MOTABILITY

England & Wales · Charity number 299745

Details

Other names	Motability Foundation
Status	Registered
Legal form	Other
Registered	1988-07-15
Register	View on the Charity Commission register

Contact

Address	Warwick House Roydon Road Harlow Essex CM19 5PX
Phone	01279635999
Email	communications@motability.co.uk
Website	www.motabilityfoundation.org.uk

Activities

Objects: TO FACILITATE THE RELIEF AND ASSISTANCE OF DISABLED PERSONS IN CONNECTION WITH THE PROVISION TO THE BENEFICIARIES OF PERSONAL OR OTHER TRANSPORTATION.

Activities: Helps disabled people to make journeys by providing access to transport, and working to make transport more accessible. Oversees Motability Operations to deliver the Motability Scheme and provides grants to Scheme customers. Provides transport-related grants to charities and organisations. Carries out research and innovation to make transport more accessible now and in the longer-term.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Disability
- **Who:** People With Disabilities

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Geography

- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£54,191,000	£143,761,000	£2,167,392,000	288
2024-03-31	£310,941,000	£143,214,000	£2,179,935,000	269
2023-03-31	£240,393,000	£129,022,000	£1,782,470,000	246
2022-03-31	£183,746,000	£86,699,000	£1,695,890,000	202
2021-03-31	£10,191,000	£61,957,000	£1,524,376,000	176

Trustees

Name	Role	Appointed
Charles Manby MBE	Chair	2019-09-26
Ceri Ivor Daniel Smith		2025-09-23
DAVID HUNTER		2018-09-26
Dr Juliana Onwumere		2019-07-04
Ed Humpherson		2016-10-24
Hannah Barham-Brown		2021-12-09
JACKIE DRIVER FRSA OBE		2023-09-28
MERLYN VIVIENNE LOWTHER		2023-09-28
Michael James Harrison		2024-09-25
PROFESSOR WILLIAM WEBB		2018-09-26
Richard Cartwright		2020-12-10
Tony Davis		2022-09-22

Linked charities

- THE MOTABILITY ENDOWMENT TRUST (299745-1)

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MOTABILITY

England & Wales - Charity number 299745

Accounts



Annual Report and Accounts 2024/25

Motability Foundation

Making all journeys accessible

Our vision

We are building a future where all disabled people have the transport options to make the journeys they choose

Motability Foundation

Making all journeys accessible

Annual Report and Accounts 2024/25

THE MOTABILITY FOUNDATION

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Motability Foundation

Making all journeys accessible

The Five Strategic Pillars

Our Founding Principles

Our founding principles underpin our Strategic Pillars. They are to provide:

- Solutions that meet the needs of our beneficiaries
- The highest standard of service
- The best possible value for money
- Financial sustainability for the long term

The charitable object of the Motability Foundation is to facilitate the relief and assistance of disabled people in connection with the provision of personal, and other, transportation

Motability Scheme



Ensure the success of the Motability Scheme in meeting the transportation needs of disabled people

Our goals

- Ensure good value for money and high levels of customer service are delivered across the UK
- Ensure that the Scheme is financially and environmentally sustainable and efficient
- Ensure our oversight of the Scheme is effective and transparent

Grant-Making



Use charitable funds effectively to address the transportation needs of beneficiaries

Our goals

- Ensure our grant programmes deliver maximum impact for beneficiaries and value-for-money solutions
- Improve the ways in which our beneficiaries access our assistance and high levels of service
- Use our expertise in disability, transportation and grant-making to assist more beneficiaries
- Continue to develop evidence-informed grant programmes to meet the current and future transportation needs of our disabled beneficiaries

Build Awareness and Engagement



Build awareness of, and trust in, the work of the Motability Foundation, listen to the views of disabled people, their organisations and other key stakeholders, and take account of them when we make important decisions

Our goals

- Improve awareness and understanding of our charitable work, including oversight of the Motability Scheme
- Actively listen to, and learn from, others who can inform and educate us, especially those with lived experience
- Involve the right stakeholders in our decision making, and share information about the decisions we make and our reasons for making them

Innovation

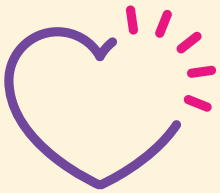


Constantly look for and develop new ways to meet the evolving transportation needs of disabled people

Our goals

- Amplify the voices of disabled people when important transport policy and design decisions are made, including along the journey to zero-emission transportation and future technology
- Explore opportunities to improve the provision of community and door-to-door transport for disabled people
- Improve our understanding of the mobility needs of disabled people, especially those who receive mobility allowances beyond vehicle leases, and seek out new opportunities to meet these needs

Disability Charity



Provide the highest level of service to meet the transportation needs of disabled people, underpinned by a strong infrastructure and an empathetic, evidence-led culture

Our goals

- Ensure we have a strong and sustainable infrastructure including the continuing development of our people, skills, systems and ways of working to enable our goals to be achieved
- Continue to champion our values and behaviours that place our beneficiaries at the centre of all we do – ensuring that we keep striving to fulfil our vision and meet beneficiary needs in the most relevant and productive way

Motability Foundation

Making all journeys accessible

Chair's Statement



As we prepare to embark on a new five-year strategy, it is worth reflecting on the enormous benefit that the Motability Scheme brings to 860,000 disabled people across the UK. Research from Oxford Economics published this year showed that in 2022/23, 21 per cent of Motability Scheme customers surveyed had improved job opportunities and 27 per cent had improved access to education and training due to their Scheme Vehicle. The collective social impact, including benefits to people's wellbeing, was worth £11.2bn.

The Scheme has continued to grow, largely driven by the increased number of eligible people, and by its continued relevance and affordability for disabled people. It offers excellent customer service and value for money. Any profits are-reinvested into disabled people's mobility and to sustain the Motability Scheme or into donations to the Motability Foundation. It is also evolving as we transition to EVs, and we are supporting disabled people to make the transition broadly in line with the retail market.

This year, we have also modernised the Scheme Agreement between ourselves and Motability Operations, who run the Motability Scheme, which provides greater clarity about how the Scheme is delivered and is aligned with the strong working relationship currently in place.

The Motability Foundation continues to provide grants to Scheme customers who most need financial support to access the vehicle they need. Rising prices for Wheelchair Accessible Vehicles (WAVs) meant that we saw strong demand for WAV grants, and we were able to respond by increasing our grant giving in this area. Across all six Scheme-related grant programmes, we awarded 10,473 grants worth £59.3m. Meanwhile, we provided 3,541 Access To Mobility grants, which include driving lessons for Scheme customers, totalling £5.85m.

March 2025 marked the end of the first three-year grant portfolio for other organisations. In total, the six grant programmes provided 101 organisations with £50.5m in funding, ranging from community transport to delivering travel training skills. Following an annual review with our grant-funded organisations, we estimate that we are directly helping more than 175,000 people.

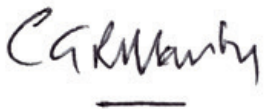
This year also marked the end of our current strategy and the development of our 2025-2030 strategy, launching in summer 2025. We have benefitted enormously from consultation with, and the contribution of, disabled people and sector stakeholders.

Motability Operations have faced a challenging operating environment this year, such as the reduced value of second-hand vehicles and the volatility of the automotive and insurance markets together with the growth of the Scheme. As a result, they have not been able to make a donation to us this year. The robust financial planning of both organisations means that new customers can be accommodated, and that we can continue a similar level of charitable spending to 2024/25 during the new five-year strategy, drawing on our general funds and distributions from our investments

from the Motability Endowment Trust (MET).

I would like to thank Sir Stephen O'Brien and Andrew Miller, as well as the Board of Motability Operations, for their customer focus in highly complex markets as they ensure the Scheme fulfils customer needs and that they are supported in a balanced transition to EVs. I also thank all Motability Foundation Governors, including Michael Harrison whom we welcome as a new Governor. They all dedicate substantial time, knowledge and empathy to ensure that the Foundation makes the right strategic choices.

Finally, I would like to thank our CEO Nigel Fletcher, the Executive and staff team who put such care into supporting people and organisations so that we can help more disabled people make the journeys they choose.



Charles Manby MBE, Chair

Our year in numbers 2024/25

3,376 Driving Lessons grants awarded totalling **£5.6m**

4,595 grants awarded towards **Wheelchair Accessible Vehicles**

31 organisations supported by our **Impact Grant Programme**, totalling **£14.7m**

10,473 grants provided to **Motability Scheme customers** worth **£59.3m**

Staff attitude and helpfulness rated 9.1/10 by Scheme-related grant recipients

£4.2m awarded across **11 grants** to develop and improve **Community Transport**

Chief Executive Officer's Statement



This is my first year leading the Motability Foundation, and I have been proud to witness how every team across the organisation has focused on making an impact for disabled people.

Over the last year we have been busy. We have brought together organisations that have carried out research with our funding, to learn from each other and multiply their impact. We have provided major grants to organisations that can support people with a range of disabilities, such as travel confidence training for people with autism and learning differences and community transport. We have also expanded our innovation activities, for example exploring how we can take action to unlock the barriers to shared micromobility. The Motability Scheme, of course, remains our top priority. We continue to invest heavily in Scheme-related and driving lesson grants helping those most in need of support to access a Scheme vehicle. And we continue to work with Motability Operations to ensure the Scheme delivers the best proposition possible for disabled people.

The Motability Scheme continues to face a variety of external pressures. Due to this challenging operating environment, Motability Operations are looking at ways in which the Scheme may evolve to ensure it continues to deliver best value for customers as well as long-term sustainability. To ensure we are prepared, we will increase our resource to support the rate of change that Motability Operations propose to implement to the Scheme proposition over the coming years.

Our evaluations show the impact we are having through our grant-making. 86 per cent of Scheme customers who received a grant for adaptations to their Scheme vehicle between 2021 and 2024 reported a significant to life-changing impact on being able to access people and places. Organisations that received a Community Transport grant reported that 72 per cent of their transport users experienced an increase in physical and mental wellbeing as a result of using the service.

This year has also seen us develop our strategy for the next five years. It is informed by extensive consultation with disabled people, our staff, disabled people's organisations, other charities and MPs. It sets out that the Motability Scheme remains our top priority and that we seek to work with others to improve access for disabled people across all forms of transport and make sure people have the right tools and support to make the journeys they choose. As we move into this next strategic period, we will continue to put the voices and experiences of disabled people at the heart of everything we do and work in partnership with others to build transport equity.

I'd like to thank everyone, from my colleagues here through to those helping run the organisations we have grant-funded, collectively they have worked to build a more accessible future for disabled people.



Nigel Fletcher
Chief Executive Officer



STRATEGIC PILLAR

Motability Scheme

STRATEGIC PILLAR

Motability Scheme

Aims for 2024/25

1. Ensure the Scheme continues to operate to its current high standard, offering value for money and excellent customer service **ACHIEVED**
2. Seek to maintain price stability as far as possible against a background of increasing cost pressures **ACHIEVED**
3. Complete work to refresh the Motability Scheme Agreement with Motability Operations, including a new Performance Framework and updated Key Performance Indicators (KPIs), with a continuing focus on securing the best outcomes for disabled people **ONGOING**
4. Together with Motability Operations, ensure the fleet transitions towards EVs at broadly the same rate as the retail market, while ensuring customers' needs are addressed **ACHIEVED**

The Motability Scheme allows disabled people who receive a higher rate mobility allowance to use their allowance to lease a new vehicle. This can be a car, scooter, powered wheelchair or Wheelchair Accessible Vehicle (WAV). Where the allowance doesn't cover the cost of the lease, customers pay an Advance Payment. Insurance, servicing and breakdown cover are all included.

The Motability Scheme is the main way we assist disabled people to travel. We oversee how the Scheme is delivered by Motability Operations, working closely with them to ensure it offers the best choice, value for money and customer service. We:

- Analyse customer research to identify how well the Scheme is meeting customers' needs
- Review how well the Scheme is performing against contractual KPIs
- Constantly monitor Scheme policy and significant issues that could impact Scheme performance
- Discuss current activity and future plans, and attend Motability Operations governance committees

Motability Scheme Performance

The Scheme grew rapidly in 2024/25 and, at the end of March 2025, it had 860,000 customers. There are several reasons for the increase including representing good value for money at a time when running a car has become more expensive.

Vehicle Availability and Affordability

This year, there were above-inflation increases in car prices, insurance and the costs of servicing, maintenance and repair. This increased the cost of vehicle leases and, in some cases, Advance Payments. Motability Operations are looking for cost reduction opportunities to limit the Advance Payment increases, and some of these changes may affect the way customers are supported during their lease. We will consult with Motability Operations on those initiatives.

Value For Money

Despite the pressures of increased costs, the Motability Scheme continues to offer customers good value for money. Independent analysis found that Scheme vehicle leases represent a saving of around 45 per cent on similar deals from other major leasing companies. This saving has remained relatively stable over recent years.

Customer Satisfaction

Overall, customer satisfaction with the Motability Scheme remains high and stable at 9.4 out of 10. To give customers the best experience, Motability Operations continues

Scheme vehicle leases represent a **saving of around 45 per cent** on similar deals from other major leasing companies

to invest in their customer support teams and other initiatives, such as options for digital interaction to improve access.

MOTABILITY SCHEME POLICY

Vehicle Availability and Affordability

In 2021, Motability Operations introduced a one-off New Vehicle Payment of £750, which was paid at the beginning of a new lease to help with the increased cost of vehicles. Customers could claim this once, with the eligibility for this payment ending on 3 January 2025. Motability Operations continue to heavily subsidise the cost of WAVs. The cost of base vehicles for conversion has increased significantly because of external pressures, and although the WAV pricing subsidy has grown, there have also been significant increases in Advance Payments. Customers can apply for Motability Foundation grants towards the cost of a WAV.

Transition to Electric Vehicles (EVs)

At the end of 2021, we approved a £300m support package, proposed and paid for by Motability Operations, to allow Scheme customers to transition to EVs at the same rate as the retail market. The support helped customers with affordability with many available at Nil Advance Payment. Customers could also get a home charge point as part of their lease or, alternatively, a subscription to BP Pulse network of public charge points. The funding concluded in autumn 2024.

The percentage of Scheme EV registrations during 2024 was slightly higher than the retail market.

Scheme Oversight

Both the Motability Foundation and Motability Operations have been aware for some time that the Scheme Agreement needed to be modernised to reflect changes required by both parties. Following extensive discussions, effective principles were agreed.

The updated Scheme Agreement provides greater clarity about how the Scheme is delivered and is aligned with the strong working relationship currently in place. This sits alongside the recent rebranding of the Motability Scheme, the Motability Foundation and Motability Operations, which distinguishes the Scheme from the organisations that provide it.



STRATEGIC PILLAR

Grant-Making

STRATEGIC PILLAR

Grant-Making

Aims for 2024/25

1. Develop the second phase of our portfolio of Impact Programmes that support other charities and organisations **ACHIEVED**
2. Continue to achieve high levels of grant applicant satisfaction **ACHIEVED**
3. Continue to evaluate and review the impact of grant programmes **ACHIEVED**

The Motability Foundation supports individuals and organisations through its grant programmes and other charitable activities. In 2024/25, our total expenditure on charitable activities including special grants and innovation was £113.2m, of which £88.6m was grants.

See the summary of grant commitments recognised in the year on pages 106-109 for the breakdown.

Grants to Individuals

- Motability Scheme-related grants
- Access to Mobility grants

Grants to Organisations

- Impact grants
- Innovation grants (see p25-26)

2024/25 marks the end of our three-year, £50m commitment to provide grants to other charities and organisations. The six Impact Grant Programmes were designed based on our evidence and insight into the transport options and support disabled people need to make journeys. They funded services such as community transport, travel confidence training, wheelchair provision and research. We exceeded our £50m commitment, delivering funding worth £50.5m to 101 organisations.

Following an annual review with our grant-funded organisations, we estimate that we are directly helping more than 175,000 people.

GRANTS TO DISABLED PEOPLE

Motability Scheme grants

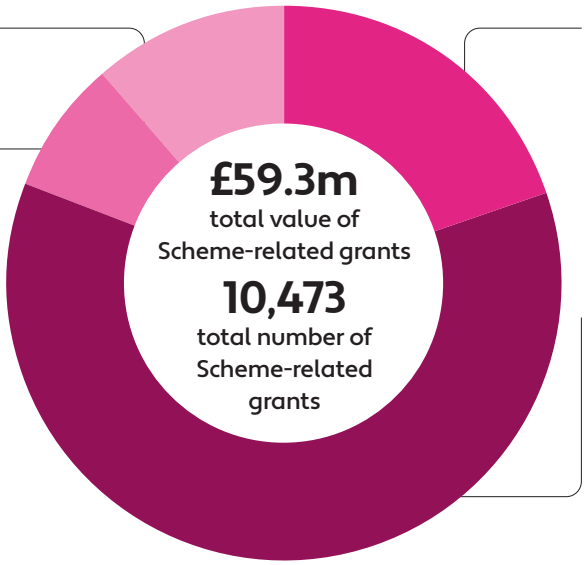
Motability Scheme-related grants provide funding for Motability Scheme customers towards the costs of leasing a suitable car or WAV. All grant applicants are means-tested to make sure financial support is given to people who most need it. Each year, we allocate funding to each of our grant programmes to support as many disabled people as possible right now, while also securing the long-term sustainability of our grant-making. Grant recipients are given the lowest priced options for vehicles that meet their needs to ensure the allocated funds help as many disabled people as possible and that they are distributed in a fair way.

We sustained a high level of support for Motability Scheme customers in 2024/25, providing £59.3m of grants to 10,473 people.

However, in 2024/25 we received fewer grant applications than in 2023/24. The main reason was that there were more cars available on the Scheme with no Advance Payments. Advance Payments for WAVs increased, and we provided more grants than the previous year. Overall, we provided WAV grants to 4,595 people worth a total £36.4m.

£6.4m
Complex Driving Solutions
Supports with the cost of adaptations so that people can access and then drive their vehicle, sometimes from their wheelchair.
208 grants

£4.7m
Bespoke Passenger Solutions
Supports people with complex needs to travel as a passenger in their Scheme vehicle.
137 grants



£11.8m
Car and Vehicle Adaptations
Supports customers with the cost of Advance Payments or adaptations to a vehicle that meets their disability needs.
5,533 grants

£36.4m
Wheelchair Accessible Vehicles Supports with the cost of Advance Payments and any adaptations customers need to use their WAV and secure their wheelchair in their vehicle.
4,595 grants



CASE STUDY

Nazmin, age 39, from Dudley

Nazmin has a muscle-weakening condition called Arthrogryposis Multiplex Congenita (AMC). As a result, her needs have changed over time and her new vehicle is wheelchair accessible. “Saying I’d be lost without it is an understatement,” says Nazmin, who received a grant on the Complex Driving Solutions Programme for the Advance Payment and adaptation of her Ford Transit. “It ensures I can get to medical appointments and commute to work. It gives me the freedom to go shopping, enjoy days out and take part in my local book club. It’s about independence, spontaneity and being able to live life on my own terms. It gives me the freedom to live more independently, and this wouldn’t have been possible without the Motability Foundation grant.”

“It’s not just about getting from place to place, it’s about independence, spontaneity and living life”

GRANTS TO DISABLED PEOPLE

Access to Mobility Grants

In 2024/25, we changed the criteria for Driving Lessons grants, requiring people to pass their driving theory test before they applied for a grant. In the past, a proportion of grant recipients did not continue their driving lessons beyond their theory test. This change allowed us to make better use of our funds. The criteria change has slowed demand, as prospective applicants take their theory test.

Grant Applicant Satisfaction

We monitor applicant satisfaction with our grant-making teams every quarter through an independent agency. During 2024/25, Scheme-related grant recipients rated the attitude and helpfulness of grant enquiry advisors and case managers 9.1 out of 10 and their overall telephone experience 8.9 out of 10.

£14.5k

Other Access to Mobility Support

For customers who have to leave the Motability Scheme following an unsuccessful DLA to PIP reassessment, where they lose their qualifying benefits.

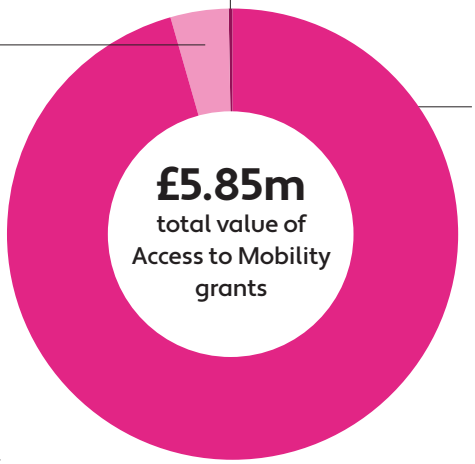
76 grants

£0.24m

Access to Work

Government Access to Work grants fund equipment for disabled people to use at work. This grant reimburses Social and Domestic Contribution people pay to use the equipment outside work.

89 grants



£5.6m

Driving Lessons

Help Scheme customers who have a provisional driving licence learn to drive, or offer familiarisation lessons to help customers get used to adapted driving controls.

3,376 grants

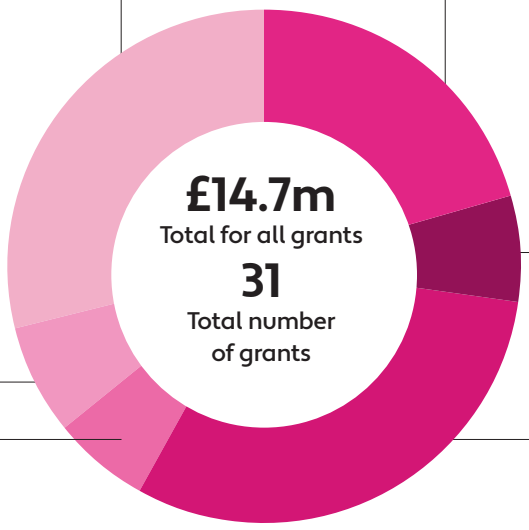
GRANTS TO ORGANISATIONS

Impact Programmes

Over the year, we awarded £14.7m to 31 organisations, which included an increase in active travel grant awards. High-value grants included a £747,640 grant to Get Cycling CIC to support 5,000 disabled people in Yorkshire to make journeys by cycling; and a £788,896 Travelling with Confidence grant to Your Voice Counts. This will support people with learning differences in the Northeast of England and Cumbria to develop their travel skills and become travel buddies for others.

We estimate these 31 grants will support 45,147 people to make journeys over the grant period and will involve 7,400 disabled people in research.

Impact Programmes – Grant Types



£4.2m
Community Transport
Develop, improve and expand community transport provision.
11 grants

£1.0m
Wheelchair Sector
Improve the provision of good quality, affordable wheelchairs.
1 grant

£0.88m
Active Travel
Improve and expand access to active travel equipment and skills training.
2 grants

£3.0m
Travelling with Confidence
Includes travel training, travel mentoring and influencing transport service design.
8 grants

£1.0m
Research Grants
Develop and build on research into transport accessibility solutions.
4 grants

£4.6m
Reducing Barriers to Driving
Increase the number of driving instructors for adapted vehicles and provide more lessons.
5 grants



CASE STUDY

Spinal Injuries Association (SIA)

SIA received a Travelling with Confidence grant totalling £800,000 for two years. The funding has enabled it to create a digital hub of videos, podcasts, 'how-to' factsheets and links to other travel resources that will empower individuals with a spinal cord injury to plan and carry out journeys.

"We wanted to provide some educational resources that would be permanently available and easily accessible," says Mark Ridler, SIA's director of programmes. "Getting the grant was massive. It was one of those transformational moments on our journey. Travel affects people's ability to work, maintain a family life and engage socially. That's why we're so pleased to engage with the Motability Foundation."

"Getting the grant was massive. It was one of those transformational moments on our journey"

EVALUATING OUR IMPACT

Community Transport Grant Programme

We commissioned New Philanthropy Capital to evaluate the impact of our Community Transport Grant Programme for grants awarded between April 2022 and November 2024. We provided £14m to 33 organisations.

Service users reported significant benefits, including:

- Improved confidence while travelling (81 per cent)
- Better access to essential services, such as hospital appointments (38 per cent)
- Improved physical and mental wellbeing (72 per cent)

Organisations we funded reported:

- Increased visibility (83 per cent)
- Greater staff and volunteer numbers (83 per cent)
- Enhanced capacity (52 per cent)

Cars and Vehicle Adaptations Grant Programme

Vehicle adaptations significantly improve grant recipients' quality of life. We surveyed 925 grant recipients who received adaptations to their existing vehicles between 2021 and 2024. Before the adaptations, only 29 per cent could travel daily, with many relying on public transport. After adaptations, that number increased to 44 per cent.

- **86 per cent** experienced a significant to life-changing impact in access to people and places
- **60 per cent** reported a significant to life-changing impact on their health and wellbeing
- **73 per cent** reported a significant to life-changing impact on their independence and control

We use six outcome areas to evaluate our impact

ACCESS
Increased ability to access people and places

EDUCATION
Increased ability to access education and training

WORK
Increased ability to work and pursue a career

WELLBEING
Improved sense of health and wellbeing

CONNECTIONS
Increased social connections and relationships

CHOICE AND CONTROL
Increased independence and control to make decisions



STRATEGIC PILLAR

Build Awareness and Engagement

STRATEGIC PILLAR

Build Awareness and Engagement

Aims for 2024/25

1. Continue to evolve what we are known for by successfully embedding the Motability Foundation brand internally and externally **ONGOING**
2. Improve user experience of our digital platforms, ensuring we continue to clarify our offer and be transparent **ACHIEVED**
3. Build and evaluate awareness plans for each grant programme and innovation project **ONGOING**
4. Continue to work closely with Motability Operations to drive awareness, understanding and consideration of the Motability Scheme and ensure the new brand is accessible, digitally focused and fit for the future **ONGOING**
5. Improve understanding and support of our work with government, policy makers and political stakeholders by delivering comprehensive public affairs activity **ONGOING**

The Motability Foundation works to raise awareness of our grants, research and innovation, and drive understanding of the roles of the Motability Foundation and the Motability Scheme.

Motability Scheme Brand Refresh

In 2024/25, we worked with Motability Operations to refresh the Motability Scheme brand, making sure the brand was modern, accessible across all touchpoints and represented Scheme customers. It also furthered our longer-term work to differentiate the Motability family of brands, so that all audiences can better understand what each brand does and offers. The Scheme's new look, feel and tone launched in October 2024.

Public Affairs

Following the General Election in July, more than half of MPs were new to Westminster. Together with Motability Operations, we contacted all new MPs to explain how the Scheme and Foundation support their constituents and the economy. We also established new relationships with key ministers and the Department for Work and Pensions (DWP). We submitted a response to the Government's Green Paper "Modernising Support for Independent Living", which highlighted the importance of the Motability Scheme and what the diversity of disability means for transport accessibility.

Promoting Research and Innovation

In July 2024, we hosted a special convening event bringing together sector stakeholders who could collaborate to improve journeys for disabled people. Five of our User Research grant recipients – Autistic Minds, Bus Users UK, Transport for All, Visionary and The Wheelchair Alliance – presented findings from their research projects. Attendees discussed how sharing knowledge and insight on the barriers to transport experienced by people with disabilities could help them to collaborate on finding solutions. We also hosted an event for PhD students funded by Motability Foundation scholarships to discuss their projects, share their experience of studying and provide peer support.

In November 2024, we hosted a panel discussion at the London EV Show, a major trade event attended by EV thought leaders, industry leads and policymakers. Our panellists included

representatives from the Energy Saving Trust and the Renewable Energy Association. We used this opportunity to lead a discussion on why the transition to EV needs to be accessible to all, raising awareness of both accessible EV charging and inclusive vehicle design.

Supporting Organisations

In 2024/25, we helped organisations that received an Impact Grant to promote their projects. This included grant announcements for organisations that had received Active Travel grants for adaptive cycle loan schemes in London, Yorkshire and Sussex, Travelling with Confidence grants and Research grants such as for the University of Southampton and the Royal Mencap Society. We work with organisations on communications activities, including oversight of campaign content and marketing materials, as they develop and deliver their projects.





STRATEGIC PILLAR

Innovation

STRATEGIC PILLAR

Innovation

Aims 2024/25

1. Continue to grow our innovation grant-making **ACHIEVED**
2. Explore new approaches for impact, such as innovation partnerships **ONGOING**
3. Identify opportunities for inclusive innovation in the future of transport, in areas such as micromobility and autonomous vehicles **ONGOING**
4. Apply what we have learned about user insight and involve disabled people consistently in our innovation projects **ACHIEVED**
5. Use our learning from research and innovation to inform and influence key policy questions **ACHIEVED**

The Motability Foundation supports individuals and organisations through its innovation work, grant programmes and other charitable activities. In 2024/25, our total expenditure on charitable activities including innovation was £113.2m. See summary of grant commitments recognised in the year on pages 106-109 for breakdown.

Electric Vehicles

There will be an estimated 2.7m disabled motorists by 2035, up to half of whom will be reliant on public EV charge points. In 2022, we partnered with the Government's Office for Zero Emission Vehicles (OZEV) to co-sponsor a national accessibility standard for public charging; the BSI PAS 1899. This provides industry with a clear specification of how to make all public charge points accessible.

In 2024/25, we again worked in partnership with OZEV to co-sponsor a review of PAS 1899, led by the British Standards Institution (BSI). The review examined feedback from a wide range of stakeholders on how the standard is being implemented and looked at recommendations for how challenges could be addressed. As a result, the PAS 1899 standard is being updated and will be published in 2025/26.

Accessible Vehicle Design

Research commissioned by the Motability Foundation and carried out by the Energy Saving Trust in 2023 found that disabled people's requirements are not being sufficiently considered when designing EVs. Building on this, we provided grant funding to Designability, a people-centred design charity, to research how different features of personal, private and passenger vehicles – from seating to dashboard controls – could be made accessible.

We then grant-funded Designability to create a series of accessible vehicle design principles designed to spark inspiration in industry and show what is achievable through inclusive design.

Partnership with RNIB

One in three blind and partially sighted people rarely or never use public transport. In a new three-year innovation partnership with the Royal National Institute of Blind People (RNIB) we will explore innovative ways of making journeys better for people with sight loss, while benefitting as many people with other disabilities as possible. Solutions will be co-designed with blind and partially sighted people and will involve other organisations, transport providers and disability groups.

The National Centre for Accessible Transport

We launched the National Centre for Accessible Transport (ncat) in 2023. ncat created the Community of Accessible Transport (CAT) panel and the Accessible Transport Policy Commission. In 2024/25, various projects were completed using insight from the CAT panel, including research into transport design decision making and addressing the gap in transport accessibility data.

ncat has also launched the Resource Collection, a comprehensive database of accessible transport for policymakers and transport sector professionals. The database features 626 projects such as research, strategies and policy-related documents, and includes research commissioned by the Motability Foundation. In March 2025, ncat awarded 15 grants through their Scaling Innovation Programme, which aims to provide funding to industry partners to test and develop improvements to transport for disabled people.





STRATEGIC PILLAR

Disability Charity

STRATEGIC PILLAR

Disability Charity

Operating Aims 2024/25

1. To conclude the Strategy Review **ACHIEVED**
2. To implement the foundations of a new technology operating model covering capabilities, controls and an upgrade path for critical systems **ONGOING**
3. To continue growing the Motability Foundation as a great place to work including for talent development, diversity and inclusion, employee value proposition and environmental sustainability
4. To review and update governance and risk management, including an ongoing programme of internal and operational audit activities **ONGOING**
5. To complete a broad review of the strategic assumptions underpinning the strategic plans and priorities to inform the operating plan from 2025 onwards **ACHIEVED**

Our Strategy

The Board approved the new strategy at its spring 2025 meeting, and it is currently being worked up into operational plans. The new strategy represents an evolution of our activities, with a focus on improving access to the modes of travel available to disabled people.

Our People

Over the last four years, we have transformed our approach to our people and culture. In November 2023, we achieved Platinum status from Investors in People and have continued to prioritise our people and employee engagement in everything we do.

Equity, Diversity and Inclusion (EDI)

Our Diversity and Inclusion Forum relaunched in January 2025 to include Equity, ensuring a person's individual unique circumstances are considered and represented. The forum continues to raise awareness and knowledge through internal initiatives in celebration of a wide range of cultural and religious events. We continued to work with the Business Disability Forum to promote disability awareness after achieving the Disability Confident Leader accreditation in March 2024. We provided work experience placements to disabled students through the organisation 10,000 Able Interns and further work placements to students at Harlow College.

Pay Gaps

Pay for all roles is benchmarked annually against relevant organisations. We monitor and analyse gender, ethnicity and disability pay gaps. There is no difference in hourly pay on a job level basis between male and female employees. In other words, for generic roles such as Case Manager or Grants Enquiries Advisor, there are no salary differences between genders. The April 2024 mean gender pay gap reduced by 3.8 per cent to 20.1 per cent from our last reported figure. The Senior Management Team remains committed to fair pay, irrespective of gender, disability or ethnicity, and continues to build on actions and initiatives aimed at reducing the pay gap. The disability pay gap reduced by 3.7 per cent from the last reported figure. This is now 7.6 per cent compared to 11.3 per cent in April 2023. The ethnicity pay gap increased but remains positive at a figure of 5.9 per cent.

ENVIRONMENT

PERIOD: YE 31/03/25			
Total Gross tC02e* 471		**Total Net tC02e*** 442	
* tCO2e = tonnes of carbon dioxide and equivalent gases (tCO2e)			
Energy	**YE 31/03/24 (kWh)**	**YE 31/03/25 (kWh)**	**Annual Change +/-%**
Standard Energy	1,783,641	1,380,334	-23%
Renewable Energy	-	290,158	-
Total	**1,783,641**	**1,670,492**	**-6%**

Overview

As part of the Streamlined Energy and Carbon Reporting (SECR) regulations, the Motability Foundation is voluntarily reporting its annual greenhouse gas emissions from 01/04/24 to 31/03/25. This includes all emissions sources for scopes 1 and 2, plus scope 3 emissions that are available to track. We have set the current year as our new baseline, following acquiring our office building in June 2023.

Methodology

The methodology used to calculate our emissions is based on financial control in accordance with the principles of ISO 14064 and the WRI/WBCSD GHG Reporting Protocols (revised edition). The software tool CEn-Calc has been used to calculate the emissions, using the Government's conversion factors relevant to the reporting period, with the inclusion of well to wheel upstream factors. Out of scope/biogenic conversions have also been excluded.

'Gross tCO2e' has been developed using the national grid standard carbon emission factor. 'Net tCO2e' has been developed using market-based emission factor where a REGO/RGGO certificate is present. Carbon credits retired to offset residual annual emissions have not been counted within the Net values reported here.

We have selected the following intensity ratios as these most effectively reflect our emissions performance and enable development of our emissions management strategy and the strategic decisions to be made.

Materiality: +/- 5.8% returns a 'Good' level of confidence with the financial control basis used for the data collection, scope and boundary.

Amendments

Data errors with two figures reported last year have been corrected in the table on page 30, marked by an *. There was no financial effect.

TOTAL tCO2e BY SCOPE AND GHG PROTOCOL CATEGORY		YE 31/03/24 (tCO2e)	YE 31/03/25 (tCO2e)	Annual Change +/-%
Scope 1 (Total)		**331.11**	**168.09**	**-49%**
C0.1 Site Energy (Gas)		80.03	69.88	-13%
C0.2 Controlled Vehicles and Plant		89.54	98.21	+10%
C0.3 Refrigerators		163.54	-	-
C0.4 Other		-	-	-
Scope 2 (Electricity)	**Location-based**	**64.57***	**30.87**	**-8%**
	Market-based	**-**	**28.78**	
Scope 3 (Total)		**336.52**	**243.20**	**-28%**
C1.1 Water Supplied		0.27	0.27	-
C3 Fuel and Energy-related activities		83.00	48.62	-41%
C3.1 Fuel and Energy-related activities associated with business		2.39	-	-
C5 Waste Generated in Operations (Inc waste water)		1.40*	2.39	+71%
C6 Business Travel		6.73	20.27	+201%
C6 Business Travel WTT and T&D		-	3.32	-
C7.2 Homeworking		114.37	49.80	-56%
C13 Downstream leased assets		128.36	18.51	-86%
All Scopes tCo2e (Gross)		734	471	**-36%**
All Scopes tCo2e (Net)		734	442	**-40%**

INTENSITY RATIOS			
GROSS tCO2e/RELATIVE UNIT	**YE 31/03/24 (tCO2e)**	**YE 31/03/25 (tCO2e)**	**Annual Change +/-%**
Intensity Ratio 1 tCO2e **/ FTE**	**2.771**	**1.688**	**-39%**
Intensity Ratio 2 tCO2e **/ Sq. Ft**	**0.019**	**0.012**	**-37%**
Intensity Ratio 3 tCO2e **/ Grant Spending**	**0.007**	**0.005**	**-29%**

Justifications for Undisclosed Information, Estimation and Comparability of Information

- A number of scope 3 categories have been excluded due to complexity
- Due to improved data collection methods we have been able to more accurately represent our C6 Business Travel emissions by extending reporting to include all forms of transport
- Natural gas consumption for tenants has been calculated based on the percentage of the building's floor area occupied by each organisation within Warwick House
- Improved data accuracy and a reduced reliance on average estimates have led to a decrease in C7.2 Homeworking
- Clarification within the UK Government conversion factors as to the appropriate categorisation of WTT and T&D business-related emissions has resulted in a change in recommended accounting methodology. Due to this, there are some year-on-year differences; this has been shown as C3.1 and C6.1 for transparency
- It should be noted, refrigerants were not topped up this year, therefore no applicable values

Emissions and Energy Efficiency Actions Taken

The Motability Foundation has taken the following principal energy efficiency actions:

- Achieved and maintained ISO 14001 certification to ensure effective monitoring and continuous improvement of environmental performance
- Expanded the Health and Safety Committee to include environmental sustainability, now named the Health, Safety, and Environmental Committee (HSE Committee)
- Established a quarterly environmental dashboard, shared with the HSE Committee for discussion and action
- Secured REGO-certified electricity contracts and a carbon-offset gas contract, with plans to transition to RGGO-certified gas from July 2025
- Procured a new electric minibus to support the staff transport scheme, improving connections to public transport (delivery expected in early 2025/26)
- Reviewed the organisation's waste management processes in line with legislative changes
- Launched an Environmental Sustainability webpage, making relevant information easily accessible on the Motability Foundation website
- Introduced an Environmental Sustainability Apprenticeship Programme, offering apprentices experience in environmental roles alongside formal qualifications
- Initiated a large-scale decarbonisation research project for Warwick House

Current Targets

The Motability Foundation is committed to further sustainability improvements, working towards becoming a carbon-neutral organisation in line with the UK Government's Net Zero Strategy when feasible.

The main focus in the next year will be taking forward the decarbonisation project by evaluating the options for upgrading the aged heating plant in Warwick House. We will also transition gas supplies to Renewable Gas Guarantee of Origin status, further reducing the Motability Foundation's carbon footprint.

Further Information

As part of the annual preparation of this SECR statement, a detailed analysis and methodology background report is developed which includes data limitations, wider analysis and a full supporting evidence file. In addition to this, ESOS and other compliance activities are used to support this statement.

As shown this year, we continue to seek to reduce our energy intensity on a like-for-like basis where practicable, and initiatives are in-hand to improve our overall environmental performance, including increasing our use of renewable sources of energy.

CONTROL AND ASSURANCE

Our Audit, Risk and Finance Committee (ARFC) maintains and improves a comprehensive system of governance, risk, regulation, assurance and internal controls.

A wide range of policies includes regulatory compliance, financial crime, whistleblowing, financial management (including fraud), health and safety, people, data protection, technology and risk. They are reviewed annually to ensure they remain up to date and meet regulatory expectations.

An internal audit provides an objective evaluation of the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

Risk Management

Our Risk Management Framework identifies and manages risks impacting our activities. The overarching Motability Foundation Corporate Risk Register (CRR) monitors the management of strategic, external, operational, financial and reputational risks. The CRR is owned by the Executive and reviewed quarterly by the Audit, Risk and Finance Committee. Each area is responsible for effective management of risk through departmental risk registers.

Each quarter, the Board of Governors considers:

- The high and significant risks we are exposed to
- The potential impact and probability associated with each risk
- Existing internal controls and mitigating actions to reduce each risk to a level in a timeframe that the Board considers to be acceptable

The Board has considered and agreed the Motability Foundation's risk appetite. We seek to minimise exposure to regulatory and reputational risk. We are more open to strategic, financial, environment and external influence risk. For innovation, the risk appetite is moderate given the opportunities for future increased public benefit that successful innovation might provide.

We seek to develop our risk culture and use it to help to deliver our strategic ambitions.

A summary of the key risks and their mitigations is on pages 33-35. Further information on financial risks is given on pages 39-40.

PRINCIPAL RISKS AND MITIGATIONS

RISK CATEGORIES	RISK	MANAGEMENT
Operational Risk Failures in systems, processes or human error disrupt service delivery and strategy execution.	**Customer Service** Perception that we don't deliver sufficient benefit or service to beneficiaries.	• A robust control environment seeks continuous improvement to meet evolving risk • Regularly review beneficiary feedback and use it to update and enhance processes • Complaints and public relations resources in place
	Cyber Security Complex cyber threats risk data loss, financial harm and reputational damage.	• Access controls, data encryption and enforced data loss prevention tools at email gateway • Deployed Sophos security solutions • Annual Cyber Incident Response Plan tests, regular security awareness training, cyber insurance regular secure offsite backups
	Technology IT systems may not support current/ future needs, causing delays and inefficiencies.	• Board approved Digital Data and Technology strategy • Cloud-first migration strategy where applicable
Strategic Risk Failure to evolve limits our impact on disabled mobility.	**Strategy** We fail to deliver a strategy sufficient to achieve our charitable objective and meet stakeholder expectations.	• Strategy approved by Board of Governors – March 2025 • A delivery plan and timetable with agreed outcomes, monitoring and measurements
	Insight We do not keep up with, and understand, the changing requirements of disabled people.	• Literature review, consultation with disabled people, stakeholders and Board • Impact Grants Programme Phase 2 • Regular review and evaluation of our programmes to ensure they meet beneficiary needs
	External Factors Market or other factors challenge the delivery of the Motability Scheme.	• Motability Operations management and Board monitor and respond to changing circumstances • Oversight of the Scheme and liaison with Motability Operations • Continuing monitoring of external environment • Maintain strong stakeholder relationships
External Influence We fail to show impact, leading to perceptions of poor resource use.	**External Stakeholders** Policy changes may cut benefits, impacting grants and Scheme demand.	• Government collaboration to assess the impact of welfare reform on stakeholders • Monitor Government announcements, consultations, and policy-making process related to benefits
	Government relationships and political awareness Government policy shifts reduce benefits, affecting grants and Scheme.	• Governors Relations Steering Group meets regularly • Public affairs agency engaged to develop a UK-wide plan • Work closely with Motability Operations
	Reputation risk of grant-making policy Grant-making can't meet rising expectations due to demand and budget.	• Grant-making policies and guidance in place • Clear approach to 'value for money' integrated into decision making

PRINCIPAL RISKS AND MITIGATIONS. Continued

RISK CATEGORIES	RISK	MANAGEMENT
Reputational Risk We operate in a way that damages the trust, credibility or public perception of the Motability Foundation.	Poor Scheme oversight perception may damage trust and credibility.	• Scheme Agreement with Motability Operations, with documented rights and actions, a Capital Management Policy and protocol on use of Scheme profits • Regular oversight meetings, close liaison with Motability Operations and an agreed communications protocol • Regular updates to the Department for Work and Pensions and Scottish Government • Engagement with ministers and advisory committees
Financial Risk Investment or funding issues may reduce our capacity to meet charitable goals.	**Investments** Investment underperformance affects income.	• Investment Committee and Board oversight • Investment Policy and Asset Allocation • Professional advisers • Regular review of fund manager performance against the CPI+4% target
	Fraud Motability is subject to fraudulent activity.	• Regular internal audit programme of fraud risk • Established internal control environment, including authority limits and organisation-wide training • Monitoring of third-party control environments • Fraud Response Plan
	Inflation Inflation increases costs and demand.	• Monitor the financial impact of inflation on grant demands and adjust spending plans as necessary • Continuous monitoring of cashflow positions and forecasts of grant spending • Operational prudence seeking efficiencies and value for money
	Funding Variable donations impact budget planning.	• Scenario planning to provide short-term funding certainty • Test and adjust approach adopted • Time-limited programmes and rationalisation measures together with 'scale up' spending plans • Reserves Policy allows for potential variations in timing and amounts
Compliance Risk Compliance with Charity Commission, OSCR and FCA requirements and ever-increasing ethical, legal and regulatory obligations. Regulatory breaches may result in fines and reputational damage.	**Legal and Regulatory Non-Compliance** Legal or regulatory breaches (e.g. GDPR) cause sanctions and reputational harm.	• Mandatory regulatory training on joining and annually for all staff, and associated monitoring and reporting • Regular policy reviews • Horizon scanning for regulatory change • Regular programme of internal audits
	Data Management and Retention Poor data management increases non-compliance and operational risks.	• Departmental Data Protection Champions • Full suite of data protection policies which are regularly refreshed • High-Level Digital Data and Tech Strategy

PRINCIPAL RISKS AND MITIGATIONS. Continued

RISK CATEGORIES	RISK	MANAGEMENT
Environment Risk EV transition may reduce mobility access and increase costs, impacting Scheme perception.	**Impact of the Transition to Electric Vehicles** EV transition worsens mobility for disabled people if vehicles are inaccessible or costly.	**Vehicle Challenge Mitigations:** • Collaborative vehicle design project • Policy and government engagement **Scheme Challenge Mitigations:** • WAV strategy and transition to EV **Grants Challenge Mitigations:** • EV review team and framework to identify exceptional cases for funding petrol and diesel vehicles • Key positioning statements • Complaints policy and operational plan established

Financial Review and Results



Financial Review

Consolidated Accounts for the year ended 31 March 2025 are presented on pages 62-109.

The Motability Foundation's charitable expenditure steadied to be in line with recent years. The record three-year goal of £350m charitable expenditure was met. There was no donation from Motability Operations. In a year of reasonable investment returns, total expenditure exceeded total income and gains, so total resources fell slightly.

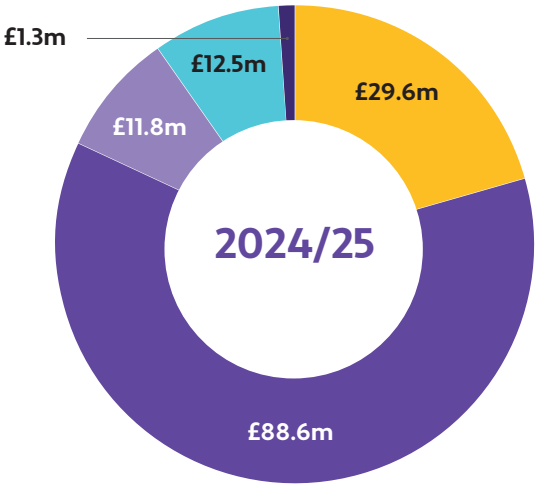
Steadying Charitable Expenditure

After the significant rises in charitable expenditure in recent years, spending steadied in the light of deteriorating prospects for donations in the near term from Motability Operations, assisted by the greater availability of vehicles on the Motability Scheme at nil Advance Payment (and therefore not requiring a grant). Charitable expenditure was £113m as compared to last year's all-time record of £124m. This brings charitable expenditure in the last three years to £350m, fulfilling the Governors' aim to deliver the Motability Foundation's largest ever three-year charitable spend of £350m in the years 2022/23 to 2024/25.

Within the total for charitable spending, grants fell by £12.5m to £88.6m (2023/24: £101m) with the main factor being Scheme-related grants, which fell by £13.2m, mainly in the final quarter of the year as vehicle supply improved. Other programmes largely offset each other – demand for Driving Lesson grants reduced following the introduction of the requirement that applicants pass their theory test first, whilst grant expenditure for multi-year grants to organisations grew as the programme to award the designated £50m concluded (expenditure will continue to be recognised for these grants for the next two years).

Other charitable spending fell modestly as existing activities matured in Innovation and a revised Scheme Agreement was concluded as part of our continued oversight of the Motability Scheme. Building Awareness spending reduced in preparation for the launch of new activities in the coming year. Support costs grew, mostly due to one-off factors: an initial phase of information technology upgrade; significant repairs to the Motability Foundation's office roof; and a payment into the Motability Foundation's defined benefit pension scheme to reduce future financial risks.

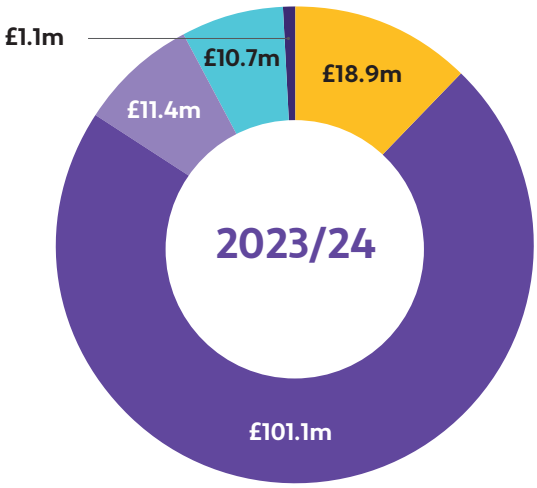
Analysis of Total Expenditure



2024/25 (£143.8m)

Cost of Raising Funds	£29.6m
Direct Grants	£88.6m
Direct Charitable Activity	£11.8m
Allocated Support Costs	£12.5m
Governance Costs	£1.3m

Charitable Spend	79%
Cost of Raising Funds	21%



2023/24 (£143.2m)

Cost of Raising Funds	£18.9m
Direct Grants	£101.1m
Direct Charitable Activity	£11.4m
Allocated Support Costs	£10.7m
Governance Costs	£1.1m

Charitable Spend	87%
Cost of Raising Funds	13%

Income and Gains

Total income fell from £311m to £54.2m. The main reason for the fall was the absence of a donation from Motability Operations in the year (2023/24: £250m to the Endowment). Meanwhile, investment income also fell.

In the medium-to-long term, donations from Motability Operations are the largest source of funding. In the near term, a donation is determined by Motability Operation's financial performance and capital requirements. Motability Operations reported a loss for its most recent financial year given the inflationary pressure of motoring costs, insurance and other supply chain factors. Additionally, Motability Operations is investing into the Motability Scheme's growth. Accordingly, Motability Operations did not make a donation in the year, and the prospects for a further donation in the near term have receded further.

Income, excluding Motability Operations donations, fell by £6.6m to £54.2m (2023/24: £60.8m). The main reason was general fund investments where income fell by £6.9m from £30.4 last year to £23.5m. General fund investments are invested in cash and short-term debt investments. These are sensitive to interest rates, which fell in the year, while charitable spending reduced general fund investments. A small rise in income from restricted fund investments matched a small fall in income from the Motability Endowment Trust's (MET) investments as last year's Motability Operations' donation to the Endowment, initially invested in relatively high yield debt assets, was re-invested into lower-yielding, long-term investments.

Expenditure on raising funds rose to £30.6m (2023/24: £19.7m). These are principally investment management costs in the Endowment that grew to £27m (2023/24: £16.0m)

due to the growth in the Endowment's value and due to performance fees as MET's value peaked in the third quarter of the year before falling back somewhat by the year end.

There were modest gains on general and restricted funds due to falling interest rates. The Endowment recorded investment gains of £72.7m (2023/24: £218m). After a pension fund loss of £0.6m (2023/24: £0.3m loss), total gains were £77.6m (2023/24: £230m).

Net Result for the Year, Total Funds and Free Reserves

Net income before gains or losses was a deficit of £89.6m (2023/24: net income of £168m). After gains of £77.6m, the net movement in funds for the year was a fall of £12.5m (2023/24: a rise of £397m) to £2,167m (2023/24: £2,180m) as total expenditure outpaced income and investment returns. This level of total funds provides a secure base for future spending plans.

Within the net fall in funds for the year, the general fund recorded a deficit for the year of £87.2m (2023/24: £84.6m deficit). There was a surplus on restricted funds of £2.4m (2023/24: £2.3m surplus). Meanwhile, a year of solid investment returns on the Endowment saw its value grow by £72.3m (2023/24: £480m). Further detail about the Endowment can be found on pages 46-49.

Free reserves are a common measure of a charity's financial resilience. Due to the immaterial level of tangible and intangible fixed assets, and the willingness to reconsider designations of general funds, the free reserves policy is the general fund reserves policy. Free reserves reduced by £72m to £318m (2023/24: £390m). This represented 2.5 years' prospective spend (2023/24: 3 years), in line with the general fund reserve policy.

Summary

The Motability Foundation has responded over the last three years to record grant demand amidst a cost-of-living crisis and a now-easing global supply shortage of vehicles with a record three-year programme of charitable expenditure, helping more people than ever before through our grant programmes.

Financial Risks

The principal financial risks that the Motability Foundation faces derive from the Endowment portfolio (equity securities, debt instruments, property, infrastructure, other private investments, money market funds and cash) and the Motability Foundation's general and restricted fund balances (debt instruments, money market funds and cash). These risks are inflation risk, market risk, credit risk and liquidity risk. In addition, there is income risk which includes limited fundraising risks.

MET manages its investment risks through a diversified portfolio of appropriate long-term asset investments that should earn returns expected to exceed the rate of inflation in the wider economy in the long term. As a long-term investor, MET accepts market volatility for long-term asset classes, particularly equities. MET, through its investment managers, partially hedges its foreign exchange positions into sterling to mitigate currency risk. The residual foreign exchange risk is accepted by MET and is kept under regular review.

The Motability Foundation manages its investment risks by diversifying its investments across appropriate cash and credit asset classes, including a bond liquidity ladder for the following nine to 12 months. The expected investment return is the Bank of England's medium-term inflation target of 2 per cent p.a.. Whilst the Motability Foundation seeks

opportunities to improve low returns on secure investments (the average credit rating of these investments is typically A or AA), the Motability Foundation accepts the risk of some loss of real spending power for these funds. This ensures that these funds will maintain their nominal value with a high degree of confidence, thus meeting the Motability Foundation's commitments to beneficiaries. Spending requirements for the next year are held solely in sterling, and other investments for general and restricted funds are hedged back into sterling. The credit assets portfolio typically has a weighted average modified duration of less than a year.

Income risk arises primarily because donations from Motability Operations may be lower or later than modelled. This is addressed through scenario modelling and the general funds reserves policy. Spending plans are adjusted as necessary. The risks to future donations from Motability Operations are discussed below in the 'Outlook – Overview' section. Investment returns may be lower than expected. The Motability Foundation receives professional advice on the returns to be expected from investments.

The Endowment fund means that the Motability Foundation can raise its sustainable level of spending over the modelled scenario periods providing some, but not full, assurance that support will be available to beneficiaries in the future. It is inherent to the income uncertainty faced by the Motability Foundation that charitable spending will rise and fall over time.

Charity fundraising is a regulated activity. The Motability Foundation does not solicit donations. We gratefully receive a small volume of spontaneous donations each year, shown as voluntary fundraising income. Other Trading Activities income arises from sales of advertising space in *Lifestyle* magazine and from our affinity partnerships that are reviewed regularly to ensure that the products meet disabled people's needs at a fair cost and that we comply with Financial Conduct Authority rules where appropriate.

The Motability Foundation acts as a conduit body to channel grants to Armed Forces' veterans funded by Veterans UK, and those monies are dealt with in Note 21 to reflect that relationship. The risks to future donations from Motability Operations are discussed below in the 'Outlook – Charitable Spending and Income' section.

Reserves Policy and Position

The Motability Foundation holds monies in reserve (the reserves) to meet the operating needs of its activities, to exploit opportunities for beneficiaries and to cushion the Motability Foundation's beneficiaries against financial risks. The reserves policy sets out the rationale for the amount of reserves held in each category of fund. The category of fund that monies fall into is determined by the donor, except for designated general funds where the purpose is determined by the Board of Governors as a reserved matter.

General Fund Reserve Policy

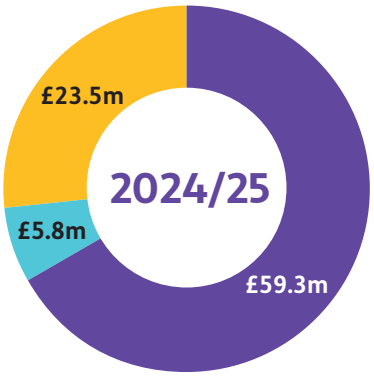
Unlike most charities, the Motability Foundation has a particularly significant and unpredictable primary income source – donations from Motability Operations from its surplus capital. For this reason, the Motability Foundation will normally hold between two and three years' spending to cover the risks (and opportunities) of volatility in income and expenditure.

Given the unpredictable timing and scale of Motability Operations' donations, general

Charitable Expenditure by Grant Programme

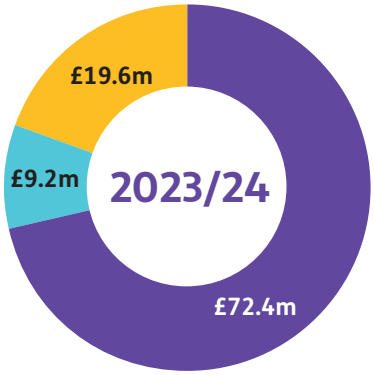
2024/25 (£88.6m)

Scheme-Related Grants	£59.3m
Access to Mobility	£5.8m
Organisations	£23.5m
Total	£88.6m



2023/24 (£101.2m)

Scheme-Related Grants	£72.4m
Access to Mobility	£9.2m
Organisations	£19.6m
Total	£101.2m



fund reserves may be more than three years' spending or less than one year's spending from time to time. The Motability Foundation models its financial outlook every six months in five to 10-year scenarios which, as part of that exercise, updates the Motability Foundation's expectations of the general fund reserves position across time.

At 31 March 2025, the general fund reserve stood at £342m (2023/24: £430m). Given General Fund Charitable Expenditure plans, this is expected to represent 2.7 years' prospective charitable expenditure (2023/24: just over three years), underpinning the Motability Foundation's plans for a similar level of future charitable spending in support of beneficiaries as in recent years.

Designated Fund Reserve Policy

Designated funds are part of general funds and nominated for a specific purpose by the Board of Governors. The designation(s) can be removed if financial circumstances necessitate this, so normally designated funds are not distinguished within general funds for the purposes of this policy.

Within general funds, as at 31 March 2025, the Board of Governors had designated a reserve for Grants to Charities and Organisations to be awarded over the three years to 31 March 2025. The original sum of £50m has been awarded, and the amount still to be recognised in future charitable expenditure stood at £17.7m (2023/24: £32.8m).

Restricted Fund Reserve Policy

Restricted funds are subject to constructive trusts in law, which means they may only be used for the purpose nominated by the donor. A restricted fund will have a relevant time period, which may be for a decade or more. Investment income outweighed charitable expenditure, so the value of the restricted fund rose in the year to £48.4m (2023/24: £46.1m).

Expendable Endowment Fund Reserve Policy

The Motability Foundation's Endowment fund is held by the Motability Endowment Trust (MET), a separate legal entity and a linked charity. MET's sole purpose is to support the Motability Foundation, providing a degree of financial stability to enable the Motability Foundation's grant programmes to continue when donations from Motability Operations fall below expectation or a donation cannot be made due to economic conditions. The Motability Foundation, in its role as sole corporate Trustee of MET, has determined that MET's expendable Endowment reserve policy is:

- To maintain the Endowment's real spending power in the medium-to-long term for the benefit of the Motability Foundation's activities and beneficiaries
- Other than in delivering the financial strategy's risk appetite as from time to time is approved by the Board, to only draw from the Endowment's capital when a permanent substantial improvement to disabled people's transportation can be obtained – a 'once-in-a-generation' opportunity (since such an opportunity would reduce future calls on the Motability Foundation's funds and thus on the Endowment). A decision to spend Endowment capital in this or any other circumstance is reserved for the Board of Governors acting as corporate Trustee, usually upon the recommendation of the Audit and Risk Committee in consultation with the Investment Committee.

The Endowment fund represents the net assets of MET. These rose in value by £72.3m to £1,776m (2023/24: £1,704m) due to positive investment returns in financial markets. Further detail on the performance of MET are on pages 46-49.

The Reserves Policy is reviewed annually by the Audit, Risk and Finance Committee, which may recommend amendments to the Board of Governors.

Investment Policy and Returns

The Motability Foundation's general and restricted funds have specific investment policy provisions. General funds are invested in assets that provide short-term liquidity and are likely to preserve their nominal value and otherwise in diversified credit assets that are likely to earn a return in line with the Bank of England's long-term inflation target of c. 2 per cent p.a.. At 31 March 2025, the Motability Foundation's general fund investments were earning a weighted average yield of 5.52 per cent (2023/24: 5.96 per cent). Restricted funds are invested in assets that provide short-term liquidity and are likely to preserve their nominal value with a high degree of confidence and otherwise in diversified credit assets that are likely to earn a return in line with the Bank of England's inflation target of 2 per cent p.a.. At 31 March 2025, the Motability Foundation's restricted fund investments were earning a weighted average yield of 5.48 per cent (2023/24: 4.60 per cent).

MET's investment policy is to invest in diversified long-term assets in accordance with an asset allocation and responsible investment policy so as to earn a long-term target investment return of CPI+4% after costs. More information can be found on MET and its investments on pages 46-49.

The Motability Foundation and MET pursue these investment policies that have an aligned approach to responsible investment. Advice on the investment policies, and on the respective portfolios, is received from Lane Clark & Peacock, Wilshire Associates and the Chief Investment Officer. The appointed managers' Ethical,

Social and Governance policies and investment processes have been reviewed during the year. The Board of Governors has reviewed the Motability Foundation's and MET's treasury and investment policies during the year.

General Fund Underlying Operating Deficits Over Time

As investment gains and losses can be volatile, and Motability Operations' donations can be uncertain as to value and timing, excluding these significant but volatile figures gives a useful measure for the underlying rate that the Motability Foundation is using up its general funds – the general fund underlying operating deficits columns in the graphic on page 44. The Motability Foundation's general fund charitable expenditure (purple line graph in the graphic on page 44) has grown in recent years, funded by donations from Motability Operations, and has now steadied. More recently, general fund investment income (yellow line graph in the graphic on page 44) has grown in the last two years as interest rates have risen and has now started to fall with lower interest rates on lower general fund investments.

Overall, the graphic shows the impact of rising general fund charitable expenditure has been softened by rising investment income in recent years, and this has led to the underlying general fund operating deficit running at c. £90m-95m p.a.. The Governors keep future spending plans under review. As discussed below, the outlook for donations from Motability Operations is uncertain, and future expenditure will be adjusted as necessary.

Pension Schemes

The Motability Foundation operates a defined contribution pension scheme for its employees and has a closed defined benefit pension scheme. The costs of the pension schemes charged to the Statement of Financial Activities are shown in Note 8 to the accounts.

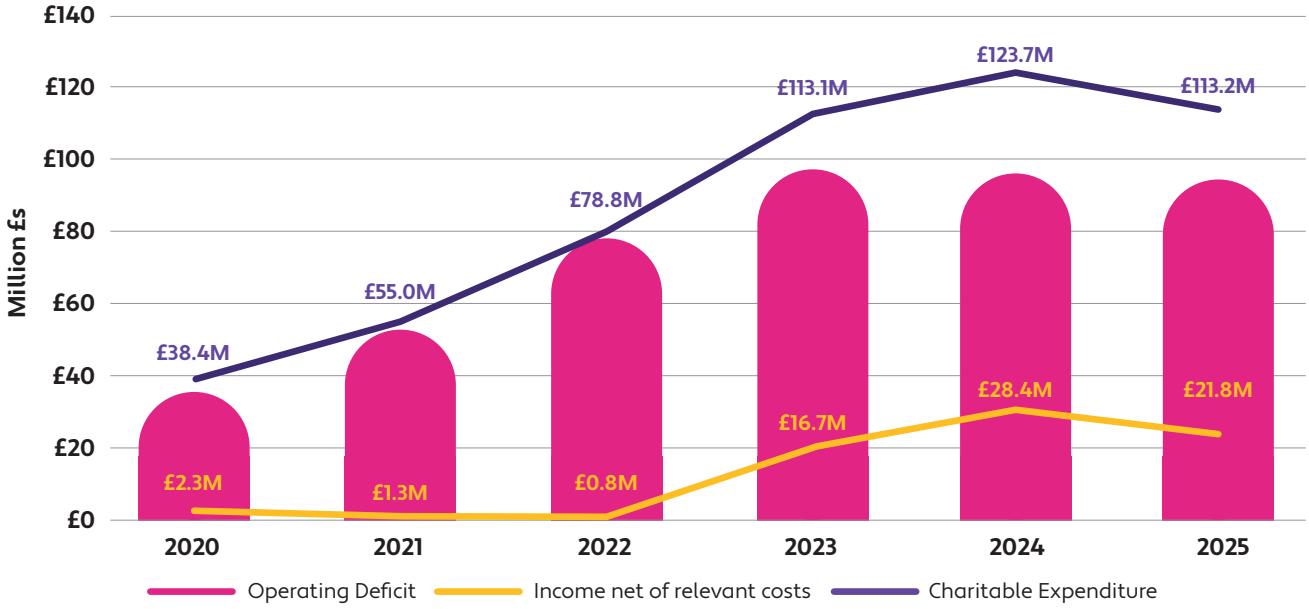
The defined benefit pension scheme closed to new members in 2005 and to future accrual in 2012. At 31 March 2025, the pension fund's assets and liabilities were £16.1m and £16.5m (2023/24: £17.0m and £18.1m) respectively, resulting in a deficit of £0.3m (2023/24: deficit of £1.1m). Further information is given in Note 22 to the annual accounts. The last triennial actuarial valuation took place as at 31 March 2022, updated to 30 June 2022, and showed the Motability Scheme's assets were £21.2m and its liabilities were £21.1m, resulting in a surplus of £0.1m in the year. The Motability Foundation made contributions of £1.6m (2023/24: £0.1m) in order to take advantage of higher interest rates (which reduce the liabilities calculated for defined benefit pension schemes) and move this pension scheme to a 'low dependency on the employer' status – a funding position that reduces future risks to charitable expenditure from the defined benefit pension scheme.

Outlook – Charitable Spending and Income

The Governors have set a planning range for charitable expenditure for future years around £130m p.a., lower than previously due to the receding near-term prospects for further donations from Motability Operations as growth in the Scheme places demands on Motability Operations' surplus capital. With lower interest rates and falling general fund balances expected, investment income is also likely to be lower, and this would result in further annual deficits.

In 2024/25, the availability of nil Advance Payment vehicles rose in the second half of the year, depressing grant spend. This effect may or may not persist given uncertainties over the

General Fund Underlying Operating Deficits 2020-2025



availability and pricing of future vehicles on the Motability Scheme, so spending may diverge from the indicated range. A growing pressure on spending is likely to be the increasing costs of providing wheelchair accessible vehicles and other complex adaptations – a particular issue is the costs of, or unsuitability for, adapting the base electric vehicles due to the method of their construction and their heavy dependence on software. Grants to organisations and charities should experience a lower level of inflation than that likely for Scheme-related grants, helping the new allocation of £50m over the next several years stretch further. Spending priorities will be reviewed where necessary to navigate these changing circumstances.

The Motability Foundation enters the next period in a satisfactory financial position and will continue to carefully plan expenditure to ensure it can provide medium-term support for beneficiaries.

Outlook – Liquidity and Going Concern

At 31 March 2025, cash stood at £23.3m (2023/24: £33.6m). The Motability Foundation's general fund held cash, money market instruments, deposits and investment grade bonds maturing within one year totalling £106.9m (2023/24: £145m). The balance of the cash required will be made up from asset disposals.

The restricted fund held cash, money market instruments, deposits and investment grade bonds maturing within one year of £21.2m (2023/24: £34.7m) with which to meet grant payments. Any further cash required will be made up from asset disposals.

At the year end, MET held cash and money market instruments of £57.4m (2023/24: £46.7m). MET also had contingent investment commitments of £150m (2023/24: £120m). The balance of cash required will be made up from asset disposals.

Thus, at 31 March 2025, the total of cash to hand and maturing assets that can deliver cash if required in 2025/26 in the general and restricted funds to meet charitable expenditure and grant commitments is £126m (2023/24: £180m). Outstanding grants, which had been growing mainly due to the difficulty of sourcing vehicles for our beneficiaries, fell from last year's peak to £65.6m (2023/24: £79.3m) as vehicle supply improved.

The diversified base of credit investments held by the general and restricted funds will ensure liquidity is available in good time should spending patterns change significantly. The cash on hand and maturing over the year will cushion charitable expenditure in the event of a shock to credit markets that might delay the ability to realise other investments for full value. The Governors are satisfied that the Motability Foundation and MET have the liquidity needed to meet expenditure and investment commitments in 2025/26.

The Motability Foundation reviews its future spending plans in 10-year scenarios every six months to allow for differing levels of future income, principally donations from Motability Operations, and different levels of future spending. General funds as at 31 March 2025 were £342m (2023/24: £430m), including the cash on hand and maturing from assets over the next 12 months outlined above. The Motability Foundation will reduce charitable spending where necessary. The Motability Foundation's future plans, budgets, reserves levels and cash flow forecasts for a period of more than 12 months from the date of signature of these accounts have been prepared by management and reviewed by the Governors.

On this basis, the Governors believe that the going concern assumption continues to be appropriate and that the Motability Foundation has a sound financial basis upon which to plan for the future with no material uncertainty and has prepared the accounts on a going concern basis.

Motability Endowment Trust

Summary of the Year

Financial markets rose in the first three quarters of the financial year 2024/25 and dipped in the final quarter. Over the full year, Motability Endowment Trust's (MET) total funds rose by £72.3m or 4.1 per cent to £1,776m (2023/24: £1,704m). The portfolio continues to mature as private asset classes are added to so as to be in line with the intended long-term asset allocations.

Context

The factors identified in last year's commentary remain relevant. After a year where half the world's population went to the polls, the geopolitical situation remains unsettled whilst interest rates, having tightened last year, began to ease – albeit more slowly than first expected – as inflation eased back towards the levels targeted by Central Banks. Investment markets made gains as a result, although sterling's strength provided a headwind to performance. Markets became nervous about future economic prospects in the second half of the year.

Asset Allocations

As an investor, MET is focused on maintaining an investment portfolio capable of earning a long-term return in excess of inflation so as to maintain its spending power. Whilst progress towards its investment goal may be uneven across time, long-run historic data suggests this is a realistic goal. The Motability Foundation, as the corporate Trustee, reviewed the investment strategy during the year with MET's advisers and concluded that it remains sound.

The process of investing last year's £250m donation from Motability Operations into long-term assets was concluded. An appropriate pool of cash and liquid debt securities remained at the year-end to fund ongoing commitments to invest into private asset classes.

During the year, within the long-term asset allocations, the phased acquisition of private assets – private credit, private equity and venture capital – continued. In the second half of the year, there was a reduction in global passively managed public equities in favour of non-US specialist active public equity managers, intended to reduce exposure to a perceived potential bubble in some areas of equity markets and to take opportunities in others.

The revised asset allocations are given in the table and illustrated in the graph on page 48, showing the evolution of the portfolio over recent years. The main feature is the steady growth in long-term investment asset classes, in part funded by the switch from debt and money market instruments.

Investment Performance

The value of the Endowment rose by £72.3m to £1,776m (2023/24: £1,704m). Last year's rise in value of £480m was the result of two factors: the receipt of the £250m donation from Motability Operations to help the Endowment keep pace with growing numbers of disabled people; and net investment returns of £230m.

Gross investment returns this year were £99.3m (2023/24: £246m). These were made up of investment income of £26.6m (2023/24: £27.4m) and gains of £72.7m (2023/24: £218m). The

slight fall in investment income was due to the continuing move into lower-yielding long-term investments in private assets.

Public equities were once again the major contributor to performance, with a particularly strong third quarter. There were useful contributions to the year's returns from real estate and infrastructure, and from private credit (in 'other' holdings). The rise in investment management costs to £27m (2023/24 £16m) reflects prior and current years' growth in the value of investments as well as performance fees on the good returns across more than a year to 31 December 2024.

The positive performance in the year meant that the portfolio has been resilient against the relatively high inflation of the last two years, as measured by the UK Consumer Price Index (CPI), although this was insufficient to further narrow the gap to its long-term investment return target of CPI+4% after costs. As an Endowment, MET has the advantage conferred on long-term investors of being able to wait out periods of underperformance.

Governance and Management

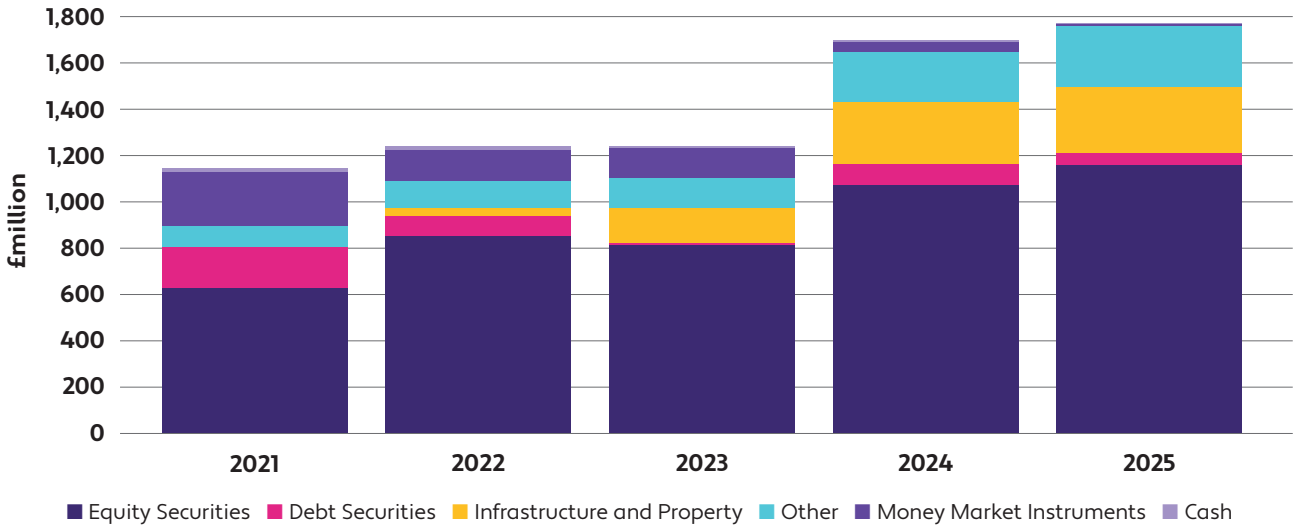
MET's sole purpose is to support the Motability Foundation. As disabilities are often long term, it is important to sustain the Motability Foundation's grant-making for our beneficiaries. MET provides a degree of financial stability to the Motability Foundation's grant-making activities, enabling grant programmes to continue when donations from Motability Operations fall below expectation or a donation cannot be made due to economic conditions. It is intended that the Endowment's capital will only be drawn upon to fund 'once-in-a-generation' opportunities that will greatly and permanently improve transportation for disabled people because the resulting reduction in beneficiary need will reduce the required size of MET.

The Motability Foundation is MET's sole corporate Trustee. MET and the Motability Foundation have the same charitable objects. MET is an expendable Endowment, established by trust deed in September 2019, and legally registered as The Motability Endowment Trust with the Charity Commission in England and Wales as a linked charity under registration number 299745-1.

MET does not prepare separate Financial Statements; its results are presented within the Motability Foundation's consolidated Financial Statements, including as the Endowment column in the Statement of Financial Activities, and in the Balance Sheets. MET's Investment Committee operates within terms of reference delegated from the Trustee and within the scope of the investment policy, including an asset allocation strategy and a responsible investment policy, approved by the Trustee. The terms of reference for the Investment Committee and the investment policy are reviewed regularly. MET has appointed a Chief Investment Officer to advise upon and support the implementation of the investment policy and the monitoring of investment managers' performance. The primary external investment adviser is Lane Clark & Peacock, and supplementary advice is received from Wilshire Associates on venture capital and private equity investment selection.

The investment policy targets a long-term investment return of inflation plus four per cent (CPI+4%, the inflation measure is the UK Consumer Price Index) after costs. This level of return is intended to maintain the capital of the Endowment and so support grant-making for future generations of beneficiaries. The

Investment Values by Asset Class at 31 March



investment policy is communicated to MET's fund managers. The fund managers' ethical, social and governance engagement, policies and processes were kept under review during the year. Further fund managers were evaluated, including their approach to responsible investment, and appointed. The principal fund managers are noted on page 110.

The principal financial risks are set out along with their mitigation more fully in the Financial Review on pages 33-35. The Investment Committee reviewed inflation, market and currency risks against the context and outlook with their advisers and concluded that the long-term strategy of holding a portfolio of diversified long-term investments capable of delivering CPI+4% was sound. The Endowment portfolio is partially hedged into sterling given that the Motability Foundation's expenditures are denominated in sterling; residual currency risk is accepted. Counterparty risk is mitigated through diversifying fund managers and custodians, and by legal and investment due diligence. Liquidity risk is managed through cash flow forecasting, carefully sequencing buy and sell trades.

Outlook and Plans for the Future

As has been the case for some time, investment valuations in many parts of financial markets can best be described as 'full'. This does not necessarily mean that they are unsustainable but does usually mean that future returns will be weaker for a period than the historic average. In what appears to be a more volatile world, the diversification in recent years of MET's portfolio is likely to provide some protection should shocks to investment markets occur – the announcement of tariffs by the US in April 2025 (whatever the final outcome) is another example of these events. A long-term focus on investments capable of growing in line with

	Valuations: £ million					Investment performance figures % p.a.		
ASSET CLASS	**31 March 2021**	**31 March 2022**	**31 March 2023**	**31 March 2024**	**31 March 2025**	**Year to 31 March 2024**	**Year to 31 March 2025**	**Since Inception**
Equity Securities	632	858	811	1,074	1,164	23.1	4.2	10.1
Debt Securities	173	89	9	94	55	7.2	6.0	2.6
Infrastructure and Property	-	25	147	265	284	2.3	5.5	-0.3
Other	95	120	126	224	266	9.7	3.8	7.0
Money Market Instruments	244	131	123	42	5	3.2	4.5	1.7
Cash	10	12	8	5	3	3.3	4.2	1.5
Total	**1,154**	**1,235**	**1,224**	**1,704**	**1,777**	**17.1**	**4.3**	**6.8**
Long-term Performance Benchmark: CPI +4%								**8.3**

inflation looks to remain appropriate. Periods of under- and over-performance should be expected.

MET will continue to seek out areas of financial markets that appear relatively under-valued whilst adding steadily to private asset classes to further diversify its portfolio. In the meantime, MET will keep its risks and fund managers' performance under review. Liquidity is carefully monitored and remains sufficient for current plans.

Fully catching up on the long-term investment return target of CPI+4% may take some time and could be volatile in the current environment. Meanwhile, the Endowment's long-term perspective means that the Trustee is confident that MET is well positioned to support disabled people to make the journeys they choose in the future.

Governors' Report

Governors' Report

The Accounts comply with the requirements of the Charities Act 2011, the Royal Charter and the Statement of Recommended Practice (SORP) 2019 and Financial Reporting Standard 102.

Chief Patron, Patrons, Life President and Life Vice-President, present Governors, any past Governors, and Members who served during the year are shown on page 111. Details of the registered office, key executive employees and professional advisers are shown on pages 110-112.

Rachael Badger, who has made a valuable contribution to the development of the Motability Foundation over the last five years as Director of Performance and Innovation, left during the year, and we wish her every success in the future.

The Charity is governed by its Royal Charter, granted on 18 May 1988, incorporating amendments made on 8 December 2005, 11 November 2020 and 16 February 2022.

Public and Charitable Benefit

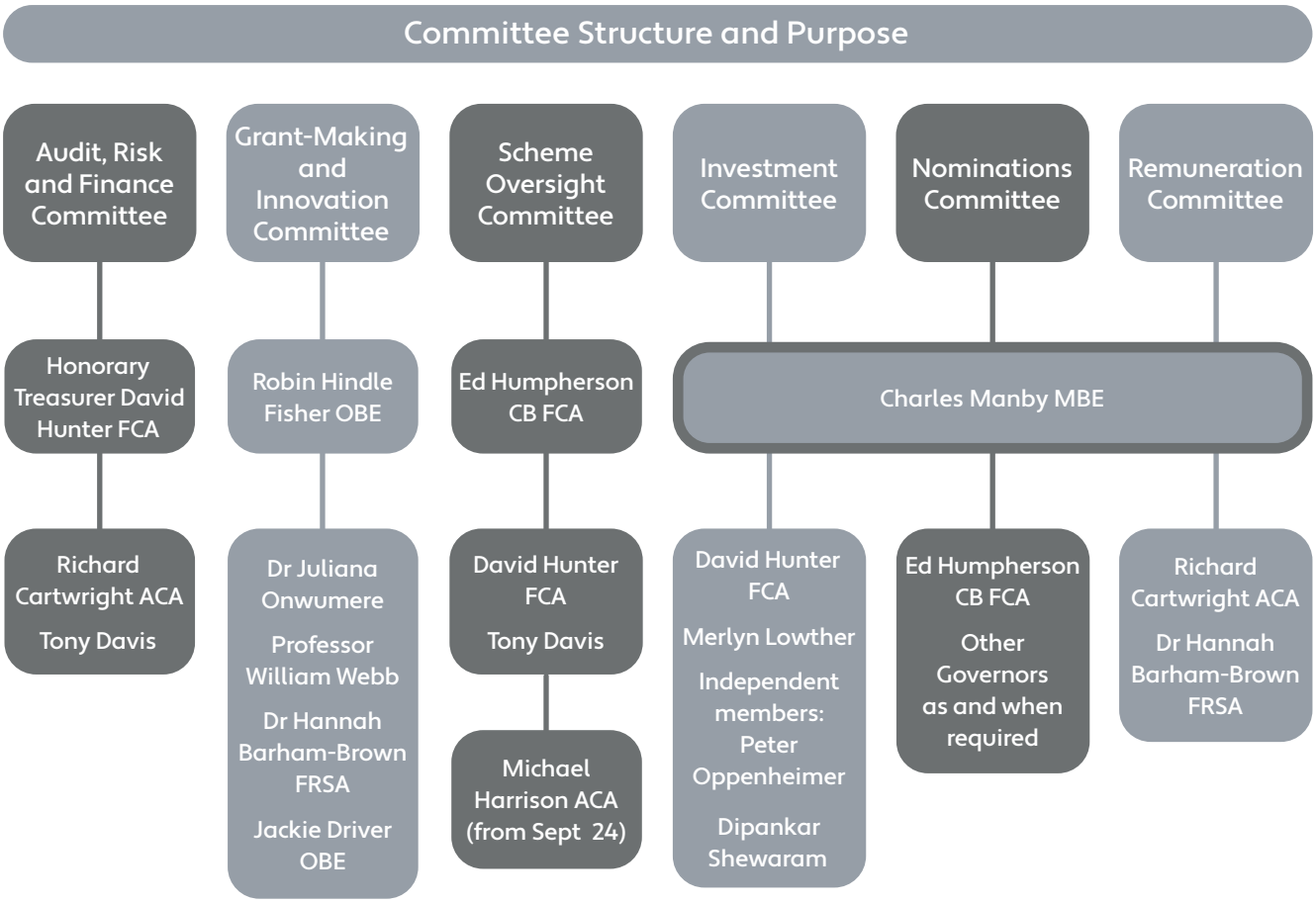
The Charitable object of the Motability Foundation is to facilitate the relief and assistance of disabled people in connection with the provision of personal and other transportation.

Building a future where all disabled people have the transport options to make the journeys they choose is the Motability Foundation's contribution to society throughout the United Kingdom.

This annual report reviews the work of the Motability Foundation over the past year. In reviewing performance and future aims, Governors have due regard for guidance published by the Charity Commission on public benefit and have complied with Section 17 of the Charities Act 2011 in this respect.

Structure, Governance and Management

Governors and Members



Audit and Risk Committee

- Oversight of Risk Assessment, Risk Management and Internal Controls
- Reviews the performance of internal and external audits, and recommends the appointment of external and internal auditors to the Board
- Reviews financial performance

Grant-Making and Innovation Committee

- Oversees all the Motability Foundation's grant-making and innovation activities

Scheme Oversight Committee

- Ensures that the Motability Foundation effectively oversees the performance and financial position of the Motability Scheme

Investment Committee

- Monitors performance of the investments, recommends investment policies and strategy to Motability's Board of Governors in respect of the Motability Foundation and to the Corporate Trustee in respect of Motability Endowment Trust (MET)

Nominations Committee

- Reviews Board structure, size, composition (including skills, knowledge and experience), considers succession planning, and makes recommendations on Governor appointments to the Board of Governors
- Recommends the appointment of the Chief Executive and Directors to Executive Management

Remuneration Committee

- Reviews the benchmarked remuneration of the Chief Executive and Executive Management, as well as the employee pay and benefits strategy

Structure, Governance and Management

Our Royal Charter sets out our governance structure, which includes Members and Governors.

The Board of Governors is ultimately responsible for the overall control and strategic direction of the Foundation and for the protection of its assets. The Board delegates specific responsibilities to its Committees, each of which has detailed terms of reference and reports to the Board. Where authority has not been formally delegated recommendations for changes in strategy or policy are authorised by the full Board.

Members

Any individual can apply to the Board for election as a Member, provided they are not a paid employee of the Motability Foundation. Members have a right to appoint Governors and vote at the AGM.

Governors

Governors are appointed from the membership at the AGM. If no current Member has the necessary skill or experience, the Board will seek a new Member. Governors are:

- Recommended by the Board's Nominations Committee
- Recruited based on merit and, where possible, have lived experience of disability. Diversity and inclusion are valued and considered
- Appointed by the Board for a term of three years, and serve a maximum of three terms
- Provided with an induction programme that includes meetings with the Chief Executive, key staff and stakeholders
- Offered ongoing training tailored to individual needs or the requirements of the Board as a whole

Governors are unpaid, although they may be compensated for loss of earnings and reimbursed for expenses (See Note 8 to the Financial Statements). Related parties are identified when new transactions arise and are set out in Note 8 to the Financial Statements.

Governors receive updates and information which is relevant to their role throughout the year. The Board normally meets formally in person four times a year, with additional meetings to discuss important strategic initiatives prior to decisions. Where necessary, decisions and actions may also be agreed by email between meetings.

Committees

The Board delegates specific responsibilities to its committees. Committees:

- Report to the Board
- Meet four times a year, ahead of Board meetings
- Have detailed terms of reference which are reviewed at least annually to ensure they are effective, and conflicts of interest are discussed and registered at each meeting

Chief Executive Officer

Day-to-day responsibility for running the Charity is delegated to the Chief Executive Officer (CEO). The CEO:

- Leads the Charity's relationships with stakeholders, including government, Motability Operations and our regulators
- Ensures implementation of strategy and decisions made by the Governors, with the support of Executive Management

Motability Enterprises Limited

The Motability Foundation has one wholly owned subsidiary, Motability Enterprises Limited, about which further details are given in Note 2 to the Financial Statements.

Motability Endowment Trust

The Motability Foundation is the sole corporate Trustee of the Motability Endowment Trust.

Governance Review

The Board supports the principles of good governance as set out in the Charity Governance Code and continues to measure successfully against the principles of the Charity Governance Code.

As recommended by the Code, every three years the Board commissions an independent review of its performance, and in the intervening years undertakes a self-evaluation process.

The Audit and Risk Committee's terms of reference were reviewed during the year, and in light of that review, was renamed the Audit, Risk and Finance Committee (ARFC). ARFC completed a self-assessment exercise, whilst reviews of the implementation of recommendations from reviews of Grant-Making and Scheme Oversight by Farrer and Co were also completed in the year.

The Governors consider the Charity Commission's guidance on public benefit when reviewing the Motability Foundation's objective, plans and activities.

Companies Act 2006 section 172

While the Motability Foundation (as a corporation) has no formal requirement to comply, we consider it good practice to include a statement in the Strategic Report which demonstrates how Governors have voluntarily complied with the matters in Section 172 (1) (a)-(f) of the Companies Act 2006. We recognise the importance of demonstrating that we act fairly as between members of the company. To ensure responsible decisions are made, we engage effectively with our wide variety of stakeholders on whom the future success of the Motability Foundation depends. This helps us ensure that decisions are sustainable in the long term and do not disproportionately affect any single stakeholder group. The Board notes the significant decisions made during the year and our relationships with key stakeholders below.

SIGNIFICANT DECISIONS

We wish to offer a range of mobility solutions to meet different needs

- June 2024: We decided to continue with a shorter and more refined Bespoke Passenger Solutions Grant Programme with £10m of funding for two years to March 2027
- September 2024: We approved new principles for our Impact Grant Programmes. We will make the grants more accessible by altering the turnover and grant thresholds, take a mixed method approach to grant-funding and improve transparency
- September 2024: Innovation Project to consider how to unlock the benefits of shared micromobility for disabled people. We will explore this to help ensure accessibility is a key element of future transport modes and technology
- September 2024: Recognising that upward pressure on grant demand continues, Governors agreed to prepare for a controlled adjustment to overall charitable spend to achieve both strategic intent and ensure continued support for disabled people
- March 2025: We wish to advance our vision that all disabled people should be able to make the journeys they choose. The 2025-2030 Strategy was approved with up to £650m agreed charitable spend over the period

Relationship with Motability Operations and their delivery of the Motability Scheme

- December 2024: An updated agreement granting Motability Operations the power to operate and deliver the Motability Scheme was signed

Relationship with Beneficiaries, Suppliers, Other Charities and Not-For-Profit Organisations

- March 2025: Approved the 2025/26 budget including a charitable spend budget of £120m, continuing the intent to spend up to £130m p.a. on the financial strategy whilst allowing for upward pressure on spending on Scheme-related Grants

Key Stakeholders

- **UK and Scottish Government:** The Motability Scheme depends on the transfer of government benefits and VAT status, which are under the authority of the UK and Scottish Government. We have formal quarterly meetings and routine engagement, including regular reviews of MOUs and agreements
- **Motability Operations:** We have a performance framework in place which includes monthly reporting against KPIs, quarterly Scheme Oversight Committee meetings, and analysis of customer research and surveys. Motability Operations Directors report to the Motability Foundation Board quarterly. The Motability Foundation attends specific Motability Operations governance committees. Senior management of the Motability Foundation and Motability Operations are routinely in dialogue
- **Grant recipients and wider beneficiaries:** The Motability Foundation continually measures and evaluates the grant recipient experience. We conduct extensive research and consultation with disabled people and disability organisations, as well as our own frontline employees, to better understand what mobility problems disabled people face and what solutions would assist them
- **Vehicle adaptation manufacturers:** The Motability Foundation provides regular briefings to manufacturers and works closely with the adaptations department of Motability Operations on delivery matters. The Motability Foundation has contractual arrangements and grant agreements with other parties to deliver services for beneficiaries; each includes a performance framework enabling evaluation and learning for developing assistance to meet beneficiary needs
- **National Centre for Accessible Transport (ncat):** ncat is governed by a grant agreement between the Motability Foundation and Coventry University, the lead partner. The Independent Chair reports to the Motability Foundation Grant-Making and Innovation Committee. The Motability Foundation Grant-Making and Innovation Committee oversees reporting of ncat activities and outputs
- **Regulators:** We are regulated by the Charity Commission, the Office of the Scottish Charity Regulator, the Financial Conduct Authority and the Information Commissioner's Office. The Motability Foundation seeks to ensure full compliance with laws and regulations and is compliant with all reporting requirements
- **Business relationships with suppliers, partners and others:** We collaborate, and work to develop and maintain trusted relationships, with our partners, and we expect them to align with our values. We seek to always act with honesty and integrity in all that we do to deliver value for money in support of our strategic goals

Statement of Trustees Responsibilities and Corporate Governance

The Governors, as Trustees, are responsible for preparing the Governors' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Statements (United Kingdom generally Accepted Accounting Practice), including FRS

102, the reporting standard applicable in the UK and the Republic of Ireland, Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

The law applicable to charities in England and Wales requires Financial Statements for each financial year to be prepared by the Governors. These should be a true and fair view of the state of affairs of the Motability Foundation and the Group, and of the income and application of resources of the Motability Foundation for that period in preparing these Financial Statements.

The Governors are required to:

- Select, then apply, consistently suitable accounting policies
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the Financial Statements
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Motability Foundation will continue in operation

The Governors are responsible for keeping proper accounting records that disclose, with reasonable accuracy and at any time, the financial position of the Group and enable them to ensure that the Financial Statements comply with the Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the Group and the Motability Foundation, and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

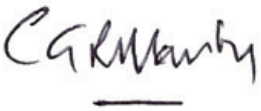
In so far as the Governors are aware:

- There is no relevant information of which the Group's auditors are unaware; and
- They have taken all steps that they ought to have taken as Governors to make themselves aware of any relevant information and to establish that the Group's auditors are aware of that information

Slavery and Human Trafficking Statement

In accordance with our core values, the Motability Foundation is committed to the principles stated in the Modern Slavery Act 2015 and the abolition of modern slavery and human trafficking. We have a zero-tolerance approach to modern slavery. We:

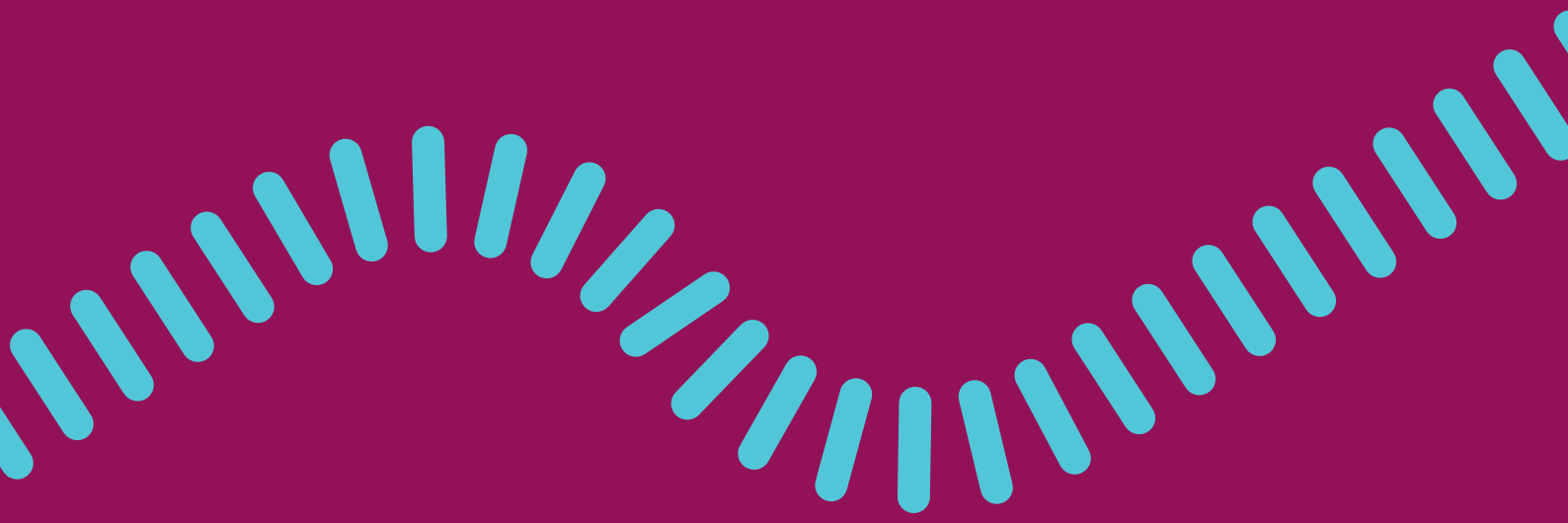
- Will be transparent in all our dealings
- Are committed to acting ethically and with integrity in all dealings and business relationships
- Will implement and enforce effective systems and controls to ensure that modern slavery is not taking place within the Charity, with business partners or our supply chains



By Order of the Board
Charles Manby MBE
Chair
15 July 2025

Independent Auditor's Report to the Governors (Trustees) of Motability

for the year ended 31 March 2025



Independent Auditor's Report to the Governors (Trustees) of Motability

Opinion On The Financial Statements

In our opinion, the Financial Statements:

- Give a true and fair view of the state of the Group's and of the Parent Charity's affairs as at 31 March 2025 and of the Group's incoming resources and application of resources 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 Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended

We have audited the Financial Statements of Motability ("the Parent Charity") and its subsidiaries ("the Group") for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, the Statement of Financial Activities (Charity Only), the Balance Sheets, the Consolidated Cash Flow Statement and Notes to the Financial Statements, including a summary of 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Charity in accordance with the ethical requirements 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.

Conclusions Related 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 Group and the Parent Charity's ability to continue as a going concern for a period of at least 12 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. The other information comprises the information included in the Annual Report and Accounts, 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 there is 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.

Matters On Which We Are Required To Report By Exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion;

- The information given in the Trustees' Report for the financial year for which the Financial Statements are prepared is inconsistent in any material respect with the Financial Statements; or
- Adequate and proper accounting records have not been kept by the Parent Charity; or
- The Parent Charity Financial Statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit

Responsibilities Of Trustees

As explained more fully in the Statement of Trustees' Responsibilities and Corporate Governance, the Trustees 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 Group's and the Parent Charity'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 Group or the Parent Charity 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 151 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 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.

Extent To Which The Audit Was Capable Of Detecting Irregularities, Including Fraud

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:

Non-compliance with laws and regulations
Based on:
- Our understanding of the Group and the sector in which it operates;
- Discussion with management and those charged with governance and the Audit, Risk and Finance Committee; and
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations;

we considered the significant laws and regulations to be the applicable accounting framework, UK tax legislation and employment law.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the Financial Statements; for example, through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation, Charities Act 2011, data protection and Financial Conduct Authority regulation.

Our procedures in respect of the above included:
- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Inquiry and confirmation of the Serious Incident Reports made by the entity

Fraud
We assessed the susceptibility of the Financial Statements to material misstatement, including fraud. Our risk assessment procedures included:
- Enquiry with management and those charged with governance, Audit, Risk and Finance Committee and internal audit regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the Financial Statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Review of correspondence with the Financial Conduct Authority

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls, significant accounting estimates and income recognition.

Our procedures in respect of the above included:
- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Involvement of forensic specialists in the audit to consider potential instances of fraud;
- Assessing significant estimates made by management for bias, including valuation of investments and valuation of the PIP provision by consideration of the basis of estimation and inputs to the calculations;
- Testing a sample of income recognised during the year to ensure recognition is in line with FRS 102 and the Charity SORP;

- Enquiries of third parties where information had been used by the group in preparation of the Financial Statements, particularly including investment manager and custodian confirmations of year-end valuations and investment holdings; and
- Audit testing a sample of payments, grants awards and commitments, ensuring these have been made in accordance with authority limits, award letters and internal control procedure

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including component engagement teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the Financial Statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the Financial Statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the Financial Statements is located at the Financial Reporting Council's ("FRC's") website at:
https://www.frc.org.uk/auditorsresponsibilities.

This description forms part of our Auditor's Report.

Use Of Our Report

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charity's Trustees 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 Charity and the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



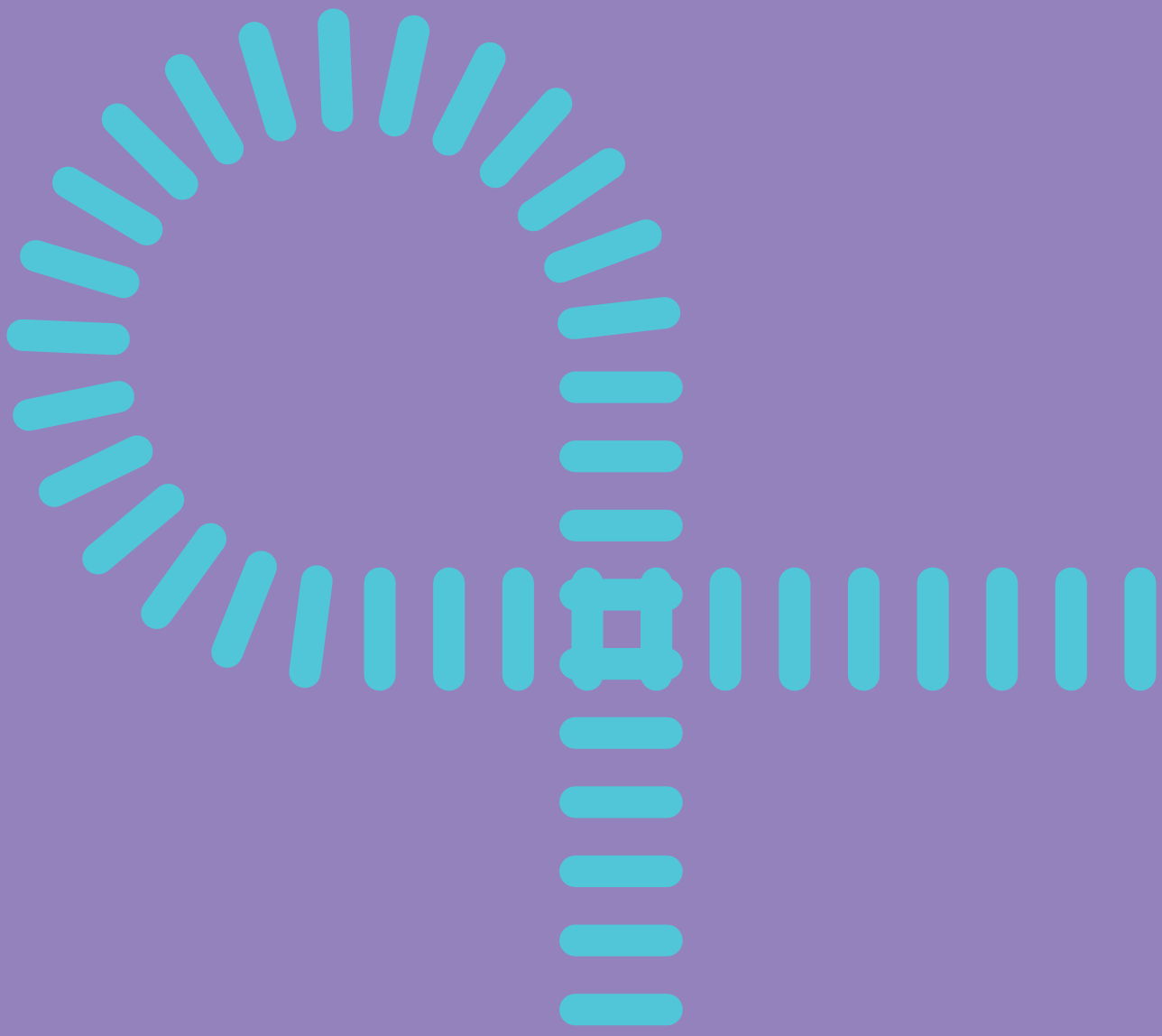
BDO LLP, Statutory Auditor
London, UK
18 July 2025

BDO LLP is eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

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

Financial Statements

for the year ended 31 March 2025



Consolidated Statement of Financial Activities

for the year ended 31 March 2025

	Note	Unrestricted Funds 2025 £'000	Restricted Funds 2025 £'000	Endowment Fund 2025 £'000	Group Funds 2025 £'000	Unrestricted Funds 2024 £'000	Restricted Funds 2024 £'000	Endowment Fund 2024 £'000	Group Funds 2024 £'000
Income and Endowments from:									
Voluntary Fundraising Income		92	-	-	92	150	-	-	150
Motability Operations Donations		-	-	-	-	-	-	250,000	250,000
Donations and Legacies		**92**	**-**	**-**	**92**	**150**	**-**	**250,000**	**250,150**
Other Trading Activities		1,186	-	-	1,186	916	-	-	916
Income from Investments	3	23,491	2,284	26,617	52,392	30,437	1,620	27,372	59,429
Other Income	4	521	-	-	521	446	-	-	446
Total Income and Endowments		25,290	2,284	26,617	54,191	31,949	1,620	277,372	310,941
Expenditure on:									
Raising Funds	6	3,496	52	27,008	30,556	3,557	79	16,020	19,656
Charitable Activities:									
Grants to Individuals		80,249	15	-	80,264	96,211	(135)	-	96,076
Grants to Organisations		28,947	-	-	28,947	23,072	-	-	23,072
Build Awareness		2,169	-	-	2,169	2,452	-	-	2,452
Innovation		1,413	-	-	1,413	1,507	-	-	1,507
Motability Scheme		412	-	-	412	451	-	-	451
Total Charitable Expenditure	**5**	**113,190**	**15**	**-**	**113,205**	**123,693**	**(135)**	**-**	**123,558**
Total Expenditure		**116,686**	**67**	**27,008**	**143,761**	**127,250**	**(56)**	**16,020**	**143,214**
Net (Expenditure) / Income Before (Losses) / Gains on Investments		**(91,396)**	**2,217**	**(391)**	**(89,570)**	**(95,301)**	**1,676**	**261,352**	**167,727**
Net Gains on Investments	11	4,741	171	72,680	77,592	10,931	641	218,432	230,004
Net (Expenditure) / Income		**(86,655)**	**2,388**	**72,289**	**(11,978)**	**(84,370)**	**2,317**	**479,784**	**397,731**
Other Realised Gains and Losses									
Actuarial (Loss) on Defined Pension Scheme	22	(565)	-	-	(565)	(266)	-	-	(266)
Net Movement in Funds		**(87,220)**	**2,388**	**72,289**	**(12,543)**	**(84,636)**	**2,317**	**479,784**	**397,465**
Fund Balances at 1 April		429,690	46,059	1,704,186	2,179,935	514,326	43,742	1,224,402	1,782,470
Fund Balances at 31 March	**18, 19, 20**	**342,470**	**48,447**	**1,776,475**	**2,167,392**	**429,690**	**46,059**	**1,704,186**	**2,179,935**

There were no other recognised gains or losses other than those listed above and the net income for the year.
The Notes on pages 66-109 form an integral part of the Financial Statements.
All the Group's financial activities in this and the prior year were continuing.
The Endowment Fund column represents the financial activities of the Motability Endowment Trust.

Statement of Financial Activities (Charity Only)

for the year ended 31 March 2025

	Note	Unrestricted Funds 2025 £'000	Restricted Funds 2025 £'000	Endowment Fund 2025 £'000	Charity Funds 2025 £'000	Unrestricted Funds 2024 £'000	Restricted Funds 2024 £'000	Endowment Fund 2024 £'000	Charity Funds 2024 £'000
Income and Endowments from:									
Voluntary Fundraising Income		480	-	-	480	492	-	-	492
Motability Operations Donations		-	-	-	-	-	-	250,000	250,000
Donations and Legacies		**480**	**-**	**-**	**480**	**492**	**-**	**250,000**	**250,492**
Income from Investments		23,480	2,284	26,617	52,381	30,429	1,620	27,372	59,421
Other Income		521	-	-	521	456	-	-	456
Total Income and Endowments		**24,481**	**2,284**	**26,617**	**53,382**	**31,377**	**1,620**	**277,372**	**310,369**
Expenditure on:									
Raising Funds		1,306	52	27,008	28,366	1,993	79	16,020	18,092
Charitable Activities:									
Grants to Individuals		80,249	15	-	80,264	96,211	(135)	-	96,076
Grants to Organisations		28,947	-	-	28,947	23,072	-	-	23,072
Build Awareness		3,551	-	-	3,551	3,445	-	-	3,445
Innovation		1,413	-	-	1,413	1,507	-	-	1,507
Motability Scheme		412	-	-	412	451	-	-	451
Total Charitable Expenditure		**114,572**	**15**	**-**	**114,587**	**124,686**	**(135)**	**-**	**124,551**
Total Expenditure		**115,878**	**67**	**27,008**	**142,953**	**126,679**	**(56)**	**16,020**	**142,643**
Net (Expenditure) / Income Before (Losses) / Gains on Investments		**(91,397)**	**2,217**	**(391)**	**(89,571)**	**(95,302)**	**1,676**	**261,352**	**167,726**
Net Gains on Investments	11	4,741	171	72,680	77,592	10,931	641	218,432	230,004
Net (Expenditure) / Income		**(86,656)**	**2,388**	**72,289**	**(11,979)**	**(84,371)**	**2,317**	**479,784**	**397,730**
Other Realised Gains and Losses									
Actuarial (Loss) on Defined Pension Scheme	22	(565)	-	-	(565)	(266)	-	-	(266)
Net Movement in Funds		**(87,221)**	**2,388**	**72,289**	**(12,544)**	**(84,637)**	**2,317**	**479,784**	**397,464**
Fund Balances at 1 April		429,674	46,059	1,704,186	2,179,919	514,311	43,742	1,224,402	1,782,455
Fund Balances at 31 March	**18, 19,20**	**342,453**	**48,447**	**1,776,475**	**2,167,375**	**429,674**	**46,059**	**1,704,186**	**2,179,919**

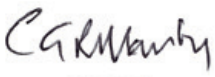
There were no other recognised gains or losses other than those listed above and the net income for the year.
The Notes on pages 66-109 form an integral part of the Financial Statements.
All the Charity's financial activities in this and the prior year were continuing.
The Endowment Fund column represents the financial activities of the Motability Endowment Trust.

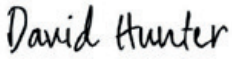
Balance Sheet (Group and Charity)

as at 31 March 2025

	Note	Group 2025 £'000	Group 2024 £'000	Charity 2025 £'000	Charity 2024 £'000
Intangible Fixed Assets	10	935	1,271	935	1,271
Tangible Fixed Assets	10	6,100	6,127	6,100	6,127
Fixed Asset Investments	11, 12	2,127,120	2,110,054	2,127,120	2,110,054
Fixed Assets		**2,134,155**	**2,117,452**	**2,134,155**	**2,117,452**
Debtors	13	7,194	7,868	7,422	8,092
Current Asset Investments	11, 12	87,036	119,527	87,036	119,527
Cash at Bank and in Hand		23,329	33,633	22,996	33,344
Current Assets		**117,559**	**161,028**	**117,454**	**160,963**
Creditors: Amounts Falling Due within One Year	14	(83,157)	(96,622)	(83,068)	(96,573)
Net Current Assets		**34,402**	**64,406**	**34,386**	**64,390**
Total Assets Less Current Liabilities		**2,168,558**	**2,181,858**	**2,168,541**	**2,181,842**
Provisions	15	(834)	(776)	(834)	(776)
Net Assets (excluding Pension Liability)		**2,167,724**	**2,181,082**	**2,167,707**	**2,181,066**
Defined Benefit Pension Scheme Liability	22	(332)	(1,147)	(332)	(1,147)
Net Assets		**2,167,392**	**2,179,935**	**2,167,375**	**2,179,919**
Endowment Funds	20	1,776,475	1,704,186	1,776,475	1,704,186
Restricted Income Funds	19	48,447	46,059	48,447	46,059
General Unrestricted Funds	18	342,470	429,690	342,453	429,674
Total Funds		**2,167,392**	**2,179,935**	**2,167,375**	**2,179,919**

The Notes on pages 66-109 form an integral part of the Financial Statements.
The Financial Statements on pages 62-65 were approved and authorised for issue by the Board of Governors on 15 July 2025, and were signed on its behalf by:

Charles Manby MBE, Chair 

David Hunter FCA, Hon. Treasurer 

The Endowment Funds balance refers to the Motability Endowment Trust.

Consolidated Cash Flow Statement

for the year ended 31 March 2025

	Notes	Group 2025 £'000	Group 2024 £'000
Net (Expenditure) / Income for the Year (as per the Statement of Financial Activities)		**(11,980)**	**397,731**
Adjustments for Non-Cash Items			
Decrease / (Increase) in Debtors	13	674	(1,644)
(Decrease) / Increase in Creditors	14	(13,465)	10,646
(Decrease) in Creditors >1yr		-	(10)
Increase / (Decrease) in Provisions	15	58	(304)
Reinvested Investment Income	11	(24,451)	(30,682)
Investment Management Fees Charged to Capital	11	26,405	13,930
Amortisation	10	373	291
Depreciation	10	372	1,031
Impairment	10	-	610
(Gain) on Disposal of Tangible Fixed Assets	10	(3)	(10)
FRS 102 Pension Adjustment	22	(1,380)	144
Investment (Gains) in the Year	11	(77,592)	(230,004)
Adjustments to exclude Investment Activities			
Investment Income Received		(27,490)	(27,109)
Interest Income Received		(781)	(732)
Investment Fees Paid		1,043	1,187
Adjustments to exclude Financing Activities			
Receipt of Endowment		-	(250,000)
Net Cash Flows used in Operating Activities		**(128,217)**	**(114,925)**
Cash Flows from Investing Activities:			
Investment Income		27,490	27,109
Interest Income		781	732
Investment Management Fees Paid		(1,043)	(1,187)
Purchases of Intangible Fixed Assets	10	(36)	(656)
Purchases of Tangible Fixed Assets	10	(346)	(6,589)
Proceeds from Sales of Fixed Assets	4	3	10
Purchases of Fixed Assets Investments		(529,709)	(594,723)
Proceeds from Sales of Fixed Assets Investments		586,000	378,536
Purchases of Current Assets Investments		(99,619)	(112,419)
Proceeds from Sales of Current Assets Investments		134,358	176,389
Increase in Investment Cash	11	34	922
Net Cash Flows from / (used in) Investing Activities		**117,913**	**(131,876)**
Cash Flows from Financing Activities:			
Receipt of Endowment		-	250,000
Net Cash Flows provided by Financing Activities		**-**	**250,000**
Change in Cash and Cash Equivalents for the Year		(10,304)	3,199
Cash and Cash Equivalents Brought Forward		33,633	30,434
Cash and Cash Equivalents		**23,329**	**33,633**

Consolidated Analysis of Changes in Net Debt

	1 April 24	Cash Flows	Fair Value Movements	Other Non-Cash Movements	31 March 25
Group					
Cash at Bank and in Hand	33,633	(10,304)	-	-	23,329
Debts Due within One Year	-	-	-	-	-
Debts Due after One Year	-	-	-	-	-
Total Net Debt	**33,633**	**(10,304)**	**-**	**-**	**23,329**

The Notes on pages 66-109 form an integral part of the Financial Statements.

Notes to the Financial Statements

1. Accounting Policies

A. Corporate and Charitable Status

Motability, operating as the Motability Foundation, is a public benefit entity incorporated by Royal Charter, Corporation no. RC000716 and registered with the Charity Commission, Charity no. 299745, in England and Wales. Scotland OSCR Registration SC050642.

B. Basis of Preparation and Consolidation

Group Financial Statements have been prepared in respect of the Motability Foundation and its wholly owned subsidiary, Motability Enterprises Limited.

The Financial Statements have been prepared in accordance with the accounting policies set out in Notes to the Accounts and comply with the Charity's governing document, applicable UK accounting standards (UK Generally Accepted Accounting Practice), including Financial Reporting Standard 102, the Charities Act 2011, 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, updated in 2019.

The Financial Statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following 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) issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Motability Foundation is the sole corporate Trustee of the Motability Endowment Trust (MET), a linked charity which shares the Charity number (with the suffix '-1') and has the same charitable objects.

The assets and liabilities of MET have been included with those of the Charity on a line-by-line basis and included in the column 'Endowment' where appropriate. This fulfils the requirement to show the accounts of a linked charity as the Motability Foundation's only Endowment assets, liabilities and activities are those of MET. MET supports the Motability Foundation's charitable purposes through the returns MET earns on its assets. The principal activity during the year was investing in appropriate and diversified assets so as to obtain a long-term return of CPI +4%.

Motability Enterprises Limited (MEL) is incorporated in the United Kingdom and registered in England and Wales. MEL's Financial Statements have been consolidated with those of the Charity on a line-by-line basis. The principal activities of Motability Enterprises Limited during the year were the raising of funds for the Charity by commission received from home and travel insurance partners, and from the publication of *Lifestyle* magazine. Further details about the activities of the company can be found in Note 2.

The Motability Foundation, as the Parent Charity, has taken the qualifying entity exemption under FRS 102 from preparing its own cash flow statement. The most significant areas of judgement and estimation in applying these accounting policies to the Financial Statements are deemed to be in relation to the valuation of non-listed investments as set out below in Note Q.

Notes to the Financial Statements cont.

The Financial Statements have been prepared in pounds sterling, which is the functional currency of the Motability Foundation and its subsidiary. Monetary amounts in these Financial Statements are rounded to the nearest £'000.

C. Going Concern

As noted in the financial review section of the Annual Report for the year ended 31 March 2025, the Motability Foundation has reviewed its future spending plans in five-year scenarios to allow for differing levels of future donations from Motability Operations and income generated by MET's Endowment and differing spend rates.

Delays in beneficiaries claiming grants are reducing as vehicle supply is normalising. Communication with beneficiaries continues to confirm that grants will be claimed when a suitable vehicle is available. Therefore, grant commitments made in the year and outstanding as at 31 March 2025 are stated at full value.

The General Fund held cash, money market fund balances, deposits and investment grade bonds maturing within one year totalling £104m (2024: £145m). Further investments, including money market funds and relatively liquid investments such as listed equities, are held within the restricted and expendable Endowment funds. The Motability Foundation will seek to maintain core spending on beneficiaries and will curtail discretionary grant programmes where necessary to achieve this end.

The Motability Foundation's future financial plans, budgets, reserves levels and cash flow forecasts for a period of more than 12 months from the date of the signature of the accounts have been prepared by management and reviewed by the Governors.

On this basis, the Governors believe that the going concern assumption continues to be an appropriate basis on which to prepare these statements. The Endowment of MET is expendable, although the current policy of the Trustee is, where possible, to invest the assets of MET to retain the real value of the Endowment while also generating sufficient return so as to enhance the stability and scale of grant-making and other charitable activities as may be determined from time to time by the Trustee. The Motability Foundation's and MET's investments are stated at fair value at 31 March 2025.

There are no material uncertainties related to events or conditions that cast significant doubt upon the entity's ability to continue as a going concern.

D. Income

Income is accounted for when the Charity is entitled to the income, and when it is probable the income will be received and the amount can be measured reliably.

- Donations are recognised on receipt
- Legacies are recognised when the Charity is entitled to the income (at probate), the amount can be quantified with reasonable certainty and when it is probable the income will be received
- Gift aid income is recognised on an accruals basis when the receipt and value are both certain
- Other income is recognised in the period it is receivable and to the extent the services have been provided
- Interest is recognised when receivable and the amount can be measured reliably by the Charity. This is normally upon notification of the interest paid or payable by the bank
- Dividends are recognised once the dividend

has been declared and notification has been received of the dividend due
- Income within accumulating listed investment portfolios is deducted from gains on investment and shown as investment income
- Income received as Agent: the Motability Foundation administers grants for disabled people on behalf of Veterans UK. However, in this respect, the Motability Foundation is acting as a conduit and, as a result, does not treat these grants as income – please see Note 21 for further details.

E. Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:
- 'Raising Funds' comprises costs directly attributable to activities for raising funds, such as the administration of affinity insurance products, the production of *Lifestyle* magazine and the cost of investment management
- 'Charitable Expenditure' includes direct charitable expenditure, grants and directly attributable costs including central overheads such as relevant staff costs
- 'Grants' are recognised when they have been approved and communicated to the recipient, except to the extent that they are subject to conditions that enable the Charity to revoke the award. This may result in a grant being recognised as charitable expenditure over several years
- The movement in the PIP TSP provision is included in Charitable Expenditure and the basis and estimates for the provision, and therefore its movement, are set out in Notes 1K and 1Q
- Stopped Allowances become payable upon the return of Scheme vehicles
- 'Allocated Support Costs' are comprised of the running costs of the Charity such as information technology, finance, evaluating charitable activities etc. and are allocated as part of non-directly attributable costs described below
- 'Governance Costs' include audit fees, legal advice for Governors relating to compliance with constitutional and statutory requirements and are part of the total support costs of the Charity. These are allocated as part of non-directly attributable costs as described below
- 'Allocated Support Costs' and 'Governance Costs' are allocated on the ratio of the expenditure for the programme as a percentage of the total in proportion to the direct expenditure on those activities

Staff costs comprise salaries and social security contributions, contributions to the Charity's defined contribution scheme and the charge to the Statement of Financial Activities (SoFA) in respect of the defined benefits pension scheme. Any annual leave that an employee has accrued but not yet taken as at 31 March is calculated at the pro-rata cost of these days. The cost is included within the SoFA, with a corresponding liability shown as falling due within one year.

Termination benefits may occur where the Charity has agreed to terminate the employment of an employee and are included within the Financial Statements when the payment has been formally agreed or a detailed formal plan for the termination from which the Charity is realistically unable to withdraw exists. The amount of termination benefit shown is either the amount agreed in the period, or the Charity's best estimate of the expenditure required to settle the obligation.

Notes to the Financial Statements cont.

F. Tangible and Intangible Fixed Assets

Assets are included on the balance sheet at cumulative historical cost less depreciation and any impairments in accordance with FRS 102. The cost of tangible fixed assets is their purchase price including associated costs such as taxes and legal fees, together with any costs directly attributable to bringing the asset into working condition for its intended use; and subsequent dilapidations or decommissioning costs anticipated which are provided for.

Assets in the course of construction are stated at cost and are not depreciated until available for use. Expenditure on fixed assets is capitalised where individual items cost £1,000 or more.

Tangible fixed assets are depreciated on a straight-line basis over their anticipated useful lives as follows:
- Freehold Land: non-depreciating
- Freehold building: Thirty Years
- Freehold refurbishment: Five Years
- Office furniture, fixtures and fittings: Five Years
- Computer hardware: Three Years
- Vehicles: Four years

Intangible fixed assets are amortised over their anticipated useful lives as follows:
- Computer software: Five Years
- Intellectual Property: Five Years

Capital commitments as at 31 March 2025 are disclosed in Note 23.

G. Financial Assets and Liabilities including Investments

Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are measured at their transaction price (transaction costs are included in investment management costs for the year) except for those investments which are held at fair value through the SoFA and financing transactions, which are held at the present value of the future payments discounted at a market rate of interest for a similar debt instrument through the SoFA.

The total investment management costs charged to the Motability Foundation's investments are recognised in the cost of raising funds, including charges deducted within portfolios and funds by investment managers. Investment gains and losses are adjusted by the amount of these indirect charges so that asset values are stated accurately for investments. The value of these adjustments is not material to asset values.

The majority of the Charity and Group's financial assets and financial liabilities are of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value, with the exception of listed investments which are held at fair value through the SoFA.

The Charity and Group also hold a smaller amount of unquoted investments, which are valued at the best estimate of fair value as follows:
- Pooled investments are stated at fair value, the basis of fair value being the market value of the underlying investments held. These valuations are provided by the fund managers and are subject either to independent valuation or annual audit
- Unquoted hedge funds are valued by reference to the market value of their underlying investments. These valuations are provided by the third party hedge fund administrators
- Private assets investments, such as private

equity, are held through funds managed by private equity groups. As there is no identifiable market price for private asset funds, these funds are included at the most recent valuations from the private asset groups where:

- The private asset group provides a fair value that complies with the International Private Equity and Venture Capital Valuation Guidelines; or
- The private asset group valuations are prepared at fair value in accordance with UK GAAP
- Where a valuation is not available at the balance sheet date, the most recent valuation from the private asset group is used, adjusted for cash flows and foreign exchange movements and any impairment between the most recent valuation and the balance sheet date

Financial Assets measured at fair value as at 31 March 2025 are disclosed in Note 12.

Derivative financial instruments
Managers of segregated funds may enter into derivatives as part of their portfolio risk management. Fair values of these derivatives are provided by the fund managers.

The Motability Foundation's fund managers may use forward contracts to manage currency exposures. Where this occurs, the value of the forward contracts are accounted for at the fair values supplied by the fund managers. Investment in the subsidiary Motability Enterprise Limited is unquoted and held at cost less impairment.

Net realised and unrealised gains and losses on investments are recognised within the SoFA. Gains and losses are realised when an investment is disposed of in the year. Unrealised gains and losses arise on the revaluation of investments to fair value at the balance sheet date.

Transactions denominated in foreign currency are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the exchange rate ruling at the balance sheet date. All gains and losses on exchange, realised and unrealised, are included in the appropriate income or expenditure category in the SoFA.

Investment purchases and proceeds are based on portfolio transactions where the Motability Foundation or MET instruct those transactions. Where the manager has discretion to transact, the additions to or withdrawals from those portfolios are shown as purchases of or proceeds from investments. This policy was revised during the previous financial year to remove sales and purchases for certain discretionary mandate portfolios (and use withdrawals and additions instead).

H. Fund Accounting

Expendable Endowment Funds are held and invested to provide a return to support general fund expenditure on the Motability Foundation's objects. The capital of the Endowment may be spent. Given the importance of the regular returns expected to be received from the Endowment, in order to support grant-making in years of low or no donations from Motability Operations, the Governors aim to preserve the real value of the capital and the return on it over the long term. They have determined that the Endowment's capital should only be spent in exceptional circumstances, such as a 'once-in-a-lifetime' opportunity to make a permanent systemic improvement to the transport opportunities for all disabled people.

Restricted funds are funds subject to specific restrictions imposed by the donor. These funds are held by the Motability Foundation until spent in accordance with the terms of the donation.

Unrestricted funds comprise the accumulated movement on funds available for use at the absolute discretion of the Governors.

Unrestricted funds may be transferred to a restricted fund in order to support that specific activity. Any transfer between funds requires the Approval of the Audit, Risk and Finance Committee. Designated funds comprise funds which Governors have set aside for a particular activity or purpose. If funds are unspent funds at the end of a project or activity, they are transferred to unrestricted funds or may be designated for another purpose.

I. Pension Costs

The Charity operates a defined benefit pension scheme for certain employees. The scheme was closed to new members from October 2005. The amounts charged to the SoFA are the costs arising from employee services rendered during the period and the cost of plan introductions, benefit changes, settlements and curtailment. They are included as part of staff costs.

The net interest cost on the defined benefit liability is charged to the SoFA and included within support costs. Re-measurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the SoFA.

The defined benefit scheme is funded, with the assets of the scheme held separately from those of the Group, in separate Trustee-administered funds. The pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the defined accrued benefits method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the balance sheet.

The Charity also operates a defined contribution scheme, and the amount charged to the Consolidated SoFA in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

J. Leases

As there are no finance leases, all leases are classified as operating leases, with the lease payments recognised as an expense over the lease term on a straight-line basis. No leases fall to be capitalised under this policy.

The Motability Foundation lets out part of its owned property as an operating lease. Rental income is recognised on a straight-line basis over the lease term. All direct costs are recognised as expenses over the lease term on the same basis as rental income. The property is accounted for on our balance sheet as a fixed asset and depreciated.

K. Accounting for PIP Transitional Grants

In 2013, the DWP announced that Personal Independence Payment (PIP) would replace Disability Living Allowance (DLA) as a disability benefit as part of the Welfare Reform changes. PIP has different qualification criteria compared

with DLA, and this leads to some individuals losing their benefit. In these circumstances, a support payment is made to individuals who joined the Scheme up to 2013.

The Department for Work and Pensions' programme of reassessing DLA recipients to PIP has been inactive since Covid. The ongoing commitment to Rising 16s, who transition from DLA to PIP on their sixteenth birthday, until 2026/27, will be met and funded from the restricted fund.

L. Debtors

Trade and other debtors are recognised at the settlement amount. Investment income owed is accrued at its anticipated receipt value. Prepayments are valued at the amount prepaid net of any trade discounts due.

M. Current Investments and Cash

Current Asset Investments are investments that are expected to be wholly or substantially expended within 12 months of the Balance Sheet date. These consist of general fund deposits with a maturity of 90 days or more from the date of acquisition, and general fund listed debt securities with a maturity of less than one year.

Cash and cash equivalents are amounts which are immediately available, without risk of degradation of value.

Cash held by Fund Managers in discretionary mandates is excluded from cash and included within Fixed Asset Investments.

N. Creditors

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party, and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount. Included in creditors are amounts due for grants programmes that have been settled but remain unpaid.

O. Provisions and Contingent Liabilities

Provisions are recognised where there is a present obligation as a result of a past event, if it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. As owner of Warwick House, the Motability Foundation holds contributions from all occupants of the building towards future major works of the freehold property. A provision in respect of the PIP Transitional Support Programme is set out in Accounting Policy Note K. Where no provision is recognised, contingent liabilities are disclosed in the Notes to the Financial Statements, unless the possibility of a transfer of economic benefits is remote.

P. Commitment and Conditional Grant Awards

The Motability Foundation's grants carry conditions to ensure that grants are spent for the specified purpose. Where the conditions are satisfied at the time of award, the full amount of the grant is recognised immediately as charitable expenditure. Where this is not the case, for instance when the grant is comprised of a series of payments with each dependent on the beneficiary meeting conditions, the Motability Foundation recognises the amount of the grant for which the conditions are met in the year as charitable expenditure.

Q. Critical Accounting Judgements and Estimations

In the application of the accounting policies, which are described within this note, the Governors are required to make judgements and assumptions leading to financial estimates

about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The assumptions and associated estimates are based on historical experience and other factors that are considered to be relevant.

Actual results may differ from these estimates.

Defined Benefit Pension
Other than pension obligations, where the actuarial assumptions underlying the pension deficit are set out in Note 22, the Trustees consider the most significant judgements and estimates to be in relation to the valuation of non-listed investments.

Non-Listed Investment Valuations
Non-listed investments are valued at the value supplied by the fund manager. Where it is not possible to obtain a current external fair value, an estimate is made based on the most recent valuation adjusted for subsequent known flows, fund expenses on a contractual basis and exchange rate movements. Where the value is thought to be significantly impaired, the value is stated at the lower of fair value or impaired valuation. The basis of impairments for non-listed investments is arrived at from a review of the general performance of the relevant asset class(es) and economy(s), and discussions with the relevant fund manager. There were no impairments in the year.

R. Taxation
The charitable members of the Group are exempt from taxation on their income and gains falling within Part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to their charitable purposes. The non-charitable subsidiary, although subject to taxation, does not pay UK Corporation Tax because its policy is to donate taxable profits as a qualifying distribution under Deed of Covenant to the Motability Foundation. Foreign tax incurred on overseas investments is charged as it is incurred. Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Notes to the Financial Statements cont.

2. Trading Activities of the Subsidiary

The Charity has a wholly owned trading subsidiary, Motability Enterprises Limited, which is incorporated in the UK. Company number 01786053; Registered address Warwick House, Roydon Road, Harlow, Essex, CM19 5PX.

Motability Enterprises Limited made a qualifying distribution of its trading profits to the Motability Foundation as a corporate gift aid payment under Deed of Covenant without deduction of tax.

A summary of its trading results extracted from its full accounts is shown below.
The net assets of the subsidiary are £15,000 (2024: £15,000)

	Total 2025 £'000	Total 2024 £'000
Income and Expenditure Account		
Turnover	2,543	1,900
Less: Cost of Sales and Other Costs	(2,034)	(1,413)
Gross Profit	**509**	**487**
Administration Expenses	(142)	(152)
Interest Receivable	10	7
Net Profit	**377**	**342**
Qualifying Distribution to the Motability Foundation	(377)	(342)
Retained in Subsidiary	**-**	**-**

3. Income from Investments

	Unrestricted Funds 2025 £'000	Restricted Funds 2025 £'000	Endowment Funds 2025 £'000	Total Funds 2025 £'000	Unrestricted Funds 2024 £'000	Restricted Funds 2024 £'000	Endowment Funds 2024 £'000	Total Funds 2024 £'000
Interest Receivable	687	21	56	764	584	92	114	790
Investment Income	22,804	2,263	26,561	51,628	29,853	1,528	27,258	58,639
Income from Investments	**23,491**	**2,284**	**26,617**	**52,392**	**30,437**	**1,620**	**27,372**	**59,429**

Notes to the Financial Statements cont.

4. Other Income

	Unrestricted Funds 2025 £'000	Restricted Funds 2025 £'000	Endowment Funds 2025 £'000	Total Funds 2025 £'000	Unrestricted Funds 2024 £'000	Restricted Funds 2024 £'000	Endowment Funds 2024 £'000	Total Funds 2024 £'000
Income from sale of Fixed Assets	3	-	-	3	10	-	-	10
Rental Income	210	-	-	210	168	-	-	168
Property Service Charge Income	173	-	-	173	201	-	-	201
Other Income	135	-	-	135	67	-	-	67
Other Income	**521**	**-**	**-**	**521**	**446**	**-**	**-**	**446**

5. Charitable Expenditure

	Direct Grants 2025 £'000	Direct Charitable Activity 2025 £'000	Allocated Support Costs 2025 £'000	Governance Costs 2025 £'000	Total Costs 2025 £'000	Direct Grants 2024 £'000	Direct Charitable Activity 2024 £'000	Allocated Support Costs 2024 £'000	Governance Costs 2024 £'000	Total Costs 2024 £'000
Grants to Individuals:										
Scheme-related Grants	59,310	5,542	7,472	806	73,130	72,603	5,307	6,892	735	85,537
Access to Mobility	5,788	539	727	78	7,132	9,165	662	860	92	10,779
PIP Provision Release	-	-	-	-	-	(240)	-	-	-	(240)
Grants to Individuals	**65,098**	**6,081**	**8,199**	**884**	**80,262**	**81,528**	**5,969**	**7,752**	**827**	**96,076**
Grants to Organisations:										
Support of Under Fives (Family Fund, Wizzybug)	4,200	392	529	57	5,178	5,750	420	546	58	6,774
Innovation Grants	4,270	399	538	58	5,265	2,729	199	259	28	3,215
Designated Grants to Organisations Programme	15,007	1,402	1,891	204	18,504	11,104	812	1055	112	13,083
Grants to Organisations	**23,477**	**2,193**	**2,958**	**319**	**28,947**	**19,583**	**1,431**	**1,860**	**198**	**23,072**
Motability Foundation Funded Grant-Making	**88,575**	**8,274**	**11,157**	**1,203**	**109,209**	**101,111**	**7,400**	**9,612**	**1,025**	**119,148**
Build Awareness	-	1,924	222	24	2,170	-	2,239	199	14	2,452
Innovation	-	1,253	144	16	1,413	-	1,373	121	13	1,507
Motability Scheme	-	366	42	5	413	-	411	36	4	451
Charitable Expenditure	**88,575**	**11,817**	**11,565**	**1,248**	**113,205**	**101,111**	**11,423**	**9,968**	**1,056**	**123,558**
Support and governance costs allocated to cost of raising fund (Note 6)	**-**	**-**	**917**	**9**	**926**	**-**	**-**	**754**	**9**	**763**

The value of Charitable Expenditure by Activity has been used as the basis for apportionment of the support and governance costs shown above. The release of the PIP provision during 2024 resulted from a reassessment of the assumptions, following actual payment experience during that year.

List of organisations in receipt of grants during the year can be found in Appendix 1.

