IAM also owns 100% of the issued share capital of Drive & Survive UK Limited, IAM Motoring Trust Trading Limited, Professional Driver Services LTD, IAM Group Services LTD, and IAM RoadSmart Limited, all of which are registered in England and none of which has traded during the year.

9.2 Listed investments

The cost of listed investments at 31 March 2025 was £6,592,265 (2024: £6,566,137). There were no underlying holdings with an individual market value in excess of 5% of the total market value at 31 March 2025 (2024: none).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2025

10 Investment income

	Group	
	2025	**2024**
	£000	**£000**
Income from investments	197	174
Bank interest receivable	1	4
	198	178

11 Stocks

	Group		IAM	
	2025	**2024**	**2025**	**2024**
	£000	**£000**	**£000**	**£000**
Goods for resale and consumables	5	27	5	7

12 Debtors

	Group		IAM	
	2025	**2024**	**2025**	**2024**
	£000	**£000**	**£000**	**£000**
Amounts falling due within one year:				
Trade debtors	168	287	10	96
Taxation recoverable	156	117	156	117
Amounts due from group undertakings	-	-	1,764	1,563
Other debtors	1	4	1	4
Prepayments and accrued income	324	345	310	333
	649	753	2,241	2,113

Amounts due from group undertakings include amounts owed by trading subsidiaries to IAM, which carry interest at 2% above base rate. There are no other terms to these advances. No interest is charged on amounts due from dormant subsidiaries.

13 Creditors

	Group		IAM	
	2025	**2024**	**2025**	**2024**
	£000	**£000**	**£000**	**£000**
Amounts falling due within one year:				
Trade creditors	234	272	227	247
Amounts due to group undertakings	-	-	3,578	3,301
Other taxation and social security	90	78	90	78
Accruals and deferred income	1,626	1,257	1,378	1,035
Other creditors	63	185	63	186
	2,013	1,792	5,336	4,847

Deferred income represents payments in advance for Drink Drive Rehabilitation Scheme courses, Skills Days and on-road driver training.

	Group	**IAM**
	£000	**£000**
Deferred income at 1 April 2023	769	564
Amount deferred in year	653	535
Amount released in year	(432)	(363)
Deferred income at 31 March 2024	990	736

13.2 Provision for Liabilities

Movements in Dilapidation Cost

	Group	IAM
	£000	£000
Balance at 1 April 2024	-	-
Additional Provision Made	213	213
Amount used During the year	-	-
Unused amount reserved	-	-
Balance as at 31 March 2025	213	213

The dilapidation provision relates to leasehold properties and is expected to be settled at the end of the lease term in Sep 2026. The amount has been estimated based on the best available information regarding the condition of the properties and the terms of the lease

14 General funds

	Group		IAM	
	2025	2024	2024	2024
	£000	£000	£000	£000
At 1 April	6,458	7,259	4,682	5,478
(Deficit) for the year	(991)	(700)	(1,132)	(1,008)
Retained Earnings Adjustment		(101)		(101)
Gift Aid profits from trading	-	-	140	313
At 31 March	5,467	6,458	3,690	4,682

15 Taxation

The IAM is a registered charity and is exempt from corporation tax on its charitable income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

16 Operating leases – Group

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Rental of office premises		Motor vehicles	
Amounts due:	2025	2024	2025	2024
	£000	£000	£000	£000
Within one year	141	141	68	72
Between one and five years	200	341	136	0
	341	482	204	72

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2025

17 Reconciliation of net expenditure resources to net cash outflow from operating activities

	Group	
	2025	**2024**
	£000	**£000**
Net operating income/(expenditure)	(1,014)	(497)
- Investment income	198	(178)
- Prior Year Adjustment	(17)	
	(834)	(675)
Depreciation	22	30
Amortisation of computer software	88	87
Decrease in stocks	22	23
Decrease/(Increase) in debtors	104	41
Increase in creditors	569	121
Net cash inflow from operating activities	(28)	(373)

18 Reconciliation of net debt

The Group has no borrowings and has not entered into any finance leases. The analysis of the changes in net debt are summarised in the table below.

	Group		IAM	
	2025	**2024**	**2025**	**2024**
	£'000	**£'000**	**£'000**	**£'000**
Cash at start of year	624	641	432	520
Cash flows	(178)	(17)	(162)	(88)
Cash at end of year	446	624	270	432

19 Contingent liabilities

There are no contingent liabilities for the year ended 31 March 2025 (2024: £nil).

The IAM is a member of a VAT group which also comprises certain subsidiaries: IAM Drive & Survive Limited. The IAM will be liable for any VAT amounts payable by these entities.

20 Capital commitments

At 31 March 2025, there were capital commitments contracted but not provided totalling £72,000 (2024: £23,000).

21 Financial instruments

	Group		IAM	
	2025	**2024**	**2025**	**2024**
	£000	**£000**	**£000**	**£000**
Financial assets				
Equity and debt instruments measured at fair value through income and expenditure	6,195	6,448	6,195	6,448

Financial assets measured at fair value through income and expenditure include assets held in the listed investment portfolios (see note 9) for which there is a readily obtainable price quoted in an active market.

The entity's financial liabilities comprise only basic financial instruments as defined in Section 11 of FRS 102. These include trade creditors, accruals and other payables, which are initially recognised at the transaction price and subsequently measured at amortised cost.

Due to the short-term nature of these liabilities, the carrying value approximates their fair value

22 Related parties

Transactions between group entities for the year are detailed in note 3.2 and comprised management fees and interest receivable/payable on inter-company loans with IAM.

At 31 March 2025, IAM owed £282k (2024: £285k owed) to IAM Driver Retraining Limited
At 31 March 2025, IAM owed £229k (2024: £228k owed) to Professional Driver Services LTD.
At 31 March 2025, IAM owed £1,764 from (2024: £1,563k owed from) IAM Drive and Survive Ltd.
At 31 March 2025, IAM owed £176k (2024: £176k owed) to IAM Group Services Limited
At 31 March 2025, IAM owed £2,892k (2024: £2,612k owed) to Institute of Advanced Motorcyclists Ltd

No other related party transactions were incurred in the period.

23 Correction of Prior Period VAT Treatment

During the year, the company identified a material error relating to the financial year ended 31March 2024.

Nature of Adjustment

A review of the VAT treatment applied to membership income. This resulted in an overstatement of income and a corresponding understatement of liabilities

Correction and Restatement

In accordance with FRS 102 Section 10, the error has been corrected retrospectively. Comparative figures for the year ended 31 March 2024 have been restated, and the opening balance of retained earnings as at 1 April 2023 has been adjusted.

	Group			IAM		
	2024 (as previously stated)	**Adjustment**	**2024 (restated)**	**2024 (as previously stated)**	**Adjustment**	**2024 (restated)**
Statement of financial activities	£000	£000	£000	£000	£000	£000
Subscriptions income	3,628	(31)	3,597	3,628	(31)	3,597
Net loss for the year	(666)	(34)	(700)	(974)	(34)	(1,008)
Balance sheet						
Retained earnings (opening)	7,259	(101)	7,158	5,478	(101)	5,377
Creditors: amounts due within one year	(1,657)	(135)	(1,792)	(4,712)	(135)	(4,847)

THE INSTITUTE OF ADVANCED MOTORISTS LIMITED

England & Wales - Charity number 249002

Accounts



INSTITUTE OF ADVANCED MOTORISTS LIMITED (THE)
(Limited by guarantee)

Report of the Council and Financial Statements for the year ended 31 March 2024

Company No. 562530
Registered Charity Nos: 249002 (England & Wales) and SC041201 (Scotland)

INSTITUTE OF ADVANCED MOTORISTS LIMITED (THE)

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INSTITUTE OF ADVANCED MOTORISTS LIMITED(THE)

REPORT OF THE COUNCIL

Reference and Administration

The Council (trustees who are also directors of the company for the purposes of the Companies Act) present their annual report and the audited financial statements for the year ended 31 March 2024 of the Institute of Advanced Motorists Limited ('IAM'), (Companies House Registered number: 562530; Registered Charity Numbers 249002 (Charity Commission, England and Wales) and SC041201 (Office of the Scottish Registered Charity Regulator)).

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") (effective 1 January 2019).

The names of the Patron, President, Vice President, Council - Trustees, and Senior Leadership Team who served during the year and since the year end are shown below.

Patron	HRH Prince Edward, The Duke of Kent
President	Nigel Mansell CBE

Trustees	**Membership**
Stuart Malcolm Donald QPM	Chairman (1-3)
Jeffrey Willcocks	Vice Chairman (resigned 05 November 2023)
Nicholas John Anthony Stein	Vice Chairman (effective from 07 November 2023)
Elizabeth Marguerite Coyle-Camp	(Resigned 18 July 2023)
Nicholas David John Lomas	(3 – Chair)
Victoria Ann Milford	(2 – Chair)
Tom Kelman	(1 – Chair)
Mark Armitage	(Appointed 28 September 2023)
Angela Bell	(Appointed 28 September 2023)
Rupert Newman	(Appointed 28 September 2023)
Mark Powell	(Appointed 28 September 2023)
Sarah Whiteside-Jones	(Appointed 28 September 2023)

Committees:

1. Finance & Audit Committee
2. Remuneration Committee
3. Nominations Committee

Senior Leadership Team

Antony Kildare	Chief Executive
Nicholas Lyes	Policy & Standards Director
Andrew McLachrie	Finance Director
Kat Hyde	Marketing, Communications & Membership Director
Nicola Smith	People & Culture Director
Simon Boyd	Commercial & Operations Director (resigned September 2023)

Company Secretary	Andrew McLachrie
Registered Office	1 Albany Place, Hyde Way, Welwyn Garden City, Hertfordshire, AL7 3BT

Professional Advisers

Statutory Auditor	Crowe U.K. LLP, 55 Ludgate Hill, London, EC4M 7JW
Bankers	HSBC Bank plc, 60 Queen Victoria Street, London, EC4N 4TR
Investment Advisors	Portfolio Management Consultancy Limited (PMCL), 100 Liverpool St, London, EC2M 2AT
Investment Managers	J M Finn & Co Limited, 4 Coleman Street, London, EC2R 5TA Rathbone Investment Management, 8 Finsbury Circus, London, EC2M 7AZ Ruffer LLP, 80 Victoria Street, London, SW1E 5JL

Structure, Governance and Management

Objects

IAM's objects are to improve the standard of driving and the promotion of road safety for the public benefit, in particular by (but not limited to) the operation of an advanced driving and motorbike riding test.

Public benefit

The trustees have considered the requirement for IAM's aims to be demonstrably for the public benefit. In doing so, the trustees have had regard to the Charity Commission's guidance on public benefit.

Primary activities

Formed in 1956 as the Institute of Advanced Motorists, IAM RoadSmart as we know it today, grew into the UK's largest road safety charity.

With over 60 years' experience educating and upskilling drivers and riders, the charity's purpose has been making roads safer for all. Course fees and membership, in addition to a commercial offering have been key in generating income, but the current economic climate and membership demographic poses some challenges and have highlighted the need to change and diversify.

Our federated group structure was developed to support the delivery of services; this provided a semi-autonomous relationship for local groups that drove up membership and raised funds for the charity. The charity's membership peaked in the 1990's but has since declined highlighting a need to change our membership offering and the systems and processes used to deliver it, as well as diversifying our income streams to enable to charity to maximise its contribution.

Where we are now

IAM seeks to achieve its objectives and fulfil its public benefit requirement by funding and evolving the following activities:

1. Promoting the IAM RoadSmart brand as the UK's leading road safety charity and advocate, helping to improve driving and riding skills through courses and coaching.

2. IAM's Advanced driving test was launched in 1956 and an advanced test for motorcyclists was introduced in 1976. Through programmes delivered by IAM's volunteer network, the skills taught and tested are constantly updated for the ever-changing features and challenges of the UK's roads and vehicle technologies. By improving awareness of hazards and risk and teaching best practice techniques, IAM reduces the likelihood that drivers and riders will put themselves (and others) into a position of danger through error, omission or poor behaviour on the roads.

3. IAM RoadSmart Groups exist throughout the UK, with volunteers delivering support and advice to drivers and riders seeking to improve their on-road skills, many of whom go on to pass the Test. Since inception, IAM has awarded advanced status to over 500,000 drivers and riders.

4. IAM continues to serve the demand from professional driving organisations seeking to enhance their internal driver training programmes by accrediting them with the Advanced Driver qualification.

5. Lobbying government and undertaking road safety research, together with publicity using social and broadcast media and the Press as well as direct communication to IAM RoadSmart Members are important features of IAM's work to promote road safety. Regular tips, blogs and press releases are also used to help all drivers and riders improve their skills as we seek to "inform and influence" on road safety issues. RoadSmart magazine continues to be the communication valued by Members as their primary source to reinforce IAM RoadSmart Members' knowledge and awareness of road safety issues.

6. IAM RoadSmart provides a range of services for businesses whose employees' roles involve driving cars, vans or motorcycles. These solutions enable employers to implement a comprehensive risk management programme, supporting road safety via driver training and ensuring compliance with health and safety law:

Structure, Governance and Management (continued)

- On-road courses designed specifically for business drivers, including Driving for Work, Vehicle Familiarisation, UK
- Familiarisation, and other courses targeting specific skills and behaviours.
- Online fleet risk management tools including licence checking and vehicle-related checks to ensure 'grey fleet'
- compliance.
- Driver risk assessments and e-learning delivered via a mobile app, allowing tailored educational content to be provided to drivers as part of an ongoing training programme
- Webinar-style workshops including Toolbox Talks for drivers, and courses offering managers an introduction to best practice in managing work-related road safety
- Other courses including Advanced Driver Fast Track, and training for in-house driver assessors.

Through IAM Driver Retraining Academy (DRA), the IAM Group offers retraining for offenders through delivery of drink-drive rehabilitation scheme courses.

Through our strategic partner, we also offer a branded insurance offer to our members. This offer introduces members to insurers who may see our members as lower risk. We receive commission for policies taken out.

We offer several Skills Day activities across the UK – these events provide members and the wider public the opportunity to practice their driving and riding techniques in a controlled area, with the opportunity to learn new skills.

Council acknowledges that the success of IAM's activities is dependent on the goodwill and commitment of volunteers operating within IAM RoadSmart Groups. Council expresses its appreciation for the commitment and dedication of those volunteers, without which IAM would be unable to deliver their courses – thank you.

Strategy

With support from the Board of Trustees, we have continued to progress with the delivery of our three-year plan, focusing on growing our reach and improving our communications and messaging to align with our five strategic pillars, as follows:

1. Grow the brand name and corporate identity to be recognised nationally, with an increased presence and authoritative voice in the policy and campaigning space. We will:

- Place road safety at the heart of all we do
- Elevate our policy and campaigning activity to make impact on road safety issues in the UK.
- Address challenges such as static road death numbers and the evolution of on-road and in-vehicle technology

2. Increase skills development, knowledge share, competency, and on road confidence through education and coaching. We will:

- make road safety skills and education up to date, relevant and accessible to all
- diversify and refresh educational tools and products to engage existing and new audiences.
- reflect new road safety challenges, embracing new learning styles and technologies. engaging with those who put the most drivers and riders on the road and those who use the road for a living.

3. Develop a broad, diverse, and inclusive community of passionate road users across the UK. We will:

- support an increasingly diverse community of road safety experts across the United Kingdom
- be inclusive, recognising those that have passed the advanced test demonstrate the highest level of skill that is up-to-date and relevant, as well as those that choose not to take the advanced test but still have a passion and interest in road safety
- provide support to enable our community to ensure it is sustainable and that it can continue to deliver key services.

Structure, Governance and Management (continued)

4. Promote a well led, progressive, ethical charity that lives and breathes by its culture and behaviours. We will:

- be well-run and sustainable, supported by effective leadership, governance, systems, and infrastructure
- monitor effective stewardship of resources and assets to ensure the charity have an impact on improving
- road safety.
- work to mitigate any negative impacts we may cause.

5. Embrace being digital to the core. Enabling and simplifying our service and offerings, growing our reach and enriching the community experience. We will:

- transform using best in show technology to support our growth and diversification ambitions and
- continuously measure our progress and deliverables
- work with IT experts, providers, and originators to adopt and apply tried and tested, 'plug and play'
- market solutions in delivering for our customers and members.

Constitution & Membership

IAM was established on 10 March 1956 as a company limited by guarantee and is governed by a Memorandum and Articles of Association, which were adopted by Special Resolution on 20 February 2009 and amended by Special Resolution on 18 November 2009.

IAM operates the Advanced Driver and Rider Tests ("Test(s)"). Individuals who successfully pass these Tests (or are eligible for exemption) are IAM RoadSmart Members (or "Members") subject to payment of membership subscriptions. Prospective members who have not yet passed the Tests are classed as Associate Members (or "Associates"). IAM's Memorandum and Articles of Association provide that the following matters are subject to the determination of IAM RoadSmart Members at Annual or other General Meetings:

- Receiving the Council's report on the Company's activities since the previous Annual General Meeting
- Electing members of the Council
- Varying the annual Membership subscription

Subsidiary Undertakings

IAM's three subsidiary undertakings that were active during the year were as follows:

- IAM Drive & Survive Limited ("Drive & Survive") provides corporate risk management and driver training services.
- IAM Driver Retraining Academy Limited ("DRA") which provides drink drive rehabilitation courses
- Institute of Advanced Motorcyclists Limited which provides access to insurance services to Members

Corporate Governance

Appointments to Council
The Council consists of such IAM RoadSmart Members and suitable individuals as shall from time to time agree on the invitation of the Council, to serve as a trustee on the Council. The Nominations Committee of the Council is responsible for identifying potential new trustees and making recommendations to Council. New trustees who join the Council during the year are required to offer themselves for election at the next Annual General Meeting. New trustees are selected based on the skills, expertise and experience they bring to the Council. A role definition for trustees is in place.

Induction and training
All new trustees receive an induction briefing, which includes their general charity and company law responsibilities, IAM's Memorandum and Articles of Association and the functions of IAM's Council, committees, and management. Training for trustees is provided when required, including updates on best practice in charity governance.

Structure, Governance and Management (continued)

Trustees are also encouraged to seek guidance and support from the Charity Commission website which offers free guidance and learnings to trustees on key aspects of their role.

Rotation of trustee appointments

Jeff Willcocks resigned from the Council on 5 November 2023.

Charity Governance Code

Trustees on the Council are committed to their governance responsibilities, aiming to maintain a framework that is effective, compliant, and efficient. This year, IAM assessed internal financial controls using the CC8 checklist for charities. This was reviewed by the Trustees to ensure they are satisfied with the current assessment.

To support the CC8, we are compiling a comprehensive list of policies that aligns with its elements, providing Trustees with a complete overview. This list will also clarify which policies fall under the Trustees' review requirements. This effort is part of a broader review of our policy management and governance to ensure the adoption of best practices in this area.

Decision Making, Committees, and IAM RoadSmart Groups

The Council seeks to ensure it has an appropriate mix of skills and experience to discharge its responsibilities effectively and in line with good governance practice and is assisted in its work by three committees to which certain powers and responsibilities are delegated. The members of the **committees** are set out on page 2 of this report.

The **Finance & Audit Committee** is responsible for ensuring financial reporting obligations are met for IAM and its subsidiaries (together "the IAM Group"). This involves ensuring the statutory financial statements for the IAM Group are properly audited and that accepted recommendations of the auditors are implemented. Whilst also establishing, maintaining, monitoring, and reviewing financial controls throughout the IAM Group, to safeguard its assets and ensure its financial integrity. The Committee also confirms that IAM's investment policy is appropriate and monitors the performance of those investments and confirms IAM's reserves policy is appropriate. The Finance and Audit Committee meet formally once a quarter, with additional meetings as needed.

The **Remuneration Committee and remuneration policy** approves the remuneration of IAM's Senior Leadership Team and monitors the overall remuneration policy across the IAM Group. The Senior Leadership Team determines the salaries of all other executive staff within budget parameters set by Council. The remuneration Committee meets formally 3 times a year, with additional meetings as needed.

The **Nominations Committee** is tasked with assessing the structure and composition of the Council, specifying requirements for trustee and senior executive positions, identifying, and assessing candidates and making recommendations to the Council regarding appointments to those roles.

The day-to-day management of the IAM Group is delegated by the Council to the Chief Executive and the Senior Leadership Team listed on page 2.

IAM RoadSmart Groups are geographically based independent charities or other entities that are affiliated to IAM subject to the Group Rules which are maintained by IAM. Accordingly, the IAM Group's consolidated financial statements do not incorporate the financial statements or activity of IAM RoadSmart groups.

Risk management and internal control

The IAM Group has a formal process for assessing risks and implementing risk management strategies. This involves identifying risks and prioritising them in terms of likelihood of occurrence and potential impact, together with devising and implementing mitigations as considered appropriate. Risk Registers are maintained by the Compliance and Governance Manager with each risk owner required to review risks allocated to them on a quarterly basis. Additionally, each Director is required to present the risks within their area to the Senior Leadership Team in turn, on a monthly rolling basis. This allows the Senior Leadership Team to have oversight of all risks. Risks identified as strategic in nature are presented to the Finance & Audit Committee as a standing agenda item, and then the Council meeting for further consideration by Trustees.

Risk	Management of risk
Fluctuations in the value of IAM's investment portfolio	Fluctuations in the value of IAM RoadSmart's investment portfolio continue to be monitored alongside our investment advisors. Given the changing dynamic of the wider local and global economy, we will be regularly reviewing our investment approach to ensure that it remains appropriate for now and for the future to protect the charities assets. A fuller review of our approach is scheduled took place in August 2024 via the Finance and Audit committee, supported by our investment advisors. This review will consider the wider economic climate, as well as ensuring our funds are best positioned moving forward to match both our liquidity needs, but also the ensure the investment fund continues to perform in-line with our investment policy. The review should help to further mitigate the risk associated with wider fluctuations in the investments value.
Loss and closure of underperforming Groups	Groups are critical to the delivery of our Advanced Driver/Rider Courses and our organisational objectives; therefore, a multitude of activity has taken place to assess and monitor the performance of all Groups. A Group analysis was undertaken in March 2024 to gain a better understanding of Groups individually and collectively, although the criteria for what is deemed a 'good Group' is still to be determined. The analysis highlighted issues such as current Committee member numbers and Group succession planning which is being addressed with groups by Area Service Delivery Managers on a 1-2-1 basis. How a group is run and proactive/reactive communication channels with IAM RoadSmart/Area Service Delivery Managers (ASDMs) continue to be monitored. Data obtained in the analysis, such as number of Observers and Members, has proved critical for highlighting potential Groups for merging. External guidance on Group mergers has been reviewed and updated by Andrew McLachrie (Finance Director and Company Secretary) and Amanda Smith (Head of Field Service Delivery). The Group Handbook is currently being reviewed to ensure that IAM RoadSmart possess additional and appropriate governance over Groups, as well as providing transparency on processes and what is expected of them. The revised Group Handbook is planned to be implemented by December 2024.
Adverse fluctuations in income/sales	A recruitment strategy specifically targeting locations that present both a significant geographical gap of available ADIs and an above average level of requests to deliver on-road training is in place. IAM RoadSmart are seeking a closer relationship with those ADIs who choose to benefit from working with the IAM Group.
Membership Demographic	Membership numbers have shown to be on a downward trajectory. The current membership numbers were largely made up of an ageing demographic, notably between 60 and 79 years of age, which had resulted in a higher attrition rate than expected. 'Personal reasons', health issues and old age were noted as some of the top reasons for individuals cancelling their IAM RoadSmart membership. Should this trend continue without replenishing the membership community, there is a growing risk of income loss. The Head of Membership has shared that activities were underway to improve the membership value proposition and open up new opportunities for individuals to support the charity

Strategic Report

During the year ended 31 March 2024, the IAM Group did not carry out any activities to raise funds from the public.

Strategic Review of activities and achievements

Our activities progressed during the year ended 31 March 2024. Some of the most notable achievements in the year can be summarised into these headings:

Retention

- Investing in Volunteers – we have applied for the Investing in Volunteers national accreditation, the UK standard for volunteer management, engagement and best-practice; this will help improve the volunteer experience and ensure a continued focus in acknowledging volunteer contributions to the charity, and our partners.

Growth

- Campaign development with a focus on growing our reach and building a diverse and inclusive community
- Focus on young people in the community, with the launch of a free Road Champion tier for 12 months (17–26-year-olds), a Skills Day ballot where young people could enter a ballot to win a free Skills Day place, and work to deliver a Young Driver Skills Day
- Increased profiling of IAM in the media - gaining more media appearances and coverage this year and continued with the Opinion Panel. This has been strengthened by carrying out our own research to form the basis of media stories, and utilising IAM RoadSmart internal experts to comment on stories and raise awareness of ongoing issues. This in turn has resulted in more approaches for comments from journalists who recognise IAM as a reliable and authoritative source for information
- A technological capability audit drawing on the advice of a third-party expert to identify the appropriate future needs of the organisation
- Skills Days and national driving and riding events have been delivered and supported
- A review of existing and new portfolio products for development has been undertaken
- We have worked hard to attract, recruit and develop the right people with the relevant knowledge, skills and behaviours to fill each role. We have continued to support all staff, including leaders and managers, to enhance their skills. The reward and recognition scheme has been reviewed and updated where necessary.

The progress made in the IAM Group by company may be summarised as follows:

Institute of Advanced Motorists Limited

We finished the year with 74,674 members (2023 – 74,795).

2,896 associates passed their Advanced tests this year (2023 – 2,871).

We ended the year with 3,556 qualified Observers (2023- 3,027).

RoadSmart Magazine continues to develop, and readers feedback and engagement continues to increase with each issue.

Our newsletters, members' polls and communications regularly attract opinions which are used by our Policy & Research and Marketing & Communications teams. We are drawing on the opinions, views and experiences from members and other sources to develop and strengthen new campaigns. By doing this we continue to create engaging, and our social media channels.

One of our key areas of support is influencing key decision makers and our activities and progress in this area are summarised below.

Research and Lobbying

IAM RoadSmart, in partnership with others has successfully lobbied Government to change regulations allowing motorcycles to use bus lanes, a move that will improve the safety of our motorcycle community and the safety of all motorcycle users. In 2023/24, we developed a new 'Member Opinion Panel', giving members a say in Government policy with more than 5,000 members signing up.

We have increased our research and campaigning on graduated driver licensing, issues impacting younger drivers, drug-driving, smart motorways and handheld mobile phone use. We continue to represent our members at the highest Government level within the Department for Transport, National Highways, Transport Scotland and have met with Ministers in Wales and Northern Ireland. We continue to publish our annual Road Safety Report.

Key policy updates and representation in the media

During the year, IAM RoadSmart has developed a suite of 'policy sheets' (statements) which are now available on our website and have been prepared with our members views in mind. This approach has enabled more consistent messaging to assist us to inform policymakers through our membership of major Government panels in an advisory capacity.

IAM RoadSmart's share of voice in the media has increased significantly, more than doubling our mentions in the media compared to last year. This has included high-profile interviews on national broadcasters enabling us to showcase the work we do to a wider audience.

IAM Drive & Survive Limited ("Drive & Survive")

Our commercial offer through D&S continues to show promise. During 23/24, we enhanced our operational capability and effectiveness to ensure we can accommodate the anticipated growth in this key area. We are seeing much greater interest in our offer from a wider spectrum of commercial entities. Whilst we did not necessarily see that flow through to in-year bookings, we will see the benefit as we move into 24/25.

IAM Driver Retraining Academy Limited ("DRA")

Drink Driver Rehabilitation Scheme remains a vital part of our offer. The scheme continues to deliver promising volumes, and we have also started to work on enhancing our geographical coverage throughout Wales, Scotland, and England.

We continue our programme of activity to ensure we remain at the forefront of the scheme, and ensure courts and referrals continue to grow.

Institute of Advanced Motorcyclists Limited

The company continues to manage the IAM Group's arrangements with insurance brokers and derives its income from commissions on introductions to motor insurers and other bodies. Commission income totalled £296k to the year-end 31 March 2024 – representing a 2% decrease on 22/23. We recognise that the current insurance market is proving challenging, with insurance premiums increasing year on year.

Future activities

We focused year two of the three-year strategy on being 'A year of Transformation'. In year three of the three-year strategy (2024/2025) we will focus on 'A Year of Growth' for IAM RoadSmart. Clear KPIs have been established to help measure performance as part of a Performance Management Framework, with regular review.

Membership retention, recruitment, fundraising

With a Head of Fundraising in post, we will be identifying and developing fundraising opportunities that will further enhance how we invest in road safety education, and ultimately grow our reach and awareness of the IAM RoadSmart brand and activities as a leading and influential road safety charity in the UK

Our existing members will see change as we work to embed increased member value; the focus for us is about improving the member experience, giving members more choice and a personalised experience as part of their membership fees. Promotion of any changes will be shared with our members, as well as with the wider community across nations to grow our reach.

New membership tiers and products

Whilst we focus on adding value for our current members to the existing membership model, activity is underway to explore what the future looks like. It is notable that membership is in decline across membership organisations. We are

aware that the general public are absorbing content and information in different ways. As a result, educational content is a core focus for us, and we will be looking at how this can help grow our reach and tap into new audiences across all four nations.

Diversifying product ranges

By March 2025 all Advanced Driving and Riding courses will be delivered by National Observers; the process to achieve this began on the 31 March 2023. Adopting one standard of observing will create a clear and logical process for our volunteers, customers, and partners, with our focus being on 'competency assessment, not experience'. We also plan to create new on-road courses, assessments, and online training to upskill members of the public, IAM members and those who drive for work, with delivery expected throughout 2024 and into the following financial year.

We are reviewing delivery on regional activity, to build our brand profile and presence in each nation.

Commercial activity

We continue to be active on several commercial fronts:

- Drive & Survive – supporting organisations and businesses in the management of risks associated with driving and road safety
- Drink Drive Rehabilitation Scheme – providing coverage across England, Wales and Scotland – to support re-enforcement of road safety for certain sections of the community.

We continue to see, and expect to see, growth in these areas over the coming years.

Volunteer recruitment

We are working hard to continue to grow and diversify our pool of volunteers. We have over 5,000 volunteers in roles currently and are grateful for the work they all do.

Investing in Volunteers

The formal assessment against the standard is scheduled for late 2024 and a development plan will be in place before further assessment in 2027.

Campaigns, Policy, PR

There will be continued focus on policy and campaigning; this work will continue to elevate our brand and raise awareness of our purpose as a national road safety charity; we will be looking to launch new campaigns focusing on younger drivers, graduated driver licencing, motorcyclists and improving driving behaviours. We will build on existing alliances and develop new partnerships to lobby the Government for a new road safety strategy which includes a focus on driver skills. We want to build new relationships with recently elected MPs, building our arguments from the ground upwards and to remain an influential voice at Government roundtables.

We will increase our media reach and become a trusted voice in the sector, standing up for members and amplifying our core purpose to attract new audiences. This will mean stepping outside of our comfort zones but having evidence and research behind us to articulate the views of IAM RoadSmart members. Our goal is to be the 'go-to' organisation for media to comment on road safety nationally, which has not always been the case.

Events development

We are continuing to develop the annual events schedule. We are reviewing how event delivery can become a more productive revenue generating stream. This year ahead will also see us continue evolving digital member events that deliver topical and value-added content to the community as part of their membership.

Website transformation

This project will be developed and launched in the coming year, and full details will be shared when available. The website transformation will be a key component of our 'Digital to the core' strategic pillar; it will also enhance the member, volunteer and future member experience, creating a professional front door access and improving the user experience.

