



# Annual Report and Accounts 2022/23



**Motability  
Foundation**

**Making all journeys accessible**



## **Our vision**

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



# Annual Report and Accounts 2022/23

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# Who we are and what we do



**Motability  
Foundation**

Making all journeys accessible



Scheme Oversight



Motability Scheme  
delivered by Motability  
Operations



Fund

Support

Research

Innovate

Grants to  
disabled people

Grants to  
organisations

Accessible  
Transport Options

Supports all  
disabled people



# Introduction

There are 16 million (m) disabled people in the UK – that is more than one fifth of the population. However, disabled people very often struggle to make journeys due to a lack of accessible transport options. This impacts on every area of people's lives, from employment opportunities to wellbeing.

At the Motability Foundation we fund, support, research and innovate so that all disabled people can make the journeys they choose.

The Motability Foundation's work has greatly expanded over the last few years. This year, we took the decision to adopt the operating name Motability Foundation as part of a wider brand refresh. Our legal name, Motability, remains unchanged.

Adding the word 'Foundation' helps to reflect our wider range of grants and innovation work.

## What we do

The Motability Scheme is the main way in which we provide access to transport for disabled people. The Scheme offers an affordable way for disabled people to lease a new vehicle, Wheelchair Accessible Vehicle (WAV) or powered wheelchair. Anyone who receives qualifying higher rate mobility allowances from the Government can join the Scheme.

The Motability Foundation then provides means-tested grants to help people access the Scheme or use their vehicle more easily. We know that vehicles aren't the only way that disabled people need to travel, so we provide various other grants to help people stay mobile. We award grants to charities and organisations that provide different types of transport or carry out research into how to make transport accessible. We also carry out our own research in partnership with disabled people and key stakeholders to inspire practical innovations that continue to make transport more accessible now and in the future.

## How we do it

The Motability Scheme is used by 670,000 customers. It is delivered by a separate company, Motability Operations Ltd. The delivery is overseen by us, the Motability Foundation, to ensure that it is the best it can be for disabled people. Scheme vehicle

leases cost on average 45 per cent less than similar deals from other major leasing companies.

Motability Operations is a purpose-driven, customer-focused company contracted exclusively to the Motability Foundation. Every year, Motability Operations aim to make a modest return on their asset base so that they can reliably borrow money, buy vehicles and make sure they remain affordable to our beneficiaries. Motability Operations do not pay dividends to shareholders. Any surplus income is used to improve the Scheme and secure its long-term future, or it is donated to the Motability Foundation.

Donations from Motability Operations aren't guaranteed. In 2019, we set up the Motability Endowment Trust (MET), formerly referred to as the Motability Foundation. MET invests our funds to make our grant giving, research and innovation sustainable in the long term.

At the Motability Foundation we fund, support, research and innovate so that all disabled people can make the journeys they choose

# The Five Strategic Pillars

## Our Founding Principles

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

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

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

## Motability Scheme



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

## Our goals

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

## Grant-Making



**Use charitable funds effectively to address the transportation needs of beneficiaries**

## Our goals

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

## Build Awareness and Engagement



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

### Our goals

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

## Innovation



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

### Our goals

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

## Disability Charity



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

### Our goals

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

# Chairman's Statement



**Charles Manby MBE**  
**Chairman of the**  
**Motability Foundation**

Economic pressures mean that more people are seeking grants from the Motability Foundation than ever before. As planned, we have responded by increasing our charitable spend by more than 40 per cent to £113m this year (2022/23), which includes a record grant giving expenditure worth £93m to individuals and other organisations.

As well as increasing our grant-making, we have worked with

Motability Operations to agree a plan to support the cost of leasing a Motability Scheme vehicle. This includes giving customers £750 for each new vehicle lease to help get them on the road – £525m in total – and Motability Operations have set aside up to £645m to keep prices on the Scheme affordable in the future.

The Motability Foundation also received a donation of £200m from Motability Operations. The investment into the foundation, the Scheme and pricing for customers this year has been made possible by Motability Operations' strengthened financial position (see page 17). This is a result of exceptional circumstances.

The global automotive industry is going through the biggest transition since the Scheme began 45 years ago. Given this scenario, the resilience of Motability Operations is paramount. It is important that we remain prudent when planning future spending so that the Scheme and the foundation are sustainable for years to come. Upwards pressure on WAV pricing has been substantial and, without our and Motability Operations' support, these beneficiaries would not be mobile. We will explore sustainable solutions in

the WAV market amidst the transition to electric over the coming years.

I would like to thank Rt Hon Sir Stephen O'Brien KBE and the Board of Motability Operations for the generous donation, and thank their Senior Executives led by Andrew Miller, all their employees and the Board for delivering the Scheme so successfully through another highly unpredictable year.

The Motability Foundation aims to be financially resilient in the long term, supporting disabled people now and for generations to come. Donations aren't guaranteed, so we have endowment funds which are invested via the Motability Endowment Trust. In a tough year for investment, the Endowment's performance was satisfactory (see page 60). The returns provide a level of assurance for the provision of our activities but will not be sufficient to sustain them without further donations.

We aim for around 70 per cent of our charitable spending to fund grants for Motability Scheme customers, and the other 30 per cent to go towards making all transport more accessible, including for Scheme customers. We are always looking for ways



## We are always looking for ways to deploy our resources to achieve maximum impact, and our vital tool here is evidence

to deploy our resources to achieve maximum impact, and our vital tool here is evidence. To this end, I am extremely pleased that we have concluded an 18-month long process to select a consortium to run the National Centre for Accessible Transport (NCAT), led by Coventry University and independently chaired by Keith Richards. The Centre will be a real source of direction for our charitable purpose and application of resources over the coming years.

This was the first year of our three-year, £50m programme of Grants to Organisations, and I am pleased to see the progress that has been made in selecting really strong grant applications which will help some 48,000 disabled people to make journeys.

Her Majesty Queen Elizabeth the Second had been our Chief Patron almost since the charity was founded and consistently gave overwhelming support. I was privileged to attend

Her Majesty's funeral at Westminster Abbey and pay our respects for her outstanding service.

I would very much like to thank my fellow Governors for their support. Professor Mala Rao OBE and Cheryl Ward stood down at the last Annual General Meeting, and their contribution is greatly appreciated.

Two new Governors joined us in the year. Professor Sukhi Clark is an expert in design, engineering and project management, and she will chair our Advisory Committee on the NCAT. Tony Davis has global experience of strategy consulting and transaction advice in the transport sector.

I wish to finish by thanking the management team and all employees at the Motability Foundation for their steadfast commitment through a year of unforeseen and challenging events. They have coped well with an extremely high level of demand for the foundation's services in the most flexible manner, while introducing

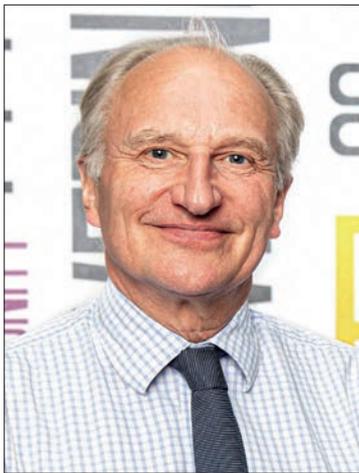
new programmes to extend our reach. We have made substantial progress in the recruitment and development of our people, who demonstrate enormous commitment and empathy in what they do.

I congratulate them all on always striving to support disabled people.



**Charles Manby MBE**  
Chairman

# Chief Executive Officer's Statement



**Barry Le Grys MBE**  
**Chief Executive Officer**

This year, our 45th anniversary, has proven to be the Motability Foundation's most active ever. In 2022/23 we grew our grant-making to disabled people who use the Motability Scheme and to charities and organisations that provide other forms of transport to disabled people. We have built the teams, the capabilities and the expertise to deliver an ambitious programme of work which gives more disabled people and their families access to

transport. The Motability Scheme continues to be the major part of our assistance to disabled people. We then provide grants to help people access the Scheme and make use of the vehicle they need to gain independence.

Evaluations have shown the huge personal and economic benefits of receiving a grant from us: 93 per cent of people receiving a vehicle, WAV or complex driving solution grant told us that it had a life-changing or significant effect on their ability to get around. Analysis also shows that every £1 we spend on a WAV grant delivers the equivalent of £11.10 in benefits to the individual as well as additional benefits to their families, carers and the economy. (See more on page 44.)

Our research and innovation work has prioritised amplifying disabled people's voices to improve decision making in transport provision and smoothing the transition to electric vehicles (EVs) for disabled people who need accessible EV charging infrastructure. We co-sponsored the first accessible charging standard (PAS 1899) setting out exactly how to make public EV charge points

accessible, and we successfully launched it in Parliament. We are now working on making sure the standard is widely applied, in particular by endorsing what we consider to be the best scheme(s) for assessing PAS 1899 compliance, and sharing this information with charge point providers and local authorities so they can utilise said scheme.

Learning from disabled people has been key to assessing where we can have the most impact by grant funding other organisations to provide transport. It is also a founding principle of the Motability-funded NCAT, which launched in February. The independent Centre is working with disabled people's organisations and researchers, transport providers and policy makers to understand how to make transport more accessible and turn evidence into action. We have allocated £20m in grant funding over seven years, and all partners agree that the potential impact is worth far more than the grant sum. (See more on page 39).

The expansion of our work is against a backdrop of the rising cost of living and increasing financial challenges for disabled people. We



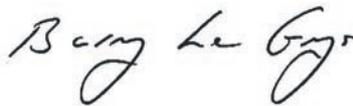
## We cannot do what we do without our people. We have continued to focus on and invest in equality, staff development and wellbeing

are working closely with Motability Operations to keep the affordability of the Motability Scheme under review and assess the affordability support they have put in place for customers. (See more on pages 15-17).

We cannot do what we do without our people. We have continued to focus on and invest in equality, staff development and wellbeing. This year, the gender gap reduced again by 4.5 per cent, the disability gap reduced by 2.3 per cent and we do not have an ethnicity gap at all. We offer opportunities in the community and we're proud of our close relationship with Harlow College, providing work experience and potential employment to local students. (See pages 43-45 for more).

Last year, I introduced our Annual Report and Accounts by saying how the pandemic and the unexpected had made us build resilience. This has served us well and team spirit is thriving. The skill sets in the Harlow office are enormous; from the delicate

handling of a beneficiary's first-ever call to the Motability Foundation through to the briefing of government ministers on our work and ideas. All make a valuable contribution and do their best for disabled people. I thank everybody for this, and it is a privilege to see how the whole has a far greater effect than the sum of the parts.



**Barry Le Grys MBE**  
**Chief Executive Officer**

# Our year in numbers 2022/23

**£74.6m**  
worth of grants  
provided to  
Motability Scheme  
customers

**1,483**  
visits to grant  
beneficiaries by  
our Mobility and  
Driving Advisors  
to find the best  
mobility solutions



**Eight research  
projects funded  
or commissioned  
to help make  
transport accessible**





**Motability  
Foundation**

Making all journeys accessible

**£20m**  
of funding to  
the NCAT over  
seven years

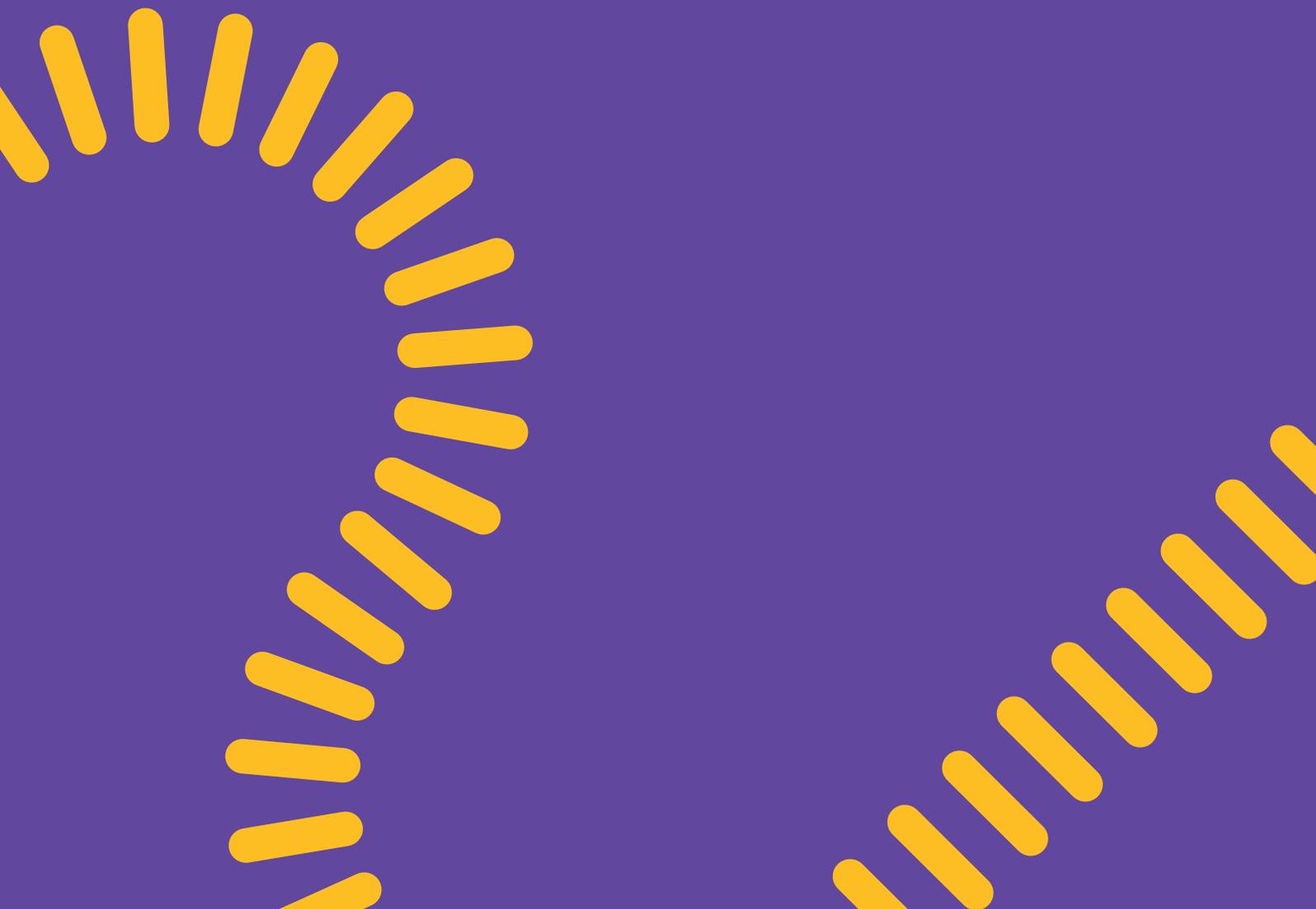


**16,096**  
grants provided  
to Motability  
Scheme customers

**179,000**  
calls handled by  
our grant teams

STRATEGIC PILLAR

# Motability Scheme



## STRATEGIC PILLAR

# Motability Scheme

The Motability Foundation oversees how the Motability Scheme is delivered by Motability Operations. We review whether the Scheme offers people the best choice, value for money and customer service. We do this by:

- Reviewing how well the Scheme is performing against contractual KPIs (monthly)
- Discussing current activity and future plans (quarterly)
- Analysing customer research to identify how well the Scheme is meeting their needs
- Attending Motability Operations governance committees
- Constantly monitoring Scheme policy and significant issues that could impact Scheme performance

### What does the Motability Scheme offer Disabled People?

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

### Motability Scheme Performance

We regularly discuss the performance of the Scheme with Motability Operations. The Motability Foundation continues to believe that Motability Operations is highly effective in delivering the Scheme. During the year, the Scheme Oversight Committee (see page 66) reviewed a number of areas including:

#### Vehicle Availability and Affordability

For the past two years, there has been a shortage of new vehicles due to restricted availability of components. As a result, manufacturers have made fewer vehicles, and both new vehicles and second-hand vehicles have become more expensive.

Motability Operations have worked hard to get a continued supply of new vehicles from manufacturers. Some vehicles have been withdrawn from the Scheme because of long waiting times, whilst manufacturers have also reduced the discounts available to the Motability Scheme.

This means that customers have had less choice of vehicles, higher prices and longer waits. Keeping Motability Scheme customers mobile remains the top priority for Motability Operations. The team has

### Aims for 2022/23

- 1 Ensure that the Scheme continues to operate to its current high standard for customers, offering value for money and excellent customer service. **ACHIEVED**
- 2 Seek to maintain price stability as far as possible against a background of very restricted vehicle availability. **ONGOING**
- 3 Complete work to renew the Scheme Agreement with Motability Operations, including a new performance framework and updated KPIs, continuing our focus on securing the best outcomes for disabled people. **ONGOING**
- 4 Together with Motability Operations, ensure that customers' needs are understood and supported during the current transition to EVs. **ONGOING**

# 670,000 people currently use the Motability Scheme



minimised these issues for customers through a number of measures, including extending customer leases, supporting customers with affordability of vehicles and investing in the transition to electric.

## Value For Money

The Motability Scheme continues to offer customers excellent value for money. Independent analysis found that Scheme vehicle leases cost on average 45 per cent less than similar deals from other major leasing companies. This saving has remained relatively stable throughout the vehicle shortages.

## Used Vehicles

When Scheme customers' vehicle leases come to an end, many choose to take out a new lease on a new vehicle. Motability Operations will then sell their used vehicle.

During 2021, the value of used vehicles rose unexpectedly by approximately 30 per cent. Values were expected to fall in 2022, but they remained at exceptional levels.

Selling used vehicles for higher prices meant that Motability Operations made more profit than expected, which has been invested

back into the Scheme and the Motability Foundation. Motability Operations has introduced a number of initiatives supporting the affordability of new vehicles over the coming years – see 'Motability Scheme Policy' (right).

## Customer Satisfaction

Overall, customer satisfaction with the Motability Scheme remains high at 9.6 out of 10. This is down slightly compared with historical levels. The disruption caused by the COVID-19 pandemic and restricted vehicle availability played a part in the change. Motability Operations continue to invest in their customer support teams and other initiatives so that customers get the best possible experience.

## Major Risks

Operational and financial risks arising within Motability Operations are addressed by their own Audit and Risk Committee, which is chaired by an independent Non-Executive Director.

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

## Motability Scheme Policy

During the year, the following policy matters were reviewed:

### Vehicle Availability and Affordability

In 2022, Motability Operations introduced a New Vehicle Payment of £250 to help with the increased cost of vehicles. Customers can now choose to use the New Vehicle Payment towards the cost of the Advance Payment.

Towards the end of 2022, the Motability Foundation and Motability Operations agreed to increase the New Vehicle Payment to £750. All customers who received the £250 will receive a top-up payment of £500 from Motability Operations. The support is available for all current customers for one lease renewal cycle beginning from January 2022. The £750 support is also available to all new Scheme customers joining in 2023.

As the price of new vehicles continues to rise, Motability Operations will also allocate up to £645m to help keep leasing costs affordable for customers over a period of roughly three years. WAVs in particular are being subsidised heavily. There are 30,000 WAVs on the Scheme and this investment, including

# Overall, customer satisfaction with the Motability Scheme remains high at 9.6 out of 10

grants, is approaching £100m. Without this support, such a vehicle could be totally out of reach.

## Transition to Electric Vehicles (EVs)

The UK transition to EVs is underway. EVs are currently more expensive than petrol or diesel vehicles, but the Motability Scheme will provide a wide choice of cost-effective vehicles that meet disabled people's needs.

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

During 2022, we monitored the support, which had resulted in some competitive EV prices and a significant increase in orders, which made up 10 per cent of all orders in some months.