5. Charitable Expenditure Cont.

Reconciliation of Grants Payable:	2025 £'000	2024 £'000
Grants Payable at 1 April	79,328	76,007
Grant Awards in the Year - Individuals	65,098	81,768
Grant Awards in the Year - Organisations	23,476	19,584
Grants Settled During the Year	(102,342)	(98,031)
Grants Payable at 31 March	**65,560**	**79,328**

Outstanding Grants Payable at 31 March are payable as follows:	2025 £'000	2024 £'000
Within One Year (Note 14)	65,560	79,328
Payable at 31 March	**65,560**	**79,328**

6. Analysis of Total Expenditure

	Cost of Raising Funds 2025 £'000	Direct Grants 2025 £'000	Direct Charitable Activity 2025 £'000	Allocated Support Costs 2025 £'000	Governance Costs 2025 £'000	Total Costs 2025 £'000
Other Cost of Raising Funds	331	-	-	-	9	340
Cost of Goods Sold and Other Costs	2,029	-	-	-	-	2,029
Investment Management Fees and Other Costs	27,270	-	-	917	-	28,187
Cost of Raising Funds	**29,630**	**-**	**-**	**917**	**9**	**30,556**
Grant-Making	-	88,575	8,275	11,158	1,203	109,211
Build Awareness and Engagement	-	-	1,924	222	24	2,170
Innovation	-	-	1,253	144	16	1,413
Motability Scheme	-	-	366	42	5	413
Charitable Expenditure	**-**	**88,575**	**11,818**	**11,566**	**1,248**	**113,207**
Total Expenditure	**29,630**	**88,575**	**11,818**	**12,483**	**1,257**	**143,763**

Please refer to Note 7 for an analysis of functional support costs by activity.
The amounts of 'Allocated Support Costs' attributed to 'Direct Grants' and 'Direct Charitable Activities' are in proportion to the direct expenditure on those activities.

	Cost of Raising Funds 2024 £'000	Direct Grants 2024 £'000	Direct Charitable Activity 2024 £'000	Allocated Support Costs 2024 £'000	Governance Costs 2024 £'000	Total Costs 2024 £'000
Other Cost of Raising Funds	362	-	-	-	9	371
Cost of Goods Sold and Other Costs	1,408	-	-	-	-	1,408
Investment Management Fees and Other Costs	17,123	-	-	754	-	17,877
Cost of Raising Funds	**18,893**	**-**	**-**	**754**	**9**	**19,656**
Grant-Making	-	101,112	7,401	9,611	1,025	119,149
Build Awareness and Engagement	-	-	2,239	198	14	2,451
Innovation	-	-	1,373	121	13	1,507
Motability Scheme	-	-	411	36	4	451
Charitable Expenditure	**-**	**101,112**	**11,424**	**9,966**	**1,056**	**123,558**
Total Expenditure	**18,893**	**101,112**	**11,424**	**10,720**	**1,065**	**143,214**

Please refer to Note 7 for an analysis of functional support costs by activity.
The amounts of 'Allocated Support Costs' attributed to 'Direct Grants' and 'Direct Charitable Activities' are in proportion to the direct expenditure on those activities.

6. Analysis of Total Expenditure Cont.

	Governance Costs 2025 £'000	Governance Costs 2024 £'000
External Audit Fees	162	191
Internal Audit Fees	68	79
Legal Fees	438	282
Members Expenses	17	16
Staff Costs	345	479
Other Costs	227	18
Governance Costs	**1,257**	**1,065**

The External Audit Fees expenditure comprises of £152,250 (2024: £146,350) for the Statutory Audit of the Motability Foundation and £9,300 (2024: £8,950) for the Statutory Audit of the Trading Subsidiary's Accounts.

£24,925 (2024: £100,059) was paid for non-audit services to the Statutory Auditor.

Internal Audit has been partially outsourced to an independent firm of auditors. £96,005 was paid to Grant Thornton during the year for internal audit and other services.

7. Analysis of Support and Governance Costs

		Strategic Pillars					
	Cost of Raising Funds	Grant-Making	Build Awareness	Innovation	Motability Scheme	**Total Strategic Pillars**	Total
	2025 £'000	2025 £'000	2025 £'000	2025 £'000	2025 £'000	**2025 £'000**	2025 £'000
Human Resources	-	1,219	24	16	5	1,264	1,264
Information Technology	-	2,696	54	35	10	2,795	2,795
Finance and Administration	917	1,884	37	24	7	1,952	2,869
Performance and Innovation	-	764	15	10	3	792	792
Facilities	-	2,301	46	30	9	2,386	2,386
VAT, Depreciation and Other	-	2,295	46	30	9	2,380	2,380
Allocated Support Costs	**917**	**11,159**	**222**	**145**	**43**	**11,569**	**12,486**
Governance Costs (see Note 5)	**9**	**1,203**	**24**	**16**	**5**	**1,248**	**1,257**
Total Support and Governance Costs	**926**	**12,362**	**246**	**161**	**48**	**12,817**	**13,743**

Please refer to Note 5 where Support and Governance Costs are summarised.
The value of Charitable Expenditure by Activity has been used as the basis for apportionment of the Support and Governance Costs shown above after direct attribution to the cost of raising funds.

		Strategic Pillars					
	Cost of Raising Funds	Grant-Making	Build Awareness	Innovation	Motability Scheme	**Total Strategic Pillars**	Total
	2024 £'000	2024 £'000	2024 £'000	2024 £'000	2024 £'000	**2024 £'000**	2024 £'000
Human Resources	-	1,122	23	14	4	1,163	1,163
Information Technology	-	1,784	37	23	7	1,851	1,851
Finance and Administration	754	1,745	36	22	7	1,810	2,564
Performance and Innovation	-	422	9	5	2	438	438
Facilities	-	1,823	38	23	7	1,891	1,891
VAT, Depreciation and Other	-	2,715	56	34	10	2,815	2,815
Allocated Support Costs	**754**	**9,611**	**199**	**121**	**37**	**9,968**	**10,722**
Governance Costs (see Note 5)	**9**	**1025**	**14**	**13**	**4**	**1,056**	**1,065**
Total Support and Governance Costs	**763**	**10,636**	**213**	**134**	**41**	**11,024**	**11,787**

Please refer to Note 5 where Support and Governance Costs are summarised.
The value of Charitable Expenditure by Activity has been used as the basis for apportionment of the Support and Governance Costs shown above.

8. Governors, Employees and Related Parties

A. Numbers and Costs

The average number of persons employed by the Group during the year analysed by category, was as follows:

	2025 Number	2024 Number
Charitable Activities	195	177
Support Staff	79	78
Governance	13	13
Motability Enterprises Ltd	1	1
Total	**288**	**269**

Staff costs were as follows:

	2025 £'000	2024 £'000
Salaries	12,557	10,942
Benefits in Kind	416	366
Social Security Costs	1,339	1,155
Pension Costs: Defined Benefit	228	250
Pension Costs: Defined Contribution	1,628	1,400
Restructuring Costs	183	-
Other Staff Costs	491	498
Total	**16,842**	**14,611**

Included in staff restructuring costs is a redundancy payment of £50,279 to a member of key management personnel, Rachael Badger, and other accrued redundancy costs of £102,341 (2024: £nil).

The number of employees whose emoluments, excluding pension contributions and employers NI, for the year exceeding £60,000 was:

	2025 Number	2024 Number
£60,000 to £69,999	26	11
£70,000 to £79,999	9	11
£80,000 to £89,999	5	2
£90,000 to £99,999	-	6
£100,000 to £109,999	6	1
£110,000 to £119,999	1	-
£120,000 to £129,999	1	-
£130,000 to £139,999	-	1
£140,000 to £149,999	1	-
£150,000 to £159,999	1	-
£160,000 to £169,999	-	1
£180,000 to £189,999	2	-
£190,000 to £199,999	-	1
£200,000 to £209,999	1	1
£210,000 to £219,999	1	-
Total	**54**	**35**

8. Governors, Employees and Related Parties cont.

B. Key Management Personnel

Key Management Personnel of the Group and Charity are defined as the Governors and the executive directors: The Chief Executive Officer; Finance Director; Chief Investment Officer; Director of Performance and Innovation; Chief Communications Officer and Director of Charitable Operations.

The total remuneration (including employers' NIC, pension contributions and benefits in kind) of the key management personnel of the Charity for the year totalled £1,251,905 (2024: £1,077,337).

The Motability Foundation does not pay bonuses to staff. During the year, the Motability Foundation paid £3,774 (2024: £6,142) in long-service awards for staff who celebrated between 10 and 30 years' service as part of its employee reward and recognition arrangements.

During the year, no termination payment was made to Governors, one payment of £50,279 (2024: nil) was paid to Key Management Personnel, £102,341 was paid to other staff (2024: nil).

C. Governors' Emoluments

The number of Governors in 2025 was 12 (2024: 11).

The Motability Foundation values diversity of lived experience, including within its governance. To this end, the Royal Charter provides for up to three Governors to be reimbursed lost earnings in respect of their roles.

Richard Cartwright was reimbursed £6,880 in respect of lost of earnings during the year (2024: £6,495).

Nine Governors (2024: six) received reimbursement of travel, accommodation and other expenses amounting to £6,315 (2024: £3,390).

D. Professional Indemnity

Appropriate insurance has been arranged by the Charity to indemnify Governors and employees for their legal liability for damages and legal expenses arising from the performance of their duties. In 2025, this was £10m (2024: £10m).The cost of the policy in 2025 was £0.04m (2024: £0.04m).

E. Related Parties

The Motability Endowment Trust (MET) was set up in 2019 to support the work of the Motability Foundation. The Motability Foundation is the sole corporate Trustee of MET. During the period an administration charge of £0.63m was paid by MET to the Motability Foundation (2024: £0.52m).

Related parties include the Executive Team (Key Management Personnel) as shown in section (A) along with Governors of the Charity.

The Motability Foundation directs and oversees the Motability Scheme, which is operated on behalf of the Motability Foundation by Motability Operations, a separate commercial company whose shares are held by four major banks.

Motability Operations makes donations from surplus capital to the Motability Foundation. No donation was made to the Motability Foundation or Endowment Fund (Motability Endowment Trust) in the year (2024: £250m) to the Motability Foundation's Endowment fund (Motability Endowment Trust).

As at 31 March 2025, the Motability Foundation

8. Governors, Employees and Related Parties cont.

paid Motability Operations £67.1m (2024: £66.7m) in respect of grants awarded to customers, to fund Advance Payments and adaptations on vehicles provided under the lease schemes by Motability Operations to customers in receipt of grants.

As at 31 March 2025, Motability Operations was due £11.9m (2024: £11.7m) in outstanding invoices and £57.7m (2024: £67.6m) in accrued commitments, totalling £69.6m (2024: £79.3m) from the Motability Foundation.

In addition, for 2025, £7.7m (2024: £5.2m) was received from Motability Operations as rebates, where customers terminated their lease agreements early, in respect of grant awards towards Advance Payments and adaptations managed by Motability Operations.

In the event of early lease termination, we reduce our grant expenses as a result of the rebates.

As at 31 March 2025, £1m (2024: £1.6m) was due to the Motability Foundation from Motability Operations for lease agreement rebates.

The Motability Foundation has a wholly owned trading subsidiary, Motability Enterprises Limited (MEL) – see Note 2 for details. In 2025, the Motability Foundation invoiced MEL £24k (2024: £9k) in respect of administration charges.

As at 31 March 2025, £0.4m (2024: £0.3m) was due from MEL to the Motability Foundation as a qualifying distribution under Deed of Covenant. MEL recharged the Motability Foundation £1.4m (2024: £1m) in respect of the fixed and charitable variable costs for the production of *Lifestyle* magazine. These costs are included in the Charity's and Group expenditure. As at 31 March 2025, there was £24k due from the Motability Foundation to MEL (2024: £9k).

The Motability Foundation paid £1.5m (2024: £nil) to Motability Pension Scheme in respect of the defined benefit scheme assets and £0.1m (2024: £0.1m) for administration expenses. This scheme was closed to future accrual from 30 April 2012. See Note 22.

9. Fixed Asset Investment in Subsidiary Undertaking

	Group 2025 £	Group 2024 £
Investments in Motability Enterprises Ltd	100	100
Fixed Asset Investment in Subsidiary Undertaking	**100**	**100**

The Motability Foundation owns 100 per cent of the share capital and holds 100 ordinary shares of £1 each in Motability Enterprises Limited incorporated in the UK (Company No.1786053) whose registered office is Warwick House, Roydon Road, Harlow, Essex, CM19 5PX.

The company incorporated in the UK carries out certain trading activities in order to raise funds for the Motability Foundation (Note 2).

10. Intangible Fixed Assets (Group and Charity)

	Computer Software 2025 £'000	Intellectual Property 2025 £'000	Assets in the Course of Construction 2025 £'000	Total 2025 £'000
Cost				
At 1 April 2024	**3,048**	**211**	**-**	**3,259**
Additions	10	-	26	36
Disposals	(34)	-	-	(34)
Transfers	-	-	-	-
At 31 March 2025	**3,024**	**211**	**26**	**3,261**
Amortisation and Impairment				
At 1 April 2024	**1,968**	**20**	**-**	**1,988**
Amortisation Charged For The Year	330	42	-	373
Disposals	(34)	-	-	(34)
At 31 March 2025	**2,264**	**62**	**-**	**2,327**
Net Book Value (net of the above)				
At 31 March 2024	**1,080**	**191**	**-**	**1,271**
At 31 March 2025	**759**	**149**	**26**	**935**

10. Tangible Fixed Assets (Group and Charity)

	Freehold Land	Freehold Building	Freehold Refurbishment	Leasehold Refurbishment	Motor Vehicles	Fixtures and Fittings	Computer Hardware	Assets in the Course of Construction	Total
	2025 £'000	2025 £'000	2025 £'000	2025 £'000	2025 £'000	2025 £'000	2025 £'000	2025 £'000	2025 £'000
Cost									
At 1 April 2024	**1,064**	**5,360**	**86**	**4,182**	**886**	**272**	**874**	**-**	**12,724**
Additions	-	-	63	-	-	-	198	85	346
Disposals	-	-	-	(2,124)	(81)	(16)	(24)	-	(2,245)
Transfers	-	-	-	-	-	-	-	-	-
At 31 March 2025	**1,064**	**5,360**	**149**	**2,058**	**805**	**256**	**1,047**	**85**	**10,825**
Depreciation and Impairment									
At 1 April 2024	**-**	**728**	**13**	**4,182**	**688**	**251**	**734**	**-**	**6,597**
Depreciation Charged in the Year	-	158	22	-	78	6	108	-	372
Eliminated in Respect of Disposals	-	-	-	(2,124)	(81)	(16)	(24)	-	(2,245)
At 31 March 2025	**-**	**887**	**35**	**2,058**	**685**	**241**	**818**	**-**	**4,724**
Carrying Amount									
At 1 April 2024	**1,064**	**4,631**	**73**	**(0)**	**198**	**21**	**140**	**-**	**6,127**
At 31 March 2025	**1,064**	**4,473**	**114**	**(0)**	**120**	**15**	**230**	**85**	**6,100**

All assets are used for direct charitable purposes.

11. Investments Movement

Group and Charity **Reconciliation of Movement in Fair Value during the period**	Fixed Asset Investments 2025 £'000	Current Asset Investments 2025 £'000	Group and Charity 2025 £'000	Fixed Asset Investments 2024 £'000	Current Asset Investments 2024 £'000	Group and Charity 2024 £'000
Fair Value as at 1 April	**2,110,054**	**119,527**	**2,229,581**	**1,726,040**	**105,491**	**1,831,531**
Additions:						
Amounts Invested	1,169,552	99,619	1,269,171	734,656	187,476	922,132
Reinvested Investment Income	24,471	(20)	24,451	28,276	2,406	30,682
Withdrawals:						
Amounts Withdrawn	(1,225,843)	(134,358)	(1,360,201)	(593,527)	(176,389)	(769,916)
Investment Fees Charged to Capital	(26,402)	(3)	(26,405)	(13,910)	(20)	(13,930)
Gains / (Losses) in the Year	75,304	2,289	77,593	228,636	1,368	230,004
Movement in Investment Portfolio Cash	(16)	(18)	(34)	(117)	(805)	(922)
Fair Value as at 31 March	**2,127,120**	**87,036**	**2,214,156**	**2,110,054**	**119,527**	**2,229,581**

12. Investments Valuation

At 31 March Group and Charity investments comprised:	Fixed Asset Investments 2025 £'000	Current Asset Investments 2025 £'000	Group and Charity 2025 £'000	Fixed Asset Investments 2024 £'000	Current Asset Investments 2024 £'000	Group and Charity 2024 £'000
Equity Securities	1,035,619	-	1,035,619	1,074,002	-	1,074,002
Debt Securities	402,612	60,659	463,271	478,381	81,323	559,704
Infrastructure and Property	284,271	-	284,271	265,231	-	265,231
Other Investments	265,751	-	265,751	223,921	-	223,921
Money Market Instruments	10,655	10,377	21,032	53,519	10,204	63,723
Bank Deposits	-	16,000	16,000	15,000	28,000	43,000
Cash held with Broker*	128,212	-	128,212	-	-	-
Fair Value as at 31 March	**2,127,120**	**87,036**	**2,214,156**	**2,110,054**	**119,527**	**2,229,581**

As at 31 March 2025, there were uncalled capital commitments to investment firms totalling £150m (2024: £120m).

The investment portfolio held at 31 March 2025 is being held for the long term and contains a mix of investments, including cash balances held by investment managers under discretionary mandates. Other investments include private credit, private equity, venture capital and absolute return investments.

* Cash held with broker awaiting settlement of equity investments.

Listed and Unlisted Investment Valuation	Listed 2025 £'000	Unlisted 2025 £'000	Total 2025 £'000	Listed 2024 £'000	Unlisted 2024 £'000	Total 2024 £'000
Fixed Assets	680,309	1,446,811	2,127,120	915,686	1,194,368	2,110,054
Current Assets	71,036	16,000	87,036	91,527	28,000	119,527
Total	**751,345**	**1,462,811**	**2,214,156**	**1,007,213**	**1,222,368**	**2,229,581**

Motability Endowment Trust hedges one half of its non-sterling exposure in its passive equity portfolio into sterling using forward contracts in order to maintain an appropriate exposure to sterling which is the currency in which charitable expenditure is denominated. The sterling value of the amount hedged at 31 March 2025 was £258m (2024: £250m). The value of these contracts was £7m at 31 March 2025 (2024: £0.2m).

Income from Financial Assets measured at fair value is disclosed in Note 3.

13. Debtors

	Group 2025 £'000	Group 2024 £'000	Charity 2025 £'000	Charity 2024 £'000
Trade and Other Debtors	161	106	160	106
Amounts Owed by Motability Operations Ltd	1,009	1,405	1,009	1,405
Trade Debtors and Other Receivables	**1,170**	**1,511**	**1,169**	**1,511**
Amounts Owed by Subsidiary - Motability Enterprises Ltd	-	-	378	351
Accrued Income	4,931	5,303	4,912	5,265
Prepayments	1,093	1,054	963	965
Debtors	**7,194**	**7,868**	**7,422**	**8,092**

Included in Accrued Income is £4.9m of accrued investment income (2024: £5.2m).

14. Creditors: Amounts Falling Due Within One Year

	Group 2025 £'000	Group 2024 £'000	Charity 2025 £'000	Charity 2024 £'000
Scheme-related Grants	58,250	68,250	58,250	68,250
Access to Mobility	4,636	6,923	4,636	6,923
Innovation Grants	336	818	336	818
Designated Grants to Organisations Programme	2,339	3,337	2,339	3,337
Grants Commitments Falling Due within One Year	**65,561**	**79,328**	**65,561**	**79,328**
Other Creditors including Taxation and Social Security	418	410	371	364
Amounts due in respect of Trade Creditors including Grant Programme Creditors due for Settlement	14,700	14,229	14,659	14,228
Amounts Owed to Subsidiary - Motability Enterprises Ltd	-	-	24	9
Accrued Liabilities	2,478	2,655	2,453	2,644
Liabilities Falling Due within One Year	**83,157**	**96,622**	**83,068**	**96,573**

Amounts Owed to Motability Operations Limited	70,691	79,323	70,691	79,323
Amounts Owed to Third Party Suppliers and Other Creditors	10,619	13,144	10,506	13,086
Amounts Owed to Organisational Grants Beneficiaries	1,847	4,155	1,847	4,155
Amounts Owed to Subsidiary - Motability Enterprises Ltd	-	-	24	9
Liabilities Falling Due within One Year	**83,157**	**96,622**	**83,068**	**96,573**

15. Provisions

	Group 2025 £'000	Group 2024 £'000
Group and Charity Landlord's Sinking Fund		
Provision Brought Forward 1 April	495	-
Provision Added in Year	179	495
Landlord's Sinking Fund Provision Carried Forward 31 March	**674**	**495**
Group and Charity Provision for Uncashed Cheques		
Provision Brought Forward 1 April	121	120
Movement in Provision	(121)	1
Provision for Uncashed Cheques Carried Forward 31 March	**-**	**121**
Group and Charity PIP Provision		
Provision Brought Forward 1 April	160	400
Provision Released in Year	-	(240)
PIP Provision Carried Forward 31 March	**160**	**160**
Provisions	**834**	**776**

The Charity holds funds provided for its possible liability in relation to its freehold property totalling £674k (2024: £495k). The sinking fund is to fund anticipated future expenditure on plant and machinery at Warwick House as they become due for replacement.

The Charity released the provision relating to its unpresented cheques.

The Charity holds a provision for its possible liability in relation to its PIP Transitional Support Programme of £160k. Please refer to Note 1 Accounting Policies - Section K: Accounting for further information.

16. Analysis of Group Net Assets / Liabilities Between Funds

	Group Unrestricted 2025 £'000	Group Restricted 2025 £'000	Group Endowment 2025 £'000	Group Total 2025 £'000
Fund balances at 31 March 2025 are represented by:				
Intangible Fixed Assets	935	-	-	935
Tangible Assets	6,100	-	-	6,100
Fixed Asset Investments	305,306	47,744	1,774,070	2,127,120
Net Current Assets	31,135	863	2,405	34,403
Provisions and Pensions	(1,006)	(160)	-	(1,166)
	342,470	**48,447**	**1,776,475**	**2,167,392**

	Group Unrestricted 2024 £'000	Group Restricted 2024 £'000	Group Endowment 2024 £'000	Group Total 2024 £'000
Fund balances at 31 March 2024 are represented by:				
Intangible Fixed Assets	1,271	-	-	1,271
Tangible Assets	6,127	-	-	6,127
Fixed Asset Investments	366,710	44,038	1,699,306	2,110,054
Net Current Assets	57,263	2,263	4,880	64,406
Provisions and Pensions	(1,681)	(242)	-	(1,923)
	429,690	**46,059**	**1,704,186**	**2,179,935**

17. Analysis of Charity Net Assets / Liabilities Between Funds

	Charity Unrestricted 2025 £'000	Charity Restricted 2025 £'000	Charity Endowment 2025 £'000	Charity Total 2025 £'000
Fund balances at 31 March 2025 are represented by:				
Intangible Fixed Assets	935	-	-	935
Tangible Assets	6,100	-	-	6,100
Fixed Asset Investments	305,306	47,744	1,774,070	2,127,120
Net Current Assets	31,118	863	2,405	34,386
Provisions and Pensions	(1,006)	(160)	-	(1,166)
	342,453	**48,447**	**1,776,475**	**2,167,375**

	Charity Unrestricted 2024 £'000	Charity Restricted 2024 £'000	Charity Endowment 2024 £'000	Charity Total 2024 £'000
Fund balances at 31 March 2024 are represented by:				
Intangible Fixed Assets	1,271	-	-	1,271
Tangible Assets	6,127	-	-	6,127
Fixed Asset Investments	366,710	44,038	1,699,306	2,110,054
Net Current Assets	57,248	2,263	4,880	64,391
Provisions and Pensions	(1,681)	(242)	-	(1,923)
	429,675	**46,059**	**1,704,186**	**2,179,920**

18. Unrestricted Funds

Movement in Funds:	Balance at 1 April 2024 £'000	Income £'000	Expenditure £'000	Transfer between Funds £'000	Investment Gains £'000	Actuarial Loss £'000	Balance at 31 March 2025 £'000
Group							
General Funds	396,940	25,290	(101,679)	-	4,741	(565)	324,727
Designated Fund - Grants to Charities and Organisations	32,750	-	(15,007)	-	-	-	17,743
Unrestricted Funds	**429,690**	**25,290**	**(116,686)**	**-**	**4,741**	**(565)**	**342,470**
Charity							
General Funds	396,924	24,481	(100,871)	-	4,741	(565)	324,710
Designated Fund - Grants to Charities and Organisations	32,750	-	(15,007)	-	-	-	17,743
Unrestricted Funds	**429,674**	**24,481**	**(115,878)**	**-**	**4,741**	**(565)**	**342,453**

Designated funds are general funds set aside by the Governors for specific purposes, normally given in the fund title. In 2021/22, the Governors designated £50m to fund grants to charities and organisations over the next three years.

Movement in Funds:	Balance at 1 April 2023 £'000	Income £'000	Expenditure £'000	Transfer between Funds £'000	Investment Gains £'000	Actuarial Loss £'000	Balance at 31 March 2024 £'000
Group							
General Funds	470,472	31,948	(116,146)	-	10,931	(265)	396,940
Designated Fund - Grants to Charities and Organisations	43,854	-	(11,104)	-	-	-	32,750
Unrestricted Funds	**514,326**	**31,948**	**(127,250)**	**-**	**10,931**	**(265)**	**429,690**
Charity							
General Funds	470,457	31,376	(115,575)	-	10,931	(265)	396,924
Designated Fund - Grants to Charities and Organisations	43,854	-	(11,104)	-	-	-	32,750
Unrestricted Funds	**514,311**	**31,376**	**(126,679)**	**-**	**10,931**	**(265)**	**429,674**

19. Restricted Funds

Group and Charity	Balance at 1 April 2024 £'000	Income £'000	Expenditure £'000	Investment Gains £'000	Transfer between Funds £'000	Balance at 31 March 2025 £'000
PIP Transitional Support Programme	46,059	2,284	(67)	171	-	48,447
Restricted Fund	**46,059**	**2,284**	**(67)**	**171**	**-**	**48,447**

Restricted Funds may only be spent for the purpose specified by the donor, normally as given in the fund title.
PIP Transitional Support Programme is used to support beneficiaries who lease a vehicle and did so prior to 2013 and then lose their allowance due to reassessment.
Current year spend was £67k (2024: negative £56k made up of expenditure of £184k and a release of £240k from the PIP provision).

Group and Charity	Balance at 1 April 2023 £'000	Income £'000	Expenditure £'000	Investment Gains £'000	Transfer between Funds £'000	Balance at 31 March 2024 £'000
PIP Transitional Support Programme	43,742	1,620	56	641	-	46,059
Restricted Fund	**43,742**	**1,620**	**56**	**641**	**-**	**46,059**

20. Endowment Fund

Group and Charity	Balance at 1 April 2024 £'000	Income £'000	Expenditure £'000	Investment Gains £'000	Other Realised Gains £'000	Balance at 31 March 2025 £'000
Endowment Fund	1,704,186	26,617	(27,008)	72,680	-	1,776,475
Endowment Fund	**1,704,186**	**26,617**	**(27,008)**	**72,680**	**-**	**1,776,475**

Group and Charity	Balance at 1 April 2023 £'000	Income £'000	Expenditure £'000	Investment Gains £'000	Other Realised Gains £'000	Balance at 31 March 2024 £'000
Endowment Fund	1,224,402	277,372	(16,020)	218,432	-	1,704,186
Endowment Fund	**1,224,402**	**277,372**	**(16,020)**	**218,432**	**-**	**1,704,186**

Endowment Funds comprise the net assets of the Motability Endowment Trust only.

21. Funds Held as an Agent

Movement in Funds:	Balance at 1 April 2024 £'000	Income £'000	Expenditure £'000	Balance at 31 March 2025 £'000
Group				
Funds Held as Agent on behalf of Veterans UK	41	293	(291)	43
Funds Held as Agent	**41**	**293**	**(291)**	**43**
Charity				
Funds Held as Agent on behalf of Veterans UK	41	293	(291)	43
Funds Held as Agent	**41**	**293**	**(291)**	**43**

Funds received, paid or held as agent are not included within the Motability Foundation's Consolidated or Charity Financial Statements. These funds are accounted for directly to Veterans UK.

Movement in Funds:	Balance at 1 April 2023 £'000	Income £'000	Expenditure £'000	Balance at 31 March 2024 £'000
Group				
Funds Held as Agent on behalf of Veterans UK	41	389	(389)	41
Funds Held as Agent	**41**	**389**	**(389)**	**41**
Charity				
Funds Held as Agent on behalf of Veterans UK	41	389	(389)	41
Funds Held as Agent	**41**	**389**	**(389)**	**41**

The Motability Foundation administers the funds of Veterans UK to issue grants for automatic gearboxes and vehicle adaptations to War Pensioners who are in receipt of the War Pensioners Mobility Supplement (WPMS).

The Motability Foundation adheres to an agency agreement and distributes the funds it holds to specified third parties in line with the instructions given by Veterans UK.

22. Pension Arrangements

The Group has operated a defined benefit scheme for its employees since November 1988, under which a separate fund is being accumulated to meet the accruing liabilities which is held under a trust, entirely separate from the Charity's assets. Payments to the scheme are made in accordance with the recommendations of qualified actuaries.

From 1 October 2005, changes were made to the defined benefit pension scheme:
- The scheme was closed to new members
- Employees who wished to retain the 1/60th benefit were asked to increase their contributions
- The ability to retire before 65 without actuarial reduction was removed
- A defined contribution scheme was available from that date to any employees wishing to receive pension benefits

The defined benefit scheme was closed to future accrual from 30 April 2012.

The last actuarial valuation was prepared using the Defined Accrued Benefits method, as at 31 March 2022. This valuation used the following assumptions:

	%
Investment return in deferment Bank of England Yield curve +2% p.a.	3.85
Investment return in payment Bank of England Yield curve +0.5% p.a. (sample rate at 21 years for non-pensioners / sample rate for pensioners at duration 12 years)	2.35/2.25
Salary increases	Nil
Pension increases pre-retirement – Deferred Pensioners derived using appropriate caps and floors applied to the Bank of England inflation yield curve deducting 0.7% p.a. in respect of CPI pre-2030 and nil deduction after 2030	3.35
Pension increases pre-retirement – Employed Deferred	4.05
Pension increases in payment – Post-April 1997 – Pensioners	3.5

At 31 June 2022, the market value of the scheme's asset was £21.2m, the present value of liabilities was £21.1m, resulting in an actuarial surplus of £0.1m, equivalent to a funding level of 100 per cent.

A qualified actuary using revised assumptions that are consistent with the requirements of FRS 102 has updated the actuarial valuation described above at 31 March 2025. Investments have been valued for this purpose at fair value.

The pension cost to the Charity under FRS 102 was £0.23m (2024: £0.25m). The major assumptions used for the FRS 102 actuarial valuation were:

	2025 % p.a.	2024 % p.a.	2023 % p.a.
Rate of increase in salaries	N/A	N/A	N/A
Rate of increase in pensions in payment	2.6	2.6	3
Discount Rate	5.65	4.8	4.7
Price Inflation	3.05	3.1	3.3

22.1 The fair value of the assets in the scheme, the present value of the liabilities in the scheme and the expected rate of return at each balance sheet date were:

	2025 % p.a.	2025 £'000	2024 % p.a.	2024 £'000	2023 % p.a.	2023 £'000
Equities	5.60	2,635	4.80	4,494	4.7	4,617
Bonds / Gilts	5.60	11,040	4.80	11,458	4.7	11,783
Cash	5.60	2,070	4.80	502	4.7	949
Property and Other	5.60	383	4.80	502	4.7	774
Total Fair Value of Assets	-	16,128	-	16,956	-	18,123
Present Value of Scheme Liabilities	-	(16,460)	-	(18,103)	-	(18,860)
Net Pension (Liability)	**-**	**(332)**	**-**	**(1,147)**	**-**	**(737)**

The rates used for the expected return on scheme assets are based on the requirements of SORP 2019 (FRS 102), as these determine the predicted return in the year to 31 March 2025. The contribution rate for 2025 was nil of pensionable earnings (2024: nil) due to the scheme being closed to future accrual with effect from 30 April 2012.

	2025 %	2024 %
Equities	16	27
Bonds / Gilts	69	67
Cash	13	3
Property and Other	2	3

The liabilities were valued using the following mortality assumptions:
- Base table: S3PA
- Future mortality improvements: CMI_2023 Long term rate 1% (2024: CMI_2022, 1.25%)
- Age rating: None

The following table illustrates members' life expectancy in years, at the age of 65, based on the mortality assumptions below:

	2025	2024
Retiring Now		
Males	21.2	21.3
Females	23.8	23.7
Retiring in 20 Years		
Males	22.2	22.2
Females	24.9	24.9

22.2 The movement in the scheme's deficit over the year to 31 March 2025 is summarised as follows:

	2025 £'000	2024 £'000
The Pension Deficit as at 31 March Comprises:		
Pension Deficit at 1 April	(1,147)	(737)
(Loss) / Gain in the Year - Actuarial	(565)	(265)
Contribution to Scheme Administration Costs	1,608	106
Subtotal	**(104)**	**(896)**
Analysis of Amounts Charged to the SoFA for the Year:		
Other Finance Cost	(21)	(37)
Current Service Cost	(207)	(214)
Past Service Cost	-	-
Subtotal	**(228)**	**(251)**
Pension deficit at 31 March	**(332)**	**(1,147)**

22.3 Analysis of the amount that has been charged to the SoFA under FRS 102:

	2025 £'000	2024 £'000
Current Service Cost	207	214
Total	**207**	**214**

22.4 Analysis of the amount that has been debited to net finance charges under FRS 102:

	2025 £'000	2024 £'000
Expected Return on Pension Scheme Assets	829	834
Interest on Pension Scheme Liabilities	(850)	(871)
Total	**(21)**	**(37)**

22.5 Analysis of the Actuarial Movement:

	2025 £'000	2024 £'000	2023 £'000
Actual Return Less Expected Return on Pension Scheme Assets	(2,276)	(1,245)	(6,679)
Experience (Losses) / Gains Arising on the Scheme Liabilities	54	(484)	(1,010)
Changes in the Assumptions Underlying the Present Value of the Scheme Liabilities	1,657	1,464	8,168
Recognised (Loss) / Gain for the Year	**(565)**	**(265)**	**479**

22.6 Reconciliation of Present Value Defined Benefit Obligation:

	2025 £'000	2024 £'000
Opening Balance at 1 April	**18,103**	**18,860**
Current Service Cost	207	214
Past Service Cost	-	-
Curtailment	-	-
Settlements	-	-
Interest Cost	850	871
Employee Contribution	-	-
Actuarial Gains	(1,711)	(980)
Administration Expenses	(207)	(214)
Changes to Exchange Rates		
Benefits Paid	(782)	(648)
Closing Balance at 31 March	**16,460**	**18,103**

22.7 Reconciliation of Fair Value Plan Assets:

	2025 £'000	2024 £'000
Opening Balance at 1 April	**16,956**	**18,123**
Expected Return on Assets	829	834
Actual Return less Expected Return on Pension Scheme Assets	(2,276)	(1,245)
Changes to Exchange Rates	-	-
Employer Contribution	1,608	106
Employee Contribution	-	-
Settlements	-	-
Administration Expenses	(207)	(214)
Benefits Paid	(782)	(648)
Closing Balance at 31 March	**16,128**	**16,956**

22.8 Reconciliation of Change in Funded Status:

	2025 £'000	2024 £'000
Opening Balance at 1 April	**(1,147)**	**(737)**
Pension Expense	(228)	(251)
Employer Contribution	1,608	106
Changes to Exchange Rates	-	-
Actuarial (Loss) / Gain	(565)	(265)
Closing Balance at 31 March	**(332)**	**(1,147)**

22.9 History of Experienced Gains and Losses:

	2025 £'000	2024 £'000	2023 £'000	2022 £'000	2021 £'000
Difference Between Actual and Expected Return on Assets					
Amount	(2,276)	(1,245)	(6,679)	313	840
% of Scheme Assets	**14.1%**	**7.3%**	**36.9%**	**1.3%**	**3.4%**
Experience of Gains and (Losses) Arising on Liabilities					
Amount	54	(484)	(1,010)	13	99
% of Scheme Assets	**0.3%**	**2.9%**	**5.6%**	**0.1%**	**0.4%**

23. Commitments and Conditional Grant Awards

i) Operating Leases
The Charity leases out part of its office building. The total future minimum lease payments receivable under non-cancellable operating leases are as follows:

	Premises 2025 £'000	Premises 2024 £'000
Within One Year	222	210
Between One and Five Years	938	925
Over Five Years	700	934
Total	**1,860**	**2,069**

These amounts relate to operating lease agreements where the Group acts as lessor and reflect contracted rental income expected to be received over the lease term. The leases do not include any material contingent rents, escalation clauses, or options to purchase.

Amounts payable in total under future minimum lease payments under non-cancellable operating leases:

	Premises 2025 £'000	Premises 2024 £'000	Other 2025 £'000	Other 2024 £'000
Within One Year	23	28	53	73
Between One and Five Years	32	38	99	58
Over Five Years	-	6	4	9
Total	**55**	**72**	**156**	**141**

Operating Lease Expenditure

	2025 £'000	2024 £'000
Premises	28	215
Plant, Machinery and Vehicles	53	68
Total	**81**	**283**

ii) Capital Commitments
There were no commitments for expenditure on capital items in excess of £0.1m at the end of the year.

iii) Investment Commitments
As at 31 March 2025, there were uncalled capital commitments to investment funds totalling £150m (2024: £120m). The three largest commitments were £19.5m, £18.2m and £15.3m for private credit funds.

These commitments will be met from liquid assets and asset sales as required in the Endowment Fund.

23. Commitments and Conditional Grant Awards Cont.

iv) Conditional Grant Awards
All grants are subject to conditions.

The conditions for grants to individuals are usually satisfied at the time an award is made.

Grants to organisations contain performance-related conditions which then determine whether and when expenditure is recognised in the SoFA. Grants to organisations may be intended to be claimed over several years. The conditions attached to grants to organisations are regularly reviewed with the recipients. Grants are withdrawn where unclaimed or where conditions are not met.

Current grants where performance conditions had not yet been fulfilled as at 31 March 2025 are set out below.

	Current Conditional Awards £'000	Recognised in Prior Years £'000	Conditional Grant Award B/Fwd £'000	Conditional Award in Year £'000	Recognised Charitable Expenditure £'000	Conditional Grant Award C/Fwd £'000
Designability (Wizzybug)	5,400	(3,950)	1,450	-	(700)	750
Family Fund Trust	19,000	(15,500)	3,500	-	(3,500)	-
Total Under 5s Grant	**24,400**	**(19,450)**	**4,950**	**-**	**(4,200)**	**750**
Designability (EV)	761	(761)	-	-	-	-
Extra Mile Car Clubs	679	(679)	-	-	-	-
Innovative Disability Training	-	-	-	600	(330)	270
Micromobility	-	-	-	150	(45)	105
National Centre for Accessible Transport (ncat) - Evidence Centre	20,000	(1,588)	18,412	-	(2,529)	15,882
Partnerships	-	-	-	625	(259)	366
Scholarships	581	(199)	382	222	(121)	484
User Research Grants	2,442	(1,819)	623	250	(630)	243
Vehicle Design	203	(203)	-	809	(356)	453
Total Innovation	**24,667**	**(5,250)**	**19,417**	**2,655**	**(4,270)**	**17,803**
Active Travel	5,704	(2,106)	3,597	879	(2,022)	2,455
Barriers to Driving	2,935	(906)	2,029	4,541	(2,614)	3,956
Community Transport	14,429	(8,611)	5,818	4,219	(5,088)	4,950
Research	1,997	(1,055)	942	1,042	(973)	1,012
Travelling with Confidence	5,654	(2,102)	3,552	3,028	(2,440)	4,140
Wheelchairs	5,063	(2,470)	2,592	1,034	(1,871)	1,755
Total Impact Programmes	**35,781**	**(17,251)**	**18,531**	**14,744**	**(15,007)**	**18,268**
Total for Grants to Organisations	**84,849**	**(41,950)**	**42,898**	**17,399**	**(23,476)**	**36,821**

23. Commitments and Conditional Grant Awards Cont.

The Motability Foundation awarded:

a) £14.7m in 2024/25 for 'Impact' grants. A total of £50.5m has been awarded for 'Impact' grants out of the £50m designated. These now cover all six Impact initiatives and the commitment can span a term of up to three years from the point of award.

b) £2.7m in 2024/25 for 'Innovation' grants, which includes £1.4m awarded for three new initiatives this year, that will:
- explore how to deliver innovative disability training to enable inclusive train travel
- creating bespoke solutions to deliver impact on the barriers that affect the "Getting Around" challenges and
- to explore innovative approaches to supporting disabled people to access shared micromobility services

c) £20m in 2022/23 (over seven years to 2029/30) to a consortium headed by Coventry University for the creation and running of the ncat.

d) £15m in 2021/22 (over three years to 2024/25) to Family Fund to support the mobility of the families with children under three years old.

e) £5.4m in 2019/20 (over four years to 2024/25) to Designability to support the availability of Wizzybugs to children up to the age of five years old.

For details of progress on major awards, please see the Grant Award Activity table in Appendix 1.

v) Contingent Liability
The Charity is aware of a UK High Court legal ruling in June 2023 between Virgin Media Limited and NTL Pension Trustees II Limited, which decided that certain historic rule amendments were invalid if they were not accompanied by actuarial certifications. The ruling was subject to appeal and in July 2024 the Court of Appeal confirmed the UK High Court legal ruling from 2023. The Charity, together with the pension scheme trustees and their advisors, is in the process of assessing the possible impact of this ruling. As it is not possible at present to estimate the impact, if any, from the ruling, no adjustments have been made to the defined benefit obligation recognised in the Financial Statements.

24. Taxation

As a registered charity, the Motability Foundation is potentially exempt from taxation of income and gains falling within Part 11 Income and Corporation Taxes Act 2010 and 256 Taxation Chargeable Gains Act 1992. No tax charge has arisen in the year.

No tax charge has arisen in the subsidiary due to the policy of gifting profits to the Motability Foundation each year.

25. Events after the reporting dates

There are no post-balance sheet date events to note.

Appendix 1 - Grant Award Activity in Year

Programme	Beneficiary	2024/25 £	2023/24 £
Innovative Disability Training	RNIB and Community Rail Network	599,660	-
Micromobility	CoMoUK Trust	149,760	-
Partnerships	RNIB	625,000	-
Scholarships	Loughborough University	124,565	-
	Open University	97,390	-
	University College London	-	181,200
	University of Newcastle	-	76,680
	University of Westminster	-	123,137
	Scholarships	**221,955**	**381,017**
User Research Grants	Autistic Minds	-	4,000
	Autistica	-	206,134
	CoMoUK Trust	-	199,382
	National Autistic Society	-	163,158
	RNIB	-	97,033
	Sustrans	249,750	297,253
	United Response	-	199,996
	Wheelchair Alliance	-	235,562
	User Research Grants	**249,750**	**1,402,518**
Vehicle Design	Designability	809,064	203,000
	Vehicle Design	**809,064**	**203,000**
Grant Awards to Organisations - Innovation		**2,655,189**	**1,986,535**
Active Travel	Cerebra	132	108,210
	Cycling UK	16,823	1,561,660
	Disability Sheffield Centre for Independent Living	233,065	-
	Experience Community CIC	606,421	-
	Foresight	390	-
	Friends of Pedal Power	1,857	-
	Get Cycling CIC	8,263	747,640
	Sussex Community Development Association	1,168	230,686
	Sustrans	666	443,401
	The Back Up Trust	8,500	1,300,913
	Whizz-Kidz	2,160	599,533
	Active Travel	**879,445**	**4,992,043**
Barriers to Driving	Cornwall Mobility Centre Ltd	251,481	-
	Disability Action (NI)	77,827	1,035,361
	Disabled Motoring UK	393,412	-
	Driving Mobility	598,855	1,899,537
	Family Fund	3,000,972	-
	William Merritt Disabled Living Centre	218,630	-
	Barriers to Driving	**4,541,177**	**2,934,898**
Community Transport	Age Cymru Dyfed	942,921	-
	Arran Community & Voluntary Service	369	-
	Autism Initiatives UK	200	165,867
	Ayrshire Cancer Support	704	543,100
	Badenoch & Strathspey Community ConneXions	561	-
	Basildon Community Transport Service	209,565	-
	Bassetlaw Action Centre	527,654	-
	Cambs Society for Blind & Partially-Sighted	270	-
	Canolfan Maerdy	1,798	365,359

Appendix 1 - Grant Award Activity in Year cont.

Programme	Beneficiary	2024/25 £	2023/24 £
	Coalfield Community Transport	453,297	-
	Community Action Malvern & District	143,510	-
	Community ConneXions	819	-
	Community Equality Disability Action	200	-
	Community Transport Glasgow	1,890	614,581
	Compaid Trust	1,043	-
	Comunn Eachdraidh Nis	476	-
	Croydon Voluntary Association for the Blind	1,653	-
	Darlington Association on Disability	491,015	-
	Daventry Area Community Transport	375	-
	Dial a Ride Denbighshire	1,478	295,725
	Down Armagh Rural Transport	1,062	-
	Ealing Community Transport	243	181,505
	Easilink Community Transport Ltd	7,106	-
	East Hull Community Transport	1,881	-
	Fares4Free	167,612	-
	Green Community Travel	200	-
	Harwich Connexions Transport Co-Operative Ltd	-	250,100
	Interloch Transport	2,270	1,063
	North Holderness Community Transport	798	-
	North Norfolk Community Transport	513	-
	O Ddrws I Ddrws	357,536	-
	OPAL in partnership with AVSED	2,111	356,873
	Pembrokeshire Association of Community Transport Organisations	1,839	998,142
	People to Places	504,590	-
	SERVE	1,726	-
	Sheppey Matters	980	-
	South Antrim Community Transport	3,174	937,271
	South Denbighshire Community Partnership	1,235	201,371
	South East Dorset Community Access Transport	458	-
	Stockport Car Schemes	776	157,160
	Swansea Council for Voluntary Service	261,468	-
	Vale Community Impact	119,337	-
	Voluntary Impact	955	-
	Worcester Wheels	1,452	436,478
	Community Transport	**4,219,120**	**5,504,595**
Research	Community Transport Association	326,320	-
	Contact	1,701	302,672
	Driving Mobility	1,728	85,500
	Mental Health Innovations	1,044	357,500
	Multiple Sclerosis Trust	-	61,310
	Royal Mencap	634	237,250
	Royal National Institute for Deaf People	121,745	-
	Transport Research Foundation	-	291,822
	University of Southampton	199,143	-
	University of Westminster	1,053	188,119
	University of York	2,397	473,224
	Waltham Forest Community Transport	386,599	-
	Research	**1,042,364**	**1,997,397**

Appendix 1 - Grant Award Activity in Year cont.

Programme	Beneficiary	2024/25 £	2023/24 £
Travelling with Confidence	Advonet	299,066	-
	Autism Able	275,071	-
	Autism Bedfordshire	390	107,902
	Community Council of Devon	763	206,358
	Community Rail Network	608,213	-
	ENABLE	15,724	-
	Euan's Guide	13,866	886,551
	Inclusion Gloucestershire	321,274	-
	Integrated Neurological Services	202,000	-
	Leeds Older People's Forum	2,896	815,378
	My Life My Choice	1,186	245,908
	Orchardville Society	1,827	358,086
	Royal Society for Blind Children	144,861	-
	Spinal Injuries Association	4,930	800,000
	The Back Up Trust	1,400	557,999
	The Grace Eyre Foundation	335,434	-
	Transport for All	2,703	684,178
	Your Voice Counts	796,162	-
	Travelling with Confidence	**3,027,766**	**4,662,360**
Wheelchairs	Action for Kids	502	-
	Aspire	308	395,543
	Brittle Bone Society	36	-
	Newlife	11,145	-
	REMAP	438	-
	Spinal Muscular Atrophy UK	175	717,100
	The Snowdon Trust	1,010,013	-
	Whizz-Kidz	11,296	2,000,162
	Wheelchairs	**1,033,913**	**3,112,805**
Grant Awards to Organisations - Impact		**14,743,785**	**23,204,098**

Summary of Grant Awards in Year

Beneficiary		2024/25 £	2023/24 £
Grant Awards to Organisations - Impact	[2024/25 - 31 Grants, 2023/24 - 43 Grants]	**14,743,785**	**23,204,098**
Grant Awards to Organisations - Innovation	[2024/25 - 8 Grants, 2023/24 - 10 Grants]	**2,655,189**	**1,986,535**
Total Grant Awards to Organisations	[2024/25 - 39 Grants, 2023/24 - 53 Grants]	**17,398,974**	**25,190,633**
Grant Awards to Individuals	[2024/25 - 13,861 Individuals, 2023/24 - 20,734 Individuals]	**65,098,064**	**81,768,359**
Total Grants Awards in Year		**82,497,038**	**106,958,992**

Appendix 2 - Charitable Expenditure Recognised in Year

Programme	Beneficiary	2024/25 £	2023/24 £
Special Grants	Wizzybug Loan Scheme	700,000	250,000
	Family Fund	3,500,000	5,500,000
Grant Commitments to Organisations - Special Grants		**4,200,000**	**5,750,000**
National Centre for Accessible Travel	Coventry University	2,529,370	1,333,046
	National Centre for Accessible Travel	**2,529,370**	**1,333,046**
Extra Mile Car Clubs	Derbyshire Community Transport	-	42,641
	Derwent Valley Car Club	-	47,426
	Green Fox Energy Co-Op Ltd	-	50,105
	Sussex Community Transport	-	54,941
	Extra Mile Car Clubs	**-**	**195,113**
Innovative Disability Training	RNIB and CRN	329,813	-
	Innovative Disability Training	**329,813**	**-**
Micromobility	CoMoUK Trust	44,928	-
	Micromobility	**44,928**	**-**
Partnerships	RNIB	259,000	-
	Partnerships	**259,000**	**-**
Scholarships	Coventry University	50,342	38,793
	Loughborough University	39,389	-
	Open University	31,033	-
	University College London	-	38,485
	University of Newcastle	-	24,523
	University of Westminster	-	28,537
	Scholarships	**120,764**	**130,338**
User Research Grants	Autistic Minds	-	34,000
	Autistica	61,841	103,067
	Bus Users UK	-	-
	CoMoUK Trust	59,815	99,691
	Mental Health Foundation	-	-
	National Autistic Society	48,946	81,580
	RNIB	12,351	84,683
	Sustrans	269,072	188,459
	Transport for All	-	-
	United Response	59,999	99,998
	Visionary	-	28,500
	Wheelchair Alliance	117,781	147,781
	User Research Grants	**629,805**	**867,759**
Vehicle Design	Designability	355,988	203,000
	Vehicle Design	**355,988**	**203,000**
Grant Commitments to Organisations - Innovation		**4,269,668**	**2,729,255**
Active Travel	Cerebra	36,202	67,145
	Cycling UK	717,134	861,349
	Disability Sheffield Centre for Independent Living	94,655	-
	Experience Community CIC	220,807	-
	Foresight North East Lincolnshire	40,338	-
	Friends of Pedal Power	195,857	22,000
	Get Cycling CIC	101,313	167,050
	Sussex Community Development Association	39,109	37,941
	Sustrans	118,510	193,565
	The Back Up Trust	455,785	331,974

Appendix 2 - Charitable Expenditure Recognised in Year cont.

Programme	Beneficiary	2024/25 £	2023/24 £
	Whizz-Kidz	2,160	196,154
	Active Travel	**2,021,870**	**1,877,178**
Barriers to Driving	Cornwall Mobility Centre Ltd	62,715	-
	Disability Action (NI)	354,654	212,903
	Disabled Motoring UK	126,412	-
	Driving Mobility	453,723	693,181
	Family Fund	1,500,972	-
	William Merritt Disabled Living Centre	115,252	-
	Barriers to Driving	**2,613,728**	**906,084**
Community Transport	Age Cymru Dyfed	340,966	-
	Arran Community & Voluntary Service	34,463	-
	Autism Initiatives UK	200	165,867
	Ayrshire Cancer Support	181,704	176,100
	Badenoch & Strathspey Community ConneXions	31,561	-
	Basildon Community Transport Service	91,305	-
	Bassetlaw Action Centre	241,299	-
	Cambs Society for Blind & Partially-Sighted	56,623	-
	Canolfan Maerdy	66,905	193,479
	Coalfield Community Transport	257,061	-
	Community Action Malvern & District	116,510	-
	Community ConneXions	58,640	-
	Community Equality Disability Action	200	-
	Community Transport Glasgow	88,836	346,903
	Compaid Trust	113,408	106,465
	Comunn Eachdraidh Nis	21,396	1,000
	Croydon Voluntary Association for the Blind	187,722	178,455
	Darlington Association on Disability	3,500	-
	Daventry Area Community Transport	120,562	-
	Dial a Ride Denbighshire	79,222	137,542
	Down Armagh Rural Transport	218,216	-
	Ealing Community Transport	36,821	144,927
	Easilink Community Transport Ltd	554,015	-
	East Hull Community Transport	191,412	180,505
	Fares4Free	84,385	-
	Green Community Travel	200	157,615
	Harwich Connexions Transport Co-Operative Ltd	-	250,100
	Interloch Transport	62,466	60,073
	North Holderness Community Transport	38,398	-
	North Norfolk Community Transport	41,568	39,267
	O Ddrws I Ddrws	113,550	-
	OPAL in partnership with AVSED	95,284	168,618
	Pembrokeshire Association of Community Transport Organisations	268,583	323,955
	People to Places	270,888	-
	SERVE	255,359	-
	Sheppey Matters	93,295	89,479
	South Antrim Community Transport	199,437	517,019
	South Denbighshire Community Partnership	1,235	158,229
	South East Dorset Community Access Transport	85,508	-
	Stockport Car Schemes	34,976	88,760
	Swansea Council for Voluntary Service	84,399	-

Appendix 2 - Charitable Expenditure Recognised in Year cont.

Programme	Beneficiary	2024/25 £	2023/24 £
	Vale Community Impact	77,657	-
	Voluntary Impact	36,705	-
	Worcester Wheels	151,229	172,918
	Community Transport	**5,087,669**	**3,657,276**
Research	Community Transport Association	160,847	-
	Contact	111,251	92,344
	Driving Mobility	1,728	85,500
	Mental Health Innovations	178,544	105,750
	Multiple Sclerosis Trust	-	61,310
	Royal Mencap	85,284	84,650
	Royal National Institute for Deaf People	86,172	-
	Transport Research Foundation	-	291,822
	University of Southampton	133,418	-
	University of Westminster	1,053	97,106
	University of York	2,397	236,612
	Waltham Forest Community Transport	212,065	-
	Research	**972,759**	**1,055,094**
Travelling with Confidence	Advonet	92,343	-
	Autism Able	105,700	-
	Autism Bedfordshire	390	37,719
	Community Council of Devon	100,205	106,916
	Community Rail Network	302,883	-
	ENABLE	346,243	-
	Euan's Guide	13,866	293,165
	Inclusion Gloucestershire	107,787	-
	Integrated Neurological Services	59,000	-
	Leeds Older People's Forum	2,896	247,220
	My Life My Choice	82,225	77,608
	Orchardville Society	121,327	115,500
	Royal Society for Blind Children	70,664	-
	Spinal Injuries Association	4,930	363,504
	The Back Up Trust	157,786	220,056
	The Grace Eyre Foundation	105,864	-
	Transport for All	376,917	309,964
	Your Voice Counts	388,481	-
	Travelling with Confidence	**2,439,507**	**1,771,652**
Wheelchairs	Action for Kids	137,918	-
	Aspire	130,152	120,120
	Brittle Bone Society	100,036	100,000
	Newlife	394,091	339,601
	REMAP	77,000	-
	Spinal Muscular Atrophy UK	239,175	238,500
	The Snowdon Trust	163,844	-
	Whizz-Kidz	629,071	1,038,987
	Wheelchairs	**1,871,287**	**1,837,208**
Grant Commitments to Organisations - Impact		**15,006,820**	**11,104,492**

Summary of Grant Commitments Recognised in Year

		2024/25 £	2023/24 £
Grant Commitments to Organisations - Impact	[2024/25 - 69 Grants, 2023/24 - 54 Grants]	**15,006,820**	**11,104,492**
Grant Commitments to Organisations - Innovation	[2024/25 - 21 Grants, 2023/24 - 23 Grants]	**4,269,668**	**2,729,255**
Grant Commitments to Organisations - Special Grants	[2024/25 - 2 Grants, 2023/24 - 2 Grants]	**4,200,000**	**5,750,000**
Total Grant Commitments to Organisations	[2024/25 - 92 Grants, 2023/24 - 79 Grants]	**23,476,488**	**19,583,747**
Grants to Individuals	[2024/25 - 13,861 Individuals, 2023/24 - 20,734 Individuals]	**65,098,064**	**81,768,359**
Total Grant Commitments Recognised within Charitable Expenditure in Year		**88,574,552**	**101,352,106**

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5 Stratton Street,
London W1J 8LA

IFM Investors London
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Indus Capital Partners LLC
1700 Broadway, 39th Floor,
New York NY 10019

Lansdowne Partners
65 Curzon Street,
London W1J 8PE

Meridiem Investment Management
Riverside House,
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London SE1 9HA

TCI Fund Management Limited
7 Clifford Street,
London W1S 2FT

Patrons, Governors, Members and Key Executive Employees 2024/25

Patron

His Majesty King Charles III – Chief Patron
The Rt Hon Boris Johnson
The Rt Hon Theresa May MP
The Rt Hon the Lord Cameron of Chipping Norton
The Rt Hon Ed Miliband MP
The Rt Hon Sir Iain Duncan Smith MP
The Rt Hon Sir Tony Blair KG

Life President

The Rt Hon the Lord Sterling of Plaistow GCVO CBE

Life Vice-President

Brian Carte TD

Governors

Chair: Charles Manby MBE
Vice Chair: Ed Humpherson CB FCA
Hon Treasurer: David Hunter FCA

Dr Hannah Barham-Brown FRSA
Richard Cartwright ACA
Tony Davis
Jackie Driver OBE
Robin Hindle Fisher OBE
Merlyn Lowther
Dr Juliana Onwumere
Professor William Webb
Michael Harrison (appointed 23 September 2024)

Members

Sir Gerald Acher CBE LVO FCA
Richard Bennison FCA
Don Brereton CB
Brian Carte TD
Morigue Cornwell MBE
Alan Dickinson
Dr Stephen Duckworth OBE
Christopher E Fay CBE
The Rt Hon the Lord Hague of Richmond
Raymond King
Joanna Lewis
Edward Lester
The Hon Sara Morrison
Peter Oppenheimer**
David Pritchard
Professor Mala Rao OBE
Dipankar Shewaram**
The Lord Kevin Shinkwin
Paul Spencer CBE
The Rt Hon the Lord Sterling of Plaistow GCVO CBE
Cheryl Ward
Barry Le Grys MBE (appointed 25 September 2024)

* All the existing Governors are also Members
** Independent Member of the Investment Committee

Key Executive Employees

Chief Executive:
Nigel Fletcher
Director of Finance:
Charles Nall ACA
Director of Charitable Operations:
Lisa Jones
Chief Investment Officer:
Phillip Coates
Chief Communications Officer:
Sophie McGuirk-Cummings



Motability, Warwick House, Roydon Road, Harlow, Essex CM19 5PX

Motability is a registered charity in England and Wales with charity number 299745
and in Scotland with charity number SC050642.

We are regulated by the Charity Commission and the Financial Conduct Authority.

We are entered on the FCA register (www.fca.org.uk/register) under reference 736309.

Motability operating as Motability Foundation

motabilityfoundation.org.uk

MOTABILITY

England & Wales - Charity number 299745

Accounts



Annual Report and Accounts 2023/24

Motability Foundation

Making all journeys accessible

Our vision

We are building a future where all disabled people have the transport options to make the journeys they choose

Motability Foundation

Making all journeys accessible

Annual Report and Accounts 2023/24

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Introduction

There are 16 million (m) disabled people in the UK, making up more than one fifth of the population. However, disabled people often struggle to make journeys due to a lack of access to transport and accessible transport options. At the Motability Foundation we fund, support, research and innovate so that all disabled people can make the journeys they choose.

What We Do

The Motability Scheme is used by more than 760,000 customers and is the main way we provide access to transport for disabled people. The Scheme offers an affordable way for disabled people to lease a new vehicle, Wheelchair Accessible Vehicle (WAV) or powered wheelchair. Anyone who receives qualifying higher rate mobility allowances from the Government can join the Scheme. It is delivered by a separate company, Motability Operations. The delivery is overseen by us, the Motability Foundation, to ensure that it is the best it can be for disabled people.

The Motability Foundation provides means-tested grants to help people access the Scheme or use their vehicle more easily. We award grants to other organisations that provide different types of transport or carry out research into how to make transport accessible. We also carry out our own research and innovation to make transport more accessible, both now and in the future.

How We Are Funded

Every year, Motability Operations aim to make a modest return on their asset base so they can borrow money, buy vehicles and make sure they remain affordable for Scheme customers. They do not pay dividends to shareholders. Any surplus income is used to improve and grow the Scheme and secure its long-term future, or it is donated to the Motability Foundation. Donations aren't guaranteed. In 2019, we set up the Motability Endowment Trust (MET), which invests our funds to make our grant giving, research and innovation more sustainable in the long term.

We fund, support, research and innovate so that all disabled people can make the journeys they choose

Motability Foundation

Making all journeys accessible

The Five Strategic Pillars

Our Founding Principles

Our founding principles underpin our Strategic Pillars. They are to provide:

- Solutions that meet the needs of our beneficiaries
- The highest standard of service
- The best possible value for money
- Financial sustainability for the long term

The charitable object of the Motability Foundation is to facilitate the relief and assistance of disabled people in connection with the provision of personal, and other, transportation

Motability Scheme



Ensure the success of the Motability Scheme in meeting the transportation needs of disabled people

Our goals

- Ensure good value for money and high levels of customer service are delivered across the UK
- Ensure that the Scheme is financially and environmentally sustainable and efficient
- Ensure our oversight of the Scheme is effective and transparent

Grant-Making



Use charitable funds effectively to address the transportation needs of beneficiaries

Our goals

- Ensure our grant programmes deliver maximum impact for beneficiaries and value-for-money solutions
- Improve the ways in which our beneficiaries access our assistance and high levels of service
- Use our expertise in disability, transportation and grant-making to assist more beneficiaries
- Continue to develop evidence-informed grant programmes to meet the current and future transportation needs of our disabled beneficiaries

Build Awareness and Engagement



Build awareness of, and trust in, the work of the Motability Foundation, listen to the views of disabled people, their organisations and other key stakeholders, and take account of them when we make important decisions

Our goals

- Improve awareness and understanding of our charitable work, including oversight of the Motability Scheme
- Actively listen to, and learn from, others who can inform and educate us, especially those with lived experience
- Involve the right stakeholders in our decision making, and share information about the decisions we make and our reasons for making them

Innovation



Constantly look for and develop new ways to meet the evolving transportation needs of disabled people

Our goals

- Amplify the voices of disabled people when important transport policy and design decisions are made, including along the journey to zero-emission transportation and future technology
- Explore opportunities to improve the provision of community and door-to-door transport for disabled people
- Improve our understanding of the mobility needs of disabled people, especially those who receive mobility allowances beyond vehicle leases, and seek out new opportunities to meet these needs

Disability Charity



Provide the highest level of service to meet the transportation needs of disabled people, underpinned by a strong infrastructure and an empathetic, evidence-led culture

Our goals

- Ensure we have a strong and sustainable infrastructure including the continuing development of our people, skills, systems and ways of working to enable our goals to be achieved
- Continue to champion our values and behaviours that place our beneficiaries at the centre of all we do – ensuring that we keep striving to fulfil our vision and meet beneficiary needs in the most relevant and productive way

Motability Foundation

Making all journeys accessible

Chair's Statement



Charles Manby MBE
Chair of the
Motability Foundation

As I look back on the last financial year, I am hugely impressed by what the Motability Foundation and Motability Operations have delivered to help disabled people make the journeys they choose. Our grant-giving to other organisations has expanded disabled people's transport options in communities right across the UK. This ranges from community transport to active travel to travel confidence training for people using public transport. We estimate that these grants will support more than 221,000 disabled people to travel (see p25).

The Motability Scheme remains our main initiative, with more than 760,000 customers now leasing a Scheme vehicle. More than 15,000 customers received a grant in 2023/24 (see p21), supporting them to access the Scheme and fund the vehicle they need. We have a responsibility to make sure we use our resources to achieve the biggest impact; these numbers, combined with our impact evaluations (see p28), show we are making a real difference.

The Motability Scheme is run by Motability Operations, with our oversight. Previously high re-sale values and robust financial strategies mean that Motability Operations are able to navigate increasing uncertainty in the market. During the past couple of years they have been supporting affordability, particularly as the industry transitions to Electric Vehicles (EVs), and directly supporting customers with New Vehicle Payments (see p17). However, the cost of motoring is rising for everyone, with significant increases in new vehicle prices, insurance and vehicle repair, alongside large interest rate rises. The Scheme is experiencing these challenges too. Careful cost management will continue to ensure the financial stability of the Scheme and ensure that it maintains its cost competitive position and remains excellent value for money.

As I look forward, the outlook presents undoubted challenges. The transition to EVs presents a seismic shift for Motability Operations, for the automotive industry and for drivers. Motability Operations have the headroom in their reserves to manage the

transition to EVs currently, but there are many uncertainties. Pricing is not the only factor; advancing vehicle technology and legacy generations, charging infrastructure, potential user behaviours and repair supply chains are others, to name a few.

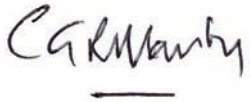
As well as supporting affordability for customers, in 2023/24 Motability Operations donated £250 million to the Motability Foundation. The uncertainties mentioned and the need to fund the growth of the Scheme mean that the likelihood of further donations in the medium term is reduced. In the meantime, this donation will help us to fund our grant-giving to Scheme customers, and to extend our six impact grant programmes to other organisations to March 2028, giving even more disabled people access to transport. Meanwhile, the Motability Endowment Trust (see p66) performed well. While the returns are not enough to support our grant-giving at current levels in the medium term, they provide a level of assurance alongside the donation.

In 2023/24, we began to review our five-year strategy. Consulting disabled people, disabled people's organisations (DPOs) and stakeholders has been crucial to ensure that everything we do supports disabled people's transport options, now and in the future.

I wish to thank the Board, the management team and all employees at the Motability Foundation for the commitment and empathy they display in all that they do, always having beneficiaries at the heart of it all. I would like to thank Motability Operations, their Chair Rt Hon Sir Stephen O'Brien KBE and his Board for the donation, noting that future donations are not guaranteed, and for all their good governance. Also, Motability Operations CEO Andrew Miller and his team and staff who show such commitment for our work; the results are impressive.

Finally, I would like to extend my particular thanks and appreciation to Barry Le Grys; in his nearly five years as CEO his rigour, care, and interpersonal skills have examined and improved every aspect of the Motability Foundation and the important critical but constructive relationship with Motability Operations.

As we say goodbye to Barry Le Grys, we welcome Nigel Fletcher as CEO who joined in March 2024. Nigel has lived experience of disability and was appointed after a rigorous, competitive recruitment process. The Board is confident that his experience of commercial and not-for-profit organisations and his approach to people will enable the Motability Foundation to prosper and meet both the challenges and opportunities ahead.



Charles Manby MBE
Chair

Motability Foundation

Making all journeys accessible

Chief Executive Officers' Statements



Barry Le Grys MBE
Chief Executive Officer
Until March 2024

The past five years have seen the Motability Foundation grow quickly and expand the ways we support disabled people to make journeys beyond the Motability Scheme.

We have funded groundbreaking innovations, such as the National Centre for Accessible Transport (ncat). We have refreshed our brand and changed our operating name to show our wider range of audiences what we can offer. We have invested in our people, processes and knowledge building. Now, we have reached a place of stability and can use our capabilities to maximise our impact in the years ahead.

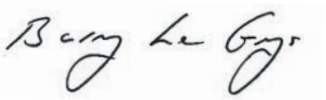
Our work and consultation with disabled people has been fundamental to these changes. ncat launched in February 2023 (see p41). Half of the ncat Board have a lived experience of disability. Its consultation panel, the Community of Accessible Transport, had 1,000 members in March 2024, including individuals and transport and disability sector representatives, who contribute their expertise and experiences. Seven projects were approved by the ncat Board in 2023/24 and are in development.

Our Innovation Team worked to the priorities we refreshed in 2022/23, gathering evidence from disabled people and sector stakeholders to guide the direction of our future programmes. The transition to EVs is an ongoing priority with a particular focus on the accessibility of EV charge points. We gave our endorsement, after a diligent application process, to assessment schemes run by AccessAble and BSI Assurance UK which will check that public EV charge points are accessible to disabled people (see p42).

Our knowledge-building included investing in our research and evaluation so we can continue to understand our impact. A good example is evaluating our Driving Lessons Grant Programme for Motability Scheme customers (see p28). The programme generated at least £8.10 return in benefits for every £1 spent, while 71 per cent of grant beneficiaries indicated a life-changing or significant improvement in their ability to access people and places. Findings such as these are influencing our decisions on funding grant-making.

Our people are vital to our achievements. We have continued to focus on, and invest in, equality, staff development and wellbeing. The dedication of our Human Resources Team, and their vision for the organisation, enabled us to achieve the highly coveted Investors in People Platinum standard.

2023/24 was my final year at the Motability Foundation after nearly five years as CEO. I am very pleased that Nigel Fletcher is now leading the executive at Harlow with a fresh outlook. Personally, it has been a huge privilege to be part of such a dedicated team and receive encouragement from the grant recipients who lie at the heart of what we do.



Barry Le Grys MBE
Chief Executive Officer



Nigel Fletcher
Chief Executive Officer
From March 2024

I am delighted to have joined the Motability Foundation because it represents a cause close to my own heart. I have a disability which restricts my ability to travel, so I am familiar with trying to do something or get somewhere when your disability prevents you from having freedom of mobility.

I am also proud to be leading the organisation at such an important juncture in its history. At the time of writing, we are honoured to have confirmed His Majesty King Charles III as our Chief Patron, taking up the dedicated patronage of Her late Majesty The Queen. His support will help us to raise awareness of our work and bring us closer to a society which provides disabled people with the transport options they need.

While we can expect our rate of growth to stabilise, we will continue to raise our level of ambition so that we can make the most of the opportunities for research and innovation in the transport sector.

We will work with third parties and other charities and organisations to ensure existing transport is made more accessible, and that accessibility is a key part of the design and delivery of future transport modes and technologies. We will also continue to work closely with Motability Operations on innovation related to the Scheme. We believe the evolving transport landscape, whilst challenging, will also present new opportunities for closing the transport accessibility gap.

The timing of my arrival also coincides with the end of a strategy planning cycle and therefore a comprehensive consultation and review of our strategy. The Governors will approve a new strategy at the end of 2024/25 (see p52-53). I will lead the Executive in the formation, implementation and monitoring of all the supporting plans. The team at Harlow are tremendously keen, as always, to forge ahead and are genuinely excited by the prospects.

I would like to thank everybody who has contributed to getting me up to full speed for their patience and advice. It is very clear we are all bound together and inspired by a strong sense of purpose, living our values to help us achieve our vision: building a future where all disabled people have the transport options to make the journeys they choose.



Nigel Fletcher
Chief Executive Officer

Our year in numbers 2023/24

15,142 grants
provided to
Motability Scheme customers worth £72.6m



Three Transport Design Scholarships
awarded totalling
£381,017



Direct Mail to 697,917 people receiving higher rate DLA or PIP

43 grants to organisations **supporting 221,000 people**

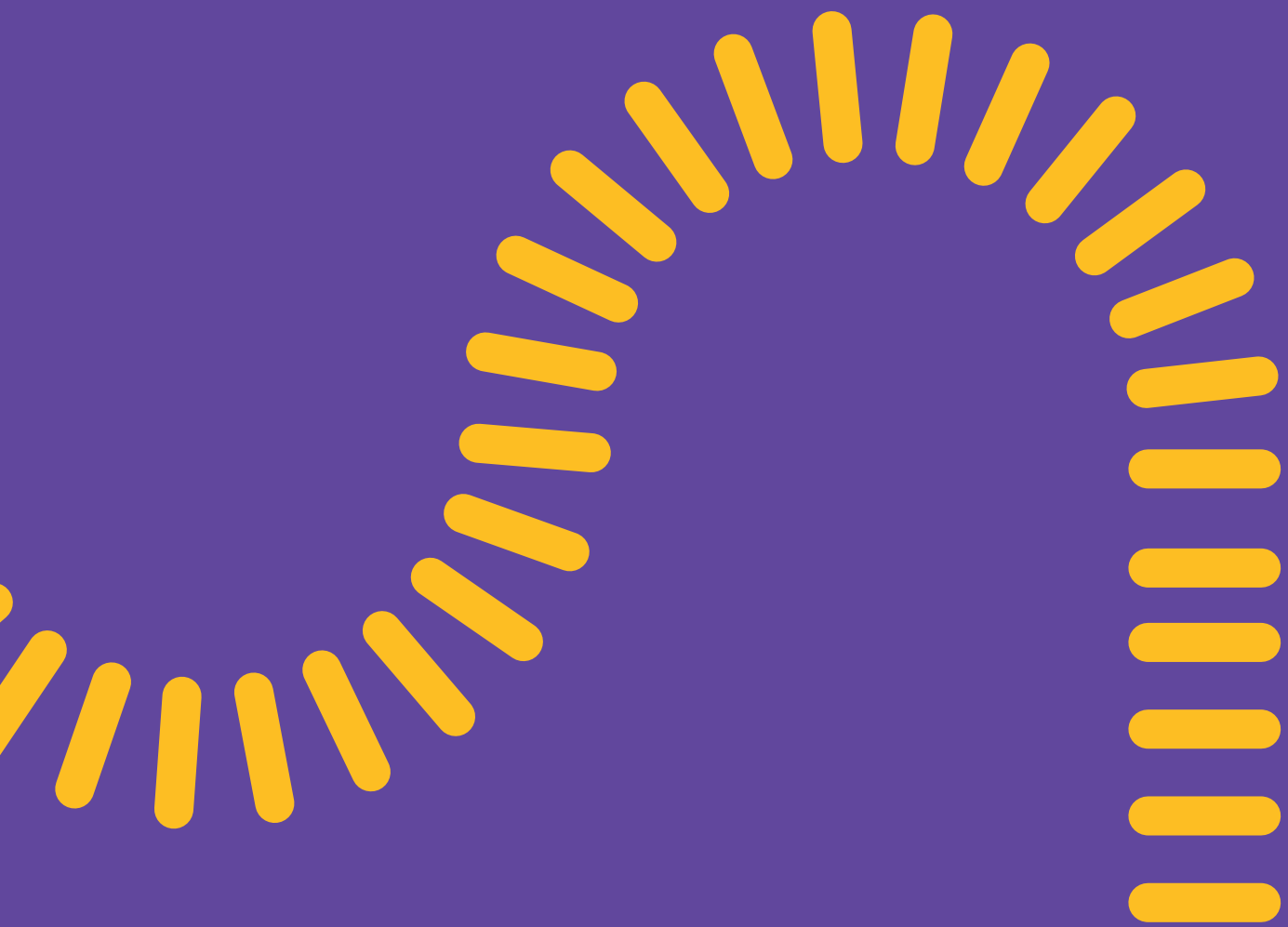


£50m allocated for **grants to charities and organisations** over three years

Six user research grants given totalling **£1.4m**

STRATEGIC PILLAR

Motability Scheme



STRATEGIC PILLAR

Motability Scheme

The Motability Scheme is the main way we assist disabled people to travel. We oversee how it is delivered by Motability Operations, and we work closely with them to ensure that it offers the best choice, value for money and customer service. We:

- Analyse customer research to identify how well the Scheme is meeting their needs
- Constantly monitor Scheme policy and significant issues that could impact Scheme performance
- Review how well the Scheme is performing against contractual Key Performance Indicators (KPIs)
- Discuss current activity and future plans
- Attend Motability Operations governance committees

Motability Scheme Performance

Customer Growth

The Scheme grew rapidly in 2023/24, and at the end of March 2024 it had more than 760,000 customers. There are several reasons for the increase, including the improvement in vehicle availability and pricing, while the options for running a car outside the Scheme have also become more expensive.

Vehicle Availability and Affordability

The supply of vehicles improved significantly following several years of limited supply. This led to more choice and lower prices. Lead times for vehicle delivery also reduced.

The supply of EVs in particular improved. There

Aims for 2023/24

1. Ensure the Scheme continues to operate to its current high standard, offering value for money and excellent customer service. **ACHIEVED**

2. Seek to maintain price stability as far as possible against a background of restricted vehicle availability. In particular, monitor the affordability support to ensure that it is effective and efficient. **ACHIEVED**

3. Complete work to renew the Scheme Agreement with Motability Operations, including a new performance framework and updated Key Performance Indicators (KPIs), with a continuing focus on securing the best outcomes for disabled people. **ONGOING**

4. Together with Motability Operations, ensure that the fleet transitions towards EVs at broadly the same rate as the retail market, while ensuring that customers' specific needs are addressed. **ACHIEVED**

The Motability Scheme offers

- A worry-free lease for a new vehicle, scooter or powered wheelchair
- Insurance, tyres, servicing and breakdown cover included
- WAVs
- Adaptations to vehicles so disabled people can drive or travel as a passenger more easily



is now a wide customer choice for all vehicle categories without a price premium over petrol and diesel alternatives. The effective range of EVs also improved, with many having a range of 250 miles or more.

Value For Money
The Motability Scheme continued to offer customers excellent value for money. Independent analysis found that Scheme vehicle leases represented a saving of 45 per cent on similar deals from other major leasing companies. This saving has remained relatively stable over recent years.

Used Vehicles
Motability Operations generates income from selling used vehicles. Constrained new vehicle supply in 2021 meant that used vehicle values rose by approximately 30 per cent and remained high during 2022 and for most of 2023. The anticipated market correction arrived in the last quarter of 2023, within the expected range for such an event. Although the market has stabilised in 2024, the outlook for future values has declined. This is an additional challenge for Motability Operations in setting lease prices.

Customer Satisfaction
Overall, customer satisfaction with the Motability Scheme remained high and stable at 9.6 out of 10. Motability Operations continued to invest in their customer support teams and other initiatives so that customers could get the best possible experience. They also introduced options for digital interaction to improve access.

Major Risks
Operational and financial risks arising within the Scheme are addressed by the Motability Operations Audit Committee, which is chaired by an independent Non-Executive Director.

The Motability Foundation's Treasurer and CEO attend the Audit Committee meetings to stay informed of any emerging risks that may impact the Motability Scheme.



Motability Scheme Policy

Vehicle Availability and Affordability

In 2022, Motability Operations introduced a New Vehicle Payment to help with the increased cost of vehicles. The £750 payment is made at the start of each new lease and is available for one lease renewal cycle. For the vast majority of customers, the eligibility for a New Vehicle Payment will stop at the end of 2024.

During the year, improved vehicle supply resulted in improved vehicle pricing. It also led to faster fulfilment of existing orders which, combined with record new customer applications, led to higher-than-expected Scheme growth.

Across industry, significant above-inflation cost increases in areas such as insurance premiums and maintenance continued to exceed annual uplifts in mobility allowances. Whilst in many ways positive, improvement in vehicle availability also led to reduced used car values. This, combined with increasing leasing costs and additional cost pressures during the transition to EV, are reflected in increases to Advance Payments.

Motability Operations continue to heavily subsidise the cost of WAVs. Customers can also apply for Motability Foundation grants towards the costs (see p22).

Transition to Electric Vehicles (EVs)

At the end of 2021, we approved a £300m support package proposed by Motability Operations to allow Scheme customers to transition to EVs at the same rate as the retail market. The support also included a free home charge point or, alternatively, a pre-paid charge card for public charge points.

During the year, we monitored the support, which had resulted in some competitive EV prices including a significant number available without the need for any additional customer payment.

Nationally, the rate of transition to EVs slowed in 2023 and the same was true on the Scheme. Towards the end of the year and into early 2024,



CASE STUDY

Eva, age 10, from Norfolk

Eva, 10, lives in Norfolk with her family and received a Motability Foundation grant for the Advance Payment of their new car.

"Eva was born with CHARGE Syndrome," explains her dad, Steven. "She is profoundly deaf, visually impaired, and struggles to walk on her own for any distance. She also has a tracheostomy, which means carrying around various equipment.

"Previously, we struggled to travel as a whole family by car. The one we had wasn't big enough to carry all of Eva's equipment, as well as everything else we needed as a family of five.

"Without the grant, we would have struggled to afford the new car. It's changed our lives, giving us the freedom to go to the park with the kids' scooters, to local beaches, or to the supermarket as a family. With the extra space, we can also make longer trips with luggage, equipment and supplies, and stay overnight."

"Without the grant, we would have struggled to afford the new car. It has changed our lives"

Customer satisfaction with the Motability Scheme remained high and stable at 9.6 out of 10

EV orders increased and were more than 10 per cent of total orders. Approximately six per cent of the live fleet is now EV, and that is increasing all the time.

Motability Operations Donation and Reserves
Motability Operations donated £250m to the Motability Endowment Trust in September 2023, using profits from 2022 and 2023. Their remaining reserves will help provide financial security for Motability Operations and ensure the long-term sustainability for the Motability Scheme.

Scheme Oversight
During the year, significant progress was made in establishing a new Scheme Agreement with Motability Operations and key terms were signed.

With the automotive landscape changing quickly, we commissioned an external consultant to identify how the Scheme might be affected. The review looked at vehicle manufacturing, how vehicles are sold through dealers, the consequences for discounts on new vehicles and the value of used vehicles. The review provided insight to inform our oversight of the Scheme and our dialogue with Motability Operations about the future outlook.

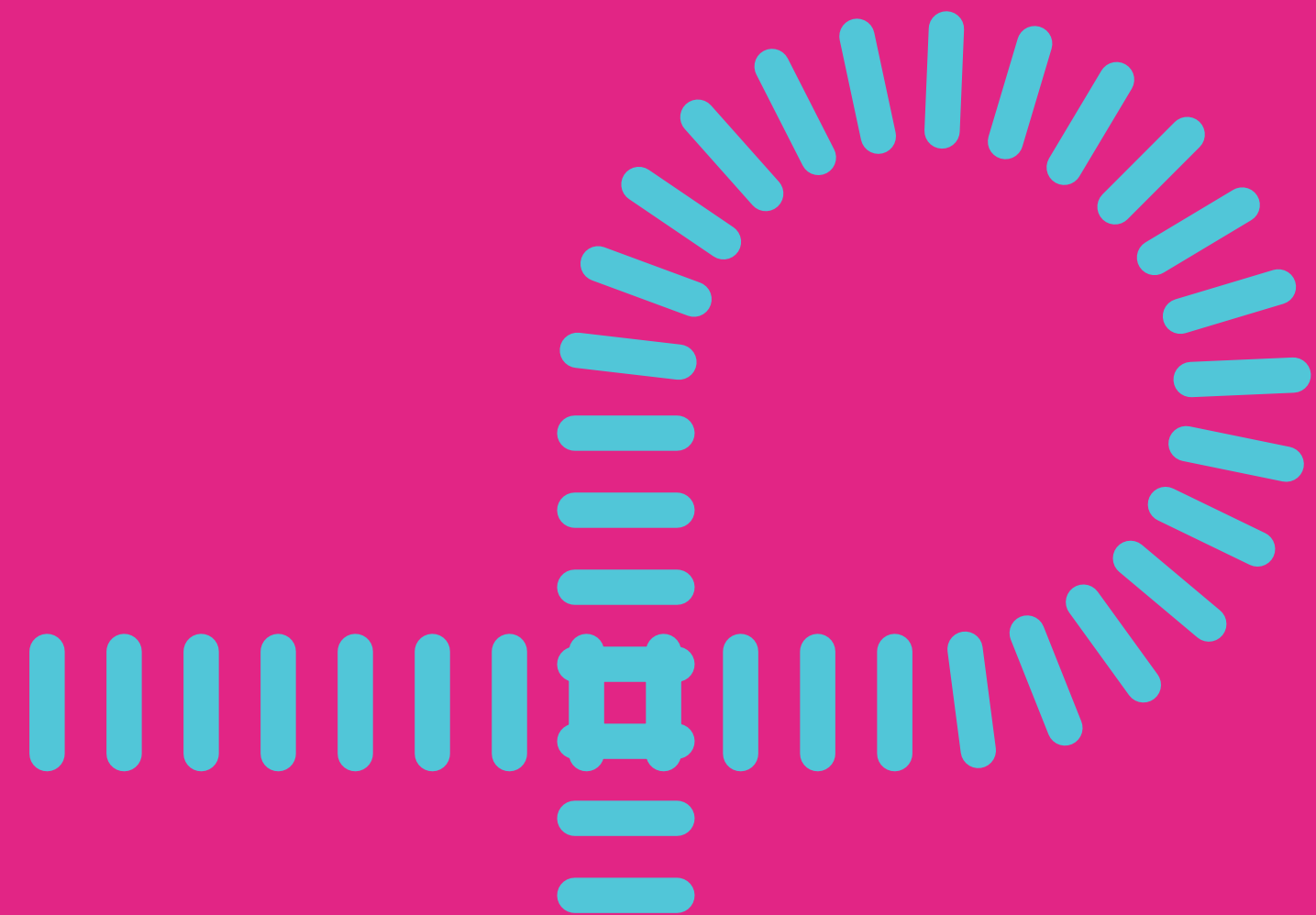
Governors also considered how our oversight might be further improved to ensure it remains effective. We carried out an internal review alongside commissioning external support from Farrer & Co LLP.

Aims for 2024/25

1. Ensure that the Scheme continues to operate to its current high standard, offering value for money and excellent customer service.
2. Seek to maintain price stability as far as possible against a background of increasing cost pressures.
3. Complete work to renew the Scheme Agreement with Motability Operations, including a new performance framework and updated KPIs, with a continuing focus on securing the best outcomes for disabled people.
4. Together with Motability Operations, ensure that the fleet transitions towards EVs at broadly the same rate as the retail market, while ensuring that customers' specific needs are addressed.

STRATEGIC PILLAR

Grant-Making



STRATEGIC PILLAR

Grant-Making

The Motability Foundation supports individuals and organisations through its grant programmes. These are:

Grants To Individuals

- Motability Scheme-related grants
- Access to Mobility grants

Grants To Organisations

- Impact grants
- Innovation grants (see p41-42)

In 2023/24, we sustained our level of support for Motability Scheme customers, providing £72.6m of grants to 15,142 people so that they could get a suitable vehicle from the Motability Scheme. As planned, we expanded our grants to organisations, awarding £23.2m to 43 organisations that support disabled people to travel in different ways. We estimate that these grant programmes will support 221,000 people to travel.

Aims for 2023/24

1. To continue to achieve high levels of grant recipient satisfaction with their grant application. **ACHIEVED**
2. To continue to grow and develop our portfolios of grant programmes supporting other charities and organisations. **ACHIEVED**
3. To continue to evaluate the impact of our grant programmes. **ACHIEVED**

As planned, **we expanded our grants to organisations**, awarding **£23.2m to 43 organisations** that support disabled people to travel in different ways

Grants to Disabled People

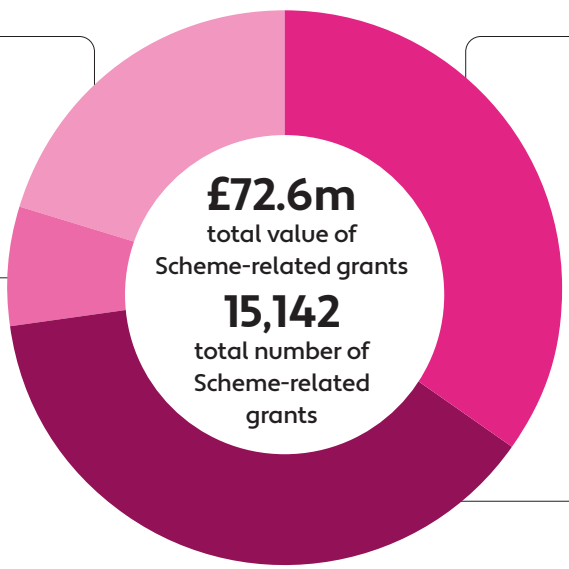
Motability Scheme-Related Grants

Motability Scheme-related grants are put towards the cost of leasing a suitable car or WAV. All grant applications are means-tested to make sure that we provide funding to those most in need of support. Last year, we provided grants to 15,142 people worth £72.6m, in line with our financial support in 2022/23.

The demand for grants remained historically high but with some changes to the types of grants people applied for. The demand for Car and Vehicle Adaptations grants dropped, which may have been partly due to measures taken to support affordability (see p17). Applications for WAVs and Bespoke Passenger Solutions rose.

£14.7m
Complex Driving Solutions
Supports with the cost of adaptations so that people can access and then drive their vehicle, sometimes from their wheelchair.
452 grants

£5.0m
Bespoke Passenger Solutions
Supports people with complex needs to travel as a passenger in their Scheme vehicle.
152 grants



£25.4m
Car and Vehicle Adaptations
Supports customers with the cost of Advance Payments or adaptations to a vehicle that meets their disability needs.
10,538 grants

£27.5m
Wheelchair Accessible Vehicles
Supports with the cost of Advance Payments and any adaptations customers need to use their WAV and secure their wheelchair in their vehicle.
4,000 grants



Access to Mobility Grants

Last year saw unprecedented demand for Driving Lessons grants, following repeated, unplanned media coverage of our Driving Lessons grant programme. The increased awareness led to an increase in applications. We were able to increase our grant-giving, and supported 5,404 people with a grant to learn to drive their Motability Scheme vehicle – more than double the previous year.

£0.1m

Transitional Support and Additional Transitional Support

For customers who have to leave the Motability Scheme following an unsuccessful DLA to PIP reassessment, where they lose their qualifying benefits.

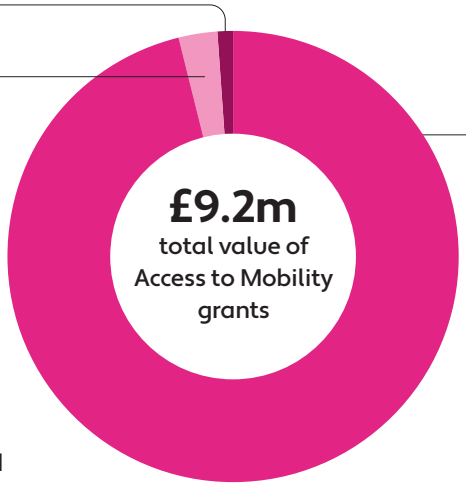
80 grants

£0.25m

Access to Work

Government Access to Work grants fund equipment for disabled people to use at work. This grant reimburses Social and Domestic Contribution people pay to use the equipment outside work.

109 grants



£8.8m

Driving Lessons

Help Scheme customers who have a provisional driving license learn to drive, or offer familiarisation lessons to help customers get used to adapted driving controls.

5,404 grants

"Day-to-day trips are easier now. If we go to the park, there is space to bring all our mobility equipment"

Sarah, mum of Becky, from Surrey



Grant Applicant Satisfaction

We monitor grant applicant satisfaction with our grant-making teams through an independent agency. During 2023/24, Scheme-related grant recipients rated their overall telephone experience 9.28/10 and our overall service 9.29/10.

In March 2024, we improved our online grant application system, ApplyOnline, to give grant applicants a better experience. Users can now apply using a mobile phone. They can upload documents, track their application status, and communicate with us without having to call our Contact Centre. The system was re-developed with feedback from users to ensure that it was user-friendly and accessible to people with a range of disabilities.

It has passed the criteria for accreditation for the international Website Accessibility Standards, reviewed by Shaw Trust.

We asked our beneficiaries to rate our service in 2023/24

Ease of getting through

8.62/10

8.36/10 in 2022/23

Attitude / helpfulness

9.49/10

9.46/10 in 2022/23

Knowledge / expertise

9.24/10

9.3/10 in 2022/23

Ease of completing application form

8.77/10

8.65/10 in 2022/23

Grants to Charities and Organisations

Impact Programmes

In 2022/23, we launched six grant programmes for charities and organisations that provide transport, help disabled people to access it, or research how to make transport accessible. These grants focus on making an immediate impact on disabled people's ability to travel.

In this second year, we increased the grant funding available as planned and awarded £23.2m to 43 organisations. We awarded the first grants from two of the six programmes – Reducing Barriers to Driving, and Research. The full range of grants will support an estimated 221,000 disabled people to make journeys across all our identified routes to impact.

The Research grant programme funded seven projects. These will engage directly with more than 120,000 disabled people, exploring topics such as school transport, barriers facing travellers with learning disabilities, and how autonomous transport may impact disabled people.

There was a surge of applications for the Travelling with Confidence programme. The nine grants awarded included providing training and confidence sessions to more than 1,900 people, plus mentoring and buddying schemes to 470 people to help them travel independently. They also included work to improve the attitudes of transport staff and transport users towards disabled people.

Monitoring from grants awarded under these six programmes in 2022/23 showed positive outcomes for disabled people across the country. The success so far means that we decided to fund further grant programmes with another £50m allocation over three years from March 2025.

Aims for 2024/25

1. Develop the second phase of our portfolio of Impact programmes that support other charities and organisations.
2. Continue to achieve high levels of grant applicant satisfaction.
3. Continue to evaluate and review the impact of grant programmes.

221,000 disabled people will be supported to make journeys through our grant programmes





CASE STUDY

Tyler, age 17, from Norfolk

Tyler, 17, from Norfolk didn't like long journeys until his family applied for a Motability Foundation grant through the Bespoke Passenger Solutions programme. Born with spastic quadriplegic Pelizaeus-Merzbacher disease, Tyler cannot walk or sit unaided. After receiving a grant for the Advance Payment and adaptations of a highly adapted vehicle, he is noticeably happier. "We call it 'The Beast'," says his mum, Teresa. "It's so big! There's a hoist to lift Tyler out of his wheelchair, lockers, a rock and roll chair to change him on, tinted windows for privacy and restraints for equipment."

Now, Tyler can comfortably travel for an hour to his favourite gym twice a week. "His condition is progressive, but boxing helps tremendously," says Teresa. "He is much happier these days. Best of all, Tyler wants to go out."

"Now, Tyler can comfortably travel for an hour to his favourite gym twice a week"

Grant Types

In 2022/23, we launched six grant programmes for organisations that provide transport, help disabled people to access it, or research how to make transport accessible. These grants focus on making an immediate impact on disabled people's ability to travel.



Community Transport

Funds organisations to develop, expand and improve local community transport provision for disabled people.



Wheelchair Sector

Improves the provision of good quality, affordable wheelchairs.



Active Travel

Improves and expands access to good quality and affordable active travel equipment to give people more independent travel options. Initiatives include wheelchair skills training and introducing disabled people to cycling.



Travelling with Confidence

Supports a range of initiatives, such as helping disabled people to travel independently through travel training and mentoring, and influencing the design and delivery of transport services.



Research grants

Supports other organisations to develop and expand on existing research for transport accessibility solutions. The findings should help more disabled people in the short term and produce data that can be accessed by all.



Reducing Barriers to Driving

Aims to enhance and expand private transport options for disabled individuals beyond the Motability Scheme.

Evaluating our Grant Programmes

We evaluate our grant programmes so that we can understand the difference they make to disabled people's lives. This allows us to make decisions about what we should fund, and how, in the future.

Driving Lessons Evaluation

In 2023/24, we evaluated the impact of our Driving Lessons grant and found:

- Disabled people travel more frequently after obtaining their driving license or completing familiarisation lessons
- A 69 per cent increase in the number of people reporting travelling daily
- An 85 per cent decrease in the reported use of taxis

When compared to our outcomes, we found that:

- 71 per cent of respondents reported a life-changing or significant improvement in their ability to access people and places
- 61 per cent said they experienced increased independence and control over their travel decisions
- The programme provided at least £8.10 return in benefits for every £1 spent

We use six outcome areas to evaluate our impact



ACCESS
Increased ability to access people and places



EDUCATION
Increased ability to access education and training



WORK
Increased ability to work and pursue a career



WELLBEING
Improved sense of health and wellbeing



CONNECTIONS
Increased social connections and relationships



CHOICE AND CONTROL
Increased independence and control to make decisions



71 per cent of respondents reported a **life-changing** or **significant improvement** in their **ability to access people and places**



Grant Award Activity

Grant Programme	Awards made in Year				Charitable Expenditure recognised in Year	
	2023/24 £	2022/23 £	2023/24 Number	2022/23 Number	2023/24 £	2022/23 £
Cars & Adaptations	25,368,214	31,587,054	10,538	12,097	25,368,214	31,587,054
Wheelchair Accessible Vehicles	27,520,621	26,512,925	4,000	3,472	27,520,621	26,512,925
Complex Driver Solutions	14,709,015	14,171,481	452	446	14,709,015	14,171,481
Bespoke Passenger Solutions	5,005,587	2,313,810	152	81	5,005,587	2,313,810
Scheme-Related Grants	**72,603,437**	**74,585,270**	**15,142**	**16,096**	**72,603,437**	**74,585,270**
Driving Lesson Support	8,811,282	2,582,843	5,404	1,871	8,811,282	2,582,843
Stopped Allowance Support	(1,000)	1,028,500	(1)	1,035	(1,000)	1,028,500
Transition Support Payment (TSP) / ATS	105,250	197,125	80	156	105,250	197,125
Access to Work	249,390	170,398	109	75	249,390	170,398
Access to Mobility Grants	**9,164,922**	**3,978,866**	**5,592**	**3,137**	**9,164,922**	**3,978,866**
Total - Grants to Individuals	**81,768,360**	**78,564,136**	**20,734**	**19,233**	**81,768,360**	**78,564,136**
Family Fund - Under 3s	-	-	-	-	5,500,000	5,500,000
Designability - Whizzybugs	-	-	-	-	250,000	1,500,000
Grants to Organisations - Special Grants	**-**	**-**	**-**	**-**	**5,750,000**	**7,000,000**
National Centre for Accessible Transport (ncat)	-	20,000,000	-	1	1,333,045	255,195
Designability - EV charging	203,000	-	1	-	-	169,875
Extra Mile	-	679,208	-	4	195,113	484,095
User Research Grants	1,402,518	593,204	6	8	867,759	504,704
Transport Design Scholarships	381,017	-	3	-	130,337	49,877
New Vehicle Interface			-		203,000	-
Awards to Organisations - Innovation	**1,986,535**	**21,272,412**	**10**	**13**	**2,729,254**	**1,463,746**
Community Transport	5,504,595	8,924,526	13	20	3,657,274	4,953,382
Active Travel	4,992,043	711,519	7	2	1,877,177	229,074
Wheelchairs	3,112,805	1,949,799	3	4	1,837,208	633,258
Travel Confidence	4,662,360	991,557	9	1	1,771,652	330,519
Barriers to Driving	2,934,898	-	4	-	906,084	-
Research	1,997,397	-	7	-	1,055,094	-
Grants to Organisations - Impact Programmes	**23,204,098**	**12,577,401**	**43**	**27**	**11,104,489**	**6,146,233**
Total Grants and Awards to Organisations	**25,190,633**	**33,849,813**	**53**	**40**	**19,583,743**	**14,609,979**
Grand Total	**106,958,992**	**112,413,949**	**20,787**	**19,273**	**101,352,103**	**93,174,115**

The table sets out the grants awarded in the year. Grants are awarded subject to conditions to ensure that they are spent for the specified charitable purpose. A grant will be withheld in whole or in part if the conditions are not met. Accordingly, grants are recognised as charitable expenditure where the conditions have been met. This means that in the table above, the Charitable Expenditure figure can vary from grants awarded. If a grant(s) is payable over several years, the award may have been before 2022/23.



CASE STUDY

Mathy, age 33, from Nottinghamshire

Mathy, 33, is a film industry freelancer. She lives with her parents in Nottinghamshire and received a Motability Foundation grant to fund the Advance Payment of her car and driving controls through the Complex Driving Solutions programme.

"My new car is fitted with adaptations that allow me to drive with confidence," she says. "I have congenital myopathy affecting my limbs, kyphoscoliosis affecting my spine and restrictive lung disease. The pedals for the brake and accelerator are slightly raised and, as I can't look over my shoulder, I have steering controls and panoramic mirrors. My work is tech-heavy too, so I have a lot of equipment to take around.

"Being able to drive an adapted car gives me freedom of movement and enables me to live a full life. The grant from the Motability Foundation has been instrumental in me gaining my independence."

"The grant from the Motability Foundation has been instrumental in gaining my independence"

STRATEGIC PILLAR

Build Awareness and Engagement

STRATEGIC PILLAR

Build Awareness and Engagement

The ways in which the Motability Foundation helps disabled people to make journeys have expanded significantly. Our communications work ranges from promoting our grants to sharing research which could help other organisations work towards making transport accessible.

Raising Awareness of our Work

Scheme-related grants:

- Direct Mail to 287,813 people who received the Higher Rate Mobility Component of the Disability Living Allowance
- Direct Mail to 410,104 people who received the Mobility Component of the Personal Independence Payment
- Exhibited at seven UK exhibitions including The Motability Scheme Big Events, the Occupational Therapy Show 2023 and Naidex 2024

Supporting Organisations

We support the organisations we fund to publicise their grants and promote their work. In 2023/24, we supported Transport Research Foundation, Spinal Injuries Association (SIA), Leeds-based organisations OPAL and AVSED, Pembrokeshire Association of Community Transport (PACTO), Spinal Muscular Atrophy UK, Back Up, My Life My Choice and Easilink Community Transport.

Aims for 2023/24

Establish and deliver consistent, impactful experiences and communications to raise awareness and promote understanding of our work to all our audiences by:

1. Evolving what we are known for by successfully embedding the Motability Foundation brand internally and externally. **ACHIEVED**
2. Growing our channels and extending our reach with all audiences by enhancing the digital experience. **ONGOING**
3. Continuing to work closely with Motability Operations to drive awareness, understanding and consideration of the Motability Scheme, including reviewing the Scheme brand to ensure it is fit for purpose in the future. **ONGOING**
4. Improving understanding and support of our work with government, policy makers and political stakeholders by delivering a comprehensive public affairs programme of activity. **ONGOING**



Promoting Our Research and Innovation: Accessible EV Charging

In November 2023, we hosted a panel discussion at the London EV Show on how to make public EV charging accessible. The London EV Show is one of the largest annual EV events, with more than 7,000 delegates and 4,000 companies participating. This was an excellent opportunity to raise awareness of our work on accessible charging, including the PAS 1899 public charging standard and our endorsement of PAS 1899 assessment schemes (see p42).

The panel was hosted by TV presenter and motoring journalist Ginny Buckley and included Catherine Marris, our Head of Innovation and Policy.

Public Affairs

We rolled out a newly established public affairs programme. Activity included briefings with key ministers, shadow ministers and MPs, as well as newsletters and MP constituency car handovers.

IPSOS Mori research showed that in 2023:

- 48 per cent of MPs 'knew a little' about us – an increase from 36 per cent
- The number of MPs who have 'heard of but know nothing' about us has decreased from 20 per cent to eight per cent

Growing Our Channels

Digital channels

Our website and its content were rebranded in August 2023. We now have a fresh look-and-feel, and we have expanded our content across blogs, video and animation. This led to a 31 per cent increase in followers across our social media channels over the financial year. Internal Communications channels also evolved to help build employee engagement through campaigns, supporting plans and forums. We introduced quarterly podcasts and a new system for e-news, achieving an open rate of 89 per cent – well above the industry average of 62 per cent.



LIFESTYLE MAGAZINE AND MOTABILITY LIFESTYLE POD

Lifestyle is produced for Scheme customers and is one of the most-read magazines in the UK, with an estimated 820,000 readers. Last year, we launched the *Motability Lifestyle Pod* – a podcast series hosted by Samantha Renke, broadcaster and disability rights campaigner, and Sophie-Marie Odum, editor of *Lifestyle* magazine. The podcast complements the hard-copy magazine, offering bonus content and reaching a wider audience. It is available as audio and video with captions and a British Sign Language (BSL) signer. The transcript is also available online.

Lifestyle magazine has an estimated 820,000 readers







Brand refresh

We launched a refreshed Motability Foundation brand in August 2023. We updated our vision, brand narrative, photography, and look-and-feel. We changed our operating name to the Motability Foundation to help show the differences between the Motability Foundation, the Motability Scheme and Motability Operations, providing a smoother customer journey between the brands.

Our Internal Communications team managed the internal launch. We delivered organisation-wide training for all employees; offering face-to-face workshops, online e-learning modules and a new digital brand toolkit, accessed through our intranet. 87 per cent of employees said they fully understood the importance of why we re-branded.



Media

During 2023/24, we increased our media activity, publishing 32 proactive news stories with the goal of amplifying the impact of the Motability Foundation's initiatives. These news stories were in a variety of formats, including proactive press releases, collaborations with our grant partners, and announcements highlighting various projects and updates from across the Foundation.

The number of MPs who have 'heard of but know nothing about us' decreased from 20 per cent to eight per cent

Aims for 2024/25

1. Continue to evolve what we are known for by successfully embedding the Motability Foundation brand internally and externally.
2. Improve performance measurement of our new digital platform and user journeys, and continue to clarify our offer and be transparent.
3. Build and evaluate awareness plans for each grant programme and innovation project.
4. Continue to work closely with Motability Operations to drive awareness, understanding and consideration of the Motability Scheme brand to ensure it is accessible, digitally focused and fit for the future.
5. Improve understanding and support of our work with government, policy makers and political stakeholders by delivering comprehensive public affairs activity.



CASE STUDY

Disability Action

Disability Action provides driving lessons to disabled people. The organisation received £1,035,361 funding from the Reducing Barriers to Driving grant programme.

"Before receiving the Motability Foundation grant, we could not offer lessons outside the Belfast area due to the cost of providing lessons further afield," says Mobility Centre Manager Angela Hutchison. "Now, students located two hours away are being supported."

The grant covered two instructors, two vehicles with adaptations, staffing costs and marketing to create awareness over three years.

"This March and April, we completed 246 lessons, which is almost what we completed in one year previously," says Angela. "It's amazing and so beneficial to our pupils."

"Now, students located two hours away are being supported. It's so beneficial to our pupils"

STRATEGIC PILLAR

Innovation



STRATEGIC PILLAR

Innovation

Innovation Priorities Review

Our Innovation Priorities Review engaged disabled people, stakeholders and staff to assess the impact of our innovation over the last three years and to understand what we need to do to make transport more accessible.

The review showed that existing modes of transport still aren't getting the basics right for disabled people. These include:

- Reliable real-time digital travel information
- Sufficient in-person staff assistance during in-the-moment service changes

Disabled people told us they want:

- To have enough information to make informed consumer choices, and to travel independently and safely
- Have accessibility as a 'given' rather than a 'nice to have'

While disabled people are sometimes excited about potential future transport modes and technologies, particularly for journey planning, the impact of new technologies on disabled people is not well understood.

We will respond by being open and approachable with all our innovation projects, involving and co-creating with disabled people, and inviting early collaboration with stakeholders.

Aims for 2023/24

Embedding the outcomes of our Innovation Priorities Review by:

1. Communicating with key stakeholders on how their feedback impacted our decision making. **ACHIEVED**
2. Putting in place a consistent approach to user insight within the innovation function. **ONGOING**
3. Starting a set of new innovation projects and initiatives following the Motability Foundation's first three years of impactful innovation activity. **ONGOING**
4. Continuing flagship initiatives we know are impactful, such as working towards an equitable transition to EVs, improving the evidence base for accessible transport through the establishment of ncat, and grant funding user research in other organisations. **ONGOING**



CASE STUDY

Pedal Power

Pedal Power received an Active Travel grant of £595,000 to support inclusive cycling across Cardiff and the south east of Wales.

"The grant from the Motability Foundation was an absolute lifesaver," says Pedal Power Director Sian Donovan. "As a result, we can invest in more core staff and a computer system, enabling us to be more efficient and support more people."

This includes a new cycling officer, who now leads visually impaired tandem rides. "Members go out every other Saturday," says Sian. "They meet in the café and do 15-mile rides. Some have even signed up to the Tour de Gwent, a 30-mile social ride. Some of these service users weren't coming before. They are going from strength to strength. It was a really difficult time for us, funding-wise, so it was amazing to get the grant."

"It was a really difficult time for us, funding-wise, so it was amazing to get the grant"



User Research Grants

We provided User Research Grants to Charities and Organisations exploring experimental and new ways to make transport more accessible for disabled people. Three organisations we funded published user research last year:

- RNIB: Inclusive Journeys identified the unique challenges people with sight loss experience when making journeys
- The Value of a Wheelchair report was published by The Wheelchair Alliance alongside Frontier Economics and Revealing Reality. The research found that the provision of high-quality wheelchairs can not only have a significant beneficial impact on disabled people's lives, but also lead to financial benefits for the NHS and society as a whole. The report highlighted three policy changes that would make a significant difference to wheelchair provision
- The Public Mental Health and Transport report by Mental Health Foundation explored the accessibility needs of people with mental health problems. The report showed that common issues include anxiety about lack of space, closeness of people, attitudes of staff, journey planning and sensory overload

National Centre for Accessible Transport (ncat)

The National Centre for Accessible Transport (ncat) was founded by the Motability Foundation in 2022. It launched formally in February 2023 and is run by a consortium of organisations led by Coventry University. In 2023/24 ncat:

- Created the Community of Accessible Transport panel, made up of more than 1,000 disabled people with lived experience, as well as people who work in the transport or disability sectors. They will share transport experiences and ideas, learn from others, take part in research and find solutions to make transport more accessible.



Disabled people told us they want accessibility to be a 'given' rather than a 'nice to have'

- Consortium partner Policy Connect set up the Accessible Transport Policy Commission, chaired by Baroness Tanni Grey-Thompson DBE DL. The first of its kind, the Commission holds meetings in Parliament bringing together disabled people, transport professionals, policy makers and parliamentarians. It aims to improve public policies and everyday practice

Transport Scholarships

We extended our scholarships project by awarding grants to three more universities. Funded disabled students will focus on new areas of research, including accessible transport policy and practice, and accessible transport design. The students work on complex transport issues that directly relate to their own lived experiences.

Electric Vehicles (EVs)

We continued to encourage industry to use PAS 1899, the accessible charging standard for EV charge points that we co-sponsored. We wanted to provide a way for providers to check if their charge points meet the standard, so we created an "endorsement" for the best PAS 1899 assessment schemes. AccessAble and BSI Assurance UK received our endorsement in 2023. Results from their assessments will be made available online so that disabled people can make informed decisions about where to charge their EVs.

We also commissioned the Energy Saving Trust to carry out research on the barriers to accessible EV design. Based on the recommendations, we developed a joint project with Motability Operations to make EVs more accessible for disabled people, including Scheme customers. The Motability Foundation is focusing on influencing government on issues such as making sure there are enough incentives for supplying electric WAVs. We have also grant funded the design charity Designability to explore new design ideas that could make EVs more accessible for disabled people.



New Priority Areas

Following the Innovation Priorities Review, we will be broadening our research and innovation approach to cover a wide range of transport modes and disabilities. Our two new priority areas up to 2026 are:

- Finding solutions to improve existing transport in areas of greatest innovation opportunity
- Ensuring accessibility is a key part of future transport modes and technology

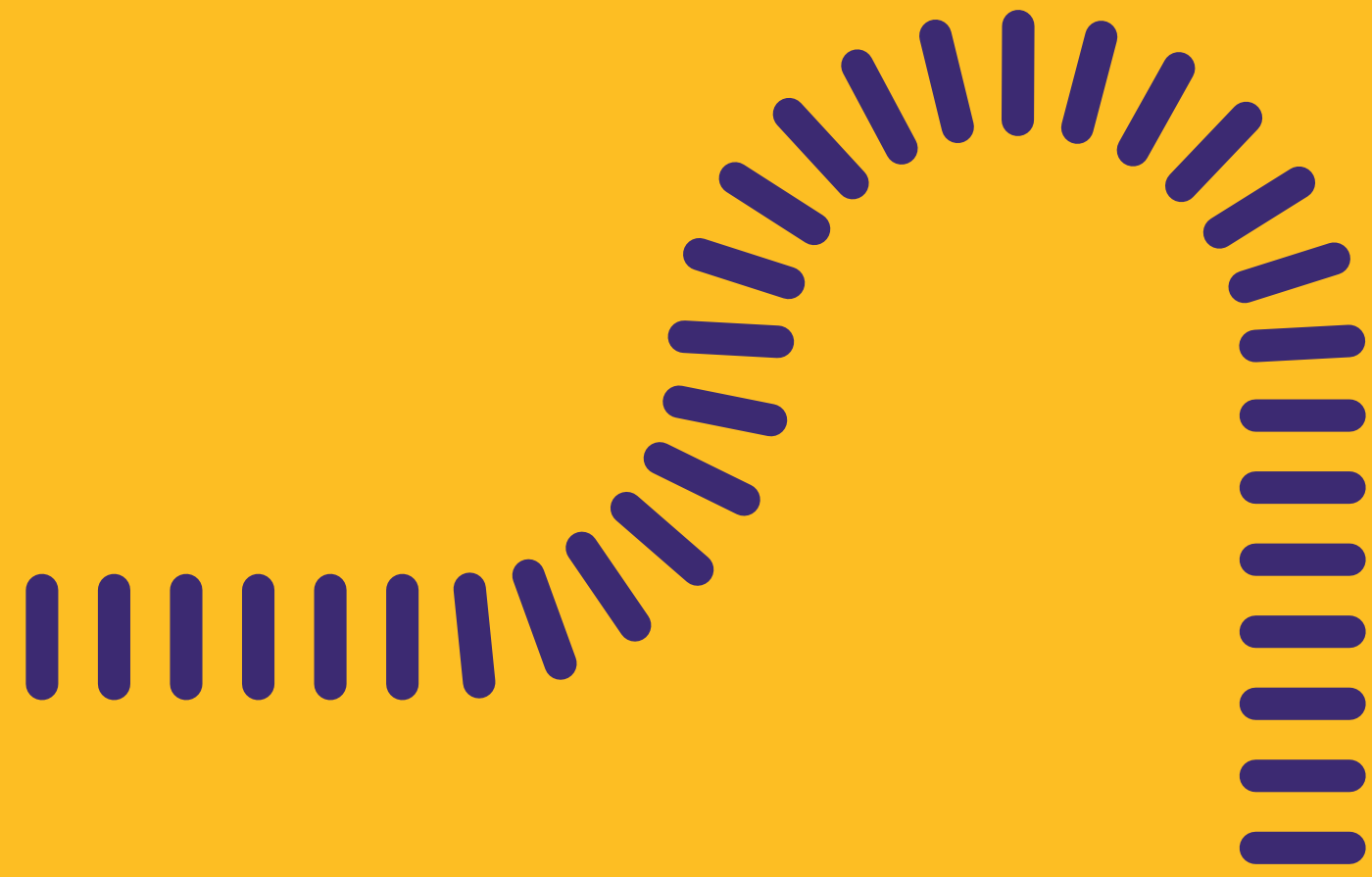
We also learned that disabled people want to know more about our work. We will ensure everyone has the opportunity to get involved earlier in our innovation process so that we can co-create a truly inclusive and accessible transport system.

Aims for 2024/25

1. Continue to grow our innovation grant-making.
2. Explore new approaches for impact, such as innovation partnerships.
3. Identify opportunities for inclusive innovation in the future of transport in areas such as micro-mobility and autonomous vehicles.
4. Apply what we have learned about user insight and involve disabled people consistently in our innovation projects.
5. Use our learning from research and innovation to inform and influence key policy questions.

STRATEGIC PILLAR

Disability Charity



STRATEGIC PILLAR

Disability Charity

Our People

Over the last three years, we have transformed our approach to our people and culture. In December 2023, we were delighted to be awarded Platinum status by Investors in People, the highest level of accreditation. This significant achievement recognised our ongoing commitment to, and investment in, our workforce.

Employee Survey 2023

In April 2023, we carried out an Employee Survey which gave employees an opportunity to express their views and identify areas for improvement. The previous one took place in August 2021, and the identified areas for improvement have been taken forward.

The 2023 survey achieved a 91 per cent participation rate. The results were positive and supported the view that the action plans were making a positive difference. 92.5 per cent of the survey results were better than, or equal to, the previous survey.

After the results were shared and consultations had taken place, a new organisational plan was formed alongside department plans to ensure a progressive approach.

Talent Management

The Motability Foundation employed 261 FTE members of staff as of the end of March 2024; an increase of six per cent on March 2023. In a busy year, the Talent Management team

Aims for 2023/24

1. Agree and implement organisation and department action plans as a result of the most recent Employee Survey. **ACHIEVED**
2. Ensure we continue building development opportunities for our people. **ONGOING**
3. Continue to focus on talent acquisition, diversity and inclusion. **ONGOING**
4. Implementation of the Estate Plan. **ACHIEVED**
5. Continue to progress the estate, environmental and sustainability initiatives. **ONGOING**
6. Continue to refine and implement the Information Technology Plan. **ACHIEVED**
7. Overhaul our financial system applications. **ONGOING**
8. Conduct a strategic review of Motability Enterprises Ltd. **ACHIEVED**
9. Deepen our engagement with Motability Endowment Trust fund managers, particularly upon Environmental, Social and Governance matters. **ONGOING**

Employee Value Proposition

We work hard to provide a rounded Employee Value Proposition, finding different ways to create a positive working experience, give employees a voice and hear their feedback. Initiatives include:

- **Wellbeing Champions** keeps a constant focus on mental health and wellbeing
- **Social Squad** offers social events; from barbecues to Christmas parties
- **Diversity and Inclusion Forum** discusses and plans different ways we can celebrate diversity
- **People Forum** focuses on the welfare of staff and consults on projects which affect people, policies and processes
- **Spotlight Awards** provides a regular opportunity for the whole organisation to nominate individuals and celebrate their achievements
- **Benefits** include two health insurance options, wellbeing days, enhanced shared parental leave and enhanced sick pay. These were enhanced following a consultation with employees in 2023

We work hard to provide a rounded **Employee Value Proposition**, finding different ways to create a **positive working experience**



filled 94 roles in 2023/24. More than 90 per cent of these roles were filled without agency involvement. There were also 38 internal career progressions and we experienced a positive voluntary attrition rate of 11.5 per cent, meaning we are managing to retain the bulk of our staff.

The remuneration of our employees is reviewed as part of an annual cycle. The process involves an analysis and external comparison of all roles against the market median rate, ensuring our salaries remain relatively competitive.

Diversity and Inclusion

The Diversity and Inclusion Forum continues to raise awareness and knowledge through internal initiatives in celebration of a wide range of cultural and religious events.

We continued to work with the Business Disability Forum to promote disability awareness, and in March 2024 we were delighted to achieve the Disability Confident Leader accreditation, which is the highest level achievable and reinforces our commitment to inclusion and diversity in the workplace.

We also worked with Harlow College to provide work placements for students with supported learning needs, and this year have placed 10 students who have benefitted from workplace experience and coaching.

Our annual development programme ensures development opportunities are available to all. Linked to our performance management process, all employees now hold an individual development plan to support their career progression and career aspirations.

Pay Gaps

We monitor and analyse the pay gaps for gender, ethnicity and disability. There is no difference in hourly pay on a job level basis between male and female employees. In other words, for generic roles such as Case Manager or Grants Enquiries Adviser, there are no salary differences between genders.

The April 2023 mean gender pay gap increased slightly by 1.2 per cent to 23.9 per cent from our last reported figure. The Senior Management Team remains committed to fair pay irrespective of gender, disability or ethnicity.

We continue to be proactive in this area as we build on actions and initiatives aimed at reducing the gap.

The disability pay gap reduced by 2.4 per cent from the last reported figure. This is now 11.3 per cent in comparison to 13.7 per cent in November 2022. The ethnicity gap increased but remains positive at a figure of 1.6 per cent.

Estates Plan

We purchased our existing offices, Warwick House in Harlow, during the year following a review of the alternatives. The purchase secures our existing and future investment in Warwick House and provides an opportunity, as the landlord, to have more control of the building.

Environment

The Motability Foundation understands that we must take action to decrease our environmental impact and support the protection of the environment.

Our new Environmental Sustainability Action Plan (ESAP) sets out our approach to becoming a more environmentally sustainable organisation over the next three years and is a strong foundation for future action. The Motability Foundation identifies the main contributors to our carbon emissions within the ESAP (the plan can be viewed on the Motability Foundation website) and the steps we will take to address these.

The Motability Foundation holds up-to-date risk and opportunity registers in respect of environmental management. A report was commissioned before the acquisition of Warwick House which determined our flood risk as low.

Streamlined Energy and Carbon Reporting Statement (SECR)

Annual greenhouse gas emissions from 01/04/2023 to 31/03/2024

The acquisition of Warwick House during the year has provided a new baseline for our carbon emissions. In 2023, we reported our occupied area, and in 2024 we additionally report all emissions associated with the estate and expanded our Scope Three reporting to include homeworking, waste, water, refrigerants and hotel nights.

Performance in the Year on a Comparable Basis

Had we still been a tenant, the following SECR figures would have been reported.

PERFORMANCE IN THE YEAR ON A COMPARABLE BASIS			
TOTAL tCO2e BY SCOPE AND GHG PROTOCOL CATEGORY	**YE 31/03/23 (tCO2e)**	**YE 31/03/24 (tCO2e)**	**Annual Change +/-%**
Scope 1 (Total)	**160.84**	**169.57**	**+5%**
C0.1 Site Energy (Gas)	71.93	80.03	+11%
C0.2 Controlled Vehicles and Plant	88.91	89.54	+1%
Scope 2 (Electricity) **Location-based**	**24.58**	**28.20**	+15%
Scope 3 (Total)	**6.60**	**6.80**	**+3%**
C3 Fuel and Energy-related activities	6.60	2.46	-6.3%
All Scopes tCo2e (Gross)	192.01	204.57	**+7%**

INTENSITY RATIOS			
GROSS tCO2e/RELATIVE UNIT	**YE 31/03/23 (tCO2e)**	**YE 31/03/24 (tCO2e)**	**Annual Change +/-%**
Intensity Ratio 1 tCO2e **/ FTE**	**0.821**	**0.772**	**+6%**
Intensity Ratio 2 tCO2e **/ Sq. Ft**	**0.007**	**0.005**	**-29%**
Intensity Ratio 3 tCO2e **/ Grant Spending**	**0.002**	**0.002**	**-0%**

Scope One and Two emissions have increased due to a 10 per cent increase in staff, although overall intensity ratios have reduced.

Revised 2024 Baseline for Future Years

In line with section five action two of the "HM Government environmental reporting guidelines: Including streamlined energy and carbon reporting figures" (www.gov.uk) the Motability Foundation has chosen to set a new baseline for future years, which is set out below.

The acquisition of our office building in June 2023 has resulted in a larger scope for reporting, covering the whole building's environmental impact under Scope One and Two which increases our environmental footprint. As a result, we report a revised baseline to ensure meaningful and consistent comparison of data and intensity ratios in future years' reports. We have also improved our SECR disclosures by extending Scope Three reporting. Within Scope Three, home working and business travel are solely related to the Motability Foundation. Reported numbers across each Scope are expected to rise again next year due to owning Warwick House for a full year and our continued improvements in reporting systems.

Methodology

Our emissions calculation is based on financial control in accordance with the principles of ISO 14064 and the WRI/WBCSD GHG Reporting Protocols (revised edition). The software tool CEn-Calc has been utilised in the calculation of the emissions, utilising conversion factors for the specific period reported as issued by the UK Government with the inclusion of well to wheel upstream factors, and other standard industry assumptions. Out of scope/ biogenic conversions are excluded.

For clarity, 'Gross tCO2e' has been developed using then National Grid standard carbon emission factor. Net tCO2e has not been included as we do not currently use REGO/RGGO certificated energy. It should be noted that the National Grid's electricity mix has changed, affecting the conversion factors used. The GOV.UK Greenhouse reporting conversion factors for 2023 (used for the 2024 calculation) show that the UK Electricity CO2e factor has increased by seven per cent (compared to the 2022 factors – used for the 2023 calculation) due to an increase in natural gas use in electricity generation and a decrease in renewable generation.

Materiality: +/- four per cent returns a 'High'

TOTAL tCO2e BY SCOPE AND GHG PROTOCOL CATEGORY		YE 31/03/24 (tCO2e)
Scope 1 (Total)		**331.11**
C0.1 Site Energy (Gas)		80.03
C0.2 Controlled Vehicles and Plant		89.54
C0.3 Refrigerators		163.54
C0.4 Other		-
Scope 2 (Electricity)	**Location-based**	**28.20**
	Market-based	**-**
Scope 3 (Total)		**325.96**
C1.1 Water Supplied		0.27
C3 Fuel and Energy-related activities		59.49
C5 Waste Generated in Operations (Inc waste water)		63.46
C6 Business Travel		6.73
C7.2 Homeworking		114.37
C13 Downstream leased assets		81.64
All Scopes tCo2e (Gross)		687.27

CASE STUDY

Enable, Scotland

Enable received a £991,557 Travel Confidence grant to provide travel skills training to regional youth groups.

"We identified a whole section of 8-to-18 year olds missing out on social activities," says Enable Programme Manager, Lauren Redmond. "It was sometimes down to mental health, sometimes because their needs or disabilities were too complex for clubs like Scouts or gymnastics to manage, or sometimes because they simply couldn't make the journeys."

To bridge the gap, Enable created inclusive spaces for young people to socialise while broadening their awareness of how to travel.

"The grant is helping someone in almost every corner of the country," says Lauren.





level of confidence with the financial control basis used for the data collection, scope and boundary.

Intensity Ratio
We have selected the following intensity ratios as these most effectively reflect our emissions performance, and enable development of our emissions management strategy and strategic decisions to be made.

GROSS tCO2e/RELATIVE UNIT	
	YE 31/03/24 (tCO2e)
Intensity Ratio 1 tCO2e **/ FTE**	**2.593**
Intensity Ratio 2 tCO2e **/ Sq. Ft**	**0.011**
Intensity Ratio 3 tCO2e **/ Grant Spending**	**0.007**

The Motability Foundation will continue to seek to reduce our energy intensity on a like-for-like basis where practical.

Justifications for Undisclosed Information, Estimation and Comparability of Information
- No comparison has been shown for the full data as a new baseline has been set within this report
- The Scope Three categories have expanded this year to include homeworking, water, waste, refrigerants, hotel nights, rented space and well-to-tank emissions, which can account for the overall increase in year-on-year emissions
- A number of Scope Three categories, such as commute to work, have been excluded due to lack of information or complexity
- Natural gas consumption for tenants has been calculated based on the percentage of the building's floor area occupied by each organisation within Warwick House: 53 per cent for the Motability Foundation and 47 per cent for tenants

Measures Taken to Improve Energy Efficiency
The Motability Foundation has taken the following principle energy efficiency actions:
- Replacement of the diesel pool car with an electric vehicle
- Created an Environmental Sustainability Action Plan (ESAP) for the next three years to support transition to carbon neutrality
- Continued progress on ISO140001 accreditation to allow efficient and evidenced monitoring and improvement of environmental performance

Environmental Targets
The Motability Foundation has set a number of targets within our ESAP (more information available on our website) for the next financial year. The following are key focus areas:
- Review and plan for energy saving opportunities, including our heating and cooling systems
- Review the options for generating or purchasing renewable energy
- Purchase of a fully electric minibus to support increased staff and visitor use of public transport
- Offer an Environmental Sustainability

In December 2023, we were delighted to be awarded Platinum status by Investors in People, the highest level of accreditation. This significant achievement recognised our ongoing commitment to, and investment in, our workforce.



Apprenticeship Programme
- Achieve and maintain ISO 14001 accreditation, working towards ISO 50001
- Develop and implement a three-year carbon reduction management plan
- Review all waste streams looking for ways to reduce waste to landfill

The Motability Foundation has a long-term ambition to become a carbon neutral organisation in line with the UK Government's Net Zero Strategy when possible.

Motability Enterprises Limited (MEL)

Strategic Review

The ARC requested a strategic review of MEL in 2023. Following the review, ARC agreed to retain MEL as the Foundation's trading subsidiary, and as a delivery vehicle for *Lifestyle* magazine. Affinity products offered by MEL will continue where they have a clear link to the Motability Foundation's charitable object.

Finance Process Review

We have mapped, and are working to streamline, all finance processes to enable us to embed best practice in our existing software. This is the first step in enabling us to upgrade core finance and related software in line with the overall IT strategy.

Control and Assurance

Change Management

Some 36 projects driving strategic or operational change were subject to a formal change management process, providing assurance to Governors that budgetary controls were in place throughout and operational controls were implemented.

Control and Assurance

We continue to develop a comprehensive system of governance, risk, regulation, assurance and internal controls, overseen by the Audit and Risk Committee (ARC).

Reporting to the Board this committee:
- Reviews the Motability Foundation's budget, business plan and forecasts



- Reviews financial performance
- Oversees the annual audit. This was the fourth audited by BDO, and ARC reviewed BDO's independence, fees, proposed approach and materiality
- Oversees the Internal Audit plan and receives results of audits completed, ensuring independence, timely completion of actions arising and alignment with the risk management system
- Ensures that the risk register is complete, accurately assessed and reported, and appropriate to the agreed appetite. It also recommends changes to risk management strategy to the Board
- Ensures a full suite of policies is reviewed annually to ensure they remain up to date and meet the expectations of our regulators, including: Data Protection, Complaints, Vulnerable Customers, Risk Management, Health and Safety, Investment, Whistle Blowing, Financial Crime and Conflicts of Interest policies
- Oversees IT Security strategy and risks, and ensures effective controls are in place to mitigate cyber risk
- Reviews compliance arrangements including regulatory and legislative change and any breaches or serious incidents (there were none in the year)
- Reviews the Investment Risk Register, Treasury and Reserves Policies, and oversees investment manager and custodian regulatory compliance and related arrangements. The Investment Committee oversees investment policy and performance
- Asks representatives from the Motability Foundation to attend Motability Operations' Audit Committee meetings and provide an update
- Asks the Board to review its Terms of Reference annually



Developing our Future Strategy (2025-30)

Our organisational strategy is reviewed every five years, setting out how we will support disabled people to make journeys through the Motability Scheme and establishing our wider work. We have begun developing our strategy, carrying out extensive consultation with our stakeholders and more than 1,000 disabled people.

Risk Management

Our risk management framework is reviewed quarterly and scrutinised by senior management to confirm that risks to the successful delivery of our objectives have been accurately assessed and appropriate mitigation is in place and tracked. ARC monitors the resulting risk profile and reports its findings to the Board of Governors.

The Board reviews the Charity's risk summary, approves changes to risk management strategy and regularly reviews its risk appetite and tolerances. The Charity has a generally low-risk appetite so as to deliver public benefit reliably to its vulnerable beneficiaries. For innovation, the risk appetite is moderate given the opportunities for future increased public benefit that successful innovation may provide

We strive to develop our risk culture and scan regularly for horizon risks. A summary of the key risks and their mitigations is on p54-55. Further information on financial risks is given on p60-62.

Aims for 2024/25

1. To conclude the Strategy Review.
2. To implement the foundations of a new technology operating model covering capabilities, controls and an upgrade path for critical systems.
3. To continue growing the Motability Foundation as a great place to work including talent development, diversity and inclusion, employee value proposition and environmental sustainability.
4. To review and update governance and risk management, including ongoing programme of internal and operational audit activities.

Principal Risks and Mitigations

RISKS	FACTORS	MITIGATION
Strategic Risk Our strategy is ambitious, yet we do not maximise the impact of our resources on the mobility of disabled people.	We do not keep up with, and understand, the changing requirements of disabled people. Our programmes fail to meet the needs and expectations of disabled people.	Research and innovation projects have been established to identify and consider other growth routes. Our Grants to Charities and Organisations programme has been developed and continues to evolve. We regularly review and evaluate programmes to ensure they meet beneficiary needs, including consideration of behaviour due to the economy and the transition to EVs.
External Influences Risk We do not maintain the confidence of stakeholders and engaged parties because we fail to articulate and demonstrate the difference that the Motability Scheme (the Scheme) and our wider work as a charity makes for disabled people.	The UK and Scottish Governments are unable to work with us to redirect the mobility component of qualifying disability benefits. Awareness of our grant programmes occurs outside of our control resulting in demand for our grants that we are unable to meet. We are not seen to be delivering benefits and good service to beneficiaries. Communications from the Motability Foundation and Motability Operations do not reach all disabled people to make them aware of, and understand, the Scheme and charitable grants.	The Motability Foundation is accredited by the Scottish Government. Scotland Act 2016, Social Security (Scotland) Act 2018 Order frame the relationship on social security. A contract is in place with the Scottish Government. Media monitoring, PR and Communications campaigns are in place and evolving. Impact and Evaluation Team established to understand and measure the ways in which we make a difference to mobility and quality of life, and to support learning across the organisation. Motability has rebranded as the Motability Foundation and the Scheme rebranded as Motability Scheme. These changes provide clarity, mitigate the risk of confusion, and are fresh and digitally focused.
Environment Risk We do not keep in step with the UK position on the environment.	Motability Operations and Motability transport solutions should seek to be aligned to government carbon emission targets, with the Motability Foundation cognisant of its charitable object.	Develop and consistently review our Environment Agenda in concert with Motability Operations.
Compliance Risk Compliance with the Charity Commission requirements and ever increasing ethical, legal and regulatory obligations, for example General Data Protection Regulations (GDPR).	Fines and penalties resulting from non-compliance could lead to restrictions in our ability to fulfil our charitable objectives.	A robust compliance programme is in place which is reviewed quarterly by management and Governors. Internal audit, data protection, regulatory compliance and legal counsel capabilities have been established. Data Protection and Data Security are the foundations for considering and developing new working practices and projects. All staff are required to regularly complete training on regulatory matters.

RISKS	FACTORS	MITIGATION
Operational Risk We are unable, in the current climate (transition to EVs and supply chain disruption), to deliver our grant services to Scheme customers. The Motability Foundation's data or systems suffer a malicious attack or other disruption to business continuity.	The adaptation and convertor industry cannot cope with the volume of demand amidst supply chain disruption and the transition to electric. Beneficiaries express concerns over grant-making. Loss of data or service availability due to cyber attack.	Collaborate across the industry to understand demands and manage solutions where possible. Regularly review beneficiary feedback and update operational and communications plans as appropriate. A robust control environment, including an Information Security framework, seeks continuous improvement to meet evolving risk. Business continuity plans regularly reviewed to ensure operational resilience.
Reputational Risk The Charity and the Scheme do not evolve and we are not seen to be using the resources and expertise at our disposal with the intent to deliver our vision.	New grant programmes are not reviewed and considered. The strategy evolves but communication of the change is misunderstood. The Scheme fails to run effectively and efficiently. Our oversight of the Scheme is brought into question.	Continue to undertake research and use this information to identify, assess and review new grant programmes Effective communications plans delivering consistent messages to all stakeholders and communicating the wider market context. Focused oversight of the Motability Scheme, run by Motability Operations, with regular reviews of the effectiveness of Scheme Oversight arrangements. Close working with Motability Operations on new products and services.
Financial Risk Our investment strategy and any future donations from Motability Operations does not deliver sufficient income to support and sustain our current and future ambitions.	Future donations from Motability Operations are volatile and unknown. Motability Foundation Endowments fail to deliver the required level of investments return. High inflation increases grant demand and operating costs whilst reducing our financial resources in real terms. We do not manage short-term liquidity requirements effectively.	With Motability Operations, monitor the financial impact of higher inflation, supply chain disruption and vehicle carbon emission targets on Motability Operations and on the Motability Foundation's grant demands. Adjust spending plans as necessary. Regular review of fund managers' performance against the long-term CPI+4% return target. Review available investments for general and restricted funds to try to secure a better risk-adjusted return. Seek operating efficiencies whilst also increasing charitable spending to get better value for money in the short term. Continue to monitor cash flow positions and forecasts of grant spending.