Review of finances

The Group Statement of Financial Activities on page 18 shows a net movement in funds of £666K deficit (2022-2023 £1.77m deficit). This headline deficit may well appear of concern; however, it was caused by 3 key elements, two of which were known about and part of the organisation's transformation:

- Investments: In line with market conditions, our investments incurred losses of £203K over the year. When combined with the £277K diverted, the total reduction in value amounted to £480K.It is recognised that recent market performance has been incredibly challenging, and the revised investment policy adopted should ensure future risk is managed. Our approach on investments is covered further in a later section.
- Transformation Spend: As part of the desire to move the organisation to operational sustainability, we did incur some spend on the start of that transformation activity – totalling £49k. This spend is part of a 3- year commitment to ensure the organisation achieves financial security and sustainability and at least break even at an operating position within the time of that 3-year plan. Further funds will be incurred in 2024/25 as part of the plan.
- Operating Performance: As mentioned, - and driving the cause for the 3-year plan - the organisation has made sustained losses at an operating position for many years – 2023/24 was no different. The loss in 2023/24 was £463k. This level of underlying loss has always been prevalent in IAM's results but was historically masked by investment return. The focus of the 3-year plan, amongst other things, is to ensure these operating losses are eliminated moving forward.

The overall deficit remains at £666k – but the vast majority of that loss is for known reasons and contributors. The Balance Sheets on page 19 show that the net assets of the Group have decreased by £666k from £7.259m to £6.593m. This movement was contributed to by an operating deficit in the year of £463K, Transformation spend of £49K and investment losses of £203k. All funds held by the Group at year end were unrestricted and undesignated.

Reserves

The Finance and Audit Committee conducted a full review of our reserves policy during the year which was ratified in March 2023 by Council. The outcome of that review provided that the appropriate minimum level of reserves at £4.7m for the organisation to hold is between 6 and 9 months of operating expenses, together with any existing liability or specifically ring-fenced funds. Reserves are held for several reasons – in the main to support operating activity should there be a catastrophic impact on income (e.g. pandemic), to service any long-term commitments, or any existing known liabilities.

In light of the revised policy, the Finance and Audit Committee consider it prudent to hold 9 months of operating reserves in the current economic climate. Additionally, the necessary funds ring-fenced for delivery of the 3-year plan should also be held.

As at 31 March 2024, free reserves stood at £6.59m – this represents approximately 9 months of operating expenses plus funds to deliver the 3 year plan.

Investment & Investment policy

IAM appointed an independent investment advisor during 2022/23. PMCL are a regulated Investment Advisor who specialise in the Charity and Not-For-Profit sector. They were appointed after an external tender process covering multiple advisors.

Following PMCL's appointment, a review of our Investment Policy was also conducted in-line with our reserves policy. The outcomes from that review have resulted in an adjusted investment Policy that was ratified at the June 2023 Council Meeting.

IAM's investment policy is aimed at securing the best financial return from its investments with an acceptable level of risk through engaging reputable and experienced external investment managers with specified investment mandates.

The performance of each fund manager is continuously monitored by PMCL and reported through to Finance and Audit Committee and Council on a regular basis. Any deviations in performance are investigated by PMCL and appropriate action advised.
Income is not drawn from the investment portfolios on a regular basis and is instead reinvested so that the portfolios have a total return (combined income and capital return) objective, with access to drawdown funds to finance operational needs as and when required.

The market value of IAM's investment portfolios at 31 March 2024 was £6.70m (2023: £7.18m) held with three investment managers, JM Finn & Co, Ruffer LLP, and Rathbone Investment Management. All funds are invested to align with our Investment Policy.

Going Concern

The Trustees have assessed the ability of IAM and the IAM Group to continue as a going concern. That assessment included consideration of the recent trading performance, the level of investments held as reserves and the associated risk profile of those investments, the key risks faced by the IAM Group as described under 'Risk management and internal control' on page 7, together with the underlying budgets for 2024/25 and a roll forward of the budget for 2024/25 using prudent assumptions.

The trustees' consideration of going concern also considered a stress test utilising the potential for circumstances which although unlikely would have a significant impact. Those unlikely circumstances included significant reductions in income from membership, other courses and assessments, and commercial activities, while assuming that operating and capital expenditure was maintained at budgeted and forecast levels, and the potential for investment portfolios to fall by up to 50%. The stress test indicated that the going concern basis of accounting would remain appropriate as at the date of approval of the financial statements.

The Trustees' assessment is that IAM and the IAM Group will remain going concerns for a period of at least 12 months from the date of approval of this report and of the financial statements.

Related parties

None of the trustees receives remuneration or other benefit from their activities as a Trustee with IAM. Any connection between a Trustee or member of the Senior Leadership Team of IAM and a contractual party must be disclosed to the Council. During the year under review, no such related party transactions were reported. Statement as to disclosure of information to the auditor.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company and group's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

Crowe U.K. LLP has indicated its willingness to continue in office.

Statement of trustees' responsibilities

The Trustees (who are also directors of IAM for the purposes of company law) are responsible for preparing the Report of the Council and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Report of the Council (including the Strategic Report) was approved on behalf of the Council by:



Stuart Malcolm Donald QPM
Chairman
1 Albany Place
Hyde Way
Welwyn Garden City
Hertfordshire
AL7 3BT

25 September 2024

Independent Auditor's Report to the Members and the Trustees of The Institute of Advanced Motorists Limited

Opinion

We have audited the financial statements of the Institute of Advanced Motorists ('the charitable company') and its subsidiaries ('the group') for the year ended 31 March 2024 which comprise the Group Statement of Financial Activities, the Group and Charity Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2024 and of the group's income and expenditure, 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 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 14, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011, and The Charities and Trustee Investment (Scotland) Act 2005, together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK

operations were General Data Protection Regulations, Health and Safety legislation, taxation legislation, and employment legislation.

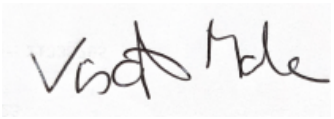
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Finance and Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Vincent Marke
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor

London

Date: 25/10/2024

GROUP STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2024 (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)

	Note	GROUP 2024 £000	GROUP 2023 £000	IAM 2024 £000	IAM 2023 £000
Income from:					
Donations and legacies					
Subscriptions (including Gift Aid)		3,628	3,474	3,628	3,474
Other income	3.1	35	24	35	24
Charitable activities					
Test fees		701	503	701	503
Other trading activities					
Training and related services	3.2	1,979	1,946	451	-
Investments	10	178	222	178	222
Total income		6,521	6,168	4,993	4,223
Expenditure on:					
Raising funds					
Fundraising and publicity	3.4	979	807	979	807
Training and related services	3.4	1,711	2,292	491	660
		2,690	3,099	1,470	1,467
Charitable activities					
Research and advocacy	3.4	558	549	558	549
Membership services	3.4	1,974	1,769	1,974	1,769
Tests	3.4	703	1,176	703	1,176
Quality assurance	3.4	1,059	627	1,059	627
		4,294	4,120	4,294	4,121
Total expenditure	3.4	6,984	7,219	5,764	5,588
Net (expenditure) / income		(463)	(1,051)	(771)	(1,365)
Net (loss)/gains on listed investment portfolio	9	(203)	(718)	(203)	(718)
Net (Loss)/Income for the year	4	(666)	(1,769)	(974)	(2,083)
Net movement of funds in year		(666)	(1,769)	(974)	(2,083)
Balances brought forward at 1 April		7,259	9,028	5,478	7,561
Gift Aid Profits from Trading Subsidiaries		-	-	313	-
Balances carried forward at 31 March		6,593	7,259	4,817	5,478

The above results are from continuing activities and there are no other gains and losses except as stated above.

The notes on pages 20 to 34 form part of these accounts.

COMPANY NUMBER 562530

BALANCE SHEETS AS AT 31 MARCH 2024

	Note	Group 2024 £000	Group 2023 £000	IAM 2024 £000	IAM 2023 £000
Fixed assets					
Intangible assets	7	254	318	254	318
Tangible assets	8	26	47	26	47
Investments	9	6,566	7,046	6,696	7,176
		6,846	7,411	6,976	7,541
Current assets					
Stocks	11	27	50	7	47
Debtors	12	753	795	2,113	1,486
Cash at bank and in hand		624	641	433	520
		1,404	1,486	2,553	2,053
Current liabilities					
Creditors: amounts due within one year	13	(1,657)	(1,638)	(4,712)	(4,116)
Net current assets/(liabilities)		(253)	(152)	(2,159)	(2,063)
Total assets less current liabilities		6,593	7,259	4,817	5,478
Net assets		6,593	7,259	4,817	5,478
Unrestricted funds					
General fund	14	6,593	7,259	4,817	5,478
		6,593	7,259	4,817	5,478

The financial statements on pages 20 to 34 were approved by the Council on 25 September 2024 and authorised for issue and signed on its behalf by



Stuart Malcolm Donald
Trustee

The notes on pages 20 to 34 form part of these accounts.

GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 £000	2024 £000	2023 £000	2023 £000
Cash flows from operating activities:					
Net cash generated in operating activities	17		(373)		(973)
Cash flows from investing activities:					
Payments to acquire intangible fixed assets	7	(23)		(37)	
Payments to acquire tangible fixed assets	8	9		(15)	
Net drawdown from/(additions) to investments	9	234		592	
Movement in cash investments	9	(43)		88	
Listed investment income	10	174		221	
Bank interest received	10	5		1	
Net cash provided /(utilised) by investing activities			356		851
Change in cash and cash equivalents in the year			**(17)**		**(122)**
Cash and cash equivalents at start of the year			641		763
Cash and cash equivalents at end of the year			**624**		**641**

The notes on pages 20 to 34 form part of these accounts.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2024

1 General information

The Institute of Advanced Motorists Limited (IAM) is a company limited by guarantee incorporated in England and has no share capital. The liability of members in the event of winding-up is limited to 25p per member.

The address of IAM's registered office and principal place of business is 1 Albany Place, Hyde Way, Welwyn Garden City AL7 3BT.

IAM's and the IAM Group's principal activities are detailed in the Report of the Council.

2 Accounting policies

(a) Basis of accounting and going concern

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. A separate statement of financial activities for IAM is not presented as permitted by the SORP.

Monetary amounts in these financial statements are rounded to the nearest £1,000 except where otherwise indicated.

IAM meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The trustees assess whether use of the going concern basis of accounting is appropriate i.e., whether there are material uncertainties related to events or conditions that may cast doubt on the ability of the charitable company and the group to continue as a going concern. The trustees review forecasts and projections covering a period of at least one year from the date of approval of the financial statements in making that assessment. The trustees do not consider there are any such material uncertainties.

The trustees' consideration of going concern also considered a stress test utilising the potential for circumstances which although unlikely would have a significant impact. Those unlikely circumstances included significant reductions in income from membership, other courses and assessments, and commercial activities, while assuming that operating and capital expenditure was maintained at budgeted and forecast levels, and the potential for investment portfolios to fall by up to 50%. The stress test indicated that the going concern basis of accounting would remain appropriate as at the date of approval of the financial statements.

Accordingly, the trustees consider that the going concern assumption remains valid.

(b) Basis of consolidation

The consolidated financial statements include on a line-by-line basis the financial statements of IAM and its subsidiary companies made up to 31 March 2024. Subsidiaries acquired during the year are consolidated using the acquisition method. Their results are incorporated from the date that control passes. The difference between the cost of acquisition of shares in subsidiaries and the fair value of the net assets acquired is capitalised as purchased goodwill and amortised through the income and expenditure account over an estimated useful economic life.

(c) Functional and presentational currencies

The consolidated financial statements are presented in sterling which is also the functional currency of the Group.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2024

2 Accounting policies (continued)

(d) **Goodwill**

Goodwill (representing the excess of the consideration given over the fair value of the separable net assets acquired) arising on business combinations in respect of acquisitions is capitalised and amortised by equal annual instalments over its estimated useful life.

Goodwill is reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the goodwill may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated, and an impairment loss recognised whenever the carrying amount of the asset or its income generating business exceeds its recoverable amount. Impairment losses are recognised in the Group Statement of Financial Activities.

(e) **Turnover**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Subscriptions received in advance of their due date are treated as income received in advance. Otherwise, subscriptions are credited to the Statement of Financial Activities when received. Test fee income is credited to the Statement of Financial Activities when received. Provision is made at the year-end for the costs of outstanding tests for which the income has already been received. All other income is credited in the period to which it relates.

(f) **Investments and investment income**

Listed investments are included in the financial statements at the quoted bid price at the balance sheet date. Listed investment income is credited when received and realised gains and losses on disposals of listed investments are recognised on the date of disposal. Unrealised gains and losses on listed investments held at the year-end are recognised in the Statement of Financial Activities. Bank interest receivable is credited in the period to which it relates.

(g) **Expenditure**

Expenditure is recognised when a liability is incurred. Costs of generating funds are those incurred in the IAM's Group's fundraising and publicity activities, together with the trading activities of IAM's subsidiaries. Charitable activities include expenditure associated with membership services, advanced driving and motorcycle tests, research, and advocacy and the "RoadSmart" magazine. Expenditure includes direct costs and support costs relating to these activities.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Governance costs are allocated on the basis of the staff cost incurred on each activity. Support costs include central functions and the amortisation of goodwill and have been allocated to activity cost categories on a basis consistent with the percentage use of resources expended.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

(h) **Fund accounting**

The general fund is an unrestricted fund which is available for use at the discretion of the trustees in furtherance of the general objectives of the charity and has not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of any designated fund is set out in the notes to the financial statements.

Restricted funds are funds subject to specific restrictions imposed by donors.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2024

2 Accounting policies (continued)

(i) **Tangible fixed assets and depreciation**

Tangible fixed assets with a cost in excess of £1,000 are capitalised at cost. Depreciation of fixed assets is charged at rates estimated to write off their cost or valuation less any residual value over the expected useful lives commencing with the year of acquisition. The following annual rates of depreciation have been used:

Leasehold improvements	-	20%
Computer equipment	-	20% to 33⅓%
Office equipment	-	20%

(j) **Intangible fixed assets – capitalisation, amortisation and impairment**

Intangible fixed assets are capitalised at cost. Amortisation of fixed assets is charged at rates estimated to write off their cost or valuation (less any residual value) over the estimated useful lives commencing with the year of acquisition. The following annual straight-line rates of amortisation have been used:

Computer software	-	20%

Where factors, such as technological advancement, changes in the nature of the markets served by utilisation of intangible assets, or changes in market price indicate that the residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

Assets under construction are assets pending completion and transfer into the relevant fixed asset category. These assets are capitalised at cost and not subject to depreciation or impairment unless extraordinary circumstances have occurred which would require provision to be made.

All other assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired. If there is an indication of impairment, the recoverable amount of the asset is compared to the carrying amount of the asset. The recoverable amount is the higher of the fair value less costs to sell and value in use. If the recoverable amount is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount by recognising an impairment loss in the Statement of Financial Activities.

(k) **Stocks**

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

(l) **Pensions**

The cost to the group in respect of its pension arrangements is charged to the Statement of Financial Activities on a payable basis. These arrangements are with a defined contribution group personal pension plan, with defined employer contributions.

(m) **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling at the date of the transaction. Exchange differences are recognised in the Statement of Financial Activities.

(n) **Operating leases**

Operating lease rentals are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

(o) **Redundancy costs**

Accruals for redundancy costs are recognised when there is a legal or constructive obligation at the balance sheet date.

(p) **Financial instruments**

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at fair value.

Accounting policies (continued)

(q) **Critical accounting estimates and areas of judgement**
Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

Critical estimates include:

(i) Assessment of the net realisable value of stock
The net realisable value of stock is assessed by reviewing reports from the outsourced fulfilment houses that hold the stock, with a focus on identifying slow moving or obsolescent products and comparing expected sales price to cost.

(ii) Recoverability of debtors
Recoverability of debtors is assessed by reference to the aging of debts and the payment record of debtors. Provision is made where recoverability is assessed as doubtful following consultation with the relevant IAM relationship manager.

3.1 Other income

	2023 £000	2023 £000
Government grant – Coronavirus Job Retention Scheme	-	-
Non-Government grants	9	3
Donations	7	5
Sundry income	19	16
	35	24

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2024

3.2 Trading activities of subsidiaries

IAM is a registered charity and derives income from its wholly owned trading subsidiaries. These subsidiaries are incorporated in Great Britain and their activities are described in note 9. All subsidiaries receive/pay interest at market rates on any indebtedness due from/to IAM. A summary of their results is shown below:

	IAM Drive Survive Limited	IAM Group Services Limited	Institute of Advanced Motorcyclists	Professional Driver Services Limited	IAM Driver Retraining Academy Limited	Total
	Year ended 31 March 2024					
	£000	£000	£000	£000	£000	£000
Turnover:						
Sale of goods	667	-	296	-	565	1,528
Cost of sales	(475)	-	-	-	(293)	(768)
Gross profit	192	-	296	-	272	760
Administrative expenses	(421)	-	(6)	-	(134)	(560)
Management charges	47	-	(22)	-	43	68
Operating (loss)/profit	(182)	-	268	-	182	269
Interest payable to related parties	(18)	-	-	-	5	(13)
Interest receivable from related parties	-	-	52	-	-	52
(Loss)/profit before and after taxation	**(200)**	**-**	**320**	**-**	**187**	**308**
	Year ended 31 March 2023					
	£000	£000	£000	£000	£000	£000
Turnover:						
Sale of goods	812	-	303	-	832	1,947
Cost of sales	(615)	-	-	-	(343)	(958)
Gross profit	197	-	303	-	489	989
Administrative expenses	(95)	-	(4)	-	(59)	(158)
Management charges	(221)	-	(29)	-	(310)	(560)
Operating (loss)/profit	(119)	-	270	-	119	270
Interest payable to related parties	(15)	-	-	-	-	(15)
Interest receivable from related parties	-	-	53	-	6	59
(Loss) before and after taxation	**(134)**	**-**	**323**	**-**	**125**	**314**
Gift Aid Profits to parent	-	-	(313)	-	-	(313)
(Loss) after Gift Aid Distribution	**(134)**		**10**		**125**	**-**

The profits of UK subsidiaries, after group relief, are distributed to the charity and there is, therefore, no liability to corporation tax for those entities. Management charges represent reimbursement of costs incurred by IAM on behalf of the subsidiaries. There were £313K gift aid payments made to the charity in respect of financial year ended 2024 (whilst no gift aid payments were paid during the financial year ended 2023).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2024

3.3 Net assets of subsidiaries

	IAM Drive & Survive Limited	IAM Group Services Limited	IAM Motoring Trust Trading Limited	Institute of Advanced Motorcyclists Limited	Professional Driver Services Limited	IAM Driver Retraining Academy Limited	Drive & Survive UK Limited	IAM Roadsmart Limited	Total
	31 March 2024								
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Current assets	258	169	-	2,766	227	330	-	-	3,751
Creditors	(1,719)	-	(55)	(133)	-	(5)	(218)	-	(2,130)
Net (liabilities)/assets	**(1,461)**	**169**	**(55)**	**2,633**	**227**	**325**	**(218)**	**-**	**1,621**
	31 March 2023								
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Current assets	351	169	-	2,755	227	513	-	-	4,015
Creditors	(1,612)	-	(55)	(129)	-	(375)	(218)	-	(2,389)
Net (liabilities)/assets	**(1,261)**	**169**	**(55)**	**2,626**	**227**	**138**	**(218)**	**-**	**1,626**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2024

3.4 Total expenditure

	Direct staff £000	Other direct costs £000	Support costs £000	Total 2024 £000	Total 2023 £000
Costs of raising funds					
Membership subscriptions and Publicity	343	180	456	979	807
Training and related services	384	1,326	-	1,711	2,292
	727	1,506	456	2,690	3,099
Charitable activities					
Research and advocacy	280	65	213	558	549
Membership services	315	995	665	1,974	1,769
Tests	11	335	357	703	1,176
Quality assurance	640	137	282	1,059	626
	1,247	1,531	1,517	4,294	4,120
Total expenditure	1,974	3,037	1,973	6,984	7,219

3.5 Council expenses

	2024 £000	2023 £000
Travel and subsistence:		
Expenses reimbursed to 7 trustees (2023: 2 trustees)	2	2

Expenses reimbursed to trustees in 2023/24 amounted to £2K. The cost of trustee indemnity insurance was included in IAM's general insurance premium for the year and not separately identified.

3.6 Directors' emoluments

No director/trustee received emoluments during the year (2023: £nil).

No pension payments were made in respect of directors/trustees (2023: £nil).

3.7 Employees whose emoluments exceed £60,000

	2024 Number	2023 Number
The number of employees whose emoluments (including taxable benefits but not employer pension costs) exceeded £60,000 during the year was as follows:		
£60,001 to £70,000	3	2
£70,001 to £80,000	2	1
£80,001 to £90,000	1	2
£90,001 to £100,000	-	1
£100,001 to £110,000	-	-
£110,001 to £120,000	-	-
£120,001 to £130,000	1	1
£130,001 to £140,000	-	-
£140,001 to £150,000	-	-
£150,001 to £160,000	1	1
£160,001 to £170,000	-	-
£170,001 to £180,000	-	1
	8	9

Pension contributions of £48,555 (2023: £44,030) were made during the year to a defined contribution scheme in respect of 8 employees (2023: 9 employees) included in the above analysis. The average number of employees was 68 (2023: 65).

3.8 Staff costs

	2024 £000	2023 £000
Wages and salaries	2,804	2,779
Social security costs	302	303
Defined contribution pension costs	107	129
	3,213	3,211

During the year, the IAM Group incurred redundancy costs of £25,803 (2023: £176,735).

All group staff salaries are paid by IAM. IAM charges subsidiaries a management fee incorporating a charge for the utilisation of staff employed by IAM.

The total remuneration including employers' national insurance of the current Senior Leadership Team (as per page 2) who are the key management personnel of the IAM Group was £632,475 (2023: £779,457).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2024

4. Net expenditure for the year

	2024 £000	2023 £000
Net expenditure for the year is stated after charging:		
Depreciation	30	32
Amortisation of intangible assets	87	86
Auditor's remuneration - audit fees current year	38	35
Auditors remuneration - audit fees - prior year	35	30
Auditors remuneration - tax services - current year	7	6
Operating lease payments - motor vehicles	72	65

5 Allocation of support costs

	Cost of generating funds	Membership services	Tests	Quality assurance	Research and advocacy	Total 2023	Total 2023
	£000	£000	£000	£000	£000	£000	£000
Management	67	97	52	41	31	288	278
Finance	116	169	91	72	54	502	626
Information technology	132	192	103	82	62	571	685
Facilities	94	137	74	58	44	407	367
Human resources	16	24	13	10	8	71	62
Governance (See note 6)	31	45	24	19	14	134	172
	456	664	357	282	213	1,973	2,190

Support costs are allocated using a combination of headcount and floor space applicable to the service provided.

6 Governance – Group and IAM

	2023 £000	2022 £000
Direct costs:		
Audit and accounting fees	75	39
Professional fees	30	66
Council costs	1	1
Salary costs	28	66
	134	172

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2024

7 Intangible fixed assets

	Goodwill	Computer Software	Assets under construction (See note)	Total
	£000	£000	£000	£000
Cost				
At 1 April 2023	2,927	446	120	3,493
Additions	-	16	7	23
Transfer	-	-	-	-
Disposals	-	-	-	-
At 31 March 2024	2,927	462	127	3,516
Amortisation				
At 1 April 2023	2,927	248	-	3,175
Charge	-	87	-	87
Transfer	-	-	-	-
Disposals	-	-	-	-
At 31 March 2024	2,927	335	-	3,262
Net book value				
At 31 March 2024	-	127	127	254
At 31 March 2023	-	198	120	318
IAM				
Cost				
At 1 April 2023	-	446	120	566
Additions	-	16	7	23
Transfer	-	-	-	-
Disposals	-	-	-	-
At 31 March 2024	-	462	127	589
Amortisation				
At 1 April 2023	-	248	-	248
Charge	-	87	-	87
Transfer	-	-	-	-
Disposals	-	-	-	-
At 31 March 2024	-	335	-	335
Net book value				
At 31 March 2024	-	127	127	254
At 31 March 2023	-	198	120	318

Note: Assets under construction relates to the ongoing development of DARTS, (the Groups CRM system). These costs are transferred to computer software and amortised from the first month of going live once developments are released and go live.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2024

8 Tangible fixed assets

	Leasehold Improvements	Computer equipment	Office equipment	Total
	£000	£000	£000	£000
Group				
Cost				
At 1 April 2023	54	106	285	445
Additions	-	9	-	9
Transfers	-	-	-	-
Disposals	-	-	-	-
At 31 March 2024	54	115	285	454
Depreciation				
At 1 April 2023	54	80	264	398
Charge	-	15	15	30
Disposals	-	-	-	-
At 31 March 2024	54	95	279	428
Net book value				
At 31 March 2024	-	20	6	26
At 31 March 2023	-	26	21	47
IAM				
Cost				
At 1 April 2023	54	106	285	445
Additions	-	9	-	9
Transfers	-	-	-	-
Disposals	-	-	-	
At 31 March 2024	54	115	285	454
Depreciation				
At 1 April 2023	54	80	264	398
Charge	-	15	15	30
Disposals	-	-	-	-
At 31 March 2024	54	95	279	428
Net book value				
At 31 March 2024	-	20	6	26
At 31 March 2023	-	26	21	47

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2024

9 Fixed asset investments

	Group		IAM	
	£000	£000	£000	£000
Shares in subsidiary companies (see below)				
Cost at 1 April 2023 and 31 March 2024		-		130
Listed investments				
Market value at 1 April 2023	6,885		6,885	
Net additions / (disposals)	(234)		(234)	
Net (loss)/gain on investment assets	(203)		(203)	
Market value at 31 March 2024		6,448		6,448
Cash				
At 1 April 2023	161		161	
Decrease in cash	(43)		(43)	
At 31 March 2024		118		118
		6,566		6,696
Shares in subsidiary companies (see below)				
Cost at 1 April 2021 and 31 March 2022		-		130
Listed investments				
Market value at 1 April 2021	8,195		8,195	
Net acquisitions	(592)		(592)	
Net gain on investment assets	(718)		(718)	
Market value at 31 March 2022		6,885		6,885
Cash				
At 1 April 2021	248		248	
Increase/ (decrease) in cash	(88)		(88)	
At 31 March 2022		161		161
		7,046		7,176

9.1 Subsidiary companies

IAM Drive & Survive Limited (registered number 2019635) provides risk management and corporate driver training services.

IAM Driver Retraining Academy Limited (registered number 08248082) provides Drink Drive Rehabilitation Scheme courses.

Institute of Advanced Motorcyclists Limited (registered number 5889513) manages arrangements with brokers for the IAM Group's exclusive insurance scheme for IAM RoadSmart members.

IAM owns 100% of the issued share capital of the above companies, all of which are incorporated and registered in England and have the same registered address as IAM. IAM also owns 100% of the issued share capital of Drive & Survive UK Limited, IAM Motoring Trust Trading Limited, Professional Driver Services LTD, IAM Group Services LTD, and IAM RoadSmart Limited, all of which are registered in England and none of which has traded during the year.

9.2 Listed investments

The cost of listed investments at 31 March 2024 was £6,566,137 (2023: £7,045,616). There were no underlying holdings with an individual market value in excess of 5% of the total market value at 31 March 2024 (2023: none).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2024

10 Investment income

	Group	
	2024	**2023**
	£000	**£000**
Income from investments	174	221
Bank interest receivable	4	1
	178	222

11 Stocks

	Group		IAM	
	2024	**2023**	**2024**	**2023**
	£000	**£000**	**£000**	**£000**
Goods for resale and consumables	27	50	7	47

12 Debtors

	Group		IAM	
	2024	**2023**	**2024**	**2023**
	£000	**£000**	**£000**	**£000**
Amounts falling due within one year:				
Trade debtors	287	290	96	11
Taxation recoverable	117	140	117	140
Amounts due from group undertakings	-	-	1,563	984
Other debtors	4	1	4	1
Prepayments and accrued income	345	364	333	350
	753	795	2,113	1,486

Amounts due from group undertakings include amounts owed by trading subsidiaries to IAM, which carry interest at 2% above base rate. There are no other terms to these advances. No interest is charged on amounts due from dormant subsidiaries.

13 Creditors

	Group		IAM	
	2024	**2023**	**2024**	**2023**
	£000	**£000**	**£000**	**£000**
Amounts falling due within one year:				
Trade creditors	272	419	247	354
Amounts due to group undertakings	-	-	3,301	3,148
Other taxation and social security	78	85	78	83
Accruals and deferred income	1,259	1,098	1,037	495
Other creditors	48	36	49	36
	1,657	1,638	4,712	4,116

Deferred income represents payments in advance for Drink Drive Rehabilitation Scheme courses, Skills Days and on-road driver training.

	Group	**IAM**
	£000	**£000**
Deferred income at 1 April 2023	735	159
Amount deferred in year	1,342	400
Amount released in year	(1,371)	(270)
Deferred income at 31 March 2024	769	564

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2024

14 General funds

	Group		IAM	
	2024	2023	2024	2023
	£000	£000	£000	£000
At 1 April	7,259	9,028	5,478	7,561
Gain/(deficit) for the year	(666)	(1,769)	(974)	(2,084)
Gift Aid profits from trading	-	-	313	-
At 31 March	6,593	7,259	4,817	5,478

15 Taxation

The IAM is a registered charity and is exempt from corporation tax on its charitable income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

16 Operating leases – Group

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Rental of office premises		Motor vehicles	
Amounts due:	2024	2023	2024	2023
	£000	£000	£000	£000
Within one year	141	141	72	61
Between one and five years	341	482	0	42
	482	623	72	103

A variation to the existing lease for the office premises was entered into during the year which provides for an additional rent-free period from September 2021 through to June 2022.

17 Reconciliation of net expenditure resources to net cash outflow from operating activities

	Group	
	2024	2023
	£000	£000
Net operating income/(expenditure)	(397)	(1,051)
- Investment income	(178)	(222)
	(575)	(1,273)
Depreciation	30	32
Amortisation of computer software	87	86
(Increase)/decrease in stocks	23	41
(Increase)/decrease in debtors	41	(94)
Increase/(decrease) in creditors	21	235
Net cash inflow from operating activities	(373)	(973)

18 Reconciliation of net debt

The Group has no borrowings and has not entered into any finance leases. The analysis of the changes in net debt are summarised in the table below.

	Group		IAM	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Cash at start of year	641	763	520	629
Cash flows	(17)	(122)	(88)	(109)
Cash at end of year	624	641	432	520

19 Contingent liabilities

There are no contingent liabilities for the year ended 31 March 2024 (2023: £nil).

The IAM is a member of a VAT group which also comprises certain subsidiaries: IAM Drive & Survive Limited. The IAM will be liable for any VAT amounts payable by these entities.

20 Capital commitments

At 31 March 2024, there were capital commitments contracted but not provided totalling £23,000 (2022: £37,000).

21 Financial instruments

	Group		IAM	
	2024 £000	**2023 £000**	**2024 £000**	**2023 £000**
Financial assets				
Equity and debt instruments measured at fair value through income and expenditure	6,448	6,900	6,448	6,900

Financial assets measured at fair value through income and expenditure include assets held in the listed investment portfolios (see note 9) for which there is a readily obtainable price quoted in an active market.

22 Related parties

Transactions between group entities for the year are detailed in note 3.2 and comprised management fees and interest receivable/payable on inter-company loans with IAM.

At 31 March 2024, IAM owed £285k (2023: £415k owed) to IAM Driver Retraining Limited
At 31 March 2024, IAM owed £228k (2023: £224k owed) to Professional Driver Services LTD.
At 31 March 2024, IAM owed £1,563 from (2023: £1,398k owed from) IAM Drive and Survive Ltd.
At 31 March 2024, IAM owed £176k (2023: £175k owed to) IAM Group Services Limited
At 31 March 2024, IAM owed £2,612k (2023: £2,749k owed from) Institute of Advanced Motorcyclists Ltd

No other related party transactions were incurred in the period.

