



# 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

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## Patrons, Governors, Members and Key Executive Employees

### Chief Patron

**Her Majesty The Queen**

### Patrons

The Rt Hon Boris Johnson MP  
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 Stephen Duckworth OBE  
(retired 6 July 2021)  
Dr Juliana Onwumere  
Dr Hannah Barham-Brown FRSA  
(appointed 9 December 2021)  
Professor Mala Rao OBE  
Lord Kevin Shinkwin  
(retired 16 September 2021)  
Cheryl Ward  
Professor William Webb  
Richard Cartwright ACA  
Robin Hindle Fisher OBE

### 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  
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 Engagement:

Rachael Badger

#### Chief Investment Officer:

Philip Coates  
(appointed 1 September 2021)

#### Company Secretary:

Anil Gadhia FCA

\* Independent member  
of Investment Committee







# 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

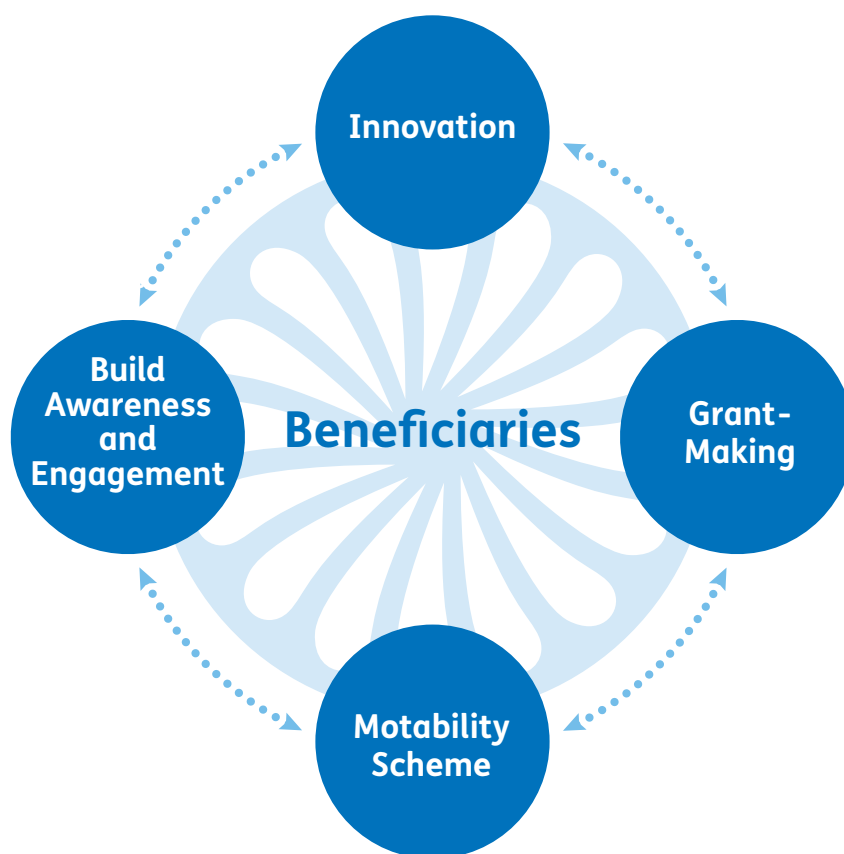
- We are committed to finding new ways to improve access to transport for disabled people.
- We try new, innovative ways of working, we learn and adapt with new experiences.
- We challenge ideas to support positive change.

# 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 semiconductor 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





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

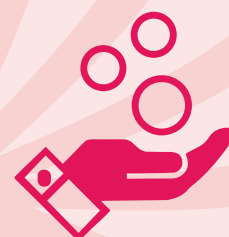


Ensure the success of the Motability Scheme in meeting the transportation needs of disabled people

## 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

Income to  
Motability.

## 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.

Sets the strategic policies and direction of the Scheme.

## Motability Foundation

# Beneficiaries

## 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.

## The Motability Scheme

The day-to-day operations of the Scheme are delivered by Motability Operations.

Donations  
to Motability.





# 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

ASSET CLASS	Valuations: £ million			Investment performance figures % p.a.		
	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
<b>Total</b>	<b>1,011</b>	<b>1,154</b>	<b>1,235</b>	<b>14.1</b>	<b>7.2</b>	<b>6.9</b>

# '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

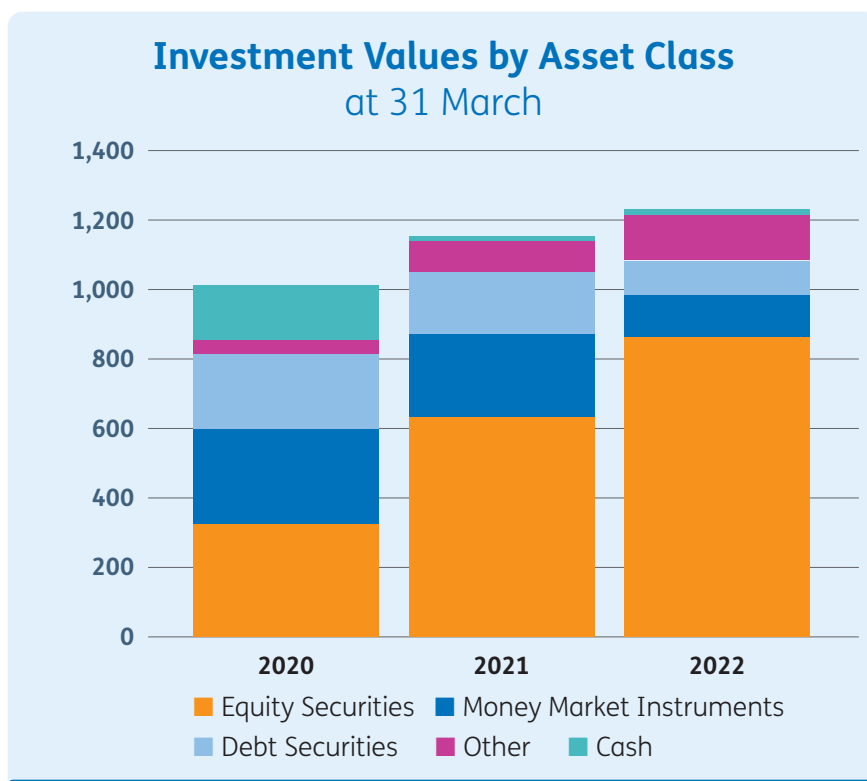
The value of the Endowment rose by £81 million to £1,235 million (2021: £1,154 million). The main driver of returns was equities. Last year, the portfolio comfortably outperformed its long-term target of the change in the Consumer Price Index plus four per cent (CPI+4%). The recent surge in inflation 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.