## Motability Operations donation and reserves

Motability Operations have also used their additional profits to give the Motability Foundation a large donation of £200m this year (£170m last year). Their remaining reserves provide financial security

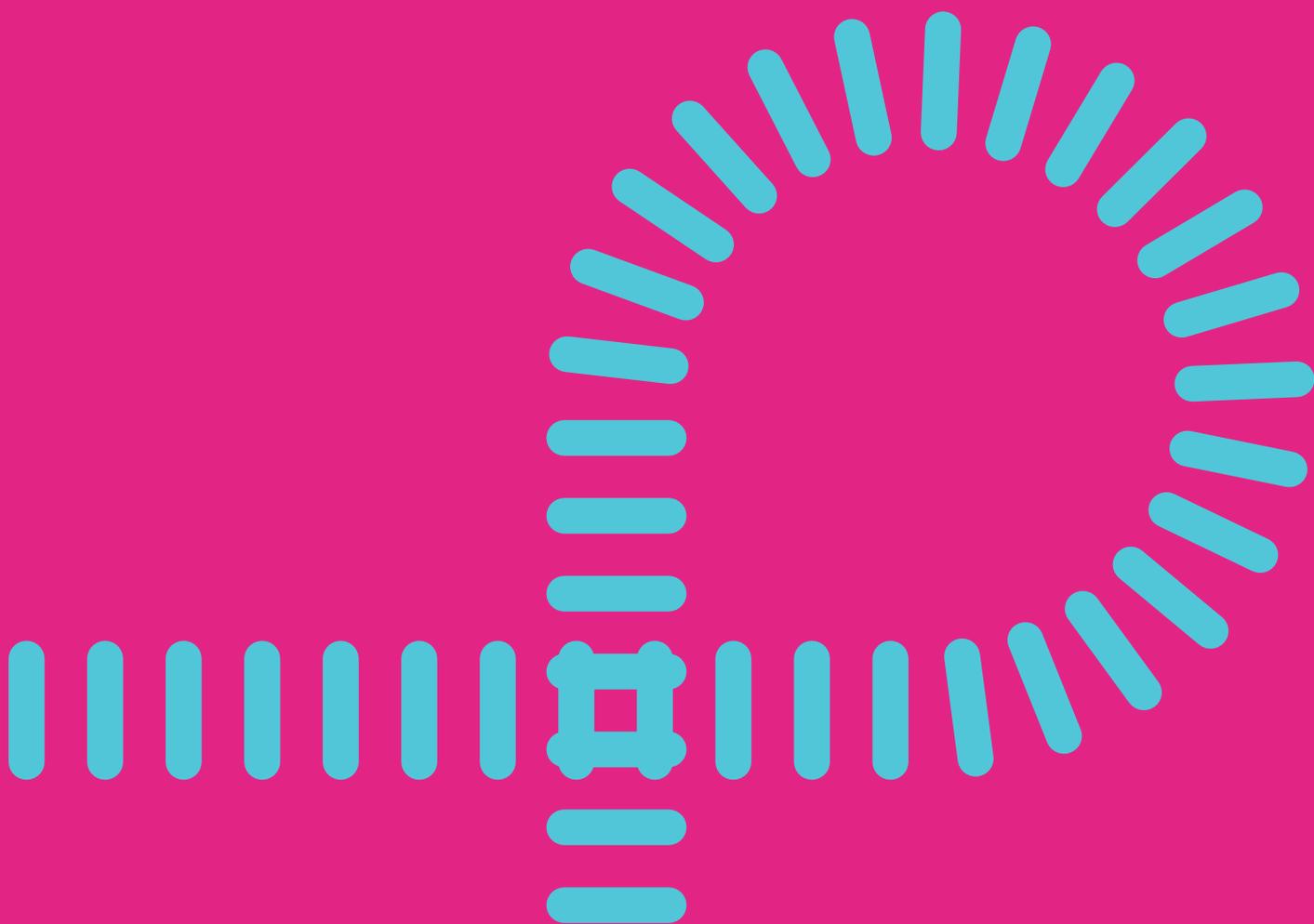
## Aims for 2023/24

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

for Motability Operations into the medium term. Further consideration on the amount and use of reserves for 2023/24 and beyond is underway. At the end of last year, Motability Operations announced changes to the Good Condition Payment which saw eligible customers receive £350 of this payment early. To improve affordability in the future, Motability Operations have now reduced the amount set aside in each customer's lease for the Good Condition Payment.

STRATEGIC PILLAR

# Grant-Making



## STRATEGIC PILLAR

# Grant-Making

This year, we awarded more Scheme-related grants to disabled people than ever before, providing £74.6m worth of grants to 16,096 people to help them use the Motability Scheme. We launched six new grant programmes for other organisations. Total spending on grants to organisations in the year was £14.6m, of which £12.6m were Impact Grant Programmes, helping an estimated 48,000 disabled people access other forms of transport. Together, our grants have supported individuals, families and communities, and given disabled people more ways to travel.

### Aims for 2022/23

- 1 To continue to achieve high levels of beneficiary satisfaction regarding application for a grant **ACHIEVED**
- 2 To launch a portfolio of new grant programmes to support other charities and organisations **ACHIEVED**
- 3 To evaluate two Scheme-related grant programmes to better understand the impact we deliver for beneficiaries **ACHIEVED**

#### CASE STUDY

### Croydon Vision

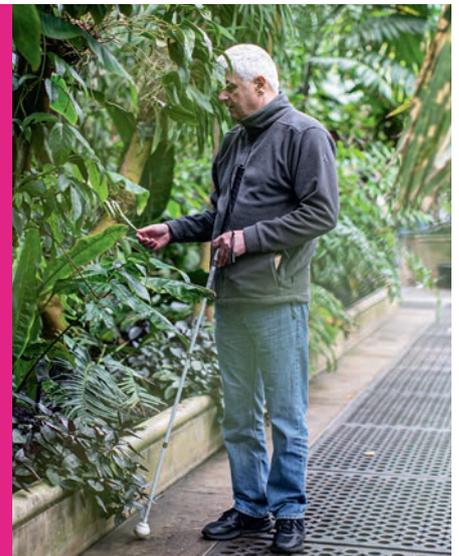
“Croydon Vision supports the visually impaired of Croydon and our transport gets members from A to B. We serve 1,200 members by building confidence, helping them back to work and giving them tools for everyday life,” says Fundraising Manager Donna Duffy.

“Transport is integral to this. The £673,324 Motability Foundation grant funded three adapted buses and a transport manager. Our old

bus kept breaking down, and many of our members have mental health illnesses or are wheelchair users, so getting stuck was not ideal!

“Individuals can now make journeys all over Croydon with a dial-a-ride service, and a transport committee, made up of members, decide where to go on trips.

“I cannot express enough thanks. To get the buses in our centenary year has been phenomenal.”



# Grants to Disabled People

## Motability Scheme-Related Grants

We know that for some disabled people, their Motability Scheme vehicle is the only way that they can travel, and that a grant is the only way they can lease the vehicle they need. Scheme-related grants are means tested to support those who are least able to afford the vehicle they need.

In 2022/23, more disabled people than ever before applied for a Motability Scheme-related grant as the Advance Payment for a Motability Scheme vehicle has increased. Meanwhile, the cost of living crisis has put extra pressure on disabled people's finances, making it even more difficult to afford a vehicle.

A sample of our data shows that, in 2022/23, 56 per cent of our grant applicants were existing Scheme customers who had previously covered the full cost of the lease themselves.

We have responded to the demand by increasing our grants to Motability Scheme customers from £53.8m in 2021/22 to £74.6m in 2022/23.

## Scheme-Related Grant Programmes

### Car and Vehicle Adaptations

#### £31.6m value

The Car and Vehicle Adaptations Grant Programme supports customers of the Motability Scheme with the cost of the Advance Payment or adaptations for a vehicle that meets their disability needs. Although many adaptations are available at no additional cost on the Scheme, more complex adaptations, such as mechanical and electric swivel seats, person hoists, rooftop wheelchair storage devices and electronic driving controls are considerably more expensive. Our Car and Vehicle Adaptations Grant Programme can help with meeting these expensive costs and ensure that our disabled beneficiaries are supported in getting what they need from a vehicle on the Scheme.

### Wheelchair Accessible Vehicles

#### £26.5m value

A WAV is a commercial vehicle that has been adapted to enable a wheelchair user to access the vehicle, for example via a ramp, and either remain in their wheelchair when travelling or transfer to a seat and secure the wheelchair or scooter

safely. The conversion of the original vehicle is both time consuming and expensive, and therefore the cost of a WAV can be prohibitive for many disabled people and especially those on low incomes. Our WAV Grant Programme supports our disabled beneficiaries with the cost of the Advance Payment for their WAV on the Motability Scheme, including adaptations needed for getting into their WAV and/or securing their wheelchair safely.

### Bespoke Passenger Solutions

#### £2.3m value

In April 2022, we launched a new WAV grant programme focused on supporting beneficiaries with more complex disabilities or needs when they are travelling as a WAV passenger. This could include requirements such as lay-flat seats in the WAV to support with changing requirements, the installation of hoists in the WAV to allow transfer from the wheelchair into a seat or the use of screening within the WAV to protect beneficiaries and their carers whilst driving. Central to the development of this new grant programme were a number of pilots with disabled people and the WAV industry so that we

# Motability Scheme Grants: Our Impact

Our impact measurement work carried out in 2022 has demonstrated robustly that our programmes make a very significant positive impact to the lives and wellbeing of our beneficiaries.

Beneficiaries consistently tell us that the grant support we have given them (whether they need help with an Advance Payment to get the vehicle that meets their needs, adaptations, a WAV or a more bespoke solution) improves their access to people and places, their social connection, their choice and control, and their overall wellbeing. We surveyed nearly 5,000 beneficiaries who received either a Car and Vehicle Adaptations grant or a WAV grant.

**93 per cent experienced a significant or life-changing difference in their ability to access people and places**

**87 per cent described a significant or life-changing improvement in their choice and control over travel decisions**

**67 per cent reported a significant or life-changing improvement in their ability to make or maintain social connections**

**65 per cent reported a significant or life-changing difference in their overall wellbeing since receiving the grant-supported vehicle**

## HOW WE MEASURE OUR IMPACT



### ACCESS

Increased ability to access people and places using own transport



### CHOICE AND CONTROL

Improved independence and control to make own decisions



### CONNECT

Increased social connections and relationships



### EDUCATION

Increased ability to access education and training



### WORK

Increased ability to work and pursue a career



### WELLBEING

Improved sense of health and wellbeing

**9.46/10**  
 the score our  
 beneficiaries gave  
 us for our attitude  
 and helpfulness



could truly understand what would provide greater support. Our new Bespoke Passenger Solutions Grant Programme was launched in April 2022 and will run for the next three years to provide up to £15m of support to our beneficiaries with the most complex needs.

**Complex Driving Solutions**

**£14.2m value**

Some disabled people need an individualised driving solution or adaptations to enable them to access a vehicle whilst remaining in their wheelchair and either drive from their wheelchair or transfer onto a specialist driver seat. They may also need specialist controls to be able to drive. As these vehicles are tailored to the individual, they are considerably more expensive than a standard

production WAV. They often require complex adaptations together with familiarisation driving lessons so the disabled person can get used to driving their new vehicle and use its controls safely.

**We asked our beneficiaries to rate our service**



Ease of getting through



8.36/10



Attitude / helpfulness



9.46/10



Knowledge / expertise



9.3/10



Ease of completing application form



8.65/10



**We have responded to the demand by increasing our grants to Motability Scheme customers from £53.8m in 2021/22 to £74.6m in 2022/23**

### **Access to Mobility Grants**

The Motability Foundation also provides grants directly to disabled people where, by awarding a grant, it will provide relief and assistance to their transportation needs. These grants help people to stay mobile in different ways, for example by paying for driving lessons or helping people fund equipment they need to be able to work but also use outside of their working hours.

#### **Driving Lessons Grant**

##### **£2.6m value**

Through our Driving Lessons Grant Programme, the Motability Foundation provides Scheme customers who have a provisional licence and want a full driving licence with grants towards the cost of learning to drive. We also provide grants to Scheme customers who already have a driving licence but need familiarisation lessons, for example if they need to get used to new driving adaptations.

#### **Transitional support**

##### **£0.2m value**

Although the Motability Foundation has no role in determining mobility allowances, Motability Scheme

customers may be affected by the changes that the Government made by replacing Disability Living Allowance (DLA) with Personal Independence Payment (PIP). We have transitional support options to support Scheme customers who may have been unsuccessful transitioning from DLA to PIP.

#### **Additional Transitional Support**

Additional Transitional Support (ATS) is available to help Motability Scheme customers who cannot continue with their lease because of a reassessment by the Department for Work and Pensions (DWP) and are unable to meet the costs of a replacement vehicle or the adaptations which they need. The reassessment could be when moving from DLA to PIP.

#### **Access to Work**

##### **£0.2m value**

Disabled people can use the Government's Access to Work Scheme to fund mobility equipment they need to work during their usual working days. If they need the same equipment outside of their working hours, this grant programme can help cover the costs.

### **Grant Programme ending in 2022/23**

#### **Stopped Allowance Support**

##### **£1m value**

The Stopped Allowance Support Programme was launched in September 2019 with a commitment to provide funding for three years to support Scheme customers who lose their higher rate mobility benefit through reassessment of their PIP award or in renewing their DLA award.

### **Aims for 2023/24**

- 1** To continue to achieve high levels of beneficiary satisfaction regarding their application for a grant
- 2** To continue to grow and develop our portfolio of grant programmes supporting other charities and organisations
- 3** To continue to evaluate the impact of our grant programmes

## CASE STUDY

### Jessica, from Blackpool

Jessica, aged 26, was an A&E nurse until she contracted COVID-19 at work during the pandemic. "I had a spinal stroke caused by a blood clot," Jessica explains. "I spent nearly a year in hospital recovering, learning to walk and talk again. My left lung no longer fully expands, I have left arm paralysis and right arm weakness, and because my upper core is weak, I struggle to stand or sit comfortably.

"Despite being housebound for a long while, I'm starting to feel like myself again. My goal is to be the best mum I can with my new disabilities. I love going on adventures with my little boy, and having a grant from the Motability Foundation to adapt my car with steering controls has restored my confidence and freedom.

"At first, I made small journeys to get used to the car. Now, I can drive my son to football and stay and watch, and I've even been on the motorway! My partner and son are the most supportive team, but you need to be able to get out of the house. My car is my ticket to do that."

**"Having a grant from the Motability Foundation to adapt my car with steering controls has restored my confidence and freedom"**





Love Ice Cream

# Grants to Charities and Organisations

In 2022/23, we significantly expanded our support for other charities and organisations under our six Impact Grant Programmes. These programmes were designed to provide support in areas where our wide range of research – including insight from Motability Foundation beneficiaries, Scheme customers, other disabled people and representative organisations – has shown opportunities to have the greatest impact for all disabled people. The £50m allocated to these programmes was funded from a donation in 2021 from Motability Operations.

We awarded 27 grants totalling £12.6m, to be spent over three years. The successful organisations will use these grants to provide, expand or improve transport, or to carry out research. Early feedback shows that the multi-year funding has huge potential to improve transport provision and experiences.

## Special Grants

Special Grants were the precursor to our Impact Grants that launched in 2022. The below is one of our Special Grant grantees.

The Motability Foundation has awarded Family Fund a £15m grant over three years for its Family Fund

### CASE STUDY

## Wheelchair Sector Grant

Newlife is the largest charitable provider of specialist equipment for disabled and terminally ill children in the UK. Key to their work is making sure that families have the right equipment for their needs. We awarded a grant of £999,500 over three years in March 2023.

“The first contact families have with Newlife are the nurses who run the helpline, so a small part of the grant will fund a part-time

nurse to expertly guide applicants through the process,” says Sarah Sylvester, Newlife’s Head of Philanthropy. “We want to be sure everything we provide is safe and to the right specification. With this grant, we will be able to provide equipment for 280 children: 85 wheelchairs and medical grade buggies in the first year; 95 in the second; and 100 in year three.”

“A small part of the grant will fund a part-time nurse to expertly guide applicants through the process”



Mobility Support (FFMS) scheme. FFMS is aimed at families raising a disabled or seriously ill child under three years of age with significant mobility needs. It can provide a

vehicle-leasing package for a limited period to make transporting a child easier and more practical. Nearly 500 families are supported by FFMS.

**These grants, totalling £12,577,401 in committed funds, will help an estimated 48,000 disabled people across the UK**

**Community Transport Grant Programme** – designed to support the community transport sector in delivering more journeys to those for whom local, community delivered transport is a lifeline.

**Wheelchair Sector Grant Programme** – aims to support the provision of affordable wheelchairs and better wheelchair solutions which provide significant and longstanding impact for disabled people.

**Research Grant Programme** – there are considerable gaps in understanding why disabled people make 38 per cent fewer journeys than non-disabled people. This programme supports organisations to research these gaps and ensure the wants and needs of disabled people are at the forefront of new transport solutions.

**Active Travel Grant Programme** – the ‘walking, wheeling and riding’ programme intends to expand access to active travel equipment which provides disabled people with more options to travel independently whilst improving physical and mental health.

**Reducing Barriers to Driving Grant Programme** – implemented to improve and expand transport options for disabled people beyond the Motability Scheme.

**Travelling with Confidence Grant Programme** – designed to support disabled people to travel independently whilst impacting the design and delivery of transport services which are not currently led by the needs of disabled clients.

## Grant Award Activity

Grant Programme	Awards made in Year				Charitable Expenditure recognised in Year*	
	2022/23	2021/22	2022/23 Number	2021/22 Number	2022/23	2021/22
Cars and Adaptations	31,587,054	20,100,616	12,097	8,476	31,587,054	20,100,616
Wheelchair Accessible Vehicles	26,512,925	18,684,265	3,472	3,534	26,512,925	18,684,265
Complex Driver Solutions	14,171,481	15,063,703	446	505	14,171,481	15,063,703
Bespoke Passenger	2,313,810	-	81	-	2,313,810	-
<b>Scheme-Related Grants</b>	<b>74,585,270</b>	<b>53,848,584</b>	<b>16,096</b>	<b>12,515</b>	<b>74,585,270</b>	<b>53,848,584</b>
Driving Lesson Support	2,582,843	2,155,336	1,871	1,687	2,582,843	2,155,336
Stopped Allowance Support	1,028,500	2,907,000	1,035	2,920	1,028,500	2,907,000
Transition Support Payment (TSP) / ATS	197,125	500,762	156	439	197,125	500,762
Access to Work	170,398	153,914	75	57	170,398	153,914
<b>Access to Mobility</b>	<b>3,978,866</b>	<b>5,717,012</b>	<b>3,137</b>	<b>5,103</b>	<b>3,978,866</b>	<b>5,717,012</b>
<b>Total - Grants to Individuals</b>	<b>78,564,136</b>	<b>59,565,596</b>	<b>19,233</b>	<b>17,618</b>	<b>78,564,136</b>	<b>59,565,596</b>
Family Fund - Under 3s	-	15,000,000	-	-	5,500,000	1,500,000
Designability - Wizzybug	-	-	-	-	1,500,000	950,000
<b>Grants to Organisations - Special Grants</b>	<b>-</b>	<b>15,000,000</b>	<b>-</b>	<b>-</b>	<b>7,000,000</b>	<b>2,450,000</b>
National Centre for Accessible Transport (NCAT)	20,000,000	-	1	-	255,195	-
Designability - EV charging	-	577,875	-	1	169,875	501,450
Extra Mile	679,208	-	4	-	484,095	-
User Research	593,204	446,668	8	3	504,704	446,668
Transport Design Scholarships	-	200,120	-	-	49,877	18,525
<b>Awards to Organisations - Innovation</b>	<b>21,272,412</b>	<b>1,224,663</b>	<b>13</b>	<b>4</b>	<b>1,463,746</b>	<b>966,643</b>
Community Transport	8,924,526	-	20	-	4,953,382	-
Active Travel	711,519	-	2	-	229,074	-
Wheelchairs	1,949,799	-	4	-	633,258	-
Travel Confidence	991,557	-	1	-	330,519	-
Barriers to Driving	-	-	-	-	-	-
Research	-	-	-	-	-	-
<b>Grants to Organisations - Impact Programmes</b>	<b>12,577,401</b>	<b>-</b>	<b>27</b>	<b>-</b>	<b>6,146,233</b>	<b>-</b>
<b>Total Grants &amp; Awards to Organisations</b>	<b>33,849,813</b>	<b>16,224,663</b>	<b>40</b>	<b>4</b>	<b>14,609,979</b>	<b>3,416,643</b>
<b>Grant Total</b>	<b>112,413,949</b>	<b>75,790,259</b>	<b>19,273</b>	<b>17,622</b>	<b>93,174,115</b>	<b>62,982,239</b>

\* Please see Note 4 for further details

The table sets out the grants awarded in the year. Grants are awarded subject to conditions to ensure that they are spent for the specified charitable purpose. A grant will be withheld in whole or in part if the conditions are not met. Accordingly, grants are recognised as charitable

expenditure where the conditions have been met. This means that in the table above the Charitable Expenditure figure can vary from grants awarded. If a grant(s) is payable over several years, the award may have been before 2021/22.



