



The Institute of Automotive Engineer Assessors

Financial Statements For 31 December 2020

A Company Limited by Guarantee and not having a Share Capital
Company registration Number: 0350568 Charity Number: 273452

The Institute of Automotive Engineer Assessors

A Company Limited By Guarantee

Financial Statements

Year ended 31 December 2020

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The Institute of Automotive Engineer Assessors

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Members of the Council and Professional Advisers

Year ended 31 December 2020

The Members of the Council	President and Chairman	A Simpson	
	Past president	C Jones	
	President Elect	D Power	
	Members	L Minton D Punter P Roath G Hunt M Wells J Dangerfield D Beirne C Robins P Briggs C Aplin	(appointed 18 May 2020) (appointed 18 May 2020) (appointed 5 Nov 2020)
Officers	Finance Officer	D Power	
	Company Secretary	A Cairns	
Company Number	0350568		
Charity Number	273452		
Registered Office	Pennroyal Court Station Road Tring HP23 5QY		
Auditors	G P Financial Management Ltd 8/9 The Old Yard Lodge Farm Business Centre Wolverton Road Castlethorpe Milton Keynes MK19 7ES		
Bankers	Lloyds TSB 22 Conduit Street Lichfield Staffordshire WS13 6JS		

The Institute of Automotive Engineer Assessors

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The Council's Annual Report (Incorporating the Directors' Report)

Year ended 31 December 2020

The Council members, who are also Directors for the purposes of the Companies Act, present their report and the financial statements of the charity for the year ended 31 December 2020.

Objectives & activities

Principal activity

The activity of the Institute continues to be that of a professional association, the main object of which is to promote and develop for the public benefit the science of the design, manufacture and related technology of motor vehicles and the science of repair of, and risks arising from, the use of road vehicles and to further public education therein. To this end, the Institute designs and sets a syllabus for students to study and prepare for the Institute's written examinations. The Institute encourage and approve Education Institutes and private Organisations to offer the Institute exams and a distance learning package is available with tutor guidance for individuals. The Institute also organises a practical competence assessment and during late 2017 early 2018 the revised Code of Practice for disposal of motor vehicle salvage named the Institute as a learning body whom operates assessed outcome testing of vehicle damage assessors wishing to be endorsed for categorising salvage.

Aims and objectives

In 2020, we were faced with challenges arising from the Global Covid-19 Pandemic and the restrictions on meeting and the movement of people that arose. The Aim of the Trustees remained as ever to ensure that the Institute continues to provide relevant and coherent membership and education standards that support the Members and complemented the industries where they work. The ongoing focus of the Council was to promote the Education Standards and Qualifications for membership and continue to align these to membership grades all while adhering to the relevant restrictions and government guidelines.

The main area of development in 2020 was to continue to be focussed towards developing strategic alliances with major training partners in the UK and Southern Ireland to ensure the continuation of future provision of specific Training and CPD to ensure current competence for the Membership and those aspiring to membership. The progressive use of technology was used to allow access to learning for all members and students worldwide.

IAEA continue to be committed to providing the motor vehicle repair industry, insurance industry, legal profession, motor vehicle salvage operators and members of the public who require a reliable high quality professional assessment service with independent information and guidance. Compliance to the Institute rules and requirements in the use of the Institute logo and the use of post-nominal letters continued to be pursued rigorously to ensure the confidence of all concerned.

The Trustees have had due regard to the Charity's Commission's guidance on public benefit in exercising their powers or duties.

Achievements and performance

Education, Training and Benchmarking

Following changes to the Education syllabus and the revised Code of Practice for the disposal of motor vehicle salvage being embedded; the Council, through the Education Group, worked to develop the availability and access to standards, and strategic alliances to promote excellence in training and education.

The Institute have been actively promoting the benefits of Institute membership to various insurance companies and claims handling companies where possible and endeavours to continue to raise its profile within the industry.

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After successful delivery of the AQP examination through a digital platform, the decision was taken to review how we might digitise other learning materials and examinations. This review was successfully completed in 2019 and enabled us to react quickly to the impact of the Covid-19 Pandemic which emerged in March 2020. We now have the capability to complete Council Meetings, AGM's and examinations through digital platforms and have worked to increase our proficiency in using such systems.