## 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

### 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**

Motability Scheme and to keep pace with the increased demand for financial help that we are currently experiencing.

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.

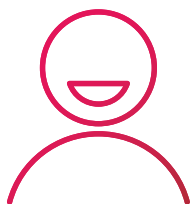
## We asked our beneficiaries to rate our service



**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 straightforward, 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-customised 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

Grant Programme	£				Volume			
	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	-	-	-	-	-	-	-	-
<b>Scheme-Related Grants</b>	<b>31,925,193</b>	<b>51,083,670</b>	<b>31,997,807</b>	<b>53,848,584</b>	<b>8,726</b>	<b>12,105</b>	<b>9,925</b>	<b>12,515</b>
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
<b>Access to Mobility</b>	<b>20,734,976</b>	<b>19,164,667</b>	<b>7,344,683</b>	<b>5,717,012</b>	<b>14,096</b>	<b>13,690</b>	<b>6,407</b>	<b>5,103</b>
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
<b>Grants to Organisations and Charities</b>	<b>-</b>	<b>800,000</b>	<b>3,500,000</b>	<b>2,450,000</b>	<b>-</b>	<b>2</b>	<b>3</b>	<b>3</b>
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
<b>Innovation Grants</b>	<b>-</b>	<b>-</b>	<b>90,000</b>	<b>966,643</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>5</b>

## 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 ERMIC 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.

## 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.

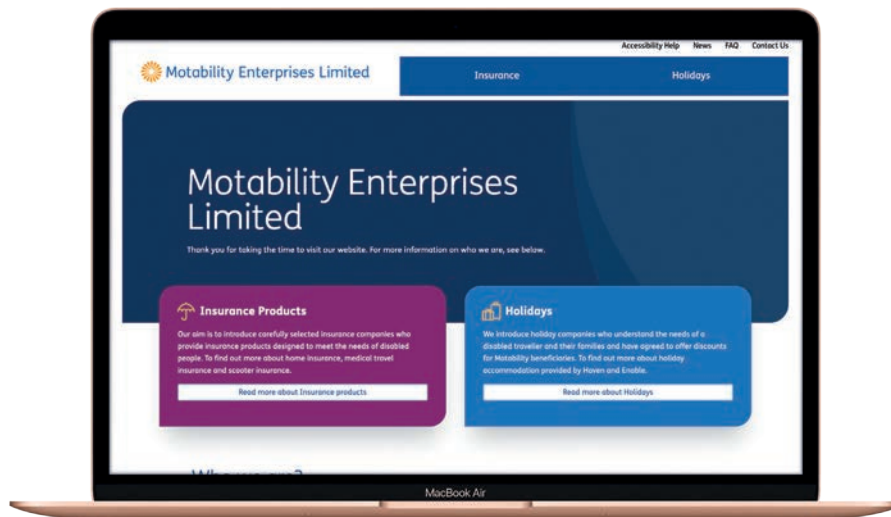
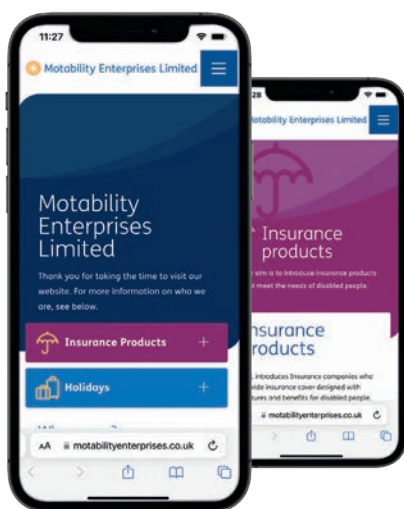
**Developing Our Digital Channels**  
Motability launched a fully inclusive

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.

## 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**



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.

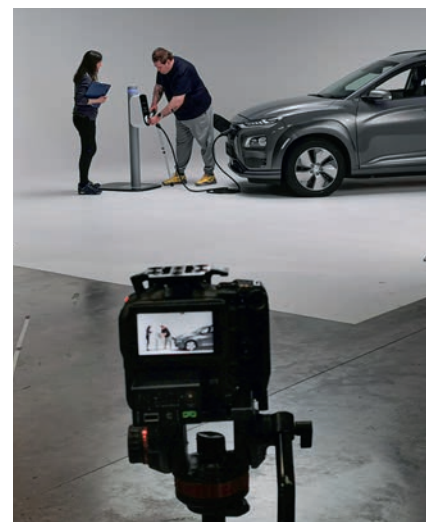
### Accessible Electric Vehicle Charging

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-

### 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)**

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.

**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."



## A wheelchair user's commute can take **5 times** longer than that of a non-disabled person in London



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 kgCO<sub>2</sub>e/FTE.