"Having a vehicle with wheelchair access has boosted my independence. I can attend doctors, dental and hospital appointments without my wife having to assist by getting me or my wheelchair in and out of the vehicle"

Moosa, 64, from Gloucester



Financial Review and Results



Motability Foundation
Consolidated Accounts for year ended 31 March 2024

The Motability Foundation's charitable expenditure reached a new record high. In addition to the more than 20,000 individuals helped by a direct grant, Motability Foundation Grants to Organisations are expected to support a further 220,000 to make the journeys they choose – the largest number ever. This growth was supported by a donation from Motability Operations to the Motability Foundation's Endowment to help secure the long-term financial support that disabled people need; in turn supporting a £50m further allocation for future grants to organisations out to 2028.

Record Charitable Expenditure

Charitable expenditure rose again, by £11m or 10 per cent, to a record £124m (2022/23: £113m). This compares to the previous year's stated plans to spend ca. £130m in 2023/24. This brings expenditure in the three-year period 2022/23-2024/25 to £237m versus the Governors' aim to spend a record £350m in that time.

Grants rose by £8m, or 9 per cent, to £101m (2022/23: £93.2m) as Innovation grants grew, the Grants to Organisations programmes matured and there was exceptional demand for Driving Lesson grants. Together, these grants lifted the number of people supported to more than 221,000 as outlined on p21, in addition to the 750,000 Scheme customers. All other charitable expenditure rose to £22.4m (2022/23: £20.1m). Within this is spending on innovation which, when added to Innovation grants, saw Innovation charitable spending rise by 50 per cent, and spending on Building Awareness and Engagement rose by 30 per cent. Within other charitable expenditure, support costs grew to £10m (2022/23: £9.1m) to support growth.

Growing Investment Income and Donation to the Endowment

Consolidated income has two main components. The recurring component is income earned by the Motability Foundation's investments (which fund short-term spending) and by the Motability Foundation's Endowment (the Motability Endowment Trust or MET, which underpins long-term support for our beneficiaries). Higher interest rates for the full year, combined with the steady maturing of, and increase in, MET's investments, again lifted investment income, to £59.4m (2022/23: £39.4m).

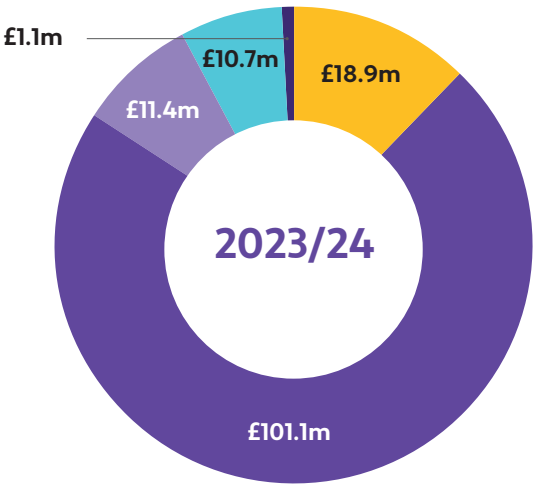
The second main component is donations from Motability Operations. In the medium term this is the largest source of funding. In the near term, a donation is dependent on Motability Operation's financial performance and capital requirements. The Motability Foundation's activities have grown substantially as has the Motability Scheme, so this year Motability Operations donated £250m to MET (2022/23: £200m to the Motability Foundation's general funds) to help the Endowment keep pace with the growth in Scheme customers' future grant demand and wider external need. This donation has also contributed to the increase in investment income noted above.

Deficit on the General Fund, Surplus on Total Funds

On the general fund, investments delivered income and gains net of investment management costs of £39.6m. After charitable expenditure of £124m (£113m 2022/23), this resulted in a deficit of £84.4m against the 2022/23 surplus of £95.5m. General funds therefore closed at £430m (2022/23: £514m) or about three years' expected general funds expenditure, in line with the reserves policy expectation of two to three years.

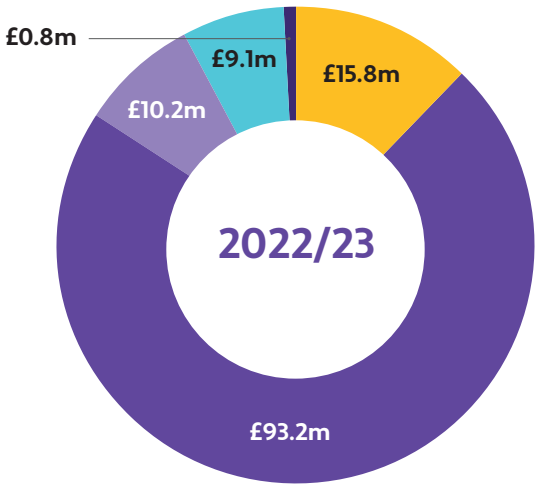
The restricted fund supports beneficiaries who don't qualify for certain benefits when transferred from Disability Living Allowance

Analysis of Total Expenditure



2023/24 (£143m)

Cost of Raising Funds	£18.9m
Direct Grants	£101.1m
Direct Charitable Activity	£11.4m
Allocated Support Costs	£10.7m
Governance Costs	£1.1m
Charitable Spend	87%
Cost of Raising Funds	13%



2022/23 (£129m)

Cost of Raising Funds	£15.8m
Direct Grants	£93.2m
Direct Charitable Activity	£10.2m
Allocated Support Costs	£9.1m
Governance Costs	£0.8m
Charitable Spend	88%
Cost of Raising Funds	12%

to Personal Independence Payment. Grant expenditure, after a part release of the provision, was a credit of £0.1m (2022/23 expenditure: £0.2m) as re-assessment activity remained subdued at the Department for Work and Pensions. A full year of higher interest rates lifted net investment income and gains to £2.3m (2022/23: £1.5m). As a result, there was a surplus on the restricted fund of £2.3m (2022/23: £1.3m) and the closing restricted fund balance was £46.1m (2022/23: £43.7m).

MET received the £250m donation from Motability Operations and invested these monies, initially into credit funds and then gradually into real assets. Higher interest rates, along with the steady maturing of the portfolio, led to increased Endowment income of £27.4m (2022/23: £19.7m). Investment management costs grew to £16m (2022/23: £12.1m), so net investment income once again advanced, to £11.4m (2022/23: £7.6m). Markets recovered in the last quarter of the year, resulting in net gains of £218m (2022/23: net losses of £18.2m). Together, the receipt of the donation and investment returns meant that the Endowment fund ended the year up by £480m (2022/23: down by £10.6m) with a closing balance on the Endowment fund of £1,704m (2022/23: £1,224m). Further detail about the Endowment can be found on p58.

The increase in the Endowment and restricted funds was greater than the fall in general funds, and resulted in total funds available to support beneficiaries rising to £2,180m (2022/23: £1,782m). The Governors welcome this rebalancing towards longer-term funds, conscious that disability is a long-term issue affecting growing numbers of people.

Summary

The Motability Foundation has responded to record grant demand amidst a cost-of-living crisis and a global supply shortage of vehicles with record charitable expenditure, helping more people than ever before through our grant programmes. Whilst activity on the restricted

fund remained subdued, Motability Endowment Trust further matured its investment portfolio and put new funds to work. The Motability Foundation has now passed the mid-point in delivering its largest ever three-year spend total and will adapt its spending plans to the resources expected to be available in the years ahead.

Financial Risks

The principal financial risks that the Motability Foundation faces derive from the Endowment portfolio (equity securities, debt instruments, property, infrastructure, other private investments, money market funds and cash) and the Motability Foundation's general and restricted fund balances (debt instruments, money market funds and cash). These risks are inflation risk, market risk, credit risk and liquidity risk. In addition, there are limited fundraising risks. These risks are set out below, along with the measures taken to manage them.

INFLATION RISK: the risk that the cost of achieving the Motability Foundation's charitable goals rises faster than the value of the Motability Foundation's and MET's investments, undermining the ability to support grant-making. MET manages this risk through a diversified portfolio of long-term asset investments that should earn returns expected to keep up with, or exceed, the rate of inflation in the wider economy in the long term. The Motability Foundation manages this risk through diversifying its investments intended to meet charitable spending requirements more than two years away into asset classes capable of producing a return near the Bank of England's medium-term inflation target of 2 per cent p.a.. Whilst the Motability Foundation seeks opportunities to improve low returns on secure investments in an environment of higher-than-target inflation, the Motability Foundation accepts the risk of some loss of real spending power for these funds. This ensures that these funds will maintain their nominal value with a high degree of confidence, thus meeting the Motability Foundation's commitments to beneficiaries. The Motability Foundation is also delivering record charitable expenditure in order to reduce the loss of real spending power in the short term.

MARKET RISK: the risk that the prices of investments could fall or become more volatile. The Motability Foundation and MET manage this risk through a diversified asset allocation strategy of appropriate investments and through regular monitoring of market conditions and investment performance. For equities, MET holds diversified portfolios, appointing both passive and active managers, and through appointing active managers with differing investment styles. The Investment Committee regularly considers manager concentration risk, periodically reviewing any investment manager holding more than 20 per cent of the portfolio's assets or for whom the Motability Foundation and MET represent more than 10 per cent of the strategy managed by any one fund manager. As a long-term investor, MET accepts market volatility for long-term asset classes, particularly equities. For bonds and other debt instruments, risk is mitigated through diversification, focusing on higher-rated investment grade holdings, typically A or AA rated. Interest rate risk is mitigated through holding a diverse range of short maturities with a willingness to hold to maturity and by investing in floating rate instruments. In terms of foreign exchange risk, spending requirements for the next year are held solely in sterling, and other investments for general and restricted funds are hedged back into sterling. MET, through its investment managers, partially hedges its foreign exchange positions into sterling to mitigate currency risk. The residual foreign exchange risk is accepted by MET and is kept under regular review.

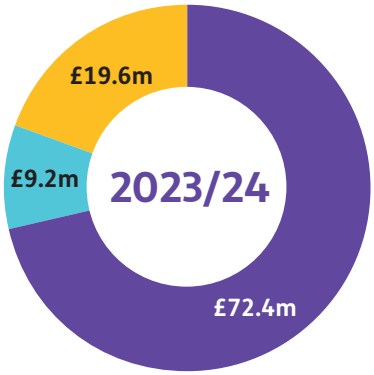
CREDIT RISK: the risk that a counterparty will default on its obligations. For all asset classes, the Motability Foundation and MET mitigate this risk by diversifying their holdings and by using custodians. For bond and money market funds, the Motability Foundation monitors market conditions, duration and credit quality regularly with investment managers. No one bank or bond exposure normally constitutes more than 10 per cent of cash and debt investments.

LIQUIDITY RISK: the risk that an asset cannot be sold for the expected fair price or due to the absence of willing buyers in the market (a market liquidity squeeze); that obligations

Charitable Expenditure by Grant Programme

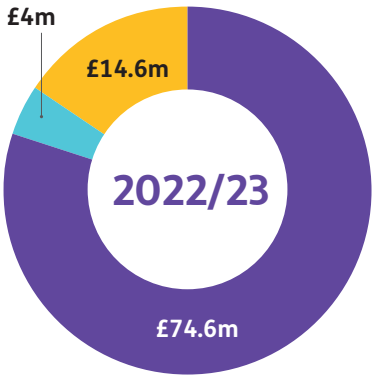
2023/24 (£101.2m)

Scheme-Related Grants	£72.4m
Access to Mobility	£9.2m
Organisations	£19.6m
Total per table on p30	£101.2m



2022/23 (£93.2m)

Scheme-Related Grants	£74.6m
Access to Mobility	£4m
Organisations	£14.6m
Total per table on p30	£93.2m



cannot be met because cash is not available (e.g. from a bank or money market fund) due to financial stress and/or a market liquidity squeeze; or because the Motability Foundation and MET have not managed their cash positions appropriately. The Motability Foundation and MET mitigate liquidity risk through diversified asset allocation strategies, a variety of asset managers, regular dialogue with its investment managers to understand potential risks, holding cash balances within the ring-fenced entities of UK regulated banks, and regular cash flow forecasting exercises.

INCOME RISK: the risk that income may fall below expectations because donations from Motability Operations may be lower or later than modelled or because investment returns are lower than expected. The Motability Foundation has an erratic primary source of income: donations of surplus capital from Motability Operations. For this reason, the Motability Foundation's general fund reserve policy is to normally hold two to three years' spending in general fund reserves, acknowledging that the level might be above three years or below one year from time to time. The Motability Foundation receives professional advice on the returns to be expected from investments.

The Motability Foundation regularly models its spending against its current and potential future resource levels in 10-year scenarios every six months. The Endowment fund means that the Motability Foundation can raise its sustainable level of spending over the modelled periods providing some, but not full, assurance that support will be available to beneficiaries in the future. It is inherent to the income uncertainty faced by the Motability Foundation that charitable spending will rise and fall over time. The Motability Foundation will curtail as necessary existing and planned programmes of spending to ensure financial sustainability.

FUNDRAISING RISKS: charity fundraising is a regulated activity. The Motability Foundation does not solicit donations. We gratefully receive a small volume of spontaneous donations each year, shown as

voluntary fundraising income. Other Trading Activities income arises from sale of advertising space in *Lifestyle* magazine and from our affinity partnerships that are reviewed regularly to ensure that the products meet disabled people's needs at a fair cost and that we comply with Financial Conduct Authority rules where appropriate.

The Motability Foundation acts as a conduit body to channel grants to Armed Forces' veterans funded by Veterans UK, and those monies are dealt with in Note 21 to reflect that relationship. The risks to future donations from Motability Operations are discussed below in the Outlook – Overview section.

Reserves Policy and Position

The Motability Foundation holds monies in reserve (the reserves) to meet the operating needs of its activities, to exploit opportunities for beneficiaries and to cushion the Motability Foundation's beneficiaries against financial risks. The reserves policy sets out the rationale for the amount of reserves held in each category of fund. The category of fund that monies fall into is determined by the donor except for designated general funds where the purpose is determined by the Board of Governors as a reserved matter.

General Fund Reserve Policy

Unlike most charities, the Motability Foundation has a particularly significant and unpredictable primary income source – donations from Motability Operations from its surplus capital. For this reason, the Motability Foundation will normally hold between two and three years' spending to cover the risks (and opportunities) of volatility in income and expenditure.

Given the unpredictable timing and scale of Motability Operations' donations, general fund reserves may be more than three years' spending or less than one year's spending from time to time. The Motability Foundation models its financial outlook every six months in five-to-10-year scenarios which, as part of that exercise, updates the Motability Foundation's expectations of the general fund reserves position across time.

At 31 March 2024, the general fund reserve stood at £430m (2022/23: £514m). General Fund Charitable Expenditure is expected to rise to ca. £130m-140m. This means that the general fund reserve represents 3.1 years' prospective charitable expenditure (2022/23: 3.9 years), underpinning the Motability Foundation's goal of delivering record charitable spending at a time of high demand from beneficiaries.

Free reserves, i.e. general funds excluding intangible and tangible fixed assets and designated funds, expressed as years prospective charitable spending, fell. Free reserves stand at £389m (2022/23: £468m) or 2.8 years' prospective spend as compared to 3.6 years' last year.

Future spending plans are likely to see free reserves fall further, potentially below two years' charitable expenditure.

Designated Fund Reserve Policy

Designated funds are part of general funds and nominated for a specific purpose by the Board of Governors. The designation(s) can be removed if financial circumstances necessitate this, so normally designated funds are not distinguished within general funds for the purposes of this policy.

Within general funds as at 31 March 2024, the Board of Governors had designated a reserve for Grants to Charities and Organisations to be awarded over three years and the balance stood at £32.8m (2022/23: £43.9m).

Restricted Fund Reserve Policy

Restricted funds are subject to constructive trusts in law which means they may only be used for the purpose nominated by the donor. A restricted fund will have a relevant time period, which may be up to a decade or more. At present, the only restricted fund is the Personal Independence Payments Transitional Support Programme which funds support to individuals who lose certain mobility benefits when assessed for eligibility to receive Personal Independence Payments when currently in receipt of Disability Living Allowance.

Lower activity at the Department for Work and Pensions led to a lower value of grants awarded, outweighed by the impact of higher interest rates. As a result, the value of this fund rose in the year to £46.1m (2022/23: £43.7m). The funds on hand are expected to be sufficient to meet future expenditure once activity recovers.

Expendable Endowment Fund Reserve Policy

The Motability Foundation's Endowment fund is held by the Motability Endowment Trust (MET), a separate legal entity and a linked charity (formerly known as the Motability Foundation). MET's sole purpose is to support the Motability Foundation, providing a degree of financial stability to enable the Motability Foundation's grant programmes to continue when donations from Motability Operations fall below expectation or a donation cannot be made due to economic conditions. The Motability Foundation, in its role as sole corporate Trustee of MET, has determined that MET's expendable Endowment reserve policy is:

- To maintain the Endowment's real spending power in the medium-to-long term for the benefit of the Motability Foundation's activities and beneficiaries
- Other than in delivering the financial strategy's risk appetite as from time to time approved by the Board, to only draw from the Endowment's capital when a permanent substantial improvement to disabled people's transportation can be obtained – a 'once-in-a-generation' opportunity (since such an opportunity would reduce future calls on the Motability Foundation's funds and thus on the Endowment). A decision to spend Endowment capital in this or any other circumstance is reserved for the Board of Governors acting as corporate Trustee, usually upon the recommendation of the Audit and Risk Committee in consultation with the Investment Committee. The Endowment fund represents the net assets of MET. These rose in value by £480m, or 39 per cent, to £1,704m from £1,224m the previous year as a result of a donation from Motability Operations and positive investment returns in financial markets. Further detail on the performance of MET can be found on p66-68.

The Reserves Policy is reviewed annually by the Audit and Risk Committee, which may recommend amendments to the Board of Governors.

Investment Policy and Returns

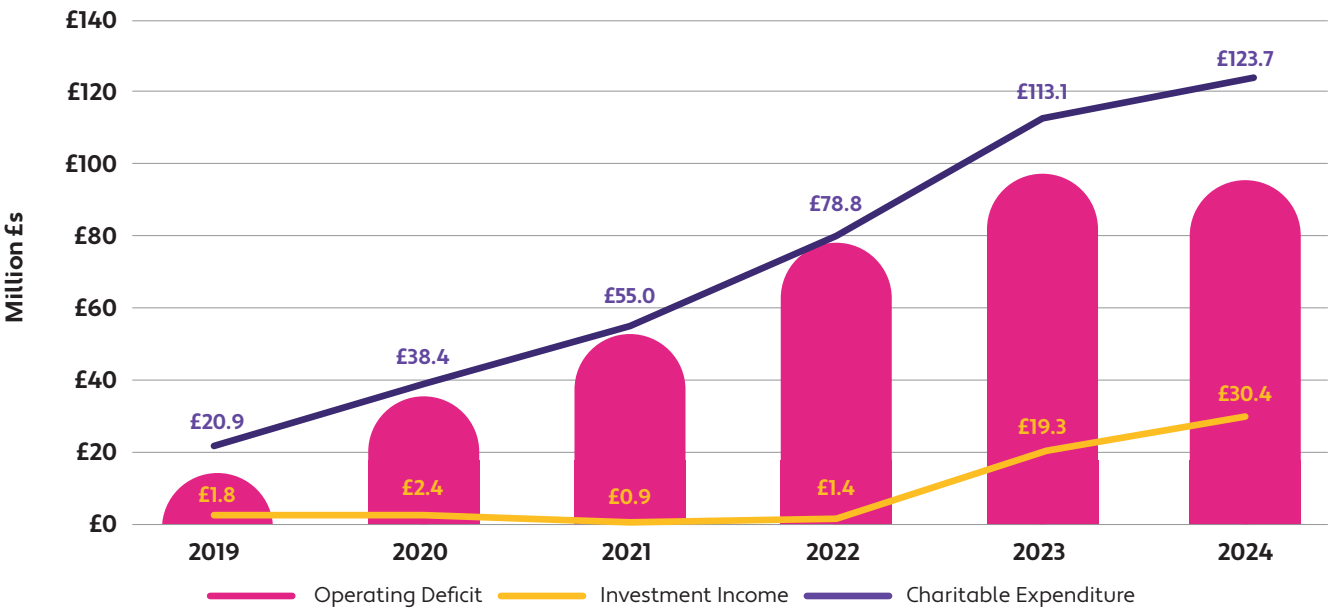
The Motability Foundation's general and restricted funds have specific investment policy provisions. General funds are invested in assets that provide short-term liquidity and are likely to preserve their nominal value and otherwise in diversified credit assets that are likely to earn a return in line with the Bank of England's long-term inflation target or ca. 2 per cent p.a.. At 31 March 2024, the Motability Foundation's general fund financial assets were earning a weighted average yield of 5.96 per cent (2022/23: 5.38 per cent). Restricted funds are invested in assets that provide short-term liquidity and are likely to preserve their nominal value with a high degree of confidence and otherwise in diversified credit assets that are likely to earn a return in line with the Bank of England's inflation target of 2 per cent p.a.. At 31 March 2024, the Motability Foundation's restricted funds were earning a weighted average yield of 4.60 per cent (2022/23: 4.52 per cent). MET's investment policy is to invest in diversified long-term assets in accordance with an asset allocation and responsible investment policy so as to earn a long-term target investment return of CPI+4% after costs. More information can be found on MET and its investments on p66-68.

The Motability Foundation and MET pursue these investment policies that have an aligned approach to responsible investment. Advice on the investment policies and on the respective portfolios is received from Lane Clark & Peacock, Wilshire Associates and the Chief Investment Officer. The appointed managers' Ethical, Social and Governance policies and investment processes have been reviewed during the year. The Board of Governors have reviewed the Motability Foundation's and MET's treasury and investment policies during the year.

General Fund Underlying Operating Deficits Over Time

As investment gains and losses can be volatile and Motability Operations' donations can be uncertain as to value and timing, excluding these significant but volatile figures gives a useful measure for the underlying rate that the Motability Foundation is using up its general funds – the general fund underlying operating deficits columns in the graphic on p64. The Motability Foundation's general fund charitable expenditure

General Fund Underlying Operating Deficits 2019-2024



(purple line graph in the graphic above) has grown in recent years, funded by donations from Motability Operations. More recently, general fund investment income (yellow line graph in the graphic above) has grown, albeit from a low base, in the last two years as interest rates have risen.

Overall, the graphic shows the impact of rising general fund charitable expenditure has been softened by rising investment income, and the underlying general fund operating deficit is now ca. £95m p.a.. The Governors keep future spending plans under review. As discussed below, the outlook for donations from Motability Operations is uncertain, and future expenditure will be adjusted as necessary.

Pension Schemes

The Motability Foundation operates a defined contribution pension scheme for its employees and has a closed defined benefit pension scheme. The costs of the pension schemes charged to the Statement of Financial Activities are shown in Note 8 to the accounts.

The defined benefit pension scheme shut to new members in 2005 and to future accrual in 2012. At 31 March 2024, the pension fund's assets and liabilities were £17m and £18.1m (2022/23: £18.1m and £18.9m) respectively, resulting in a deficit of £1.1m (2022/23: deficit of £0.7m). Further information is given in Note 22 to the annual accounts. The last triennial actuarial valuation took place as at 31 March 2022, updated to 30 June 2022, and showed the Motability Scheme's assets were £21.2m and its liabilities were £21.1m, resulting in a surplus of £0.1m in the year. The Motability Foundation made contributions of £0.1m (2022/23: £0.1m).

Outlook – Charitable Spending and Income

The Governors have set a planning range for charitable expenditure in 2024/25 of £130m-£140m, in line with the maturing of the Motability Foundation's various charitable programmes. In the absence of a general fund donation from Motability Operations, this would be expected to result in a substantial deficit.

The Motability Foundation's principal source of income is donations from Motability Operations. Motability Operations invests its profits back into supporting disabled people, principally through improving the offer to them and secondarily by donating surplus capital to the Motability Foundation.

The gradual unwinding of global supply chain difficulties is reducing the upwards pressures on the price of new vehicles (favourable) and of

the price obtained for used vehicles (unfavourable). The balance of these effects varies over time. The current expectation is that Motability Operations' profitability will decline given the fall in second-hand car prices in 2023, and there is the potential for further falls. Meanwhile, Motability Operations needs to set aside additional capital to support the current growth in the Scheme fleet. This represents something of a return towards 'normal' over the next three to five years. The likelihood of further donations from Motability Operations in the near term could therefore be lower.

Meanwhile, the Motability Foundation's grant spending on Access to Motability and Charities and Organisations programmes is reaching maturity. The cost-of-living crisis may abate somewhat as inflation has fallen significantly.

The planning implication is that the Motability Foundation's charitable spending could peak in 2024/25 and 2025/26, and then potentially decline as existing programmes end. This outlook will be kept under review.

The Motability Foundation enters this period in a healthy financial position, supported by the maturing portfolio of the Endowment, meaning that the Motability Foundation should deliver on its three-year (2022/23 to 2024/25) intent of £350m charitable expenditure.

Outlook – Liquidity and Going Concern

At 31 March 2024, cash stood at £33.6m (2022/23: £30.4m). The Motability Foundation's general fund held cash, money market instruments, deposits and investment grade bonds maturing within one year totalling £145m (2022/23: £127m). The balance of the cash required will be made up from asset disposals.

The restricted fund held cash, money market instruments, deposits and investment grade bonds maturing within one year of £34.7m (2022/23: £33.5m) with which to meet grant payments. A further £11.4m (2022/23: £10.7m) was held in relatively short duration credit assets.

At the year end, MET held cash and money market instruments of £46.7m (2022/23: £134m). MET also had contingent investment commitments of £120m (2022/23: £144m). The balance of cash required will be made up from asset disposals.

Thus, at 31 March 2024, the total of cash on hand and maturing assets that can deliver cash if required in 2024/25 in the general and restricted funds to meet charitable expenditure and grant commitments is £180m (2022/23: £161m).

Outstanding grants, which had been growing mainly due to the difficulty of sourcing vehicles for our beneficiaries, have now steadied at £79m (2022/23: £76m). This balance is expected to shrink in the year ahead if vehicle supply improves. Restricted fund spending could increase if Department for Work and Pensions activity levels were to recover. Both these matters are carefully monitored. The diversified base of credit investments held by the general and restricted funds will ensure liquidity is available in good time as either trend will unfold over a period. The cash on hand and maturing over the year provides a substantial cushion in the event of a shock to credit markets that might delay the ability to realise other investments for full value. The Governors are satisfied that the Motability Foundation and MET have the liquidity needed to meet expenditure and investment commitments in 2024/25.

The Motability Foundation reviews its future spending plans in 10-year scenarios every six months to allow for differing levels of future income, principally donations from Motability Operations and different levels of future spending. General funds as at 31 March 2024 were £430m (2022/23: £514m), including the cash on hand and maturing from assets over the next 12 months outlined above. The Motability Foundation will reduce charitable spending where necessary. The Motability Foundation's future plans, budgets, reserves levels and cash flow forecasts for a period of more than 12 months from the date of signature of these accounts have been prepared by management and reviewed by the Governors.

On this basis, the Governors believe that the going concern assumption continues to be appropriate and that the Motability Foundation has a sound financial basis upon which to plan for the future with no material uncertainty.

Motability Endowment Trust
Summary of the Year

Motability Endowment Trust (MET) received a donation of £250m (2022/23: £nil) from Motability Operations and initially invested this in credit assets pending gradual onward investment into suitable long-term real asset holdings. Coupled with a rise in markets over the year, total funds rose to £1,704m (2022/23: £1,224m). Income and investment management costs also rose, with net income again rising to £11.4m (2022/23: £7.6m). The portfolio continues to mature as private asset classes are added to be in line with the intended asset allocations.

Context

Whilst Covid-19 supply chain issues have receded, the impact of the Ukraine-Russia war and unrest in the Middle East have continued to affect markets. Central Banks raised interest rates in response to higher inflation. By the end of the financial year, inflation was substantially lower (although not yet at the levels targeted by Central Banks) and there were signs that interest rates would fall, boosting investment values for a wide range of asset classes. Sterling proved relatively stable across the year. Elections are due in 2024 in countries containing half the world's population, and the rise in populism across the globe may introduce new political and economic risks.

Asset Allocations

As a long-term investor, MET is focused on maintaining the value of its spending power against inflation. MET can wait out short-term volatility in financial markets. Its focus on a portfolio of long-term investments that should ultimately rise in value if inflation rises was reviewed during the year with MET's advisers and remains sound. The Motability Foundation, as the corporate Trustee, keeps the investment strategy under review.

During the year, MET completed the transition from multi-asset managers to direct holdings and has made substantial progress in investing the £250m donation from Motability Operations into long-term assets, leaving a limited pool of cash and liquid debt securities at the year end.

The revised asset allocations are given in the table and illustrated in the graph below, showing the evolution of the portfolio over recent years. The main feature is the rise in, and diversification of, real asset holdings.

	Valuations: £ million					Investment performance figures % p.a.		
ASSET CLASS	**31 March 2020**	**31 March 2021**	**31 March 2022**	**31 March 2023**	**31 March 2024**	**Year to 31 March 2023**	**Year to 31 March 2024**	**Since Inception**
Equity Securities	325	632	858	811	1,074	(1.5)	23.1	11.4
Debt Securities	207	173	89	9	94	(1.1)	7.2	1.9
Infrastructure and Property	-	-	25	147	265	(8.3)	2.3	(3.1)
Other	38	95	120	126	224	4.9	9.7	7.8
Money Market Instruments	281	244	131	123	42	1.2	3.2	1.1
Cash	160	10	12	8	5	0.4	3.3	0.9
Total	**1,011**	**1,154**	**1,235**	**1,224**	**1,704**	**(0.9)**	**17.1**	**7.5**
Long-term Performance Benchmark: CPI +4%								**8.6**

Investment Performance
The value of the Endowment rose by £480m to £1,704m (2022/23: £1,224m). The largest contributor to this was the receipt of the £250m donation from Motability Operations. Investment gains delivered a rise of £218m (2022/23: loss of £18.2m) whilst net investment income contributed a further £12m (2022/23 £7.6m).

The positive returns in the year meant that the portfolio has been resilient against the relatively high inflation of the last two years as measured by the UK Consumer Price Index (CPI) and has closed the gap somewhat versus its long-term investment return target of CPI+4% after costs. As noted, as an Endowment, MET has the advantage conferred on long-term investors of being able to wait out periods of underperformance.

The continued investment into long-term assets drove both investment income and investment management costs higher, to £27.3m (2022/23: £19.7m) and £16m (2022/23: £12.1m) respectively. The growth in net income to £11.4m, against £3.9m two years ago, is in line with the steady expected increase as the portfolio matures.

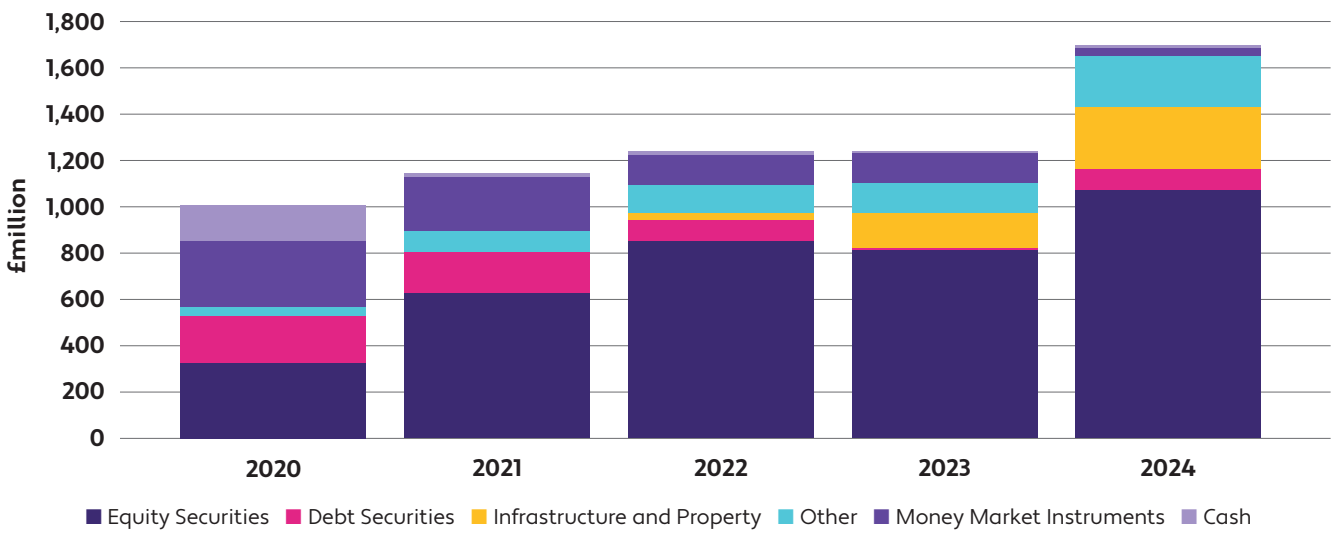
Governance and Management

MET's sole purpose is to support the Motability Foundation. As disabilities are often long term, it is important to sustain the Motability Foundation's grant-making for our beneficiaries. MET provides a degree of financial stability to the Motability Foundation's grant-making activities, enabling grant programmes to continue when donations from Motability Operations fall below expectation, or a donation cannot be made due to economic conditions. It is intended that the Endowment's capital will only be drawn upon to fund 'once-in-a-generation' opportunities that will greatly and permanently improve transportation for disabled people because the resulting reduction in beneficiary need will reduce the required size of MET.

The Motability Foundation is MET's sole corporate Trustee. MET and the Motability Foundation have the same charitable objects. MET is an expendable Endowment, established by trust deed in September 2019 and legally registered as The Motability Endowment Trust with the Charity Commission in England and Wales as a linked charity under registration number 299745-1.

MET does not prepare separate financial statements; its results are presented within the Motability Foundation's consolidated financial statements, included as the

Investment Values by Asset Class at 31 March



Endowment column in the Statement of Financial Activities. MET's Investment Committee operates within terms of reference delegated from the Trustee and within the scope of the investment policy, including an asset allocation strategy and a responsible investment policy, approved by the Trustee. The terms of reference for the Investment Committee and the investment policy are reviewed regularly. MET has appointed a Chief Investment Officer to advise upon and support the implementation of the investment policy and the monitoring of investment managers' performance. The primary external investment adviser is Lane Clark & Peacock, and supplementary advice is received from Wilshire Associates on venture capital and private equity investment selection.

The investment policy targets a long-term investment return of inflation plus four per cent (CPI+4%, the inflation measure is the UK consumer price index) after costs. This level of return is intended to maintain the capital of the Endowment and so support grant-making for future generations of beneficiaries. The investment policy is communicated to MET's fund managers. The fund managers' ethical, social and governance engagement policies and processes were kept under review during the year. Further fund managers were evaluated, including their approach to responsible investment, and appointed. The principal fund managers are noted on p132.

The principal financial risks are set out along with their mitigation more fully in the Financial Review on p54-55. The Investment Committee reviewed inflation, market and currency risks with their advisers and concluded that the long-term strategy of holding a portfolio of diversified long-term investments capable of delivering CPI+4% was sound. The Endowment portfolio is partially hedged into sterling given that the Motability Foundation's expenditures are denominated in sterling; residual currency risk is accepted. Counterparty risk is mitigated through diversifying fund managers and custodians, and by legal and investment due diligence. Liquidity risk is managed through cash flow forecasting, carefully sequencing buy and sell trades.

Outlook and Plans for the Future

In recent years, geopolitical instability and consequent risks have put a brake on economic performance. Commentators disagree as to whether this is an aberration or a return to more normal times. In either case, a long-term focus on investments capable of growing in line with inflation has proven to be appropriate. Periods of under- and over-performance should be expected.

MET will continue to add steadily to its holdings in private asset classes whilst keeping its risks and fund managers' performance under review. Liquidity is carefully monitored and is sufficient for current plans.

As commented on in last year's Annual Report, it may take some time for the portfolio to catch up with its investment return target – this year's positive return is a useful step in that direction, but future progress could be volatile in the current environment. Nevertheless, given the long-term perspective of the Endowment, the Trustee is confident that MET is well positioned to support disabled people to make the journeys they choose in the future.



"I would never have learned to drive if it wasn't for the Motability Foundation grant. I couldn't have afforded lessons. Previously, I used taxis, buses, or got lifts from my dad"

Donna, 40, from Gwent





Governors' Report

The Accounts comply with the requirements of the Charities Act 2011, the Royal Charter, the Statement of Recommended Practice (SORP) 2019 and FRS 102.

On p134, the Motability Foundation's Patrons, Life President, Life Vice-President, Governors and any past Governors who served during the year are shown, along with key executive employees. Professional advisers are shown on p132. The registered office address is on the back cover.

The Charity is governed by its Royal Charter, granted on 18 May 1988, incorporating amendments made on 08 December 2005, 11 November 2020 and 16 February 2022.

Public and Charitable Benefit

The Charitable Object of the Motability Foundation is to facilitate the relief and assistance of disabled people in connection with the provision of personal and other transportation.

Building a future where all disabled people have the transport options to make the journeys they choose is the Motability Foundation's contribution to society throughout the United Kingdom.

This Annual Report reviews the work of the Motability Foundation over the past year and sets out the aims for 2024/25. In reviewing performance and future aims, Governors have due regard for guidance published by the Charity Commission on public benefit and have complied with Section 17 of the Charities Act 2011 in this respect.

Thank you from the Chair

"I would like to thank my fellow Governors for their invaluable support. Sukhi Clark stood down, and her contribution is greatly appreciated. Two new Governors joined us in the year: Merlyn Lowther has more than 40 years' experience in the finance sector and holds appointments in the education sector; Jackie Driver has extensive experience in dismantling systemic discrimination and creating successful processes for monitoring and measuring advances in social justice."

Structure, Governance and Management

Governors and Members Committee Structure and Purpose

Our Royal Charter sets out our governance structure, which includes Members and Governors. Governors are appointed from the membership at the Annual General Meeting (AGM).

Any individual can apply to the Board for election as a Member, provided they are not a paid employee of the Motability Foundation. Governors are generally appointed from this body, but if no current Member has the necessary skill or experience the Board will seek a new Member. Members form the body corporate and are entitled to vote at AGMs.

The Board of Governors is ultimately responsible for the overall control and strategic direction of the Motability Foundation, and for the protection of its assets.

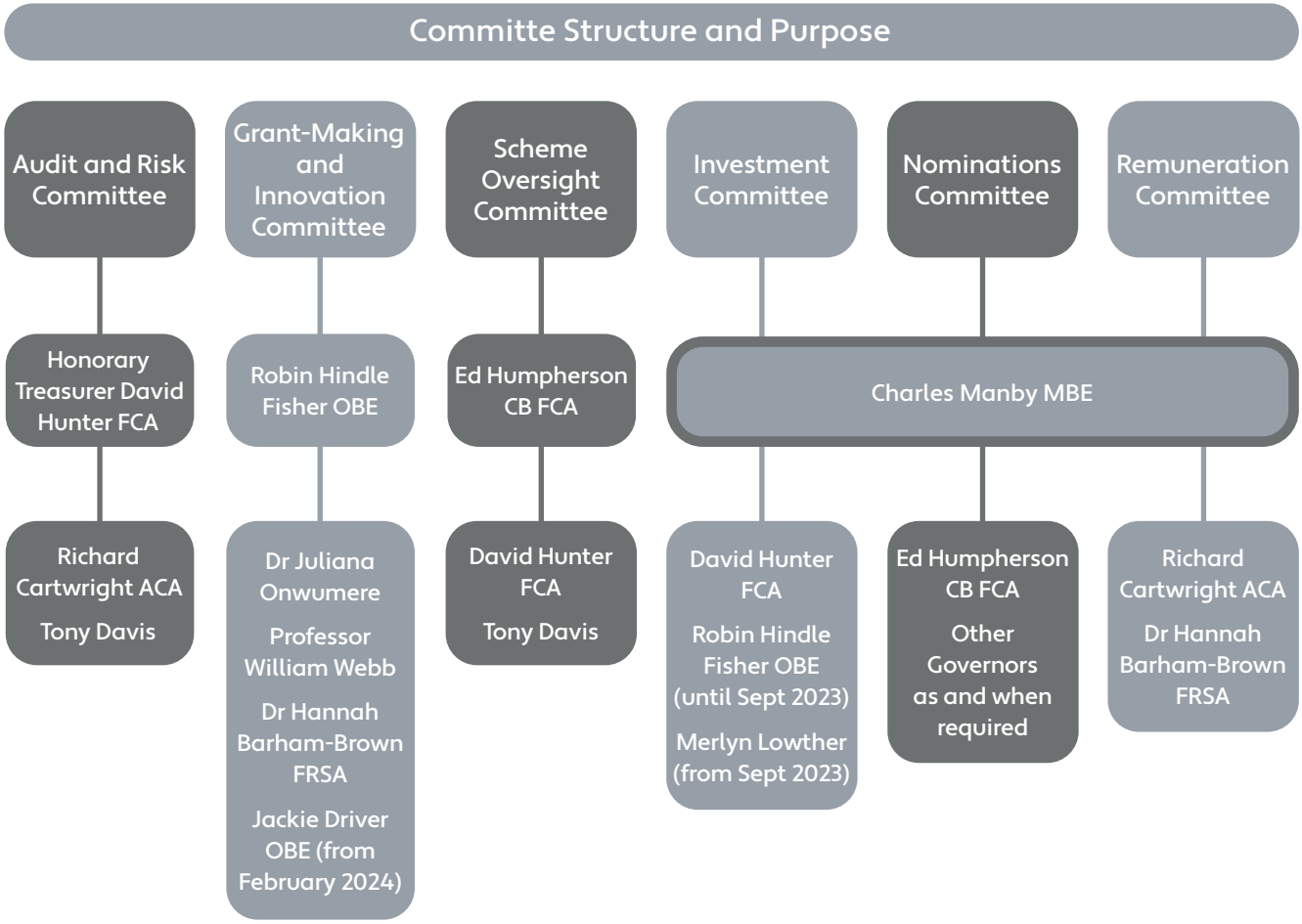
Governors are appointed by the Board for a term of three years, normally serving a maximum of three terms. The Board's Nominations Committee makes recommendations on appointments to the Board. The Governors all give their time to the Motability Foundation on a voluntary basis and receive no remuneration. In accordance with the Royal Charter, Governors may be compensated for loss of earnings, and out-of-pocket expenses may be reimbursed.

When recruiting new Governors, the Board aims to attract a diverse range of candidates who have skills that would be beneficial to the foundation. It recognises diversity and inclusion and the value individuals from different backgrounds, expertise and experience bring to the Motability Foundation. All Board appointments are based on merit whilst ensuring an appropriate balance of skills and expertise, including lived experience of disability.

All new Governors undertake an induction programme, which includes meeting with the Chief Executive,

Structure, Governance and Management

Governors and Members



Audit and Risk Committee

- Oversight of Risk Assessment, Risk Appetite, Risk Management and Internal Controls
- Reviews the performance of internal and external audits, and recommends the appointment of external and internal auditors to the Board
- Reviews financial performance

Grant-Making and Innovation Committee

- Oversees all of the Motability Foundation's grant-making and innovation activities

Scheme Oversight Committee

- Ensures that the Motability Foundation effectively oversees the performance and financial position of the Motability Scheme

Investment Committee

- Monitors performance of the investments, recommends investment policies and strategy to the Motability Foundation's Board of Governors in respect of the Motability Foundation, and to the Corporate Trustee in respect of the Motability Endowment Trust (MET)

Nominations Committee

- Reviews Board structure, size, composition (including skills, knowledge and experience), considers succession planning and makes recommendations on Governor appointments to the Board of Governors
- Recommends the appointment of the Chief Executive and Directors to the Board

Remuneration Committee

- Reviews the remuneration of the Chief Executive and Directors, as well as the employee pay and benefits strategy

key staff and our key stakeholders. Throughout the year, Governors receive updates on information relevant to their role. Additional and ongoing training is arranged as required for individuals or for the Board as a whole.

The Board normally meets formally in person four times a year, with virtual workshops twice annually to enable in-depth discussion on important strategic initiatives prior to decisions. Where necessary, decisions and actions may also be agreed by email between meetings.

The Board delegates specific responsibilities to its committees, each of which has detailed terms of reference and reports to the Board. The remit of the committees is reviewed regularly and updated as necessary to ensure they continue to work effectively. Conflicts of interest are considered at each meeting and the Company Secretary maintains a register of conflicts.

Committees meet prior to Board meetings and formally report to them so that where authority has not been formally delegated, recommendations for changes in strategy or policy can be authorised by the full Board.

Governors are unpaid. They are reimbursed their expenses, and up to three Governors may be reimbursed for lost earnings in order to encourage applications from individuals with a breadth of lived experience, including of disability. Details are set out in Note 8B to the financial statements. Related parties are identified when new transactions arise and are set out in Note 8B to the financial statements.

The Foundation has one wholly owned subsidiary, Motability Enterprises Limited, about which further details are given in Note 2 to the financial statements, and the Foundation is the sole corporate Trustee of the Motability Endowment Trust.

Day-to-day responsibility for running the foundation during the year is delegated to the Chief Executive (CEO). The CEO also leads the Charity's relationships with stakeholders, including government, Motability Operations and the Regulators. Supported by a senior management team, he ensures implementation of policies agreed and decisions made by the Governors. Barry Le Grys MBE, the Chief Executive during the financial year 2023/24, retired on 31 March 2024 and has been replaced by Nigel Fletcher.

Governance Review

The Motability Foundation's activities continue to grow and evolve. The Board has adopted the principles of good governance in the Charities Governance Code. The Board of Governors' practice and the Foundation's governance framework are reviewed regularly against this code to identify any improvements to the Board's governance arrangements, ways of working or any training needs. This includes self-assessments by Board Committees and skills audits of the Board.

Fidelio Partners undertook a follow-up review to assess progress made since their 2021 governance review. Their recommendations have been implemented. The Investment Committee (IC) and Grant-Making and Innovation Committee (GMIC) completed self-assessment exercises. Work also continued to address areas for improvement following a review of Grant-Making by Farrer and Co, who also completed an evaluation of Scheme Oversight. Governors are tracking the progress of the recommendations made.

Companies Act 2006

We consider it good practice to include a statement in the Strategic Report which demonstrates how the Governors have complied with their duty to have regard to the matters in Section 172 (1) (a)-(f) of the Companies Act 2006. We recognise the importance of demonstrating that we act fairly as between members of the company. To ensure responsible decisions are made, we engage effectively with our wide variety of stakeholders on whom the future success of the Motability Foundation depends. This helps us ensure that decisions are sustainable in the long term and do not disproportionately affect any single stakeholder group. The Board notes the key decisions and considerations made during the year to March 2024, and our relationships with key stakeholders, in the tables on the following pages.

Significant Decisions

SIGNIFICANT DECISION	SECTION 172 MATTER AFFECTED	ACTION
Allocated a further £50m for Grants to Charities and Organisations over a further three years (2025/26 to 2027/28)	Relationship with beneficiaries, suppliers, other charities and not-for-profit organisations	The Foundation continues to support other charities and not-for-profit organisations, and is again aiming to achieve the highest level of ambition set out in its current strategy, including an expenditure of £50m over three years to deliver impact upon the transport needs of disabled people in concert with other organisations
Increased and highest budget envelope to date of £130m-£140m charitable expenditure in 2024/25	Relationship with beneficiaries, suppliers, other charities and not-for-profit organisations	The Foundation is again aiming to achieve the highest level of ambition set out in its current strategy through the provision of grants and undertaking research, and by participating in innovation projects
New innovation priority areas	The Motability Foundation would like to be able to respond quickly to opportunities and potential partnerships that arise and engage with these organisations to bring about change for disabled people in the transport sector	We will seek solutions to improve existing transport in the areas of greatest opportunity and ensure accessibility is a key part of future transport modes and technology
Revised vehicle eligibility criteria for the Motability Scheme	Choice, value and sustainability for customers are the key tenets of the Motability Scheme. The new criteria will enable Motability Operations to pursue these in a challenging and changing market	An inflationary increase to on-the-road value Scheme parameters for ICE and EV vehicles for 2023/24
Broaden the range of options offered on the Motability Scheme	We wish to offer a range of mobility solutions that meets customer needs and demonstrates benefit to disabled people	Seek to broaden the product range offered on the Powered Wheelchair and Scooter Scheme
To refresh the Motability Scheme brand architecture and visual identity to become a customer-facing brand known as 'Motability Scheme'	Relationship with Motability Operations and their delivery of the Motability Scheme; the major way the Motability Foundation assists disabled people with mobility is by contracting and overseeing Motability Operations to deliver the Scheme. We wish to offer a range of mobility solutions that meet customer needs	Working with Motability Operations, we have developed a Scheme brand and logo which we believe is both representative of all disabilities and accessible
Transitional Support Programme	The DWP and benefit recipients eligible for the Scheme	The Motability Foundation will continue the DLA to PIP Transition Support Programme in 2024/25 while DWP reassessments continue
To implement arrangements to endorse schemes that assess conformity with the public EV charging standard, PAS 1899	Disabled people and EV infrastructure charging interests	Two EV charging assessment schemes have been approved
Purchase of Warwick House on Roydon Road and Stadium Way in Harlow	Securing our operating base for the benefit of employees and in support of our intent to ensure a positive impact on the local environment and community	Having taken professional advice and gained agreement of Governors in principal in March 2023, the purchase completed in June 2023

Key Stakeholders

Key stakeholder and why they are important to our success	How we engage	Find key highlights of 2023/24 and further information in this report
UK and Scottish Governments The Motability Foundation assists disabled people with mobility by contracting and overseeing Motability Operations to deliver the Motability Scheme. The Scheme depends on the transfer of government benefits and VAT status which are under the authority of the UK and Scottish Governments	We have formal quarterly meetings at Director level for all parties and routine engagement below this level. Memorandums of Understanding and Agreements are reviewed regularly for operational purposes	Motability Scheme from p14-19
Motability Operations The Motability Foundation assists disabled people with mobility by contracting and overseeing Motability Operations to deliver the Motability Scheme	A performance framework is in place, comprised of monthly reporting against KPIs, quarterly Scheme Oversight Committee meetings, analysis of customer research and surveys Motability Operations Directors consult the Motability Foundation Board quarterly The Motability Foundation attends specific Motability Operations governance committees Senior management of the Motability Foundation and Motability Operations are routinely in dialogue	Motability Scheme from p14-19
Beneficiaries and Potential Beneficiaries As a charity, the Motability Foundation must always act within its charitable object in the best interests of its beneficiaries, who are all disabled people in need of assistance with their personal transportation	The Motability Foundation continually surveys the beneficiary experience of our grant-making Our Innovation Team conducts extensive research and consultation with disabled people and disability organisations, as well as our own frontline employees, to better understand what mobility problems disabled people are facing and what solutions would assist them	Grant-Making from p20-31 Innovation from p38-43
Vehicle Adaptation Manufacturers Our Motability Scheme-related grants are dependent on their products	The Motability Foundation provides regular briefings to manufacturers and works closely with the adaptations department of Motability Operations on delivery matters	Grant-Making from p20-31
Access to Mobility and Other Not-For-Profit Organisations Working with others increases the range and reach of support to disabled beneficiaries	The Motability Foundation has contractual arrangements and grant agreements with other parties to deliver services for beneficiaries; each includes a performance framework enabling evaluation and learning for developing assistance to meet beneficiary needs	Grant-Making from p20-31
National Centre for Accessible Transport (ncat) Works with disabled people to influence the transport sector and shape future travel systems for disabled people	ncat is governed by a grant agreement between the Motability Foundation and Coventry University; the lead partner The Independent Chair reports to the Motability Foundation Grant-Making and Innovation Committee The Motability Foundation Grant-Making and Innovation Committee oversees reporting of ncat activities and outputs	Innovation from p38-43

Continued over the page

Key Stakeholders CONTINUED

Key stakeholder and why they are important to our success	How we engage	Find key highlights of 2023/24 and further information in this report
Employees The Motability Foundation has two key resources: its people and its funds. The skills and endeavours of employees are vital to our achievements	The Motability Foundation conducts employee surveys and maintains several internal media channels for employees. Health and wellbeing, skills development and blended working programmes are in place	Our People from p45-47
Regulators The Motability Foundation is regulated by the Charity Commission, the Office of the Scottish Charity Regulator, the Financial Conduct Authority and the Information Commissioner's Office. Strong relationships with regulators inform compliance arrangements and best practice, and demonstrate positive intent	The Motability Foundation seeks to ensure full compliance with laws and regulations, and is compliant with all reporting requirements	Control and Assurance from p51-52

Statement of Trustees Responsibilities and Corporate Governance

The Governors, as Trustees, are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102, the reporting standard applicable in the UK and the Republic of Ireland, Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

The law applicable to charities in England and Wales requires financial statements for each financial year to be prepared by the Governors. These should be a true and fair view of the state of affairs of the Foundation and the Group, and of the income and application of resources of the Foundation for that period in preparing these financial statements. The Governors are required to:

- Select, then apply, consistently suitable accounting policies
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume the Foundation will continue in operation

The Governors are responsible for keeping proper accounting records that disclose, with reasonable accuracy and at any time, the financial position of the Group and enable them to ensure that the financial statements comply with the Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the Group and Foundation, and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as the Governors are aware:

- There is no relevant information of which the Group's auditors are unaware, and
- They have taken all steps that they

Summary of Climate-Related Disclosures

UK companies are required to provide disclosures in line with the Task Force on Climate-Related Disclosures (TCFD) recommendations. While not mandatory for the Motability Foundation, this is considered best practice and the Motability Foundation continues to develop its disclosures; the following information is provided elsewhere in this report.

RECOMMENDATIONS AND SUPPORTING DISCLOSURES			
GOVERNANCE	**STRATEGY**	**RISK MANAGEMENT**	**METRIC AND TARGETS**
Disclose the organisation's governance around climate-related risks and opportunities	Disclose the actual and potential impacts of climate-related risk and opportunities on the organisation's businesses, strategy and financial planning where such information is material	Disclose how the organisation identifies, assesses and manages climate-related risks	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material
DISCLOSURE REFERENCES			
Control and Assurance p51-52	**Five Strategic Pillars** p6-7 **The Scheme: Transition to EVS and Aims for 2023/24 and 2024/25** p17-19 **Build Awareness and Engagement – Promoting our Research and Innovation: Accessible EV Charging** p34 **(Section on) Significant Decisions** p74 **MET Governance and Management** p67-68	**Risk Management (Principal Risks and Mitigations) - Environment Risk** p54	**Governors' Report** p71-77 **Disability Charity Pillar – Aims for 2023/24 and Aims for 2024/25** p45 and p53 **Disability Charity Pillar – Estates Plan and Environment** p47-51

ought to have taken as Governors to make themselves aware of any relevant information and to establish that the Group's auditors are aware of that information

These financial statements are published on the Charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Slavery and Human Trafficking Statement

The Modern Slavery Act 2015 introduced obligations in relation to slavery and human trafficking. Our purpose is to build a future where all disabled people have the transport options to make the journeys they choose. The Motability Foundation is fully supportive of the legislation as it is in keeping with our principles and aspirations. We will not knowingly work with any business or organisation which is involved in modern slavery.

By Order of the Board
Charles Manby MBE
Chair
22 July 2024

Independent Auditor's Report to the Governors (Trustees) of Motability

for the year ended 31 March 2024

Independent Auditor's Report to the Governors (Trustees) of Motability

Opinion on the Financial Statements

In our opinion, the financial statements:

- Give a true and fair view of the state of the Group's and of the Parent Charity's affairs as at 31 March 2024 and of the Group's incoming resources and application of resources 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 Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended

We have audited the financial statements of Motability ("the Parent Charity") and its subsidiaries ("the Group") for the year ended 31 March 2024 which comprise the consolidated statement of financial activities, statement of financial activities (Charity only), the balance sheets, the consolidated cash flow statement and notes to the financial statements, including a summary of 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Charity in accordance with the ethical requirements 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.

Conclusions Related 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 Group and the Parent Charity's ability to continue as a going concern for a period of at least 12 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. The other information comprises the information included in the Annual Report and Accounts, 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 there is a material misstatement in the financial

Independent Auditor's Report to the Governors (Trustees) of Motability

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.

Matters on which we are Required to Report by Exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion;

- The information given in the Trustees' Report for the financial year for which the financial statements are prepared is inconsistent in any material respect with the financial statements; or
- Adequate and proper accounting records have not been kept by the Parent Charity; or
- The Parent Charity financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit

Responsibilities of Trustees

As explained more fully in the Statement of Trustees Responsibilities and Corporate Governance, the Trustees 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 Group's and the Parent Charity'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 Group or the Parent Charity 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 151 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, 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.

Extent to which the Audit was Capable of Detecting Irregularities, Including Fraud

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:

Non-Compliance with Laws and Regulations

Based on our understanding of the Group and the sector in which it operates, discussion with management and those charged with governance and the Audit and Risk Committee, obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations, we considered the significant laws and regulations to be the applicable accounting framework, UK tax legislation and employment law.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation, Charities Act 2011, data protection and Financial Conduct Authority regulation.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations
- Review of financial statement disclosures and agreeing to supporting documentation
- Review of legal expenditure accounts to understand the nature of expenditure incurred; and
- Inquiry and confirmation of no Serious Incident Reports made by the entity

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance, Audit and Risk Committee and internal audit regarding any known or suspected instances of fraud
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud
- Review of correspondence with the Financial Conduct Authority; and
- Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls, significant accounting estimates and income recognition

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation
- Involvement of forensic specialists in the audit to consider potential instances of fraud
- Assessing significant estimates made by management for bias, including valuation of investments and valuation of the PIP provision by consideration of the basis of estimation and inputs to the calculations
- Testing a sample of income recognised during the year to ensure recognition is in line with FRS 102 and the Charity SORP
- Enquiries of third parties where information had been used by the group in preparation of the financial statements, particularly including investment manager and custodian confirmations of year-end valuations and investment holdings; and
- Audit testing a sample of payments, grants awards and commitments ensuring these have been made in

Independent Auditor's Report to the Governors (Trustees) of Motability

accordance with authority limits, award letters and internal control procedures

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our Report

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charity's Trustees 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 Charity and the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

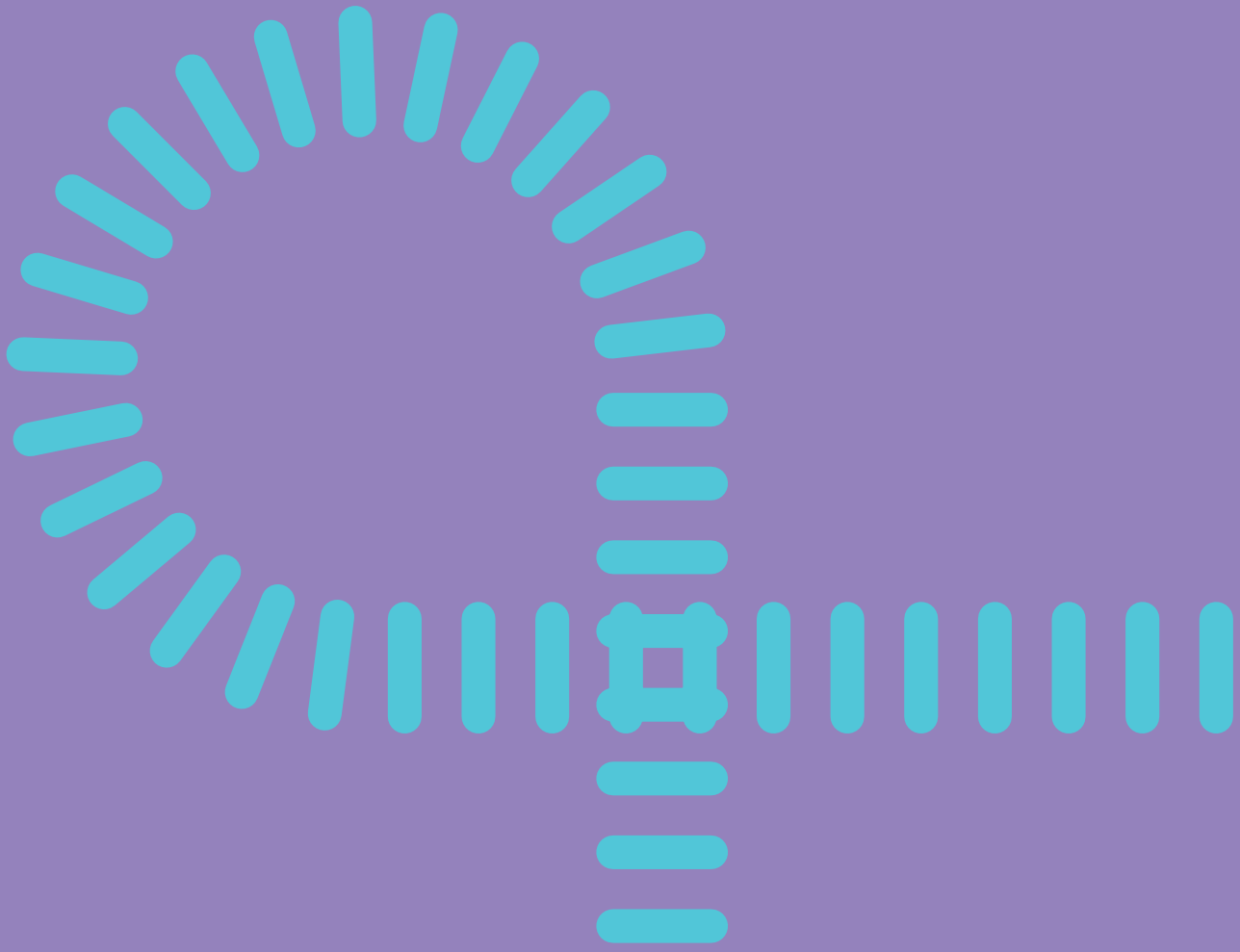
BDO LLP, statutory auditor
London, UK
Date: 23 July 2024

BDO LLP is eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

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

Financial Statements

for the year ended 31 March 2024



Consolidated Statement of Financial Activities

for the year ended 31 March 2024

	Note	Unrestricted Funds 2024 £'000	Restricted Funds 2024 £'000	Endowment Fund 2024 £'000	Group Funds 2024 £'000	Unrestricted Funds 2023 £'000	Restricted Funds 2023 £'000	Endowment Fund 2023 £'000	Group Funds 2023 £'000
Income and Endowments from:									
Voluntary Fundraising Income		150	-	-	150	260	-	-	260
Motability Operations Donations		-	-	250,000	250,000	200,000	-	-	200,000
Donations and Legacies		**150**	**-**	**250,000**	**250,150**	**200,260**	**-**	**-**	**200,260**
Other Trading Activities	2	916	-	-	916	723	-	-	723
Income from Investments	3	30,437	1,620	27,372	59,429	19,295	443	19,668	39,406
Other Income	4	446	-	-	446	4	-	-	4
Total Income and Endowments		**31,949**	**1,620**	**277,372**	**310,941**	**220,282**	**443**	**19,668**	**240,393**
Expenditure on:									
Raising Funds	6	3,557	79	16,020	19,656	3,609	64	12,089	15,762
Charitable Activities:									
Grants to Individuals		96,211	(135)	-	96,076	92,254	197	-	92,451
Grants to Organisations		23,072	-	-	23,072	17,193	-	-	17,193
Build Awareness		2,452	-	-	2,452	1,889	-	-	1,889
Innovation		1,507	-	-	1,507	1,424	-	-	1,424
Motability Scheme		451	-	-	451	303	-	-	303
Total Charitable Expenditure	**5**	**123,693**	**(135)**	**-**	**123,558**	**113,063**	**197**	**-**	**113,260**
Total Expenditure		**127,250**	**(56)**	**16,020**	**143,214**	**116,672**	**261**	**12,089**	**129,022**
Net Income Before Gains / (Losses) on Investments		**(95,301)**	**1,676**	**261,352**	**167,727**	**103,610**	**182**	**7,579**	**111,371**
Net Gains / (Losses) on Investments	11	10,931	641	218,432	230,004	(8,145)	1,072	(18,198)	(25,271)
Net Income / (Expenditure)		**(84,370)**	**2,317**	**479,784**	**397,731**	**95,465**	**1,254**	**(10,619)**	**86,100**
Other Realised Gains and Losses									
Actuarial (Loss) / Gain on Defined Pension Scheme	22	(266)	-	-	(266)	479	-	1	480
Net Movement in Funds		**(84,636)**	**2,317**	**479,784**	**397,465**	**95,944**	**1,254**	**(10,618)**	**86,580**
Fund Balances at 1 April		514,326	43,742	1,224,402	1,782,470	418,382	42,488	1,235,020	1,695,890
Fund Balances at 31 March	**18, 19, 20**	**429,690**	**46,059**	**1,704,186**	**2,179,935**	**514,326**	**43,742**	**1,224,402**	**1,782,470**

There were no other recognised gains or losses other than those listed above and the net income for the year.
The Notes on p88-131 form an integral part of the financial statements.
All the Group's financial activities in this and the prior year were continuing.
The Endowment Fund column represents the financial activities of the Motability Endowment Trust.

Statement of Financial Activities (Charity Only)

for the year ended 31 March 2024

	Note	Unrestricted Funds 2024 £'000	Restricted Funds 2024 £'000	Endowment Fund 2024 £'000	Charity Funds 2024 £'000	Unrestricted Funds 2023 £'000	Restricted Funds 2023 £'000	Endowment Fund 2023 £'000	Charity Funds 2023 £'000
Income and Endowments from:									
Voluntary Fundraising Income		492	-	-	492	375	-	-	375
Motability Operations Donations		-	-	250,000	250,000	200,000	-	-	200,000
Donations and Legacies		**492**	**-**	**250,000**	**250,492**	**200,375**	**-**	**-**	**200,375**
Income from Investments		30,429	1,620	27,372	59,421	19,292	443	19,668	39,403
Other Income		456	-	-	456	14	-	-	14
Total Income and Endowments		**31,377**	**1,620**	**277,372**	**310,369**	**219,681**	**443**	**19,668**	**239,792**
Expenditure on:									
Raising Funds		1,993	79	16,020	18,092	1,871	64	12,089	14,024
Charitable Activities:									
Grants to Individuals		96,211	(135)	-	96,076	92,254	197	-	92,451
Grants to Organisations		23,072	-	-	23,072	17,193	-	-	17,193
Build Awareness		3,445	-	-	3,445	3,026	-	-	3,026
Innovation		1,507	-	-	1,507	1,424	-	-	1,424
Motability Scheme		451	-	-	451	303	-	-	303
Total Charitable Expenditure		**124,686**	**(135)**	**-**	**124,551**	**114,200**	**197**	**-**	**114,397**
Total Expenditure		**126,679**	**(56)**	**16,020**	**142,643**	**116,071**	**261**	**12,089**	**128,421**
Net Income Before Gains / (Losses) on Investments		**(95,302)**	**1,676**	**261,352**	**167,726**	**103,610**	**182**	**7,579**	**111,371**
Net Gains / (Losses) on Investments	11	10,931	641	218,432	230,004	(8,145)	1,072	(18,198)	(25,271)
Net Income / (Expenditure)		**(84,371)**	**2,317**	**479,784**	**397,730**	**95,465**	**1,254**	**(10,619)**	**86,100**
Other Realised Gains and Losses									
Actuarial (Loss) / Gain on Defined Pension Scheme	22	(266)	-	-	(266)	479	-	1	480
Net Movement in Funds		**(84,637)**	**2,317**	**479,784**	**397,464**	**95,944**	**1,254**	**(10,618)**	**86,580**
Fund Balances at 1 April		514,311	43,742	1,224,402	1,782,455	418,367	42,488	1,235,020	1,695,875
Fund Balances at 31 March	**18, 19,20**	**429,674**	**46,059**	**1,704,186**	**2,179,919**	**514,311**	**43,742**	**1,224,402**	**1,782,455**

There were no other recognised gains or losses other than those listed above and the net income for the year.
The Notes on p88-131 form an integral part of the financial statements.
All the Charity's financial activities in this and the prior year were continuing.
The Endowment Fund column represents the financial activities of the Motability Endowment Trust.

Balance Sheet (Group and Charity)

as at 31 March 2024

	Note	Group 2024 £'000	Group 2023 £'000	Charity 2024 £'000	Charity 2023 £'000
Intangible Fixed Assets	10	1,271	906	1,271	906
Tangible Fixed Assets	10	6,127	1,178	6,127	1,178
Fixed Asset Investments	11, 12	2,110,054	1,726,040	2,110,054	1,726,040
Fixed Assets		**2,117,452**	**1,728,124**	**2,117,452**	**1,728,124**
Debtors	13	7,868	6,224	8,092	6,029
Current Asset Investments	11, 12	119,527	105,491	119,527	105,491
Cash at Bank and in Hand		33,633	30,434	33,344	30,302
Current Assets		**161,028**	**142,149**	**160,963**	**141,822**
Creditors: Amounts Falling Due within One Year	14	(96,622)	(85,976)	(96,573)	(85,664)
Net Current Assets		**64,406**	**56,173**	**64,390**	**56,158**
Total Assets Less Current Liabilities		**2,181,858**	**1,784,297**	**2,181,842**	**1,784,282**
Creditors: Amounts Falling Due after One Year		-	(10)	-	(10)
Provisions	15	(776)	(1,080)	(776)	(1,080)
Net Assets (excluding Pension Liability)		**2,181,082**	**1,783,207**	**2,181,066**	**1,783,192**
Defined Benefit Pension Scheme Liability	22	(1,147)	(737)	(1,147)	(737)
Net Assets		**2,179,935**	**1,782,470**	**2,179,919**	**1,782,455**
Endowment Funds	20	1,704,186	1,224,402	1,704,186	1,224,402
Restricted Income Funds	19	46,059	43,742	46,059	43,742
General Unrestricted Funds	18	429,690	514,326	429,674	514,311
Total Funds		**2,179,935**	**1,782,470**	**2,179,919**	**1,782,455**

The Notes on p88-131 form an integral part of the financial statements.
The financial statements on p84-87 were approved and authorised for issue by the Board of Governors on 22 July 2024, and were signed on its behalf by:

Charles Manby MBE, Chair

David Hunter FCA, Hon. Treasurer

The Endowment Funds balance refers to the Motability Endowment Trust.

Consolidated Cash Flow Statement

for the year ended 31 March 2024

	Notes	Group 2024 £'000	Group 2023 £'000
Net Income for the Year (as per the Statement of Financial Activities)		**397,731**	**86,100**
Adjustments for Non Cash Items			
(Increase) in Debtors	13	(1,644)	(2,680)
Increase in Creditors	14	10,646	34,182
(Decrease) in Creditors > 1yr		(10)	(20)
(Decrease) / Increase in Provisions	15	(304)	8
Reinvested Investment Income	11	(30,682)	(23,021)
Investment Management Fees Charged to Capital	11	13,930	13,022
Amortisation	10	291	313
Depreciation	10	1,031	1,564
Impairment	10	610	-
Loss on Disposal of Intangible Fixed Assets	10	-	163
(Gain) on Disposal of Tangible Fixed Assets	10	(10)	(4)
FRS 102 Pension Adjustment	22	144	84
Investment (Gains) / Losses in the Year	11	(230,004)	25,238
Adjustments to exclude Investment Activities			
Investment Income Received		(27,109)	(13,291)
Interest Income Received		(732)	(668)
Investment Management Fees Paid		1,187	316
Adjustments to exclude Financing Activities			
Receipt of Endowment		(250,000)	-
Net Cash Flows from Operating Activities		**(114,925)**	**121,306**
Cash Flows from Investing Activities:			
Investment Income		27,109	13,291
Interest Income		732	668
Investment Management Fees Paid		(1,187)	(316)
Purchases of Intangible Fixed Assets	10	(656)	(235)
Purchases of Tangible Fixed Assets	10	(6,589)	(370)
Proceeds from Sales of Fixed Assets	4	10	4
Purchases of Fixed Assets Investments		(594,723)	(672,638)
Proceeds from Sales of Fixed Assets Investments		378,536	578,193
Purchases of Current Assets Investments		(112,419)	(184,839)
Proceeds from Sales of Current Assets Investments		176,389	138,081
Increase / (Decrease) in Investment Cash	11	922	(965)
Net Cash Flows used in Investing Activities		**(131,876)**	**(129,126)**
Cash Flows from Financing Activities:			
Receipt of Endowment		250,000	-
Net Cash Flows provided by Financing Activities		**250,000**	**-**
Change in Cash and Cash Equivalents for the Year		3,199	(7,820)
Cash and Cash Equivalents Brought Forward		30,434	38,254
Cash and Cash Equivalents		**33,633**	**30,434**

Consolidated Analysis of Changes in Net Debt		**Cash**	**Fair Value**	**Other Non-Cash**	
	1 April 23	**Flows**	**Movements**	**Movements**	**31 March 24**
Group	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Cash at Bank and in Hand	30,434	3,199	-	-	33,633
Debts Due within One Year	-	-	-	-	-
Debts Due after One Year	-	-	-	-	-
Total Net Debt	**30,434**	**3,199**	**-**	**-**	**33,633**

The Notes on p88-131 form an integral part of the financial statements.

Notes to the Financial Statements

1. Accounting Policies

A. Corporate and Charitable Status

Motability, operating as the Motability Foundation, is a public benefit entity incorporated by Royal Charter and registered with the Charity Commission, Charity no. 299745, in England and Wales. Scotland OSCR Registration SC050642.

B. Basis of Preparation and Consolidation

Group financial statements have been prepared in respect of the Motability Foundation and its wholly owned subsidiary, Motability Enterprises Limited.

The financial statements have been prepared in accordance with the accounting policies set out in Notes to the Accounts and comply with the Charity's governing document, applicable UK accounting standards (UK Generally Accepted Accounting Practice), including Financial Reporting Standard 102, the Charities Act 2011, 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, updated in 2019.

The Motability Foundation is the sole corporate Trustee of the Motability Endowment Trust (MET), a linked charity which shares the Motability Foundation's registered charity number (with the suffix '-1') and has the same charitable objects.

The assets and liabilities of MET have been included with those of the Charity on a line-by-line basis and included in the column 'Endowment' where appropriate. This fulfils the requirement to show the accounts of a linked charity as the Motability Foundation's only Endowment assets, liabilities and activities are those of MET. MET supports the Motability Foundation's charitable purposes through the returns MET earns on its assets. The principal activity during the year was investing in appropriate and diversified assets so as to obtain a long-term return of CPI +4%.

Motability Enterprises Limited (MEL) is incorporated in the United Kingdom and registered in England and Wales. MEL's financial statements have been consolidated with those of the Charity on a line-by-line basis. The principal activities of Motability Enterprises Limited during the year were the raising of funds for the Charity by commission received from home and travel insurance partners, and from the publication of *Lifestyle* magazine.

The Motability Foundation, as the Parent Charity, has taken the qualifying entity exemption under FRS 102 from preparing its own cash flow statement. The most significant areas of judgement and estimation in applying these accounting policies to the financial statements are deemed to be in relation to the valuation of non-listed investments as set out below in Note Q.

The financial statements have been prepared in pounds sterling, which is the functional currency of the Motability Foundation and its subsidiary. Monetary amounts in these financial statements are rounded to the nearest £'000.

C. Going Concern

In the current cost-of-living crisis, grant demand is at record levels while there remains a global supply shortage of vehicles. Whilst both these factors are easing, there remain ongoing delays in grants being claimed by beneficiaries. Contact with beneficiaries continues to confirm that grants will be claimed when a suitable vehicle is available. Therefore, grant commitments made in the year and outstanding as at 31 March 2024 are stated at full value.

As noted in the financial review section of the Annual Report for the year ended 31 March 2024, the Motability Foundation has reviewed its future spending plans in five-year scenarios to allow for differing levels of future donations from Motability Operations and income generated by MET's Endowment and differing spend rates.

The General Fund held cash, money market fund balances, deposits and investment grade bonds maturing within one year totalling £145m (2023: £127m). Further investments, including money market funds and relatively liquid investments such as listed equities, are held within the restricted and expendable Endowment funds. The Motability Foundation will seek to maintain core spending on beneficiaries and will curtail discretionary grant programmes where necessary to achieve this end.

The Motability Foundation's future financial plans, budgets, reserves levels and cash flow forecasts for a period of more than 12 months from the date of the signature of the accounts have been prepared by management and reviewed by the Governors.

On this basis, the Governors believe that the going concern assumption continues to be an appropriate basis on which to prepare these statements. The Endowment of MET is expendable, although the current policy of the Trustee is, where possible, to invest the assets of MET to retain the real value of the Endowment while also generating sufficient return so as to enhance the stability and scale of grant-making and other charitable activities as may be determined from time to time by the Trustee. The Motability Foundation's and MET's investments are stated at fair value at 31 March 2024.

There are no material uncertainties related to events or conditions that cast significant doubt upon the entity's ability to continue as a going concern.

D. Income

Income is accounted for when the Charity is entitled to the income, and when it is probable the income will be received and the amount can be measured reliably.

- Donations are recognised as and when they are received
- Legacies are recognised when the Charity is entitled to the income (at probate), the amount can be quantified with reasonable certainty and when it is probable the income will be received
- Gift aid income is recognised on an accruals basis when the receipt and value are both certain
- Other income is recognised in the period it is receivable and to the extent the services have been provided
- Interest is recognised when receivable and the amount can be measured reliably by the Charity. This is normally upon notification of the interest paid or payable by the bank
- Dividends are recognised once the dividend has been declared and notification has been received of the dividend due
- Income within accumulating listed investment portfolios is deducted from gains on investment and shown as investment income
- Income received as Agent: the Motability Foundation administers grants for disabled people on behalf of Veterans UK. However, in this respect, the Motability Foundation is acting as a conduit and, as a result, does not treat these grants as income – please see Note 21 for further details.

E. Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Notes to the Financial Statements cont.

Expenditure is classified under the following activity headings:

- 'Raising Funds' comprises costs directly attributable to activities for raising funds such as the administration of affinity insurance products, the production of *Lifestyle* magazine and the cost of investment management
- 'Charitable Expenditure' includes direct charitable expenditure, grants and directly attributable costs including central overheads such as relevant staff costs
- 'Grants' are recognised when they have been approved and communicated to the recipient except to the extent that they are subject to conditions that enable the Charity to revoke the award. This may result in a grant being recognised as charitable expenditure over several years
- The movement in the PIP TSP provision is included in Charitable Expenditure and the basis and estimates for the provision, and therefore its movement, are set out in Notes 1K and 1Q
- Stopped Allowances become payable upon the return of Scheme vehicles
- 'Allocated Support Costs' are comprised of the running costs of the Charity such as information technology, finance, evaluating charitable activities etc, and are allocated as part of non-directly attributable costs described below
- 'Governance Costs' include audit fees, legal advice for Governors relating to compliance with constitutional and statutory requirements and are part of the total support costs of the Charity. These are allocated as part of non-directly attributable costs as described below
- 'Allocated Support Costs' and 'Governance Costs' are allocated on the ratio of the expenditure for the programme as a percentage of the total

Staff costs comprise salaries and social security contributions, contributions to the Charity's defined contribution scheme and the change to the Statement of Financial Activities (SoFA) in respect of the defined benefits pension scheme. Any annual leave that an employee has accrued but not yet taken as at 31 March is calculated at the pro-rata cost of these days. The cost is included within the SoFA, with a corresponding liability shown as falling due within one year.

Termination benefits may occur where the Charity has agreed to terminate the employment of an employee and are included within the financial statements when the payment has been formally agreed or a detailed formal plan for the termination from which the Charity is realistically unable to withdraw exists. The amount of termination benefit shown is either the amount agreed or paid, or the Charity's best estimate of the expenditure required to settle the obligation.

F. Tangible and Intangible Fixed Assets

Assets are included on the balance sheet at cumulative historical cost less depreciation and any impairments in accordance with FRS 102. The cost of tangible fixed assets is their purchase price including associated costs such as taxes and legal fees, together with any costs directly attributable to bringing the asset into working condition for its intended use; and subsequent dilapidations or decommissioning costs anticipated which are provided for.

Assets in the course of construction are stated at cost and are not depreciated until available for use. Expenditure on fixed assets is capitalised where individual items cost £1,000 or more.

Fixed assets are depreciated or amortised on a straight-line basis over their anticipated useful lives as follows:

- Freehold Land: non-depreciating
- Freehold building: Thirty Years

- Freehold refurbishment: Five Years
- Leasehold improvements: Depreciated over the shorter of the remaining life of the lease or the life of the improvement
- Office furniture, fixtures and fittings: Five Years
- Computer hardware: Three Years
- Vehicles: Four years
- Computer software: Five Years
- Intellectual Property: Five Years

Capital commitments as at 31 March 2024 are disclosed in Note 23.

G. Financial Assets and Liabilities including Investments

Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are measured at their transaction price (transaction costs are included in investment management costs for the year) except for those investments which are held at fair value through the SoFA and financing transactions, which are held at the present value of the future payments discounted at a market rate of interest for a similar debt instrument through the SoFA.

The total investment management costs charged to the Motability Foundation's investments are recognised in the cost of raising funds, including charges deducted within portfolios and funds by investment managers. Investment gains and losses are adjusted by the amount of these indirect charges so that asset values are stated accurately for investments. The value of these adjustments is not material to asset values.

The majority of the Charity and Group's financial assets and financial liabilities are of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value, with the exception of listed investments which are held at fair value through the SoFA.

The Charity and Group also hold a smaller amount of unquoted investments, which are valued at the best estimate of fair value as follows:

- Pooled investments are stated at fair value, the basis of fair value being the market value of the underlying investments held. These valuations are provided by the fund managers and are subject either to independent valuation or annual audit
- Unquoted hedge funds are valued by reference to the market value of their underlying investments. These valuations are provided by the third party hedge fund administrators
- Private assets investments such as private equity are held through funds managed by private equity groups. As there is no identifiable market price for private asset funds, these funds are included at the most recent valuations from the private asset groups where:
  - The private asset group provides a fair value that complies with the International Private Equity and Venture Capital Valuation Guidelines; or
  - The private asset group valuations are prepared at fair value in accordance with UK GAAP
- Where a valuation is not available at the balance sheet date, the most recent valuation from the private asset group is used, adjusted for cash flows and foreign exchange movements and any impairment between the most recent valuation and the balance sheet date

Financial Assets measured at fair value as at 31 March 2024 are disclosed in Note 12.

Derivative financial instruments. Managers of segregated funds may enter into derivatives as part of their portfolio risk management, fair values of these derivatives are provided by the fund managers.

Notes to the Financial Statements cont.

The Motability Foundation's fund managers may use forward contracts to manage currency exposures. Where this occurs, the value of the forward contracts are accounted for at the fair values supplied by the fund managers. Investment in the subsidiary Motability Enterprise Limited is unquoted and held at cost less impairment.

Net realised and unrealised gains and losses on investments are recognised within the SoFA. Gains and losses are realised when an investment is disposed of in the year. Unrealised gains and losses arise on the revaluation of investments to fair value at the balance sheet date.

Transactions denominated in foreign currency are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the exchange rate ruling at the balance sheet date. All gains and losses on exchange, realised and unrealised, are included in the appropriate income or expenditure category in the SoFA.

Investment purchases and proceeds are based on portfolio transactions where the Motability Foundation or MET instruct those transactions. Where the manager has discretion to transact, the additions to or withdrawals from those portfolios are shown as purchases of or proceeds from investments. This policy was revised during the previous financial year to remove sales and purchases for certain discretionary mandate portfolios (and use withdrawals and additions instead).

H. Fund Accounting

Expendable Endowment funds are held and invested to provide a return to support general funds expenditure on the Motability Foundation's objects. The capital of the Endowment may be spent. Given the importance of the regular returns expected to be received from the Endowment, in order to support grant-making in years of low or no donations from Motability Operations, the Governors aim to preserve the real value of the capital and the return on it over the long term. They have determined that the Endowment's capital should only be spent in exceptional circumstances such as a 'once-in-a-lifetime' opportunity to make a permanent systemic improvement to the transport opportunities for all disabled people.

Restricted funds are funds subject to specific restrictions imposed by the donor. These funds are held by the Motability Foundation until spent in accordance with the terms of the donation.

Unrestricted funds comprise the accumulated movement on funds available for use at the absolute discretion of the Governors.

Unrestricted funds may be transferred to a restricted fund in order to support that specific activity. Any transfer between funds requires the Approval of the Audit and Risk Committee. Designated funds comprise funds which Governors have set aside for a particular activity or purpose. If funds are unspent at the end of a project or activity they are transferred to unrestricted funds or may be designated for another purpose.

I. Pension Costs

The Charity operates a defined benefit pension scheme for certain employees. The scheme was closed to new members from October 2005. The amounts charged to the SoFA are the costs arising from employee services rendered during the period and the cost of plan introductions, benefit changes, settlements and curtailment. They are included as part of staff costs.

The net interest cost on the defined benefit liability is charged to the

SoFA and included within support costs. Re-measurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the SoFA.

The defined benefit scheme is funded, with the assets of the scheme held separately from those of the Group, in separate Trustee-administered funds. The pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the defined accrued benefits method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the balance sheet.

The Charity also operates a defined contribution scheme and the amount charged to the Consolidated SoFA in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

J. Leases

As there are no finance leases, all leases are classified as operating leases, with the lease payments recognised as an expense over the lease term on a straight-line basis. No leases fall to be capitalised under this policy.

The Motability Foundation lets out part of its owned property as an operating lease. Rental income is recognised on a straight-line basis over the lease term. All direct costs are recognised as expenses over the lease term on the same basis as rental income. The property is accounted for on our balance sheet as a fixed asset and depreciated.

K. Accounting for PIP Transitional Grants

In 2013, the DWP announced that Personal Independence Payment (PIP) would replace Disability Living Allowance (DLA) as a disability benefit as part of the Welfare Reform changes. PIP has different qualification criteria compared with DLA, and it was immediately apparent that large numbers of scheme customers would lose eligibility to the scheme when they failed to transition to the qualifying Higher Rate Mobility Component of PIP.

That year, the Motability Foundation therefore announced that it would provide financial assistance to help customers to sustain their mobility who, due to the transition from DLA to PIP, would no longer qualify for benefits allowing them to lease a vehicle under the Motability Scheme. For affected customers returning their vehicles in an acceptable condition, and within the designated time, the Motability Foundation provides support payments for customers who joined the scheme up until 2013.

In order to ensure the most effective use of the available funds, Governors review all aspects of the support package each December and estimate the likely costs that would arise were notice to be given of termination of the scheme.

Management believe that a reasonable estimate of the constructive economic obligation as at the end of each financial year can be established, and have accounted for this by way of a provision. The resulting provision estimate recognises that there is a 16-month commitment from the balance sheet date for providing the current level of transitional support, i.e. to all qualifying customers who might leave the scheme by 31 July 2025. This date would allow for communication to customers of

any potential changes to the programme in January following the review in the autumn. As at 31 March 2024, the estimated constructive obligation was £0.16m (2022: £0.4m).

The most important estimate is the number and timing of DLA to PIP reassessments carried out by DWP. Given that activity has recently been and is constrained to Rising 16s, Change of Circumstances and voluntary applications for PIP, we have therefore used recent experience as the basis for predicting future expenditure.

In order to fund this Transitional Support, Motability Operations has made restricted purpose donations to the Motability Foundation totalling £175m. As at the end of the financial year £132m has been spent on the programme (2023: £132m). See Note 1Q. The date for the end of the main DLA to PIP programme is difficult to predict as future caseloads are so uncertain. There will, however, be an ongoing commitment to Rising 16s, who transition from DLA to PIP on their sixteenth birthday, until 2026/27, albeit at low expenditure levels. The balance of funds donated by Motability Operations is held as a restricted reserve.

L. Debtors

Trade and other debtors are recognised at the settlement amount. Investment income owed is accrued at its anticipated receipt value. Prepayments are valued at the amount prepaid net of any trade discounts due.

M. Current Investments and Cash

Current Asset Investments are investments that are expected to be wholly or substantially expended within 12 months of the balance sheet date. At 31 March 2024, these were general fund deposits with a maturity of 30 days or more and general fund listed debt securities with a maturity of less than one year.

Cash and cash equivalents are cash at bank and in hand as shown in the balance sheet. Cash held by Fund Managers in discretionary mandates is excluded from cash and included within Fixed Asset Investments.

N. Creditors

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount. Included in creditors are amounts due for grants programmes that have been settled but remain unpaid.

O. Provisions and Contingent Liabilities

Provisions are recognised where there is a present obligation as a result of a past event, if it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. As owner of Warwick House, we hold contributions from all occupants of the building towards future major works of the freehold property. A provision in respect of the PIP Transitional Support Programme is set out in Accounting Policy Note K. Where no provision is recognised, contingent liabilities are disclosed in the Notes to the Financial Statements, unless the possibility of a transfer of economic benefits is remote.

P. Commitment and Conditional Grant Awards

The Motability Foundation's grants carry conditions to ensure that grants are spent for the specified purpose. Where the conditions are satisfied at the time of award, the full amount of the grant is recognised immediately as charitable expenditure. Where this is not the case, for instance when the grant is comprised of a series of

payments with each dependent on the beneficiary meeting conditions, the Motability Foundation recognises the amount of the grant for which the conditions are met in the year as charitable expenditure.

Q. Critical Accounting Judgements and Estimations

In the application of the accounting policies, which are described within this note, the Governors are required to make judgements and assumptions leading to financial estimates about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The assumptions and associated estimates are based on historical experience and other factors that are considered to be relevant.

Actual results may differ from these estimates.

Defined Benefit Pension

Other than pension obligations, where the actuarial assumptions underlying the pension deficit are set out in Note 22, the Trustees consider the most significant judgements and estimates to be in relation to the valuation of non-listed investments.

Non-Listed Investment Valuations

Non-listed investments are valued at the value supplied by the fund manager. Where it is not possible to obtain a current fair value, an estimate is made based on the most recent valuation adjusted for subsequent known flows, fund expenses on a contractual basis and exchange rate movements. Where the value is thought to be significantly impaired then the value is stated at the lower of cost or impaired valuation. The basis of impairments for non-listed investments are arrived at from a review of the general performance of the relevant asset class(es) and economy(s), and discussions with the relevant fund manager. There were no impairments in the year.

PIP Provision Judgements

The underlying assumptions and judgements for the PIP provision have been calculated using a model based on actual information for 2023/24. The assumptions relating to the PIP Transitional Support Programme are reviewed on an ongoing basis. There is also a Governor annual review of the whole programme that takes place every autumn.

PIP Provision Estimates

The 16-month provision at the end of 2023/24 reduced to £0.16m (2022/23 £0.4m), which is based on an average monthly spend of £10,000 over a 16-month period. Please see Section K - Accounting for PIP Transitional Grants for further details.

R. Taxation

The charitable members of the Group are exempt from taxation on their income and gains falling within Part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to their charitable purposes. The non-charitable subsidiary, although subject to taxation, does not pay UK Corporation Tax because its policy is to donate taxable profits as a qualifying distribution under Deed of Covenant to the Motability Foundation. Foreign tax incurred on overseas investments is charged as it is incurred. Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

2. Trading Activities of the Subsidiary

The Charity has a wholly owned trading subsidiary, Motability Enterprises Limited, which is incorporated in the UK. Company number 01786053; Registered address Warwick House, Roydon Road, Harlow, Essex, CM19 5PX.

Motability Enterprises Limited made a qualifying distribution of its trading profits to the Motability Foundation as a corporate gift aid payment under Deed of Covenant without deduction of tax.

A summary of its trading results extracted from its full accounts is shown below.
The net assets of the subsidiary are £15,000 (2023: £15,000)

	Total 2024 £'000	Total 2023 £'000
Income and Expenditure Account		
Turnover	1,900	1,859
Less: Cost of Sales and Other Costs	(1,413)	(1,603)
Gross Profit	**487**	**256**
Administration Expenses	(152)	(145)
Interest Receivable	7	3
Net Profit	**342**	**114**
Qualifying Distribution to the Motability Foundation	(342)	(114)
Retained in Subsidiary	**-**	**-**

3. Income from Investments

	Unrestricted Funds 2024 £'000	Restricted Funds 2024 £'000	Endowment Funds 2024 £'000	Total Funds 2024 £'000	Unrestricted Funds 2023 £'000	Restricted Funds 2023 £'000	Endowment Funds 2023 £'000	Total Funds 2023 £'000
Interest Receivable	584	92	114	790	286	35	359	680
Investment Income	29,853	1,528	27,258	58,639	19,009	408	19,309	38,726
Income from Investments	**30,437**	**1,620**	**27,372**	**59,429**	**19,295**	**443**	**19,668**	**39,406**

4. Other Income

	Unrestricted Funds 2024 £'000	Restricted Funds 2024 £'000	Endowment Funds 2024 £'000	Total Funds 2024 £'000	Unrestricted Funds 2023 £'000	Restricted Funds 2023 £'000	Endowment Funds 2023 £'000	Total Funds 2023 £'000
Income from sale of Fixed Assets	10	-	-	10	4	-	-	4
Rental Income	168	-	-	168	-	-	-	-
Property Service Charge Income	201	-	-	201	-	-	-	-
Other Income	67	-	-	67	-	-	-	-
Other Income	**446**	**-**	**-**	**446**	**4**	**-**	**-**	**4**

5. Charitable Expenditure

	Direct Grants 2024 £'000	Direct Charitable Activity 2024 £'000	Allocated Support Costs 2024 £'000	Governance Costs 2024 £'000	Total Costs 2024 £'000	Direct Grants 2023 £'000	Direct Charitable Activity 2023 £'000	Allocated Support Costs 2023 £'000	Governance Costs 2023 £'000	Total Costs 2023 £'000
Grants to Individuals:										
Scheme-Related Grants	72,603	5,307	6,892	735	85,537	74,585	5,542	7,059	582	87,768
Access to Mobility	9,165	662	860	92	10,779	3,979	296	377	31	4,683
PIP Provision Release	(240)	-	-	-	(240)	-	-	-	-	-
Grants to Individuals	**81,528**	**5,969**	**7,752**	**827**	**96,076**	**78,564**	**5,838**	**7,436**	**613**	**92,451**
Grants to Organisations:										
Support of Under-Fives (Family Fund, Wizzybug)	5,750	420	546	58	6,774	7,000	520	663	55	8,238
Innovation Grants	2,729	199	259	28	3,215	1,464	109	138	11	1,722
Designated Grants to Organisations Programme	11,104	812	1,055	112	13,083	6,146	457	582	48	7,233
Grants to Organisations	**19,583**	**1,431**	**1,860**	**198**	**23,072**	**14,610**	**1,086**	**1,383**	**114**	**17,193**
Motability Foundation Funded Grant-Making	**101,111**	**7,400**	**9,612**	**1,025**	**119,148**	**93,174**	**6,924**	**8,819**	**727**	**109,644**
Build Awareness	-	2,239	199	14	2,452	-	1,725	152	12	1,889
Innovation	-	1,373	121	13	1,507	-	1,300	114	10	1,424
Motability Scheme	-	411	36	4	451	-	276	24	3	303
Charitable Expenditure	**101,111**	**11,423**	**9,968**	**1,056**	**123,558**	**93,174**	**10,225**	**9,109**	**752**	**113,260**
Support and governance costs allocated to cost of raising fund	**-**	**-**	**754**	**9**	**763**	**-**	**-**	**-**	**11**	**11**

The value of Charitable Expenditure by Activity has been used as the basis for apportionment of the support and governance costs shown above. The release of the PIP provision during 2024 results from a reassessment of the assumptions at year end, following actual payment experience during the year.

List of organisations in receipt of grants during the year can be found in Appendix 1.

5. Charitable Expenditure Cont.

Reconciliation of Grants Payable:	2024 £'000	2023 £'000
Grants Payable at 1 April	76,007	44,494
Grant Awards in the Year - Individuals	81,768	78,564
Grant Awards in the Year - Organisations	19,584	14,610
Grants Settled During the Year	(98,031)	(61,661)
Grants Payable at 31 March	**79,328**	**76,007**

Outstanding Grants Payable at 31 March are payable as follows:	2024 £'000	2023 £'000
Within One Year (Note 14)	79,328	76,007
Payable at 31 March	**79,328**	**76,007**

6. Analysis of Total Expenditure

	Cost of Raising Funds 2024 £'000	Direct Grants 2024 £'000	Direct Charitable Activity 2024 £'000	Allocated Support Costs 2024 £'000	Governance Costs 2024 £'000	Total Costs 2024 £'000
Other Cost of Raising Funds	362	-	-	-	9	371
Cost of Goods Sold and Other Costs	1,408	-	-	-	-	1,408
Investment Management Fees and Other Costs	17,123	-	-	754	-	17,877
Cost of Raising Funds	**18,893**	**-**	**-**	**754**	**9**	**19,656**
Grant-Making	-	101,112	7,401	9,611	1,025	119,149
Build Awareness and Engagement	-	-	2,239	198	14	2,451
Innovation	-	-	1,373	121	13	1,507
Motability Scheme	-	-	411	36	4	451
Charitable Expenditure	**-**	**101,112**	**11,424**	**9,966**	**1,056**	**123,558**
Total Expenditure	**18,893**	**101,112**	**11,424**	**10,720**	**1,065**	**143,214**

Please refer to Note 7 for an analysis of functional support costs by activity.
The amounts of 'Allocated Support Costs' attributed to 'Direct Grants' and 'Direct Charitable Activities' are in proportion to the direct expenditure on those activities.

	Cost of Raising Funds 2023 £'000	Direct Grants 2023 £'000	Direct Charitable Activity 2023 £'000	Allocated Support Costs 2023 £'000	Governance Costs 2023 £'000	Total Costs 2023 £'000
Other Cost of Raising Funds	128	-	-	-	11	139
Cost of Goods Sold and Other Costs	1,603	-	-	-	-	1,603
Investment Management Fees and Other Costs	14,020	-	-	-	-	14,020
Cost of Raising Funds	**15,751**	**-**	**-**	**-**	**11**	**15,762**
Grant-Making	-	93,174	6,924	8,819	727	109,644
Build Awareness and Engagement	-	-	1,725	152	12	1,889
Innovation	-	-	1,300	114	10	1,424
Motability Scheme	-	-	276	24	3	303
Charitable Expenditure	**-**	**93,174**	**10,225**	**9,109**	**752**	**113,260**
Total Expenditure	**15,751**	**93,174**	**10,225**	**9,109**	**763**	**129,022**

Please refer to Note 7 for an analysis of functional support costs by activity.
The amounts of 'Allocated Support Costs' attributed to 'Direct Grants' and 'Direct Charitable Activities' are in proportion to the direct expenditure on those activities.

6. Analysis of Total Expenditure Cont.

	Governance Costs 2024 £'000	Governance Costs 2023 £'000
External Audit Fees	191	154
Internal Audit Fees	79	56
Legal Fees	282	152
Members Expenses	16	4
Staff Costs	479	389
Other Costs	18	8
Governance Costs	**1,065**	**763**

The External Audit Fees expenditure shown above includes fees of £191,280 payable to the Statutory Auditor, comprising of £146,350 for the Statutory Audit of the Motability Foundation for the current year, plus £36,000 in respect of the prior year. In addition, £8,950 was paid for the Statutory Audit of the Trading Subsidiary's Accounts.

£100,059 was paid for non audit services to the Statutory Auditor.

Internal Audit has been partially outsourced to an independent firm of auditors. £102,235 was paid to Grant Thornton during the year.

Notes to the Financial Statements cont.

7. Analysis of Support and Governance Costs

		Strategic Pillars					
	Cost of Raising Funds	Grant-Making	Build Awareness	Innovation	Motability Scheme	**Total Strategic Pillars**	Total
	2024 £'000	2024 £'000	2024 £'000	2024 £'000	2024 £'000	**2024 £'000**	2024 £'000
Human Resources	-	1,122	23	14	4	1,163	1,163
Information Technology	-	1,784	37	23	7	1,851	1,851
Finance and Administration	754	1,745	36	22	7	1,810	2,564
Performance and Innovation	-	422	9	5	2	438	438
Facilities	-	1,823	38	23	7	1,891	1,891
VAT, Depreciation and Other	-	2,715	56	34	10	2,815	2,815
Allocated Support Costs	**754**	**9,611**	**199**	**121**	**37**	**9,968**	**10,722**
Governance Costs (see Note 5)	**9**	**1025**	**14**	**13**	**4**	**1,056**	**1,065**
Total Support and Governance Costs	**763**	**10,636**	**213**	**134**	**41**	**11,024**	**11,787**

Please refer to Note 5 where Support and Governance Costs are summarised.
The value of Charitable Expenditure by Activity has been used as the basis for apportionment of the Support and Governance Costs shown above after direct attribution to the cost of raising funds. In 2023, the attributed amounts were £518k, so the total equivalent Finance & Administration total was £2,061k. Showing the allocation to cost of raising funds gives greater clarity on the internal costs of these activities.

		Strategic Pillars					
	Cost of Raising Funds	Grant-Making	Build Awareness	Innovation	Motability Scheme	**Total Strategic Pillars**	Total
	2023 £'000	2023 £'000	2023 £'000	2023 £'000	2023 £'000	**2023 £'000**	2023 £'000
Human Resources	-	1,022	18	13	3	1,056	1,056
Information Technology	-	1,419	24	18	4	1,465	1,465
Finance and Administration	-	1,494	26	19	4	1,543	1,543
Performance and Innovation	-	448	8	6	1	463	463
Facilities	-	1,480	25	19	4	1,528	1,528
VAT, Depreciation and Other	-	2,956	51	39	8	3,054	3,054
Allocated Support Costs	**-**	**8,819**	**152**	**114**	**24**	**9,109**	**9,109**
Governance Costs (see Note 5)	**11**	**727**	**12**	**10**	**3**	**752**	**763**
Total Support and Governance Costs	**11**	**9,546**	**164**	**124**	**27**	**9,861**	**9,872**

Please refer to Note 5 where Support and Governance Costs are summarised.
The value of Charitable Expenditure by Activity has been used as the basis for apportionment of the Support and Governance Costs shown above. The value of Charitable Expenditure by Activity has been used as the basis for apportionment of the Support and Governance Costs shown above.

8. Governors, Employees and Related Parties

A. Numbers and Costs

The average number of persons employed by the Group during the year analysed by category, was as follows:

	2024 Number	2023 Number
Charitable Activities	177	172
Support Staff	78	63
Governance	13	10
Motability Enterprises Ltd	1	1
Total	**269**	**246**

Staff costs were as follows:

	2024 £'000	2023 £'000
Salaries	10,942	9,690
Benefits in Kind	366	283
Social Security Costs	1,155	1,049
Pension Costs: Defined Benefit	250	264
Pension Costs: Defined Contribution	1,400	1,190
Restructuring Costs	-	54
Other Staff Costs	498	490
Total	**14,611**	**13,020**

The number of employees whose emoluments, excluding pension contributions and employers NI, for the year fell within the following bands:

	2024 Number	2023 Number
£60,000 to £69,999	11	9
£70,000 to £79,999	11	6
£80,000 to £89,999	2	1
£90,000 to £99,999	6	5
£100,000 to £109,999	1	2
£120,000 to £129,999	-	1
£130,000 to £139,999	1	-
£150,000 to £159,999	-	1
£160,000 to £169,999	1	-
£180,000 to £189,999	-	1
£190,000 to £199,999	1	1
£200,000 to £209,999	1	-
Total	**35**	**27**

8. Governors, Employees and Related Parties cont.

Key Management Personnel of the Group and Charity are defined as the Governors and the Executive Directors: The Chief Executive; Finance Director; Chief Investment Officer; Chief Communications Officer; Director of Charitable Operations and Director of Performance and Innovation.

The total remuneration (including employers NIC, pension contributions and benefits in kind) of the Key Management Personnel of the Charity for the year totalled £1,077,337 (2023: £892,506).

During the year, no termination payment was made to Governors or Key Management Personnel (2023: nil, £52,029 was paid to other staff).

The Motability Foundation does not pay bonuses to staff. During the year, the Motability Foundation paid £6,142 (2023: £4,447) in long-service awards for staff who celebrated between 10 and 30 years' service as part of its employee reward and recognition arrangements.

B. Governors' Emoluments

The number of Governors in 2024 was 11 (2023: 10).

The Motability Foundation values diversity of lived experience, including within its governance. To this end, the Royal Charter provides for up to three Governors to be reimbursed lost earnings in respect of their roles. Richard Cartwright was reimbursed £6,495 in respect of lost earnings in the year (2023: nil).

Six Governors (2023: 10) received reimbursement of expenses for travel and accommodation costs amounting to £3,390 (2023: £4,102).

C. Professional Indemnity

Appropriate insurance has been arranged by the Charity to indemnify Governors and employees for their legal liability for damages and legal expenses arising from the performance of their duties. In 2024, this was £10.0m (2023: £10.0m).The cost of the policy in 2024 was £0.04m (2023: £0.03m).

D. Related Parties

Motability Endowment Trust (MET) was set up in 2019 to support the work of the Motability Foundation. The Motability Foundation is the sole corporate Trustee of MET. During the period an administration charge of £0.52m was paid by MET to the Motability Foundation (2023: £0.52m).

Related parties include the Executive Team (Key Management Personnel) as shown in section (a) along with Governors of the Charity.

The Motability Foundation directs and oversees the Motability Scheme, which is operated on behalf of the Motability Foundation by Motability Operations, a separate commercial company whose shares are held by four major banks.

Motability Operations make donations from surplus capital to the Motability Foundation. A donation of £250m was made to the Motability Foundation's Endowment fund (Motability Endowment Trust) in the year (2023: £200m to the Motability Foundation's general fund).

The Motability Foundation paid Motability Operations £66.7m (2023: £42.1m) in respect of grants awarded to customers to fund Advance Payments and adaptations on vehicles provided under the lease schemes by Motability Operations to customers in receipt of grants.

As at 31 March 2024, Motability Operations was due £11.7m (2023: £6m) in outstanding invoices and £67.6m (2023: £68.2m) in accrued commitments, totalling £79.3m (2023: £74.2m) from the Motability Foundation.

In addition, for 2024, £5.2m (2023: £4.4m) was received from Motability Operations as rebates, where customers terminated their lease agreements early, in respect of grant awards towards Advance Payments and adaptations managed by Motability Operations.

As at 31 March 2024, £1.6m (2023: £0.5m) was due to the

8. Governors, Employees and Related Parties cont.

Motability Foundation from Motability Operations for lease agreement rebates.

The Motability Foundation has a wholly owned trading subsidiary, Motability Enterprises Limited (MEL) – see Note 2 for details. In 2024, the Motability Foundation invoiced MEL £0.09m (2023: £0.09m) in respect of administration charges. As at 31 March 2024, £0.3m (2023: £0.1m) was due from MEL to the Motability Foundation as a qualifying distribution under Deed of Covenant. MEL recharged the Motability Foundation £1m (2023: £1.1m) in respect of the fixed and charitable variable costs for the production of *Lifestyle* magazine. These costs are included in the Charity's and Group expenditure. As at 31 March 2024, there was £0.09m due from the Motability Foundation to MEL (2023: £0.1m).
For the financial year 2022/23, Cheryl Ward served as a Governor, resigning 22 September 2022. During her tenure, the amounts of grants awarded to Family Fund, of which Cheryl Ward was the CEO, were £1.5m in 2022 and £5.5m in 2023 under a pilot and now under a programme. Cheryl Ward recused herself from decision making for these grants.

The Motability Foundation paid £0.1m (2023: £0.2m) to Motability Pension Scheme (in respect of the defined benefit scheme's administration expenses) which closed to future accrual from 30 April 2012. See Note 22.

9. Fixed Asset Investment in Subsidiary Undertaking

	Group 2024 £	Group 2023 £
Investments in Motability Enterprises Ltd	100	100
Fixed Asset Investment in Subsidiary Undertaking	**100**	**100**

The Motability Foundation owns 100 per cent of the share capital and holds 100 ordinary shares of £1 each in Motability Enterprises Limited, incorporated in the UK (Company No.1786053) whose registered office is Warwick House, Roydon Road, Harlow, Essex, CM19 5PX.

The company incorporated in the UK carries out certain trading activities in order to raise funds for the Motability Foundation (Note 2).

10. Intangible Fixed Assets (Group and Charity)

	Computer Software 2024 £'000	Intellectual Property 2024 £'000	Assets in the Course of Construction 2024 £'000	Total 2024 £'000
Cost				
At 1 April 2023	**2,472**	**-**	**131**	**2,603**
Work in Progress	-	-	-	-
Additions	576	80	-	656
Disposals	-	-	-	-
Transfers	-	131	(131)	-
At 31 March 2024	**3,048**	**211**	**-**	**3,259**
Amortisation and Impairment				
At 1 April 2023	**1,697**	**-**	**-**	**1,697**
Amortisation charged for the Year	271	20	-	291
Eliminated on Disposals	-	-	-	-
At 31 March 2024	**1,968**	**20**	**-**	**1,988**
Net Book Value (net of the above)				
At 31 March 2023	**775**	**-**	**131**	**906**
At 31 March 2024	**1,080**	**191**	**-**	**1,271**

All assets are used for direct charitable purposes.

10. Tangible Fixed Assets (Group and Charity)

	Freehold Land	Freehold Building	Freehold Refurbishment	Leasehold Refurbishment	Motor Vehicles	Fixtures and Fittings	Computer Hardware	Assets in the Course of Construction	Total
	2024 £'000	2024 £'000	2024 £'000	2024 £'000	2024 £'000	2024 £'000	2024 £'000	2024 £'000	2024 £'000
Cost									
At 1 April 2023	**-**	**-**	**-**	**4,181**	**818**	**274**	**857**	**73**	**6,203**
Additions	1,064	5,286	86	-	93	14	46	-	6,589
Work in Progress	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(23)	(14)	(29)	-	(66)
Transfers	-	72	-	-	1	-	-	(73)	-
At 31 March 2024	**1,064**	**5,358**	**86**	**4,181**	**889**	**274**	**874**	**-**	**12,726**
Depreciation and Impairment									
At 1 April 2023	**-**	**-**	**-**	**3,510**	**574**	**261**	**680**	**-**	**5,025**
Charged in the Year	-	119	13	671	137	6	85	-	1,031
Adjustment for Impairment on Acquisition	-	610	-	-	-	-	-	-	610
Eliminated on Disposals	-	-	-	-	(23)	(14)	(30)	-	(67)
At 31 March 2024	**-**	**729**	**13**	**4,181**	**688**	**253**	**735**	**-**	**6,599**
Net Book Value (net of the above)									
At 31 March 2023	**-**	**-**	**-**	**671**	**244**	**13**	**177**	**73**	**1,178**
At 31 March 2024	**1,064**	**4,629**	**73**	**-**	**201**	**21**	**139**	**-**	**6,127**

11. Investments Movement

Group and Charity Reconciliation of Movement in Fair Value during the period	Fixed Asset Investments 2024 £'000	Current Asset Investments 2024 £'000	Group and Charity 2024 £'000	Fixed Asset Investments 2023 £'000	Current Asset Investments 2023 £'000	Group and Charity 2023 £'000
Fair Value as at 1 April	**1,726,040**	**105,491**	**1,831,531**	**1,647,738**	**56,864**	**1,704,602**
Reclassification	-	-	-	(4)	4	-
Additions:						
Amounts Invested	734,656	187,476	922,132	722,638	184,839	907,477
Reinvested Investment Income	28,276	2,406	30,682	23,021	-	23,021
Withdrawals:						
Amounts Withdrawn	(593,527)	(176,389)	(769,916)	(628,193)	(138,081)	(766,274)
Investment Fees Charged to Capital	(13,910)	(20)	(13,930)	(12,563)	(459)	(13,022)
Gains / (Losses) in the Year	228,636	1,368	230,004	(26,722)	1,484	(25,238)
Movement in Investment Portfolio Cash	(117)	(805)	(922)	125	840	965
Fair Value as at 31 March	**2,110,054**	**119,527**	**2,229,581**	**1,726,040**	**105,491**	**1,831,531**

For 2023, the investment loss shown above of £25.238m, when adjusted for foreign exchange losses of £33k, gives the Net (Losses) / Gains on Investments figure of £25.271m shown on the Consolidated Statement of Financial Activities.

12. Investments Valuation

At 31 March Group and Charity investments comprised:	Fixed Asset Investments 2024 £'000	Current Asset Investments 2024 £'000	Group and Charity 2024 £'000	Fixed Asset Investments 2023 £'000	Current Asset Investments 2023 £'000	Group and Charity 2023 £'000
Equity Securities	1,074,002	-	1,074,002	810,576	-	810,576
Debt Securities	478,381	81,323	559,704	514,075	93,797	607,872
Infrastructure and Property	265,231	-	265,231	147,053	-	147,053
Other Investments	223,921	-	223,921	126,400	-	126,400
Money Market Instruments	53,519	10,204	63,723	127,936	11,694	139,630
Bank Deposits	15,000	28,000	43,000	-	-	-
Fair Value as at 31 March	**2,110,054**	**119,527**	**2,229,581**	**1,726,040**	**105,491**	**1,831,531**

As at 31 March 2024, there were uncalled capital commitments to investment firms totalling £120m (2023 : £144m).

The investment portfolio held at 31 March 2024 is being held for the long term and contains a mix of investments, including cash balances held by investment managers under discretionary mandates. Other investments include private credit, private equity, venture capital and absolute return investments.

Listed and Unlisted Investment Valuation	Listed 2024 £'000	Unlisted 2024 £'000	Total 2024 £'000	Listed 2023 £'000	Unlisted 2023 £'000	Total 2023 £'000
Fixed Assets	915,686	1,194,368	2,110,054	1,258,565	467,475	1,726,040
Current Assets	91,527	28,000	119,527	105,491	-	105,491
Total	**1,007,213**	**1,222,368**	**2,229,581**	**1,364,056**	**467,475**	**1,831,531**

Motability Endowment Trust hedges one half of its non-sterling exposure in its passive equity portfolio into sterling using forward contracts in order to maintain an appropriate exposure to sterling, which is the currency in which charitable expenditure is denominated. The sterling value of the amount hedged at 31 March 2024 was £250m (2023: £200m). The value of these contracts was £0.2m at 31 March 2024 (2023: £4.7m).

Income from Financial Assets measured at fair value is disclosed in Note 3.

13. Debtors

	Group 2024 £'000	Group 2023 £'000	Charity 2024 £'000	Charity 2023 £'000
Trade and Other Debtors	106	202	106	55
Amounts Owed by Motability Operations Ltd	1,405	542	1,405	542
Trade Debtors and Other Receivables	**1,511**	**744**	**1,511**	**597**
Amounts Owed by Subsidiary - Motability Enterprises Ltd	-	-	351	115
Accrued Income	5,303	4,503	5,265	4,346
Prepayments	1,054	977	965	971
Debtors	**7,868**	**6,224**	**8,092**	**6,029**

Included in Accrued Income is £5.2m of accrued investment income (2023: £4.3m).

14. Creditors: Amounts Falling Due Within One Year

	Group 2024 £'000	Group 2023 £'000	Charity 2024 £'000	Charity 2023 £'000
Scheme-Related Grants	68,250	68,700	68,250	68,700
Access to Mobility	6,923	2,303	6,923	2,303
Support of Under-Fives	-	500	-	500
Innovation Grants	818	497	818	497
Designated Grants to Organisations Programme	3,337	4,007	3,337	4,007
Grants Commitments Falling Due within One Year	**79,328**	**76,007**	**79,328**	**76,007**
Other Creditors including Taxation and Social Security	410	298	364	272
Amounts due in respect of Grant Programmes and Trade Creditors	14,229	8,371	14,228	8,329
Amounts Owed to Subsidiary - Motability Enterprises Ltd	-	-	9	59
Accrued Liabilities	2,655	1,300	2,644	997
Liabilities Falling Due within One Year	**96,622**	**85,976**	**96,573**	**85,664**

Amounts Owed to Motability Operations Limited	79,323	74,206	79,323	74,206
Amounts Owed to Third Party Suppliers and Other Creditors	13,144	6,766	13,086	6,395
Amounts Owed to Organisational Grants Beneficiaries	4,155	5,004	4,155	5,004
Amounts Owed to Subsidiary - Motability Enterprises Ltd	-	-	9	59
Liabilities Falling Due within One Year	**96,622**	**85,976**	**96,573**	**85,664**

15. Provisions

	Group 2024 £'000	Group 2023 £'000
Group and Charity Landlord's Sinking Fund		
Provision brought forward 1 April	-	-
Provision added in Year	495	-
Landlord's Sinking Fund Provision Carried Forward 31 March	**495**	**-**
Group and Charity Dilapidation Provision		
Provision brought forward 1 April	560	560
Provision Utilised in Year	(560)	-
Dilapidation Provision Carried Forward 31 March	**-**	**560**
Group and Charity Provision for Uncashed Cheques		
Provision brought forward 1 April	120	112
Movement in Provision	1	8
Provision for Uncashed Cheques Carried Forward 31 March	**121**	**120**
Group and Charity PIP Provision		
Provision brought forward 1 April	400	400
Provision Released in Year	(240)	-
PIP Provision Carried Forward 31 March	**160**	**400**
Provisions	**776**	**1,080**

The Charity holds funds provided for its possible liability in relation to its freehold property totalling £495k. The Sinking Fund represents anticipated future expenditure as current plant and machinery at Warwick House becomes due for replacement.

The Charity released its dilapidation liability following purchase of its leasehold property.

The Charity has provided for its possible liability in relation to its unpresented cheques totalling £121k.

The Charity released £240k for its possible liability in relation to its PIP Transitional Support Programme carrying forward a balance of £160k. Please refer to Note 1 Accounting Policies - Section K: Accounting for PIP Transitional Grants for further information.

16. Analysis of Group Net Assets / Liabilities Between Funds

	Group Unrestricted 2024 £'000	Group Restricted 2024 £'000	Group Endowment 2024 £'000	Group Total 2024 £'000
Fund balances at 31 March 2024 are represented by:				
Intangible Fixed Assets	1,271	-	-	1,271
Tangible Assets	6,127	-	-	6,127
Fixed Asset Investments	366,710	44,038	1,699,306	2,110,054
Net Current Assets	57,263	2,263	4,880	64,406
Provisions and Pensions	(1,681)	(242)	-	(1,923)
	429,690	**46,059**	**1,704,186**	**2,179,935**

	Group Unrestricted 2023 £'000	Group Restricted 2023 £'000	Group Endowment 2023 £'000	Group Total 2023 £'000
Fund balances at 31 March 2023 are represented by:				
Intangible Fixed Assets	906	-	-	906
Tangible Assets	1,178	-	-	1,178
Fixed Asset Investments	467,707	41,755	1,216,578	1,726,040
Net Current Assets	45,881	2,468	7,824	56,173
Creditors: Amounts Falling Due after One Year	(10)	-	-	(10)
Provisions and Pensions	(1,336)	(481)	-	(1,817)
	514,326	**43,742**	**1,224,402**	**1,782,470**

17. Analysis of Charity Net Assets / Liabilities Between Funds

	Charity Unrestricted 2024 £'000	Charity Restricted 2024 £'000	Charity Endowment 2024 £'000	Charity Total 2024 £'000
Fund balances at 31 March 2024 are represented by:				
Intangible Fixed Assets	1,271	-	-	1,271
Tangible Assets	6,127	-	-	6,127
Fixed Asset Investments	366,710	44,038	1,699,306	2,110,054
Net Current Assets	57,248	2,263	4,880	64,391
Provisions and Pensions	(1,681)	(242)	-	(1,923)
	429,675	**46,059**	**1,704,186**	**2,179,920**

	Charity Unrestricted 2023 £'000	Charity Restricted 2023 £'000	Charity Endowment 2023 £'000	Charity Total 2023 £'000
Fund balances at 31 March 2023 are represented by:				
Intangible Fixed Assets	906	-	-	906
Tangible Assets	1,178	-	-	1,178
Fixed Asset Investments	467,707	41,755	1,216,578	1,726,040
Net Current Assets	45,866	2,468	7,824	56,158
Creditors: Amounts Falling Due after One Year	(10)	-	-	(10)
Provisions and Pensions	(1,336)	(481)	-	(1,817)
	514,311	**43,742**	**1,224,402**	**1,782,455**

18. Unrestricted Funds

Movement in Funds:	Balance at 1 April 2023 £'000	Income £'000	Expenditure £'000	Transfer between Funds £'000	Investment Gains £'000	Other Realised Losses £'000	Balance at 31 March 2024 £'000
Group							
General Funds	470,472	31,948	(116,146)	-	10,931	(265)	396,940
Designated Fund - Grants to Charities and Organisations	43,854	-	(11,104)	-	-	-	32,750
Unrestricted Funds	**514,326**	**31,948**	**(127,250)**	**-**	**10,931**	**(265)**	**429,690**
Charity							
General Funds	470,457	31,376	(115,575)	-	10,931	(265)	396,924
Designated Fund - Grants to Charities and Organisations	43,854	-	(11,104)	-	-	-	32,750
Unrestricted Funds	**514,311**	**31,376**	**(126,679)**	**-**	**10,931**	**(265)**	**429,674**

Designated funds are general funds set aside by the Governors for specific purposes, normally given in the fund title. In 2021/22, the Governors designated £50m to fund grants to charities and organisations over the next three years.

Movement in Funds:	Balance at 1 April 2022 £'000	Income £'000	Expenditure £'000	Transfer between Funds £'000	Investment Losses £'000	Other Realised Gains £'000	Balance at 31 March 2023 £'000
Group							
General Funds	368,382	220,282	(110,525)	-	(8,145)	478	470,472
Designated Fund - Grants to Charities and Organisations	50,000	-	(6,146)	-	-	-	43,854
Unrestricted Funds	**418,382**	**220,282**	**(116,671)**	**-**	**(8,145)**	**478**	**514,326**
Charity							
General Funds	368,367	219,556	(109,799)	-	(8,145)	478	470,457
Designated Fund - Grants to Charities and Organisations	50,000	-	(6,146)	-	-	-	43,854
Unrestricted Funds	**418,367**	**219,556**	**(115,945)**	**-**	**(8,145)**	**478**	**514,311**

Notes to the Financial Statements cont.

19. Restricted Funds

Group and Charity	Balance at 1 April 2023 £'000	Income £'000	Expenditure £'000	Investment Gain £'000	Transfer between Funds £'000	Balance at 31 March 2024 £'000
PIP Transitional Support Programme	43,742	1,620	56	641	-	46,059
Restricted Fund	**43,742**	**1,620**	**56**	**641**	**-**	**46,059**

Restricted Fund negative expenditure is made up of expenditure of £184k and a release of £240k from the PIP provision.
Restricted Funds may only be spent for the purpose specified by the donor, normally as given in the fund title.
PIP Transitional Support Programme is used to support beneficiaries who lose their allowance due to reassessment.

Group and Charity	Balance at 1 April 2022 £'000	Income £'000	Expenditure £'000	Investment Gain £'000	Transfer between Funds £'000	Balance at 31 March 2023 £'000
PIP Transitional Support Programme	42,488	443	(261)	1,072	-	43,742
Restricted Fund	**42,488**	**443**	**(261)**	**1,072**	**-**	**43,742**

20. Endowment Fund

Group and Charity	Balance at 1 April 2023 £'000	Income £'000	Expenditure £'000	Investment Gains £'000	Other Realised Gains £'000	Balance at 31 March 2024 £'000
Endowment Fund	1,224,402	277,372	(16,020)	218,432	-	1,704,186
Endowment Fund	**1,224,402**	**277,372**	**(16,020)**	**218,432**	**-**	**1,704,186**

Group and Charity	Balance at 1 April 2022 £'000	Income £'000	Expenditure £'000	Investment Gains £'000	Other Realised Gains £'000	Balance at 31 March 2023 £'000
Endowment Fund	1,235,020	19,668	(12,089)	(18,198)	1	1,224,402
Endowment Fund	**1,235,020**	**19,668**	**(12,089)**	**(18,198)**	**1**	**1,224,402**

Endowment Funds comprise the net assets of the Motability Endowment Trust only.

21. Funds Held as an Agent

Movement in Funds:	Balance at 1 April 2023 £'000	Income £'000	Expenditure £'000	Balance at 31 March 2024 £'000
Group				
Funds Held as Agent on behalf of Veterans UK	41	389	(389)	41
Funds Held as Agent	**41**	**389**	**(389)**	**41**
Charity				
Funds Held as Agent on behalf of Veterans UK	41	389	(389)	41
Funds Held as Agent	**41**	**389**	**(389)**	**41**

Funds received, paid or held as Agent are not included within the Motability Foundation's Consolidated or Charity financial statements. These funds are accounted for directly to Veterans UK.

Movement in Funds:	Balance at 1 April 2022 £'000	Income £'000	Expenditure £'000	Balance at 31 March 2023 £'000
Group				
Funds Held as Agent on behalf of Veterans UK	42	400	(401)	41
Funds Held as Agent	**42**	**400**	**(401)**	**41**
Charity				
Funds Held as Agent on behalf of Veterans UK	42	400	(401)	41
Funds Held as Agent	**42**	**400**	**(401)**	**41**

The Motability Foundation administers the funds of Veterans UK to issue grants for automatic gearboxes and vehicle adaptations to War Pensioners who are in receipt of the War Pensioners Mobility Supplement (WPMS).

The Motability Foundation adheres to an agency agreement and distributes the funds it holds to specified third parties in line with the instructions given by Veterans UK.

Notes to the Financial Statements cont.

22. Pension Arrangements

The Group has operated a defined benefit scheme for its employees since November 1988 under which a separate fund is being accumulated to meet the accruing liabilities which is held under a trust, entirely separate from the Charity's assets. Payments to the scheme are made in accordance with the recommendations of qualified actuaries.

From 1 October 2005, changes were made to the defined benefit pension scheme:
- The scheme was closed to new members
- Employees who wished to retain the 1/60th benefit were asked to increase their contributions
- The ability to retire before 65 without actuarial reduction was removed
- A defined contribution scheme was available from that date to any employees wishing to receive pension benefits

The defined benefit scheme was closed to future accrual from 30 April 2012.

The last actuarial valuation was prepared using the Defined Accrued Benefits method, as at 31 March 2022. This valuation used the following assumptions:

	%
Investment return in deferment Bank of England Yield curve + 2%p.a.	3.85
Investment return in payment Bank of England Yield curve + 0.5% p.a. (sample rate at 21 years for non-pensioners / sample rate for pensioners at duration 12 years)	2.35/2.25
Salary increases	Nil
Pension increases pre-retirement – Deferred Pensioners derived using appropriate caps and floors applied to the Bank of England inflation Yield curve deducting 0.7% p.a. in respect of CPI pre-2030 and nil deduction after 2030	3.35
Pension increases pre-retirement – Employed Deferred	4.05
Pension increases in payment – Post-April 1997 – Pensioners	3.5

At 31 June 2022, the market value of the scheme's asset was £21.2m, the present value of liabilities was £21.1m resulting in an actuarial surplus of £0.1m, equivalent to a funding level of 100 per cent.

A qualified actuary using revised assumptions that are consistent with the requirements of FRS 102 has updated the actuarial valuation described above at 31 March 2024. Investments have been valued for this purpose at fair value.

The pension cost to the Charity under FRS 102 was £0.25m (2023: £0.26m). The major assumptions used for the FRS 102 actuarial valuation were:

	2024 % p.a.	2023 % p.a.	2022 % p.a.
Rate of increase in salaries	N/A	N/A	N/A
Rate of increase in pensions in payment	2.6	3	3.35
Discount Rate	4.8	4.7	2.64
Price inflation	3.1	3.3	3.85

22.1 The fair value of the assets in the scheme, the present value of the liabilities in the scheme and the expected rate of return at each balance sheet date were

	2024 % p.a.	2024 £'000	2023 % p.a.	2023 £'000	2022 % p.a.	2022 £'000
Equities	4.80	4,494	4.70	4,617	2.64	9,160
Bonds / Gilts	4.80	11,458	4.70	11,783	2.64	14,112
Cash	4.80	502	4.70	949	2.64	540
Property and Other	4.80	502	4.70	774	2.64	1,035
Total Fair Value of Assets	-	16,956	-	18,123	-	24,847
Present Value of Scheme Liabilities	-	(18,103)	-	(18,860)	-	(25,979)
Net Pension (Liability)		**(1,147)**		**(737)**		**(1,132)**

The rates used for the expected return on scheme assets are based on the requirements of SORP 2019 (FRS 102) as these determine the predicted return in the year to 31 March 2024. The contribution rate for 2024 was nil of pensionable earnings (2023: nil) due to the scheme being closed to future accrual with effect from 30 April 2012.

	2024 %	2023 %
Equities	27	25
Bonds / Gilts	67	65
Cash	3	5
Property and Other	3	4

The liabilities were valued using the following mortality assumptions:
- Base table: S3PA
- Future mortality improvements: CMI2022 Long-term rate 1% (2023: CMI2021, 1.25%)
- Age rating: None

The following table illustrates members' life expectancy in years, at the age of 65, based on the mortality assumptions above:

	2024	2023
Retiring Now		
Males	21.3	22.0
Females	23.7	24.4
Retiring in 20 Years		
Males	22.2	23.3
Females	24.9	25.8

Notes to the Financial Statements cont.

22.2 The movement in the scheme's deficit over the year to 31 March 2024 is summarised as follows:

	2024 £'000	2023 £'000
The Pension Deficit as at 31 March Comprises:		
Pension Deficit at 1 April	(737)	(1,132)
(Loss) / Gain in the Year - Actuarial	(265)	479
Contribution to Scheme Administration Costs	106	180
Subtotal	**(896)**	**(473)**
Analysis of Amounts Charged to the SoFA for the Year:		
Other Finance Cost	(37)	(28)
Current Service Cost	(214)	(236)
Past Service Cost	-	-
Subtotal	**(251)**	**(264)**
Pension deficit at 31 March	**(1,147)**	**(737)**

22.3 Analysis of the amount that has been charged to the SoFA under FRS 102

	2024 £'000	2023 £'000
Current Service Cost	214	236
Total	**214**	**236**

22.4 Analysis of the amount that has been debited to net finance charges under FRS 102

	2024 £'000	2023 £'000
Expected Return on Pension Scheme Assets	834	649
Interest on Pension Scheme Liabilities	(871)	(677)
Total	**(37)**	**(28)**

22.5 Analysis of the Actuarial Movement

	2024 £'000	2023 £'000	2022 £'000
Actual Return Less Expected Return on Pension Scheme Assets	(1,245)	(6,679)	313
Experience (Losses) / Gains Arising on the Scheme Liabilities	(484)	(1,010)	13
Changes in the Assumptions Underlying the Present Value of the Scheme Liabilities	1,464	8,168	1,347
Recognised (Loss) / Gain for the Year	**(265)**	**479**	**1,673**

22.6 Reconciliation of Present Value Defined Benefit Obligation

	2024 £'000	2023 £'000
Opening Balance at 1 April	**18,860**	**25,979**
Current Service Cost	214	236
Past Service Cost	-	-
Curtailment	-	-
Settlements	-	-
Interest Cost	871	677
Employee Contribution	-	-
Actuarial Gains	(980)	(7,158)
Administration Expenses	(214)	(236)
Changes to Exchange Rates	-	-
Benefits Paid	(648)	(638)
Closing Balance at 31 March	**18,103**	**18,860**

22.7 Reconciliation of Fair Value Plan Assets

	2024 £'000	2023 £'000
Opening Balance at 1 April	**18,123**	**24,847**
Expected Return on Assets	834	649
Actual Return less Expected Return on Pension Scheme Assets	(1,245)	(6,679)
Changes to Exchange Rates	-	-
Employer Contribution	106	180
Employee Contribution	-	-
Settlements	-	-
Administration Expenses	(214)	(236)
Benefits Paid	(648)	(638)
Closing Balance at 31 March	**16,956**	**18,123**

Notes to the Financial Statements cont.

22.8 Reconciliation of Change in Funded Status

	2024 £'000	2023 £'000
Opening Balance at 1 April	**(737)**	**(1,132)**
Pension Expense	(251)	(264)
Employer Contribution	106	180
Changes to Exchange Rates	-	-
Actuarial (Loss) / Gain	(265)	479
Closing Balance at 31 March	**(1,147)**	**(737)**

22.9 History of Experienced Gains and Losses

	2024 £'000	2023 £'000	2022 £'000	2021 £'000	2020 £'000
Difference Between Actual and Expected Return on Assets					
Amount	(1,245)	(6,679)	313	840	990
% of Scheme Assets	**7.3%**	**36.9%**	**1.3%**	**3.4%**	**4.2%**
Experience of (Losses) and Gains Arising on Liabilities					
Amount	(484)	(1,010)	13	99	1,997
% of Scheme Assets	**2.9%**	**5.6%**	**0.1%**	**0.4%**	**8.6%**

23. Commitments and Conditional Grant Awards

i) Operating Leases

Amounts payable in total under future minimum lease payments under non-cancellable operating leases:

	Premises 2024 £'000	Premises 2023 £'000	Other 2024 £'000	Other 2023 £'000
Within One Year	28	225	73	16
Between One and Five Years	38	50	58	-
Over Five Years	6	6	9	-
Total	**72**	**281**	**140**	**16**

Operating Lease Expenditure	2024 £'000	2023 £'000
Premises	215	510
Plant, Machinery and Vehicles	68	39
Total	**283**	**549**

ii) Capital Commitments

There were no commitments for expenditure on capital items in excess of £0.1m at the end of the year.

iii) Investment Commitments

As at 31 March 2024, there were uncalled capital commitments to investment funds totalling £120m (2023: £144m). The two largest commitments were £21.7m for a private credit fund and £18.7m for a public equity portfolio.

These commitments will be met from liquid assets and asset sales as required in the Endowment Fund.

23. Commitments and Conditional Grant Awards Cont.

iv) Conditional Grant Awards
All grants are subject to conditions.

The conditions for grants to individuals are usually satisfied at the time an award is made.

Grants to organisations contain performance-related conditions which then determine whether and when expenditure is recognised in the SoFA. Grants to organisations may be intended to be claimed over several years. The conditions attached to grants to organisations are regularly reviewed with the recipients. Grants are withdrawn where unclaimed or where conditions are not met.

Current grants where performance conditions had not yet been fulfilled as at 31 March 2024 are set out below.

	Current Conditional Awards £'000	Recognised in Prior Years £'000	Conditional Grant Award B/Fwd £'000	Conditional Award in Year £'000	Recognised Charitable Expenditure £'000	Conditional Grant Award C/Fwd £'000
Designability (Wizzybug)	5,400	(3,700)	1,700	-	(250)	1,450
Family Fund Trust	15,000	(6,000)	9,000	-	(5,500)	3,500
Total Under-Fives Grant	**20,400**	**(9,700)**	**10,700**	**-**	**(5,750)**	**4,950**
Designability (EV)	761	(761)	-	-	-	-
Vehicle Design	-	-	-	203	(203)	-
Extra Mile Car Clubs	679	(484)	195	-	(195)	-
National Centre for Accessible Transport (ncat)	-	-	-	-	-	-
Evidence Centre	20,000	(255)	19,745	-	(1,333)	18,412
Scholarships	200	(68)	132	381	(130)	383
User Research Grants	1,040	(951)	89	1,403	(868)	624
Total Innovation	**22,680**	**(2,519)**	**20,161**	**1,987**	**(2,729)**	**19,419**
Active Travel	712	(229)	482	4,992	(1,877)	3,597
Barriers to Driving	-	-	-	2,935	(906)	2,029
Community Transport	8,925	(4,953)	3,971	5,505	(3,657)	5,818
Research	-	-	-	1,997	(1,055)	942
Travelling with Confidence	992	(331)	661	4,662	(1,772)	3,552
Wheelchairs	1,950	(633)	1,317	3,113	(1,837)	2,592
Total Impact Programmes	**12,579**	**(6,146)**	**6,431**	**23,204**	**(11,104)**	**18,531**
Total for Grants to Organisations	**55,659**	**(18,365)**	**37,292**	**25,191**	**(19,583)**	**42,900**

23. Commitments and Conditional Grant Awards Cont.

The Motability Foundation awarded:

i) £23.2m in 2023/24 for 'Impact' grants. A total of £35.8m has been awarded for 'Impact' grants out of the £50m designated. These now cover all six Impact initiatives and the commitment can span a term of up to three years from the point of award.

ii) £2m in 2023/24 for 'Innovation' grants, of which £1.4m was awarded for User Research Grants to organisations exploring experimental and new ways to make transport more accessible for disabled people. These grants span a term of 12 months from the point of award.

iii) £20m in 2022/23 (over seven years to 2029/30) to a consortium headed by Coventry University for the creation and running of the ncat.

iv) £15m in 2021/22 (over three years to 2024/25) to Family Fund to support the mobility of the families with children under three years old.

v) £5.4m in 2019/20 (over four years to 2024 and subsequently extended to 2026) to Designability to support the availability of Wizzybugs to children up to the age of five.