THE INSTITUTE OF ADVANCED MOTORISTS LIMITED

England & Wales - Charity number 249002

Accounts



INSTITUTE OF ADVANCED MOTORISTS LIMITED (THE)

(Limited by guarantee)

Report of the Council and Financial Statements

for the year ended

31 March 2023

Company No. 562530

Registered Charity Nos: 249002 (England & Wales) and SC041201 (Scotland)

INSTITUTE OF ADVANCED MOTORISTS LIMITED (THE)

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REPORT OF THE COUNCIL

Reference and Administration

The Council (trustees who are also directors of the company for the purposes of the Companies Act) present their annual report and the audited financial statements for the year ended 31 March 2023 of the Institute of Advanced Motorists Limited ('IAM'), (Companies House Registered number: 562530; Registered Charity Numbers 249002 (Charity Commission, England and Wales) and SC041201 (Office of the Scottish Registered Charity Regulator)).

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") (effective 1 January 2019). The names of the Patron, President, Vice President, Council - Trustees, and Senior Leadership Team who served during the year and since the year end are shown below.

Patron	HRH Prince Edward, The Duke of Kent
President	Nigel Mansell CBE
Vice Presidents	Sir Peter Bottomley
	Steven Norris
	Nick Ross

Council - Trustees	**Committee Membership**
Stuart Malcolm Donald QPM	Chairman (1-3)
Jeffrey Willcocks	Vice Chairman
Anthony Steven Cearns	(1-Chair)(Resigned 08 September 2022)
Elizabeth Marguerite Coyle-Camp	(Resigned 18 July 2023)
John Mark Jenkins	(1,2) (Resigned 28 September 2022)
Samantha Jane Kane	(2-Chair) (Resigned 24 November 2022)
Nicholas David John Lomas	(3 – Chair)
Dr Bradley Poulson	(Resigned 24 November 2022)
Nicholas John Anthony Stein	
Victoria Ann Milford	(2 – Chair) (Appointed 24 November 2022)
Tom Kelman	(1 – Chair) (Appointed 1 January 2023)
Mark Armitage	(Appointed 28 September 2023)
Angela Bell	(Appointed 28 September 2023)
Rupert Newman	(Appointed 28 September 2023)
Mark Powell	(Appointed 28 September 2023)
Sarah Whiteside-Jones	(Appointed 28 September 2023)

Committees:

1. Finance & Audit Committee
2. Remuneration Committee
3. Nominations Committee

Senior Leadership Team	
Antony Kildare	Chief Executive (appointed 1 April 2022)
Simon Boyd	Commercial and Operations Director (appointed 01 January 2023)
Neil Greig	Policy & Research Director
Neil Harris	Finance Director (resigned 30 April 2022)
Kat Hyde	Marketing & Communications Director (appointed 01 January 2023)
Tom Kelman	Interim Finance Director (appointed 19 May 2022 – Resigned 30 November 2022
Nicola Smith	People & Culture Director (appointed 01 January 2023
Andrew McLachrie	Finance Director (Appointed 07 November 2022)

Company Secretary	ARM Secretaries Limited (resigned 30 March 2023)
	Andrew McLachrie (appointed 30 March 2023)
Registered Office	1 Albany Place, Hyde Way, Welwyn Garden City, Hertfordshire, AL7 3BT

Professional Advisers	
Statutory Auditor	Crowe U.K. LLP, 55 Ludgate Hill, London, EC4M 7JW
Bankers	HSBC Bank plc, 60 Queen Victoria Street, London, EC4N 4TR
Investment Advisors	Portfolio Management Consultancy Limited (PMCL), 100 Liverpool St, London, EC2M 2AT
Investment Managers	J M Finn & Co Limited, 4 Coleman Street, London, EC2R 5TA
	Rathbone Investment Management, 8 Finsbury Circus, London, EC2M 7AZ
	Ruffer LLP, 80 Victoria Street, London, SW1E 5JL

REPORT OF THE COUNCIL (continued)

Structure, Governance and Management

Objects

IAM's objects are to improve the standard of driving and the promotion of road safety for the public benefit, in particular by (but not limited to) the operation of an advanced test.

Public benefit

The trustees have considered the requirement for IAM's aims to be demonstrably for the public benefit. In doing so, the trustees have had regard to the Charity Commission's guidance on public benefit.

Primary activities

Formed in 1956 as the Institute of Advanced Motorists, IAM RoadSmart as we know it today, grew into the UK's largest road safety charity.

With over 60 years' experience educating and upskilling drivers and riders, the charity's purpose has been about making roads safer for all. Course fees and membership, in addition to a commercial offering developed in 2006 have been key in generating income, but the challenges highlighted by the COVID-19 pandemic, and the subsequent cost of living crisis have pointed to the need to change and diversify.

Our federated group structure was developed to support the delivery of services; this provided a semi-autonomous relationship for local groups that drove up membership and raised funds for the charity. The charity's membership peaked in the 1990's but has since declined highlighting a need to change our membership offering and the systems and processes used to deliver it, as well as diversifying our income streams to enable to charity to maximise its contribution.

Where we are now

IAM seeks to achieve its objectives and fulfil its public benefit requirement by funding and evolving the following activities.

1. Promoting the IAM RoadSmart brand as the UK's leading road safety charity and advocate, helping to improve driving and riding skills through courses and coaching.

2. IAM's advanced driving test was launched in 1956 and an advanced test for motorcyclists was introduced in 1976. Through programmes delivered by IAM's volunteer network, the skills taught and tested are constantly updated for the ever-changing features and challenges of the UK's roads and vehicle technologies. By improving awareness of hazards and risk and teaching best practice techniques, IAM reduces the likelihood drivers and riders will put themselves into a position of danger through error or omission.

3. IAM RoadSmart groups exist throughout the UK, with volunteers delivering support and advice to drivers and riders seeking to improve their driving and riding skills, many of whom go on to pass the Test. Since inception, IAM has awarded advanced status to over 500,000 drivers and riders.

4. IAM continues to serve the demand from professional driving organisations seeking to enhance their internal driver training programmes by accrediting them with the Advanced Driver qualification.

5. Lobbying and original road safety research, together with publicity using social and broadcast media and the Press as well as direct communication to IAM RoadSmart Members are important features of IAM's work to promote road safety. Regular tips, blogs and Press Releases are also used to help all drivers and riders improve their skills as we seek to "inform and influence" on road safety issues. RoadSmart magazine

Structure, Governance and Management (continued)

continues to be the communication valued by Members as their primary source to reinforce IAM RoadSmart Members' knowledge and awareness of road safety issues.

6. The IAM Group offers driver training for companies whose workforce undertake business related driving. Drive & Survive training falls into the following categories:

- licence checking - to ensure that all drivers are legally able to drive and/or are entitled to drive specific categories of vehicle;
- driver audits and risk assessments - to build a profile of drivers and test their basic road knowledge;
- e-learning - a package of training modules delivered on-line with each focussing on specific aspects of driving skill. Content can be designed to meet specific customer requirements; and
- on road training - for drivers and riders who have been identified as having the need for a more intensive intervention with a professional fleet trainer.

7. Through IAM Driver Retraining Academy (DRA), the IAM Group offers retraining for offenders through delivery of drink-drive rehabilitation scheme courses.

8. Through our partner, we also offer a branded insurance offer to our members. This offer introduces members to insurers who may see our members as lower risk. We receive commission for polices taken out.

9. We offer a number of Skills Days activities across the UK – these provides members and the public the opportunity to practice their driving and riding techniques on a course environment and receive guidance on improvements and safety pointers.

Council acknowledges that the success of IAM's activities is dependent on the goodwill and commitment of volunteers operating within IAM RoadSmart groups. Council expresses its appreciation for the commitment and dedication of those volunteers, without which IAM would be unable to deliver their courses – Thank You.

Strategy

This financial year has been a crucial step forward for the organisation. Alongside our trustees, the CEO and Senior Leadership Team have agreed a new strategy for the organisation.

Council approved a new 3-year strategy with measures needed to futureproof the charity for years ahead; a key outcome is to modernise its appeal to a broader demographic, with Equality, Diversity and Inclusion being at the forefront, and diversification of our membership, and product portfolio.

Our aim is to enhance national recognition of our brand, with our policy and campaigning, building on the IAM RoadSmart name and heritage, and establishing the charity as a 'go to' in the road safety space.

Additionally, our commitment to being 'digital to the core' will challenge how we do things, optimising our systems and processes, to improve the community experience.

Five core pillars have been committed to as part of the strategy, as follows:

1. Grow the brand name and corporate identity to be recognised nationally, with an increased presence and authoritative voice in the policy and campaigning space. We will:
   - place road safety at the heart of all we do
   - elevate our policy and campaigning activity to make impact on road safety issues in the UK.
   - address challenges such as static road death numbers and the evolution of on-road and in-vehicle technology

Structure, Governance and Management (continued)

2. Increase skills development, knowledge share, competency, and on road confidence through education and coaching. We will:
   - make road safety skills and education up to date, relevant and accessible to all
   - diversify and refresh educational tools and products to engage existing and new audiences.
   - reflect new road safety challenges, embracing new learning styles and technologies. engaging with those who put the most drivers and riders on the road and those who use the road for a living.

3. Develop a broad, diverse, and inclusive community of passionate road users across the UK. We will:
   - support an increasingly diverse community of road safety experts across the United Kingdom
   - be inclusive, recognising those that have passed the advanced test demonstrate the highest level of skill that is up-to-date and relevant, as well as those that choose not to take the advanced test but still have a passion and interest in road safety
   - provide support to enable our community to ensure it is sustainable and that it can continue to deliver key services.

4. Promote a well led, progressive, ethical charity that lives and breathes by its culture and behaviours. We will:
   - be well-run and sustainable, supported by effective leadership, governance, systems, and infrastructure
   - monitor effective stewardship of resources and assets to ensure the charity have an impact on improving road safety.
   - work to mitigate any negative impacts we may cause.

5. Embrace being digital to the core. Enabling and simplifying our service and offerings, growing our reach and enriching the community experience. We will:
   - transform using best in show technology to support our growth and diversification ambitions and continuously measure our progress and deliverables
   - work with IT experts, providers, and originators to adopt and apply tried and tested, 'plug and play' market solutions in delivering for our customers and members.

Constitution & Membership

IAM was established on 10 March 1956 as a company limited by guarantee and is governed by a Memorandum and Articles of Association, which were adopted by Special Resolution on 20 February 2009 and amended by Special Resolution on 18 November 2009.

IAM operates the Advanced Driver and Rider Tests ("Test(s)"). Individuals who successfully pass these Tests (or are eligible for exemption) are IAM RoadSmart Members (or "Members") subject to payment of membership subscriptions. Prospective members who have not yet passed the Tests are classed as Associate Members (or "Associates"). IAM's Memorandum and Articles of Association provide that the following matters are subject to the determination of IAM RoadSmart Members at Annual or other General Meetings.

- Receiving the Council's report on the Company's activities since the previous Annual General Meeting.
- Electing members of the Council.
- Varying the annual Membership subscription.

REPORT OF THE COUNCIL (continued)

Structure, Governance and Management (continued)

Subsidiary Undertakings

IAM's three subsidiary undertakings that were active during the year were as follows.

- IAM Drive & Survive Limited ("Drive & Survive") provides corporate risk management and driver training services.
- IAM Driver Retraining Academy Limited ("DRA") which provides drink drive rehabilitation courses.
- Institute of Advanced Motorcyclists Limited which provides access to insurance services to Members.

Corporate Governance

Appointments to Council

The Council consists of such IAM RoadSmart Members and suitable individuals as shall from time to time agree on the invitation of the Council, to serve as a trustee on the Council. The Nominations Committee of the Council is responsible for identifying potential new trustees and making recommendations to Council. New trustees who join the Council during the year are required to offer themselves for election at the next Annual General Meeting. New trustees are selected based on the skills, expertise and experience they bring to the Council. A role definition for trustees is in place.

Induction and training

All new trustees receive an induction briefing, which includes their general charity and company law responsibilities, IAM's Memorandum and Articles of Association and the functions of IAM's Council, committees, and management. Training for trustees is provided when required, including updates on best practice in charity governance. Trustees are also encouraged to seek guidance and support from the Charity Commission website which offers free guidance and learnings to trustees on key aspects of their role.

Rotation of trustee appointments

Tom Kelman and Victoria Milford offer themselves for formal election at the next AGM, joining as Trustees on 1 January 2023 and 24 November 2022 respectively.

Nick Lomas, retires from the Council at the next AGM under Article 21 and offers himself for re-election at the next Annual General Meeting.

Charity Governance Code

Trustees on the Council take their governance responsibilities seriously and aim to have a governance framework that is fit for purpose, compliant and efficient. An assessment of compliance with the Charity Governance Code has been deferred until the 2023/24 year. That assessment will include an evaluation of the skills, experience and effectiveness of trustees, the identification of any gaps with what is considered appropriate based on best practice, and recommendations from the charity regulator and appropriate professional associations, along with plans to mitigate and remedy such gaps.

REPORT OF THE COUNCIL (continued)

Structure, Governance and Management (continued)

Decision Making, Committees, and IAM RoadSmart groups

The Council seeks to ensure it has an appropriate mix of skills and experience to discharge its responsibilities effectively and in line with good governance practice and is assisted in its work by three committees to which certain powers and responsibilities are delegated. The members of the **committees** are set out on page 2 of this report.

The **Finance & Audit Committee** is responsible for ensuring financial reporting obligations are met for IAM and its subsidiaries (together "the IAM Group"). This involves ensuring the statutory financial statements for the IAM Group are properly audited and that accepted recommendations of the auditors are implemented. Whilst also establishing, maintaining, monitoring, and reviewing financial controls throughout the IAM Group, to safeguard its assets and ensure its financial integrity. The Committee also confirms that IAM's investment policy is appropriate and monitors the performance of those investments and confirms IAM's reserves policy is appropriate. The Finance and Audit Committee meet formally once a quarter, with additional meetings as needed.

The **Remuneration Committee and remuneration policy** approves the remuneration of IAM's Senior Leadership Team and monitors the overall remuneration policy across the IAM Group. The Senior Leadership Team determines the salaries of all other executive staff within budget parameters set by Council. The remuneration Committee meets formally 3 times a year, with additional meetings as needed.

The **Nominations Committee** is tasked with assessing the structure and composition of the Council, specifying requirements for trustee and senior executive positions, identifying, and assessing candidates and making recommendations to the Council regarding appointments to those roles.

The day-to-day management of the IAM Group is delegated by the Council to the Chief Executive and the Senior Leadership Team listed on page 2.

IAM RoadSmart Groups are geographically based independent charities or other entities that are affiliated to IAM subject to the Group Rules which are maintained by IAM. Accordingly, the IAM Group's consolidated financial statements do not incorporate the financial statements or activity of IAM RoadSmart groups.

Risk management and internal control

The IAM Group has a formal process for assessing risks and implementing risk management strategies. This involves identifying risks and prioritising them in terms of likelihood of occurrence and potential impact, together with devising and implementing mitigations as considered appropriate. Risks registers maintained by individual departments are reviewed by the CEO and those risks identified as strategic in nature are now included as a standing agenda item for the Council meetings for further consideration by trustees. The Finance & Audit Committee also ensures appropriate procedures are in place to identify and minimise financial risk to the IAM Group, including the risk of fraud. The principal risks to which the IAM Group is exposed and the mitigations in place to manage these risks are set out below.

During 2022/23 we have also undertaken a refresh on our approach to risk – with the emphasis on risk mitigation, and transparency of progress on risks. The risks continue to be reviewed regularly at SLT and Quarterly at Committee and Council level.

Risk	Management of risk
Reduction in core income arising from the decline in the number of members. Now also impacted by rising inflation the UK cost of living crisis as well as the ageing demographic of our Membership.	Develop and implement plans to improve the communication and provision of services to members. This includes contacting recently lapsed members to encourage them to renew their membership. Campaigns to encourage members to pay their annual subscriptions by direct debit and encouraging more members to sign up for Gift Aid. Campaigns and product development to attract all generation groups.

REPORT OF THE COUNCIL (continued)

	Diversify the sources of income to enable us to further enhance the delivery of our objects. Regularly reviewing and revising pricing policies considering cost-of-living pressures.
Decline in the strength of the IAM groups affiliate network and volunteers.	The dedicated field service team is tasked, inter alia, with supporting IAM RoadSmart groups on a regional basis and assisting them to adopt best practices. Continue to assess the future viability of the current model, ensuring it remains fit for purpose, and adjusting as necessary to ensure both IAM and Groups have a vibrant future.
Decline in the capacity of the contracted base of Advanced Driving Instructors ('ADIs').	A recruitment strategy specifically targeting locations that present both a significant geographical gap of available ADIs and an above average level of requests to deliver on-road training is in place. IAM RoadSmart are seeking a closer relationship with those ADIs who choose to benefit from working with the IAM Group.
IT systems, including DARTS implementation.	Negotiating fixed price contracts or tight budgetary control with IT suppliers, adopting rigorous testing and acceptance procedures, and reviewing regular project plan progress reports with a steering group chaired by the Chief Executive Officer. Ensuring Data integrity and quality, and adherence to associated data protection policies.
IT – Cybersecurity.	Thorough software update regime, robust backup procedures, subject to quarterly firewall penetration testing, carried out by an independent cyber security consultancy. The IAM Group has installed the latest firewall systems and has anti-virus software installed on all devices, with spam/virus filters actively managed and regular software updates on all interfaces with the outside world.
Investment underperformance and volatility of investments markets affecting investment valuations.	Maintaining investment portfolios with differing investment strategies and risks. Regular review of investment managers assessing their performance against benchmarks, portfolio construction and asset allocation, portfolio risk attitudes, service levels and costs. Appointment of specialised Investment Advisors, development of appropriate investment policy to align with the organisations longer term requirements of the fund. Ensure funds are invested inline with our investment policy.
Line management capabilities and succession planning for key staff.	A review was undertaken of succession planning to identify those roles where there was not a 'natural' successor within the IAM Group culminating in key staff recruitment and the formation of a Senior Leadership Team.
Long term strategy.	Council, and the Senior Leadership Team have established a working group to evolve the strategic review that commenced in 2021. The plan was shared as part of the 2022/23 round of group forums as well as the 2022 AGM. 3 Year transition strategy is being delivered to ensure we achieve the 5 key strands on that strategy. Progress is reviewed regularly both at an Executive and Trustee level.

REPORT OF THE COUNCIL (continued)

Strategic Report

During the year ended 31 March 2023, the IAM Group did not carry out any activities to raise funds from the public.

Strategic Review of activities and achievements

Our activities progressed during the year ended 31 March 2023. Some of the most notable achievements in the year were:

- An Organisational Redesign, which came into effect in January 2023. The new structure has placed the right people, in the right roles, at the right time, and will help to futureproof the charity for years to come.
- Improvements to internal communications – these included the introduction of Townhall meetings, and onboarding of a new internal communications platform. Both introductions will help us share progress and celebrate successes.
- Exploratory research into a brand review, with several focus groups taking place to consult our existing community on our brand, with further work to follow. Work has also taken place to modernise our collateral - giving us a more modern and relatable look and feel, supporting a strong and united brand. As well as the appointment of 2 brand ambassadors - one of whom who is supporting with young rider training, the other who has been onboarded to represent group and community.
- Delivery of several strategy workshops, to support the development of IAM's new strategy. The respective workshops invited members, group representatives, members of the IAM team and the public, to help influence our organisational strategy.
- Launch of the first IAM RoadSmart member satisfaction survey implemented to gauge feedback from our members, to help us improve our offering and experience to current and future members; the survey will now run every two years.
- A technological capability audit drawing on the advice of a third-party expert to identify the appropriate future needs of the organisation
- Formation of a new Product Development team to help curate and develop our existing products (as well as new) in a structured and strategic way.
- Support of the FIA Best Young Driver competition – after a successful selection process, which included a visit to the Williams Formula One team HQ, two young drivers were sent to the contest final in Madrid last October. The experience was positive for all involved and drove our commitment to support in 2023.
- Successful deliver of 18 Skills Days events, as well as support of Adventure Bike Rider Festival and Motorcycle Live.
- Increased profiling of IAM RoadSmart in the media - gaining more media appearances and coverage this year. This has been helped by carrying out our own research to form the basis of media stories, and utilising IAM RoadSmart internal experts to comment on stories and raise awareness of ongoing issues. This in turn has meant more journalists are approaching us for comments and know we're a reliable and credited source for information
- Continued engagement with key organisations such as the Department for Transport, National Highways, National Police Chiefs Council, Transport Scotland, Transport Focus and the Office of Road and Rail. Provided ongoing campaign input and support to government 'Think' campaigns such as the promotion of the new Highway Code and lobbied the Driver and Vehicle Standards Agency and Welsh Government to allow online drink drive course delivery and renewal of Welsh license.

REPORT OF THE COUNCIL (continued)

Strategic Review - Review of activities (continued)

The progress made in the IAM Group by company may be summarised as follows:

Institute of Advanced Motorists Limited
We finished the year with 74,795 members.

2,871 associates passed their Advanced tests this year.

We ended the year with 3,027 qualified Observers.

RoadSmart Magazine continues to develop, and readers feedback and engagement continues to increase with each issue. Our newsletters, Members Polls and communications regularly attract opinions which are used by our Policy & Research and Marketing & Comms teams to optimise and build on new campaigns and to create engaging, educational content for broadcast, online and print media and social media channels.

One of our key areas of support is influencing key decision makers and our activities and progress in this area are summarised below.

Research and Lobbying
Building on the previous years, IAM's policy and research activities continued at a steady pace this year. We were invited to participate on the communications steering group for the Highway Code changes which were announced at the end of January 2022. IAM RoadSmart communicated the key changes and refreshed messaging to members through our social media, press and online channels. We benefited in terms of media coverage and engagement, being ahead of the curve with information in line with the launch date at the end of January 2022 resulting in significantly increased traffic and awareness across all audiences.

Key policy updates and legislation
During the year, the IAM RoadSmart Policy & Research team undertook surveys and generated successful media coverage and commentary on topics such as Smart Motorways, automated vehicles, speeding, drink-driving, - scooters, IAM RoadSmart also joined the new Department for Transport Road Safety Education Forum and participated in several online conferences and webinars.

We continued to promote the interests of motorcyclists through our role as one of the founding members of the National Motorcyclists Council (NMC) attending events and briefings to promote the positive role of motorcycling in reducing congestion and decarbonisation.

IAM Drive & Survive Limited ("Drive & Survive")

Our commercial offer continues to be challenged around effective delivery. Whilst this was partly contributed to by Covid, we have seen positive signs in this area. We have continued to ensure we have positive relationships with Advanced Driving Instructors (ADI), which remain a key resource for delivery. We have been enhancing our offer that is more digitally driven to remove any possible volume bottlenecks. We are now focusing on our internal effectiveness, as part of the 3-year transition, to ensure we can accommodate and smoothly facilitate higher volumes across our commercial offerings.

REPORT OF THE COUNCIL (continued)

Strategic Review - Review of activities (continued)

IAM Driver Retraining Academy Limited ("DRA")

Our drink drive rehabilitation referrals were slightly down in 2022/23; this seemingly stems from a change in court process than a fall in convictions.

We now deliver both virtual and in person courses and remain the UK's largest provider. We are engaging with Government on the need for a similar course for those convicted of driving and riding under the influence of drugs.

Institute of Advanced Motorcyclists Limited

The company continues to manage the IAM Group's arrangements with insurance brokers and derives its income from commissions on introductions to motor insurers and other bodies. Commission income totalled £303k to the year-end 31 March 2023 – representing an 8% increase on 21/22. We recognise that the current insurance market is proving challenging, with premiums making hefty increases year on year. As part of this, we continue to keep a close eye on our partners competitiveness, whilst acknowledging that one provider will not always be the most competitive on every quote.

Future activities

2023/24 will see the start of the rollout of our new strategy, previously signed off by Council; the strategy will have activity segmented across 3 years, with clear KPIs established to help measure performance as part of a Performance Management Framework, with regular review.

People and community will stem off the strategy, with a People and Culture plan to be established and communicated. Agreed activities will be aligned to the strategy and committed to over the 3 years. Year 1 will include embedding our values, attracting, recruiting and retaining the right people with the right knowledge, skills and behaviours, skills enhancement for our leaders and managers, with review and development of a reward and recognition scheme.

As well as recognition of our people, we are developing plans to recognise our volunteers, to include more member and group stories, with People Power the leading concept. We are also looking to launch Investors in Volunteers, the UK standard for volunteer management and best-practice; this will help us improve the volunteer experience and acknowledge their contribution to the charity, and our partners.

There will be continued focus on policy and campaigning, with the appointment of a new Policy Lead; this work will continue to elevate our brand and raise awareness of our purpose as a national road safety charity; we will be looking to evolve existing campaigns to include drug-driving (and develop new) as well as further collaboration with national brands, to help lobby government.

Forming further partnerships with national brands is key to a sustainable future for us. Not only will it help us with reach, but it will also help establish us as a serious contender in the road safety space. We have plans to evolve partnerships we already have, to include National Highways, Harley-Davidson, and Bike Safe, and we have conversations already in progress with other national membership organisations, national brands and high-profile influencers to help us campaign for safer roads for all.

Investment into an events schedule is key for the year ahead; this is one of several revenue generating streams for us, and with the appointment of an Events Manager (May 2023), we will be developing a plan for sponsored events, community events (group and member), and non-member paid for events – online and in-person; these events will be in addition to our Skills Days and Autumn Forums.

Our ambition by 1 April 2025, is for all Advanced Driving and Riding courses to be delivered by National Observers; the process to achieve this began on the 31 March 2023. Adopting one standard of observing will create a clear and logical process for our volunteers, customers and partners, with our focus being on 'competency assessment, not experience.'

REPORT OF THE COUNCIL (continued)

Strategic Review (continued)

Finally, we are reviewing 'how' we deliver on regional activity, to build our brand profile and presence in each nation. We are focussing our attention on partnerships in Northern Ireland, and the continued delivery of drink drive rehabilitation in Wales, with media engagement on issues such as the 20mph speed limits and supporting Rider Refinement North with the delivery of motorcycling sessions, with growth opportunities on the horizon.

Review of finances

The Group Statement of Financial Activities on page 18 shows a net movement in funds of £1.77 deficit (2021-22: £0.35m surplus). This headline deficit may well appear of a concern; however, it was caused by 3 key elements, two of which were known about and part of the organisation's transformation.

- Investments: In line with the market, our investments returned losses over the year. In total, they reduced in value by £0.7m. It is recognised that recent market performance has been incredibly challenging, and the revised investment policy adopted should ensure future risk is managed. Our approach on investments is covered further in a later section.
- Transformation Spend: As part of the desire to move the organisation to operational sustainability, we did incur substantial spend on the start of that transformation activity – totalling £0.7m. This spend is part of a 3-year commitment to ensure the organisation achieves financial security and sustainability and at least break even at an operating position within the time of that 3-year plan. Further funds will be incurred in 23/24 as part of the plan.
- Operating Performance: As mentioned, and driving the cause for the 3-year plan, the organisation has made sustained losses at an operating position for many years – 22/23 was no different. The loss in 22/23 was £0.3m. This level of underlying loss has always been prevalent in IAM's results, but historically masked by investment return. The focus of the 3-year plan, amongst other things, is to ensure these operating losses are eliminated moving forward.

The overall deficit remains at £1.77m – but the vast majority of that loss is for known reasons and contributors.

The Balance Sheets on page 19 show that the net assets of the Group have decreased by £1.77m from £9.03m to £7.26m. This movement was contributed to by an operating deficit in the year of £0.3m, Transformation spend of £0.7m and investment losses of £0.7m. All funds held by the Group at year end were unrestricted and undesignated.

Reserves

The Finance and Audit Committee conducted a full review of our reserves policy during the year which was ratified in March 2023 by Council. The outcome of that review provided that the appropriate level of reserves for the organisation to hold is between 6 and 9 months of operating expenses, together with any existing liability or specifically ring-fenced funds. Reserves are held for a number of reasons – in the main to support operating activity should there be a catastrophic impact on income (e.g. pandemic), to service any long term commitments, or any existing known liabilities.

In light of the revised policy, the Finance and Audit Committee consider it prudent to hold 9 months of operating reserves in the current economic climate. Additionally, the necessary funds ring-fenced for delivery of the 3-year plan should also be held.

As at 31 March 2023, free reserves stood at £7.26m – this represents approximately 9 months of operating expenses plus funds to deliver the 3 year plan.

Investment & Investment policy

IAM appointed an independent investment advisor during 2022/23. PMCL are a regulated Investment Advisor who specialise in the Charity and Not-For-Profit sector. They were appointed after an external tender process covering multiple advisors.

Following PMCL's appointment, a review of our Investment Policy was also conducted in-line with our reserves policy. The outcomes from that review have resulted in an adjusted investment Policy that was ratified at the June 2023 Council Meeting.

REPORT OF THE COUNCIL (continued)

IAM's investment policy is aimed at securing the best financial return from its investments with an acceptable level of risk through engaging reputable and experienced external investment managers with specified investment mandates.

The performance of each fund manager is continuously monitored by PMCL and reported through to Finance and Audit Committee and Council on a regular basis. Any deviations in performance are investigated by PMCL and appropriate action advised.

Income is not drawn from the investment portfolios on a regular basis and is instead reinvested so that the portfolios have a total return (combined income and capital return) objective, with access to drawdown funds to finance operational needs as and when required.

The market value of IAM's investment portfolios at 31 March 2023 was £7.18m (2022: £8.44m) held with three investment managers, JM Finn & Co, Ruffer LLP, and Rathbone Investment Management. All funds are invested to align with our Investment Policy.

Going Concern

The Trustees have assessed the ability of IAM and the IAM Group to continue as a going concern. That assessment included consideration of the recent trading performance, the level of investments held as reserves and the associated risk profile of those investments, the key risks faced by the IAM Group as described under 'Risk management and internal control' on page 7, together with the underlying budgets for 2023/24 and a roll forward of the budget for 2023/24 using prudent assumptions. The Trustees' assessment is that IAM and the IAM Group will remain going concerns for a period of at least 12 months from the date of approval of this report and of the financial statements.

Related parties

None of the trustees receives remuneration or other benefit from their activities as a Trustee with IAM. Any connection between a Trustee or member of the Senior Leadership Team of IAM and a contractual party must be disclosed to the Council. During the year under review, no such related party transactions were reported.

Statement as to disclosure of information to the auditor

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company and group's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

Crowe U.K. LLP has indicated its willingness to continue in office.