#### INTENSITY RATIO (kgCO<sub>2</sub>e/FTE)

<b>1 April 2020 to 31 March 2021</b>	774.6
<b>1 April 2021 to 31 March 2022</b>	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 CO<sub>2</sub>e 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 (tCO<sub>2</sub>e), 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 CO<sub>2</sub>e 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
<b>Energy Consumption (kWh)</b>	Grid Electricity		95,111	133,007
	Natural Gas		349,434	420,905
	Company Fleet		135,134	297,989
	Grey Fleet		837	1,970
	<b>Total Energy Consumption</b>		<b>580,516</b>	<b>853,871</b>
<b>Greenhouse Gas Emissions (tCO<sub>2</sub>e)</b>	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
	<b>Total Gross Emissions</b>		<b>129.95</b>	<b>191.64</b>



**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
<b>Strategic Risk</b> Our strategy is ambitious yet we do not maximise the impact of our resources on the mobility of disabled people.	<p>We do not keep up with and understand the changing requirements of disabled people.</p> <p>Too many initiatives are undertaken, and we are unable to implement in full or successfully.</p> <p>Our programmes fail to meet the needs and expectations of disabled people.</p>	<p>Research and innovation projects have been established to consider other growth routes.</p> <p>A planned approach to implementation is being undertaken to ensure the necessary resource is in place.</p> <p>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.</p>
<b>External Influences Risk</b> 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.	<p>We do not deliver the required service to beneficiaries.</p> <p>The UK and Scottish Governments are unable to work with us to redirect the mobility component of qualifying disability benefits.</p> <p>Unable to connect with the right organisations across all sectors to deliver mobility solutions.</p>	<p>Act upon the changing needs of beneficiaries led by research and innovation projects.</p> <p>Motability is accredited by the Scottish Government. Scotland Act 2016, Social Security (Scotland) Act 2018 Order frame the relationship on social security.</p> <p>Contract with Scottish Government in place.</p> <p>Effective PR monitoring and communication strategy, liaising with disability organisations and other stakeholders.</p>
<b>Environment Risk</b> We do not keep in step with the UK position on the environment.	<p>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.</p>	<p>Develop our Environment Agenda in concert with Motability Operations.</p>
<b>Compliance Risk</b> Compliance with the Charity Commission requirements and ever-increasing ethical, legal and regulatory obligations, for example General Data Protection Regulations (GDPR).	<p>Fines and penalties as a result of non-compliance could lead to restrictions in our ability to carry out our charitable objectives.</p>	<p>A thorough compliance programme is in place which is reviewed quarterly by management and Governors. Internal audit and legal counsel capabilities established.</p> <p>Data Protection and Data Security are the foundations for considering and developing new working practices/ projects.</p> <p>A well-established annual routine training programme is in place.</p>

RISKS	FACTORS	MITIGATION
<b>Operational Risk</b> 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.
<b>Reputational Risk</b> 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.
<b>Financial Risk</b> 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

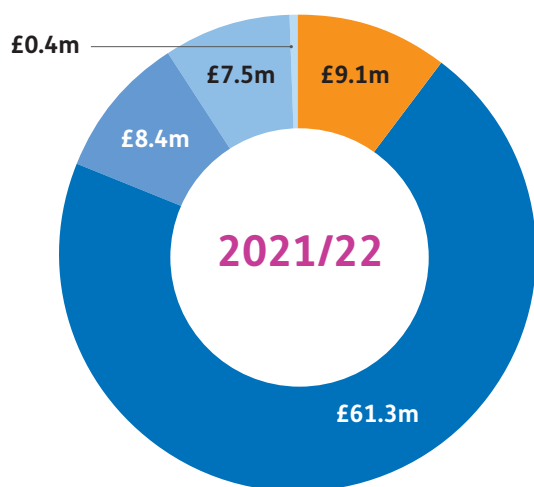
Net income before gains and losses on investments and the pension fund was £97.0 million (2021: net expenditure of £51.8 million). This swing from last year's substantial deficit to substantial surplus is an expected result of the historically occasional nature of unrestricted donations from Motability 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

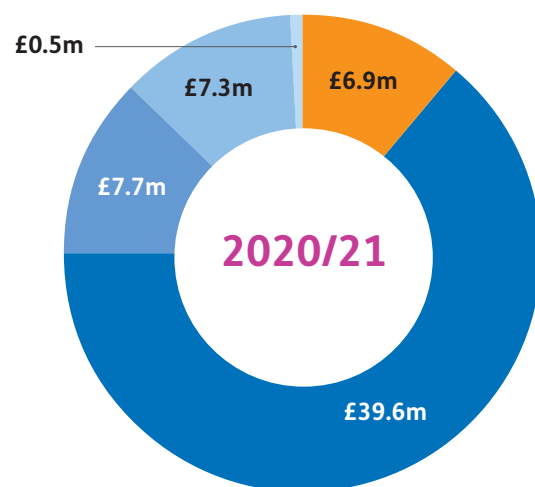
Motability has three categories of reserve. General funds can be used for any charitable activity that advances Motability's charitable purpose and funded nearly all Motability's charitable activity in the last two years. General funds are invested in assets that provide short-term liquidity and are 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
<b>Blue: Charitable Spend</b>	<b>89%</b>
<b>Orange: Cost of Raising Funds</b>	<b>11%</b>

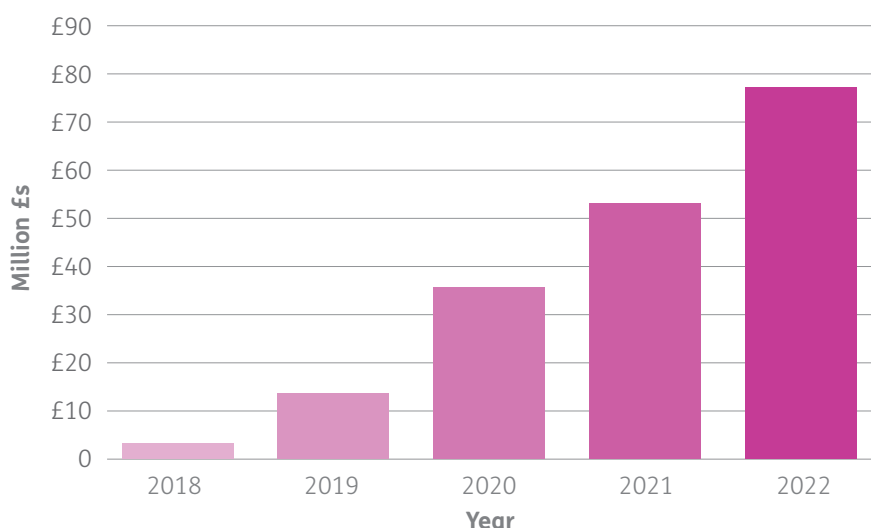


## 2020/21 (£62 million)

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
<b>Blue: Charitable Spend</b>	<b>89%</b>
<b>Orange: Cost of Raising Funds</b>	<b>11%</b>

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.