For details of progress on major awards, please see the Grant Award Activity table on p126-128.

24. Taxation

As a registered charity, the Motability Foundation is potentially exempt from taxation of income and gains falling within Part 11 Income and Corporation Taxes Act 2010 and 256 Taxation Chargeable Gains Act 1992. No tax charge has arisen in the year.

No tax charge has arisen in the subsidiary due to the policy of gifting profits to the Motability Foundation each year.

25. Events after the reporting dates

There are no post balance sheet date events to note.

Appendix 1 - Grant Award Activity in Year

Beneficiary		2023/24 £	2022/23 £
National Centre for Accessible Travel Coventry University		-	20,000,000
Grant Awards to Organisations - Innovation - Evidence Centre	**[2023/24 - 0 Grants, 2022/23 - 1 Grant]**	**-**	**20,000,000**
Extra Mile Car Clubs	Derbyshire Community Transport	-	158,500
	Derwent Valley Car Club	-	170,708
	Green Fox Energy Co-Op Ltd	-	173,000
	Sussex Community Transport	-	177,000
	Extra Mile Car Clubs	**-**	**679,208**
Scholarships	University College London	181,200	-
	University of Newcastle	76,680	-
	University of Westminster	123,137	-
	Scholarships	**381,017**	**-**
User Research Grants	Autistic Minds	4,000	40,000
	Autistica	206,134	-
	Bus Users UK	-	40,000
	CoMoUK Trust	199,382	-
	Mental Health Foundation	-	145,204
	National Autistic Society	163,158	-
	RNIB	97,033	150,000
	Sustrans	297,253	100,000
	Transport for All	-	40,000
	United Response	199,996	-
	Visionary	-	38,000
	Wheelchair Alliance	235,562	40,000
	User Research Grants	**1,402,518**	**593,204**
Vehicle Design	Designability	203,000	-
Grant Awards to Organisations - Innovation	**[2023/24 - 10 Grants, 2022/23 - 12 Grants]**	**1,986,535**	**1,272,412**
Active Travel	Cerebra	108,210	-
	Cycling UK	1,561,660	-
	Foresight	-	116,518
	Friends of Pedal Power	-	595,001
	Get Cycling CIC	747,640	-
	Sussex Community Development Association	230,686	-
	Sustrans	443,401	-
	The Back Up Trust	1,300,913	-
	Whizz Kidz	599,533	-
	Active Travel	**4,992,043**	**711,519**
Barriers to Driving	Disability Action (Northern Ireland)	1,035,361	-
	Driving Mobility	1,899,537	-
	Barriers to Driving	**2,934,898**	**-**

Appendix 1 - Grant Award Activity in Year cont.

Beneficiary		2023/24 £	2022/23 £
Community Transport	Arran Community & Voluntary Service	-	174,035
	Autism Initiatives UK	165,867	-
	Ayrshire Cancer Support	543,100	-
	Badenoch & Strathspey Community ConneXions	-	195,372
	Cambs Society for Blind & Partially-Sighted	-	152,484
	Canolfan Maerdy	365,359	-
	Community ConneXions	-	216,291
	Community Equality Disability Action	-	100,635
	Community Transport Glasgow	614,581	-
	Compaid Trust	-	392,165
	Comunn Eachdraidh Nis	-	147,655
	Croydon Voluntary Association for the Blind	-	673,324
	Daventry Area Community Transport	-	197,789
	Dial a Ride Denbighshire	295,725	-
	Down Armagh Rural Transport	-	594,423
	Ealing Community Transport	181,505	-
	Easilink Community Transport Ltd	-	3,420,691
	East Hull Community Transport	-	542,446
	Green Community Travel	-	221,775
	Harwich Connexions Transport Co-Operative Ltd	250,100	-
	Interloch Transport	1,063	172,590
	North Holderness Community Transport	-	206,900
	North Norfolk Community Transprt	-	148,561
	OPAL in partnership with AVSED	356,873	-
	Pembrokeshire Association of Community Transport Organisations	998,142	-
	SERVE	-	650,100
	Sheppey Matters	-	325,955
	South Antrim Community Transport	937,271	-
	South Denbighshire Community Partnership	201,371	-
	South East Dorset Community Access Transport	-	200,100
	Stockport Car Schemes	157,160	-
	Voluntary Impact	-	191,235
	Worcester Wheels	436,478	-
	Community Transport	**5,504,595**	**8,924,526**
Research	Contact	302,672	-
	Driving Mobility	85,500	-
	Mental Health Innovations	357,500	-
	Multiple Sclerosis Trust	61,310	-
	Royal Mencap	237,250	-
	Transport Research Foundation	291,822	-
	University of Westminster	188,119	-

Notes to the Financial Statements cont.

Appendix 1 - Grant Award Activity in Year cont.

Beneficiary		2023/24 £	2022/23 £
	University of York	473,224	-
	Research	**1,997,397**	**-**
Travelling with Confidence	Autism Bedfordshire	107,902	-
	Community Council of Devon	206,358	-
	ENABLE	-	991,557
	Euan's Guide	886,551	-
	Leeds Older People's Forum	815,378	-
	My Life My Choice	245,908	-
	Orchardville Society	358,086	-
	Spinal Injuries Association	800,000	-
	The Back Up Trust	557,999	-
	Transport for All	684,178	-
	Travelling with Confidence	**4,662,360**	**991,557**
Wheelchairs	Action for Kids	-	420,613
	Aspire	395,543	-
	Brittle Bone Society	-	300,000
	Newlife	-	999,500
	REMAP	-	229,686
	Spinal Muscular Atrophy UK	717,100	-
	Whizz Kidz	2,000,162	-
	Wheelchairs	**3,112,805**	**1,949,799**
Grant Awards to Organisations - Impact	**[2023/24 - 43 Grants, 2022/23 - 27 Grants]**	**23,204,098**	**12,577,401**

Summary of Grant Awards in Year

Beneficiary		2023/24 £	2022/23 £
Grant Awards to Organisations - Impact	**[2023/24 - 43 Grants, 2022/23 - 27 Grants]**	**23,204,098**	**12,577,401**
Grant Awards to Organisations - Innovation	**[2023/24 - 10 Grants, 2022/23 - 12 Grants]**	**1,986,535**	**1,272,412**
Grant Awards to Organisations - Innovation - Evidence Centre	**[2023/24 - 0 Grants, 2022/23 - 1 Grant]**	**-**	**20,000,000**
Total Grant Awards to Organisations	**[2023/24 - 53 Grants, 2022/23 - 40 Grants]**	**25,190,633**	**33,849,813**
Grant Awards to Individuals	**[2023/24 - 20,734 Individuals, 2022/23 - 19,233 Individuals]**	**81,768,359**	**78,564,136**
Total Grants Awards in Year		**106,958,992**	**112,413,949**

Appendix 2 - Charitable Expenditure Recognised in Year

Beneficiary		2023/24 £	2022/23 £
Designability (Wizzybug)	Wizzybug Loan Scheme	250,000	1,500,000
Family Fund Trust	Family Fund	5,500,000	5,500,000
Grants to Organisations - Special Grants	**[2023/24 - 2 Grants, 2022/23 - 2 Grants]**	**5,750,000**	**7,000,000**
Designability (EV)	Accessible EV Charging	-	169,875
Extra Mile Car Clubs	Derbyshire Community Transport	42,641	115,859
	Derwent Valley Car Club	47,426	123,282
	Green Fox Energy Co-Op Ltd	50,105	122,895
	Sussex Community Transport	54,941	122,059
	Extra Mile Car Clubs	**195,113**	**484,095**
ncat - Evidence Centre	Coventry University	1,333,046	255,195
Scholarships	Coventry University	38,793	49,877
	University College London	38,485	-
	University of Newcastle	24,523	-
	University of Westminster	28,537	-
	Scholarships	**1,463,384**	**305,072**
User Research Grants	Autistic Minds	34,000	10,000
	Autistica	103,067	-
	Bus Users UK	-	40,000
	CoMoUK Trust	99,691	-
	Mental Health Foundation	-	145,204
	National Autistic Society	81,580	-
	RNIB	84,683	150,000
	Sustrans	188,459	100,000
	Transport for All	-	40,000
	United Response	99,998	-
	Visionary	28,500	9,500
	Wheelchair Alliance	147,781	10,000
	User Research Grants	**730,692**	**454,704**
Vehicle Design	Designability	203,000	-
Grants to Organisations - Innovation	**[2023/24 - 23 Grants, 2022/23 - 17 Grants]**	**2,729,255**	**1,463,746**
Active Travel	Cerebra	67,145	-
	Cycling UK	861,349	-
	Foresight	-	44,073
	Friends of Pedal Power	22,000	185,001
	Get Cycling CIC	167,050	-
	Sussex Community Development Association	37,941	-
	Sustrans	193,565	-
	The Back Up Trust	331,974	-
	Whizz Kidz	196,154	-
	Active Travel	**1,877,178**	**229,074**

Appendix 2 - Charitable Expenditure Recognised in Year cont.

Beneficiary		2023/24 £	2022/23 £
Barriers to Driving	Disability Action (NI)	212,903	-
	Driving Mobility	693,181	-
	Barriers to Driving	**906,084**	**-**
Community Transport	Arran Community & Voluntary Service	-	104,153
	Autism Initiatives UK	165,867	-
	Ayrshire Cancer Support	176,100	-
	Badenoch & Strathspey Community ConneXions	-	134,372
	Cambs Society for Blind & Partially-Sighted	-	51,254
	Canolfan Maerdy	193,479	-
	Community ConneXions	-	100,699
	Community Equality Disability Action	-	100,635
	Community Transport Glasgow	346,903	-
	Compaid Trust	106,465	173,335
	Comunn Eachdraidh Nis	1,000	104,965
	Croydon Voluntary Association for the Blind	178,455	308,800
	Daventry Area Community Transport	-	54,649
	Dial a Ride Denbighshire	137,542	-
	Down Armagh Rural Transport	-	235,115
	Ealing Community Transport	144,927	-
	Easilink Community Transport Ltd	-	2,300,977
	East Hull Community Transport	180,505	172,410
	Green Community Travel	157,615	64,160
	Harwich Connexions Transport Co-Operative Ltd	250,100	-
	Interloch Transport	60,073	53,384
	North Holderness Community Transport	-	141,200
	North Norfolk Community Transport	39,267	68,239
	OPAL in partnership with AVSED	168,618	-
	Pembrokeshire Association of Community Transport Organisations	323,955	-
	SERVE	-	396,467
	Sheppey Matters	89,479	144,161
	South Antrim Community Transport	517,019	-
	South Denbighshire Community Partnership	158,229	-
	South East Dorset Community Access Transport	-	100,100
	Stockport Car Schemes	88,760	-
	Voluntary Impact	-	144,307
	Worcester Wheels	172,918	-
	Community Transport	**3,657,276**	**4,953,382**
Research	Contact	92,344	-
	Driving Mobility	85,500	-
	Mental Health Innovations	105,750	-
	Multiple Sclerosis Trust	61,310	-

Appendix 2 - Charitable Expenditure Recognised in Year cont.

Beneficiary		2023/24 £	2022/23 £
	Royal Mencap	84,650	-
	Transport Research Foundation	291,822	-
	University of Westminster	97,106	-
	University of York	236,612	-
	Research	**1,055,094**	**-**
Travelling with Confidence	Autism Bedfordshire	37,719	-
	Community Council of Devon	106,916	-
	ENABLE	-	330,519
	Euan's Guide	293,165	-
	Leeds Older People's Forum	247,220	-
	My Life My Choice	77,608	-
	Orchardville Society	115,500	-
	Spinal Injuries Association	363,504	-
	The Back Up Trust	220,056	-
	Transport for All	309,964	-
	Travelling with Confidence	**1,771,652**	**330,519**
Wheelchairs	Action for Kids	-	179,743
	Aspire	120,120	-
	Brittle Bone Society	100,000	100,000
	Newlife	339,601	276,953
	REMAP	-	76,562
	Spinal Muscular Atrophy UK	238,500	-
	Whizz Kidz	1,038,987	-
	Wheelchairs	**1,837,208**	**633,258**
Grants to Organisations - Impact	**[2023/24 - 54 Grants, 2022/23 - 27 Grants]**	**11,104,492**	**6,146,233**
Total Grants to Organisations	**[2023/24 - 79 Grants, 2022/23 - 46 Grants]**	**19,583,747**	**14,609,979**
Grants to Individuals	**[2023/24 - 20,734 Individuals, 2022/23 - 19,233 Individuals]**	**81,768,359**	**78,564,136**
Total Grants Recognised within Charitable Expenditure in Year		**101,352,106**	**93,174,115**

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The Rt Hon Theresa May MP
The Rt Hon the Lord Cameron of Chipping Norton
The Rt Hon Ed Miliband MP
The Rt Hon Sir Iain Duncan Smith MP
The Rt Hon Sir Tony Blair KG

Life President

The Rt Hon the Lord Sterling of Plaistow GCVO CBE

Life Vice-President

Brian Carte TD

Governors

Chair:
Charles Manby MBE
Vice Chair:
Ed Humpherson CB FCA
Hon Treasurer:
David Hunter FCA

Dr Hannah Barham-Brown FRSA
Richard Cartwright ACA
Sukhi Clark (retired 1 September 2023)
Tony Davis
Jackie Driver OBE (appointed 28 September 2023)
Robin Hindle Fisher OBE
Merlyn Lowther (appointed 28 September 2023)
Dr Juliana Onwumere
Professor William Webb

Members

Sir Gerald Acher CBE LVO FCA
Richard Bennison FCA
Don Brereton CB
Brian Carte TD
Morigue Cornwell MBE
Alan Dickinson
Dr Stephen Duckworth OBE
Christopher E Fay CBE
The Rt Hon the Lord Hague of Richmond
Raymond King
Joanna Lewis
Edward Lester
The Hon Sara Morrison
Noel Muddiman CBE (retired 28 September 2023)
Peter Oppenheimer**
David Pritchard**
(retired from Investment Committee June 2023)
Professor Mala Rao OBE
Dipankar Shewaram** (appointed 28 September 2023)
The Lord Kevin Shinkwin
Paul Spencer CBE
The Rt Hon the Lord Sterling of Plaistow GCVO CBE
Cheryl Ward

* All the existing Governors are also Members
** Independent Member of the Investment Committee

Key Executive Employees

Chief Executive Officer from March 2024:
Nigel Fletcher
Chief Executive Officer until March 2024:
Barry Le Grys MBE
Director of Finance:
Charles Nall ACA
Director of Charitable Operations:
Lisa Jones
Director of Performance and Innovation:
Rachael Badger
Chief Investment Officer:
Phillip Coates
Chief Communications Officer:
Sophie McGuirk-Cummings (appointed September 2023)





Motability, Warwick House, Roydon Road, Harlow, Essex CM19 5PX

Motability is a registered charity in England and Wales with charity number 299745
and in Scotland with charity number SC050642.

We are regulated by the Charity Commission and the Financial Conduct Authority. We are
entered on the FCA register (www.fca.org.uk/register) under reference 736309.

Motability operating as Motability Foundation

motabilityfoundation.org.uk

MOTABILITY

England & Wales - Charity number 299745

Accounts



Annual Report and Accounts 2022/23

Motability Foundation

Making all journeys accessible



Our vision

We are building a future where all disabled people have the transport options to make the journeys they choose

Motability Foundation

Making all journeys accessible

Annual Report and Accounts 2022/23

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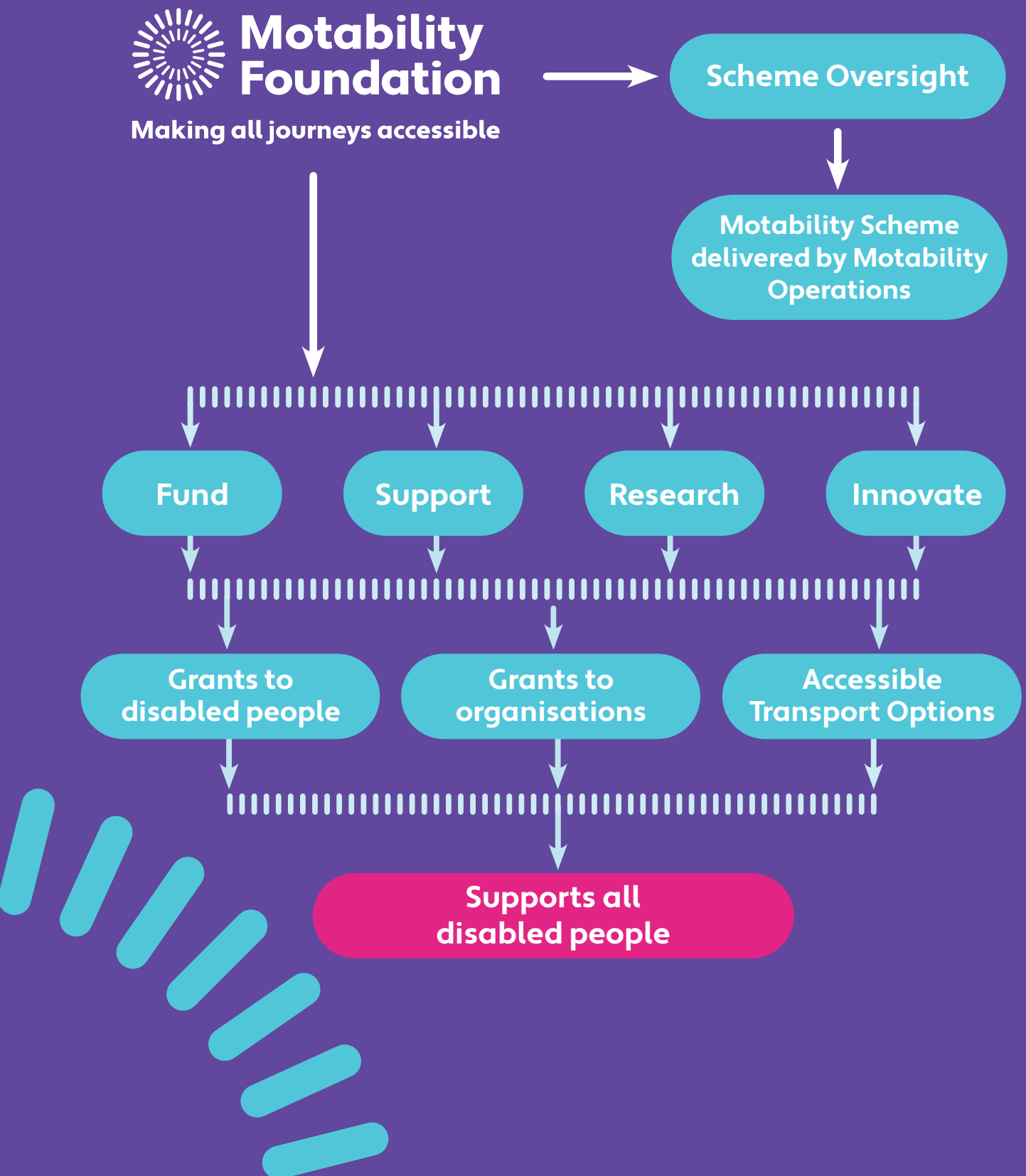
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Who we are and what we do



Introduction

There are 16 million (m) disabled people in the UK – that is more than one fifth of the population. However, disabled people very often struggle to make journeys due to a lack of accessible transport options. This impacts on every area of people's lives, from employment opportunities to wellbeing.

At the Motability Foundation we fund, support, research and innovate so that all disabled people can make the journeys they choose.

The Motability Foundation's work has greatly expanded over the last few years. This year, we took the decision to adopt the operating name Motability Foundation as part of a wider brand refresh. Our legal name, Motability, remains unchanged.

Adding the word 'Foundation' helps to reflect our wider range of grants and innovation work.

What we do

The Motability Scheme is the main way in which we provide access to transport for disabled people. The Scheme offers an affordable way for disabled people to lease a new vehicle, Wheelchair Accessible Vehicle (WAV) or powered wheelchair. Anyone who receives qualifying higher rate mobility allowances from the Government can join the Scheme.

The Motability Foundation then provides means-tested grants to help people access the Scheme or use their vehicle more easily. We know that vehicles aren't the only way that disabled people need to travel, so we provide various other grants to help people stay mobile. We award grants to charities and organisations that provide different types of transport or carry out research into how to make transport accessible. We also carry out our own research in partnership with disabled people and key stakeholders to inspire practical innovations that continue to make transport more accessible now and in the future.

How we do it

The Motability Scheme is used by 670,000 customers. It is delivered by a separate company, Motability Operations Ltd. The delivery is overseen by us, the Motability Foundation, to ensure that it is the best it can be for disabled people. Scheme vehicle leases cost on average 45 per cent less than similar deals from other major leasing companies.

Motability Operations is a purpose-driven, customer-focused company contracted exclusively to the Motability Foundation. Every year, Motability Operations aim to make a modest return on their asset base so that they can reliably borrow money, buy vehicles and make sure they remain affordable to our beneficiaries. Motability Operations do not pay dividends to shareholders. Any surplus income is used to improve the Scheme and secure its long-term future, or it is donated to the Motability Foundation.

Donations from Motability Operations aren't guaranteed. In 2019, we set up the Motability Endowment Trust (MET), formerly referred to as the Motability Foundation. MET invests our funds to make our grant giving, research and innovation sustainable in the long term.

At the Motability Foundation we fund, support, research and innovate so that all disabled people can make the journeys they choose

Motability Foundation

Making all journeys accessible

The Five Strategic Pillars

Our Founding Principles

Our founding principles underpin our Strategic Pillars. They are to provide:

- Solutions that meet the needs of our beneficiaries
- The highest standard of service
- The best possible value for money
- Financial sustainability for the long term

The charitable object of the Motability Foundation is to facilitate the relief and assistance of disabled people in connection with the provision of personal, and other, transportation

Motability Scheme



Ensure the success of the Motability Scheme in meeting the transportation needs of disabled people

Our goals

- Ensure good value for money and high levels of customer service are delivered across the UK
- Ensure that the Scheme is financially and environmentally sustainable and efficient
- Ensure our oversight of the Scheme is effective and transparent

Grant-Making



Use charitable funds effectively to address the transportation needs of beneficiaries

Our goals

- Ensure our grant programmes deliver maximum impact for beneficiaries and value-for-money solutions
- Improve the ways in which our beneficiaries access our assistance and high levels of service
- Use our expertise in disability, transportation and grant-making to assist more beneficiaries
- Continue to develop evidence-informed grant programmes to meet the current and future transportation needs of our disabled beneficiaries

Build Awareness and Engagement



Build awareness of, and trust in, the work of the Motability Foundation, listen to the views of disabled people, their organisations and other key stakeholders, and take account of them when we make important decisions

Our goals

- Improve awareness and understanding of our charitable work, including oversight of the Motability Scheme
- Actively listen to, and learn from, others who can inform and educate us, especially those with lived experience
- Involve the right stakeholders in our decision making, and share information about the decisions we make and our reasons for making them

Innovation



Constantly look for and develop new ways to meet the evolving transportation needs of disabled people

Our goals

- Amplify the voices of disabled people when important transport policy and design decisions are made, including along the journey to zero-emission transportation and future technology
- Explore opportunities to improve the provision of community and door-to-door transport for disabled people
- Improve our understanding of the mobility needs of disabled people, especially those who receive mobility allowances beyond vehicle leases, and seek out new opportunities to meet these needs

Disability Charity



Provide the highest level of service to meet the transportation needs of disabled people, underpinned by a strong infrastructure and an empathetic, evidence-led culture

Our goals

- Ensure we have a strong and sustainable infrastructure including the continuing development of our people, skills, systems and ways of working to enable our goals to be achieved
- Continue to champion our values and behaviours that place our beneficiaries at the centre of all we do – ensuring that we keep striving to fulfil our vision and meet beneficiary needs in the most relevant and productive way

Motability Foundation

Making all journeys accessible

Chairman's Statement



Charles Manby MBE
Chairman of the Motability Foundation

Economic pressures mean that more people are seeking grants from the Motability Foundation than ever before. As planned, we have responded by increasing our charitable spend by more than 40 per cent to £113m this year (2022/23), which includes a record grant giving expenditure worth £93m to individuals and other organisations.

As well as increasing our grant-making, we have worked with Motability Operations to agree a plan to support the cost of leasing a Motability Scheme vehicle. This includes giving customers £750 for each new vehicle lease to help get them on the road – £525m in total – and Motability Operations have set aside up to £645m to keep prices on the Scheme affordable in the future.

The Motability Foundation also received a donation of £200m from Motability Operations. The investment into the foundation, the Scheme and pricing for customers this year has been made possible by Motability Operations' strengthened financial position (see page 17). This is a result of exceptional circumstances.

The global automotive industry is going through the biggest transition since the Scheme began 45 years ago. Given this scenario, the resilience of Motability Operations is paramount. It is important that we remain prudent when planning future spending so that the Scheme and the foundation are sustainable for years to come. Upwards pressure on WAV pricing has been substantial and, without our and Motability Operations' support, these beneficiaries would not be mobile. We will explore sustainable solutions in the WAV market amidst the transition to electric over the coming years.

I would like to thank Rt Hon Sir Stephen O'Brien KBE and the Board of Motability Operations for the generous donation, and thank their Senior Executives led by Andrew Miller, all their employees and the Board for delivering the Scheme so successfully through another highly unpredictable year.

The Motability Foundation aims to be financially resilient in the long term, supporting disabled people now and for generations to come. Donations aren't guaranteed, so we have endowment funds which are invested via the Motability Endowment Trust. In a tough year for investment, the Endowment's performance was satisfactory (see page 60). The returns provide a level of assurance for the provision of our activities but will not be sufficient to sustain them without further donations.

We aim for around 70 per cent of our charitable spending to fund grants for Motability Scheme customers, and the other 30 per cent to go towards making all transport more accessible, including for Scheme customers. We are always looking for ways

We are always looking for ways to deploy our resources to achieve maximum impact, and our vital tool here is evidence

to deploy our resources to achieve maximum impact, and our vital tool here is evidence. To this end, I am extremely pleased that we have concluded an 18-month long process to select a consortium to run the National Centre for Accessible Transport (NCAT), led by Coventry University and independently chaired by Keith Richards. The Centre will be a real source of direction for our charitable purpose and application of resources over the coming years.

This was the first year of our three-year, £50m programme of Grants to Organisations, and I am pleased to see the progress that has been made in selecting really strong grant applications which will help some 48,000 disabled people to make journeys.

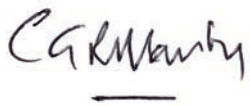
Her Majesty Queen Elizabeth the Second had been our Chief Patron almost since the charity was founded and consistently gave overwhelming support. I was privileged to attend Her Majesty's funeral at Westminster Abbey and pay our respects for her outstanding service.

I would very much like to thank my fellow Governors for their support. Professor Mala Rao OBE and Cheryl Ward stood down at the last Annual General Meeting, and their contribution is greatly appreciated.

Two new Governors joined us in the year. Professor Sukhi Clark is an expert in design, engineering and project management, and she will chair our Advisory Committee on the NCAT. Tony Davis has global experience of strategy consulting and transaction advice in the transport sector.

I wish to finish by thanking the management team and all employees at the Motability Foundation for their steadfast commitment through a year of unforeseen and challenging events. They have coped well with an extremely high level of demand for the foundation's services in the most flexible manner, while introducing new programmes to extend our reach. We have made substantial progress in the recruitment and development of our people, who demonstrate enormous commitment and empathy in what they do.

I congratulate them all on always striving to support disabled people.

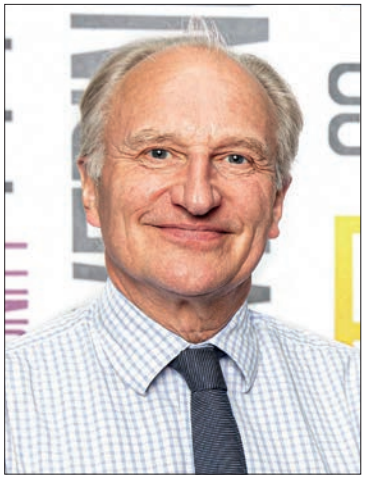


Charles Manby MBE
Chairman

Motability Foundation

Making all journeys accessible

Chief Executive Officer's Statement



Barry Le Grys MBE
Chief Executive Officer

This year, our 45th anniversary, has proven to be the Motability Foundation's most active ever. In 2022/23 we grew our grant-making to disabled people who use the Motability Scheme and to charities and organisations that provide other forms of transport to disabled people. We have built the teams, the capabilities and the expertise to deliver an ambitious programme of work which gives more disabled people and their families access to transport. The Motability Scheme continues to be the major part of our assistance to disabled people. We then provide grants to help people access the Scheme and make use of the vehicle they need to gain independence.

Evaluations have shown the huge personal and economic benefits of receiving a grant from us: 93 per cent of people receiving a vehicle, WAV or complex driving solution grant told us that it had a life-changing or significant effect on their ability to get around. Analysis also shows that every £1 we spend on a WAV grant delivers the equivalent of £11.10 in benefits to the individual as well as additional benefits to their families, carers and the economy. (See more on page 44.)

Our research and innovation work has prioritised amplifying disabled people's voices to improve decision making in transport provision and smoothing the transition to electric vehicles (EVs) for disabled people who need accessible EV charging infrastructure. We co-sponsored the first accessible charging standard (PAS 1899) setting out exactly how to make public EV charge points accessible, and we successfully launched it in Parliament. We are now working on making sure the standard is widely applied, in particular by endorsing what we consider to be the best scheme(s) for assessing PAS 1899 compliance, and sharing this information with charge point providers and local authorities so they can utilise said scheme.

Learning from disabled people has been key to assessing where we can have the most impact by grant funding other organisations to provide transport. It is also a founding principle of the Motability-funded NCAT, which launched in February. The independent Centre is working with disabled people's organisations and researchers, transport providers and policy makers to understand how to make transport more accessible and turn evidence into action. We have allocated £20m in grant funding over seven years, and all partners agree that the potential impact is worth far more than the grant sum. (See more on page 39).

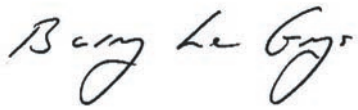
The expansion of our work is against a backdrop of the rising cost of living and increasing financial challenges for disabled people. We

We cannot do what we do without our people. We have continued to focus on and invest in equality, staff development and wellbeing

are working closely with Motability Operations to keep the affordability of the Motability Scheme under review and assess the affordability support they have put in place for customers. (See more on pages 15-17).

We cannot do what we do without our people. We have continued to focus on and invest in equality, staff development and wellbeing. This year, the gender gap reduced again by 4.5 per cent, the disability gap reduced by 2.3 per cent and we do not have an ethnicity gap at all. We offer opportunities in the community and we're proud of our close relationship with Harlow College, providing work experience and potential employment to local students. (See pages 43-45 for more).

Last year, I introduced our Annual Report and Accounts by saying how the pandemic and the unexpected had made us build resilience. This has served us well and team spirit is thriving. The skill sets in the Harlow office are enormous; from the delicate handling of a beneficiary's first-ever call to the Motability Foundation through to the briefing of government ministers on our work and ideas. All make a valuable contribution and do their best for disabled people. I thank everybody for this, and it is a privilege to see how the whole has a far greater effect than the sum of the parts.



Barry Le Grys MBE
Chief Executive Officer

Our year in numbers 2022/23

£74.6m
worth of grants provided to Motability Scheme customers

1,483
visits to grant beneficiaries by our Mobility and Driving Advisors to find the best mobility solutions



Eight research projects funded or commissioned to help make transport accessible



Motability Foundation

Making all journeys accessible

£20m
of funding to the NCAT over seven years

16,096
grants provided to Motability Scheme customers

179,000
calls handled by our grant teams

STRATEGIC PILLAR

Motability Scheme

STRATEGIC PILLAR

Motability Scheme

The Motability Foundation oversees how the Motability Scheme is delivered by Motability Operations. We review whether the Scheme offers people the best choice, value for money and customer service. We do this by:

- Reviewing how well the Scheme is performing against contractual KPIs (monthly)
- Discussing current activity and future plans (quarterly)
- Analysing customer research to identify how well the Scheme is meeting their needs
- Attending Motability Operations governance committees
- Constantly monitoring Scheme policy and significant issues that could impact Scheme performance

What does the Motability Scheme offer Disabled People?

- A worry-free lease for a new vehicle, scooter or powered wheelchair
- Insurance, tyres, servicing and breakdown cover included
- WAVs
- Adaptations to vehicles so disabled people can drive or travel as a passenger more easily

Motability Scheme Performance

We regularly discuss the performance of the Scheme with Motability Operations. The Motability Foundation continues to believe that Motability Operations is highly effective in delivering the Scheme. During the year, the Scheme Oversight Committee (see page 66) reviewed a number of areas including:

Vehicle Availability and Affordability

For the past two years, there has been a shortage of new vehicles due to restricted availability of components. As a result, manufacturers have made fewer vehicles, and both new vehicles and second-hand vehicles have become more expensive.

Motability Operations have worked hard to get a continued supply of new vehicles from manufacturers. Some vehicles have been withdrawn from the Scheme because of long waiting times, whilst manufacturers have also reduced the discounts available to the Motability Scheme.

This means that customers have had less choice of vehicles, higher prices and longer waits. Keeping Motability Scheme customers mobile remains the top priority for Motability Operations. The team has

Aims for 2022/23

1. Ensure that the Scheme continues to operate to its current high standard for customers, offering value for money and excellent customer service. **ACHIEVED**

2. Seek to maintain price stability as far as possible against a background of very restricted vehicle availability. **ONGOING**

3. Complete work to renew the Scheme Agreement with Motability Operations, including a new performance framework and updated KPIs, continuing our focus on securing the best outcomes for disabled people. **ONGOING**

4. Together with Motability Operations, ensure that customers' needs are understood and supported during the current transition to EVs. **ONGOING**

670,000
people currently use the Motability Scheme



minimised these issues for customers through a number of measures, including extending customer leases, supporting customers with affordability of vehicles and investing in the transition to electric.

Value For Money
The Motability Scheme continues to offer customers excellent value for money. Independent analysis found that Scheme vehicle leases cost on average 45 per cent less than similar deals from other major leasing companies. This saving has remained relatively stable throughout the vehicle shortages.

Used Vehicles
When Scheme customers' vehicle leases come to an end, many choose to take out a new lease on a new vehicle. Motability Operations will then sell their used vehicle.

During 2021, the value of used vehicles rose unexpectedly by approximately 30 per cent. Values were expected to fall in 2022, but they remained at exceptional levels.

Selling used vehicles for higher prices meant that Motability Operations made more profit than expected, which has been invested back into the Scheme and the Motability Foundation. Motability Operations has introduced a number of initiatives supporting the affordability of new vehicles over the coming years – see 'Motability Scheme Policy' (right).

Customer Satisfaction
Overall, customer satisfaction with the Motability Scheme remains high at 9.6 out of 10. This is down slightly compared with historical levels. The disruption caused by the COVID-19 pandemic and restricted vehicle availability played a part in the change. Motability Operations continue to invest in their customer support teams and other initiatives so that customers get the best possible experience.

Major Risks
Operational and financial risks arising within Motability Operations are addressed by their own Audit and Risk Committee, which is chaired by an independent Non-Executive Director.

The Motability Foundation's Treasurer, CEO, and Finance Director attend the Motability Operations Audit and Risk Committee to stay informed of any emerging risks that may impact the Motability Scheme.

Motability Scheme Policy
During the year, the following policy matters were reviewed:

Vehicle Availability and Affordability
In 2022, Motability Operations introduced a New Vehicle Payment of £250 to help with the increased cost of vehicles. Customers can now choose to use the New Vehicle Payment towards the cost of the Advance Payment.

Towards the end of 2022, the Motability Foundation and Motability Operations agreed to increase the New Vehicle Payment to £750. All customers who received the £250 will receive a top-up payment of £500 from Motability Operations. The support is available for all current customers for one lease renewal cycle beginning from January 2022. The £750 support is also available to all new Scheme customers joining in 2023.

As the price of new vehicles continues to rise, Motability Operations will also allocate up to £645m to help keep leasing costs affordable for customers over a period of roughly three years. WAVs in particular are being subsidised heavily. There are 30,000 WAVs on the Scheme and this investment, including

Overall, customer satisfaction with the Motability Scheme remains high at 9.6 out of 10

grants, is approaching £100m. Without this support, such a vehicle could be totally out of reach.

Transition to Electric Vehicles (EVs)
The UK transition to EVs is underway. EVs are currently more expensive than petrol or diesel vehicles, but the Motability Scheme will provide a wide choice of cost-effective vehicles that meet disabled people's needs.

At the end of 2021, we approved a support package of £300m proposed by Motability Operations to allow Scheme customers to transition to EVs at the same rate as the change in the retail market. The package of support also included a free home charge point or, alternatively, a pre-paid charge card for public charge points.

During 2022, we monitored the support, which had resulted in some competitive EV prices and a significant increase in orders, which made up 10 per cent of all orders in some months.

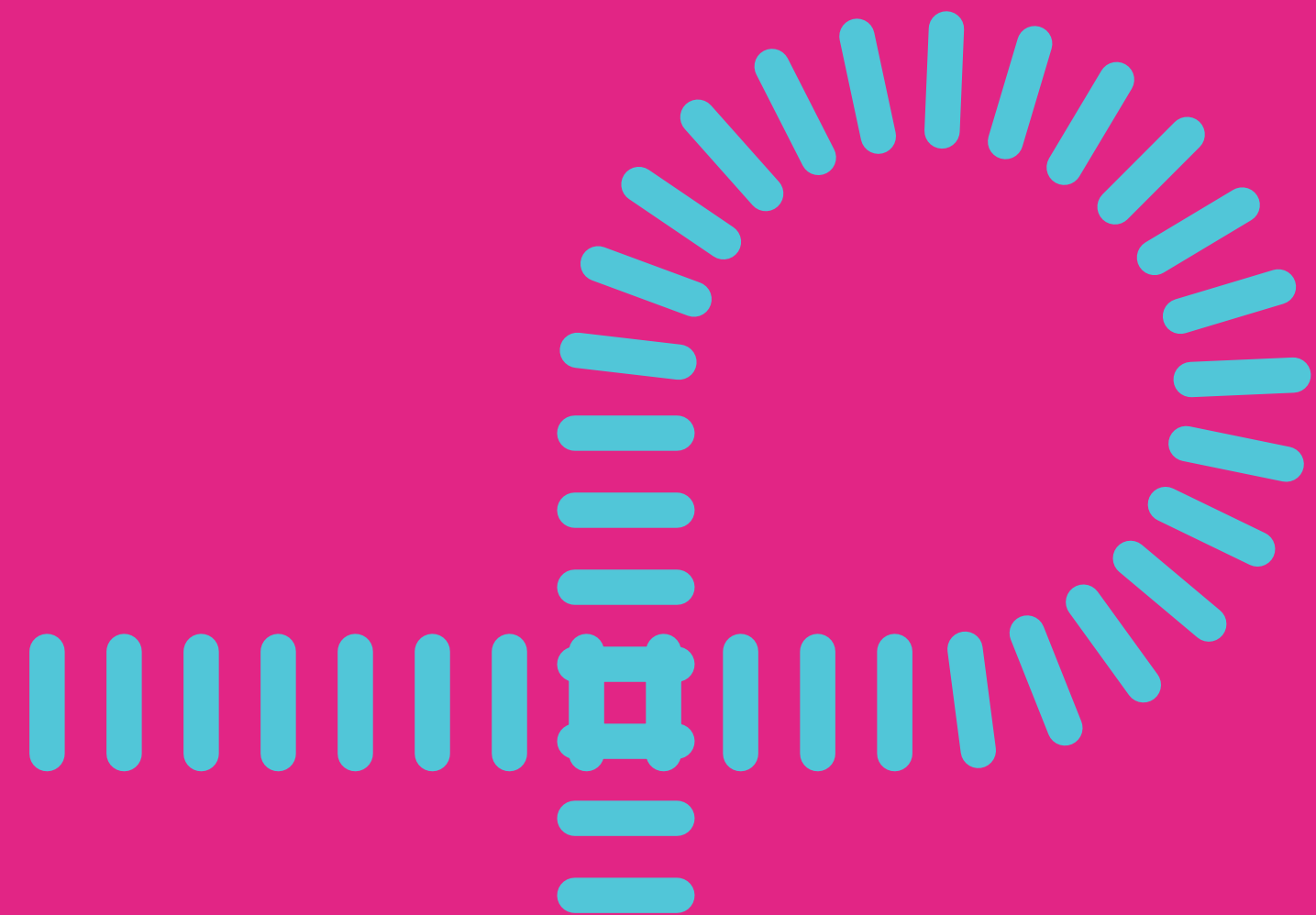
Motability Operations donation and reserves
Motability Operations have also used their additional profits to give the Motability Foundation a large donation of £200m this year (£170m last year). Their remaining reserves provide financial security for Motability Operations into the medium term. Further consideration on the amount and use of reserves for 2023/24 and beyond is underway. At the end of last year, Motability Operations announced changes to the Good Condition Payment which saw eligible customers receive £350 of this payment early. To improve affordability in the future, Motability Operations have now reduced the amount set aside in each customer's lease for the Good Condition Payment.

Aims for 2023/24

1. Ensure that the Scheme continues to operate to its current high standard for customers, offering value for money and excellent customer service
2. Seek to maintain price stability as far as possible against a background of restricted vehicle availability. In particular, monitor the affordability support to ensure that it is effective and efficient
3. Complete work to renew the Scheme Agreement with Motability Operations, including a new performance framework and updated KPIs, with a continuing focus on securing the best outcomes for disabled people
4. Together with Motability Operations ensure that the fleet transitions towards electric vehicles at broadly the same rate as the retail market, while ensuring that customers' specific needs are addressed

STRATEGIC PILLAR

Grant-Making



STRATEGIC PILLAR

Grant-Making

This year, we awarded more Scheme-related grants to disabled people than ever before, providing £74.6m worth of grants to 16,096 people to help them use the Motability Scheme. We launched six new grant programmes for other organisations. Total spending on grants to organisations in the year was £14.6m, of which £12.6m were Impact Grant Programmes, helping an estimated 48,000 disabled people access other forms of transport. Together, our grants have supported individuals, families and communities, and given disabled people more ways to travel.

Aims for 2022/23

1. To continue to achieve high levels of beneficiary satisfaction regarding application for a grant **ACHIEVED**
2. To launch a portfolio of new grant programmes to support other charities and organisations **ACHIEVED**
3. To evaluate two Scheme-related grant programmes to better understand the impact we deliver for beneficiaries **ACHIEVED**

CASE STUDY

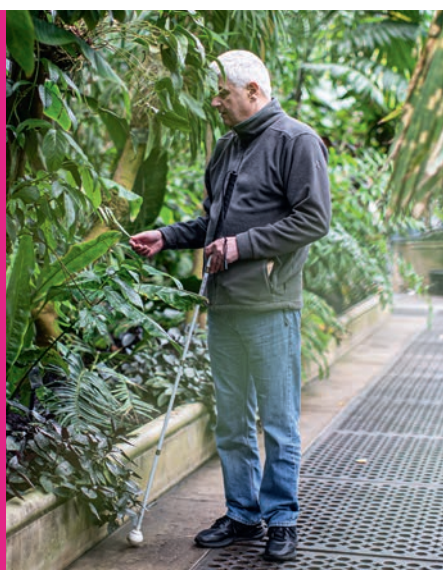
Croydon Vision

"Croydon Vision supports the visually impaired of Croydon and our transport gets members from A to B. We serve 1,200 members by building confidence, helping them back to work and giving them tools for everyday life," says Fundraising Manager Donna Duffy.

"Transport is integral to this. The £673,324 Motability Foundation grant funded three adapted buses and a transport manager. Our old bus kept breaking down, and many of our members have mental health illnesses or are wheelchair users, so getting stuck was not ideal!

"Individuals can now make journeys all over Croydon with a dial-a-ride service, and a transport committee, made up of members, decide where to go on trips.

"I cannot express enough thanks. To get the buses in our centenary year has been phenomenal."



Grants to Disabled People

Motability Scheme-Related Grants

We know that for some disabled people, their Motability Scheme vehicle is the only way that they can travel, and that a grant is the only way they can lease the vehicle they need. Scheme-related grants are means tested to support those who are least able to afford the vehicle they need.

In 2022/23, more disabled people than ever before applied for a Motability Scheme-related grant as the Advance Payment for a Motability Scheme vehicle has increased. Meanwhile, the cost of living crisis has put extra pressure on disabled people's finances, making it even more difficult to afford a vehicle.

A sample of our data shows that, in 2022/23, 56 per cent of our grant applicants were existing Scheme customers who had previously covered the full cost of the lease themselves.

We have responded to the demand by increasing our grants to Motability Scheme customers from £53.8m in 2021/22 to £74.6m in 2022/23.

Scheme-Related Grant Programmes

Car and Vehicle Adaptations

£31.6m value

The Car and Vehicle Adaptations Grant Programme supports customers of the Motability Scheme with the cost of the Advance Payment or adaptations for a vehicle that meets their disability needs. Although many adaptations are available at no additional cost on the Scheme, more complex adaptations, such as mechanical and electric swivel seats, person hoists, rooftop wheelchair storage devices and electronic driving controls are considerably more expensive. Our Car and Vehicle Adaptations Grant Programme can help with meeting these expensive costs and ensure that our disabled beneficiaries are supported in getting what they need from a vehicle on the Scheme.

Wheelchair Accessible Vehicles

£26.5m value

A WAV is a commercial vehicle that has been adapted to enable a wheelchair user to access the vehicle, for example via a ramp, and either remain in their wheelchair when travelling or transfer to a seat and secure the wheelchair or scooter safely. The conversion of the original vehicle is both time consuming and expensive, and therefore the cost of a WAV can be prohibitive for many disabled people and especially those on low incomes. Our WAV Grant Programme supports our disabled beneficiaries with the cost of the Advance Payment for their WAV on the Motability Scheme, including adaptations needed for getting into their WAV and/or securing their wheelchair safely.

Bespoke Passenger Solutions

£2.3m value

In April 2022, we launched a new WAV grant programme focused on supporting beneficiaries with more complex disabilities or needs when they are travelling as a WAV passenger. This could include requirements such as lay-flat seats in the WAV to support with changing requirements, the installation of hoists in the WAV to allow transfer from the wheelchair into a seat or the use of screening within the WAV to protect beneficiaries and their carers whilst driving. Central to the development of this new grant programme were a number of pilots with disabled people and the WAV industry so that we

Motability Scheme Grants: Our Impact

Our impact measurement work carried out in 2022 has demonstrated robustly that our programmes make a very significant positive impact to the lives and wellbeing of our beneficiaries.

Beneficiaries consistently tell us that the grant support we have given them (whether they need help with an Advance Payment to get the vehicle that meets their needs, adaptations, a WAV or a more bespoke solution) improves their access to people and places, their social connection, their choice and control, and their overall wellbeing. We surveyed nearly 5,000 beneficiaries who received either a Car and Vehicle Adaptations grant or a WAV grant.

93 per cent experienced a significant or life-changing difference in their ability to access people and places

87 per cent described a significant or life-changing improvement in their choice and control over travel decisions

67 per cent reported a significant or life-changing improvement in their ability to make or maintain social connections

65 per cent reported a significant or life-changing difference in their overall wellbeing since receiving the grant-supported vehicle

HOW WE MEASURE OUR IMPACT



ACCESS
Increased ability to access people and places using own transport



CHOICE AND CONTROL
Improved independence and control to make own decisions



CONNECT
Increased social connections and relationships



EDUCATION
Increased ability to access education and training



WORK
Increased ability to work and pursue a career



WELLBEING
Improved sense of health and wellbeing

9.46/10
the score our beneficiaries gave us for our attitude and helpfulness



could truly understand what would provide greater support. Our new Bespoke Passenger Solutions Grant Programme was launched in April 2022 and will run for the next three years to provide up to £15m of support to our beneficiaries with the most complex needs.

Complex Driving Solutions
£14.2m value
Some disabled people need an individualised driving solution or adaptations to enable them to access a vehicle whilst remaining in their wheelchair and either drive from their wheelchair or transfer onto a specialist driver seat. They may also need specialist controls to be able to drive. As these vehicles are tailored to the individual, they are considerably more expensive than a standard production WAV. They often require complex adaptations together with familiarisation driving lessons so the disabled person can get used to driving their new vehicle and use its controls safely.

We asked our beneficiaries to rate our service





We have responded to the demand by increasing our grants to Motability Scheme customers from £53.8m in 2021/22 to £74.6m in 2022/23

Access to Mobility Grants

The Motability Foundation also provides grants directly to disabled people where, by awarding a grant, it will provide relief and assistance to their transportation needs. These grants help people to stay mobile in different ways, for example by paying for driving lessons or helping people fund equipment they need to be able to work but also use outside of their working hours.

Driving Lessons Grant
£2.6m value
Through our Driving Lessons Grant Programme, the Motability Foundation provides Scheme customers who have a provisional licence and want a full driving licence with grants towards the cost of learning to drive. We also provide grants to Scheme customers who already have a driving licence but need familiarisation lessons, for example if they need to get used to new driving adaptations.

Transitional support
£0.2m value
Although the Motability Foundation has no role in determining mobility allowances, Motability Scheme customers may be affected by the changes that the Government made by replacing Disability Living Allowance (DLA) with Personal Independence Payment (PIP). We have transitional support options to support Scheme customers who may have been unsuccessful transitioning from DLA to PIP.

Additional Transitional Support
Additional Transitional Support (ATS) is available to help Motability Scheme customers who cannot continue with their lease because of a reassessment by the Department for Work and Pensions (DWP) and are unable to meet the costs of a replacement vehicle or the adaptations which they need. The reassessment could be when moving from DLA to PIP.

Access to Work
£0.2m value
Disabled people can use the Government's Access to Work Scheme to fund mobility equipment they need to work during their usual working days. If they need the same equipment outside of their working hours, this grant programme can help cover the costs.

Grant Programme ending in 2022/23

Stopped Allowance Support
£1m value
The Stopped Allowance Support Programme was launched in September 2019 with a commitment to provide funding for three years to support Scheme customers who lose their higher rate mobility benefit through reassessment of their PIP award or in renewing their DLA award.

Aims for 2023/24

1. To continue to achieve high levels of beneficiary satisfaction regarding their application for a grant
2. To continue to grow and develop our portfolio of grant programmes supporting other charities and organisations
3. To continue to evaluate the impact of our grant programmes

CASE STUDY

Jessica, from Blackpool

Jessica, aged 26, was an A&E nurse until she contracted COVID-19 at work during the pandemic. “I had a spinal stroke caused by a blood clot,” Jessica explains. “I spent nearly a year in hospital recovering, learning to walk and talk again. My left lung no longer fully expands, I have left arm paralysis and right arm weakness, and because my upper core is weak, I struggle to stand or sit comfortably.

“Despite being housebound for a long while, I’m starting to feel like myself again. My goal is to be the best mum I can with my new disabilities. I love going on adventures with my little boy, and having a grant from the Motability Foundation to adapt my car with steering controls has restored my confidence and freedom.

“At first, I made small journeys to get used to the car. Now, I can drive my son to football and stay and watch, and I’ve even been on the motorway! My partner and son are the most supportive team, but you need to be able to get out of the house. My car is my ticket to do that.”

“Having a grant from the Motability Foundation to adapt my car with steering controls has restored my confidence and freedom”




Love ice cream

Grants to Charities and Organisations

In 2022/23, we significantly expanded our support for other charities and organisations under our six Impact Grant Programmes. These programmes were designed to provide support in areas where our wide range of research – including insight from Motability Foundation beneficiaries, Scheme customers, other disabled people and representative organisations – has shown opportunities to have the greatest impact for all disabled people. The £50m allocated to these programmes was funded from a donation in 2021 from Motability Operations.

We awarded 27 grants totalling £12.6m, to be spent over three years. The successful organisations will use these grants to provide, expand or improve transport, or to carry out research. Early feedback shows that the multi-year funding has huge potential to improve transport provision and experiences.

Special Grants

Special Grants were the precursor to our Impact Grants that launched in 2022. The below is one of our Special Grant grantees.

The Motability Foundation has awarded Family Fund a £15m grant over three years for its Family Fund Mobility Support (FFMS) scheme. FFMS is aimed at families raising a disabled or seriously ill child under three years of age with significant mobility needs. It can provide a vehicle-leasing package for a limited period to make transporting a child easier and more practical. Nearly 500 families are supported by FFMS.

CASE STUDY

Wheelchair Sector Grant

Newlife is the largest charitable provider of specialist equipment for disabled and terminally ill children in the UK. Key to their work is making sure that families have the right equipment for their needs. We awarded a grant of £999,500 over three years in March 2023.

"The first contact families have with Newlife are the nurses who run the helpline, so a small part of the grant will fund a part-time nurse to expertly guide applicants through the process," says Sarah Sylvester, Newlife's Head of Philanthropy. "We want to be sure everything we provide is safe and to the right specification. With this grant, we will be able to provide equipment for 280 children: 85 wheelchairs and medical grade buggies in the first year; 95 in the second; and 100 in year three."

"A small part of the grant will fund a part-time nurse to expertly guide applicants through the process"



These grants, totalling £12,577,401 in committed funds, will help an estimated 48,000 disabled people across the UK

Community Transport Grant Programme – designed to support the community transport sector in delivering more journeys to those for whom local, community delivered transport is a lifeline.

Wheelchair Sector Grant Programme – aims to support the provision of affordable wheelchairs and better wheelchair solutions which provide significant and longstanding impact for disabled people.

Research Grant Programme – there are considerable gaps in understanding why disabled people make 38 per cent fewer journeys than non-disabled people. This programme supports organisations to research these gaps and ensure the wants and needs of disabled people are at the forefront of new transport solutions.

Active Travel Grant Programme – the 'walking, wheeling and riding' programme intends to expand access to active travel equipment which provides disabled people with more options to travel independently whilst improving physical and mental health.

Reducing Barriers to Driving Grant Programme – implemented to improve and expand transport options for disabled people beyond the Motability Scheme.

Travelling with Confidence Grant Programme – designed to support disabled people to travel independently whilst impacting the design and delivery of transport services which are not currently led by the needs of disabled clients.

Grant Award Activity

Grant Programme	Awards made in Year				Charitable Expenditure recognised in Year*	
	2022/23 £000	2021/22 £000	2022/23 Number	2021/22 Number	2022/23 £000	2021/22 £000
Cars and Adaptations	31,587,054	20,100,616	12,097	8,476	31,587,054	20,100,616
Wheelchair Accessible Vehicles	26,512,925	18,684,265	3,472	3,534	26,512,925	18,684,265
Complex Driver Solutions	14,171,481	15,063,703	446	505	14,171,481	15,063,703
Bespoke Passenger	2,313,810	-	81	-	2,313,810	-
Scheme-Related Grants	**74,585,270**	**53,848,584**	**16,096**	**12,515**	**74,585,270**	**53,848,584**
Driving Lesson Support	2,582,843	2,155,336	1,871	1,687	2,582,843	2,155,336
Stopped Allowance Support	1,028,500	2,907,000	1,035	2,920	1,028,500	2,907,000
Transition Support Payment (TSP) / ATS	197,125	500,762	156	439	197,125	500,762
Access to Work	170,398	153,914	75	57	170,398	153,914
Access to Mobility	**3,978,866**	**5,717,012**	**3,137**	**5,103**	**3,978,866**	**5,717,012**
Total - Grants to Individuals	**78,564,136**	**59,565,596**	**19,233**	**17,618**	**78,564,136**	**59,565,596**
Family Fund - Under 3s	-	15,000,000	-	-	5,500,000	1,500,000
Designability - Wizzybug	-	-	-	-	1,500,000	950,000
Grants to Organisations - Special Grants	**-**	**15,000,000**	**-**	**-**	**7,000,000**	**2,450,000**
National Centre for Accessible Transport (NCAT)	20,000,000	-	1	-	255,195	-
Designability - EV charging	-	577,875	-	1	169,875	501,450
Extra Mile	679,208	-	4	-	484,095	-
User Research	593,204	446,668	8	3	504,704	446,668
Transport Design Scholarships	-	200,120	-	-	49,877	18,525
Awards to Organisations - Innovation	**21,272,412**	**1,224,663**	**13**	**4**	**1,463,746**	**966,643**
Community Transport	8,924,526	-	20	-	4,953,382	-
Active Travel	711,519	-	2	-	229,074	-
Wheelchairs	1,949,799	-	4	-	633,258	-
Travel Confidence	991,557	-	1	-	330,519	-
Barriers to Driving	-	-	-	-	-	-
Research	-	-	-	-	-	-
Grants to Organisations - Impact Programmes	**12,577,401**	**-**	**27**	**-**	**6,146,233**	**-**
Total Grants & Awards to Organisations	**33,849,813**	**16,224,663**	**40**	**4**	**14,609,979**	**3,416,643**
Grant Total	**112,413,949**	**75,790,259**	**19,273**	**17,622**	**93,174,115**	**62,982,239**

* Please see Note 4 for further details

The table sets out the grants awarded in the year. Grants are awarded subject to conditions to ensure that they are spent for the specified charitable purpose. A grant will be withheld in whole or in part if the conditions are not met. Accordingly, grants are recognised as charitable expenditure where the conditions have been met. This means that in the table above the Charitable Expenditure figure can vary from grants awarded. If a grant(s) is payable over several years, the award may have been before 2021/22.



“The Motability Foundation grant covered the cost of a WAV and a driver, which is fantastic for us”

CASE STUDY

North Norfolk Community Transport

“Our service has provided transport to people with limited mobility for 23 years,” says Jane Bishop, Executive Lead of North Norfolk Community Transport. “In North Norfolk, many people live in remote places, so our dial-a-ride service schedules visits to certain areas on set days. We have six buses, and if people call and book, they can get picked up and dropped off in a particular town, where they can visit the shops.

“The Motability Foundation grant covered the cost of a WAV and a driver, which is fantastic because sometimes we have no money coming in at all. For the next three years, we can transport a passenger and their carer where they need to go. There’s a lady who wants to go to a funeral 100 miles away, for example. It’s an eight-hour round trip, but we’ll help if we can. Funding an extra vehicle has given us a greater capacity to support more people.”

STRATEGIC PILLAR

Build Awareness and Engagement



STRATEGIC PILLAR

Build Awareness and Engagement

We want as many people as possible to be involved in our work and to benefit from it. We promote the Motability Scheme, raise awareness of our grants and form partnerships with government and wider stakeholders, who can all play a part in improving transport now and for the future.

Aims for 2022/23

1. Communicate proactively about our work, our offer for disabled people, and the impact we make for our beneficiaries through multiple media channels **ONGOING**
2. Improve performance measurement (via evaluation) of our new digital platform and user journeys, and make appropriate adjustments to emphasise our identity, in particular our relationship with Motability Operations, and to improve access **ACHIEVED**
3. Apply consistent brand guidelines on all communications **ONGOING**
4. Build and evaluate awareness plans for each grant programme and for innovation projects, emphasising the charitable object, capability and capacity in a targeted manner **ONGOING**
5. Reach out to other charities, disabled people's organisations, advisory bodies and beneficiaries. Analyse and act upon feedback informing Scheme oversight, grant-making and innovation agendas **ONGOING**
6. Increase evidence of the impact of our work and produce Evidence Reports alongside our Annual Report and Accounts **ACHIEVED**

Raising Awareness of our Grants

Motability Scheme-Related Grants

In 2022/23 we promoted the Motability Scheme by:

- Direct Mail to 313,689 people who receive Higher Rate Mobility Component of Disability Living Allowance
- Direct Mail to 296,108 people who receive Enhanced Rate of the Mobility Component of Personal Independence Payment
- Attending four exhibitions: Naidex 2022, Naidex 2023, Occupational Therapy Show 2022 and HertsAbility 2022

Grants to charities and organisations

We have worked alongside other charities and organisations to announce the grants we have given them and to promote their work. These include; The Brittle Bone Society, Newlife, Interloch Community Transport and Sheppey Matters.

Growing our Channels

Website and social media

This year, we have focused on improving journeys, user experience, and the look and feel of our digital channels. New ways of displaying data, reports and stories mean that website users have increased by 54 per cent and sessions by 61 per cent. We have improved integration across social media, website, press and PR to bring a powerful, multi-channel approach to our communications.

Media

An increase in projects and new grants



LIFESTYLE MAGAZINE

Lifestyle magazine is one of the most-read magazines in the UK. It is distributed to Motability Scheme customers. It offers topical news and features about transport, disability, travel and daily life, as well as key updates about the Motability Scheme. A Lifestyle readership survey carried out with 1,063 readers in February 2022 showed that:

- **An estimated 820,000 people read Lifestyle – the third highest readership of any UK magazine**
- **63 per cent of readers passed their magazine onto one or more people**
- **82 per cent of readers rated the magazine eight or above, where ten is excellent**

This year, we have reviewed the format and will be introducing a new Lifestyle podcast, micro website and enhanced digital content for 2023/24 so that everyone can access Lifestyle digitally, in the way that suits them.







has enabled us to pursue a more proactive media approach, sending 24 releases in 2022/23 compared to nine in 2021/22. We will continue to build on our proactive media work to raise awareness of the broad work of the Motability Foundation in the coming year.

Engaging our People

We prioritise diversity, inclusion and wellbeing (see page 44) and this year we have produced content and hosted talks and discussions for our people on breast cancer, prostate cancer, International Men's Day, Pride Month, International Women's Day and Black History Month.

To build employee engagement, we've delivered 14 internal communications campaigns, including engaging our people in our brand evolution, benefits review and introduction of our new Perform and Develop programme. We revised the format of our People Manager Meetings so that our leaders can focus on exploring key issues that matter to, and affect, our staff.

Digital channel engagement has progressed with the launch of snap polls, digital noticeboards and likes on news posts to improve two-way engagement.



Promoting Research and Innovation

Improving disabled people's access to transport involves forming partnerships across the transport industry, as well as with government, disabled people's organisations and charities. This year, we promoted research from our partners and helped to make the case for significant innovations.

RESEARCH

In February 2023, walking and cycling charity Sustrans published its Disabled Citizens Inquiry report, which was funded by one of our user research grants. The report was the culmination of a six-month inquiry with contributions from more than 1,100 disabled people. We supported Sustrans to share the findings across media and social media. The report was launched at a parliamentary reception and was covered by national media including ITV News, *The Daily Telegraph* and *The Independent*. *(See Innovation section page 37).*

INNOVATION

In October 2022, we launched the accessibility standard for public EV charging (PAS 1899) in partnership with the UK Government's Office for Zero Emission Vehicles (OZEV) and the British Standards Institute. To raise awareness among decision makers, we organised a parliamentary reception in the House of Commons. It was attended by senior parliamentarians including the Minister for Disabled People, Health and Work, as well as representatives from charge point providers, industry bodies, transport agencies and disabled people's organisations. We have promoted the standard at a number of industry events and trade shows, including hosting a panel discussion at the London EV Show in December 2022.

Evolving our brand

We began refreshing our brand in 2022/23. Our brand tracking shows that our name is well known, but our work is not well understood. We decided to adopt the operating name Motability Foundation to reflect the wide range of activities we undertake. We have not changed our legal name, Motability. We worked with disabled people and our wider audiences to explore how to describe our work and bring it to life visually. We created a new vision statement, brand narrative and look and feel which focuses on choice, independence and making journeys accessible for all disabled people.

Motability Foundation

Making all journeys accessible



Queen's Jubilee Party

During her time as Chief Patron, Her Majesty Queen Elizabeth took a very active interest in our work, the people we help and developments in accessible transport. We have had the privilege of enjoying her support and celebrating many special landmarks in our history with both Her Majesty and members of her family.

To honour the historic occasion of Her Majesty's Platinum Jubilee, we hosted a tea party in May 2022 attended by Motability Scheme beneficiaries, key dignitaries, employees and Governors. The event provided an opportunity to reflect on Her Majesty's close engagement with the foundation and the encouragement she offered to our organisation and the people we are here for.

Aims for 2023/24

Establishing and delivering consistent, impactful experiences and communications to raise awareness and promote understanding of our work to all our audiences by:

1. Evolving what we are known for by successfully embedding the Motability Foundation brand internally and externally
2. Growing our channels and extending our reach with all audiences by enhancing the digital experience
3. Continuing to work closely with Motability Operations to drive awareness, understanding and consideration of the Motability Scheme, including reviewing the Scheme brand to ensure it is fit for purpose for the future
4. Improving understanding and support of our work with government, policy makers and political stakeholders by delivering a comprehensive public affairs programme of activity



To honour the historic occasion of Her Majesty's Platinum Jubilee, we hosted a tea party in May 2022 attended by Motability Scheme beneficiaries, key dignitaries, employees and Governors



STRATEGIC PILLAR

Innovation



STRATEGIC PILLAR

Innovation

In 2019, disabled people made 38 per cent fewer journeys than non-disabled people. Our research and innovation show what needs to change so that more disabled people can use transport, now and in the future.

Our Research – Improving Access to Transport for the Future

COVID-19 changed how millions of people travel. We commissioned research into the impact of COVID-19 on disabled people's travel experiences and whether those changes are likely to stay. Disabled people told us they still feel uncertain about risks to their health and wellbeing when they leave their homes.

Using door-to-door transport remains the preferred or only way for some disabled people to travel. However, not all disabled people can drive or have access to a vehicle.

We awarded innovation grants to four organisations to operate 'Extra Mile'. This pilot explores whether a combination of community transport, EVs and car club models can make door-to-door journeys cheaper and more accessible in semi-rural communities.

We also provided grant funding to Leonard Cheshire to enable them to better understand how taxi and private hire vehicle (PHV) travel can be made accessible. Across England, Leonard Cheshire found that only 55 per cent of all taxis and 2 per cent of PHVs are wheelchair accessible.

The Motability Foundation's research and engagement with disabled people's organisations found that disabled people are not being sufficiently included in planning or designing transport. We are piloting User Research Grants to five charities that work with, and for, disabled people. The pilots will show us how to fund a full grant programme that will support charities to produce vital evidence on the barriers disabled people face when travelling.

We are also collaborating with Coventry University to sponsor four PhD studentships for disabled people

Aims for 2022/23

1. We will continue to work with partners towards the vision that public electric vehicle charging infrastructure in the UK is accessible for disabled people, with a particular focus on uptake of the national design standard **ONGOING**
2. We will identify and pilot new approaches to making transport policy and practice more inclusive for disabled people, specifically through the creation of the world's first evidence centre for inclusive transport **ONGOING**
3. We will identify and explore potential interventions in the community and door-to-door transport sector, with the intent to pilot projects that can be assessed against our innovation framework and desired outcomes **ONGOING**
4. We will continue to scan the horizon for the best emerging opportunities to meet the evolving transportation needs of disabled people, in particular through our first priorities review **ONGOING**



CASE STUDY

Stephanie, PhD student

Coventry University PhD student Stephanie McPherson-Brown is focusing her research on the psychology of disabled people's experiences when using trains. Her personal experience helps to inform her work.

"There are all sorts of reasons why disabled people might not want to use our railway network – whether that is stations not providing reasonable access, anxiety around having a negative experience during their journey, or even the general reliability of our trains.

"Growing up, I had my share of negative experiences on public transport. I often forced myself to battle through them and not make a fuss. It was only when I reflected on it that I felt much more could be done to improve things. If my research and that of my fellow students can paint a picture of the problems people are dealing with, identify the key areas to improve and offer solutions, that will be a great first step in improving how disabled people get around."

"I've had my share of negative experiences on public transport. I often forced myself to battle through them and not make a fuss"



HOW WE WORK

Working with others is a huge part of our commitment to improving accessible travel. We carry out our own research and fund others to explore and develop new ways to make transport accessible. We use these insights to help fund other charities and organisations that give disabled people everyday transport options, from community buses to wheelchairs. We also use them to inform our own innovations, such as delivering new designs for public EV charging points which are accessible for disabled people. We never stop working with disabled people to make sure that their knowledge and experiences shape our work.

who want to research accessible transport.

Innovation

Electric Vehicles

By 2030, the sale of new petrol and hybrid vehicles will be banned in the UK. The switch to EV means the UK needs EV charging infrastructure. Research funded by the Motability Foundation shows that 2.7m disabled people will rely on public charging by 2035. However, public charge points have not been designed with a focus on ease of use or accessibility for disabled people.

In response, the Motability Foundation partnered with the Government's Office for Zero Emission Vehicles (OZEV) to sponsor a national accessible charging standard for EV charge points, developed by the British Standards Institute (BSI). This world-leading standard, PAS 1899, provides industry with a clear specification of how to make all public charge points accessible. Disabled people were involved in creating the standard at every stage, alongside industry bodies, manufacturers, charge point providers and disability groups. The standard was launched at the House of Commons (see page 33) and we are now exploring ways to maximise compliance with the standard.

National Centre for Accessible Transport (NCAT)

Disabled people make 38 per cent fewer journeys than non-disabled people. This "transport accessibility gap" tells us that there is much more that transport providers need to do to make sure that disabled people can travel by road, rail and air as easily as non-disabled people.

In February 2023, the Motability Foundation launched the NCAT with the aim of closing the transport accessibility gap. The Centre is being run by a consortium of expert organisations led by Coventry University.

The Motability Foundation has allocated grant-funding to NCAT of £20m over seven years. It will work with disabled people, disabled people's organisations, transport providers and policy makers to develop solutions that will make transport more accessible for everyone.



Disabled people make 38 per cent fewer journeys than non-disabled people. This "transport accessibility gap" tells us that there is much more that transport providers need to do

What's Next

Following three years of our innovation work, the Motability Foundation has begun an innovation priorities review. The review will help us understand the impact of our innovation to date, how it can be improved, and how to ensure our future work addresses the most pressing issues in accessible transport.

Aims for 2023/24

Embedding the outcomes of our innovation priorities review by:

1. Communicating with key stakeholders on how their feedback impacted our decision making
2. Putting in place a consistent approach to user insight within the innovation function
3. Starting a set of new innovation projects and initiatives following the Motability Foundation's first three years of impactful innovation activity
4. Continuing flagship initiatives we know are impactful, such as working towards an equitable transition to electric vehicles (EVs), improving the evidence base for accessible transport through the establishment of NCAT, and grant funding user research in other organisations



“Without this vehicle we would be reliant on hospital and public transport, which isn’t always suitable or reliable”

CASE STUDY

Poppy, from Surrey

Four-year-old Poppy lives with her older brother Liam and mum, Kim. The family received a grant towards a WAV to support Poppy, who has spinal muscular atrophy type 1, scoliosis and contractures.

“We use our van a lot – most of the time for daily living including hospital appointments, but we do love the chance to be able to go away for a weekend or out exploring our local area,” says Kim. “It’s made a huge difference for my daughter as we are able to transport her powered wheelchair, which gives her independence everywhere we go. This has enabled her confidence to grow and she feels more in control in everyday situations.

“The vehicle also allows us to safely transport all Poppy’s medical equipment, and we need a lot when we stay away from home overnight. Without this vehicle we would be reliant on hospital and public transport, which isn’t always suitable or reliable.”

STRATEGIC PILLAR

Disability Charity



STRATEGIC PILLAR

Disability Charity

We provide an inclusive, engaging and enjoyable working environment where all of our people have a say in what we do and how we work.

The expansion of our work means that we have grown our workforce, invested in recruitment and retention, and continued to build our people's skills.

- 246 average full time equivalent people employed in the year, an increase of 21.8 per cent on 2021/22
- Growth across all functions of the organisation
- Continued partnership work with a local college, providing work placements and workshops for students with supported learning

Improving our Employee Experience

- **Consultation:** We launched Motability People Forum and Employee Working Groups so that we can better consult with staff. We have focused on our staff experience, introducing new social activities and wellbeing, and diversity events and initiatives.
- **Benefits review:** We enhanced our employee benefits provision following consultation with our people and external benchmarking. This includes improving our

Operating aims for 2022/23

1. To continue identifying the positive learnings from the COVID-19 pandemic and build on the implementation of blended working **Achieved**
2. Conclude the development of the long-term estate plan **Ongoing**
3. Progress project activities in respect of the office environmental and sustainability practices **Ongoing**
4. Refresh and relaunch the Motability Foundation values **Achieved**
5. To enhance talent acquisition and talent management, and build on the focus upon diversity and inclusion **Achieved**
6. Implement a new performance management model to include an enhanced focus on personal development **Achieved**
7. To ensure progression against the agreed organisational and department action plans from the Employee Survey **Achieved**
8. Continue to refine and implement the Information Technology Plan **Ongoing**
9. Overhaul the chart of accounts in the financial system **Achieved**
10. Seek mitigations for higher inflation operating efficiencies **Achieved**
11. Seek mitigations for enhanced risk-adjusted returns on general and restricted funds **Ongoing**



maternity, paternity and adoption leave, introducing a health cash plan, and creating an additional day of leave called a "Wellbeing Day".

- **Career progression:** We have rolled out a very successful managerial training programme and created more development opportunities such as coaching, e-learning, team building and professional study.
- **Performance:** We have introduced Perform and Develop, a newly created performance process at the Motability Foundation. This brings greater consistency to managing our people and ensuring their work matches our organisational priorities and values.
- **Reward and recognition:** We have introduced new ways to recognise key team and individual achievement. This includes length of service recognition, quarterly "spotlight" awards where colleagues can nominate each other, and ways for teams to celebrate their achievements each quarter.

Diversity and Inclusion

Diversity and Inclusion remains an ongoing focus for the Motability Foundation. The Diversity and Inclusion staff group has representatives from all areas of the Motability Foundation and remains an open forum for all employees. Over the past year, events have included a talk and Q&A by Paralympic cyclist Sam Ruddock to celebrate Black History Month, a film featuring Motability Foundation employees sharing their experiences for International Men's Day, an Easter quiz and egg hunt, and a talk with book writer and documentary producer Kate Muir in celebration of International Women's Day. We have provided Diversity and Inclusion training to our employees.

At the highest levels of the foundation, we have three Governors with lived experience of disability, and five members of our advisory committee on matters relating to NCAT also have lived experience. Finally, the NCAT consortium board includes seven disabled people.

Pay Gaps

We benchmark our pay offer to make sure that salaries are kept fair, competitive and relevant to the environment in which we operate. All salaries exceed the National Living Wage (NLW), the National Minimum Wage (NMW), and the UK Real Living Wage, a voluntary initiative. We specifically monitor pay gaps and work towards reducing them. For the second consecutive year, we have reduced our gender and disability pay gaps. In November 2022, our gender pay gap was 15.5 per cent, a reduction of 4.5 per cent compared to 2021. The disability gap for the same period was 13.7 per cent, an improvement of 2.3 per cent compared to 2021. Our ethnicity gap was -7.4 per cent, meaning that on average, "white British" employees are paid less than all other ethnicities at the Motability Foundation.

Our Impact

We evaluate the impact of our grant programmes so that we understand exactly how the Motability Foundation makes a difference for disabled people, and what we can grow and develop.

During the year, we evaluated the impact of our Car and Vehicle Adaptations Grant Programme between 2019/20 and 2020/21, and our WAV Grant Programme between 2017/18 and 2021/22.

We surveyed nearly 5,000 grant recipients across both programmes, and 92 per cent told us that their vehicle had made a significant or life-changing difference to their ability to get around.



OUR IMPACT

For every £1 spent on our Car and Vehicle Adaptations Grant Programme, people experienced the equivalent of £18.20 in benefits to the individual as well as additional benefits to their families/carers and the economy

OUR IMPACT

For every £1 spent on the WAV Grant Programme, people experienced the equivalent of £11.10 in benefits to the individual as well as additional benefits to their families/carers and the economy

When these benefits are monetised, it is also clear that the benefits people experience significantly outweigh the costs of the grant over their three- or five-year lease.

The majority of these benefits related to improvements in people's wellbeing – in particular, to positive functioning, emotional wellbeing, reduced isolation, confidence and self-esteem.

Environment

Streamlined Energy and Carbon Reporting Statement

Greenhouse gas emissions and energy use data for the period 01 April 2022 to 31 March 2023

Intensity ratio

An intensity ratio is a way of defining emissions data in relation to an appropriate business metric, allowing for comparison of energy efficiency performance over time and with other similar types of organisations.

The Motability Foundation has chosen to use the number of average full-time employees (FTE) during the reporting period to normalise its emissions, as delivering our company values relies on the hard work and dedication of staff members. Therefore, the intensity measurement ratio is total gross emissions in kgCO2e/FTE.

Methodology

We have followed 2019 HM Government environmental reporting guidelines to ensure compliance with the SECR requirements. The Government-issued "Greenhouse

Reporting Year	Full-time employees (FTE)	Intensity Ratio (kgCO2e/FTE)
1 April 2021 to 31 March 2022	209.0	917.0
1 April 2022 to 31 March 2023	234.2	819.9

ANNUAL CARBON EMISSIONS REPORTING 2022/23			2021/22	2022/23
Energy Consumption (kWh)	Grid Electricity		133,007	127,084
	Natural Gas		420,905	355,635
	Company Fleet		297,989	346,898
	Grey Fleet		1,970	17,345
	Total Energy Consumption		**853,871**	**846,963**
Greenhouse Gas Emissions (tCO2e)	Scope 1	Natural Gas	85.43	71.93
		Company Fleet	74.99	88.91
	Scope 2	Purchased electricity	28.24	24.58
	Scope 3	Grey Fleet	0.48	4.35
		Electricity T and D	2.50	2.25
	Total Gross Emissions		**191.64**	**192.01**

The kgCO2e is not separately disclosed, however tCO2e is clearly stated. This is a simple conversion (1 tonne is 1,000kg) and therefore kgCO2e not included as well. kgCO2e is used in intensity ratio instead of tCO2e to improve readability.

"When we were contacted to say we were eligible for the Family Fund Mobility Support Programme, I just cried"

CASE STUDY

Family Fund

Olivia, aged two, is one of just 58 children known to have sideroblastic anaemia immune deficiency (SIFD), a genetic disorder that causes unexplained fevers and delayed development. She needs one-to-one care and has frequent appointments at the hospital.

"It's a lot to cope with, but Olivia really is the happiest little girl," says her mum, Sally. "She's a ray of sunshine – always pulling faces and being cheeky. She definitely understands a lot of what's going on, but she's still so happy and resilient. She's even started signing.

"When we were contacted to say we were eligible for the Family Fund Mobility Support Programme, I just cried. We'd been struggling, as the car I had was really small. We have a bulky buggy to help with Olivia's posture, a big changing bag and all the equipment we need to pump feed. One half would fill the boot, and the other half would go on the back seat. With Olivia's car seat as well, we couldn't go anywhere as a family."



Gas reporting: conversion factors 2022" were used along with the "Weekly road fuel prices".

Measures taken to improve energy efficiency

The Motability Foundation is committed to monitoring and reducing carbon emissions resulting from our activities. In the past year, we have tightened reporting on fleet usage to identify areas of improvement. As part of this we are reviewing the viability of electric or hybrid vehicle models as part of our grey fleet.

The Motability Foundation has also been working to ensure efficient resource and space management despite a growing number of staff members. This is reflected in the improvement in our intensity ratio.

Progress is continuing on the implementation of an Environmental Management System at the Motability Foundation, which is currently being externally audited to the ISO14001 standard. Once fully implemented, this will support the Motability Foundation in efficiently monitoring and improving our environmental performance.

Materiality

The Motability Foundation has, to the best of its knowledge, included 100 per cent of all energy sources within this report. Natural Gas figures are calculated based on the occupancy of the building the Motability Foundation leases with other tenants. Gas readings are taken for the entire building and a percentage calculated based on occupancy in sq. ft.

Control and Assurance

We have a comprehensive system of internal controls, policies, reporting and risk management overseen by the Audit and Risk Committee (ARC).

Last year was still impacted by issues arising from the COVID-19 pandemic and supply chain difficulties, with new and evolving risks arising from vehicle availability and affordability, rapidly rising inflation and operational sustainability.

In line with the ARC's annual business cycle, the Motability Foundation's budget, business plan and forecasts were reviewed. Our grant-making, Scheme oversight and forecasting were also reviewed. A full list of risks and management is on page 48. ARC oversees the annual audit. This year was the third audit by BDO, and ARC reviewed BDO's independence, fees, proposed approach and materiality. Where recommendations were made these have been accepted and are tracked to completion by the Internal Audit Team reporting to ARC.

Policies reviewed this year include Whistle Blowing, Anti-Fraud, Bribery and Corruption, Health and Safety, Risk Management, Anti-Money Laundering, Conflicts of Interest, Gifts and Hospitality, Data Protection, Data Security Breach and FCA Breach Management. IT Security policies were also reviewed as part of the work undertaken to strengthen IT controls.

ARC reviewed its Terms of Reference and those of the Motability Foundation Internal Governance, Risk and Assurance Committee (MIGRAC).

While the Investment Committee oversees investment policy and performance, ARC reviews the Investment Risk Register, the Treasury Policy and related arrangements.

The Chair of ARC and the Motability Foundation's CEO and Finance Director also attend Motability



Operations' Audit Committee meetings and report back to the Motability Foundation's ARC.

Risk Management

Our risk management framework allows a consistent approach to identifying and assessing risks that may impact our ability to achieve our objectives. Having a clear awareness and understanding of the risks enables more effective decision making. It allows us to focus on managing those risks that could adversely impact our plans or our reputation. Each risk has an assigned owner to ensure clear accountability and ownership.

The Motability Foundation Internal Governance and Risk Assurance Committee (MIGRAC) comprises of senior management from across the Group. MIGRAC manages and reviews risks every quarter, ensuring they remain current and providing assurance to ARC that appropriate controls are in place to:

- Identify and ensure the effective management of risks
- Recommend changes to policies, processes or controls and establish actions which may be required

ARC monitors the resulting risk profile and reports its findings to the Board of Governors. Reports to the Board of Governors demonstrate that senior managers are considering the risks on an ongoing basis, evaluating mitigations and controls, and identifying any new risks that the organisation faces.

Change Management

The Motability Foundation continues to grow, and there is an ongoing and significant programme of change to modernise its infrastructure and ensure its impact on its beneficiaries is as great as possible.

To support growth there are a number of significant projects being undertaken. These are managed through the Change Management Process. Senior management formally review projects' progress and associated risks at regular Change Management meetings.

This ensures timely scrutiny of proposals and monitoring of progress leading to integrated decisions on priorities and resourcing and, where needed, mitigating or remedial action. Change Management is reported to the relevant Committee and to the Board of Governors periodically.

Operating aims for 2023/24

1. Agree and implement organisation and department action plans as a result of the most recent Employee Survey
2. Ensure we continue building development opportunities for our people
3. Continue to focus on talent acquisition, diversity and inclusion
4. Implementation of the Estate Plan
5. Continue to progress the estate, environmental and sustainability initiatives
6. Continue to refine and implement the Information Technology Plan
7. Overhaul our financial system applications
8. Conduct a strategic review of Motability Enterprises Ltd
9. Deepen our engagement with Motability Endowment Trust fund managers, particularly upon Environmental, Social and Governance matters

Principal Risks and Management

RISKS	FACTORS	MITIGATION
Strategic Risk Our strategy is ambitious yet we do not maximise the impact of our resources on the mobility of disabled people.	We do not keep up with, and understand, the changing requirements of disabled people. Too many initiatives are undertaken and we are unable to implement in full or successfully. Our programmes fail to meet the needs and expectations of disabled people.	Research and innovation projects have been established to consider other growth routes. Grants to organisations has commenced, too. A planned approach to implementation is being undertaken to ensure the necessary resource is in place. Regularly review and evaluate plans to ensure they meet beneficiary needs, including behavioural changes due to the economy and the transition to electric vehicles.
External Influences Risk We do not maintain the confidence of stakeholders and engaged parties because we fail to articulate and demonstrate the difference that the Motability Scheme (the Scheme) and our wider work as a charity makes for disabled people.	We do not deliver the required service to beneficiaries. The UK and Scottish Governments are unable to work with us to redirect the mobility component of qualifying disability benefits. Unable to connect with the right organisations across all sectors to deliver mobility solutions.	Act upon the changing needs of beneficiaries led by research and innovation projects. The Motability Foundation is accredited by the Scottish Government. Scotland Act 2016, Social Security (Scotland) Act 2018 Order frame the relationship on social security. Contract with Scottish Government in place. Effective PR monitoring and communication planning, liaising with disability organisations and other stakeholders.
Environment Risk We do not keep in step with the UK position on the environment.	Motability Operations and Motability Foundation transport solutions should seek to be aligned to government carbon emission targets, with the Motability Foundation cognisant of its charitable object.	Develop and consistently review our Environment Agenda in concert with Motability Operations.
Compliance Risk Compliance with the Charity Commission requirements and ever-increasing ethical, legal and regulatory obligations, for example General Data Protection Regulations (GDPR).	Fines and penalties as a result of non-compliance could lead to restrictions in our ability to fulfil our charitable objectives.	A thorough compliance programme is in place, reviewed quarterly by management and Governors. Internal audit and legal counsel capabilities established. Data Protection and Data Security are the foundations for considering and developing new working practices/ projects.

RISKS	FACTORS	MITIGATION
Operational Risk We are unable, in the current climate (transition to electric vehicles and supply chain disruption), to deliver our grant services to Scheme customers. The Motability Foundation's data or systems suffer a malicious attack or other disruption to business continuity.	The adaptation and convertor industry cannot cope with the volume of demand amidst supply chain disruption and the transition to electric. Beneficiaries express concerns over grant-making. The Scheme fails to run effectively and efficiently. Loss of data or service availability due to cyberattack.	Collaborate across the industry to understand demands and manage solutions where possible. Regularly review beneficiary feedback and update operational and communications plans as appropriate. Business continuity plans reviewed to support use of off-site resource. Robust and strengthened control environment including Information Security framework and internal audit programme.
Reputational Risk The foundation and the Scheme do not evolve and we are not seen to be using the resources and expertise at our disposal with the intent to achieve our vision.	Grant programmes are not reviewed and new ones considered. The strategy is changed but the communication of the change is misunderstood. Oversight of the Scheme is brought into question.	Continue to assess and review new grant programmes on the basis of increased research. Effective communications plans delivering consistent messages to all stakeholders. Focused oversight of the Motability Scheme and the risk management conducted by Motability Operations. Close working with Motability Operations on new products and services. Communicating the wider markets context.
Financial Risk Our investment strategy and the future donations from Motability Operations do not deliver sufficient income to support and sustain our current and future ambitions.	Future donations from Motability Operations are volatile and unknown. MET fails to deliver the required levels of return. Higher inflation increases grant demand and operating costs whilst reducing our financial resources in real terms. We do not manage short-term liquidity requirements.	With Motability Operations, monitor the financial impact of higher inflation, supply chain disruption and vehicle carbon emission targets on Motability Operations and on the Motability Foundation's grant demands. Review MET fund managers' performance against the long-term CPI+4% return target. Review available investments for general and restricted funds to try to secure a better risk-adjusted return. Seek operating efficiencies whilst also increasing charitable spending to get better value for money in the short term. Continue to monitor cash flow positions and forecasts of grant spending.



“My son inherited my condition, but we don’t have to worry about getting him to appointments. The car gives us freedom”



CASE STUDY

Aaron, from Falmouth

“I’ve had cars through the Motability Scheme before, but when I needed a bigger, more expensive vehicle, the car dealer suggested I enquire about a grant for the Advance Payment, which I qualified for,” says Aaron, an Electronics Quality Control Technician who plays wheelchair basketball in his spare time. “I have the neurological condition Hereditary Spastic Paraplegia (HSP), which means my brain doesn’t send signals to my lower legs properly. But I stay active and am passionate about wheelchair basketball.

“To join a more competitive league I have to drive to Plymouth, almost two hours away. I take two wheelchairs: one for sport and one for pottering, so having a large boot is essential. It’s not just me who benefits. My son inherited my condition, but we don’t have to worry about getting him to medical appointments or school fixtures. We can take family holidays when we want. The car gives us freedom.”

Financial Review and Results

Motability Foundation
Consolidated Accounts for year ended 31 March 2023

This year was a significant one for the Motability Foundation as it delivered a second successive record year for general fund charitable expenditure. A further donation from Motability Operations secured the resources to deliver the largest three-year planning total for charitable expenditure in the Motability Foundation's history at a time of exceptional need for our beneficiaries.

Charitable Expenditure Reached a New Record for the General Fund

The Motability Foundation delivered a further year of record general fund charitable expenditure at £113m, up 43 per cent from £78.8m last year, in line with the intent outlined in last year's Annual Report, with record grants to individuals and to charities and organisations. Support costs grew to deliver this spending, rising 22 per cent, whilst spending on Innovation and on Building Awareness grew by 22 per cent and 31 per cent respectively. Restricted fund charitable spending remained subdued at £0.2m in line with the low numbers of benefits recipients transferred by the Department for Work and Pensions from Disability Living Allowance to Personal Independence Payments. The timing of future increases in activity is uncertain.

Income increased

Total income was £240m (2022: £184m) as a further donation was received from Motability Operations of £200m (2022: £170m) combined with significantly higher investment income of £39.4m (2022: £12.9m) as interest rates rose and the Endowment became fully invested. Investment management charges also rose in line with expectations, reflecting the continued move into real assets by Motability Endowment Trust (MET).

At the operating level, the Motability Foundation recorded consolidated net income before investment gains and losses of £111m (2022: £97m), principally on the general fund.

Total reserves rose

General and restricted fund investments are trade finance and bond assets. The decision to maintain short duration in these portfolios meant that these assets recorded a positive net return of £10.7m (2022: negative £3.2m) despite rising interest rates as income of £19.7m (2022: £1.5m) outweighed investment losses of £7.1m (2022: £4.5m) and investment management costs of £1.9m (2022: £0.2m). The pension fund contributed a small gain.

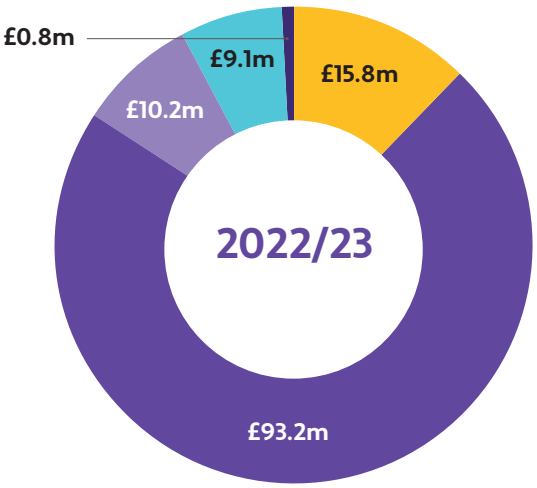
Along with consolidated net income before gains and losses, the other principal contributor to the move in net assets or total reserves was investment management costs on MET's portfolio of £12.1m (2022: £7.5m) – net returns on the Endowment before costs were £1.5m (2022: £88.7m). As a result MET fell marginally in value from £1,235m to £1,224m. As a long-term investor, MET should reap the benefits of real assets in future years given an outlook of higher inflation.

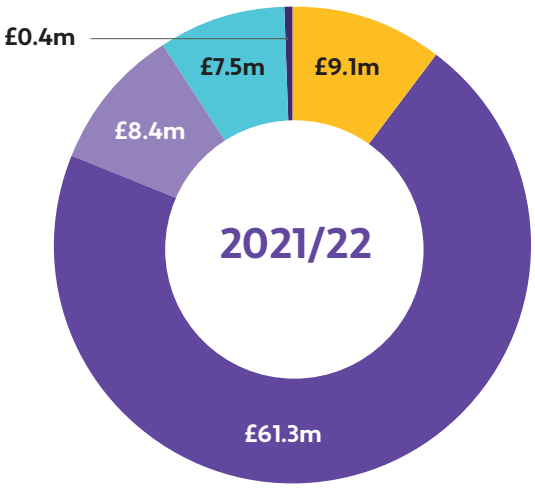
Overall, total reserves rose to £1,782m (2022: £1,696m), primarily due to high net income on the general fund.

Record spending plans

As a result of the current strong financial position, the Motability Foundation expects to raise charitable expenditure further. The 2021 and 2022 Motability Operations' donations will fund record charitable expenditure plans over the three financial years 2022/23, 2023/24 and 2024/25 – when the Motability Foundation expects to see exceptional demand for grants from individuals given the rising costs of Motability Scheme vehicles and the pressures our beneficiaries' finances are under. This three-year £350m+ charitable expenditure planning total

Analysis of Total Expenditure





2022/23 (£129m)

Cost of Raising Funds	£15.8m
Direct Grants	£93.2m
Direct Charitable Activity	£10.2m
Allocated Support Costs	£9.1m
Governance Costs	£0.8m
Charitable Spend	88%
Cost of Raising Funds	12%

2021/22 (£86.7m)

Cost of Raising Funds	£9.1m
Direct Grants	£61.3m
Direct Charitable Activity	£8.4m
Allocated Support Costs	£7.5m
Governance Costs	£0.4m
Charitable Spend	89%
Cost of Raising Funds	11%

is the largest set of expenditures ever planned by the Motability Foundation and is only possible due to this year's £200m Motability Operations donation.

General fund reserves are at an historic high this year at £514m. This represents 3.9 years of the planned general fund expenditure in 2023/24 of ca. £130m. This robust level of reserves is expected to fall rapidly to about two years' charitable expenditure in the next two years as the Motability Foundation undertakes its planned record support for disabled people.

Long-term support for our beneficiaries comes from MET, whose investment income and expenses both grew in line with expectations with net income again usefully higher at £7.6m (2022 £3.9m). Net income should improve further as new investments in infrastructure and property made towards the close of the financial year start to pay dividends. Further information about the Endowment can be found on pages 60-62.

Summary

The year to 31 March 2023 was a significant year for the Motability Foundation. The general fund achieved its highest ever level of charitable expenditure paid for from substantial financial resources at a time of record beneficiary demand. Whilst activity on the restricted fund was subdued, MET furthered its three-year plan for its Endowment to become fully invested. The strong balance sheet has enabled the Board to approve the largest ever planning total for future charitable expenditure to support disabled people through a period of greater need.

Financial Risks

The principal financial risks that the Motability Foundation faces derive from the Endowment portfolio (equity securities, debt instruments, property, infrastructure, other private investments, money market funds and cash) and the Motability Foundation's general and restricted fund balances

(debt instruments, money market funds and cash). These risks are inflation risk, market risk, credit risk and liquidity risk. In addition, there are limited fundraising risks. These risks are set out below along with the measures taken to manage them.

INFLATION RISK: the risk that the cost of achieving the Motability Foundation's charitable goals rises faster than the value of the Motability Foundation's investments, undermining MET's ability to support its grant-making. The Motability Foundation manages this risk through a diversified portfolio of real asset investments that should be expected to keep up with, or exceed, the rate of inflation in the wider economy in the long term. The Motability Foundation manages this risk through diversifying its investments intended to meet charitable spending requirements more than two years away into asset classes capable of producing a return near the Bank of England's medium-term inflation target of 2 per cent p.a. Whilst the Motability Foundation seeks opportunities to improve low returns on secure investments in an environment of rising inflation, the Motability Foundation accepts the risk of some loss of real spending power on these funds. This ensures that these funds will maintain their nominal value with a high degree of confidence, thus meeting the Motability Foundation's commitments to beneficiaries. The Motability Foundation is also planning record charitable expenditure in order to reduce the loss of real spending power in the short term.

MARKET RISK: the risk that the prices of investments could fall or become more volatile. The Motability Foundation and MET manage this risk through a diversified asset allocation strategy of appropriate investments and through regular monitoring of market conditions and investment performance. For equities, MET holds diversified portfolios, appointing both passive and active managers, and through appointing active managers with differing investment styles. The Investment Committee regularly considers manager concentration risk, periodically reviewing any investment manager holding more than 20 per cent of the portfolios' assets or for whom the Motability Foundation and MET represent more than 10 per cent of the strategy managed by any one fund manager. As a long-term investor, MET accepts market volatility for real asset classes, particularly equities. For bonds and other debt instruments, the Motability Foundation's risk is mitigated through diversification, focusing on higher rated investment grade holdings, typically A or AA rated. Interest rate risk is mitigated through holding a diverse range of short maturities with a willingness to hold to maturity and by investing in floating rate instruments. In terms of foreign exchange risk, spending requirements for the next year are held solely in sterling, and other investments for general and restricted funds are hedged back into sterling.

MET, through its investment managers, partially hedges its foreign exchange positions into sterling to mitigate currency risk. The residual foreign exchange risk is accepted by MET, and is kept under regular review.

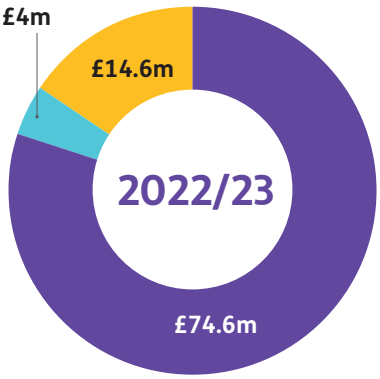
CREDIT RISK: the risk that a counterparty will default on its obligations. For all asset classes, the Motability Foundation and MET mitigate this risk by diversifying their holdings and by using custodians. For bond and money market funds, the Motability Foundation monitors market conditions, duration and credit quality regularly with investment managers. No one bank or bond exposure normally constitutes more than 10 per cent of cash and debt investments. For cash including deposits, the Motability Foundation currently limits the duration of deposits to a maximum of three months.

LIQUIDITY RISK: the risk that an asset cannot be sold for the expected fair price or due to the absence of willing buyers in the market (a market liquidity squeeze); that obligations cannot be met because cash is not available (e.g. from a bank or money market fund) due to financial stress and/or a market liquidity squeeze; or because the Motability Foundation and MET have not managed their cash positions appropriately. The Motability Foundation and MET mitigate liquidity risk through diversified asset allocation strategies, a variety of asset managers, regular dialogue with its investment managers to understand potential risks, holding cash balances within the ring-fenced entities of UK regulated banks, and regular cash flow forecasting exercises.

Charitable Expenditure by Grant Programme

2022/23 (£93.2m)

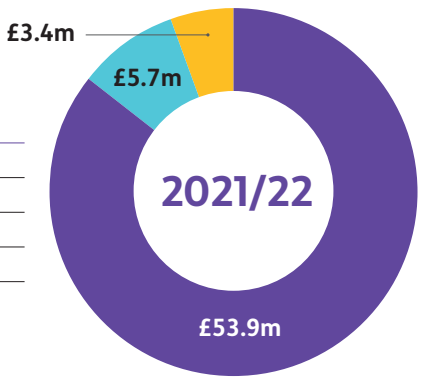
Scheme-Related Grants	£74.6m
Access to Mobility	£4m
Organisations	£14.6m
Total per table on p28	£93,174,115



2021/22 (£63m)

Scheme-Related Grants	£53.9m
Access to Mobility	£5.7m
Organisations	£3.4m
Total per table on p28	£62,982,239

For further details, please see Grant Award Activity table on p28 and Note 4 on p91



FUNDRAISING RISKS: charity fundraising is a regulated activity. The Motability Foundation does not solicit donations. We gratefully receive a small volume of spontaneous donations each year, shown as voluntary fundraising income. Other Trading Activities income arises from our affinity partnerships that are reviewed regularly to ensure that the products meet disabled people's needs at a fair cost and that we comply with Financial Conduct Authority rules where appropriate. The Motability Foundation acts as a conduit body to channel grants to Armed Forces' veterans funded by Veterans UK, and those monies are dealt with in Note 20 to reflect that relationship. The risks to future donations from Motability Operations are discussed below in the Outlook – overview section.

Reserves Policy and Position

The Motability Foundation holds monies in reserve (the reserves) to meet the operating needs of its activities, to exploit opportunities for beneficiaries and to cushion the Motability Foundation's beneficiaries against financial risks. The reserves policy sets out the rationale for the amount of reserves held in each category of fund. The category of fund that monies fall into is determined by the donor except for designated general funds where the purpose is determined by the Board of Governors as a reserved matter.

General fund reserve policy: Unlike most charities, the Motability Foundation has a particularly significant and unpredictable primary income source – donations from Motability Operations from its surplus capital. For this reason, the Motability Foundation will normally hold between two and three years' spending to cover the risks (and opportunities) of volatility in income and expenditure.

Given the unpredictable timing and scale of Motability Operations' donations, general fund reserves may be more than three years' spending or less than one year's spending from time to time. The Motability

Foundation models its financial outlook every six months in five- to ten-year scenarios which, as part of that exercise, updates the Motability Foundation's expectations of the general fund reserves position across time.

At 31 March 2023, the general fund reserve stood at £514m (2022: £418m). The rise in planned general fund expenditure next year to ca. £130m (2022: ca. £100m) means that the general fund reserve represents 3.9 years' prospective charitable expenditure (2022: 4.2 years), underpinning the Motability Foundation's goal of delivering record charitable spending at a time of exceptional demand from beneficiaries.

The parallel growth in free reserves, i.e. excluding intangible and tangible fixed asset and designated funds and planned charitable spending can be seen as follows: free reserves stand at £468m (2022: £365m) or 3.6 years' prospective spend as compared to 3.65 years last year. Increased resources underpin increased spending plans. Future spending plans will see free reserves fall back to around or below two years' charitable expenditure over the next two years.

Designated fund reserve policy:
Designated funds are part of general funds and nominated for a specific purpose by the Board of Governors. The designation(s) can be removed if financial circumstances necessitate this, so normally designated funds are not distinguished within general funds for the purposes of this policy.

Within general funds at 31 March 2023, the Board of Governors had designated a reserve for grants to organisations and charities to be awarded over three years and the balance stood at £43.9m (2022: £50m) as the first grants were made under six new Grant Impact Programmes launched in the year.

Restricted fund reserve policy:
Restricted funds are subject to constructive trusts in law which means they may only be used for the purpose nominated by the donor. A restricted fund will have a relevant time period, which may be up to a decade or more. At present, the only restricted fund is the Personal Independence Payments Transitional Support Programme which funds support to individuals who lose certain mobility benefits when assessed for eligibility to receive Personal Independence Payments when currently in receipt of Disability Living Allowance.

Lower activity at the Department for Work and Pensions led to a lower value of grants awarded, outweighed by the impact of higher interest rates. As a result, the value of this fund rose in the year to £43.7m (2022: £42.5m). The funds on hand are expected to be sufficient to meet future expenditure once activity recovers.

Expendable Endowment fund reserve policy:
The Motability Foundation's Endowment fund is held by the Motability Endowment Trust (MET), a separate legal entity and a linked charity (formerly known as the Motability Foundation). MET's sole purpose is to support the Motability Foundation, providing a degree of financial stability to enable the Motability Foundation's grant programmes to continue when donations from Motability Operations fall below expectation or a donation cannot be made due to economic conditions. The Motability Foundation, in its role as sole corporate Trustee of MET, has determined that MET's expendable Endowment reserve policy is:

- To maintain the Endowment's real spending power in the medium-to-long term for the benefit of the Motability Foundation's activities and beneficiaries
- Other than in delivering the financial strategy's risk appetite as from time to time approved by the Board, to only draw from the Endowment's capital when a permanent substantial improvement to disabled people's transportation can be obtained – a 'once-in-a-generation' opportunity (since such an opportunity would reduce future calls on the Motability Foundation's funds and thus on the Endowment). A decision to spend Endowment capital in this or any other circumstance is reserved to the Board of Governors, usually upon the recommendation of the Audit & Risk Committee in consultation with the Investment Committee

The Endowment fund represents the net assets of MET. These fell in value by £11m or 0.9 per cent to £1,224m from £1,235m last year as a result of investment management costs in a year of flat investment returns from weak financial markets. Further detail on the performance of MET can be found on pages 60-62.

The Reserves Policy is reviewed annually by the Audit and Risk Committee which may recommend amendments to the Board of Governors.

Investment Policy and Return

General funds are invested in assets that provide short-term liquidity and are likely to preserve their nominal value and otherwise in diversified credit assets that are likely to earn a return in line with the Bank of England's long-term inflation target or ca. 2 per cent p.a. The rise in interest rates over the last year and the buying opportunity presented by market turmoil in September and October 2022 meant that at 31 March 2023 the Motability Foundation's general fund financial assets were earning a weighted average yield of 5.38 per cent.

Restricted funds are invested in assets that provide short-term liquidity and are likely to preserve their nominal value with a high degree of confidence and otherwise in diversified credit assets that are likely to earn a return in line with the Bank of England's inflation target of 2 per cent p.a. The opportunity was taken to rebalance credit asset holdings in late 2022. As at 31 March 2023, the Motability Foundation's restricted funds were earning a weighted average yield of 4.52 per cent.

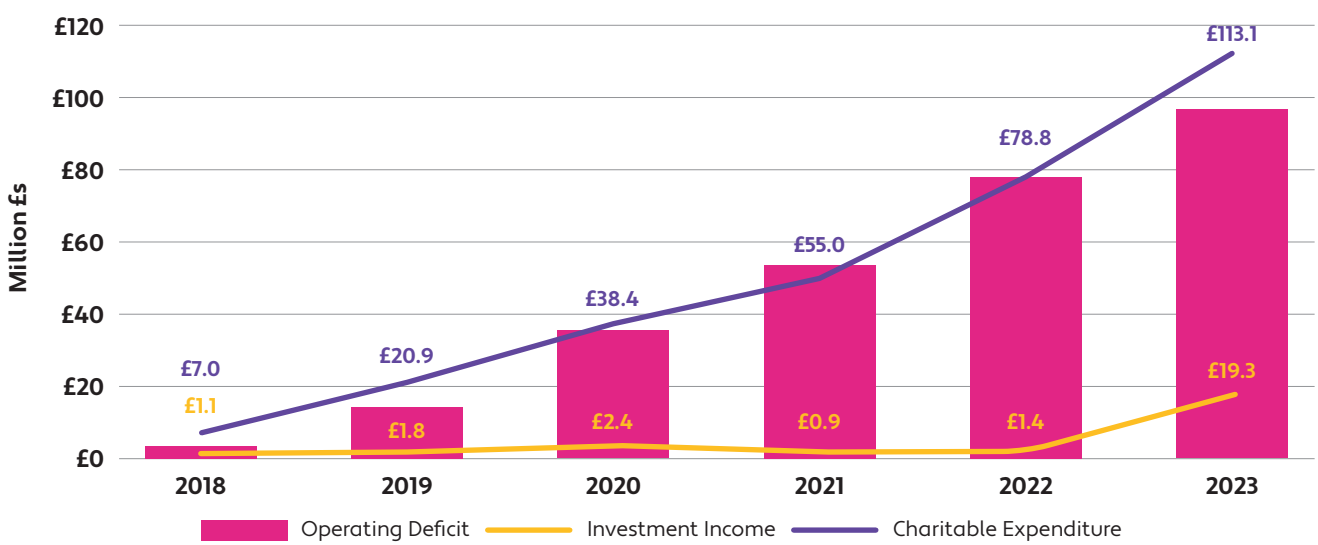
MET's investment policy is to invest in diversified real assets with an asset allocation and responsible investment policy so as to earn a long-term target investment return of CPI+4%. More information can be found on MET and its investments on pages 60-62.

The Motability Foundation and MET pursue these investment policies advised by Lane Clark & Peacock, Wilshire Associates and the Chief Investment Officer. The Motability Foundation's and MET's responsible investment policy are aligned and the appointed managers' ethical, social and governance policies, and investment processes have been reviewed during the year. The Board of Governors has reviewed the Motability Foundation's and MET's treasury and investment policies during the year.

General Fund Underlying Operating Deficits Over Time

As investment gains and losses can be volatile and Motability Operations' donations can be uncertain as to value and timing, excluding these significant but volatile figures gives a useful measure for the underlying rate that the Motability Foundation

General Fund Underlying Operating Deficits 2018-2023



is using up its general funds – the general fund underlying operating deficits columns in the graphic. The Motability Foundation's general fund charitable expenditure (line graph in the graphic on page 57) has grown sharply in recent years funded by donations from Motability Operations in the last two years. More recently, general fund investment income (line graph in the graphic on page 57) has grown markedly, albeit from a low base, in the last year as interest rates have risen.

Overall, the graphic shows the impact of rising general fund charitable expenditure has been softened by rising investment income but the rate of increase is still substantial for the underlying general fund operating deficit. The Governors continue to increase planned general fund expenditure in view of the increased general fund reserves available to them and the degree of need amongst beneficiaries, and will keep the planned rate of expenditure under review.

Pension Schemes

The Motability Foundation operates a defined contribution pension scheme for its employees and has a closed defined benefit pension scheme. The costs of the pension schemes charged to the Statement of Financial Activities are shown in Note 7 to the accounts.

The defined benefit pension scheme shut to new members in 2005 and to future accrual in 2012. At 31 March 2023 the pension fund's assets and liabilities were £18.1m and £18.9m (2022: £24.8m and £26m) respectively, resulting in a deficit of £0.7m (2022: deficit of £1.1m). Further information is given in Note 21 to the annual accounts. The last triennial actuarial valuation took place as at 31 March 2022, updated to 30 June 2022, and showed the Motability Scheme's assets were £21.2m and its liabilities were £21.1m, resulting in a surplus of £0.1m in the year. The Motability Foundation made contributions of £0.2m (2022: £0.1m).

Outlook - Overview

The Motability Foundation's principal source of income is donations from Motability Operations. In the last three years, COVID-19 and global supply chain difficulties have reduced the supply of new vehicles and so new vehicle prices have risen significantly. As a consequence, demand for and the price of second-hand vehicles have risen strongly. To date, these effects have increased Motability Operations' profits in two ways: through the higher prices received when vehicles are sold at the end of leases; and by reducing the expense of vehicle depreciation during the lease.

Motability Operations recycles its profits to help disabled people: higher profits are being ploughed back into direct and indirect support for disabled people, reducing the impact of higher new vehicle prices by subsidising lease prices for customers – which may also help to alleviate some of the pressure on the Motability Foundation's grant-making. Lower lease prices are likely to mean lower future profits or even losses over the next few years for Motability Operations.

Meanwhile, it remains uncertain as to how quickly global supply difficulties will resolve themselves and the economic outlook for the UK is uncertain, as is the future path of second-hand vehicles. These variables make it difficult to forecast Motability Operations' future profitability and capital needs, particularly beyond 2023. This introduces corresponding uncertainty into the prospects of further donations from Motability Operations. Fortunately for customers, Motability Operations enters this period of uncertainty in a healthy financial position.

The donations from Motability Operations in the last two years have provided record resources to the Motability Foundation. The Motability Foundation has responded with its largest ever three-year spending plan, covering the last year and the next two, aiming at charitable expenditure of ca. £350m+ over this period. That means maintaining and growing expenditure at or from current levels over the next two years.

The Endowment should see net income grow over the next year as a result of becoming fully invested. Whilst MET's portfolio has yet to fully mature, this milestone means that MET is well placed to play its part in supporting charitable expenditure in future years where Motability Operations is unable to make a donation.

For now, the Motability Foundation will respond to current unprecedented grant demand and its robust level of general fund resources with record planned charitable expenditure over the next two years. The Motability Foundation will keep under review



expected charitable expenditure in the medium term.

Outlook - Liquidity and Going Concern

At 31 March 2023, cash stood at £30.4m (2022: £38.3m). The Motability Foundation's general fund held cash, money market instruments and investment grade bonds maturing within one year totalling £127m (2022: £78.3m). The balance of the cash required will be made up from asset disposals.

The restricted fund held cash and money market balances of £33.5m (2022: £43m) with which to meet grant payments. A further £10.7m was held in relatively short duration credit assets.

At the year end, MET held cash, money market instruments and investment grade bonds maturing within one year of £134m (2022: £218m). MET also had investment commitments of £144m (2022: £125m). The balance of cash required will be made up from asset disposals.

Thus, at 31 March 2023, the total of cash to hand and maturing assets that can deliver cash if required in 2023/24 in the general and restricted funds to meet charitable expenditure and grant commitments is £161m. Outstanding grants have continued to grow, mainly due to the difficulty of sourcing vehicles for our beneficiaries, and now stand at £76m (2022: £44.5m). The potential for outstanding grant awards to become payable if vehicle supply improves or for restricted fund spending to increase if Department for Work and Pensions activity levels were to recover are both carefully monitored.

The diversified base of credit investments held by the general and restricted funds will ensure liquidity is available in good time as either trend will unfold over a period. The cash on hand and maturing over the year provides a substantial cushion in the event of a shock to credit markets that might delay the ability to realise other investments for full value.

The Governors are satisfied that the Motability Foundation and MET have the liquidity needed to meet expenditure and investment commitments in 2023/24.

The Motability Foundation reviews its future spending plans in five- and ten-year scenarios every six months to allow for differing levels of future income, principally donations from Motability Operations, and different levels of future spending. Following this year's £200m donation from Motability Operations, general funds at 31 March 2023 were £514m, including the cash on hand and maturing from assets over the next 12 months outlined above.

The Motability Foundation will protect its core spending and curtail other grant programmes where necessary. The Motability Foundation's future plans, budgets, reserves levels and cash flow forecasts for a period of more than 12 months from the date of signature of these accounts have been prepared by management and reviewed by the Governors.

On this basis, the Governors believe that the going concern assumption continues to be appropriate and that the Motability Foundation has a sound financial basis upon which to plan for the future with no material uncertainty.

Motability Endowment Trust
Summary of the Year

In volatile markets, MET achieved its goals of becoming fully invested and further diversifying its holdings. The Russia-Ukraine war caused sharp rises in food and energy prices exacerbating the effect of existing post-COVID 19 supply chain issues. As a result, markets fell amidst fears of a global slowdown in economic activity as Central Banks raised interest rates to counter higher inflation. Sterling's weakness during the year mitigated these falls. Meanwhile, net income again rose and should rise further in the year ahead as new investments are held for a full year and the portfolio continues to develop.

As a long-term investor, MET can wait patiently for financial markets to return to growth. MET's focus on real assets (investments that should ultimately rise in value if inflation rises) appears sound and the Motability Foundation, as the Trustee, keeps the investment strategy under review.

Asset Allocations

During the year, MET became closer to being fully invested with infrastructure and property added as investment classes. Additions were made to venture capital and private credit in 'other assets'. Towards the end of the year, MET sought to lower its investment management costs and reduce the underlying complexity of its portfolios by investing more of its money directly with a smaller number of selected fund managers. This resulted in some cash awaiting investment at the year end. The revised asset allocations are given in the table and illustrated in the graph below, showing the evolution of the portfolio over recent years.

Investment Performance

As commented on last year, markets opened the year at elevated levels and subsequently fell owing to geopolitical and economic factors. The opening and closing values for each asset class, along with performance in the year, are given in the table below.

The value of the Endowment fell slightly in the year, by £11m or 0.9 per cent (2022: grew by £81m or 7 per cent) to £1,224m (2022: £1,235m) due to investment management costs – net returns before costs were £1.5m (2022: £81.3m), a welcome contrast to heavy falls seen in some markets. Weakness in property values was compensated for by relative stability or gains elsewhere in the portfolio coupled with gains from the weakness of sterling. The continued surge in inflation from 7 per cent in March 2022 to 10 per cent in March 2023 (peaking at over 11 per cent in the year) meant

	Valuations: £ million				Investment performance figures % p.a.		
ASSET CLASS	**31 March 2020**	**31 March 2021**	**31 March 2022**	**31 March 2023**	**Year to 31 March 2022**	**Year to 31 March 2023**	**Since Inception**
Equity Securities	325	632	858	811	11.6	-1.5	8.3
Debt Securities	207	173	89	9	0.4	-1.1	0.5
Infrastructure and Property	0	0	25	147	0.0	-8.3	-8.3
Other	38	95	120	126	12.4	4.9	7.2
Money Market Instruments	281	244	131	123	0.0	1.2	0.5
Cash	160	10	12	8	0.0	0.4	0.3
Total	**1,011**	**1,154**	**1,235**	**1,224**	**7.2**	**-0.9**	**4.4**

that the portfolio underperformed its long-term target of CPI+4% in the year and since inception. The risk of volatility due to high market valuations was noted in the last two annual reports. Whilst the duration and impact of the Russia-Ukraine war was not expected, a setback to investment performance must be expected from time to time.

Income and investment management costs both rose again as the proportion of assets in long-term real investments increased and earlier investments were held for a full year. Income was £19.7m (2022: £11.4m) and investment costs were £12.1m (2022: £7.5m). As a result, net income nearly doubled to £7.6m (2022: £3.9m), in line with expectations.

The board of the Motability Foundation, in its capacity as sole Trustee of MET, would like to thank Cazenove Capital, Marylebone Partners and Stanhope Capital for their contributions to establishing MET's investment portfolio and for their prior support to the Motability Tenth Anniversary Trust which donated its funds to MET.

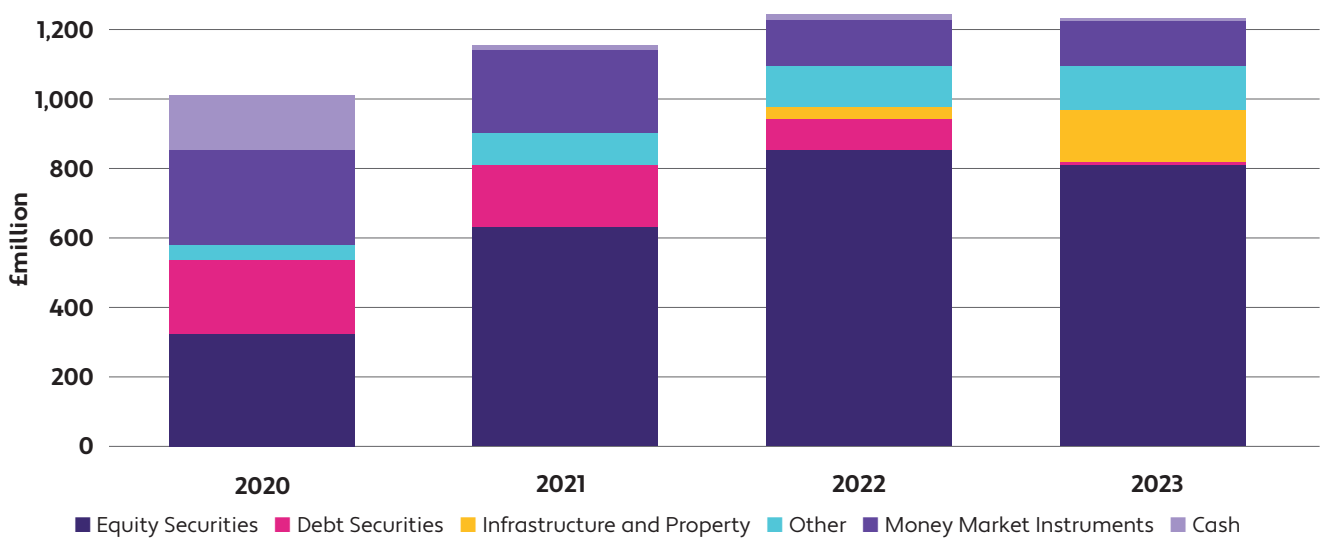
Governance and Management

MET's sole purpose is to support the Motability Foundation. As disabilities are often long term, it is important to sustain the Motability Foundation's grant-making for our beneficiaries. MET provides a degree of financial stability to the Motability Foundation's grant-making activities, enabling grant programmes to continue when donations from Motability Operations fall below expectation or a donation cannot be made due to economic conditions. It is intended that the Endowment's capital will only be drawn upon to fund 'once-in-a-generation' opportunities that will sharply improve transportation for disabled people because the resulting reduction in beneficiary need will reduce the required size of MET.

The Motability Foundation is MET's sole corporate Trustee. MET and the Motability Foundation have the same charitable objects. MET is an expendable Endowment, established by trust deed in September 2019, and legally registered as The Motability Endowment Trust with the Charity Commission in England and Wales as a linked charity under registration number 299745-1.

MET does not prepare separate financial statements; its results are presented within the Motability Foundation's consolidated financial

Investment Values by Asset Class at 31 March



statements, included as the Endowment column in the Statement of Financial Activities. MET's Investment Committee operates within terms of reference delegated from the Trustee and within the scope of the investment policy, including an asset allocation strategy and a responsible investment policy, approved by the Trustee. The terms of reference for the Investment Committee and the investment policy are reviewed regularly. MET has appointed a Chief Investment Officer to advise upon and support the implementation of the investment policy and the monitoring of investment managers' performance. The primary external investment adviser is Lane Clark & Peacock, and supplementary advice is received from Wilshire Associates on venture capital and private equity investment selection.

MET's investment policy targets a medium-to-long-term investment return of inflation plus four per cent (CPI+4%, the inflation measure is the UK consumer price index). This level of return is intended to maintain the capital of the Endowment and so support grant-making for future generations of beneficiaries. The investment policy is communicated to MET's fund managers. The fund managers' ethical, social and governance engagement, policies and processes were kept under review during the year. Further fund managers were evaluated, including their approach to responsible investment, and appointed. The principal fund managers are noted on page 122.

The principal financial risks are set out along with their mitigation more fully in the Financial Review on pages 52-59. The Investment Committee reviewed rising inflation, market and currency risks with their advisors and concluded that the long-term strategy of holding real investments capable of delivering CPI+4% was sound. Limited hedging into sterling was implemented towards the end of the year given that the Motability Foundation's expenditures are denominated in sterling; residual currency risk is accepted. Counterparty risk is mitigated through diversifying fund managers and custodians, and by legal and investment due diligence. Liquidity risk is managed through cash flow forecasting, carefully sequencing buy and sell trades.

Outlook and Plans for the Future

Rising interest rates and economic risks associated with rising inflation and geopolitical factors may limit investment returns for a period. MET will complete its move to direct investment with selected fund managers and add steadily to its holdings in private asset classes whilst keeping asset allocations, risks and fund managers' performance under review. Liquidity is carefully monitored and is sufficient for current plans.

Whilst it may take some time for the portfolio to catch up with its investment target, the focus on real assets at a time of heightened inflation is appropriate to the goal of being able to support disabled people's transport needs in the years ahead.



Making all journeys accessible





Governors' Report

The Accounts comply with the requirements of the Charities Act 2011, the Royal Charter, and the Charities Statement of Recommended Practice (SORP) (FRS 102) 2019.
The Patrons, Life President and Life Vice-President, present Governors, any past Governors, Members who served during the year and key executive employees are shown on page 123 of this report. Details of the registered office and professional advisors are shown on page 122 and the back cover.

The foundation is governed by its Royal Charter, granted on 18 May 1988, incorporating amendments made on 8 December 2005, 11 November 2020 and 16 February 2022.

Public and Charitable Benefit

The charitable object of the Motability Foundation is to facilitate the relief and assistance of disabled people in connection with the provision of personal, and other, transportation.

This Annual Report reviews the work of the Motability Foundation over the past year and sets out the aims for 2023/24. In reviewing the performance and future aims, Governors have due regard for the guidance published by the Charity Commission on public benefit and have complied with Section 17 of the Charities Act 2011 in this respect. Providing access to transport and helping to make transport more accessible is the Motability Foundation's contribution to society throughout the United Kingdom.

Structure, Governance and Management

Governors and Members

Under the Motability Foundation's Royal Charter, Governors are appointed from the membership. Any individual can apply to the Board for election as a Member (if they are not a paid employee of the Motability Foundation). Members may be appointed by the Motability Foundation Board without the intention of becoming Governors. When a vacancy arises for a Governor, or if the Board needs to appoint someone with specialist knowledge, the Board reviews the membership for candidates. If no current Member has the necessary skill or experience, the Board seeks to recruit a new Member. Their appointment as Governor is approved at the Annual General Meeting (AGM).

Governors serve three-year terms. They may offer themselves for re-election and serve up to three terms. Governors meet at least five times per year. These meetings include four quarterly Board meetings and the AGM. The Board delegates responsibility for the implementation of policy and reviews of performance to a number of Committees. The Committees are required to meet prior to Board meetings and formally report to them so that recommendations for changes in strategy or policy can be authorised by the full Board.

New Governors undergo an induction on the role of the Motability Foundation and their duties as a Board Member. They are provided with an information folder that contains the Royal Charter, current Business Plan, recent financial reports, and Charity Commission Trustee welcome documents. Throughout the year, Board Members receive updates on information relevant to their role and are supported with training needs as appropriate. The Governors are not remunerated but may be compensated for loss of earnings.

Governors' expenses are reimbursed, and these are detailed in Note 7B to the financial statements. Related parties are identified when new transactions arise and are set out

in Note 7D to the financial statements. The foundation has one wholly owned subsidiary, Motability Enterprises Ltd, about which further details are given in Note 2 to the financial statements, and it is the sole corporate Trustee of the Motability Endowment Trust.

The Governors are responsible for the maintenance and integrity of the foundation and financial information on the foundation's website; motabilityfoundation.org.uk.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The systems of internal control follow Charity Commission Guidelines (CC8), designed to provide reasonable but not absolute assurance against material misstatement or loss. They include:

- An annual budget approved by the Governors
- Regular consideration by the Governors of financial results, variations from budget, details of cash flow and bank balances
- Delegation of day-to-day management authority and segregation of duties
- Identification and management of risks
- An investment policy and regular reviews of investment risks and returns

Scheme Oversight Committee

The Committee ensures that the Motability Foundation effectively oversees the performance and financial position of the Motability Scheme. It reports to the Board of Governors regularly. It comprises three Governors who have appropriate skills and experience in relation to the oversight of the Motability Scheme. The Committee meets quarterly and is supported by senior management of both the Motability Foundation and Motability Operations. The Committee was chaired during the year by Ed Humpherson CB. The other Governors serving on the Committee are David Hunter and Sukhi Clark.

Grant-Making and Innovation Committee

The Committee oversees all of the Motability Foundation's grant-making and innovation activities. The Committee comprises four Governors and was chaired during the year by Robin Hindle Fisher OBE. Other Governors serving on the Committee are Dr Juliana Onwumere, Professor William Webb and Dr Hannah Barham-Brown.

Audit and Risk Committee

This Committee is responsible for the oversight of Risk Assessment, Risk Management and Internal Controls. The Committee is also charged with reviewing the performance of both internal and external audits, and for making recommendations to the Board in respect of the appointment of external and internal auditors. The ARC comprises three Governors. The Committee was chaired during the year by the Honorary Treasurer, David Hunter. Other Governors serving on the Committee are Richard Cartwright and Tony Davis. William Webb stood down in March 2023.

Investment Committee

This Committee appoints, monitors and can remove investment managers in pursuit of the investment strategy contained within the Investment Policy. The Committee is chaired by Charles Manby MBE, and the other Governors serving on the Committee are David Hunter and Robin Hindle Fisher OBE. The Committee has two independent members; David Pritchard and Peter Oppenheimer.

Remuneration Committee

The Committee reviews the remuneration of the Chief Executive and Directors, as well as the employee pay and benefits plan. The Remuneration Committee comprises three Governors and is currently chaired by the Chairman, Charles Manby MBE, supported by Richard Cartwright and Hannah Barham-Brown.

Nomination Committee

The Committee identifies and recommends the appointment of new Governors, evaluating the balance of skills, knowledge and diversity on the Board, and considers all candidates based on merit and against objective criteria. The Committee also recommends the appointment of the Chief Executive and Directors to the Board of Governors. The Nomination Committee comprises at least two Governors and is chaired by Charles Manby MBE, supported by Ed Humpherson CB.

The Chief Executive Officer

The Chief Executive Officer is responsible for the day-to-day management of the Motability Foundation's operations and the relationships with stakeholders, including Government, Motability Operations and the Regulators. The Chief Executive Officer is supported by a senior management team to ensure the implementation of policies agreed by the Governors. The current Chief Executive Officer is Barry Le Grys MBE.

Governance Review

The Board has adopted the principles of good governance in the Charities Governance Code. The Motability Foundation's activities continue to grow and evolve. As part of ensuring that governance remains fit for purpose, the Board of Governors' practice and the Charity's governance framework is reviewed regularly against this Code, including self-assessment by Board Committees, skills audits of the Board and the continuing follow-up of the recommendations of the 2021 governance review conducted by Fidelio. The Governors have taken account of the Charity Commission's guidance on public benefit when reviewing the Motability Foundation's objective, plans and activities.

Companies Act 2006

Companies are required to include a statement in their strategic report of how directors have complied with their duty to have regard to the matters in Section 172 (1) (a)-(f) of the Companies Act 2006 ('the Act'). The Motability Foundation does not have to report against Section 172 but considers it good practice. One of the key clauses is the need to act fairly between members of the company. We listen to, and engage effectively with, our wide variety of stakeholders on whom the future success of the Motability Foundation depends, including service users, supporters, employees and suppliers, to ensure responsible decisions are made. This helps us ensure that any decisions are sustainable in the long term and do not disproportionately affect any single stakeholder group. To this end, the Board notes the key decisions and considerations it has made during the year to March 2023, and our relationships with key stakeholders, in the tables on the following page.

Significant Decisions

SIGNIFICANT DECISION	SECTION 172 MATTER AFFECTED	ACTION
Increased and highest budget envelope to date for charitable expenditure in 2023/24.	Relationship with beneficiaries, suppliers, other charities and not-for-profit organisations.	The foundation is aiming to achieve the higher level of ambition set out in its current strategy including an expenditure of £50m over three years to deliver impact upon the transport needs of disabled people in concert with other organisations.
Support the intention of Motability Operations to apportion £645m of capital to invest in protecting affordability and to commit £525m in New Vehicle Payments.	Relationship with Motability Operations and their delivery of the Motability Scheme; the major way in which the Motability Foundation assists disabled people with mobility is by contracting and overseeing Motability Operations to deliver the Motability Scheme.	Motability Operations will invest to keep prices on the Scheme as low as possible as the cost of vehicles continue to rise, and to help customers make the best of their new vehicle and get them on the road.
Select the consortia led by Coventry University to establish an evidence centre for disability and transport.	The Centre is to generate evidence and demonstrate 'what works' in disability and transport. The decision was informed by the foundation's strategic prioritisation framework; to amplify the voices of disabled people to influence inclusive transport practice and policy.	The Centre has been launched and an Independent Chair of the Centre consortia Board appointed. The Board has strong lived experience presence. Funding is assured for seven years.
Focus upon Government funding mechanisms and the endorsing of accreditation schemes to increase adoption of PAS 1899, the national accessible charging standard, which has now been published.	The Motability Foundation's beneficiaries are all disabled people and this assistance is vital for the national transition to electric vehicles and their participation.	All future charge point installations should meet a minimum level of accessibility, including considerations around information services and data standards.
Revised vehicle eligibility criteria for the Motability Scheme.	Choice, value and sustainability for customers are key tenets of the Motability Scheme. The new criteria will enable Motability Operations to pursue these in a challenging and changing market.	The first pricing round of 2023 observed the new criteria.
Lifestyle Magazine is to continue the digital transition in a measured fashion and be produced in concert with Motability Operations.	The magazine is distributed quarterly to opted-in Motability Scheme customers, informing and updating them on the Scheme and disability matters.	Lifestyle's readership is estimated to be 820,000 for each of four issues in the year.
Undertake a proof of concept programme with volunteer car clubs.	The Motability Foundation is keen to understand more about how car clubs can work across the country and to use the knowledge for systems level change if possible in the community transport sector for disabled people.	Four organisations are being sponsored to conduct the programmes over 18 months.

Key Stakeholders

Key stakeholder and why they are important to our success	How we engage	Where to find key highlights of 2022/23 and further information in this report
UK and Scottish Governments: the major way in which the Motability Foundation assists disabled people with mobility is by contracting and overseeing Motability Operations to deliver the Motability Scheme. The transfer of Government benefits and VAT status for the Scheme are under the authority of the UK and Scottish Governments.	We have formal quarterly meetings at Director level for all parties and routine engagement below this level. Memorandums of Understanding and Agreements are reviewed regularly for operational purposes.	Motability Scheme from page 14
Motability Operations: the major way in which the Motability Foundation assists disabled people with mobility is by contracting and overseeing Motability Operations to deliver the Motability Scheme.	There is a performance framework in place: monthly reporting against KPIs; quarterly Scheme Oversight Committee meets; analysis of customer research and surveys. Motability Operations Directors brief the Motability Foundation Board quarterly. The Motability Foundation attends specific Motability Operations governance committees. The senior management of the Motability Foundation and Motability Operations are routinely in dialogue.	Motability Scheme from page 14
Beneficiaries and Potential Beneficiaries: As a charity, the Motability Foundation must always act within its charitable object in the best interests of its beneficiaries, who are all disabled people in need of assistance with their personal transportation.	The Motability Foundation continually surveys the beneficiary experience of grant-making. Our Innovation team conducts extensive research and consultation with disabled people and disability organisations, as well as our own frontline employees, to better understand what mobility problems disabled people are facing and what solutions would assist them.	Grant-Making from page 18 Innovation from page 36
Vehicle adaptation manufacturers: our Motability Scheme-Related Grants are dependent on their products.	The Motability Foundation provides regular briefings to manufacturers and works closely with the adaptations department of Motability Operations for delivery matters.	Grant-Making from page 18
Access to Mobility and other not-for-profit organisations: working with others increases the range and reach of how we support our disabled beneficiaries.	The Motability Foundation has contractual arrangements and grant agreements with other parties to deliver services for beneficiaries, and each includes a performance framework enabling evaluation and learning for developing assistance to meet beneficiary needs.	Grant-Making from page 18
NCAT: the Centre will inform the foundation how best it can support solutions that meet the needs of disabled people and work towards our vision.	The Motability Foundation Board governs the Centre through the Grant Agreement. The Consortium Board and Independent Chair report to the Motability Foundation Grant-Making and Innovation Committee. The Committee also has an independent Advisory Committee for Centre performance and direction. The Motability Foundation Executive monitors and evaluates the Centre on behalf of the Motability Foundation Board.	Innovation from page 36

Continued over the page

Key Stakeholders CONTINUED

Key stakeholder and why they are important to our success	How we engage	Where to find key highlights of 2022/23 and further information in this report
Employees: the Motability Foundation has two key resources; funds and its people. The skills and endeavour of employees are vital to our achievements.	The Motability Foundation conducts Employee Surveys and maintains several internal media channels for employees. There are health and wellbeing, skills development and blended working programmes	Our People from page 33
Regulators: the Motability Foundation is regulated by the Charity Commission, the Office of the Scottish Charity Regulator, the Financial Conduct Authority and Information Commissioner's Office. The correct relationship with regulators ensures good governance and practice.	The Motability Foundation is fully compliant with all reporting requirements.	Control and Assurance from page 46

Statement of Trustees' Responsibilities and Corporate Governance

The Governors, as Trustees, are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102, the reporting standard applicable in the UK and the Republic of Ireland, Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

The law applicable to charities in England and Wales requires financial statements for each financial year to be prepared by the Governors. These should give a true and fair view of the state of affairs of the foundation and the Group, and of the income and application of resources of the foundation for that period. In preparing these financial statements, the Governors are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the foundation will continue in operation

The Governors are responsible for keeping proper accounting records that disclose, with reasonable accuracy, at any time, the financial position of the Group and enable them to ensure that the financial statements comply with the Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the Group and foundation, and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Governors are aware:

- There is no relevant information of which the Group's auditors are unaware; and:

Summary of Climate-Related Disclosures

The UK Government announced in July 2019 that it expects listed companies to provide disclosures in line with the TCFD recommendations by 2022. Whilst not yet mandatory for the Motability Foundation, this is considered best practice and the Motability Foundation is developing its disclosures and provides the following information:

RECOMMENDATIONS AND SUPPORTING DISCLOSURES			
GOVERNANCE	**STRATEGY**	**RISK MANAGEMENT**	**METRIC AND TARGETS**
Disclose the organisation's governance around climate-related risks and opportunities.	Disclose the actual and potential impacts of climate-related risk and opportunities on the organisation's businesses, strategy and financial planning where such information is material.	Disclose how the organisation identifies, assesses and manages climate-related risks.	Disclose the metrics and targets used to assess and manage relevant climate-related risk and opportunities where such information is material.
DISCLOSURE REFERENCES			
MET page 60 **Governors' Report** page 65 **Environment Risk** page 48	**Five Strategic Pillars** page 14 **Motability Scheme** page 17	**Motability Scheme** page 15 **Scheme Oversight Risk** page 47 **Control and Assurance** page 46 **Disability Charity** page 43	**Motability Scheme** page 17 **Innovation** page 37 **Disability Charity** page 45

- They have taken all steps that they ought to have taken as Governors in order to make themselves aware of any relevant information and to establish that the Group's auditors are aware of that information

Slavery and Human Trafficking Statement

The Modem Slavery Act 2015 introduced new obligations in relation to slavery and human trafficking. The foundation is fully supportive of the legislation as it is in keeping with our ethos and principles. The statement includes compliance for our supply chain partners.