**“The Motability Foundation grant covered the cost of a WAV and a driver, which is fantastic for us”**

#### **CASE STUDY**

### **North Norfolk Community Transport**

“Our service has provided transport to people with limited mobility for 23 years,” says Jane Bishop, Executive Lead of North Norfolk Community Transport. “In North Norfolk, many people live in remote places, so our dial-a-ride service schedules visits to certain areas on set days. We have six buses, and if people call and book, they can get picked up and dropped off in a particular town, where they can visit the shops.

“The Motability Foundation grant covered the cost of a WAV and a driver, which is fantastic because sometimes we have no money coming in at all. For the next three years, we can transport a passenger and their carer where they need to go. There’s a lady who wants to go to a funeral 100 miles away, for example. It’s an eight-hour round trip, but we’ll help if we can. Funding an extra vehicle has given us a greater capacity to support more people.”

STRATEGIC PILLAR

# Build Awareness and Engagement



## STRATEGIC PILLAR

# Build Awareness and Engagement

We want as many people as possible to be involved in our work and to benefit from it. We promote the Motability Scheme, raise awareness of our grants and form partnerships with government and wider stakeholders, who can all play a part in improving transport now and for the future.

### Raising Awareness of our Grants

#### Motability Scheme-Related Grants

In 2022/23 we promoted the Motability Scheme by:

- Direct Mail to 313,689 people who receive Higher Rate Mobility Component of Disability Living Allowance
- Direct Mail to 296,108 people who receive Enhanced Rate of the Mobility Component of Personal Independence Payment
- Attending four exhibitions: Naidex 2022, Naidex 2023, Occupational Therapy Show 2022 and HertsAbility 2022

#### Grants to charities and organisations

We have worked alongside other charities and organisations to announce the grants we have given them and to promote their work. These include; The Brittle Bone Society, Newlife, Interloch Community

**Aims for 2022/23**

<p><b>1</b> Communicate proactively about our work, our offer for disabled people, and the impact we make for our beneficiaries through multiple media channels <b>ONGOING</b></p> <hr/> <p><b>2</b> Improve performance measurement (via evaluation) of our new digital platform and user journeys, and make appropriate adjustments to emphasise our identity, in particular our relationship with Motability Operations, and to improve access <b>ACHIEVED</b></p> <hr/> <p><b>3</b> Apply consistent brand guidelines on all communications <b>ONGOING</b></p>	<p><b>4</b> Build and evaluate awareness plans for each grant programme and for innovation projects, emphasising the charitable object, capability and capacity in a targeted manner <b>ONGOING</b></p> <hr/> <p><b>5</b> 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 <b>ONGOING</b></p> <hr/> <p><b>6</b> Increase evidence of the impact of our work and produce Evidence Reports alongside our Annual Report and Accounts <b>ACHIEVED</b></p>
--	--

Transport and Sheppey Matters.

### Growing our Channels Website and social media

This year, we have focused on improving journeys, user experience, and the look and feel of our digital channels. New ways of displaying data, reports and stories mean that

website users have increased by 54 per cent and sessions by 61 per cent. We have improved integration across social media, website, press and PR to bring a powerful, multi-channel approach to our communications.

#### Media

An increase in projects and new grants



# lifestyle

Discover a world of possibilities

August 2022 Issue 116



## ADAPTIVE FASHION

The brands bringing you stylish yet practical clothing



25 WAYS TO SAVE MONEY

THE LATEST CARS PUT TO THE TEST

ED JACKSON ON LIFE-CHANGING ADVENTURES

## LIFESTYLE MAGAZINE

Lifestyle magazine is one of the most-read magazines in the UK. It is distributed to Motability Scheme customers. It offers topical news and features about transport, disability, travel and daily life, as well as key updates about the Motability Scheme. A Lifestyle readership survey carried out with 1,063 readers in February 2022 showed that:

- An estimated 820,000 people read Lifestyle – the third highest readership of any UK magazine
- 63 per cent of readers passed their magazine onto one or more people
- 82 per cent of readers rated the magazine eight or above, where ten is excellent

This year, we have reviewed the format and will be introducing a new Lifestyle podcast, micro website and enhanced digital content for 2023/24 so that everyone can access Lifestyle digitally, in the way that suits them.





## Promoting Research and Innovation

Improving disabled people's access to transport involves forming partnerships across the transport industry, as well as with government, disabled people's organisations and charities. This year, we promoted research from our partners and helped to make the case for significant innovations.

### RESEARCH

In February 2023, walking and cycling charity Sustrans published its Disabled Citizens Inquiry report, which was funded by one of our user research grants. The report was the culmination of a six-month inquiry with contributions from more than 1,100 disabled people. We supported Sustrans to share the findings across media and social media. The report was launched at a parliamentary reception and was covered by national media including ITV News, *The Daily Telegraph* and *The Independent*. (See *Innovation* section page 37).

### INNOVATION

In October 2022, we launched the accessibility standard for public EV charging (PAS 1899) in partnership with the UK Government's Office for Zero Emission Vehicles (OZEV) and the British Standards Institute. To raise awareness among decision makers, we organised a parliamentary reception in the House of Commons. It was attended by senior parliamentarians including the Minister for Disabled People, Health and Work, as well as representatives from charge point providers, industry bodies, transport agencies and disabled people's organisations. We have promoted the standard at a number of industry events and trade shows, including hosting a panel discussion at the London EV Show in December 2022.

has enabled us to pursue a more proactive media approach, sending 24 releases in 2022/23 compared to nine in 2021/22. We will continue to build on our proactive media work to raise awareness of the broad work of the Motability Foundation in the coming year.

### Engaging our People

We prioritise diversity, inclusion and wellbeing (see page 44) and this year we have produced content and hosted talks and discussions for our people on breast cancer, prostate cancer, International Men's Day, Pride Month, International Women's Day and Black History Month.

To build employee engagement, we've delivered 14 internal communications campaigns, including engaging our people in our brand evolution, benefits review and introduction of our new Perform and Develop programme. We revised the format of our People Manager Meetings so that our leaders can focus on exploring key issues that matter to, and affect, our staff.

Digital channel engagement has progressed with the launch of snap polls, digital noticeboards and likes on news posts to improve two-way engagement.

## Evolving our brand

We began refreshing our brand in 2022/23. Our brand tracking shows that our name is well known, but our work is not well understood. We decided to adopt the operating name Motability Foundation to reflect the wide range of activities we undertake. We have not changed our legal name, Motability. We worked with disabled people and our wider audiences to explore how to describe our work and bring it to life visually. We created a new vision statement, brand narrative and look and feel which focuses on choice, independence and making journeys accessible for all disabled people.



## Queen's Jubilee Party

During her time as Chief Patron, Her Majesty Queen Elizabeth took a very active interest in our work, the people we help and developments in accessible transport. We have had the privilege of enjoying her support and celebrating many special landmarks in our history with both Her Majesty and members of her family.

To honour the historic occasion of Her Majesty's Platinum Jubilee, we hosted a tea party in May 2022 attended by Motability Scheme beneficiaries, key dignitaries, employees and Governors. The event provided an opportunity to reflect on Her Majesty's close engagement with the foundation and the encouragement she offered to our organisation and the people we are here for.

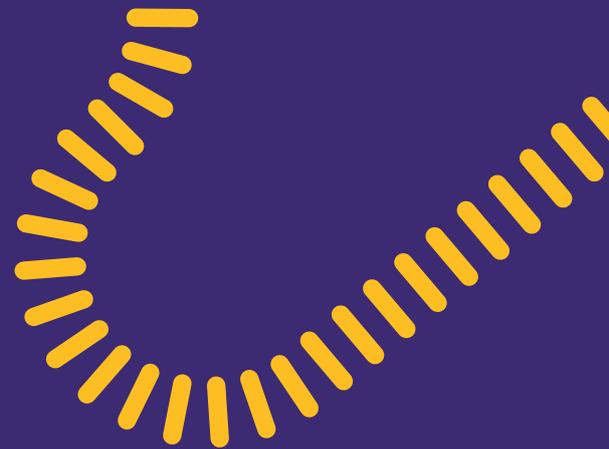
## Aims for 2023/24

**Establishing and delivering consistent, impactful experiences and communications to raise awareness and promote understanding of our work to all our audiences by:**

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



To honour the historic occasion of Her Majesty's Platinum Jubilee, we hosted a tea party in May 2022 attended by Motability Scheme beneficiaries, key dignitaries, employees and Governors



STRATEGIC PILLAR

# Innovation



## STRATEGIC PILLAR

# Innovation

In 2019, disabled people made 38 per cent fewer journeys than non-disabled people. Our research and innovation show what needs to change so that more disabled people can use transport, now and in the future.

### Our Research – Improving Access to Transport for the Future

COVID-19 changed how millions of people travel. We commissioned research into the impact of COVID-19 on disabled people's travel experiences and whether those changes are likely to stay. Disabled people told us they still feel uncertain about risks to their health and wellbeing when they leave their homes.

Using door-to-door transport remains the preferred or only way for some disabled people to travel. However, not all disabled people can drive or have access to a vehicle.

We awarded innovation grants to four organisations to operate 'Extra Mile'. This pilot explores whether a combination of community transport, EVs and car club models can make door-to-door journeys cheaper and more accessible in semi-rural communities.

We also provided grant funding to Leonard Cheshire to enable them

## Aims for 2022/23

- 1 We will continue to work with partners towards the vision that public electric vehicle charging infrastructure in the UK is accessible for disabled people, with a particular focus on uptake of the national design standard **ONGOING**
- 2 We will identify and pilot new approaches to making transport policy and practice more inclusive for disabled people, specifically through the creation of the world's first evidence centre for inclusive transport **ONGOING**
- 3 We will identify and explore potential interventions in the community and door-to-door transport sector, with the intent to pilot projects that can be assessed against our innovation framework and desired outcomes **ONGOING**
- 4 We will continue to scan the horizon for the best emerging opportunities to meet the evolving transportation needs of disabled people, in particular through our first priorities review **ONGOING**

to better understand how taxi and private hire vehicle (PHV) travel can be made accessible. Across England, Leonard Cheshire found that only 55 per cent of all taxis and 2 per cent of PHVs are wheelchair accessible.

The Motability Foundation's research and engagement with disabled people's organisations found that disabled people are not being sufficiently included in planning or

designing transport. We are piloting User Research Grants to five charities that work with, and for, disabled people. The pilots will show us how to fund a full grant programme that will support charities to produce vital evidence on the barriers disabled people face when travelling.

We are also collaborating with Coventry University to sponsor four PhD studentships for disabled people



## CASE STUDY

### Stephanie, PhD student

Coventry University PhD student Stephanie McPherson-Brown is focusing her research on the psychology of disabled people's experiences when using trains. Her personal experience helps to inform her work.

"There are all sorts of reasons why disabled people might not want to use our railway network – whether that is stations not providing reasonable access, anxiety around having a negative experience during their journey, or even the general reliability of our trains.

"Growing up, I had my share of negative experiences on public transport. I often forced myself to battle through them and not make a fuss. It was only when I reflected on it that I felt much more could be done to improve things. If my research and that of my fellow students can paint a picture of the problems people are dealing with, identify the key areas to improve and offer solutions, that will be a great first step in improving how disabled people get around."

**"I've had my share of negative experiences on public transport. I often forced myself to battle through them and not make a fuss"**

## HOW WE WORK

Working with others is a huge part of our commitment to improving accessible travel. We carry out our own research and fund others to explore and develop new ways to make transport accessible. We use these insights to help fund other charities and organisations that give disabled people everyday transport options, from community buses to wheelchairs. We also use them to inform our own innovations, such as delivering new designs for public EV charging points which are accessible for disabled people. We never stop working with disabled people to make sure that their knowledge and experiences shape our work.



who want to research accessible transport.

### Innovation Electric Vehicles

By 2030, the sale of new petrol and hybrid vehicles will be banned in the UK. The switch to EV means the UK needs EV charging infrastructure. Research funded by the Motability Foundation shows that 2.7m disabled people will rely on public charging by 2035. However, public charge points have not been designed with a focus on ease of use or accessibility for disabled people.

In response, the Motability Foundation partnered with the Government's Office for Zero Emission Vehicles (OZEV) to sponsor a national accessible charging standard for EV charge points, developed by

the British Standards Institute (BSI). This world-leading standard, PAS 1899, provides industry with a clear specification of how to make all public charge points accessible. Disabled people were involved in creating the standard at every stage, alongside industry bodies, manufacturers, charge point providers and disability groups. The standard was launched at the House of Commons (see page 33) and we are now exploring ways to maximise compliance with the standard.

### National Centre for Accessible Transport (NCAT)

Disabled people make 38 per cent fewer journeys than non-disabled people. This "transport accessibility gap" tells us that there is much more that transport providers need to do to

make sure that disabled people can travel by road, rail and air as easily as non-disabled people.

In February 2023, the Motability Foundation launched the NCAT with the aim of closing the transport accessibility gap. The Centre is being run by a consortium of expert organisations led by Coventry University.

The Motability Foundation has allocated grant-funding to NCAT of £20m over seven years. It will work with disabled people, disabled people's organisations, transport providers and policy makers to develop solutions that will make transport more accessible for everyone.



**Disabled people make 38 per cent fewer journeys than non-disabled people. This “transport accessibility gap” tells us that there is much more that transport providers need to do**

## What's Next

Following three years of our innovation work, the Motability Foundation has begun an innovation priorities review. The review will help us understand the impact of our innovation to date, how it can be improved, and how to ensure our future work addresses the most pressing issues in accessible transport.

## Aims for 2023/24

Embedding the outcomes of our innovation priorities review by:

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



**“Without this vehicle we would be reliant on hospital and public transport, which isn’t always suitable or reliable”**

#### **CASE STUDY**

### **Poppy, from Surrey**

Four-year-old Poppy lives with her older brother Liam and mum, Kim. The family received a grant towards a WAV to support Poppy, who has spinal muscular atrophy type 1, scoliosis and contractures.

“We use our van a lot – most of the time for daily living including hospital appointments, but we do love the chance to be able to go away for a weekend or out exploring our local area,” says Kim. “It’s made a huge difference for my daughter as we are able to transport her powered wheelchair, which gives her independence everywhere we go. This has enabled her confidence to grow and she feels more in control in everyday situations.

“The vehicle also allows us to safely transport all Poppy’s medical equipment, and we need a lot when we stay away from home overnight. Without this vehicle we would be reliant on hospital and public transport, which isn’t always suitable or reliable.”

STRATEGIC PILLAR

# Disability Charity



## STRATEGIC PILLAR

# Disability Charity

We provide an inclusive, engaging and enjoyable working environment where all of our people have a say in what we do and how we work.

The expansion of our work means that we have grown our workforce, invested in recruitment and retention, and continued to build our people's skills.

- 246 average full time equivalent people employed in the year, an increase of 21.8 per cent on 2021/22
- Growth across all functions of the organisation
- Continued partnership work with a local college, providing work placements and workshops for students with supported learning

### Improving our Employee Experience

- **Consultation:** We launched Motability People Forum and Employee Working Groups so that we can better consult with staff. We have focused on our staff experience, introducing new social activities and wellbeing, and diversity events and initiatives.
- **Benefits review:** We enhanced our employee benefits provision following consultation with our people and external benchmarking. This includes improving our

## Operating aims for 2022/23

- 1 To continue identifying the positive learnings from the COVID-19 pandemic and build on the implementation of blended working **Achieved**
- 2 Conclude the development of the long-term estate plan **Ongoing**
- 3 Progress project activities in respect of the office environmental and sustainability practices **Ongoing**
- 4 Refresh and relaunch the Motability Foundation values **Achieved**
- 5 To enhance talent acquisition and talent management, and build on the focus upon diversity and inclusion **Achieved**
- 6 Implement a new performance management model to include an enhanced focus on personal development **Achieved**
- 7 To ensure progression against the agreed organisational and department action plans from the Employee Survey **Achieved**
- 8 Continue to refine and implement the Information Technology Plan **Ongoing**
- 9 Overhaul the chart of accounts in the financial system **Achieved**
- 10 Seek mitigations for higher inflation operating efficiencies **Achieved**
- 11 Seek mitigations for enhanced risk-adjusted returns on general and restricted funds **Ongoing**



maternity, paternity and adoption leave, introducing a health cash plan, and creating an additional day of leave called a “Wellbeing Day”.

- **Career progression:** We have rolled out a very successful managerial training programme and created more development opportunities such as coaching, e-learning, team building and professional study.
- **Performance:** We have introduced Perform and Develop, a newly created performance process at the Motability Foundation. This brings greater consistency to managing our people and ensuring their work matches our organisational priorities and values.
- **Reward and recognition:** We have introduced new ways to recognise key team and individual achievement. This includes length of service recognition, quarterly “spotlight” awards where colleagues can nominate each other, and ways for teams to celebrate their achievements each quarter.

## Diversity and Inclusion

Diversity and Inclusion remains an ongoing focus for the Motability Foundation. The Diversity and Inclusion staff group has representatives from all areas

of the Motability Foundation and remains an open forum for all employees. Over the past year, events have included a talk and Q&A by Paralympic cyclist Sam Ruddock to celebrate Black History Month, a film featuring Motability Foundation employees sharing their experiences for International Men’s Day, an Easter quiz and egg hunt, and a talk with book writer and documentary producer Kate Muir in celebration of International Women’s Day. We have provided Diversity and Inclusion training to our employees.

At the highest levels of the foundation, we have three Governors with lived experience of disability, and five members of our advisory committee on matters relating to NCAT also have lived experience. Finally, the NCAT consortium board includes seven disabled people.

## Pay Gaps

We benchmark our pay offer to make sure that salaries are kept fair, competitive and relevant to the environment in which we operate. All salaries exceed the National Living Wage (NLW), the National Minimum Wage (NMW), and the UK Real Living Wage, a voluntary initiative. We specifically monitor pay gaps and

work towards reducing them. For the second consecutive year, we have reduced our gender and disability pay gaps. In November 2022, our gender pay gap was 15.5 per cent, a reduction of 4.5 per cent compared to 2021. The disability gap for the same period was 13.7 per cent, an improvement of 2.3 per cent compared to 2021. Our ethnicity gap was -7.4 per cent, meaning that on average, “white British” employees are paid less than all other ethnicities at the Motability Foundation.

## Our Impact

We evaluate the impact of our grant programmes so that we understand exactly how the Motability Foundation makes a difference for disabled people, and what we can grow and develop.