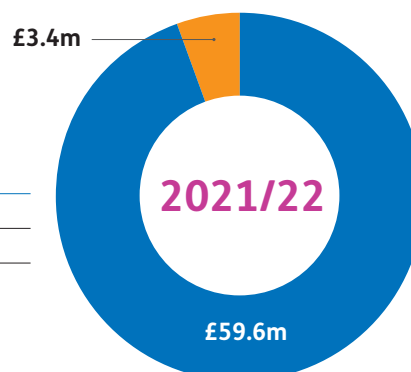
Thus, at 31 March 2022, the total of cash to hand at 31 March 2022 and maturing assets that can deliver cash if required in 2022/23 in the general and restricted funds to meet charitable expenditure and grant commitments is £121 million (2021: £382 million).

Across the funds, the monies available and maturing over the year provide a substantial cushion in the event

# Direct grants by beneficiary type

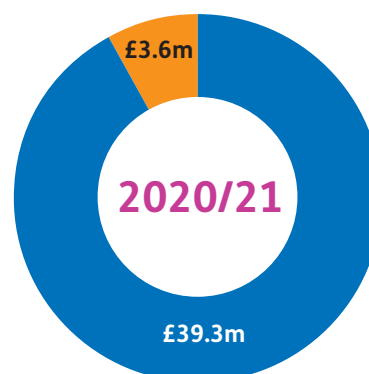
## 2021/22 (£63 million)

■ 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

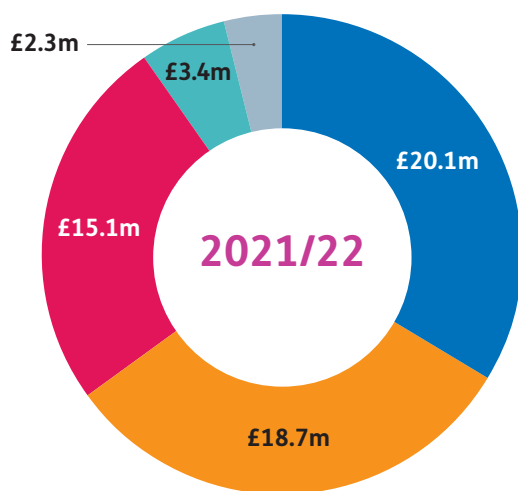
The principal financial risks that Motability faces derive from the Endowment portfolio (equities, bonds, money market and cash investments) and Motability's general and restricted fund balances (bonds, money market funds and cash). These risks are inflation risk, market risk, credit risk and liquidity 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.

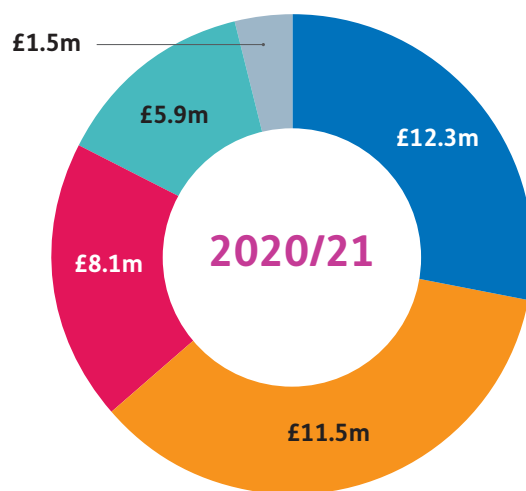
**MARKET RISK:** the risk that the prices of investments could fall or become more volatile. Motability and the Foundation manage this risk through a diversified asset allocation strategy of appropriate investments and through regular monitoring of market conditions and investment performance. For equities, 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			
<b>The Motability Foundation:</b> Governance and Management page 29 <b>Governor's Report:</b> Structure, Governance and Management page 87, Significant Decisions page 90	<b>The Five Strategic Pillars:</b> page 22 <b>Motability Scheme:</b> Scheme Transition to Electric Vehicles page 35	<b>Motability Scheme:</b> Major Risks page 34 <b>Scheme Oversight Risk:</b> page 36 <b>Control and Assurance:</b> page 71 <b>Disability Charity:</b> Principal Risks for Motability pages 72 and 73	<b>Motability Scheme:</b> Scheme Oversight page 31 <b>Innovation:</b> Priority area one: Amplifying the voice of disabled people and what works for more inclusive transport practice and policy page 61 <b>Disability Charity:</b> 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](https://www.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

		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
	Note								
<b>Income and Endowments from:</b>									
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
<b>Total Income</b>		<b>172,294</b>	<b>60</b>	<b>11,392</b>	<b>183,746</b>	<b>1,890</b>	<b>226</b>	<b>8,075</b>	<b>10,191</b>
<b>Expenditure on</b>									
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
<b>Total Expenditure</b>		<b>80,340</b>	<b>(1,164)</b>	<b>7,523</b>	<b>86,699</b>	<b>55,612</b>	<b>82</b>	<b>6,263</b>	<b>61,957</b>
<b>Net Income / (Expenditure) Before Gains / (Losses) on Investments</b>		<b>91,954</b>	<b>1,224</b>	<b>3,869</b>	<b>97,047</b>	<b>(53,722)</b>	<b>144</b>	<b>1,812</b>	<b>(51,766)</b>
Net (Losses) / Gains on Investments	9	(4,549)	10	77,333	72,794	1,166	11	140,995	142,172
<b>Net Income / (Expenditure)</b>		<b>87,405</b>	<b>1,234</b>	<b>81,202</b>	<b>169,841</b>	<b>(52,556)</b>	<b>155</b>	<b>142,807</b>	<b>90,406</b>
Transfer Between Funds	14,15	-	-	-	-	15	(15)	-	-
<b>Other Realised Gains and Losses:</b>									
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)
<b>Net Movement in Funds</b>		<b>89,078</b>	<b>1,234</b>	<b>81,202</b>	<b>171,514</b>	<b>(55,688)</b>	<b>140</b>	<b>142,807</b>	<b>87,259</b>
<b>Reconciliation of Funds:</b>									
Fund Balances Brought Forward		329,304	41,254	1,153,818	1,524,376	384,992	41,114	1,011,011	1,437,117
<b>Fund Balances Carried Forward</b>	14-16	<b>418,382</b>	<b>42,488</b>	<b>1,235,020</b>	<b>1,695,890</b>	<b>329,304</b>	<b>41,254</b>	<b>1,153,818</b>	<b>1,524,376</b>