The investment in digital platforms continues to allow us to be more agile in delivering examinations to both existing students and new candidates, removing barriers to entry such as physical distance to exam centres. The education working group are now working to explore if it is possible to complete practical examinations and re-accreditations through digital platforms in late 2021.

In 2019, the institute website was completely redeveloped, the new site is presented with a modern look and feel, with updated branding and creatives. The site is fully compatible with both desktop and mobile devices creating a seamless user experience that includes a bespoke back end which houses a member's area and database. This allows members to up update their contact details as well as control the regions that they are attached to and want to receive updates from. The platform also allows members to securely access institute documents and to share information and knowledge.

In 2020, we worked on delivering more bespoke content and news feeds that are relevant to the members and wider audiences. We were also able to utilise the members area to share online CDP materials in the format of recorded webinar sessions. The digital platform can deliver engagement data which can help council to make decisions on future content to ensure we are delivering online CPD material that is the most relevant and engaging to members. The online CPD materials were welcomed by members in the absence of being able to host regional physical CPD events and our ability to be able to adapt and deliver such events quickly was a testament to the value of the investments made in previous years to complete the redevelopment of the website and members area.

We have also seen an uptake in the usage CPD database from MyCareerPath which went live last year. This allows members to upload and track their CPD and to create and download reports to evidence the work they completed if necessary. We are also able to audit adherence to members CDP requirements which will be an area for focus in the coming years.

The Institute continues to provide the independent validation of the Vehicle Damage (VDA) Assessments Benchmarks. This was further incorporated into the IMI Assessment Strategy for the VDA qualifications. This demonstrates the Institute's standing in the Sector.

Public Relations and Marketing

An international conference was planned to be hosted in Dublin in May 2020, which was initially deferred to 2021 due to the Covid-19 Global Pandemic. A review of the current status of the pandemic and government guidelines was taken in late 2020 and it was clear as we entered another wave of restrictions that it would not be possible to hold the conference.

Last year, in order to ensure the health and wellbeing of members and to help prevent the spread of the Covid-19 virus council took the decision to suspend all regional meetings in line with government guidelines and best practice. The suspension of physical regional events remains in force, but we are hopeful that with the roll out of vaccines underway we will be able to resume physical events in the coming months. A communication will be issued at that time.

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Council members have been actively raising the profile of the Institute with a range of bodies. This included;

- successful renewal of our professional affiliation with the Engineering Council
- engagement with Ofqual on our pursuit to achieve recognition as an Awarding Body
- sponsorship of the ATF Professional series of digital webinars which took place on the 19th, 20th and 26th January 2021
- continued sponsorship of the VDA Bodyshop Award
- engagement with the National Body Repair Association (NBRA)
- engagement with the Maltese Insurance Association, and
- review of intellectual property and trade marks

A number of key events were identified for attendance in 2020 to raise the profile and awareness of the institute, but these have now been deferred until we are able to safely attend physical events. We have engaged in digital events where possible, this included sponsorship and the ATF Digital Conference and our President Tony Simpson also contributed to their events and magazine.

The Institute continued to be influential with related organisations in the Automotive Sector. This has included the ongoing support of BSI. To further raise the profile of the Institute there was again support for the Bodyshop Awards. Abroad, IAEA continue to be involved and influential within the FIEA and encourage the use of the Institute examinations worldwide. The digitisation of our learning materials and examinations, should allow us to attract more international members and grow in regions where we already have a presence.

The Education Working Group are undertaking a fundamental review of our educational materials to explore;

1. how we might modularise the syllabus to make routes to membership more appealing to prospective members both in the UK and overseas, and
2. what impact the modularisation will have on improving our offering and meeting requirements to become a recognised awarding body with OfQual

The Council has continued to support the Regions and promote CPD activities, though all CPD was supported centrally through the adoption of online webinars and CPD materials. We used a digital platform to simultaneously host all regional AGM's and a CDP presentation.