REPORT OF THE COUNCIL (continued)

Statement of trustees' responsibilities

The Trustees (who are also directors of IAM for the purposes of company law) are responsible for preparing the Report of the Council and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).
Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Report of the Council (including the Strategic Report) was approved on behalf of the Council by



Stuart Malcolm Donald
Chairman
1 Albany Place
Hyde Way
Welwyn Garden City
Hertfordshire
AL7 3BT

28 September 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND THE TRUSTEES OF THE INSTITUTE OF ADVANCED MOTORISTS LIMITED

Opinion

We have audited the financial statements of the Institute of Advanced Motorists Limited ('the charitable company') and its subsidiaries ('the group') for the year ended 31 March 2023 which comprise the Group Statement of Financial Activities, the Group and Charity Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2023 and of the group's income and expenditure, 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 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS AND THE TRUSTEES OF THE INSTITUTE OF ADVANCED MOTORISTS LIMITED
(continued)

- prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 13, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS AND THE TRUSTEES OF THE INSTITUTE OF ADVANCED MOTORISTS LIMITED
(continued)

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulations, Health and Safety legislation, taxation legislation, and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance and Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Vincent Marke
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor

London

Date

GROUP STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2023 (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)

	Note	GROUP 2023 £000	2022 £000	2023 £000	IAM 2022 £000
Income from:					
Donations and legacies					
Subscriptions (including Gift Aid)		3,474	3,568	3,474	3,568
Other income	3.1	24	14	24	14
Charitable activities					
Test fees		503	487	503	487
Other trading activities					
Training and related services	3.2	1,946	2,076	-	-
Investments	10	222	174	222	174
Total income		6,169	6,319	4,223	4,243
Expenditure on:					
Raising funds					
Fundraising and publicity	3.4	807	770	807	102
Training and related services	3.4	2,292	1,775	660	511
		3,099	2,545	1,467	613
Charitable activities					
Research and advocacy	3.4	549	523	549	523
Membership services	3.4	1,769	1,793	1,769	1,793
Tests	3.4	1,176	924	1,176	924
Quality assurance	3.4	627	611	627	611
		4,121	3,851	4,121	3,851
Total expenditure	3.4	7,220	6,396	5,588	4,464
Net (expenditure) / income		(1,051)	(77)	(1,365)	(221)
Net (loss)/gains on listed investment portfolio	9	(718)	425	(718)	425
Net (Loss)/Income for the year	4	(1,769)	348	(2,083)	204
Other recognised gains					
Net movement of funds in year		(1,769)	348	(2,083)	204
Balances brought forward at 1 April		9,028	8,680	7,561	7,357
Balances carried forward at 31 March		7,259	9,028	5,478	7,561

The above results are from continuing activities and there are no other gains and losses except as stated above.

The notes on pages 21 to 35 form part of these accounts.

COMPANY NUMBER 562530

BALANCE SHEETS AS AT 31 MARCH 2023

	Note	Group		IAM	
		2023 £000	2022 £000	2023 £000	2022 £000
Fixed assets					
Intangible assets	7	318	367	318	367
Tangible assets	8	47	65	47	65
Investments	9	7,046	8,444	7,176	8,574
		7,411	8,876	7,541	9,006
Current assets					
Stocks	11	50	91	47	56
Debtors	12	795	701	1,486	1,579
Cash at bank and in hand		641	763	520	629
		1,486	1,555	2,053	2,264
Current liabilities					
Creditors: amounts due within one year	13	(1,638)	(1,403)	(4,116)	(3,709)
Net current assets/(liabilities)		(152)	152	(2,063)	(1,445)
Total assets less current liabilities		7,259	9,028	5,478	7,561
Net assets		7,259	9,028	5,478	7,561
Unrestricted funds					
General fund	14	7,259	9,028	5,478	7,561
		7,259	9,028	5,478	7,561

The financial statements on pages 21 to 35 were approved by the Council on 28 September 2023 and authorised for issue and signed on its behalf by

Stuart Malcolm Donald
Trustee

The notes on pages 21 to 35 form part of these accounts.

GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £000	2023 £000	2022 £000	2022 £000
Cash flows from operating activities:					
Net cash generated in operating activities	17		(973)		179
Cash flows from investing activities:					
Payments to acquire intangible fixed assets	7	(37)		(83)	
Payments to acquire tangible fixed assets	8	(15)		(35)	
Net drawdown from/(additions) to investments	9	592		13	
Movement in cash investments	9	88		(131)	
Listed investment income	10	221		173	
Bank interest received	10	1		1	
Net cash provided /(utilised) by investing activities			851		(62)
Change in cash and cash equivalents in the year			**(122)**		**117**
Cash and cash equivalents at start of the year			763		646
Cash and cash equivalents at end of the year			**641**		**763**

The notes on pages 21 to 35 form part of these accounts.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2023

1 General information

The Institute of Advanced Motorists Limited (IAM) is a company limited by guarantee incorporated in England and has no share capital. The liability of members in the event of winding-up is limited to 25p per member.

The address of IAM's registered office and principal place of business is 1 Albany Place, Hyde Way, Welwyn Garden City AL7 3BT.

IAM's and the IAM Group's principal activities are detailed in the Report of the Council.

2 Accounting policies

(a) Basis of accounting and going concern

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. A separate statement of financial activities for IAM is not presented as permitted by the SORP.

Monetary amounts in these financial statements are rounded to the nearest £1,000 except where otherwise indicated.

IAM meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The trustees assess whether use of the going concern basis of accounting is appropriate i.e., whether there are material uncertainties related to events or conditions that may cast doubt on the ability of the charitable company and the group to continue as a going concern. The trustees review forecasts and projections covering a period of at least one year from the date of approval of the financial statements in making that assessment. The trustees do not consider there are any such material uncertainties.

The trustees' consideration of going concern also considered a stress test utilising the potential for circumstances which although unlikely would have a significant impact. Those unlikely circumstances included significant reductions in income from membership, other courses and assessments, and commercial activities, while assuming that operating and capital expenditure was maintained at budgeted and forecast levels, and the potential for investment portfolios to fall by up to 50%. The stress test indicated that the going concern basis of accounting would remain appropriate as at the date of approval of the financial statements.

Accordingly, the trustees consider that the going concern assumption remains valid.

(b) Basis of consolidation

The consolidated financial statements include on a line-by-line basis the financial statements of IAM and its subsidiary companies made up to 31 March 2023. Subsidiaries acquired during the year are consolidated using the acquisition method. Their results are incorporated from the date that control passes. The difference between the cost of acquisition of shares in subsidiaries and the fair value of the net assets acquired is capitalised as purchased goodwill and amortised through the income and expenditure account over an estimated useful economic life.

(c) Functional and presentational currencies

The consolidated financial statements are presented in sterling which is also the functional currency of the Group.

2 Accounting policies (continued)

(d) Goodwill

Goodwill (representing the excess of the consideration given over the fair value of the separable net assets acquired) arising on business combinations in respect of acquisitions is capitalised and amortised by equal annual instalments over its estimated useful life.

Goodwill is reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the goodwill may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated, and an impairment loss recognised whenever the carrying amount of the asset or its income generating business exceeds its recoverable amount. Impairment losses are recognised in the Group Statement of Financial Activities.

(e) Turnover

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Subscriptions received in advance of their due date are treated as income received in advance. Otherwise, subscriptions are credited to the Statement of Financial Activities when received. Test fee income is credited to the Statement of Financial Activities when received. Provision is made at the year-end for the costs of outstanding tests for which the income has already been received. All other income is credited in the period to which it relates.

(f) Investments and investment income

Listed investments are included in the financial statements at the quoted bid price at the balance sheet date. Listed investment income is credited when received and realised gains and losses on disposals of listed investments are recognised on the date of disposal. Unrealised gains and losses on listed investments held at the year-end are recognised in the Statement of Financial Activities. Bank interest receivable is credited in the period to which it relates.

(g) Expenditure

Expenditure is recognised when a liability is incurred. Costs of generating funds are those incurred in the IAM's Group's fundraising and publicity activities, together with the trading activities of IAM's subsidiaries. Charitable activities include expenditure associated with membership services, advanced driving and motorcycle tests, research, and advocacy and the "RoadSmart" magazine. Expenditure includes direct costs and support costs relating to these activities.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Governance costs are allocated on the basis of the staff cost incurred on each activity. Support costs include central functions and the amortisation of goodwill and have been allocated to activity cost categories on a basis consistent with the percentage use of resources expended.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

(h) Fund accounting

The general fund is an unrestricted fund which is available for use at the discretion of the trustees in furtherance of the general objectives of the charity and has not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of any designated fund is set out in the notes to the financial statements.

Restricted funds are funds subject to specific restrictions imposed by donors.

2 Accounting policies (continued)

(i) Tangible fixed assets and depreciation

Tangible fixed assets with a cost in excess of £1,000 are capitalised at cost. Depreciation of fixed assets is charged at rates estimated to write off their cost or valuation less any residual value over the expected useful lives commencing with the year of acquisition. The following annual rates of depreciation have been used:

Leasehold improvements	-	20%
Computer equipment	-	20% to 33⅓%
Office equipment	-	20%

(j) Intangible fixed assets – capitalisation, amortisation and impairment

Intangible fixed assets are capitalised at cost. Amortisation of fixed assets is charged at rates estimated to write off their cost or valuation (less any residual value) over the estimated useful lives commencing with the year of acquisition. The following annual straight-line rates of amortisation have been used:

Computer software	-	20%

Where factors, such as technological advancement, changes in the nature of the markets served by utilisation of intangible assets, or changes in market price indicate that the residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

Assets under construction are assets pending completion and transfer into the relevant fixed asset category. These assets are capitalised at cost and not subject to depreciation or impairment unless extraordinary circumstances have occurred which would require provision to be made.

All other assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired. If there is an indication of impairment, the recoverable amount of the asset is compared to the carrying amount of the asset. The recoverable amount is the higher of the fair value less costs to sell and value in use. If the recoverable amount is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount by recognising an impairment loss in the Statement of Financial Activities.

(k) Stocks

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

(l) Pensions

The cost to the group in respect of its pension arrangements is charged to the Statement of Financial Activities on a payable basis. These arrangements are with a defined contribution group personal pension plan, with defined employer contributions.

(m) Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling at the date of the transaction. Exchange differences are recognised in the Statement of Financial Activities.

(n) Operating leases

Operating lease rentals are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

(o) Redundancy costs

Accruals for redundancy costs are recognised when there is a legal or constructive obligation at the balance sheet date.

2 Accounting policies (continued)

(p) **Financial instruments**
The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at fair value.

(q) **Critical accounting estimates and areas of judgement**
Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

Critical estimates include:

(i) Assessment of the net realisable value of stock
The net realisable value of stock is assessed by reviewing reports from the outsourced fulfilment houses that hold the stock, with a focus on identifying slow moving or obsolescent products and comparing expected sales price to cost.

(ii) Recoverability of debtors
Recoverability of debtors is assessed by reference to the aging of debts and the payment record of debtors. Provision is made where recoverability is assessed as doubtful following consultation with the relevant IAM relationship manager.

3.1 Other income

	2023 £000	2022 £000
Government grant – Coronavirus Job Retention Scheme	-	-
Non-Government grants	3	14
Donations	5	-
Sundry income	16	-
	24	14

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2023

3.2 Trading activities of subsidiaries

IAM is a registered charity and derives income from its wholly owned trading subsidiaries. These subsidiaries are incorporated in Great Britain and their activities are described in note 9. All subsidiaries receive/pay interest at market rates on any indebtedness due from/to IAM. A summary of their results is shown below:

	IAM Drive Survive Limited	IAM Group Services Limited	Institute of Advanced Motorcyclists	Professional Driver Services Limited	IAM Driver Retraining Academy Limited	Total
	Year ended 31 March 2023					
	£000	£000	£000	£000	£000	£000
Turnover:						
Sale of goods	812	-	303	-	832	1,947
Cost of sales	(615)	-	-	-	(343)	(958)
Gross profit	197	-	303	-	489	989
Administrative expenses	(95)	-	(4)	-	(59)	(158)
Management charges	(221)	-	(29)	-	(310)	(560)
Operating (loss)/profit	(119)	-	270	-	119	270
Interest payable to related parties	(15)	-	-	-	-	(15)
Interest receivable from related parties	-	-	53	-	6	59
(Loss)/profit before and after taxation	**(134)**	**-**	**323**	**-**	**125**	**314**
	Year ended 31 March 2022					
	£000	£000	£000	£000	£000	£000
Turnover:						
Sale of goods	865	-	281	-	930	2,076
Cost of sales	(482)	-	-	-	(389)	(871)
Gross profit	383	-	281	-	541	1,205
Administrative expenses	(88)	-	(3)	-	(59)	(150)
Management charges	(615)	-	(27)	-	(300)	(942)
Operating (loss)/profit	(320)	-	251	-	182	113
Interest payable to related parties	(15)	-	-	-	2	(13)
Interest receivable from related parties	-	-	44	-	-	44
(Loss)/profit before and after taxation	**(335)**	**-**	**295**	**-**	**184**	**144**

The profits of UK subsidiaries, after group relief, are distributed to the charity and there is, therefore, no liability to corporation tax for those entities.
Management charges represent reimbursement of costs incurred by IAM on behalf of the subsidiaries. There were £42K gift aid payments made to the charity in respect of financial year ended 2022 during the financial year ended 2023 (whilst no gift aid payments in respect of 2021 was paid during the financial year ended 2022).

3.3 Net assets of subsidiaries

	IAM Drive & Survive Limited	IAM Group Services Limited	IAM Motoring Trust Trading Limited	Institute of Advanced Motorcyclists Limited	Professional Driver Services Limited	IAM Driver Retraining Academy Limited	Drive & Survive UK Limited	IAM Roadsmart Limited	Total
	31 March 2023								
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Current assets	351	169	-	2,755	227	513	-	-	4,015
Creditors	(1,612)	-	(55)	(129)	-	(375)	(218)	-	(2,389)
Net (liabilities)/assets	**(1,261)**	**169**	**(55)**	**2,626**	**227**	**138**	**(218)**	**-**	**1,626**
	31 March 2022								
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Current assets	370	169	-	2,306	227	356	-	-	3,428
Creditors	(1,496)	-	(55)	(3)	-	(343)	(218)	-	(2,115)
Net (liabilities)/assets	**(1,126)**	**169**	**(55)**	**2,303**	**227**	**13**	**(218)**	**-**	**1,313**

3.4 Total expenditure

	Direct staff £000	Other direct costs £000	Support costs £000	Total 2023 £000	Total 2022 £000
Costs of raising funds					
Membership subscriptions and Publicity	198	181	428	807	770
Training and related services	753	1,539	-	2,292	1,775
	951	1,720	428	3,099	2,545
Charitable activities					
Research and advocacy	135	173	241	549	523
Membership services	478	488	803	1,769	1,793
Tests	224	553	399	1,176	924
Quality assurance	185	122	319	626	611
	1,022	1,336	1,762	4,120	3,851
Total expenditure	1,973	3,056	2,190	7,219	6,396

3.5 Council expenses

	2023 £000	2022 £000
Travel and subsistence:		
Expenses reimbursed to 2 trustees (2022: 2 trustees)	2	4

Expenses reimbursed to trustees in 2022/23 amounted to £2K. The cost of trustee indemnity insurance was included in IAM's general insurance premium for the year and not separately identified.

3.6 Directors' emoluments

No director/trustee received emoluments during the year (2022: £nil).

No pension payments were made in respect of directors/trustees (2022: £nil).

3.7 Employees whose emoluments exceed £60,000

	2023 Number	2022 Number
The number of employees whose emoluments (including taxable benefits but not employer pension costs) exceeded £60,000 during the year was as follows:		
£60,001 to £70,000	2	1
£70,001 to £80,000	1	1
£80,001 to £90,000	2	1
£90,001 to £100,000	1	-
£100,001 to £110,000	-	1
£110,001 to £120,000	-	1
£120,001 to £130,000	1	1
£130,001 to £140,000	-	-
£140,001 to £150,000	-	1
£150,001 to £160,000	1	-
£160,001 to £170,000	-	-
£170,001 to £180,000	1	-
	9	7

Pension contributions of £59,690 (2021: £61,220) were made during the year to a defined contribution scheme in respect of 7 employees (2021: 9 employees) included in the above analysis. The average number of employees was 60 (2021: 61).

3.8 Staff costs

	2023 £000	2022 £000
Wages and salaries	2,779	2,428
Social security costs	303	262
Defined contribution pension costs	129	137
	3,211	2,827

During the year, the IAM Group incurred redundancy costs of £176,735 (2022: £9,676).

All group staff salaries are paid by IAM. IAM charges subsidiaries a management fee incorporating a charge for the utilisation of staff employed by IAM.

The total remuneration including employers' national insurance of the current Senior Leadership Team (as per page 2) who are considered to be the key management personnel of the IAM Group was £779,457 (2022: £974,791).

4. Net expenditure for the year

	2023 £000	2022 £000
Net expenditure for the year is stated after charging:		
Depreciation	32	60
Amortisation of intangible assets	86	89
Auditor's remuneration - audit fees current year	35	22
Auditors remuneration - audit fees - prior year	30	-
Auditors remuneration - tax services - current year	6	6
Operating lease payments - motor vehicles	65	68

5 Allocation of support costs

	Cost of generating funds	Membership services	Tests	Quality assurance	Research and advocacy	Total 2023	Total 2022
	£000	£000	£000	£000	£000	£000	£000
Management	47	105	52	42	32	278	272
Finance	163	211	105	84	63	626	524
Information technology	116	259	129	103	78	685	805
Facilities	62	139	69	55	42	367	344
Human resources	11	23	12	9	7	62	72
Governance (See note 6)	29	65	32	26	19	172	159
	428	802	399	319	241	2,190	2,176

Support costs are allocated using a combination of headcount and floor space applicable to the service provided.

6 Governance – Group and IAM

	2023 £000	2022 £000
Direct costs:		
Audit and accounting fees	39	28
Professional fees	66	68
Council costs	1	6
Salary costs	66	57
	172	159

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2023

7 Intangible fixed assets

	Goodwill	Computer Software	Assets under construction (See note)	Total
	£000	£000	£000	£000
Group				
Cost				
At 1 April 2022	2,927	446	83	3,456
Additions	-	-	37	37
Transfer	-	-	-	-
Disposals	-	-	-	-
At 31 March 2023	2,927	446	120	3,493
Amortisation				
At 1 April 2022	2,927	162	-	3,089
Charge	-	86	-	86
Transfer	-	-	-	-
Disposals	-	-	-	-
At 31 March 2023	2,927	248	-	3,175
Net book value				
At 31 March 2023	-	198	120	318
At 31 March 2022	-	284	83	367
IAM				
Cost				
At 1 April 2022	-	446	83	529
Additions	-	-	37	37
Transfer	-	-	-	-
Disposals	-	-	-	-
At 31 March 2023	-	446	120	566
Amortisation				
At 1 April 2022	-	162	-	162
Charge	-	86	-	86
Transfer	-	-	-	-
Disposals	-	-	-	-
At 31 March 2023	-	248	-	248
Net book value				
At 31 March 2023	-	198	120	318
At 31 March 2022	-	284	83	367

Note: Assets under construction relates to the ongoing development of DARTS, (the Groups CRM system). These costs are transferred to computer software and amortised from the first month of going live once developments are released and go live.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2023

8 Tangible fixed assets

	Leasehold Improvements	Computer equipment	Office equipment	Total
	£000	£000	£000	£000
Group				
Cost				
At 1 April 2022	54	91	285	430
Additions	-	15	-	15
Transfers	-	-	-	-
Disposals	-	-	-	-
At 31 March 2023	54	106	285	445
Depreciation				
At 1 April 2022	54	63	248	365
Charge	-	17	16	33
Disposals	-	-	-	-
At 31 March 2023	54	80	264	398
Net book value				
At 31 March 2023	-	26	21	47
At 31 March 2022	-	28	37	65
IAM				
Cost				
At 1 April 2022	54	91	285	430
Additions	-	15	-	15
Transfers	-	-	-	-
Disposals	-	-	-	
At 31 March 2023	54	106	285	445
Depreciation				
At 1 April 2022	54	63	248	365
Charge	-	17	16	33
Disposals	-	-	-	-
At 31 March 2023	54	80	264	398
Net book value				
At 31 March 2023	-	26	21	47
At 31 March 2022	-	28	37	65

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2023

9 Fixed asset investments

	Group		IAM	
	£000	£000	£000	£000
Shares in subsidiary companies (see below)				
Cost at 1 April 2022 and 31 March 2023		-		130
Listed investments				
Market value at 1 April 2022	8,195		8,195	
Net additions / (disposals)	(592)		(592)	
Net (loss)/gain on investment assets	(718)		(718)	
Market value at 31 March 2023		6,885		6,885
Cash				
At 1 April 2022	248		248	
Decrease in cash	(88)		(88)	
At 31 March 2023		161		161
		7,046		7,176
Shares in subsidiary companies (see below)				
Cost at 1 April 2021 and 31 March 2022		-		130
Listed investments				
Market value at 1 April 2021	7,784		7,784	
Net acquisitions	(13)		(13)	
Net gain on investment assets	425		425	
Market value at 31 March 2022		8,196		8,196
Cash				
At 1 April 2021	117		117	
Increase/ (decrease) in cash	131		131	
At 31 March 2022		248		248
		8,444		8,574

9.1 Subsidiary companies

IAM Drive & Survive Limited (registered number 2019635) provides risk management and corporate driver training services.

IAM Driver Retraining Academy Limited (registered number 08248082) provides Drink Drive Rehabilitation Scheme courses.

Institute of Advanced Motorcyclists Limited (registered number 5889513) manages arrangements with brokers for the IAM Group's exclusive insurance scheme for IAM RoadSmart members.

IAM owns 100% of the issued share capital of the above companies, all of which are incorporated and registered in England and have the same registered address as IAM. IAM also owns 100% of the issued share capital of Drive & Survive UK Limited, IAM Motoring Trust Trading Limited, Professional Driver Services LTD, IAM Group Services LTD, and IAM RoadSmart Limited, all of which are registered in England and none of which has traded during the year.

9.2 Listed investments

The cost of listed investments at 31 March 2023 was £7,045,616 (2022: £6,825,620). There were no underlying holdings with an individual market value in excess of 5% of the total market value at 31 March 2023 (2022: none).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2023

10 Investment income

	Group	
	2023	2022
	£000	£000
Income from investments	221	173
Bank interest receivable	1	1
	222	174

11 Stocks

	Group		IAM	
	2023	2022	2023	2022
	£000	£000	£000	£000
Goods for resale and consumables	50	91	47	56

12 Debtors

	Group		IAM	
	2023	2022	2023	2022
	£000	£000	£000	£000
Amounts falling due within one year:				
Trade debtors	290	380	11	40
Taxation recoverable	140	104	140	104
Amounts due from group undertakings	-	-	984	1268
Other debtors	1	29	1	2
Prepayments and accrued income	364	188	350	165
	795	701	1,486	1,579

Amounts due from group undertakings include amounts owed by trading subsidiaries to IAM, which carry interest at 2% above base rate. There are no other terms to these advances. No interest is charged on amounts due from dormant subsidiaries.

13 Creditors

	Group		IAM	
	2023	2022	2023	2022
	£000	£000	£000	£000
Amounts falling due within one year:				
Trade creditors	419	457	354	346
Amounts due to group undertakings	-	-	3,148	2,832
Other taxation and social security	85	81	83	81
Accruals and deferred income	1,098	833	495	418
Other creditors	36	32	36	32
	1,638	1,403	4,116	3,709

Deferred income represents payments in advance for Drink Drive Rehabilitation Scheme courses, Skills Days and on-road driver training.

	Group	IAM
	£000	£000
Deferred income at 1 April 2022	490	93
Amount deferred in year	422	225
Amount released in year	(177)	(159)
Deferred income at 31 March 2023	735	159

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2023

14 General funds

	Group		IAM	
	2023	**2022**	**2023**	**2022**
	£000	**£000**	**£000**	**£000**
At 1 April	9,028	8,680	7,561	7,357
Gain/(deficit) for the year	(1,769)	348	(2,084)	204
At 31 March	7,259	9,028	5,478	7,561

15 Taxation

The IAM is a registered charity and is exempt from corporation tax on its charitable income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

16 Operating leases – Group

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Rental of office premises		Motor vehicles	
Amounts due:	**2023**	**2022**	**2023**	**2022**
	£000	**£000**	**£000**	**£000**
Within one year	141	124	61	72
Between one and five years	482	582	42	108
	623	706	103	180

A variation to the existing lease for the office premises was entered into during the year which provides for an additional rent-free period from September 2021 through to June 2022.

17 Reconciliation of net expenditure resources to net cash outflow from operating activities

	Group	
	2023	**2022**
	£000	**£000**
Net operating income/(expenditure)	(1,051)	(77)
- Investment income	(222)	(174)
	(1,273)	(251)
Depreciation	32	60
Amortisation of computer software	86	89
(Increase)/decrease in stocks	41	(5)
(Increase)/decrease in debtors	(94)	(36)
Increase/(decrease) in creditors	235	322
Net cash inflow from operating activities	(973)	179

18 Reconciliation of net debt

The Group has no borrowings and has not entered into any finance leases. The analysis of the changes in net debt are summarised in the table below.

	Group		IAM	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Cash at start of year	763	646	629	462
Cash flows	(122)	117	(109)	167
Cash at end of year	641	763	520	629

19 Contingent liabilities

There are no contingent liabilities for the year ended 31 March 2023 (2022: £nil).

The IAM is a member of a VAT group which also comprises certain subsidiaries: IAM Drive & Survive Limited, IAM Group Services Limited and Professional Driver Services Limited. The IAM will be liable for any VAT amounts payable by these entities.

20 Capital commitments

At 31 March 2023, there were capital commitments contracted but not provided totalling £37,000 (2022: £80,000).

21 Financial instruments

	Group		IAM	
	2023	2022	2023	2022
	£000	£000	£000	£000
Financial assets				
Equity and debt instruments measured at fair value through income and expenditure	6,900	8,196	6,900	8,196

Financial assets measured at fair value through income and expenditure include assets held in the listed investment portfolios (see note 9) for which there is a readily obtainable price quoted in an active market.

22 Related parties

Transactions between group entities for the year are detailed in note 3.2 and comprised management fees and interest receivable/payable on inter-company loans with IAM.

At 31 March 2023, IAM owed £415k (2022: £199k owed) to IAM Driver Retraining Limited
At 31 March 2023, IAM owed £224k (2022: £222k owed) to Professional Driver Services LTD.
At 31 March 2023, IAM owed £1,398 from (2022: £1,304k owed from) IAM Drive and Survive Ltd.
At 31 March 2023, IAM owed £175k (2022: £168k owed to) IAM Group Services Limited
At 31 March 2023, IAM owed £2,749k (2022: £2,278k owed from) Institute of Advanced Motorcyclists Ltd

No other related party transactions were incurred in the period.

THE INSTITUTE OF ADVANCED MOTORISTS LIMITED

England & Wales - Charity number 249002

Accounts

INSTITUTE OF ADVANCED MOTORISTS LIMITED(THE)

(Limited by guarantee)

Report of the Council and Financial Statements

for the year ended

31 March 2022

Company No. 562530

Registered Charity Nos: 249002 (England & Wales) and SC041201 (Scotland)

INSTITUTE OF ADVANCED MOTORISTS LIMITED(THE)

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REPORT OF THE COUNCIL

Reference and Administration

The Council (trustees who are also directors of the company for the purposes of the Companies Act) present their annual report and the audited financial statements for the year ended 31 March 2022 of the Institute of Advanced Motorists Limited ('IAM'), (Companies House Registered number: 562530; Registered Charity Numbers 249002 (Charity Commission, England and Wales) and SC041201 (Office of the Scottish Registered Charity Regulator)).

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") (effective 1 January 2019). The names of the Patron, President, Vice President, Council - Trustees, and Senior Leadership Team who served during the year and since the year end are shown below.

Patron	HRH Prince Edward, The Duke of Kent
President	Nigel Mansell CBE
Vice Presidents	Sir Peter Bottomley
	Steven Norris
	Nick Ross

Council - Trustees	**Committee Membership**
Stuart Malcolm Donald QPM	Chairman (1,2,3,4)
Jeffrey Willcocks	Vice Chairman
Georgina Gaye Bromage	(Resigned 7 September 2021)
Anthony Steven Cearns	(1-Chair)(Appointed 22 July 2021)
Elizabeth Marguerite Coyle-Camp	(2)
John Mark Jenkins	(1,2-Chair,3)
Samantha Jane Kane	(3-Chair) (Appointed 23 September 2021)
Nicholas David John Lomas	(1, 4-Chair)
Dr Bradley Poulson	
Nicholas John Anthony Stein	(2)

Committees:

1. Finance & Audit Committee
2. Marketing & Communications Committee
3. Remuneration Committee
4. Nominations Committee

Senior Leadership Team

Antony Kildare	Chief Executive (appointed 1 April 2022)
Tony Greenidge	Chief Executive (resigned 31 March 2022)
Simon Boyd	Programme Director (appointed 20 June 2022)
Karolina Brzeska	Head of Membership Engagement (appointed 4 July 2022)
Gordon Clelland	Operations and IT Director
Richard Gladman	Head of Driving & Riding Standards & Product Development
Neil Greig	Policy & Research Director
James Hall	Sales & Marketing Director (resigned 30 April 2022)
Neil Harris	Finance Director (resigned 30 April 2022)
Kat Hyde	Head of Marketing & Communications (appointed 28 July 2021)
Tom Kelman	Interim Finance Director (appointed 19 May 2022)
Amanda Smith	Head of Field Service Delivery
Nicola Smith	Head of HR & Compliance

Company Secretary	ARM Secretaries Limited (appointed 22 July 2021)
	Neil Harris (resigned 22 July 2021)
Registered Office	1 Albany Place, Hyde Way, Welwyn Garden City, Hertfordshire, AL7 3BT

Professional Advisers

Statutory Auditor	Crowe U.K. LLP, 55 Ludgate Hill, London, EC4M 7JW
Bankers	HSBC Bank plc, 60 Queen Victoria Street, London, EC4N 4TR
Investment Managers	J M Finn & Co Limited, 4 Coleman Street, London, EC2R 5TA
	Rathbone Investment Management, 8 Finsbury Circus, London, EC2M 7AZ
	Ruffer LLP, 80 Victoria Street, London, SW1E 5JL

REPORT OF THE COUNCIL (continued)

Structure, Governance and Management

Objects

IAM's objects are to improve the standard of driving and the promotion of road safety for the public benefit, in particular by (but not limited to) the operation of an advanced test.

Public benefit

The trustees have considered the requirement for IAM's aims to be demonstrably for the public benefit. In doing so, the trustees have had regard to the Charity Commission's guidance on public benefit.

Primary activities

IAM seeks to achieve its objects and fulfil its public benefit requirement by funding and evolving the following activities.

1) Promoting the IAM RoadSmart brand as the UK's leading road safety charity and advocate, helping to improve driving and riding skills through courses and coaching.
2) IAM's advanced driving test was launched in 1956 and an advanced test for motorcyclists was introduced in 1976. Through programmes delivered by IAM's volunteer network, the skills taught and tested are constantly updated for the ever-changing features and challenges of the UK's roads and vehicle technologies. By improving awareness of hazards and risk and teaching best practice techniques, IAM reduces the likelihood drivers and riders will put themselves into a position of danger through error or omission.
3) IAM RoadSmart groups exist throughout the UK, with volunteers delivering support and advice to drivers and riders seeking to improve their driving and riding skills, many of whom go on to pass the Test. Since inception, IAM has awarded advanced status to over 500,000 drivers and riders.
4) IAM continues to serve the demand from professional driving organisations seeking to enhance their internal driver training programmes by accrediting them with the Advanced Driver qualification.
5) Lobbying and original road safety research, together with publicity using social and broadcast media and the Press as well as direct communication to IAM RoadSmart Members are important features of IAM's work to promote road safety. Regular tips, blogs and Press Releases are also used to help all drivers and riders improve their skills as we seek to "inform and influence" on road safety issues. RoadSmart magazine continues to be the communication valued by Members as their primary source to reinforce IAM RoadSmart Members' knowledge and awareness of road safety issues.
6) The IAM Group offers driver training for companies whose workforce undertake business related driving. Drive & Survive training falls into the following categories:

    - licence checking - to ensure that all drivers are legally able to drive and/or are entitled to drive specific categories of vehicle;
    - driver audits and risk assessments - to build a profile of drivers and test their basic road knowledge;
    - e-learning - a package of training modules delivered on-line with each focussing on specific aspects of driving skill. Content can be designed to meet specific customer requirements; and
    - on road training - for drivers and riders who have been identified as having the need for a more intensive intervention with a professional fleet trainer.