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
<b>Income and Endowments from:</b>									
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
<b>Total Income</b>		<b>171,881</b>	<b>60</b>	<b>11,392</b>	<b>183,333</b>	<b>1,738</b>	<b>226</b>	<b>8,075</b>	<b>10,039</b>
<b>Expenditure on:</b>									
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
<b>Total Expenditure</b>		<b>79,927</b>	<b>(1,164)</b>	<b>7,523</b>	<b>86,286</b>	<b>55,460</b>	<b>82</b>	<b>6,263</b>	<b>61,805</b>
<b>Net Income / (Expenditure) Before Gains / (Losses) on Investments</b>		<b>91,954</b>	<b>1,224</b>	<b>3,869</b>	<b>97,047</b>	<b>(53,722)</b>	<b>144</b>	<b>1,812</b>	<b>(51,766)</b>
Net (Losses) / Gains on Investments	9	(4,549)	10	77,333	72,794	1,166	11	140,995	142,172
<b>Net Income / (Expenditure)</b>		<b>87,405</b>	<b>1,234</b>	<b>81,202</b>	<b>169,841</b>	<b>(52,556)</b>	<b>155</b>	<b>142,807</b>	<b>90,406</b>
Transfer Between Funds	14,15	-	-	-	-	15	(15)	-	-
<b>Other Realised Gains and Losses:</b>									
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)
<b>Net Movement in Funds</b>		<b>89,078</b>	<b>1,234</b>	<b>81,202</b>	<b>171,514</b>	<b>(55,688)</b>	<b>140</b>	<b>142,807</b>	<b>87,259</b>
<b>Reconciliation of Funds:</b>									
Fund Balances Brought Forward		329,289	41,254	1,153,818	1,524,361	384,977	41,114	1,011,011	1,437,102
<b>Fund Balances Carried Forward</b>	14-16	<b>418,367</b>	<b>42,488</b>	<b>1,235,020</b>	<b>1,695,875</b>	<b>329,289</b>	<b>41,254</b>	<b>1,153,818</b>	<b>1,524,361</b>

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
<b>Non Current Assets</b>		<b>1,651,256</b>	<b>1,370,770</b>	<b>1,651,256</b>	<b>1,370,770</b>
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
<b>Current Assets</b>		<b>98,662</b>	<b>193,280</b>	<b>98,076</b>	<b>193,217</b>
Creditors: Amounts Falling Due within One Year	11	(51,794)	(34,258)	(51,223)	(34,210)
<b>Total Assets less Current Liabilities</b>		<b>1,698,124</b>	<b>1,529,792</b>	<b>1,698,109</b>	<b>1,529,777</b>
Creditors: Amounts Falling Due after One Year		(30)	(50)	(30)	(50)
Provisions	12	(1,072)	(2,734)	(1,072)	(2,734)
<b>Net Assets (excluding Pension Liability)</b>		<b>1,697,022</b>	<b>1,527,008</b>	<b>1,697,007</b>	<b>1,526,993</b>
Defined benefit pension scheme liability	18	(1,132)	(2,632)	(1,132)	(2,632)
<b>Net Assets (including Pension Liability)</b>		<b>1,695,890</b>	<b>1,524,376</b>	<b>1,695,875</b>	<b>1,524,361</b>
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
<b>Total Funds</b>		<b>1,695,890</b>	<b>1,524,376</b>	<b>1,695,875</b>	<b>1,524,361</b>

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					
	1 April 21	Cash Flows	Fair Value Movements	Other Non-Cash Movements	31 March 22
Group	£'000	£'000	£'000	£'000	£'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.

## 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 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
<b>Income and Expenditure Account</b>		
Turnover	1,147	423
Less: Cost of Goods Sold and Other Costs	(731)	(55)
<b>Gross Profit</b>	<b>416</b>	<b>368</b>
Administration Expenses	(151)	(107)
Interest Receivable	-	-
<b>Net Profit</b>	<b>265</b>	<b>261</b>
Qualifying distribution to Motability	(265)	(261)
<b>Retained in Subsidiary</b>	<b>-</b>	<b>-</b>

### 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
<b>Grants to Individuals:</b>										
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
<b>Grants to Individuals:</b>	<b>59,566</b>	<b>5,055</b>	<b>6,780</b>	<b>357</b>	<b>71,758</b>	<b>39,342</b>	<b>4,597</b>	<b>6,291</b>	<b>415</b>	<b>50,645</b>
<b>Grants to Charities and Organisations:</b>										
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	-	-	-	-	-
<b>Grants to Charities and Organisations:</b>	<b>3,418</b>	<b>290</b>	<b>389</b>	<b>21</b>	<b>4,118</b>	<b>3,590</b>	<b>417</b>	<b>574</b>	<b>38</b>	<b>4,619</b>
<b>Grant-Making Awarded before</b>										
<b>Movement in Provision</b>	<b>62,984</b>	<b>5,345</b>	<b>7,169</b>	<b>378</b>	<b>75,876</b>	<b>42,932</b>	<b>5,014</b>	<b>6,865</b>	<b>453</b>	<b>55,264</b>
PIP Provision (Release)/Charge	(1,667)	-	-	-	(1,667)	(3,350)	-	-	-	(3,350)
<b>Motability Funded Grant-Making</b>	<b>61,317</b>	<b>5,345</b>	<b>7,169</b>	<b>378</b>	<b>74,209</b>	<b>39,582</b>	<b>5,014</b>	<b>6,865</b>	<b>453</b>	<b>51,914</b>
<b>Build Awareness</b>	<b>-</b>	<b>1,296</b>	<b>136</b>	<b>7</b>	<b>1,439</b>	<b>-</b>	<b>1,138</b>	<b>163</b>	<b>11</b>	<b>1,312</b>
<b>Innovation</b>	<b>-</b>	<b>1,051</b>	<b>111</b>	<b>5</b>	<b>1,167</b>	<b>-</b>	<b>603</b>	<b>86</b>	<b>6</b>	<b>695</b>
<b>Motability Scheme</b>	<b>-</b>	<b>694</b>	<b>73</b>	<b>4</b>	<b>771</b>	<b>-</b>	<b>984</b>	<b>141</b>	<b>9</b>	<b>1,134</b>
<b>Charitable Expenditure</b>	<b>61,317</b>	<b>8,386</b>	<b>7,489</b>	<b>394</b>	<b>77,586</b>	<b>39,582</b>	<b>7,739</b>	<b>7,255</b>	<b>479</b>	<b>55,055</b>

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.