The charity continues to promote the benefits of Institute membership with the major insurance companies and other industry stakeholders.

Financial review

Results for the year

The principal source of income to the charity continues to be member subscriptions, supplemented by its education activities and that generated from the provision of advertising space within the members bi-monthly journal; as indicated below there has been a shift in the income for 2020. The Council closely monitor the Institute finances to ensure there is continued sustainability.

The result of our activities, the deficit for the year 2020 amounted to £17,437 (2019: surplus £130,065). All activities relate to unrestricted funds. A long-term objective for the Institute has been the consolidation of the financial base, building on the achievements of previous years and to prepare for any possible decline in membership and other income due to the re-structuring within the automotive and insurance sectors.

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While the results for the previous two financial years (2018 and 2019) were both very positive, this was largely due to the additional income derived from delivery of AQP examinations. As highlighted in the 2019 report, this income is not recurring and this led to a significant drop in income for 2020 when compared with previous years. We had anticipated the possibility of a small deficit in 2020 due to investments in our digital capabilities and legal review of governance documents, but the events of 2020 were unpredicted. This had a negative effect on income, which was somewhat offset by a reduction in operating expenses. We believe the 2020 results should not be seen as a negative considering the investments into our digital capabilities and governance documents which will future proof the institute and serve us well in the coming years as we recover from the pandemic.

The increased revenues obtained from the AQP accreditations over the last number of years ensured that the institute was in a very positive financial position for 2020 which proved to be a very challenging year due to the Covid-19 Pandemic. As predicted, the pandemic had a negative effect on the membership number, we experienced attrition across most member grades, the most widely effected grade was the affiliate grade.

There is little doubt the pandemic had an impact on the membership numbers, but we also undertook a review of affiliate grade members in 2020 to ensure that all affiliate members were in fact working towards attaining associate and full member grades. We wrote to affiliates advising their position and the next steps in their development during the year. This pro-active review would certainly have contributed to the loss in number of affiliate grade members, but also ensures that the remaining affiliate grade members are actively progressing in their studies.

While it is regrettable to see a loss in membership numbers, we are well placed financially to absorb a drop in income. This is due to the amendment of the reserves policy in 2020 to allow for retention of additional reserves in order to cover any pandemic related loss of members.

It is unclear if the pandemic will have an effect on membership income for next year, a sensitivity analysis has been performed to assess the potential impact on income should membership continue to reduce and council are keeping this under continuous review. A review of expenditure is due to be undertaken in mid 2021 to ensure efficient use of all monies spent.

On a more positive note, the investment in our digital capability has allowed us to successfully run remotely proctored exams, this ensured that current members were able to progress in their studies and mitigated any further loss in income had the exams not taken place. This digital capability opens up new market opportunities and we are actively engaged in discussions with members and stakeholders in international locations where we already have a small presence to try attract new members.

Reserves policy

The Council has reviewed the charity's requirements for reserves taking account of the identified risks to the organisation. The policy has been reviewed by the council and in the existing economic climate it was agreed a policy should be adopted whereby the unrestricted funds of the charity should represent a minimum of two years of its annual expenditure to support working capital requirements such that in the event of a significant fall in its current income levels and/or membership; thereby, the Institute could continue to support the membership.

The Council does not anticipate a significant change in the company's charitable activities for the forthcoming year and consequently considers that the profile of expenditure in the past two years is a reasonable guide to assessing the charity's requirements. On that basis it is considered the charity should have a target reserve level of between £475,000 and £525,000.

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The current level of free reserves amounts to £637,295 (excluding fixed assets) (2019: £660,713), which is above this prescribed limit. However, as the Institutes membership has decreased, it was considered fortunate that additional reserves were held last year to both offset any drop in income and to allow us to continually invest in initiatives to increase membership in other geographies and deliver high quality services to members. This has been acknowledged by the Council and the ongoing Business Review will consider the changing structures in the automotive sector and the position of the Institute.