By Order of the Board
Charles Manby MBE
Chairman
27 July 2023

Independent Auditor's Report to the Governors (Trustees) of Motability

for the year ended 31 March 2023

Independent Auditor's Report to the Governors (Trustees) of Motability

Opinion on the Financial Statements

In our opinion, the financial statements:

- Give a true and fair view of the state of the Group's and of the Parent Charity's affairs as at 31 March 2023 and of the Group's incoming resources and application of resources 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 Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended

We have audited the financial statements of Motability ("the Parent Charity") and its subsidiaries ("the Group") for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, Statement of Financial Activities – Charity Only, the Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Charity in accordance with the ethical requirements 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.

Conclusions Related 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 Group and the Parent Charity's ability to continue as a going concern for a period of at least 12 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. The other information comprises the information included in the Annual Report and Accounts, 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

Independent Auditor's Report to the Trustees of Motability

there is 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.

Matters on which we are Required to Report by Exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion;

- The information given in the Trustees' Report for the financial year for which the financial statements are prepared is inconsistent in any material respect with the financial statements; or
- Adequate and proper accounting records have not been kept by the Parent Charity; or
- The Parent Charity financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities and Corporate Governance, the Trustees 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 Group's and the Parent Charity'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 Group or the parent Charity 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 the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 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.

Extent to which the Audit was Capable of Detecting Irregularities, including Fraud

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:

Non-Compliance with Laws and Regulations

Based on:

- Our understanding of the Group and the sector in which it operates;
- Discussion with management and those charged with governance and the Audit and Risk Committee; and
- Understanding of the Group's policies and procedures regarding compliance with laws and regulations; we considered the significant laws and regulations to be the applicable accounting framework, UK tax legislation and employment law.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation, Charities Act 2011, data protection and Financial Conduct Authority regulation.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of Serious Incident Reports made by the entity

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance, the Audit and Risk Committee and internal audit regarding any known or suspected instances of fraud
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud
- Review of correspondence with the Financial Conduct Authority; and
- Review of Serious Incident Reports made by the Charity to the Charities Commission

Based on our risk assessment, we considered the areas most susceptible to fraud to be income recognition, payments including grant payments and investments valuation.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation
- Involvement of forensic specialists in the audit to consider potential instances of fraud
- Assessing significant estimates made by management for bias, including valuation of investments and PIP provision, by consideration of the basis of estimation and inputs to the calculations
- Enquiries of thirds parties, where information had been used by the group in preparation of the financial statements, particularly including investment manager and custodian confirmations of year-end valuations and investment holdings; and
- Audit testing a sample of payments, grants awards and commitments ensuring these have been made in accordance with authority limits, award letters and internal control procedures

Independent Auditor's Report to the Trustees of Motability

We also communicated relevant identified laws and regulations, and potential fraud risks, to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our Report

This report is made solely to the Charity's Trustees, as a body, in accordance with the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charity's Trustees 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 Charity and the Charity's Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

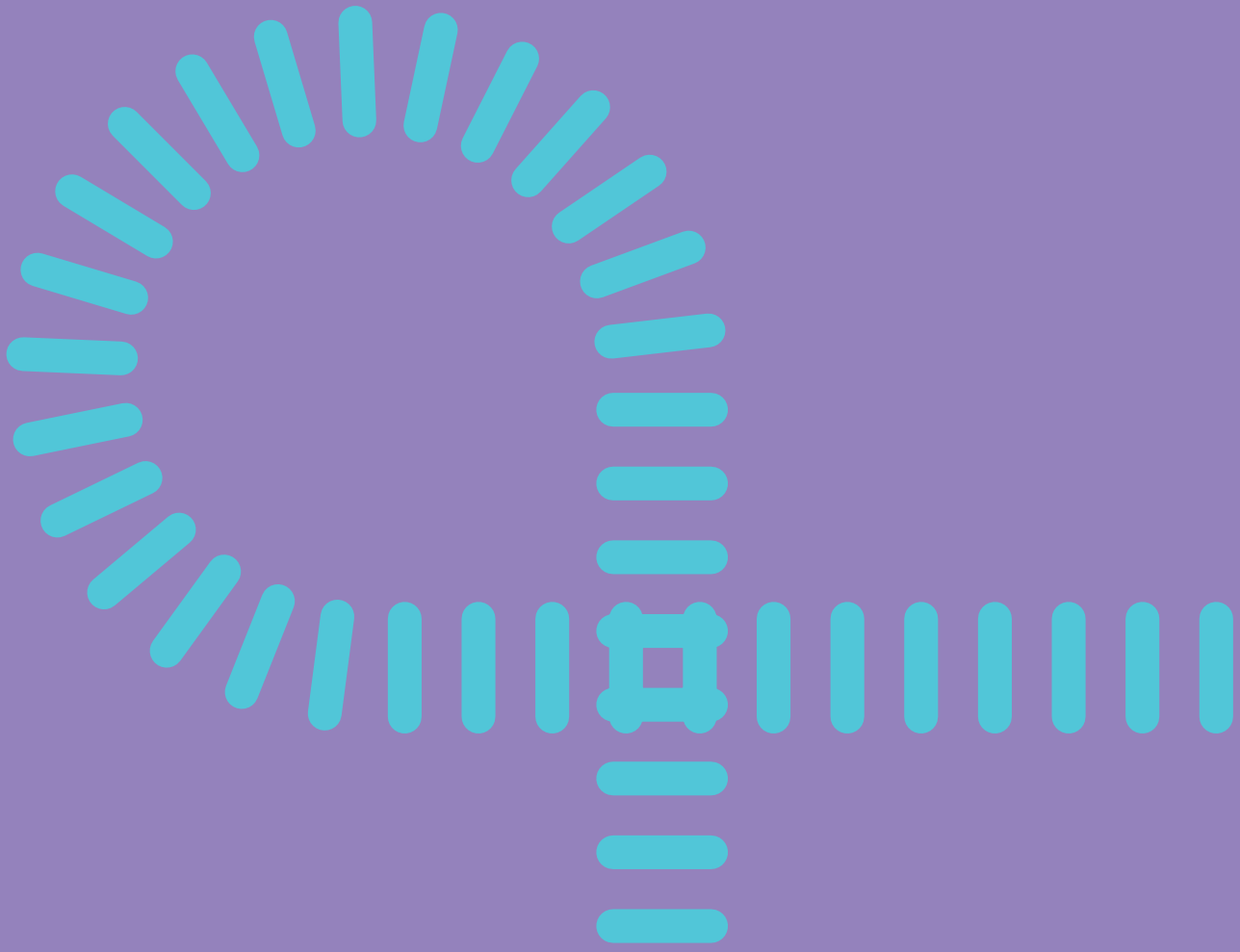
BDO LLP, statutory auditor
London, UK
Date: 27 July 2023

BDO LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

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

Financial Statements

for the year ended 31 March 2023



Consolidated Statement of Financial Activities

for the year ended 31 March 2023

	Note	Unrestricted Funds 2023 £'000	Restricted Funds 2023 £'000	Endowment Fund 2023 £'000	Group Funds 2023 £'000	Unrestricted Funds 2022 £'000	Restricted Funds 2022 £'000	Endowment Fund 2022 £'000	Group Funds 2022 £'000
Income and Endowments from:									
Voluntary Fundraising Income		260	-	-	260	180	-	-	180
Motability Operations Donations		200,000	-	-	200,000	170,000	-	-	170,000
Donations and Legacies		**200,260**			**200,260**	**170,180**			**170,180**
Other Trading Activities	2	723	-	-	723	688	-	-	688
Income from Investments	3	19,295	443	19,668	39,406	1,416	60	11,392	12,868
Other Income		4	-	-	4	10	-	-	10
Total Income and Endowments		**220,282**	**443**	**19,668**	**240,393**	**172,294**	**60**	**11,392**	**183,746**
Expenditure on:									
Raising Funds	5	3,609	64	12,089	15,762	1,588	2	7,523	9,113
Grants to Individuals		92,254	197	-	92,451	71,257	(1,166)	-	70,091
Grants to Organisations		17,193	-	-	17,193	4,118	-	-	4,118
Build Awareness		1,889	-	-	1,889	1,439	-	-	1,439
Innovation		1,424	-	-	1,424	1,167	-	-	1,167
Motability Scheme		303	-	-	303	771	-	-	771
Total Charitable Expenditure	**4**	**113,063**	**197**	**-**	**113,260**	**78,752**	**(1,166)**	**-**	**77,586**
Total Expenditure		**116,672**	**261**	**12,089**	**129,022**	**80,340**	**(1,164)**	**7,523**	**86,699**
Net Income Before Gains / (Losses) on Investments		**103,610**	**182**	**7,579**	**111,371**	**91,954**	**1,224**	**3,869**	**97,047**
Net (Losses) / Gains on Investments	10	(8,145)	1,072	(18,198)	(25,271)	(4,549)	10	77,333	72,794
Net Income / (Expenditure)		**95,465**	**1,254**	**(10,619)**	**86,100**	**87,405**	**1,234**	**81,202**	**169,841**
Transfers Between Funds		-	-	-	-	-	-	-	-
Other Realised Gains and Losses									
Actuarial Gain on Defined Pension Scheme	21	479	-	1	480	1,673	-	-	1,673
Net Movement in Funds		**95,944**	**1,254**	**(10,618)**	**86,580**	**89,078**	**1,234**	**81,202**	**171,514**
Fund Balances at 1 April 2022		418,382	42,488	1,235,020	1,695,890	329,304	41,254	1,153,818	1,524,376
Fund Balances at 31 March 2023	**17, 18, 19**	**514,326**	**43,742**	**1,224,402**	**1,782,470**	**418,382**	**42,488**	**1,235,020**	**1,695,890**

There were no other recognised gains or losses other than those listed above and the net income for the year.
The Notes on pages 82-120 form an integral part of the financial statements.
All the Group's financial activities in this and the prior year were continuing.
The Endowment Fund column represents the financial activities of the Motability Endowment Trust.

Statement of Financial Activities (Charity Only)

for the year ended 31 March 2023

	Note	Unrestricted Funds 2023 £'000	Restricted Funds 2023 £'000	Endowment Fund 2023 £'000	Charity Funds 2023 £'000	Unrestricted Funds 2022 £'000	Restricted Funds 2022 £'000	Endowment Fund 2022 £'000	Charity Funds 2022 £'000
Income and Endowments from:									
Voluntary Fundraising Income		375	-	-	375	445	-	-	445
Motability Operations Donations		200,000	-	-	200,000	170,000	-	-	170,000
Donations and Legacies		**200,375**	**-**	**-**	**200,375**	**170,445**	**-**	**-**	**170,445**
Income from Investments		19,292	443	19,668	39,403	1,416	60	11,392	12,868
Other Income		14	-	-	14	20	-	-	20
Total Income and Endowments		**219,681**	**443**	**19,668**	**239,792**	**171,881**	**60**	**11,392**	**183,333**
Expenditure on:									
Raising Funds		1,871	64	12,089	14,024	707	2	7,523	8,232
Grants to Individuals		92,254	197	-	92,451	71,258	(1,166)	-	70,092
Grants to Organisations		17,193	-	-	17,193	4,118	-	-	4,118
Build Awareness		3,026	-	-	3,026	1,906	-	-	1,906
Innovation		1,424	-	-	1,424	1,167	-	-	1,167
Motability Scheme		303	-	-	303	771	-	-	771
Total Charitable Expenditure		**114,200**	**197**	**-**	**114,397**	**79,220**	**(1,166)**	**-**	**78,054**
Total Expenditure		**116,071**	**261**	**12,089**	**128,421**	**79,927**	**(1,164)**	**7,523**	**86,286**
Net Income Before Gains / (Losses) on Investments		**103,610**	**182**	**7,579**	**111,371**	**91,954**	**1,224**	**3,869**	**97,047**
Net (Losses) / Gains on Investments	10	(8,145)	1,072	(18,198)	(25,271)	(4,549)	10	77,333	72,794
Net Income / (Expenditure)		**95,465**	**1,254**	**(10,619)**	**86,100**	**87,405**	**1,234**	**81,202**	**169,841**
Transfer Between Funds		-	-	-	-	-	-	-	-
Other Realised Gains and Losses									
Actuarial Gain on Defined Pension Scheme	21	479	-	1	480	1,673	-	-	1,673
Net Movement in Funds		**95,944**	**1,254**	**(10,618)**	**86,580**	**89,078**	**1,234**	**81,202**	**171,514**
Fund Balances at 1 April 2022		418,367	42,488	1,235,020	1,695,875	329,289	41,254	1,153,818	1,524,361
Fund Balances at 31 March 2023	**17, 18, 19**	**514,311**	**43,742**	**1,224,402**	**1,782,455**	**418,367**	**42,488**	**1,235,020**	**1,695,875**

There were no other recognised gains or losses other than those listed above and the net income for the year.
The Notes on pages 82-120 form an integral part of the financial statements.
All the Charity's financial activities in this and the prior year were continuing.
The Endowment Fund column represents the financial activities of the Motability Endowment Trust.

Balance Sheet (Group and Charity)

as at 31 March 2023

	Note	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Intangible Fixed Assets	9	906	1,147	906	1,147
Tangible Fixed Assets	9	1,178	2,371	1,178	2,371
Fixed Asset Investments	10, 11	1,726,040	1,647,738	1,726,040	1,647,738
Fixed Assets		**1,728,124**	**1,651,256**	**1,728,124**	**1,651,256**
Debtors	12	6,224	3,544	6,029	3,449
Current Asset Investments	10, 11	105,491	56,864	105,491	56,864
Cash at Bank and in Hand		30,434	38,254	30,302	37,763
Current Assets		**142,149**	**98,662**	**141,822**	**98,076**
Creditors: Amounts Falling Due within One Year	13	(85,976)	(51,794)	(85,664)	(51,223)
Net Current Assets		**56,173**	**46,868**	**56,158**	**46,853**
Total Assets Less Current Liabilities		**1,784,297**	**1,698,124**	**1,784,282**	**1,698,109**
Creditors: Amounts Falling Due after One Year		(10)	(30)	(10)	(30)
Provisions	14	(1,080)	(1,072)	(1,080)	(1,072)
Net Assets (excluding Pension Liability)		**1,783,207**	**1,697,022**	**1,783,192**	**1,697,007**
Defined Benefit Pension Scheme Liability	21	(737)	(1,132)	(737)	(1,132)
Net Assets		**1,782,470**	**1,695,890**	**1,782,455**	**1,695,875**
Endowment Funds	19	1,224,402	1,235,020	1,224,402	1,235,020
Restricted Income Funds	18	43,742	42,488	43,742	42,488
General Unrestricted Funds	17	514,326	418,382	514,311	418,367
Total Funds		**1,782,470**	**1,695,890**	**1,782,455**	**1,695,875**

The Notes on pages 82-120 form an integral part of the financial statements.
The financial statements on pages 78-81 were approved and authorised for issue by the Board of Governors on 27 July 2023, and were signed on its behalf by:

Charles Manby MBE, Chairman

David Hunter FCA, Hon. Treasurer

The Endowment Funds balance refers to the Motability Endowment Trust.

Consolidated Cash Flow Statement

for the year ended 31 March 2023

	Note	Group 2023 £'000	Group 2022 £'000 *As restated
Net Income for the Year (as per the Statement of Financial Activities)		**86,100**	**169,841**
Adjustments for Non Cash Items			
(Increase) / Decrease in Debtors	12	(2,680)	492
Increase in Creditors	13	34,182	17,536
(Decrease) in Creditors > 1yr		(20)	(20)
Increase / (Decrease) in Provisions	14	8	(1,662)
Reinvested Investment Income	10	(23,021)	(10,396)
Investment Management Fees Charged to Capital	10	13,022	1,799
Depreciation	9	1,564	1,293
Amortisation	9	313	253
Loss on Disposal of Intangible Fixed Assets	9	163	-
Gain on Disposal of Tangible Fixed Assets	9	(4)	-
FRS 102 Pension Adjustment	21	84	173
Losses / (Gains) in the Year	10	25,238	(67,577)
Adjustments to exclude Investment Activities			
Investment Income Received	3	(13,291)	(2,535)
Interest Income Received	3	(668)	(396)
Investment Management Fees Paid		316	1,137
Net Cash Flows from Operating Activities		**121,306**	**109,938**
Cash Flows from Investing Activities:			
Investment Income	3	13,291	2,535
Interest Income	3	668	396
Investment Management Fees Paid		(316)	(1,137)
Purchases of Intangible Fixed Assets	9	(235)	(515)
Purchases of Tangible Fixed Assets	9	(370)	(1,752)
Proceeds from Sales of Fixed Assets	9	4	-
Purchases of Fixed Assets Investments	10	(672,638)	(716,920)
Proceeds from Sales of Fixed Assets Investments	10	578,193	466,107
Purchases of Current Assets Investments	10	(184,839)	(32,000)
Proceeds from Sales of Current Assets Investments	10	138,081	182,361
(Decrease) in Investment Cash		(965)	-
Net Cash Flows used in Investing Activities		**(129,126)**	**(100,925)**
Change in Cash and Cash Equivalents for the Year		(7,820)	9,013
Cash and Cash Equivalents Brought Forward		38,254	29,241
Cash and Cash Equivalents		**30,434**	**38,254**

Consolidated Analysis of Changes in Net Debt					
Group	**1 April 22 £'000**	**Cash Flows £'000**	**Fair Value Movements £'000**	**Other Non-Cash Movements £'000**	**31 March 23 £'000**
Cash at Bank and in Hand	38,254	(7,820)	-	-	30,434
Debts Due within One Year	-	-	-	-	-
Debts Due after One Year	-	-	-	-	-
Defined Benefit Pension Scheme Liability	(1,132)	-	479	(84)	(737)
Total Net Debt	**37,122**	**(7,820)**	**479**	**(84)**	**29,697**

* Please see Note 25 for Prior Year Adjustment schedule.

The Notes on pages 82-120 form an integral part of the financial statements.

Notes to the Financial Statements

1. Accounting Policies

A. Corporate and Charitable Status

Motability, operating as the Motability Foundation, is a public benefit entity incorporated by Royal Charter and registered with the Charity Commission, Charity no. 299745, in England and Wales. Scotland OSCR Registration SC050642.

B. Basis of Preparation and Consolidation

Group financial statements have been prepared in respect of the Motability Foundation and its wholly owned subsidiary, Motability Enterprises Limited.

The financial statements have been prepared in accordance with the accounting policies set out in Notes to the Accounts and comply with the Charity's governing document, applicable UK accounting standards (UK Generally Accepted Accounting Practice), including Financial Reporting Standard 102 the Charities Act 2011, 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, updated in 2019.

The Motability Foundation is the sole corporate Trustee of the Motability Endowment Trust (MET), a linked charity which shares the Motability Foundation's registered charity number (with the suffix '-1') and has the same charitable objects.

The assets and liabilities of MET have been included with those of the Charity on a line by line basis and included in the column 'Endowment' where appropriate. This fulfils the requirement to show the accounts of a linked charity as the Motability Foundation's only Endowment assets, liabilities and activities are those of MET. MET supports the Motability Foundation's charitable purposes through the returns MET earns on its assets. The principal activity during the year was investing in appropriate and diversified assets so as to obtain a long-term return of CPI+4%.

Motability Enterprises Limited (MEL) is incorporated in the United Kingdom and registered in England and Wales. MEL's financial statements have been consolidated with those of the Charity on a line by line basis. The principal activities of Motability Enterprises Limited during the year were the raising of funds for the Charity by commission received from home and travel insurance partners, and from the publication of Lifestyle magazine.

The Motability Foundation, as the Parent Charity, has taken the qualifying entity exemption under FRS 102 from preparing its own cash flow statement. The most significant areas of judgement in applying these accounting policies to the financial statements are deemed to be in relation to the valuation of non-listed investments as set out below in Note Q.

The financial statements have been prepared in pounds sterling, which is the functional currency of the Motability Foundation and its subsidiary. Monetary amounts in these financial statements are rounded to the nearest £'000.

C. Going Concern

Whilst COVID-19 has retreated, supply chain disruption for the car industry remains significant. This is leading to delays in grants being claimed by beneficiaries. Contact with beneficiaries confirms that grants will be claimed when a suitable vehicle is available. Therefore grant commitments made in the year and outstanding as at 31 March 2023 are stated at full value.

As noted in the financial review section of the Annual Report for the year ended 31 March 2023, the Motability Foundation has reviewed its future spending plans in five-

year scenarios to allow for differing levels of future donations from Motability Operations and income generated by MET's Endowment, and differing spend rates. The General Fund held money market fund balances, deposits and investment grade bonds maturing within one year totalling £127m (2022: £79m). Further investments, including money market funds and relatively liquid investments such as listed equities, are held within the restricted and expendable Endowment funds. The Motability Foundation will seek to maintain core spending on beneficiaries and will curtail discretionary grant programmes where necessary to achieve this end. The Motability Foundation's future financial plans, budgets, reserves levels and cash flow forecasts for a period of more than 12 months from the date of the signature of the accounts have been prepared by management and reviewed by the Governors. There are no material uncertainties related to events or conditions that cast significant doubt upon the entity's ability to continue as a going concern. On this basis, the Governors believe that the going concern assumption continues to be an appropriate basis on which to prepare these statements.

The Endowment of MET is expendable, although the current policy of the Trustee is, where possible, to invest the assets of MET to retain the real value of the Endowment while also generating sufficient return so as to enhance the stability and scale of grant-making and other charitable activities as may be determined from time to time by the Trustee. The Motability Foundation's and MET's investments are stated at fair value at 31 March 2023.

D. Income

Income is accounted for when the Charity is entitled to the income, and when it is probable the income will be received and the amount can be measured reliably.

- Donations are recognised as and when they are received
- Legacies are recognised when the Charity is entitled to the income (at probate), the amount can be quantified with reasonable certainty and when it is probable the income will be received
- Gift aid income is recognised on an accruals basis when the receipt and value are both certain
- Interest is recognised when receivable and the amount can be measured reliably by the Charity. This is normally upon notification of the interest paid or payable by the bank
- Dividends are recognised once the dividend has been declared and notification has been received of the dividend due
- Income within accumulating listed investment portfolios is deducted from gains on investment and shown as investment income
- Income received as Agent: the Motability Foundation administers grants for disabled people on behalf of Veterans UK. However, in this respect, the Motability Foundation is acting as a conduit and, as a result, does not treat these grants as income – please see Note 20 for further details

E. Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- 'Raising Funds' comprises costs directly attributable to activities for raising funds such as the administration of affinity insurance products, the production of Lifestyle magazine and the cost of investment management
- 'Charitable Expenditure' includes

direct charitable expenditure, grants and directly attributable costs including central overheads such as relevant staff costs
- 'Grants' are recognised when they have been approved and communicated to the recipient except to the extent that they are subject to conditions that enable the Charity to revoke the award. This may result in a grant being recognised as charitable expenditure over several years
- The movement in the PIP TSP provision is included in Charitable Expenditure and the basis and estimates for the provision, and therefore its movement, are set out in Notes 1K and 1Q
- Stopped Allowances become payable upon the return of Scheme vehicles
- 'Allocated Support Costs' are comprised of the running costs of the Charity such as information technology, finance, evaluating charitable activities etc. and are allocated as part of non-directly attributable costs described below
- 'Governance Costs' include audit fees, legal advice for Governors relating to compliance with constitutional and statutory requirements and are part of the total support costs of the Charity. These are allocated as part of non-directly attributable costs as described below
- 'Allocated Support Costs' and 'Governance Costs' are allocated on the ratio of the expenditure for the programme as a percentage of the total

Staff costs comprise salaries and social security contributions, contributions to the Charity's defined contribution scheme and the change to the Statement of Financial Activities (SoFA) in respect of the defined benefits pension scheme. Any annual leave that an employee has accrued but not yet taken as at 31 March is calculated at the pro-rata cost of these days. The cost is included within the SoFA, with a corresponding liability shown as falling due within one year.

Termination benefits may occur where the Charity has agreed to terminate the employment of an employee and are included within the financial statements when the payment has been formally agreed or a detailed formal plan for the termination from which the Charity is realistically unable to withdraw exists. The amount of termination benefit shown is either the amount agreed or paid, or the Charity's best estimate of the expenditure required to settle the obligation.

F. Tangible and Intangible Fixed Assets

Assets are included on the balance sheet at cumulative historical cost less depreciation and any impairments in accordance with FRS 102. The cost of tangible fixed assets is their purchase price including associated costs such as taxes and legal fees, together with any costs directly attributable to bringing the asset into working condition for its intended use; and subsequent dilapidations or decommissioning costs anticipated which are provided for. Assets in the course of construction are stated at cost and are not depreciated until available for use. Expenditure on fixed assets is capitalised, where individual items cost £1,000 or more. Fixed assets are depreciated on a straight-line basis over their anticipated useful lives as follows:

- Leasehold improvements: Depreciated over the shorter of the remaining life of the lease or the life of the improvement
- Office furniture: Five years
- Fixtures and fittings: Five years
- Computer hardware: Three years
- Computer software: Five years
- Vehicles: Four years

Capital commitments as at 31 March 2023 are disclosed in Note 22.

G. Financial Assets and Liabilities including Investments

Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are measured at their transaction price (transaction costs are included in investment management costs for the year) except for those investments which are held at fair value through the SoFA and financing transactions, which are held at the present value of the future payments discounted at a market rate of interest for a similar debt instrument through the SoFA.

The total investment management costs charged to the Motability Foundation's investments are recognised in the cost of raising funds, including charges deducted within portfolios and funds by investment managers. Investment gains and losses are adjusted by the amount of these indirect charges so that asset values are stated accurately for investments. The value of these adjustments is not material to asset values.

The majority of the Charity and Group's financial assets and financial liabilities are of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value, with the exception of listed investments which are held at fair value through the SoFA.

The Charity and Group also hold a smaller amount of unquoted investments, which are valued at the best estimate of fair value as follows:

- Pooled investments are stated at fair value, the basis of fair value being the market value of the underlying investments held. These valuations are provided by the fund managers and are subject either to independent valuation or annual audit
- Unquoted hedge funds are valued by reference to the market value of their underlying investments. These valuations are provided by the third party hedge fund administrators
- Private assets investments such as private equity are held through funds managed by private equity groups. As there is no identifiable market price for private asset funds, these funds are included at the most recent valuations from the private asset groups where:
  - The private asset group provides a fair value that complies with the International Private Equity and Venture Capital Valuation Guidelines; or
  - The private asset group valuations are prepared at fair value in accordance with UK GAAP
  - Where a valuation is not available at the balance sheet date, the most recent valuation from the private asset group is used, adjusted for cash flows and foreign exchange movements and any impairment between the most recent valuation and the balance sheet date

Financial Instruments as at 31 March 2023 are disclosed in Note 11.

Derivative financial instruments. Managers of segregated funds may enter into derivatives as part of their portfolio risk management, fair values of these derivatives are provided by the fund managers.

The Motability Foundation's fund managers may use forward contracts to manage currency exposures. Where this occurs, the value of the forward contracts are accounted for at the fair values supplied by the fund managers. Investment in the subsidiary Motability Enterprise Limited is unquoted and held at cost less impairment.

Net realised and unrealised gains and losses on investments are recognised within the SoFA. Gains

and losses are realised when an investment is disposed of in the year. Unrealised gains and losses arise on the revaluation of investments to fair value at the balance sheet date.

Transactions denominated in foreign currency are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the exchange rate ruling at the balance sheet date. All gains and losses on exchange, realised and unrealised, are included in the appropriate income or expenditure category in the SoFA.

Investment purchases and proceeds are based on portfolio transactions where the Motability Foundation or MET instruct those transactions. Where the manager has discretion to transact, the additions to or withdrawals from those portfolios are shown as purchases of or proceeds from investments. This policy was revised during the year to remove sales and purchases for certain discretionary mandate portfolios (and use withdrawals and additions instead). Further details can be found in Note 25.

H. Fund Accounting

Expendable Endowment funds are held and invested to provide a return to support general funds expenditure on the Motability Foundation's objects. The capital of the Endowment may be spent. Given the importance of the regular returns expected to be received from the Endowment, in order to support grant-making in years of low or no donations from Motability Operations, the Governors aim to preserve the real value of the capital and the return on it over the long term. They have determined that the Endowment's capital should only be spent in exceptional circumstances such as a 'once-in-a-lifetime' opportunity to make a permanent systemic improvement to the transport opportunities for all disabled people.

Restricted funds are funds subject to specific restrictions imposed by the donor. These funds are held by the Motability Foundation until spent in accordance with the terms of the donation.

Unrestricted funds comprise the accumulated movement on funds available for use at the absolute discretion of the Governors. Unrestricted funds may be transferred to a restricted fund in order to support that specific activity. Any transfer between funds requires the Approval of the Audit and Risk Committee.

Designated funds comprise funds which Governors have set aside for a particular activity or purpose. If funds are unspent funds at the end of a project or activity they are transferred to unrestricted funds or may be designated for another purpose.

I. Pension Costs

The Charity operates a defined benefit pension scheme for certain employees. The scheme was closed to new members from October 2005. The amounts charged to the SoFA are the costs arising from employee services rendered during the period and the cost of plan introductions, benefit changes, settlements and curtailment. They are included as part of staff costs.

The net interest cost on the defined benefit liability is charged to the SoFA and included within support costs. Re-measurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the SoFA.

The defined benefit scheme is funded, with the assets of the scheme held separately from those of the Group, in separate Trustee-administered

funds. The pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the attained age method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the balance sheet.

The Charity also operates a defined contribution scheme and the amount charged to the Consolidated SoFA in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

J. Leases

As there are no finance leases, all leases are classified as operating leases, with the lease payments recognised as an expense over the lease term on a straight-line basis. No leases fall to be capitalised under this policy.

K Accounting for PIP Transitional Grants

In 2013, the DWP announced that Personal Independence Payment (PIP) would replace Disability Living Allowance (DLA) as a disability benefit as part of the Welfare Reform changes. PIP has different qualification criteria compared with DLA, and it was immediately apparent that large numbers of scheme customers would lose eligibility to the scheme when they failed to transition to the qualifying Higher Rate Mobility Component of PIP.

That year, the Motability Foundation therefore announced that it would provide financial assistance to help customers to sustain their mobility who, due to the transition from DLA to PIP, would no longer qualify for benefits allowing them to lease a vehicle under the Motability Scheme. For affected customers returning their vehicles in an acceptable condition, and within the designated time, the Motability Foundation provides support payments for customers who joined the scheme up until 2013.

In order to ensure the most effective use of the available funds, Governors review all aspects of the support package each December and estimate the likely costs that would arise were notice to be given of termination of the scheme.

Management believe that a reasonable estimate of the constructive economic obligation as at the end of each financial year can be established, and have accounted for this by way of a provision. The resulting provision estimate recognises that there is a 16-month commitment from the balance sheet date for providing the current level of transitional support, i.e. to all qualifying customers who might leave the scheme by 31 July 2023 (from the December 2022 assessment). This date would allow for communication to customers of any potential changes to the programme in January following the review in the autumn. As at 31 March 2023, the estimated constructive obligation was £0.4m (2022: £0.4m).

The most important estimate is the number and timing of DLA to PIP reassessments carried out by DWP. Given that activity has recently been and is constrained to Rising 16s, Change of Circumstances and voluntary applications for PIP, we have therefore used recent experience as the basis for predicting future expenditure.

In order to fund this Transitional Support, Motability Operations

Notes to the Financial Statements cont.

has made restricted purpose donations to the Motability Foundation totalling £175m. As at the end of the financial year £132m has been spent on the programme (2022: £132m). See Note 1Q. The date for the end of the main DLA to PIP programme is difficult to predict as future caseloads are so uncertain. There will, however, be an ongoing commitment to Rising 16s, who transition from DLA to PIP on their sixteenth birthday, until 2026/27, albeit at low expenditure levels. The balance of funds donated by Motability Operations is held as a restricted reserve.

L. Debtors

Trade and other debtors are recognised at the settlement amount. Investment income owed is accrued at its anticipated receipt value. Prepayments are valued at the amount prepaid net of any trade discounts due.

M. Current Investments and Cash

Current Asset Investments are investments that are expected to be wholly or substantially expended within 12 months of the balance sheet date. At 31 March 2023, these were general fund deposits with a maturity of 30 days or more and general fund listed debt securities with a maturity of less than one year. At 31 March 2022, these were general fund deposits with a maturity of 30 days or more.

Cash and cash equivalents are cash at bank and in hand as shown in the balance sheet. Cash held by Fund Managers in discretionary mandates is excluded from cash and included within Fixed Asset Investments.

N. Creditors

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

O. Provisions and Contingent Liabilities

Provisions are recognised where there is a present obligation as a result of a past event, if it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Under the terms of its office lease, the Charity will be required to make good the condition of the property when it leaves. The dilapidations provision in the accounts is based on a 'cost of works' for this work to be carried out. A provision in respect of the PIP Transitional Support Programme is set out in Accounting Policy Note K. Where no provision is recognised, contingent liabilities are disclosed in the Notes to the Financial Statements, unless the possibility of a transfer of economic benefits is remote.

P. Commitment and Conditional Grant Awards

The Motability Foundation's grants carry conditions to ensure that grants are spent for the specified purpose. Where the conditions are satisfied at the time of award, the full amount of the grant is recognised immediately as charitable expenditure. Where this is not the case, for instance when the grant is comprised of a series of payments with each dependent on the beneficiary meeting conditions, the Motability Foundation recognises the amount of the grant for which the conditions are met in the year as charitable expenditure.

Q. Critical Accounting Judgements and Estimations

In the application of the accounting policies, which are described within this Note, the Governors are required to make judgements and assumptions leading to financial

estimates about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The assumptions and associated estimates are based on historical experience and other factors that are considered to be relevant.

Actual results may differ from these estimates. Other than pension obligations, where the actuarial assumptions underlying the pension deficit are set out in Note 21, the Trustees consider the most significant judgements and estimates to be in relation to the valuation of non-listed investments.

Non-Listed Investment Valuations
Non-listed investment are valued at the value supplied by the fund manager as at the year-end. Where the value is thought to be significantly impaired then the value is stated at the lower of cost or impaired valuation. The basis of impairments for non-listed investments are arrived at from a review of the general performance of the relevant asset class(es) and economy(s), and discussions with the relevant fund manager. There were no impairments in the year.

PIP Provision Judgements
The underlying assumptions and judgements for the PIP provision have been calculated using a model based on actual information for 2022/23. The assumptions relating to the PIP Transitional Support Programme are reviewed on an ongoing basis. There is also a Governor annual review of the whole programme that takes place every autumn.

PIP Provision Estimates
The 16-month provision at the end of 2022/23 remains at £0.4m, which is based on an average monthly spend of £25,000 over a 16-month period. Please see Section K - Accounting for PIP Transitional Grants for further details.

R. Taxation
The charitable members of the Group are exempt from taxation on their income and gains falling within Part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to their charitable purposes. The non-charitable subsidiary, although subject to taxation, does not pay UK Corporation Tax because its policy is to donate taxable profits as a qualifying distribution under Deed of Covenant to the Motability Foundation. Foreign tax incurred on overseas investments is charged as it is incurred.

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. Trading Activities of the Subsidiary

The Charity has a wholly owned trading subsidiary, Motability Enterprises Limited, which is incorporated in the UK. Company number 01786053; Registered address Warwick House, Roydon Road, Harlow, Essex, CM19 5PX.

Motability Enterprises Limited made a qualifying distribution of its trading profits to the Motability Foundation as a corporate gift aid payment under Deed of Covenant without deduction of tax.

A summary of its trading results extracted from its full accounts is shown below.
The net assets of the subsidiary are £15,000 (2022: £15,000)

	Total 2023 £'000	Total 2022 £'000
Income and Expenditure Account		
Turnover	1,859	1,147
Less: Cost of Sales and Other Costs	(1,603)	(731)
Gross Profit	**256**	**416**
Administration Expenses	(145)	(151)
Interest Receivable	3	-
Net Profit	**114**	**265**
Qualifying Distribution to the Motability Foundation	(114)	(265)
Retained in Subsidiary	**-**	**-**

3. Income from Investments

	Unrestricted Funds 2023 £'000	Restricted Funds 2023 £'000	Endowment Funds 2023 £'000	Total 2023 £'000	Unrestricted Funds 2022 £'000	Restricted Funds 2022 £'000	Endowment Funds 2022 £'000	Total 2022 £'000
Interest Receivable	286	35	359	680	177	60	163	400
Investment Income	19,009	408	19,309	38,726	1,239	-	11,229	12,468
Income from Investments	**19,295**	**443**	**19,668**	**39,406**	**1,416**	**60**	**11,392**	**12,868**

4. Charitable Expenditure

	Direct Grants 2023 £'000	Direct Charitable Activity 2023 £'000	Allocated Support Costs 2023 £'000	Governance Costs 2023 £'000	Total Costs 2023 £'000	Direct Grants 2022 £'000	Direct Charitable Activity 2022 £'000	Allocated Support Costs 2022 £'000	Governance Costs 2022 £'000	Total Costs 2022 £'000
Grants to Individuals:										
Scheme-Related Grants	74,585	5,542	7,059	582	87,768	53,849	4,570	6,131	323	64,873
Access to Mobility	3,979	296	377	31	4,683	5,717	485	649	34	6,885
Grants to Individuals	**78,564**	**5,838**	**7,436**	**613**	**92,451**	**59,566**	**5,055**	**6,780**	**357**	**71,758**
Grants to Organisations:										
Support of Under Fives (Family Fund, Wizzybug)	7,000	520	663	55	8,238	2,450	207	279	15	2,951
Innovation Grants	1,464	109	138	11	1,722	968	83	110	6	1,167
Designated Grants to Organisations Programme	6,146	457	582	48	7,233	-	-	-	-	-
Grants to Organisations	**14,610**	**1,086**	**1,383**	**114**	**17,193**	**3,418**	**290**	**389**	**21**	**4,118**
Grant-Making Awarded before Movement in Provision	**93,174**	**6,924**	**8,819**	**727**	**109,644**	**62,984**	**5,345**	**7,169**	**378**	**75,876**
PIP Provision Release	-	-	-	-	-	(1,667)	-	-	-	(1,667)
Motability Foundation Funded Grant-Making	**93,174**	**6,924**	**8,819**	**727**	**109,644**	**61,317**	**5,345**	**7,169**	**378**	**74,209**
Build Awareness	-	1,725	152	12	1,889	-	1,296	136	7	1,439
Innovation	-	1,300	114	10	1,424	-	1,051	111	5	1,167
Motability Scheme	-	276	24	3	303	-	694	73	4	771
Charitable Expenditure	**93,174**	**10,225**	**9,109**	**752**	**113,260**	**61,317**	**8,386**	**7,489**	**394**	**77,586**

The value of Charitable Expenditure by Activity has been used as the basis for apportionment of the Support and Governance Costs shown above. The release of the PIP Provision during 2022 results from a reassessment of the assumptions at year end, following actual payment experience during the year. Further details of Direct Grants in the table above can be found on page 28. Figures in the Total Costs column in the table above are shown in the Consolidated Statement of Financial Activities in the Group Funds column.

4. Charitable Expenditure Cont.

Reconciliation of Grants Payable:	2023 £'000	2022 £'000
Grants Payable at 1 April	44,494	28,411
Grant Awards in the Year - Individuals	78,564	59,566
Grant Awards in the Year - Organisations	14,610	3,418
Grants Paid During the Year	(61,661)	(46,901)
Grants Payable at 31 March	**76,007**	**44,494**

Outstanding Grants Payable at 31 March are payable as follows:	2023 £'000	2022 £'000
Within One Year (Note 13)	76,007	44,494
Payable at 31 March	**76,007**	**44,494**

5. Analysis of Total Expenditure

	Cost of Raising Funds 2023 £'000	Direct Grants 2023 £'000	Direct Charitable Activity 2023 £'000	Allocated Support Costs 2023 £'000	Governance Costs 2023 £'000	Total Costs 2023 £'000
Other Cost of Raising Funds	128	-	-	-	11	139
Cost of Goods Sold and Other Costs	1,603	-	-	-	-	1,603
Investment Management Fees and Other Costs	14,020	-	-	-	-	14,020
Cost of Raising Funds	**15,751**	**-**	**-**	**-**	**11**	**15,762**
Grants to Individuals	-	78,564	5,838	7,436	613	92,451
Grants to Organisations	-	14,610	1,086	1,383	114	17,193
Build Awareness and Engagement	-	-	1,725	152	12	1,889
Innovation	-	-	1,300	114	10	1,424
Motability Scheme	-	-	276	24	3	303
Charitable Expenditure	**-**	**93,174**	**10,225**	**9,109**	**752**	**113,260**
Total Expenditure	**15,751**	**93,174**	**10,225**	**9,109**	**763**	**129,022**

Please refer to Note 6 for an analysis of functional support costs by activity.
The amounts of 'Allocated Support Costs' attributed to 'Direct Grants' and 'Direct Charitable Activities' are in proportion to the direct expenditure on those activities.

	Cost of Raising Funds 2022 £'000	Direct Grants 2022 £'000	Direct Charitable Activity 2022 £'000	Allocated Support Costs 2022 £'000	Governance Costs 2022 £'000	Total Costs 2022 £'000
Other Cost of Raising Funds	708	-	-	-	7	715
Cost of Goods Sold and Other Costs	722	-	-	-	-	722
Investment Management Fees and Other Costs	7,676	-	-	-	-	7,676
Cost of Raising Funds	**9,106**	**-**	**-**	**-**	**7**	**9,113**
Grants to Individuals	-	57,899	5,055	6,780	357	70,091
Grants to Organisations	-	3,418	290	389	21	4,118
Build Awareness and Engagement	-	-	1,296	136	7	1,439
Innovation	-	-	1,051	111	5	1,167
Motability Scheme	-	-	694	73	4	771
Charitable Expenditure	**-**	**61,317**	**8,386**	**7,489**	**394**	**77,586**
Total Expenditure	**9,106**	**61,317**	**8,386**	**7,489**	**401**	**86,699**

Please refer to Note 6 for an analysis of functional support costs by activity.
The amounts of 'Allocated Support Costs' attributed to 'Direct Grants' and 'Direct Charitable Activities' are in proportion to the direct expenditure on those activities.

5. Analysis of Total Expenditure Cont.

	Governance Costs 2023 £'000	Governance Costs 2022 £'000
External Audit Fees	154	122
Internal Audit Fees	56	47
Legal Fees	152	67
Members Expenses	4	4
Other Costs	397	161
Governance Costs	**763**	**401**

The External Audit Fees expenditure shown above includes fees of £154,090 payable to the Statutory Auditor which comprise £145,580 for the Statutory Audit of the Motability Foundation Accounts (£139,380 for the current year and £6,200 for the prior year) and £8,510 for the Statutory Audit of Subsidiary Accounts respectively.

No fees for other services were paid to the Statutory Auditor.

Internal Audit has been partially outsourced to an independent firm of auditors.

6. Analysis of Support and Governance Costs

		Strategic Pillars				
	Cost of Raising Funds 2023 £'000	Grant-Making 2023 £'000	Build Awareness 2023 £'000	Innovation 2023 £'000	Motability Scheme 2023 £'000	Total 2023 £'000
Human Resources	-	1,022	18	13	3	1,056
Information Technology	-	1,419	24	18	4	1,465
Finance and Administration	-	1,494	26	19	4	1,543
Performance and Innovation	-	448	8	6	1	463
Facilities	-	1,480	25	19	4	1,528
VAT, Depreciation and Other	-	2,956	51	39	8	3,054
Allocated Support Costs	**-**	**8,819**	**152**	**114**	**24**	**9,109**
Governance Costs (see Note 5)	**11**	**727**	**12**	**10**	**3**	**763**
Total Support Costs	**11**	**9,546**	**164**	**124**	**27**	**9,872**

Please refer to Note 4 where Support and Governance Costs are summarised.
The value of Charitable Expenditure by Activity has been used as the basis for apportionment of the Support and Governance Costs shown above.

		Strategic Pillars				
	Cost of Raising Funds 2022 £'000	Grant-Making 2022 £'000	Build Awareness 2022 £'000	Innovation 2022 £'000	Motability Scheme 2022 £'000	Total 2022 £'000
Human Resources	-	683	13	11	7	714
Information Technology	-	1,255	24	19	13	1,311
Finance and Administration	-	1,380	26	21	14	1,441
Performance and Engagement	-	47	1	1	-	49
Facilities	-	1,120	21	17	11	1,169
VAT, Depreciation and Other	-	2,684	51	42	28	2,805
Allocated Support Costs	**-**	**7,169**	**136**	**111**	**73**	**7,489**
Governance Costs (see Note 5)	**7**	**378**	**7**	**5**	**4**	**401**
Total Support Costs	**7**	**7,547**	**143**	**116**	**77**	**7,890**

Please refer to Note 5 where Support and Governance Costs are summarised.
The value of Charitable Expenditure by Activity has been used as the basis for apportionment of the Support and Governance Costs shown above.

7. Governors, Employees and Related Parties

A. Numbers and Costs

The average number of persons employed by the Group during the year analysed by category, was as follows:

	2023 Number	2022 Number
Charitable Activities	172	140
Support Staff	63	56
Governance	10	5
Motability Enterprises Ltd	1	1
Total	**246**	**202**

Staff costs were as follows:

	2023 £'000	2022 £'000
Salaries	9,690	7,496
Benefits in Kind	283	195
Social Security Costs	1,049	749
Pension Costs: Defined Benefit	264	253
Pension Costs: Defined Contribution	1,190	943
Restructuring Costs	54	-
Other Staff Costs	490	254
Total	**13,020**	**9,890**

The number of employees whose emoluments, excluding pension contributions and employers NI, for the year fell within the following bands:

	2023 Number	2022 Number
£60,000 to £69,999	9	10
£70,000 to £79,999	6	1
£80,000 to £89,999	1	3
£90,000 to £99,999	5	2
£100,000 to £109,999	2	3
£110,000 to £119,999	-	1
£120,000 to £129,999	1	-
£150,000 to £159,999	1	1
£180,000 to £189,999	1	1
£190,000 to £199,999	1	-
Total	**27**	**22**

7. Governors, Employees and Related Parties cont.

Key Management Personnel of the Group and Charity are defined as the Governors and the executive directors: The Chief Executive; Finance Director; Chief Investment Officer; Director of Charitable Operations and Director for Performance and Innovation.

The total remuneration (including employers NIC, pension contributions and benefits in kind) of the key management personnel of the Charity for the year totalled £892,506 (2022: £697,448).

During the year, £52,029 termination benefit was paid (2022: £nil).

B. Governors' Emoluments

The number of Governors in 2023 was 10 (2022: 10).

No Governor received any emoluments during the year (2022: nil).

Ten Governors (2022: five) received reimbursement of expenses for travel and accommodation costs amounting to £4,102 (2022: £3,490). No donations were received from Governors during the year (2022: nil).

C. Professional Indemnity

Appropriate insurance has been arranged by the Charity to indemnify Governors and employees for their legal liability for damages and legal expenses arising from the performance of their duties, in 2023 this was £10.0m (2022: £10.0m). The cost of the policy in 2023 was £0.03m (2022: £0.03m).

D. Related Parties

Motability Endowment Trust (MET) was set up in 2019 to support the work of the Motability Foundation. The Motability Foundation is the sole corporate Trustee of MET. During the period an administration charge of £0.52m was paid by MET to the Motability Foundation (2022: £0.42m).

Related parties include the Executive Team (Key Management Personnel) as shown in section (a) along with Governors of the Charity.

The Motability Foundation directs and oversees the Motability Scheme which is operated on behalf of the Motability Foundation by Motability Operations, a separate commercial company whose shares are held by four major banks.

Motability Operations makes donations from surplus capital to the Motability Foundation. An unrestricted donation of £200m was made to the Motability Foundation in the year (2022: £170m).

The Motability Foundation paid Motability Operations £42.1m (2022: £36.9m) in respect of grants awarded to customers, to fund Advance Payments and adaptations on vehicles provided under the lease schemes by Motability Operations to customers in receipt of grants.

As at 31 March 2023 Motability Operations was due £6.0m (2022: £2.8m) in outstanding invoices and £68.2m (2022: £42.7m) in accrued commitments, totalling £74.2m (2022: £45.5m) from the Motability Foundation.

In addition, for 2023, £4.4m (2022: £4.7m) was received from Motability Operations as rebates, where customers terminated their lease agreements early, in respect of grant awards towards Advance Payments and adaptations managed by Motability Operations.

As at 31 March 2023 £0.5m (2022: £nil) was due to the Motability Foundation from Motability Operations for lease agreement rebates.

The Motability Foundation has a wholly owned trading subsidiary, Motability Enterprises Limited (MEL) – see Note 2 for details. In 2023, the Motability Foundation invoiced MEL £0.09m (2022: £0.09m) in respect of administration charges.

As at 31 March 2023 £0.1m (2022: £0.3m) was due from MEL to the Motability Foundation as a qualifying distribution under Deed of Covenant. MEL recharged the Motability Foundation £1.1m (2022: £0.5m) in respect of the fixed and charitable variable costs for the production of Lifestyle magazine. These costs are included in the Charity's and Group expenditure. As at 31 March 2023 there was £0.1m due from the Motability Foundation to MEL (2022: £nil).

Cheryl Ward served as a Governor for part of 2022/23 (resigned 22 September 2022) and for 2021/22. The amounts of grants awarded to Family Fund, of which Cheryl Ward was the CEO, were £1.5m in 2022 and £5.5m in 2023 under a pilot and now under a programme. Cheryl Ward

7. Governors, Employees and Related Parties cont.

recused herself from decision making for these grants.

The grants are given to support families with disabled children under the age of three with their transport needs. An administration charge of £0.2m (2022: £0.08m) is deducted from the award amounts to support the administration costs of the programme within Family Fund.

The total grant current allocation for the Family Fund Under 3s programme is £15.0m (2022: £15.0m). The programme is subject to performance conditions and grant amounts are recognised as those conditions are met. The allocated but not yet awarded amount £9.0m (2022: £14.5m) is reported in Note 22.

The Motability Foundation values lived experience in its governance. Occasionally, a Governor will be eligible for a grant award due to their disability, independently of their status as a Governor. During the year, Richard Cartwright served as a Governor and received a grant for £nil in relation to the Access to Work Grant Programme (2022: £4,071). He took no part in the award decision-making process.

The Motability Foundation paid £0.2m (2022: £0.1m) to 'Motability Pension Scheme' in respect of the defined benefit scheme which was closed to future accrual from 30 April 2012. See Note 21.

8. Fixed Asset Investment in Subsidiary Undertaking

	Group 2023 £	Group 2022 £
Investments in Motability Enterprises Ltd	100	100
Fixed Asset Investment in Subsidiary Undertaking	**100**	**100**

The Motability Foundation owns 100 per cent of the share capital and holds 100 ordinary shares of £1 each in Motability Enterprises Limited incorporated in the UK (Company No.1786053) whose registered office is Warwick House, Roydon Road, Harlow, Essex, CM19 5PX.

The company incorporated in the UK carries out certain trading activities in order to raise funds for the Motability Foundation. (Note 2).

9. Intangible Fixed Assets (Group and Charity)

	Computer Software 2023 £'000	Assets in the Course of Construction 2023 £'000	Total 2023 £'000
Cost			
At 1 April 2022	**2,380**	**174**	**2,554**
Work in Progress	-	131	131
Additions	104	-	104
Disposals	(23)	(163)	(186)
Transfers	11	(11)	-
At 31 March 2023	**2,472**	**131**	**2,603**
Amortisation and Impairment			
At 1 April 2022	**1,407**	**-**	**1,407**
Amortisation Charged For The Year	313	-	313
Disposals	(23)	-	(23)
At 31 March 2023	**1,697**	**-**	**1,697**
Net Book Value (net of the above)			
At 31 March 2022	**973**	**174**	**1,147**
At 31 March 2023	**775**	**131**	**906**

All assets are used for direct charitable purposes.

9. Tangible Fixed Assets (Group and Charity)

	Leasehold Improvements 2023 £'000	Motor Vehicles 2023 £'000	Fixtures and Fittings 2023 £'000	Computer Hardware 2023 £'000	Assets in the Course of Construction 2023 £'000	Total 2023 £'000
Cost						
At 1 April 2022	**4,052**	**599**	**272**	**904**	**204**	**6,031**
Additions	129	18	2	147	-	296
Work in Progress	-	-	-	-	74	74
Disposals	-	-	-	(199)	-	(199)
Transfers	-	201	-	5	(205)	1
At 31 March 2023	**4,181**	**818**	**274**	**857**	**73**	**6,203**
Depreciation and Impairment						
At 1 April 2022	**2,191**	**401**	**257**	**811**	**-**	**3,660**
Depreciation Charged in the Year	1,319	173	4	68	-	1,564
Eliminated in Respect of Disposals	-	-	-	(199)	-	(199)
At 31 March 2023	**3,510**	**574**	**261**	**680**	**-**	**5,025**
Carrying Amount						
At 31 March 2022	**1,863**	**195**	**13**	**95**	**205**	**2,371**
At 31 March 2023	**671**	**244**	**13**	**177**	**73**	**1,178**

All assets are used for direct charitable purposes.

10. Investments Movement

Group and Charity **Reconciliation of Movement in Fair Value during the period**	Fixed Asset Investments 2023 £'000	Current Asset Investments 2023 £'000	Group and Charity 2023 £'000	Fixed Asset Investments 2022 £'000 *As restated	Current Asset Investments 2022 £'000 *As restated	Group and Charity 2022 £'000 *As restated
Fair Value as at 1 April	**1,647,738**	**56,864**	**1,704,602**	**1,367,973**	**160,003**	**1,527,976**
Reclassification	(4)	4	-	-	-	-
Additions:						
Amounts Invested	722,638	184,839	907,477	716,920	32,000	748,920
Reinvested Investment Income	23,021	-	23,021	10,315	81	10,396
Withdrawals:						
Amounts Withdrawn	(628,193)	(138,081)	(766,274)	(498,468)	(150,000)	(648,468)
Investment Fees Charged to Capital	(12,563)	(459)	(13,022)	(1,799)	-	(1,799)
(Losses) / Gains in the Year	(26,722)	1,484	(25,238)	67,577	-	67,577
Movement in Investment Portfolio Cash	125	840	965	-	-	-
Reclassification	-	-	-	(14,780)	14,780	-
Fair Value as at 31 March	**1,726,040**	**105,491**	**1,831,531**	**1,647,738**	**56,864**	**1,704,602**

* Please see Note 25 for Prior Year Adjustment schedule.

The investment loss shown above of £25.2m when adjusted for foreign exchange losses of £33,000 gives the Net (Losses) / Gains on Investments figure of £25.3m shown on the Consolidated Statement of Financial Activities.

For 2022, the investment gain shown above of £67.6m when adjusted for additional Total Expense Ratio (TER) investment management costs of £3.3m and discounting adjustments of £1.9m gives the Net Gains / (Losses) on Investments figure of £72.8m shown on the Consolidated Statement of Financial Activities.

11. Investments Valuation

At 31 March Group and Charity investments comprised:	Fixed Asset Investments 2023 £'000	Current Asset Investments 2023 £'000	Group and Charity 2023 £'000	Fixed Asset Investments 2022 £'000	Current Asset Investments 2022 £'000	Group and Charity 2022 £'000
Equity Securities	810,576	-	810,576	828,160	-	828,160
Debt Securities	514,075	93,797	607,872	474,640	14,780	489,420
Infrastructure and Property	147,053	-	147,053	-	-	-
Money Market Instruments	127,936	11,694	139,630	170,169	-	170,169
Other Investments	126,400	-	126,400	144,769	-	144,769
Short-Term Deposits	-	-	-	-	42,084	42,084
Cash held with Broker*	-	-	-	30,000	-	30,000
Fair Value as at 31 March	**1,726,040**	**105,491**	**1,831,531**	**1,647,738**	**56,864**	**1,704,602**

Within listed Debt Securities (above) £nil of bond securities have maturity dates beyond one year (2022: £19m).
As at 31 March 2023, there were uncalled capital commitments to private investment firms totalling £144m (2022 : £125m).

The investment portfolio held at 31 March 2023 is being held for the long term and contains a mix of investments including some cash balances and money market instruments. Other investments include private credit, property and venture capital investments.

* Cash held with Broker awaiting settlement of equity investment.

Listed and Unlisted Investment Valuation	Listed 2023 £'000	Unlisted 2023 £'000	Total 2023 £'000	Listed 2022 £'000	Unlisted 2022 £'000	Total 2022 £'000
Fixed Assets	1,258,565	467,475	1,726,040	1,540,945	106,793	1,647,738
Current Assets	105,491	-	105,491	56,864	-	56,864
Total	**1,364,056**	**467,475**	**1,831,531**	**1,597,809**	**106,793**	**1,704,602**

12. Debtors

	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Trade and Other Debtors	202	468	55	295
Amounts Owed by Motability Operations Ltd	542	449	542	449
Trade Debtors and Other Receivables	**744**	**917**	**597**	**744**
Amounts Owed by Subsidiary - Motability Enterprises Ltd	-	-	115	265
Accrued Income	4,503	2,103	4,346	1,920
Prepayments	977	524	971	520
Debtors	**6,224**	**3,544**	**6,029**	**3,449**

Included in Accrued Income is £4.3m of accrued investment income (2022: £1.9m).

13. Creditors: Amounts Falling Due Within One Year

	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Scheme-Related Grants	68,700	44,494	68,700	44,494
Access to Mobility	2,303	-	2,303	-
Support of Under Fives	500	-	500	-
Innovation Grants	497	-	497	-
Designated Grants to Organisations Programme	4,007	-	4,007	-
Grants Falling Due within One Year	**76,007**	**44,494**	**76,007**	**44,494**
Other Creditors including Taxation and Social Security	298	544	272	508
Trade Creditors	8,371	4,216	8,329	3,935
Amounts Owed to Subsidiary - Motability Enterprises Ltd	-	-	59	-
Accrued Liabilities	1,300	2,540	997	2,286
Creditors Amounts Falling Due within One Year	**85,976**	**51,794**	**85,664**	**51,223**

Amounts Owed to Motability Operations Limited	74,206	45,547	74,206	45,547
Amounts Owed to Third Party Suppliers and Other Creditors	6,766	6,247	6,395	5,676
Amounts Owed to Organisational Grants Beneficiaries	5,004	-	5,004	-
Amounts Owed to Subsidiary - Motability Enterprises Ltd	-	-	59	-
Creditors Amounts Falling Due within One Year	**85,976**	**51,794**	**85,664**	**51,223**

14. Provisions

	Group 2023 £'000	Group 2022 £'000
Group and Charity Dilapidation Provision		
Provision brought forward 1 April	560	560
Movement in Provision	-	-
Dilapidation Provision Carried Forward 31 March	**560**	**560**
Group and Charity Provision for Uncashed Cheques		
Provision brought forward 1 April	112	107
Movement in Provision	8	5
Provision for Uncashed Cheques Carried Forward 31 March	**120**	**112**
Group and Charity PIP Provision		
Provision brought forward 1 April	400	2,067
Provision Utilised in Year	-	(1,667)
PIP Provision Carried Forward 31 March	**400**	**400**
Provisions	**1,080**	**1,072**

The Charity has provided for its possible liability in relation to its leasehold property totalling £560,000.

The Charity has provided for its possible liability in relation to its unpresented cheques totalling £120,000.

The Charity has provided for its possible liability in relation to its PIP Transitional Support Programme totalling £400,000. Please refer to Note 1 Accounting Policies - Section K: Accounting for PIP Transitional Support Programme Grants for further information.

15. Analysis of Group Net Assets / Liabilities Between Funds

	Group Unrestricted 2023 £'000	Group Restricted 2023 £'000	Group Endowment 2023 £'000	Group Total 2023 £'000
Fund balances at 31 March 2023 are represented by:				
Intangible Fixed Assets	906	-	-	906
Tangible Assets	1,178	-	-	1,178
Fixed Asset Investments	467,707	41,755	1,216,578	1,726,040
Current Assets	45,881	2,468	7,824	56,173
Creditors: Amounts Falling Due after One Year	(10)	-	-	(10)
Provisions and Pensions	(1,336)	(481)	-	(1,817)
	514,326	**43,742**	**1,224,402**	**1,782,470**

	Group Unrestricted 2022 £'000	Group Restricted 2022 £'000	Group Endowment 2022 £'000	Group Total 2022 £'000
Fund balances at 31 March 2022 are represented by:				
Intangible Fixed Assets	1,147	-	-	1,147
Tangible Assets	2,371	-	-	2,371
Fixed Asset Investments	385,471	39,010	1,223,253	1,647,734
Current Assets	31,145	3,960	11,767	46,872
Creditors: Amounts Falling Due after One Year	(30)	-	-	(30)
Provisions and Pensions	(1,722)	(482)	-	(2,204)
	418,382	**42,488**	**1,235,020**	**1,695,890**

16. Analysis of Charity Net Assets / Liabilities Between Funds

	Charity Unrestricted 2023 £'000	Charity Restricted 2023 £'000	Charity Endowment 2023 £'000	Charity Total 2023 £'000
Fund balances at 31 March 2023 are represented by:				
Intangible Fixed Assets	906	-	-	906
Tangible Assets	1,178	-	-	1,178
Fixed Asset Investments	467,707	41,755	1,216,578	1,726,040
Current Assets	45,866	2,468	7,824	56,158
Creditors: Amounts Falling Due after One Year	(10)	-	-	(10)
Provisions and Pensions	(1,336)	(481)	-	(1,817)
	514,311	**43,742**	**1,224,402**	**1,782,455**

	Charity Unrestricted 2022 £'000	Charity Restricted 2022 £'000	Charity Endowment 2022 £'000	Charity Total 2022 £'000
Fund balances at 31 March 2022 are represented by:				
Intangible Fixed Assets	1,147	-	-	1,147
Tangible Assets	2,371	-	-	2,371
Fixed Asset Investments	385,471	39,010	1,223,253	1,647,734
Current Assets	31,230	3,960	11,767	46,857
Creditors: Amounts Falling Due after One Year	(30)	-	-	(30)
Provisions and Pensions	(1,722)	(482)	-	(2,204)
	418,367	**42,488**	**1,235,020**	**1,695,875**

Notes to the Financial Statements cont.

17. Unrestricted Funds

Movement in Funds:	Balance at 1 April 2022 £'000	Income £'000	Expenditure £'000	Transfer between Funds £'000	Investment Losses £'000	Other Realised Gains £'000	Balance at 31 March 2023 £'000
Charity							
General Funds	368,367	219,556	(109,799)	-	(8,145)	478	470,457
Designated Fund - Wheelchair Accessible Vehicles	-	-	-	-	-	-	-
Designated Fund - Grants to Charities and Organisations	50,000	-	(6,146)	-	-	-	43,854
Unrestricted Funds	**418,367**	**219,556**	**(115,945)**	**-**	**(8,145)**	**478**	**514,311**
Group							
General Funds	368,382	220,282	(110,525)	-	(8,145)	478	470,472
Designated Fund - Wheelchair Accessible Vehicles	-	-	-	-	-	-	-
Designated Fund - Grants to Charities and Organisations	50,000	-	(6,146)	-	-	-	43,854
Unrestricted Funds	**418,382**	**220,282**	**(116,671)**	**-**	**(8,145)**	**478**	**514,326**

Designated funds are general funds set aside by the Governors for specific purposes, normally given in the fund title. In 2021/22, the Governors designated £50m to fund grants to charities and organisations over the next three years.

During the year, the Motability Foundation incurred the first spend against this designation.

Movement in Funds:	Balance at 1 April 2021 £'000	Income £'000	Expenditure £'000	Transfer between Funds £'000	Investment Losses £'000	Other Realised Gains £'000	Balance at 31 March 2022 £'000
Charity							
General Funds	321,572	171,848	(72,193)	(50,000)	(4,533)	1,673	368,367
Designated Fund - Wheelchair Accessible Vehicles	7,717	33	(7,734)	-	(16)	-	-
Designated Fund - Grants to Charities and Organisations	-	-	-	50,000	-	-	50,000
Unrestricted Funds	**329,289**	**171,881**	**(79,927)**	**-**	**(4,549)**	**1,673**	**418,367**
Group							
General Funds	321,587	172,261	(72,606)	(50,000)	(4,533)	1,673	368,382
Designated Fund - Wheelchair Accessible Vehicles	7,717	33	7,734	-	(16)	-	-
Designated Fund - Grants to Charities and Organisations	-	-	-	50,000	-	-	50,000
Unrestricted Funds	**329,304**	**172,294**	**80,340**	**-**	**(4,549)**	**1,673**	**418,382**

18. Restricted Funds

Group and Charity	Balance at 1 April 2022 £'000	Income £'000	Expenditure £'000	Investment Gain £'000	Transfer between Funds £'000	Balance at 31 March 2023 £'000
PIP Transitional Support Programme	42,488	443	(261)	1,072	-	43,742
Restricted Fund	**42,488**	**443**	**(261)**	**1,072**	**-**	**43,742**

Restricted Funds may only be spent for the purpose specified by the donor, normally as given in the fund title.
PIP Transitional Support Programme is used to support beneficiaries who lose their allowance due to reassessment.

Group and Charity	Balance at 1 April 2021 £'000	Income £'000	Expenditure £'000	Investment Gain £'000	Transfer between Funds £'000	Balance at 31 March 2022 £'000
PIP Transitional Support Programme	41,254	60	1,164	10	-	42,488
Restricted Fund	**41,254**	**60**	**1,164**	**10**	**-**	**42,488**

19. Endowment Fund

Group and Charity	Balance at 1 April 2022 £'000	Income £'000	Expenditure £'000	Investment (Losses) / Gains £'000	Other Realised Gains £'000	Balance at 31 March 2023 £'000
Endowment Fund	1,235,020	19,668	(12,089)	(18,198)	1	1,224,402
Endowment Fund	**1,235,020**	**19,668**	**(12,089)**	**(18,198)**	**1**	**1,224,402**

Group and Charity	Balance at 1 April 2021 £'000	Income £'000	Expenditure £'000	Investment (Losses) / Gains £'000	Other Realised Gains £'000	Balance at 31 March 2022 £'000
Endowment Fund	1,153,818	11,392	(7,523)	77,333	-	1,235,020
Endowment Fund	**1,153,818**	**11,392**	**(7,523)**	**77,333**	**-**	**1,235,020**

Endowment Funds comprise the net assets of the Motability Endowment Trust only.

20. Funds Held as an Agent

Movement in Funds:	Balance at 1 April 2022 £'000	Income £'000	Expenditure £'000	Balance at 31 March 2023 £'000
Charity				
Funds Held as Agent on behalf of Veterans UK	42	400	(401)	41
Funds Held as Agent	**42**	**400**	**(401)**	**41**
Group				
Funds Held as Agent on behalf of Veterans UK	42	400	(401)	41
Funds Held as Agent	**42**	**400**	**(401)**	**41**

Funds received, paid or held as Agent are not included within the Motability Foundation's Consolidated or Charity financial statements. These funds are accounted for directly to Veterans UK.

Movement in Funds:	Balance at 1 April 2021 £'000	Income £'000	Expenditure £'000	Balance at 31 March 2022 £'000
Charity				
Funds Held as Agent on behalf of Veterans UK	42	184	(184)	42
Funds Held as Agent	**42**	**184**	**(184)**	**42**
Group				
Funds Held as Agent on behalf of Veterans UK	42	184	(184)	42
Funds Held as Agent	**42**	**184**	**(184)**	**42**

The Motability Foundation administers the funds of Veterans UK to issue grants for automatic gearboxes and vehicle adaptations to War Pensioners who are in receipt of the War Pensioners Mobility Supplement (WPMS).

The Motability Foundation adheres to an agency agreement and distributes the funds it holds to specified third parties in line with the instructions given by Veterans UK.

21. Pension Arrangements

The Group has operated a defined benefit scheme for its employees since November 1988 under which a separate fund is being accumulated to meet the accruing liabilities which is held under a trust, entirely separate from the Charity's assets. Payments to the scheme are made in accordance with the recommendations of qualified actuaries.

From 1 October 2005, changes were made to the defined benefit pension scheme:

- The scheme was closed to new members
- Employees who wished to retain the 1/60th benefit were asked to increase their contributions
- The ability to retire before 65 without actuarial reduction was removed
- A defined contribution scheme was available from that date to any employees wishing to receive pension benefits

The defined benefit scheme was closed to future accrual from 30 April 2012.
The last actuarial valuation was prepared using the "Attained Age" method, as at 31 March 2019. This valuation used the following assumptions:

	%
Investment return in deferment	3.65
Investment return in payment (Non-pensioners / Pensioners)	2.15/1.75
Salary increases	Nil
Pension increases pre-retirement – Deferred Pensioners	3.00
Pension increases pre-retirement – Employed Deferred	3.65
Pensioners – Post-1997 service	2.40

At 31 March 2019, the market value of the scheme's asset was £21.8m, the present value of liabilities was £23m resulting in an actuarial deficit of £1.2m, equivalent to a funding level of 95 per cent. The employer, having considered the various recovering plans, agreed to pay £0.7m on 31 March 2020 and £0.6m on 31 March 2021, as well as scheme costs of £0.08m p.a., following agreement with the pension Trustees.

A qualified actuary using revised assumptions that are consistent with the requirements of FRS 102 has updated the actuarial valuation described above at 31 March 2023. Investments have been valued for this purpose at fair value.

The pension cost to the Charity under FRS 102 was £0.26m (2022: £0.25m). The major assumptions used for the FRS 102 actuarial valuation were:

	2023 %	2022 %	2021 %
Rate of increase in salaries	N/A	N/A	N/A
Rate of increase in pensions in payment	3.00	3.35	2.60
Discount Rate	4.70	2.64	1.85
Price inflation	3.30	3.85	3.15

21.1 The fair value of the assets in the scheme, the present value of the liabilities in the scheme and the expected rate of return at each balance sheet date were

	2023 %	2023 £'000	2022 %	2022 £'000	2021 %	2021 £'000
Equities	4.70	4,617	2.64	9,160	1.85	11,188
Bonds / Gilts	4.70	11,783	2.64	14,112	1.85	9,163
Cash	4.70	949	2.64	540	1.85	3,073
Property and Other	4.70	774	2.64	1,035	1.85	1,243
Total Fair Value of Assets		18,123		24,847		24,667
Present Value of Scheme Liabilities		(18,860)		(25,979)		(27,299)
Net Pension (Liability)		**(737)**		**(1,132)**		**(2,632)**

The rates used for the expected return on scheme assets are based on the requirements of SORP 2019 (FRS 102) as these determine the predicted return in the year to 31 March 2023. The contribution rate for 2023 was nil of pensionable earnings (2022: nil) due to the scheme being closed to future accrual with effect from 30 April 2012.

	2023 %	2022 %
Equities	25.48	36.87
Bonds / Gilts	65.02	56.80
Cash	5.24	2.17
Property and Other	4.26	4.16

The liabilities were valued using the following mortality assumptions:
- Basetable: S3PA
- Future mortality improvements: CMI_2021, 1.25%Long term rate
- Age rating: None

The following table illustrates members' life expectancy in years, at the age of 65, based on the mortality assumptions above:

	2023	2022
Retiring Now		
Males	22.00	22.00
Females	24.40	24.30
Retiring in 20 Years		
Males	23.30	23.30
Females	25.80	25.80

21.2 The movement in the scheme's deficit over the year to 31 March 2023 is summarised as follows

	2023 £'000	2022 £'000
The Pension Deficit as at 31 March Comprises:		
Pension Deficit at 1 April	(1,132)	(2,632)
Gain / (Loss) in the Year - Actuarial	479	1,673
Contribution to Scheme Administration Costs	180	80
Subtotal	**(473)**	**(879)**
Analysis of Amounts Charged to the SoFA for the Year:		
Other Finance Cost	(28)	(52)
Current Service Cost	(236)	(201)
Past Service Cost	-	-
Subtotal	**(264)**	**(253)**
Pension deficit at 31 March	**(737)**	**(1,132)**

21.3 Analysis of the amount that has been charged to the SoFA under FRS 102

	2023 £'000	2022 £'000
Current Service Cost	236	201
Total	**236**	**201**

21.4 Analysis of the amount that has been debited to net finance charges under FRS 102

	2023 £'000	2022 £'000
Expected Return on Pension Scheme Assets	649	451
Interest on Pension Scheme Liabilities	(677)	(503)
Total	**(28)**	**(52)**

Notes to the Financial Statements cont.

21.5 Analysis of the Actuarial Movement

	2023 £'000	2022 £'000	2021 £'000
Actual Return Less Expected Return on Pension Scheme Assets	(6,679)	313	840
Experience (Losses) / Gains Arising on the Scheme Liabilities	(1,010)	13	99
Changes in the Assumptions Underlying the Present Value of the Scheme Liabilities	8,168	1,347	(4,120)
Total	**479**	**1,673**	**(3,181)**
Adjustment to Restrict Recognition of Surplus	-	-	34
Revised Recognised Gain / (Loss) for the Year	**479**	**1,673**	**(3,147)**

21.6 Reconciliation of Present Value Defined Benefit Obligation

	2023 £'000	2022 £'000
Opening Balance at 1 April	25,979	27,299
Current Service Cost	236	201
Past Service Cost	-	-
Curtailment	-	-
Settlements	-	-
Interest Cost	677	503
Employee Contribution	-	-
Actuarial Gains	(7,158)	(1,360)
Administration Expenses	(236)	(201)
Changes to Exchange Rates	-	-
Benefits Paid	(638)	(463)
Closing Balance at 31 March	**18,860**	**25,979**

21.7 Reconciliation of Fair Value Plan Assets

	2023 £'000	2022 £'000
Opening Balance at 1 April	24,847	24,667
Expected Return on Assets	649	451
Actuarial (Losses) / Gains	(6,679)	313
Changes to Exchange Rates	-	-
Employer Contribution	180	80
Employee Contribution	-	-
Settlements	-	-
Administration Expenses	(236)	(201)
Benefits Paid	(638)	(463)
Closing Balance at 31 March	**18,123**	**24,847**

21.8 Reconciliation of Change in Funded Status

	2023 £'000	2022 £'000
Opening Balance at 1 April	(1,132)	(2,632)
Pension Expense	(264)	(253)
Employer Contribution	180	80
Changes to Exchange Rates	-	-
Actuarial Gains	479	1,673
Closing Balance at 31 March	**(737)**	**(1,132)**

21.9 History of Experienced Gains and Losses

	2023 £'000	2022 £'000	2021 £'000	2020 £'000	2019 £'000
Difference Between Actual and Expected Return on Assets					
Amount	(6,679)	313	840	990	(405)
% of Scheme Assets	**36.9%**	**1.3%**	**3.4%**	**4.2%**	**(1.9%)**
Experience of Gains and (Losses) Arising on Liabilities					
Amount	(1,010)	13	99	1997	(14)
% of Scheme Assets	**5.6%**	**0.1%**	**0.4%**	**8.6%**	**0.1%**

22. Commitments and Conditional Grant Awards

i) Operating Leases

Amounts payable in total under future minimum lease payments under non cancellable operating leases:

	Premises 2023 £'000	Premises 2022 £'000	Other 2023 £'000	Other 2022 £'000
Within One Year	225	646	16	24
Between One and Five Years	50	215	-	1
Over Five Years	6	-	-	-
Total	**281**	**861**	**16**	**25**

Operating Lease Expenditure

	2023 £'000	2022 £'000
Premises	510	428
Plant, Machinery and Vehicles	39	36
Total	**549**	**464**

ii) Capital Commitments

There were no commitments for expenditure on capital items in excess of £0.1m at the end of the year.

iii) Investment Commitments

As at 31 March 2023, there were uncalled capital commitments to investment funds totalling £144m (2022: £125m). The two largest commitments were £48.5m for global property and £34m for an infrastructure fund.

These commitments will be met from liquid assets and asset sales as required in the Endowment Fund.

22. Commitments and Conditional Grant Awards Cont.

iv) Conditional Grant Awards
All grants are subject to conditions.

The conditions for grants to individuals are usually satisfied at the time an award is made.

Grants to organisations contain performance-related conditions which then determine whether and when expenditure is recognised in the SoFA. Grants to organisations may be intended to be claimed over several years. The conditions attached to grants to organisations are regularly reviewed with the recipients. Grants are withdrawn where unclaimed or where conditions are not met.

Current grants where performance conditions had not yet been fulfilled as at 31 March 2023 are set out below.

	Current Conditional Awards £'000	Recognised in Prior Years £'000	Conditional Grant Award B/Fwd £'000	Conditional Award in Year £'000	Recognised Charitable Expenditure £'000	Conditional Grant Award C/Fwd £'000
Designability (Wizzybug)	5,400	(2,200)	3,200	-	(1,500)	1,700
Family Fund Trust	15,000	(500)	14,500	-	(5,500)	9,000
Total Under 5s Grant	**20,400**	**(2,700)**	**17,700**	**-**	**(7,000)**	**10,700**
Designability (EV Charging)	761	(591)	170	-	(170)	-
Extra Mile Car Clubs	-	-	-	679	(484)	195
User Research Grants	447	(447)	-	593	(505)	88
NCAT - Evidence Centre	-	-	-	20,000	(255)	19,745
Scholarships	200	(19)	181	-	(50)	131
Total Innovation	**1,408**	**(1,057)**	**351**	**21,272**	**(1,464)**	**20,159**
Active Travel	-	-	-	712	(229)	483
Community Transport	-	-	-	8,925	(4,953)	3,972
Travelling with Confidence	-	-	-	992	(331)	661
Wheelchairs	-	-	-	1,950	(633)	1,317
Total Impact	**-**	**-**	**-**	**12,579**	**(6,146)**	**6,433**
Total for Grants to Organisations	**21,808**	**(3,757)**	**18,051**	**33,851**	**(14,610)**	**37,292**

These conditional grant awards will be funded from general fund reserves.

The Motability Foundation awarded:

i) £20m in 2022/23 (over seven years to 2029/30) to a consortium headed by Coventry University for the creation and running of the NCAT.

ii) £15m in 2021/22 (over three years to 2024/25) to Family Fund to support the mobility of families with children under three years old.

iii) £5.4m in 2019/20 (over four years to 2024/25) to Designability to support the availability of Wizzybugs to children up to the age of five years old.

iv) £0.6m in 2021/22 (over two years to 2022/23) to Designability to develop a design for accessible charging points.

v) £12.6m in 2022/23 (out of £50m designated) for 'Impact' grants (over up to three years to 2025/26) covering six separate initiatives: Community Transport, Active Travel, Reducing Barriers to Driving, Research, Travel Confidence and Wheelchairs.

For details of progress on major awards, please see the Grant Award Activity table on page 28.

23. Taxation

As a registered charity, Motability is potentially exempt from taxation of income and gains falling within Part 11 Income and Corporation Taxes Act 2010 and 256 Taxation Chargeable Gains Act 1992. No tax charge has arisen in the year.

No tax charge has arisen in the subsidiary due to the policy of gifting profits to the Motability Foundation each year.

24. Events after the reporting date

There are no post balance sheet date events to note.

25. Prior Year Adjustment

A. Cash Flow Statement

	Previously Reported Group 2022 £'000	Adjustments 2022 £'000	Restated Group 2022 £'000
Adjustments for Non Cash Items			
Reinvested Investment Income	-	(10,396)	(10,396)
Investment Management Fees Charged to Capital	-	1,799	1,799
(Gains) / Losses in the Year	(67,710)	133	(67,577)
Adjustments to Exclude Investment Activities			
Investment Income	(10,550)	8,015	(2,535)
Interest Income	(399)	3	(396)
Investment Management Fees Paid	2,936	(1,799)	1,137
Cash Flows from Investing Activities			
Investment Income	10,550	(8,015)	2,535
Interest Income	399	(3)	396
Investment Management Fees Paid	(2,936)	1,799	(1,137)
Purchases of Fixed Assets Investments	(880,854)	163,934	(716,920)
Proceeds from Sales of Fixed Assets Investments	604,890	(138,783)	466,107
Proceeds from Sales of Current Assets Investments	150,000	32,361	182,361
Decrease in Investment Cash	49,048	(49,048)	-
Net Movement		-	

Cash Flow Statement: restatement of fixed asset investment purchases and proceeds.

Correction of prior year: the amendments in lines Purchases of Fixed Assets Investments (£164m), Proceeds from the Sale of Fixed Assets Investments (£139m), Investment Income (£8m), Management Fees (£1.8m) and Decrease in Investment Cash (£49m) correct a prior year figure for non-cash movements disclosed within the 2022 Cash Flow Statement. Proceeds from Sale of Current Asset Investments (£32.4m) discloses an investment cash flow omitted in the prior year.

The requirement to restate investment purchases and proceeds was identified following a review of cash flows as part of the change in investment accounting policy in the period (see below).

Reinvested investment income represents income not received into a Motability Foundation bank account, but retained within the portfolio and reinvested by the Fund Manager.

Investment Management Fees charged to capital relates to when a Fund Manager deducts their fees directly from the Fund rather than being paid from a Motability Foundation bank account.

Cash held under discretionary mandates is treated as being part of Investments (rather than cash) and therefore is no longer included as a movement in cash.

25. Prior Year Adjustment cont.

B. Investment Movements

	Previously Reported Group 2022 £'000	Adjustments 2022 £'000	Restated Group 2022 £'000
Fair Value as at 1 April	1,527,976	-	1,527,976
Additions			
Gross Purchases	912,854	(912,854)	-
Amounts Invested	-	748,920	748,920
Reinvested Investment Income	-	10,396	10,396
Withdrawals			
Gross Sales	(754,890)	754,890	-
Amounts Withdrawn	-	(648,468)	(648,468)
Investment Fees Charged to Capital	-	(1,799)	(1,799)
Gains / (Losses) in the Year	**67,710**	**(133)**	**67,577**
Movement in Portfolio Cash	**(49,048)**	**49,048**	**-**
Fair Value as at 31 March	**1,704,602**	**-**	**1,704,602**

The change in accounting policy provides more reliable and relevant information as it enables the reader of the financial statements to understand the cash inflows and outflows relating to investment additions and withdrawals.

Investment purchases and proceeds have been reduced for transactions within certain portfolios where the Fund Manager has discretion to control these transactions and resulting cash flows do not pass through the Motability Foundation or MET bank accounts. Accordingly, the recognition of sales and purchases has been limited to recognising additions to, or withdrawals from, such portfolios. The effect is to reduce reported purchases and proceeds, and the impact in the year to 31 March 2022 is set out above.

This has resulted in a change in accounting policy as previously the Motability Foundation was accounting for all sales and purchases within these portfolios. This change in accounting policy has been treated as a prior year adjustment to ensure comparability of the 2022 figures.

These restatements do not impact fixed or current asset investment balances, nor do they impact total or individual funds, nor net income / (expenditure). Accordingly, no adjustment has been made in respect of earlier years.

The above adjustments reflect a change in accounting policy.

Appendix I - List of 2022/23 Grants by Beneficiary

BENEFICIARY	£
Accessible EV Charging	169,875
Action for Kids, Tottenham	179,743
Arran Community & Voluntary Service	104,153
Autistic Minds	10,000
Badenoch & Strathspey Community ConneXions	134,372
Brittle Bone Society, Dundee	100,000
Bus Users UK	40,000
Cambs Society for Blind & Partially-Sighted (Camsight)	51,254
Community ConneXions, Gloucester	100,699
Community Equality Disability Action (CEDA) Exeter	100,635
Compaid Trust, Paddock Wood	173,335
Comunn Eachdraidh Nis, Isle of Lewis	104,965
Coventry University - NCAT	255,195
Coventry University - Scholarships	49,877
Croydon Voluntary Association for the Blind	308,800
Daventry Area Community Transport (DACT)	54,649
Derbyshire Community Transport, Ripley	115,859
Derwent Valley Car Club (DVCC)	123,282
Down Armagh Rural Transport (DART), Portadown	235,115
Easilink Community Transport Ltd, Strabane	2,300,977
East Hull Community Transport	172,410
ENABLE, Scotland	330,519
Family Fund	5,500,000
Foresight North East Lincolnshire	44,073
Friends of Pedal Power, Pontcanna, Cardiff	185,001
Green Community Travel, Yate, South Bristol	64,160
Green Fox Energy Co-operative	122,895
Interloch Transport, Argyll	53,384
Mental Health Foundation	145,204
Newlife, Cannock	276,953
North Holderness Community Transport, Hornsea	141,200
North Norfolk Community Transport	68,239
REMAP, Kemsing, Sevenoaks	76,562
RNIB	150,000
SERVE, Rushden, Northants	396,467
Sheppey Matters, Sheerness, Kent	144,161
South East Dorset Community Access Transport (SEDCAT)	100,100
Sussex Community Transport	122,059
Sustrans	100,000
Transport for All	40,000
Visionary	9,500
Voluntary Impact, Northampton	144,307
Wheelchair Alliance	10,000
Wizzybug Loan Scheme	1,500,000
Grants to Organisations	**14,609,979**
Total 2022/23 Grants to 19,233 Individuals	**78,564,136**
Total 2022/23 Grants	**93,174,115**

Professional Advisors

Bankers

Barclays Bank PLC
1 Churchill Place,
London E14 5HP

NatWest Bank PLC
1 Princes Street,
London EC2R 8BP

Solicitors

Farrer & Co LLP
66 Lincoln's Inn Fields,
London WC2A 3LH

Memery Crystal Limited
165 Fleet Street,
London EC4A 2DY

Whiskers LLP
6 Mitre Buildings,
Kitson Way, Harlow CM20 1DR

External Auditors

BDO LLP
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London W1U 7EU

Internal Auditors

Grant Thornton
30 Finsbury Square,
London EC2A 1AG

Investment Advisors

Lane Clark & Peacock LLP
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London W1U 1DQ

Wilshire Associates
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Amsterdam, The Netherlands

Principal Fund Managers

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London EC3V 4AB

Allianz Global Investors
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Barclays Private Bank
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Barings Limited
20 Old Bailey,
London EC4M 7AN

BlackRock Investment (UK) Limited
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London EC2N 2DL

Egerton Capital (UK) LLP
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London W1J 8LA

IFM Investors
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London EC2Y 5AU

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London W1J 8PE

Savills Investment Management LLP
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London W1G 0JD

The Children's Investment Fund
7 Clifford Street,
London W1S 2FT

Veritas Investment Partners (UK) Limited
Riverside House,
2a Southwark Bridge Road,
London SE1 9HA

Patrons, Governors, Members and Key Executive Employees

Chief Patron
Her Majesty The Queen was our Chief Patron until her passing away in September 2022.

Patrons
The Rt Hon Boris Johnson
The Rt Hon Theresa May MP
The Rt Hon David Cameron
The Rt Hon Ed Miliband MP
The Rt Hon Sir Iain Duncan Smith MP
The Rt Hon Sir Tony Blair KG

Life President
The Rt Hon the Lord Sterling of Plaistow GCVO CBE

Life Vice-President
Brian Carte TD

Governors
Chairman:
Charles Manby MBE
Vice Chairman:
Ed Humpherson CB FCA
Hon Treasurer:
David Hunter FCA

Dr Juliana Onwumere
Dr Hannah Barham-Brown FRSA
Professor Mala Rao OBE
(retired 22 September 2022)
Cheryl Ward
(retired 22 September 2022)
Professor William Webb
Richard Cartwright ACA
Robin Hindle Fisher OBE
Tony Davis
(appointed 22 September 2022)
Sukhi Clark
(appointed 22 September 2022)

Members
Sir Gerald Acher CBE LVO FCA
Richard Bennison FCA
Don Brereton CB
Morigue Cornwell MBE
Alan Dickinson
Dr Stephen Duckworth OBE
Christopher E Fay CBE
The Rt Hon the Lord Hague of Richmond
Raymond King
Joanna Lewis
Edward Lester
The Baroness Masham of Ilton DL
(until her death in March 2023)
The Hon Sara Morrison
Noel Muddiman CBE
Peter Oppenheimer*
David Pritchard*
Lord Kevin Shinkwin
Paul Spencer CBE
The Rt Hon the Lord Sterling of Plaistow GCVO CBE

Key Executive Employees
Chief Executive Officer:
Barry Le Grys MBE
Director of Finance:
Charles Nall ACA
Director of Charitable Operations:
Lisa Jones
Director of Performance and Innovation:
Rachael Badger
Chief Investment Officer:
Philip Coates

*Independent member of Investment Committee



Motability, Warwick House, Roydon Road, Harlow, Essex, CM19 5PX.

Motability is a registered charity in England and Wales with charity number 299745
and in Scotland with charity number SC050642.

We are regulated by the Charity Commission and the Financial Conduct Authority. We are
entered on the FCA register (www.fca.org.uk/register) under reference 736309.

Operating as the Motability Foundation.

motabilityfoundation.org.uk

MOTABILITY

England & Wales - Charity number 299745

Accounts

Motability







Annual Report and Accounts 2021/22



OUR VISION:

That no disabled person shall be disadvantaged due to poor access to transportation

Annual Report and Accounts 2021/22

MOTABILITY

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Chief Executive Officer:
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Director of Finance:
Charles Nall ACA
Director of Charitable Operations:
Lisa Jones
Director of Performance and Engagement:
Rachael Badger
Chief Investment Officer:
Philip Coates (appointed 1 September 2021)
Company Secretary:
Anil Gadhia FCA

* Independent member of Investment Committee


PEDIATRIC

Our Values

Collaborative

- We value the support and expertise provided by all of our colleagues, working together to meet the needs of our beneficiaries and enhance the lives of disabled people.
- We actively encourage engagement with our beneficiaries, colleagues and organisations to share knowledge, learn and find solutions.
- We listen to, and reflect upon, the views and experiences of our beneficiaries, colleagues and partners to build strong relationships.

Respectful

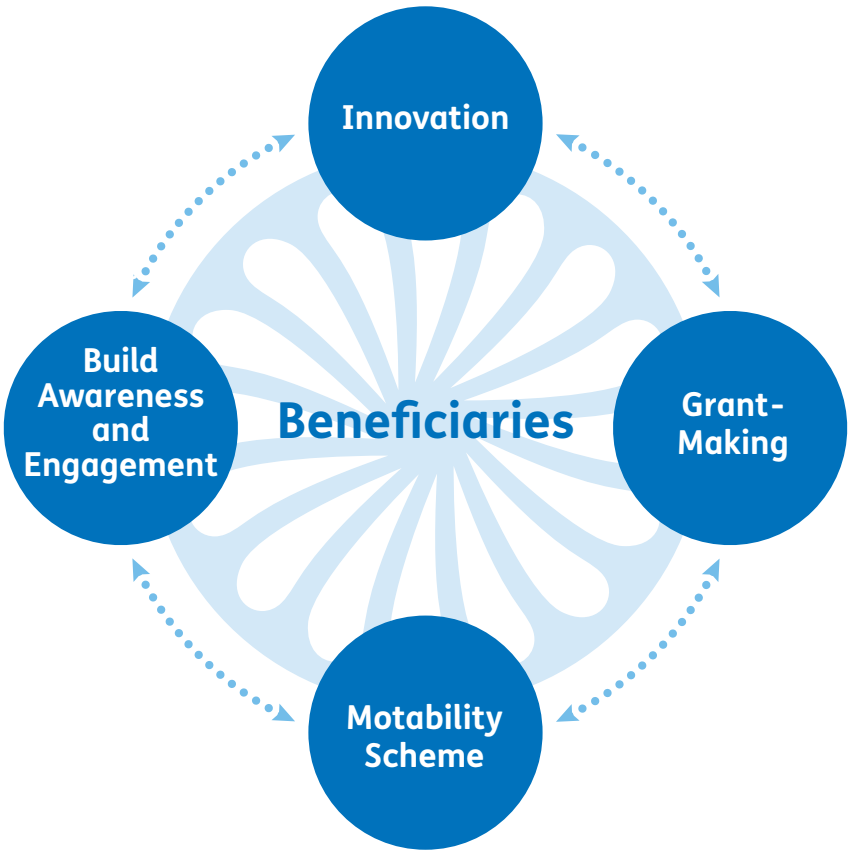
- We demonstrate empathy and integrity towards beneficiaries, colleagues and all those we connect with.
- We are proud to embrace equality, diversity and inclusion.
- We value that each individual is unique and recognise individual differences.

Evolving

- We are committed to finding new ways to improve access to transport for disabled people.
- We try new, innovative ways of working, we learn and adapt with new experiences.
- We challenge ideas to support positive change.

Introduction

Motability was co-founded 45 years ago by the late Lord Goodman and Lord Sterling, with all-party political support, in order to help disabled people and their families with their personal mobility. During this time, the Charity has grown from strength to strength.



Back in 1977, there were only 25,000 Government-issued vehicles for disabled people; mostly the distinctive single-passenger blue trikes. Through the creation and direction of the Motability Scheme by Motability, Motability Finance – which was increasingly delivering the Scheme – was able to steadily enhance the value for money and choice of cars for disabled people and their families.

In 2008, Motability Finance changed its name to Motability Operations Limited to more clearly reflect its role and became a subsidiary of Motability Operations Group plc, formed as the culmination of a decision, planned several years earlier, to raise long-term funding on the capital markets. Over the years, money has been reinvested, in consultation with the Charity, by Motability Operations, back into the Scheme for the benefit of customers, through customer support and the enhancement of many areas of customer service.

The Scheme has proven resilient in the context of successive economic cycles and Government welfare reforms, and has built long-lasting and valued relations with stakeholders across the private, public, and charity sectors. Under Motability's stewardship, the Scheme has provided more than five million vehicles, and helped millions of disabled people and their families to enjoy independence and freedom.

Motability has a wider charitable object than the delivery of the Scheme. Our vision is that no disabled person shall be disadvantaged due to poor access to transportation. Oversight of the Motability Scheme continues to be the mainstay of course, but an increasing element of our grant-making is beyond the Scheme, and we are also investing steadily in our innovation activities; we have a robust, longer-term framework to do so. Motability plans to be in a position to make a significant contribution to our society whilst there is a need to fulfil our charitable object; a need which we believe, realistically, is for the longer term.

Public and Charitable Benefit

The charitable object of Motability is to facilitate the relief and assistance of disabled persons in connection with the provision of personal, and other, transportation

This Annual Report reviews the work of Motability over the past year and sets out the aims for 2022/23.

In reviewing the performance and future aims, Governors have due regard for the guidance published by the Charity Commission on public benefit and have complied with Section 17 of the Charities Act 2011 in this respect. Enhancing the mobility of disabled people, to the extent demonstrated in this Report, is Motability's contribution to society throughout the United Kingdom.





Meet Chris

Chris recently passed his driving test with the help of a charitable grant from Motability

"I was told by doctors that I wouldn't be able to drive – I've proven them wrong! Since receiving a driving lessons grant with Motability and passing my test, life is a lot better. Thank you Motability! I was really pleased with my driving instructor. He was easy to connect to and we built up a good friendship over the time I was learning to drive."

Chris has epilepsy, Asperger's Syndrome, dyspraxia and dyslexia. Chris drives an automatic, which has a reversing camera and parking sensors. "Driving an automatic is great for my disabilities, and really gives me confidence to be able to drive easier and safer."

Chris is able to do voluntary work with Epilepsy Action, and it was through this work that he found out about Motability and the charitable grants that are available.

"I found it hard to get around before the Motability Scheme. I had some bad experiences of using public transport and I had to rely a lot on my parents to take me around. The car helps me so much with seeing my friends and family, going to doctors appointments, and keeping my independence. All the voluntary work I do would be impossible without my car. It has given me a new lease of life. I have so much more freedom now."

Chairman's Statement



Chairman's Statement

Last year, we had anticipated there would be a deferred demand for grants as a result of the pandemic, and we were right to do so

Charles Manby MBE
Chairman of Motability

Last year, we had anticipated there would be a deferred demand for grants as a result of the pandemic, and we were right to do so. We aimed to provide grants to our beneficiaries at a higher rate this year and we have, delivering a charitable spend total of £78 million. This is a considerable recovery from £55 million in 2020/21, subdued by the more severe lockdowns experienced throughout the first wave of the pandemic, which caused dealerships to close across the country.

The COVID-19 pandemic continued to have a big impact upon our beneficiaries and our activity as a grant-making charity through the year. Whilst across the UK restrictions eased around the COVID-19 pandemic, there has been continued and worsening disruption to vehicle availability supply, both in the UK and globally, caused by a number of issues affecting the car market notably the semi-conductor chip shortage, as well as the terrible conflict in Ukraine. Vehicle manufacturers are focused on the transition to electric vehicles. The overall immediate effect has been for demand to outstrip supply, prices of new cars have increased, and the level of discounts Motability Operations can achieve as a large fleet buyer have decreased. This unforeseen set of circumstances has resulted in the exceptionally high price of secondhand cars over the last 18 months, something widely reported in the media and we anticipate continuing as long as supply is disrupted.

The increase in the resale value of the cars exiting the Scheme fleet has increased Motability Operations' strong financial position and enabled them to support Scheme customers through the pandemic with £100 million of rebates reflecting reduced vehicle usage, and allocate £180 million towards affordability support for both renewing and new-to-Scheme customers who have each received a payment of £250. It has also enabled them to invest £300 million in the 'glide path to green' to make sure that Scheme customers and beneficiaries are not left behind as the UK transitions to electric vehicles. Whilst the strong level of profitability offers short-term benefits, the lack of availability of new cars and the higher prices now required for those cars available are putting substantial negative pressures on affordability and choice. In our oversight role, Motability will monitor this situation closely and work with Motability Operations to do what is best for Scheme customers and our beneficiaries through the reinvestment of surplus profit, as well as how to manage and limit our impact on the environment as we transition the fleet towards electric.

At the Charity we continued to deliver high levels of customer service to our beneficiaries. In March 2022 we handled our highest ever level of enquiries, with the Grant Enquiry Team talking to more than 3,256 beneficiaries in a week as compared to a pre-COVID-19 pandemic peak of 1,947. We are facing the twin challenges of an increase in demand for grants and a lack of vehicle availability. However, our desire and focus to find the best possible solution for our beneficiaries continues, with beneficiary calls answered on average in 38 seconds, and the average process time for an application being 41 days.

The Charity received a donation of £170 million from Motability Operations, made possible by the high resale values of secondhand vehicles. This donation will enable the Charity to help more disabled people to access the Motability Scheme over the next five financial years and keep pace with the increased demand for financial assistance that we are currently experiencing. Scheme-Related grants will continue to be our main intervention and method for supporting disabled people with their mobility needs.

I would like to thank Sir Stephen O'Brien and the Board of Motability Operations for the generous donation, and their senior executives led by Andrew Miller and all their employees, and the Board, for the highest order of commitment in running the business through another difficult year when little could be taken for granted.

Using the extensive research and engagement work carried out by the Charity over the last 18 months, we have also identified priority areas in which we can support more disabled people to improve their access to transport, outside of the Motability Scheme. We will use £50 million of the donation to expand our support for other charities and organisations, with grants awarded over the next three financial years ending March 2025. This is in line with our strategy to help Scheme customers and disabled people who are not Scheme customers. The first two Grants to Charities and Organisations grant programmes were launched in April (assisting Community Transport and wheelchair provision).

Gathering evidence upon which to evaluate how we can best assist access to transport for disabled people is something we have concentrated on in order to provide a firm basis for deciding how to design our grant programmes. It led us to work with a number of interested parties to define accessible design standards for public electric charging points, having estimated half of disabled drivers are unlikely to be able to charge their electric vehicle at home. As a result of this work, there is about to be a world-leading national standard, which when fully implemented will make a significant difference to the transport lives of disabled people and many others in society.

To build further insight into what works to provide better access to transport for disabled people, we are establishing a new evidence centre for inclusive transport by grant-funding an external multi-partner consortium. This will be another world first, bringing together academic and applied research into disability and transport to address the major questions around the experiences, environments, and modes of transport which disabled people face. It will be a real source of direction for our charitable purpose and application of resources.

Research shows that disabled people take 38% fewer trips than non-disabled people, and that this figure has not changed over the past decade; what we call the transport accessibility gap. It is estimated that a 1% reduction would be worth £724 million of socio-economic benefit. This is what the centre will aim at by transforming our understanding, seizing opportunities and driving systems level change. We have engaged widely and deeply across a number of sectors in the consortium selection process. We continued to maintain a close relationship with Governments, advisory bodies and key stakeholders throughout the year to ensure the needs of our beneficiaries are fully considered. One task has been to cater for the devolution of social security benefits to Scotland. This transfer impacts upon the Motability Scheme. Motability and Motability Operations have been jointly accredited as a provider under the Scottish Government's Accessible Vehicles and Equipment Scheme. All stakeholders have been keen to make this a seamless transition for Motability Scheme customers and we have worked hard with the Scottish Government and Motability Operations to make it so.

The Motability Foundation is in its third year of being, and the investment profile is taking shape and increasingly maturing. The Foundation continues to aim to be able to support beneficiaries over the long term and provide some assurance to our activities, but it will not provide enough income to achieve the Charity's level of ambition, and our existing and new charitable initiatives can only be sustained and developed if there are future donations. The re-emergence of inflation and maintenance of the Foundation's



real spending power are key points of focus for the Investment Committee.

This year is the Platinum Jubilee of Her Majesty The Queen, our Chief Patron. To mark the momentous occasion, beneficiaries, employees, Governors and friends gathered for a celebratory tea at our office in Harlow on 31 May to celebrate Her Majesty's unique reign and support to Motability. We were pleased to give Her Majesty a photograph album of notable Motability events throughout our history.

I would very much like to thank my fellow Governors for their support and their great commitment through another extraordinary year. I would like to thank Stephen Duckworth and Lord Kevin Shinkwin for their support as Governors. They announced their intentions not to stand another term in the last financial year. Hannah Barham-Brown joined us in the year as a Governor with lived experience and we welcome her insight. She is a medical doctor, a Fellow of the Royal Society of Arts, and works to support disabled and LGBTQI people in politics, employment, travel, health and education. Finally, and by no means last, I wish to thank the management team and all employees at Motability for their continued dedication to support beneficiaries through the challenges of the last year. They have handled an unprecedented level of demand for the Charity's services with dedication, sympathy and increased efficiency through improved processes and practices, as well as developing well-researched new areas of charitable activity in line with our strategy. I congratulate them all.



Chief Executive Officer's Statement

Barry Le Grys MBE

The COVID-19 pandemic, and the resulting impact, continued to put our targets out of reach but not by so far, and the charitable spend of £78 million demonstrated just how far the capacity and capability in our Harlow office has grown in the last four years. £63 million of this spend was grant-making. Individual grant-making to beneficiaries directly through Scheme-Related grants increased to £54 million and is our highest ever. Access to Mobility programmes continue to be affected by the Department for Work and Pensions making operational decisions on the transition from Disability Living Allowance to Personal Independent Payment. Grants to Charities and Organisations remained stable with a £3.4 million spend but will increase with more programmes being launched and our greater commitment to support families with severely disabled children under the age of three; which is moving from pilot to full programme status.

We have restructured Charitable Operations. Our Grant Enquiry Teams are now the first line of contact for potential beneficiaries, and this enables our case managers to concentrate on the processing of grant applications. The unprecedented demand we have seen this year was only dealt with because we made this change in anticipation, having consulted with beneficiaries during pandemic restrictions as to their future intentions. I am pleased we have maintained high levels of beneficiary satisfaction. Our employees' attitude and/or helpfulness scored 9.63/10. This is despite the vehicle supply shortages. This is a global problem and Motability is no exception.

The launch of our initiative to spend £50 million over three years in grants to other charities and organisations has demanded a growth in capacity and expertise to shape, select, process and implement these grants. Overall, Charitable Operations is recruiting 30 more people this year to resource our desire to do more. Growing our knowledge and expertise helps us to identify new ways to support our beneficiaries. We have allied the growth in our grant-making capacity to our increasing ambitions on the innovation front where again we have built up capacity in a measured way. In support of this we are expanding our network across charity business sectors.

Our new user research grants are a good example. We are pleased to have made a grant to the Royal National Institute of Blind People which will enable them to conduct a research project on the independent journeys of blind and partially sighted people and what barriers, if addressed, would most effectively deliver greater parity in terms of a transport experience. Another grant to Sustrans will enable them to conduct user-centred research on the experiences, barriers and solutions disabled people encounter when walking, wheeling and inhabiting public spaces across the UK.

We want to learn and improve, so the evaluation of the impact of our programmes is now a routine activity. We are focusing particularly on the difference that we make for disabled people and on the wider social and economic value that our work generates. We learned, for example, that 92 per cent of those who have received a grant under our Complex Driving Solutions programme experienced a significant or life-changing improvement in their sense

'Our Grant Enquiry teams are now the first line of contact for potential beneficiaries, and this enables our case managers to **concentrate on the processing of grant applications**'

of choice and control over how they get around. And we learned more about how our Transitional Support Programme has helped those who lose access to the Scheme to remain mobile.

The Motability Scheme continues to be the major part of our assistance to disabled people, and we have a close and continuous dialogue with Motability Operations upon Scheme-Related grants, of course. A growing theme for our oversight role is the transition of the Scheme to electric vehicles; we do not want to see disabled people left behind as society strives to meet Government targets. Motability Operations is investing strongly and we are acting more widely than the Scheme upon the accessibility of public charging points and their immediate environments.

Digital technology keeps moving forward at pace in vehicle design, and we are working alongside Motability Operations on the impact for vehicle conversions and adaptations. Assisted driving is available in the form of various accessories but as it becomes more capable, there are some potentially challenging legal considerations to be accounted for too. Motability has collaborated with Coventry University to recruit and sponsor a number of doctoral candidates to undertake research into accessible transport at the university's National Transport Design Centre (NTDC). We hope that in the future, these candidates with lived experience of disability will be able to bring accessibility into vehicle designs and transport accessibility problems currently experienced by disabled people. They will have the opportunity to contribute to the work of the evidence centre.

A major task this past year for Motability Operations and ourselves has been completing arrangements for the Motability Scheme to be an accredited provider under the Accessible Vehicles and Equipment Scheme in Scotland as social security benefits are devolved to the Scottish Government. The aim has been to make sure the transition is seamless for Motability Scheme customers, and we are most pleased this has been achieved. Motability Operations


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keep a close and regular dialogue with the Scottish Government on the operational aspects of delivery and we work with the Scottish Government on higher policy and overall performance matters.

We planned to make the digital communication journey to the Charity mobile-friendly and more intuitive, which we met with success. Our digital platform has been completely overhauled and now has much better scope for continuing development. We were pleased to achieve a Shaw Trust Web Content Accessibility Guidelines (WCAG) 2.1 AA accreditation for accessibility. A wider information technology plan is underway to build information systems to better support our beneficiaries.

A positive to have come out of the COVID-19 pandemic was the way it speeded up our realisation of how technology could help us adopt a blended working model so we have both office and home working in the weekly routine. The model is designed to meet the needs of beneficiaries, employees and the organisation, and we keep it under continuous review; I am glad we thought long and hard about this before coming to a working solution because it must meet all three needs in balance, and people, including behaviours and practices, are hugely important.

We refreshed and relaunched our values: collaborative, respectful, evolving. These values are embedded in our new Perform and Develop Programme for employees and are the foundation for our behaviour inside and outside of the Charity.

We have also introduced an apprenticeship programme and are pleased to have three apprentices working with us. Two apprentices are working in the Grant Enquiry team and one apprentice is working in the Human Resources team whilst all are studying towards a qualification at Harlow College. We are also providing work experience for five students from the Supported Learning Group at the college, and this is leading to an opportunity for full employment with Motability. We are already employing more disabled people than the regional average but we look to do more for the local community, along with our continuing celebration of diversity, as part of our drive to be inclusive in a meaningful way. It is vital our new values are demonstrated in a tangible way, offering equal work opportunities for all.

Last year, I rounded off by saying we expected more turbulence on our journey, attributable to the pandemic, and this has proved to be the case; all made more disturbing by the terrible events in Ukraine. It has made us focus on resilience and we are stronger as a result. I would like to thank all our people for enabling this. It has been hard work for everybody but everyone has been tremendously keen in the knowledge they are doing their best for our beneficiaries.

Our year in numbers

2022 in numbers

282,918
The overall number of **inbound** and **outbound** calls

17,626
The number of **grants** given to individuals in the year

The number of **awards** has increased by **8%**

£53,848,584
The total amount of **Scheme-Related Grants** given in 2021/22 almost doubled the previous year's total

577,515
The number of direct mailings sent out in one year

1,214,216
The number of **page views** and users

We attended **three exhibitions** reaching **more than 9,000 people**

36,242
The number of people who visited our Twitter profile

Lifestyle magazine was distributed to **1.7 million people**



Meet Emelia

Emelia leases a grant funded Wheelchair Accessible Vehicle (WAV) on the Motability Scheme

Emelia is seven years old and is a full-time wheelchair user. She lives with her parents and two sisters in Surrey. Emelia currently has a grant funded Ford Independence Wheelchair Accessible Vehicle (WAV) on the Motability Scheme.

Emelia's mum, Stephanie, first heard about the Motability Scheme from her support worker, and other parents who have Motability Scheme vehicles.

"We don't let Emelia's disability or health complications stop us from doing things. Before having a Motability Scheme vehicle, it was very difficult. I had to transfer Emelia into a car seat numerous times a day and lift her heavy wheelchair out of the boot each time. There was no such thing as a quick trip out. "Without the Motability Scheme and the grant towards the Advance Payment on the WAV, we would never have been able to afford a car that meets Emelia's needs. It has helped our family massively and makes life so much easier to no longer be lifting and transferring Emelia at each end of our trip. The WAV is very spacious and Emelia is sat between her sisters, so is very much involved. We have been able to go to the Isle of Wight on holiday as it has been so easy with Emelia in her wheelchair and still having lots of room for luggage and passengers. I spend a lot of my days on the road taking Emelia to and from school; it is reassuring to know that we are looked after if any problems were to occur."

Our Strategy

The Five Strategic Pillars

Our Founding Principles

Our founding principles that underpin our Strategic Pillars are to provide:

- Solutions that meet the needs of our beneficiaries
- The highest standard of service
- The best possible value for money
- Financial sustainability for the long term

Motability Scheme



Ensure the success of the Motability Scheme in meeting the transportation needs of disabled people

Our goals

- Ensure good value for money and high levels of customer service are delivered across the UK.
- Ensure that the Scheme is financially and environmentally sustainable and efficient.
- Ensure our oversight of the Scheme is effective and transparent.

Grant-Making



Use charitable funds effectively to address the transportation needs of beneficiaries

Our goals

- Ensure our grant programmes deliver maximum impact for beneficiaries and value-for-money solutions.
- Improve the ways in which our beneficiaries access our assistance and high levels of service.
- Use our expertise in disability, transportation and grant-making to assist more beneficiaries.
- Continue to develop evidence-informed grant programmes to meet the current and future transportation needs of our disabled beneficiaries.

Build Awareness and Engagement



Build awareness of, and trust in, the work of Motability, listen to the views of disabled people, their organisations and other key stakeholders, and take account of them when we make important decisions

Our goals

- Improve awareness and understanding of our charitable work, including oversight of the Motability Scheme.
- Actively listen to, and learn from, others who can inform and educate us, especially those with lived experience.
- Involve the right stakeholders in our decision making, and share information about the decisions we make and our reasons for making them.

Innovation



Constantly look for, and develop, new ways to meet the evolving transportation needs of disabled people

Our goals

- Amplify the voices of disabled people when important transport policy and design decisions are made, including along the journey to zero-emission transportation and future technology.
- Explore opportunities to improve the provision of community and door-to-door transport for disabled people.
- Improve our understanding of the mobility needs of disabled people, especially those who receive mobility allowances beyond vehicle leases, and seek out new opportunities to meet these needs.

Disability Charity



Provide the highest level of service to meet the transportation needs of disabled people, underpinned by a strong infrastructure and an empathetic, evidence-led culture

Our goals

- Ensure we have a strong and sustainable infrastructure including the continuing development of our people, skills, systems and ways of working to enable our goals to be achieved.
- Continue to champion our values and behaviours that place our beneficiaries at the centre of all we do – ensuring that we keep striving to fulfil our vision, and meet beneficiary needs in the most relevant and productive way.

Motability, the Charity

Motability has a clear charitable object. Our vision is that no disabled person shall be disadvantaged due to poor access to transportation. Motability, the Charity is registered with the Charity Commission in England and Wales under the Charity Registration number 299745, and with the Office of Scottish Charity Regulator (OSCR) under the Charity Registration number SC050642. Oversight of the Motability Scheme and the Scheme itself continue to be the main method by which the Charity strives to achieve the vision, although an increasing element of our grant-making is beyond the Scheme, and we are also investing steadily in our innovation activities. The Scheme enables a person in receipt of a state provided mobility allowance to use all or part of their allowance to lease a new vehicle with insurance, road tax, servicing, tyres and breakdown cover all included. Motability, the Charity sets the strategic policies and direction of the Motability Scheme, and oversees its performance to ensure that it continues to meet the needs of disabled people. The day-to-day running of the Scheme is delivered by an independent commercial company, Motability Operations, under an exclusive contract with Motability. The Scheme is self-funding at no additional cost to Governments, and Motability Operations carries all the financial risk.

Motability Operations

Motability Operations has to fund the cost of more than 640,000 vehicles on the Motability Scheme to a value of £7.59 billion as at 30 September 2021 (as per Motability Operations' audited accounts), and needs to borrow money in order to do so. Before any investor lends money to any company, they need to be assured it is a healthy business to have the confidence the loan and the interest will be repaid. Motability Operations must maintain sufficient capital for its activities, keeping the vehicle fleet on the road, to attain a strong credit rating to lower the cost of borrowing and to ensure access to the capital markets, underpinning the Scheme's value for money. It is also important to us that current Scheme customers are protected as much as possible from economic downturns or market forces unless there are exceptional circumstances. Therefore, Motability Operations aims for a modest return on its capital asset base each year. This return figure, and the level of capital reserves, are kept under review. The value of the vehicles on the Motability Scheme is currently above forecast due to extraordinary resale but the capital reserves values moves up and down with market movement. Due to the number of vehicles a small movement alters the reserves sum significantly.

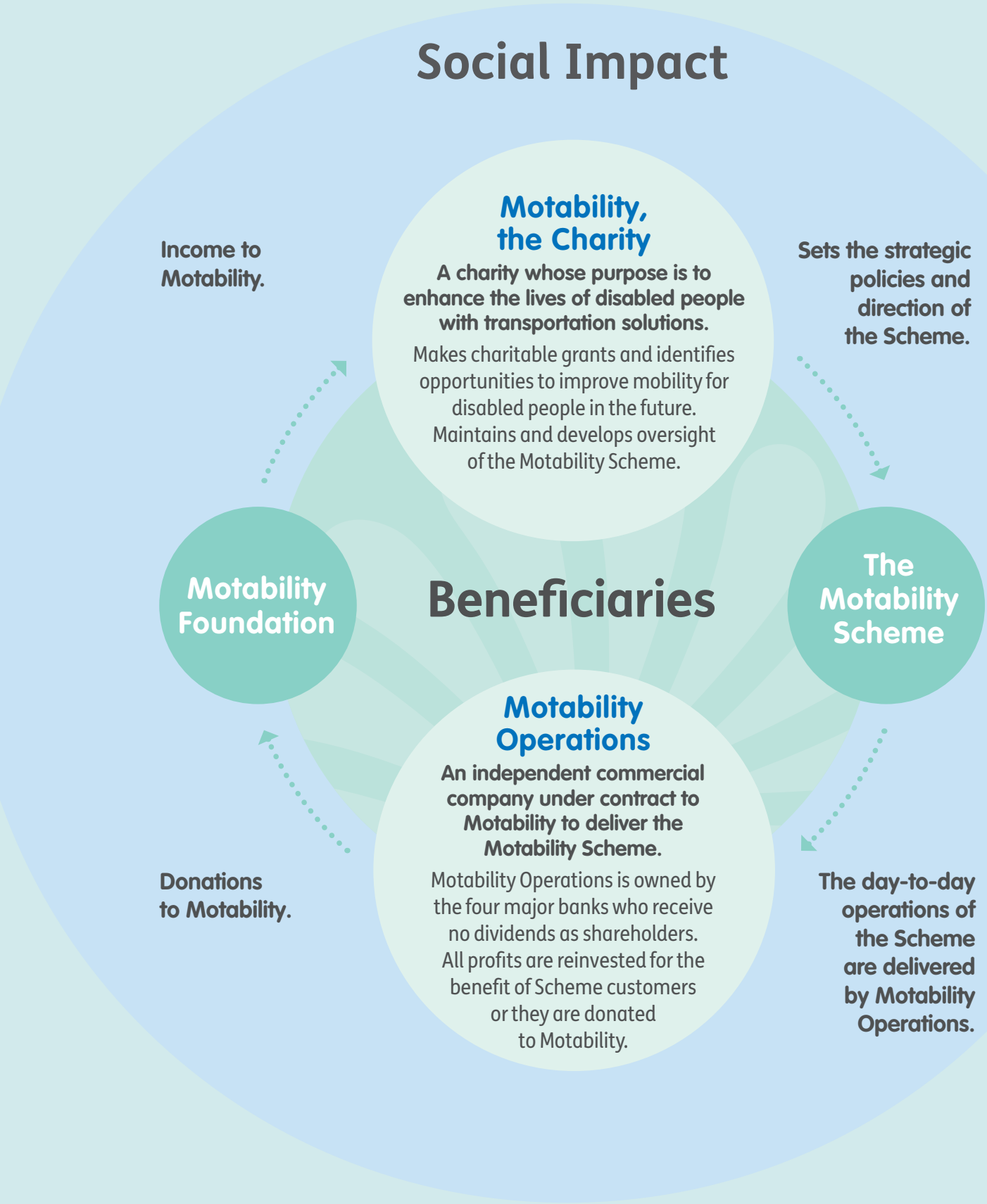
The provision of capital reserves to protect current customers from the excesses of volatile and potentially price-increasing market forces is important, as noted previously. However, in more buoyant markets, financial performance sometimes exceeds forecast returns. Motability Operations does not pay a dividend to its shareholders. Any surplus is reinvested for the benefit of current and future Scheme customers through improved services (online customer accounts, for example); added to capital reserves if risk assessment deems this prudent to further protect current and future customers; or retained to provide capital for future growth expectations; or are donated to Motability to help address the transportation needs of all people with disabilities. Motability and Motability Operations consult on these matters.

Motability Charitable Object

As a charity, Motability must always act within its charitable object in the best interests of its beneficiaries, who are all disabled people in need of assistance with their personal transportation. Motability must account publicly for its actions, reporting on its charitable activity and the resulting public benefit. This is part of the Motability charitable proposition. A critical feature of the proposition is that any funds donated to Motability can be used to support charitable programmes for all disabled people, within the Charity's objects, not just customers of the Scheme. Those who are eligible for the Scheme have total choice in whether they join the Scheme as a customer or not. If they so choose they adopt the Motability proposition. The Motability proposition must be transparent to all Scheme customers and the wider public, particularly the charitable work of Motability beyond the Scheme, largely through its grant-making.

This is depicted graphically on the right-hand page.

Social Impact




BORO

The Motability Foundation

The Foundation made further progress in what was the second year of its three-year plan to place its funds in investments expected to meet its long-term return target of CPI+4%, now in an environment of rising inflation. Investment returns kept pace with inflation in the year and have broadly kept pace with the investment target since inception. This will help give stability to Motability's income and so to its support of current and future generations of beneficiaries.

The Role of the Foundation

As disabilities are often long term it is important to be able to sustain Motability's grant-making for our beneficiaries. The Foundation's sole purpose is to support Motability. In doing so, it provides a degree of financial stability to Motability's grant-making activities, enabling grant programmes to continue when donations from Motability Operations fall below expectation or a donation cannot be made due to economic conditions. It is intended that the Endowment's capital will only be drawn upon to fund 'once in a generation' opportunities to sharply improve transportation for disabled people.

Asset Allocations

During the year, a further £309 million was invested to new long-term investments taking the total invested or committed to 98% of the Endowment's value. The Foundation's funds were initially invested in bonds and money market funds, and are being steadily moved to appropriate and diversified investments likely to deliver the long-term target of CPI+4% with the intent, subject to financial markets, of reaching this goal over the next year.

Despite markets opening the year at elevated levels, the continued positive performance of equities alongside further investment in them over the year meant that equities increased as a proportion of the overall portfolio. The first direct investments were made in property, private credit and venture capital, supplementing 'Other' assets. At 31 March 2022, the Foundation had communicated its intent to fund managers to invest £149 million (2020: £197 million), of which £125 million (2021: £37.1 million) constituted contractual commitments; the main asset class is infrastructure, where the first funds are likely to be invested in the coming year. As a result, 88% of the portfolio is invested, up from 78% a year ago. Taking account of contractual commitments lifts this figure to 98%, up from 81% a year ago. The opening and closing asset class mixes of invested funds, along

	Valuations: £ million			Investment performance figures % p.a.		
ASSET CLASS	31 March 2020	31 March 2021	31 March 2022	Year to 31 March 2021	Year to 31 March 2022	Since Inception
Equity Securities	325	632	858	39.0	11.6	12.4
Debt Securities	207	173	89	3.4	0.4	1.2
Other	38	95	145	4.5	12.4	8.3
Money Market Instruments	281	244	131	0.1	0.0	0.2
Cash	160	10	12	0.1	0.0	0.2
Total	**1,011**	**1,154**	**1,235**	**14.1**	**7.2**	**6.9**

‘It is important to be able to **sustain Motability’s grant-making for our beneficiaries**. The Foundation’s sole purpose is to support Motability’

with performance in the year, are given in the table above and the asset class mixes are illustrated in the bar chart below, showing the evolution of the portfolio over the last two years.

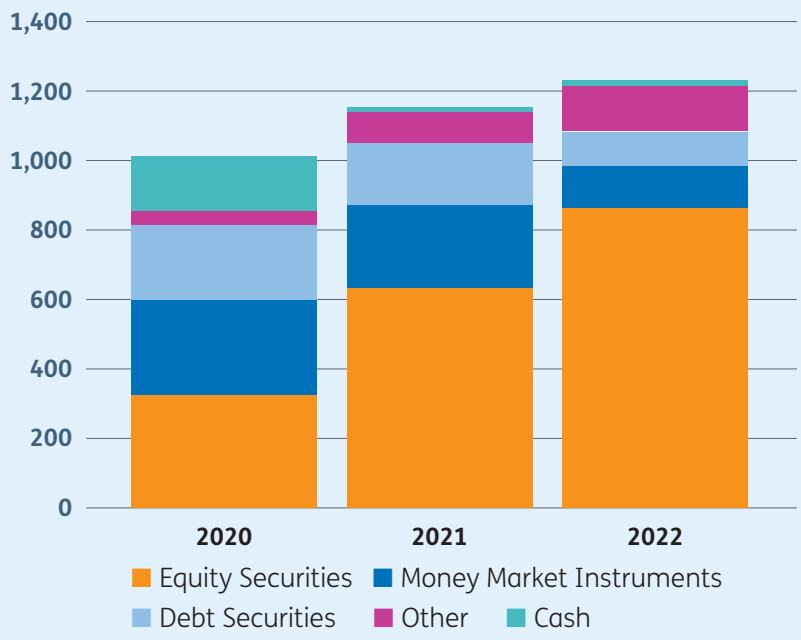
Investment Performance

The value of the Endowment rose by £81 million to £1,235 million (2021: £1,154 million). The main driver of returns was equities. Last year, the portfolio comfortably outperformed its long-term target of the change in the Consumer Price Index plus four per cent (CPI+4%). The recent surge in inflation to 7% p.a. in March 2022 (2021: 1.5%) has seen the portfolio hold its value against inflation – the portfolio grew by 7.0% in 2021/22 (2021: 14.1%) – although below the target for the year of 11.3% (2021: 5.5%). As a long-term investor, the Foundation accepts that there will be periods of under and over performance against what is a long-term investment return target.

Cumulatively, since the creation of the Foundation in September 2019, the portfolio has risen in value by 17.3% (an annualised return of 6.9%), broadly in line with the CPI+4% goal of 19.3% (annualised 7.7% p.a.).

Income and investment management costs both rose again as the proportion of assets in long-term real investments increased and earlier investments were held for a full year. Income was £11.4 million (2021: £8.1 million) and investment costs were £7.5 million (2021: £6.3 million). As a result, net income rose to £3.8 million (2021: £1.8 million), in line with expectations.

Investment Values by Asset Class
at 31 March



Governance and Management

The Foundation's purpose is to support Motability, which is the Foundation's sole corporate Trustee. The Foundation and Motability have the same charitable objects. The Motability Foundation is an expendable Endowment, established by trust deed in September 2019, and legally registered as The Motability Endowment Trust with the Charity Commission in England and Wales as a linked charity under registration number 299745-1. The Foundation does not prepare separate financial statements; its results are presented within Motability's consolidated financial statements, included as the Endowment column in the Statement of Financial Activities.

The Foundation's investment committee operates within terms of reference delegated from the Trustee and within the scope of the investment policy, including an asset allocation strategy and a responsible investment policy, approved by the Trustee. The terms of reference for the investment committee and the investment policy are reviewed regularly. As noted in last year's Report, the Trustee reviewed the resources needed for the Foundation and appointed a Chief Investment Officer, Philip Coates, during the year to take the increasing complexity and scale of the portfolio forward.

The long-term investment return target is CPI+4%. This is intended to maintain the capital of the Endowment and so support grant-making for future generations of beneficiaries.

The Foundation's primary investment advisers are Lane, Clarke and Peacock, and supplementary advice is sought where appropriate. During the year, the investment committee kept the asset allocation strategy under review, advised by Lane, Clarke and Peacock and the Chief Investment Officer, and monitored the fund managers. The investment policy is communicated to the Foundation's fund managers. The fund managers' ethical, social and governance engagement, policies and processes were reviewed during the year. Further fund managers were evaluated, including their approach to responsible investment, and appointed. The principal fund managers are noted on page 139. The principal financial risks are set out in the Financial Review on pages 82 to 83. Rising inflation is addressed by the Foundation's focus on diversified real assets to maintain the value of the Endowment. Geopolitical factors contributing to inflation are monitored in conjunction with the investment managers. Rising interest rates and economic risks associated with rising inflation may limit investment returns for a period: as a long-term investor, the Foundation currently accepts this risk and keeps it under review.

Outlook and Plans for the Future

The Foundation aims to complete the investment of its funds into assets capable of meeting its long-term return target of CPI+4% over the next year, subject to the state of financial markets. As noted above, the Foundation's first investment in property has been made and infrastructure is being added to the portfolio. Whilst it may take some time for the portfolio to catch up with its investment target, the focus on real assets at a time of heightened inflation is appropriate. The structure of the portfolio will be kept under review. Liquidity is carefully monitored and is sufficient for current plans.

It remains the Foundation's expectation that returns will be harder to achieve and markets may be volatile. The gradual rate of investment allows managers to time investments to the Foundation's potential advantage. Further diversification of the portfolio should help mitigate future investment returns' volatility.

The Foundation will maintain its focus on supporting Motability's long-term ability to help alleviate disabled people's transport needs.

STRATEGIC PILLAR

Motability Scheme

STRATEGIC PILLAR

Motability Scheme

The Scheme is available to disabled people who receive one of the following:

- Higher Rate Mobility Component of Disability Living Allowance (HRMC of DLA)
- Enhanced Rate Mobility Component of Personal Independence Payment (ERMC of PIP)
- War Pensioners' Mobility Supplement (WPMS)
- Armed Forces Independence Payment (AFIP)

Today, more than 640,000 people benefit from the Motability Scheme, and since 1978, when the first cars were delivered, more than five million cars, powered wheelchairs and scooters have been provided to enhance their mobility. It is entirely up to the disabled person whether they choose to use their mobility allowance to join the Motability Scheme or to spend it in some other way. One in three of those who are currently eligible to do so have chosen to join the Scheme.

Around two thirds of Scheme customers drive, but those who do not can still lease a car and travel as a passenger. Similarly, parents or carers can also apply to join on behalf of a child aged three and above. It is important that the car is used by, or for the benefit of, the disabled person. Motability Scheme customers can lease a new car, with insurance, road tax, servicing, tyres and breakdown cover all included. A wide range of adaptations and Wheelchair Accessible Vehicles (WAVs) are also available. A similar Scheme exists for those wishing to lease a scooter or powered wheelchair.

AIMS FOR 2021/22

- ✔ Ensure that the Scheme continues to operate to its current high standard for customers, offering value for money and excellent customer service, and minimising the impact of the COVID-19 pandemic on customers. **ACHIEVED (FOR 21/22, ONGOING BEYOND THAT)**
- → Complete work to renew the Scheme Agreement with Motability Operations, including a new performance framework and updated KPIs, with a focus on securing the best outcomes for disabled people. **ONGOING**
- → Seek to maintain price stability and the Scheme's financial health in an uncertain economic climate, including the recovery from the COVID-19 pandemic. **ONGOING**
- → Together with Motability Operations, develop environmental positioning, particularly on electric vehicles and transitioning towards the Government target for 2030. **ONGOING**

Scheme Oversight

Oversight of the Motability Scheme is carried out by a team at Motability, reporting to the Scheme Oversight Committee, which meets quarterly. The Scheme Oversight Committee directs oversight activity and evaluates the outcomes from the Scheme.
In exercising oversight of the Scheme, Motability is guided by its founding principles: solutions that meet the needs of disabled people; providing the highest standard of service; the best possible value for money; and financial sustainability for the long term.

Motability exercises oversight of the Scheme and of Motability Operations in a variety of ways through the Scheme Agreement (the contract with Motability Operations), including:

- Review of monthly Key Performance Indicator (KPI) reports which define actual performance against contractual requirements
- Analysis of customer research to identify how well the Scheme is meeting the current needs of Scheme customers
- Discussion of current activity and future plans at the quarterly Scheme Oversight Committee, which includes directors of Motability Operations
- Assessment of information provided through Motability's attendance at some of Motability Operations' governance committees
- Appraisal of ad hoc reporting as requested by Motability

This is in addition to the routine dialogue between senior management of Motability and Motability Operations on significant issues impacting the operational performance of the Scheme.

The contractual KPIs are reviewed annually with Motability Operations to ensure that they remain relevant and focused on the most important elements of customers' needs and experiences.

One of Motability's objectives for this year was to renew the Scheme Agreement with Motability Operations, including a new performance framework and updated KPIs, with a focus on securing the best outcomes for disabled people. There have been extensive discussions with Motability Operations throughout the year, and these continue amidst a wider strategic dialogue including: the transition to electric vehicles; the potential changes to the structure of vehicle distribution; and the wider environmental agenda. These issues will all potentially impact upon the Agreement. The Scheme Agreement not only outlines our oversight rights and obligations, but also defines the relationship between the two organisations and is therefore of critical importance to both parties. While discussions continue, both organisations are maintaining a focus on securing the best outcomes for disabled people.

Scheme Performance

Motability continues to believe that Motability Operations is highly effective in delivering the Scheme to eligible disabled people. In reaching this assessment, Motability not only reflects on formal reporting but also on discussions on specific issues with Motability Operations.

During the year, the Scheme Oversight Committee (SOC) reviewed a number of areas including:

COVID-19 Pandemic-Related Disruption

Operational performance against all KPIs was satisfactory until COVID-19 pandemic lockdown. Significant disruption was experienced with dealers either being closed or operating on a 'click and collect' basis only. When the economy opened up again, there was a backlog of Scheme orders from new and renewing customers, which created pressures.

From the early part of 2021, new vehicle supply was very severely restricted, principally as a result of the global shortage of semi-conductors which caused all vehicle manufacturers to make very significant cuts in production.

Value For Money

Motability's 50 most popular vehicles are, on average, **45.9% cheaper** than through other major leasing companies



Where there is an excessively long or uncertain build schedule, some vehicles are being withdrawn from the Scheme. This has obviously reduced choice for customers while they also have to wait longer for their vehicles.

In addition to restricted supply, manufacturers are facing very significant cost pressures with the price of commodities, such as steel, increasing significantly and there are other challenges within their supply chains, so there is a general upward pressure on pricing.

All aspects of customer service have remained operational with the vast majority of customer support staff working from home. Scheme partners such as Kwik Fit and RAC have also remained fully operational but have all experienced their own COVID-19 pandemic-related challenges.

As a result of the decrease in vehicle usage, a further insurance rebate payment of £60 by Motability Operations was approved for all customers. This is the third rebate paid by Motability Operations since the beginning of the pandemic.

Value For Money

The Motability Scheme continues to offer customers excellent value for money, with independent analysis in March 2022 indicating that prices for the 50 most popular Scheme models represent, on average, a saving of 45.9% (25.8% excluding Value Added Tax and Insurance Premium Tax relief) when compared on a like-for-like basis to the offerings of other major leasing companies.

However, these savings are lower than the Scheme has previously provided, as a result of both the increase in vehicle costs and the change in model mix due to the restricted supply. As vehicle availability improves during this year and next, it is anticipated that this measure will get stronger again.

Throughout this period of change, we have been in constant discussion with Motability Operations to ensure that the Scheme has continued to offer the best possible choice and affordability.

Used Vehicles

During the year, there was a totally unexpected increase in used vehicle prices to exceptional levels – used vehicles generally increased in value by 30% over the course of 2021. This

had a significant impact on the profit reported by Motability Operations as defleeted vehicles were sold for prices much higher than anticipated. This allowed Motability Operations to announce that they are going to assist the adoption of electric vehicles by supporting pricing for them on the Scheme. The support will be available for the next three or four years or so, until price parity with internal combustion vehicles is achieved – currently anticipated in 2025 or 2026.

Motability Operations also announced a New Product Payment of £250 to assist with the increased cost of vehicles, which will be paid immediately following the start of a new lease. The support will be available for all current customers for one lease renewal cycle, over the next three years or so. The £250 support will also be available to all new Scheme customers joining in 2022.

Customer Satisfaction

Every year, the Scheme Oversight Committee reviews the results and methodology of the bi-annual customer satisfaction surveys. Overall satisfaction remains high at 96%. This is a reduction from the previous year's score of 98%, and COVID-19 pandemic disruption for Motability Operations, their suppliers (dealers, RAC, Kwik Fit etc) and restricted vehicle availability all played a part.