7) Through IAM Driver Retraining Academy (DRA), the IAM Group offers retraining for offenders through delivery of drink-drive rehabilitation scheme courses.

Council acknowledges that the success of IAM's activities is dependent on the goodwill and commitment of volunteers operating within IAM RoadSmart groups. Council expresses its appreciation for the commitment and dedication of those volunteers without whom IAM would be unable undertake core advanced driving and riding programmes and related membership activities in their current guise. Council also takes the opportunity to commend the large number of volunteers and staff who have utilised their advanced driving and riding skills to support the NHS and emergency services during the Covid-19 pandemic; besides such activity being of value in and of itself, it also serves to enhance the reputation of IAM and provides the opportunity to demonstrate the value of advanced driving and riding skills to a wider audience.

REPORT OF THE COUNCIL (continued)

Structure, Governance and Management (continued)

Strategy

Council last reviewed its Mission, Vision and Strategic Goals in 2020/21 with the aim of improving clarity and enhancing their relevance in the face of ongoing changes that impact driving and riding and in societal expectations.

Mission
- to improve road safety through the provision of training, education and rehabilitation programmes underpinned by a nationally recognised Advanced Driving/Riding Test.

Vision
- to create a safer, greener, and highly skilled community of drivers and riders.

Strategic goals
- make our roads safer through the delivery of tailored training and education programmes specific to the needs of each driver and rider;
- maintain financial stability and ensure investment is available to support our charitable objective;
- be an agile and progressive organisation that embraces change and industry innovation and adapting its products and services appropriately;
- be recognised in the transport and road user community as the authority and 'go to' expert on both driving and riding standards;
- grow the organisation and ensure our products and services are relevant and accessible to all, regardless of age, race, gender, disability, or sexual orientation;
- within each local community be a positive advocate for drivers and riders by lobbying key road safety regulators and government stakeholders; and
- to influence key decision and policymakers through our leading expertise in motoring road safety best practice and industry-shaping research, evaluation, and evidenced-based initiatives.

The Council with the support from the Senior Leadership Team are currently engaged in developing a new long-term strategy for IAM RoadSmart and will revisit the Objectives, Mission, Vision and Strategic Goals in the light of the agreed strategy when finalised.

Constitution & Membership

IAM was established on 10 March 1956 as a company limited by guarantee and is governed by a Memorandum and Articles of Association, which were adopted by Special Resolution on 20 February 2009 and amended by Special Resolution on 18 November 2009.

IAM operates the Advanced Driver and Rider Tests ("Test(s)"). Individuals who successfully pass these Tests (or are eligible for exemption) are IAM RoadSmart Members (or "Members") subject to payment of membership subscriptions. Prospective members who have not yet passed the Tests are classed as Associate Members (or "Associates"). IAM's Memorandum and Articles of Association provide that the following matters are subject to the determination of IAM RoadSmart Members at Annual or other General Meetings.

- Receiving the Council's report on the Company's activities since the previous Annual General Meeting.
- Electing members of the Council.
- Varying the annual Membership subscription.

Subsidiary Undertakings

IAM's three subsidiary undertakings that were active during the year were as follows.

- IAM Drive & Survive Limited ("Drive & Survive") provides corporate risk management and driver training services.
- IAM Driver Retraining Academy Limited ("DRA") which provides drink drive rehabilitation courses.
- Institute of Advanced Motorcyclists Limited which provides access to insurance services to Members.

Two subsidiaries were made dormant at the beginning of the year, namely IAM Group Services Limited and Professional Drive Services Limited.

REPORT OF THE COUNCIL (continued)

Structure, Governance and Management (continued)

Corporate Governance

Appointments to Council

The Council consists of such IAM RoadSmart Members as shall from time to time agree on the invitation of the Council, to serve as a trustee on the Council. The Nominations Committee of the Council is responsible for identifying potential new trustees and making recommendations to Council. New trustees who join the Council during the year are required to offer themselves for election at the next Annual General Meeting. New trustees are selected based on the skills, expertise and experience they bring to the Council. A role definition for trustees is in place.

Induction and training

All new trustees receive an induction briefing, which includes their general charity and company law responsibilities, IAM's Memorandum and Articles of Association and the functions of IAM's Council, committees, and management. Training for trustees is provided when required, including updates on best practice in charity governance.

Rotation of trustee appointments

Stuart Malcolm Donald, John Mark Jenkins, and Nicholas John Antony Stein retire from the Council at the next AGM under Article 21 and offer themselves for re-election at the next Annual General Meeting.

Charity Governance Code

Trustees on the Council take their governance responsibilities seriously and aim to have a governance framework that is fit for purpose, compliant and efficient. An assessment of compliance with the Charity Governance Code has been deferred until the 2022/23 year. That assessment will include an evaluation of the skills, experience and effectiveness of trustees, the identification of any gaps with what is considered appropriate based on best practice, and recommendations from the charity regulator and appropriate professional associations, along with plans to mitigate and remedy such gaps.

Decision Making, Committees, and IAM RoadSmart groups

The Council seeks to ensure it has an appropriate mix of skills and experience to discharge its responsibilities effectively and in line with good governance practice and is assisted in its work by three committees to which certain powers and responsibilities are delegated. The members of the **committees** are set out on page 2 of this report.

The **Finance & Audit Committee** is responsible for ensuring financial reporting obligations are met for IAM and its subsidiaries (together "the IAM Group"). This involves ensuring the statutory financial statements for the IAM Group are properly audited and that accepted recommendations of the auditors are implemented. Whilst also establishing, maintaining, monitoring, and reviewing financial controls throughout the IAM Group, to safeguard its assets and ensure its financial integrity. The Committee also confirms that IAM's investment policy is appropriate and monitors the performance of those investments and confirms IAM's reserves policy is appropriate.

The **Marketing and Communications Committee** has oversight of the IAM Group's marketing and communications activities including public relations and lobbying, with the aim of advising how to maximise the benefit of those activities, and on strategic growth opportunities and threats.

The **Remuneration Committee and remuneration policy** approves the remuneration of IAM's Senior Leadership Team and monitors the overall remuneration policy across the IAM Group. The Senior Leadership Team determines the salaries of all other executive staff within budget parameters set by Council.

The **Nominations Committee** is tasked with assessing the structure and composition of the Council, specifying requirements for trustee and senior executive positions, identifying, and assessing candidates and making recommendations to the Council regarding appointments to those roles.

The day-to-day management of the IAM Group is delegated by the Council to the Chief Executive and the Senior Leadership Team listed on page 2.

IAM RoadSmart groups are geographically based independent charities or other entities that are affiliated to IAM subject to the Group Rules which are maintained by IAM. Accordingly, the IAM Group's consolidated financial statements do not incorporate the financial statements or activity of IAM RoadSmart groups.

REPORT OF THE COUNCIL (continued)

Structure, Governance and Management (continued)

Risk management and internal control

The IAM Group has a formal process for assessing risks and implementing risk management strategies. This involves identifying risks and prioritising them in terms of likelihood of occurrence and potential impact, together with devising and implementing mitigations as considered appropriate. Risks registers maintained by individual departments are reviewed by the CEO and those risks identified as strategic in nature are now included as a standing agenda item for the Council meetings for further consideration by trustees. The Finance & Audit Committee also ensures appropriate procedures are in place to identify and minimise financial risk to the IAM Group, including the risk of fraud. The principal risks to which the IAM Group is exposed and the mitigations in place to manage these risks are set out below.

Risk	Management of risk
Reduction in core income arising from the decline in the number of members. Now also impacted by rising inflation the UK cost of living crisis as well as the ageing demographic of our Membership.	Develop and implement plans to improve the communication and provision of services to members. This includes contacting recently lapsed members to encourage them to renew their membership. Campaigns to encourage members to pay their annual subscriptions by direct debit and encouraging more members to sign up for Gift Aid. Campaigns and product development to attract all generation groups. Diversify the sources of income. Regularly reviewing and revising pricing policies considering cost-of-living pressures.
Decline in the strength of the IAM groups affiliate network and volunteers.	The dedicated field service team is tasked, inter alia, with supporting IAM RoadSmart groups on a regional basis and assisting them to adopt best practices.
Decline in the capacity of the contracted base of Advanced Driving Instructors ('ADIs').	Developing a recruitment strategy for ADIs and seeking a closer relationship with those ADIs who choose to benefit from working with the IAM Group.
IT systems, including DARTS implementation.	Negotiating fixed price contracts or tight budgetary control with IT suppliers, adopting rigorous testing and acceptance procedures, and reviewing regular project plan progress reports with a steering group chaired by the Chief Executive Officer.
IT – Cybersecurity.	Thorough software update regime, robust backup procedures, subject to quarterly firewall penetration testing, carried out by an independent cyber security consultancy. The IAM Group has installed the latest firewall systems and has anti-virus software installed on all devices, with spam/virus filters actively managed and regular software updates on all interfaces with the outside world.
Investment underperformance and volatility of investments markets affecting investment valuations.	Maintaining investment portfolios with differing investment strategies and risks. Regular review of investment managers assessing their performance against benchmarks, portfolio construction and asset allocation, portfolio risk attitudes, service levels and costs.
Line management capabilities and succession planning for key staff.	A review was undertaken of succession planning to identify those roles where there was not a 'natural' successor within the IAM Group culminating in key staff recruitment and the formation of a Senior Leadership Team.
Long term strategy.	Council, and the Senior Leadership Team have established a working group to evolve the strategic review that commenced in 2021.

Fundraising activity

During the year ended 31 March 2022, the IAM Group did not carry out any activities to raise funds from the public.

REPORT OF THE COUNCIL (continued)

Strategic Review

Review of activities and achievements

Our activities continued to be materially impacted by Covid-19 during the year ended 31 March 2022 as the UK remained under unprecedented restrictions for most of the year. This meant IAM Group along with its community of volunteers and IAM RoadSmart groups were severely restricted and/or unable to perform and deliver most of our services face to face with our Members and other third parties seeking our support.

Some of the most notable achievements in the year were as follows.

- We returned to Skills Day events, successfully delivering 15 of the 16 planned, plus Skills Day Plus events, and events with Adventure Bike and Motorcycle Live.
- Successfully lobbied the Driver and Vehicle Standards Agency and Welsh Government to allow online drink drive course delivery and renewed Welsh Licence.
- Increased the profile of IAM RoadSmart in the media utilising research papers and expert commentary.
- Engaged with the Department for Transport and selected to contribute to communications that will support the launch of the new Highway Code.
- Embarked on a webinar programme providing learning and CPD opportunities for Observers.
- Expertise in Drink Rehabilitation Re-education has resulted in requests from the Government to submit recommendations for a new Drug rehabilitation course. Continued development of our core DARTS/CRM system to support member communication, online functionality, and visibility for Groups.
- Increased GDPR capability via DARTS/CRM system, improving the integrity and security of membership data.
- Direct Debit collections started in June 2021.
- Group Event Payments Systems – PDQ Devices and training.
- Successfully implemented SharePoint and OneDrive, improving IT resilience and business continuity.

The progress made in the IAM Group by company may be summarised as follows.

Institute of Advanced Motorists Limited

We finished the year with 73,367 live Members which was above our target of 72,000.

Despite ongoing Covid-19 restrictions, and a slightly staggered return to the roads this year, 3,243 associates passed their Advanced tests this year. Bike groups returned to training in early April, but Car Groups didn't return until later in May due to continued Covid-19 restrictions. Restrictions and Government guidance remained a challenge throughout the year with different nations supporting different guidelines and car groups in particular exercising more caution when returning to all activities.

We ended the year with 1,431 qualified Observers which was slightly behind the target of 1,500 set.

The operations team achieved a 98% success rate against a target set of 95% on incoming calls answered. Whilst 100% of all emails were answered compared to a target of 95%. We have seen a significant increase in call volumes this year with the team fielding c.99k calls and emails in the first nine months of the financial year averaging c.11k calls and emails each month.

REPORT OF THE COUNCIL (continued)

Strategic Review - Review of activities (continued)

Institute of Advanced Motorists Limited (continued)

This year we undertook several activities to build awareness and education. A calendar of webinars was developed and commenced in March 2021. Designed to provide Continued Professional Development opportunities for IAM Observers and a series of interesting, educational topics for all. The topics included Neurodiversity and Observation, Tone of Voice, Hazard Awareness and Smart Motorways. The Drink Drive - The Myths & Facts held in June 2021 received the highest level of interest. In addition, a bespoke session was delivered to The Manufacturing Technology Centre Ltd their apprentices. Further sessions with a wider scope are in development.

RoadSmart Magazine continues to develop, and readers feedback and engagement continues to increase with each issue. Our newsletters, Members Polls and communications regularly attract thousands of opinions which are used by our Policy & Research and Marketing & Comms teams to optimise and build on new campaigns and to create engaging, educational content for broadcast, online and print media and social media channels.

One of our key areas of support is influencing key decision makers and our activities and progress in this area are summarised below.

Research and Lobbying

Building on the previous years, IAM's policy and research activities continued at a steady pace this year. We were invited to participate on the communications steering group for the upcoming Highway Code changes which were finally announced at the end of January 2022. IAM RoadSmart communicated the upcoming changes to members and through our social media, press and online channels throughout the year. We benefited in terms of media coverage and engagement, being ahead of the curve with information in line with the launch date at the end of January 2022 resulting in significantly increased traffic and awareness across all audiences.

Key policy updates and legislation

During the year, the IAM RoadSmart Policy & Research team undertook surveys and generated successful media coverage and commentary on topics such as Smart Motorways, Government announcements and policy updates, latest statistics on speeding, drink driving, towing legislation, MOT issues and changes to rules around mobile phones, e-scooter trials and usage and returning to driving after lockdown. IAM also joined the Department for Transport Road's Safety Delivery Group and participated in several ministerial briefings.

The Older Drivers report, funded by the Department for Transport in collaboration with Dr Carol Hawley, from the University of Warwick was published and publicised in September 2021 and in February 2022 IAM RoadSmart issued its 6th annual Safety Culture Report which generated increased press coverage around key statistics.

A request to support the building on our long-term relationship with the FIA, IAM RoadSmart have been chosen to select two young drivers from our UK network for the FIA International Best Younger Driver 2022 Competition. IAM RoadSmart will pick two individuals to represent the UK against 16 other countries at the FIA final in October held in Spain.

IAM Drive & Survive Limited ("Drive & Survive")

Our commercial modules, assessments (Drive & Survive) and activities continued to be challenged and impacted by the Covid-19 pandemic restrictions. While restrictions eased in June 2021, the guidance was different across the four UK Nations and with guidance being continually changed, a backlog of courses, and fuel prices we have met further challenges along with limited resources at the end of 2021.

As a result, revenue was significantly impacted, and we achieved less than 50% of the sales target of 2,000 courses ending the year at 885 sales. We continued to promote e-learning modules via our newsletters with the refreshed, enhanced video content and improved educational engagement which are included as part of the CHOICES offering integrates licence checking, risk management and e-learning.

In March 2022, we resumed awareness around driving for work by exhibiting at several health and safety and fleet events, giving exposure and attention to the growing number of vans on UK roads, highlighting the pressures and risks associated to van driving.

REPORT OF THE COUNCIL (continued)

Strategic Review - Review of activities (continued)

IAM Drive & Survive Limited ("Drive & Survive") (continued)

In 2021 despite increased online, marketing and in person activity we achieved 656 sales of new Exemption Members. 66% of the target set. Due to resources, timing, and ongoing Covid-19 guidelines and restrictions we are unable to maximise all planned events.

Total Advanced Courses held were 4,486, significantly higher than the target set of 3,228. Riders account for over 61% of sales achieving 2,743 for the full year, compared to Advanced Driving Courses at 1,743. The increased uptake of riding courses and interest and support for motorcyclists is reflected in the group dynamic. To date we have 174 groups spread across the UK. Of those 64 are Bike, 79 Car and the remaining 31 are a merged group incorporating driving and riding.

IAM Driver Retraining Academy Limited ("DRA")

Our drink drive rehabilitation referrals against original budgeted figures were slightly down this year at 8,086 against a target of 10,900.

Due to relaxed Covid-19 guidelines some courses returned to central classroom venues from 1st July 2021, but the majority have remained as online offerings. We are currently using six venues in Birmingham, Cardiff, Camden, Leeds, Nottingham, Swansea, identified according to demand increasing capacity to accommodate more delegates.

We will continue to deliver the Drink Drive Rehabilitation Scheme in Wales. We received confirmation of our successful Licence renewal in July 2021 which now runs until 23 June 2025.

We delivered several presentations to encourage Magistrate Engagement.

Our course remains a key area of education and rehabilitation for those who exceed drink drive limits. We will continue to work in conjunction with the courts to ensure that education is requested and undertaken versus a fine.

Institute of Advanced Motorcyclists Limited

The company continues to manage the IAM Group's arrangements with insurance brokers and derives its income from commissions on introductions to motor insurers and other bodies. The company experienced a 10.8% or £34k reduction in commission income which declined from £315k in the year ended 31st March 2021 to £281k in the year ended 31st March 2022. We continue to work with our partners to ensure our Members' get value for money.

REPORT OF THE COUNCIL (continued)

Strategic Review (continued)

Future activities

As can be noted from the above IAM Group activities have been impacted severely by Covid-19 during 2021-2022. It is also clear that trends in Membership numbers and total income were already on a downward path before the pandemic period (from March 2020 to February 2022).

Given this historic trend and the fact that at the current time when capacity and organisational resilience are already being challenged, it is imperative that the delivery of current services and activities continue, and that momentum and business continuity are maintained. Though these are being managed effectively in the short term, sickness absence, unfilled posts and staff turnover are some of the issues creating challenges on the workforce. Longer term this is unsustainable, and Council has therefore taken decisive action to endeavour to get back to a position that will be sustainable for the IAM Group and its Membership before reserves are at a level which will make it impossible for the Group to continue in its current operational structure to deliver services and benefits.

This action started in mid-2021 with support from an external facilitator, Tomorrow Today Company (TTC), and by May 2022 Council had appointed a new Senior Leadership Team to lead the organisation back to financial stability and growth. 2022/23 and 2023/24 will therefore be a period of transformation as Council and the Senior Leadership Team work together to establish a short-term recovery strategy and then a medium to long term strategy.

Council recognise that the operating environment has changed markedly since the original work with TTC was commissioned. Post pandemic, workforce health and wellbeing, Brexit implementation, the Russia – Ukraine war, global cyber security breaches, oil, gas and fuel prices, food shortages, poverty, low unemployment and increasing job vacancies, fiscal and economic volatility and unpredictability are some of the factor determinants affecting countries and nations globally including the UK, creating greater instability and insecurity. Inflationary pressures are likely to remain high into 2023-24 which could impact demand on our services, donations, Membership and running costs as well as staff attrition/retention.

Building on the work undertaken with TTC and taking account of changes in the operating environment, considerations have been given to move forward with developing an evolving strategy fit for IAM Group and its stakeholders.

Further up to date information about these critical developments will be presented at Autumn Forums and upcoming IAM RoadSmart Question Time Webinars and at the next AGM due to be held on 24 November 2022. The webinars will focus on strategy, government lobbying, and products opened to a wider group of Members vs the Forums which are targeted at Group Chairs.

With regards to the Autumn Forums, there are 7 sessions planned to be held across the UK with forums taking place in each of the devolved Nations, supported by members of the Senior Leadership Team. This is an opportunity for Group Chairs and Secretaries (plus guests) to engage with the Senior Leadership Team and feel considered as part of our strategy and engaged in other discussions.

REPORT OF THE COUNCIL (continued)

Strategic Review - Financial review

Review of finances

The Group Statement of Financial Activities on page 17 shows a net movement in funds of £0.35m surplus (2020/21: £1.44m surplus). However, the underlying operating result for the year (before investment income and gains on the investment portfolio) was a deficit of £0.25m (2020/21 a deficit of £0.1m).

The financial results were partially influenced this year by Covid-19 pandemic restrictions. Council and the Senior Leadership Team are now focussed on identifying and rectifying the inherent factors driving the underperformance that have contributed to these operating deficits to get back to a break-even operating position and then start to replenish reserves for further transformational change to combat the impact of an ageing and thus declining Membership base.

The Balance Sheets on page 18 show that the net assets of the Group have increased by £0.35m from £8.68m to £9.03m due to the net investment returns for the year of £0.60m exceeding the operating deficit in the year of £0.25m. All funds held by the Group at year end were unrestricted and undesignated.

Reserves

The Finance & Audit Committee currently considers it appropriate for the IAM Group to maintain reserves of at least twelve months forward operating costs to meet current and future investment needs and considering the negative impact on the delivery of some services because of the recent pandemic which may recur. This level of reserves is appropriate given the opportunities and challenges Council has identified it needs to tackle in the coming years to get back to a balanced break-even operating budget by no later than 2023/24.

Free reserves are defined as undesignated, unrestricted funds not including funds representing tangible and intangible fixed assets and represent funds that are readily available to help IAM meet its objectives.

As at 31 March 2022, the IAM Group's free reserves were c.£8.60m (2021: c.£8.22m). This level of reserves represents over fifteen months of forward operating costs based on the 2022/23 original budget reviewed by Council in February 2022.

The original 2022/23 budget is now being reviewed by the new Senior Leadership Team to ensure the assumptions underlying it are realistic and robust given the increasing uncertainty and inflationary pressures being experienced across the UK at the current time

It is also recognised by Council that reserves will have to be earmarked for necessary business transformation activities to resolve the lack of underinvestment in key areas in recent years.

Investment policy

IAM's investment policy is aimed at securing the best financial return from its investments with an acceptable level of risk through engaging reputable and experienced external investment managers with specified investment mandates.

The trustees are actively reviewing the performance of all managers considering recent downturns in valuations and performance due to the material uncertainties at the current time. And the trustees will revisit their risk appetite and the investment policy and strategy. This will also involve determining if the managers offer the correct strategy to meet IAM's future needs and risk appetite agreed by the trustees.

Income is not drawn from the investment portfolios on a regular basis and is instead reinvested so that the portfolios have a total return (combined income and capital return) objective, with access to drawdown funds to finance operational needs as and when required.

The market value of IAM's investment portfolios at 31 March 2022 was £8.44m (2021: £7.90m) held with three investment managers, JM Finn & Co, Ruffer LLP, and Rathbone Investment Management.

The objective of the JM Finn & Co portfolio is to achieve a combined return from income and capital. The portfolio is managed on a discretionary basis and is invested across a range of asset classes including equities, bonds, property, cash, and alternatives using both direct investments and pooled investment vehicles. Performance (net of fees) is assessed against the MSCI/PIMCA WMA Balanced index to take account of non-UK assets, although the formal agreement with JM Finn is to benchmark performance against a 70% FTSE all-share/30% FTSE UK Gilt benchmark. The value of the portfolio as at 31 March 2022 was £3.51m (2021: £3.27m). The portfolio gained 7.35% (2020/21: 23.5% gain) during the year compared to the benchmark gain of 7.8%.

REPORT OF THE COUNCIL (continued)

Strategic Review - Financial review (continued)

Investment policy (continued)

Performance of the Ruffer LLP portfolio, is measured against the objective of never losing money in any twelve-month period and generating returns (net of fees) ahead of the "risk free" alternative of depositing money in a reputable bank, with no benchmark. The Ruffer LLP portfolio is invested in a segregated fund that follows the Ruffer LLP absolute return investment strategy, which manages risk by spreading investment across a variety of conventional assets, including equity, bond, commodity, and currency positions, utilising both direct investments and pooled investment vehicles. Over the year, the market value of investments in the portfolio increased by 7.0% (2020/21: 21.9% gain) to £2.48m (2021: £2.32m), compared to the benchmark return of 7.0%**,** reflecting Ruffer LLP's asset allocation which benefited from strong rises in sovereign bonds, and indexed-linked bonds.

The objective of the Rathbone Investment Management portfolio, which was valued on 31 March 2022 at £2.46m (2021: £2.32m), is to generate a combined return from capital growth and income of CPI plus 3% over the medium term. Although the investment strategy is a discretionary one, allowing the investment manager to invest the portfolio across diversified asset classes (including cash, bonds, equities, property, hedge funds, structured products, private equity, and commodities), to date the portfolio has been invested solely in the Rathbone Active Income & Growth fund (income units) which is similarly diversified. The Rathbone portfolio gained 6.30% (2020/21: 23.4% gain) in the year, compared to a benchmark gain of 10.22%.

IAM's investment policy is that where balances of more than £1.50 million of IAM Group's cash balances are deposited or are likely to be deposited with institutions with a minimum long-term debt rating of below 'A-' this should be communicated to and considered at the next Finance & Audit Committee meeting, but that in any case balances of up to £2.0 million may be deposited with the IAM Group's current principal bankers, HSBC.

Going Concern

The trustees have assessed the ability of IAM and the IAM Group to continue as a going concern. That assessment included consideration of the recent trading performance, the level of investments held as reserves and the associated risk profile of those investments, the key risks faced by the IAM Group as described under 'Risk management and internal control' on page 6, together with the underlying budgets for 2022/23 and a roll forward of the budget for 2022/23 using prudent assumptions. The trustees' assessment is that IAM and the IAM Group will remain going concerns for a period of at least 12 months from the date of approval of this report and of the financial statements.

Related parties

None of the trustees receives remuneration or other benefit from their activities as a trustee with IAM. Any connection between a trustee or member of the Senior Leadership Team of IAM and a contractual party must be disclosed to the Council. During the year under review, no such related party transactions were reported.

Statement as to disclosure of information to the auditor

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company and group's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

Crowe U.K. LLP has indicated its willingness to continue in office.

REPORT OF THE COUNCIL (continued)

Statement of trustees' responsibilities

The trustees (who are also directors of IAM for the purposes of company law) are responsible for preparing the Report of the Council and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business,

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Report of the Council (including the Strategic Report) was approved on behalf of the Council by



Stuart Malcolm Donald
Chairman

1 Albany Place
Hyde Way
Welwyn Garden City
Hertfordshire
AL7 3BT

7 September 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND THE TRUSTEES OF THE INSTITUTE OF ADVANCED MOTORISTS LIMITED

Opinion

We have audited the financial statements of the Institute of Advanced Motorists Limited ('the charitable company') and its subsidiaries ('the group') for the year ended 31 March 2022 which comprise the Group Statement of Financial Activities, the Group and Charity Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2022 and of the group's income and expenditure, 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 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS AND THE TRUSTEES OF THE INSTITUTE OF ADVANCED MOTORISTS LIMITED
(continued)

- prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 13, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS AND THE TRUSTEES OF THE INSTITUTE OF ADVANCED MOTORISTS LIMITED
(continued)

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulations, Health and Safety legislation, taxation legislation, and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance and Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Thomas
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor

London

Date 20 September 2022

GROUP STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2022 (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)

	Note	2022 £000	2021 £000
Income from:			
Donations and legacies			
Subscriptions (including Gift Aid)		3,568	3,443
Other income	3.1	14	340
Charitable activities			
Test fees		487	178
Other trading activities			
Training and related services	3.2	2,076	1,612
Investments	10	174	153
Total income		6,319	5,726
Expenditure on:			
Raising funds			
Fundraising and publicity	3.4	770	603
Training and related services	3.4	1,775	1,629
		2,545	2,232
Charitable activities			
Research and advocacy	3.4	523	488
Membership services	3.4	1,793	2,004
Tests	3.4	924	540
Quality assurance	3.4	611	403
		3,851	3,435
Total expenditure	3.4	6,396	5,667
Net (expenditure) / income		(77)	59
Net gains on listed investment portfolio	9	425	1,383
Net income for the year	4	348	1,442
Other recognised gains			
Exchange losses		-	(1)
Net movement of funds in year		348	1,441
Balances brought forward at 1 April		8,680	7,239
Balances carried forward at 31 March		9,028	8,680

The above results are from continuing activities and there are no other gains and losses except as stated above.

The notes on pages 20 to 34 form part of these accounts.

COMPANY NUMBER 562530

BALANCE SHEETS AS AT 31 MARCH 2022

	Note	Group 2022 £000	Group 2021 £000	IAM 2022 £000	IAM 2021 £000
Fixed assets					
Intangible assets	7	367	373	367	373
Tangible assets	8	65	90	65	90
Investments	9	8,444	7,901	8,574	8,031
		8,876	8,364	9,006	8,494
Current assets					
Stocks	11	91	86	56	-
Debtors	12	701	665	1,579	1,239
Cash at bank and in hand		763	646	629	462
		1,555	1,397	2,264	1,701
Current liabilities					
Creditors: amounts due within one year	13	(1,403)	(1,081)	(3,709)	(2,838)
Net current assets/(liabilities)		152	316	(1,445)	(1,137)
Total assets less current liabilities		9,028	8,680	7,561	7,357
Net assets		9,028	8,680	7,561	7,357
Unrestricted funds					
General fund	14	9,028	8,680	7,561	7,357
		9,028	8,680	7,561	7,357

IAM has taken advantage of the option to present Group only income and expenditure accounts under section 408 of the Companies Act 2006. The net income of the charity in 2022 was £204k (2021: net income of £1,508k).

The financial statements on pages 20 to 34 were approved by the Council on 7 September 2022 and authorised for issue and signed on its behalf by



Stuart Malcolm Donald
Chairman

The notes on pages 20 to 34 form part of these accounts.

GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £000	2022 £000	2021 £000	2021 £000
Cash flows from operating activities:					
Net cash generated in operating activities	17		179		13
Cash flows from investing activities:					
Payments to acquire intangible fixed assets	7	(83)		(165)	
Payments to acquire tangible fixed assets	8	(35)		(55)	
Net drawdown from/(additions) to investments	9	13		(135)	
Movement in cash investments	9	(131)		42	
Listed investment income	10	173		152	
Bank interest received	10	1		1	
Net cash provided /(utilised) by investing activities			(62)		(160)
Change in cash and cash equivalents in the year			**117**		**(147)**
Cash and cash equivalents at start of the year			646		793
Cash and cash equivalents at end of the year			**763**		**646**

The notes on pages 20 to 34 form part of these accounts.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022

1 General information

The Institute of Advanced Motorists Limited (IAM) is a company limited by guarantee incorporated in England and has no share capital. The liability of members in the event of winding-up is limited to 25p per member.

The address of IAM's registered office and principal place of business is 1 Albany Place, Hyde Way, Welwyn Garden City AL7 3BT.

IAM's and the IAM Group's principal activities are detailed in the Report of the Council.

2 Accounting policies

(a) Basis of accounting and going concern

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. A separate statement of financial activities for IAM is not presented as permitted by the SORP.

Monetary amounts in these financial statements are rounded to the nearest £1,000 except where otherwise indicated.

IAM meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The trustees assess whether use of the going concern basis of accounting is appropriate i.e., whether there are material uncertainties related to events or conditions that may cast doubt on the ability of the charitable company and the group to continue as a going concern. The trustees review forecasts and projections covering a period of at least one year from the date of approval of the financial statements in making that assessment. The trustees do not consider there are any such material uncertainties.

The trustees' consideration of going concern also considered a stress test utilising the potential for circumstances which although unlikely would have a significant impact. Those unlikely circumstances included significant reductions in income from membership, other courses and assessments, and commercial activities, while assuming that operating and capital expenditure was maintained at budgeted and forecast levels, and the potential for investment portfolios to fall by up to 50%. The stress test indicated that the going concern basis of accounting would remain appropriate as at the date of approval of the financial statements.

Accordingly, the trustees consider that the going concern assumption remains valid.