Due to the continued uncertainty surrounding the Covid-19 pandemic, Council will consider augmenting the service arrangements to members and the resources of the Institute to assist in maintaining a satisfactory level of reserves. The expectation is that due to the additional resource required for the updating of our infrastructure, possible implications of the pandemic to both physical and economic health of our members and the global economic uncertainty, our reserves should remain higher than target levels. Council will continue to exercise sound judgement and prudence when considering additional expenditure.

Council will continue to use reserves above the target levels to invest in educational resources for both existing and new members as well as promotion of the institute in line with our aims and objectives. Council will exercise prudence in investing reserves and endeavour to balance this with close monitoring of the effects of the Covid-19 pandemic on both the domestic and wider global economies.

Investment powers

In case the Institute shall take or hold any property which may be subject to any trusts the Institute shall only deal with or invest the same in such manner as allowed by law, having regard to such trusts.

Plans for the future

Medium and long term strategy

In 2020 the Council continued to refine the Strategic Review and make recommendations for the rolling 5 year plan. The Institutes IT infrastructure (membership database and website) have been developed to include additional features linked to membership services, CPD and education.

Council agreed that an international conference to be held in Dublin in 2020, would replace the 2020 UK National Conference. This event was due to take place in May 2020, but due to the Covid-19 pandemic was postponed until April 2021. Council reviewed the status of the pandemic and government guidelines in late 2020 and it was decided to cancel the conference until we could offer some certainty to both sponsors and delegates as to the safety of having such an event. We are hoping to return to physical events by the end of 2021. The institute was formed in 1932 and we are hoping to mark the 90th anniversary with a conference in 2022 which we hope will be most welcome as we emerge from the pandemic.

The Council in reviewing the Institute's 5 year plan, have agreed that the educational material and processes require further ongoing review and update to maintain our high standards. The education working group are currently undertaking a fundamental review of the learning materials and syllabus to explore the possibility of modularising the learning materials and the adoption of online re-accreditations for practical exams. This review is ongoing.

Council invested in digital exam capability and CPD events which was rolled out in 2020. This will be continued during 2021 and may require further resource, it may be necessary to engage external resources to assist in this, and this is to be funded from the excess free reserves referred to in the above reserves policy.

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There will be no physical regional events until such time as we can ensure the safety of speakers, members and guests. We hope to return to physical events in late 2021, once permissible all regions will return to a schedule of physical events but Council will continue to encourage the use of digital events to supplement the physical as the digital events cater for larger numbers and can easily be shared with other regions. There appears to be demand for this hybrid approach going forward, this may require investment in some resources in the future to ensure we deliver professional content.

As the institute develops and grows, and legislation changes, there is a requirement to update our policies and procedures together with our Articles of Association to ensure they are in congruence with each other as well as current standards and legislations. To this end, Council has agreed to undertake a full legal review of our current articles and policies and procedures. This will allow for a more agile operating model and help adapt quickly to take advantage of new opportunities and overcome challenges. This work is still ongoing and should be concluded in late 2021.

We have engaged with OfQual regarding recognition as an awarding body and an initial review was taken of the educational materials and governance documents. We believe that once the revision of the Articles of Association and Policies and Procedures have been completed that we can begin the application process and should attain the recognition. This enhances the member qualifications and status and will help attract new members.

Members raised concerns over the last number of years regarding the misuse of post nominals and the use of the institute logo. Council take a very proactive response to such complaints and take actions to correct issues when they arise. To ensure the intellectual property of the institute is protected, council have commenced new registrations and renewals of existing trademarks.

The overall objectives will be to continue to provide an Institute that benefits the membership, achieves the principal objects, provides a clear public benefit and remains strongly independent.

Structure, governance and management

Governing document and constitution

The company (registration number 0350568), which is limited by guarantee and has no share capital, is governed by its Memorandum and Articles of Association. It is a registered charity under the Charity Commission (charity registration number 273452).

Nothing contained within the Memorandum of Association shall be deemed to authorise the Institute to engage in any trading activities on a commercial scale.

The objects of the Institute shall not extend to the negotiation of relations between workers and employers or organisations of workers and organisations of employers.

The income and property of the Institute, whence so ever derived shall be applied solely towards the promotion of the objects of the Institute and no proportion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus or otherwise howsoever by way of profit, to the members of the Institute.