These scores are validated through an external appraisal by the Institute of Customer Service which is an independent professional organisation that works with its members to raise the standards of customer service in the UK. In 2021, Motability Operations obtained a satisfaction rating of 94.5%. This was similar to the 2020 score and achieved during very challenging operating conditions, and Motability Operations remains one of the highest performing organisations in the UK.

Major Risks

Operational and financial risks arising within Motability Operations are addressed by their own Audit Committee, which is chaired by an independent Non-Executive Director. The Chair of Motability's Audit and Risk Committee, together with Motability's CEO and Director of Finance, attend Motability Operations Audit Committee meetings in order to inform the Motability Board of any emerging risks that may impact the Scheme.

Summary of the Motability Scheme's Key Risks

The key principal Scheme risks identified currently are:

- Residual values of the vehicles in the used car market which impacts the profitability, reserves and Scheme pricing
- Insurance with claims exceeding priced expectations or the failure of a reinsurer
- Treasury leading to volatility in funding costs, with knock-on effects on lease pricing
- Credit risk impact on cash flows and consequent write-offs
- Poor operational execution leading to additional costs
- The loss or harm related to cyber-attack or data security breach
- Failure of key suppliers or manufacturers limiting the offering to customers and restricting residual values of the vehicles
- Operational failure of key systems or processes resulting in business disruption
- Climate leading to financial and reputational issues with risk of business disruption
- Inadequate skills leading to potential operational consequences, including project and strategic activity

'Overall **customer satisfaction** remains **high at 96%**'

Full details of Motability Scheme risks, with impacts and mitigations, can be reviewed in the Motability Operations Annual Report for the year ended 30 September 2021.

Scheme Policy

Motability continues to monitor the Scheme offering to ensure it remains appropriate and continues to deliver value to its customers while remaining consistent with the Scheme's core objectives. We protect the integrity and reputation of the Scheme by ensuring that policies related to the vehicles leased, how they are used, and by whom, are appropriate and effective. Policy issues are reviewed by the Scheme Oversight Committee and referred to the Board of Governors for final assessment and decisions. During the year, the following specific policy matters were reviewed:

Accessible Vehicle and Equipment Scheme in Scotland

Disability benefits have been devolved to the Scottish Government who intend to develop their own portfolio of benefits. In advance of implementing them, they wanted to introduce a new leasing programme for vehicles and scooters/powered wheelchairs. Motability and Motability Operations have successfully applied for, and been granted, joint accreditation to continue to deliver the Scheme in Scotland, and a contract is now in place with the Scottish Government.

The first change in the benefits structure by the Scottish Government, the introduction of Child Disability Payment, happened last year and will be followed by the introduction of Adult Disability Payment in 2022. Arrangements are in place to ensure continued support to existing Motability customers in Scotland and to allow new customers to join using the new benefits.

Scheme Transition to Electric Vehicles (EVs)

Motability ensures that there is a wide choice of vehicles available to customers, while ensuring that vehicle eligibility for the Scheme is focused on the most cost-effective vehicles that meet the disability requirements of Scheme customers.

The Government has announced the ban on new petrol and diesel vehicles from 2030 and the ban on all internal combustion engines from 2035. Governors considered the implications this shift would have on the long-term strategy for the Scheme. Currently, EVs command a significant price premium over internal combustion engine (ICE) equivalents, potentially as much as £10,000. EV and ICE price parity is expected around 2025. The current high purchase prices must be reflected in lease prices, although it is partly compensated for in reduced service, maintenance and repair costs. Motability has approved a proposal by Motability Operations to support the pricing of battery EVs (BEV) through a transition period of approximately three years so that EVs are priced at a similar level to ICE equivalents.

This support is estimated to cost approximately £300 million and will be funded from the exceptional profits made in 2021. This package of support will include a free home chargepoint or, alternatively, a prepaid chargecard for the public charging network. This intervention has had an early impact, with approximately 10% of current Scheme orders being for EVs.

Scheme Awareness Campaign

Although there are in excess of 640,000 customers on the Scheme, they only represent slightly over one third of the population of people who are eligible to join the Scheme.

‘Approximately **one third** of eligible disabled people **choose to join the Scheme**’

Research has been undertaken with eligible non-Scheme customers who have chosen not to join. There are a variety of reasons why people choose not to join including: the ability or requirement to drive; a car not being the best mobility solution; concerns about money; and the preference to own a car rather than lease. However, a reason that eligible people are not on the Scheme is that they either have not heard of the Scheme or simply do not know enough about it.

In order to address this there was a pilot TV campaign in the summer of 2021 supported by local dealer awareness raising activity. The intention was always that the campaign would be a rather “slow burn” project, initially improving awareness and in the longer term increasing the number of new-to-Scheme customers. The initial conclusions are that the activity was successful in meeting these objectives and there is already evidence of an increase in new customer applications.

Insurance Provider

Motability Operations have partnered with RSA for Scheme insurance for many years. However, as insurance is such a significant element of a Scheme lease, it was decided to hold a competitive tender. The decision was made to move to Direct Line Group (DLG). The Scheme Oversight Committee received regular updates on the tender process, and were fully consulted before the final decision to move to DLG. Changing supplier is extremely complex and it is currently anticipated that the new contract with DLG will go live sometime in the second half of 2023. This complexity was also fully reflected in the lengthy tender process.

Scheme Oversight Risk

Governors considered the external risks that faced the Motability Scheme and the relationship between Motability and Motability Operations, and in particular reflected on potential reputational risks. This risk appraisal will help determine oversight priorities and activity in the year ahead.

Aims for 2022/23

- Ensure that the Scheme continues to operate to its current high standard for customers, offering value for money and excellent customer service.
- Seek to maintain price stability as far as possible against a background of very restricted vehicle availability.
- Complete work to renew the Scheme Agreement with Motability Operations, including a new performance framework and updated KPIs, with a focus on securing the best outcomes for disabled people.
- Together with Motability Operations, ensure that customers’ needs are understood and supported during the current transition to EVs.



Meet Phillip

Phillip uses adaptations to help him access his vehicle and drive more easily

Phillip is a full-time wheelchair user and has been since he was a child. He lives with his wife in the West Midlands and does voluntary work for various organisations. Phillip currently has a Ford Tourneo Connect on the Scheme, fitted with adaptations to help him to access his vehicle and to drive more easily.

Outside of his voluntary work, Phillip likes lots of different kinds of music, plays the piano in church and also sings in a local choir. When not embarking on a musical hobby, Phillip enjoys computers, watching TV, playing games and generally having a chat with friends.

Phillip often finds travelling by public transport to be difficult, as it is often very time consuming to organise and he can be very uncomfortable after a long car journey. This makes having his Motability Scheme vehicle fantastic for him and his wife.

"I have been leasing vehicles on the Motability Scheme for nearly 20 years," says Phillip. "I first heard about the Scheme from a disability exhibition I attended. I received a grant towards the Advance Payment and adaptations on the vehicle. Having a Motability vehicle has meant that we can travel much longer distances when we want to and take everything we need. I can visit friends and family members all over the UK. I can undertake my hobbies, see family and friends easily and make myself useful to places like the church I attend. It is a pleasure to be driving, and to be able to do it without the fear of large bills is a blessing. I really don't know what I would do without my vehicle and adaptations."

STRATEGIC PILLAR

Grant-Making

STRATEGIC PILLAR

Grant-Making

The COVID-19 pandemic significantly impacted our grant-making in recent years as we all experienced restrictions on our lives and worked hard to find ways we could live with the COVID-19 pandemic in the longer term. As predicted, the easing of COVID restrictions resulted in unprecedented levels of demand for our Scheme-Related Grant Programmes in 2021/22 as disabled people who had deferred approaching us for support during the pandemic came forward and we saw many grant applicants telling us of changes in their financial circumstances. Unfortunately, the impact of the pandemic continued to cause disruptions, with significant consequences for the supply of new vehicles globally – resulting in reduced choice of new vehicles, rising prices and longer wait times for vehicles on the Motability Scheme.

In December 2021, we announced that this growing demand for support from these key grant programmes will be met with a £120 million allocation to sustain and increase current grant spending on our Scheme-Related Grant Programmes over the next three financial years, ending March 2025. This will enable us to help more disabled people to access the Motability Scheme and to keep pace with the increased demand for financial help that we are currently experiencing.

AIMS FOR 2021/22

- ✔ To continue to achieve high levels of beneficiary satisfaction regarding their application for a grant. **ACHIEVED**
- ➔ To recover from the impact of the COVID-19 pandemic on our grant-making and return to desired operating and spending levels as quickly as possible. **ONGOING**
- ✔ To continue to build our understanding of the impact that our grant-making has on the transportation needs of our disabled beneficiaries. **ACHIEVED**

The Department for Work and Pensions (DWP) also experienced the lasting effects of the COVID-19 pandemic and continued to suspend many of its benefit assessments. Our Transitional Support Programme (TSP), which supports those who lose their eligibility for the Scheme following a DWP benefit reassessment, has therefore seen the lowest levels of both the number of beneficiaries supported and grant-making expenditure in 2021/22. We do not anticipate seeing these numbers increase again, as the DWP transition from DLA to PIP draws to a conclusion.

Despite the challenges in the past year our individual grant-making programmes supported nearly 17,500 disabled people in 2021/22 with grant commitments totalling nearly £63 million. Our research into the impact of our grant-making, published in September 2021, demonstrates the real difference our grants make to an individual's ability to leave their home, to go out when they want, to access different places and to see the people who matter most to them – all vital and essential parts of life that we are proud to have supported with a grant from Motability.

During 2021/22 we also embarked on some exciting activities to deliver a significant expansion in our support

‘Our grants **make a real difference to an individual’s ability to leave their home,** to go out when they want, to access different places and to see the people who matter to them’

for other charities and organisations. Using extensive research and engagement work carried out in the last 18 months we have identified priority areas that will enable us to support more disabled people to improve their access to transport outside of the Motability Scheme. An investment of £50 million over the next three financial years ending March 2025 will see more grants awarded to other charities and organisations in areas where our research and insight have shown opportunities to have the greatest impact for disabled people. This will allow Motability to further increase our reach and to further diversify our grant-making. These new organisational grant programmes will launch throughout 2022.

Overall, 2021/22 has been an exciting year for Motability’s grant-making teams – with a renewed focus on the future as we continue to recover from the pandemic. We remain committed to supporting as many disabled people as possible with a grant from Motability, through both our individual and organisation grant programmes. Listening to our beneficiaries, understanding their needs and continually evolving the support that we offer means that we will continue to maximise the impact we can have – all in pursuit of our vision that no disabled person should be disadvantaged due to poor access to transportation.

You can read more about how we have achieved this through each of our grant programmes over the coming pages.

DESIRED OUTCOMES FOR BENEFICIARIES

ACCESS
Increased ability to access people and places using own transport

CHOICE AND CONTROL
Improved independence and control to make own decisions

CONNECT
Increased social connections and relationships

EDUCATION
Increased ability to access education and training

WORK
Increased ability to work and pursue a career

WELLBEING
Improved sense of health and wellbeing



Meet Chantelle

Chantelle leases a Wheelchair Accessible Vehicle (WAV) on the Motability Scheme

"The vehicle I lease is fantastic. I'm able to drive my WAV whilst sitting in my wheelchair. I received a grant for the Advance Payment and adaptations and I am so grateful."

Chantelle has spinal muscular atrophy type 2 and found it difficult to travel before leasing vehicles on the Scheme.

"I couldn't really travel properly before the age of 16. I did try and use public transport, but it was extremely stressful. I had no security that someone was going to help me if something went wrong. If I didn't have my Motability Scheme vehicle, I wouldn't go out. I would have such anxiety about using public transport because of my past experiences. I'm so grateful for my grant and for the vehicle. It really has been a Godsend to me – for all of my adult life.

"Having my Motability Scheme vehicle meant that I could get from A to B so easily. I am a sociable person and love to be able to live a full and active life. The vehicle has given me so much freedom."

A music fan, Chantelle regularly likes to travel to see live music.

"To know that I have the freedom to come and go in my car is a dream. I can't always use the facilities in places, so it's so easy to just have the freedom to know my car is there and to be able pop back home when I need to.

"My disability is progressive and when my needs have changed, Motability have always supported me. I had a lot of support with my grant and received excellent customer service. The whole assessment process was so easy."

Scheme-Related Grant Programmes

17,626 grants in total were awarded in 2021/22

The majority of Motability Scheme customers simply use their mobility allowance to lease the vehicle they require, paying an upfront or advance payment where needed. There are, however, some disabled people who cannot afford the advance payment or the adaptations they may need. Our means-tested charitable grants towards these costs can make a world of difference to our beneficiaries and their families, enabling them to access the benefits of the Motability Scheme and enjoy the everyday freedom and independence so many of us take for granted.

In 2021/22 we saw the highest ever number of applications for a charitable grant from our Scheme-Related Grant Programmes. Many disabled people who did not approach us for help during the COVID-19 pandemic deferred making their applications until this year when life started to return to a sense of normality through the lifting of restrictions. In speaking to these grant applicants, nearly 30% of them tell us that they are applying to us for a charitable grant as a result of a change in their financial situation, often brought on as a result of the pandemic.

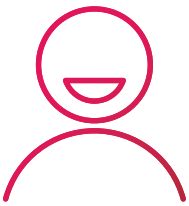
The pandemic and the global shortage of semi-conductors used in the making of new vehicles have caused all manufacturers to make significant cuts in production – resulting in a reduced choice of vehicles on the Motability Scheme and long wait times for a new vehicle, as well as a general upward pressure on pricing. For our Scheme-Related grants this has meant we have seen an increase in the average value of a grant award and also a high level of committed funds not yet paid – as beneficiaries wait up to nine months to take delivery of a new vehicle.

We asked our beneficiaries to rate our service



Ease of getting through

9.16/10



Attitude / helpfulness

9.63/10



Knowledge / expertise

9.55/10



Ease of completing application form

8.73/10

‘In 2021/22 we awarded the highest ever number of Scheme-Related grants – supporting more than 12,000 beneficiaries in leasing a vehicle on the Motability Scheme’

In conjunction with a record-breaking number of applications for our Scheme-Related Grant Programmes, we continued to offer an excellent service to our beneficiaries as highlighted by the table below. We awarded more than 12,000 Scheme-Related grants, committing £54 million to support disabled beneficiaries in leasing a vehicle on the Motability Scheme; up from £32 million in 2020/21.

This means that this year we have seen our highest-ever level of grant-making for our Scheme-Related Grant Programmes – above the £51 million we committed in 2019/20 before the pandemic. We plan to see this further increase in 2022/23 as we raise awareness of our grant programmes and introduce a new Scheme-Related programme to support beneficiaries with complex needs from a Wheelchair Accessible Vehicle where they travel as a passenger. This continued growth of our Scheme-Related grant-making recognises the life-changing impact our research tells us that the Motability Scheme has on the transportation needs of our disabled beneficiaries – providing greater independence, control and connections as well as improved wellbeing.

Car and Vehicle Adaptation Grant Programme

The Car and Vehicle Adaptation Grant Programme supports customers of the Motability Scheme with the cost of the advance payment or adaptations for a vehicle that meets their disability needs. Although many adaptations are available at no additional cost on the Scheme, more complex adaptations, such as mechanical and electric swivel seats, person hoists, rooftop wheelchair storage devices and electronic driving controls are considerably more expensive. Our Car and Vehicle Adaptation Grant Programme can help with meeting these expensive costs and ensures that our disabled beneficiaries are supported in getting what they need from a vehicle on the Scheme.

In 2021/22 we supported the highest number of beneficiaries ever on this programme, awarding 8,476 grants (6,740 in 2020/21) and committing over £20 million (£12.3 million in 2020/21). However, the global challenge of new vehicle supply has meant that many grant beneficiaries continue to wait for delivery of their grant-funded vehicle on the Motability Scheme.



‘Launched in April 2022, our new **Bespoke Passenger Solutions** will provide up to **£15 million of support** to beneficiaries with the most complex needs over the next three years’

Wheelchair Accessible Vehicle Grant Programme

A Wheelchair Accessible Vehicle, better known as a WAV, is a commercial vehicle that has been adapted to enable a wheelchair user to access the vehicle – for example, via a ramp – and either remain in their wheelchair when travelling or transfer to a seat and secure the wheelchair or scooter safely. The conversion of the original vehicle is both time consuming and expensive, and therefore the cost of a WAV can be prohibitive for many disabled people and especially those on low incomes. Our WAV Grant Programme supports our disabled beneficiaries with the cost of their WAV on the Motability Scheme, including adaptations needed for getting into their WAV and/or securing their wheelchair safely.

Through our WAV Grant Programme in 2021/22 we committed £18.7 million (£11.5 million in 2020/21) to support more than 3,500 disabled beneficiaries (2,902 in 2020/21) leasing a WAV on the Motability Scheme, returning to our levels of support similar to before the COVID-19 pandemic.

During 2021, we also developed a new WAV Grant Programme focused on supporting beneficiaries with more complex disabilities or needs when they are travelling as a WAV passenger. This could include requirements such as lay-flat seats in the WAV to support with changing requirements, the installation of hoists in the WAV to allow transfer from the wheelchair into a seat, or the use of screening within the WAV to protect beneficiaries and their carers whilst driving. Importantly, the development of this exciting new grant programme has been based on feedback from our disabled beneficiaries and the WAV industry during a number of pilots conducted over recent years, and listening to disabled people about what would provide them with greater support. Our new Bespoke Passenger Solutions Grant Programme was launched in April 2022 and will run for the next three years to provide up to £15 million of support to our beneficiaries with the most complex needs.

Complex Driving Solutions Grant Programme (CDS)

Some disabled people need a bespoke driving solution or adaptations to enable them to access a vehicle whilst remaining in their wheelchair and either drive from their wheelchair or transfer onto a specialist driver seat. They may also need specialist controls to be able to drive. As these vehicles are tailored around the individual, they are considerably more expensive than a standard production WAV. They often require complex adaptations, together with familiarisation driving lessons so the disabled person can get used to driving their new vehicle and use its controls safely.

In 2021/22 Motability provided both advice and grants to 505 beneficiaries, (up from 283 in 2020/21) committing £15.1 million (£8.2 million in 2020/21) to enable them to drive independently.

The programme was significantly impacted by the COVID-19 pandemic due to Government-related restrictions and the high number of beneficiaries who shielded throughout the pandemic and were therefore unable to be assessed for a CDS solution. It has been great to see the normal operation of this grant programme return in 2021/22, moving to pre-pandemic levels of support.



Training event showcases WAV range

A product training event was organised in October 2021 by the Wheelchair Accessible Convertors Association (WAVCA) to give Motability's Grant-Making teams amazing first-hand experience of the full range of WAVs available to disabled people, and to preview the new WAV conversions that will soon be available on the Motability Scheme.

The event, which was one of the largest gatherings of WAVs in one place, was attended by 13 WAV convertors from across the UK displaying a total of 54 WAVs.

Support through a charitable grant from Motability can mean a world of difference to our beneficiaries and their families. To make the best use of our charitable funds we award grants which are cost-effective solutions based upon the individual disabled person's mobility needs and not wants. All grants are means-tested to ensure we can help as many people as possible. Events such as this one bring together all of the experts in one place and will help our grants teams to better support meeting our beneficiaries' individual needs.

Access to Mobility Grant Programmes

The Access to Mobility Grant Programmes were established to support our vision 'that no disabled person shall be disadvantaged due to poor access to transportation'. In 2021/22, Motability awarded 5,103 grants (6,407 in 2020/21) committing more than £5.7 million (£7.3 million in 2020/21) through the following grant programmes:

Driving Lessons Grant Programme

Through our Driving Lessons Grant Programme, Motability provides grants towards the cost of learning to drive for Scheme customers who have a provisional licence and want a full driving licence. We can also provide grants to disabled people who already have a driving licence but need familiarisation lessons; for example, if they need to get used to new driving adaptations.

In 2021/22, we saw record numbers of beneficiaries supported through our Driving Lessons Grant Programme with 1,687 grants awarded (up from 995 in 2020/21) and commitment of £2.2 million (up from £1.4 million in 2020/21) as access to theory and practical tests returned, albeit with significant wait times in some areas. With our partner, the AA Driving School, we have plans to continue to increase the reach of this grant programme in future years with an agreed further expansion of the programme.

Transitional Support Programme (TSP)

Since March 2013, Motability has provided more than £138 million to support over 86,000 disabled people to remain mobile after losing their eligibility for the Motability Scheme following a benefit reassessment as part of the Government's transition from Disability Living Allowance (DLA) to Personal Independence Payment (PIP).

A recent evaluation of the Transitional Support Programme (TSP), including interviews with more than 2,200 beneficiaries, showed that 70% used their TSP award towards buying/leasing a new or secondhand vehicle, and 11% used it on alternative ways of staying mobile, such as taxis or public transport. We also found, through a Treasury-approved framework to monetise outcomes, that the benefits to disabled people significantly outweighed the financial costs of TSP to the Charity – generating some



TSP impact is measured against our six desired outcomes



Wellbeing

TSP support had the most impact on beneficiaries' wellbeing, with 73% reporting that it made a moderate to significant difference to their wellbeing as they transitioned off the Scheme.



Access

71% of respondents reported that TSP made a moderate to significant difference to their ability to access people and places.



Social Connections

The average effect on their ability to maintain social connections was moderate, with 65% of beneficiaries stating that TSP made a moderate to significant difference.



Control

There was also a moderate effect on beneficiaries' ability to plan their day and do what they wanted, with 60% of beneficiaries stating that TSP made a moderate to significant difference to their choice and control.



Employment

The average effect on employment was lower than other outcomes due to fewer beneficiaries being in employment at the time of leaving the Scheme. Nevertheless, almost 1 in 4 beneficiaries (24%) reported that TSP made a moderate to significant difference to their ability to access employment opportunities or travel to work while they transitioned off the Scheme.



Education

Similarly, only a slight effect on average was seen on beneficiaries' abilities to pursue or continue accessing education while they transitioned off the Scheme. 16% of beneficiaries reported that TSP made a moderate to significant difference to their ability to pursue education or travel to their place of education.

£843 million in monetised net benefits from the programme to date. This included £676 million in net wellbeing benefits, £135 million in net employment benefits, £25 million in net education benefits, and £7 million in net health benefits. This means, for every £1 spent on the programme, the TSP programme has generated £5.50 of benefit.

We also asked beneficiaries of the Transitional Support Programme what impact the support had made to their transition in leaving the Motability Scheme. The impact is measured against our six desired outcomes.

During the COVID-19 pandemic the Department for Work and Pensions (DWP) suspended all face-to-face benefit reassessments and in early 2021 confirmed the suspension of all invitations for DLA to PIP reassessments. As a result, there has been significantly reduced demand for support through our Transitional Support Programme and our Additional Transitional Support Programme. We expect these low levels of support to continue in the coming years as the Government's transition from DLA to PIP nears conclusion.

‘Our Stopped Allowance Support Programme ends in September 2023 having **supported 8,959 customers leaving the Motability Scheme**’

Additional Transitional Support Programme (ATS)

In addition to the Transitional Support Programme, Motability has also offered additional support towards the cost of buying a replacement vehicle or transferring adaptations to a new vehicle to those experiencing financial hardship. Since the programme started we have committed £4.8 million and supported 1,542 through our ATS programme. As already noted, the reduced number of benefit reassessments by the DWP has meant that the programme now sees far fewer beneficiaries requiring our support.

Stopped Allowance Support Programme

The Stopped Allowance Support Programme was launched in September 2019 with a commitment to provide funding for three years to support Scheme customers who lose their higher rate mobility benefit through reassessment of their PIP award or in renewing their DLA award. To date, the programme has supported 8,959 beneficiaries and committed £9.1 million. As planned, the programme will end in September 2023 and a full evaluation of the programme will be undertaken.

CASE STUDY

Denise, Motability Charitable Grants Beneficiary

Denise has better access to healthcare and better health overall because she was able to get her driving licence and car with help from Motability

Denise has sickle cell disease and hypermobility, but she has often missed health appointments in the past because she was dependent on public transport.

“I almost always catch something on a bus because my immune system is quite low. I got the bus home from hospital once and by the time I’d got back to my flat, I had to ring an ambulance to go back in because it caused another sickle cell crisis. I had to spend another two weeks in hospital from being out for an hour.”

Denise was able to get a driver’s licence with help from Motability. Now that she has a car, it is easier to get to and from her appointments, and it has made an impact on the care she is able to receive.

“I was having trouble turning up to appointments because of the pain, but I cancel far fewer appointments now,” she says. “I can do more in the house for my daughter as well.”

Having the car for little journeys also reduces her pain levels, which has a positive impact on her overall energy.

“I didn’t realise how much the travelling was making me tired and sick, or how much it made me panic about all the things that might happen.”

Access to Work Grant Programme

In January 2020, and in consultation with the DWP, Motability launched a further new grant programme to support our disabled beneficiaries with the personal costs of transportation equipment required to gain employment.

The Government's Access to Work Programme provides support to disabled people who are in work or have the offer of work. Support offered by Access to Work includes grants towards the cost of equipment required for individuals to gain or retain employment.

When a grant is offered through Access to Work, it requires a personal contribution from the applicant if the equipment can also provide a benefit outside of work. This is known as the 'Social and Domestic Contribution' and has been a long-standing feature of the programme.

Access to Work offers funding that is calculated pro-rata to the number of days worked. So, if someone works three days a week, the DWP can offer a grant of 3/7 of the equipment cost. Although Motability has no role in determining who should receive assistance from the Access to Work Programme, as this decision is made solely by the DWP, we now support disabled people with grants towards the Social and Domestic Contribution through our Motability Access to Work Grant Programme.

In 2021/22, we spent £0.2 million on this programme to reimburse the total Social and Domestic Contribution for manual or powered wheelchairs, scooters and vehicle adaptations.

Grants to Charities and Organisations

In 2019, we launched our Special Grants initiative to provide grants to other charities and organisations with similar objectives to our own – recognising that we can extend the impact we have on the transportation needs of our disabled beneficiaries by working closely and supporting others who work in this area. Now known as Grants to Charities and Organisations, over the next three years we will be committing £50 million to this initiative to launch a number of new grant programmes. This important initiative will see Motability's grant-making further diversify into different areas of transportation, such as community transport and wheelchair provision. Organisations interested in finding out more are encouraged to visit our website and speak to a member of our new team dedicated to support our grant-making in this area.



Meet Annabelle

"It completely changed Annabelle, giving her confidence. It was incredible to see."

"Looking on Instagram we saw other families using Wizzybug. It was lovely to see the children moving around independently and joining in with their families, so we contacted Designability to see if one would be suitable for Annabelle," recalls her mum, Rochelle.

"The process was really straight-forward, which was a relief; sometimes there can be long waiting times before suitability is even assessed. It was great to be in contact with the Designability team who helped us through the process.

"Once we were accepted onto the Scheme and the Wizzybug was handed over to us, the difference it made was huge. It completely changed Annabelle, giving her independence and confidence. It was really incredible to see.

"She's really happy to just be driving around and exploring. Her favourite thing to do is to go as far away as possible from us, looking back and laughing when she sees how far she has got because that is something she is unable to do at any other time!

"She also loves to play hide and seek whilst in her Wizzybug with her younger sister, Isla. The Wizzybug allows them to play together and chase each other. It's allowed Annabelle to push boundaries and be mischievous; things which every child should do.

"Designability and the Wizzybug Loan Scheme have made such a difference to us as a family and there are thousands of children out there who could benefit from it – the more people who can find out about it the better!"

‘Motability’s Grants to Charities and Organisations will launch new programmes to further diversify grant-making into different areas of transportation in the next three years’

Wizzybug, Designability

During 2021/22, we have continued to support Designability with their amazing Wizzybug Loan Scheme. A Wizzybug is a powered mobility solution specifically for the use of children under the age of three and the product is made available to children through Designability’s free loan scheme – allowing the child use of the Wizzybug for as long as it can provide benefit before it is returned, refurbished, re-customed and provided to a new child. The Wizzybug promotes independence, participation, and an inclusive attitude amongst their peers as well as improvements in both mental and motor development.

In 2020, Motability allocated £5 million to Designability over five years to expand the Wizzybug Loan Scheme and to consider how the Wizzybug can be modified to support an even wider range of disabled children. Their regular reports to us demonstrate the excellent progress they are making with these aims despite delays caused by the COVID-19 pandemic, and we look forward to seeing even more children benefit from a Wizzybug as Designability ramp up their promotion of the loan scheme.

Family Fund

Working with the charity Family Fund, Motability has been exploring ways to support families with severely disabled children under the age of three who are currently ineligible to qualify for DLA and therefore unable to join the Motability Scheme. In order to better understand the challenges these families face and to test a potential operating model, Motability has funded a two-phase pilot of The Family Fund Mobility Support initiative. This initiative provides a fully funded leased vehicle to families who would otherwise struggle to afford the mobility solution they need. The feedback from the pilot has been incredibly useful in allowing us to develop our thinking on the longer-term support for this life-changing initiative. In January 2022, Motability awarded Family Fund a £15 million grant over the next three years to support this important initiative.

Further details of grants to organisations to fund innovation are given on pages 61 to 65 in this report.



CHARITABLE GRANTS

	£				Volume			
Grant Programme	**2018/19**	**2019/20**	**2020/21**	**2021/22**	**2018/19**	**2019/20**	**2020/21**	**2021/22**
Complex Driver Solution	11,963,718	18,524,525	8,165,337	15,063,703	459	613	283	505
Cars and Adaptations	6,028,270	13,770,482	12,316,583	20,100,616	4,986	7,560	6,740	8,476
Wheelchair Accessible Vehicles	13,933,205	18,788,663	11,515,887	18,684,265	3,281	3,932	2,902	3,534
Bespoke Passenger	-	-	-	-	-	-	-	-
Scheme-Related Grants	**31,925,193**	**51,083,670**	**31,997,807**	**53,848,584**	**8,726**	**12,105**	**9,925**	**12,515**
Driving Lesson Support	1,006,308	1,401,623	1,360,127	2,155,336	856	1,113	995	1,687
ATS-PIP	775,668	407,490	171,540	10,605	259	135	52	6
Access to Work	-	26,085	131,442	153,914	-	20	63	57
Stopped Allowance Support	-	3,658,469	2,487,875	2,907,000	-	3,498	2,541	2,920
Transition Support Payment	18,953,000	13,671,000	3,193,699	490,157	12,981	8,924	2,756	433
Access to Mobility	**20,734,976**	**19,164,667**	**7,344,683**	**5,717,012**	**14,096**	**13,690**	**6,407**	**5,103**
Family Fund - Under 3s	-	500,000	2,500,000	1,500,000	-	1	1	1
Designability - Wizzybugs	-	300,000	950,000	950,000	-	1	1	1
Driving Mobility	-	-	50,000	-	-	-	1	1
Grants to Organisations and Charities	**-**	**800,000**	**3,500,000**	**2,450,000**	**-**	**2**	**3**	**3**
Electric vehicle charging-points - Designability	-	-	90,000	501,450	-	-	1	1
User research pilot - RNIB	-	-	-	153,368	-	-	-	1
User research pilot - Sustrans	-	-	-	147,878	-	-	-	1
User research pilot - Leonard Cheshire	-	-	-	145,422	-	-	-	1
Transport design scholarships - Coventry University	-	-	-	18,525	-	-	-	1
Innovation Grants	**-**	**-**	**90,000**	**966,643**	**-**	**-**	**1**	**5**

Aims for 2022/23

- To continue to achieve high levels of beneficiary satisfaction regarding their application for a grant.
- To launch a portfolio of new grant programmes to support other charities and organisations.
- To evaluate two of our Scheme-Related Grant Programmes and the impact we deliver for our beneficiaries.



Theo's Story

Two-year-old Theo has been diagnosed with Ohtahara Syndrome which means a protein gene called the ARX, or Aristaless Related Homeobox, gene has mutated

"Ohtahara Syndrome causes uncontrollable epilepsy which is drug resistant," says Theo's mum, Kayleigh. "It's really hard to control so Theo has seizures on a daily basis. He had his first when he was three days old and a few weeks later he was admitted into intensive care.

"When he was born he would have up to 60 a day but with medication, diet and nerve stimulation that is now down to two on a good day.

"Theo is nonverbal, but has started to make sounds and you can tell how he's feeling through his facial expressions and body language. His diagnosis is classed as life-limiting so we try to make the best of every day. I really enjoy the times we don't have to do medication and can just sit on the sofa and have a cuddle. .

"Family Fund helped me get a car, which has been a lifeline for hospital appointments and days out because now we have enough room in the car for all Theo's medical equipment.

"Family Fund has been a godsend and has taken the pressure off having to worry about funding a car that is suitable for Theo. Our car has a hoist for his wheelchair and enough room in the back in case he has a seizure. It's reassuring to know that he can't hurt himself.

"Theo is coming up to three years of age which means we won't have the Family Fund car anymore. I was worried about changing over to the Motability Scheme but the team has made it easy and will help me look at a grant towards the deposit, which is taking a massive stress off me.

"I can't put into words how grateful we are for Family Fund taking that financial burden away."

STRATEGIC PILLAR

Build Awareness and Engagement

STRATEGIC PILLAR

Build Awareness and Engagement

Build awareness and understanding of Motability as a grant-making charity
All eligible recipients of HRMC DLA and ERMC PIP receive an annual communication with an invite to join the Motability Scheme alongside information on Charitable Grants that Motability, the Charity can support with. This is mailed out on our behalf by the Department for Work and Pensions (DWP). The direct mailing continued this year quarterly to potential beneficiaries who are in receipt of DLA. A total of 355,573 mailings were sent during the year. The direct mailing continued this year monthly to potential beneficiaries who are in receipt of PIP. A total of 221,942 mailings were sent during the year. Significant awareness raising campaigns that we had planned were paused due to industry car availability and our capacity to deal with potential demand.

AIMS FOR 2021/22

Create engaging ways of raising awareness both of our charitable work and the Motability Scheme by:

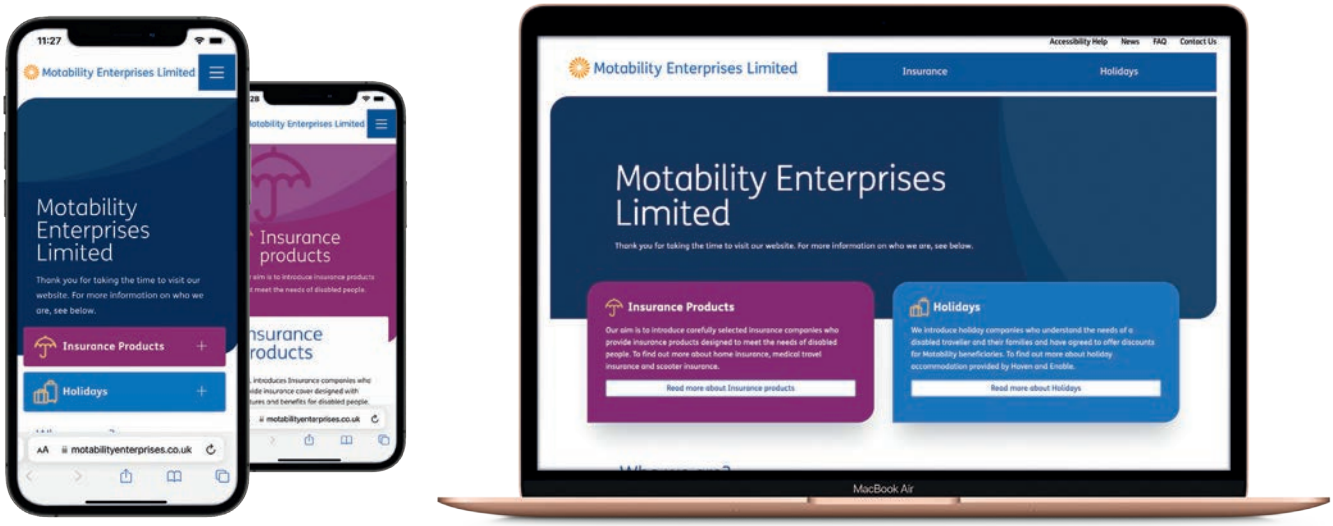
- ✔ Launching a new website in June 2021 with full Shaw Trust accessibility accreditation. To launch a new intranet, phase one delivery in September 2021, and to plan for ongoing development and functionality. **ACHIEVED**
- ➔ Campaigns for awareness–raising activity for Grant programmes and for Performance and Engagement initiatives – to be scoped in line with internal capacity and industry capabilities – with beneficiaries, potential beneficiaries, healthcare professionals, disability groups, and other charities and key stakeholder groups. **ONGOING**

Marketing, Brand and Digital

Advertising
We continued to drive awareness using our beneficiaries' stories within advertising creatives featured in Enable magazine, SEN magazine, PosAbility magazine, Ability NI magazine, OT magazine and Naidex magazine.

Exhibitions
We attended four exhibitions as stand holders this year: Naidex (15-16 September), Forces Additional Needs and Disability Forum Conference (5 October) and OT Show (24-25 November) providing an opportunity to engage with 701 people. Our aims were to drive awareness of the Charity and to provide information on Motability, the Charity and the Motability Scheme.

Developing Our Digital Channels
Motability launched a fully inclusive mobile-first website platform. The website was awarded a Web Content Accessibility Guidelines (WCAG) 2.1 AA rating by the Shaw Trust's Web Accessibility Accreditation Service. It was essential that the mobile version of Motability's website was as accessible as the desktop version. Analytics from Motability found that almost two thirds (64%) of users were opening the Charity's website via a mobile device as opposed to the desktop (28%) and tablets (8%) in the 12 months to June 2021. The refreshed site gives all users, regardless of disability or browsing preference, the ability to engage with the site.



Motability, the Charity's subsidiary company, Motability Enterprises Limited's (MEL) website platform was launched in December 2021. The website was created to provide a clear divide between the Charity and MEL, as well as supporting our users to easily find MEL-introduced products and services for Charity beneficiaries and Motability Scheme customers.

Evidence Centre
The Communications team has promoted the need for an evidence centre for inclusive transport and worked to create a fair and accessible experience for any organisation interested in running the centre. Our support has ranged from promoting the Accessibility Gap report and developing the stakeholder launch event, to providing ongoing communications to stakeholders involved in the competition process. This has included weekly emails, continuous website updates and online speed dating to connect potential partners to each other.

Accessible Electric Vehicle Charging
The Communications team has worked with key stakeholders including British Standards Institution (BSI) and UK Power Networks to create media and social media opportunities to promote the importance of accessible charging infrastructure.

Internal Communications
In 2021 we launched a new intranet, with improved technical support and capabilities, providing our employees with the information they need, in a way that's easy to find. The new intranet also provides a great foundation to build future digital enhancements. Since launch, the new intranet has received an average of more than 30,000 page views per month. Throughout the year, during times of Government-advised restrictions in response to the COVID-19 pandemic, we regularly shared information with employees to build understanding of our COVID-secure methods of working and highlighted pathways available to support their wellbeing. We continued to deliver virtual updates and forums to our expanding employee base, including quarterly all-staff briefings and quarterly manager meetings. We've also produced several information videos and downloads throughout the year to support Diversity and Inclusion initiatives with our HR department, including a video for International Women's Day, which featured our Governor, Dr Hannah Barham-Brown. Following extensive consultation across the Charity and reviewing feedback from beneficiaries, we supported HR with evolving and launching our refreshed values (see page 6 for more information about our values) in April 2022. This year, we also took the opportunity to review our internal communications channels. We now have an action plan for 2022 to refine internal communications channels to support our strategy









and meet the demands of engaging communications in a blended working environment.

Press, Public Relations and Stakeholder Engagement

This year, we have continued to work closely with the Performance and Engagement team who, through their research and innovation work, have provided a wealth of opportunity to raise awareness of our work. Particular focus has been on raising awareness of the lack of accessible charging infrastructure in the UK and what we are doing to create a BSI design standard. Having identified a need for greater stakeholder engagement to raise awareness of Motability's work to a wider range of audiences, we have a plan to better engage with other charities and organisations, and are establishing stakeholder engagement and public affairs plans.

Lifestyle Magazine

This year we produced four editions of the Lifestyle magazine that were distributed to 1.7 million Scheme customers and beneficiaries. Lifestyle is a valuable communications tool for both the Charity and the Scheme, and aims to inform and update beneficiaries and Scheme customers through information about the Scheme, as well as general 'lifestyle' information which may help or advise them more broadly on matters of independence and transportation.

Reader research undertaken throughout the year shows that it has a large reach with potential to reach many more people outside of the Scheme and therefore help with awareness raising. 47% of those surveyed pass their copy on to one additional person to read, 13% to two and 3% to three or more. This means Lifestyle's circulation is around 819,000 per issue when taking into account

‘In 2021, we launched a new intranet, with improved technical support and capabilities, **providing our employees the information they need in a way that’s easy to find**’

additional readers, making Lifestyle the third largest circulating magazine in the UK if it were ABC rated. 95% of those surveyed enjoy reading the magazine, and agreed that it keeps them informed.

Lifestyle also launched an Instagram channel during the year. The channel re-purposes content from the magazine and adds extra content and videos to share on Instagram and reach a wider audience. Content is not sponsored and the channel has organically grown to 1,322 followers throughout the year. The Lifestyle account is followed by a number of key disability influencers who actively engage with posts and who have provided content for the magazine as a result. It is also used to gather information on what readers want to see to keep content engaging and relevant, and was used to recruit a reader panel to help inform editorial content.

Aims for 2022/23

- Communicate proactively about our work, our offer for disabled people, and the impact we make for our beneficiaries through multiple media channels.
- Improve performance measurement (via evaluation) of our new digital platform and the user journeys, and make appropriate adjustments to emphasise our identity, in particular our relationship with Motability Operations, and to improve access.
- Apply consistent brand guidelines on all communications.
- Build and evaluate awareness plans for each grant programme and for innovation projects, emphasising our charitable object, capability and capacity in a targeted manner.
- Reach out to other charities, disabled people’s organisations, advisory bodies and beneficiaries; analyse and act upon feedback informing Scheme Oversight, Grant-Making and Innovation agendas.
- Increase evidence of the impact of our work and produce Evidence Reports alongside our Annual Report and Accounts.











Motability Lifestyle magazine was distributed to **1.7 million people**

STRATEGIC PILLAR

Innovation

STRATEGIC PILLAR

Innovation

We have a bold vision to ensure that disabled people are not disadvantaged by poor access to transportation, and we are determined to increase the range and reach of what we do, looking beyond the Motability Scheme.

In 2020/21, the first year of Motability's new innovation function, we conducted sector-leading research with disabled people and transport experts to understand what makes transport inaccessible for disabled people. We used the research results, available publicly on our website, to create an innovation framework that enables us to identify and assess opportunities for the Charity to explore. Using key criteria within our innovation framework, the Board prioritised two areas for innovation.

In 2021/22, Motability's growing Innovation team built a portfolio of innovation projects across these two priority areas, getting a number of new initiatives up and running. We also continued our horizon scanning by commissioning research on the stories of community transport users, as well as the wheelchairs market, in partnership with the Wheelchair Alliance – both reports are available on our website. We also began a long-term research project on disabled people's experiences of transport during the COVID-19 pandemic, due for completion in Autumn 2022.

In 2022/23, we will conduct a priorities review to determine if we should change what we are doing or add further priority areas to our portfolio of activity, and continue our horizon scanning and research activity.

AIMS FOR 2021/22

- ✔ We will drive forward our project on EV charging infrastructure, working closely with key stakeholders to move towards our vision whereby there is accessible charging available to disabled drivers across the UK. **ACHIEVED (FOR 21/22, ONGOING BEYOND THAT)**
- ✔ We will continue to build and expand our innovation portfolio within our two priority areas; working with others to amplify the voices of disabled people, focusing on research evidence and 'what works', while also exploring opportunities to improve the provision of door-to-door and community transport solutions. **ACHIEVED (FOR 21/22, ONGOING BEYOND THAT)**
- ✔ We will work to evaluate and articulate the impact of our innovation activities. We will also explore new ways of achieving positive outcomes for our beneficiaries both within and outside our current grant-making activity. **ACHIEVED (FOR 21/22, ONGOING BEYOND THAT)**

Priority area one
Amplifying the voice of disabled people and 'what works' for more inclusive transport practice and policy

Example 1: Electric Vehicle (EV) Charging Innovation and Influencing

In 2021/22, we continued our work to make electric vehicle (EV) charging accessible for disabled people, given the Government's planned 2030 ban on the sale of new petrol and diesel vehicles.

30%

of disabled people say that difficulties with public transport have reduced their independence

Our previous research with Ricardo Consulting estimated that there will be 2.7 million disabled drivers in the UK in 2035. Of these 2.7 million, it is estimated that up to 1.35 million, or 50%, will be wholly or partially reliant on public charging infrastructure, which has not been designed with their needs in mind. User research we sponsored at the Research Institute for Disabled Consumers (RiDC) demonstrated that many disabled drivers might face difficulties with the weight of charging cables, the force required to attach the connector, the lack of dropped kerbs around charge points and unsuitable parking arrangements.

In partnership with the Office for Zero Emissions Vehicles (OZEV), and working with industry, accessibility experts, disability charities and disabled people's organisations, we commissioned the British Standards Institution (BSI) to develop a national design standard for accessible charging infrastructure (PAS 1899). We also awarded two further grants, totalling £0.5 million, to Designability, the human-centred design charity, to carry out user engagement work with disabled people at chargepoints across the UK, and to produce a series of concept designs of what best practice accessible charging looks like. Both sets of guidance are available publicly online, so that industry in the UK and abroad can benefit and learn from our work.

We also completed our partnership with UK Power Networks (UKPN) on the 'Enable' research project, mapping out where charging infrastructure is most needed in local areas to support disabled drivers. And we continued our widespread stakeholder engagement and awareness-raising, scaling up our communications activity by speaking on a number of podcasts, at the EV sector's most high-profile conferences, and filming an episode on chargepoint accessibility for Robert Llewellyn's Fully Charged Plus channel.

In 2022/23, we will look to continue our work in this space by monitoring and encouraging uptake of the design standard, both in the UK and abroad, collaborating closely with Government and industry. We will also consider how to build on our relationships and expertise in the EV charging space by turning our attention towards accessible design of the actual vehicles.

Example 2: Transport Scholarships

In 2020/21, we set up a transport scholarships pilot with Coventry University. By funding up to four disabled students to undertake PhD studies at the National Transport Design Centre (NTDC), we hope to learn more about the education to employment pathway and increase long-term the representation of disabled people in transport fields and decision making.

In 2021/22, we appointed our first student to the programme, Kay Atkin. You can read more about Kay's story on p63.

In 2022/23, we will begin to explore new opportunities to make a difference for disabled people in the education to employment pathway and increase representation of disabled people in the transport sector.

Example 3: User Research Grants to other disability charities

In 2021/22, we scoped and piloted a grants programme which provides funding to other disability charities to carry out research with their beneficiaries on transport. We wanted



Kay's Story

Kay Atkins' three-year PhD is part of a pioneering collaboration between Coventry University and Motability

Accessible air transport

Poor transport design creates several challenges for people with disabilities. That's why PhD student Kay Atkins, who is studying accessible transport, is using her experience to improve air travel and airport design.

Kay doesn't do things half-heartedly. When she was awarded a Motability sponsored PhD research place at Coventry University to study accessible transport, she set off on an epic journey around Europe to see how difficult it can be to travel by wheelchair on planes and trains, and in automobiles.

Even though Kay, 36, contracted COVID-19 last year and has had to use a wheelchair while she recovers, she was determined nothing was going to stop her getting first-hand research. Kay was already familiar with some of the challenges as she has complex regional pain syndrome, meaning she struggles with her left foot and can't drive a non-adapted car.

Safely back from her trip and armed with a wealth of new experiences, both good and bad, Kay decided to focus her PhD on air travel and how to improve some of the real issues that face not just travellers with disabilities but the ground staff, customs, airlines and air crew trying to help.

"Many ground staff were brilliant and just want more training and information on what to do, such as attaching folding instructions on your wheelchair so they don't struggle to store them in the hold," says Kay.

Innovative ideas

The three-year PhD is part of a pioneering collaboration between Coventry University and Motability to sponsor a number of doctoral candidates with lived experience of disability to undertake the research at the university's National Transport Design Centre. The aim is to combine expertise and cutting-edge research facilities to make transport more accessible for people with a variety of mobility issues, which could be through the design of the vehicles themselves, or the associated infrastructure, such as electric vehicle charging.

"My end goal is to help contribute towards the development of more accessible air transport," says Kay. "I think it's particularly important to ensure air travel is adapted for those who need to use it independently, but currently can't either due to issues with accessibility and mobility or simply don't think they can."

Building better airports

After her initial exploratory work, Kay, who is also a physiotherapist, is keen to keep the human element in her research and is setting up forums to gather the experiences of disabled people travelling by air, including access to airports by tube, rail and car. "I'm very ambitious for the PhD and the reason I wanted to do it is to find solutions to problems and really improve things," says Kay.

"Improvements are so much easier to sort when airports, for example, are being built rather than trying to add them later. I want to involve disabled people to give designers the information they need to build them better."



to increase the amount of high-quality research on disability and transport, pointing Motability and others towards potential new initiatives or grant programmes in the future, and provide support after a difficult few years for many charities. The Innovation team also wanted to learn from other charities that have different expertise and knowledge bases to our own.

In the first phase of this work, we gave grants to three different charities totalling £0.45 million. We funded RNIB to explore independent journeys made by blind and partially sighted people, including the identification of possible transport barriers and how they might be removed. We funded Sustrans, working with Transport for All, to conduct user-centred research on the experiences, barriers and solutions disabled people encounter when walking, wheeling, and inhabiting public spaces across the UK. We funded Leonard Cheshire to examine disabled people's encounters with taxis and privately hired vehicles (PHVs), and a further grant has been approved.

In 2022/23, we will look to build on this pilot by exploring how we might provide similar support to conduct transport research to smaller charities less familiar with research, as well as disabled people's organisations.

Example 4: Evidence Centre for Inclusive Transport

In our initial research and strategic prioritisation in 2020/21, we identified the opportunity to fund an evidence centre for inclusive transport.

Research shows that disabled people face entrenched disadvantage in access to transport, and that this disadvantage impacts their mobility, wellbeing, economic contribution and quality of life. A wide range of public and charitable programmes aim to address these challenges, but there is a lack of specific and robust evidence of what is going wrong, what solutions are needed for different groups of people across different modes of transport, and what existing best practice should be scaled.

As a result, there is a significant 'transport accessibility gap'; disabled people make an average of 38% fewer trips than non-disabled people, and there has been no reduction in this gap over the past decade. This in turn contributes to wide ranging socio-economic disadvantage, such as disabled people being almost twice as likely to be unemployed. Our analysis, published in a report on the accessibility gap, estimates that the annual socio-economic benefit of completely closing the transport accessibility gap for disabled people in the UK could be as much as £72 billion. This gap is likely driven by many factors, but a significant proportion of the gap is thought to be due to the current provision of transport, both public and private, being unsuitable for disabled people, with key decision-makers in industry and government being unaware of 'what works' for disabled people.

The aim of the Motability-funded evidence centre on inclusive transport is therefore that decision making in government, industry and civil society routinely makes appropriate use of high quality evidence, best practice and innovative solutions to inform future disability and transport strategy, policy and practice. The core activities of the evidence centre would be to understand inclusive transport problems, evolve inclusive transport policy and/or practice, and understand inclusive transport solutions. The transport needs of disabled people are

‘There is a significant **‘transport accessibility gap’**; disabled people make an average of 38% fewer trips than non-disabled people’

as diverse as those of non-disabled people, and there is no other evidence centre in the UK, and to our knowledge in the world, that focuses exclusively on disability and transport. The mission of the Motability-funded evidence centre is to be the first-ever convenor and go-to coordinator of evidence generation for inclusive transport solutions, combining deep subject matter expertise and credibility on how different forms of transport (including cars and beyond) are evolving with a real-world understanding of the lived experiences of different disabilities and long-term health conditions.

In 2021/22, we scoped and consulted extensively with more than 30 organisations, and carried out more than 100 conversations, to understand what such a centre should achieve, how it should be set up, and how it could involve and amplify the voices of disabled people. A robust business case on the detail of the opportunity was signed off by the Board of Governors in December 2021, approving up to £20 million in funding over seven years for the centre. In 2022/23, we are running a competition to find the consortium of partners we want to run the centre and spend the funding.

Priority area 2
Improve and expand the provision of community and door-to-door transport

Example 5: Transformation of the MiDAS Driver Training Scheme

In 2021/22, we identified an opportunity to increase professional capacity in the community transport sector and improve the provision of community transport for disabled people by transforming MiDAS, the Community Transport sector’s driver training scheme. We established a partnership with Hampshire County Council (HCC) and the Community Transport Association (CTA), who currently work together to deliver MiDAS, and recruited an in-house employee expert in transformation to lead on changes to the scheme.

In 2022/23, we will explore our continued involvement in MiDAS and what potential the training scheme might have in other sectors to improve the transport experiences of disabled passengers.

Aims for 2022/23

- We will continue to work with partners towards the vision that public electric vehicle charging infrastructure in the UK is accessible for disabled people, with a particular focus on uptake of the national design standard.
- We will identify and pilot new approaches to making transport policy and practice more inclusive for disabled people, specifically through the creation of the world’s first evidence centre for inclusive transport.
- We will identify and explore potential interventions in the community and door-to-door transport sector, with the intent to pilot projects that can be assessed against our innovation framework and desired outcomes.
- We will continue to scan the horizon for the best emerging opportunities to meet the evolving transportation needs of disabled people, in particular through our first priorities review.

STRATEGIC PILLAR

Disability Charity

STRATEGIC PILLAR

Disability Charity

Our People

As of 31 March 2022, the number of Motability employees totalled 208. This represents a 23% increase when comparing against 31 March 2021, an increase attributed to growth and investment in most areas of the organisation, such as Charitable Operations, the Performance and Engagement, and Facilities departments. We are also exploring ways of engaging more within the local community, and in 2021 we partnered with a local college to enable work placements for those with supported learning.

Investors in People Award

We are proud to be accredited at Gold standard with Investors in People. We commit to:

- Leading and inspiring people
- Living our Values
- Empowering and involving people
- Managing performance
- Recognising and rewarding high performance
- Structuring work
- Building capability
- Delivering continuous improvement
- Creating sustainable success

OPERATING AIMS FOR 2021/22

- ✔ Implement an Impact Report to review our service delivery **ACHIEVED**
- ✔ Review and implement recommendations from the planned independent 2021 review of governance at Board level **ACHIEVED**
- → Continue consolidation of the Motability Foundation (Motability Endowment Trust) to enable the Charity to fulfil its strategy **ONGOING**
- → Refine and implement the Information Technology plan **ONGOING**
- ✔ Continue to evolve business and digital continuity plans for the organisation **ACHIEVED**
- ✔ Identify the positive learnings from the COVID-19 pandemic and build upon these, including the consolidation of blended working practices across the organisation **ACHIEVED (FOR 21/22, ONGOING BEYOND THAT)**
- ✔ To improve communications with employees and facilitate blended working by launching a new intranet **ACHIEVED**
- → Develop a long-term estate plan **ONGOING**
- → Consistently improve upon the current baseline on environment and sustainability practices within our Harlow office **ONGOING**
- ✔ Develop an employer value proposition, in concert with wider communications, to underpin all human resource plans and reinforce our values **ACHIEVED (FOR 21/22, ONGOING BEYOND THAT)**
- ✔ Design and implement a talent acquisition and retention plan with a focus upon equality and diversity **ACHIEVED (FOR 21/22, ONGOING BEYOND THAT)**
- ✔ Assess and adjust our approach to performance management **ACHIEVED (FOR 21/22, ONGOING BEYOND THAT)**



Equality and Diversity
We pursue a policy of equality and diversity as a disability friendly organisation, recently establishing an internal Diversity and Inclusion forum. Our policy is to ensure that disabled people receive equal and fair consideration in recruitment, training and career development. Support and adjustments are provided to ensure that the needs of employees with disabilities are met.

We are members of the Business Disability Forum and are accredited by the Department for Work and Pensions as a Disability Confident Employer.

Blended Working
A blended working model was launched and implemented in August 2021. The project team were tasked with creating an approach to provide an improved work/life balance without compromising on delivery to our beneficiaries. Since its launch, more than 70% of the workforce have moved to a blended working arrangement.

Reward
Our remuneration policies are regularly reviewed against comparable benchmarks to ensure they are fair and relevant to the environment in which we operate. Motability is committed to promoting Equal Pay. All salaries exceed the requirement of the National Living Wage. We actively encourage our employees to engage with us on benefits, including our pension scheme, salary sacrifice scheme, pension workshops and online retirement planning tools.

Remuneration is reviewed for all employees, including the Chief Executive and Directors, using established job evaluation models and median salary data from comparable benchmarks, including other charities, to ensure that it is competitive, able to

attract talent and encourage retention.

Motability does not operate a bonus scheme for any employee. Motability offers a Pension Salary Exchange, Life Assurance, Bupa Private Medical Insurance, and employee assistance through Bupa Healthy Minds.

Pay Gaps
Motability completed a gender pay gap review earlier this year. Although the organisation is not legally obligated to report on this, it was an activity we wanted to complete as this is highly important to Motability. As well as looking at gender, the organisation decided to go even wider and analysed the position in respect of the ethnicity and the disability pay gaps.

Overall, the analysis confirmed that there is no difference in hourly pay on a job level basis between men and women. In other words, our generic roles are paid at an equal level with no positive or negative variance when it comes to gender, ethnicity and disability. When comparing Motability to the national pay gap averages, the analysis showed we are over on the average gap in respect of gender but we closed the mean gender pay gap by 6% in the last 12 months, are slightly over on the average gap for disability, and are better than the national average when it comes to ethnicity.

So, in conclusion, there is still some work to be done, but the organisation remains very committed and will continue to operate proactively in this area. We will remain focused and forward thinking in respect of gender, ethnicity and disability when it comes to talent attraction and retention at Motability.

Pension
Motability provides a Stakeholder Pension Plan, which is non-contributory for all employees. Motability makes contributions equivalent to 10% of base salary and offers a facility to match employee contributions up to a further 5% via salary sacrifice. Our Pension Management Committee meets twice a year to ensure our pension arrangements continue to meet the needs and interests of members.

COVID-19 pandemic and our people
During the COVID-19 pandemic we continued to follow Government guidelines to keep our employees safe whilst always providing a service to our beneficiaries.
- Ensuring the offices were always secure
- Equipping the workforce with remote working capabilities
- Enhancing our telephony system to support remote working
- Continuing system updates and upgrades ensuring cyber security and compliance
- Continuing an ongoing focus on employee wellbeing
- Enhancing dependency and parental leave in direct response to the challenges presented by lockdown restrictions

Employee Survey 2021
An employee survey was launched in August 2021. The level of engagement was excellent, with 94% of the workforce participating in the survey. The results were subsequently shared and the excellent engagement continued, with all departments creating action plans with their respective teams.

Using the high level results and benchmarking data, an organisational plan was also created, focusing on four key areas. The organisational and departmental plans will continue to be monitored and reviewed to ensure positive progression. The next survey is planned for 2023.

Our Impact

This year, we have worked with disabled people to improve our understanding of the difference that three of our grant programmes – Complex Driving Solutions, Transitional Support and Additional Transitional Support – make against our six outcomes. In different ways, all of these programmes have significantly improved quality of life for our beneficiaries, whether by giving them access to a vehicle for the first time or helping them to remain mobile when leaving the Scheme. We have also published new analysis of the £3.5 billion economic impact and £8.5 billion social impact of the Motability Scheme.

Environment

Streamlined Energy and Carbon Reporting Statement (SECR)

Greenhouse gas emissions and energy use data for the period 1 April 2021 to 31 March 2022

Intensity ratio

An intensity ratio is a way of defining emissions data in relation to an appropriate business metric, allowing for comparison of energy efficiency performance over time and with other similar types of organisations.

Motability has chosen to use the number of average full-time employees (FTE) during the reporting period to normalise its emissions, as delivering our company values relies on the hard work and dedication of employee members. Therefore, the intensity measurement ratio is total gross emissions in kgCO2e/FTE.

INTENSITY RATIO (kgCO2e/FTE)	
1 April 2020 to 31 March 2021	774.6
1 April 2021 to 31 March 2022	917.0

Methodology

We have followed 2019 HM Government environmental reporting guidelines to ensure compliance with the SECR requirements. The DEFRA issued "Greenhouse gas reporting: conversion factors 2021" conversion figures for CO2e were used along with the fuel property figures to determine the kWh content for Fleet.

Measures taken to improve energy efficiency

A correction has been made to the 2020/21 Natural Gas figure, which has been adjusted from 66,440 kWh to 349,434 kWh. This is due to an error being discovered in the meter reader figures. This has had an impact on the Total Energy Consumption, Natural Gas Green House Gas (GHG) Emissions (tCO2e), Total Gross Emissions and Intensity Ratio for the 2020/21 comparison year; the figures have been updated to reflect this.

Materiality

Motability has, to the best of its knowledge, included 100% of all energy sources within this report. Expensed mileage data has been converted using the unknown fuel conversion factor when calculating kWh and CO2e emissions. Natural Gas figures are calculated based on the occupancy of the building Motability leases with other tenants; gas readings are taken for the entire building and a percentage is calculated based on occupancy in Sq. Ft.

ANNUAL CARBON EMISSIONS REPORTING 2020/21			**2020/21**	**2021/22**
Energy Consumption (kWh)	Grid Electricity		95,111	133,007
	Natural Gas		349,434	420,905
	Company Fleet		135,134	297,989
	Grey Fleet		837	1,970
	Total Energy Consumption		**580,516**	**853,871**
Greenhouse Gas Emissions (tCO2e)	Scope 1	Natural Gas	70.92	85.43
		Company Fleet	34.75	74.99
	Scope 2	Purchased electricity	22.17	28.24
	Scope 3	Grey Fleet	0.20	0.48
		Electricity T and D	1.91	2.50
	Total Gross Emissions		**129.95**	**191.64**



Motability is reporting upon all the required fuel sources as per SECR requirements. During this reporting period, an increase in the consumption and GHG emissions was observed. This is due to the office being predominantly closed during the comparison reporting period (April 2020 to March 2021) in response to the COVID-19 pandemic.

Control and Assurance

Motability has a comprehensive system of internal controls, policies and reporting overseen by the Audit and Risk Committee (ARC). The year was once again dominated by the unfolding effects of the COVID-19 pandemic and now supply chain difficulties. As last year, ARC's work included significant reviews of Motability's budget and business plan along with re-forecasts, Motability's financial scenarios for the next five and 10 years, and the adequacy of the proposed levels of reserves in the light of those plans and external events. An additional area of focus this year was cyber-security and Motability's information technology strategy. The Investment Committee oversees investment policy and performance whilst ARC reviews the investment risk register, the treasury policy and related arrangements.

ARC oversees the annual audit. This year was the second audited by BDO, and ARC reviewed BDO's independence, fees, proposed approach and materiality. ARC set the priorities for, and received the reports from, Motability's internal audits conducted by the internal audit team and by Grant Thornton. The 2021/22 internal audits addressed financial, operational and compliance areas including: software as a service; cyber-security; treasury arrangements; fraud prevention; new employee on-boarding; health and safety arrangements; and value for money in our existing grant programmes.

ARC reviews relevant policy areas within Motability, and the notable policies reviewed were: Whistle Blowing; Anti-fraud; Bribery and Corruption; Risk Management; Anti-Money Laundering; Conflicts of Interest; Gifts and Hospitality; Data Security Breach and FCA Breach Management. This year certain non-core policies were delegated for senior management for review. ARC reviewed its terms of reference and those of the Motability Internal Governance, Risk and Assurance Committee. The Chair of ARC and Motability's Finance Director and CEO also attend Motability Operations' Audit Committee meetings and provide an update to Motability ARC.

Motability reviews the risks it faces and the steps needed to mitigate risk regularly. A continuing area of work for ARC was the ongoing difficulties in vehicle supply, initially as a result of the COVID-19 pandemic and latterly due to the global shortage of microchips. Motability maintains a risk register and a summary of the key risks faced by the Charity, confirmed by the Board, is set out on the following pages.

The principal risks for Motability are:

RISKS	FACTORS	MITIGATION
Strategic Risk Our strategy is ambitious yet we do not maximise the impact of our resources on the mobility of disabled people.	We do not keep up with and understand the changing requirements of disabled people. Too many initiatives are undertaken, and we are unable to implement in full or successfully. Our programmes fail to meet the needs and expectations of disabled people.	Research and innovation projects have been established to consider other growth routes. A planned approach to implementation is being undertaken to ensure the necessary resource is in place. Regularly review and evaluate plans to ensure they meet beneficiary needs, including behavioural changes due to the COVID-19 pandemic and the transition to electric vehicles.
External Influences Risk We do not maintain the confidence of stakeholders and engaged parties because we fail to articulate and demonstrate the difference that the Scheme and our wider work as a charity makes for disabled people.	We do not deliver the required service to beneficiaries. The UK and Scottish Governments are unable to work with us to redirect the mobility component of qualifying disability benefits. Unable to connect with the right organisations across all sectors to deliver mobility solutions.	Act upon the changing needs of beneficiaries led by research and innovation projects. Motability is accredited by the Scottish Government. Scotland Act 2016, Social Security (Scotland) Act 2018 Order frame the relationship on social security. Contract with Scottish Government in place. Effective PR monitoring and communication strategy, liaising with disability organisations and other stakeholders.
Environment Risk We do not keep in step with the UK position on the environment.	The Motability Operations and Motability transport solutions should seek to be aligned to Government carbon emission targets. In the case of Motability, its charitable object must be adhered to.	Develop our Environment Agenda in concert with Motability Operations.
Compliance Risk Compliance with the Charity Commission requirements and ever-increasing ethical, legal and regulatory obligations, for example General Data Protection Regulations (GDPR).	Fines and penalties as a result of non-compliance could lead to restrictions in our ability to carry out our charitable objectives.	A thorough compliance programme is in place which is reviewed quarterly by management and Governors. Internal audit and legal counsel capabilities established. Data Protection and Data Security are the foundations for considering and developing new working practices/ projects. A well-established annual routine training programme is in place.

RISKS	FACTORS	MITIGATION
Operational Risk We are unable, in the current climate (COVID-19 pandemic, transition to electric vehicles and supply chain disruption), to deliver our grant services to Scheme customers. Motability's data or systems suffer a malicious attack or other disruption to business continuity.	The adaptation and convertor industry cannot cope with the volume of demand (or lack of it) amidst supply chain disruption. Beneficiaries express concerns over grant-making. The Scheme fails to run effectively and efficiently. Loss of data or service availability due to cyber attack.	Collaborate across the industry to understand demands and manage solutions where possible. Regularly review beneficiary feedback, and update operational and communications plans as appropriate. Business continuity plans reviewed to support use of off-site resource. Robust and strengthened control environment including Information Security framework.
Reputational Risk The Charity and the Scheme do not evolve and we are not seen to be using the resources and expertise at our disposal with the intent to achieve our vision.	New grant programmes are not reviewed and considered. The strategy is changed but the communication of the change is misunderstood. Oversight of the Scheme is brought into question.	Continue to assess and review new grant programmes on the basis of increased research. Effective communications strategy delivering consistent messages to all stakeholders. Focused oversight of the Motability Scheme and the risk management conducted by Motability Operations. Close working with Motability Operations on new products and services. Communicating the wider market context.
Financial Risk Our investment strategy does not deliver sufficient income to support and sustain our current and future ambitions.	Future donations from Motability Operations are volatile and unknown. The Motability Foundation fails to deliver the required levels of return. Higher inflation increases grant demand and operating costs whilst reducing our financial resources in real terms. We do not manage short-term liquidity requirements.	With Motability Operations, monitor the financial impact of higher inflation, the COVID-19 pandemic, supply chain disruption and vehicle carbon emission targets on Motability Operations and on Motability's grant demand. Review the Foundation's fund managers' performance against the long-term CPI+4% return target. Review available investments for general and restricted funds to try to secure a better risk-adjusted return. Seek operating efficiencies. Continue to monitor cash flow positions and forecasts of grant spending.



Risk Management

An established risk management framework is in place to support decision making and create a consistent approach to assessing risks that affect our ability to achieve our objectives. The robust risk management framework allows us to focus on those risks that could adversely impact our plans or our reputation.

Motability is a financially strong charity that is working to improve transportation for disabled people. Effective risk management is central to successfully delivering our strategy and ensuring the sustainability of that strategy for the future. The framework is designed to:

- Identify the significant risks faced
- Enable informed decision making regarding risks that affect the ability to meet our objectives
- Provide a consistent approach to considering the risks so as to ensure they do not exceed acceptable limits
- Manage, where we cannot eliminate or transfer, risks to our strategy

Motability Internal Governance and Risk Assurance Committee (MIGRAC) consists of senior management across the Charity. MIGRAC manages and reviews the risk register on a quarterly basis, ensuring risks are current. The review provides assurance to ARC that appropriate arrangements are in place to:

- Ensure the effective management of the risks
- Recommend changes to policies, processes or action which may be required

Each risk is measured in terms of its gross and net impact and likelihood, with the difference being the controls and/or mitigating factors implemented to manage the risk exposure. Each risk has an assigned owner to ensure clear accountability and ownership exists. The updates provided to the Board of Governors and the Executive Team ensure that Senior Managers are also considering the risks on an ongoing basis, evaluating mitigations and controls, and identifying any new risks that the organisation faces. ARC monitors the resulting risk profile and reports its findings to the Board of Governors. Motability's key risks are summarised on pages 72 and 73.

Motability continues to grow and is undertaking a significant programme of change to ensure it can better serve its beneficiaries, including the modernisation of its infrastructure. Senior management attend regular Change Management meetings which formally review significant projects. As a result, timely scrutiny of proposals and progress takes place leading to integrated decisions on priorities and resourcing and, where needed, remedial action. The progress of the change programme is reported to the Board of Governors periodically.

Operating Aims for 2022/23

- To continue identifying the positive learnings from the COVID-19 pandemic and build on the implementation of blended working.
- Conclude the development of the long-term estate plan.
- Progress project activities in respect of the office environmental and sustainability practices.
- Refresh and relaunch the Motability values.
- To enhance talent acquisition and talent management, and build on the focus upon diversity and inclusion.
- Implement a new performance management model to include an enhanced focus on personal development.
- To ensure progression against the agreed organisational and department action plans from the employee survey.
- Continue to refine and implement the Information Technology Plan.
- Overhaul the chart of accounts in the financial system.
- Seek mitigations for higher inflation including operating efficiencies and enhanced risk-adjusted returns on general and restricted funds.

Financial Review and Results

Financial Review and Results

Motability's results for the year ended 31 March 2022 are presented in the Consolidated Statement of Financial Activities on page 100.

Overview

The year ended 31 March 2022 was a year of significant progress for Motability with a record charitable spend from general funds. Total charitable expenditure for the year was £77.6 million in 2021/22, well above the level seen in 2020/21 of £55.1 million (severely affected by the COVID-19 pandemic) and above the £73.2 million seen in 2019/20; despite the continuing effects of the COVID-19 pandemic and vehicle supply constraints including microchip shortages. Motability's total resources also grew by £172 million to £1,696 million (2021: £1,524 million) due to total investment gains of £72.8 million, mainly on the Endowment, and net income (before gains and losses) of £97.0 million following a further donation from Motability Operations. Motability plans to lift its charitable expenditure in the coming years as a result of this financial strength.

Operating Performance

Income

Income for the year was £184 million (2021: £10.2 million), principally due to an unrestricted donation from Motability Operations of £170 million (2021: nil), three years since their last general funds donation. Further comment on Motability Operations' performance can be found on page 31, including the transition to green for the vehicle fleet to avoid disabled people being left behind.

Investment income grew for two reasons. Firstly, the Endowment's continuing transition to real investments capable of delivering CPI+4% in the long term has increased Endowment income to £11.4 million (2021: £8.1 million). Secondly, modestly higher yielding investments have been sought for general and restricted funds to mitigate the impact of rising inflation – investment income on general and restricted funds totalled £1.5 million (2021: £1.1 million).

Motability does not solicit donations. We gratefully receive a small volume of spontaneous donations each year, shown as voluntary fundraising income. Other Trading Activities income arises from our affinity partnerships that are reviewed regularly to ensure that the products meet disabled people's needs at a fair cost. Motability acts as a conduit body to channel grants to Armed Forces' veterans funded by Veterans UK and those monies are dealt with in Note 17 to reflect that relationship.

Expenditure

Total expenditure was £86.7 million (2021: £62.0 million) of which the main components are the cost of raising funds and charitable expenditure. This year's total expenditure is higher than in 2019/20 (i.e. just before the COVID-19 pandemic) when it was £74.6 million and the commentary below looks at changes across these years.

Cost of raising funds

The cost of raising funds was £9.1 million (2021: £6.9 million, 2020: £1.4 million), reflecting the continuing move of the Endowment – received in late 2019/20 – into assets likely to deliver the long-term return target of CPI+4%. This gradual transition is intended to reduce the risks of buying these investments at too high a price.

Charitable expenditure

Grant-Making

Total charitable spend was £77.6 million. As set out in more detail in Note 3 to the accounts, the largest component of charitable expenditure was grants awarded at £63.0 million,

a rebound of £20.1 million or 47% from £42.9 million last year.

As Note 3 to the accounts sets out, excluding Personal Independence Payments transition programmes, grant awards increased, up from £39.7 million last year to £62.5 million this year, surpassing the pre-COVID-19 pandemic 2019/20 level of £56.2 million, and a record amount for general fund charitable spending. The mix of activity changed with particularly high levels of grants for Cars and Adaptations, whilst the value of grants for Complex Driving Solutions – for the most complex needs (and thus to the most vulnerable beneficiaries) – was lower than expected as these recipients continued to shelter from the COVID-19 pandemic. Grant demand deferred by the COVID-19 pandemic did not materialise as quickly as expected due to the well-publicised microchip supply chain difficulties that limited the availability of new cars to our beneficiaries. Grants to organisations were stable with some lower rates of spend balanced by the commencement of our Research Grants programme.

Spending was lower for grants that support beneficiaries who lose their entitlement to the higher rate of Disability Living Allowance (DLA) on reassessment of their circumstances by the Department for Work and Pensions. Normally, the main reason for reassessment is the transfer of individuals to Personal Independence Payments (PIP). The Department's activity was significantly lower in response to the COVID-19 pandemic because the Department sought to protect vulnerable individuals. As a result, over the last two years, Motability's grants under the Personal Independence Payments Transitional Support Programme (PIP TSP) fell from £13.7 million in 2019/20 to £3.2 million in 2020/21 and to £0.5 million this year, a fall of £13.2 million over the last two years. It will take time for DLA to PIP transfer activity to recover. Due to this, there is a further release from the PIP TSP provision of £1.7 million (2021: release of £3.4 million) to reflect this over the period to 31 July 2023; more detail can be found in Notes 1 and 12 to the financial statements on pages 104 and 125.

Other

Excluding grant awards, other charitable spending rose to £3.4 million (2021: £3.1 million). Motability increased Research and Innovation activity again to £1.2 million (2021: £0.7 million) so as to support future grant-making ambitions (see Innovation on pages 61 to 65) with a significant impact on future prospects for accessible electric car charging infrastructure for disabled people. Spend on Building Awareness was £1.4 million (2021: £1.3 million) as we improved our digital channels for beneficiaries. Scheme Oversight expenditure fell as the primary phase of work on Motability Operations' capital model ended.

Within Charitable Expenditure, Support and Governance Costs were £7.9 million (2021: £7.7 million) as Motability continued its programme of investment in infrastructure to deliver plans for expanded grant-making activity.

Net results before and after gains and losses

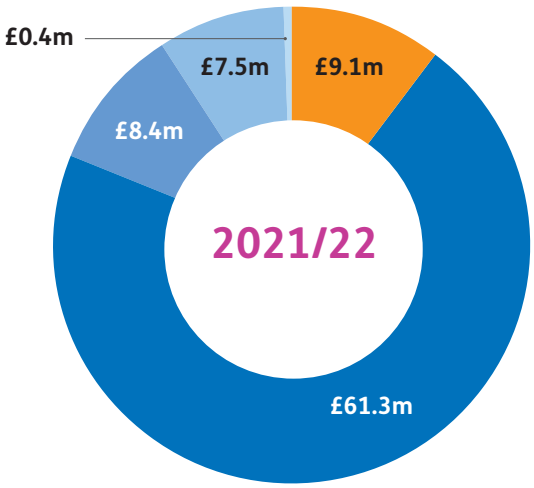
Net income before gains and losses on investments and the pension fund was £97.0 million (2021: net expenditure of £51.8 million). This swing from last year's substantial deficit to substantial surplus is an expected result of the historically occasional nature of unrestricted donations from Motability Operations. Further information on how this is managed is given in the section on Reserves Policy on pages 84 and 85.

After net investment gains of £72.8 million (2021: £142 million), primarily from the Endowment, net income was £170 million (2021: £90.4 million). After the actuarial gain on the defined benefit pension scheme of £1.7 million (2021: loss of £3.1 million) and other gains (2021: losses), the net movement in funds was £172 million (2021: £87.3 million).

Reserves and Operating Deficits

Motability has three categories of reserve. General funds can be used for any charitable activity that advances Motability's charitable purpose and funded nearly all Motability's charitable activity in the last two years. General funds are invested in assets that provide short-term liquidity and are likely to preserve their value and otherwise in assets that are likely to earn a return of ca. 2% p.a. in line with the Bank of England's long-term inflation target.

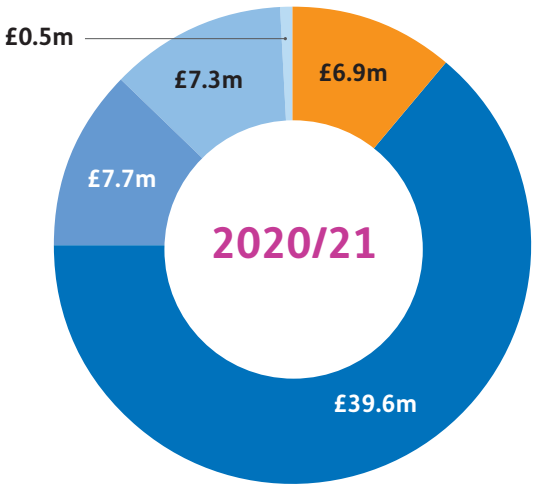
Analysis of total expenditure



2021/22 (£86.7 million)

Cost of Raising Funds	£9.1 million
Direct Grants	£61.3 million
Direct Charitable Activity	£8.4 million
Allocated Support Costs	£7.5 million
Governance Costs	£0.4 million

Blue: Charitable Spend	89%
Orange: Cost of Raising Funds	11%



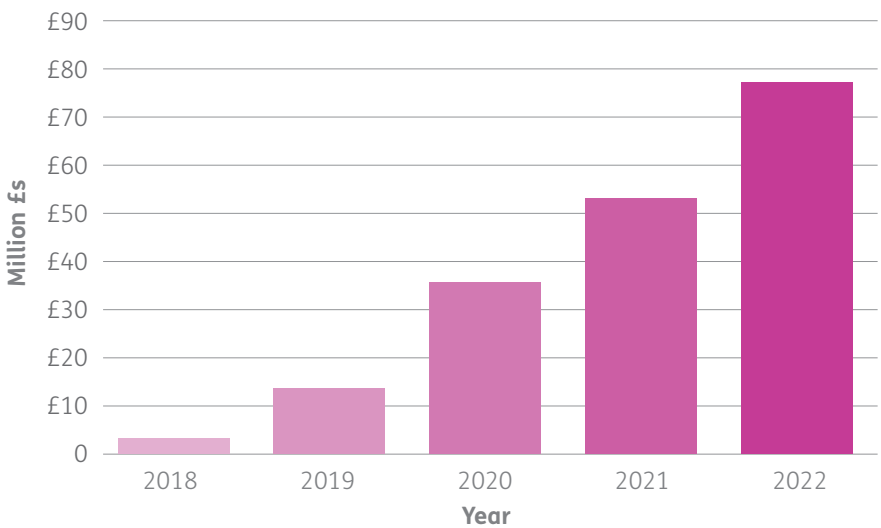
2020/21 (£62 million)

Cost of Raising Funds	£6.9 million
Direct Grants	£39.6 million
Direct Charitable Activity	£7.7 million
Allocated Support Costs	£7.3 million
Governance Costs	£0.5 million

Blue: Charitable Spend	89%
Orange: Cost of Raising Funds	11%

The underlying rate at which Motability is spending its general funds can be measured by looking at the annual general funds deficit before taking into account donations from Motability Operations (these tend to be occasional) and gains and losses (these can be volatile) – the general fund underlying operating deficit. For the year ended 31 March 2022, the general fund underlying operating deficit was £78.0 million which follows general fund operating deficits of £53.7 million in 2020/21, £36.1 million in 2019/20, £13.7 million in 2018/19 and £3.5 million in 2017/18. Motability's underlying general fund operating deficits have been steadily

General fund underlying operating deficits 2018-2022



and significantly expanding in recent years as Motability's charitable activities have grown in response to increased funding as illustrated by the graph on page 79.

The previous general fund donation from Motability Operations was £400 million in 2018/19, three years ago, resulting in closing general funds of £446 million in that year. From and including 2018/19, general fund underlying operating deficits have totalled £181 million. This year's Motability Operations' donation of £170 million has largely restored general funds to the level of three years ago, with closing general funds of £418 million at 31 March 2022 (2021: £329 million).

In response to this current financial strength, the Governors aim to increase charitable spending, subject to the COVID-19 pandemic and global supply chain issues, to around £100 million or more in each of the next two years, accelerating and increasing the charitable benefit Motability can bring to disabled people with transportation needs. If Motability's spending intent is achieved for the next two years, then the resulting underlying general fund operating deficits are likely to utilise this year's general fund donation from Motability Operations and the level of general funds reserves will decline significantly, towards two years' charitable expenditure.

Restricted funds can only be spent for the purpose for which they were given. Restricted funds are invested in assets that provide short-term liquidity and otherwise in assets that are likely to preserve their value in nominal terms and earn a return slightly better than cash. Restricted funds stood at £42.5 million at the year-end (2021: £41.3 million). The only restricted fund is the PIP TSP fund where the outlook for spending these funds depends on the DWP's future rate of transition of Disability Living Allowance recipients to Personal Independence Payments.

The Endowment fund's assets are being invested to provide a target long-term return of CPI+4% which should provide an important stabilising source of income for Motability's activities in the future once fully invested, particularly in years with no donation from Motability Operations. The Endowment is expendable in exceptional circumstances and the value of the Endowment fund was £1,235 million at 31 March 2022 (2021: £1,154 million). The Endowment's growth of £81.2 million (2021: £143 million) in the year represents a return on assets for the year of 7.0% (2021: 14.3%) as against the return target of CPI+4% of 11% (2021: 5.5%) as inflation rose in the year. Periods of investment returns above and below the long-term investment return target are to be expected. Since inception, investment performance is broadly in line with the target and further information about the Endowment is given on pages 27 to 29.

Liquidity

Motability, as noted above, has invested in slightly higher yielding assets during the year. At 31 March 2022, cash stood at £38.3 million (2021: £29.2 million).

The Foundation held cash, money market instruments and investment grade bonds maturing within one year totalling £218 million (2021: £296 million) at 31 March 2022, exceeding investment commitments of £149 million at that date.

At the same date, the restricted fund held cash and money market fund balances of £43.0 million (2021: £43.4 million) with which to meet grant payments.

At the year-end, the general fund held cash, term deposits and investment grade bonds maturing within one year totalling £78.3 million (2021: £338 million). These sums are available to pay for current charitable expenditure and outstanding grants. Outstanding grants arise as there is a delay between awarding a grant and then paying it when, for instance, a vehicle is delivered. Outstanding grants have grown significantly, to £44.5 million (2021: £28.4 million) over the year as supply chain difficulties restricted the availability of new vehicles for beneficiaries.

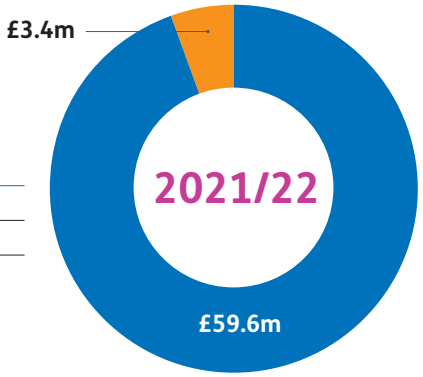
Thus, at 31 March 2022, the total of cash to hand at 31 March 2022 and maturing assets that can deliver cash if required in 2022/23 in the general and restricted funds to meet charitable expenditure and grant commitments is £121 million (2021: £382 million).

Across the funds, the monies available and maturing over the year provide a substantial cushion in the event

Direct grants by beneficiary type

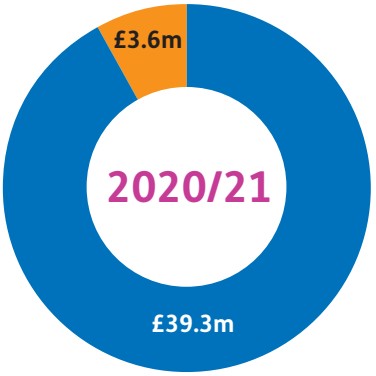
2021/22 (£63 million)

Individuals	£59.6 million	95%
Charities and Organisations	£3.4 million	5%



2020/21 (£42.9 million)

Individuals	£39.3 million	92%
Charities and Organisations	£3.6 million	8%



of a shock to credit markets that might delay the ability to realise other investments for full value. The Governors are satisfied that Motability and the Foundation have sufficient liquidity to meet expenditure and investment commitments in 2022/23.

Defined benefit pension scheme

Motability has a defined benefit pension scheme that shut to new members in 2005 and to future accruals in 2012. At 31 March 2022 the pension fund's assets were valued under FRS 102 at £24.7 million and liabilities were valued at £26.0 million (2021: £27.3 million), resulting in a deficit of £1.1 million (2021: £2.6 million). The last triennial actuarial valuation took place as at 31 March 2019. It showed that the assets of the scheme were £21.8 million and the liabilities were £23.0 million, resulting in a deficit of £1.2 million. Motability made contributions of £0.7 million in 2019/20 and £0.6 million in 2020/21 with the intent of eliminating the deficit. Motability has agreed a pathway for the pension scheme to achieve 'self-funded' status with the scheme's trustees on the basis of the 2019 actuarial valuation. A new triennial actuarial valuation as at 31 March 2022 is underway.

Outlook

For the Motability Foundation, the outlook for investment markets remains uncertain at current levels and both the level of, and outlook for, future inflation have risen. The Motability Foundation will continue to seek diversified real returns as the Endowment moves towards being fully invested in order to secure its future long-term investment returns.

Last year, the outlook for Motability was dominated by the COVID-19 pandemic. Whilst the pandemic remains significant, the issues of global supply chain difficulties and the resulting shortages of new vehicles have risen up the agenda. This has two major impacts. The first is that our beneficiaries face less choice in available vehicles and growing delays in being able to take delivery. This in turn means that the value of awarded

but yet to be paid grants is likely to grow further before falling. The second impact is that the shortage of new cars has driven up the price of secondhand cars. This will reverse at some point, potentially leading to sharp falls in the elevated level of secondhand car prices and thus in the level of operating profits for Motability Operations – this large inherent uncertainty may impact the likelihood, timing and/or scale of donations from Motability Operations in the future.

In this context, the recent Motability Operations' donation provides a secure basis for planned increases in grant spending by Motability with a number of new grant programmes planned. Subject to the COVID-19 pandemic and continued supply chain disruptions, Motability hopes to raise charitable spending to around £100 million p.a. or more in each of the next two years, led by the findings from its growing base of research and innovation. In achieving this, Motability will continue to ensure its infrastructure is fit for purpose.

Investment policy

Motability's Endowment is held by the Motability Endowment Trust, known as the Foundation, and further details about the Foundation and its investment policy are given on page 29 under 'Governance and Management'.

The investment and treasury policy for restricted and general funds is, firstly, to maintain the nominal value of the assets with a high degree of confidence and a very high degree of confidence for assets likely to be expended in the next two years. Assets for short-term liquidity are invested with a targeted return of cash deposits for the relevant term. Secondly, for assets not required for short-term liquidity, the investment return target is the Bank of England's long-term inflation target of 2% p.a.

Motability pursues these return targets through a diversified portfolio of debt instruments, including cash and deposits at banks, advised by Lane Clarke and Peacock and the Chief Investment Officer. Motability's responsible investment policy is aligned with the Foundation's and the appointed managers' ethical, social and governance policies, and investment processes have been reviewed during the year. The Board of Governors has reviewed Motability's investment and treasury policies during the year.

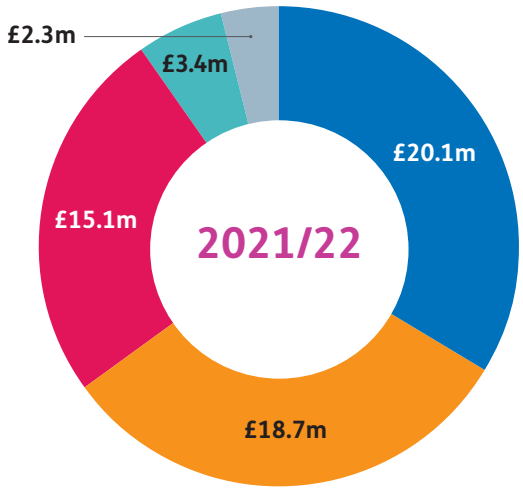
Financial risks for investments

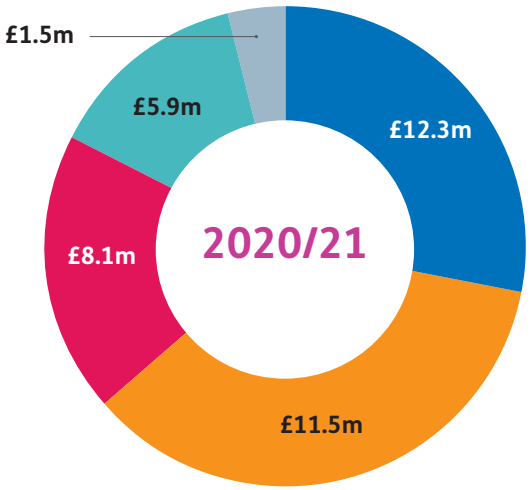
The principal financial risks that Motability faces derive from the Endowment portfolio (equities, bonds, money market and cash investments) and Motability's general and restricted fund balances (bonds, money market funds and cash). These risks are inflation risk, market risk, credit risk and liquidity risk. They are set out below along with the measures taken to mitigate them.

INFLATION RISK: the risk that the cost of achieving Motability's charitable goals rises faster than the value of Motability's investments, undermining the Foundation's ability to support Motability's grant-making. The Foundation manages this risk through a diversified portfolio of real asset investments that should be expected to keep up with, or exceed, the rate of inflation in the wider economy in the long term. Motability manages this risk through diversifying its investments intended to meet charitable spending requirements more than two years away into asset classes capable of producing a return near the Bank of England's medium-term inflation target of 2% p.a. Whilst Motability seeks opportunities to improve low returns on secure investments in an environment of rising inflation, Motability accepts the risk of some loss of real spending power on these funds so as to try to ensure that these funds will maintain their nominal value with a high degree of confidence, thus meeting Motability's commitments to beneficiaries. Motability also seeks to increase its charitable spending so as to reduce the loss of real spending power in the short term.

MARKET RISK: the risk that the prices of investments could fall or become more volatile. Motability and the Foundation manage this risk through a diversified asset allocation strategy of appropriate investments and through regular monitoring of market conditions and investment performance. For equities, the Foundation holds diversified portfolios, appointing both passive and active managers, and through appointing active managers with differing investment styles. No active fund manager holds more than 25% of the

Grants to individuals by programme





2021/22 (£59.6 million)

Cars and Adaptations	£20.1m	34%
Wheelchair Accessible Vehicles	£18.7m	31%
Complex Driving Solutions	£15.1m	25%
PIP TSP/ATS and SAS	£3.4m	6%
Driving Lessons/Other	£2.3m	4%

2020/21 (£39.3 million)

Cars and Adaptations	£12.3m	31%
Wheelchair Accessible Vehicles	£11.5m	29%
Complex Driving Solutions	£8.1m	21%
PIP TSP/ATS and SAS	£5.9m	15%
Driving Lessons/Other	£1.5m	4%

Endowment's assets and Motability's Endowment represents no more than 15% of the funds of any one fund manager. As a long-term investor, the Foundation accepts real asset classes', particularly equities', market volatility. For bonds and other debt instruments, Motability's risk is mitigated through diversification, focusing on higher-rated investment grade holdings, typically A or AA rated. Interest rate risk is mitigated through holding a diverse range of short maturities with a willingness to hold to maturity and by investing in floating rate instruments. In terms of foreign exchange risk, spending requirements for the next year are held solely in sterling, and other investments for general and restricted funds may be hedged back into sterling. Foreign exchange risk is accepted by the Foundation, and is kept under regular review.

CREDIT RISK: the risk that a counterparty will default on their obligations. For all asset classes, Motability and the Foundation mitigate this risk by diversifying their holdings and by using custodians. For bond and money market funds, Motability monitors market conditions, duration and credit quality regularly with investment managers. No one bank or bond exposure normally constitutes more than 10% of cash and debt investments. For cash including deposits, Motability currently limits the duration of deposits to a maximum of three months.

LIQUIDITY RISK: the risk that an asset cannot be sold for the expected fair price or due to the absence of willing buyers in the market (a market liquidity squeeze); that obligations cannot be met because cash is not available (e.g. from a bank or money market fund) due to financial stress and/or a market liquidity squeeze; or because Motability has not managed its cash position appropriately. Motability mitigates liquidity risk through a diversified asset allocation strategy, a variety of asset managers, regular dialogue with its investment managers to understand potential



risks, holding cash balances within the ring-fenced entities of UK regulated banks, and regular cash flow forecasting exercises.

Reserves policy

Motability's main reserve is the expendable Endowment which represents the net assets of the Foundation. The Endowment reserve policy is to maintain the Endowment's real value over the long term to support the real value of grant-making.

Restricted funds are held for the purpose for which they were received. The principal object is to preserve the nominal value of these funds until such time as these funds are spent on their restricted purpose.

The only restricted fund is the Personal Independence Payments Transitional Support Programme fund. The future rate of expenditure from this fund is uncertain as it depends on the level of activity at the Department for Work and Pensions, as described above. Motability continues to assess the level of likely claims on the fund over the 16 months from the year end in order to ensure that Motability's commitment is affordable. 16 months is the estimated time required for Motability to give effective notice of its intention to stop this programme. During the year, Motability confirmed its support for parallel arrangements in Scotland for the equivalent transition programme, subject to annual reviews of affordability. Estimates of total potential claims against this fund will vary from time to time and are likely to be met from the balance on hand at the year end of £42.5 million (2021: £41.3 million).

Designated funds are general funds set aside for a specific purpose determined by the Board of Governors. At 31 March 2022, designated funds amounted to £50.0 million (2021: £7.7 million). The Wheelchair Accessible Vehicle initiative called the Specialised Vehicle Passenger Fund became fully committed over the year. The outstanding matching commitments and assets were transferred to the general fund during the year. The grant programme continues, now funded from general funds.

As noted in the CEO's Statement on page 14, £50.0 million (2021: £nil) has been set aside for grants to other organisations over the next three years. The money is held in the Grants to Charities and Organisations designated fund. Motability Operations donation of £170 million provided this £50 million sum with the major share, £120 million, supporting Motability's Scheme-Related grant activities in undesignated general funds. Undesignated general funds are held primarily to bridge gaps and changes in investment and donation income, particularly donations from Motability Operations, and so provide assurance that long-term commitments to support our disabled beneficiaries



can be met. The secondary purpose is to meet unexpected expenditures, for example high grant demand due to sudden car price inflation.

Motability reviews its spending scenarios every six months. These scenarios are reviewed annually by the Audit and Risk Committee and the Board of Governors. Whilst a typical range for undesignated general funds is two to three years' charitable expenditure, potentially lumpy donations from Motability Operations means that undesignated general funds could exceed three years' spending or fall below one year's spending in some years.

Last year, general fund reserves were above the targeted level due to artificially low spending brought about by the effects of the pandemic. This year, spending has largely recovered and general fund reserves are high due to the receipt of a donation from Motability Operations. On a prospective basis, given the ambition to grow charitable expenditure further, general fund reserves are around four years spending and should fall to around three years, subject to any further donations, at 31 March 2023.
For now, the Governors note that increased charitable spending and associated deficits are only possible because of the significant general fund reserve and therefore conclude that the current level of general fund reserves is appropriate. The Governors will keep the level of general fund reserves and the level of planned charitable spending under regular review.

Going concern

Motability reviews its future spending plans in five and ten year scenarios every six months to allow for differing levels of future income, principally donations from Motability Operations, and corresponding different levels of future spending. Following the recent £170 million donation from Motability Operations, general funds at 31 March 2022 were £418 million, including cash, money market funds, deposits and investment grade bonds of £78.3 million maturing over the next 12 months. Motability will protect its core spending on Scheme-Related beneficiaries and curtail other grant programmes where necessary to achieve this. Motability's future financial plans, budgets, reserves levels and cash flow forecasts for a period of more than 12 months from the date of signature of these accounts have been prepared by management and reviewed by the Governors. On this basis, the Governors believe that the going concern assumption continues to be appropriate and that Motability has a sound financial basis upon which to plan for the future.

Auditor

A resolution to re-appoint BDO LLP as auditor will be proposed at the forthcoming Annual General Meeting.



Governors' Report

The Accounts comply with the requirements of the Charities Act 2011, the Royal Charter, and the Statement of Recommended Practice (SORP) 2019.

The Chief Patron, Patrons, Life President and Life Vice-President, present Governors, any past Governors, and Members who served during the year are shown on page 4 of this report.

Details of the registered office, key executive employees and professional advisors are shown on pages 4 and 139.

Structure, Governance and Management

The Charity is governed by its Royal Charter, granted on 18 May 1988 incorporating amendments made on 8 December 2005 and 11 November 2020. The Charity's Royal Charter, which aims to adopt current best practices, was further updated and received Privy Council approval on 16 February 2022.

Under Motability's Royal Charter, Governors are appointed from the Membership. Any individual can apply to the Board for election as a Member (subject to not being a paid employee of Motability). When a vacancy arises for a Governor, or if the Board considers the need to appoint someone with specialist knowledge, the Board will review the current Membership for candidates.

If no current Member possesses the necessary skill or experience, the Board would seek to recruit a new Member, whose appointment as a Governor would be put to the Annual General Meeting (AGM). Governors may offer themselves for re-election to a maximum of three terms of three years each. Members may be appointed by the Board without the intention of becoming Governors.

Governors meet at least five times per year. These meetings include four quarterly Board meetings and the AGM. The Board delegates responsibility for the implementation of policy and reviews of performance to a number of Committees, as set out below. The Committees are required to meet prior to Board meetings and formally report to them, so that recommendations for changes in strategy or policy can be authorised by the full Board.

New Governors undergo an induction on the role of Motability and their duties as a Board Member. They are provided with an information folder that contains the Royal Charter, current Business Plan, recent financial reports, and the Charity Commission Trustee welcome documents. Throughout the year, Board Members receive updates on information relevant to their role and are supported with their training needs as appropriate.

The Governors are not remunerated. Their expenses in carrying out their duties are reimbursed, and these are detailed in Note 6B to the financial statements.

Related parties are identified when new transactions arise and are set out in Note 6D to the financial statements.

The Charity has one wholly owned subsidiary, Motability Enterprises Limited, about which further details are given in Note 2 to the financial statements, and is the sole corporate trustee of the Foundation (formal name: Motability Endowment Trust).

Scheme Oversight Committee

The purpose of the Scheme Oversight Committee (SOC) is primarily to ensure effective oversight by Motability of the performance and financial position of the Motability Scheme, and to report to the Board of Governors on a regular basis.

The SOC comprises three Governors who have appropriate skills and experience in relation to the oversight of the Motability Scheme. The Committee meets quarterly and is supported by senior management of both Motability and Motability Operations.

The Committee was chaired during the year by Ed Humpherson CB. The other Governors serving in the Committee are David Hunter, Dr Stephen Duckworth OBE (retired 6 July 2021) and Professor Mala Rao OBE.

Grant-Making and Innovation Committee

The Committee oversees all of Motability's grant-making and innovation activities. The Committee replaces the previous Grant-Making Committee. The Committee comprises five Governors and was chaired during the year by Robin Hindle Fisher OBE. Other Governors serving in the Committee are Cheryl Ward, Dr Juliana Onwumere, Professor William Webb and Dr Hannah Barham-Brown.

Audit and Risk Committee

The Audit and Risk Committee (ARC) is responsible for the oversight of Risk Assessment, Risk Management and Internal Controls. The Committee is also charged with reviewing the performance of both internal and external audit, and for making recommendations to the Board in respect of the appointment of external and internal auditors.

The ARC comprises three Governors. The Committee was chaired during the year by the Honorary Treasurer, David Hunter. The other Governors serving in the Committee are Dr Stephen Duckworth OBE (retired 6 July 2021), Professor William Webb and Richard Cartwright.

Investment Committee

The joint Motability and Motability Foundation Investment Committee appoints, monitors and can remove investment managers in pursuit of the investment strategy contained within the investment policy.

The Committee is chaired by Charles Manby MBE, and the other Governors serving in the Committee are David Hunter and Robin Hindle Fisher OBE. The Committee has two independent external members; David Pritchard and Peter Oppenheimer.

Remuneration Committee

The primary purpose of the Remuneration Committee is to review the remuneration of the Chief Executive, Directors, and key executive employees, as well as the employee pay and benefits strategy.

The Remuneration Committee comprises three Governors and is currently chaired by the Chairman, Charles Manby MBE, supported by Cheryl Ward and Richard Cartwright.

Nomination Committee

The Committee identifies and recommends the appointment of new Governors, evaluating the balance of skills, knowledge and diversity on the Board, and considers all candidates based on merit and against objective criteria. The Committee also recommends the appointment of the Chief Executive and Directors to the Board of Governors.

The Nomination Committee comprises three Governors and is chaired by the Chairman of Motability, Charles Manby MBE. The other Governors serving in the Committee are Ed Humpherson CB, Professor Mala Rao OBE and Lord Kevin Shinkwin (retired 16 September 2021).

The Chief Executive Officer

The Chief Executive Officer is responsible for the day-to-day management of the Charity's affairs and the relationships with stakeholders, including Government, Motability Operations and Regulators.

The Chief Executive Officer is supported by a senior management team to ensure the implementation of policies agreed by the Governors.

The current Chief Executive Officer is Barry Le Grys MBE.

Governance Review

Governance is reviewed internally on a routine annual basis and has measured successfully against the principles of the Charity Governance Code. In addition, an independent external review was commissioned to report in 2021, focused upon Board effectiveness. Recommendations were made upon strategy reporting and development, Committee terms of references and delegations, Committee evaluations, stakeholder communications, support to the Board, and the presentation of information to the Board. These recommendations have been actioned or are being addressed.

National Audit Office (NAO)

NAO statutory access rights to Motability and Motability Operations granted as part of our agreement with the Chief Secretary to HM Treasury have expired.

Companies Act 2006

Companies are required to include a statement in their strategic report of how directors have complied with their duty to have regard to the matters in Section 172 (1) (a)-(f) of the Companies Act 2006 ('the Act'). Motability does not have to report against Section 172 but considers it good practice. One of the key clauses is the need to act fairly as between members of the company. We listen to, and engage effectively with, our wide variety of stakeholders on whom the future success of Motability depends, including service users, supporters, employees and suppliers, to ensure responsible decisions are made. This helps us ensure that any decisions are sustainable in the long term and do not disproportionately affect any single stakeholder group. To this end, the Board notes the key decisions and considerations it has made during the year to March 2022, and our relationships with key stakeholders, in the tables on the following page:

SIGNIFICANT DECISIONS

Significant Decision	Section 172 Matter Affected	Action
Revised strategy for the Charity, approved and released as 'Our Plan'.	Relationship with all stakeholders.	The Review sets out the steps that the Charity will take to continue to work with others towards our vision over the coming five years. There will be a review point after three years. In the shaping of the Review, the Charity consulted almost 14,500 disabled people, healthcare professionals and others, and analysed data from more than 13,000 households.
Increased and highest financial envelope to date for charitable expenditure in 2022/23.	Relationship with beneficiaries, suppliers, other charities and not-for-profit organisations.	The Charity is aiming to achieve the higher level of ambition set out in its revised strategy including an expenditure of £50 million over three years to deliver impact upon the transport needs of disabled people in concert with other organisations.
Support the intention of Motability Operations to apportion £300 million of capital to invest in the transition to electric vehicles.	Relationship with Motability Operations and their delivery of the Motability Scheme; the major way in which Motability assists disabled people with mobility is by contracting and overseeing Motability Operations to deliver the Motability Scheme.	The aim is to ensure that the Scheme's transition to electric is in line with the wider market. This investment will also support affordability and assist customers to overcome the additional practical challenges they may face in transitioning to electric vehicles.
Partner with Government and work with other organisations across all sectors to deliver UK-wide charging point standards.	Motability's beneficiaries are all disabled people and this assistance is vital for the national transition to electric vehicles and their participation.	All future charge point installations should meet a minimum level of accessibility, including considerations around information services and data standards.
Embark on a process to establish an evidence centre for disability and transport.	The centre will inform how the Charity can best support solutions that meet the needs of our beneficiaries and work towards our vision.	The centre is to generate evidence and demonstrate 'what works' in disability and transport. The decision was informed by the Charity's strategic prioritisation framework; to amplify the voices of disabled people to influence inclusive transport practice and policy.
Partner with the Community Transport Association and Hampshire County Council to transform a current inclusive driver training product into the sector leading disability awareness and inclusivity training programme.	Motability's beneficiaries are all disabled people and this assistance will improve their access to, and experience of, community transport.	Improving and expanding the provision of community and door-to-door transport options for disabled people is a second strand in the Charity's strategic prioritisation framework. This initiative will increase professional capacity, influence policy, shape best practice and support resilience in the community transport sector.
Commission an independent review into the effectiveness of the Board of Governors.	The Charity's employees will be better assisted by the business of the Board, and beneficiaries will experience the impact of efficient decision making.	The recommendations have been considered and actioned, or are in the process of being addressed.

KEY STAKEHOLDERS

Key stakeholder and why they are important to our success	How we engage	Where to find key highlights of 2021/22 and further information in this report
UK and Scottish Governments: The major way in which Motability assists disabled people with mobility is by contracting and overseeing Motability Operations to deliver the Motability Scheme. The transfer of Government benefits and VAT status for the Scheme are under the authority of the UK and Scottish Governments.	We have formal quarterly meetings at Director level for all parties and routine engagement below this level. Memorandums of Understanding and Agreements are reviewed regularly for operational purposes.	Motability Scheme from page 30.
Motability Operations: The major way in which Motability assists disabled people with mobility is by contracting and overseeing Motability Operations to deliver the Motability Scheme.	There is a performance framework in place: monthly reporting against KPIs; quarterly Scheme Oversight Committee meets; analysis of customer research and surveys. Motability Operations Directors brief the Motability Board quarterly. Motability attends specific Motability Operations governance committees. The senior management of Motability and Motability Operations are routinely in dialogue.	Motability Scheme from page 30.
Beneficiaries and Potential Beneficiaries: As a charity, Motability must always act within its charitable object in the best interests of its beneficiaries, who are all disabled people in need of assistance with their personal transportation.	Motability continually surveys the beneficiary experience of grant-making. Our Innovation team conducts extensive research and consultation with disabled people and disability organisations, as well as our own frontline employees, to better understand what mobility problems disabled people are facing and what solutions would assist them.	Grant-Making from page 38. Innovation from page 60.
Vehicle adaptation manufacturers: Our Motability Scheme-Related grants are dependent on their products.	Motability provides regular briefings to manufacturers and works closely with the adaptations department of Motability Operations for delivery matters.	Grant-Making from page 38.
Access to Mobility and other not-for-profit organisations: Working with others increases the range and reach of how we support our disabled beneficiaries.	Motability has contractual arrangements with other parties to deliver services for beneficiaries and each includes a performance framework enabling evaluation and learning for developing assistance to meet beneficiary needs.	Grant-Making from page 38.
Employees: Motability has two key resources; funds and its people. The skills and endeavour of employees are vital to our achievements.	Motability conducts employee surveys and maintains several internal media channels for employees. There are health and wellbeing, skills development and blended working programmes.	Our People from page 67.
Regulators: Motability is regulated by the Charity Commission, the Office of the Scottish Charity Regulator, the Financial Conduct Authority and Information Commissioner's Office. The correct relationship with regulators ensures good governance and practice.	Motability is fully compliant with all reporting requirements.	Control and Assurance from page 71.

Summary of Climate-Related Disclosures

The UK Government announced in July 2019 that it expects listed companies to provide disclosures in line with the TCFD recommendations by 2022. Whilst not yet mandatory for Motability, this is considered best practice and Motability is developing its disclosures and provides the following information:

RECOMMENDATIONS AND SUPPORTING DISCLOSURES			
GOVERNANCE	**STRATEGY**	**RISK MANAGEMENT**	**METRIC AND TARGETS**
Disclose the organisation's governance around climate-related risks and opportunities.	Disclose the actual and potential impacts of climate-related risk and opportunities on the organisation's businesses, strategy and financial planning where such information is material.	Disclose how the organisation identifies, assesses and manages climate-related risks.	Disclose the metrics and targets used to assess and manage relevant climate-related risk and opportunities where such information is material.
DISCLOSURE REFERENCES			
The Motability Foundation: Governance and Management page 29 **Governor's Report:** Structure, Governance and Management page 87, Significant Decisions page 90	**The Five Strategic Pillars:** page 22 **Motability Scheme:** Scheme Transition to Electric Vehicles page 35	**Motability Scheme:** Major Risks page 34 **Scheme Oversight Risk:** page 36 **Control and Assurance:** page 71 **Disability Charity:** Principal Risks for Motability pages 72 and 73	**Motability Scheme:** Scheme Oversight page 31 **Innovation:** Priority area one: Amplifying the voice of disabled people and what works for more inclusive transport practice and policy page 61 **Disability Charity:** Operating Aims for 2021/22 page 67 Environment page 70

Statement of Trustees' Responsibilities and Corporate Governance

The Governors, as Trustees, are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102, the reporting standard applicable in the UK and the Republic of Ireland.

The law applicable to charities in England and Wales requires the Governors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Charity and the Group, and of the income and application of resources of the Charity for that period. In preparing these financial statements, the Governors are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation

The Governors are responsible for keeping proper accounting records that disclose, with reasonable accuracy, at any time, the financial position of the Group and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the Group and Charity, and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Governors are aware:

- there is no relevant information of which the Group's auditors are unaware; and:
- they have taken all steps that they ought to have taken as Governors in order to make themselves aware of any relevant information and to establish that the Group's auditors are aware of that information



The financial statements have been prepared in accordance with the accounting policies set out in Notes to the Accounts and comply with the Charity's governing document, the Charities Act 2011, 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, updated in 2019.

The Governors are responsible for the maintenance and integrity of the Charity and financial information included on the Charity's website; motability.org.uk. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The systems of internal control follow Charity Commission Guidelines (CC8), designed to provide reasonable but not absolute assurance against material misstatement or loss.

They include:

- An annual budget approved by the Governors
- Regular consideration by the Governors of financial results, variations from budget, details of cash flow and bank balances
- Delegation of day-to-day management authority and segregation of duties
- Identification and management of risks
- An investment policy and regular reviews of investment risks and returns

By Order of the Board
Charles Manby MBE
Chairman
14 July 2022



Independent Auditor's Report to the Governors (Trustees) of Motability

for the year ended 31 March 2022

Independent Auditor's Report to the Governors (Trustees) of Motability

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charity's affairs as at 31 March 2022 and of the Group's incoming resources and application of resources 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 Charities Act 2011 and Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended in 2010

We have audited the financial statements of Motability ("the Parent Charity") and its subsidiaries ("the Group") for the year ended 31 March 2022 which comprise the consolidated statement of financial activities, statement of financial activities (Charity only), the balance sheet (Group and Charity), the consolidated cash flow statement, and notes to the financial statements, including a summary of 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Charity in accordance with the ethical requirements 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.

Conclusions related 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 Group and the Parent Charity's ability to continue as a going concern for a period of at least 12 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. The other information comprises the information included in the Annual Report and Accounts, 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 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- the information contained in the financial statements is inconsistent in any material respect with the Trustees' Annual Report; or
- proper accounting records have not been kept by the Parent Charity; or
- the Parent Charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities and Corporate Governance, the Trustees 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 Group's and the Parent Charity'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 Group or the Parent Charity 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 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 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.

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

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:

As part of the audit we gained an understanding of the legal and regulatory framework applicable to the Group and the sector in which it operates, and considered the risk of acts by the Group that were contrary to applicable laws and regulations, including fraud. We considered the Group's own assessment of the risks that irregularities may occur either as a result of fraud or error, the Group's compliance with laws and regulations that have a direct impact on the financial statements such as the Charities Act 2011 and other laws and regulations applicable to the Group such as employment law, taxation legislation, data protection, health and safety legislation, and Financial Conduct Authority regulation. We considered financial performance, key performance indicators and other performance targets. We also considered the risks of non-compliance with requirements imposed by the Charity Commission, and other regulators, and we considered the extent to which non-compliance might have a material effect on the Group financial statements.

Independent Auditor's Report to the Governors (Trustees) of Motability Cont.

We also communicated relevant identified laws and regulations, potential fraud risks, and that there were no known matters of significant non-compliance with laws and regulations, to all engagement team members including internal specialists audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: income recognition, expenditure, grant payments and investments valuation.

Our tests included:

- Agreeing the financial statement disclosures complied with applicable legislation
- Enquiries of the Audit and Risk Committee, management and internal audit, review of minutes of meetings of those charged with governance
- Reviewing correspondence with HMRC
- Audit testing a sample of expenditure and grant awards, ensuring these have been made in accordance with authority limits, award letters and internal control procedures
- Challenging assumptions made by management in their significant accounting estimates, in particular in relation to the PIP provision
- Enquiries of third parties, where information from that third party has been used by the Group in the preparation of the financial statements, particularly including investment manager and custodians confirmations of year-end valuations and investment holdings
- Testing of IT general controls
- Review of supplier statement reconciliations and controls over supplier data change
- Performed audit procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud

As in all of our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluations, whether there was evidence of bias in accounting estimates by management or the Board that represented a risk of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's (FRC's) website at: https://www. frc. org.uk/auditors responsibilities. This description forms part of our Auditor's Report.

Use of our report

This report is made solely to the Charity's Trustees, as a body, in accordance with the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charity's Trustees 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 Charity and the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP London
Statutory Auditor
London, United Kingdom
Date: 14 July 2022

BDO LLP is eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006. BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Financial Statements

for the year ended 31 March 2022

Consolidated Statement of Financial Activities

for the year ended 31 March 2022

	Note	Unrestricted Funds 2022 £'000	Restricted Funds 2022 £'000	Endowment Fund 2022 £'000	Group Funds 2022 £'000	Unrestricted Funds 2021 £'000	Restricted Funds 2021 £'000	Endowment Fund 2021 £'000	Group Funds 2021 £'000
Income and Endowments from:									
Voluntary Fundraising Income		180	-	-	180	92	-	-	92
Motability Operations Donations		170,000	-	-	170,000	-	-	-	-
Donations and Legacies		170,180	-	-	170,180	92	-	-	92
Other Trading Activities		688	-	-	688	423	-	-	423
Bank Interest Receivable		177	60	162	399	63	9	146	218
Investment Income		1,239	-	11,230	12,469	804	217	7,929	8,950
Income from Investments		1,416	60	11,392	12,868	867	226	8,075	9,168
Other Income		10	-	-	10	508	-	-	508
Total Income		**172,294**	**60**	**11,392**	**183,746**	**1,890**	**226**	**8,075**	**10,191**
Expenditure on									
Raising Funds	4	1,588	2	7,523	9,113	614	25	6,263	6,902
Charitable Expenditure	3,4	78,752	(1,166)	-	77,586	54,998	57	-	55,055
Total Expenditure		**80,340**	**(1,164)**	**7,523**	**86,699**	**55,612**	**82**	**6,263**	**61,957**
Net Income / (Expenditure) Before Gains / (Losses) on Investments		**91,954**	**1,224**	**3,869**	**97,047**	**(53,722)**	**144**	**1,812**	**(51,766)**
Net (Losses) / Gains on Investments	9	(4,549)	10	77,333	72,794	1,166	11	140,995	142,172
Net Income / (Expenditure)		**87,405**	**1,234**	**81,202**	**169,841**	**(52,556)**	**155**	**142,807**	**90,406**
Transfer Between Funds	14,15	-	-	-	-	15	(15)	-	-
Other Realised Gains and Losses:									
Actuarial Gain / (Loss) on Defined Benefit Pension Scheme	18	1,673	-	-	1,673	(3,147)	-	-	(3,147)
Other Realised Gains / (Losses)		1,673	-	-	1,673	(3,147)	-	-	(3,147)
Net Movement in Funds		**89,078**	**1,234**	**81,202**	**171,514**	**(55,688)**	**140**	**142,807**	**87,259**
Reconciliation of Funds:									
Fund Balances Brought Forward		329,304	41,254	1,153,818	1,524,376	384,992	41,114	1,011,011	1,437,117
Fund Balances Carried Forward	14-16	**418,382**	**42,488**	**1,235,020**	**1,695,890**	**329,304**	**41,254**	**1,153,818**	**1,524,376**

There were no other recognised gains or losses other than those listed above and the net income for the year.
The Notes on pages 104 to 137 form an integral part of the financial statements.
All the Group's financial activities in this and the prior year were continuing.
The Endowment Fund column represents the financial activities of the Motability Endowment Trust ("The Foundation").

Statement of Financial Activities (Charity Only)

for the year ended 31 March 2022

	Note	Unrestricted Funds 2022 £'000	Restricted Funds 2022 £'000	Endowment Fund 2022 £'000	Charity Funds 2022 £'000	Unrestricted Funds 2021 £'000	Restricted Funds 2021 £'000	Endowment Fund 2021 £'000	Charity Funds 2021 £'000
Income and Endowments from:									
Voluntary Fundraising Income		445	-	-	445	353	-	-	353
Motability Operations Donations		170,000	-	-	170,000	-	-	-	-
Donations and Legacies		170,445	-	-	170,445	353	-	-	353
Bank Interest Receivable		177	60	162	399	63	9	146	218
Investment Income		1,239	-	11,230	12,469	804	217	7,929	8,950
Income from Investments		1,416	60	11,392	12,868	867	226	8,075	9,168
Other Income		20	-	-	20	518	-	-	518
Total Income		**171,881**	**60**	**11,392**	**183,333**	**1,738**	**226**	**8,075**	**10,039**
Expenditure on:									
Raising Funds		707	2	7,523	8,232	462	25	6,263	6,750
Charitable Expenditure		79,220	(1,166)	-	78,054	54,998	57	-	55,055
Total Expenditure		**79,927**	**(1,164)**	**7,523**	**86,286**	**55,460**	**82**	**6,263**	**61,805**
Net Income / (Expenditure) Before Gains / (Losses) on Investments		**91,954**	**1,224**	**3,869**	**97,047**	**(53,722)**	**144**	**1,812**	**(51,766)**
Net (Losses) / Gains on Investments	9	(4,549)	10	77,333	72,794	1,166	11	140,995	142,172
Net Income / (Expenditure)		**87,405**	**1,234**	**81,202**	**169,841**	**(52,556)**	**155**	**142,807**	**90,406**
Transfer Between Funds	14,15	-	-	-	-	15	(15)	-	-
Other Realised Gains and Losses:									
Actuarial Gain / (Loss) on Defined Benefit Pension Scheme	18	1,673	-	-	1,673	(3,147)	-	-	(3,147)
Other Realised Gains / (Losses)		1,673	-	-	1,673	(3,147)	-	-	(3,147)
Net Movement in Funds		**89,078**	**1,234**	**81,202**	**171,514**	**(55,688)**	**140**	**142,807**	**87,259**
Reconciliation of Funds:									
Fund Balances Brought Forward		329,289	41,254	1,153,818	1,524,361	384,977	41,114	1,011,011	1,437,102
Fund Balances Carried Forward	14-16	**418,367**	**42,488**	**1,235,020**	**1,695,875**	**329,289**	**41,254**	**1,153,818**	**1,524,361**

There were no other recognised gains or losses other than those listed above and the net income for the year.
The Notes on pages 104 to 137 form an integral part of the financial statements.
All the Charity's financial activities in this and the prior year were continuing.
The Endowment Fund column represents the financial activities of the Motability Endowment Trust ("The Foundation").

Balance Sheet (Group and Charity)

as at 31 March 2022

	Note	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
Intangible Fixed Assets	8	1,147	887	1,147	887
Tangible Fixed Assets	8	2,371	1,910	2,371	1,910
Fixed Assets Investments	9	1,647,738	1,367,973	1,647,738	1,367,973
Non Current Assets		**1,651,256**	**1,370,770**	**1,651,256**	**1,370,770**
Debtors	10	3,544	4,036	3,449	4,252
Current Asset Investments	9	56,864	160,003	56,864	160,003
Cash at Bank and in Hand		38,254	29,241	37,763	28,962
Current Assets		**98,662**	**193,280**	**98,076**	**193,217**
Creditors: Amounts Falling Due within One Year	11	(51,794)	(34,258)	(51,223)	(34,210)
Total Assets less Current Liabilities		**1,698,124**	**1,529,792**	**1,698,109**	**1,529,777**
Creditors: Amounts Falling Due after One Year		(30)	(50)	(30)	(50)
Provisions	12	(1,072)	(2,734)	(1,072)	(2,734)
Net Assets (excluding Pension Liability)		**1,697,022**	**1,527,008**	**1,697,007**	**1,526,993**
Defined benefit pension scheme liability	18	(1,132)	(2,632)	(1,132)	(2,632)
Net Assets (including Pension Liability)		**1,695,890**	**1,524,376**	**1,695,875**	**1,524,361**
Endowment Funds	16	1,235,020	1,153,818	1,235,020	1,153,818
Restricted Income Funds	14	42,488	41,254	42,488	41,254
Unrestricted Funds	15	418,382	329,304	418,367	329,289
Total Funds		**1,695,890**	**1,524,376**	**1,695,875**	**1,524,361**

The Notes on pages 104 to 137 form an integral part of the financial statements.
The financial statements on pages 100 to 103 were approved and authorised for issue by the Board of Governors on 14 July 2022 and were signed on its behalf by:

Charles Manby MBE, Chairman
David Hunter FCA, Hon. Treasurer

The Endowment Funds balance refers to the Motability Endowment Trust ("The Foundation").

Consolidated Cash Flow Statement

for the year ended 31 March 2022

	Note	Group 2022 £'000	Group 2021 £'000
Net Income for the year (as per the Statement of Financial Activities)		**169,841**	**90,406**
Adjustments to exclude Non-Cash Items:			
Decrease in Debtors	10	492	204
Increase/(Decrease) in Grant Commitments	11	16,083	(4,019)
Increase/(Decrease) in Creditors < 1 Year	11	1,453	(1,254)
Decrease in Creditors > 1 Year		(20)	(19)
Decrease in Provisions	12	(1,662)	(3,310)
Depreciation on Fixed Assets	8	1,546	819
Losses on Disposal of Tangible Fixed Assets		-	466
FRS 102 Pension Adjustment	18	173	(515)
(Losses) on Fixed Asset Investments	9	(67,710)	(139,519)
Adjustments to exclude Investment Income and Expenditure:			
Investment Income Received		(10,550)	(6,570)
Interest Income Received		(399)	(218)
Investment Management Fees Paid		2,936	3,454
Net Cash Flows from / (used in) Operating Activities		**112,183**	**(60,075)**
Cash Flows from Investing Activities:			
Investment Income Received		10,550	6,570
Interest Income Received		399	218
Investment Management Fees Paid		(2,936)	(3,454)
Proceeds from Sale of Investment Assets	9	604,890	612,853
Purchase of Fixed Asset Investments	9	(880,854)	(519,899)
Purchase of Current Asset Investments		(32,000)	(160,003)
Purchase of Tangible and Intangible Fixed Assets	8	(2,267)	(1,354)
Proceeds from Sale of Current Asset Investments		150,000	-
Decrease/(Increase) in Investment Cash	9	49,048	(80,999)
Net Cash Flows from / (used in) Investing Activities		**(103,170)**	**(146,068)**
Change in Cash and Cash Equivalents for the year		9,013	(206,143)
Cash and Cash Equivalents Brought Forward		29,241	235,384
Cash and Cash Equivalents at the end of the year		**38,254**	**29,241**
Analysis of Cash and Cash Equivalents			
Cash at bank and in hand		38,254	29,241
Cash and Cash Equivalents		**38,254**	**29,241**

Consolidated analysis of changes in net debt					
Group	**1 April 21 £'000**	**Cash Flows £'000**	**Fair Value Movements £'000**	**Other Non-Cash Movements £'000**	**31 March 22 £'000**
Cash at bank and in hand	29,241	9,013	-	-	38,254
Debts due within 1 year	-	-	-	-	-
Debts due after 1 year	-	-	-	-	-
Defined benefit pension scheme liability	(2,632)	-	1,673	(173)	(1,132)
Total Net Debt	**26,609**	**9,013**	**1,673**	**(173)**	**37,122**

The Notes on pages 104 to 137 form an integral part of the financial statements.

Notes to the Financial Statements

1. Accounting Policies

A. Corporate and charitable status
Motability is a public benefit entity incorporated by Royal Charter and registered with the Charity Commission, Charity no. 299745, in England and Wales. Motability is registered with OSCR in Scotland, number SC050642.

B.Consolidation
Group financial statements have been prepared in respect of Motability and its wholly owned subsidiary, Motability Enterprises Limited.

Motability is the sole corporate trustee of the Motability Endowment Trust (the "Foundation"), a linked charity, which shares Motability's registered charity number (with the suffix '-1') and has the same charitable objects. The assets and liabilities of the Foundation have been included with those of the Charity on a line by line basis and included in the column 'Endowment' where appropriate. This fulfils the requirement to show the accounts of a linked charity as Motability's only endowment assets, liabilities and activities are those of the Foundation. The Foundation supports Motability's charitable purposes through the returns the Foundation earns on its assets. As a new foundation, the principal activity during the year was investing in appropriate and diversified assets so as to obtain a long-term return of RPI+4%.

Motability Enterprises Limited (MEL) is incorporated in the United Kingdom and registered in England and Wales. MEL's financial statements have been consolidated with those of the Charity on a line by line basis. The principal activities of Motability Enterprises Limited during the year were the raising of funds for the Charity by commission received from home and travel insurance partners, and from the publication of Lifestyle magazine.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following 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 and the Charities Act 2011 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Motability, as the parent charity, has taken the qualifying entity exemption under FRS 102 from preparing its own Cash Flow Statement. The most significant areas of judgement in applying these accounting policies to the financial statements are deemed to be in relation to the valuation of investments and the calculation of the Personal Independence Payments Transitional Support Programme (PIP TSP) future grant commitments (the PIP provision) as set out below in Note P.

The financial statements have been prepared in pounds sterling, which is the functional currency of Motability and its subsidiary. Monetary amounts in these financial statements are rounded to the nearest £'000.

C. Going Concern
During the year, the impact of the COVID-19 pandemic has receded and grant-making activities and values have begun to recover, albeit at different rates for different grant programmes. Contact with beneficiaries confirms that where grant activity is slower to recover, this is a delay rather than a change of intent to claim. Therefore grant commitments made in the year and outstanding at 31 March 2022 are stated at their full value.

For investments, the economic impact (either positive or negative) of the pandemic on a financial asset will

be reflected in that asset's fair value. Motability's and the Foundation's investments are stated at fair value at 31 March 2022.

The Endowment of the Foundation is expendable, although the current policy of the trustee is, where possible, to invest the assets of the Foundation to retain the real value of the Endowment while also generating sufficient return so as to enhance the stability and scale of grant-making and other charitable activities as may be determined from time to time by the trustee.

As noted in the financial review section of the Annual Report for the year ended 31 March 2022, Motability has reviewed its future spending plans in five-year scenarios to allow for differing levels of future donations from Motability Operations and income generated by the Foundation's Endowment, and differing spend rates. The general fund held money market fund balances, deposits and investment grade bonds maturing within one year totalling £79.0 million (2021: £160 million). Further investments, including money market funds and relatively liquid investments such as listed equities, are held within the restricted and expendable Endowment funds. Motability will seek to maintain core spending on beneficiaries and will curtail discretionary grant programmes where necessary to achieve this end. Motability's future financial plans, budgets, reserves levels and cash flow forecasts for a period of more than 12 months from the date of the signature of the accounts have been prepared by management and reviewed by the Governors. On this basis, the Governors believe that the going concern assumption continues to be the appropriate basis on which to prepare these statements.

D. Income

Income is accounted for when the Charity is entitled to the income, and when it is probable the income will be received and the amount can be measured reliably.

- Donations are recognised as and when they are received
- Legacies are recognised when the Charity is entitled to the income (at probate), the amount can be quantified with reasonable certainty and when it is probable the income will be received
- Gift aid income is recognised on an accruals basis when the receipt and value are both certain
- Interest is recognised when receivable and the amount can be measured reliably by the charity. This is normally upon notification of the interest paid or payable by the bank
- Dividends are recognised once the dividend has been declared and notification has been received of the dividend due

Note: Motability administers grants for disabled people on behalf of Veterans UK. However, in this respect, Motability is acting as a conduit – please see Note 17 for further details. As a result, Motability does not treat these grants as income.

E. Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- 'Raising Funds' comprises costs directly attributable to activities for raising funds such as the administration of affinity insurance products and the cost of investment management
- 'Charitable Expenditure' includes direct charitable expenditure, grants and directly attributable costs including central overheads such as relevant staff costs
  - 'Grants to Individuals' and 'Grants to Charities and Organisations' are

Notes to the Financial Statements cont.

recognised when they have been approved, to the extent that a legal or constructive obligation exists to provide the services agreed, except to the extent that they are subject to conditions that enable the Charity to revoke the award
  - Grant expenditure on 'Driving Lesson Support' is based upon the higher of the actual number of lessons taken during the year or the average number of lessons which customers take to complete their instruction
  - The movement in the PIP TSP provision is included in Charitable Expenditure and the basis and estimates for the provision, and therefore its movement, are set out in Notes 1K and 1P
  - Stopped Allowances become payable upon the return of cars on the Scheme

- 'Governance Costs' include audit fees, legal advice for Governors relating to the financial management of the Charity and compliance with constitutional and statutory requirements, and are part of the total support costs of the Charity. These are allocated as part of non-directly attributable support costs as described below
- 'Allocated Support Costs' and 'Governance Costs' are allocated on the ratio of the expenditure for the programme as a percentage of the total

Staff costs comprise salaries and social security contributions, contributions to the Charity's defined contribution scheme and the change to the Statement of Financial Activities (SoFA) in respect of the defined benefits pension scheme. Any annual leave that an employee has accrued but not yet taken as at 31 March 2022 is calculated at the pro-rata cost of these days. The cost is included within the SoFA, with a corresponding liability shown as falling due within one year.

Termination benefits may occur where the Charity has agreed to terminate the employment of an employee and are included within the financial statements when the payment has been formally agreed or a detailed formal plan for the termination from which the Charity is realistically unable to withdraw exists. The amount of termination benefit shown is either the amount agreed or paid, or the Charity's best estimate of the expenditure required to settle the obligation.

F. Tangible and Intangible Fixed Assets

Assets are included on the balance sheet at cumulative historical cost less depreciation and any impairments in accordance with FRS 102. The cost of tangible fixed assets is their purchase price including associated costs such as taxes and legal fees, together with any costs directly attributable to bringing the asset into working condition for its intended use; and subsequent dilapidations or decommissioning costs anticipated which are provided for. Assets in the course of construction are stated at cost and are not depreciated until available for use. Expenditure on fixed assets is capitalised where individual items cost £1,000 or more. Fixed assets are depreciated on a straight line basis over their anticipated useful lives as follows:

- Leasehold improvements: Depreciated over the shorter of the remaining life of the lease or the life of the improvement
- Office furniture: Five Years
- Fixtures and fittings: Five Years
- Computer hardware: Three Years
- Computer software: Five Years
- Vehicles: Four years

Capital commitments as at 31 March 2022 are disclosed in Note 8.

G. Financial Assets and Liabilities including Investments

Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are measured at their transaction price (including transaction costs) except for those

investments which are held at fair value through the SoFA and financing transactions which are held at the present value of the future payments discounted at a market rate of interest for a similar debt instrument through the SoFA.

The total investment management costs charged to Motability's investments are recognised in the cost of raising funds, including charges deducted within portfolios and funds by investment managers. Investment gains and losses are adjusted by the amount of these indirect charges so that asset values are stated accurately for investments. The value of these adjustments is not material to asset values.

The majority of the Charity and group's financial assets and financial liabilities are of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value, with the exception of listed investments which are held at fair value through the SoFA.

The Charity and group also hold a smaller amount of unquoted investments, which are valued at the best estimate of fair value as follows:

- Pooled investments are stated at fair value, the basis of fair value being the market value of the underlying investments held. These valuations are provided by the fund managers and are subject either to independent valuation or annual audit
- Unquoted hedge funds are valued by reference to the market value of their underlying investments. These valuations are provided by the third party hedge fund administrators
- Private equity investments are held through funds managed by private equity groups. As there is no identifiable market price for private equity funds, these funds are included at the most recent valuations from the private equity groups where:
  - The private equity group provides a fair value that complies with the International Private Equity and Venture Capital Valuation Guidelines; or
  - The private equity group provides valuations that comply with International Financial Reporting Standards or US GAAP, the equivalent to UK GAAP, or;
  - Where a valuation is not available at the balance sheet date, the most recent valuation from the private equity group is used, adjusted for cash flows and foreign exchange movements and any impairment between the most recent valuation and the balance sheet date
- Derivative financial instruments. Managers of segregated funds may enter into derivatives as part of their portfolio risk management, fair values of these derivatives are provided by the fund managers

Investment in the subsidiary Motability Enterprises Limited is unquoted and held at cost less impairment.

Net realised and unrealised gains and losses on investments are recognised within the SoFA. Gains and losses are realised when an investment is disposed of in the year. Unrealised gains and losses arise on the revaluation of investments to fair value at the balance sheet date.

Transactions denominated in foreign currency are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the exchange rate ruling at the balance sheet date. All gains and losses on exchange, realised and unrealised, are included in the appropriate income or expenditure category in the SoFA.

H. Fund Accounting

Expendable Endowment funds are held and invested to provide a return

Notes to the Financial Statements cont.

to support general funds expenditure on Motability's objects. The capital of the Endowment may be spent. Given the importance of the regular returns expected to be received from the Endowment, in order to support grant-making in years of low or no donations from Motability Operations, the Governors aim to preserve the real value of the capital and the return on it over the long term. They have determined that the Endowment's capital should only be spent in exceptional circumstances such as a 'once-in-a-lifetime' opportunity to make a permanent systemic improvement to the transport opportunities for all disabled people.

Restricted funds are funds subject to specific restrictions imposed by the donor. These funds are held by Motability until spent in accordance with the terms of the donation.

Unrestricted funds comprise the accumulated movement on funds available for use at the absolute discretion of the Governors. Unrestricted funds may be transferred to a restricted fund in order to support that specific activity. Any transfer between funds requires the approval of the Audit and Risk Committee. Designated funds comprise funds which Governors have set aside for a particular activity or purpose. If funds are unspent funds at the end of a project or activity they are transferred to unrestricted funds or may be designated for another purpose.