## Notes to the Financial Statements cont.

### 3. Charitable Expenditure Cont.

<b>Reconciliation of grants payable:</b>	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)
<b>Commitments at 31 March</b>	<b>44,494</b>	<b>28,411</b>
<b>Outstanding grant commitments at 31 March are payable as follows:</b>		
	2022 £'000	2021 £'000
Within one year (Note 11)	44,494	28,411
<b>Commitments at 31 March</b>	<b>44,494</b>	<b>28,411</b>

## 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
<b>Cost of Raising Funds</b>	<b>9,106</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7</b>	<b>9,113</b>
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
<b>Charitable Expenditure</b>	<b>-</b>	<b>61,317</b>	<b>8,386</b>	<b>7,489</b>	<b>394</b>	<b>77,586</b>
<b>Total Expenditure</b>	<b>9,106</b>	<b>61,317</b>	<b>8,386</b>	<b>7,489</b>	<b>401</b>	<b>86,699</b>

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
<b>Cost of Raising funds</b>	<b>6,887</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15</b>	<b>6,902</b>
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
<b>Charitable Expenditure</b>	<b>-</b>	<b>39,582</b>	<b>7,739</b>	<b>7,255</b>	<b>479</b>	<b>55,055</b>
<b>Total Expenditure</b>	<b>6,887</b>	<b>39,582</b>	<b>7,739</b>	<b>7,255</b>	<b>494</b>	<b>61,957</b>

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.

## Notes to the Financial Statements cont.

### 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
<b>Governance Costs</b>	<b>401</b>	<b>494</b>

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

	Cost of Raising Funds 2022 £'000	Strategic Pillars				Total 2022 £'000
		Grant- Making 2022 £'000	Build Awareness 2022 £'000	Innovation 2022 £'000	Motability Scheme 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
<b>Allocated Support Costs</b>	<b>-</b>	<b>7,169</b>	<b>136</b>	<b>111</b>	<b>73</b>	<b>7,489</b>
<b>Governance Costs</b>	<b>7</b>	<b>378</b>	<b>7</b>	<b>5</b>	<b>4</b>	<b>401</b>
<b>Total Support Costs</b>	<b>7</b>	<b>7,547</b>	<b>143</b>	<b>116</b>	<b>77</b>	<b>7,890</b>

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.

	Cost of Raising Funds 2021 £'000	Strategic Pillars				Total 2021 £'000
		Grant- Making 2021 £'000	Build Awareness 2021 £'000	Innovation 2021 £'000	Motability Scheme 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
<b>Allocated Support Costs</b>	<b>-</b>	<b>6,865</b>	<b>163</b>	<b>86</b>	<b>141</b>	<b>7,255</b>
<b>Governance Costs</b>	<b>15</b>	<b>453</b>	<b>11</b>	<b>6</b>	<b>9</b>	<b>494</b>
<b>Total Support Costs</b>	<b>15</b>	<b>7,318</b>	<b>174</b>	<b>92</b>	<b>150</b>	<b>7,749</b>

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.



# Notes to the Financial Statements cont.

## 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
<b>Total</b>	<b>202</b>	<b>176</b>

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
<b>Total</b>	<b>9,890</b>	<b>8,876</b>

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
<b>Total</b>	<b>22</b>	<b>13</b>

## 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

# Notes to the Financial Statements cont.

## 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
<b>Fixed Asset Investment in Subsidiary Undertaking</b>	<b>100</b>	<b>100</b>

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
<b>Intangible Fixed Assets</b>								
<b>Cost</b>								
<b>Opening Balance</b>	-	-	-	-	-	1,604	436	2,040
Work in Progress	-	-	-	-	-	-	463	463
Additions	-	-	-	-	-	51	-	51
Transfers	-	-	-	-	-	725	(725)	-
Disposals	-	-	-	-	-	-	-	-
<b>Closing Balance</b>	-	-	-	-	-	2,380	174	2,554
<b>Depreciation</b>								
<b>Opening Balance</b>	-	-	-	-	-	1,153	-	1,153
Charge for the year	-	-	-	-	-	254	-	254
Transfers	-	-	-	-	-	-	-	-
Eliminated on disposal	-	-	-	-	-	-	-	-
<b>Closing Balance</b>	-	-	-	-	-	1,407	-	1,407
<b>Net Book Value (net of the above)</b>								
<b>Opening Balance</b>	-	-	-	-	-	451	436	887
<b>Closing Balance</b>	-	-	-	-	-	973	174	1,147
<b>Tangible Fixed Assets</b>								
<b>Cost</b>								
<b>Opening Balance</b>	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)
<b>Closing Balance</b>	4,052	599	101	171	904	-	204	6,031
<b>Depreciation</b>								
<b>Opening Balance</b>	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)
<b>Closing Balance</b>	2,191	401	101	156	811	-	-	3,660
<b>Net Book Value (net of the above)</b>								
<b>Opening Balance</b>	1,071	335	33	3	155	-	313	1,910
<b>Closing Balance</b>	1,861	198	-	15	93	-	204	2,371