During the year, we evaluated the impact of our Car and Vehicle Adaptations Grant Programme between 2019/20 and 2020/21, and our WAV Grant Programme between 2017/18 and 2021/22.

We surveyed nearly 5,000 grant recipients across both programmes, and 92 per cent told us that their vehicle had made a significant or life-changing difference to their ability to get around.

## OUR IMPACT

For every £1 spent on our Car and Vehicle Adaptations Grant Programme, people experienced the equivalent of £18.20 in benefits to the individual as well as additional benefits to their families/carers and the economy

## OUR IMPACT

For every £1 spent on the WAV Grant Programme, people experienced the equivalent of £11.10 in benefits to the individual as well as additional benefits to their families/carers and the economy

When these benefits are monetised, it is also clear that the benefits people experience significantly outweigh the costs of the grant over their three- or five-year lease.

The majority of these benefits related to improvements in people's wellbeing – in particular, to positive functioning, emotional wellbeing, reduced isolation, confidence and self-esteem.

### Environment

#### Streamlined Energy and Carbon Reporting Statement

Greenhouse gas emissions and energy use data for the period 01 April 2022 to 31 March 2023

#### Intensity ratio

An intensity ratio is a way of defining emissions data in relation to an appropriate business metric, allowing for comparison of energy efficiency performance over time and with other similar types of organisations.

The Motability Foundation has chosen to use the number of average full-time employees (FTE) during the reporting period to normalise its emissions, as delivering our company

values relies on the hard work and dedication of staff members. Therefore, the intensity measurement ratio is total gross emissions in kgCO<sub>2</sub>e/FTE.

#### Methodology

We have followed 2019 HM Government environmental reporting guidelines to ensure compliance with the SECR requirements. The Government-issued "Greenhouse

Reporting Year	Full-time employees (FTE)	Intensity Ratio (kgCO <sub>2</sub> e/FTE)
1 April 2021 to 31 March 2022	209.0	917.0
1 April 2022 to 31 March 2023	234.2	819.9

ANNUAL CARBON EMISSIONS REPORTING 2022/23		2021/22	2022/23	
Energy Consumption (kWh)	Grid Electricity	133,007	127,084	
	Natural Gas	420,905	355,635	
	Company Fleet	297,989	346,898	
	Grey Fleet	1,970	17,345	
	<b>Total Energy Consumption</b>	<b>853,871</b>	<b>846,963</b>	
Greenhouse Gas Emissions (tCO <sub>2</sub> e)	Scope 1	Natural Gas	85.43	71.93
		Company Fleet	74.99	88.91
	Scope 2	Purchased electricity	28.24	24.58
	Scope 3	Grey Fleet	0.48	4.35
		Electricity T and D	2.50	2.25
<b>Total Gross Emissions</b>		<b>191.64</b>	<b>192.01</b>	

The kgCO<sub>2</sub>e is not separately disclosed, however tCO<sub>2</sub>e is clearly stated. This is a simple conversion (1 tonne is 1,000kg) and therefore kgCO<sub>2</sub>e not included as well. kgCO<sub>2</sub>e is used in intensity ratio instead of tCO<sub>2</sub>e to improve readability.

**“When we were contacted to say we were eligible for the Family Fund Mobility Support Programme, I just cried”**

## CASE STUDY

### Family Fund

Olivia, aged two, is one of just 58 children known to have sideroblastic anaemia immune deficiency (SIFD), a genetic disorder that causes unexplained fevers and delayed development. She needs one-to-one care and has frequent appointments at the hospital.

“It’s a lot to cope with, but Olivia really is the happiest little girl,” says her mum, Sally. “She’s a ray of sunshine – always pulling faces and being cheeky. She definitely understands a lot of what’s going

on, but she’s still so happy and resilient. She’s even started signing.

“When we were contacted to say we were eligible for the Family Fund Mobility Support Programme, I just cried. We’d been struggling, as the car I had was really small. We have a bulky buggy to help with Olivia’s posture, a big changing bag and all the equipment we need to pump feed. One half would fill the boot, and the other half would go on the back seat. With Olivia’s car seat as well, we couldn’t go anywhere as a family.”

Gas reporting: conversion factors 2022” were used along with the “Weekly road fuel prices”.

#### **Measures taken to improve energy efficiency**

The Motability Foundation is committed to monitoring and reducing carbon emissions resulting from our activities. In the past year, we have tightened reporting on fleet usage to identify areas of improvement. As part of this we are reviewing the viability of electric or hybrid vehicle models as part of our grey fleet.

The Motability Foundation has also been working to ensure efficient resource and space management despite a growing number of staff members. This is reflected in the improvement in our intensity ratio.

Progress is continuing on the implementation of an Environmental Management System at the Motability Foundation, which is currently being externally audited to the ISO14001 standard. Once fully implemented, this will support the Motability Foundation in efficiently monitoring and improving our environmental performance.

#### **Materiality**

The Motability Foundation has, to the best of its knowledge, included 100 per cent of all energy sources within this report. Natural Gas figures are calculated based on the occupancy of the building the Motability Foundation leases with other tenants. Gas readings are taken for the entire building and a percentage calculated based on occupancy in sq. ft.

#### **Control and Assurance**

We have a comprehensive system of internal controls, policies, reporting and risk management overseen by the Audit and Risk Committee (ARC).

Last year was still impacted by issues arising from the COVID-19 pandemic and supply chain difficulties, with new and evolving risks arising from vehicle availability and affordability, rapidly rising inflation and operational sustainability.

In line with the ARC’s annual business cycle, the Motability Foundation’s budget, business plan and forecasts were reviewed. Our grant-making, Scheme oversight and forecasting were also reviewed. A full list of risks and management

is on page 48. ARC oversees the annual audit. This year was the third audit by BDO, and ARC reviewed BDO’s independence, fees, proposed approach and materiality. Where recommendations were made these have been accepted and are tracked to completion by the Internal Audit Team reporting to ARC.

Policies reviewed this year include Whistle Blowing, Anti-Fraud, Bribery and Corruption, Health and Safety, Risk Management, Anti-Money Laundering, Conflicts of Interest, Gifts and Hospitality, Data Protection, Data Security Breach and FCA Breach Management. IT Security policies were also reviewed as part of the work undertaken to strengthen IT controls.

ARC reviewed its Terms of Reference and those of the Motability Foundation Internal Governance, Risk and Assurance Committee (MIGRAC).

While the Investment Committee oversees investment policy and performance, ARC reviews the Investment Risk Register, the Treasury Policy and related arrangements.

The Chair of ARC and the Motability Foundation’s CEO and Finance Director also attend Motability



managers are considering the risks on an ongoing basis, evaluating mitigations and controls, and identifying any new risks that the organisation faces.

### Change Management

The Motability Foundation continues to grow, and there is an ongoing and significant programme of change to modernise its infrastructure and ensure its impact on its beneficiaries is as great as possible.

To support growth there are a number of significant projects being undertaken. These are managed through the Change Management Process. Senior management formally review projects' progress and associated risks at regular Change Management meetings.

This ensures timely scrutiny of proposals and monitoring of progress leading to integrated decisions on priorities and resourcing and, where needed, mitigating or remedial action. Change Management is reported to the relevant Committee and to the Board of Governors periodically.

Operations' Audit Committee meetings and report back to the Motability Foundation's ARC.

### Risk Management

Our risk management framework allows a consistent approach to identifying and assessing risks that may impact our ability to achieve our objectives. Having a clear awareness and understanding of the risks enables more effective decision making. It allows us to focus on managing those risks that could adversely impact our plans or our reputation. Each risk has an assigned owner to ensure clear accountability and ownership.

The Motability Foundation Internal Governance and Risk Assurance Committee (MIGRAC) comprises of senior management from across the Group. MIGRAC manages and reviews risks every quarter, ensuring they remain current and providing assurance to ARC that appropriate controls are in place to:

- Identify and ensure the effective management of risks
- Recommend changes to policies,

processes or controls and establish actions which may be required

ARC monitors the resulting risk profile and reports its findings to the Board of Governors. Reports to the Board of Governors demonstrate that senior

## Operating aims for 2023/24

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

# Principal Risks and Management

RISKS	FACTORS	MITIGATION
<p><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>	<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. Grants to organisations has commenced, too.</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 economy and the transition to electric vehicles.</p>
<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 Motability Scheme (the Scheme) and our wider work as a charity makes for disabled people.</p>	<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>The Motability Foundation 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 planning, liaising with disability organisations and other stakeholders.</p>
<p><b>Environment Risk</b> We do not keep in step with the UK position on the environment.</p>	<p>Motability Operations and Motability Foundation transport solutions should seek to be aligned to government carbon emission targets, with the Motability Foundation cognisant of its charitable object.</p>	<p>Develop and consistently review our Environment Agenda in concert with Motability Operations.</p>
<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>	<p>Fines and penalties as a result of non-compliance could lead to restrictions in our ability to fulfil our charitable objectives.</p>	<p>A thorough compliance programme is in place, 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>

RISKS	FACTORS	MITIGATION
<p><b>Operational Risk</b> We are unable, in the current climate (transition to electric vehicles and supply chain disruption), to deliver our grant services to Scheme customers.</p> <p>The Motability Foundation’s data or systems suffer a malicious attack or other disruption to business continuity.</p>	<p>The adaptation and convertor industry cannot cope with the volume of demand amidst supply chain disruption and the transition to electric.</p> <p>Beneficiaries express concerns over grant-making.</p> <p>The Scheme fails to run effectively and efficiently.</p> <p>Loss of data or service availability due to cyberattack.</p>	<p>Collaborate across the industry to understand demands and manage solutions where possible.</p> <p>Regularly review beneficiary feedback and update operational and communications plans as appropriate.</p> <p>Business continuity plans reviewed to support use of off-site resource.</p> <p>Robust and strengthened control environment including Information Security framework and internal audit programme.</p>
<p><b>Reputational Risk</b> The foundation and the Scheme do not evolve and we are not seen to be using the resources and expertise at our disposal with the intent to achieve our vision.</p>	<p>Grant programmes are not reviewed and new ones considered.</p> <p>The strategy is changed but the communication of the change is misunderstood.</p> <p>Oversight of the Scheme is brought into question.</p>	<p>Continue to assess and review new grant programmes on the basis of increased research.</p> <p>Effective communications plans delivering consistent messages to all stakeholders.</p> <p>Focused oversight of the Motability Scheme and the risk management conducted by Motability Operations.</p> <p>Close working with Motability Operations on new products and services.</p> <p>Communicating the wider markets context.</p>
<p><b>Financial Risk</b> Our investment strategy and the future donations from Motability Operations do not deliver sufficient income to support and sustain our current and future ambitions.</p>	<p>Future donations from Motability Operations are volatile and unknown.</p> <p>MET fails to deliver the required levels of return.</p> <p>Higher inflation increases grant demand and operating costs whilst reducing our financial resources in real terms. We do not manage short-term liquidity requirements.</p>	<p>With Motability Operations, monitor the financial impact of higher inflation, supply chain disruption and vehicle carbon emission targets on Motability Operations and on the Motability Foundation’s grant demands.</p> <p>Review MET fund managers’ performance against the long-term CPI+4% return target.</p> <p>Review available investments for general and restricted funds to try to secure a better risk-adjusted return. Seek operating efficiencies whilst also increasing charitable spending to get better value for money in the short term. Continue to monitor cash flow positions and forecasts of grant spending.</p>



**“My son inherited my condition, but we don’t have to worry about getting him to appointments. The car gives us freedom”**



## CASE STUDY

### Aaron, from Falmouth

“I’ve had cars through the Motability Scheme before, but when I needed a bigger, more expensive vehicle, the car dealer suggested I enquire about a grant for the Advance Payment, which I qualified for,” says Aaron, an Electronics Quality Control Technician who plays wheelchair basketball in his spare time. “I have the neurological condition Hereditary Spastic Paraplegia (HSP), which means my brain doesn’t send signals to my lower legs properly. But I stay active and am passionate about wheelchair basketball.

“To join a more competitive league I have to drive to Plymouth, almost two hours away. I take two wheelchairs: one for sport and one for pottering, so having a large boot is essential. It’s not just me who benefits. My son inherited my condition, but we don’t have to worry about getting him to medical appointments or school fixtures. We can take family holidays when we want. The car gives us freedom.”

# Financial Review and Results



# Motability Foundation

## Consolidated Accounts for year ended 31 March 2023

This year was a significant one for the Motability Foundation as it delivered a second successive record year for general fund charitable expenditure. A further donation from Motability Operations secured the resources to deliver the largest three-year planning total for charitable expenditure in the Motability Foundation's history at a time of exceptional need for our beneficiaries.

### Charitable Expenditure Reached a New Record for the General Fund

The Motability Foundation delivered a further year of record general fund charitable expenditure at £113m, up 43 per cent from £78.8m last year, in line with the intent outlined in last year's Annual Report, with record grants to individuals and to charities and organisations. Support costs grew to deliver this spending, rising 22 per cent, whilst spending on Innovation and on Building Awareness grew by 22 per cent and 31 per cent respectively. Restricted fund charitable spending remained subdued at £0.2m in line with the low numbers of benefits recipients transferred by the Department for Work and Pensions from Disability Living Allowance to Personal Independence Payments. The timing of future increases in activity is uncertain.

### Income increased

Total income was £240m (2022: £184m) as a further donation was received from Motability Operations of £200m (2022: £170m) combined with significantly higher investment income of £39.4m (2022: £12.9m) as interest rates rose and the Endowment became fully invested. Investment management charges also rose in line with expectations, reflecting the continued move into real assets by Motability Endowment Trust (MET).

At the operating level, the Motability Foundation recorded consolidated net income before investment gains and losses of £111m (2022: £97m), principally on the general fund.

### Total reserves rose

General and restricted fund investments are trade finance and bond assets. The decision to maintain short duration in these portfolios meant that these assets recorded a positive net return of £10.7m (2022: negative £3.2m) despite rising interest rates as income of £19.7m (2022: £1.5m) outweighed investment losses of £7.1m (2022: £4.5m) and investment management costs of £1.9m (2022: £0.2m). The pension fund contributed a small gain.

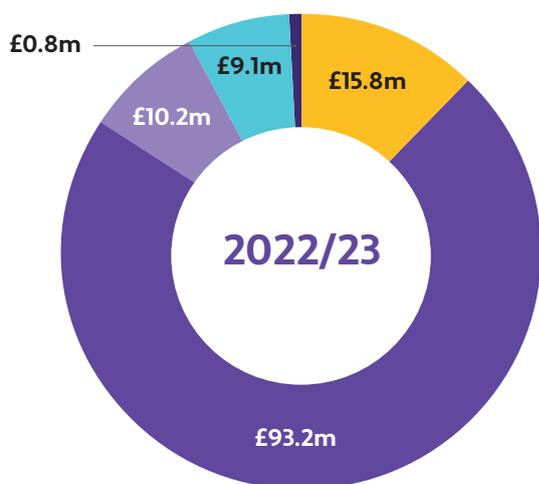
Along with consolidated net income before gains and losses, the other principal contributor to the move in net assets or total reserves was investment management costs on MET's portfolio of £12.1m (2022: £7.5m) – net returns on the Endowment before costs were £1.5m (2022: £88.7m). As a result MET fell marginally in value from £1,235m to £1,224m. As a long-term investor, MET should reap the benefits of real assets in future years given an outlook of higher inflation.

Overall, total reserves rose to £1,782m (2022: £1,696m), primarily due to high net income on the general fund.

### Record spending plans

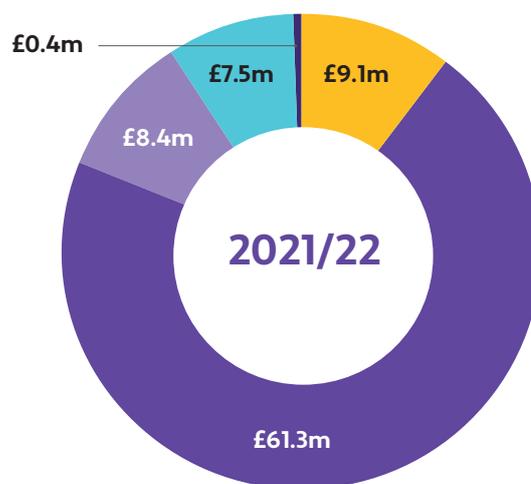
As a result of the current strong financial position, the Motability Foundation expects to raise charitable expenditure further. The 2021 and 2022 Motability Operations' donations will fund record charitable expenditure plans over the three financial years 2022/23, 2023/24 and 2024/25 – when the Motability Foundation expects to see exceptional demand for grants from individuals given the rising costs of Motability Scheme vehicles and the pressures our beneficiaries' finances are under. This three-year £350m+ charitable expenditure planning total

# Analysis of Total Expenditure



## 2022/23 (£129m)

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



## 2021/22 (£86.7m)

Cost of Raising Funds	£9.1m
Direct Grants	£61.3m
Direct Charitable Activity	£8.4m
Allocated Support Costs	£7.5m
Governance Costs	£0.4m
Charitable Spend	89%
Cost of Raising Funds	11%

is the largest set of expenditures ever planned by the Motability Foundation and is only possible due to this year's £200m Motability Operations donation.

General fund reserves are at an historic high this year at £514m. This represents 3.9 years of the planned general fund expenditure in 2023/24 of ca. £130m. This robust level of reserves is expected to fall rapidly to about two years' charitable expenditure in the next two years as the Motability Foundation undertakes its planned record support for disabled people.

Long-term support for our beneficiaries comes from MET, whose investment income and expenses

both grew in line with expectations with net income again usefully higher at £7.6m (2022 £3.9m). Net income should improve further as new investments in infrastructure and property made towards the close of the financial year start to pay dividends. Further information about the Endowment can be found on pages 60-62.

### Summary

The year to 31 March 2023 was a significant year for the Motability Foundation. The general fund achieved its highest ever level of charitable expenditure paid for from substantial financial resources at a time of record beneficiary demand.

Whilst activity on the restricted fund was subdued, MET furthered its three-year plan for its Endowment to become fully invested. The strong balance sheet has enabled the Board to approve the largest ever planning total for future charitable expenditure to support disabled people through a period of greater need.

### Financial Risks

The principal financial risks that the Motability Foundation faces derive from the Endowment portfolio (equity securities, debt instruments, property, infrastructure, other private investments, money market funds and cash) and the Motability Foundation's general and restricted fund balances

(debt instruments, money market funds and cash). These risks are inflation risk, market risk, credit risk and liquidity risk. In addition, there are limited fundraising risks. These risks are set out below along with the measures taken to manage them.

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

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

MET, through its investment managers, partially hedges its foreign exchange positions into sterling to mitigate currency risk. The residual

foreign exchange risk is accepted by MET, and is kept under regular review.