I. Pension Costs

The Charity operates a defined benefit pension scheme for certain employees. The amounts charged to the SoFA are the costs arising from employee services rendered during the period and the cost of plan introductions, benefit changes, settlements and curtailment. They are included as part of staff costs.

The net interest cost on the defined benefit liability is charged to the SoFA and included within support costs. Re-measurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the SoFA.

The defined benefit scheme is funded, with the assets of the scheme held separately from those of the group, in separate trustee-administered funds. The pension scheme assets are measured at fair value, and liabilities are measured on an actuarial basis using the attained age method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the balance sheet.

The Charity also operates a defined contribution scheme and the amount charged to the Consolidated SoFA in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

J. Leases

As there are no finance leases all leases are classified as operating leases, with the lease payments recognised as an expense over the lease term on a straight line basis. No leases fall to be capitalised under this policy.

K. Accounting for PIP Transitional Grants

In 2013, the DWP announced that Personal Independence Payment (PIP) would replace Disability Living Allowance (DLA) as a disability benefit as part of the Welfare Reform changes.

PIP has different qualification criteria compared with DLA, and it was immediately apparent that large numbers of Scheme customers would lose eligibility to the Scheme when they failed to transition to the qualifying Higher Rate Mobility Component of PIP.

That year, Motability therefore announced that it would provide financial assistance to help customers to sustain their mobility who, due to the transition from DLA to PIP, would no longer qualify for benefits allowing them to lease a vehicle under the Motability Scheme. For affected customers returning their vehicles in an acceptable condition, and within the designated time period, Motability provides a support payment of £2,000 for customers where the customer originally joined the Scheme before 31 December 2012, and £1,000 for customers who joined the Scheme in 2013. These payments are reduced to £500 and £250 respectively where customers opt for an extended retention period of 26 weeks.

In order to ensure the most effective use of the available funds, Governors review all aspects of the support package in the autumn of every year, taking account of customer feedback, economic circumstances and any possible changes the Government may be making to PIP at that time. The last assessment was in December 2021 and the next assessment will be in December 2022. This annual review also seeks to: estimate future expenditure so as to provide comfort to the Governors that the estimated sum is affordable; inform the Governors as to overall spending commitments for the Charity; and: for the Governors to confirm that they wish to continue to support the programme.

Management believe that a reasonable estimate of the constructive economic obligation as at the end of each financial year can be established, and have accounted for this by way of a provision. The provision estimate recognises that there is a 16-month commitment from the balance sheet date for providing the current level of transitional support: i.e. to all qualifying customers who might leave the Scheme by 31 July 2023 (from the December 2022 assessment). This date would allow for communication to customers of any potential changes to the programme in January following the review in the autumn.

Accordingly, all potential future PIP Transitional Support Payments, for which a constructive obligation is deemed to exist at the balance sheet date, have been provided for as a balance sheet provision with the costs shown separately within the Cost of Charitable Activities. The constructive liability is deemed to exist for all projected customers eligible for a Transitional Support Payment until the date that any future changes to the current support programme could be practically implemented. This equates to the expenditure expected in the next 16 months. This is consistent with previous years. The provision is normally based on a number of assumptions, of which the major items are:

1. The number and timing of customer DLA to PIP reassessments – the DWP has suspended all reassessment activity other than Rising 16s, Change of Circumstances, and voluntary applications for PIP.
2. The failure rate – the percentage of customers becoming ineligible for the necessary level of PIP award following reassessment has been estimated at 25% in line with recent DLA to PIP assessment failure rate experience.
3. Weighted average support payment – the average cost of the support payment is assumed at £1,900 per customer, based on an analysis of the existing customer profile.
4. The elapsed time to complete a customer assessment – this is estimated at six months from invitation to be assessed for PIP through to payment.

Notes to the Financial Statements cont.

5. Customer adherence to payment qualification criteria – the main assumption is the number of customers not returning their vehicles within the allowed time or in the correct condition, who lose eligibility for support, and this is estimated at 5%.
6. The proportion of customers who opt for an extended retention period of 26 weeks in return for a reduced payment (£500 or £250). It is currently estimated that two thirds of customers now choose this option. It is considered that of the above assumptions the one that has the biggest potential impact is the estimation of future DWP reassessment activity.

The most important estimate is the number and timing of DLA to PIP reassessments carried out by DWP. Given that activity has recently been and is constrained to Rising 16s, Change of Circumstances and voluntary applications for PIP, we have therefore used recent experience as the basis for predicting future expenditure.

In order to fund this Transitional Support, Motability Operations has made restricted purpose donations to Motability totalling £175 million. As at the end of the financial year £132 million has been spent on the programme (2021 : £133 million). The reduction in cumulative spend of £1.1 million was due to the partial release of the PIP TSP provision. See Notes 1K and 1P. The date for the end of the main DLA to PIP programme is difficult to predict, as future caseloads are so uncertain. There will, however, be an ongoing commitment to 'Rising 16s', who transition from DLA to PIP on their sixteenth birthday, until 2026/27, albeit at low expenditure levels. The balance of funds donated by Motability Operations is held as a restricted reserve.

L. Debtors

Trade and other debtors are recognised at the settlement amount. Investment income owed is accrued at its anticipated receipt value. Prepayments are valued at the amount prepaid net of any trade discounts due.

M. Current Investments and Cash

Current Asset Investments are investments that are expected to be wholly or substantially expended within 12 months of the balance sheet date. At 31 March 2022, these were general fund deposits with a maturity date of 30 days or more and general fund listed debt securities with a maturity date of less than one year. Cash and cash equivalents is instant cash that the Charity has available.

N. Creditors

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

O. Provisions and contingent liabilities

Provisions are recognised where there is a present obligation as a result of a past event, if it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Under the terms of its office lease, the Charity will be required to make good the condition of the property when it leaves. The Dilapidations provision in the accounts is based on a 'cost of works' for this work to be carried out. A provision in respect of the PIP transitional support programme is set out in Accounting Policy Note K. Where no provision is recognised, Contingent liabilities are disclosed in the notes to the financial statements, unless the possibility of a transfer of economic benefits is remote.

P. Critical accounting judgements and estimations

In the application of the accounting policies, which are described within this note, the Governors are required to make judgements and assumptions leading to financial estimates about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The assumptions and associated estimates are based on historical experience and other factors that are considered to be relevant.

Actual results may differ from these estimates. Other than pension obligations where the actuarial assumptions underlying the pension deficit are set out in Note 18, the trustees consider the most significant judgements and estimates to be in relation to the PIP Provision as follows:

PIP Provision Judgements

The underlying assumptions and judgements for the PIP provision have been calculated using a model based on actual information for 2021/22. The assumptions relating to the PIP Transitional Support Programme are reviewed on an ongoing basis. There is also a Governor annual review of the whole programme that takes place every autumn.

A number of judgement variables are built into the model and some assumptions behind the provision figure for this year have been re-assessed to reflect recent experience. The most significant change relates to the suspension of the DWP PIP reassessments.

PIP Provision Estimates

The 16-month provision at the end of 2020/21 was £2.1 million, which was based on an estimate that ranged from a low of £0.8 million to a high of £5.6 million. The actual spend for 12 months was £ 0.5 million for 2020/21. The 16-month provision at the end of 2021/22 is £0.4 million, which is based on an average monthly spend of £25,000 over a 16-month period. This results in a net release of £1.1 million leading to a reduction in charitable expenditure for the year and the cumulative spend on this programme.

Please see Section K: Accounting for PIP Transitional Grants for further details.

Non-Listed Investment Valuations

Non-listed investment is valued at the value supplied by the fund manager as at the year-end. Where the value is thought to be significantly impaired then the value is stated at the lower of cost or impaired valuation. The basis of impairments for non-listed investments is arrived at from a review of the general performance of the relevant economy and discussions with the relevant fund manager. There were no impairments in the year.

Q. Taxation

The charitable members of the Group are exempt from taxation on their income and gains falling within Part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to their charitable purposes. The non-charitable subsidiary, although subject to taxation, does not pay UK Corporation Tax because its policy is to donate taxable profits as a qualifying distribution under Deed of Covenant to Motability. Foreign tax incurred on overseas investments is charged as it is incurred.

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. Trading Activities of the Subsidiary

The Charity has a wholly owned trading subsidiary, Motability Enterprises Limited, which is incorporated in the UK. Company Number 01786053; Registered address Warwick House, Roydon Road, Harlow, Essex, CM19 5PX.

Motability Enterprises Limited made a qualifying distribution of its trading profits to Motability as a corporate gift aid payment under Deed of Covenant without deduction of tax.

A summary of its trading results extracted from its full accounts is shown below.

The net assets of the subsidiary are £15,000 (2021: £15,000)

	Total 2022 £'000	Total 2021 £'000
Income and Expenditure Account		
Turnover	1,147	423
Less: Cost of Goods Sold and Other Costs	(731)	(55)
Gross Profit	**416**	**368**
Administration Expenses	(151)	(107)
Interest Receivable	-	-
Net Profit	**265**	**261**
Qualifying distribution to Motability	(265)	(261)
Retained in Subsidiary	**-**	**-**

3. Charitable Expenditure

	Direct Grants 2022 £'000	Direct Charitable Activity 2022 £'000	Allocated Support Costs 2022 £'000	Governance Costs 2022 £'000	Total Costs 2022 £'000	Direct Grants 2021 £'000	Direct Charitable Activity 2021 £'000	Allocated Support Costs 2021 £'000	Governance Costs 2021 £'000	Total Costs 2021 £'000
Grants to Individuals:										
Car and Simple Adaptations	20,101	1,706	2,289	121	24,217	12,317	1,438	1,970	130	15,855
Wheelchair Accessible Vehicles and Complex Adaptations	18,684	1,586	2,127	112	22,509	11,516	1,346	1,841	121	14,824
Complex Driver Solutions	15,064	1,278	1,715	90	18,147	8,165	954	1,305	86	10,510
Driving Lesson Support	2,155	183	245	13	2,596	1,360	159	217	15	1,751
Stopped Allowance Support	2,907	247	331	17	3,502	2,488	291	398	26	3,203
PIP TSP	490	42	55	3	590	3,194	373	511	34	4,112
Additional Transitional Support	11	1	1	-	13	171	20	28	2	221
Access to Work	154	12	17	1	184	131	16	21	1	169
Grants to Individuals:	**59,566**	**5,055**	**6,780**	**357**	**71,758**	**39,342**	**4,597**	**6,291**	**415**	**50,645**
Grants to Charities and Organisations:										
Family Fund (Support Under 3 year olds)	1,500	127	171	9	1,807	2,500	291	400	26	3,217
Designability (Charging points)	502	43	57	3	605	90	11	14	1	116
Designability (Wizzybugs)	950	80	108	6	1,144	950	110	152	10	1,222
Driving Mobility	-	-	-	-	-	50	5	8	1	64
User Research	447	38	51	3	539	-	-	-	-	-
Coventry University Scholarships	19	2	2	-	23	-	-	-	-	-
Grants to Charities and Organisations:	**3,418**	**290**	**389**	**21**	**4,118**	**3,590**	**417**	**574**	**38**	**4,619**
Grant-Making Awarded before Movement in Provision	**62,984**	**5,345**	**7,169**	**378**	**75,876**	**42,932**	**5,014**	**6,865**	**453**	**55,264**
PIP Provision (Release)/Charge	(1,667)	-	-	-	(1,667)	(3,350)	-	-	-	(3,350)
Motability Funded Grant-Making	**61,317**	**5,345**	**7,169**	**378**	**74,209**	**39,582**	**5,014**	**6,865**	**453**	**51,914**
Build Awareness	**-**	**1,296**	**136**	**7**	**1,439**	**-**	**1,138**	**163**	**11**	**1,312**
Innovation	**-**	**1,051**	**111**	**5**	**1,167**	**-**	**603**	**86**	**6**	**695**
Motability Scheme	**-**	**694**	**73**	**4**	**771**	**-**	**984**	**141**	**9**	**1,134**
Charitable Expenditure	**61,317**	**8,386**	**7,489**	**394**	**77,586**	**39,582**	**7,739**	**7,255**	**479**	**55,055**

The value of Charitable Expenditure by Activity has been used as the basis for apportionment of the Support and Governance Costs shown above.
The release of the PIP provision during 2021 and 2022 results from a reassessment of the assumptions at year end, following actual payment experience during the year.

3. Charitable Expenditure Cont.

Reconciliation of grants payable:	2022 £'000	2021 £'000
Commitments at 1 April	28,411	32,430
Commitments made in the year	62,984	42,932
Grants paid during the year	(46,901)	(46,951)
Commitments at 31 March	**44,494**	**28,411**

Outstanding grant commitments at 31 March are payable as follows:	2022 £'000	2021 £'000
Within one year (Note 11)	44,494	28,411
Commitments at 31 March	**44,494**	**28,411**

4. Analysis of Total Expenditure

	Cost of Raising Funds 2022 £'000	Direct Grants 2022 £'000	Direct Charitable Activity 2022 £'000	Allocated Support Costs 2022 £'000	Governance Costs 2022 £'000	Total Costs 2022 £'000
Other Costs of Raising Funds	708	-	-	-	7	715
Cost of Goods Sold And Other Costs	722	-	-	-	-	722
Investment Management Fees And Other Costs	7,676	-	-	-	-	7,676
Cost of Raising Funds	**9,106**	**-**	**-**	**-**	**7**	**9,113**
Grant-Making	-	61,317	5,345	7,169	378	74,209
Build Awareness	-	-	1,296	136	7	1,439
Innovation	-	-	1,051	111	5	1,167
Motability Scheme	-	-	694	73	4	771
Charitable Expenditure	**-**	**61,317**	**8,386**	**7,489**	**394**	**77,586**
Total Expenditure	**9,106**	**61,317**	**8,386**	**7,489**	**401**	**86,699**

Please refer to Note 5 for an analysis of functional support costs by activity.
The amounts of 'allocated support costs' attributed to 'direct grants' and 'direct charitable activities' are in proportion to the direct expenditure on those activities.

	Cost of Raising Funds 2021 £'000	Direct Grants 2021 £'000	Direct Charitable Activity 2021 £'000	Allocated Support Costs 2021 £'000	Governance Costs 2021 £'000	Total Costs 2021 £'000
Cost of Raising Funds	624	-	-	-	15	639
Cost of Goods Sold And Other Costs	45	-	-	-	-	45
Investment Management Fees And Other Costs	6,218	-	-	-	-	6,218
Cost of Raising funds	**6,887**	**-**	**-**	**-**	**15**	**6,902**
Grant-Making	-	39,582	5,014	6,865	453	51,914
Build awareness	-	-	1,138	163	11	1,312
Innovation	-	-	603	86	6	695
Motability Scheme	-	-	984	141	9	1,134
Charitable Expenditure	**-**	**39,582**	**7,739**	**7,255**	**479**	**55,055**
Total Expenditure	**6,887**	**39,582**	**7,739**	**7,255**	**494**	**61,957**

Please refer to Note 5 for an analysis of functional support costs by activity.
The amounts of 'allocated support costs' attributed to 'direct grants' and 'direct charitable activities' are in proportion to the direct expenditure on those activities.

4. Analysis of Total Expenditure Cont.

	Governance Costs 2022 £'000	Governance Costs 2021 £'000
External Audit Fees	122	146
Internal Audit Fees	47	91
Legal Fees	67	127
Members Expenses	4	1
Other costs	161	129
Governance Costs	**401**	**494**

The External Audit Fees expenditure shown above includes fees of £122,000 payable to the Statutory Auditor which comprise £115,000 for the Statutory Audit of Motability Accounts and £7,000 for the Statutory Audit of Subsidiary Accounts respectively.

Fees for other services of £40,000 were paid to the Statutory Auditor.

Internal Audit has been partially outsourced to an independent firm of auditors.

5. Analysis of Support and Governance Costs

		Strategic Pillars				
	Cost of Raising Funds 2022 £'000	Grant-Making 2022 £'000	Build Awareness 2022 £'000	Innovation 2022 £'000	Motability Scheme 2022 £'000	Total 2022 £'000
Human Resources	-	683	13	11	7	714
Information Technology	-	1,255	24	19	13	1,311
Finance and Administration	-	1,380	26	21	14	1,441
Performance and Engagement	-	47	1	1	-	49
Facilities	-	1,120	21	17	11	1,169
VAT, Depreciation and Other	-	2,684	51	42	28	2,805
Allocated Support Costs	**-**	**7,169**	**136**	**111**	**73**	**7,489**
Governance Costs	**7**	**378**	**7**	**5**	**4**	**401**
Total Support Costs	**7**	**7,547**	**143**	**116**	**77**	**7,890**

Please refer to Note 4 where Support and Governance Costs are summarised.
The value of Charitable Expenditure by Activity has been used as the basis for apportionment of the Support and Governance Costs shown above.

		Strategic Pillars				
	Cost of Raising Funds 2021 £'000	Grant-Making 2021 £'000	Build Awareness 2021 £'000	Innovation 2021 £'000	Motability Scheme 2021 £'000	Total 2021 £'000
Human Resources	-	562	13	7	12	594
Information Technology	-	952	23	12	20	1,007
Finance and Administration	-	1,368	32	17	28	1,445
Performance and Engagement	-	864	20	11	18	913
Facilities	-	1,004	25	12	20	1,061
VAT, Depreciation and Other	-	2,115	50	27	43	2,235
Allocated Support Costs	**-**	**6,865**	**163**	**86**	**141**	**7,255**
Governance Costs	**15**	**453**	**11**	**6**	**9**	**494**
Total Support Costs	**15**	**7,318**	**174**	**92**	**150**	**7,749**

Please refer to Note 4 where Support and Governance Costs are summarised.
The value of Charitable Expenditure by Activity has been used as the basis for apportionment of the Support and Governance Costs shown above.

6. Governors, Employees and Related Parties

A. Numbers and costs

The average number of persons employed by the Group during the year analysed by category, was as follows:

	2022 Number	2021 Number
Direct Charitable Activities	140	99
Support Staff	56	72
Governance	5	4
Motability Enterprises Ltd	1	1
Total	**202**	**176**

Please note that 10 Performance and Engagement staff and 15 Learning and Development staff who work closely with our Grant-Making staff are treated as Direct Charitable Activities in 2021/22 whereas they were categorised as support staff in 2020/21.

Employee costs were as follows:	2022 £'000	2021 £'000
Salaries	7,496	6,686
Benefits in kind	195	213
Social Security costs	749	660
Pension costs: Defined benefit	253	196
Pension costs: Defined contribution	943	822
Other Employee Costs	254	299
Total	**9,890**	**8,876**

The number of employees whose emoluments, excluding pension contributions and employers NI, for the year fell within the following bands:

	2022 Number	2021 Number
£60,000 to £69,999	10	3
£70,000 to £79,999	1	-
£80,000 to £89,999	3	4
£90,000 to £99,999	2	2
£100,000 to £109,999	3	1
£110,000 to £119,999	1	1
£150,000 to £159,999	1	1
£180,000 to £189,999	1	1
Total	**22**	**13**

6. Governors, Employees and Related Parties cont.

Key management personnel of the Group and Charity are defined as the Governors and the executive directors: The Chief Executive; Finance Director; Chief Investment Officer; Director of Charitable Operations; and Director for Performance and Engagement.

The total remuneration (including employers NIC, pension contributions and benefits in kind) of the key management personnel of the Charity for the year totalled £697,448 (2021: £583,741).

In 2021/22, no termination benefit was paid (2021: none)

B. Governors' Emoluments

The number of Governors in 2022 was 10 (2021: 11). No Governor received any emoluments during the year (2021: nil). Five Governors (2021: three) received reimbursement of expenses for travel and accommodation costs amounting to £3,490 (2021: £768). £368 was spent on computer hardware equipment for Governors' use (2021: £965). No donations were received from Governors during the year (2021: nil).

C. Trustees/Management Liability

Appropriate insurance has been arranged by the Charity to indemnify Governors and employees for their legal liability for damages and legal expenses arising from the performance of their duties, in 2022 this was £10 million (2021: £10 million). The cost of the policy in 2022 was £0.03 million (2021: £0.03 million).

D. Related Parties

Motability Endowment Trust (MET) was set up in 2019 to support the work of Motability. Motability is the sole corporate trustee of MET. During the period an administration charge of £0.42 million was paid by MET to Motability (2021: £0.51 million)

Related parties include the Executive Team (key management personnel) as shown in section (A) along with Governors of the Charity.

Motability directs and oversees the Motability Scheme which is operated on behalf of Motability by Motability Operations, a separate commercial company whose shares are held by four major banks. Motability Operations makes donations from surplus capital to Motability. An unrestricted donation of £170 million was made to Motability in the year. No donation was made in 2020/21.

Motability paid Motability Operations £36.9 million (2021: £38.4 million), in respect of grants awarded to customers, to fund Advance Payments and adaptations on vehicles which are provided under the lease schemes by Motability Operations, to customers in receipt of grants.

As at 31 March 2022 Motability Operations was due £2.8 million (2021: £2.4 million) in outstanding invoices and £42.7 million (2021: £28.4 million) in accrued commitments, totalling £45.5 million (2021: £30.8 million) from Motability.

In addition, for 2022 £4.7 million (2021: £4.3 million) was received from Motability Operations as rebates, where customers early terminated their lease agreements, in respect of grant awards towards Advance Payments and adaptations managed by Motability Operations.

As at 31 March 2022 £nil (2021: £0.8 million) was due to Motability from Motability Operations.

Motability has a wholly owned trading subsidiary, Motability Enterprises Limited (MEL) – see Note 2 for details. In 2022 Motability invoiced MEL £0.09 million (2021: £0.08 million) in respect of administration charges.

As at 31 March 2022 £0.3 million (2021: £0.3 million) was due from MEL to Motability as a qualifying distribution under Deed of Covenant. MEL recharged Motability £0.5 million (2021: nil) in respect of the fixed and Charitable variable costs for the production of the Lifestyle magazine. These costs are included in the Charities and Group Expenditure. As at 31 March 2022 there was no amount due from Motability to MEL (2020: nil).

Cheryl Ward served as a Governor in 2021/22 and 2020/21. The amounts for grants awarded to Family Fund, of which Cheryl Ward is CEO, were £2.5 million in 2021 and £1.5 million in 2022 under a pilot and now under a programme. Cheryl Ward recused herself from decision making for these grants.

The grants are given to support families with disabled children under the age of 3 with their transport needs. An administration charge of £0.08 million (2021: £0.09 million) is deducted from the award amounts to

6. Governors, Employees and Related Parties cont.

support the administration costs of the programme within Family Fund. The total grant current allocation for the Family Fund Under 3 programme is £15.0 million. The programme is subject to performance conditions and grant amounts are recognised as those conditions are met. The allocated but not yet awarded amount £14.0 million is reported in Note 19.

Motability values lived experience in its Governance. Occasionally, a Governor will be eligible for a grant award due to their disability, independently of their status as a Governor. During the year, Richard Cartwright served as a Governor and received a grant for £4,071 in relation to the Access to Work Grant Programme (2021: £Nil). He took no part in the award decision-making process. Motability paid £0.1 million (2021: £0.7 million) to 'Motability Pension Scheme' in respect of the defined benefit scheme which was closed to future accrual from 30 April 2012. See Note 18.

7. Fixed Asset Investment in Subsidiary Undertaking

	Group 2022 £	Group 2021 £
Investments in Motability Enterprises Ltd	100	100
Fixed Asset Investment in Subsidiary Undertaking	**100**	**100**

Motability holds 100 ordinary shares of £1 each in Motability Enterprises Limited incorporated in the UK (Company No. 1786053) whose registered office is Warwick House, Roydon Road, Harlow, Essex, CM19 5PX.

The company carries out certain trading activities in order to raise funds for Motability (Note 2).

8. Intangible and Tangible Fixed Assets (Group and Charity)

	Leasehold Improvements 2022 £'000	Motor Vehicles 2022 £'000	Office Furniture 2022 £'000	Fixtures and Fittings 2022 £'000	Computer Hardware 2022 £'000	Computer Software 2022 £'000	Assets in the course of construction 2022 £'000	Total 2022 £'000
Intangible Fixed Assets								
Cost								
Opening Balance	**-**	**-**	**-**	**-**	**-**	**1,604**	**436**	**2,040**
Work in Progress	-	-	-	-	-	-	463	463
Additions	-	-	-	-	-	51	-	51
Transfers	-	-	-	-	-	725	(725)	-
Disposals	-	-	-	-	-	-	-	-
Closing Balance	**-**	**-**	**-**	**-**	**-**	**2,380**	**174**	**2,554**
Depreciation								
Opening Balance	**-**	**-**	**-**	**-**	**-**	**1,153**	**-**	**1,153**
Charge for the year	-	-	-	-	-	254	-	254
Transfers	-	-	-	-	-	-	-	-
Eliminated on disposal	-	-	-	-	-	-	-	-
Closing Balance	**-**	**-**	**-**	**-**	**-**	**1,407**	**-**	**1,407**
Net Book Value (net of the above)								
Opening Balance	**-**	**-**	**-**	**-**	**-**	**451**	**436**	**887**
Closing Balance	**-**	**-**	**-**	**-**	**-**	**973**	**174**	**1,147**
Tangible Fixed Assets								
Cost								
Opening Balance	**2,222**	**704**	**101**	**160**	**971**	**-**	**313**	**4,471**
Work in Progress	-	-	-	-	-	-	1,508	1,508
Additions	223	-	-	13	8	-	-	244
Transfers	1,607	-	-	-	10	-	(1,617)	-
Disposals	-	(105)	-	(2)	(85)	-	-	(192)
Closing Balance	**4,052**	**599**	**101**	**171**	**904**	**-**	**204**	**6,031**
Depreciation								
Opening Balance	**1,151**	**369**	**68**	**157**	**816**	**-**	**-**	**2,561**
Charge for the year	1,040	137	33	2	81	-	-	1,293
Transfers	-	-	-	-	-	-	-	-
Eliminated on disposal	-	(105)	-	(3)	(86)	-	-	(194)
Closing Balance	**2,191**	**401**	**101**	**156**	**811**	**-**	**-**	**3,660**
Net Book Value (net of the above)								
Opening Balance	**1,071**	**335**	**33**	**3**	**155**	**-**	**313**	**1,910**
Closing Balance	**1,861**	**198**	**-**	**15**	**93**	**-**	**204**	**2,371**

All assets are used for direct charitable purposes

9. Investments

Group and Charity Reconciliation of Movement in Fair Value during the period	Fixed Asset Investments 2022 £'000	Current Asset Investments 2022 £'000	Group and Charity 2022 £'000	Fixed Asset Investments 2021 £'000	Current Asset Investments 2021 £'000	Group and Charity 2021 £'000
Fair Value as at 1 April	**1,367,973**	**160,003**	**1,527,976**	**1,240,409**	**-**	**1,240,409**
Gross Sales	(604,890)	(150,000)	(754,890)	(612,853)	-	(612,853)
Gross Purchases	880,854	32,000	912,854	519,899	160,003	679,902
Net Sales / Purchases	**275,964**	**(118,000)**	**157,964**	**(92,954)**	**160,003**	**67,049**
Gains on Investments	**67,710**	**-**	**67,710**	**139,519**	**-**	**139,519**
Movement in Investment Portfolio Cash	(49,129)	81	(49,048)	80,999	-	80,999
Reclassification	(14,780)	14,780	-	-	-	-
Fair Value as at 31 March	**1,647,738**	**56,864**	**1,704,602**	**1,367,973**	**160,003**	**1,527,976**

The investment gain shown above of £67.7 million (2021: £139.5 million) when adjusted for additional Total Expense Ratio (TER) investment management costs of £3.3 million (2021: £2.4 million), foreign exchange gains of £1.4 million (2021: £0.3 million) and discounting adjustments of £0.4 million (2021: £nil), gives the Net Gains / (Losses) on Investments figure of £72.8 million (2021: £142.2 million) shown on the Consolidated Statement of Financial Activities.

At 31 March 2022, Group and Charity investments comprised:	Fixed Asset Investments 2022 £'000	Current Asset Investments 2022 £'000	Group and Charity 2022 £'000	Fixed Asset Investments 2021 £'000	Current Asset Investments 2021 £'000	Group 2021 £'000
Listed Equity Securities	828,160	-	828,160	631,935	-	631,935
Listed Debt Securities	474,640	14,780	489,420	225,906	-	225,906
Money Market Instruments	170,169	-	170,169	414,999	-	414,999
Other Investments	144,769	-	144,769	95,133	-	95,133
Short Term Deposits	-	42,084	42,084	-	160,003	160,003
Cash held with broker*	30,000	-	30,000	-	-	-
Fair Value as at 31 March	**1,647,738**	**56,864**	**1,704,602**	**1,367,973**	**160,003**	**1,527,976**

All bonds are managed as part of the Fixed Assets portfolio.

Within listed Debt Securities above, £19 million of bond securities have maturity dates beyond one year (2021: £72 million). As at 31 March 2022, there were uncalled capital commitments to private investment funds totalling £125 million.

The investment portfolio held at 31 March 2022 is being held for the long term and contains a mix of investments including some cash balances and money market instruments. Other Investments include private credit, property and venture capital investments.

* Cash held with broker awaiting settlement of equity investment.

10. Debtors

	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
Trade and Other Debtors	468	197	295	155
Amounts owed by Motability Operations Ltd	449	854	449	854
Trade Debtors and Other Receivables	**917**	**1,051**	**744**	**1,009**
Amounts owed by Subsidiary - Motability Enterprises Ltd	-	-	265	261
Prepayments	524	605	520	602
Accrued Income	2,103	2,380	1,920	2,380
Prepayments and Accrued Income	2,627	2,985	2,440	2,982
Debtors	**3,544**	**4,036**	**3,449**	**4,252**

Investment income of £12,468,688 is made up of Accrued Investment Income of £1,918,679 and Investment Income Received of £10,550,010.

Investment income of £12,468,688 as shown on the consolidated SoFA comprises Accrued Investment Income of £1,918,679 included within accrued income shown above and Investment Income Received of £10,550,010 as disclosed on the consolidated cashflow statement.

11. Creditors: Amounts Falling Due Within One Year

	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
Cars and Adaptations	16,052	6,726	16,052	6,726
Wheelchair Accessible Vehicles	16,291	8,591	16,291	8,591
Complex Driving Solutions	12,151	13,058	12,151	13,058
PIP - Additional Transitional Support	-	36	-	36
Accruals for Grants Payable	**44,494**	**28,411**	**44,494**	**28,411**
Trade Creditors / Trade Payables	4,216	4,276	3,935	4,260
Accrued Liabilities	2,540	1,368	2,286	1,336
Other Creditors Incl. Taxation and Social	544	203	508	203
Creditors	**7,300**	**5,847**	**6,729**	**5,799**
Creditors: Amounts Falling Due within One Year	**51,794**	**34,258**	**51,223**	**34,210**
Amounts Owed to Motability Operations Limited	45,547	30,841	45,547	30,841
Amounts Owed to Third Party Suppliers	6,247	3,417	5,676	3,369
Creditors Falling Due Within One Year	**51,794**	**34,258**	**51,223**	**34,210**

12. Provisions

	Group 2022 £'000	Group 2021 £'000
Group and Charity Dilapidation Provision		
Provision Brought Forward 1 April	560	560
Movement in Provision	-	-
Dilapidation Provision Carried Forward 31 March	**560**	**560**
Group and Charity Provision for Uncashed Cheques		
Provision Brought Forward 1 April	107	66
Movement in Provision	5	41
Provision for Uncashed Cheques Carried Forward 31 March	**112**	**107**
Group and Charity PIP Provision		
Provision Brought Forward 1 April	2,067	5,418
Provision Utilised in Year	(490)	(3,194)
(Credit) in Year	(1,177)	(157)
PIP Provision Carried Forward 31 March	**400**	**2,067**
Provisions	**1,072**	**2,734**

Please refer to Note 1 Accounting Policies – Section K: Accounting for PIP Transitional Support Programme Grants for further information on the PIP Provision.

13a. Analysis of Group Net Assets / Liabilities Between Funds

	Group Unrestricted 2022 £'000	Group Restricted 2022 £'000	Group Endowment 2022 £'000	Group Total 2022 £'000
Non-Current Assets	388,993	39,010	1,223,253	1,651,256
Current Assets	81,451	3,965	13,246	98,662
Creditors: Amounts Falling Due within One Year	(50,310)	(5)	(1,479)	(51,794)
Creditors: Amounts Falling Due after One Year	(30)	-	-	(30)
Provisions	(590)	(482)	-	(1,072)
Net Assets (excluding Pension Liability)	**419,514**	**42,488**	**1,235,020**	**1,697,022**
Defined benefit pension scheme asset (liability)	(1,132)	-	-	(1,132)
Net Assets (including Pension Liability)	**418,382**	**42,488**	**1,235,020**	**1,695,890**

	Group Unrestricted 2021 £'000	Group Restricted 2021 £'000	Group Endowment 2021 £'000	Group Total 2021 £'000
Non-Current Assets	189,796	38,001	1,142,973	1,370,770
Current Assets	176,580	5,448	11,252	193,280
Creditors: Amounts Falling Due within One Year	(33,804)	(47)	(407)	(34,258)
Creditors: Amounts Falling Due after One Year	(50)	-	-	(50)
Provisions	(586)	(2,148)	-	(2,734)
Net Assets (excluding Pension Liability)	**331,936**	**41,254**	**1,153,818**	**1,527,008**
Defined benefit pension scheme asset (liability)	(2,632)	-	-	(2,632)
Net Assets (including Pension Liability)	**329,304**	**41,254**	**1,153,818**	**1,524,376**

13b. Analysis of Charity Net Assets / Liabilities Between Funds

	Charity Unrestricted 2022 £'000	Charity Restricted 2022 £'000	Charity Endowment 2022 £'000	Charity Total 2022 £'000
Non-Current Assets	388,993	39,010	1,223,253	1,651,256
Current Assets	80,865	3,965	13,246	98,076
Creditors: Amounts Falling Due within One Year	(49,739)	(5)	(1,479)	(51,223)
Creditors: Amounts Falling Due after One Year	(30)	-	-	(30)
Provisions	(590)	(482)	-	(1,072)
Net Assets (excluding Pension Liability)	**419,498**	**42,488**	**1,235,020**	**1,697,007**
Defined benefit pension scheme asset (liability)	(1,132)	-	-	(1,132)
Net Assets (including Pension Liability)	**418,367**	**42,488**	**1,235,020**	**1,695,875**

	Charity Unrestricted 2021 £'000	Charity Restricted 2021 £'000	Charity Endowment 2021 £'000	Charity Total 2021 £'000
Non-Current Assets	189,796	38,001	1,142,973	1,370,770
Current Assets	176,517	5,448	11,252	193,217
Creditors: Amounts Falling Due within One Year	(33,756)	(47)	(407)	(34,210)
Creditors: Amounts Falling Due after One Year	(50)	-	-	(50)
Provisions	(586)	(2,148)	-	(2,734)
Net Assets (excluding Pension Liability)	**331,921**	**41,254**	**1,153,818**	**1,526,993**
Defined benefit pension scheme asset (liability)	(2,632)	-	-	(2,632)
Net Assets (including Pension Liability)	**329,289**	**41,254**	**1,153,818**	**1,524,361**

14. Restricted Funds

	Balance 31/03/2021 £'000	Income £'000	Provision Movement £'000	Expenditure £'000	Investment Gains £'000	Other Realised Gain £'000	Transfers Between Funds £'000	Balance 31/03/2022 £'000
Group								
PIP Transitional Support Programme	41,254	60	1,667	(503)	10	-	-	42,488
Fundraising - Donations and Appeals	-	-	-	-	-	-	-	-
Restricted Funds	**41,254**	**60**	**1,667**	**(503)**	**10**	**-**	**-**	**42,488**

Restricted Funds may only be spent for the purpose specified by the donor, normally as given in the fund title.

	Balance 31/03/2020 £'000	Income £'000	Provision Movement £'000	Expenditure £'000	Investment Gains £'000	Other Realised Gain £'000	Transfers Between Funds £'000	Balance 31/03/2021 £'000
Group								
PIP Transitional Support Programme	41,058	226	3,351	(3,392)	11	-	-	41,254
Fundraising - Donations and Appeals	56	-	-	(41)	-	-	(15)	-
Restricted Funds	**41,114**	**226**	**3,351**	**(3,433)**	**11**	**-**	**(15)**	**41,254**

In 2020/21, Fundraising Restricted Funds were held for a variety of specific Scheme-Related programmes and have now been expended.

15. Unrestricted Funds

Movement in Funds:	Balance 31/03/2021 £'000	Income £'000	Expenditure £'000	Investment Loss £'000	Other Realised Gain £'000	Transfers Between Funds £'000	Balance 31/03/2022 £'000
Charity							
General Fund	321,572	171,848	(72,193)	(4,533)	1,673	(50,000)	368,367
Designated Fund - Wheelchair Accessible Vehicles	7,717	33	(7,734)	(16)	-	-	-
Designated Fund - Grants to Charities and Organisations	-	-	-	-	-	50,000	50,000
Unrestricted Funds	**329,289**	**171,881**	**(79,927)**	**(4,549)**	**1,673**	**-**	**418,367**
Group							
General Fund	321,587	172,261	(72,606)	(4,533)	1,673	(50,000)	368,382
Designated Fund - Wheelchair Accessible Vehicles	7,717	33	(7,734)	(16)	-	-	-
Designated Fund - Grants to Charities and Organisations	-	-	-	-	-	50,000	50,000
Unrestricted Funds	**329,304**	**172,294**	**(80,340)**	**(4,549)**	**1,673**	**-**	**418,382**

Movement in Funds:	Balance 31/03/20 £'000	Income £'000	Expenditure £'000	Investment Gain/Loss £'000	Other Realised Loss £'000	Transfers Between Funds £'000	Balance 31/03/21 £'000
Charity							
General Fund	366,625	1,490	(44,665)	1,254	(3,147)	15	321,572
Designated Fund - Wheelchair Accessible Vehicles	18,352	248	(10,795)	(88)	-	-	7,717
Unrestricted Funds	**384,977**	**1,738**	**(55,460)**	**1,166**	**(3,147)**	**15**	**329,289**
Group							
General Fund	366,640	1,642	(44,817)	1,254	(3,147)	15	321,587
Designated Fund - Wheelchair Accessible Vehicles	18,352	248	(10,795)	(88)	-	-	7,717
Unrestricted Funds	**384,992**	**1,890**	**(55,612)**	**1,166**	**(3,147)**	**15**	**329,304**

Designated funds are general funds set aside by the Governors for specific purposes, normally given in the fund title.
During the year, the Wheelchair Accessible Vehicles fund was fully committed and the residual equal assets and grant commitments were transferred to the general fund.
This programme continues, now funded from Unrestricted General funds.
During the year, Governors designated £50 million to fund grants to charities and organisations over the next three years.

16. Motability Foundation Endowment Fund

Movement in Fund:	Balance 31/03/2021 £'000	Income £'000	Expenditure £'000	Investment Gain £'000	Other Realised Gain £'000	Transfers Between Funds £'000	Balance 31/03/2022 £'000
Group and Charity							
Endowment Fund	**1,153,818**	**11,392**	**(7,523)**	**77,333**	**-**	**-**	**1,235,020**

Movement in Fund:	Balance 31/03/20 £'000	Income £'000	Expenditure £'000	Investment Gain £'000	Other Realised Gain £'000	Transfers Between Funds £'000	Balance 31/03/21 £'000
Group and Charity							
Endowment Fund	**1,011,011**	**8,075**	**(6,263)**	**140,995**	**-**	**-**	**1,153,818**

Endowment Funds comprise the net assets of the Motability Endowment Trust (the Foundation) only.

17. Funds Held as Agent

Movement in Funds:	Balance 31/03/2021 £'000	Income* £'000	Expenditure** £'000	Balance 31/03/2022 £'000
Charity				
Funds Held as Agent on behalf of Veterans UK	42	184	(184)	42
Funds Held as Agent	**42**	**184**	**(184)**	**42**
Group				
Funds Held as Agent on behalf of Veterans UK	42	184	(184)	42
Funds Held as Agent	**42**	**184**	**(184)**	**42**

*Income includes payments from the Veterans Agency of £183,873, Bank Interest received of £42.68 and Lease Refunds received of £80.68

**Expenditure includes Grant Payments to War Pensioners of £183,773 and Bank Charges paid of £112.81

Movement in Funds:	Balance 31/03/2020 £'000	Income £'000	Expenditure £'000	Balance 31/03/2021 £'000
Charity				
Funds Held as Agent on behalf of Veterans UK	41	194	(193)	42
Funds Held as Agent	**41**	**194**	**(193)**	**42**
Group				
Funds Held as Agent on behalf of Veterans UK	41	194	(193)	42
Funds Held as Agent	**41**	**194**	**(193)**	**42**

Motability administers the funds of Veterans UK to issue grants for automatic gearboxes and car adaptations to War Pensioners who are in receipt of the War Pensioners Mobility Supplement (WPMS).

Motability adheres to an agency agreement and distributes the funds it holds to specified third parties in line with the instructions given by Veterans UK.

18. Pension Arrangements

The Group has operated a defined benefit scheme for its employees since November 1988 under which a separate fund is being accumulated to meet the accruing liabilities which is held under a trust, entirely separate from the Charity's assets. Payments to the scheme are made in accordance with the recommendations of qualified actuaries.

From 1 October 2005 changes were made to the defined benefit pension scheme:

– The scheme was closed to new members
– Employees who wished to retain the 1/60th benefit were asked to increase their contributions
– The ability to retire before 65 without actuarial reduction was removed
– A defined contribution scheme was available from that date to any employees wishing to receive pension benefits

The defined benefit scheme was closed to future accrual from 30 April 2012.
The last actuarial valuation was prepared using the 'Attained Age' method, as at 31 March 2019.
This valuation used the following assumptions:

	%
Investment return in deferment	3.65
Investment return in payment (Non-pensioners/Pensioners)	2.15 / 1.75
Salary increases	Nil
Pension increases pre-retirement – Deferred Pensioners	3.00
Pension increases pre-retirement – Employed Deferred	3.65
Pensioners – post-1997 Service	2.40

At 31 March 2019 the market value of the scheme's asset was £21.8 million, the present value of liabilities was £23.0 million resulting in an actuarial deficit of £1.2 million, equivalent to a funding level of 95%. The employer, having considered the various recovering plans, agreed to pay £0.7 million on 31 March 2020 and £0.6 million on 31 March 2021, as well as scheme costs of £0.08 million p.a., following agreement with the pension Trustees.

A qualified actuary using revised assumptions that are consistent with the requirements of FRS 102 has updated the actuarial valuation described above at 31 March 2022. Investments have been valued for this purpose at fair value.

The pension cost to the Charity under FRS 102 was £0.25 million (2021: £0.2 million).

The major assumptions used for the FRS 102 actuarial valuation were:

	2022 %	2021 %	2020 %
Rate of increase in salaries	N/A	N/A	N/A
Rate of increase in pensions in payment	3.35	2.60	1.95
Discount Rate	2.64	1.85	2.30
Price inflation	3.85	3.15	2.95

18.1 The fair value of the assets in the scheme, the present value of the liabilities in the scheme, and the expected rate of return at each balance sheet date were:

	2022 %	2022 £'000	2021 %	2021 £'000	2020 %	2020 £'000
Equities	2.64	9,160	1.85	11,188	2.30	9,271
Bonds/Gilts	2.64	14,112	1.85	9,163	2.30	9,721
Cash	2.64	540	1.85	3,073	2.30	2,680
Property and Other	2.64	1,035	1.85	1,243	2.30	1,605
Total fair value of assets		24,847		24,667		23,277
Present value of scheme liabilities		(25,979)		(27,299)		(23,243)
Net pension (liability)/asset		**(1,132)**		**(2,632)**		**34**
Adjustment to restrict recognition of surplus		-		-		(34)
Revised total, excluding contingent asset *		**(1,132)**		**(2,632)**		**-**

The rates used for the expected return on scheme assets are based on the requirements of SORP 2019 (FRS 102) as these determine the predicted return in the year to 31 March 2022. The contribution rate for 2022 was nil of pensionable earnings (2021: nil) due to the scheme being closed to future accrual with effect from 30 April 2012.

	2022 %	2021 %
Equities	36.87	45.36
Bonds/Gilts	56.80	37.15
Cash	2.17	12.46
Property and Other	4.16	5.03

The liabilities were valued using the following mortality assumptions:
- Basetable: S3PA
- Future mortality improvements: CMI_2020, 1.25% long-term rate
- Age rating: None

The following table illustrates members' life expectancy in years, at the age of 65, based on the mortality assumptions above:

	2022	2021
Retiring Now		
Males	22.00	22.00
Females	24.30	24.30
Retiring in 20 Years		
Males	23.30	23.30
Females	25.80	25.70

Notes to the Financial Statements cont.

18.2 The movement in the scheme's deficit over the year to 31 March 2022 is summarised as follows:

	2022 £'000	2021 £'000
The Pension Deficit as at 31 March comprises:		
Pension Deficit at 1 April	(2,632)	-
Gain/(Loss) in the year - Actuarial	1,673	(3,181)
Gain in the year – Other	-	34
Deficit Recovery Plan Payment	-	631
Contribution to Scheme administration costs	80	80
Subtotal	**(879)**	**(2,436)**
Analysis of amounts (charged) to the SoFA for the year:		
Other finance cost	(52)	(3)
Current service cost	(201)	(191)
Past service cost	-	(2)
Subtotal	**(253)**	**(196)**
Pension (deficit) at 31 March	**(1,132)**	**(2,632)**

18.3 Analysis of the amount that has been charged / (credited) to the SofA under FRS 102:

	2022 £'000	2021 £'000
Current service cost	201	191
Total	**201**	**191**

18.4 Analysis of the amount that has been debited to net finance charges under FRS 102:

	2022 £'000	2021 £'000
Expected return on pension scheme assets	451	528
Interest on pension scheme liabilities	(503)	(531)
Total	**(52)**	**(3)**

18.5 Analysis of the Actuarial Movement

	2022 £'000	2021 £'000	2020 £'000
Actual return less expected return on pension scheme assets	313	840	990
Experience gains arising on the scheme liabilities	13	99	1,997
Changes in the assumptions underlying the present value of the scheme liabilities	1,347	(4,120)	291
Total	**1,673**	**(3,181)**	**3,278**
Adjustment to restrict recognition of surplus	-	34	(34)
Revised recognised gain/(loss) for the year	**1,673**	**(3,147)**	**3,244**

18.6 Reconciliation of present value defined benefit obligation

	2022 £'000	2021 £'000
Opening Balance at 1 April	**27,299**	**23,243**
Current service cost	201	191
Past service cost	-	2
Curtailment	-	-
Settlements	-	-
Interest cost	503	531
Employee contribution	-	-
Actuarial (Gain)/Losses	(1,360)	4,021
Administration Expenses	(201)	(191)
Changes to Exchange Rates	-	-
Benefits paid	(463)	(498)
Closing Balance at 31 March	**25,979**	**27,299**

Notes to the Financial Statements cont.

18.7 Reconciliation of fair value plan assets

	2022 £'000	2021 £'000
Opening Balance at 1 April	**24,667**	**23,277**
Expected return on assets	451	528
Actuarial Gain	313	840
Changes to Exchange Rates	-	-
Employer contribution	80	711
Employee contribution	-	-
Settlements	-	-
Administration Expenses	(201)	(191)
Benefits paid	(463)	(498)
Closing Balance at 31 March	**24,847**	**24,667**

18.8 Reconciliation of change in funded status

	2022 £'000	2021 £'000
Opening Balance 1 April	**(2,632)**	**34**
Pension Expense	(253)	(196)
Employer contribution	80	711
Changes to Exchange Rates	-	-
Actuarial Gain/(Losses)	1,673	(3,181)
Closing Balance at 31 March	**(1,132)**	**(2,632)**

18.9 History of experienced gains and losses

	2022 £'000	2021 £'000	2020 £'000	2019 £'000	2018 £'000
Difference between actual and expected return on assets					
Amount	313	840	990	(405)	409
% of scheme assets	**1.3%**	**3.4%**	**4.2%**	**(1.9%)**	**1.9%**
Experience of gains and (losses) arising on liabilities					
Amount	13	99	1997	(14)	(57)
% of scheme assets	**0.1%**	**0.4%**	**8.6%**	**0.1%**	**(0.3%)**

19. Commitments

Operating Leases
Amounts payable in total under operating leases with expiry dates:

	Premises 2022 £'000	Premises 2021 £'000	Other 2022 £'000	Other 2021 £'000
Within One Year	646	646	24	18
Between One and Five Years	215	646	1	18
Over Five Years	-	-	-	-
Total	**861**	**1,292**	**25**	**36**

Operating Lease Expenditure	2022 £'000	2021 £'000
Premises	428	518
Plant, Machinery and Vehicles	36	25
Total	**464**	**543**

Capital Commitments
As at 31 March 2022, Motability has outstanding capital commitments of £0.20 million in respect of the Evidence Centre Project and £0.10 million in respect of Computer Software, which will be met from the general funds liquid monies.

Investment Commitments
As at 31 March 2022, there were uncalled capital commitments to investment managers totalling £125 million (2021: £37.1 million). The largest commitment was £88 million to an infrastructure fund. These commitments will be met from liquid assets and asset sales as required in the Endowment fund.

Future Grant Allocations
An initial 2021/22 award of £15.0 million was allocated to Family Fund to support the mobility of families with children under three years old. During 2021/22 £1.0 million was paid (cumulative total being £1.0 million), leaving an allocation balance of £14.0 million, which may be awarded over a three-year period, subject to performance conditions being met.

Future grant allocations commitments will be met as they fall due from general fund liquid monies.

An initial 2019/20 award of £5.4 million was made, of which £0.95 million was paid in 2021/22 (2020/21 £0.95 million) to Designability for the Wizzybugs initiative. The remainder of the award is payable over the three years to 2024/25 subject to satisfactory performance review.

An initial 2021/22 award of £0.6 million was made, of which £0.5 million was paid in 2021/22 to Designability for Electric Vehicle charging points initiative. The remainder is payable in 2022/23.

20. Taxation

As a registered charity, Motability is potentially exempt from taxation of income and gains falling within Part 11 Income and Corporation Taxes Act 2010 and s256 Taxation Chargeable Gains Act 1992.
No tax charge has arisen in the year.
No tax charge has arisen in the subsidiary due to the policy of gifting profits to Motability each year.

21. Events after the reporting date

There are no post balance sheet date events to note.



Professional Advisors

Bankers

Barclays Bank PLC
1 Churchill Place,
London E14 5HP

NatWest Bank PLC
1 Princes Street,
London EC2R 8BP

Solicitors

Farrer & Co LLP
66 Lincoln's Inn Fields,
London WC2A 3LH

Memery Crystal Limited
165 Fleet Street,
London EC4A 2DY

Whiskers LLP
6 Mitre Buildings,
Kitson Way, Harlow CM20 1DR

External Auditors

BDO LLP
55 Baker Street,
London W1U 7EU

Internal Auditors

Grant Thornton UK LLP
30 Finsbury Square,
London EC24 1AG

Investment Advisors

Lane Clark and Peacock LLP
95 Wigmore Street,
London W1U 1DQ

Fund Managers

Aegon Asset Management Limited
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122 Leadenhall Street,
London EC3V 4AB

Allianz Global Investors
199 Bishopsgate,
London EC2M 3TY

Barclays Private Bank
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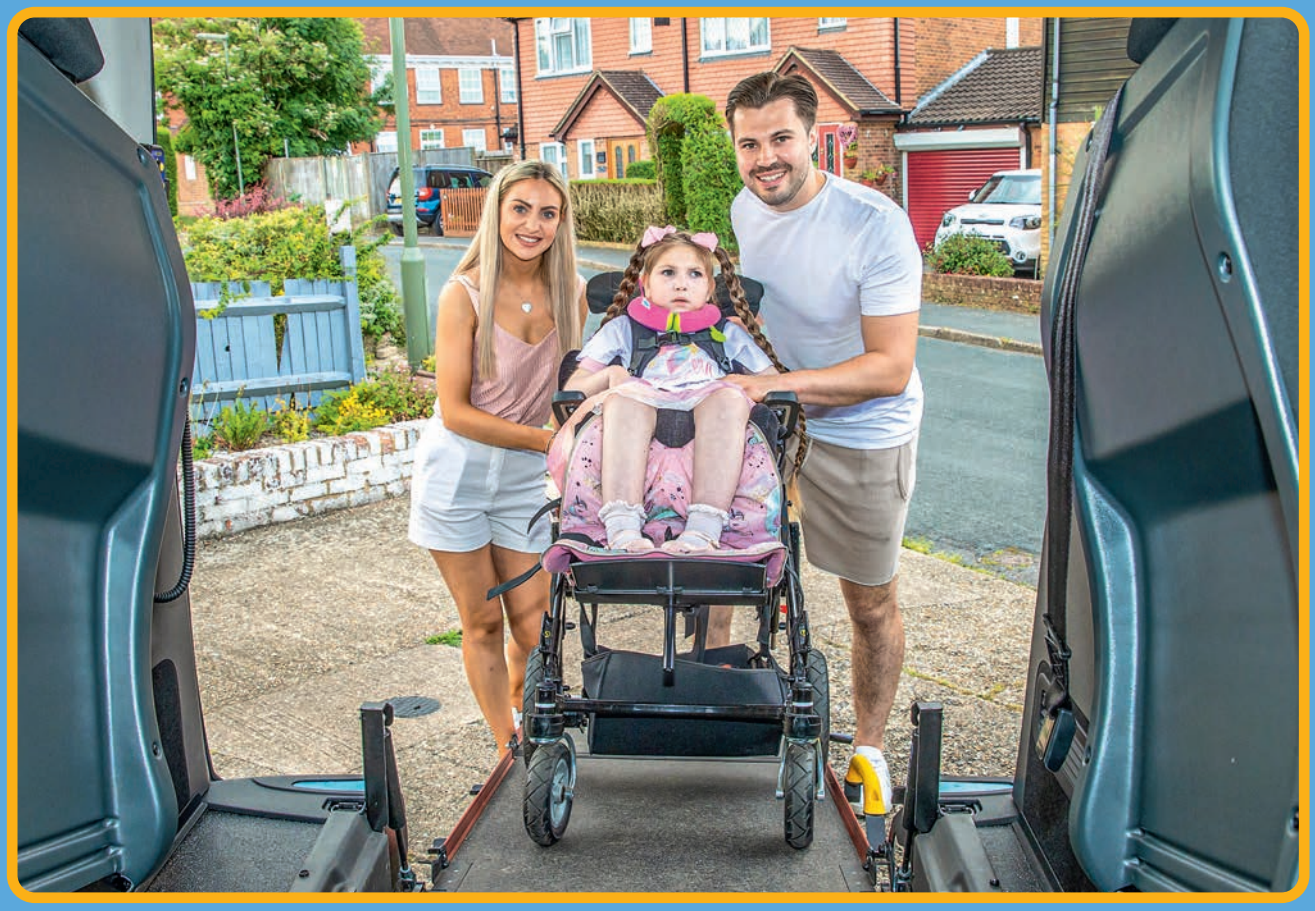
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Stanhope Capital LLP
35 Portman Square,
London W1H 6LR

Veritas Investment Partners (UK) Limited
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London SE1 9HA

Motability



‘Without the Motability Scheme and the grant towards the Advance Payment on the WAV, we would never have been able to afford a car that meets Emelia’s needs’

Emelia’s mum, Stephanie

Motability, the Charity, Warwick House, Harlow, Essex, CM19 5PX

Motability is a Registered Charity in England and Wales number 299745 and a Registered Charity in Scotland number SC050642, and is authorised and regulated by the Financial Conduct Authority, reference number 736309.

motability.org.uk

MOTABILITY

England & Wales - Charity number 299745

Accounts

Motability







Annual Report and Accounts 2020/21



On the road to freedom

OUR VISION:

That no disabled person shall be disadvantaged due to poor access to transportation

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Patrons, Governors, Members and Key Executive Staff

Chief Patron
Her Majesty The Queen

Patrons
The Rt Hon Boris Johnson MP
(appointed 1 June 2020)
The Rt Hon Theresa May MP
The Rt Hon David Cameron
The Rt Hon Ed Miliband MP
The Rt Hon Iain Duncan Smith MP
The Rt Hon Tony Blair

Life President
The Rt Hon the Lord Sterling of Plaistow GCVO CBE (appointed 1 June 2020)

Life Vice-President
Brian Carte TD

Governors
Chairman:
Charles Manby MBE
(appointed Chairman 1 June 2020)
Chairman and Co-Founder:
The Rt Hon the Lord Sterling of Plaistow GCVO CBE (retired 1 June 2020)
Vice Chairman:
Ed Humpherson FCA
(appointed Vice-Chairman 23 March 2021)
Hon Treasurer:
David Hunter FCA

Dr Stephen Duckworth OBE
(retired 6 July 2021)
Dr Juliana Onwumere
Professor Mala Rao OBE
Lord Kevin Shinkwin
(retired 16 September 2021)
Cheryl Ward
Professor William Webb
Richard Cartwright ACA
(appointed 10 December 2020)
Robin Hindle Fisher OBE
(appointed 10 December 2020)

Members
Sir Gerald Acher CBE LVO FCA
Richard Bennison FCA
Don Brereton CB
Morigue Cornwell MBE
Alan Dickinson
Dr Stephen Duckworth OBE
(appointed 6 July 2021)
Christopher E Fay CBE
Tim Gooch (deceased January 2021)
The Rt Hon the Lord Hague of Richmond
Raymond King
Joanna Lewis
Edward Lester
The Baroness Masham of Ilton DL
The Hon Sara Morrison
Noel Muddiman CBE
Peter Oppenheimer*
(appointed 4 February 2021)
David Pritchard*
(appointed 10 December 2020)
Paul Spencer
The Rt Hon the Lord Sterling of Plaistow GCVO CBE

Key Executive Staff
Chief Executive Officer:
Barry Le Grys MBE
Director of Finance:
Charles Nall ACA
Director of Charitable Operations:
Lisa Jones
Director of Performance and Engagement:
Rachael Badger

Company Secretary:
Anil Gadhia FCA

* Independent member of Investment Committee

Canine Partners

OUR VALUES

All Motability employees are expected to reflect our Values in their everyday activities. Our Values are integral to our ethos and create a pleasant and productive work environment.

We work together to enhance the lives of disabled people

Whatever our role, we are all working to the same goal – helping the mobility of disabled people.

We encourage a culture of continuous improvement

We all focus on the quality of our service and encourage ideas from everyone to improve what we do and how.

We have empathy and are respectful to everyone

Whether we are dealing with colleagues, suppliers or customers, we value that each individual is unique and recognise individual differences.

We listen, are practical and approachable

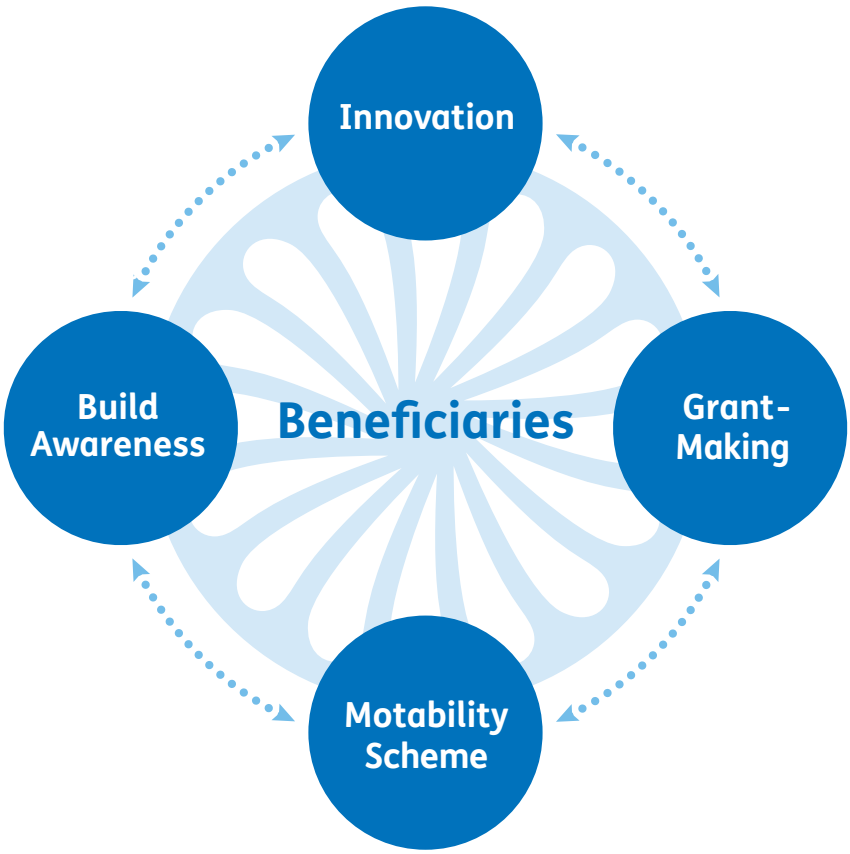
We are easy to work with at all levels of the organisation and we work in an ethical and open way.

We value the expertise of everyone we work with

We value the individual skills of our colleagues and those organisations we work with to help fulfil our purpose.

Introduction

Motability was co-founded 44 years ago by the late Lord Goodman and Lord Sterling, with all-party political support, in order to help disabled people and their families with their personal mobility. During this time, the Charity has grown from strength to strength.



Back in 1977, there were only 25,000 Government-issued vehicles for disabled people; mostly the distinctive single-passenger blue trikes. Through the creation and direction of the Motability Scheme by Motability, Motability Finance – which was increasingly delivering the Scheme – was able to steadily enhance the value and choice of cars for disabled people and their families. As time went on, the Scheme's buying power was such that the value for money for disabled customers improved consistently.

In 2008, Motability Finance changed its name to Motability Operations Limited to more clearly reflect its role and became a subsidiary of Motability Operations Group plc, formed as the culmination of a decision, planned several years earlier, to raise long-term funding on the capital markets. Over the years, money has been reinvested, in consultation with the Charity, by Motability Operations, back into the Scheme for the benefit of customers, through customer support and the enhancement of many areas of customer service.

The Scheme has proven resilient in the context of successive economic cycles and Government welfare reforms, and has built long-lasting and valued relations with stakeholders across the private, public, and charity sectors. Under Motability's stewardship, the Scheme has provided more than five million vehicles, and helped millions of disabled people and their families to enjoy independence and freedom.

Motability has a wider charitable object than the delivery of the Scheme. Our vision is that no disabled person shall be disadvantaged due to poor access to transportation. Oversight of the Motability Scheme continues to be the mainstay of course, but an increasing element of our grant-making is beyond the Scheme and we are also investing steadily in our Innovation activities; we have a robust, longer-term framework to do so. Motability plans to be in a position to make a significant contribution to our society whilst there is a need to fulfil our charitable object.

Public and Charitable Benefit

The charitable object of Motability is to facilitate the relief and assistance of disabled persons in connection with the provision of personal, and other, transportation.

This Annual Report reviews the work of Motability over the past year and sets out the aims for 2021/22.

In reviewing the performance and future aims, Governors have due regard for the guidance published by the Charity Commission on public benefit and have complied with Section 17 of the Charities Act 2011 in this respect. Enhancing the mobility of disabled people, to the extent demonstrated in this Report, is Motability's contribution to the nation.





Meet Owen

Owen from North Yorkshire currently leases a Ford Tourneo on the Motability Scheme.

The vehicle has been converted so Owen can drive whilst sitting in his power chair. Owen received a grant for the conversion costs to his Wheelchair Accessible Vehicle (WAV).

"The grant and the vehicle have made a massive difference to me. It means I can travel with my family and enables me to be on a level playing field with my family and friends.

I currently have a provisional licence and am learning to drive my WAV. I'm very much looking forward to passing my test as it will enable me to be a lot more independent. I love playing power chair football and going away on trips.

I'm hoping to volunteer at my local hospital and I want to eventually fulfil my dream of working in media. Having this car enables me to pursue that."

Chairman's Statement



Chairman's Statement

We plan, pandemic recovery across the globe permitting, to fulfil the grant needs of our beneficiaries at a higher rate in this current year.

Charles Manby MBE
Chairman of Motability

I wrote in last year's Annual Report that 'the full effects of the crisis are yet to unfold'. Three national lockdowns have had a huge impact on both our beneficiaries and our activity as a grant-making charity.

The first lockdown restricted the whole UK economy severely and a high proportion of our grant-making was suppressed. We could not reach and support some of our beneficiaries, and supply chains for vehicle and adaptation manufacturers were adversely disrupted. By the second lockdown, we had quickly made best use of technology to enable us to work from home efficiently and resume our grant-making activity to achieve a charitable expenditure sum of £55 million, albeit at a lower level than planned. The Governors see the shortfall on our original grant spend ambition as grants deferred rather than grants lost. We plan, pandemic recovery across the globe permitting, to fulfil the grant needs of our beneficiaries at a higher rate in this current year.

We have been able to listen to, and support beneficiaries throughout the pandemic despite the external pressures that arose during this time. We welcomed that a trade deal with the EU was agreed at the end 2020; if this had not been the case there would have been a significant operational and financial shock to the Motability Scheme and its business model. Vehicle manufacturers have had production disrupted severely by the pandemic and, additionally, they are required to comply with EU emissions targets and face substantial fines if they do not. They also have been making exceptional levels of investment in the move away from internal combustion engines to hybrid and battery electric vehicles. All of these factors currently impact vehicle availability and bring significant pricing pressure as the markets adjust. Whilst this is challenging and fast moving, we are working hard to ensure a continued high degree of choice of vehicles and appropriate pricing, including vehicles at nil advance payment, in the best interests of beneficiaries.

We continued to work very closely with Motability Operations at all levels in our oversight role during this past year to ensure that we meet customer and beneficiary needs, to provide the highest standard of service, the best possible value for money, and to ensure financial sustainability. I would like to thank Sir Stephen O'Brien KBE and the Board of Motability Operations, their senior executives and all their staff for the highest order of commitment in running the business, in a seamless fashion, through the most challenging of years. The quality of service, including speed of response for customers, has been outstanding throughout – a quite remarkable performance. I would also like to thank Matthew Hamilton-James who steered Motability Operations as Interim Chief Executive Officer until the arrival of Andrew Miller in January 2021. We welcome Andrew and the experience and expertise of the commercial realm he brings. There are complex items on which to develop strategy, which we will work on together, such as climate change and the accelerating market evolution towards an alternative fuel vehicle fleet.

We also look forward to working with Andrew and his team in thinking through together how to continually develop and improve the Scheme customer proposition.

Throughout the year we maintained close dialogue with Government, particularly the Department for Work and Pensions and other advisory bodies, to ensure the needs of our beneficiaries are considered and met. For example, social security benefits are being devolved to Scotland and there are implications for the Scheme and our customers and beneficiaries. We are all clear that a seamless transition is required, working in concert with Governments, with us focused at the higher policy level, and Motability Operations making the necessary operational preparations for the continued delivery of the Scheme.

We fortunately remain in resilient shape and have protected our founding principles and our values, including long-term sustainability, so we can continue to support current and future generations of beneficiaries. The Board and the Investment Committee have worked hard to consolidate the establishment of the Motability Foundation and its investment portfolio, aiming to be able to support beneficiaries over the long term and provide some assurance to our activities. We also continue to grow our capacity and capability as a charity, in particular, how to develop our Innovation Pillar in an exciting arena. We will explore opportunities with our research and evidence gathering, listen to disabled people, share the findings across the sector, seek solutions that meet the needs of disabled people, and understand how to implement them, whether through influencing others or as our own projects. Our work which aims to ensure accessibility for 1.35 million disabled drivers to electric charging points is one such undertaking. Another important area of investment is in our digital platform so we can make the online journey intuitive and more efficient for beneficiaries, the public, other charities and organisations. This is progressing well.

We introduced our current strategy in 2019 and said we would evaluate progress and review it after two years. It is now that time and we will conclude before the end of this calendar year. It is a critical principle of all our initiatives to listen to the views of beneficiaries and interested parties; our research has consulted some 14,000 members of the public. The scale and complexity of what we do is daunting but I am confident the Board, with their respective experiences and skill sets, will build on the success of the past four decades of Motability. I would very much like to thank my fellow Governors for their support and their dedication to the cause this past year, with its exceptional demands. Robin Hindle Fisher and Richard Cartwright joined us in the year as Governors with lived experience and we welcome their insight. I am extremely pleased Ed Humpherson has taken on the role of Vice-Chairman. Stephen Duckworth and Kevin Shinkwin announced their intentions not to stand another term as Governors. I am indebted to them for their invaluable contributions and wish them both well in their future endeavours. Our two independent Investment Committee members, Peter Oppenheimer and David Pritchard, have worked very hard this year establishing the portfolio for which we are especially grateful.

Lord Sterling handed over Chairmanship to me in June 2020, and I wish to thank him for his hugely resourceful leadership of the Board including our plans for facing the COVID-19 pandemic.

Finally, I wish to thank the management team and all staff at Motability for their fortitude and enthusiasm, whatever the twists and turns of the year. In the first national lockdown we were unable to fulfil all our grant-making, but we were able to reach out to many beneficiaries and have hundreds of conversations which were universally well received. The management team worked tirelessly to ensure a COVID-19 pandemic secure and comfortable working environment when employees were allowed back into the office, and that working from home could be done effectively, and in a personally engaged, communicative and supportive manner. I have been impressed with how everyone has always had a strong sense of purpose to the fore – making a real difference to mobility for disabled people.





Chief Executive Officer's Statement

Barry Le Grys MBE

The immediate effects of the COVID-19 pandemic are known to us and reflected in the hard facts of this Report. The first national lockdown severely impacted our grant-making and, although we adjusted the Charity as quickly as possible to be able to work from home predominantly, COVID-19 pandemic restrictions then, and in the third national lockdown especially, prevented us reaching our budgeted spend on our Scheme-related grant programmes. The Special Grant and Access to Work Grant programmes were able to continue as planned but all other programmes were affected. Scheme-related grant spend was impacted by the closure of dealerships, the shielding of beneficiaries, and the travel restrictions that prevented home visits for assessments conducted by our field team. Access to Mobility programmes were affected by the Department for Work and Pensions making COVID-19 pandemic-related operational decisions, including to reduce the transition from Disabled Living Allowance to Personal Independence Payment. Driving lessons had to be curtailed. The end result is that our charitable spend achieved the sum of £55 million, of which £43 million was grant-making. This fall against our target figure is in line with reduced activity across the vehicle industry as a whole due to the pandemic, and compounded by being unable to visit beneficiaries and assess the needs of the most complex grant applications in person, using a demonstration vehicle. As the Chairman has noted, we see the impact as demand deferred rather than lost, and we are all focused on our plans for recovery as the COVID-19 pandemic's impact reduces. You can read about our aims for 2021/22 in the strategic pillar reports below.

The COVID-19 pandemic has taught us lessons in organisational resilience and agility. We are not unique here but we are being very thorough to take account of what we have learned from home working during this time as we look to introduce a sustainable blended office/home policy which will meet the needs of beneficiaries, the individual employee, and the Charity as a whole for the longer term. This is not just about technology – people and practice are hugely important. Other, potentially more profound and far reaching outcomes of the COVID-19 pandemic are still uncertain, particularly the changing needs of our beneficiaries, but we look to consistent consultation upon our programmes and their evaluation in a timely fashion, and focused research, to alert us.

Alongside planning for the year ahead, we have continued to grow capability and capacity across the Charity. We have added expertise and recruited new employees, but always with an eye to efficiency and flexibility; designing new operating models for our case manager teams and building in contingency for varying scenarios that might unfold in the recovery period. Our Innovation team is growing and our Evaluation team to measure our impact is now fully in place. This year, we will publish an Impact Report alongside this Annual Report. Our sector-leading research with disabled people and transport experts shows that major upcoming changes in the world of transport might risk leaving behind people living with disability. We plan to spend more than £2.2 million on research and innovation this year in order to establish a pipeline of future grant programmes and amplify the voices of disabled people needing inclusive transport.

'We see the impact as demand deferred rather than lost, and **we are all focused on our plans for recovery** as the COVID-19 pandemic's impact reduces'

Engagement with beneficiaries, stakeholders and other organisations has told us we need to make the digital communication journey to us more intuitive, and I am pleased that this will shortly be the case. Our digital platform will be more user-friendly and work is in hand for improved functionality, with greater scope for continuing development. This is all part of a wider information technology plan which will unfold over the next two years, hinged by a tight change management process that we embedded last year and is really proving its worth, to ensure integration and compatibility across the Charity.

Applying good practice, we are pleased to include a report against Section 172 of the Companies Act 2006 on page 81 noting our significant decisions, their impact, and how we engage with key stakeholders. This is an important demonstration of our intent to be open and share decisions made, conscious of the effect and consequences those decisions have on our stakeholders.

The Motability Scheme is the major part of our assistance to disabled people so, as always, we have been in close dialogue with Motability Operations about their own plans for the future. We are also refreshing important aspects of our contract with Motability Operations, known as the Scheme Agreement, particularly in the realm of performance, including the key performance indicators. In 2020, Motability Operations reviewed and amended their Economic Capital Model which is used to inform the level of capital reserves maintained by Motability Operations. We commissioned an independent assessment that confirmed the model's improvements, and noted some considerations for continuing development; another important aspect of our oversight role. The Chairman also pointed out the importance of environmental considerations and the transition to an alternative fuel vehicle fleet. You can read below how we are pursuing certain accessibility aspects of this under our Innovation Pillar. We have supported our own Board with their strategy review this year to enable us to look forward to the next three years, and close coordination with Motability Operations, particularly on the environmental agenda, is vital in shaping future direction and our endeavour to continue excellent standards of service for users.
We have consistently kept in touch with, and listened to, beneficiaries through the COVID-19 pandemic, and surveys with them have been very insightful. We handle more than five thousand calls a week and every one of the calls is an opportunity to ask a beneficiary how they are. During the third national lockdown, for example, 65% of beneficiaries consulted told us they would visit a dealer or supplier within one week of restrictions being lifted, and 21% of beneficiaries told us they were applying for a grant because of a change in their circumstances due to the COVID-19 pandemic. This data has influenced our recovery plans to build in flexibility to absorb possible demand.

I praised our people last year for how quickly they adjusted to different working conditions, and I wish to praise them again this year for their perseverance though a rollercoaster ride of ever-changing circumstances. Nobody is under the illusion that this year is going to be without further turbulence, but the strongest sense of purpose will continue to steer us.



Meet Jadon

Jadon lives in South Wales with his parents

Jadon's parents lease a Ford Grand Tourneo Connect on the Motability Scheme so Jadon is able to travel with his family, get out, go to school and take part in his hobbies.
"Jadon is autistic and has learning difficulties," his dad Mark explains. "We found out about the Motability Scheme when we applied for DLA. We spoke to Motability and received a grant for the advance payment for the vehicle.

Jadon enjoys cycling with a trike and the vehicle is large enough to store his trike in the boot. Cycling with Jadon is the safest and most effective form of exercise for the whole family, but we need to be able to travel to various areas to cycle. Without a large vehicle, this is impossible. This vehicle is beyond our ability to finance ourselves, but is available on the Scheme.

The vehicle has been a real benefit to us as a family. We have been able to travel to many fantastic cycling routes close to home and sometimes further away. In reality, these times out cycling are the only real opportunity we have to relax and enjoy time out as a family without worry.
The vehicle was essential to our survival as a family unit through the lockdown period."

Our Strategy

The Five Strategic Pillars

Our Founding Principles

Our founding principles that underpin our Strategic Pillars are to provide:

- Solutions that meet the needs of our beneficiaries
- The highest standard of service
- The best possible value for money
- Financial sustainability for the long term

MOTABILITY SCHEME

Ensure the successful operation of the Motability Scheme in meeting the transportation needs of disabled people.

GRANT-MAKING

Use charitable funds to support beneficiaries with the financial cost of their transportation needs.

Our Goals

- Ensure the Motability Scheme delivers value for money solutions and high levels of customer service.
- Strengthen our oversight of the Motability Scheme.

- Extend and enhance our grant support to customers of the Motability Scheme.
- Create new grant programmes to support more disabled people.
- Develop a new "Motability Special Grants Programme" to provide financial help to other charities or organisations with aligned objectives.

BUILD AWARENESS

To ensure that disabled people are fully aware of the benefits available from Motability, the Charity, and the Motability Scheme.

- Create engaging ways to help people to continue to be aware, and to understand, both our charitable work and the Motability Scheme.
- Establish Motability's identity as a leading, grant-making disability charity.

INNOVATION

Constantly look for and develop new solutions to meet the evolving transportation needs of disabled people.

- Invest in innovation and development in support of our vision.
- Broaden our activities to examine other forms of transportation outside of the Motability Scheme.

DISABILITY CHARITY

Be a major charity that provides the highest level of service, underpinned by a strong infrastructure and empathetic culture.

- Be a charity that supports future growth, particularly through the establishment of The Motability Foundation.
- Develop our people, skills and ways of working to enable our growth.

Motability, the Charity

Motability has a clear charitable object. Our vision is that no disabled person shall be disadvantaged due to poor access to transportation. Motability, the Charity is registered with the Charity Commission in England and Wales under the Charity Registration number 299745, and with the Office of Scottish Charity Regulator (OSCR) under the Charity Registration number SC050642. Oversight of the Motability Scheme and the Scheme itself continue to be the main method by which the Charity strives to achieve the vision, although an increasing element of our grant-making is beyond the Scheme and we are also investing steadily in our Innovation activities. The Scheme enables a person in receipt of a state-provided mobility allowance to use all or part of their allowance to lease a new vehicle with insurance, road tax, servicing, tyres and breakdown cover all included. Motability, the Charity sets the strategic policies and direction of the Motability Scheme, and oversees its performance to ensure that it continues to meet the needs of disabled people. The day-to-day running of the Scheme is delivered by an independent commercial company, Motability Operations, under an exclusive contract with Motability.

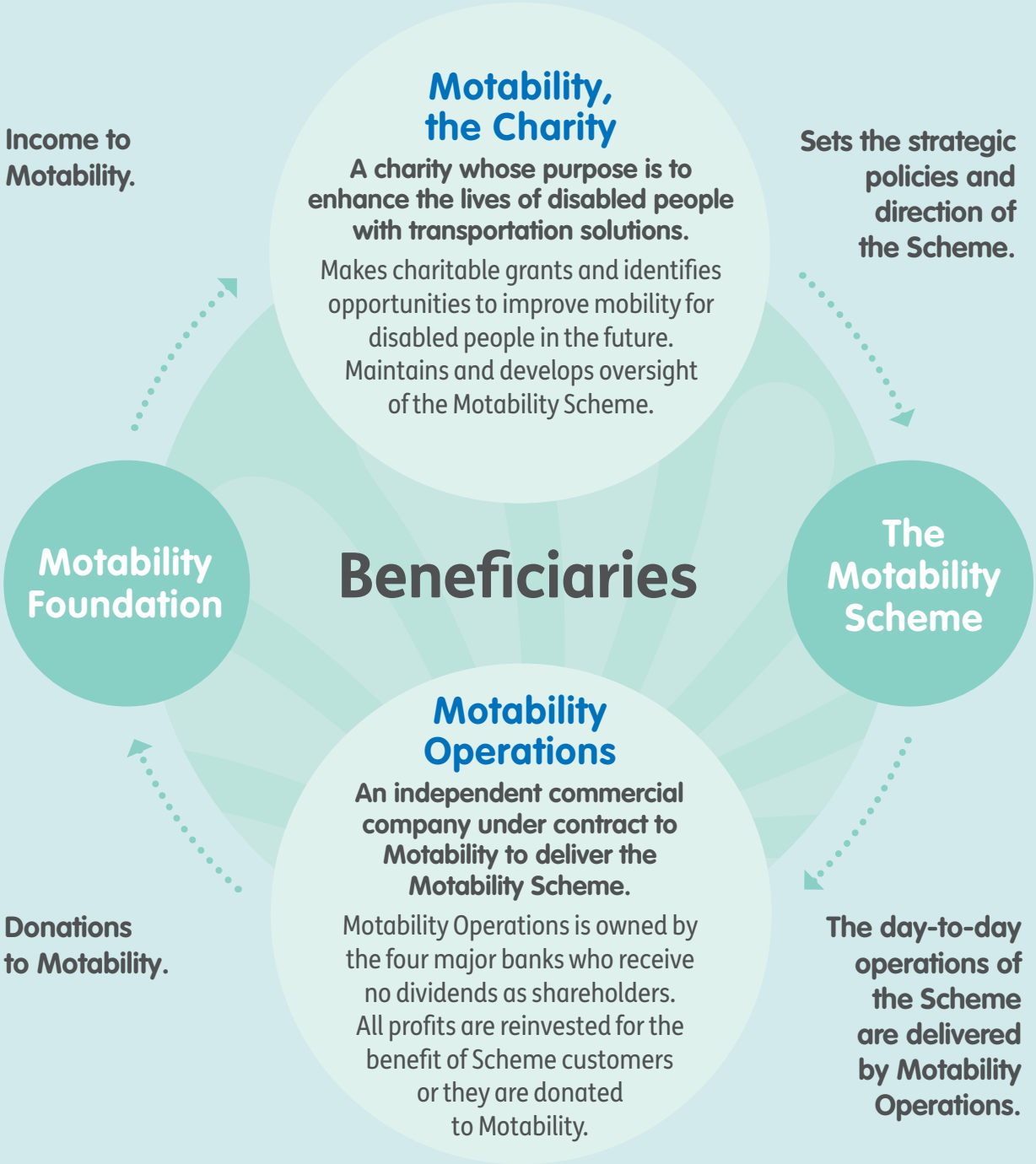
Motability Operations

Motability Operations has to fund the cost of more than 640,000 vehicles on the Motability Scheme to a value of £7.8 billion as at 30 September 2020 (as per Motability Operations' audited accounts), and needs to borrow money in order to do so. Before any investor lends money to any company, they need to be assured it is a healthy business to have the confidence the loan and the interest will be repaid. Motability Operations must maintain sufficient capital for its activities, keeping the vehicle fleet on the road, to attain a strong credit rating to lower the cost of borrowing, and to ensure access to the capital markets, underpinning the Scheme's value for money. It is also important to us that current Scheme customers are protected from economic downturns or market shocks unless there are exceptional circumstances. Therefore, Motability Operations aims for a modest return on its capital asset base each year. This return figure, and the level of capital reserves, are kept under review.

The provision of capital reserves to protect current customers from the excesses of volatile and potentially price-increasing market forces is important, as noted previously. However, in more buoyant markets, financial performance sometimes exceeds forecast returns. Motability Operations does not pay a dividend to its shareholders. Any profits are reinvested for the benefit of current and future Scheme customers through improved services (online customer accounts, for example); added to capital reserves if risk assessment deems this prudent to further protect current and future customers; or retained to provide capital for future growth expectations; or are donated to Motability to help address the transportation needs of all people with disabilities. Motability and Motability Operations consult on these matters.

Motability Charitable Object

As a charity, Motability must always act within its charitable object in the best interests of its beneficiaries, who are all disabled people in need of assistance with their personal transportation. Motability must account publicly for its actions, reporting on its charitable activity and the resulting public benefit. This is part of the Motability charitable proposition. A critical feature of the proposition is that any funds donated to Motability can be used to support charitable programmes for all disabled people, within the Charity's objects, not just customers of the Scheme. Those who are eligible for the Scheme have total choice in whether they join the Scheme as a customer or not. If they so choose they adopt the Motability proposition. The Motability proposition must be transparent to all Scheme customers and the wider public, particularly the charitable work of Motability beyond the Scheme, largely through its individual and special grant-making.


Motability, the Charity
A charity whose purpose is to enhance the lives of disabled people with transportation solutions.
Makes charitable grants and identifies opportunities to improve mobility for disabled people in the future. Maintains and develops oversight of the Motability Scheme.
Income to Motability.
Sets the strategic policies and direction of the Scheme.
Motability Foundation
Beneficiaries
The Motability Scheme
Motability Operations
An independent commercial company under contract to Motability to deliver the Motability Scheme.
Motability Operations is owned by the four major banks who receive no dividends as shareholders. All profits are reinvested for the benefit of Scheme customers or they are donated to Motability.
Donations to Motability.
The day-to-day operations of the Scheme are delivered by Motability Operations.


BORO

The Motability Foundation

The Foundation continues to make steady progress, investing its funds in order to provide financial stability to Motability's assistance to current and future generations of beneficiaries.

The role of the Foundation

The Foundation's sole purpose is to support Motability which is the Foundation's sole corporate Trustee. The Foundation and Motability share the same charitable objects. The Motability Foundation is an Endowment trust, established in September 2019, and is legally registered as The Motability Endowment Trust with the Charity Commission in England and Wales as a linked charity to Motability under registration number 299745-1. The Foundation's funds came from substantial donations from Motability Operations and Motability Tenth Anniversary Trust in 2019/20, totalling £1,054 million. The Foundation does not prepare separate financial statements; its results are presented within Motability's consolidated financial statements in the Endowment column. The Foundation's investment advisers are Lane Clarke and Peacock. The long-term investment target is CPI+4%; this is intended to maintain the capital of the Endowment and so support grant-making for future generations of beneficiaries in real terms.

Disabilities are often long term. So the sustainability of Motability's grant-making is essential to many of our beneficiaries. The Foundation provides a degree of financial stability to Motability's grant-making activities, enabling Motability to continue supporting grant programmes when donations from Motability Operations fall below expectation or a donation cannot be made due to economic conditions. It is intended that the Endowment's capital will only be drawn upon to fund exceptional 'once in a generation' opportunities to sharply improve the transport opportunities for disabled people. Where Motability's spending, net of donations from Motability Operations, exceeds income from the Foundation, Motability will draw upon its general and restricted fund reserves and / or reduce its spending in line with the contingency set out on page 77 of the Financial Review.

Developments in 2020/21

There is a rolling programme to move the monies that were initially invested in bonds and money market funds into appropriate and diversified assets likely to deliver the long-term return target of CPI+4% over the three years to 31 March 2023 so as to reduce timing risk. During the year, a further £430 million was allocated to new long-term investments, taking the

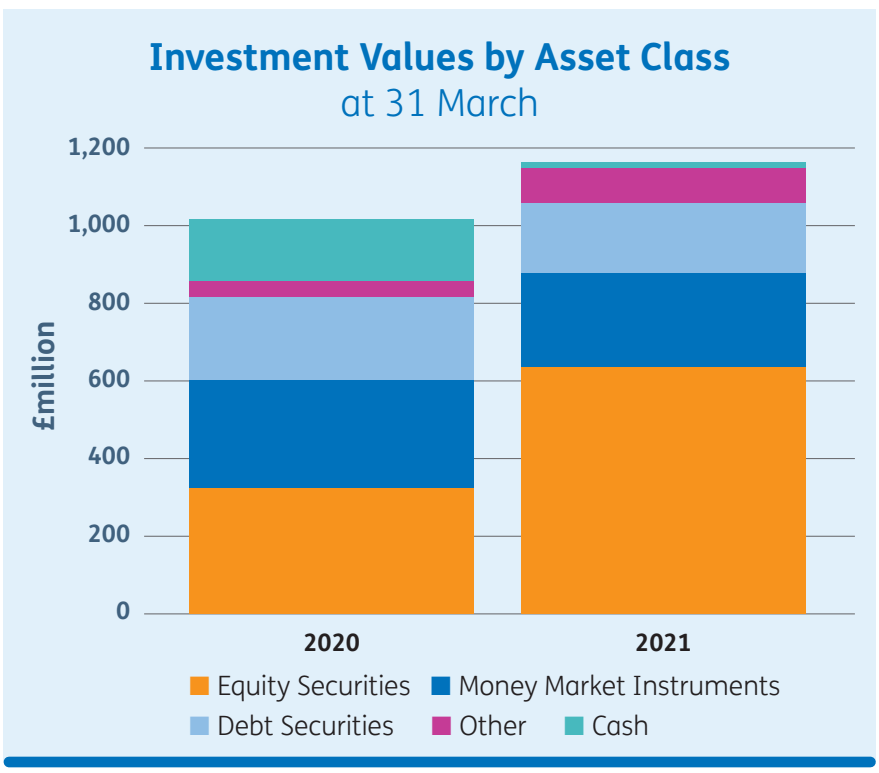
	Valuations: £ million		Investment performance figures	
ASSET CLASS	**31 March 2020**	**31 March 2021**	**Year to 31 Mar 21 (%)**	**Since inception (% pa)**
Equity Securities	325	632	39%	12.9%
Debt Securities	207	173	3.4%	1.8%
Money Market Instruments	281	244	0.1%	0.3%
Other	38	95	4.5%	4.5%
Cash	160	10	0.1%	0.3%
Total	**1,011**	**1,154**	**14.1%**	**6.7%**

total allocated or invested to over 80% of the Endowment's value. The opening and closing asset class mixes, along with performance in the year, are given in the table on page 23.

2020/21 was the first full financial year for the Foundation. Income was £8.1 million (2020: £2.5 million) and investment costs were £6.3 million (2020: £0.7 million), both sharply higher owing to increasing investments in equities at a time of very low interest rates. Net income was £1.8 million (2020: £1.8 million). Equities rebounded from their falls in late 2019/20, growing by 39% within the fund and constituting the major source of return in the year. Sterling strengthened towards the end of the financial year which blunted the returns from overseas holdings.

As a result, the Endowment's value rose by £143 million to £1,154 million from £1,011 million over the year to 31 March 2021, a total return of 14.1% compared to a fall of 4.2% last year. The return for the year was greater than the long-term performance target of 5.5%. Compared to the historic donations of £1,054 million, the Endowment's value has increased by £100 million or 9.5% against a target increase of 7% (the annual return equivalents are an increase in the Endowment of 6.7% p.a. against a target increase of 5.3% p.a.). The composition of the portfolio is shown in the graph below.

Our long-term return target is CPI+4%; however, given current market levels, expectations are that returns will be harder to make. Key components of managing the risks of volatile investment values are to invest over time and to manage risk in an appropriately diversified portfolio, structured with expert advice.



The Foundation has an investment committee that operates within terms of reference delegated from the Trustee and within the scope of the investment policy, including an asset allocation strategy and a responsible investment policy, approved by the Trustee. During the year, the investment committee reviewed the asset allocation strategy with Lane Clark and Peacock and monitored the fund managers. Further fund managers were evaluated and appointed. The principal fund managers are noted on page 129. The terms of reference for the investment committee and the investment policy are reviewed regularly.



Outlook and plans for the future

The Foundation will continue to move funds gradually into investments capable of meeting its long-term return target of CPI+4%. At 31 March 2021, the Foundation had communicated to fund managers its intent to invest a further £197 million, of which £37.1 million constituted contractual commitments. Money market funds and liquid debt securities are sufficient to fund these intentions. The infrastructure requirements of the Foundation will be reviewed in 2021/22 to support the future management of the investment portfolio.

The Foundation will continue to pursue its goal of investing to support the long-term financial sustainability of Motability's grant-making.

STRATEGIC PILLAR

Motability Scheme

STRATEGIC PILLAR

Motability Scheme

The Scheme is available to disabled people who receive one of the following:

- Higher Rate Mobility Component of Disability Living Allowance (HRMC of DLA)
- Enhanced Rate Mobility Component of Personal Independence Payment (ERMC of PIP)
- War Pensioners' Mobility Supplement (WPMS)
- Armed Forces Independence Payment (AFIP)

Today, more than 640,000 people benefit from the Motability Scheme, and since 1978, when the first cars were delivered, more than five million cars, powered wheelchairs and scooters have been provided to enhance their mobility.

It is entirely up to the disabled person whether they choose to use their mobility allowance to join the Motability Scheme or to spend it in some other way.

One in three of those who are currently eligible to do so have chosen to join the Scheme.

AIMS FOR 2020/21

- Ensure that the Scheme continues to operate to its current high standard for customers, offering value for money and excellent customer service, and minimising the impact of the COVID-19 pandemic **ACHIEVED**
- Complete work to renew the Scheme Agreement with Motability Operations, including a new performance framework and updated KPIs, with a focus on securing the best outcomes for disabled people **ONGOING**
- Demonstrate the value for money that the Scheme offers to customers more clearly **ONGOING**
- Seek to maintain price stability and the Scheme's financial health in an uncertain economic climate, including the recovery from the COVID-19 pandemic **ACHIEVED**
- Together with Motability Operations, develop environmental positioning, particularly on electric vehicles and transitioning towards the Government target for 2035 **ONGOING**

Around two-thirds of Scheme customers drive, but those who do not can still lease a car and travel as a passenger.

Similarly, parents or carers can also apply to join on behalf of a child aged three and above. It is important that the car is used by, or for the benefit of, the disabled person.

Motability Scheme customers can lease a new car, with insurance, road tax, servicing, tyres and breakdown cover all included. A wide range of adaptations and Wheelchair Accessible Vehicles (WAVs) are also available. A similar Scheme exists for those wishing to lease a scooter or powered wheelchair.

Scheme Oversight

Oversight of the Motability Scheme is carried out by a team at Motability, reporting to the Scheme Oversight Committee, which meets quarterly. The Scheme Oversight Committee directs oversight activity and evaluates the outcomes from the Scheme.

In exercising oversight of the Scheme, Motability is guided by its founding principles: solutions that meet the needs of disabled people; providing the highest standard of service; the best possible value for money; and financial sustainability for the long term.

Motability exercises oversight of the Scheme and of Motability Operations in a variety of ways, through the Scheme Agreement (the contract with Motability Operations), including:

- Review of monthly Key Performance Indicator (KPI) reports which define actual performance against contractual requirements
- Analysis of customer research to identify how well the Scheme is meeting the current needs of Scheme customers
- Discussion of current activity and future plans at the quarterly Scheme Oversight Committee, which includes directors of Motability Operations
- Assessment of information provided through Motability's attendance at some of Motability Operations' governance committees
- Appraisal of ad hoc reporting as requested by Motability

This is in addition to the routine dialogue between senior management of Motability and Motability Operations on significant issues impacting the operational performance of the Scheme.

The contractual KPIs are reviewed annually with Motability Operations to ensure that they remain relevant and focused on the most important elements of customers' needs and experiences.

One of Motability's objectives for this year was to renew the Scheme Agreement with Motability Operations, including a new performance framework and updated KPIs, with a focus on securing the best outcomes for disabled people. There have been extensive discussions with Motability Operations throughout the year, and these continue amidst a wider strategic dialogue, including the environment agenda, which will impact upon the Agreement.

The Scheme Agreement not only outlines our oversight rights and obligations but also defines the relationship between the two organisations, and is therefore of critical importance to both parties. While discussions continue, both organisations are maintaining a focus on securing the best outcomes for disabled people. Progress has been made in agreeing a refreshed set of KPIs, which will form part of a wider performance framework.



Scheme Performance

Motability continues to believe that Motability Operations is highly effective in delivering the Scheme to eligible disabled people. In reaching this assessment, Motability not only reflects on formal reporting but also on discussions on specific issues with Motability Operations. During the year, the Scheme Oversight Committee (SOC) reviewed a number of areas including:

COVID-19 Pandemic Related Disruption

Operational performance against all KPIs was satisfactory until COVID-19 pandemic lockdown. Significant disruption has been experienced with dealers being either closed or operating on a 'click and collect' basis only. This has had an impact on Scheme orders from new customers and renewing customers. There has also been significant concern about the sale of de-fleeted vehicles at the end of lease, but this has been managed effectively in a surprisingly strong used vehicle market. There remains a longer-term concern about the strength of the market and a prudent approach has been taken.

All aspects of customer service have remained operational with the vast majority of customer support staff working from home. Scheme partners such as Kwik Fit and RAC have also remained fully operational but have all experienced their own COVID-19 pandemic related challenges.

As a result of the COVID-19 pandemic Motability Operations and Motability also agreed that Motability Scheme customers who experienced temporary and exceptional financial need during the COVID-19 pandemic would be able to access an advance of the £600 Good Condition Bonus usually paid at the end of the lease. Around 17,000 customers have requested this support. The two insurance rebate payments of £50 each were also approved for all customers.

Value For Money

The Motability Scheme continues to offer customers excellent value for money, with independent analysis in March 2021 indicating that prices for the 50 most popular Scheme models represent, on average, a saving of 44.8% (25.3% excluding Value Added Tax and Insurance Premium Tax relief) when compared on a like-for-like basis to the offerings of other major leasing companies. However, the new car market has experienced, and will continue to experience, significant change and those effects are also being felt by the Scheme:

- The COVID-19 pandemic has reduced the availability of vehicles due to factory shutdowns and Covid-secure working practices
- Reduction in choice through removal of many diesel derivatives and high-emitting vehicles
- The transition to green technology has generally placed upward pressure on prices as this technology remains more expensive and supply is limited
- Manufacturers are under pressure to maintain profitability

Throughout this period of change, we have been in discussion with Motability Operations to ensure that the Scheme has continued to offer great choice and affordability. These pressures will continue into the future, and in 2021/22 manufacturers must meet strict new emission targets or they will be liable for very significant fines. This means there will be further upward pressure on pricing and more range rationalisation. We will continue to ensure that the Scheme delivers excellent value with sustainable pricing across a wide range of vehicles.

Customer Satisfaction
Every year, the Scheme Oversight Committee reviews the results and methodology of the bi-annual customer satisfaction surveys. Overall satisfaction remains high at 98%, the same as the previous year, however the Autumn 2020 wave of Customer Satisfaction Index (CSI) research was cancelled as a result of the unique operating circumstances and customer experiences as a result of the COVID-19 pandemic lockdowns.

These scores are validated through an external appraisal by the Institute of Customer Service which is an independent professional organisation that works with its members to raise the standards of customer service in the UK. In 2020, Motability Operations obtained a satisfaction rating of 94.4%. This was a further improvement from the 2019 score of 93.7%, despite the unusual operating conditions, and Motability Operations remains one of the highest performing organisations in the UK.

In early 2021, Motability Operations completed a tender process, with Motability involvement, for CSI research services and have now appointed Ipsos MORI.

Major Risks
Operational and financial risks arising within Motability Operations are addressed by their own Audit Committee, which is chaired by an independent Non-Executive Director.

The Chair of Motability's Audit and Risk Committee, together with Motability's CEO and Director of Finance, attend Motability Operations Audit Committee meetings in order to inform the Motability Board of any emerging risks that may impact the Scheme.

Summary of the Motability Scheme's Key Risks
The key principal Scheme risks identified currently are:

- Residual values of the vehicles in the used car market which impacts the profitability, reserves and Scheme pricing
- The Scheme fails to evolve to meet a changing environment
- Inability to respond to the impact of the COVID-19 pandemic
- Failure of key suppliers or manufacturers limiting the offering to customers and restricting residual values of the vehicles
- Operational failure of key systems or processes resulting in business disruption
- The loss or harm related to cyber-attack or data security breach
- Default of key income streams and exposure to bad debt

Full details of Motability Scheme risks with impacts and mitigations can be reviewed in the Motability Operations Annual Report

‘Overall **satisfaction** remains **high at 98%**’

Scheme Policy

Motability continues to monitor the Scheme offering to ensure it remains appropriate and continues to deliver value to its customers while remaining consistent with the Scheme’s core objectives. We protect the integrity and reputation of the Scheme by ensuring that policies related to the vehicles leased, how they are used and by whom, are appropriate and effective. Policy issues are reviewed by the Scheme Oversight Committee and referred to the Board of Governors for final assessment and decisions. During the year, the following specific policy matters were reviewed:

Accessible Vehicle and Equipment Scheme in Scotland

Disability benefits have been devolved to the Government in Scotland where they intend to develop their own portfolio of benefits. In advance of implementing them, they wanted to introduce a new leasing programme for vehicles and powered wheelchairs to ultimately be paid for by the devolved benefits. Motability and Motability Operations have successfully applied and been granted joint accreditation to continue to deliver the Scheme in Scotland. Both parties are currently in negotiation with the Scottish Government about the specific terms of the operational contract.

The first change in the benefits structure by the Scottish Government, the introduction of Child Disability Payment, will happen later this year, and arrangements are being finalised to ensure continued support to existing Motability customers in Scotland and to allow new customers to join using the new benefit.

Wheelchair Accessible Vehicle Pricing

Motability Operations subsidise the cost of Wheelchair Accessible Vehicles (WAVs) to ensure that they are as accessible as possible to disabled customers who need this type of vehicle, and to ensure a manageable price progression from large cars on the price list. During the year, SOC Governors considered whether it was appropriate to continue with this pricing support and if there was another potential mechanism to deliver this benefit to WAV customers. It was concluded that the current subsidy provided by Motability Operations was the best way to support relevant customers.

Customer Support Costs

Motability Operations support the customer proposition by investing in initiatives that improve the customer experience. Some of these are consumed directly by customers by way of direct payments (such as Good Condition Bonus), services (such as replacement vehicles when the Scheme vehicle is off road) or subsidies (such as those applied to WAV pricing). Other investments are made in the service infrastructure to support / incentivise the required behaviours and standards leading to the provision of excellent service for customers. These costs were reviewed to ensure that they were improving the customer experience and were providing effective and economic benefits.

Capital Reserves of Motability Operations

In response to the National Audit Office (NAO) Review in 2018, Motability initiated an external review from Oliver Wyman to examine Motability Operations’ capital modelling methodology and to benchmark the capital reserve levels against near-comparable companies. Significantly, the review confirmed the appropriateness of Motability Operations’ economic

‘Approximately **one third** of eligible disabled people **choose to join the Scheme**’

capital approach, but suggested that Motability Operations should consider reviewing assumptions underpinning the calculation of a number of risk components. Motability Operations have now undertaken a review of all elements of the economic capital modelling as recommended in the Oliver Wyman report. The review included participation from third party experts in economic capital and the review suggested a number of changes in approach. Accordingly, Motability has again engaged with Oliver Wyman who have concluded that the quality of the economic capital modelling framework has materially improved. They identified that on the quantification of individual risks, all significant changes in the framework were sound and individually justifiable in the context of industry standards and accounting rules. They also suggested that some risk appetite decisions should be discussed as part of the agreement between Motability and Motability Operations on the future Capital Management Policy.

Eligible Non-Scheme Customers

Approximately one third of eligible disabled people choose to join the Scheme. It is, however, important to understand why eligible people choose not to join the Scheme, and a programme of research has been initiated to improve understanding of why this is and what barriers exist. Previous research has highlighted that some people do not like the concept of leasing, alongside a lack of awareness of the Scheme generally. The new research has also identified some categories of potentially eligible people who consider that the Scheme is not suitable for them and choose different options to support their mobility. This insight will allow consideration of potential enhancements to the Scheme or potentially offering different services outside the Scheme. Further work will also be undertaken to improve both the awareness and understanding of the Motability Scheme and of Motability, the Charity.

Vehicle Availability – Hybrid and Electric Vehicles

Motability ensures that there is a wide choice of vehicles available to customers, while ensuring that vehicle eligibility for the Scheme is focused on the most cost-effective vehicles that meet the disability requirements of Scheme customers.

During the year, interest in hybrid and electric vehicles grew. Efforts were made to ensure as wide a choice of these vehicles as possible, and in particular to ensure that the eligibility criteria did not limit the inclusion of appropriate vehicles. It is likely that demand and popularity for these vehicles will increase further in the future, in particular given that the mileage range of newer electric vehicles is improving significantly. Providing as wide a choice of these vehicles remains a priority but, at the same time, we recognise that these vehicles are currently more expensive than regular internal combustion engine equivalents and are also subject to different supply dynamics.

During the year, the choice of electric vehicles and plug-in hybrid electric vehicles improved significantly, in part because there was agreement with



Motability Operations to allow flexibility on pricing and insurance eligibility limits. The number of full electric vehicles available at Nil Advance Payment is growing, and there is now an expanding choice of hybrid and electric vehicles at various price points.

Scheme Oversight Risk
Governors considered the external risks that faced the Motability Scheme and the relationship between Motability and Motability Operations, and in particular reflected on potential reputational risks. This risk appraisal will help determine oversight priorities and activity in the year ahead.

Scheme Transition to Electric Vehicles
The Government has announced the ban on new petrol and diesel vehicles from 2030 and the ban on all internal combustion engines from 2035. Governors considered the implications this shift would have on the long-term strategy for the Scheme.

Transport represents Europe's largest source of CO_2 emissions and is the only sector where emissions have grown since 1990. Cars are the largest contributor within transport emissions. Regional and national regulations are therefore placing pressure on car makers to develop alternatives to traditional internal combustion engine (ICE) vehicles. This year, manufacturers must meet specific CO_2 targets or face very large fines. Manufacturers are introducing hybrids and full battery electric vehicles (BEVs) with hybrids being seen as the short-term solution to reducing emissions, although zero emission vehicles, i.e. full battery electric, will be required to reach future CO_2 targets in 2025 and 2030.

Currently, BEVs command a significant price premium over internal combustion equivalents, potentially as much as £10,000. BEV and ICE price parity is expected around 2025. Before there is wide-scale adoption of BEVs, the charging infrastructure requires further improvement. Our own research, related specifically to disabled drivers, found that 50% or 1.35 million would be reliant on public infrastructure.

As explained under our Innovation pillar, Motability is working in partnership with the Office for Zero Emissions Vehicles to ensure that public charge points are accessible to disabled people.

Aims for 2021/22

- Ensure that the Scheme continues to operate to its current high standard for customers, offering value for money and excellent customer service, and minimises the impact of the COVID-19 pandemic on customers
- Complete work to renew the Scheme Agreement with Motability Operations, including a new performance framework and updated KPIs, with a focus on securing the best outcomes for disabled people
- Seek to maintain price stability and the Scheme's financial health in an uncertain economic climate, including the recovery from the COVID-19 pandemic
- Together with Motability Operations, ensure that customers' needs are understood and supported as the transition to electric vehicles approaches

STRATEGIC PILLAR

Grant-Making

STRATEGIC PILLAR

Grant-Making

2020/21 has seen us award 16,336 grants to support our beneficiaries, committing nearly £43 million in our grant-making. In 2019/20 we supported 25,795 individual beneficiaries with a charitable grant, spending just over £71 million, increased from £52.6 million in 2018/19. We had planned to continue to expand the reach and scope of our grant-making in 2020/21 but the COVID-19 pandemic has had an unprecedented and significant impact on all our daily lives.

The restrictions imposed on all of us have had a notable impact on the number of beneficiaries seeking our support. We anticipate that many beneficiaries who have not approached us for help in 2020/21 will 'defer' their applications until Government restrictions are eased. Our conversations with beneficiaries indicate that in addition to these deferred applications we are likely to see an increase in general demand for our support, with 21% of those recently surveyed telling us that they had applied for a grant as a direct result of changing personal circumstances due to the pandemic.

AIMS FOR 2020/21

- ✔ To continue to achieve high levels of beneficiary satisfaction regarding their application for a grant **ACHIEVED**
- ➔ To recover from the COVID-19 impact on our grant-making and return to planned operating and spending levels as quickly as possible **ONGOING**
- ✔ To develop the Motability Special Grants Programme **ACHIEVED**
- ➔ To continue to build our understanding of the impact that our grant-making has on the transportation needs of our disabled beneficiaries **ONGOING**

Our ambition remains to help as many beneficiaries as possible in 2021/22, increasing our grant-making to meet this new and deferred demand. We know that our grant-making programmes make a huge difference to the day-to-day lives of our beneficiaries and their families. Every grant we provide helps empower disabled people to be more independent and to have the freedom and choice to get on with their daily activities. Our beneficiaries are at the heart and centre of all that we do, and we outline each of our grant programmes and how they have supported our beneficiaries during the most unprecedented year.

The impact of the COVID-19 pandemic on our activities as a grant-making charity

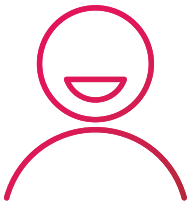
During the first national lockdown from March 2020, around half of our staff across the Charity were able to work effectively from home, but our Scheme-related grant programmes ceased during this time due to dealerships and adaptation companies closing for business during lockdown. Driving lessons were also impacted due to the national restrictions on our Advanced Driving Instructors (ADI) and test centres. Our other grant programmes were able to continue even though we had reduced numbers. We were delighted, however, that our grant case managers, who were not able to work due to the enforced

We asked our beneficiaries to rate our service



Ease of getting through

9.26/10



Attitude / helpfulness

9.68/10



Knowledge / expertise

9.59/10



Ease of completing application form

8.59/10

lockdown, were able to join forces with the National Emergency Trust (NET). Each grant case manager was allocated a region or county within the UK to help NET in its emergency appeal to support those impacted by the COVID-19 pandemic, by using their experience and expertise in grant-making. We were able to resume our Scheme-related grant programmes at the end of the first lockdown in June 2020 as the country reopened for business.

Like many other organisations, we quickly looked to increase our homeworking capabilities for all staff. To ensure our success, we undertook a pilot in August 2020 which helped to implement home working across our organisation. This meant that despite the introduction of tiers in October 2020, the second lockdown in November 2020 and the third in January 2021, we were able to continue grant-making activity, seamlessly supporting our beneficiaries.

We made sure that we kept in touch with beneficiaries throughout the year to provide some reassurance at a difficult time and, importantly, to also understand what their need for support might be once the country came out of lockdown and with the easing of restrictions. This was also invaluable in helping us to prepare in terms of understanding what future demand would be for Scheme-related grant programmes.

Factors such as: dealerships and adaptation companies closed for business during lockdown; different tier systems throughout the UK; and restrictions on travel imposed from one part of the country to another meant that dealerships were only able to offer at best a 'click and collect' service.

These circumstances were not suitable for many of our beneficiaries who need to be able to test drive a vehicle to ensure it is exactly right for their particular mobility needs.

During Lockdown One:

28% of those we spoke to told us that they had been **advised to shield**

Nearly 28% of our Scheme-related grant programme beneficiaries were required to shield for long periods, not leaving their homes, and so did not need a grant whilst they shielded. Working with Motability Operations, we provided lease extensions to ensure a vehicle was available when mobility was needed.

In 2020/21 we have continued to see excellent levels of satisfaction with the service we have provided. Each quarter we speak to circa 600 beneficiaries who have been awarded a grant to understand how they would rate their experience of our service. We are exceptionally proud of our teams in continuing to deliver the highest levels of service despite the challenges that the COVID-19 pandemic and home working placed upon them. We take feedback from our beneficiaries very seriously and are committed to changing our processes to better meet our beneficiaries' needs. As a result, we are currently reviewing our online application forms to make them more user-friendly and accessible.



Meet Isaac

Isaac lives in Suffolk with his mum, Sarah, and younger brother and sister. He has two live-in carers who have become part of the family.

"We always have lots of friends and family around and I love it most when we all listen to music together. I can't walk or talk but I smile and laugh a lot, and they can always tell how I feel and what I need."

Isaac received a grant towards his Wheelchair Accessible Vehicle (WAV), which he travels in with his mum and carers.

Before he got the grant and joined the Motability Scheme, Isaac and his family weren't able to travel together. "My mum had an old car that broke down a lot. There was never enough space for my brother and sister to come out with me as I need a carer to sit next to me while travelling.

Having the Motability vehicle has made such a difference. Being able to travel in my wheelchair is safer, more comfortable and vital to my wellbeing. It also means my family can travel with me and we can all do things together now. We live in a rural area so everything is far away from us, but I like being able to travel in my wheelchair and looking out of the window as the world goes by."

Isaac enjoys going swimming regularly and attending a resource centre where he takes various classes, including cooking and computing.

"My favourite activity is swimming so my mum and carers take me to a hydro pool four times a week. The nearest pool is a long way away but it helps me move my arms and legs, and prevents pain so the journey is worth it. I love music too and went to a festival last year where I saw George Ezra – it was very exciting. I can do all the things I love most now thanks to my Motability vehicle."



Meet Samantha

Samantha from Cambridgeshire, leases a Wheelchair Accessible Vehicle (WAV) from the Motability Scheme.

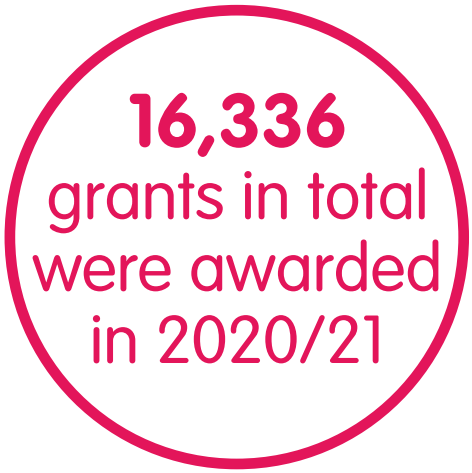
"Before I joined the Motability Scheme it was extremely difficult. I am unable to travel on buses, taxis or trains due to the size and height of my power chair. I was only able to go out around where I live in my power chair, so I was very restricted. The Motability Scheme has helped me tremendously. I am very thankful to them."

Samantha qualified as a nursery nurse, but stopped when she developed early onset adult dystonia, a neurological movement disorder resulting in painful and uncontrollable muscle spasms.

"I try to live an enjoyable life even though it is difficult due to my condition. I try not to let it stop me. My condition causes my fingers and thumbs to contract into the palms of both hands, and my ankles and feet to invert. I am unable to bear weight and am a full-time wheelchair user. I visited an exhibition a few years ago and saw a Motability stand and found out about Motability and the Scheme. I received a grant for the cost of the adaptations to my WAV, and having a Motability Scheme vehicle which is highly adapted for my needs is fantastic. It is a drive-from WAV, so I can drive it whilst sitting in my power chair. I am able to drive it using the space drive joystick controls. It is fantastic, it gives me so much independence and freedom: I absolutely love it. I am so grateful for Motability for the grant and the Motability Scheme for the vehicle.

I have an assistance dog called Bugsy who really helps me, too. With the vehicle it means we can go on holiday together and visit places, which has really opened up the world again to me and has given me my independence back."

Scheme-Related Grant Programmes



The majority of Scheme customers simply use their mobility allowance to lease the vehicle they require, paying an upfront or advance payment where needed. There are, however, some disabled people who cannot afford the advance payment or the adaptations they may need. Our means-tested charitable grants towards these costs can make a world of difference to our beneficiaries and their families, enabling them to access the benefits of the Motability Scheme and enjoy the everyday freedom and independence so many of us take for granted.

In 2020/21 we awarded 9,925 Scheme-related grants (12,105 in 2019/20) committing £32 million (£51.1 million in 2019/20) in charitable grants; a reduction over the year as a direct result of the COVID-19 pandemic.

Car and Vehicle Adaptation Grant Programme

The Car and Vehicle Adaptation Grant Programme supports customers of the Motability Scheme with the cost of the advance payment or adaptations for a vehicle that meets their disability needs. Although many adaptations are available at no additional cost on the Scheme, more complex adaptations, such as mechanical and electric swivel seats, person hoists, rooftop wheelchair storage devices and electronic driving controls are considerably more expensive.

In 2020/21 we awarded 6,740 grants (7,560 in 2019/20) and committed £12.3 million (£13.8 million in 2019/20). This is lower than we had expected, again greatly impacted by the COVID-19 pandemic and specifically due to the dealerships being closed during lockdowns or only offering 'click and collect' services.

We also found that beneficiaries not being able to test drive a vehicle to ensure it met their disability need, meant that redeeming their grant award was difficult. All Scheme customers had their leases extended during this time in order to keep them fully mobile.

Wheelchair Accessible Vehicles (WAVs) Grant Programme

WAVs are vehicles that have been adapted to enable a wheelchair user to access the vehicle and either remain in their wheelchair when travelling or transfer to a seat and secure the wheelchair or scooter safely. As the needs of each beneficiary are unique and wheelchairs can differ so much, a WAV supplier will demonstrate the WAV options to a beneficiary to ensure they get the correct WAV for their needs.

Through our WAVs Grant Programme in 2020/21 we committed £11.5 million (£18.8 million in 2019/20) to support 2,902 disabled beneficiaries (3,932 in 2019/20) with the cost of their WAV on the Motability Scheme, including adaptations needed for getting into their WAV or securing their wheelchair safely. This, again, is much lower than we had anticipated due to the impact of COVID-19 pandemic restrictions and the ability of our beneficiaries to have a WAV demonstration.

‘I couldn’t bear the thought of life without the Motability car. **Motability is such a wonderful thing**’

Complex Driving Solutions Grant Programme

Some disabled people need a bespoke driving solution or adaptations to enable them to access a vehicle whilst remaining in their wheelchair and either drive from their wheelchair or transfer onto a specialist driver seat. They may also need specialist controls to be able to drive. As these vehicles are tailored around the individual, they are considerably more expensive than a standard production WAV. They often require complex adaptations, together with familiarisation driving lessons so the disabled person can get used to driving their new vehicle and use its controls safely.

In 2020/21 Motability provided both advice and grants to 283 beneficiaries, (down from 613 in 2019/20) committing £8.2 million (£18.5 million in 2019/20) to enable them to drive independently.

The Complex Driving Solutions Grant Programme has been significantly impacted by the COVID-19 pandemic. Due to the very nature of their individual complexity, the grants awarded in this programme are of the highest value across Scheme-related grants and therefore our spend this year has been greatly affected, many potential beneficiaries of such grants were required to shield throughout the COVID-19 pandemic and were unable to be assessed for the appropriate mobility solution.

Mobility Driving Advisors

The work of our experienced team of Mobility Driving Advisors was also challenging with lockdown and tier travel restrictions in place, meaning that fewer assessments could take place. Following Government and Public Health England advice at all times, and in consultation with our Health and Safety advisor, we put various measures in place to ensure our Advisors and demonstration vehicles were completely COVID-19 pandemic secure and safe. To help reassure our beneficiaries further, we produced a short video, to show what an assessment would comprise of and that the Advisor would be dressed in full PPE, to watch before their visit. As well as PPE, our Advisors are testing daily and will be vaccinated as part of the Government vaccination programme.



Access to Mobility Grant Programmes

The Access to Mobility Grant Programmes were established to support our vision *'that no disabled person shall be disadvantaged due to poor access to transportation'*. In 2020/21 Motability awarded 6,407 grants (13,690 in 2019/20) committing more than £7.3 million (£19.2 million in 2019/20) through the following grant programmes:

Driving Lessons Grant Programme

Through our Driving Lessons Grant Programme, Motability provides grants towards the cost of learning to drive for Scheme beneficiaries who have a provisional licence and want a full driving licence. We can also provide grants to disabled people who already have a driving licence but need familiarisation lessons; for example, if they need to get used to new driving adaptations.

In 2020/21 we awarded 995 grants (1,113 in 2019/20) and committed £1.4 million (£1.4 million in 2019/20) to support our beneficiaries in gaining greater independence by learning to drive. With our partner, the AA Driving School, we had plans to increase this significantly in future years with an agreed further expansion of the programme. However, as a result of the COVID-19 pandemic and Government social distancing restrictions in place, all driving lessons ceased, as well as both theory and practical tests, throughout all lockdowns and tiers. As we emerge from these restrictions we will again refocus our ambition to grow this grant programme.

Transitional Support Programme (TSP)

In 2013 the Government began a programme to replace the Disability Living Allowance (DLA) with a Personal Independence Payment (PIP) for disabled people aged between 16 and 64. As a result of the reassessment process and transition from DLA to PIP, some disabled people lose their eligibility for the Motability Scheme.

Motability recognises the difficulties and hardship many disabled people face when they are no longer eligible to remain on the Motability Scheme. In 2013 we announced a package of support measures and, to March 2021, have provided more than £136 million to support disabled people to remain mobile when leaving the Motability Scheme.

In March 2020 the Department for Work and Pensions (DWP) announced that it was suspending all benefit reassessments as a result of the COVID-19 pandemic for at least three months and was going to concentrate on processing new benefit claims on the basis of paper applications and follow-up telephone calls. The DWP recommenced benefit reassessments in July 2020, excluding DLA to PIP reassessment. Face-to-face reassessments were still suspended. Some DLA to PIP reassessments have been completed, but volumes have been very low.

'The **Motability grant** helped me finish my driving lessons and **actually pass**'



Meet Nick

Nick from Gloucestershire leases a Toyota Rav4 on the Motability Scheme.

Nick's Toyota is fitted with a hoist so he can easily and safely store his scooter in the boot. Nick received a grant for the Advance Payment and hoist, and chose the hybrid model of the Rav4 to lease on the Scheme.

"I was a business owner but retired early due to ill health. I have spinal stenosis, arthritis and heart problems, and Motability has opened up my world. Without Motability, I could not have afforded a reliable, fuel-efficient car with a hoist. The car is perfect for me. The higher seat position saves me a lot of pain and is much more comfortable to drive than cars I used to drive before I found out about the Motability Scheme."

‘**Without Motability** I could not have **afforded a reliable, fuel-efficient car** with a hoist’

Children under the age of 16 are still eligible for DLA rather than PIP. They transition from DLA to PIP when they become 16 and these “Rising 16s” are eligible for TSP support. In the November 2020 Grant-Making Committee, Governors reviewed the long-term support for this category of eligible customer and agreed that they should continue to receive support until eligibility expires in 2023/24. This decision was subsequently ratified by the Board of Governors.

In 2020/21 we supported 2,756 beneficiaries (8,924 in 2019/20) with charitable support to help them in their transition from the Scheme.

Additional Transitional Support Grant Programme

We understand that some Scheme customers may experience significant potential hardship when losing their eligibility for the Motability Scheme as a result of an unsuccessful assessment for the transition of DLA to PIP. In these circumstances, Motability can offer additional financial support towards the cost of buying a replacement vehicle or transferring adaptations to a new vehicle.



In 2020/21 our Additional Transitional Support Grant Programme supported 52 individuals (135 individuals in 2019/20) with these additional needs, committing just over £0.2 million (£0.4 million in 2019/20).

As outlined above, the number of customers leaving the Scheme because of a failed DLA to PIP reassessment has been low as a result of the disrupted DWP activity, and the number of customers seeking this support has also fallen significantly.

Stopped Allowance Support Grant Programme

In 2019/20 we launched a new grant programme to support Scheme customers who lose their higher rate mobility benefit through reassessment, either in transitioning to PIP, renewing their PIP award, or in renewing their DLA award. This Stopped Allowance Support Grant Programme is available for three years from September 2019.

Through the grant programme Motability will help Car Scheme customers leaving the Scheme due to a stopped allowance (following reassessment), with a payment of £1,000. The Stopped Allowance Support grant can provide essential

‘The vehicle is **so much easier to transfer Gino** in and out of now he is getting older and heavier’

help to a disabled person with their ongoing mobility costs, including finding alternative transport options. Powered Wheelchair and Scooter Scheme customers are eligible for a smaller payment of £125.

COVID-19 pandemic-related disruption to DWP reassessment activity has resulted in fewer customers requiring this support.

Since it launched in September 2019, we have supported 6,039 individuals with their ongoing mobility needs, spending £6.2 million. We will undertake an evaluation of this programme in April 2022.

Access to Work Grant Programme

In January 2020, and in consultation with the DWP, Motability launched a further new grant programme to support our disabled beneficiaries with the personal costs of transportation equipment required to gain employment.

The Government’s Access to Work Programme provides support to disabled people who are in work or have the offer of work. Support offered by Access to Work includes grants towards the cost of equipment required for individuals to gain or retain employment.

When a grant is offered through Access to Work, it requires a personal contribution from the applicant if the equipment can also provide a benefit outside of work. This is known as the “Social and Domestic Contribution” and has been a long-standing feature of the programme.

Access to Work offers funding that is calculated pro rata to the number of days worked. So, if someone works three days a week, the DWP can offer a grant of 3/7 of the equipment cost. Although Motability has no role in determining who should receive assistance from the Access to Work Programme, as this decision is made solely by the DWP, we now support disabled people with grants towards the Social and Domestic Contribution through our Motability Access to Work Grant Programme.

In 2020/21 we spent £0.1 million on this new programme to reimburse the total Social and Domestic Contribution for manual or powered wheelchairs, scooters and vehicle adaptations.





Meet Gino

Gino lives with his parents in Fife. His mum, Charlene, leases a Wheelchair Accessible Vehicle (WAV) on the Motability Scheme.

"Before Motability, we used to have a vehicle, but it was not wheelchair suitable. I found out about the Motability Scheme and applied for a grant for a passenger WAV so we can get Gino in and out of the vehicle whilst he is in his wheelchair. Gino has 1p36 Deletion Syndrome which causes epilepsy, global developmental delay, hearing loss and respiratory problems. He is a full-time wheelchair user," Charlene explains. "If it wasn't for Motability, we would still be struggling. We wouldn't be able to afford a suitable car for Gino without them. The vehicle is so much easier to transfer Gino in and out of now he is getting older and heavier. He loves water play and getting out in the vehicle. We are now able to take him out as a family. Motability are the easiest, most helpful company we have had the pleasure of speaking with. They make the whole process so easy and stress-free."

Special Grant Programmes

During 2019/20 work began on the development of a new Motability grant programme to support other charities and organisations with similar objectives to our own. Governors on the Motability Grant-Making Committee have supported in this work by providing direction and reflections from their experiences outside of the Charity. We will continue to look to increase the range and reach of how we support disabled beneficiaries with their transportation needs alongside the work we are undertaking on our Innovation pillar and further develop our Special Grants Programme.

The following grant awards were made in 2020/21:

Special Grant – Designability

Designability is a charity based in Bath that provides powered mobility solutions to children under the age of three through a free equipment loan scheme. The product made available to children through the loan scheme, known as the Wizzybug, is designed and manufactured by a specialist in-house team at Designability. Each Wizzybug is bespoke to the child and adjusted specifically for their needs.

The child has use of the Wizzybug for as long as it can provide a benefit. It is then returned to Designability, where it is refurbished, re-customised and provided to another child.

Motability have allocated £5 million to Designability over the course of five years to expand the Wizzybug Loan Scheme and to consider how the Wizzybug can be modified to support an even wider range of disabled children.

Powered mobility solutions for children promote independence, participation, an inclusive attitude amongst their peers, and improvements in both mental and motor development.





Meet Libby

Libby has a whole new level of independence thanks to her Wizzybug.

Libby's mum, Kayley, explains why she was so excited when she found out a Wizzybug would be suitable for her daughter.

"Libby was born prematurely, and unexpectedly, at 34 weeks. In the early stages of her life, we noticed that she was struggling with function on her left side. An MRI when she was 15 months old confirmed what the paediatricians had suspected, and Libby received a diagnosis of left hemiplegic cerebral palsy. Libby didn't meet her milestones, and despite having incredible determination, she finds walking a real challenge. She often falls and trips, but each and every time she picks herself back up.

I came across Wizzybug by chance on Facebook and immediately knew it would be a game changer for Libby. I had my reservations as I wasn't sure she would qualify, but the occupational therapist at Designability who took on Libby's case agreed it would be suitable for her and we haven't looked back. Wizzybug has enabled Libby to have a whole new level of independence, and she is able to join in activities we thought weren't possible.

She loves to use her Wizzybug at any given opportunity and enjoys talking to other adults and children about how lucky she is to have it. For us as a family, it has allowed us to visit new environments comfortable in the knowledge that Libby is safe and can explore her surroundings independently. Wizzybug has been such a positive and life-changing experience for Libby and I cannot thank them enough for allowing Libby to flourish."



Meet Elijah

A grant has meant that Elijah's mum can drive him and his equipment to hospital without having to worry.

Elijah needs round-the-clock care, so when lockdown began, his Mum Natasha faced new challenges in caring for him.

"At the beginning of lockdown, my car was not working and I had no way of transporting Elijah to hospital when we needed to go. Family Fund were very helpful and understanding of our needs, and genuinely wanted to help us. I could tell that the person who dealt with us cared about us, and about what we needed," says Natasha.

Then, she spoke to Motability.

"They were really, really helpful, always getting back in contact with me to make sure I knew what the situation was and letting me know my different vehicle options."

Family Fund and Motability worked with Natasha to find the most suitable car for Elijah's needs and helped her visit a dealership.

"They did their research and kept in contact every couple of days to let me know when the car would be on its way. They were really good," says Natasha.

The car has meant that Natasha can drive Elijah and his equipment to hospital without having to worry about distancing from other people.

"Having the car means that if we have to go in for any hospital trips now, I can take Elijah and we do not have to worry about being in contact with any other people."

The car also allows Natasha to leave Elijah's wheelchair packed and ready in case they have to make an emergency trip to the hospital.

"Elijah also has a specialist seat for the car, making the journey easier. Without the grant, I probably would have had to continue relying on my parents to go out and get things for us. We wouldn't have been able to get out and about as much until he was able to get the normal DLA (Disability Living Allowance) when he turned three years old, so we would have been stuck in the house. I'm so glad that Family Fund and Motability realised the gap in funding and helped fill it."

'They genuinely wanted to help us. I could tell that the person who dealt with us cared about us and about what we needed'

We also awarded a special grant to Designability to support a team of designers and engineers to begin to explore holistic Electric Vehicle charging solutions for the benefit of disabled users.

Designability's CEO, Catharine Brown said: "Motability and Designability will continue working closely to engage with disabled people to identify needs, define design requirements and test concepts, demonstrating what best practice in EV charging accessibility looks like."

Special Grant – Family Fund

Working in partnership with the charity Family Fund, Motability has been exploring ways to support families with severely disabled children under the age of three who are currently ineligible to qualify for DLA and therefore unable to join the Motability Scheme. A first phase pilot, funded by the Motability Tenth Anniversary Trust and costing £1.5 million, ran for 18 months from January 2018. The initiative, called Family Fund Mobility Support, looks to provide a fully-funded leased vehicle to families who would otherwise struggle to afford the mobility solution they need. A second phase of the pilot was approved in 2020 with further funding of £5 million to Family Fund. The findings of this second phase will help Motability shape any further support in this area for future years.

Family Fund is the UK's largest charity providing grants for families raising disabled or seriously ill children and young people. Last year, they provided more than 150,000 grants or services worth more than £49 million to families across the UK.

Special Grant – Driving Mobility Pilot

We awarded Driving Mobility grant funding of £0.05 million to pilot a new Driving Assessment Grant Programme for disabled drivers who do not currently use the Motability Scheme. This will offer financial support to those who qualify for the pilot to use the services available at Driving Mobility centres.

Supported by the Department for Transport, Driving Mobility is the national charity which accredits more than 20 driving assessment centres across the UK. Many with outreach facilities, these centres are managed by NHS departments and independent charities so clients with restricted mobility have access to all they need to get behind the wheel. Occupational Therapists, Approved Driving Instructors and support staff provide a comprehensive range of services including fitness-to-drive assessments following injury or diagnosis, through to mobility equipment recommendations and accessible transport advice. Disabled clients seeking independence either self-refer or are signposted from organisations such as the DVLA, NHS, or the police.

The Driving Assessment Grant Programme is scheduled to run as a pilot for 12 months and will help to provide driving assessments, vehicle adaptations and familiarisation lessons on a pilot basis to approximately 50 disabled drivers in receipt of a qualifying means-tested or disability-related benefit.



PROGRAMMES	£ 2018/19	2019/20	2020/21	Number of grants 2018/19	2019/20	2020/21
Cars and Adaptations	6,028,270	13,770,482	12,316,583	4,986	7,560	6,740
Wheelchair Accessible Vehicles	13,933,205	18,788,663	11,515,887	3,281	3,932	2,902
Complex Driving Solutions	11,963,718	18,524,525	8,165,337	459	613	283
Scheme Related Grants (A)	**31,925,193**	**51,083,670**	**31,997,807**	**8,726**	**12,105**	**9,925**
Driving Lesson Support	1,006,308	1,401,623	1,360,127	856	1,113	995
Stopped Allowance Support	-	3,658,469	2,487,875	-	3,498	2,541
PIP - Transition Support Payment	18,953,000	13,671,000	3,193,699	12,981	8,924	2,756
PIP - Additional Transition Support	775,668	407,490	171,540	259	135	52
Access to Work	-	26,085	131,442	-	20	63
Access to Mobility (B)	**20,734,976**	**19,164,667**	**7,344,683**	**14,096**	**13,690**	**6,407**
Grants to Individuals (A)+(B)	**52,660,169**	**70,248,337**	**39,342,490**	**22,822**	**25,795**	**16,332**
Special Grants						
Family Fund	-	500,000	2,500,000	-	1	1
Designability (Charging points)	-	-	90,000	-	-	1
Designability (Wizzybug Loan Scheme)	-	300,000	950,000	-	1	1
Driving Mobility	-	-	50,000	-	-	1
Grants to Organisations	**-**	**800,000**	**3,590,000**	**-**	**2**	**4**
Total	**52,660,169**	**71,048,337**	**42,932,490**	**22,822**	**25,797**	**16,336**

Aims for 2021/22

- To continue to achieve high levels of beneficiary satisfaction regarding their application for a grant
- To recover from the COVID-19 pandemic impact on our grant-making and return to desired operating and spending levels as quickly as possible
- To continue to build our understanding of the impact that our grant-making has on the transportation needs of our disabled beneficiaries

STRATEGIC PILLAR

Build Awareness

STRATEGIC PILLAR

Build Awareness

Build awareness and understanding of Motability as a grant-making charity
All eligible recipients of HRMC DLA and ERMC PIP receive an annual communication with an invite to join the Motability Scheme, alongside a reference to Charitable Grants. This is mailed on our behalf by the Department for Work and Pensions (DWP). The mailings had recommenced with a strong start in January 2020, with both the DLA and PIP campaigns on schedule. March 2020 resulted in a pause as the UK went into its first national lockdown. Challenges included; the closure of the car dealerships, the pause to grant-making, and the DWP ceasing assessments for mobility benefits. The campaigns recommenced in June 2020 with a total of 251,455 DLA recipients and 148,428 PIP recipients receiving our mailing. Many external campaigns that we had planned were delayed due to industry capacity and our capabilities in dealing with potential demand.

Disability Charity Engagement
Guided by the overview of disability conditions produced by the Department for Work and Pensions, we commenced our engagement strategy to reach out to other disability charities to build awareness and explore further engagement opportunities of mutual interest.

AIMS FOR 2020/21

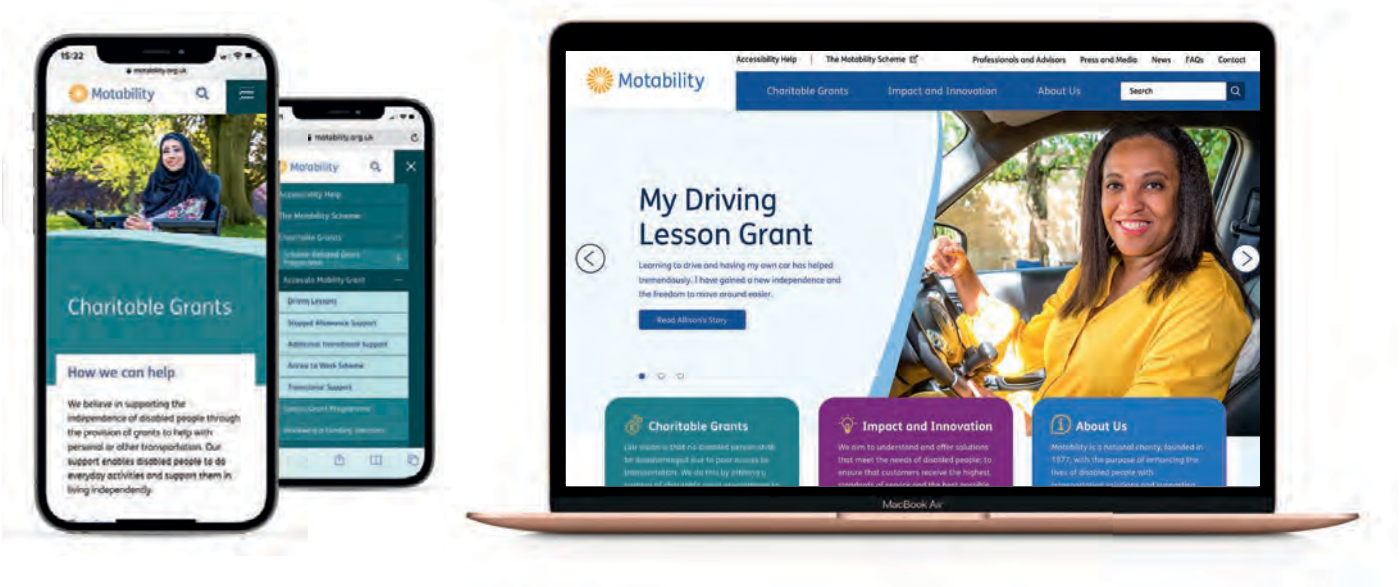
Create engaging ways of raising awareness both of our charitable work and the Motability Scheme by:

- Building awareness and understanding of Motability as a grant-making charity to all potential beneficiaries by creating individual campaigns and bespoke materials, based on sound research, for each grant programme in line with resources and capacity, and taking account of the impact of the COVID-19 pandemic on various activities **ONGOING**
- Launching a new website for motability.org.uk **ACHIEVED**
- Developing and implementing a digital vision and strategy for Motability by March 2021 **ACHIEVED**
- Establish Motability's identity as a leading grant-making charity **ONGOING**

Healthcare Professionals
We launched our first Out of Home hospital poster campaign in high footfall areas across 32 sites in Manchester and Birmingham. These were in situ for three months. As a result of this campaign we saw a 29% increase in healthcare professionals requesting information via our website.