(b) Basis of consolidation

The consolidated financial statements include on a line-by-line basis the financial statements of IAM and its subsidiary companies made up to 31 March 2022. Subsidiaries acquired during the year are consolidated using the acquisition method. Their results are incorporated from the date that control passes. The difference between the cost of acquisition of shares in subsidiaries and the fair value of the net assets acquired is capitalised as purchased goodwill and amortised through the income and expenditure account over an estimated useful economic life.

(c) Functional and presentational currencies

The consolidated financial statements are presented in sterling which is also the functional currency of the Group.

2 Accounting policies (continued)

(d) **Goodwill**

Goodwill (representing the excess of the consideration given over the fair value of the separable net assets acquired) arising on business combinations in respect of acquisitions is capitalised and amortised by equal annual instalments over its estimated useful life.

Goodwill is reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the goodwill may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated, and an impairment loss recognised whenever the carrying amount of the asset or its income generating business exceeds its recoverable amount. Impairment losses are recognised in the Group Statement of Financial Activities.

(e) **Turnover**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Subscriptions received in advance of their due date are treated as income received in advance. Otherwise, subscriptions are credited to the Statement of Financial Activities when received. Test fee income is credited to the Statement of Financial Activities when received. Provision is made at the year-end for the costs of outstanding tests for which the income has already been received. All other income is credited in the period to which it relates.

(f) **Investments and investment income**

Listed investments are included in the financial statements at the quoted bid price at the balance sheet date. Listed investment income is credited when received and realised gains and losses on disposals of listed investments are recognised on the date of disposal. Unrealised gains and losses on listed investments held at the year-end are recognised in the Statement of Financial Activities. Bank interest receivable is credited in the period to which it relates.

(g) **Expenditure**

Expenditure is recognised when a liability is incurred. Costs of generating funds are those incurred in the IAM's Group's fundraising and publicity activities, together with the trading activities of IAM's subsidiaries. Charitable activities include expenditure associated with membership services, advanced driving and motorcycle tests, research, and advocacy and the "RoadSmart" magazine. Expenditure includes direct costs and support costs relating to these activities.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.
Governance costs are allocated on the basis of the staff cost incurred on each activity. Support costs include central functions and the amortisation of goodwill and have been allocated to activity cost categories on a basis consistent with the percentage use of resources expended.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

(h) **Fund accounting**

The general fund is an unrestricted fund which is available for use at the discretion of the trustees in furtherance of the general objectives of the charity and has not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of any designated fund is set out in the notes to the financial statements.

Restricted funds are funds subject to specific restrictions imposed by donors.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022

2 Accounting policies (continued)

(i) **Tangible fixed assets and depreciation**

Tangible fixed assets with a cost in excess of £1,000 are capitalised at cost. Depreciation of fixed assets is charged at rates estimated to write off their cost or valuation less any residual value over the expected useful lives commencing with the year of acquisition. The following annual rates of depreciation have been used:

Leasehold improvements	-	20%
Computer equipment	-	20% to 33⅓%
Office equipment	-	20%

(j) **Intangible fixed assets – capitalisation, amortisation and impairment**

Intangible fixed assets are capitalised at cost. Amortisation of fixed assets is charged at rates estimated to write off their cost or valuation (less any residual value) over the estimated useful lives commencing with the year of acquisition. The following annual straight-line rates of amortisation have been used:

Computer software	-	20%
Goodwill	-	20%

Where factors, such as technological advancement, changes in the nature of the markets served by utilisation of intangible assets, or changes in market price indicate that the residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

Assets under construction are assets pending completion and transfer into the relevant fixed asset category. These assets are capitalised at cost and not subject to depreciation or impairment unless extraordinary circumstances have occurred which would require provision to be made.

All other assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired. If there is an indication of impairment, the recoverable amount of the asset is compared to the carrying amount of the asset. The recoverable amount is the higher of the fair value less costs to sell and value in use. If the recoverable amount is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount by recognising an impairment loss in the Statement of Financial Activities.

(k) **Stocks**

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

(l) **Pensions**

The cost to the group in respect of its pension arrangements is charged to the Statement of Financial Activities on a payable basis. These arrangements are with a defined contribution group personal pension plan, with defined employer contributions.

(m) **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling at the date of the transaction. Exchange differences are recognised in the Statement of Financial Activities.

(n) **Operating leases**

Operating lease rentals are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

(o) **Redundancy costs**

Accruals for redundancy costs are recognised when there is a legal or constructive obligation at the balance sheet date.

2 Accounting policies (continued)

(p) **Financial instruments**
The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at fair value.

(q) **Critical accounting estimates and areas of judgement**
Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

Critical estimates include:

(i) Assessment of the net realisable value of stock
The net realisable value of stock is assessed by reviewing reports from the outsourced fulfilment houses that hold the stock, with a focus on identifying slow moving or obsolescent products and comparing expected sales price to cost.

(ii) Recoverability of debtors
Recoverability of debtors is assessed by reference to the aging of debts and the payment record of debtors. Provision is made where recoverability is assessed as doubtful following consultation with the relevant IAM relationship manager.

(r) **Coronavirus Job Retention Scheme**
Government grants are recognised on the accruals basis, when there is reasonable assurance that the charity will comply with the conditions attaching to the grant and the grant will be received. The grant in connection to the job retention scheme, has been recognised in the period to which the underlying furloughed staff costs relate to.

3.1 Other income

	2022 £000	2021 £000
Government grant – Coronavirus Job Retention Scheme	-	293
Non-Government grants	14	43
Donations	-	2
Sundry income	-	2
	14	340

3.2 Trading activities of subsidiaries

IAM is a registered charity and derives income from its wholly owned trading subsidiaries. These subsidiaries are incorporated in Great Britain and their activities are described in note 9. All subsidiaries receive/pay interest at market rates on any indebtedness due from/to IAM. A summary of their results is shown below:

	IAM Drive Survive Limited	IAM Group Services Limited	Institute of Advanced Motorcyclists	Professional Driver Services Limited	IAM Driver Retraining Academy Limited	Total
	Year ended 31 March 2022					
	£000	£000	£000	£000	£000	£000
Turnover:						
Sale of goods	865	-	281	-	930	2,076
Cost of sales	(482)	-	-	-	(389)	(871)
Gross profit	383	-	281	-	541	1,205
Administrative expenses	(88)	-	(3)	-	(59)	(150)
Management charges	(615)	-	(27)	-	(300)	(942)
Operating (loss)/profit	(320)	-	251	-	182	113
Interest payable to related parties	(15)	-	-	-	2	(13)
Interest receivable from related parties	-	-	44	-	-	44
(Loss)/profit before and after taxation	**(335)**	**-**	**295**	**-**	**184**	**144**
	Year ended 31 March 2021					
	£000	£000	£000	£000	£000	£000
Turnover:						
Sale of goods	451	59	314	123	665	1,612
Cost of sales	(242)	(69)	-	(65)	(262)	(638)
Gross profit	209	(10)	314	58	403	974
Administrative expenses	(123)	(10)	(4)	(8)	(58)	(203)
Management charges	(516)	(63)	(26)	(21)	(248)	(874)
Operating (loss)/profit	(430)	(83)	284	29	97	(103)
Interest payable to related parties	(8)	-	-	-	-	(8)
Interest receivable from related parties	-	5	38	4	-	47
(Loss)/profit before and after taxation	**(438)**	**(78)**	**322**	**33**	**97**	**(64)**

The profits of UK subsidiaries, after group relief, are distributed to the charity and there is, therefore, no liability to corporation tax for those entities.
Management charges represent reimbursement of costs incurred by IAM on behalf of the subsidiaries. There were no gift aid payments made to the charity in respect of financial year ended 2021 during the financial year ended 2022 (whilst £63,000 in respect of 2020 was paid during the financial year ended 2021).

3.3 Net assets of subsidiaries

	IAM Drive & Survive Limited	IAM Group Services Limited	IAM Motoring Trust Trading Limited	Institute of Advanced Motorcyclists Limited	Professional Driver Services Limited	IAM Driver Retraining Academy Limited	Drive & Survive UK Limited	IAM Roadsmart Limited	Total
	---------- 31 March 2022 ----------								
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current assets	370	169	-	2,306	227	356	-	-	3,428
Creditors	(1,496)	-	(55)	(3)	-	(343)	(218)	-	(2,115)
Net (liabilities)/assets	**(1,126)**	**169**	**(55)**	**2,303**	**227**	**13**	**(218)**	**-**	**1,313**

	---------- 31 March 2021 ----------								
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current assets	107	230	-	2,012	237	153	-	-	2,739
Creditors	(899)	(61)	(55)	(3)	(9)	(324)	(218)	-	(1,569)
Net (liabilities)/assets	**(792)**	**169**	**(55)**	**2,009**	**228**	**(171)**	**(218)**	**-**	**1,170**

3.4 Total expenditure

	Direct staff £000	Other direct costs £000	Support costs £000	Total 2022 £000	Total 2021 £000
Costs of raising funds					
Membership subscriptions and Publicity	232	169	369	770	603
Training and related services	753	1,022	-	1,775	1,629
	985	1,191	369	2,545	2,232
Charitable activities					
Research and advocacy	156	120	247	523	488
Membership services	519	451	823	1,793	2,004
Tests	257	258	409	924	540
Quality assurance	206	77	328	611	403
	1,138	906	1,807	3,851	3,435
Total expenditure	2,123	2,097	2,176	6,396	5,667

3.5 Council expenses

	2022 £000	2021 £000
Travel and subsistence:		
Expenses reimbursed to 2 trustees (2021: 2 trustees)	4	-

Expenses reimbursed to trustees in 2020/21 amounted to less than £500. The cost of trustee indemnity insurance was included in IAM's general insurance premium for the year and not separately identified.

3.6 Directors' emoluments

No director/trustee received emoluments during the year (2021: £nil).

No pension payments were made in respect of directors/trustees (2021: £nil).

3.7 Employees whose emoluments exceed £60,000

	2022 Number	2021 Number
The number of employees whose emoluments (including taxable benefits but not employer pension costs) exceeded £60,000 during the year was as follows:		
£60,001 to £70,000	1	3
£70,001 to £80,000	1	2
£80,001 to £90,000	1	1
£90,001 to £100,000	-	-
£100,001 to £110,000	1	1
£110,001 to £120,000	1	1
£120,001 to £130,000	1	1
£130,001 to £140,000	-	1
£140,001 to £150,000	1	-
	7	10

Pension contributions of £59,690 (2021: £61,220) were made during the year to a defined contribution scheme in respect of 7 employees (2021: 9 employees) included in the above analysis. The average number of employees was 60 (2021: 61).

3.8 Staff costs

	2022 £000	2021 £000
Wages and salaries	2,428	2,536
Social security costs	262	282
Defined contribution pension costs	137	126
	2,827	2,944

During the year, the IAM Group incurred redundancy costs of £9,676 (2021: £6,614).

All group staff salaries are paid by IAM. IAM charges subsidiaries a management fee incorporating a charge for the utilisation of staff employed by IAM.

The total remuneration including employers' national insurance of the current Senior Leadership Team (as per page 2) who are considered to be the key management personnel of the IAM Group was £974,791 (2021: £1,121,303).

4. Net expenditure for the year

	2022 £000	2021 £000
Net expenditure for the year is stated after charging:		
Depreciation	60	81
Amortisation of intangible assets	89	151
Auditor's remuneration - audit fees current year	22	30
Auditors remuneration - audit fees - prior year	-	4
Auditors remuneration - tax services - current year	6	8
Operating lease payments - motor vehicles	68	55

5 Allocation of support costs

	Cost of generating funds	Membership services	Tests	Quality assurance	Research and advocacy	Total 2022	Total 2021
	£000	£000	£000	£000	£000	£000	£000
Management	46	103	51	41	31	272	287
Finance	89	198	98	79	60	524	594
Information technology	137	305	151	121	91	805	734
Facilities	58	130	65	52	39	344	276
Human resources	12	27	14	11	8	72	99
Governance (See note 6)	27	60	30	24	18	159	120
	369	823	409	328	247	2,176	2,110

Support costs are allocated using a combination of headcount and floor space applicable to the service provided.

6 Governance – Group and IAM

	2022 £000	2021 £000
Direct costs:		
Audit and accounting fees	28	42
Professional fees	68	1
Council costs	6	-
Salary costs	57	77
	159	120

7 Intangible fixed assets

	Goodwill	Computer Software	Assets under construction (See note)	Total
	£000	£000	£000	£000
Group				
Cost				
At 1 April 2021	2,927	446	-	3,373
Additions	-	-	83	83
Transfer	-	-	-	-
Disposals	-	-	-	-
At 31 March 2022	2,927	446	83	3,456
Amortisation				
At 1 April 2021	2,927	73	-	3,000
Charge	-	89	-	89
Transfer	-	-	-	-
Disposals	-	-	-	-
At 31 March 2022	2,927	162	-	3,089
Net book value				
At 31 March 2022	-	284	83	367
At 31 March 2021	-	373	-	373
IAM				
Cost				
At 1 April 2021	-	446	-	446
Additions	-	-	83	83
Transfer	-	-	-	-
Disposals	-	-	-	-
At 31 March 2022	-	446	83	529
Amortisation				
At 1 April 2021	-	73	-	73
Charge	-	89	-	89
Transfer	-	-	-	-
Disposals	-	-	-	-
At 31 March 2022	-	162	-	162
Net book value				
At 31 March 2022	-	284	83	367
At 31 March 2021	-	373	-	373

Note: Assets under construction relates to the ongoing development of DARTS, (the Groups CRM system). These costs are transferred to computer software and amortised from the first month of going live once developments are released and go live.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022

8 Tangible fixed assets

	Leasehold Improvements	Computer equipment	Office equipment	Total
	£000	£000	£000	£000
Group				
Cost				
At 1 April 2021	70	141	253	464
Additions	-	19	16	35
Transfers	(16)	-	16	-
Disposals	-	(69)	-	(69)
At 31 March 2022	54	91	285	430
Depreciation				
At 1 April 2021	51	107	216	374
Charge	3	25	32	60
Disposals	-	(69)	-	(69)
At 31 March 2022	54	63	248	365
Net book value				
At 31 March 2022	-	28	37	65
At 31 March 2021	19	34	37	90
IAM				
Cost				
At 1 April 2021	70	141	253	464
Additions	-	19	16	35
Transfers	(16)	-	16	-
Disposals	-	(69)	-	(69)
At 31 March 2022	54	91	285	430
Depreciation				
At 1 April 2021	51	107	216	374
Charge	3	25	32	60
Disposals	-	(69)	-	(69)
At 31 March 2022	54	63	248	365
Net book value				
At 31 March 2022	-	28	37	65
At 31 March 2021	19	34	37	90

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022

9 Fixed asset investments

	Group		IAM	
	£000	£000	£000	£000
Shares in subsidiary companies (see below)				
Cost at 1 April 2021 and 31 March 2022		-		130
Listed investments				
Market value at 1 April 2021	7,784		7,784	
Net additions / (disposals)	(13)		(13)	
Net gain on investment assets	425		425	
Market value at 31 March 2022		8,196		8,196
Cash				
At 1 April 2021	117		117	
Increase in cash	131		131	
At 31 March 2022		248		248
		8,444		8,574
Shares in subsidiary companies (see below)				
Cost at 1 April 2020 and 31 March 2021				130
Listed investments				
Market value at 1 April 2020	6,266		6,266	
Net acquisitions	135		135	
Net gain on investment assets	1,383		1,383	
Market value at 31 March 2021		7,784		7,784
Cash				
At 1 April 2020	159		159	
Decrease in cash	(42)		(42)	
At 31 March 2021		117		117
		7,901		8,031

Post balance sheet update: Due to the high level of economic and geopolitical uncertainty affecting UK and global investment markets the IAM portfolio like others has suffered a decline since 31 March 2022. The value of the portfolio at 31 August 2022 was £7,352k after £600k had been disinvested to fund operating activities, or a decline of £492k or -6.3% after the disinvestment is taken into account from the year end valuation stated above.

9.1 Subsidiary companies

IAM Drive & Survive Limited (registered number 2019635) provides risk management and corporate driver training services.

IAM Driver Retraining Academy Limited (registered number 08248082) provides Drink Drive Rehabilitation Scheme courses.

Institute of Advanced Motorcyclists Limited (registered number 5889513) manages arrangements with brokers for the IAM Group's exclusive insurance scheme for IAM RoadSmart members.

IAM owns 100% of the issued share capital of the above companies, all of which are incorporated and registered in England and have the same registered address as IAM. IAM also owns 100% of the issued share capital of Drive & Survive UK Limited, IAM Motoring Trust Trading Limited, Professional Driver Services LTD, IAM Group Services LTD, and IAM RoadSmart Limited, all of which are registered in England and none of which has traded during the year.

9.2 Listed investments

The cost of listed investments at 31 March 2022 was £6,825,620 (2021: £6,531,225). There were no underlying holdings with an individual market value in excess of 5% of the total market value at 31 March 2022 (2021: none).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022

10 Investment income

	Group	
	2022	**2021**
	£000	**£000**
Income from investments	173	152
Bank interest receivable	1	1
	174	153

11 Stocks

	Group		IAM	
	2022	**2021**	**2022**	**2021**
	£000	**£000**	**£000**	**£000**
Goods for resale and consumables	91	86	56	-

12 Debtors

	Group		IAM	
	2022	**2021**	**2022**	**2021**
	£000	**£000**	**£000**	**£000**
Amounts falling due within one year:				
Trade debtors	380	228	40	69
Taxation recoverable	104	215	104	215
Amounts due from group undertakings	-	-	1,268	776
Other debtors	29	64	2	34
Prepayments and accrued income	188	158	165	145
	701	665	1,579	1,239

Amounts due from group undertakings include amounts owed by trading subsidiaries to IAM, which carry interest at 2% above base rate. There are no other terms to these advances. No interest is charged on amounts due from dormant subsidiaries.

13 Creditors

	Group		IAM	
	2022	**2021**	**2022**	**2021**
	£000	**£000**	**£000**	**£000**
Amounts falling due within one year:				
Trade creditors	457	431	346	332
Amounts due to group undertakings	-	-	2,832	2,124
Other taxation and social security	81	72	81	70
Accruals and deferred income	833	525	418	287
Other creditors	32	53	32	25
	1,403	1,081	3,709	2,838

Deferred income represents payments in advance for Drink Drive Rehabilitation Scheme courses, Skills Days and on-road driver training.

	Group	**IAM**
	£000	**£000**
Deferred income at 1 April 2021	272	68
Amount deferred in year	497	138
Amount released in year	(279)	(113)
Deferred income at 31 March 2022	490	93

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022

14 General funds

	Group		IAM	
	2022	2021	2022	2021
	£000	£000	£000	£000
At 1 April	8,680	7,239	7,357	5,849
Gain/deficit for the year	348	1,441	204	1,508
At 31 March	9,028	8,680	7,561	7,357

15 Taxation

The IAM is a registered charity and is exempt from corporation tax on its charitable income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

16 Operating leases – Group

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Rental of office premises		Motor vehicles	
Amounts due:	2022	2021	2022	2021
	£000	£000	£000	£000
Within one year	124	165	72	33
Between one and five years	582	-	108	51
	706	165	180	84

A variation to the existing lease for the office premises was entered into during the year which provides for an additional rent-free period from September 2021 through to June 2022.

17 Reconciliation of net expenditure resources to net cash outflow from operating activities

	Group	
	2022	2021
	£000	£000
Net operating income/(expenditure)	(77)	59
- Investment income	(174)	(153)
- Exchange gains	-	(1)
	(251)	(95)
Depreciation	60	81
Amortisation of computer software	89	151
(Increase)/decrease in stocks	(5)	25
(Increase)/decrease in debtors	(36)	76
Increase/(decrease) in creditors	322	(225)
Net cash inflow from operating activities	179	13

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022

18 Reconciliation of net debt

The Group has no borrowings and has not entered into any finance leases. The analysis of the changes in net debt are summarised in the table below.

	Group		IAM	
	2022	**2021**	**2022**	**2021**
	£'000	**£'000**	**£'000**	**£'000**
Cash at start of year	646	793	462	678
Cash flows	117	(147)	167	(216)
Cash at end of year	763	646	629	462

19 Contingent liabilities

There are no contingent liabilities for the year ended 31 March 2022 (2021: £nil).

The IAM is a member of a VAT group which also comprises certain subsidiaries: IAM Drive & Survive Limited, IAM Group Services Limited and Professional Driver Services Limited. The IAM will be liable for any VAT amounts payable by these entities.

20 Capital commitments

At 31 March 2022, there were capital commitments contracted but not provided totalling £80,000 (2021: £16,000).

21 Financial instruments

	Group		IAM	
	2022	**2021**	**2022**	**2021**
	£000	**£000**	**£000**	**£000**
Financial assets				
Equity and debt instruments measured at fair value through income and expenditure	8,196	7,784	8,196	7,784

Financial assets measured at fair value through income and expenditure include assets held in the listed investment portfolios (see note 9) for which there is a readily obtainable price quoted in an active market.

22 Related parties

Transactions between group entities for the year are detailed in note 3.2 and comprised management fees and interest receivable/payable on inter-company loans with IAM.

At 31 March 2022, IAM owed £199k to (2021: £143k owed from) IAM Driver Retraining Limited.
At 31 March 2022, IAM owed £222k (2021: £170k) to Professional Driver Services LTD.
At 31 March 2022, IAM was owed £1,304k (2021: £776k) from IAM Drive and Survive Limited.
At 31 March 2022, IAM owed £168k (2021: £137k) to IAM Group Services LTD
At 31 March 2022, IAM owed £2,278k (2021: £1,960k) to Institute of Advanced Motorcyclists Limited.

No other related party transactions were incurred in the period.

THE INSTITUTE OF ADVANCED MOTORISTS LIMITED

England & Wales - Charity number 249002

Accounts

INSTITUTE OF ADVANCED MOTORISTS LIMITED

REPORT OF THE COUNCIL AND FINANCIAL STATEMENTS

31 MARCH 2021

REGISTERED COMPANY NUMBER: 562530

REGISTERED CHARITY NUMBERS: 249002 (England & Wales)
SC041201 (Scotland)

INSTITUTE OF ADVANCED MOTORISTS LIMITED

Statutory Auditor:	Crowe U.K. LLP St Bride's House 55 Ludgate Hill London EC4M 7JW
Bankers:	HSBC Bank plc 60 Queen Victoria Street London EC4N 4TR
Investment Managers:	J M Finn & Co Limited 4 Coleman Street London EC2R 5TA Rathbone Investment Management 8 Finsbury Circus London EC2M 7AZ Ruffer LLP 80 Victoria Street London SW1E 5JL
Registered Office:	1 Albany Place Hyde Way Welwyn Garden City Hertfordshire AL7 3BT

INSTITUTE OF ADVANCED MOTORISTS LIMITED

Patron	HRH Prince Edward, The Duke of Kent
President	Nigel Mansell CBE
Vice Presidents	Sir Peter Bottomley Steven Norris Nick Ross

Members of the Council (Trustees)

Stuart Malcolm Donald QPM	Chair (from 25 February 2021)	
Derek John McMullan	Chair (to 25 February 2021)	(resigned 25 February 2021)
Georgina Gaye Bromage		
Elizabeth Marguerite Coyle-Camp		
John Mark Jenkins		
Dr Catherine Ann Lloyd		(resigned 31 August 2020)
Nicholas David John Lomas		
Nicholas John Anthony Stein		
Jeffrey Willcocks		(appointed 21 May 2020)
Dr Bradley Poulson		(appointed 19 November 2020)
Anthony Steven Cearns		(appointed 22 July 2021)

Company Secretary

Neil Harris	(resigned 22 July 2021)
ARM Secretaries Limited	(appointed 22 July 2021)

Senior Management

Tony Greenidge	Business Development Director (to 5 May 2020) Interim Chief Executive (from 5 May 2020) Chief Executive (from 30 November 2020)
Mike Quinton	Chief Executive (to 5 May 2020)
Neil Harris	Finance Director
Gordon Clelland	IT & Operations Support Director
Kate Tonge	Marketing, Communications & Membership Director (to 16 October 2020)
Neil Greig	Policy & Research Director
Richard Gladman	Head of Driving & Riding Standards & Product Development
Nicola Smith	Head of Human Resources, Facilities & Compliance
Amanda Smith	Head of Field Service Delivery
James Hall	Sales & Marketing Director (from 1 July 2020)

REPORT OF THE COUNCIL

The Council (trustees who are also directors of the company for the purposes of the Companies Act) submits its annual report and audited financial statements for the year ended 31 March 2021.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") (effective 1 January 2019).

Structure, governance and management

The Institute of Advanced Motorists Limited ("IAM") is a company limited by guarantee and governed by its Memorandum and Articles of Association, which were adopted by Special Resolution on 20 February 2009 and amended by Special Resolution on 18 November 2009.

IAM operates the Advanced Driver and Rider Tests ("Test(s)"). Individuals who successfully pass these Tests (or are eligible for exemption) are IAM RoadSmart Members (or "members") subject to payment of membership subscriptions. Prospective members who have not yet passed the Tests are classed as Associate Members (or "Associates"). IAM's Memorandum and Articles of Association provide that the following matters are subject to the determination of IAM RoadSmart Members at Annual or other General Meetings:

- receiving the Council's report on the Company's activities since the previous Annual General Meeting;
- electing members of the Council; and
- varying the annual membership subscription.

The Council consists of such IAM RoadSmart Members as shall from time to time agree, on the invitation of the Council, to serve as a trustee on the Council. The Nominations Committee of the Council is responsible for identifying potential new trustees and making recommendations to Council. New trustees who join the Council during the year are required to offer themselves for election at the next Annual General Meeting. New trustees are selected on the basis of the skills, expertise and experience they bring to the Council. A role definition for trustees is in place.

All new trustees receive an induction briefing, which includes their general charity and company law responsibilities, IAM's Memorandum and Articles of Association and the functions of IAM's Council, committees and management. Training for trustees is provided when required, including updates on best practice in charity governance.

Trustees who served during the year are listed on page 2.

The Council expresses its sincere gratitude for their dedicated service to Derek McMullan, Dr Catherine Lloyd and Georgina Bromage who resigned as trustees since the previous Council Report. Derek McMullan had been a member of Council for over 11 years with previous experience as an Observer involved with local groups and stepped up to become Chair for a limited period in order to provide continuity and reassurance at a time of significant change in the Council's composition. Stuart Donald was unanimously appointed as Chair on 25th February 2021. Dr Catherine Lloyd stepped down after almost 10 years as a member of Council due to the commitments associated with her new role as a driving instructor for Thames Valley Police. Georgina Bromage felt compelled to resign for health reasons having served IAM in various roles for many years including the last four years as a trustee.

The Council seeks to ensure it has an appropriate mix of skills and experience to discharge its responsibilities effectively and in line with good governance practice. Following the appointment of Stuart Donald, John Jenkins, Nick Lomas, Nick Stein and Jeff Willcocks described in last year's report, the Council has been further strengthened by the appointment of Dr Bradley Poulson who contributes knowledge gained from his career as an information technology professional as well as experience of the charity sector, strategy development and governance. More recently the Council has appointed Anthony Cearns who brings additional knowledge and experience in finance.

Elizabeth Coyle-Camp and Nick Lomas retire from the Council at the next AGM under Article 21 and offer themselves for re-election at the next Annual General Meeting. Dr Bradley Poulson, Anthony Cearns and Samantha Kane retire at the next Annual General Meeting under Article 23 and offers themselves for re-election.

The Finance & Audit Committee, chaired by Jeff Willcocks (Anthony Cearns from 22 July 2021), is responsible for:

- ensuring financial reporting obligations are met for IAM and its subsidiaries (together "the IAM Group");

REPORT OF THE COUNCIL (continued)

- ensuring the statutory financial statements for the IAM Group are properly audited and that accepted recommendations of the auditors are implemented.
- establishing, maintaining, monitoring and reviewing financial controls throughout the IAM Group, in order to safeguard its assets and ensure its financial integrity.
- confirming IAM's investment policy is appropriate and monitoring the performance of those investments;
- confirming IAM's reserves policy is appropriate; and
- ensuring appropriate procedures are in place to identify and minimise risks to the IAM Group, including the risk of fraud.

The Remuneration Committee, chaired by Gina Bromage (Samantha Kane from 23 September 2021), approves the remuneration of IAM's senior management and monitors the overall remuneration policy across the IAM Group. When approving remuneration, the committee considers a number of factors, including:

- individuals' skills, experience and performance;
- the size and scope the of the individuals' responsibilities; and
- the market rate for different roles.

The Nominations Committee, chaired by Nick Lomas, is tasked with assessing the structure and composition of the Council, specifying requirements for trustee and senior executive positions, identifying and assessing candidates and making recommendations to the Council regarding appointments to those roles.

A Marketing & Communications Committee, chaired by John Jenkins was established during the year with oversight of the IAM Group's marketing and communications activities including public relations and lobbying, with the aim of advising how to maximise the benefit of those activities, and on strategic growth opportunities and threats.

Day to day management of the IAM Group is delegated to the Chief Executive and the senior management team listed on page 2.

Council initially appointed Tony Greenidge as Interim Chief Executive in May 2020 following Mike Quinton's resignation and confirmed his appointment as Chief Executive in November 2020.

IAM's subsidiary trading companies during the year were:

- IAM Drive & Survive Limited "Drive & Survive" provides corporate risk management and driver training services;
- IAM Driver Retraining Academy Limited ("DRA") which provides drink drive rehabilitation courses;
- Institute of Advanced Motorcyclists Limited which manages the IAM Group's relationship that provides insurance services to IAM RoadSmart Members;
- IAM Group Services Limited which sells books and accessories relating to advanced driving and riding, and road safety; and
- Professional Driver Services Limited ("PDS") which provides administration services to service providers operating courses under the National Driver Offender Retraining Scheme ("NDORS").

"IAM RoadSmart" is the brand name used for the promotion and delivery of services by the IAM Group.

"IAM RoadSmart groups" are geographically based independent charities or other entities that are affiliated to IAM subject to the Group Rules which are maintained by IAM. Accordingly, the IAM Group's consolidated financial statements do not incorporate the financial statements or activity of IAM RoadSmart groups.

Council acknowledges that the success of IAM's membership and related activities is dependent on the goodwill and commitment of volunteers operating within IAM RoadSmart groups. Council expresses its appreciation for the commitment and dedication of those volunteers without whom IAM would be unable undertake core advanced driving and riding programmes and related membership activities in their current guise. Council also takes the opportunity to commend the large number of volunteers and staff who have utilised their advanced riving and riding skills to support the NHS and emergency services during the Covid-19 pandemic; besides such activity being of value in and of itself, it also

serves to enhance the reputation of IAM and provides the opportunity to demonstrate the value of advanced driving and riding skills to a wider audience.

Charity Governance Code

Trustees on the Council take their governance responsibilities seriously and aim to have a governance framework that is fit for purpose, compliant and efficient.

Our previous review in 2018/19 found that we were substantially compliant with the provisions of the Charity Governance Code issued in 2017. As a result of the significant changes to the composition of the Council, and the short-term imperative to focus on the impact on the IAM Group of the Covid-19 pandemic, together with the appointment of an external professional company secretary in July 2021, a further assessment of compliance with the Charity Governance Code has been deferred until the 2021/22 year. That assessment will include an evaluation of the skills, experience and effectiveness of trustees, the identification of any gaps with what is considered appropriate based on best practice, and recommendations from the charity regulator and appropriate professional associations, along with plans to mitigate and remedy such gaps.

Strategic report

Objectives and activities

IAM's objects are those laid down in its Articles: to improve the standard of driving and riding and the promotion of road safety for the public benefit, by (but not limited to) the operation of an advanced test.