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Organisation

The organisation is governed by a Council of up to thirteen Corporate Members elected by the membership and a Council Appointed Finance Officer; there is an Executive to progress matters approved by Council. There are three Groups, appointed by Council to provide policy guidance.

Regions operate throughout the UK and Eire; each having their own elected officers and committee, who must ensure that their local affairs meet the requirements of the Institute Memorandum of Association and Code of Conduct. The Institute periodically awards grants to those Regions that submit valid claims of expenditure in relation to its activities in promotion of its charitable objects.

Recruitment and appointment of Trustees

Trustees are nominated for appointment to the Council annually by Corporate Members. Nominated candidates are then formally elected at the Annual General Meeting.

Risk management

The Council is responsible for the management of the business risks faced by the charity. Business risks are identified, assessed and controls established throughout the year and discussed at the Council meetings. A risk register has been in operation since 2017, this register is updated on an ongoing basis and is reviewed by Council at each meeting to ensure that there are adequate control processes to manage risk.

The current Covid-19 Pandemic is still a very present and real risk at the time of authoring this report. Since the spread of the virus into Europe in February 2020, Council have cancelled physical meetings and investment in digital capabilities allows us to hold more frequent virtual meetings to review and assess the spread and impact of the virus, as well as the possible implications for the Institute.

The pandemic has led to restricted movements of people, enforced business closures and increased working from home. This has led to a significant drop in miles driven on roads in the UK and indeed globally. The effect of this is that there were significantly less motor collisions and damage claims during the lock down periods and even in the periods of easing of restrictions that we have seen.

The Institutes membership largely provides services relating to vehicle collision damage and damage repair. The pandemic has, without doubt, had an effect on the work practices of members in the short term. The longer term implications are yet unknown. Many people are now working from home successfully and this may become a part of normal working practice going forward and therefore have an effect on miles driven and accident rates into the future. Conversely, in some jurisdictions miles driven have increased to above pre-covid levels and private car ownership is on the increase as people avoid crowded public transport systems. To date, motor claims volumes have not recovered to pre-covid levels in the UK or Ireland even during periods where restrictions have eased.

Large changes to driver behaviour could lead to changes in the number of people employed in industry and thus changes in our membership numbers. We have seen a reduction in membership numbers but the longer term trend remains unknown. To assess the level of impact that changes in driver behaviour might have, we have factored in multiple scenarios to our rolling 5 year business plan. This scenario planning helps Council assess the possible effects that the pandemic might have in the medium to long term.

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Further to the effects on current members, the pandemic led to reduced intake of new students. Technical University Dublin (TUD), did not have in new intake of students in 2020 but, TUD have confirmed they will have a new intake of students in September 2021. Furthermore, investment in the development of digital platforms for the delivery of learning materials and examinations is expected to help mitigate any reduction in education activity and we expect to be able to register more international students in 2021.

Benevolent Fund

Members of the Institute may voluntarily donate an additional payment with their annual subscriptions into The Institute of Automotive Engineer Assessors Benevolent Fund. This fund is a registered charity (registration number 1065102), established by a Declaration of Trust. The purpose of the Fund is the relief of poverty amongst past and present members of the Institute of Automotive Engineer Assessors or their dependants. The Benevolent Fund Trustees are appointed separately to Council members and have delegated the administration of the Fund to the Institute. The assets and liabilities of the fund are consequently not recorded within the financial statements of the Institute. At 31 December 2020 the fund had accumulated reserves of £70,122 (2019: £67,980).

Reference and administration

Legal status

The company's registered name is The Institute of Automotive Engineer Assessors. Its company registration number is 03505568 and its charity registration number is 273452. The address of the registered office and the names of Trustees/Directors are listed on page 1 of this report.

The Council members

The Council members who served the Charity during the period are listed on page 1. Council members are appointed in accordance with the Company's Memorandum and Articles of Association.

The Company is limited by guarantee and no council member has a beneficial interest in the capital of the charitable company. All Council members are directors of the Company.