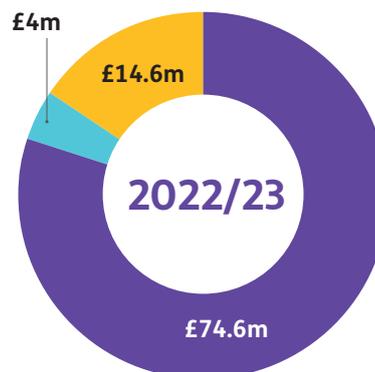
**CREDIT RISK:** the risk that a counterparty will default on its obligations. For all asset classes, the Motability Foundation and MET mitigate this risk by diversifying their holdings and by using custodians. For bond and money market funds, the Motability Foundation monitors market conditions, duration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

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

# Charitable Expenditure by Grant Programme

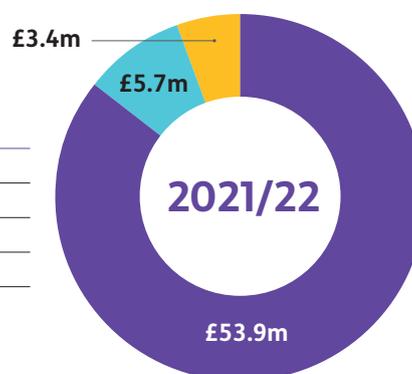
## 2022/23 (£93.2m)

■ Scheme-Related Grants	£74.6m
■ Access to Mobility	£4m
■ Organisations	£14.6m
<b>Total per table on p28</b>	<b>£93,174,115</b>



## 2021/22 (£63m)

■ Scheme-Related Grants	£53.9m
■ Access to Mobility	£5.7m
■ Organisations	£3.4m
<b>Total per table on p28</b>	<b>£62,982,239</b>



For further details, please see Grant Award Activity table on p28 and Note 4 on p91

**FUNDRAISING RISKS:** charity fundraising is a regulated activity. The Motability Foundation does not solicit donations. We gratefully receive a small volume of spontaneous donations each year, shown as voluntary fundraising income. Other Trading Activities income arises from our affinity partnerships that are reviewed regularly to ensure that the products meet disabled people's needs at a fair cost and that we comply with Financial Conduct Authority rules where appropriate. The Motability Foundation acts as a conduit body to channel grants to Armed Forces' veterans funded by Veterans UK, and those monies are dealt with in Note 20 to reflect that relationship. The risks to future

donations from Motability Operations are discussed below in the Outlook – overview section.

### Reserves Policy and Position

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

as a reserved matter.

### General fund reserve policy:

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

Given the unpredictable timing and scale of Motability Operations' donations, general fund reserves may be more than three years' spending or less than one year's spending from time to time. The Motability

Foundation models its financial outlook every six months in five- to ten-year scenarios which, as part of that exercise, updates the Motability Foundation's expectations of the general fund reserves position across time.

At 31 March 2023, the general fund reserve stood at £514m (2022: £418m). The rise in planned general fund expenditure next year to ca. £130m (2022: ca. £100m) means that the general fund reserve represents 3.9 years' prospective charitable expenditure (2022: 4.2 years), underpinning the Motability Foundation's goal of delivering record charitable spending at a time of exceptional demand from beneficiaries.

The parallel growth in free reserves, i.e. excluding intangible and tangible fixed asset and designated funds and planned charitable spending can be seen as follows: free reserves stand at £468m (2022: £365m) or 3.6 years' prospective spend as compared to 3.65 years last year. Increased resources underpin increased spending plans. Future spending plans will see free reserves fall back to around or below two years' charitable expenditure over the next two years.

#### **Designated fund reserve policy:**

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

Within general funds at 31 March 2023, the Board of Governors had

designated a reserve for grants to organisations and charities to be awarded over three years and the balance stood at £43.9m (2022: £50m) as the first grants were made under six new Grant Impact Programmes launched in the year.

#### **Restricted fund reserve policy:**

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

Lower activity at the Department for Work and Pensions led to a lower value of grants awarded, outweighed by the impact of higher interest rates. As a result, the value of this fund rose in the year to £43.7m (2022: £42.5m). The funds on hand are expected to be sufficient to meet future expenditure once activity recovers.

#### **Expendable Endowment fund reserve policy:**

The Motability Foundation's Endowment fund is held by the Motability Endowment Trust (MET), a separate legal entity and a linked charity (formerly known as the Motability Foundation). MET's sole purpose is to support the Motability Foundation, providing a degree of

financial stability to enable the Motability Foundation's grant programmes to continue when donations from Motability Operations fall below expectation or a donation cannot be made due to economic conditions. The Motability Foundation, in its role as sole corporate Trustee of MET, has determined that MET's expendable Endowment reserve policy is:

- To maintain the Endowment's real spending power in the medium-to-long term for the benefit of the Motability Foundation's activities and beneficiaries
  - Other than in delivering the financial strategy's risk appetite as from time to time approved by the Board, to only draw from the Endowment's capital when a permanent substantial improvement to disabled people's transportation can be obtained – a 'once-in-a-generation' opportunity (since such an opportunity would reduce future calls on the Motability Foundation's funds and thus on the Endowment). A decision to spend Endowment capital in this or any other circumstance is reserved to the Board of Governors, usually upon the recommendation of the Audit & Risk Committee in consultation with the Investment Committee
- The Endowment fund represents the net assets of MET. These fell in value by £11m or 0.9 per cent to £1,224m from £1,235m last year as a result of investment management costs in a year of flat investment returns from weak financial markets. Further detail on the performance of MET can be found on pages 60-62.

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

## Investment Policy and Return

General funds are invested in assets that provide short-term liquidity and are likely to preserve their nominal value and otherwise in diversified credit assets that are likely to earn a return in line with the Bank of England's long-term inflation target or ca. 2 per cent p.a. The rise in interest rates over the last year and the buying opportunity presented by market turmoil in September and October 2022 meant that at 31 March 2023 the Motability Foundation's general fund financial assets were earning a weighted average yield of 5.38 per cent.

Restricted funds are invested in assets that provide short-term liquidity and are likely to preserve their nominal value with a high degree of confidence and otherwise in diversified credit assets that are likely to earn a return in line with the Bank of England's inflation target of 2 per cent p.a. The opportunity was taken to rebalance credit asset holdings in late 2022. As at 31 March 2023, the Motability Foundation's restricted funds were earning a weighted average yield of 4.52 per cent.

MET's investment policy is to invest in diversified real assets with an asset allocation and responsible investment policy so as to earn a long-term target investment return of CPI+4%. More information can be found on MET and its investments on pages 60-62.

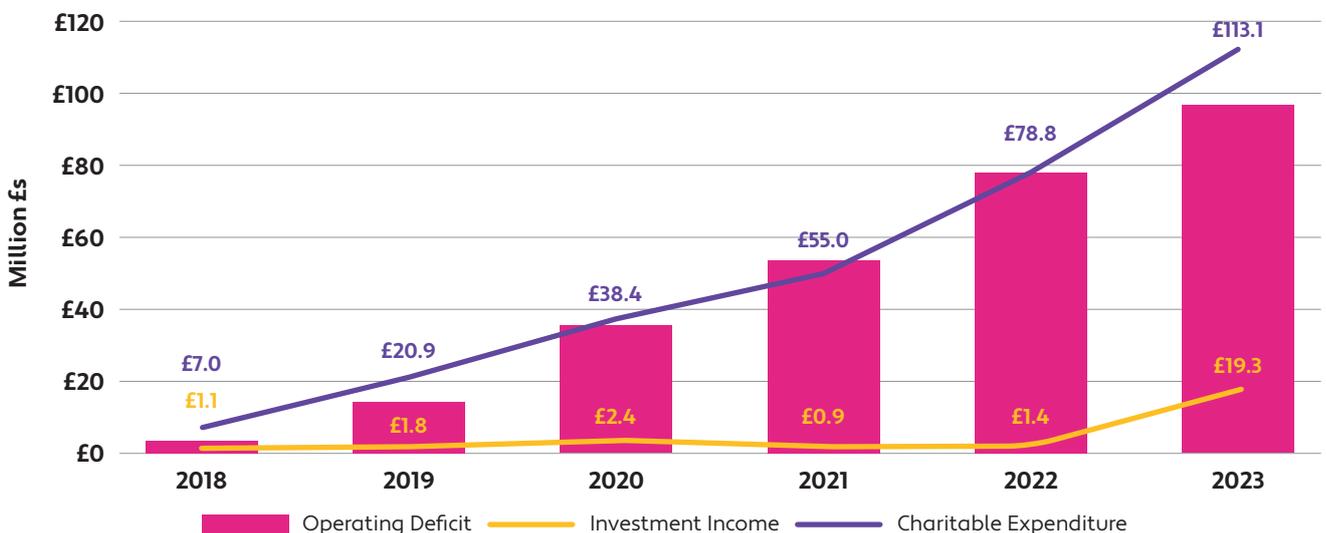
The Motability Foundation and MET pursue these investment policies

advised by Lane Clark & Peacock, Wilshire Associates and the Chief Investment Officer. The Motability Foundation's and MET's responsible investment policy are aligned and the appointed managers' ethical, social and governance policies, and investment processes have been reviewed during the year. The Board of Governors has reviewed the Motability Foundation's and MET's treasury and investment policies during the year.

## General Fund Underlying Operating Deficits Over Time

As investment gains and losses can be volatile and Motability Operations' donations can be uncertain as to value and timing, excluding these significant but volatile figures gives a useful measure for the underlying rate that the Motability Foundation

### General Fund Underlying Operating Deficits 2018-2023



is using up its general funds – the general fund underlying operating deficits columns in the graphic. The Motability Foundation’s general fund charitable expenditure (line graph in the graphic on page 57) has grown sharply in recent years funded by donations from Motability Operations in the last two years. More recently, general fund investment income (line graph in the graphic on page 57) has grown markedly, albeit from a low base, in the last year as interest rates have risen.

Overall, the graphic shows the impact of rising general fund charitable expenditure has been softened by rising investment income but the rate of increase is still substantial for the underlying general fund operating deficit. The Governors continue to increase planned general fund expenditure in view of the increased general fund reserves available to them and the degree of need amongst beneficiaries, and will keep the planned rate of expenditure under review.

## Pension Schemes

The Motability Foundation operates a defined contribution pension scheme for its employees and has a closed defined benefit pension scheme. The costs of the pension schemes charged to the Statement of Financial Activities are shown in Note 7 to the accounts.

The defined benefit pension scheme shut to new members in 2005 and to future accrual in 2012. At 31 March 2023 the pension fund’s assets and liabilities were £18.1m and £18.9m (2022: £24.8m and £26m) respectively,

resulting in a deficit of £0.7m (2022: deficit of £1.1m). Further information is given in Note 21 to the annual accounts. The last triennial actuarial valuation took place as at 31 March 2022, updated to 30 June 2022, and showed the Motability Scheme’s assets were £21.2m and its liabilities were £21.1m, resulting in a surplus of £0.1m in the year. The Motability Foundation made contributions of £0.2m (2022: £0.1m).

## Outlook - Overview

The Motability Foundation’s principal source of income is donations from Motability Operations. In the last three years, COVID-19 and global supply chain difficulties have reduced the supply of new vehicles and so new vehicle prices have risen significantly. As a consequence, demand for and the price of second-hand vehicles have risen strongly. To date, these effects have increased Motability Operations’ profits in two ways: through the higher prices received when vehicles are sold at the end of leases; and by reducing the expense of vehicle depreciation during the lease.

Motability Operations recycles its profits to help disabled people: higher profits are being ploughed back into direct and indirect support for disabled people, reducing the impact of higher new vehicle prices by subsidising lease prices for customers – which may also help to alleviate some of the pressure on the Motability Foundation’s grant-making. Lower lease prices are likely to mean lower future profits or even losses over the next few years for Motability Operations.

Meanwhile, it remains uncertain as to how quickly global supply difficulties will resolve themselves and the economic outlook for the UK is uncertain, as is the future path of second-hand vehicles. These variables make it difficult to forecast Motability Operations’ future profitability and capital needs, particularly beyond 2023. This introduces corresponding uncertainty into the prospects of further donations from Motability Operations. Fortunately for customers, Motability Operations enters this period of uncertainty in a healthy financial position.

The donations from Motability Operations in the last two years have provided record resources to the Motability Foundation. The Motability Foundation has responded with its largest ever three-year spending plan, covering the last year and the next two, aiming at charitable expenditure of ca. £350m+ over this period. That means maintaining and growing expenditure at or from current levels over the next two years.

The Endowment should see net income grow over the next year as a result of becoming fully invested. Whilst MET’s portfolio has yet to fully mature, this milestone means that MET is well placed to play its part in supporting charitable expenditure in future years where Motability Operations is unable to make a donation.

For now, the Motability Foundation will respond to current unprecedented grant demand and its robust level of general fund resources with record planned charitable expenditure over the next two years. The Motability Foundation will keep under review



expected charitable expenditure in the medium term.

## Outlook - Liquidity and Going Concern

At 31 March 2023, cash stood at £30.4m (2022: £38.3m). The Motability Foundation's general fund held cash, money market instruments and investment grade bonds maturing within one year totalling £127m (2022: £78.3m). The balance of the cash required will be made up from asset disposals.

The restricted fund held cash and money market balances of £33.5m (2022: £43m) with which to meet grant payments. A further £10.7m was held in relatively short duration credit assets.

At the year end, MET held cash, money market instruments and investment grade bonds maturing within one year of £134m (2022: £218m). MET also had investment commitments of £144m (2022: £125m). The balance of cash required will be made up from asset disposals.

Thus, at 31 March 2023, the total of cash to hand and maturing assets that can deliver cash if required in

2023/24 in the general and restricted funds to meet charitable expenditure and grant commitments is £161m. Outstanding grants have continued to grow, mainly due to the difficulty of sourcing vehicles for our beneficiaries, and now stand at £76m (2022: £44.5m). The potential for outstanding grant awards to become payable if vehicle supply improves or for restricted fund spending to increase if Department for Work and Pensions activity levels were to recover are both carefully monitored.

The diversified base of credit investments held by the general and restricted funds will ensure liquidity is available in good time as either trend will unfold over a period. The cash on hand and maturing over the year provides a substantial cushion in the event of a shock to credit markets that might delay the ability to realise other investments for full value.

The Governors are satisfied that the Motability Foundation and MET have the liquidity needed to meet expenditure and investment commitments in 2023/24.

The Motability Foundation reviews

its future spending plans in five- and ten-year scenarios every six months to allow for differing levels of future income, principally donations from Motability Operations, and different levels of future spending. Following this year's £200m donation from Motability Operations, general funds at 31 March 2023 were £514m, including the cash on hand and maturing from assets over the next 12 months outlined above.

The Motability Foundation will protect its core spending and curtail other grant programmes where necessary. The Motability Foundation's future plans, budgets, reserves levels and cash flow forecasts for a period of more than 12 months from the date of signature of these accounts have been prepared by management and reviewed by the Governors.

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

# Motability Endowment Trust

## Summary of the Year

In volatile markets, MET achieved its goals of becoming fully invested and further diversifying its holdings. The Russia-Ukraine war caused sharp rises in food and energy prices exacerbating the effect of existing post-COVID 19 supply chain issues. As a result, markets fell amidst fears of a global slowdown in economic activity as Central Banks raised interest rates to counter higher inflation. Sterling's weakness during the year mitigated these falls. Meanwhile, net income again rose and should rise further in the year ahead as new investments are held for a full year and the portfolio continues to develop.

As a long-term investor, MET can wait patiently for financial markets to return to growth. MET's focus on real assets (investments that should ultimately rise in value if inflation rises) appears sound and the Motability Foundation, as the Trustee,

keeps the investment strategy under review.

### Asset Allocations

During the year, MET became closer to being fully invested with infrastructure and property added as investment classes. Additions were made to venture capital and private credit in 'other assets'. Towards the end of the year, MET sought to lower its investment management costs and reduce the underlying complexity of its portfolios by investing more of its money directly with a smaller number of selected fund managers. This resulted in some cash awaiting investment at the year end. The revised asset allocations are given in the table and illustrated in the graph below, showing the evolution of the portfolio over recent years.

### Investment Performance

As commented on last year, markets opened the year at elevated levels and subsequently fell owing to geopolitical and economic factors. The opening and closing values for each asset class, along with performance in the year, are given in the table below.

The value of the Endowment fell slightly in the year, by £11m or 0.9 per cent (2022: grew by £81m or 7 per cent) to £1,224m (2022: £1,235m) due to investment management costs – net returns before costs were £1.5m (2022: £81.3m), a welcome contrast to heavy falls seen in some markets. Weakness in property values was compensated for by relative stability or gains elsewhere in the portfolio coupled with gains from the weakness of sterling. The continued surge in inflation from 7 per cent in March 2022 to 10 per cent in March 2023 (peaking at over 11 per cent in the year) meant

ASSET CLASS	Valuations: £ million				Investment performance figures % p.a.		
	31 March 2020	31 March 2021	31 March 2022	31 March 2023	Year to 31 March 2022	Year to 31 March 2023	Since Inception
Equity Securities	325	632	858	811	11.6	-1.5	8.3
Debt Securities	207	173	89	9	0.4	-1.1	0.5
Infrastructure and Property	0	0	25	147	0.0	-8.3	-8.3
Other	38	95	120	126	12.4	4.9	7.2
Money Market Instruments	281	244	131	123	0.0	1.2	0.5
Cash	160	10	12	8	0.0	0.4	0.3
<b>Total</b>	<b>1,011</b>	<b>1,154</b>	<b>1,235</b>	<b>1,224</b>	<b>7.2</b>	<b>-0.9</b>	<b>4.4</b>

that the portfolio underperformed its long-term target of CPI+4% in the year and since inception. The risk of volatility due to high market valuations was noted in the last two annual reports. Whilst the duration and impact of the Russia-Ukraine war was not expected, a setback to investment performance must be expected from time to time.

Income and investment management costs both rose again as the proportion of assets in long-term real investments increased and earlier investments were held for a full year. Income was £19.7m (2022: £11.4m) and investment costs were £12.1m (2022: £7.5m). As a result, net income nearly doubled to £7.6m (2022: £3.9m), in line with expectations.

The board of the Motability Foundation, in its capacity as sole Trustee of MET, would like to thank

Cazenove Capital, Marylebone Partners and Stanhope Capital for their contributions to establishing MET's investment portfolio and for their prior support to the Motability Tenth Anniversary Trust which donated its funds to MET.

### Governance and Management

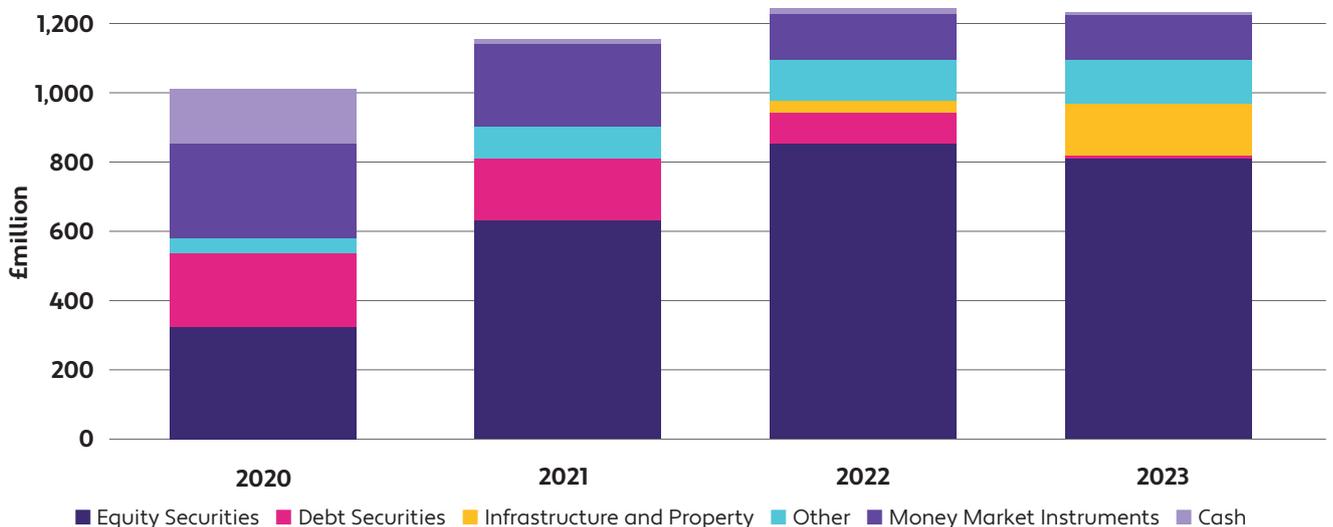
MET's sole purpose is to support the Motability Foundation. As disabilities are often long term, it is important to sustain the Motability Foundation's grant-making for our beneficiaries. MET provides a degree of financial stability to the Motability Foundation's grant-making activities, enabling grant programmes to continue when donations from Motability Operations fall below expectation or a donation cannot be made due to economic

conditions. It is intended that the Endowment's capital will only be drawn upon to fund 'once-in-a-generation' opportunities that will sharply improve transportation for disabled people because the resulting reduction in beneficiary need will reduce the required size of MET.