The trustees have considered the requirement for IAM's aims to be demonstrably for the public benefit. In doing so, the trustees have had regard to the Charity Commission's guidance on public benefit.

Council reviewed its Mission, Vision and Strategic Goals during the year with the aim of improving clarity and enhancing their relevance in the face of ongoing changes that impact driving and riding and in societal expectations:

Mission

- to improve road safety through the provision of training, education and rehabilitation programmes underpinned by a nationally recognised Advanced Driving/Riding Test.

Vision

- to create a safer, greener, and highly skilled community of drivers and riders.

Strategic goals

- make our roads safer through the delivery of tailored training and education programmes specific to the needs of each driver and rider;
- maintain financial stability and ensure investment is available to support our charitable objective;
- be an agile and progressive organisation that embraces change and industry innovation and adapts its products and services appropriately;
- be recognised in the transport and road user community as the authority and 'go to' expert on both driving and riding standards;
- grow the organisation and ensure our products and services are relevant and accessible to all, regardless of age, race, gender, disability, or sexual orientation;
- within each local community be a positive advocate for drivers and riders by lobbying key road safety regulators and government stakeholders; and
- to influence key decision and policymakers through our leading expertise in motoring road safety best practice and industry-shaping research, evaluation, and evidenced-based initiatives.

The Council is currently engaged in developing a new long-term strategy for IAM RoadSmart and will revisit the Objectives, Mission, Vision and Strategic Goals in the light of the agreed strategy when finalised.

REPORT OF THE COUNCIL (continued)

The IAM Group's activities are focussed on achievement of the charitable objects as set out above. The IAM Group seeks to do this, and thereby fulfil IAM's public benefit requirement, in the following principal ways:

1) IAM's advanced driving test was launched in 1956 and an advanced test for motorcyclists was introduced in 1976. Through programmes delivered by IAM's volunteer network, the skills taught and tested are constantly updated for the ever-changing features and challenges of the UK's roads and vehicle technologies. By improving awareness of hazards and risk and teaching best practice techniques, IAM reduces the likelihood drivers and riders will put themselves into a position of danger through error or omission.

   IAM RoadSmart groups exist throughout the UK, with volunteers delivering support and advice to drivers and riders seeking to improve their driving and riding skills, many of whom go on to pass the Test. Since inception, IAM has awarded advanced status to over 500,000 driver and riders.

   The IAM Group continues to serve the demand from professional driving organisations seeking to enhance their internal driver training programmes by accrediting them with the Advanced Driver qualification.

2) Lobbying and original road safety research, together with publicity using social and broadcast media and the press as well as direct communication to IAM RoadSmart Members are important features of IAM's work to promote road safety. Regular tips, blogs and press releases are also used to help all drivers and riders improve their skills as we seek to "inform and influence" on road safety issues. RoadSmart magazine continues to reinforce IAM RoadSmart Members' knowledge and awareness of road safety issues.

3) The IAM Group offers driver training for companies whose workforce undertake business related driving. Drive & Survive training falls into the following categories:

   - licence checking - to ensure that all drivers are legally able to drive and/or entitled to drive specific categories of vehicle;
   - driver audits and risk assessments - to build a profile of drivers and test their basic road knowledge;
   - e-learning - a package of training modules delivered on-line with each focussing on specific aspects of driving skill. Content can be designed to meet specific customer requirements; and
   - on road training - for drivers and riders who have been identified as having the need for a more intensive intervention with a professional fleet trainer.

4) Through DRA, the IAM Group offers retraining for offenders through delivery of drink-drive rehabilitation scheme courses.

Achievements and performance

The trustees and senior management use several indicators to monitor the performance of the IAM Group including:

- A comprehensive set of monthly key performance indicators including:
  - membership numbers and movements by type of member, direct debit members and those signed up for Gift Aid;
  - live Cornmarket insurance policies;
  - sales of Advanced Driver/Rider programmes, modules and assessments;
  - Test passes;
  - Observer numbers;
  - court referrals for DRA courses and the proportion converted to sales;
  - bookings for Drive & Survive courses; and
  - staff turnover and sickness information
- Monthly management accounting information including sales and margin information, evaluation of investment portfolio returns, and a comparison to budgets for sales, costs of sales and overheads across the IAM Group.

REPORT OF THE COUNCIL (continued)

Overview of the impact of the Covid-19 pandemic

Plans for the year, together with KPI targets and budgets, were developed by the Senior Management Team and approved by Council in February 2020. Those plans rapidly became outdated due to the Covid-19 pandemic, the associated restrictions and subsequent lockdowns.

The Covid-19 pandemic together with government restrictions and guidelines began to significantly impact the IAM Group during March 2020 and continued throughout the year. The restrictions on people from different households meeting, combined with the working-from-home mandates severely restricted normal business activities.
In the periods where some of the restrictions were temporarily lifted, we were unable to restart many of those activities due to the ongoing uncertainty and remaining restrictions.

The key impacts on the IAM Group's activities of the Covid-19 pandemic were:

- suspension of Advanced Driver/Rider courses;
- suspension of on-road modules and courses in both IAM and Drive & Survive and other activities such as IAM's Skills Days which are held at specialist motor track sites;
- suspension of in-classroom DRA courses;
- extension of membership for Associates unable to take their Tests;
- downturn in recruitment of new Associates due to the unavailability of the programme of observed runs required to prepare for the Tests;
- the closure of IAM's offices and the requirement for staff to work from home rather than the office for extended periods;
- furloughing of staff in accordance with the government's Coronavirus job support scheme; and the
- curtailment of activities in IAM RoadSmart groups.

In addition, considerable resource had to be devoted to managing the cancellation of courses, modules and other bookings and processing refunds for members and customers who had paid in advance.

To deal with the evolving nature of the Covid-19 pandemic and its impact on the IAM Group, the Council implemented weekly meetings with Senior Management Team to discuss potential responses including furlough arrangements for staff and communication to IAM RoadSmart Members, Associates and customers, while the Senior Management Team initially considered the Covid-19 challenges on an almost daily basis. Financial Scenarios were prepared to assess the potential financial impact of the pandemic including a range of dates for the ending of restrictions and the timescales required for activities to "ramp-up" to their previous levels. These scenarios and the tracking of financial performance against them enabled an ongoing assessment to be made as to whether further decisions were needed to reduce costs.
The above had a significant detrimental effect on the IAM Group revenues, although associated cost reductions and careful cost control, including the suspension of general performance related remuneration and pay rises during the year, together with £0.29m of support from the government's Coronavirus Job Retention Scheme for furloughed staff, and the ability to deliver IAM DRA courses on-line, successfully mitigated the impact such that the operating financial result (excluding investment returns) was close to break-even while strong returns from the investment portfolio led to a bottom line surplus of almost £1.5m, as described below and in the Financial Review section of this report.

To maintain customer service and support to members and customers to the extent possible in a pandemic environment, IT and telephony solutions such as online networking and meeting software were successfully implemented to facilitate staff working from home. The Council expresses its thanks to staff for demonstrating the flexibility to adopt new modes of working successfully in a stressful and challenging environment.

IAM RoadSmart Members and groups

IAM RoadSmart Member numbers fell during the year by 8,403 to 75,896 at 31 March 2021 (2020: 84,299). While the retention rate for existing members remained high at 89% (2019/20: 91%), the main reason for the large reduction in members, compared to recent years, was the drop in new members to 1,698 (2019/20: 4,974) which was attributable to the suspension of the Advanced Driver and Rider programme and Tests resulting from the restrictions applicable during the Covid-19 pandemic. The proportion of members paying by direct debit increased to 68% while the proportion signed up for Gift Aid increased to 72%.

Advanced Driver and Rider programme sales decreased to 2,235 (2019/20: 5,457) due to the Covid-19 pandemic as it was not feasible to sell on-road programmes where these could not be delivered. As at 31 March 2021, IAM had 5,161

REPORT OF THE COUNCIL (continued)

Associates (2020: 6,423). Where Associates were unable to complete their Advanced Driver or Rider programme or take their Test due to the Covid pandemic restrictions, IAM has extended their period of Associate membership beyond the normal renewal period of one year.

IAM remains committed to its volunteer group network and will continue to develop and support strategies to encourage IAM RoadSmart Members to participate in IAM RoadSmart group activities. "Inform" is a monthly update, supplemented by weekly news alerts as required, distributed to IAM RoadSmart group officials, examiners and observers, and is IAM's primary method of direct communication with them.

As at 31 March 2021 there were 172 IAM RoadSmart groups in the UK (2020:181), of which 49% are car groups, 33% are bike groups and 18% are combined car/bike groups, with the reduction in groups arising from mergers between groups.

The IAM Group's exclusive insurance scheme, run by Cornmarket Insurance Services, continued to provide attractive pricing and insurance coverage for IAM RoadSmart Members. As at 31 March 2021, a total of 27,537 (2020: 28,647). member policies were in force of which just under 78% were for car or motorcycle insurance.

Drive & Survive

Drive & Survive's activities were impacted severely by the Covid-19 pandemic restrictions which prevented delivery of on-road training and temporarily diminished customer appetite for such training while economic activity was subdued, and customers' employees were furloughed. As a result, its revenues decreased by 62%. In response, focus was placed on promoting e-learning modules which are included as part of the CHOICES offering which integrates licence checking, risk management and e-learning and have a higher gross margin percentage. The opportunity was taken to refresh e-learning modules with enhanced video content and improved educational engagement as a basis for renewing sales campaigns as businesses recover from the Covid-19 pandemic restrictions.

DRA

After a drop in revenue in the initial months of 2020/21 as classroom-based courses were cancelled and suspended due to the Covid-19 pandemic, DRA received the requisite authorisation from the DVSA and Welsh Government and successfully transformed to delivering its drink drive rehabilitation courses on-line so that monthly revenues recovered sharply from August. This transformation was supported by the efforts of the IAM Group's staff and DRA trainers and had the benefit of delivering significantly higher gross margins as the cost of hiring venues was eliminated. 4,065 individuals (2019/20: 4,959) completing their drink drive rehabilitation course during the year.

No impact from a reduction in convictions during Covid-19 lockdown periods when there were far fewer drivers on the road has been experienced to date although this remains a risk as convictions and referrals necessarily lag changes in driving activity. While conscious of that risk, the business remains well placed to continue to benefit from the business review undertaken last year with the number of referrals from the courts totalling 7,078 over the year while the conversion rate for referrals increased to 57%.

Research and lobbying

Despite the pandemic, IAM's policy and research activities continued apace during the year. We helped launch the National Motorcyclists Council to promote safe and sustainable motorcycling and ensure its key position in the transport debate is secured, completed Department for Transport funded research on the opinions of older drivers, and participated in a Parliamentary Council on Transport Safety led report on the future policy for 'alcolocks' in the UK which was also funded by the Department for Transport. IAM also presented a survey of pan European driving schools on training for autonomous vehicles as part of the ongoing EU funded "Drive 2 The Future" project.

During the year, IAM undertook surveys and generated successful media coverage on topics such as the review of the Highway Code, Smart Motorways and returning to driving after lockdowns. IAM also joined the Department for Transport Road's Safety Delivery Group and participated in several ministerial briefings.

Driver and Rider Training System (DARTS)

The core phase of the IAM Group's new system for managing membership and training went live in November 2020. This replaced legacy systems that were at the end of their life, which did not adequately support the IAM Group's

REPORT OF THE COUNCIL (continued)

marketing, operational or management reporting needs, and were difficult to maintain. The design, testing and implementation of the core phase was a complex project requiring input from several IAM teams including field service delivery, membership engagement, commercial sales, customer care, marketing and finance and was led by the IT team reporting to a steering committee chaired by the CEO.
The migration of data to DARTS provided the opportunity to cleanse and standardise data from existing systems reducing the need for manual intervention in preparing management reports and increasing their reliability.

The cost of developing and implementing DARTS, excluding ongoing licence costs, was £0.40m of which £0.17m was incurred in the previous years. Those costs were within the original project plan parameters.

Enhancements to deliver further improvements, including self-service functionality, marketing support and web-site integration are planned for subsequent phases of DARTS development with the aim of delivering maximum benefits in terms of supporting marketing and sales; member, associate and customer experience; IAM RoadSmart group activities; and efficiency, thereby assisting the underpinning of IAM Group's activities in line with IAM's charitable objects.

Support for subsidiaries

IAM Drive & Survive and IAM DRA have net liabilities on their balances sheets at year end of £0.79m (2020: £0.35m) and £0.17m (2020: £0.27m) respectively. Both subsidiaries undertake activities which fall within the charitable objects of IAM and are being supported by IAM.

Fundraising activity

During the year ended 31 March 2021, the IAM Group did not carry out any activities to raise funds from the general public.

Financial review

The Group Statement of Financial Activities on page 22 indicates a net surplus of £1.44m (2019/20: £0.25m deficit). compared to an originally budgeted deficit of £0.42m.

The operating result for the year (before investment income and gains on the investment portfolio) was very close to break-even with a deficit of £0.09m which continues the favourable trend established in the previous year when the operating was reduced to £0.18m from the much high deficit levels experienced in previous years.

As indicated above, the financial results was heavily influenced by Covid-19 pandemic related factors and although the budget for the year became obsolete as a result, the Council was nonetheless pleased to note the result compared favourably to the original budgeted operating deficit of £0.32m due to the mitigating factors described under the heading 'Overview of the impact of the Covid-19 pandemic' in the 'Achievements and Performance section' above.

Investment income and gains of £1.54m (2019/20: £0.07m loss) reflect strong gains throughout the year as markets welcomed governments' and central banks' responses to the initial impact of the Covid-19 pandemic. The investment portfolios have continued to deliver good returns since the year end.

Overall revenues, excluding investment income and the one-off benefit of the government's Coronavirus Job Retention Scheme grant of £0.29m, decreased by 25.3% from the previous year for the reasons summarised under the heading 'Achievements and performance' above. Membership subscriptions, including Gift Aid, decreased by 5.0% reflecting the decrease in IAM RoadSmart Member and Associate Member numbers, partially offset by an increase in member subscription rates approved at the previous annual general meeting of IAM RoadSmart Members.

Test fees from Associates Members decreased 58.7% due to the decline in sales of Advanced Driver/Rider programmes. Drive & Survive revenues were severely impacted by the Covid-19 pandemic, declining 64.6% as on-road training activities were suspended and demand from commercial customers diminished, which frustrated the ability of the refocussed sales team to build on the previous year's gains with enhanced product offerings. Limiting the reduction in IAM DRA revenues arising from the impact of the Covid-19 pandemic to 22.0% was a highly credible outcome reflecting the transformation online of the delivery of drink drive rehabilitation courses together with the continued implementation of the results of the business review undertaken in the previous year.

REPORT OF THE COUNCIL (continued)

IAM Cornmarket insurance commissions fell by 6.0% as the number of policies held by IAM RoadSmart Members continued to decline which was disappointing. PDS, which continues to generate net income but is not regarded as a core service offering, saw a 30.5% fall in income due to the suspension of customers' NDORS courses due to the Covid-19 pandemic.
Gross margin for DRA increased significantly to 60.6% (2019/20: 43.5%) largely reflecting the lower costs of delivering courses on-line, while the gross margin for IAM Drive & Survive declined from 50.6% to 46.3%, as did that for PDS which decreased marginally from 48.0% to 47.2%.

A continued focus in improving efficiency, together with lower costs of sales from the reduction in service delivery due to the Covid-19 pandemic, resulted in a 21.7% reduction in expenditure to £5.67m for the IAM Group.
Although comparisons are difficult because of the impact of the Covid-19 pandemic, this continues the trend of reducing costs from the previous year. Staff costs, which are the largest component of overheads fell by a further 4.1%, with savings arising from the curtailment of services due to Covid-19 and efficiency savings achieved across travel costs, expenditure in support of IAM RoadSmart groups, printing, postage and stationery, media related costs, and marketing and communications. Other efficiency savings were realised in facility costs and telephony/internet costs. IT costs increased which was expected as IAM continues to invest in upgrading it systems and capabilities, as did depreciation charges reflecting the implementation of DARTS in November.

Overall, the Council consider the financial results for the year reflect represent a highly credible outturn in a challenging environment. Although the scope for projecting forwards from the results in a year impacted so heavily by a one-off pandemic is extremely limited, the Council is confident that revenues will return to pre-pandemic levels following the end of Covid-19 pandemic restrictions albeit with a lag as activities ramp-up and confidence returns. The Council recognises the longer-term challenges to grow the top line and for the IAM Group to remain highly relevant in delivering its charitable objects in a world that is forever changing, including in the fields of driving and riding. To that end, the Council has commissioned a strategic review of the IAM Group and its services with the assistance of an expert external consultancy which will report during the first half of 2021/22 so that agreed recommendations can start to be implemented.

The balance sheet on page 22 indicates that the IAM Group's net assets have increased by £1.44 million (2019/2020: decline of £0.25m) to £8.68m (2020: £7.24m) as at 31 March 2021 reflecting the net inflow of funds during the year shown in the Statement of Financial Activities. The main movements in Fixed Assets was the increase in the investment portfolios from £6.43m to £7.90m arising from market gains as no additional funds were committed or funds withdrawn from the portfolios during the year.

Intangible fixed assets at net book value increased marginally during the year to £0.37m as result of £0.17m further expenditure on DARTS offset by depreciation charges on legacy systems which have now be decommissioned and on the DARTS system after it went live in November.

The IAM Group's balance sheet indicates net current assets of £0.32m (2019: £0.34m). Cash balances declined 18.5% to £0.65m (2020: £0.79m) while debtors and creditors decreased by 10.2% and 17.2% respectively; further analysis is shown in notes 12 and 13 to the financial statements.

Full implementation of a business strategy for growth will require further time and resources, especially given the significant impact on operations during 2020/21 of the Covid-19 pandemic. The IAM Group remains committed to making the necessary investment to deliver that growth and thereby further delivery of its charitable objects. Accordingly, the Council has approved a deficit budget for 2021/22. The Council recognises it will need to reconsider that budget further once the recommendations of the strategic review have been evaluated while it also sees considerable long-term benefit in anchoring budgets within the context of a longer-term strategic plan.

Reserves policy

The Finance & Audit Committee is responsible for ensuring IAM's reserves policy is appropriate and reviews the policy annually. The last review determined that the IAM Group requires reserves to:

- meet ongoing costs of investment to enable the IAM Group to increase its impact and broaden its appeal;
- absorb the impact of planned or unplanned financial deficits;
- facilitate investments in a portfolio of assets likely to provide a higher return, accepting the associated volatility, than that available from cash; and

- fund business development opportunities to maximise the future profitability of its portfolio of the commercial businesses, which could require additional investment.

The Finance & Audit Committee considered it appropriate for the IAM Group to continue to maintain reserves in order to meet current and future investment needs and, prior to the Covid-19 pandemic, were in the process of determining a long-term reserves policy including a target level for free reserves of around six months' operating expenditure. Given the uncertainty engendered by the Covid-19 pandemic and the potential need for considerable operational and capital expenditure to invest in opportunities in line with the strategic review currently being conducted, together with the higher levels of operating deficits experienced in some recent years, the Finance & Audit Committee also considered it appropriate to hold a higher level of free reserves at present. The Finance & Audit Committee considers the current level of reserves to be appropriate given the opportunities and challenges on the foreseeable horizon together with a prudent level of cover for unforeseeable challenges that may lie ahead.

Free reserves are defined as undesignated, unrestricted funds not including funds representing tangible and intangible fixed assets and represent funds that are available to help IAM meet its objectives.

As at 31 March 2021, the IAM Group's free reserves were £8.22m (2020: £6.76m). The Finance & Audit Committee considers this level of reserves, representing over twelve months' total expenditure, as adequate and in line with the considerations of the Finance & Audit Committee described above. As at 31 March 2021, the IAM Group's total accumulated funds were £8.68m (2020: £7.24m).

Investment policy

IAM's investment policy is reviewed annually by the Council and monitored by the Finance & Audit Committee. The investment policy is aimed at securing the best financial return from its investments with an acceptable level of risk through engaging reputable and experienced external investment managers with specified investment mandates.

Income is not drawn from the investment portfolios on a regular basis and is instead reinvested so that the portfolios have a total return (combined income and capital return) objective, with access to drawdown funds to finance operational needs as and when required.

The market value of IAM's investment portfolios at 31 March 2021 was £7.90m (2020: £6.43m). The increase was attributable to dividends, interest and net market value gains within the portfolios as there were no additional funds invested in or drawdowns from the portfolios during the year.

As set out in the Risk Management section of this report, during 2020/21 the Finance & Audit Committee undertook a comprehensive review of investment portfolio managers. After due consideration, it was decided to retain the services of the three incumbent investment managers:

- JM Finn & Co
- Ruffer LLP
- Rathbone Investment Management

The objective of the JM Finn portfolio is to achieve a combined return from income and capital. The portfolio is managed on a discretionary basis and is invested across a range of asset classes including equities, bonds, property, cash and alternatives using both direct investments and pooled investment vehicles. Performance (net of fees) is assessed against the MSCI/PIMCA WMA Balanced index to take account of non-UK assets, although the formal agreement with JM Finn is to benchmark performance against a 70% FTSE all-share/30% FTSE UK Gilt benchmark. The value of the portfolio as at 31 March 2021 was £3.27m (2020: £2.64m). The portfolio gained 23.5% (2019/20: 1.9% loss) during the year compared to the benchmark gain of 22.0%.

Performance of the Ruffer portfolio, is measured against the objective of never losing money in any twelve-month period and generating returns (net of fees) ahead of the "risk free" alternative of depositing money in a reputable bank, with no benchmark. The Ruffer portfolio is invested in a segregated fund that follows the Ruffer absolute return investment strategy, which manages risk by spreading investment across a variety of conventional assets, including equity, bond, commodity and currency positions, utilising both direct investments and pooled investment vehicles. Over the year, the market value of investments in the portfolio increased by 21.9% (2019/20: 4.3% gain) to £2.32m (2020: £1.90m), compared to the benchmark return of 0.1%, reflecting Ruffer's asset allocation which benefited from strong rises in

sovereign bonds, indexed-linked bonds and gold as well as equities and a temporary beneficial allocation to cryptocurrencies.

The objective of the Rathbone portfolio, which was valued at £2.32m (2020: £1.88m) at 31 March 2021, is to generate a combined return from capital growth and income of CPI plus 3% over the medium term. Although the investment strategy is a discretionary one, allowing the investment manager to invest the portfolio across diversified asset classes (including cash, bonds, equities, property, hedge funds, structured products, private equity and commodities), to date the portfolio has been invested solely in the Rathbone Active Income & Growth fund (income units) which is similarly diversified. The Rathbone portfolio gained 23.4% (2019/20: 6.8% loss) in the year, compared to a benchmark gain of 3.4%. As part of the review of investment manager performance, the Finance & Audit Committee noted that performance of the Rathbone portfolio has improved considerably compared to the two previous years and that it now comfortably exceeded its benchmark return on a cumulative basis over the three years since 1 April 2018.

IAM's investment policy is that where balances of more than £1.50 million of IAM Group's cash balances are deposited or are likely to be deposited with institutions with a minimum long-term debt rating of below 'A-' this should be communicated to and considered at the next Finance & Audit Committee meeting, but that in any case balances of up to £2.0 million may be deposited with the IAM Group's current principal bankers, HSBC.

Going Concern

The trustees have assessed the ability of IAM and the IAM Group to continue as a going concern. That assessment included consideration of the recent trading performance, the remaining uncertainty regarding the future trajectory of the ongoing Covid-19 pandemic on the IAM Group's trading and finances, the level of investments held as reserves and the associated risk profile of those investments, the key risks faced by the IAM Group as described under 'Risk management' below, together with the underlying budgets for 2021/22 and a roll forward of the budget for 2021/22 using conservative assumptions. The trustees draw additional comfort from the way the IAM Group was able to react to an unprecedented external shock in 2020/21 in which it delivered a very small operating deficit compared to the reduction in revenues. The trustees' assessment is that IAM and the IAM Group will remain going concerns for a period of at least 12 months from the date of approval of this report and of the financial statements.

Risk management

The IAM Group has a formal process for assessing risks and implementing risk management strategies. This involves identifying risks and prioritising them in terms of likelihood of occurrence and potential impact, together with devising and implementing mitigations as considered appropriate. Risks registers maintained by individual department are reviewed by the CEO and those risks identified as strategic in nature are now included as a standing agenda item for the Council meetings for further consideration by trustees.

The Council considers the principal risks to which the IAM Group is exposed and the mitigations in place to manage these risks are:

- Covid-19 pandemic impact on operations and finances.
- Decline in the strength of the IAM groups affiliate network and volunteers.
- Decline in the capacity of the contracted base of Advanced Driving Instructors delivering IAM Group services
- IT systems, including DARTS implementation, and cybersecurity.
- Investment losses.
- Decline in the number of IAM RoadSmart members.
- Line management capabilities and succession planning for key staff.
- Long term strategy.

Covid-19 pandemic impact on operations and finance

As described elsewhere in this report, the Covid-19 pandemic and the attendant restrictions on activities imposed by government has had a significant impact on the IAM Group. Although the current indications from the government are that it will remove those restrictions, the future trajectory of the pandemic and therefore of the government's response remain uncertain.

REPORT OF THE COUNCIL (continued)

Moreover, despite the current success of the Covid-19 vaccination programme in the UK, a resurgence of the pandemic could well affect the confidence of customers to participate in many of the IAM Group's activities, and of volunteers and trainers to deliver those activities, as well as the willingness of staff to commute to, and work in, the IAM office. The IAM Group will need to assess the timing of expenditure on activities such as marketing campaigns to mitigate the risk that the objectives of those campaigns is frustrated by the impact on staff, volunteers, customers, contractors and the public of a resurgence of the pandemic.

Other impacts and potential impacts of a resurgence of the Covid-19 pandemic include:

- increased uncertainty regarding the reliability of budgetary plans;
- increased reliance on IT solutions;
- changes in working practices that may continue for the longer term;
- staff and key person absences due to illness or isolation requirements;
- the diversion of management time to ensure compliance with government guidelines, communication with staff, volunteers and customers to ensure they are aware of the IAM Group's response, and developing appropriate mitigations and plans to recommence training activities when appropriate;
- the ongoing economic impact on individuals and corporate customers leading to more limited budgets for driver and rider training;
- the need to extend membership for Associates who have been unable to complete their Advanced Driver/Rider training and the related inability to sell further Advanced Driver/Rider programmes where on-road activities cannot take place; and
- the cost of providing appropriate safeguards and personal protective equipment in the office and on-road.

As described elsewhere in this report, the IAM Group successfully implemented strategies to mitigate the impact of the pandemic on its financial position during 2020/21 and is cautiously confident that it would be able to do so should this be required in the future by applying options which could include:

- delaying the implementation of recommendations from the strategic review;
- increasing the resilience of the telephone system to ensure calls can be dealt with more efficiently by staff who are working from home; and
- identifying staff costs and overheads that can be reduced in the short term both during the Covid-19 restriction period and for the longer term.

The Council considers that the level of free reserves is sufficiently large to cover the financial impact of a resurgence of the Covid-19 pandemic.

Decline in the strength of the IAM RoadSmart group affiliate network and volunteers

IAM is dependent on the efforts and goodwill of volunteers and IAM RoadSmart groups to deliver the Advanced Driver and Rider programmes and other services. A decline in the strength of the IAM RoadSmart group affiliate network and/or the number of volunteer observers would impact IAM's ability to deliver on-road training and to provide other support to IAM RoadSmart Members. The field service team is tasked, inter alia, with supporting IAM RoadSmart groups on a regional basis and assisting them to adopt best practices

Decline in the capacity of the contracted base of Advanced Driving Instructors delivering IAM Group services

The IAM Group uses contracted Advanced Driving Instructors ('ADIs') to deliver certain on-road course modules, Driving for Work and other commercially orientated programmes within Drive & Survive. The suspension of driver training for new drivers and driving tests during the Covid-19 pandemic has led to a surge in demand for ADI services as the pandemic restrictions have been lifted. A reduction in the number or availability of ADIs could frustrate the delivery of services by the IAM Group with consequent impact on both revenue and reputation.

In response to this risk, the IAM Group is developing a recruitment strategy for ADIs and seeking a closer relationship with those ADIs who choose to benefit from working with the IAM Group.

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IT systems, including DARTS implementation, and cybersecurity

In common with other complex IT projects, the development and implementation of further phases of DARTS has associated risks that it does not meet the required specification, is delayed or there are cost overruns. The IAM Group seeks to mitigate those risks through negotiating fixed price contracts or tight budgetary control with the IT supplier, adopting rigorous testing and acceptance procedures and reviewing regular project plan progress reports with a steering group chaired by the Chief Executive Officer.

The risk of outages has been reduced and the resilience of the general IT systems infrastructure increased by the provisioning of IAM Group's server infrastructure using cloud-based solutions provided by reputable third-party suppliers with agreed performance criteria. In addition, the recent migration of non-bespoke system electronic file storage to SharePoint/OneDrive increases the resilience of those files.

IT cybersecurity risks present an increasing threat to all organisations. The IAM Group's IT staff keep up to date with current information security best practice. The IAM Group invests in up to date computer equipment and software, has a thorough software update regime, robust backup procedures and is subject to quarterly firewall penetration testing, carried out by an independent cyber security consultancy.

The IAM Group has installed the latest firewall systems and has anti-virus software installed on all devices, with spam/virus filters actively managed and regular software updates on all interfaces with the outside world.

Investment losses

A decline in the value of investments arising from a market fall or poor investment choices would impact the financial results and the resources available to invest in developing product and service offerings to meet the charitable objects.

The IAM Group seeks to mitigate the impact of this risk by maintaining investment portfolios with differing investment strategies and risks, and carrying sufficient reserves so that shorter term market declines are less likely to threaten sustainability or solvency. During 2020/21, the Finance & Audit Committee undertook a comprehensive review of investment portfolio managers assessing their performance, portfolio construction and asset allocation, portfolio risk attitudes, service levels and costs. The performance of the investment portfolios against benchmarks is reported quarterly and considered by the Finance & Audit Committee.

Decline in the number of IAM RoadSmart Members

The average age of IAM RoadSmart Members continues to increase and the number of potential new IAM RoadSmart Members undertaking the Advanced Driver/Rider programme has not met expectations in recent years.

IAM continues to develop and implement plans to improve its communication and provision of services to IAM RoadSmart Members to mitigate any potential for a decrease in its member retention rate. To support this the proactive follow up of recently lapsed members has been brought in-house and early analysis suggests this is having a positive impact.

In addition, continued campaigns to encourage IAM RoadSmart Members to pay their annual subscriptions by direct debit will reduce the risk of losing members as well as reducing the cost of chasing members for payment, while encouraging more members to sign up for Gift Aid will mitigate the financial impact of a reduction in member numbers.

Line management capabilities and succession planning for key staff

The IAM Group's ability to deliver its charitable objects is highly dependent on the capabilities of its staff, and the manner in which those staff are led.

Poor management could give impact staff morale and increase the attrition of employees, while managers who do not feel they have adequate tools to manage their reports could negatively impact the output from their teams.

IAM Group has recently implemented the OpenBlend system to assist in managing and tracking the interactions between line managers and their reports. The OpenBlend approach is more holistic than traditional employee management

systems as it enables employees to address areas of concern and agree with their line manager what improvements can be made including identifying measurable criteria and the support required.
In addition, training is being provisioned for first time managers while coaching and mentoring is made available as needed with the approval of the Head of Human Resources.

During 2020/21, a review was undertaken of succession planning with an emphasis on identifying those roles where there is not a 'natural' successor within the IAM Group or where recruitment of staff with the correct skills and experience may take considerable time and plans to mitigate that risk including additional training are being developed.