Statement of Council's Responsibilities

The trustees, who are also the directors for the purposes of company law, are responsible for preparing the Report of the Trustees 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 period that give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- comply with applicable accounting standards, including FRS 102, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditors

We, the trustees of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Registered office:
Pennroyal Court
Station Road
Tring
HP23 5QY

Signed by order of the trustees

A Cairns
Company Secretary

Approved by the trustees on

The Institute of Automotive Engineer Assessors

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Independent Auditors' Report to the Members

Year ended 31 December 2020

Opinion

We have audited the financial statements of The Institute of Automotive Engineer Assessors ('the company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities (including Income and Expenditure Account), the Statement of Financial Position, 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 FRS 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 charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its 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.

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 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 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 other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' annual report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 9 and 10, 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

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance, and enquiring as to any known instances of non-compliance or suspected non-compliance with laws and regulations. We corroborated our enquiries through our review of board minutes and the charity's risk register.
- We considered the risk of fraud through management override and included a review of any unusual journal entries in our audit approach. We also reviewed the charity's procedures for recognition of income and authorisation of expenditure and corroborated these controls with sample-based testing of source records and analytical review procedures.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.

The Institute of Automotive Engineer Assessors

A Company Limited By Guarantee

Independent Auditors' Report to the Members

Year ended 31 December 2020

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

8/9 The Old Yard
Lodge Farm Business Centre
Wolverton Road
Castlethorpe
Milton Keynes MK19 7ES

Theresa-Anne Warren FCA
(Senior Statutory Auditor)
For and on behalf of
G P Financial Management Limited
Chartered Accountants & Registered Auditors

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The Institute of Automotive Engineer Assessors

A Company Limited By Guarantee

Statement of Financial Activities (including Income and Expenditure Account)

Year ended 31 December 2020

	Notes	Total Funds (unrestricted) 2020		Total Funds (unrestricted) 2019	
		£	£	£	£
INCOME AND ENDOWMENTS					
Charitable activities					
Members subscriptions			156,983		164,136
FIEA subscriptions			14,299		14,764
Tuition course and exam fees			13,617		25,271
Salvage code income			15,390		174,872
Conference income			40		11,725
Fundraising events			-		4,414
Other trading activities					
Advertising – journal			1,670		1,838
Investments					
Bank interest received			766		2,248
Other					
Other charitable income			2,768		6,323
TOTAL INCOME			<u>205,533</u>		<u>405,591</u>
EXPENDITURE					
Raising funds	2	9,640		16,975	
Charitable activities	3	<u>213,330</u>		<u>258,551</u>	
TOTAL EXPENDITURE			<u>222,970</u>		<u>275,526</u>
NET MOVEMENT IN FUNDS	1		(17,437)		130,065
Total funds brought forward			664,329		534,264
Total funds carried forward			<u>646,892</u>		<u>664,329</u>

The charity has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the charity are classed as continuing.

The accounting policies and notes on pages 17 to 23 form part of these financial statements.

The Institute of Automotive Engineer Assessors

A Company Limited By Guarantee

Statement of Financial Position

31 December 2020

		2020		2019
	Note	£	£	£
Fixed assets				
Intangible fixed assets	6		5,237	-
Tangible fixed assets	7		4,360	3,616
			<u>9,597</u>	<u>3,616</u>
Current assets				
Debtors	8	47,026		48,338
Cash at bank and in hand		<u>653,899</u>		<u>679,699</u>
		700,925		728,037
Creditors: amounts falling due within one year	9	<u>63,630</u>		<u>67,324</u>
Net current assets			<u>637,295</u>	<u>660,713</u>
Net assets			<u>646,892</u>	<u>664,329</u>
Unrestricted Funds	10			
General fund			644,413	661,850
Designated fund			<u>2,479</u>	<u>2,479</u>
Net assets			<u>646,892</u>	<u>664,329</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

These financial statements were approved by the Council on the and are signed on their behalf by:

.....
Signature

.....
Print Name

Member of the Council

Company Number: 0350568

The accounting policies and notes on pages 17 to 23 form part of these financial statements.