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

MET does not prepare separate financial statements; its results are presented within the Motability Foundation's consolidated financial

## Investment Values by Asset Class at 31 March



statements, included as the Endowment column in the Statement of Financial Activities. MET's Investment Committee operates within terms of reference delegated from the Trustee and within the scope of the investment policy, including an asset allocation strategy and a responsible investment policy, approved by the Trustee. The terms of reference for the Investment Committee and the investment policy are reviewed regularly. MET has appointed a Chief Investment Officer to advise upon and support the implementation of the investment policy and the monitoring of investment managers' performance. The primary external investment adviser is Lane Clark & Peacock, and supplementary advice is received from Wilshire Associates on venture capital and private equity investment selection.

MET's investment policy targets a medium-to-long-term investment return of inflation plus four per cent (CPI+4%, the inflation measure is the UK consumer price index). This level of return is intended to maintain the capital of the Endowment and

so support grant-making for future generations of beneficiaries. The investment policy is communicated to MET's fund managers. The fund managers' ethical, social and governance engagement, policies and processes were kept under review during the year. Further fund managers were evaluated, including their approach to responsible investment, and appointed. The principal fund managers are noted on page 122.

The principal financial risks are set out along with their mitigation more fully in the Financial Review on pages 52-59. The Investment Committee reviewed rising inflation, market and currency risks with their advisors and concluded that the long-term strategy of holding real investments capable of delivering CPI+4% was sound. Limited hedging into sterling was implemented towards the end of the year given that the Motability Foundation's expenditures are denominated in sterling; residual currency risk is accepted. Counterparty risk is mitigated through diversifying fund managers and custodians, and by legal and investment due diligence. Liquidity risk is managed through cash flow forecasting, carefully sequencing buy and sell trades.

## Outlook and Plans for the Future

Rising interest rates and economic risks associated with rising inflation and geopolitical factors may limit investment returns for a period. MET will complete its move to direct investment with selected fund managers and add steadily to its holdings in private asset classes whilst keeping asset allocations, risks and fund managers' performance under review. Liquidity is carefully monitored and is sufficient for current plans.

Whilst it may take some time for the portfolio to catch up with its investment target, the focus on real assets at a time of heightened inflation is appropriate to the goal of being able to support disabled people's transport needs in the years ahead.



# Making all journeys accessible



# Governors' Report

## **The Accounts comply with the requirements of the Charities Act 2011, the Royal Charter, and the Charities Statement of Recommended Practice (SORP) (FRS 102) 2019.**

The Patrons, Life President and Life Vice-President, present Governors, any past Governors, Members who served during the year and key executive employees are shown on page 123 of this report. Details of the registered office and professional advisors are shown on page 122 and the back cover.

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

## **Public and Charitable Benefit**

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

This Annual Report reviews the work of the Motability Foundation over the past year and sets out the aims for 2023/24. In reviewing the performance and future aims, Governors have due regard for the guidance published by the Charity Commission on public

benefit and have complied with Section 17 of the Charities Act 2011 in this respect. Providing access to transport and helping to make transport more accessible is the Motability Foundation's contribution to society throughout the United Kingdom.

## **Structure, Governance and Management**

### **Governors and Members**

Under the Motability Foundation's Royal Charter, Governors are appointed from the membership. Any individual can apply to the Board for election as a Member (if they are not a paid employee of the Motability Foundation). Members may be appointed by the Motability Foundation Board without the intention of becoming Governors. When a vacancy arises for a Governor, or if the Board needs to appoint someone with specialist knowledge, the Board reviews the membership for candidates. If no current Member has the necessary skill or experience, the Board seeks to recruit a new Member. Their appointment as Governor is approved at the Annual General Meeting (AGM).

Governors serve three-year terms. They may offer themselves for

re-election and serve up to three terms. Governors meet at least five times per year. These meetings include four quarterly Board meetings and the AGM. The Board delegates responsibility for the implementation of policy and reviews of performance to a number of Committees. The Committees are required to meet prior to Board meetings and formally report to them so that recommendations for changes in strategy or policy can be authorised by the full Board.

New Governors undergo an induction on the role of the Motability Foundation and their duties as a Board Member. They are provided with an information folder that contains the Royal Charter, current Business Plan, recent financial reports, and Charity Commission Trustee welcome documents. Throughout the year, Board Members receive updates on information relevant to their role and are supported with training needs as appropriate. The Governors are not remunerated but may be compensated for loss of earnings.

Governors' expenses are reimbursed, and these are detailed in Note 7B to the financial statements. Related parties are identified when new transactions arise and are set out

in Note 7D to the financial statements. The foundation has one wholly owned subsidiary, Motability Enterprises Ltd, about which further details are given in Note 2 to the financial statements, and it is the sole corporate Trustee of the Motability Endowment Trust.

The Governors are responsible for the maintenance and integrity of the foundation and financial information on the foundation's website; [motabilityfoundation.org.uk](http://motabilityfoundation.org.uk).

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The systems of internal control follow Charity Commission Guidelines (CC8), designed to provide reasonable but not absolute assurance against material misstatement or loss. They include:

- An annual budget approved by the Governors
- Regular consideration by the Governors of financial results, variations from budget, details of cash flow and bank balances
- Delegation of day-to-day management authority and segregation of duties
- Identification and management of risks

- An investment policy and regular reviews of investment risks and returns

### **Scheme Oversight Committee**

The Committee ensures that the Motability Foundation effectively oversees the performance and financial position of the Motability Scheme. It reports to the Board of Governors regularly. It comprises three Governors who have appropriate skills and experience in relation to the oversight of the Motability Scheme. The Committee meets quarterly and is supported by senior management of both the Motability Foundation and Motability Operations. The Committee was chaired during the year by Ed Humpherson CB. The other Governors serving on the Committee are David Hunter and Sukhi Clark.

### **Grant-Making and Innovation Committee**

The Committee oversees all of the Motability Foundation's grant-making and innovation activities. The Committee comprises four Governors and was chaired during the year by Robin Hindle Fisher OBE. Other Governors serving on the Committee are Dr Juliana Onwumere, Professor

William Webb and Dr Hannah Barham-Brown.

### **Audit and Risk Committee**

This Committee is responsible for the oversight of Risk Assessment, Risk Management and Internal Controls. The Committee is also charged with reviewing the performance of both internal and external audits, and for making recommendations to the Board in respect of the appointment of external and internal auditors. The ARC comprises three Governors. The Committee was chaired during the year by the Honorary Treasurer, David Hunter. Other Governors serving on the Committee are Richard Cartwright and Tony Davis. William Webb stood down in March 2023.

### **Investment Committee**

This Committee appoints, monitors and can remove investment managers in pursuit of the investment strategy contained within the Investment Policy. The Committee is chaired by Charles Manby MBE, and the other Governors serving on the Committee are David Hunter and Robin Hindle Fisher OBE. The Committee has two independent members; David Pritchard and Peter Oppenheimer.

## Remuneration Committee

The Committee reviews the remuneration of the Chief Executive and Directors, as well as the employee pay and benefits plan. The Remuneration Committee comprises three Governors and is currently chaired by the Chairman, Charles Manby MBE, supported by Richard Cartwright and Hannah Barham-Brown.

## Nomination Committee

The Committee identifies and recommends the appointment of new Governors, evaluating the balance of skills, knowledge and diversity on the Board, and considers all candidates based on merit and against objective criteria. The Committee also recommends the appointment of the Chief Executive and Directors to the Board of Governors. The Nomination Committee comprises at least two Governors and is chaired by Charles Manby MBE, supported by Ed Humpherson CB.

## The Chief Executive Officer

The Chief Executive Officer is responsible for the day-to-day management of the Motability Foundation's operations and the

relationships with stakeholders, including Government, Motability Operations and the Regulators. The Chief Executive Officer is supported by a senior management team to ensure the implementation of policies agreed by the Governors. The current Chief Executive Officer is Barry Le Grys MBE.

## Governance Review

The Board has adopted the principles of good governance in the Charities Governance Code. The Motability Foundation's activities continue to grow and evolve. As part of ensuring that governance remains fit for purpose, the Board of Governors' practice and the Charity's governance framework is reviewed regularly against this Code, including self-assessment by Board Committees, skills audits of the Board and the continuing follow-up of the recommendations of the 2021 governance review conducted by Fidelio. The Governors have taken account of the Charity Commission's guidance on public benefit when reviewing the Motability Foundation's objective, plans and activities.

## Companies Act 2006

Companies are required to include a statement in their strategic report of how directors have complied with their duty to have regard to the matters in Section 172 (1) (a)-(f) of the Companies Act 2006 ('the Act'). The Motability Foundation does not have to report against Section 172 but considers it good practice. One of the key clauses is the need to act fairly between members of the company. We listen to, and engage effectively with, our wide variety of stakeholders on whom the future success of the Motability Foundation depends, including service users, supporters, employees and suppliers, to ensure responsible decisions are made. This helps us ensure that any decisions are sustainable in the long term and do not disproportionately affect any single stakeholder group. To this end, the Board notes the key decisions and considerations it has made during the year to March 2023, and our relationships with key stakeholders, in the tables on the following page.

## Significant Decisions

SIGNIFICANT DECISION	SECTION 172 MATTER AFFECTED	ACTION
Increased and highest budget envelope to date for charitable expenditure in 2023/24.	Relationship with beneficiaries, suppliers, other charities and not-for-profit organisations.	The foundation is aiming to achieve the higher level of ambition set out in its current strategy including an expenditure of £50m over three years to deliver impact upon the transport needs of disabled people in concert with other organisations.
Support the intention of Motability Operations to apportion £645m of capital to invest in protecting affordability and to commit £525m in New Vehicle Payments.	Relationship with Motability Operations and their delivery of the Motability Scheme; the major way in which the Motability Foundation assists disabled people with mobility is by contracting and overseeing Motability Operations to deliver the Motability Scheme.	Motability Operations will invest to keep prices on the Scheme as low as possible as the cost of vehicles continue to rise, and to help customers make the best of their new vehicle and get them on the road.
Select the consortia led by Coventry University to establish an evidence centre for disability and transport.	The Centre is to generate evidence and demonstrate 'what works' in disability and transport. The decision was informed by the foundation's strategic prioritisation framework; to amplify the voices of disabled people to influence inclusive transport practice and policy.	The Centre has been launched and an Independent Chair of the Centre consortia Board appointed. The Board has strong lived experience presence. Funding is assured for seven years.
Focus upon Government funding mechanisms and the endorsing of accreditation schemes to increase adoption of PAS 1899, the national accessible charging standard, which has now been published.	The Motability Foundation's beneficiaries are all disabled people and this assistance is vital for the national transition to electric vehicles and their participation.	All future charge point installations should meet a minimum level of accessibility, including considerations around information services and data standards.
Revised vehicle eligibility criteria for the Motability Scheme.	Choice, value and sustainability for customers are key tenets of the Motability Scheme. The new criteria will enable Motability Operations to pursue these in a challenging and changing market.	The first pricing round of 2023 observed the new criteria.
Lifestyle Magazine is to continue the digital transition in a measured fashion and be produced in concert with Motability Operations.	The magazine is distributed quarterly to opted-in Motability Scheme customers, informing and updating them on the Scheme and disability matters.	Lifestyle's readership is estimated to be 820,000 for each of four issues in the year.
Undertake a proof of concept programme with volunteer car clubs.	The Motability Foundation is keen to understand more about how car clubs can work across the country and to use the knowledge for systems level change if possible in the community transport sector for disabled people.	Four organisations are being sponsored to conduct the programmes over 18 months.

# Key Stakeholders

Key stakeholder and why they are important to our success	How we engage	Where to find key highlights of 2022/23 and further information in this report
<p>UK and Scottish Governments: the major way in which the Motability Foundation assists disabled people with mobility is by contracting and overseeing Motability Operations to deliver the Motability Scheme. The transfer of Government benefits and VAT status for the Scheme are under the authority of the UK and Scottish Governments.</p>	<p>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.</p>	<p>Motability Scheme from page 14</p>
<p>Motability Operations: the major way in which the Motability Foundation assists disabled people with mobility is by contracting and overseeing Motability Operations to deliver the Motability Scheme.</p>	<p>There is a performance framework in place: monthly reporting against KPIs; quarterly Scheme Oversight Committee meets; analysis of customer research and surveys. Motability Operations Directors brief the Motability Foundation Board quarterly. The Motability Foundation attends specific Motability Operations governance committees. The senior management of the Motability Foundation and Motability Operations are routinely in dialogue.</p>	<p>Motability Scheme from page 14</p>
<p>Beneficiaries and Potential Beneficiaries: As a charity, the Motability Foundation must always act within its charitable object in the best interests of its beneficiaries, who are all disabled people in need of assistance with their personal transportation.</p>	<p>The Motability Foundation continually surveys the beneficiary experience of grant-making. Our Innovation team conducts extensive research and consultation with disabled people and disability organisations, as well as our own frontline employees, to better understand what mobility problems disabled people are facing and what solutions would assist them.</p>	<p>Grant-Making from page 18 Innovation from page 36</p>
<p>Vehicle adaptation manufacturers: our Motability Scheme-Related Grants are dependent on their products.</p>	<p>The Motability Foundation provides regular briefings to manufacturers and works closely with the adaptations department of Motability Operations for delivery matters.</p>	<p>Grant-Making from page 18</p>
<p>Access to Mobility and other not-for-profit organisations: working with others increases the range and reach of how we support our disabled beneficiaries.</p>	<p>The Motability Foundation has contractual arrangements and grant agreements with other parties to deliver services for beneficiaries, and each includes a performance framework enabling evaluation and learning for developing assistance to meet beneficiary needs.</p>	<p>Grant-Making from page 18</p>
<p>NCAT: the Centre will inform the foundation how best it can support solutions that meet the needs of disabled people and work towards our vision.</p>	<p>The Motability Foundation Board governs the Centre through the Grant Agreement. The Consortium Board and Independent Chair report to the Motability Foundation Grant-Making and Innovation Committee. The Committee also has an independent Advisory Committee for Centre performance and direction. The Motability Foundation Executive monitors and evaluates the Centre on behalf of the Motability Foundation Board.</p>	<p>Innovation from page 36</p>

*Continued over the page*

## Key Stakeholders CONTINUED

Key stakeholder and why they are important to our success	How we engage	Where to find key highlights of 2022/23 and further information in this report
Employees: the Motability Foundation has two key resources; funds and its people. The skills and endeavour of employees are vital to our achievements.	The Motability Foundation conducts Employee Surveys and maintains several internal media channels for employees. There are health and wellbeing, skills development and blended working programmes	Our People from page 33
Regulators: the Motability Foundation is regulated by the Charity Commission, the Office of the Scottish Charity Regulator, the Financial Conduct Authority and Information Commissioner's Office. The correct relationship with regulators ensures good governance and practice.	The Motability Foundation is fully compliant with all reporting requirements.	Control and Assurance from page 46

### Statement of Trustees' Responsibilities and Corporate Governance

The Governors, as Trustees, are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102, the reporting standard applicable in the UK and the Republic of Ireland, Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

The law applicable to charities in England and Wales requires financial statements for each financial year to be prepared by the Governors. These should give a true and fair

view of the state of affairs of the foundation and the Group, and of the income and application of resources of the foundation for that period. In preparing these financial statements, the Governors are required to:

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

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

In so far as the Governors are aware:

- There is no relevant information of which the Group's auditors are unaware; and:

## Summary of Climate-Related Disclosures

The UK Government announced in July 2019 that it expects listed companies to provide disclosures in line with the TCFD recommendations by 2022. Whilst not yet mandatory for the Motability Foundation, this is considered best practice and the Motability Foundation is developing its disclosures and provides the following information:

RECOMMENDATIONS AND SUPPORTING DISCLOSURES			
GOVERNANCE	STRATEGY	RISK MANAGEMENT	METRIC AND TARGETS
Disclose the organisation's governance around climate-related risks and opportunities.	Disclose the actual and potential impacts of climate-related risk and opportunities on the organisation's businesses, strategy and financial planning where such information is material.	Disclose how the organisation identifies, assesses and manages climate-related risks.	Disclose the metrics and targets used to assess and manage relevant climate-related risk and opportunities where such information is material.
DISCLOSURE REFERENCES			
<b>MET</b> page 60 <b>Governors' Report</b> page 65 <b>Environment Risk</b> page 48	<b>Five Strategic Pillars</b> page 14 <b>Motability Scheme</b> page 17	<b>Motability Scheme</b> page 15 <b>Scheme Oversight Risk</b> page 47 <b>Control and Assurance</b> page 46 <b>Disability Charity</b> page 43	<b>Motability Scheme</b> page 17 <b>Innovation</b> page 37 <b>Disability Charity</b> page 45

– They have taken all steps that they ought to have taken as Governors in order to make themselves aware of any relevant information and to establish that the Group's auditors are aware of that information

### Slavery and Human Trafficking Statement

The Modern Slavery Act 2015 introduced new obligations in relation to slavery and human trafficking. The foundation is fully supportive of the legislation as it is in keeping with our ethos and principles. The statement includes compliance for our supply chain partners.

**By Order of the Board**  
**Charles Manby MBE**  
**Chairman**  
**27 July 2023**

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

for the year ended 31 March 2023



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

## Opinion on the Financial Statements

### In our opinion, the financial statements:

- Give a true and fair view of the state of the Group's and of the Parent Charity's affairs as at 31 March 2023 and of the Group's incoming resources and application of resources for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended

We have audited the financial statements of Motability ("the Parent Charity") and its subsidiaries ("the Group") for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, Statement of Financial Activities - Charity Only, the Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including

Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Independence

We remain independent of the Group and the Parent Charity in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

## Conclusions Related to Going Concern

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

we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

## Other Information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether

## Independent Auditor's Report to the Trustees of Motability

there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Matters on which we are Required to Report by Exception

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

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

### Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities and Corporate Governance, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's Responsibilities for the Audit of the Financial Statements

We have been appointed as auditor under the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether

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

### Extent to which the Audit was Capable of Detecting Irregularities, including Fraud

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

## Non-Compliance with Laws and Regulations

### Based on:

- Our understanding of the Group and the sector in which it operates;
- Discussion with management and those charged with governance and the Audit and Risk Committee; and
- Understanding of the Group's policies and procedures regarding compliance with laws and regulations; we considered the significant laws and regulations to be the applicable accounting framework, UK tax legislation and employment law.

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

### Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations

- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of Serious Incident Reports made by the entity

### Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance, the Audit and Risk Committee and internal audit regarding any known or suspected instances of fraud
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud
- Review of correspondence with the Financial Conduct Authority; and
- Review of Serious Incident Reports

made by the Charity to the Charities Commission

Based on our risk assessment, we considered the areas most susceptible to fraud to be income recognition, payments including grant payments and investments valuation.

### Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation
- Involvement of forensic specialists in the audit to consider potential instances of fraud
- Assessing significant estimates made by management for bias, including valuation of investments and PIP provision, by consideration of the basis of estimation and inputs to the calculations
- Enquiries of thirds parties, where information had been used by the group in preparation of the financial statements, particularly including investment manager and custodian confirmations of year-end valuations and investment holdings; and
- Audit testing a sample of payments, grants awards and commitments ensuring these have been made in accordance with authority limits, award letters and internal control procedures

## Independent Auditor's Report to the Trustees of Motability

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

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

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

### Use of our Report

This report is made solely to the Charity's Trustees, as a body, in accordance with the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

#### **BDO LLP, statutory auditor**

London, UK

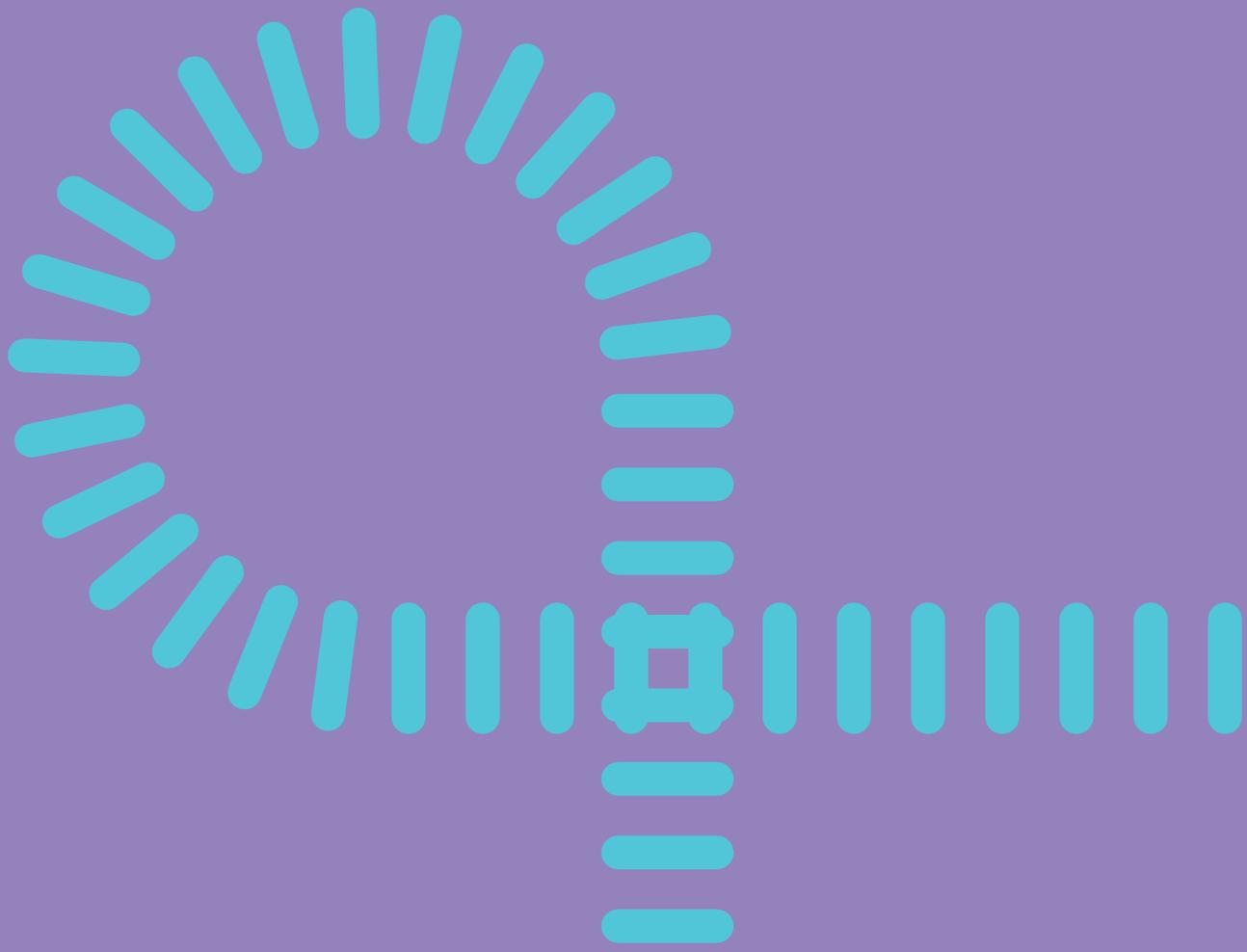
Date: 27 July 2023

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

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

# Financial Statements

for the year ended 31 March 2023



# Consolidated Statement of Financial Activities

for the year ended 31 March 2023

		Unrestricted Funds 2023 £'000	Restricted Funds 2023 £'000	Endowment Fund 2023 £'000	Group Funds 2023 £'000	Unrestricted Funds 2022 £'000	Restricted Funds 2022 £'000	Endowment Fund 2022 £'000	Group Funds 2022 £'000
	Note								
<b>Income and Endowments from:</b>									
Voluntary Fundraising Income		260	-	-	260	180	-	-	180
Motability Operations Donations		200,000	-	-	200,000	170,000	-	-	170,000
<b>Donations and Legacies</b>		<b>200,260</b>			<b>200,260</b>	<b>170,180</b>			<b>170,180</b>
Other Trading Activities	2	723	-	-	723	688	-	-	688
Income from Investments	3	19,295	443	19,668	39,406	1,416	60	11,392	12,868
Other Income		4	-	-	4	10	-	-	10
<b>Total Income and Endowments</b>		<b>220,282</b>	<b>443</b>	<b>19,668</b>	<b>240,393</b>	<b>172,294</b>	<b>60</b>	<b>11,392</b>	<b>183,746</b>
<b>Expenditure on:</b>									
Raising Funds	5	3,609	64	12,089	15,762	1,588	2	7,523	9,113
Grants to Individuals		92,254	197	-	92,451	71,257	(1,166)	-	70,091
Grants to Organisations		17,193	-	-	17,193	4,118	-	-	4,118
Build Awareness		1,889	-	-	1,889	1,439	-	-	1,439
Innovation		1,424	-	-	1,424	1,167	-	-	1,167
Motability Scheme		303	-	-	303	771	-	-	771
<b>Total Charitable Expenditure</b>	<b>4</b>	<b>113,063</b>	<b>197</b>	<b>-</b>	<b>113,260</b>	<b>78,752</b>	<b>(1,166)</b>	<b>-</b>	<b>77,586</b>
<b>Total Expenditure</b>		<b>116,672</b>	<b>261</b>	<b>12,089</b>	<b>129,022</b>	<b>80,340</b>	<b>(1,164)</b>	<b>7,523</b>	<b>86,699</b>
<b>Net Income Before Gains / (Losses) on Investments</b>									
		<b>103,610</b>	<b>182</b>	<b>7,579</b>	<b>111,371</b>	<b>91,954</b>	<b>1,224</b>	<b>3,869</b>	<b>97,047</b>
Net (Losses) / Gains on Investments	10	(8,145)	1,072	(18,198)	(25,271)	(4,549)	10	77,333	72,794
<b>Net Income / (Expenditure)</b>		<b>95,465</b>	<b>1,254</b>	<b>(10,619)</b>	<b>86,100</b>	<b>87,405</b>	<b>1,234</b>	<b>81,202</b>	<b>169,841</b>
Transfers Between Funds		-	-	-	-	-	-	-	-
<b>Other Realised Gains and Losses</b>									
Actuarial Gain on Defined Pension Scheme	21	479	-	1	480	1,673	-	-	1,673
<b>Net Movement in Funds</b>		<b>95,944</b>	<b>1,254</b>	<b>(10,618)</b>	<b>86,580</b>	<b>89,078</b>	<b>1,234</b>	<b>81,202</b>	<b>171,514</b>
Fund Balances at 1 April 2022		418,382	42,488	1,235,020	1,695,890	329,304	41,254	1,153,818	1,524,376
<b>Fund Balances at 31 March 2023</b>	<b>17, 18, 19</b>	<b>514,326</b>	<b>43,742</b>	<b>1,224,402</b>	<b>1,782,470</b>	<b>418,382</b>	<b>42,488</b>	<b>1,235,020</b>	<b>1,695,890</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 82-120 form an integral part of the financial statements.

All the Group's financial activities in this and the prior year were continuing.

The Endowment Fund column represents the financial activities of the Motability Endowment Trust.

# Statement of Financial Activities (Charity Only)

for the year ended 31 March 2023

		Unrestricted Funds 2023 £'000	Restricted Funds 2023 £'000	Endowment Fund 2023 £'000	Charity Funds 2023 £'000	Unrestricted Funds 2022 £'000	Restricted Funds 2022 £'000	Endowment Fund 2022 £'000	Charity Funds 2022 £'000
	Note								
<b>Income and Endowments from:</b>									
Voluntary Fundraising Income		375	-	-	375	445	-	-	445
Motability Operations Donations		200,000	-	-	200,000	170,000	-	-	170,000
<b>Donations and Legacies</b>		<b>200,375</b>	-	-	<b>200,375</b>	<b>170,445</b>	-	-	<b>170,445</b>
Income from Investments		19,292	443	19,668	39,403	1,416	60	11,392	12,868
Other Income		14	-	-	14	20	-	-	20
<b>Total Income and Endowments</b>		<b>219,681</b>	<b>443</b>	<b>19,668</b>	<b>239,792</b>	<b>171,881</b>	<b>60</b>	<b>11,392</b>	<b>183,333</b>
<b>Expenditure on:</b>									
Raising Funds		1,871	64	12,089	14,024	707	2	7,523	8,232
Grants to Individuals		92,254	197	-	92,451	71,258	(1,166)	-	70,092
Grants to Organisations		17,193	-	-	17,193	4,118	-	-	4,118
Build Awareness		3,026	-	-	3,026	1,906	-	-	1,906
Innovation		1,424	-	-	1,424	1,167	-	-	1,167
Motability Scheme		303	-	-	303	771	-	-	771
<b>Total Charitable Expenditure</b>		<b>114,200</b>	<b>197</b>	-	<b>114,397</b>	<b>79,220</b>	<b>(1,166)</b>	-	<b>78,054</b>
<b>Total Expenditure</b>		<b>116,071</b>	<b>261</b>	<b>12,089</b>	<b>128,421</b>	<b>79,927</b>	<b>(1,164)</b>	<b>7,523</b>	<b>86,286</b>
<b>Net Income Before</b>									
<b>Gains / (Losses) on Investments</b>		<b>103,610</b>	<b>182</b>	<b>7,579</b>	<b>111,371</b>	<b>91,954</b>	<b>1,224</b>	<b>3,869</b>	<b>97,047</b>
Net (Losses) / Gains on Investments	10	(8,145)	1,072	(18,198)	(25,271)	(4,549)	10	77,333	72,794
<b>Net Income / (Expenditure)</b>		<b>95,465</b>	<b>1,254</b>	<b>(10,619)</b>	<b>86,100</b>	<b>87,405</b>	<b>1,234</b>	<b>81,202</b>	<b>169,841</b>
Transfer Between Funds		-	-	-	-	-	-	-	-
<b>Other Realised Gains and Losses</b>									
Actuarial Gain on Defined Pension Scheme	21	479	-	1	480	1,673	-	-	1,673
<b>Net Movement in Funds</b>		<b>95,944</b>	<b>1,254</b>	<b>(10,618)</b>	<b>86,580</b>	<b>89,078</b>	<b>1,234</b>	<b>81,202</b>	<b>171,514</b>
Fund Balances at 1 April 2022		418,367	42,488	1,235,020	1,695,875	329,289	41,254	1,153,818	1,524,361
<b>Fund Balances at 31 March 2023</b>	<b>17, 18, 19</b>	<b>514,311</b>	<b>43,742</b>	<b>1,224,402</b>	<b>1,782,455</b>	<b>418,367</b>	<b>42,488</b>	<b>1,235,020</b>	<b>1,695,875</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 82-120 form an integral part of the financial statements.

All the Charity's financial activities in this and the prior year were continuing.

The Endowment Fund column represents the financial activities of the Motability Endowment Trust.

# Balance Sheet (Group and Charity)

as at 31 March 2023

	Note	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Intangible Fixed Assets	9	906	1,147	906	1,147
Tangible Fixed Assets	9	1,178	2,371	1,178	2,371
Fixed Asset Investments	10, 11	1,726,040	1,647,738	1,726,040	1,647,738
<b>Fixed Assets</b>		<b>1,728,124</b>	<b>1,651,256</b>	<b>1,728,124</b>	<b>1,651,256</b>
Debtors	12	6,224	3,544	6,029	3,449
Current Asset Investments	10, 11	105,491	56,864	105,491	56,864
Cash at Bank and in Hand		30,434	38,254	30,302	37,763
<b>Current Assets</b>		<b>142,149</b>	<b>98,662</b>	<b>141,822</b>	<b>98,076</b>
Creditors: Amounts Falling Due within One Year	13	(85,976)	(51,794)	(85,664)	(51,223)
<b>Net Current Assets</b>		<b>56,173</b>	<b>46,868</b>	<b>56,158</b>	<b>46,853</b>
<b>Total Assets Less Current Liabilities</b>		<b>1,784,297</b>	<b>1,698,124</b>	<b>1,784,282</b>	<b>1,698,109</b>
Creditors: Amounts Falling Due after One Year		(10)	(30)	(10)	(30)
Provisions	14	(1,080)	(1,072)	(1,080)	(1,072)
<b>Net Assets (excluding Pension Liability)</b>		<b>1,783,207</b>	<b>1,697,022</b>	<b>1,783,192</b>	<b>1,697,007</b>
Defined Benefit Pension Scheme Liability	21	(737)	(1,132)	(737)	(1,132)
<b>Net Assets</b>		<b>1,782,470</b>	<b>1,695,890</b>	<b>1,782,455</b>	<b>1,695,875</b>
Endowment Funds	19	1,224,402	1,235,020	1,224,402	1,235,020
Restricted Income Funds	18	43,742	42,488	43,742	42,488
General Unrestricted Funds	17	514,326	418,382	514,311	418,367
<b>Total Funds</b>		<b>1,782,470</b>	<b>1,695,890</b>	<b>1,782,455</b>	<b>1,695,875</b>

The Notes on pages 82-120 form an integral part of the financial statements.

The financial statements on pages 78-81 were approved and authorised for issue by the Board of Governors on 27 July 2023, and were signed on its behalf by:

Charles Manby MBE, Chairman

David Hunter FCA, Hon. Treasurer

The Endowment Funds balance refers to the Motability Endowment Trust.

# Consolidated Cash Flow Statement

for the year ended 31 March 2023

	Note	Group 2023 £'000	Group 2022 £'000 *As restated		
<b>Net Income for the Year (as per the Statement of Financial Activities)</b>		<b>86,100</b>	<b>169,841</b>		
<b>Adjustments for Non Cash Items</b>					
(Increase) / Decrease in Debtors	12	(2,680)	492		
Increase in Creditors	13	34,182	17,536		
(Decrease) in Creditors > 1yr		(20)	(20)		
Increase / (Decrease) in Provisions	14	8	(1,662)		
Reinvested Investment Income	10	(23,021)	(10,396)		
Investment Management Fees Charged to Capital	10	13,022	1,799		
Depreciation	9	1,564	1,293		
Amortisation	9	313	253		
Loss on Disposal of Intangible Fixed Assets	9	163	-		
Gain on Disposal of Tangible Fixed Assets	9	(4)	-		
FRS 102 Pension Adjustment	21	84	173		
Losses / (Gains) in the Year	10	25,238	(67,577)		
<b>Adjustments to exclude Investment Activities</b>					
Investment Income Received	3	(13,291)	(2,535)		
Interest Income Received	3	(668)	(396)		
Investment Management Fees Paid		316	1,137		
<b>Net Cash Flows from Operating Activities</b>		<b>121,306</b>	<b>109,938</b>		
<b>Cash Flows from Investing Activities:</b>					
Investment Income	3	13,291	2,535		
Interest Income	3	668	396		
Investment Management Fees Paid		(316)	(1,137)		
Purchases of Intangible Fixed Assets	9	(235)	(515)		
Purchases of Tangible Fixed Assets	9	(370)	(1,752)		
Proceeds from Sales of Fixed Assets	9	4	-		
Purchases of Fixed Assets Investments	10	(672,638)	(716,920)		
Proceeds from Sales of Fixed Assets Investments	10	578,193	466,107		
Purchases of Current Assets Investments	10	(184,839)	(32,000)		
Proceeds from Sales of Current Assets Investments	10	138,081	182,361		
(Decrease) in Investment Cash		(965)	-		
<b>Net Cash Flows used in Investing Activities</b>		<b>(129,126)</b>	<b>(100,925)</b>		
Change in Cash and Cash Equivalents for the Year		(7,820)	9,013		
Cash and Cash Equivalents Brought Forward		38,254	29,241		
<b>Cash and Cash Equivalents</b>		<b>30,434</b>	<b>38,254</b>		
<b>Consolidated Analysis of Changes in Net Debt</b>					
<b>Group</b>	<b>1 April 22</b>	<b>Cash</b>	<b>Fair Value</b>	<b>Other Non-Cash</b>	<b>31 March 23</b>
	<b>£'000</b>	<b>Flows</b>	<b>Movements</b>	<b>Movements</b>	<b>£'000</b>
Cash at Bank and in Hand	38,254	(7,820)	-	-	30,434
Debts Due within One Year	-	-	-	-	-
Debts Due after One Year	-	-	-	-	-
Defined Benefit Pension Scheme Liability	(1,132)	-	479	(84)	(737)
<b>Total Net Debt</b>	<b>37,122</b>	<b>(7,820)</b>	<b>479</b>	<b>(84)</b>	<b>29,697</b>

\* Please see Note 25 for Prior Year Adjustment schedule.

The Notes on pages 82-120 form an integral part of the financial statements.

# Notes to the Financial Statements

## 1. Accounting Policies

### A. Corporate and Charitable Status

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

### B. Basis of Preparation and Consolidation

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

The financial statements have been prepared in accordance with the accounting policies set out in Notes to the Accounts and comply with the Charity's governing document, applicable UK accounting standards (UK Generally Accepted Accounting Practice), including Financial Reporting Standard 102 the Charities Act 2011, and Accounting and Reporting by Charities: Statement of Recommended Practice, applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland, updated in 2019.

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

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

Motability Enterprises Limited (MEL) is incorporated in the United Kingdom and registered in England and Wales. MEL's financial statements have been consolidated with those of the Charity on a line by line basis. The principal activities of Motability Enterprises Limited during the year were the raising of funds for the Charity by commission received from home and travel insurance partners, and from the publication of Lifestyle magazine.

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

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

### C. Going Concern

Whilst COVID-19 has retreated, supply chain disruption for the car industry remains significant. This is leading to delays in grants being claimed by beneficiaries. Contact with beneficiaries confirms that grants will be claimed when a suitable vehicle is available. Therefore grant commitments made in the year and outstanding as at 31 March 2023 are stated at full value.

As noted in the financial review section of the Annual Report for the year ended 31 March 2023, the Motability Foundation has reviewed its future spending plans in five-

year scenarios to allow for differing levels of future donations from Motability Operations and income generated by MET's Endowment, and differing spend rates. The General Fund held money market fund balances, deposits and investment grade bonds maturing within one year totalling £127m (2022: £79m). Further investments, including money market funds and relatively liquid investments such as listed equities, are held within the restricted and expendable Endowment funds. The Motability Foundation will seek to maintain core spending on beneficiaries and will curtail discretionary grant programmes where necessary to achieve this end. The Motability Foundation's future financial plans, budgets, reserves levels and cash flow forecasts for a period of more than 12 months from the date of the signature of the accounts have been prepared by management and reviewed by the Governors. There are no material uncertainties related to events or conditions that cast significant doubt upon the entity's ability to continue as a going concern. On this basis, the Governors believe that the going concern assumption continues to be an appropriate basis on which to prepare these statements.

The Endowment of MET is expendable, although the current policy of the Trustee is, where possible, to invest the assets of MET to retain the real value of the Endowment while also generating sufficient return so as to enhance the stability and scale of grant-making and other charitable activities as may be determined from time to time by the Trustee. The Motability Foundation's and MET's investments are stated at fair value at 31 March 2023.