Long term strategy

The lack of an up to date longer term strategy leads to a number of risks including:

- a lack of focus on activities that are likely to deliver fulfilment of the charitable object in the long term;
- pursuing activities and tactics that are not congruent;
- not setting suitable targets and objectives to encourage longer term thinking about how the IAM Group should react to a changing environment for riding and driving;
- budgets and resource allocation being determined without longer term considerations, leading to suboptimal allocation of resources; and
- a failure to engender a sense of common purpose amongst trustees, senior managers and staff.

The Council has commissioned an external expert strategic consultancy to work with trustees and senior managers to develop a strategy for approval by the Council.
This work commenced in May 2021 and initial recommendations will be considered by the Council in the second quarter of 2021/22 with a view to distilling them into a coherent practical multi-year strategy for the IAM Group that can begin to be implemented during 2021/22.

Plans for future periods

In some respects, the Covid-19 pandemic has combined with other factors to create a storm that requires the IAM Group to evaluate how we can ensure that we stay true to our core values whilst addressing the various factors that will shape the future of driving and riding. To meet the challenge of a rapidly changing mix of personal mobility solutions, a comprehensive strategic review of the business is being undertaken. The outcome of this review will provide the basis from which a multi-year strategic plan, underpinned by key milestones at specific intervals will be developed.

The strategic plan will, in the face of significant change, determine how IAM will continue to meet its charitable objectives. As a minimum we expect the outcome of the strategic review to clearly set out how, through the sale of products and services and supported by our research and lobbying activities, the IAM Group will embrace, respond to, and positively contribute to debates on the following issues related to riding and driving:

- Global Warming
- Air Quality
- Legislation (e.g. Ultra-Low Emission Zones, bans on sales of internal combustion engines, road pricing)
- Vehicle technology
- Electric vehicles
- Customer facing technology (Website, Apps etc.)
- Green travel options (e.g. electric scooters)

In the short term there are a number of positive actions included in the business plan for 2021/22

1) Embark on phase 2 of the DARTS software upgrade which will deliver a significant number of enhancements for members and customers, the IAM Group and IAM RoadSmart groups.

2) Expand the CHOICES web portal with new and innovative online learning modules that will support our Business Drivers, Associates, Observers and Examiners.

REPORT OF THE COUNCIL (continued)

3) Roll out a series of webinars to provide Continued Professional Development opportunities for IAM Observers and topics of interest to all IAM RoadSmart Members, and consider the potential to extend these to the wider public.

4) Proactively engage with IAM RoadSmart groups to see how IAM can better support local advanced driver/rider recruitment activities and/or initiatives that deliver improved road safety.

5) Public relations activities will increasingly focus on gathering and promoting local stories and blogs from IAM RoadSmart group members

6) Launch a new benefits portal for IAM RoadSmart Members and use data analytics to measure success and identify opportunities for ongoing improvement through the addition/deletion of products/services.

7) Launch our largest ever 'Member by Exemption' recruitment campaign targeting those drivers and riders who already hold the equivalent of the IAM's Advanced Driver/Rider standard. This will positively impact on IAM RoadSmart Member numbers, generate immediate income and avoid placing a strain on IAM RoadSmart groups who are managing a backlog of IAM RoadSmart Associates.

8) Embark on a complete rebuild of the current website to reflect the new strategic plan and ensure that this becomes the central hub for all aspects of interaction with the IAM Group.

Related parties

None of the trustees receives remuneration or other benefit from their activities as a trustee with IAM. Any connection between a trustee or senior manager of IAM and a contractual party must be disclosed to the Council. During the year under review, no such related party transactions were reported.

Statement of trustees' responsibilities

The trustees (who are also directors of IAM for the purposes of company law) are responsible for preparing the Report of the Council and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business,

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

REPORT OF THE COUNCIL (continued)

Statement as to disclosure of information to the auditor

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company and group's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

Crowe U.K. LLP has indicated its willingness to continue in office. The Report of the Council (including the Strategic Report) was approved on behalf of the Council by

J Willcocks

Jeffrey Willcocks
Trustee

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Hyde Way
Welwyn Garden City
Hertfordshire
AL7 3BT

23 September 2021

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS AND THE TRUSTEES OF THE INSTITUTE OF ADVANCED MOTORISTS LIMITED

Opinion

We have audited the financial statements of the Institute of Advanced Motorists Limited ('the charitable company') and its subsidiaries ('the group') for the year ended 31 March 2021 which comprise the Group Statement of Financial Activities, the Group and Charity Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2021 and of the group's income and expenditure, 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 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS AND THE TRUSTEES OF THE INSTITUTE OF ADVANCED MOTORISTS LIMITED
(continued)

- prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 16, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulations, Health and Safety legislation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance and Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Thomas
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor

London

Date 5 October 2021

GROUP STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2021 (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)

	Note	2021 £000	2020 £000
Income from:			
Donations and legacies			
Subscriptions (including Gift Aid)		3,443	3,624
Other income	3.1	340	53
Charitable activities			
Test fees		178	431
Other trading activities			
Training and related services	3.2	1,612	2,953
Investments	10	153	278
Total income		5,726	7,339
Expenditure on:			
Generating funds			
Fundraising and publicity	3.4	603	860
Training and related services	3.4	1,629	2,664
		2,232	3,524
Charitable activities			
Research and advocacy	3.4	488	606
Membership services	3.4	2,004	1,946
Tests	3.4	540	487
Quality assurance	3.4	403	673
		3,435	3,712
Total expenditure	3.4	5,667	7,236
Net income		59	103
Net gains/(losses) on listed investment portfolio	9	1,383	(350)
Net expenditure for the year	4	1,442	(247)
Other recognised gains			
Exchange losses		(1)	(1)
Net movement of funds in year		1,441	(248)
Balances brought forward at 1 April		7,239	7,487
Balances carried forward at 31 March		8,680	7,239

The notes on pages 24 to 38 form part of these accounts.

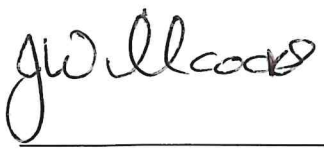
COMPANY NUMBER 562530

BALANCE SHEETS AS AT 31 MARCH 2021

	Note	Group 2021 £000	Group 2020 £000	IAM 2021 £000	IAM 2020 £000
Fixed assets					
Intangible assets	7	373	359	373	359
Tangible assets	8	90	116	90	116
Investments	9	7,901	6,425	8,031	6,555
		8,364	6,900	8,494	7,030
Current assets					
Stocks	11	86	111	-	-
Debtors	12	665	741	1,239	1,008
Cash at bank and in hand		646	793	462	678
		1,397	1,645	1,701	1,686
Current liabilities					
Creditors: amounts due within one year	13	(1,081)	(1,306)	(2,838)	(2,867)
Net current assets/(liabilities)		316	339	(1,137)	(1,181)
Total assets less current liabilities		8,680	7,239	7,357	5,849
Net assets		8,680	7,239	7,357	5,849
Unrestricted funds					
General fund	14	8,680	7,239	7,357	5,849
		8,680	7,239	7,357	5,849

IAM has taken advantage of the to present a Charity only income and expenditure account under section 408 of the Companies Act 2006. The net income of the charity in 2021 was £1,508,000 (2020: net expenditure of £400,000).

The financial statements on pages 21 to 38 were approved by the Council on 23 September 2021 and authorised for issue and signed on its behalf by



Jeffrey Willcocks
Trustee

The notes on pages 24 to 38 form part of these accounts.

GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £000	2021 £000	2020 £000	2020 £000
Cash flows from operating activities:					
Net cash (used)/generated in operating activities	17		13		196
Cash flows from investing activities:					
Payments to acquire intangible fixed assets	7	(165)		(234)	
Payments to acquire tangible fixed assets	8	(55)		(23)	
Net drawdown from/(additions) to investments	9	(135)		525	
Movement in cash investments	9	42		(15)	
Listed investment income	10	152		276	
Bank interest received	10	1		2	
Net cash (utilised)/provided by investing activities			(160)		531
Change in cash and cash equivalents in the year			**(147)**		**727**
Cash and cash equivalents at start of the year			793		66
Cash and cash equivalents at end of the year			**646**		**793**

The notes on pages 24 to 38 form part of these accounts.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

1 General information

The Institute of Advanced Motorists Limited (IAM) is a company limited by guarantee incorporated in England and has no share capital. The liability of members in the event of winding-up is limited to 25p per member.

The address of IAM's registered office and principal place of business is 1 Albany Place, Hyde Way, Welwyn Garden City AL7 3BT.

IAM's and the IAM Group's principal activities are detailed in the Report of the Council.

2 Accounting policies

(a) Basis of accounting and going concern

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. A separate statement of financial activities for IAM is not presented as permitted by the SORP.

Monetary amounts in these financial statements are rounded to the nearest £1,000 except where otherwise indicated.

IAM meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The trustees assess whether use of the going concern basis of accounting is appropriate i.e. whether there are material uncertainties related to events or conditions that may cast doubt on the ability of the charitable company and the group to continue as a going concern. The trustees review forecasts and projections covering a period of at least one year from the date of approval of the financial statements in making that assessment. The trustees do not consider there are any such material uncertainties but have given particular consideration to the uncertainties concerning the future trajectory and impact of the Covid-19 pandemic as described below.

The trustees have considered the impact of the Covid-19 pandemic on the charitable company and the group. That consideration including assessing the likely potential loss of income arising from sales of Advance Courses including Test fees and from other activities requiring on-road or in-classroom training where social distancing is impractical. It also included an assessment of the impacts of the potential reluctance of individuals and corporate customers to attend such courses due to concern for their safety regarding Covid-19 and for such customers to seek to control and reduce discretionary spending once formal restrictions on conducting on-road and in-classroom activities are lifted, as well as reduced membership retention rates as members experiencing financial and other pressures review discretionary and charitable outgoings.

The overall impact of the Covid-19 pandemic on IAM's finances is dependent on the duration and nature of restrictions on social contact, whether government imposed or due to general concerns regarding the safety of staff, volunteers, or attendees at training and other events, which by their nature are subject to a high degree of uncertainty. The trustees' assessment of that impact on the going concern basis took into account the manner in which the IAM Group was able to react to the circumstances that the pandemic gave rise to during 2020/21 and the resultant mitigation of the financial impact as shown in the results for the year, the availability of similar options to mitigate the impact in the future and the level of liquid reserves available to cover those potential financial impacts that might not be mitigated. In particular, the trustees noted that liquid investments of £7.9m at 31 March 2021 had increased by a further £0.3m by 31 May 2021 and that those investments together with net current assets of £0.3m at both 31 March and 31 May 2021 represented over 1.4 times the total expenditure incurred in 2020/21 (i.e. without taking any account of income during the going concern review period).

The trustees' consideration of going concern also took into account a stress test utilising the potential for circumstances which although unlikely would have a significant impact. Those unlikely circumstances included significant reductions in income from membership, other courses and assessments, and commercial activities, while assuming that operating and capital expenditure was maintained at budgeted and forecast levels, and the potential for investment portfolios to fall by up to 50%. The stress test indicated that the going concern basis of accounting would remain appropriate as at the date of approval of the financial statements.

Accordingly, the trustees consider that the going concern assumption remains valid.

(b) **Basis of consolidation**

The consolidated financial statements include on a line-by-line basis the financial statements of IAM and its subsidiary companies made up to 31 March 2021. Subsidiaries acquired during the year are consolidated using the acquisition method. Their results are incorporated from the date that control passes. The difference between the cost of acquisition of shares in subsidiaries and the fair value of the net assets acquired is capitalised as purchased goodwill and amortised through the income and expenditure account over an estimated useful economic life.

(c) **Functional and presentational currencies**

The consolidated financial statements are presented in sterling which is also the functional currency of the Group.

(d) **Goodwill**

Goodwill (representing the excess of the consideration given over the fair value of the separable net assets acquired) arising on business combinations in respect of acquisitions is capitalised and amortised by equal annual instalments over its estimated useful life.

Goodwill is reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the goodwill may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated, and an impairment loss recognised whenever the carrying amount of the asset or its income generating business exceeds its recoverable amount. Impairment losses are recognised in the Group Statement of Financial Activities.

(e) **Turnover**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Subscriptions received in advance of their due date are treated as income received in advance. Otherwise, subscriptions are credited to the Statement of Financial Activities when received. Test fee income is credited to the Statement of Financial Activities when received. Provision is made at the year-end for the costs of outstanding tests for which the income has already been received. All other income is credited in the period to which it relates.

(f) **Investments and investment income**

Listed investments are included in the financial statements at the quoted bid price at the balance sheet date. Listed investment income is credited when received and realised gains and losses on disposals of listed investments are recognised on the date of disposal. Unrealised gains and losses on listed investments held at the year-end are recognised in the Statement of Financial Activities. Bank interest receivable is credited in the period to which it relates.

(g) **Expenditure**

Expenditure is recognised when a liability is incurred. Costs of generating funds are those incurred in the IAM's Group's fundraising and publicity activities, together with the trading activities of IAM's subsidiaries. Charitable activities include expenditure associated with membership services, advanced driving and motorcycle tests, research and advocacy and the "RoadSmart" magazine. Expenditure includes direct costs and support costs relating to these activities.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.
Governance costs are allocated on the basis of the staff cost incurred on each activity. Support costs include central functions and the amortisation of goodwill and have been allocated to activity cost categories on a basis consistent with the percentage use of resources expended.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

(h) **Fund accounting**

The general fund is an unrestricted fund which is available for use at the discretion of the trustees in furtherance of the general objectives of the charity and has not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of any designated fund is set out in the notes to the financial statements.

Restricted funds are funds subject to specific restrictions imposed by donors.

(i) **Tangible fixed assets and depreciation**

Tangible fixed assets with a cost in excess of £1,000 are capitalised at cost. Depreciation of fixed assets is charged at rates estimated to write off their cost or valuation less any residual value over the expected useful lives commencing with the year of acquisition. The following annual rates of depreciation have been used:

Leasehold improvements	-	20%
Computer equipment	-	20% to 33⅓%
Office equipment	-	20%

Intangible fixed assets – capitalisation, amortisation and impairment

(j) Intangible fixed assets are capitalised at cost. Amortisation of fixed assets is charged at rates estimated to write off their cost or valuation (less any residual value) over the estimated useful lives commencing with the year of acquisition. The following annual straight-line rates of amortisation have been used:

Computer software	-	20%
Goodwill	-	20%

Where factors, such as technological advancement, changes in the nature of the markets served by utilisation of intangible assets, or changes in market price indicate that the residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

Assets under construction are assets pending completion and transfer into the relevant fixed asset category. These assets are capitalised at cost and not subject to depreciation or impairment unless extraordinary circumstances have occurred which would require provision to be made.

All other assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired. If there is an indication of impairment, the recoverable amount of the asset is compared to the carrying amount of the asset. The recoverable amount is the higher of the fair value less costs to sell and value in use. If the recoverable amount is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount by recognising an impairment loss in the Statement of Financial Activities.

(k) **Stocks**

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

(l) **Pensions**

The cost to the group in respect of its pension arrangements is charged to the Statement of Financial Activities on a payable basis. These arrangements are with a defined contribution group personal pension plan, with defined employer contributions.

(m) **Foreign currencies**
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling at the date of the transaction. Exchange differences are recognised in the Statement of Financial Activities.

(n) **Operating leases**
Operating lease rentals are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

(o) **Redundancy costs**
Accruals for redundancy costs are recognised when there is a legal or constructive obligation at the balance sheet date.

(p) **Financial instruments**
The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at fair value.

(q) **Critical accounting estimates and areas of judgement**
Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

Critical estimates include:

(i) Assessment of the net realisable value of stock
The net realisable value of stock is assessed by reviewing reports from the outsourced fulfilment houses that hold the stock, with a focus on identifying slow moving or obsolescent products and comparing expected sales price to cost.

(ii) Recoverability of debtors
Recoverability of debtors is assessed by reference to the aging of debts and the payment record of debtors. Provision is made where recoverability is assessed as doubtful following consultation with the relevant IAM relationship manager.

(pr **Coronavirus Job Retention Scheme**
Government grants are recognised on the accruals basis, when there is reasonable assurance that the charity will comply with the conditions attaching to the grant and the grant will be received. The grant in connection to the job retention scheme, has been recognised in the period to which the underlying furloughed staff costs relate to.

3.1 Other income

	2021 £000	2020 £000
Government grant – Coronavirus Job Retention Scheme	293	-
Non-Government grants	43	53
Donations	2	0
Sundry income	2	-
	340	53

3.2 Trading activities of subsidiaries

IAM is a registered charity and derives income from its wholly owned trading subsidiaries. These subsidiaries are incorporated in Great Britain and their activities are described in note 9. All subsidiaries receive/pay interest at market rates on any indebtedness due from/to IAM. A summary of their results is shown below:

	IAM Drive Survive Limited	IAM Group Services Limited	Institute of Advanced Motorcyclists	Professional Driver Services Limited	IAM Driver Retraining Academy Limited	Total
			2021			
	£000	£000	£000	£000	£000	£000
Turnover:						
Sale of goods	451	59	314	123	665	1,612
Cost of sales	(242)	(69)	-	(65)	(262)	(638)
Gross profit	209	(10)	314	58	403	974
Administrative expenses	(123)	(10)	(4)	(8)	(58)	(203)
Management charges	(516)	(63)	(26)	(21)	(248)	(874)
Operating (loss)/profit	(430)	(83)	284	29	97	(103)
Interest payable to related parties	(8)	-	-	-	-	(8)
Interest receivable from related parties	-	5	38	4	-	47
(Loss)/profit before and after taxation	**(438)**	**(78)**	**322**	**33**	**97**	**(64)**
			2020			
	£000	£000	£000	£000	£000	£000
Turnover:						
Sale of goods	1,274	315	334	177	853	2,953
Cost of sales	(629)	(260)	-	(92)	(482)	(1,463)
Gross profit	645	55	334	85	371	1,490
Administrative expenses	(190)	(9)	(5)	(6)	(81)	(291)
Management charges	(650)	(47)	(23)	(57)	(307)	(1,084)
Operating (loss)/profit	(195)	(1)	306	22	(17)	115
Interest payable to related parties	(10)	-	-	-	(4)	(14)
Interest receivable from related parties	-	7	40	3	-	50
(Loss)/profit before and after taxation	(205)	6	346	25	(21)	151

The profits of UK subsidiaries, after group relief, are distributed to the charity and there is, therefore, no liability to corporation tax for those entities. Management charges represent reimbursement of costs incurred by IAM on behalf of the subsidiaries. There were gift aid payments made to the charity in respect of financial year ended 2020 during the financial year ended 2021 £63,000 (2020 – NIL).

3.3 Net assets of subsidiaries

	IAM Drive & Survive Limited	IAM Group Services Limited	IAM Motoring Trust Trading Limited	Institute of Advanced Motorcyclists Limited	Professional Driver Services Limited	IAM Driver Retraining Academy Limited	Total
	2021						
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Current assets	107	230	-	2,012	237	153	2,739
Creditors	(899)	(61)	(55)	(3)	(9)	(324)	(1,351)
Net (liabilities)/assets	**(792)**	**169**	**(55)**	**2,009**	**228**	**(171)**	**1,388**
	2020						
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Current assets	298	349	-	1,689	207	100	2,643
Creditors	(652)	(101)	(55)	(4)	(11)	(368)	(1,191)
Net (liabilities)/assets	**(354)**	**248**	**(55)**	**1,685**	**196**	**(268)**	**1,452**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

3.4 Total expenditure

	Direct staff £000	Other direct costs £000	Support costs £000	Total 2021 £000	Total 2020 £000
Costs of generating funds					
Fundraising and publicity	175	110	318	603	860
Training and related services	790	839	0	1,629	2,664
	965	949	318	2,232	3,524
Charitable activities					
Research and advocacy	146	77	265	488	606
Membership services	584	361	1,059	2,004	1,946
Tests	174	51	315	540	487
Quality assurance	188	62	153	403	673
	1,092	551	1,792	3,435	3,712
Total expenditure	2,057	1,500	2,110	5,667	7,236

3.5 Council expenses

	2021 £000	2020 £000
Travel and subsistence:		
Expenses reimbursed to 2 trustees (2020: 10)	0	12

Expenses reimbursed to trustees in 2020/21 amounted to less than £500.

The cost of trustee indemnity insurance was included in IAM's general insurance premium for the year and not separately identified.

3.6 Directors' emoluments

No director/trustee received emoluments during the year (2020: £nil).

No pension payments were made in respect of directors/trustees (2020: £nil).

3.7 Employees whose emoluments exceed £60,000

	2021 Number	2020 Number
The number of employees whose emoluments (including taxable benefits but not employer pension costs) exceeded £60,000 during the year was as follows:		
£60,001 to £70,000	3	2
£70,001 to £80,000	2	2
£80,001 to £90,000	1	1
£90,001 to £100,000	-	1
£100,001 to £110,000	1	-
£110,001 to £120,000	1	2
£120,001 to £130,000	1	1
£130,001 to £140,000	1	-
£200,001 to £210,000	-	1
	10	10

Pension contributions of £61,220 (2020: £60,023) were made during the year to a defined contribution scheme in respect of 9 employees (2020: 9 employees) included in the above analysis. The average number of employees was 61 (2020: 61).

3.8 Staff costs

	2021 £000	2020 £000
Wages and salaries	2,536	2,646
Social security costs	282	295
Defined contribution pension costs	126	130
	2,944	3,071

During the year, the IAM Group incurred redundancy costs of £6,614 (2020: £8,567).

All group staff salaries are paid by IAM. IAM charges subsidiaries a management fee incorporating a charge for the utilisation of staff employed by IAM.

The total remuneration including employers' national insurance of the Senior Management Team (as per page 2) who are considered to be the key management personnel of the IAM Group was £1,121,303 (2020: £1,077,679).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

4. Net expenditure for the year

	2021 £000	2020 £000
Net expenditure for the year is stated after charging:		
Depreciation	81	90
Amortisation of intangible assets	151	63
Auditor's remuneration - audit fees current year	30	30
Auditors remuneration - audit fees - prior year	4	9
Auditors remuneration - tax services - current year	8	8
Operating lease payments - motor vehicles	55	63

5 Allocation of support costs

	Cost of generating funds	Membership services	Tests	Quality assurance	Research and advocacy	Total 2021	Total 2020
	£000	£000	£000	£000	£000	£000	£000
Management	43	144	43	21	36	287	346
Finance	90	298	88	43	75	594	454
Information technology	110	369	110	53	92	734	666
Facilities	42	138	41	20	35	276	289
Human resources	15	50	15	7	12	99	140
Governance (See note 6)	18	60	18	9	15	120	122
	318	1,059	315	153	265	2,110	2,017

Support costs are allocated using a combination of headcount and floor space applicable to the service provided.

6 Governance – Group and IAM

	2021 £000	2020 £000
Direct costs:		
Audit and accounting fees	42	39
Professional fees	1	3
Council costs	-	12
Salary costs	77	68
	120	122

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

7 Intangible fixed assets

	Goodwill	Computer Software	Assets under construction	Total
	£000	£000	£000	£000
Group				
Cost				
At 1 April 2020	2,927	336	234	3,497
Additions	-	-	165	165
Transfer	-	399	(399)	-
Disposals	-	(289)	-	(289)
At 31 March 2021	2,927	446	0	3,373
Amortisation				
At 1 April 2020	2,927	211	-	3,138
Charge	-	151	-	151
Transfer	-	-	-	-
Disposals	-	(289)	-	(289)
At 31 March 2021	2,927	73	-	3,000
Net book value				
At 31 March 2021	-	373	-	373
At 31 March 2020	-	125	234	359
IAM				
Cost				
At 1 April 2020	-	336	234	570
Additions	-	-	165	165
Transfer	-	399	(399)	-
Disposals	-	(289)	-	(289)
At 31 March 2021	-	446	0	446
Amortisation				
At 1 April 2020	-	211	-	211
Charge	-	151	-	151
Transfer	-	-	-	-
Disposals	-	(289)	-	(289)
At 31 March 2021	-	73	-	73
Net book value				
At 31 March 2021	-	373	-	373
At 31 March 2020	-	125	234	359

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

8 Tangible fixed assets

	Leasehold Improvements	Computer equipment	Office equipment	Total
	£000	£000	£000	£000
Group				
Cost				
At 1 April 2020	56	175	241	472
Additions	14	21	20	55
Disposals	-	(55)	(8)	(63)
At 31 March 2021	**70**	**141**	**253**	**464**
Depreciation				
At 1 April 2020	40	142	174	356
Charge	11	20	50	81
Disposals	-	(55)	(8)	(63)
At 31 March 2021	**51**	**107**	**216**	**374**
Net book value				
At 31 March 2021	19	34	37	90
At 31 March 2020	16	33	67	116
IAM				
Cost				
At 1 April 2020	56	175	241	472
Additions	14	21	20	55
Disposals	-	(55)	(8)	(63)
At 31 March 2021	**70**	**141**	**253**	**464**
Depreciation				
At 1 April 2020	40	142	174	356
Charge	11	20	50	81
Disposals	-	(55)	(8)	(63)
At 31 March 2021	**51**	**107**	**216**	**374**
Net book value				
At 31 March 2021	19	34	37	90
At 31 March 2020	16	33	67	116

9 Fixed asset investments

	Group		IAM	
	£000	£000	£000	£000
Shares in subsidiary companies (see below)				
Cost at 1 April 2020 and 31 March 2021		-		130
Listed investments				
Market value at 1 April 2020	6,266		6,266	
Net disposals	135		135	
Net gain on investment assets	1,383		1,383	
Market value at 31 March 2021		7,784		7,784
Cash				
At 1 April 2020	159		159	
Decrease in cash	(42)		(42)	
At 31 March 2021		117		117
		7,901		8,031
Shares in subsidiary companies (see below)				
Cost at 1 April 2019 and 31 March 2020				130
Listed investments				
Market value at 1 April 2019	7,141		7,136	
Net disposals	(525)		(520)	
Net loss on investment assets	(350)		(350)	
Market value at 31 March 2020		6,266		6,266
Cash				
At 1 April 2019	144		149	
Increase in cash	15		10	
At 31 March 2020		159		159
		6,425		6,555

9.1 Subsidiary companies

IAM Drive & Survive Limited (registered number 2019635) provides risk management and corporate driver training services.

Professional Driver Services Limited (registered number 04498365) provides administration services to service providers for National Driver Offender Retraining Scheme courses.

IAM Driver Retraining Academy Limited (registered number 08248082) provides Drink Drive Rehabilitation Scheme courses.

IAM Group Services Limited (registered number 650927) sells books and road safety accessories to IAM members.

Institute of Advanced Motorcyclists Limited (registered number 5889513) manages arrangements with brokers for the IAM Group's exclusive insurance scheme for IAM RoadSmart members.

IAM owns 100% of the issued share capital of the above companies, all of which are incorporated and registered in England and have the same registered address as IAM. IAM also indirectly owns 100% of the issued share capital of Drive & Survive UK Limited, IAM Motoring Trust Trading Limited and IAM RoadSmart Limited, all of which are registered in England and none of which has traded during the year.

9.2 Listed investments

The cost of listed investments at 31 March 2021 was £6,531,225 (2020: £6,353,406). There were no underlying holdings with an individual market value in excess of 5% of the total market value at 31 March 2021 (2020: none).

10 Investment income

	Group	
	2021	**2020**
	£000	**£000**
Income from investments	152	276
Intercompany interest	-	-
Bank interest receivable	1	2
	153	278

11 Stocks

	Group		IAM	
	2021	**2020**	**2021**	**2020**
	£000	**£000**	**£000**	**£000**
Goods for resale and consumables	86	111	-	-

12 Debtors

	Group		IAM	
	2021	**2020**	**2021**	**2020**
	£000	**£000**	**£000**	**£000**
Amounts falling due within one year:				
Trade debtors	228	344	69	47
Taxation recoverable	215	152	215	152
Amounts due from group undertakings	-	-	776	653
Other debtors	64	73	34	17
Prepayments and accrued income	158	172	145	139
	665	741	1,239	1,008

Amounts due from group undertakings include amounts owed by trading subsidiaries to IAM, which carry interest at 2% above base rate. There are no other terms to these advances. No interest is charged on amounts due from dormant subsidiaries.

13 Creditors

	Group		IAM	
	2021	**2020**	**2021**	**2020**
	£000	**£000**	**£000**	**£000**
Amounts falling due within one year:				
Trade creditors	431	613	332	438
Amounts due to group undertakings	-	-	2,124	2,031
Other taxation and social security	72	82	70	82
Accruals and deferred income	525	608	287	313
Other creditors	53	3	25	3
	1081	1,306	2,838	2,867

Deferred income represents payments in advance for Drink Drive Rehabilitation Scheme courses, skills days and on-road driver training.

	Group	IAM
	£000	£000
Deferred income at 1 April 2020	300	42
Amount released in year	(223)	(12)
Amount deferred in year	195	38
Deferred income at 31 March 2021	272	68

14 General funds

	Group		IAM	
	2021	2020	2021	2020
	£000	£000	£000	£000
At 1 April	7,239	7,487	5,849	6,249
Gain/deficit for the year	1,441	(248)	1,508	(400)
At 31 March	8,680	7,239	7,357	5,849

15 Taxation

The IAM is a registered charity and is exempt from corporation tax on its charitable income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

16 Operating leases – Group

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Rental of office premises		Motor vehicles	
Amounts due:	2021	2020	2021	2020
	£000	£000	£000	£000
Within one year	165	165	33	42
Between one and five years	-	-	51	5
	165	165	84	47

A variation to the existing lease for the office premises was entered into during the year which provides for an additional rent-free period from September 2021 through June 2022.

17 Reconciliation of net expenditure resources to net cash outflow from operating activities

	Group	
	2021	2020
	£000	£000
Net operating income/(expenditure)	59	104
- Investment income	(153)	(278)
- Exchange gains	(1)	(1)
	(95)	(175)
Depreciation	81	90
Amortisation of computer software	151	63
Decrease in stocks	25	19
Decrease/(increase) in debtors	76	179
(Decrease)/increase in creditors	(225)	20
Net cash (outflow)/inflow from operating activities	13	196

18 Contingent liabilities

There are no contingent liabilities for the year ended 31 March 2021 (2020: £nil).

The IAM is a member of a VAT group which also comprises certain subsidiaries: IAM Drive & Survive Limited, IAM Group Services Limited and Professional Driver Services Limited. The IAM will be liable for any VAT amounts payable by these entities.

19 Capital commitments

At 31 March 2021, there were capital commitments contracted but not provided totalling £16,000 (2020: £241,000).

20 Financial instruments

	Group		IAM	
	2021	**2020**	**2021**	**2020**
	£000	**£000**	**£000**	**£000**
Financial assets				
Equity and debt instruments measured at fair value through income and expenditure	7,784	6,266	7,784	6,266

Financial assets measured at fair value through income and expenditure include assets held in the listed investment portfolios (see note 9) for which there is a readily obtainable price quoted in an active market.

22 Related parties

Transactions between group entities for the year are detailed in note 3.1 and comprised management fees and interest receivable/payable on inter-company loans with IAM.

At 31 March 2021, IAM was owed £143k (2020: £140k) from IAM Driver Retraining Limited.

At 31 March 2021, IAM owed £170k (2020: £151k) to Professional Driver Services Limited.

At 31 March 2021, IAM was owed £776k (2020: £513k) from IAM Drive and Survive Limited.

At year end, IAM owed £137k (2020: £247k) to IAM Group Services Limited

At year end, IAM owed £1,960k (2020: £1,633k) to Institute of Advanced Motorcyclists Limited.

No other related party transactions were incurred in the period.