All assets are used for direct charitable purposes



## Notes to the Financial Statements cont.

### 9. Investments

Group and Charity	Fixed Asset Investments	Current Asset Investments	Group and Charity	Fixed Asset Investments	Current Asset Investments	Group and Charity
Reconciliation of Movement in Fair Value during the period	2022 £'000	2022 £'000	2022 £'000	2021 £'000	2021 £'000	2021 £'000
<b>Fair Value as at 1 April</b>	<b>1,367,973</b>	<b>160,003</b>	<b>1,527,976</b>	<b>1,240,409</b>	<b>-</b>	<b>1,240,409</b>
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
<b>Net Sales / Purchases</b>	<b>275,964</b>	<b>(118,000)</b>	<b>157,964</b>	<b>(92,954)</b>	<b>160,003</b>	<b>67,049</b>
<b>Gains on Investments</b>	<b>67,710</b>	<b>-</b>	<b>67,710</b>	<b>139,519</b>	<b>-</b>	<b>139,519</b>
Movement in Investment Portfolio Cash	(49,129)	81	(49,048)	80,999	-	80,999
Reclassification	(14,780)	14,780	-	-	-	-
<b>Fair Value as at 31 March</b>	<b>1,647,738</b>	<b>56,864</b>	<b>1,704,602</b>	<b>1,367,973</b>	<b>160,003</b>	<b>1,527,976</b>

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	-	-	-
<b>Fair Value as at 31 March</b>	<b>1,647,738</b>	<b>56,864</b>	<b>1,704,602</b>	<b>1,367,973</b>	<b>160,003</b>	<b>1,527,976</b>

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
<b>Trade Debtors and Other Receivables</b>	<b>917</b>	<b>1,051</b>	<b>744</b>	<b>1,009</b>
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
<b>Debtors</b>	<b>3,544</b>	<b>4,036</b>	<b>3,449</b>	<b>4,252</b>

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.

## Notes to the Financial Statements cont.

### 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
<b>Accruals for Grants Payable</b>	<b>44,494</b>	<b>28,411</b>	<b>44,494</b>	<b>28,411</b>
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
<b>Creditors</b>	<b>7,300</b>	<b>5,847</b>	<b>6,729</b>	<b>5,799</b>
<b>Creditors: Amounts Falling Due within One Year</b>	<b>51,794</b>	<b>34,258</b>	<b>51,223</b>	<b>34,210</b>
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
<b>Creditors Falling Due Within One Year</b>	<b>51,794</b>	<b>34,258</b>	<b>51,223</b>	<b>34,210</b>

## 12. Provisions

	Group 2022 £'000	Group 2021 £'000
<b>Group and Charity Dilapidation Provision</b>		
Provision Brought Forward 1 April	560	560
Movement in Provision	-	-
<b>Dilapidation Provision Carried Forward 31 March</b>	<b>560</b>	<b>560</b>
<b>Group and Charity Provision for Uncashed Cheques</b>		
Provision Brought Forward 1 April	107	66
Movement in Provision	5	41
<b>Provision for Uncashed Cheques Carried Forward 31 March</b>	<b>112</b>	<b>107</b>
<b>Group and Charity PIP Provision</b>		
Provision Brought Forward 1 April	2,067	5,418
Provision Utilised in Year	(490)	(3,194)
(Credit) in Year	(1,177)	(157)
<b>PIP Provision Carried Forward 31 March</b>	<b>400</b>	<b>2,067</b>
<b>Provisions</b>	<b>1,072</b>	<b>2,734</b>

Please refer to Note 1 Accounting Policies – Section K: Accounting for PIP Transitional Support Programme Grants for further information on the PIP Provision.



## Notes to the Financial Statements cont.

### 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)
<b>Net Assets (excluding Pension Liability)</b>	<b>419,514</b>	<b>42,488</b>	<b>1,235,020</b>	<b>1,697,022</b>
Defined benefit pension scheme asset (liability)	(1,132)	-	-	(1,132)
<b>Net Assets (including Pension Liability)</b>	<b>418,382</b>	<b>42,488</b>	<b>1,235,020</b>	<b>1,695,890</b>

	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)
<b>Net Assets (excluding Pension Liability)</b>	<b>331,936</b>	<b>41,254</b>	<b>1,153,818</b>	<b>1,527,008</b>
Defined benefit pension scheme asset (liability)	(2,632)	-	-	(2,632)
<b>Net Assets (including Pension Liability)</b>	<b>329,304</b>	<b>41,254</b>	<b>1,153,818</b>	<b>1,524,376</b>

### 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)
<b>Net Assets (excluding Pension Liability)</b>	<b>419,498</b>	<b>42,488</b>	<b>1,235,020</b>	<b>1,697,007</b>
Defined benefit pension scheme asset (liability)	(1,132)	-	-	(1,132)
<b>Net Assets (including Pension Liability)</b>	<b>418,367</b>	<b>42,488</b>	<b>1,235,020</b>	<b>1,695,875</b>

	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)
<b>Net Assets (excluding Pension Liability)</b>	<b>331,921</b>	<b>41,254</b>	<b>1,153,818</b>	<b>1,526,993</b>
Defined benefit pension scheme asset (liability)	(2,632)	-	-	(2,632)
<b>Net Assets (including Pension Liability)</b>	<b>329,289</b>	<b>41,254</b>	<b>1,153,818</b>	<b>1,524,361</b>

# Notes to the Financial Statements cont.

## 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
<b>Group</b>								
PIP Transitional Support Programme	41,254	60	1,667	(503)	10	-	-	42,488
Fundraising - Donations and Appeals	-	-	-	-	-	-	-	-
<b>Restricted Funds</b>	<b>41,254</b>	<b>60</b>	<b>1,667</b>	<b>(503)</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>42,488</b>

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
<b>Group</b>								
PIP Transitional Support Programme	41,058	226	3,351	(3,392)	11	-	-	41,254
Fundraising - Donations and Appeals	56	-	-	(41)	-	-	(15)	-
<b>Restricted Funds</b>	<b>41,114</b>	<b>226</b>	<b>3,351</b>	<b>(3,433)</b>	<b>11</b>	<b>-</b>	<b>(15)</b>	<b>41,254</b>

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
<b>Charity</b>							
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
<b>Unrestricted Funds</b>	<b>329,289</b>	<b>171,881</b>	<b>(79,927)</b>	<b>(4,549)</b>	<b>1,673</b>	<b>-</b>	<b>418,367</b>
<b>Group</b>							
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
<b>Unrestricted Funds</b>	<b>329,304</b>	<b>172,294</b>	<b>(80,340)</b>	<b>(4,549)</b>	<b>1,673</b>	<b>-</b>	<b>418,382</b>

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
<b>Charity</b>							
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
<b>Unrestricted Funds</b>	<b>384,977</b>	<b>1,738</b>	<b>(55,460)</b>	<b>1,166</b>	<b>(3,147)</b>	<b>15</b>	<b>329,289</b>
<b>Group</b>							
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
<b>Unrestricted Funds</b>	<b>384,992</b>	<b>1,890</b>	<b>(55,612)</b>	<b>1,166</b>	<b>(3,147)</b>	<b>15</b>	<b>329,304</b>

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.