The Institute of Automotive Engineer Assessors

A Company Limited By Guarantee

Accounting Policies

Year ended 31 December 2020

General information

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is The Firs, High Street, Whitchurch, Aylesbury, Bucks, HP22 4JU

Statement of compliance

The charity constitutes a public benefit entity as defined by FRS 102. These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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)) and the Charities Act 2011.

Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The Trustees have reviewed the charity's forecasts, particularly in light of the recent Covid-19 outbreak. As outlined in the Trustees report, it is anticipated that there may be some reduction to income streams of the charity in the short to medium term. However, as outlined in the reserves policy on pages 5 and 6 of the Trustees report, the charity's current level of free reserves is considered to be sufficient to enable the charity to fulfil its obligations and continue its charitable activities for the foreseeable future. The Trustees therefore consider that the application of the going concern concept is appropriate for the preparation of these financial statements.

Cash flow statement

The Council has taken advantage of the exemption in the Charities SORP (FRS102) from including a cash flow statement in the financial statements on the grounds that the charity is small.

Fund accounting

Unrestricted funds comprise the accumulated surplus or deficit on the income and expenditure account. They are available for use at the discretion of the Council in furtherance of the general objectives of the charity.

Income

Donations are accounted for when received. All other income is accounted for on an accruals basis. The members' subscription period coincides with the financial year of the charity. As a consequence, any subscriptions received in relation to the following financial year are deferred and recognised in that year. Deferred subscription balances are recorded in note 9.

Regions

The Institute's affiliated regions operating throughout the UK, are recognised as branches of the Institute in these financial statements.

The Institute of Automotive Engineer Assessors

A Company Limited By Guarantee

Accounting Policies *(continued)*

Year ended 31 December 2020

Expenditure

Expenditure is accounted for on an accruals basis as a liability is incurred.

Expenditure on raising funds includes the costs associated with the annual charitable dinner, together with other functions and general PR activities.

Charitable activities expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its member beneficiaries. This being the core activity of the charity, it includes all of the charity's support costs.

Other management and administration expenses include those costs associated with meeting the constitutional and statutory requirements of the charity such as audit fees and costs linked to the strategic management of the charity.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Digital learning platform	- 33.3% straight line
---------------------------	-----------------------

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Computer equipment	- 25% reducing balance
Office furniture & equipment	- 15% reducing balance

No depreciation is provided on the Regalia assets. The Council recognises that this treatment contravenes Schedule 1 of the Small Companies and Groups (Accounts and Directors Report) Regulations 2008, but considers that the absence of such a provision is immaterial to the reported results and net assets of the charitable company.

The Institute of Automotive Engineer Assessors

A Company Limited By Guarantee

Accounting Policies *(continued)*

Year ended 31 December 2020

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements.

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

Taxation

No provision has been made for taxation as the company's charitable status renders it exempt from UK direct taxation.

Limited by guarantee

The company is limited by guarantee and has no share capital. The liability of each member in the event of a winding up is limited to £100.

The company has obtained the consent of the Registrar of Companies to be exempt from the requirement to use the word "Limited" in its name.

The Institute of Automotive Engineer Assessors

A Company Limited By Guarantee

Notes to the Financial Statements

Year ended 31 December 2020

1. Net movement in funds

	2020 £	2019 £
Net movement in funds is stated after charging:		
Auditors remuneration		
- Statutory audit services	1,815	1,816
- Other assurance services	2,094	2,045
Depreciation	591	350
Amortisation	1,263	-
	<u> </u>	<u> </u>

2. Raising funds

	2020 £	2019 £
Public relations	9,640	10,481
Fundraising events	-	6,494
	<u> </u>	<u> </u>
	9,640	16,975
	<u> </u>	<u> </u>

3. Charitable activities

	2020 £	2019 £
Education and training	43,601	42,172
Salvage code exam and project costs	3,268	38,167
Standards development	28,491	22,747
Benchmarking verification costs	1,513	4,075
Conference costs	1,361	7,552
Support costs	50,854	53,864
FIEA costs	9,048	9,844
Regional/branch expenditure	855	3,162
Management and administration costs	70,363	68,806
Audit fees	1,815	1,816
Travel and council members expenses:	2,161	6,346
	<u> </u>	<u> </u>
	213,330	258,551
	<u> </u>	<u> </u>