Advertising
We continued to drive awareness using our beneficiaries' stories within advertising creatives featured in SEN magazine, PosAbility, Enable and OT magazine.

Exhibitions
Exhibitions moved to an online presence. We attended seven virtual events which included OT Show, Kidz2Adultz and Disability Awareness Day. We will continue to create content that can be used to engage further in a remote environment.



Developing and implementing a digital vision and strategy for Motability

We engaged with an external digital agency in early 2020 to review the Charity website and the digital journey our beneficiaries and visitors take. The current website falls out of technical support in 2021 and so the decision to overhaul and change our hosting and support arrangements, and to move to a new Content Management System (CMS), was approved in August 2020.

The new website will have enhanced, fully accessible content to reflect, with greater transparency, our role of oversight of the Scheme and the work of Performance and Engagement. It will help to provide much clarity of who we are and what we, as a Charity, do. Importantly, it will provide a more user-friendly and intuitive CMS to improve our beneficiaries' navigation and use of the site.

Internal Communications

As well as a new website, we will also be launching a new Intranet that will sit on the same platform as the website. This will mean efficiencies across the joint CMS, and will help to future-proof required internal functionality, particularly around remote collaborative working, as we move to a blended or hybrid working model post COVID-19 pandemic.

During the COVID-19 pandemic we kept engagement and communication with staff high on our day-to-day agenda by: producing a digital monthly staff magazine with regular wellbeing features, photographs of staff and activities during lockdown; weekly business email updates from the CEO; quarterly virtual people manager and all staff briefings.

Press and Public Relations

We have been working closely with the Innovation team within Performance and Engagement on various projects, including the Electric Vehicle accessible charging points initiative and for the Driving Mobility special grant, utilising social media channels to raise awareness of these important areas. We will continue to reach out to other charities, disabled people organisations, advisory bodies and beneficiaries, and analyse and act upon feedback informing Scheme Oversight, Grant-Making and Innovation agendas as we do so.











We remained in dialogue with MPs throughout the COVID-19 pandemic, particularly in dealing with their constituents and concerns at this time.

Lifestyle Magazine
Despite the COVID-19 pandemic effects on the publishers, all four issues were published in a new format that focuses on informing and updating Scheme customers and beneficiaries.

Lifestyle aims to inform and update Scheme customers and beneficiaries through an holistic magazine, both about the Scheme but also of general 'lifestyle' information which may help or advise them more broadly on matters of independence and transportation.

Aims for 2021/22

Digital
- To launch a new website in June 2021 with full Shaw Trust accessibility accreditation. To launch a new Intranet, phase one delivery September 2021, and to plan for ongoing development and functionality

Raising Awareness
- Campaigns for awareness–raising activity for Grant programmes and for Performance and Engagement initiatives – to be scoped in line with internal capacity and industry capabilities – with beneficiaries, potential beneficiaries, healthcare professionals, disability groups, and other charities and key stakeholder groups

STRATEGIC PILLAR

Innovation

STRATEGIC PILLAR

Innovation

We have a bold vision to ensure that disabled people are not disadvantaged by poor access to transportation, and we are determined to increase the range and reach of what we do, looking beyond the Motability Scheme.

In 2020/21 we conducted sector-leading research with disabled people and transport experts, as well as our own frontline staff, to understand what mobility challenges disabled people are facing and what innovative solutions would help overcome them.

We used the research results, which are available to read on our website, to create an innovation framework to identify and assess opportunities for us to explore. We have put listening to people with disabilities and how we can make a positive impact on their lives at the centre of this new framework.

We have also considered key criteria which fit with our existing and future capabilities; our financial strategy; public demand and momentum for change; and how to avoid duplicating existing services. Using these key criteria within our innovation framework, our Board has prioritised two areas for innovation:

AIMS FOR 2020/21

- In dialogue with disabled people and disabled people's organisations, our Board will use existing and new insight and evidence to identify the best new opportunities for Motability to improve mobility for disabled people in the future **ONGOING**
- We are conducting research to identify what is needed to ensure that electric vehicle charging ports are accessible for disabled people, as we know this will be a concern for Scheme customers and other drivers, both current and future **ACHIEVED**
- We will also establish a new impact and evaluation framework so that we can understand more clearly over time what makes the most difference to the mobility of disabled people, and ensure that we are using our resources effectively **ACHIEVED**

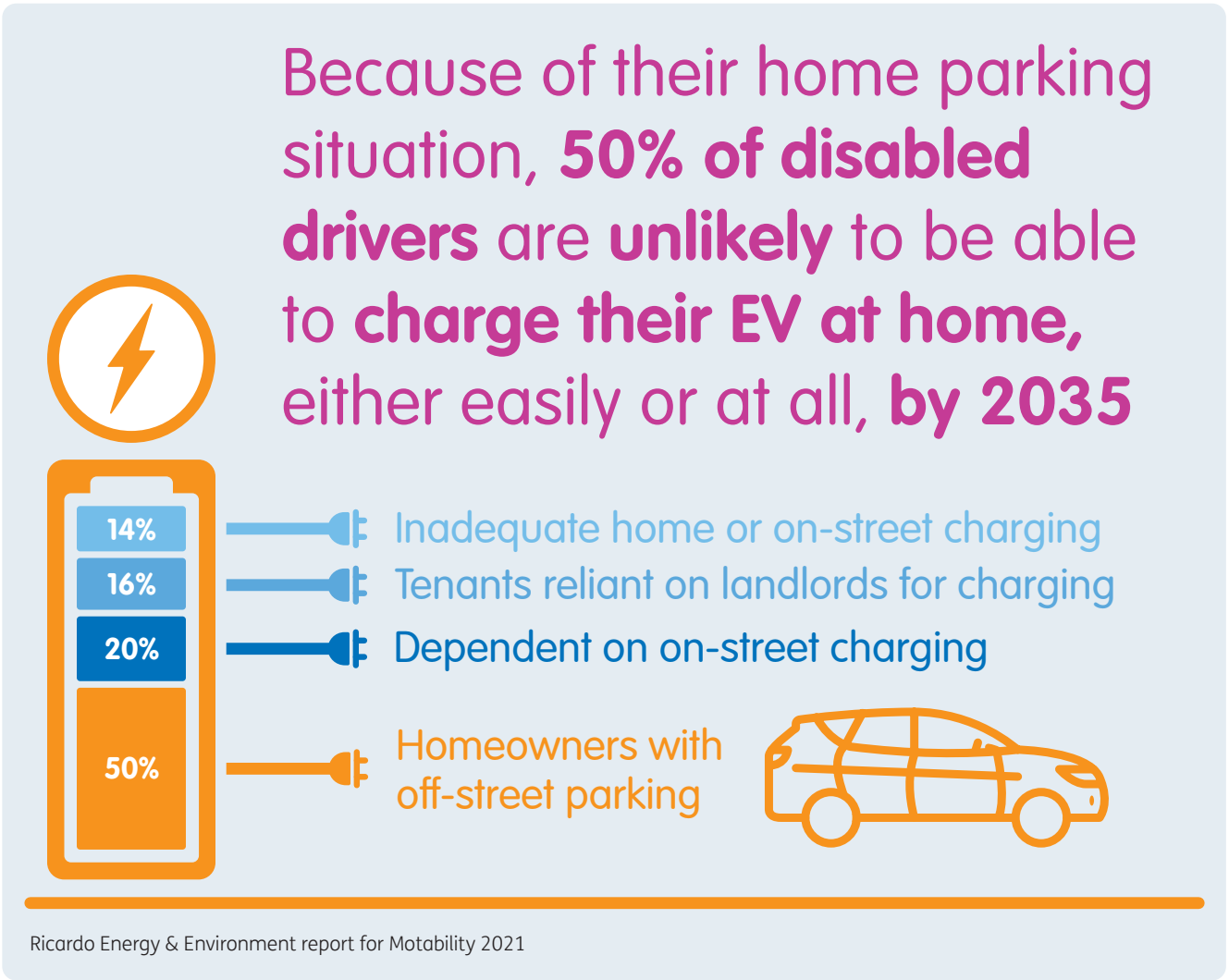
Priority area one

Firstly, we learned that the voices of disabled people are not always listened to and that their specific mobility needs are not always considered when decisions are being made about transport. So we will work with the wider disability sector to amplify the voices of disabled people to influence policy and practice for inclusive transport; to improve understanding of "what works"; and influence decision makers to ensure transport is accessible.

Priority area two

Secondly, the research showed there are major challenges for disabled people who find public transport inaccessible. We want to understand a range of possible community and door-to-door transport models and where there might be new opportunities in this area.

The research shows that upcoming changes in the world of transport might risk leaving behind people living with disability. We have identified a small number of pilot innovation projects in our two priority areas.



Ricardo Energy & Environment report for Motability 2021

Example: Electric Vehicles (EVs) Innovation and Influencing Project
Our first project aims to use evidence, influencing and innovation to find solutions to accessibility barriers with the current electric vehicle charging infrastructure. This is particularly urgent given the Government's proposed 2030 ban on the sale of new petrol and diesel vehicles.

This year we sponsored user research with the Research Institute for Disabled Consumers (RiDC), which demonstrated that many disabled drivers might face difficulties with the weight of charging cables, the force required to attach the connector, the lack of dropped kerbs around charge points and unsuitable parking arrangements. We commissioned further research from Ricardo Energy & Environment which outlined the scale of the issues and who we potentially need to engage with to resolve these.

Ricardo Energy & Environment estimates there will be 2.7 million disabled drivers in the UK in 2035. Of these 2.7 million, it is estimated that up to 1.35 million, or 50%, will be wholly or partially reliant on public charging infrastructure which has not been designed with their needs in mind.

Our Innovation team has engaged with several key stakeholders including; Government departments and agencies; the Office for Zero

‘We have put **listening to people with disabilities** and how we can make a positive impact on their lives at the centre of this new framework’

Emission Vehicles (OZEV); car manufacturers; charge point providers; industry bodies; information service providers and disability groups, to produce a strategic plan of how to move the project forward. This project will subsequently focus on three key work streams:

- **Engaging Government** with evidence on the accessibility barriers disabled drivers will face with existing charging infrastructure. For example, we responded to the Office for Zero Emission Vehicles (OZEV) on the consumer experience of public charge points. We have established a partnership with OZEV to work together towards accessible charging standards in the UK. We also took part in a Transport Scotland panel which evaluated bids from an innovation perspective focused on accessible EV charging and supported those who were successful with their projects moving forward.

- **Engaging Industry** with evidence on the accessibility barriers disabled drivers will face with existing charging infrastructure. For example, we worked with information service provider Zap-Map to run a survey on the issues disabled drivers might face. Our partnership led to a press release about the survey results which generated interest with more than 60 publications, raising our profile among businesses in the e-mobility space. We are also working in partnership with UK Power Networks (UKPN) on their “Enable” project, which aims to support local areas in determining their needs for accessible charging.

- **Supporting Innovation** by funding organisations working on best practice for accessible charge-points. We awarded a special grant to the disability and design charity, Designability, to begin to explore holistic EV charging solutions for the benefit of disabled users with a team of designers and engineers.

Aims for 2021/22

- We will drive forward our project on EV charging infrastructure, working closely with key stakeholders to move towards our vision whereby there is accessible charging available to disabled drivers across the UK
- We will continue to build and expand our innovation portfolio within our two priority areas; working with partners to amplify the voices of disabled people, focusing on research evidence and “what works,” while also exploring opportunities to improve the provision of door-to-door and community transport solutions
- We will work to evaluate and articulate the impact of our innovation activities. We will also explore new ways of achieving positive outcomes for our beneficiaries both within and outside our current grant-making activity

STRATEGIC PILLAR

Disability Charity

STRATEGIC PILLAR

Disability Charity

Our People

As of 31 March 2021, the number of Motability employees totalled 175. This represents a 14% increase when comparing against 31 March 2020, an increase attributed to growth and investment in most areas of the organisation, such as Charitable Operations, Corporate Services and the new Performance and Engagement department. We are also exploring ways of engaging more within the local community and to see how we can provide more work experience opportunities.

Investors in People Award

We are proud to be accredited at Gold standard with Investors in People. We commit to:

- Leading and inspiring people
- Living our Values
- Empowering and involving people
- Managing performance
- Recognising and rewarding high performance
- Structuring work
- Building capability
- Delivering continuous improvement
- Creating sustainable success

OPERATING AIMS FOR 2020/21

- Implement software to assist Charitable Operations plan and manage resources **ONGOING**
- Establish the right office space for the future **ACHIEVED**
- Draw up a human resource plan to support the ambitions of Motability **ACHIEVED**
- Further develop the Motability Foundation **ONGOING**
- Implement a robust income forecasting model **ONGOING**
- Implement a change management programme **ACHIEVED**
- Implement business critical software upgrades **ACHIEVED**
- Reassess the business continuity plan and longer-term working practices in light of the COVID-19 pandemic **ACHIEVED**

Equality and Diversity

We pursue a policy of equality and diversity as a disability friendly organisation. In particular, our policy is to ensure that disabled people receive equal and fair consideration in recruitment, training and career development. Support and adjustments are provided to ensure that the needs of employees with disabilities are met.

We are members of the Business Disability Forum and are accredited by the Department for Work and Pensions as a Disability Confident Employer.

Blended Working

A blended working project team have been assembled and are currently in the process of implementing a blended working approach throughout the organisation, meaning a better work-life balance by providing the option of working from home and the office.

Reward

Our remuneration policies are regularly reviewed against comparable benchmarks to ensure they are fair and relevant to the environment in which we operate. Motability is committed

to promoting Equal Pay. All salaries exceed the requirement of the National Living Wage. We actively encourage our employees to engage with us on benefits, including our pension scheme, salary sacrifice scheme, pension workshops and online retirement planning tools.

Remuneration is reviewed for all employees, including the Chief Executive and Directors, using established job evaluation models and median salary data from comparable benchmarks, including other charities, to ensure that it is competitive, able to attract talent and encourage retention.

Motability does not operate a bonus scheme for any staff.

Motability offers a Pension Salary Exchange, Life Assurance, Bupa Private Medical Insurance, and employee assistance through Bupa Healthy Minds.

Pay Gaps

Motability completed a gender pay gap review earlier this year. Although the organisation isn't legally obligated to report on this, it was an activity we wanted to complete as this is highly important to Motability. As well as looking at gender, the organisation decided to go even wider and analysed the position in respect of the ethnicity and the disability pay gaps.

Overall, the analysis confirmed that there is no difference in hourly pay on a job level basis between men and women. In other words, our generic roles are paid at an equal level with no positive or negative variance when it comes to gender, ethnicity and disability. When comparing Motability to the national pay gap averages the analysis showed we are over on the average gap in respect of gender, slightly over on the average gap for disability, and much better than the national average when it comes to ethnicity.

So, in conclusion, there is still some work to be done, but the organisation remains very committed and will continue to operate proactively in this area. With the arrival of a new Talent Acquisition Partner this year, we will remain focused and forward thinking in respect of gender, ethnicity and disability when it comes to talent attraction and retention at Motability.

Pension

Motability provides a Stakeholder Pension Plan, which is non-contributory for all employees. Motability makes contributions equivalent to 10% of base salary and offers a facility to match employee contributions up to a further 5% via salary sacrifice. Our Pension Management Committee meets twice a year to ensure our pension arrangements continue to meet the needs and interests of members.

COVID-19 pandemic and our people

During the COVID-19 pandemic we followed Government guidelines to keep our employees safe whilst continuing to provide the service to our beneficiaries.

- Ensuring the offices were always secure, especially for a number of staff who could not work from home
- Equipping the workforce with remote working capabilities
- Enhancing our telephony system to support remote working
- Continuing system updates and upgrades ensuring cyber security and compliance
- Creating employee newsletters to keep staff informed
- Developing information to support wellbeing and surveying staff to identify further support needed
- Enhancing dependency and parental leave in direct response to the challenges presented by lockdown restrictions

Motability's live risk assessment document can be viewed on our website, this continues to be reviewed and updated regularly or if a significant change occurs.

COVID-19 pandemic staff survey

A survey was undertaken to understand how staff received our response to the COVID-19 pandemic lockdown and subsequent return to the office. 99% had confidence in Motability's response to the COVID-19 pandemic and 97% felt safe carrying out their role.



Our internal wellbeing group, representing all departments across Motability, known as the Wellbeing Champions, identified Mental Health First Aiders as a necessary channel of confidential support for employees. Following careful consideration, we trained 11 managers who volunteered to become Mental Health First Aiders.

Our Impact

This year we have developed our understanding of how Motability makes a difference to disabled people, and how much difference we make. Through large-scale research with disabled people we have learned that Motability makes a very significant difference to people's mobility and contributes to improving their quality of life.

The biggest differences that we currently make are to people's access to places and people; their sense of choice and control; their connections and relationships; their health and wellbeing; and their ability to work or study. You can find out more about the difference we make in our Impact Report, which is published on our website.

Environment

Streamlined Energy and Carbon Reporting Statement

Greenhouse gas emissions and energy use data for the period 1 April 2020 to 31 March 2021 are below:

Intensity ratio

An intensity ratio is a way of defining emissions data in relation to an appropriate business metric, allowing for comparison of energy efficiency performance over time and with other similar types of organisations. Motability have chosen to use the number of average full-time employees (FTE) during the reporting period to normalise its emissions, as delivering our company values relies on the hard work and dedication of staff members. Therefore, the intensity measurement ratio is total gross emissions in tCO2e/FTE.

INTENSITY RATIO (tCO2e/FTE)	
1 April 2019 to 31 March 2020	0.819 (tCO2e/FTE)
1 April 2020 to 31 March 2021	0.432 (tCO2e/FTE)

Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the Greenhouse Gas Protocol (GHG) Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting. The sharp fall in the intensity ratio in 2020/21 was due to the impact of the COVID-19 pandemic restricting operational activity. The intensity ratio is therefore expected to rise in the future if COVID-19 pandemic related restrictions are relaxed.

Measures taken to improve energy efficiency

Motability continues to strive for energy and carbon reduction arising from our activities. We have sourced a consultancy company that can work with us and have employed an environmental specialist to develop and implement our environmental and sustainability plans in the future.

Materiality

Motability has, to the best of its knowledge, included 100% of all energy sources within this report. Expensed mileage data has been converted using an estimate of 50/50 diesel/petrol when calculating kWh and CO2e emissions.

ANNUAL CARBON EMISSIONS REPORTING 2020/21			**2020/21**
Energy Consumption (kWh)	Grid Electricity		95,111
	Natural Gas		66,440
	Company Fleet		135,134
	Grey Fleet		837
	Total Energy Consumption		**297,522**
Greenhouse Gas Emissions (tCO2e)	Scope 1	Natural Gas	13.54
		Company Fleet	34.75
	Scope 2	Purchased electricity	22.17
	Scope 3	Grey Fleet	0.20
		Electricity T and D	1.91
	Total Gross Emissions		**72.57**

Control and Assurance

Motability has a comprehensive system of internal controls, policies and reporting overseen by the Audit and Risk Committee (ARC). During the year, ARC's work included significant reviews of Motability's budget and business plan along with re-forecasts, and Motability's financial scenarios for the next five and 10 years, and the adequacy of the proposed levels of reserves in light of the unfolding events of the COVID-19 pandemic. Investment Committee oversees investment policy and performance.

ARC oversees the annual external audit. During the year, Motability tendered its audit and BDO were appointed. Deloitte resigned and ARC noted its appreciation of Deloitte's work over the last nine years. ARC reviewed and recommended Motability's 2019/20 Annual Report and Accounts to the Board of Governors. ARC sets the priorities for, and received the reports of, Motability's internal audits conducted by the internal audit team and by Grant Thornton, and by a specialist firm for FCA compliance. The 2020/21 audit plan addressed financial, operational and compliance areas, including: IT infrastructure and strategy, and cyber risks; budgeting and forecasting; the overall control environment from a fraud perspective; payroll; compliance with FCA regulations, compliance with DWP security criteria; home working and business continuity.

ARC reviews relevant policy areas within Motability and this year the notable policies reviewed were: Business Continuity; Whistle Blowing; Anti-Fraud; Bribery and Corruption; Anti-Money Laundering; Conflict of Interest; Receiving or Offering Gifts and Hospitality. The full policies register is annually approved by ARC. The Chair of ARC, Motability Finance Director and CEO also attend Motability Operations Quarterly Audit Committee meetings and provide an update to Motability ARC.

Motability reviews the risks it faces and the steps needed to mitigate risk regularly. A major focus of ARC's work in 2021 was the ongoing oversight of management's activity to address the COVID-19 pandemic including investment in remote working capability and health and safety compliance for Motability's office, and for the field team who visit and assess grant applicants. Motability maintains a risk register, and a summary of the key risks faced by the Charity, confirmed by the Board, is set out on the following pages.



The principal risks for Motability are:

RISKS	FACTORS	MITIGATION
Strategic Risk Our strategy is ambitious yet we do not maximise the impact of our resources on the mobility of disabled people.	We do not keep up with and understand the changing requirements of disabled people. Too many initiatives are undertaken, and we are unable to implement in full or successfully. Under-delivery of a mobility solution against the expectations of disabled people.	Research and innovation projects have been established to consider other growth routes. A planned approach to implementation is being undertaken to ensure the necessary resource is in place. Regularly review and evaluate plans to ensure they meet beneficiary needs, including behavioural changes due to the COVID-19 pandemic.
External Influences Risk We do not maintain the confidence of stakeholders that the Charity and the Scheme is the best way to deliver mobility for disabled people.	We do not deliver the required service to beneficiaries. The UK and Scottish Governments are unable to work with us to redirect the mobility component of qualifying disability benefits. Unable to work with the right organisations across the industry to deliver mobility solutions.	Act upon the changing needs of beneficiaries led by research and innovation projects. Motability is accredited by the Scottish Government. Future Scotland Act Order frames the needed social security relationship. Effective PR monitoring and communication strategy, liaising with disability organisations and other stakeholders.
Environment Risk We do not keep in step with the UK position on the environment.	The Motability Operations' and Motability transport solutions should seek to be aligned to Government carbon emission targets.	Develop our Environment Agenda in concert with Motability Operations.
Financial Risk Our investment strategy doesn't deliver sufficient income to support and sustain our current and future ambitions.	Future donations from Motability Operations are volatile and unknown. The Motability Foundation fails to deliver the required levels of return. We do not manage short-term liquidity requirements.	Work with Motability Operations to understand the financial impact of the COVID-19 pandemic, vehicle carbon emission targets and BREXIT. Monitor the fund managers' progress with investment levels and performance. Continue to monitor cash flow positions and forecasts of grant spending.

RISKS	FACTORS	MITIGATION
Operational Risk We are unable, in the current climate (COVID-19 pandemic), to deliver our grant services to Scheme customers. Motability's data or systems suffer a malicious attack or other disruption to business continuity.	The adaptation and converter industry cannot cope with the volume of demand (or lack of it). Beneficiaries express concerns over grant-making. The Scheme fails to run effectively and efficiently. Loss of data or service availability due to cyber attack.	Collaborate across the industry to understand demands and manage solutions where possible. Regularly review beneficiary feedback, and update operational and communications plans as appropriate. Business continuity plans reviewed to support use of off-site resource. Robust and strengthened control environment including Information Security framework.
Reputational Risk The Charity and the Scheme do not evolve, we do not communicate our strategy and come under pressure when we are not seen to be using the donations for public good.	New grant programmes are not reviewed and considered. The strategy is changed but the communication of the change is misunderstood. Oversight of the Scheme is brought into question.	Continue to assess and review new grant programmes on the basis of increased research. Effective communications strategy delivering consistent messages to all stakeholders. Focused oversight of the Motability Scheme and the risk management conducted by Motability Operations. Close working with Motability Operations on new products and services.
Compliance Risk Compliance with the Charity Commission requirements and ever- increasing ethical, legal and regulatory obligations, for example General Data Protection Regulations (GDPR).	Fines and penalties as a result of non-compliance could lead to restrictions in our ability to carry out our charitable objectives.	A thorough compliance programme is in place which is reviewed quarterly by management. Internal audit capability strengthened. Data Protection and Data Security are the foundations for considering and developing new working practices/ projects. A well-established annual routine training programme is in place.

During 2020/21



We had almost **200,000 conversations** with beneficiaries.



We surveyed almost 41,000 individuals including **beneficiaries**, **non-beneficiaries**, the **general public** and **healthcare professionals**...



Which resulted in **14,000 responses.**

Risk Management

An established risk management framework is in place to support informed decision making and create a consistent approach to assessing risks that effect our ability to achieve our objectives. The robust risk management framework allows us to focus on those risks which could adversely impact our plans or our reputation.

Motability is a financially strong charity that is working to improve transportation for disabled people. Effective risk management is central to successfully delivering our strategy and ensuring the sustainability of that strategy for the future. The framework is designed to:

- Identify the significant risks faced
- Enable informed decision making regarding risks that affect the ability to meet our objectives
- Provide a consistent approach to considering the risks so as to ensure they do not exceed acceptable limits
- Manage, where we cannot eliminate, risks to our strategy

The COVID-19 pandemic was recognised as a serious incident in February 2020, and subsequently

a broader working group was established to ensure timely responses to COVID-19 pandemic developments and this remains in operation.

Motability Internal Governance and Risk Assurance Committee (MIGRAC), consisting of senior management across the Charity, manages and reviews the Risk Register on a quarterly basis, ensuring risks are always current. The review provides assurance to the Audit and Risk Committee that appropriate arrangements are in place to:

- Ensure the effective management of the risks
- Recommend changes to policies, processes or action which may be required

Each risk is measured in terms of its gross and net impact and likelihood, with the difference being the controls or mitigating factors implemented to manage the risk exposure. Each risk has an assigned owner to ensure clear accountability and ownership exists. The updates provided to the Board of Governors, the Audit and Risk Committee and the Executive Team ensure that Senior Managers are also considering the risks on an ongoing basis, evaluating the mitigations and controls, and identifying any new risks that the organisation faces. The Audit and Risk Committee monitors the resulting risk profile and reports its findings to the Board of Governors. Motability's key risks are summarised on pages 66 and 67.

Operating Aims for 2021/22

- Implement an Impact Report to review our service delivery
- Review and implement recommendations from the planned independent 2021 review of governance at Board level
- Continue consolidation of the Motability Foundation (Motability Endowment Trust) to enable the Charity to fulfil its strategy
- Refine and implement the Information Technology plan
- Continue to evolve business and digital continuity plans for the organisation
- Identify the positive learnings from the COVID-19 pandemic and build upon these, including the consolidation of blended working practices across the organisation
- To improve communications with staff and facilitate blended working by launching a new intranet
- Develop a long-term estate plan
- Consistently improve upon the current baseline on environment and sustainability practices within our Harlow office
- Develop an employer value proposition, in concert with wider communications, to underpin all human resource plans and reinforce our values
- Design and implement a talent acquisition and retention plan with a focus upon equality and diversity
- Assess and adjust our approach to performance management

Financial Review and Results

Governors' Report (Trustees' Report)

Financial Review and Results

Motability's results for the year 2020/21 are presented in the Consolidated Statement of Financial Activities (SoFA) on page 92.

Overview

Charitable spend declined from £73.2 million to £55.1 million as the COVID-19 pandemic closed or suppressed the supply of new vehicles to our beneficiaries in the year's lockdowns, and beneficiary demand reduced as individuals chose to shelter from the pandemic. Total resources available for Motability's charitable objects increased in the year by £87.3 million from last year's £1,437 million to this year's £1,524 million as gains of £142 million on investments outpaced the net deficit on general and restricted funds of £55.5 million.

Income

Income for the year was £10.2 million, principally income from investments that grew to £9.2 million (2020: £6 million) as the proportion of the Endowment placed in higher-yielding, long-term investments rose whilst interest rates remained at historic lows. No donation was received from Motability Operations. As a result, income was sharply down from the £1,054 million in 2019/20 that arose due to the one-off large donations from Motability Operations of £852 million and Motability Tenth Anniversary Trust of £201 million – those donations were made in the form of expendable Endowment to recognise their one-off nature.

Motability does not solicit donations. We gratefully receive a small volume of spontaneous donations year to year, shown as voluntary fundraising income. Other Trading Activities income arises from our affinity partnerships that are reviewed regularly to ensure that the products fill a gap in provision for disabled people at a fair cost. Motability acts as a conduit body to channel grants to veterans of the Armed Forces funded by Veterans UK, and those funds are described in Note 18 rather than on the face of the SoFA in order to better reflect that relationship.

Expenditure

Total expenditure was £62 million (2020: £74.6 million) of which the main constituent was charitable expenditure of £55.1 million (2020: £73.2 million), the fall being due to the COVID-19 pandemic suppressing demand for new vehicles and so reducing demand for grants, particularly for the most complex – and therefore the most expensive – needs. This is shown in more detail in Note 3. There, it can be seen that grant awards declined to £39.6 million (2020: £60.8 million) due to lower demand for grants. As noted in last year's Annual Report, this lower demand is need that has been deferred, not lost, and Motability expects to spend more once the COVID-19 pandemic recedes as both underlying demand returns to normal levels and deferred applications are received, and Motability's investment in research into the transportation needs of disabled people (as set out on page 57) translates into new spending programmes.

Charitable expenditure and grant awards are expressed net of movements in the PIP provision. These movements have been significant in recent years, reducing charitable spend in 2018/19 by £25.7 million and by £10.3 million in 2019/20 as changing and better data revised estimates of future spending downwards. In 2020/21 lower assessment activity by the Department for Work and Pensions, owing to the COVID-19 pandemic, meant fewer grants for people who needed support on finding themselves assessed as not eligible for Personal Independence Payments (PIP). The view of future assessments and awards remains

cautious due to the COVID-19 pandemic and the Department for Work and Pensions' desire to protect vulnerable individuals. As a result of these historic and current factors, the change in the PIP provision is a further small decrease of £3.4 million in 2020/21, which decreases charitable expenditure and grant awards by the same amount.

Areas of charitable work that were new in 2019/20, principally grants to institutions and research and innovation, grew in 2020/21 and more detail of these can be found in Note 3. Scheme Oversight spending also increased with a follow-up review of Motability Operations' capital requirements. Total non-grant related charitable expenditure grew to £3.2 million (2020: £1.9 million).

Within Charitable Expenditure are Allocated Support and Governance Costs, detailed in Note 4. As noted in last year's Annual Report, Motability has been investing in its capability and capacity, and so Allocated Support and Governance Costs increased from £6.7 million last year to £7.7 million this year, a rise of 15%. The cost of raising funds is significant for all large foundations; the cost is principally investment management charges. Total cost of raising funds grew in the year to £6.9 million (2020: £1.4 million) as the move to longer-term investments in turn incurred higher investment management charges. Investment management charges are likely to increase further in later years. The main categories of expenditure disclosed in Note 4 for this year and last are shown in the pie charts.

Net results, investment gains and fund balances

Net expenditure before gains and losses on investments for the year was £51.8 million (2020: net income of £979 million). Stripping out the effect of major donations, 2020's comparable net expenditure figure was £68.1 million. These deficits are funded from substantial general funds balances.

Investment markets recovered strongly in 2020/21 although the effect of rises in overseas markets was dulled as sterling strengthened against other currencies as Brexit's uncertainties settled. The result was investment gains of £142 million, more than reversing last year's investment losses of £44.3 million, driven in both years by the Endowment's equity holdings.

Net income (after gains and losses on investments) was £90.4 million (2020: £936 million). After actuarial losses on the defined benefit scheme of £3.1 million (2020: gain of £3.2 million) the net movement in funds for the year was a gain of £87.3 million. Stripping out last year's major donations, the comparable figure for 2020 would have been a net loss in funds of £109 million.

Charitable spending was funded from general fund balances on hand which declined by £55.7 million (2020: £61.3 million) to £329 million (2020: £385 million). Investment returns drove a gain of £142 million in the Endowment to £1,154 million (2020: £1,011 million). Total funds on hand are £1,524 million (2020: £1,437 million), a rise of £87.3 million.

Asset holdings and investment performance

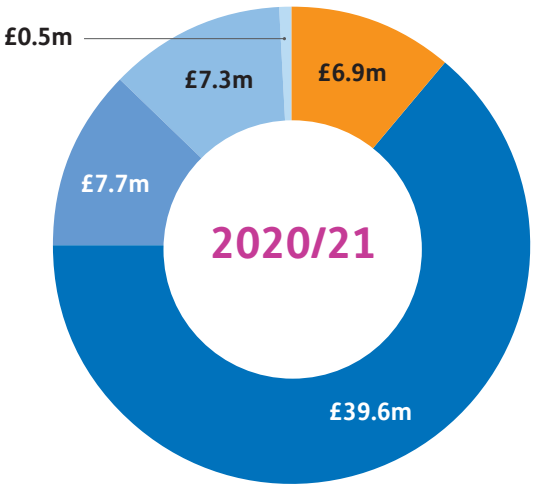
Motability started the year with £235 million in cash, more than would normally be held due to turbulence in bond markets in March 2020. The bulk of this cash was placed on deposit by the year end in order to enhance interest income. Meanwhile, Note 10 details further funds were invested in assets more suited to the Foundation's long-term investment return target.

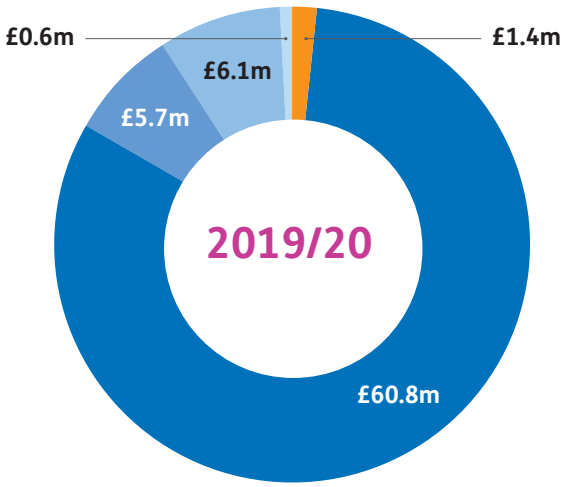
The Endowment's growth in the year of £143 million represents a return on assets of 14.1% as against the return target of RPI+4% or 5.5% for 2020/21. The principal contributor to this progress was the Foundation's equity holdings. Since inception, the Endowment has grown by £100 million from £1,054 million, an annualised return of 6.7%.

Defined benefit pension scheme

Motability has a defined benefit pension scheme that shut to new members in 2005 and to future accruals in July 2012. At 31 March 2021 the pension fund's assets were valued under FRS 102 assumptions at £24.7 million (2020: £23.3 million) and liabilities were valued at £27.3 million (2020: £23.2 million), resulting in a deficit of £2.6 million (2020: nil). The last actuarial valuation was carried out at 31 March 2019. It showed that the assets of the scheme were

Analysis of total expenditure





2020/21 (£62 million)

Cost of Raising Funds	£6.9 million
Direct Grants	£39.6 million
Direct Charitable Activity	£7.7 million
Allocated Support Costs	£7.3 million
Governance Costs	£0.5 million

Blue: Charitable Spend	89%
Orange: Cost of Raising Funds	11%

2019/20 (£74.6 million)

Cost of Raising Funds	£1.4 million
Direct Grants	£60.8 million
Direct Charitable Activity	£5.7 million
Allocated Support Costs	£6.1 million
Governance Costs	£0.6 million

Blue: Charitable Spend	98%
Orange: Cost of Raising Funds	2%

£21.8 million and the liabilities were £23 million, resulting in a deficit of £1.2 million. During the year a payment of £0.6 million (2020: £0.7 million) was made to eliminate the deficit. Motability is in discussions with the pension scheme Trustees as to the future level of contributions needed to move the pension scheme to 'self-funded' status.

Outlook

Looking ahead to the financial year 2021/22, the COVID-19 pandemic continues to be a significant factor. Whilst many car dealerships have moved to a 'click and collect' business model, our ability to meet beneficiaries and make personalised recommendations remains dependent on COVID-19 pandemic restrictions. As noted last year, as well as above, this means grant-making is deferred rather than cancelled. Depending on COVID-19 pandemic factors such as the success of vaccinations and the emergence of new strains of the virus, our intention is to maintain grant making at similar levels to 2019/20 and, if possible, grow our grant-making.

Motability will continue to judiciously invest in its people, systems and processes, particularly in its institutional grant programme capacity on the basis of its maturing programme of research. The prospects for investment markets look volatile at current levels, so Motability will continue to gradually deploy more of its investments into holdings more suited to the long-term perspective of the Endowment, spreading the risk of buying holdings at too high a level, in order to improve investment returns in the years ahead.

Where 2019/20 was a year of contrasts between major donations and the onset of the COVID-19 pandemic and its associated risks to future income, 2020/21 has seen those risks mature and, at least for the moment, not seem so disastrous with the advent of vaccines. Meanwhile, the investment returns from the Endowment in 2020/21 have protected the resources available to support Motability's beneficiaries in the years ahead for the time being. The Governors will continue to keep the financial and investment strategies under regular review to secure Motability's beneficiaries' interests and the Charity's sustainability.

Investment policy

Motability's Endowment is held by the Motability Endowment Trust, known as the Foundation, registered charity no. 299745-1. Motability has adopted a responsible investment policy which is periodically reviewed. The policy has been communicated to fund managers, and each year Motability reviews the progress made by its fund managers. Lane Clark & Peacock are the primary investment advisors and supplementary investment advisors are being sought to advise on private equity and venture capital investments. The investment goal for the Endowment is to maintain its value in real terms with an investment return target of CPI+4% net of costs in the long term so as to maintain the Foundation's grant-making capacity in real terms.

The investment goal for restricted and general funds has been to maintain the nominal value of the assets whilst earning an income equivalent to, or slightly better than, the return on cash pending their use to fund grant programmes. Given the current high level of general funds reserves, the move to ultra-low interest rates and the medium-term risk of higher inflation, the Governors have sought to diversify these funds' investments to secure a return nearer the Bank of England's medium-term inflation target of 2% p.a. The current goal is to secure the next two years' spending ambitions with a very high degree of certainty, and to secure the capital value of further general funds reserves values with a high degree of certainty alongside the return target noted.

Financial risk for investments

The principal financial risks that Motability faces derive from the Endowment portfolio (equities, bonds, money market and cash investments) and Motability's general and restricted fund balances (bonds, money market funds, deposits and cash). These risks are inflation risk, market risk, credit risk and liquidity risk. They are set out in the following paragraphs along with the measures taken to mitigate them.

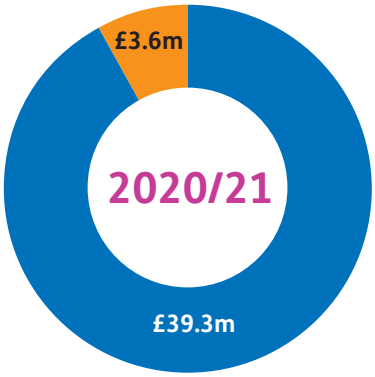
INFLATION RISK: the risk that the cost of achieving Motability's charitable goals rises faster than the value of its investments, undermining the Foundation's ability to support Motability's grant-making. The Foundation manages this risk through a diversified portfolio of real asset investments that should be expected to keep up with, or exceed, the rate of inflation in the wider economy in the long term. Motability will manage this risk through diversifying its investments intended to meet charitable spending requirements more than two years away into asset classes capable of producing a return near the Bank of England's medium-term inflation target of 2% p.a.

MARKET RISK: the risk that the prices of investments could fall or become more volatile. Motability manages this risk through a diversified asset allocation strategy of appropriate investments. For equities, the Foundation holds diversified portfolios, appointing both passive and active managers, and through appointing active managers with differing investment styles. No active fund manager holds more than 25% of the long-term portfolio, and Motability's Endowment represents no more than 15% of the funds of any one long-term portfolio manager. As a long-term investor, Motability accepts equity market volatility. For bonds, the risk is mitigated through diversification and by focusing on higher-rated investment grade holdings, typically A or AA rated. Interest rate risk is mitigated through holding a diverse range of short maturities with a willingness to hold to maturity. Foreign exchange risk is accepted by Motability as sterling assets are a majority of current investment holdings: this stance was reviewed in the year and a 50% sterling, 50% non-sterling currency position has been identified as a neutral position (and will be regularly reviewed in

Direct grants by beneficiary type

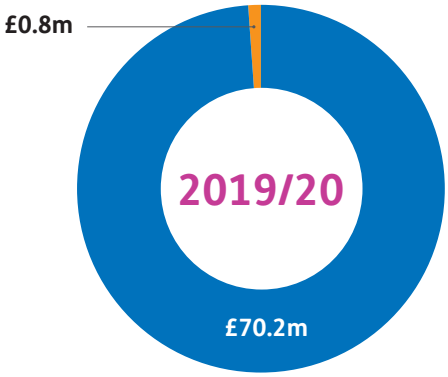
2020/21 (£42.9 million)

Individuals	£39.3 million	92%
Institutions	£3.6 million	8%



2019/20 (£71 million)

Individuals	£70.2 million	99%
Institutions	£0.8 million	1%



future). Motability holds other asset classes and Motability manages market risk in those holdings through diversification by asset class and by manager, and through regular monitoring of performance.

CREDIT RISK: the risk that a counterparty will default on their obligations. For all asset classes, Motability mitigates this risk by diversifying its holdings and by using custodians. For bond and money market funds, Motability monitors market conditions, duration and credit quality regularly with investment managers. No one bank or bond exposure normally constitutes more than 10% of cash and short-term investments. For cash including deposits, Motability currently limits the duration of deposits to a maximum of three months and ensures that one third of those deposits sits within the ring-fenced entities of a UK bank.

LIQUIDITY RISK: the risk that an asset cannot be sold for the expected fair price or due to the absence of willing buyers in the market (a market liquidity squeeze); that obligations cannot be met because cash is not available (e.g. from a bank or money market fund) due to financial stress and / or a market liquidity squeeze; or because Motability has not managed its cash position appropriately. Motability mitigates liquidity risk through a diversified asset allocation strategy, a variety of asset managers, regular dialogue with its investment managers to understand potential risks, holding cash balances within the ring-fenced entities of UK regulated banks, and regular cash flow forecasting exercises.

Reserves policy

Motability's principal reserve is the expendable Endowment which represents the net assets of the Foundation. The investment policy objective is to maintain the Endowment's real value over the long term to support the real value of future grant-making.

Restricted funds are held for the purpose for which they were received. The objective is to preserve the value

of these funds whilst earning a return slightly higher than cash in the short term with a very high degree of certainty that the capital value will be protected until such time as these funds are spent on their restricted purposes.

There is one restricted fund; the Personal Independence Payments Transitional Support Programme fund. The COVID-19 pandemic has delayed the process of assessing recipients of Disabled Living Allowance for Personal Independence Payments, so the future commitments to this programme remain uncertain. Due to the need to ensure this programme's affordability, Motability continues to assess the level of likely claims on the fund over the 16 months from the year-end. Sixteen months is the estimated time required for Motability to give effective notice of its intention to stop this programme. Estimates of total potential claims against this fund vary but are likely to be met from within the balance on hand at the year-end of £41.3 million (2020: £41.1 million).

Designated funds are general funds set aside for a specific purpose determined by the Board of Governors. Within total general funds of £329 million (2020: £385 million), designated general funds have been set aside from general funds to support a particular Wheelchair Accessible Vehicle initiative known as the Specialised Vehicle Passenger Fund. Grant spending in the year reduced this fund to £7.7 million (2020: £18.4 million). The remaining funds are likely to be spent within the next two years. Thereafter, remaining commitments under this purpose will be met from the general fund.

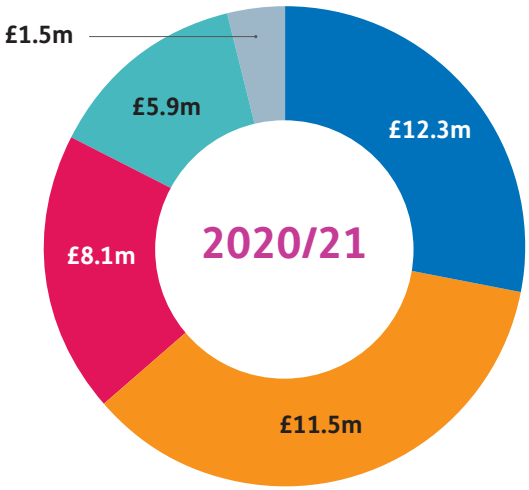
Undesignated general funds are held primarily to bridge the inevitable gaps and changes in investment and donation income that occur from time to time, and so provide assurance that long-term commitments to support the mobility needs of disabled people can be met, as well as to meet unexpected expenditures, for example high grant demand due to sudden car price inflation.

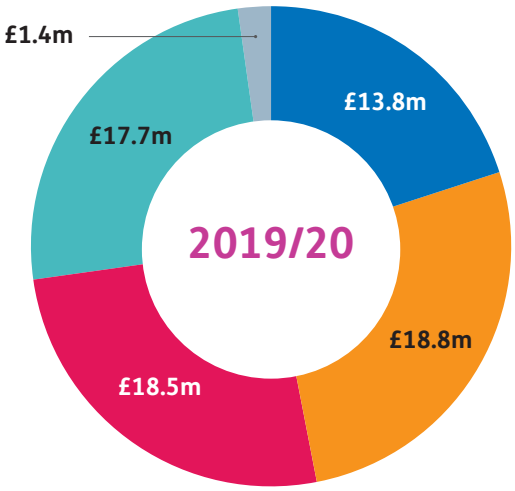
Motability conducts regular scenario planning exercises to understand its future income and spending prospects. This modelling produces a core range for the undesignated general fund reserves requirement of around one-and-a-half years' to two-and-a-half years' spending. Given potentially lumpy donations from Motability Operations, general fund reserves could exceed three years' spending or fall below one year's spending in some years.

As noted in last year's Annual Report, the COVID-19 pandemic has introduced further uncertainty into Motability's income and spending prospects, and the current level of general fund reserves may need to support several years' activity. Nevertheless, the introduction of successful vaccines and the continued financial strength of Motability Operations over the last year due to resilient second-hand car prices means that the Governors feel it reasonable to try to raise charitable spend in 2021/22 above that achieved in 2020/21, and would prefer to see charitable spending reach or exceed the level achieved in 2019/20. The Governors are of the view that Motability's current research agenda will deliver further spending requirements. These ambitions have been included in the modelling of the outlook for Motability's finances that is refreshed every six months. That modelling concludes that these spending ambitions are affordable within the financial risk appetite set by the Audit and Risk Committee.

General fund reserves are currently above the targeted level, partly because spending is artificially low, and reserves levels are planned to decline. The COVID-19 pandemic means that there is a range of spending outcomes envisaged for 2021/22. If no donations are received from Motability Operations then under all scenarios operating deficits result in 2021/22 and the level of general fund reserves will continue to decline. The Governors note that planned deficit spending is only possible because of significant general fund reserves and, given plans to spend from general fund reserves, therefore conclude that the current level of general fund reserves is appropriate. The Governors will keep the appropriate level of unrestricted general fund reserves within the reserves policy under regular review.

Grants to individuals by programme





2020/21 (£39.3 million)

Cars and Adaptations	£12.3m	31%
Wheelchair Accessible Vehicles	£11.5m	29%
Complex Driving Solutions	£8.1m	21%
PIP (TSP / SAS / ATS)	£5.9m	15%
Driving Lessons / Other	£1.5m	4%

2019/20 (£70.2 million)

Cars and Adaptations	£13.8m	20%
Wheelchair Accessible Vehicles	£18.8m	27%
Complex Driving Solutions	£18.5m	26%
PIP (TSP / SAS / ATS)	£17.7m	25%
Driving Lessons / Other	£1.4m	2%

Going concern

Motability has reviewed its future spending plans in a five-year scenario to allow for differing levels of future donations from Motability Operations and income generated by the Foundation's Endowment, and differing spend rates from the £329 million general funds and £41.3 million restricted funds on hand (these sums include £343 million in cash, short-term deposits and money market funds). Motability will seek to maintain core spending on beneficiaries and will curtail discretionary grant programmes where necessary to achieve this end. Motability's future financial plans, budgets, reserves levels and cash flow forecasts for a period of more than 12 months from the date of signature of the accounts have been prepared by management and reviewed by the Governors. On this basis, the Governors believe that the going concern assumption continues to be appropriate and that Motability has a sound financial basis upon which to plan for the future.

Auditors

As a result of tendering the audit during the year Deloitte LLP resigned as auditors. The Governors thank Deloitte for their service as auditors for the past nine years. BDO LLP were successful in the tender and were appointed to fill the vacancy. A resolution to re-appoint BDO LLP as auditor will be proposed at the forthcoming Annual General Meeting.


MobilityGIANT
0800 668 1170

Governors' Report (Trustees' Report)

The Accounts comply with the requirements of the Charities Act 2011, the Royal Charter and the Statement of Recommended Practice (SORP) 2019.

The Chief Patron, Patrons, Life President and Life Vice President, present Governors, any past Governors, and Members who served during the year are shown on the inside front cover of this report.

Details of the registered office, key executive employees and professional advisors are shown on pages 4 and 129.

Structure, Governance and Management

The Charity is governed by its Royal Charter, granted on 18 May 1988. The Charity's Royal Charter and Byelaws to adopt current best practices were updated and received Privy Council approval on 11 November 2020.

Under Motability's Royal Charter, Governors are appointed from the Membership. Any individual can apply to the Board for election as a Member (subject to not being a paid employee of Motability). When a vacancy arises for a Governor, or if the Board considers the need to appoint someone with specialist knowledge, the Board will review the current Membership for candidates.

If no current Member possesses the necessary skill or experience, the Board would seek to recruit a new Member, whose appointment as a Governor would be put to the Annual General Meeting (AGM). Governors may offer themselves for re-election to a maximum of three terms of three years each. Members may be appointed by the Board without the intention of becoming Governors.

Governors meet at least five times per year. These meetings include four quarterly Board meetings and the AGM. The Board delegates responsibility for the implementation of policy and reviews of performance to a number of Committees, as set out below. The Committees are required to meet prior to Board meetings and formally report to them, so that recommendations for changes in strategy or policy can be authorised by the full Board.

New Governors undergo an induction on the role of Motability and their duties as a Board Member. They are provided with an information folder that contains the Royal Charter, current Business Plan, recent financial reports, and the Charity Commission Trustee Welcome documents. Throughout the year, Board Members receive updates on information relevant to their role and are supported with their training needs as appropriate.

The Governors are not remunerated. Their expenses in carrying out their duties are reimbursed and these are detailed in Note 6B to the financial statements.

Related parties are identified when new transactions arise and are set out in Note 6E to the financial statements.

The Charity has one wholly owned subsidiary, Motability Enterprises Limited, about which further details are given in Note 2 to the financial statements.

The Motability Tenth Anniversary Trust (MTAT) is a separate independent charity that was set up to provide long-term support to Motability. MTAT closed on 31 March 2020 when it donated its net assets to the Motability Foundation and an application to dissolve MTAT is currently in progress.

Scheme Oversight Committee

The purpose of the Scheme Oversight Committee (SOC) is primarily to ensure effective oversight by Motability of the performance and financial position of the Motability Scheme, and to report to the Board of Governors on a regular basis.

The SOC comprises four Governors who have appropriate skills and experience in relation to the oversight of the Motability Scheme. The Committee meets quarterly and is supported by senior management of both Motability and Motability Operations.

The Committee was chaired during the year by Ed Humpherson. The other Governors serving in the Committee are David Hunter, Dr Stephen Duckworth OBE (retired 6 July 2021) and Professor Mala Rao OBE.

Grant-Making Committee

The Committee reviews Motability's grants policies and oversees the administration of Charitable Operations to ensure that it delivers value for money and a high level of customer service to meet the needs of beneficiaries. The Grant-Making Committee comprises three Governors and was chaired during the year by Charles Manby before Robin Hindle Fisher became Chair on 8 March 2021. Other Governors serving in the Committee are Cheryl Ward and Dr Juliana Onwumere. Lord Kevin Shinkwin (retired 16 September 2021) retired from the Committee on 2 March 2021.

Audit and Risk Committee

The Audit and Risk Committee (ARC) is responsible for the oversight of Risk Assessment, Risk Management and Internal Controls. The Committee is also charged with reviewing the performance of both internal and external audit, and for making recommendations to the Board in respect of the appointment of external and internal auditors.

The ARC comprises four Governors. The Committee was chaired during the year by the Honorary Treasurer, David Hunter. The other Governors serving in the Committee are Dr Stephen Duckworth OBE (retired 6 July 2021), Professor William Webb and Richard Cartwright ACA (appointed 10 December 2020).

Investment Committee

Following the receipt of the Motability Operations Endowment donation in September 2019, a joint investment committee – the Motability and Motability Foundation Investment Committee – was established. The Investment Committee appoints, monitors and can remove investment managers in pursuit of the investment strategy contained within the investment policy.

The Committee is chaired by Charles Manby, and the other Governors serving in the Committee are David Hunter and Robin Hindle Fisher (appointed 10 December 2020). The Committee has two other independent external members, David Pritchard and Peter Oppenheimer (appointed 10 June 2020).

Remuneration Committee

The primary purpose of the Remuneration Committee is to review the remuneration of the Chief Executive, Directors, and key executive employees, as well as the employee pay and benefits strategy.

The Remuneration Committee comprises three Governors and is currently chaired by the Chairman, Charles Manby, supported by Cheryl Ward and Richard Cartwright (appointed 10 December 2020).

Nomination Committee

The Committee identifies and recommends the appointment of new Governors, evaluating the balance of skills, knowledge and diversity on the Board, and considers all candidates based on merit and against objective criteria. The Committee also recommends the appointment of the Chief Executive and Directors to the Board of Governors.

The Nomination Committee comprises four Governors and is chaired by the Chairman of Motability, Charles Manby. The other Governors serving in the Committee are Ed Humpherson, Professor Mala Rao and Lord Kevin Shinkwin (retired 16 September 2021).

The Chief Executive Officer

The Chief Executive Officer is responsible for the day-to-day management of the Charity's affairs and the relationships with stakeholders, including Government, Motability Operations and Regulators.

The Chief Executive Officer is supported by a senior management team to ensure the implementation of policies agreed by the Governors.

The current Chief Executive Officer is Barry Le Grys MBE.

Governance Review

Governance is reviewed internally on an annual basis and measured against the principles of the Charity Governance Code. An independent review is commissioned to report in 2021 which will focus upon Board effectiveness.

National Audit Office

NAO statutory access rights to Motability and Motability Operations granted as part of our agreement with the Chief Secretary to HM Treasury have expired.

Companies Act 2006

Companies are required to include a statement in their strategic report of how directors have complied with their duty to have regard to the matters in Section 172 (1) (a)-(f) of the Companies Act 2006 ('the Act'). Motability does not have to report against Section 172 but considers it good practice. One of the key clauses is the need to act fairly as between members of the company. We listen to, and engage effectively with, our wide variety of stakeholders on whom the future success of Motability depends, including service users, supporters, employees and suppliers, to ensure responsible decisions are made. This helps us ensure that any decisions are sustainable in the long term and do not disproportionately affect any single stakeholder group.

To this end, the Board notes the key decisions and considerations it has made during the year to March 2021, and our relationships with key stakeholders, in the tables on the following page:

SIGNIFICANT DECISIONS

Significant Decision	Section 172 Matter Affected	Action
Intent to make grants at 2019/20 levels despite COVID-19 pandemic uncertainties.	Relationship with beneficiaries and suppliers.	The Charity surveyed beneficiaries and consulted our suppliers, leading to a determined effort to administer as many grants as possible under Government-imposed restrictions across the UK.
Increased financial envelope for 2021/22 despite COVID-19 pandemic uncertainties.	Relationship with beneficiaries and suppliers.	The Charity surveyed beneficiaries and consulted our suppliers, leading to a scenario-based plan to reach as many beneficiaries as possible, including those deferred and / or prevented from applying by their condition and / or circumstance during the COVID-19 pandemic.
Special Grant to Family Fund to be upgraded from a pilot to programme status.	Relationship with a partner charity and beneficiaries.	Endorsed by public consultation and the Department for Work and Pensions, we increased financial support to the Family Fund Mobility Support project to assist more families with severely disabled children ineligible to join the Motability Scheme.
Independent review of Motability Operations Economic Capital Model commissioned.	Long-term sustainability of the Motability Scheme for use by beneficiaries.	The major way in which Motability assists disabled people with mobility is by contracting and overseeing Motability Operations to deliver the Motability Scheme. Capital is vital to funding the Scheme. This review confirmed that the amount of capital required is calculated appropriately and some risk appetite decision making can be developed further.
Digital platform technology and all contents to be overhauled.	Communications with beneficiaries and stakeholders.	Consultation with disabled people advisory bodies and interest groups identified limitations with our digital communications. Overhauling the platform and contents will enable this to be improved significantly.
Top two priorities for Innovation to be amplifying the voices of disabled people and expanding research into community and door-to-door transport.	Design of longer-term programmes and projects to assist disabled people.	Extensive research and consultation with a wide range of disability and transport organisations led to these two priorities. The Charity wishes to ensure that decision makers hear the voices of disabled people and know 'what works' when important decisions are made relating to transport and mobility. The Charity wishes to be a catalyst for solutions to the research findings that millions of disabled people cannot drive and find public transport inaccessible.

KEY STAKEHOLDERS

Key stakeholder and why they are important to our success	How we engage	Where to find key highlights of 2020/21 and further information in this report
UK and Scottish Governments: The major way in which Motability assists disabled people with mobility is by contracting and overseeing Motability Operations to deliver the Motability Scheme. The transfer of Government benefits and VAT status for the Scheme are under the authority of the UK and Scottish Governments.	We have formal quarterly meetings at Director level for all parties and routine engagement below this level. Memorandums of Understanding and Agreements are reviewed regularly for operational purposes.	Motability Scheme on page 26.
Motability Operations: The major way in which Motability assists disabled people with mobility is by contracting and overseeing Motability Operations to deliver the Motability Scheme.	There is a performance framework in place: monthly reporting against KPIs; quarterly Scheme Oversight Committee meets; analysis of customer research and surveys. Motability Operations Directors brief the Motability Board quarterly. Motability attend specific Motability Operations governance committees. The senior management of Motability and Motability Operations are routinely in dialogue.	Motability Scheme on page 26.
Beneficiaries and Potential Beneficiaries: As a charity, Motability must always act within its charitable object in the best interests of its beneficiaries, who are all disabled people in need of assistance with their personal transportation.	Motability continually surveys the beneficiary experience of grant-making. Our Innovation team conducts extensive research and consultation with disabled people and disability organisations, as well as our own frontline staff, to better understand what mobility problems disabled people are facing and what solutions would assist them.	Grant-Making on page 34. Innovation on page 56.
Vehicle adaptation manufacturers: Our Motability Scheme-related grants are dependent on their products.	Motability provides regular briefings to manufacturers and works closely with the adaptations department of Motability Operations for delivery matters.	Grant-Making on page 34.
Access to Mobility and Special Grant Partners: Working with other charities increases the range and reach of how we support our disabled beneficiaries.	Motability has contractual arrangements with other parties to deliver services for beneficiaries and each includes a performance framework enabling evaluation and learning for developing assistance to meet beneficiary needs.	Grant-Making on page 34.
Employees: Motability has two key resources; funds and its people. The skills and endeavour of employees are vital to our achievements.	Motability conducts staff surveys and maintains several internal media channels for employees. There are health and wellbeing, talent development and blended working programmes.	Our People on page 61.
Regulators: Motability is regulated by the Charity Commission, the Office of the Scottish Charity Regulator, the Financial Conduct Authority and Information Commissioner's Office. The correct relationship with regulators ensures good governance and practice.	Motability is fully compliant with all reporting requirements.	Control and Assurance on page 65.

Statement of Trustees' Responsibilities and Corporate Governance

The Governors, as Trustees, are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102, the reporting standard applicable in the UK and the Republic of Ireland.

The law applicable to charities in England and Wales requires the Governors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Charity and the Group, and of the income and application of resources of the Charity for that period. In preparing these financial statements, the Governors are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation

The Governors are responsible for keeping proper accounting records that disclose, with reasonable accuracy, at any time, the financial position of the Group and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the Group and Charity, and for taking reasonable steps for the prevention and detection of fraud and other irregularities

The financial statements have been prepared in accordance with the accounting policies set out in Notes to the Accounts and comply with the Charity's governing document, the Charities Act 2011, 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, updated in 2019.

The Governors are responsible for the maintenance and integrity of the Charity and financial information included on the Charity's website, motability.org.uk. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The systems of internal control follow Charity Commission Guidelines (CC8), designed to provide reasonable but not absolute assurance against material misstatement or loss.

They include:

- An annual budget approved by the Governors
- Regular consideration by the Governors of financial results, variations from budget, details of cash flow and bank balances
- Delegation of day-to-day management authority and segregation of duties
- Identification and management of risks
- An investment policy and regular reviews of investment risks and returns

By Order of the Board
Charles Manby MBE
Chairman
27 July 2021


BORO


PLEASE
DON'T
DISTRACT
ME
Canine
Partners

Independent Auditor's Report to the Governors (Trustees) of Motability

for the year ended 31 March 2021

Independent Auditor's Report to the Governors (Trustees) of Motability

Opinion on the financial statements

In our opinion, the financial statements:

- Give a true and fair view of the state of the Group's and of the Parent Charity's affairs as at 31 March 2021 and of the Group's incoming resources and application of resources 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 Charities Act 2011 and Charities and Trustee Investment (Scotland) Act 2005 and regulation 6 & 8 of the Charities Accounts (Scotland) Regulations 2006, as amended in 2010

We have audited the financial statements of Motability ("the Parent Charity") and its subsidiaries ("the Group") for the year ended 31 March 2021 which comprise the consolidated statement of financial activities, statement of financial activities (Charity only) the balance sheet (Group and Charity), the consolidated cash flow statement and notes to the financial statements, including a summary of 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).

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 Group Charity in accordance with the ethical requirements 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 related 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 Group and the Parent Charity's ability to continue as a going concern for a period of at least 12 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. The other information comprises the information included in the Annual Report and Accounts, other than the financial statements and our Auditor's report thereon. The other information comprises the Annual Report. 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 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 require us to report to you if, in our opinion;

- The information contained in the financial statements is inconsistent in any material respect with the Trustees' Annual Report; or
- Proper accounting records have not been kept by the Parent Charity; or
- The Parent Charity financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities and Corporate Governance, the Trustees 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 determines 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 Group's and the Parent Charity'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 Group or the Parent Charity 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 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 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.

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

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:

As part of the audit we gained an understanding of the legal and regulatory framework applicable to the Group and the sector in which it operates, and considered the risk of acts by the Group that were contrary to applicable laws and regulations, including fraud. We considered the Group's own assessment of the risks that irregularities may occur either as a result of fraud or error, the Group's compliance with laws and regulations that have a direct impact on the financial statements such as the Charities Act 2011 and other laws and regulations applicable to the Group such as employment law, taxation legislation, data protection, health and safety legislation, and Financial Conduct Authority regulation. We considered financial performance, key performance indicators and other performance targets. We also considered the risks of non-compliance with requirements imposed by the Charity Commission, and other regulators, and we considered the extent to which non-compliance

Independent Auditor's Report to the Governors (Trustees) of Motability Cont.

might have a material effect on the Group financial statements.

We also communicated relevant identified laws and regulations, potential fraud risks and that there were no known matters of significant non-compliance with laws and regulations, to all engagement team members including internal specialists audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

As a result of these procedures we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: income recognition, expenditure, grant payments and investments valuation.

Our tests included:

- Agreeing the financial statement disclosures complied with applicable legislation
- Enquiries of the Audit and Risk Committee, management and internal audit, review of minutes of meetings of those charged with governance
- Reviewing correspondence with HMRC
- Audit testing a sample of expenditure and grant awards, ensuring these have been made in accordance with authority limits, award letters and internal control procedures
- Challenging assumptions made by management in their significant accounting estimates, in particular in relation to the PIP provision
- Enquiries of third parties, where information from that third party has been used by the Group in the preparation of the financial statements, particularly including investment manager and custodians confirmations of year-end valuations and investment holdings
- Testing of IT general controls
- Review of supplier statement reconciliations and controls over supplier data change
- Performed audit procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud

As in all of our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluations, whether there was evidence of bias in accounting estimates by management or the Board that represented a risk of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Use of our report

This report is made solely to the Charity's Trustees, as a body, in accordance with the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charity's Trustees 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 Charity and the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP London
Statutory Auditor
London, United Kingdom
Date: 28 July 2021
BDO LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006. BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Financial Statements

for the year ended 31 March 2021

Consolidated Statement of Financial Activities

for the year ended 31 March 2021

	Note	Unrestricted Funds 2021 £'000	Restricted Funds 2021 £'000	Endowment Fund 2021 £'000	Total 2021 £'000	Unrestricted Funds 2020 £'000	Restated Restricted Funds 2020 £'000	Endowment Fund 2020 £'000	Restated Total 2020 £'000
Income and Endowments from:									
Voluntary Fundraising Income		92	-	-	92	65	2	-	67
The Motability Tenth Anniversary Trust Donations		-	-	-	-	58	(5,768)	201,161	195,451
Motability Operations Donations		-	-	-	-	-	-	852,345	852,345
Donations and Legacies		**92**	**-**	**-**	**92**	**123**	**(5,766)**	**1,053,506**	**1,047,863**
Other Trading Activities		**423**	**-**	**-**	**423**	**467**	**-**	**-**	**467**
Bank Interest Receivable		63	9	146	218	481	59	117	657
Investment Income		804	217	7,929	8,950	1,906	968	2,420	5,294
Income from Investments		**867**	**226**	**8,075**	**9,168**	**2,387**	**1,027**	**2,537**	**5,951**
Other Income		508	-	-	508	-	-	-	-
Total Income and Endowments		**1,890**	**226**	**8,075**	**10,191**	**2,977**	**(4,739)**	**1,056,043**	**1,054,281**
Expenditure on:									
Raising Funds	4	**614**	**25**	**6,263**	**6,902**	**629**	**81**	**694**	**1,404**
Charitable Expenditure	3,4	**54,998**	**57**	**-**	**55,055**	**38,421**	**34,752**	**-**	**73,173**
Net (Expenditure) / Income Before Gains / (Losses) on Investments		**(53,722)**	**144**	**1,812**	**(51,766)**	**(36,073)**	**(39,572)**	**1,055,349**	**979,704**
Net Gains / (Losses) on Investments	10	1,166	11	140,995	142,172	696	(562)	(44,338)	(44,204)
Net (Expenditure) / Income		**(52,556)**	**155**	**142,807**	**90,406**	**(35,377)**	**(40,134)**	**1,011,011**	**935,500**
Transfer Between Funds		**15**	**(15)**	**-**	**-**	**(25,665)**	**25,665**	**-**	**-**
Other Realised Gains and Losses:									
Actuarial (Loss) / Gain on Defined Benefit Pension Scheme	19	(3,147)	-	-	(3,147)	(216)	3,460	-	3,244
Other Realised (Losses) / Gains		**(3,147)**	**-**	**-**	**(3,147)**	**(216)**	**3,460**	**-**	**3,244**
Net Movement in Funds		**(55,688)**	**140**	**142,807**	**87,259**	**(61,258)**	**(11,009)**	**1,011,011**	**938,744**
Reconciliation of Funds:									
Fund Balances Brought Forward 1 April		384,992	41,114	1,011,011	1,437,117	446,250	52,123	-	498,373
Fund Balances Carried Forward 31 March	15-17	**329,304**	**41,254**	**1,153,818**	**1,524,376**	**384,992**	**41,114**	**1,011,011**	**1,437,117**

There were no other recognised gains or losses other than those listed above and the net income for the year.
The Notes on pages 96 to 127 form an integral part of the financial statements.
All the Group's financial activities in this and the prior year were continuing.
The Endowment column represents the financial activities of the Motability Endowment Trust ("The Foundation").
The treatment for grants made to War Pensioners has been changed to that of an Agency arrangement for 2020/21, and the prior year War Pensioners comparative has been amended to reflect this change. Please see Note 18 for further details.

Statement of Financial Activities (Charity Only)

for the year ended 31 March 2021

	Note	Unrestricted Funds 2021 £'000	Restricted Funds 2021 £'000	Endowment Fund 2021 £'000	Total 2021 £'000	Unrestricted Funds 2020 £'000	Restated Restricted Funds 2020 £'000	Endowment Fund 2020 £'000	Restated Total 2020 £'000
Income and Endowments from:									
Voluntary Fundraising Income		353	-	-	353	399	2	-	401
The Motability Tenth Anniversary Trust Donations		-	-	-	-	58	(5,768)	201,161	195,451
Motability Operations Donations		-	-	-	-	-	-	852,345	852,345
Donations and Legacies		**353**	**-**	**-**	**353**	**457**	**(5,766)**	**1,053,506**	**1,048,197**
Bank Interest Receivable		63	9	146	218	479	59	117	655
Investment Income		804	217	7,929	8,950	1,906	968	2,420	5,294
Income from Investments		**867**	**226**	**8,075**	**9,168**	**2,385**	**1,027**	**2,537**	**5,949**
Other Income		518	-	-	518	-	-	-	-
Total Income and Endowments		**1,738**	**226**	**8,075**	**10,039**	**2,842**	**(4,739)**	**1,056,043**	**1,054,146**
Expenditure on:									
Raising Funds		**462**	**25**	**6,263**	**6,750**	**494**	**81**	**694**	**1,269**
Charitable Expenditure	4	**54,998**	**57**	**-**	**55,055**	**38,421**	**34,752**	**-**	**73,173**
Net (Expenditure) / Income Before Gains / (Losses) on Investments		**(53,722)**	**144**	**1,812**	**(51,766)**	**(36,073)**	**(39,572)**	**1,055,349**	**979,704**
Net Gains / (Losses) on Investments	10	1,166	11	140,995	142,172	696	(562)	(44,338)	(44,204)
Net (Expenditure) / Income		**(52,556)**	**155**	**142,807**	**90,406**	**(35,377)**	**(40,134)**	**1,011,011**	**935,500**
Transfer Between Funds		**15**	**(15)**	**-**	**-**	**(25,665)**	**25,665**	**-**	**-**
Other Realised Gains and Losses:									
Actuarial (Loss) / Gain on Defined Benefit Pension Scheme	19	(3,147)	-	-	(3,147)	(216)	3,460	-	3,244
Other Realised (Losses) / Gains		**(3,147)**	**-**	**-**	**(3,147)**	**(216)**	**3,460**	**-**	**3,244**
Net Movement in Funds		**(55,688)**	**140**	**142,807**	**87,259**	**(61,258)**	**(11,009)**	**1,011,011**	**938,744**
Reconciliation of Funds:									
Fund Balances Brought Forward 1 April		384,977	41,114	1,011,011	1,437,102	446,235	52,123	-	498,358
Fund Balances Carried Forward 31 March	15-17	**329,289**	**41,254**	**1,153,818**	**1,524,361**	**384,977**	**41,114**	**1,011,011**	**1,437,102**

There were no other recognised gains or losses other than those listed above and the net income for the year.
The Notes on pages 96 to 127 form an integral part of the financial statements.
All the Charity's financial activities in this and the prior year were continuing.
The Endowment column represents the financial activities of the Motability Endowment Trust ("The Foundation").
The treatment for grants made to War Pensioners has been changed to that of an Agency arrangement for 2020/21, and the prior year War Pensioners comparative has been amended to reflect this change. Please see Note 18 for further details.

Balance Sheet (Group and Charity)

as at 31 March 2021

	Note	Group 2021 £'000	Restated Group 2020 £'000	Charity 2021 £'000	Restated Charity 2020 £'000
Tangible Fixed Assets	8	2,797	2,728	2,797	2,728
Fixed Asset Investments	10	1,367,973	1,240,409	1,367,973	1,240,409
Non Current Assets		**1,370,770**	**1,243,137**	**1,370,770**	**1,243,137**
Current Assets:					
Debtors	9	4,036	4,240	4,252	4,518
Current Asset Investments	10	-	-	-	-
Short-Term Deposits	10	160,003	-	160,003	-
Cash		29,241	235,384	28,962	235,078
Current Assets Total		**193,280**	**239,624**	**193,217**	**239,596**
Creditors: Amounts falling due in one year	11	(34,258)	(39,531)	(34,210)	(39,518)
Total Assets less Current Liabilities		**1,529,792**	**1,443,230**	**1,529,777**	**1,443,215**
Creditors: Amounts falling due after one year	13	(50)	(69)	(50)	(69)
Provisions	12	(2,734)	(6,044)	(2,734)	(6,044)
Net Assets Excluding Pension Liability		**1,527,008**	**1,437,117**	**1,526,993**	**1,437,102**
Pension Liability	19	(2,632)	-	(2,632)	-
Total Net Assets		**1,524,376**	**1,437,117**	**1,524,361**	**1,437,102**
Represented By:					
Endowment Funds	**17**	**1,153,818**	**1,011,011**	**1,153,818**	**1,011,011**
Restricted Funds	**15**	**41,254**	**41,114**	**41,254**	**41,114**
Unrestricted Funds	**16**	**329,304**	**384,992**	**329,289**	**384,977**
Total Funds		**1,524,376**	**1,437,117**	**1,524,361**	**1,437,102**

The Notes on pages 96 to 127 form an integral part of the financial statements. The financial statements on pages 92 and 93 were approved and authorised for issue by the Board of Governors on 27 July 2021 and were signed on its behalf by:

Charles Manby MBE, Chairman
David Hunter FCA, Hon. Treasurer

The Endowment Funds balance refers to the Motability Endowment Trust ("The Foundation").

The treatment for grants made to War Pensioners has been changed to that of an Agency arrangement for 2020/21, and the prior year War Pensioners comparative has been amended to reflect this change. Please see Note 18 for further details.

Consolidated Cash Flow Statement

for the year ended 31 March 2021

		Group 2021 £'000	Restated Group 2020 £'000
Net Income for the year (as per the Statement of Financial Activities)		**90,406**	**935,500**
Adjustments to Exclude Non-Cash Items:			
FRS 102 Pension Adjustment		(515)	(456)
(Decrease) / Increase in Debtors		204	11,379
(Increase) / Decrease in Authorised Grants Awaiting Payment		(4,019)	13,072
(Increase) / Decrease in Creditors: Amounts Falling Due Within One Year		(1,254)	530
(Increase) in Creditors: Amounts Falling Due After One Year		(19)	(28)
Decrease in Provisions		(3,310)	(10,282)
Movement in Tangible Fixed Assets		819	746
Loss on Disposal of Fixed Assets		466	17
Adjustment to Exclude Investment Income and Expenditure:			
Investment Income		(6,570)	(2,239)
Interest Income		(218)	(657)
Adjustment for gains and losses on investments		(139,241)	44,204
Receipt of Donated Assets		-	(191,970)
Receipt of Expendable Endowment		-	(861,536)
Receipt of Endowment Donations		-	(1,053,506)
Net Cash Flows from Operating Activities		**(63,251)**	**(61,720)**
Cash Flows from Investing Activities:			
Interest Receivable		218	657
Investment Income		6,570	2,239
Sales of Fixed Asset Investments		612,853	407,336
(Increase) / Decrease in Fixed / Current Asset Investments		-	437,060
Gross Investment Sales	10	612,853	844,396
Gross Investment Purchases	10	(519,899)	(802,358)
Endowment Cash to Portfolio - Purchases	10	-	(727,345)
(Increase) / Decrease in Short-Term Deposits		(160,003)	1,000
(Increase) in Fixed Asset Investment Cash		(80,999)	-
Purchase of Tangible Fixed Assets		(1,354)	(1,121)
Net Cash Flows from Investing Activities		**(142,614)**	**(682,532)**
Net Cash Flows from Financing Activities:			
Receipt of Expendable Endowment:			
- Motability Operations Donations		-	852,345
- MTAT Cash at Bank		-	2,469
- MTAT Cash held by Fund Managers		-	6,722
Net Cash Flows from Financing Activities		**-**	**861,536**
Change in Cash and Cash Equivalents in the Year		(205,865)	117,284
Cash and Cash Equivalent Brought Forward		235,384	118,100
Change in Cash and Cash Equivalents due to exchange rate movements		(278)	-
Cash and cash equivalents at the end of the reporting period		**29,241**	**235,384**
Analysis of cash and cash equivalents			
Cash		29,241	235,384
Cash and cash equivalents		**29,241**	**235,384**
Analysis of Changes in Net Debt			
Cash in hand		29,241	235,384
Notice Deposits (less than 3 months)		160,003	-
Total Net Debt		**189,244**	**235,384**

Current Asset Investments are money market funds normally with an average duration of three months or more.
The Notes on pages 96 to 127 form an integral part of the financial statements.

Notes to the Financial Statements

1. Accounting Policies

A. Corporate and charitable status

Motability is a public benefit entity incorporated by Royal Charter and registered with the Charity Commission, Charity no. 299745, in England and Wales, and Charity no. SC050642 in Scotland.

B. Consolidation

Group financial statements have been prepared in respect of Motability and its wholly owned subsidiary, Motability Enterprises Limited.

Motability is the sole corporate Trustee of the Motability Endowment Trust (the "Foundation") which shares Motability's registered charity number (with the suffix '-1') and has the same charitable objects. The assets and liabilities of the Foundation have been included with those of the Charity on a line-by-line basis and included in the column 'Endowment' where appropriate. This fulfils the requirement to show the accounts of a linked charity as Motability's only Endowment assets, liabilities and activities are those of the Foundation.

The Foundation supports Motability's charitable purposes through the returns The Foundation earns on its assets. As a new foundation, the principal activity during the year was investing in appropriate and diversified assets so as to obtain a long-term return of RPI+4%.

Motability Enterprises Limited (MEL) is incorporated in the United Kingdom and registered in England and Wales. MEL's financial statements have been consolidated with those of the Charity on a line-by-line basis. The principal activity of MEL during the year was the raising of funds for the Charity by commission received from home and travel insurance partners.

The net assets of the Motability Tenth Anniversary Trust were transferred to the Motability Endowment Trust on 31 March 2020.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following 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 (FRS102) effective 1 January 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Motability, as the parent charity, has taken the qualifying entity exemption under FRS 102 from preparing its own Cash Flow Statement.

The most significant areas of judgement in applying these accounting policies to the financial statements are deemed to be in relation to the valuation of investments and the calculation of the Personal Independence Payments Transitional Support Programme future grant commitments (the PIP provision) as set out below in Note P.

The financial statements have been prepared in pounds sterling, which is the functional currency of Motability and its subsidiary. Monetary amounts in these financial statements are rounded to the nearest £'000.

C. Going Concern

COVID-19 pandemic

The Governors have considered forecasts and spending plans for the Charity and the impact on those of the COVID-19 pandemic for a period of at least 12 months from the signing of the accounts. More information is given in the Governors' Report on page 79.

The impact of the COVID-19 pandemic on the accounting policies and estimates adopted in the financial statements has been considered, in particular, grant recognition and asset valuation. For grants, the principal effect of public policy and beneficiary behaviours has been to reduce the volume of grant applications and thus grants awarded, as shown by the fall in charitable expenditure in the financial results for the year.

The COVID-19 pandemic has reduced the likelihood of grants being claimed in the short term and contact with beneficiaries confirms that this is a delay rather than a change of intent to claim. Therefore, grant commitments made in the year and outstanding at 31 March 2021 are stated at their full value.

For investments, the economic impact (either positive or negative) of the COVID-19 pandemic on a financial asset will be reflected in that asset's fair value. Motability's and the Foundation's investments are stated at fair value at 31 March 2021.

The Endowment of the Foundation is expendable, although the current policy of the Trustee is, where possible, to invest the assets of the Foundation to retain the real value of the Endowment while also generating sufficient return, so as to maintain and enhance the stability and scale of grant-making and other charitable activities as may be determined from time to time by the Trustee.

As noted in the financial review section of the Annual Report for the year ended 31 March 2021, Motability has reviewed its future spending plans in five-year scenarios to allow for differing levels of future donations from Motability Operations and income generated by the Foundation's Endowment, and differing spend rates. Motability has on hand some £329 million in general funds and £41.3 million in restricted funds. These sums include £160 million in cash deposits and a further £173 million in money market funds. Motability will seek to maintain core spending on beneficiaries and will curtail discretionary grant programmes where necessary to achieve this end. Motability's future financial plans, budgets, reserves levels and cash flow forecasts for a period of more than 12 months from the date of the signature of the accounts have been prepared by management and reviewed by the Governors. On this basis, the Governors believe that the going concern assumption continues to be an appropriate basis on which to prepare these statements.

D. Income

Income is accounted for when the Charity is entitled to the income, and when it is probable the income will be received and the amount can be measured reliably.

- Donations and legacies are recognised when the Charity is entitled to the income (at probate), the amount can be quantified with reasonable certainty and when it is probable the income will be received
- Gift Aid income is recognised on an accruals basis when the receipt and value are both certain
- Interest is recognised when receivable and the amount can be measured reliably by the Charity. This is normally upon notification of the interest paid or payable by the bank
- Dividends are recognised once the dividend has been declared and notification has been received of the dividend due

Note: Motability administers grants for disabled people on behalf of Veterans UK. However, in this respect, Motability is acting as a conduit – please see Note 18 for further details. As a result, Motability does not treat these grants as income.

E. Expenditure

Expenditure is recognised once there is a legal or constructive obligation

Notes to the Financial Statements cont.

to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- 'Raising Funds' comprises costs directly attributable to activities for raising funds such as the administration of affinity insurance products and the cost of investment management.
- 'Charitable Expenditure' includes direct charitable expenditure, grants and directly attributable costs including central overheads such as relevant staff costs.
  - 'Grants to Individuals' and 'Grants to Institutions' are recognised when they have been approved, to the extent that a legal or constructive obligation exists to provide the services agreed, except to the extent that they are subject to conditions that enable the Charity to revoke the award
  - Grant expenditure on 'Driving lesson support' is based upon the higher of the actual number of lessons taken during the year or the average number of lessons which customers take to complete their instruction
  - Stopped Allowance Support become payable upon the return of cars on the scheme
- 'Governance costs' include audit fees, legal advice for Governors relating to the financial management of the Charity and compliance with constitutional and statutory requirements, and are part of the total support costs of the Charity. These are allocated as part of non-directly attributable support costs as described below.
- 'Allocated Support Costs' and 'Governance Costs' are allocated on the ratio of the expenditure for the programme as a percentage of the total.

Staff costs comprise salaries and social security contributions, contributions to the Charity's defined contribution scheme and the charge to the Statement of Financial Activities (SoFA) in respect of the defined benefits pension scheme. Any annual leave that an employee has accrued but not yet taken as at 31 March is calculated at the pro-rata cost of these days. The cost is included within the SoFA, with a corresponding liability shown as falling due within one year.

Termination benefits may occur where the Charity has agreed to terminate the employment of an employee and are included within the financial statements when the payment has been formally agreed or a detailed formal plan for the termination from which the Charity is realistically unable to withdraw exists. The amount of termination benefit shown is either the amount agreed or paid, or the Charity's best estimate of the expenditure required to settle the obligation.

Motability administers grants for disabled people on behalf of Veterans UK. However, in this respect, Motability is acting as a conduit – please see Note 18 for further details. As a result, Motability does not treat these grants as expenditure.

F. Tangible Fixed Assets

Assets are included on the balance sheet at cumulative historical cost less depreciation and any impairments in accordance with FRS 102. The cost of Tangible Fixed Assets is their purchase price including associated costs such as taxes and legal fees, together with any costs directly attributable to bringing the asset into working condition for its intended use; and subsequent dilapidations or decommissioning costs anticipated which are provided for. Assets in the course of construction are stated at cost and are not depreciated until available for use. Expenditure on fixed assets is capitalised, where individual items cost £1,000 or more. Fixed assets are depreciated on a straight-line basis over their anticipated useful lives as follows:

- Leasehold improvements: Depreciated over the shorter of the remaining life of the lease or the life of the improvement.
- Office furniture: Five Years
- Fixtures and fittings: Five Years
- Computer hardware: Three Years
- Computer software: Five Years
- Vehicles: Four years

Capital commitments as at 31 March 2021 are disclosed in Note 8.

G. Financial Assets and Liabilities including Investments

Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are measured at their transaction price (including transaction costs) except for quoted investments which are held at fair value through the SoFA and financing transactions which are held at the present value of the future payments discounted at a market rate of interest for a similar debt instrument through the SoFA.

The majority of the Charity and Group's financial assets and financial liabilities are of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value, with the exception of listed investments which are held at fair value through the SoFA.

The Charity and Group also hold a smaller amount of unquoted investments, which are valued at the best estimate of fair value as follows:

- Pooled investments are stated at fair value, the basis of fair value being the market value of the underlying investments held. These valuations are provided by the fund managers and are subject either to independent valuation or annual audit.
- Unquoted hedge funds are valued by reference to the market value of their underlying investments. These valuations are provided by the third-party hedge fund administrators.
- Private equity investments are held through funds managed by private equity groups. As there is no identifiable market price for private equity funds, these funds are included at the most recent valuations from the private equity groups where:
  - The private equity group provides a fair value that complies with the International Private Equity and Venture Capital Valuation Guidelines; or
  - The private equity group provides valuations that comply with International Financial Reporting Standards or US GAAP, the equivalent to UK GAAP
  - Where a valuation is not available at the balance sheet date, the most recent valuation from the private equity group is used, adjusted for cash flows and foreign exchange movements and any impairment between the most recent valuation and the balance sheet date
- Derivative financial instruments. Managers of segregated funds may enter into derivatives as part of their portfolio risk management, fair values of these derivatives are provided by the fund managers.

Investment in the subsidiary Motability Enterprises Limited is unquoted and held at cost less impairment.

Net realised and unrealised gains and losses on investments are recognised within the SofA. Gains and losses are realised when an investment is disposed of in the year. Unrealised gains and losses arise on the revaluation of investments to fair value at the balance sheet date.

Transactions denominated in foreign currency are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the exchange rate ruling at the balance

Notes to the Financial Statements cont.

sheet date. All gains and losses on exchange, realised and unrealised, are included in the appropriate income or expenditure category in the SofA.

H. Fund Accounting

Expendable Endowment funds are held and invested to provide a return to support general funds expenditure on Motability's objects. The capital of the Endowment may be spent. Given the importance of the regular returns expected to be received from the Endowment in order to support grant-making in years of low or no donations from Motability Operations, the Governors aim to preserve the real value of the capital and the return on it over the long term. They have determined that the Endowment's capital should only be spent in exceptional circumstances such as a 'once in a life time' opportunity to make a permanent systemic improvement to the transport opportunities for all disabled people.

Restricted funds are funds subject to specific restrictions imposed by the donor. These funds are held by Motability until spent in accordance with the terms of the donation. Unrestricted funds comprise the accumulated movement on funds available for use at the absolute discretion of the Governors. Unrestricted funds may be transferred to a restricted fund in order to support that specific activity. Any transfer between funds requires the approval of the Audit and Risk Committee.

Designated funds comprise funds which Governors have set aside for a particular activity or purpose. If funds are unspent funds at the end of a project or activity they are transferred to unrestricted funds or may be designated for another purpose.

I. Pension Costs

The Charity operates a defined benefit pension scheme for certain employees. The amounts charged to the SofA are the costs arising from employee services rendered during the period and the cost of plan introductions, benefit changes, settlements and curtailment. They are included as part of staff costs.

The net interest cost on the defined benefit liability is charged to the SofA and included within support costs. Re-measurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the SoFA.

The defined benefit scheme is funded, with the assets of the scheme held separately from those of the group, in separate Trustee-administered funds. The pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the attained age method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities.

Actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the balance sheet.

The Charity also operates a defined contribution scheme and the amount charged to the Consolidated SoFA in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

J. Leases

As there are no finance leases, all leases are classified as operating leases, with the lease payments recognised as an expense over the lease term on a straight-line basis. The nature of the current and prior

year lease commitments were of an operating nature and consequently no leases fall to be capitalised under this policy.

K. Transitional Support Programme Grants

In 2013 the DWP announced that Personal Independence Payment (PIP) would replace Disability Living Allowance (DLA) as a disability benefit as part of the Welfare Reform changes. PIP has different qualification criteria compared with DLA and it was immediately apparent that large numbers of scheme customers would lose eligibility to the scheme when they failed to transition to the qualifying Higher Rate Mobility Component of PIP.

That year, Motability therefore announced that it would provide financial assistance to help customers to sustain their mobility who, due to the transition from DLA to PIP, would no longer qualify for benefits allowing them to lease a vehicle under the Motability Scheme. For affected customers returning their vehicles in an acceptable condition, and within the designated time period, Motability provides a support payment of £2,000 for customers where the customer originally joined the scheme before 31 December 2012 and £1,000 for customers who joined the scheme during 2013. These payments are reduced to £500 and £250 respectively where customers opt for an extended vehicle retention period of 26 weeks.

In order to ensure the most effective use of the available funds, Governors review all aspects of the support package in the autumn of every year, taking account of customer feedback, economic circumstances and any possible changes the Government may be making to PIP at that time. The last assessment was in December 2020 and the next assessment will be in December 2021. This annual review also seeks to: estimate future expenditure so as to provide comfort to the Governors that the estimated sum is affordable; to inform the Governors as to overall spending commitments for the Charity; and for the Governors to confirm that they wish to continue to support the programme.

Management believe that a reasonable estimate of the constructive economic obligation as at the end of each financial year can be established, and have accounted for this by way of a provision. The provision estimate recognises that there is a 16-month commitment from the balance sheet date for providing the current level of transitional support, i.e. to all qualifying customers who might leave the scheme by 31 July 2022 (from 2020/21 assessment). This date would allow for communication to customers of any potential changes to the programme in January following the review in the autumn.

Accordingly, all potential future PIP Transitional Support Payments, for which a constructive obligation is deemed to exist at the balance sheet date, have been provided for as a balance sheet provision with the costs shown separately within the Cost of Charitable Activities. The constructive liability is deemed to exist for all projected customers eligible for a transitional support payment until the date that any future changes to the current support programme could be practically implemented. This equates to the expenditure expected in the next 16 months. The same methodology has been adopted again this year as it is both appropriate and consistent with previous years. The provision is based on a number of assumptions, of which the major items are:

1. The number and timing of customer DLA to PIP reassessments – the COVID-19 pandemic related disruption since March 2020, when the DWP announced the suspension of all reassessment activity, makes estimating future volumes more difficult this year. The number of

Notes to the Financial Statements cont.

reassessments has been estimated at 190,000.
2. The failure rate – the percentage of customers becoming ineligible for the necessary level of PIP award following reassessment – has been estimated at 25% in line with recent DLA to PIP assessment failure rate experience.
3. Weighted average support payment – the average cost of the support payment is assumed at £1,900 per customer, based on an analysis of the existing customer profile.
4. The elapsed time to complete a customer assessment – this is estimated at six months from invitation to be assessed for PIP through to payment.
5. Customer adherence to payment qualification criteria – the main assumption is the number of customers not returning their vehicles within the allowed time or in the correct condition, who lose eligibility for support, and this is estimated at 5%.
6. The proportion of customers who opt for an extended retention period of 26 weeks in return for a reduced payment (£500 or £250). It is currently estimated that two thirds of customers now choose this option.

It is considered that of the above assumptions the one that has the biggest potential impact is the estimation of future DWP reassessment activity. In order to fund this Transitional Support, Motability Operations has made restricted purpose donations to Motability totalling £175 million. As at the end of the financial year, £133 million has been spent on the programme, of which £3.2 million was spent during the year. The date for the end of the main DLA to PIP programme is difficult to predict, as future caseloads are so uncertain. There will however be an ongoing commitment to "Rising 16s", who transition from DLA to PIP on their sixteenth birthday, until 2026/27, albeit at low expenditure levels. The balance of funds donated by Motability Operations is held as a restricted fund reserve.

L. Debtors
Trade and other debtors are recognised at the settlement amount. Investment income owed is accrued at the anticipated receipt value. Prepayments are valued at the amount prepaid net of any trade discounts due.

M. Current Investments and Cash
Current Asset Investments are money market funds normally with an average duration of three months or more. Where market conditions at the balance sheet date suggest that liquidity is stressed either within the fund or within money markets and short bond markets more generally, Current Asset Investments may include money market funds with an average duration of less than three months.

Cash and cash equivalents is instant cash that the Charity has available.

N. Creditors
Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

O. Provisions and contingent liabilities
Provisions are recognised where there is a present obligation as a result of a past event, if it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Under the terms of its office lease the Charity will be required to make good the condition of the property when it leaves. The Dilapidations provision in the accounts is based on a 'cost of works' for this work to be carried out.

A provision in respect of the PIP Transitional Support Programme is set out in Accounting Policy Note K.

Where no provision is recognised, contingent liabilities are disclosed in the notes to the financial statements, unless the possibility of a transfer of economic benefits is remote.

P. Critical Accounting Judgements and Estimations

In the application of the accounting policies, which are described within this note, the Governors are required to make judgements and assumptions leading to financial estimates about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The assumptions and associated estimates are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Other than pension obligations where the actuarial assumptions underlying the pension deficit are set out in Note 19, the Trustees consider the most significant judgements and estimates to be in relation to the PIP Provision as follows:

PIP Provision Judgements

The underlying assumptions and judgements for the PIP provision have been calculated using a model based on actual information for 2020/21.

The assumptions relating to the PIP Transitional Support Programme are reviewed on an ongoing basis. There is also a Governor annual review of the whole programme that takes place before the end of each calendar year.

A number of judgement variables are built into the model and some assumptions behind the provision figure for this year have been changed to reflect recent experience. The most significant change relates to a reduced rate of DWP PIP reassessments. The COVID-19 pandemic related disruption over the past year makes forecasting the year ahead more problematic than usual.

PIP Provision Estimates

The 16-month provision at the end of 2019/20 was £5.4 million which was based on an estimate that ranged from a low of £1.5 million to a high of £7.4 million. The actual spend for 12 months was within this range for 2020/21 at £3.2 million. The 16-month provision at the end of 2020/21 is £2.1 million, which is based on an estimated range from a low of £0.8 million to a high of £5.6 million. Please see Section K - Accounting for PIP Transitional Grants for further details.

Non-Listed Investment Valuations

Non-listed investments are valued at the value supplied by the fund manager as at the year end. Where the value is thought to be significantly impaired then the value is stated at the lower of cost or impaired valuation. The basis of impairments for non-listed investments are arrived at from a review of the general performance of the relevant economy and discussions with the relevant fund manager. There were no impairments in the year.

Q. Taxation

The charitable members of the Group are exempt from taxation on their income and gains falling within Part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to their charitable purposes. The non-charitable subsidiary, although subject to taxation, does not pay UK Corporation Tax because its policy is to donate taxable profits as a qualifying distribution under Deed of Covenant to Motability. Foreign tax incurred on overseas investments is charged as it is incurred.

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. Trading Activities of the Subsidiary

The Charity has a wholly owned trading subsidiary, Motability Enterprises Limited, which is incorporated in the UK. Company Number 01786053; Registered address Warwick House, Roydon Road, Harlow, Essex, CM19 5PX.

Motability Enterprises Limited made a qualifying distribution of its trading profits to Motability as a corporate gift aid payment under Deed of Covenant without deduction of tax.

A summary of its trading results extracted from its full accounts is shown below.

The net assets of the subsidiary are £15,000 (2020: £14,576).

	Total 2021 £'000	Total 2020 £'000
Income and Expenditure Account		
Turnover	423	467
Less: Cost of Goods Sold and Other Costs	(55)	(36)
Gross Profit	**368**	**431**
Administration Expenses	(107)	(98)
Interest Receivable	-	2
Net Profit	**261**	**335**
Gift Aided to Motability	(261)	(335)
Retained in Subsidiary	**-**	**-**

3. Charitable Expenditure

	Direct Grants 2021 £'000	Direct Charitable Activity 2021 £'000	Allocated Support Costs 2021 £'000	Governance Costs 2021 £'000	Total Costs 2021 £'000	Restated Direct Grants 2020 £'000	Restated Direct Charitable Activity 2020 £'000	Restated Allocated Support Costs 2020 £'000	Restated Governance Costs 2020 £'000	Restated Total Costs 2020 £'000
Grants to Individuals:										
Cars and Adaptations	12,317	1,438	1,970	130	15,855	13,770	1,018	1,167	118	16,073
Wheelchair Accessible Vehicles	11,516	1,346	1,841	121	14,824	18,789	1,411	1,618	164	21,982
Complex Driving Solutions	8,165	954	1,305	86	10,510	18,525	1,369	1,570	159	21,623
Driving Lesson Support	1,360	159	217	15	1,751	1,402	104	119	12	1,637
Stopped Allowance Support	2,488	291	398	26	3,203	3,658	-	289	29	3,976
PIP TSP	3,194	373	511	34	4,112	13,671	-	1,079	109	14,859
PIP Additional Transitional Support	171	20	28	2	221	407	30	34	3	474
Access to Work	131	16	21	1	169	26	-	2	-	28
Grants to Individuals:	**39,342**	**4,597**	**6,291**	**415**	**50,645**	**70,248**	**3,932**	**5,878**	**594**	**80,652**
Grants to Institutions:										
Family Fund (Support Under 3 Year Olds)	2,500	291	400	26	3,217	500	-	39	4	543
Designability (Charging Points)	90	11	14	1	116	-	-	-	-	-
Designability (Wizzybugs)	950	110	152	10	1,222	300	-	24	2	326
Driving Mobility	50	5	8	1	64	-	-	-	-	-
Grants to Institutions:	**3,590**	**417**	**574**	**38**	**4,619**	**800**	**-**	**63**	**6**	**869**
Grant-Making Awarded before Movement in Provision	**42,932**	**5,014**	**6,865**	**453**	**55,264**	**71,048**	**3,932**	**5,941**	**600**	**81,521**
PIP Provision (Release) / Charge	(3,350)	-	-	-	(3,350)	(10,282)	-	-	-	(10,282)
Motability Funded Grant-Making	**39,582**	**5,014**	**6,865**	**453**	**51,914**	**60,766**	**3,932**	**5,941**	**600**	**71,239**
Build Awareness	**-**	**1,138**	**163**	**11**	**1,312**	**-**	**1,281**	**101**	**10**	**1,392**
Innovation	**-**	**603**	**86**	**6**	**695**	**-**	**179**	**15**	**1**	**195**
Motability Scheme	**-**	**984**	**141**	**9**	**1,134**	**-**	**319**	**25**	**3**	**347**
Charitable Expenditure	**39,582**	**7,739**	**7,255**	**479**	**55,055**	**60,766**	**5,711**	**6,082**	**614**	**73,173**

The value of Charitable Expenditure by Activity has been used as the basis for apportionment of the Support and Governance Costs shown above.
The release of the PIP provision during 2020 and 2021 results from a reassessment of the assumptions at year end, following actual payment experience during the year.

3. Charitable Expenditure Cont.

Reconciliation of Grants Payable:	2021 £'000	2020 £'000
Commitment at 1 April	32,430	20,376
Commitments made in the year	42,932	71,261
Grants paid during the year	(46,951)	(59,207)
Commitments at 31 March	**28,411**	**32,430**

Outstanding Grant Commitments at 31 March are payable as follows:	2021 £'000	2020 £'000
Within 1 year (Note 11)	28,411	32,430
Commitment at 31 March	**28,411**	**32,430**

The treatment for grants made to War Pensioners has been changed to that of an Agency arrangement for 2020/21, and the prior year War Pensioners comparative has been amended to reflect this change. Please see Note 18 for further details. As such, administrative costs of awarding War Pensioner Grants are no longer itemised and have been absorbed within Grants to Individuals for 2020/21.

4. Analysis of Total Expenditure

	Cost of Raising Funds 2021 £'000	Direct Grants 2021 £'000	Direct Charitable Activity 2021 £'000	Allocated Support Costs 2021 £'000	Governance Costs 2021 £'000	Total Costs 2021 £'000
Cost of Raising Funds	624	-	-	-	15	639
Cost of Goods Sold And Other Costs	45	-	-	-	-	45
Investment Management Fees And Other Costs	6,218	-	-	-	-	6,218
Cost of Raising Funds	**6,887**	**-**	**-**	**-**	**15**	**6,902**
Grant-Making	-	39,582	5,014	6,865	453	51,914
Build Awareness	-	-	1,138	163	11	1,312
Innovation	-	-	603	86	6	695
Motability Scheme	-	-	984	141	9	1,134
Motability Funded Charitable Activities	**-**	**39,582**	**7,739**	**7,255**	**479**	**55,055**
Charitable Expenditure	**-**	**39,582**	**7,739**	**7,255**	**479**	**55,055**
Total Expenditure	**6,887**	**39,582**	**7,739**	**7,255**	**494**	**61,957**

Please refer to Note 5 for an analysis of functional support costs by activity.
The amounts of Allocated Support Costs attributed to Direct Grants and Direct Charitable Activity are in proportion to the direct expenditure on those activities.

	Cost of Raising Funds 2020 £'000	Restated Direct Grants 2020 £'000	Restated Direct Charitable Activity 2020 £'000	Restated Allocated Support Costs 2020 £'000	Restated Governance Costs 2020 £'000	Restated Total Costs 2020 £'000
Cost of Raising Funds	94	-	-	-	9	103
Cost of Goods Sold And Other Costs	36	-	-	-	-	36
Investment Management Fees And Other Costs	1,265	-	-	-	-	1,265
Cost of Raising Funds	**1,395**	**-**	**-**	**-**	**9**	**1,404**
Grant-Making	-	60,766	3,932	5,941	600	71,239
Build Awareness	-	-	1,281	101	10	1,392
Innovation	-	-	179	15	1	195
Motability Scheme	-	-	319	25	3	347
Motability Funded Charitable Activities	**-**	**60,766**	**5,711**	**6,082**	**614**	**73,173**
Charitable Expenditure	**-**	**60,766**	**5,711**	**6,082**	**614**	**73,173**
Total Expenditure	**1,395**	**60,766**	**5,711**	**6,082**	**623**	**74,577**

Please refer to Note 5 for an analysis of functional support costs by activity.
The amounts of Allocated Support Costs attributed to Direct Grants and Direct Charitable Activity are in proportion to the direct expenditure on those activities.

4. Analysis of Total Expenditure Cont.

	Governance Costs 2021 £'000	Governance Costs 2020 £'000
External Audit Fees	146	134
Internal Audit Fees	91	15
Legal Fees	127	472
Members Expenses	1	2
Other Costs	129	-
Governance Costs	**494**	**623**

The External Audit Fees expenditure shown above includes fees of £122,000 payable to the Statutory Auditor which comprise £115,000 for the Statutory Audit of Motability Accounts and £7,000 for the Statutory Audit of Subsidiary Accounts respectively, plus £17,000 relating to 2019/20.

No fees have been paid to the Statutory Auditor for Other Services during the year since appointment.

Internal Audit has been partially outsourced to an independent firm of Auditors.

The treatment for grants made to War Pensioners has been changed to that of an Agency arrangement for 2020/21, and the prior year War Pensioners comparative has been amended to reflect this change. Please see Note 18 for further details.

5. Analysis of Support and Governance Costs

		Strategic Pillars				
	Cost of Raising Funds 2021 £'000	Grant-Making 2021 £'000	Build Awareness 2021 £'000	Innovation 2021 £'000	Motability Scheme 2021 £'000	Grand Total 2021 £'000
Human Resources	-	562	13	7	12	594
Information Technology	-	952	23	12	20	1,007
Finance and Administration	-	1,368	32	17	28	1,445
Performance and Engagement	-	864	20	11	18	913
Facilities	-	1,004	25	12	20	1,061
VAT, Depreciation and Other	-	2,115	50	27	43	2,235
Allocated Support Costs	**-**	**6,865**	**163**	**86**	**141**	**7,255**
Governance Costs	**15**	**453**	**11**	**6**	**9**	**494**
Total Support Costs	**15**	**7,318**	**174**	**92**	**150**	**7,749**

Please refer to Note 4 where Support and Governance Costs are summarised.
The value of Charitable Expenditure by Activity has been used as the basis for apportionment of the Support and Governance Costs shown above.

		Strategic Pillars				
	Cost of Raising Funds 2020 £'000	Grant-Making 2020 £'000	Build Awareness 2020 £'000	Innovation 2020 £'000	Motability Scheme 2020 £'000	Grand Total 2020 £'000
Human Resources	-	736	13	2	3	754
Information Technology	-	1,004	17	2	4	1,027
Finance and Administration	-	1,198	20	3	5	1,226
Facilities	-	1,011	17	2	4	1,034
VAT, Depreciation and Other	-	1,994	34	5	8	2,041
Allocated Support Costs	**-**	**5,943**	**101**	**14**	**24**	**6,082**
Governance Costs	**9**	**600**	**10**	**1**	**3**	**623**
Total Support Costs	**9**	**6,543**	**111**	**15**	**27**	**6,705**

Please refer to Note 4 where Support and Governance Costs are summarised.
The value of Charitable Expenditure by Activity has been used as the basis for apportionment of the Support and Governance Costs shown above.
The treatment for grants made to War Pensioners has been changed to that of an Agency arrangement for 2020/21, and the prior year War Pensioners comparative has been amended to reflect this change. Please see Note 18 for further details.

6. Governors, Staff and Related Parties

A. Numbers and costs

The average number of persons employed by the Group during the year analysed by category, was as follows:

	2021 Number	2020 Number
Direct Charitable Activities	99	84
Support Staff	72	67
Governance	4	2
Motability Enterprises Ltd	1	1
Total	**176**	**154**

Staff costs were as follows:

	2021 £'000	2020 £'000
Salaries	6,686	5,276
Benefits in kind	213	177
Staff restructure programme	-	38
Social Security costs	660	536
Pension costs: defined benefit	196	317
Pension costs: defined contribution	822	659
Other Staff Costs	299	534
Total	**8,876**	**7,537**

The number of employees whose emoluments, excluding pension contributions and employers NI, for the year fell within the following bands:

	2021 Number	2020 Number
£60,000 to £69,999	3	4
£70,000 to £79,999	-	2
£80,000 to £89,999	4	3
£90,000 to £99,999	2	2
£100,000 to £109,999	1	1
£110,000 to £119,999	1	-
£130,000 to £139,999	-	-
£140,000 to £149,999	-	1
£150,000 to £159,999	1	-
£180,000 to £189,999	1	-
Total	**13**	**13**

6. Governors, Staff and Related Parties cont.

Key management personnel of the Group and Charity are defined as the Governors and the Executive Directors: The Chief Executive; Finance Director; Director of Charitable Operations; and Director for Performance and Engagement.

The total remuneration (including employers NIC, pension contributions and benefits in kind) of the key management personnel of the Charity for the year totalled £583,741 (2020: £558,432).

In 2020/21, no termination benefit was paid (2020: one)

B. Governors' Emoluments

The number of Governors in 2021 was 11 (2020: 11). No Governor received any emoluments during the year (2020: nil). Three Governors (2020: seven) received reimbursement of expenses for travel costs amounting to £768 (2020: £2,480). In 2021, £965 (2020: £750) was spent on Computer Hardware equipment for Governors' use. No donations were received from Governors during the year (2020: nil).

C. Professional Indemnity

Appropriate insurance has been arranged by the Charity to indemnify Governors and employees for their legal liability for damages and legal expenses arising from the performance of their duties, in 2021 this was £10 million (2020: £10 million). The cost of the policy in 2021 was £0.03 million (2020: £0.03 million).

D. Related Parties

Motability Endowment Trust (MET) was set up in 2019 to support the work of Motability. Motability is the sole corporate Trustee of MET. During the period an administration charge of £0.51 million was paid by MET to Motability (2020: Nil).

Motability Tenth Anniversary Trust (MTAT) was set up in 1989 to support the work of Motability. The Governors did not regard the MTAT as a related party as defined by FRS 102.

MTAT was closed on 31 March 2020 and all of its net assets of £201.2 million were donated to MET at that time.

E. Other Related Parties

Related parties include the Executive Team (key management personnel) as shown in Section A along with Governors of the Charity.

Motability directs and oversees the Motability Scheme which is operated on behalf of Motability by Motability Operations, a separate commercial company whose shares are held by four major banks.

Motability paid Motability Operations £38.4 million (2020: £38.7 million), in respect of grants awarded to customers, to fund Advance Payments and adaptations on vehicles provided under the lease schemes by Motability Operations to customers in receipt of grants.

As at 31 March 2021 Motability Operations was due £2.4 million (2020: £36.4 million) from Motability.

In addition, for 2021 £4.3 million (2020: £3.6 million) was received from Motability Operations as rebates, where customers early terminated their lease agreements, in respect of grant awards towards Advance Payments and adaptations managed by Motability Operations.

As at 31 March 2021 £0.8 million (2020: £0.4 million) was due to Motability from Motability Operations.

In 2019/20 a restricted expendable Endowment of £852 million was received from Motability Operations which was used in the creation of the MET. No such donation was received from Motability Operations in 2020/21.

Motability has a wholly owned trading subsidiary, Motability Enterprises Limited (MEL) – see Note 2 for details. In 2021 Motability invoiced MEL £0.08 million (2020: £0.08 million) in respect of administration charges. As at 31 March 2021 £0.3 million (2020: £0.3 million) was due from MEL to Motability as a qualifying distribution under Deed of Covenant. There was no amount due from Motability to MEL (2020: nil).

Cheryl Ward served as a Governor in 2019/20 and 2020/21. The amounts for grants awarded to Family Fund, of which Cheryl Ward is CEO, were £0.5 million in 2020 and £2.5 million in 2021. Cheryl Ward recused herself from decision making for these grants.

The Family Fund grants are given to support families with disabled children under the age of three with their transport needs. An administration charge of £0.09 million in 2020/21 (2020: £0.05 million) is deducted from the award amounts to support the administration costs of the programme within Family Fund.

Motability paid £0.7 million (2020: £0.8 million) to 'Motability Pension Scheme' in respect of the defined benefit scheme which was closed to future accrual from 30 April 2012. See Note 19.

7. Fixed Asset Investment in Subsidiary Undertaking

Motability holds 100 ordinary shares of £1 each in Motability Enterprises Limited incorporated in the UK (Company No. 1786053) whose registered office is Warwick House, Roydon Road, Harlow, Essex, CM19 5PX.

The company carries out certain trading activities in order to raise funds for Motability (Note 2).

8. Tangible Fixed Assets (Group and Charity)

	Leasehold Improvements £'000	Motor Vehicles £'000	Office Furniture £'000	Fixtures and Fittings £'000	Computer Hardware £'000	Computer Software £'000	Work in Progress £'000	Total £'000
Cost								
Balance at 1 April 2020	3,258	849	226	213	837	1,471	225	7,079
Additions	9	-	-	-	134	37	1,174	1,354
Transfers	546	-	8	-	-	96	(650)	-
Disposals	(1,591)	(145)	(133)	(53)	-	-	-	(1,922)
At 31 March 2021	**2,222**	**704**	**101**	**160**	**971**	**1,604**	**749**	**6,511**
Depreciation								
Balance at 1 April 2020	1,934	369	137	198	721	993	-	4,352
Charge for the year	388	145	22	9	95	160	-	819
Eliminated on disposal	(1,171)	(145)	(91)	(50)	-	-	-	(1,457)
At 31 March 2021	**1,151**	**369**	**68**	**157**	**816**	**1,153**	**-**	**3,714**
Net Book Value (net of the above)								
At 31 March 2021	**1,071**	**335**	**33**	**3**	**155**	**451**	**749**	**2,797**
At 31 March 2020	**1,325**	**480**	**89**	**15**	**116**	**478**	**225**	**2,728**

All assets are used for direct charitable purposes

9. Debtors

	Group 2021 £'000	Restated Group 2020 £'000	Charity 2021 £'000	Restated Charity 2020 £'000
Trade and Other Debtors	197	97	155	44
Amounts owed by subsidiary - Motability Enterprises Ltd	-	-	261	334
Amounts owed by Motability Operations Ltd	854	371	854	371
Prepayments	605	717	602	714
Accrued Income	2,380	3,055	2,380	3,055
Prepayments and Accrued Income	2,985	3,772	2,982	3,769
Debtors	**4,036**	**4,240**	**4,252**	**4,518**

The treatment for grants made to War Pensioners has been changed to that of an Agency arrangement for 2020/21, and the prior year War Pensioners comparative has been amended to reflect this change. Please see Note 18 for further details.
Investment income of £8,950,000 is made up of Accrued Investment Income of £2,380,244 and Investment Income Received of £6,569,756.

10. Investments

At 31 March 2021, Group and Charity investments comprised:

	Total 2021 £'000	Total 2020 £'000
Fixed Asset Investments		
Listed Equity Securities	631,935	325,054
Listed Debt Securities	225,906	331,527
Money Market Instruments	414,999	545,732
Other Investments	95,133	38,096
Fixed Asset Investments	**1,367,973**	**1,240,409**
Current Asset Investments		
Short Term Deposit	160,003	-
Current Asset Investments	**160,003**	**-**
Total Investments	**1,527,976**	**1,240,409**

All bonds are managed as part of the Fixed Assets portfolio.

Within listed Debt Securities above, £72 million of bond securities have maturity dates beyond one year (2020: £182 million). As at 31 March 2021, there were uncalled capital commitments to private investment funds totalling £37.1 million.

		Total 2021 £'000
Fair Value as at 1 April 2020		**1,240,409**
Gross Sales	(612,853)	
Gross Purchases	519,899	
Net Sales / Purchases		(92,954)
Realised Gains / Losses	17,922	
Unrealised Gains / Losses	123,970	
Net Gains / Losses		141,892
Less: TER investment charges (cost of raising funds)		(2,373)
Increase in Fixed Asset Investment Portfolio Cash		80,999
Fair Value as at 31 March 2021		**1,367,973**
Note: Net Gains / (Losses) on Investments (per SoFA which includes current assets)		*142,172*

The investment portfolio held at 31 March 2021 is being held for the long term and contains a mix of investments including some cash balances and money market instruments. Total Expense Ratio (TER) investment charges have been deducted from unrealised gains / losses. These fees are not direct creditors of Motability and are reported for recognition purposes only.

11. Creditors: Amounts Falling Due Within One Year

	Group 2021 £'000	Restated Group 2020 £'000	Charity 2021 £'000	Restated Charity 2020 £'000
Accruals for Grants Payable				
Cars and Adaptations	6,726	3,018	6,726	3,018
Wheelchair Accessible Vehicles	8,591	12,852	8,591	12,852
Complex Driving Solutions	13,058	16,488	13,058	16,488
PIP - Additional Transitional Support	36	72	36	72
Accruals for Grants Payable	**28,411**	**32,430**	**28,411**	**32,430**
Creditors				
Trade Creditors	4,276	5,969	4,260	5,967
Accruals	1,368	977	1,336	966
Taxation and Social Security	203	155	203	155
Creditors	**5,847**	**7,101**	**5,799**	**7,088**
Creditors Falling Due Within One Year	**34,258**	**39,531**	**34,210**	**39,518**

	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Amounts Owed to Motability Operations Limited	30,841	36,427	30,841	36,427
Amounts Owed to Third Party Suppliers	3,417	3,104	3,369	3,091
Creditors Falling Due Within One Year	**34,258**	**39,531**	**34,210**	**39,518**

The treatment for grants made to War Pensioners has been changed to that of an Agency arrangement for 2020/21, and the prior year War Pensioners comparative has been amended to reflect this change. Please see Note 18 for further details.

12. Provisions

Group and Charity Dilapidation Provision	2021 £'000	Restated 2020 £'000
Provision Brought Forward 1 April	560	560
Movement in Provision	-	-
Dilapidation Provision Carried Forward 31 March	**560**	**560**

Group and Charity Provision for Uncashed Cheques	2021 £'000	2020 £'000
Provision Brought Forward 1 April	66	66
Movement in Provision	41	-
Provision for Uncashed Cheques Carried Forward 31 March	**107**	**66**

Group and Charity PIP Provision	2021 £'000	2020 £'000
Provision Brought Forward 1 April	5,418	15,700
Provision Utilised in Year	(3,194)	(13,669)
Charge / (Credit) in Year	(157)	3,387
PIP Provision Carried Forward 31 March	**2,067**	**5,418**

Provisions Carried Forward 31 March	**2,734**	**6,044**

Please refer to Note 1 Accounting Policies – Section K Accounting for PIP Transitional Support Programme Grants for further information on the PIP Provision.

13. Creditors: Amounts Falling Due After One Year (Group and Charity)

	2020 £'000	2019 £'000
Amortised Rent-Free Period on Current Premises Lease	50	69
Creditors Falling Due After One Year	**50**	**69**

14. Analysis of Group Net Assets / Liabilities Between Funds

	Unrestricted Funds 2021 £'000	Restricted Funds 2021 £'000	Endowment Funds 2021 £'000	Group 2021 £'000
Non-Current Assets	189,796	38,001	1,142,973	1,370,770
Current Assets	176,580	5,448	11,252	193,280
Current Liabilities	(33,804)	(47)	(407)	(34,258)
Creditors Over One Year	(50)	-	-	(50)
Provisions	(586)	(2,148)	-	(2,734)
Net Assets Excluding Pension Liability	**331,936**	**41,254**	**1,153,818**	**1,527,008**
Pension Liability	(2,632)	-	-	(2,632)
Total Net Assets	**329,304**	**41,254**	**1,153,818**	**1,524,376**

	Unrestricted Funds 2020 £'000	Restated Restricted Funds 2020 £'000	Endowment Funds 2020 £'000	Restated Group 2020 £'000
Non-Current Assets	349,692	42,070	851,375	1,243,137
Current Assets	74,745	4,767	160,112	239,624
Current Liabilities	(38,816)	(239)	(476)	(39,531)
Creditors Over One Year	(69)	-	-	(69)
Provisions	(560)	(5,484)	-	(6,044)
Net Assets Excluding Pension Liability	**384,992**	**41,114**	**1,011,011**	**1,437,117**
Pension Liability	-	-	-	-
Total Net Assets	**384,992**	**41,114**	**1,011,011**	**1,437,117**

The treatment for grants made to War Pensioners has been changed to that of an Agency arrangement for 2020/21, and the prior year War Pensioners comparative has been amended to reflect this change. Please see Note 18 for further details.

15. Restricted Funds

Movement in Funds:	Balance 31/03/2020 £'000	Income £'000	Expenditure £'000	Investment Gains and Losses £'000	Other Realised Gain / Loss £'000	Transfers Between Funds £'000	Balance 31/03/2021 £'000
Group							
PIP Transitional Support Programme	41,058	226	(41)	11	-	-	41,254
Fundraising - Donations and Appeals	56	-	(41)	-	-	(15)	-
Restricted Funds	**41,114**	**226**	**(82)**	**11**	**-**	**(15)**	**41,254**

Movement in Funds:	Restated Balance 31/03/2019 £'000	Restated Income £'000	Restated Expenditure £'000	Restated Investment Gains and Losses £'000	Restated Other Realised Gain / Loss £'000	Restated Transfers Between Funds £'000	Restated Balance 31/03/2020 £'000
Group							
Complex Driving Solutions	(882)	(5,854)	(18,550)	-	-	25,286	-
PIP Transitional Support Programme	44,134	1,078	(3,874)	(562)	-	282	41,058
Fundraising - Donations and Appeals	40	2	-	-	-	14	56
Funding and Other Income in Relation to Administration Costs	12,531	35	(12,409)	-	(240)	83	-
Balance Before Pension Scheme Surplus / (Liability)	**55,823**	**(4,739)**	**(34,833)**	**(562)**	**(240)**	**25,665**	**41,114**
Defined Benefit Pension Scheme Surplus / (Liability)	(3,700)	-	-	-	3,700	-	-
Restricted Funds	**52,123**	**(4,739)**	**(34,833)**	**(562)**	**3,460**	**25,665**	**41,114**

The treatment for grants made to War Pensioners has been changed to that of an Agency arrangement for 2020/21, and the prior year War Pensioners comparative has been amended to reflect this change. Please see Note 18 for further details.

16. Unrestricted Funds

Movement in Funds:	Balance 31/03/2020 £'000	Income £'000	Expenditure £'000	Investment Gains and Losses £'000	Other Realised Gain / Loss £'000	Transfers Between Funds £'000	Balance 31/03/2021 £'000
Charity							
General Fund	366,625	1,490	(44,665)	1,254	(3,147)	15	321,572
Designated Fund - Wheelchair Accessible Vehicles	18,352	248	(10,795)	(88)	-	-	7,717
Charity Unrestricted Funds	**384,977**	**1,738**	**(55,460)**	**1,166**	**(3,147)**	**15**	**329,289**
Group							
General Fund	366,640	1,642	(44,817)	1,254	(3,147)	15	321,587
Designated Fund - Wheelchair Accessible Vehicles	18,352	248	(10,795)	(88)	-	-	7,717
Group Unrestricted Funds	**384,992**	**1,890**	**(55,612)**	**1,166**	**(3,147)**	**15**	**329,304**

Movement in Funds:	Balance 31/03/19 £'000	Income £'000	Expenditure £'000	Investment Gains and Losses £'000	Other Realised Gain / Loss £'000	Transfers Between Funds £'000	Balance 31/03/20 £'000
Charity							
General Fund	402,556	802	(14,317)	1,934	(216)	(24,134)	366,625
Designated Fund - Wheelchair Accessible Vehicles	42,501	1,687	(24,593)	(1,238)	-	(5)	18,352
Designated Fund - Discretionary Hardship Fund	1,178	353	(5)	-	-	(1,526)	-
Charity Unrestricted Funds	**446,235**	**2,842**	**(38,915)**	**696**	**(216)**	**(25,665)**	**384,977**
Group							
General Fund	402,571	937	(14,452)	1,934	(216)	(24,134)	366,640
Designated Fund - Wheelchair Accessible Vehicles	42,501	1,687	(24,593)	(1,238)	-	(5)	18,352
Designated Fund - Discretionary Hardship Fund	1,178	353	(5)	-	-	(1,526)	-
Group Unrestricted Funds	**446,250**	**2,977**	**(39,050)**	**696**	**(216)**	**(25,665)**	**384,992**

The Discretionary Hardship Fund had previously been designated to support customers with financial hardship. However, the Charity has expanded its grant programmes to encompass the purpose of this fund and therefore the designation is no longer required. Accordingly, the remaining fund balance has been transferred over to General Funds.

17. Motability Foundation Endowment Fund

Movement in Fund:	Balance 31/03/2020 £'000	Income £'000	Expenditure £'000	Investment Gains and Losses £'000	Other Realised Gain / Loss £'000	Transfers Between Funds £'000	Balance 31/03/2021 £'000
Charity							
Motability Endowment Trust - Capital Fund	1,011,011	-	(6,263)	140,995	-	(1,676)	1,144,067
Motability Endowment Trust - Undistributed Income Fund	-	8,075	-	-	-	1,676	9,751
Restricted Endowment Funds	**1,011,011**	**8,075**	**(6,263)**	**140,995**	**-**	**-**	**1,153,818**
Group							
Motability Endowment Trust - Capital Fund	1,011,011	-	(6,263)	140,995	-	(1,676)	1,144,067
Motability Endowment Trust - Undistributed Income Fund	-	8,075	-	-	-	1,676	9,751
Restricted Endowment Funds	**1,011,011**	**8,075**	**(6,263)**	**140,995**	**-**	**-**	**1,153,818**

The transfer between funds figure of £1,676,000 relates to the transfer of investment income earned during the 2019/20 financial year.

Movement in Fund:	Balance 31/03/19 £'000	Income £'000	Expenditure £'000	Investment Gains and Losses £'000	Other Realised Gain / Loss £'000	Transfers Between Funds £'000	Balance 31/03/20 £'000
Charity							
Motability Endowment Trust - Capital Fund	-	1,056,043	(694)	(44,338)	-	-	1,011,011
Restricted Endowment Funds	**-**	**1,056,043**	**(694)**	**(44,338)**	**-**	**-**	**1,011,011**
Group							
Motability Endowment Trust - Capital Fund	-	1,056,043	(694)	(44,338)	-	-	1,011,011
Restricted Endowment Funds	**-**	**1,056,043**	**(694)**	**(44,338)**	**-**	**-**	**1,011,011**

Restricted Endowment Funds comprises the Motability Endowment Trust ("The Foundation") only.

18. Funds Held as Agent

Movement in Funds:	Balance 31/03/2020 £'000	Income £'000	Expenditure £'000	Balance 31/03/2021 £'000
Charity				
Funds Held as Agent on behalf of Veterans UK	41	(193)	194	42
Funds Held as Agent	**41**	**(193)**	**194**	**42**
Group				
Funds Held as Agent on behalf of Veterans UK	41	(193)	194	42
Funds Held as Agent	**41**	**(193)**	**194**	**42**

Motability administers the funds of Veterans UK to issue grants for automatic gearboxes and car adaptations to War Pensioners who are in receipt of the War Pensioners Mobility Supplement (WPMS). Motability adheres to an agency agreement and distributes the funds it holds to specified third parties in line with the instructions given by Veterans UK.
Therefore, the treatment for grants made to War Pensioners has been changed to that of an Agency arrangement for 2020/21. As agents, the Trustees of Motability have no discretion about the use of the funds received.

The prior year comparative has been amended to reflect this change.

Notes to the Financial Statements cont.

19. Pension Arrangements

The Group has operated a defined benefit scheme for its employees since November 1988 under which a separate fund is being accumulated to meet the accruing liabilities which is held under a trust, entirely separate from the Charity's assets. Payments to the scheme are made in accordance with the recommendations of qualified actuaries.

From 1 October 2005 changes were made to the defined benefit pension scheme:

– The scheme was closed to new members
– Employees who wished to retain the 1/60th benefit were asked to increase their contributions
– The ability to retire before 65 without actuarial reduction was removed
– A defined contribution scheme was available from that date to any employees wishing to receive pension benefits

The defined benefit scheme was closed to future accrual from 30 April 2012.
The last actuarial valuation was prepared using the "Attained Age" method, as at 31 March 2019.
This valuation used the following assumptions:

	%
Investment return in deferment	3.65
Investment return in payment (Non-pensioners / Pensioners)	2.15 / 1.75
Salary increases	Nil
Pension increases pre-retirement – Deferred Pensioners	3.05
Pension increases pre-retirement – Employed Deferred	3.65
Pensioners – Post-1997 Service	2.40

At 31 March 2019 the market value of the scheme's asset was £21.8 million, the present value of liabilities was £23 million, resulting in an actuarial deficit of £1.2 million, equivalent to a funding level of 95%. The employer, having considered the various options for the recovery plan, agreed to pay £0.7 million on 31 March 2020 and £0.6 million on 31 March 2021, as well as scheme costs of £0.08 million p.a., following agreement with the pension Trustees.

A qualified actuary using revised assumptions that are consistent with the requirements of FRS 102 has updated the actuarial valuation described above at 31 March 2021. Investments have been valued for this purpose at fair value.

The pension cost to the Charity under FRS 102 was £0.2 million (2020: £0.32 million).

The major assumptions used for the FRS 102 actuarial valuation were:

	2021 %	2020 %	2019 %
Rate of increase in salaries	N/A	N/A	N/A
Rate of increase in pensions in payment	2.60	1.95	2.20
Discount Rate	1.85	2.30	2.40
Price inflation	3.15	2.95	3.20

19.1 The fair value of the assets in the scheme, the present value of the liabilities in the scheme and the expected rate of return at each balance sheet date were:

	2021 %	2021 £'000	2020 %	2020 £'000	2019 %	2019 £'000
Equities	1.85	11,188	2.30	9,271	2.40	10,129
Bonds / Gilts	1.85	9,163	2.30	9,721	2.40	7,383
Cash	1.85	3,073	2.30	2,680	2.40	2,562
Property and Other	1.85	1,243	2.30	1,605	2.40	1,588
Total fair value of assets		24,667		23,277		21,662
Present value of scheme liabilities		(27,299)		(23,243)		(25,362)
Net pension (liability) / asset		**(2,632)**		**34**		**(3,700)**
Adjustment to restrict recognition of surplus		-		(34)		-
Revised total, excluding contingent asset *		**(2,632)**		**-**		**(3,700)**

*A pension fund surplus is the product of a valuation that will be volatile over time. As a result, a pension fund surplus is a contingent asset and the revised position of the pension fund in a year of surplus is breakeven.

The rates used for the expected return on scheme assets are based on the requirements of SORP 2019 (FRS 102) as these determine the predicted return in the year to 31 March 2021. The contribution rate for 2021 was nil of pensionable earnings (2020: nil) due to the scheme being closed to future accrual with effect from 30 April 2012.

	2021 %	2020 %
Equities	45.36	39.83
Bonds / Gilts	37.15	41.76
Cash	12.46	11.51
Property and Other	5.03	6.90

The liabilities were valued using the following mortality assumptions:
- Basetable: S3PA
- Future mortality improvements: CMI_2019, 1.25% long-term rate
- Age rating: None

The following table illustrates members' life expectancy in years, at the age of 65, based on the mortality assumptions above:

	2021	2020
Retiring Now		
Males	22.00	21.80
Females	24.30	24.10
Retiring in 20 Years		
Males	23.30	23.20
Females	25.70	25.50

Notes to the Financial Statements cont.

19.2 The movement in the scheme's deficit over the year to 31 March 2021 is summarised as follows:

	2021 £'000	2020 £'000
The Pension Deficit as at 31 March comprises:		
Pension deficit at 1 April	-	(3,700)
(Loss) / gain in the year - Actuarial	(3,181)	3,278
Gain / (loss) in the year – Other	34	(34)
Deficit recovery plan payment	631	693
Contribution to scheme administration costs	80	80
Subtotal	**(2,436)**	**317**
Analysis of Amounts (charged) to the SoFA for the year:		
Other finance cost	(3)	(93)
Current service cost	(191)	(224)
Past service cost	(2)	-
Subtotal	**(196)**	**(317)**
Pension (deficit) at 31 March	**(2,632)**	**-**

19.3 Analysis of the amount that has been charged / (credited) to the SofA under FRS 102:

	2021 £'000	2020 £'000
Current service cost	191	224
Total	**191**	**224**

19.4 Analysis of the amount that has been debited to net finance charges under FRS 102:

	2021 £'000	2020 £'000
Expected return on pension scheme assets	528	513
Interest on pension scheme liabilities	(531)	(606)
Total	**(3)**	**(93)**

19.5 Analysis of the amount that has been recognised in the SofA

	2021 £'000	2020 £'000	2019 £'000
Actual return less expected return on pension scheme assets	840	990	(405)
Experience gains / (losses) arising on the scheme liabilities	99	1,997	14
Changes in the assumptions underlying the present value of the scheme liabilities	(4,120)	291	(1,271)
Total	**(3,181)**	**3,278**	**(1,662)**
Adjustment to restrict recognition of surplus	34	(34)	-
Revised recognised (loss) / gain for the year	**(3,147)**	**3,244**	**(1,662)**

19.6 Reconciliation of present value defined benefit obligation

	2021 £'000	2020 £'000
Opening Balance at 1 April	**23,243**	**25,362**
Current service cost	191	224
Past service cost	2	-
Curtailment	-	-
Settlements	-	-
Interest cost	531	606
Employee contribution	-	-
Actuarial (gain) / loss	4,021	(2,288)
Administration expenses	(191)	(224)
Changes to exchange rates	-	-
Benefits paid	(498)	(437)
Closing Balance at 31 March	**27,299**	**23,243**

Notes to the Financial Statements cont.

19.7 Reconciliation of fair value plan assets

	2021 £'000	2020 £'000
Opening Balance at 1 April	**23,277**	**21,662**
Expected return on assets	528	513
Actuarial gain / (loss)	840	990
Changes to exchange rates	-	-
Employer contribution	711	773
Employee contribution	-	-
Settlements	-	-
Administration Expenses	(191)	(224)
Benefits paid	(498)	(437)
Closing Balance at 31 March	**24,667**	**23,277**

19.8 Reconciliation of change in funded status

	2021 £'000	2020 £'000
Opening Balance 1 April	**34**	**(3,700)**
Pension Expense	(196)	(317)
Employer contribution	711	773
Changes to Exchange Rates	-	-
Actuarial gain / (loss)	(3,181)	3,278
Closing Balance at 31 March	**(2,632)**	**34**

19.9 History of experienced gains and losses

	2021 £'000	2020 £'000	2019 £'000	2018 £'000	2017 £'000
Difference between actual and expected return on assets					
Amount	840	990	(405)	409	1,604
% of scheme assets	**3.4%**	**4.2%**	**(1.9%)**	**1.9%**	**8.2%**
Experience of gains and (losses) arising on liabilities					
Amount	99	1,997	(14)	(57)	1,893
% of scheme assets	**0.4%**	**8.6%**	**0.1%**	**(0.3%)**	**9.7%**

20. Commitments

Operating Leases
Amounts payable in total under operating leases with expiry dates:

	Premises 2021 £'000	Premises 2020 £'000	Other 2021 £'000	Other 2020 £'000
Within One Year	646	430	18	18
Between One and Five Years	646	1,076	18	35
Over Five Years	-	-	-	-
Total	**1,292**	**1,506**	**36**	**53**

Operating Lease Expenditure

	2021 £'000	2020 £'000
Premises	518	382
Plant, Machinery and Vehicles	25	18
Total	**543**	**400**

Capital Commitments

As at 31 March 2021 Motability has outstanding capital commitments of £0.3 million in respect of its Head Office facilities and £0.4 million in respect of Computer Software.

As at 31 March 2021, there were uncalled capital commitments to private investment funds totalling £37.1 million.

Future Grant Allocations

An initial 2019/20 award of £5 million was allocated to Family Fund to support the mobility of families with children under three years old (Family Fund). During 2020/21, £2.5 million was granted from this allocation (cumulative total being £3 million (2019/20: £0.5 million)).

An initial 2019/20 award of £5.4 million was made to Designability for the Wizzybugs initiative, of which £0.95 million was paid in 2020/21 (2019/20 £0.3 million). The remainder of the award is payable over the four years to 2024/25 subject to satisfactory performance review.

21. Taxation

As a registered charity, Motability is potentially exempt from taxation of income and gains falling within Part 11 Income and Corporation Taxes Act 2010 and s256 Taxation Chargeable Gains Act 1992. No tax charge has arisen in the year.

No tax charge has arisen in the subsidiary due to the policy of gifting profits to Motability each year.



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Motability



‘I am so grateful to Motability for the grant and to the Motability Scheme for the vehicle’

Samantha

Motability, the Charity, Warwick House, Harlow, Essex, CM19 5PX

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