## Notes to the Financial Statements cont.

### 16. Motability Foundation Endowment 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
<b>Movement in Fund:</b>							
<b>Group and Charity Endowment Fund</b>	<b>1,153,818</b>	<b>11,392</b>	<b>(7,523)</b>	<b>77,333</b>	<b>-</b>	<b>-</b>	<b>1,235,020</b>

	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
<b>Movement in Fund:</b>							
<b>Group and Charity Endowment Fund</b>	<b>1,011,011</b>	<b>8,075</b>	<b>(6,263)</b>	<b>140,995</b>	<b>-</b>	<b>-</b>	<b>1,153,818</b>

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
<b>Charity</b>				
Funds Held as Agent on behalf of Veterans UK	42	184	(184)	42
<b>Funds Held as Agent</b>	<b>42</b>	<b>184</b>	<b>(184)</b>	<b>42</b>
<b>Group</b>				
Funds Held as Agent on behalf of Veterans UK	42	184	(184)	42
<b>Funds Held as Agent</b>	<b>42</b>	<b>184</b>	<b>(184)</b>	<b>42</b>

\*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
<b>Charity</b>				
Funds Held as Agent on behalf of Veterans UK	41	194	(193)	42
<b>Funds Held as Agent</b>	<b>41</b>	<b>194</b>	<b>(193)</b>	<b>42</b>
<b>Group</b>				
Funds Held as Agent on behalf of Veterans UK	41	194	(193)	42
<b>Funds Held as Agent</b>	<b>41</b>	<b>194</b>	<b>(193)</b>	<b>42</b>

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.

# Notes to the Financial Statements cont.

## 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 Pensioners – post-1997 Service	3.65
	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)
<b>Net pension (liability)/asset</b>		<b>(1,132)</b>		<b>(2,632)</b>		<b>34</b>
Adjustment to restrict recognition of surplus		-		-		(34)
<b>Revised total, excluding contingent asset *</b>		<b>(1,132)</b>		<b>(2,632)</b>		<b>-</b>

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
<b>Retiring Now</b>		
Males	22.00	22.00
Females	24.30	24.30
<b>Retiring in 20 Years</b>		
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
<b>The Pension Deficit as at 31 March comprises:</b>		
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
<b>Subtotal</b>	<b>(879)</b>	<b>(2,436)</b>
<b>Analysis of amounts (charged) to the SoFA for the year:</b>		
Other finance cost	(52)	(3)
Current service cost	(201)	(191)
Past service cost	-	(2)
<b>Subtotal</b>	<b>(253)</b>	<b>(196)</b>
<b>Pension (deficit) at 31 March</b>	<b>(1,132)</b>	<b>(2,632)</b>

**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
<b>Total</b>	<b>201</b>	<b>191</b>

**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)
<b>Total</b>	<b>(52)</b>	<b>(3)</b>

## 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
<b>Total</b>	<b>1,673</b>	<b>(3,181)</b>	<b>3,278</b>
Adjustment to restrict recognition of surplus	-	34	(34)
<b>Revised recognised gain/(loss) for the year</b>	<b>1,673</b>	<b>(3,147)</b>	<b>3,244</b>

## 18.6 Reconciliation of present value defined benefit obligation

	2022 £'000	2021 £'000
<b>Opening Balance at 1 April</b>	<b>27,299</b>	<b>23,243</b>
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)
<b>Closing Balance at 31 March</b>	<b>25,979</b>	<b>27,299</b>



## Notes to the Financial Statements cont.

### 18.7 Reconciliation of fair value plan assets

	2022 £'000	2021 £'000
<b>Opening Balance at 1 April</b>	<b>24,667</b>	<b>23,277</b>
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)
<b>Closing Balance at 31 March</b>	<b>24,847</b>	<b>24,667</b>

### 18.8 Reconciliation of change in funded status

	2022 £'000	2021 £'000
<b>Opening Balance 1 April</b>	<b>(2,632)</b>	<b>34</b>
Pension Expense	(253)	(196)
Employer contribution	80	711
Changes to Exchange Rates	-	-
Actuarial Gain/(Losses)	1,673	(3,181)
<b>Closing Balance at 31 March</b>	<b>(1,132)</b>	<b>(2,632)</b>

### 18.9 History of experienced gains and losses

	2022 £'000	2021 £'000	2020 £'000	2019 £'000	2018 £'000
<b>Difference between actual and expected return on assets</b>					
Amount	313	840	990	(405)	409
<b>% of scheme assets</b>	<b>1.3%</b>	<b>3.4%</b>	<b>4.2%</b>	<b>(1.9%)</b>	<b>1.9%</b>
<b>Experience of gains and (losses) arising on liabilities</b>					
Amount	13	99	1997	(14)	(57)
<b>% of scheme assets</b>	<b>0.1%</b>	<b>0.4%</b>	<b>8.6%</b>	<b>0.1%</b>	<b>(0.3%)</b>

## 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	-	-	-	-
<b>Total</b>	<b>861</b>	<b>1,292</b>	<b>25</b>	<b>36</b>
<b>Operating Lease Expenditure</b>	2022 £'000	2021 £'000		
Premises	428	518		
Plant, Machinery and Vehicles	36	25		
<b>Total</b>	<b>464</b>	<b>543</b>		

### 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.





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‘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

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