The Institute of Automotive Engineer Assessors

A Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

4. Total expenditure

	Depreciation		Other costs		Total	
	2020	2019	2020	2019	2020	2019
	£	£	£	£	£	£
Direct charitable expenditure	1,854	350	137,137	181,233	138,991	181,583
Fundraising and publicity	-	-	9,640	16,975	9,640	16,975
Management and administration	-	-	74,339	76,968	74,339	76,968
	<u>1,854</u>	<u>350</u>	<u>221,116</u>	<u>275,176</u>	<u>222,970</u>	<u>275,526</u>

5. Employment costs

The charity had no employees during the current or preceding year.

The members of the Council received no remuneration during the year. Expenses totalling £1,741 (2019: £7,037) were reimbursed to 8 (2019:12) Council members.

6. Intangible fixed assets

	Digital Learning Platform £	Total £
Costs		
Additions	6,500	6,500
At 31 December 2020	<u>6,500</u>	<u>6,500</u>
Amortisation		
Charge for the year	1,263	1,263
At 31 December 2020	<u>1,263</u>	<u>1,263</u>
Net Book Values		
At 31 December 2020	<u>5,237</u>	<u>5,237</u>
At 31 December 2019	<u>-</u>	<u>-</u>

The Institute of Automotive Engineer Assessors

A Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

7. Tangible fixed assets

	Computer Equipment	Office Furniture and Equipment	Regalia	Total
	£	£	£	£
Costs				
At 1 January 2020	20,381	6,111	1,671	28,163
Additions	1,334	-	-	1,334
At 31 December 2020	<u>21,715</u>	<u>6,111</u>	<u>1,671</u>	<u>29,497</u>
Depreciation				
At 1 January 2020	19,893	4,653	-	24,546
Charge for the year	372	219	-	591
At 31 December 2020	<u>21,214</u>	<u>4,872</u>	<u>-</u>	<u>26,086</u>
Net Book Values				
At 31 December 2020	<u>1,450</u>	<u>1,239</u>	<u>1,671</u>	<u>4,360</u>
At 31 December 2019	<u>487</u>	<u>1,458</u>	<u>1,671</u>	<u>3,616</u>

8. Debtors

	2020	2019
	£	£
Trade debtors	240	4,984
Other debtors	4,538	-
Prepayments and accrued income	42,248	43,354
	<u>47,026</u>	<u>48,338</u>

9. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Trade Creditors	27,737	3,841
Other tax and social security	-	735
Other creditors	978	3,917
Subscriptions in advance	31,565	53,856
Accruals and deferred income	3,350	4,975
	<u>63,630</u>	<u>67,324</u>

Included in other creditors is £478 (2019: £3,775) due to the Institute of Automotive Engineer Assessors Benevolent Fund, which is administered by the charity. The amount represents the net balance of donations received by the charitable company but not transferred at 31 December 2020 on behalf of that fund.

The Institute of Automotive Engineer Assessors

A Company Limited By Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

10. Reconciliation of movement in total funds

	Unrestricted Funds		Unrestricted Funds	
	General	Designated	General	Designated
	2020	2020	2019	2019
	£	£	£	£
Opening total funds	661,850	2,479	531,725	2,539
Net (deficit)/income for the financial year	(17,437)	-	130,065	-
Transfers	-	-	60	(60)
Total funds carried forward	<u>644,413</u>	<u>2,479</u>	<u>661,850</u>	<u>2,479</u>

All assets of the charity represent unrestricted funds.

The designated fund represents amounts previously received as unrestricted income earmarked for the delivery of learning materials and payment of other Institute fees for the progression of membership of employees of the Co-Operative Group.

11. Taxation

The Institute has charitable status and is therefore exempt from corporation tax.

12. Related party transactions

During the period the company had the following transactions with related parties.

	£
Benchmarking verification and Salvage code training services:	
L Minton (<i>LM Automotive Solutions</i>)	1,513
A Cairns (<i>AVC Training and Consultancy</i>)	<u>1,360</u>