#### D. Income

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

- Donations are recognised as and when they are received
- Legacies are recognised when the Charity is entitled to the income (at probate), the amount can be quantified with reasonable certainty and when it is probable the income will be received
- Gift aid income is recognised on an accruals basis when the receipt and value are both certain
- Interest is recognised when receivable and the amount can be measured reliably by the Charity. This is normally upon notification of the interest paid or payable

by the bank

- Dividends are recognised once the dividend has been declared and notification has been received of the dividend due
- Income within accumulating listed investment portfolios is deducted from gains on investment and shown as investment income
- Income received as Agent: the Motability Foundation administers grants for disabled people on behalf of Veterans UK. However, in this respect, the Motability Foundation is acting as a conduit and, as a result, does not treat these grants as income – please see Note 20 for further details

#### E. Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- 'Raising Funds' comprises costs directly attributable to activities for raising funds such as the administration of affinity insurance products, the production of Lifestyle magazine and the cost of investment management
- 'Charitable Expenditure' includes

## Notes to the Financial Statements cont.

- direct charitable expenditure, grants and directly attributable costs including central overheads such as relevant staff costs
- 'Grants' are recognised when they have been approved and communicated to the recipient except to the extent that they are subject to conditions that enable the Charity to revoke the award. This may result in a grant being recognised as charitable expenditure over several years
  - The movement in the PIP TSP provision is included in Charitable Expenditure and the basis and estimates for the provision, and therefore its movement, are set out in Notes 1K and 1Q
  - Stopped Allowances become payable upon the return of Scheme vehicles
  - 'Allocated Support Costs' are comprised of the running costs of the Charity such as information technology, finance, evaluating charitable activities etc. and are allocated as part of non-directly attributable costs described below
  - 'Governance Costs' include audit fees, legal advice for Governors relating to compliance with constitutional and statutory requirements and are part of the total support costs of the Charity. These are allocated as part of non-directly attributable costs as described below

- 'Allocated Support Costs' and 'Governance Costs' are allocated on the ratio of the expenditure for the programme as a percentage of the total

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

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

### F. Tangible and Intangible Fixed Assets

Assets are included on the balance sheet at cumulative historical cost less depreciation and any impairments in accordance with FRS 102. The cost of tangible fixed assets is their purchase price including associated costs such as taxes and legal fees, together with any costs directly attributable to bringing the asset into working condition for its intended use; and subsequent dilapidations or decommissioning costs anticipated which are provided for. Assets in the course of construction are stated at cost and are not depreciated until available for use. Expenditure on fixed assets is capitalised, where individual items cost £1,000 or more. Fixed assets are depreciated on a straight-line basis over their anticipated useful lives as follows:

- Leasehold improvements: Depreciated over the shorter of the remaining life of the lease or the life of the improvement
- Office furniture: Five years
- Fixtures and fittings: Five years
- Computer hardware: Three years
- Computer software: Five years
- Vehicles: Four years

Capital commitments as at 31 March 2023 are disclosed in Note 22.

### G. Financial Assets and Liabilities including Investments

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

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

The majority of the Charity and Group's financial assets and financial liabilities are of a kind that qualify as basic financial instruments. Basic

financial instruments are initially recognised at transaction value and subsequently measured at their settlement value, with the exception of listed investments which are held at fair value through the SoFA.

The Charity and Group also hold a smaller amount of unquoted investments, which are valued at the best estimate of fair value as follows:

- Pooled investments are stated at fair value, the basis of fair value being the market value of the underlying investments held. These valuations are provided by the fund managers and are subject either to independent valuation or annual audit
- Unquoted hedge funds are valued by reference to the market value of their underlying investments. These valuations are provided by the third party hedge fund administrators
- Private assets investments such as private equity are held through funds managed by private equity groups. As there is no identifiable market price for private asset funds, these funds are included at the most recent valuations from the private asset groups where:
  - The private asset group provides a fair value that complies with the International Private Equity and Venture Capital Valuation Guidelines; or

- The private asset group valuations are prepared at fair value in accordance with UK GAAP
- Where a valuation is not available at the balance sheet date, the most recent valuation from the private asset group is used, adjusted for cash flows and foreign exchange movements and any impairment between the most recent valuation and the balance sheet date

Financial Instruments as at 31 March 2023 are disclosed in Note 11.

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

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

Net realised and unrealised gains and losses on investments are recognised within the SoFA. Gains

## Notes to the Financial Statements cont.

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

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

Investment purchases and proceeds are based on portfolio transactions where the Motability Foundation or MET instruct those transactions. Where the manager has discretion to transact, the additions to or withdrawals from those portfolios are shown as purchases of or proceeds from investments. This policy was revised during the year to remove sales and purchases for certain discretionary mandate portfolios (and use withdrawals and additions instead). Further details can be found in Note 25.

### H. Fund Accounting

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

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

Unrestricted funds comprise the accumulated movement on funds available for use at the absolute discretion of the Governors. Unrestricted funds may be transferred to a restricted fund in order to support that specific activity. Any transfer

between funds requires the Approval of the Audit and Risk Committee.

Designated funds comprise funds which Governors have set aside for a particular activity or purpose. If funds are unspent funds at the end of a project or activity they are transferred to unrestricted funds or may be designated for another purpose.

### I. Pension Costs

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

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

The defined benefit scheme is funded, with the assets of the scheme held separately from those of the Group, in separate Trustee-administered

funds. The pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the attained age method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the balance sheet.

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

#### J. Leases

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

#### K Accounting for PIP Transitional Grants

In 2013, the DWP announced that Personal Independence Payment (PIP) would replace Disability Living Allowance (DLA) as a disability benefit as part of the Welfare Reform changes. PIP has different qualification criteria compared with DLA, and it was immediately apparent that large numbers of scheme customers would lose eligibility to the scheme when they failed to transition to the qualifying Higher Rate Mobility Component of PIP.

That year, the Motability Foundation therefore announced that it would provide financial assistance to help customers to sustain their mobility who, due to the transition from DLA to PIP, would no longer qualify for benefits allowing them to lease a vehicle under the Motability Scheme. For affected customers returning their vehicles in an acceptable condition, and within the designated time, the Motability Foundation provides support payments for customers who joined the scheme up until 2013.

In order to ensure the most effective use of the available funds, Governors review all aspects of the support package each December and estimate the likely costs that would arise were notice to be given of termination of

the scheme.

Management believe that a reasonable estimate of the constructive economic obligation as at the end of each financial year can be established, and have accounted for this by way of a provision. The resulting provision estimate recognises that there is a 16-month commitment from the balance sheet date for providing the current level of transitional support, i.e. to all qualifying customers who might leave the scheme by 31 July 2023 (from the December 2022 assessment). This date would allow for communication to customers of any potential changes to the programme in January following the review in the autumn. As at 31 March 2023, the estimated constructive obligation was £0.4m (2022: £0.4m).

The most important estimate is the number and timing of DLA to PIP reassessments carried out by DWP. Given that activity has recently been and is constrained to Rising 16s, Change of Circumstances and voluntary applications for PIP, we have therefore used recent experience as the basis for predicting future expenditure.

In order to fund this Transitional Support, Motability Operations

## Notes to the Financial Statements cont.

has made restricted purpose donations to the Motability Foundation totalling £175m. As at the end of the financial year £132m has been spent on the programme (2022: £132m). See Note 1Q. The date for the end of the main DLA to PIP programme is difficult to predict as future caseloads are so uncertain. There will, however, be an ongoing commitment to Rising 16s, who transition from DLA to PIP on their sixteenth birthday, until 2026/27, albeit at low expenditure levels. The balance of funds donated by Motability Operations is held as a restricted reserve.

### L. Debtors

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

### M. Current Investments and Cash

Current Asset Investments are investments that are expected to be wholly or substantially expended within 12 months of the balance sheet date. At 31 March 2023, these were general fund deposits with a maturity of 30 days or more and general fund listed debt securities with a maturity of less than one year.

At 31 March 2022, these were general fund deposits with a maturity of 30 days or more.

Cash and cash equivalents are cash at bank and in hand as shown in the balance sheet. Cash held by Fund Managers in discretionary mandates is excluded from cash and included within Fixed Asset Investments.

### N. Creditors

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

### O. Provisions and Contingent Liabilities

Provisions are recognised where there is a present obligation as a result of a past event, if it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Under the terms of its office lease, the Charity will be required to make good the condition of the property when it leaves. The dilapidations provision in

the accounts is based on a 'cost of works' for this work to be carried out. A provision in respect of the PIP Transitional Support Programme is set out in Accounting Policy Note K. Where no provision is recognised, contingent liabilities are disclosed in the Notes to the Financial Statements, unless the possibility of a transfer of economic benefits is remote.

### P. Commitment and Conditional Grant Awards

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

### Q. Critical Accounting Judgements and Estimations

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

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

Actual results may differ from these estimates. Other than pension obligations, where the actuarial assumptions underlying the pension deficit are set out in Note 21, the Trustees consider the most significant judgements and estimates to be in relation to the valuation of non-listed investments.

#### **Non-Listed Investment Valuations**

Non-listed investment are valued at the value supplied by the fund manager as at the year-end. Where the value is thought to be significantly impaired then the value is stated at the lower of cost or impaired valuation. The basis of impairments for non-listed investments are arrived at from a review of the general performance of the relevant asset class(es) and economy(s), and discussions with the relevant fund manager. There were no impairments in the year.

#### **PIP Provision Judgements**

The underlying assumptions and judgements for the PIP provision have

been calculated using a model based on actual information for 2022/23. The assumptions relating to the PIP Transitional Support Programme are reviewed on an ongoing basis. There is also a Governor annual review of the whole programme that takes place every autumn.

#### **PIP Provision Estimates**

The 16-month provision at the end of 2022/23 remains at £0.4m, which is based on an average monthly spend of £25,000 over a 16-month period. Please see Section K - Accounting for PIP Transitional Grants for further details.

#### **R. Taxation**

The charitable members of the Group are exempt from taxation on their income and gains falling within Part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to their charitable purposes. The non-charitable subsidiary, although subject to taxation, does not pay UK Corporation Tax because its policy is to donate taxable profits as a qualifying distribution under Deed of Covenant to the Motability Foundation. Foreign tax incurred on overseas investments is charged as it is incurred.

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

## Notes to the Financial Statements cont.

### 2. Trading Activities of the Subsidiary

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

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

A summary of its trading results extracted from its full accounts is shown below. The net assets of the subsidiary are £15,000 (2022: £15,000)

	Total 2023 £'000	Total 2022 £'000
<b>Income and Expenditure Account</b>		
Turnover	1,859	1,147
Less: Cost of Sales and Other Costs	(1,603)	(731)
<b>Gross Profit</b>	<b>256</b>	<b>416</b>
Administration Expenses	(145)	(151)
Interest Receivable	3	-
<b>Net Profit</b>	<b>114</b>	<b>265</b>
Qualifying Distribution to the Motability Foundation	(114)	(265)
<b>Retained in Subsidiary</b>	<b>-</b>	<b>-</b>

### 3. Income from Investments

	Unrestricted Funds 2023 £'000	Restricted Funds 2023 £'000	Endowment Funds 2023 £'000	Total 2023 £'000	Unrestricted Funds 2022 £'000	Restricted Funds 2022 £'000	Endowment Funds 2022 £'000	Total 2022 £'000
Interest Receivable	286	35	359	680	177	60	163	400
Investment Income	19,009	408	19,309	38,726	1,239	-	11,229	12,468
<b>Income from Investments</b>	<b>19,295</b>	<b>443</b>	<b>19,668</b>	<b>39,406</b>	<b>1,416</b>	<b>60</b>	<b>11,392</b>	<b>12,868</b>

## 4. Charitable Expenditure

	2023					2022				
	Direct Grants £'000	Direct Charitable Activity £'000	Allocated Support Costs £'000	Governance Costs £'000	Total Costs £'000	Direct Grants £'000	Direct Charitable Activity £'000	Allocated Support Costs £'000	Governance Costs £'000	Total Costs £'000
<b>Grants to Individuals:</b>										
Scheme-Related Grants	74,585	5,542	7,059	582	87,768	53,849	4,570	6,131	323	64,873
Access to Mobility	3,979	296	377	31	4,683	5,717	485	649	34	6,885
<b>Grants to Individuals</b>	<b>78,564</b>	<b>5,838</b>	<b>7,436</b>	<b>613</b>	<b>92,451</b>	<b>59,566</b>	<b>5,055</b>	<b>6,780</b>	<b>357</b>	<b>71,758</b>
<b>Grants to Organisations:</b>										
Support of Under Fives (Family Fund, Wizzybug)	7,000	520	663	55	8,238	2,450	207	279	15	2,951
Innovation Grants	1,464	109	138	11	1,722	968	83	110	6	1,167
Designated Grants to Organisations Programme	6,146	457	582	48	7,233	-	-	-	-	-
<b>Grants to Organisations</b>	<b>14,610</b>	<b>1,086</b>	<b>1,383</b>	<b>114</b>	<b>17,193</b>	<b>3,418</b>	<b>290</b>	<b>389</b>	<b>21</b>	<b>4,118</b>
<b>Grant-Making Awarded before Movement in Provision</b>	<b>93,174</b>	<b>6,924</b>	<b>8,819</b>	<b>727</b>	<b>109,644</b>	<b>62,984</b>	<b>5,345</b>	<b>7,169</b>	<b>378</b>	<b>75,876</b>
PIP Provision Release	-	-	-	-	-	(1,667)	-	-	-	(1,667)
<b>Motability Foundation Funded Grant-Making</b>	<b>93,174</b>	<b>6,924</b>	<b>8,819</b>	<b>727</b>	<b>109,644</b>	<b>61,317</b>	<b>5,345</b>	<b>7,169</b>	<b>378</b>	<b>74,209</b>
Build Awareness	-	1,725	152	12	1,889	-	1,296	136	7	1,439
Innovation	-	1,300	114	10	1,424	-	1,051	111	5	1,167
Motability Scheme	-	276	24	3	303	-	694	73	4	771
<b>Charitable Expenditure</b>	<b>93,174</b>	<b>10,225</b>	<b>9,109</b>	<b>752</b>	<b>113,260</b>	<b>61,317</b>	<b>8,386</b>	<b>7,489</b>	<b>394</b>	<b>77,586</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 2022 results from a reassessment of the assumptions at year end, following actual payment experience during the year. Further details of Direct Grants in the table above can be found on page 28. Figures in the Total Costs column in the table above are shown in the Consolidated Statement of Financial Activities in the Group Funds column.

## Notes to the Financial Statements cont.

### 4. Charitable Expenditure Cont.

<b>Reconciliation of Grants Payable:</b>	2023 £'000	2022 £'000
Grants Payable at 1 April	44,494	28,411
Grant Awards in the Year - Individuals	78,564	59,566
Grant Awards in the Year - Organisations	14,610	3,418
Grants Paid During the Year	(61,661)	(46,901)
<b>Grants Payable at 31 March</b>	<b>76,007</b>	<b>44,494</b>
<b>Outstanding Grants Payable at 31 March are payable as follows:</b>		
	2023 £'000	2022 £'000
Within One Year (Note 13)	76,007	44,494
<b>Payable at 31 March</b>	<b>76,007</b>	<b>44,494</b>

## 5. Analysis of Total Expenditure

	Cost of Raising Funds 2023 £'000	Direct Grants 2023 £'000	Direct Charitable Activity 2023 £'000	Allocated Support Costs 2023 £'000	Governance Costs 2023 £'000	Total Costs 2023 £'000
Other Cost of Raising Funds	128	-	-	-	11	139
Cost of Goods Sold and Other Costs	1,603	-	-	-	-	1,603
Investment Management Fees and Other Costs	14,020	-	-	-	-	14,020
<b>Cost of Raising Funds</b>	<b>15,751</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11</b>	<b>15,762</b>
Grants to Individuals	-	78,564	5,838	7,436	613	92,451
Grants to Organisations	-	14,610	1,086	1,383	114	17,193
Build Awareness and Engagement	-	-	1,725	152	12	1,889
Innovation	-	-	1,300	114	10	1,424
Motability Scheme	-	-	276	24	3	303
<b>Charitable Expenditure</b>	<b>-</b>	<b>93,174</b>	<b>10,225</b>	<b>9,109</b>	<b>752</b>	<b>113,260</b>
<b>Total Expenditure</b>	<b>15,751</b>	<b>93,174</b>	<b>10,225</b>	<b>9,109</b>	<b>763</b>	<b>129,022</b>

Please refer to Note 6 for an analysis of functional support costs by activity.

The amounts of 'Allocated Support Costs' attributed to 'Direct Grants' and 'Direct Charitable Activities' are in proportion to the direct expenditure on those activities.

	Cost of Raising Funds 2022 £'000	Direct Grants 2022 £'000	Direct Charitable Activity 2022 £'000	Allocated Support Costs 2022 £'000	Governance Costs 2022 £'000	Total Costs 2022 £'000
Other Cost of Raising Funds	708	-	-	-	7	715
Cost of Goods Sold and Other Costs	722	-	-	-	-	722
Investment Management Fees and Other Costs	7,676	-	-	-	-	7,676
<b>Cost of Raising Funds</b>	<b>9,106</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7</b>	<b>9,113</b>
Grants to Individuals	-	57,899	5,055	6,780	357	70,091
Grants to Organisations	-	3,418	290	389	21	4,118
Build Awareness and Engagement	-	-	1,296	136	7	1,439
Innovation	-	-	1,051	111	5	1,167
Motability Scheme	-	-	694	73	4	771
<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 6 for an analysis of functional support costs by activity.

The amounts of 'Allocated Support Costs' attributed to 'Direct Grants' and 'Direct Charitable Activities' are in proportion to the direct expenditure on those activities.

## Notes to the Financial Statements cont.

### 5. Analysis of Total Expenditure Cont.

	Governance Costs 2023 £'000	Governance Costs 2022 £'000
External Audit Fees	154	122
Internal Audit Fees	56	47
Legal Fees	152	67
Members Expenses	4	4
Other Costs	397	161
<b>Governance Costs</b>	<b>763</b>	<b>401</b>

The External Audit Fees expenditure shown above includes fees of £154,090 payable to the Statutory Auditor which comprise £145,580 for the Statutory Audit of the Motability Foundation Accounts (£139,380 for the current year and £6,200 for the prior year) and £8,510 for the Statutory Audit of Subsidiary Accounts respectively.

No fees for other services were paid to the Statutory Auditor.

Internal Audit has been partially outsourced to an independent firm of auditors.

## 6. Analysis of Support and Governance Costs

	Cost of Raising Funds	Strategic Pillars				Total
		Grant-Making	Build Awareness	Innovation	Motability Scheme	
	2023	2023	2023	2023	2023	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Human Resources	-	1,022	18	13	3	1,056
Information Technology	-	1,419	24	18	4	1,465
Finance and Administration	-	1,494	26	19	4	1,543
Performance and Innovation	-	448	8	6	1	463
Facilities	-	1,480	25	19	4	1,528
VAT, Depreciation and Other	-	2,956	51	39	8	3,054
<b>Allocated Support Costs</b>	<b>-</b>	<b>8,819</b>	<b>152</b>	<b>114</b>	<b>24</b>	<b>9,109</b>
<b>Governance Costs (see Note 5)</b>	<b>11</b>	<b>727</b>	<b>12</b>	<b>10</b>	<b>3</b>	<b>763</b>
<b>Total Support Costs</b>	<b>11</b>	<b>9,546</b>	<b>164</b>	<b>124</b>	<b>27</b>	<b>9,872</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	Strategic Pillars				Total
		Grant-Making	Build Awareness	Innovation	Motability Scheme	
	2022	2022	2022	2022	2022	2022
	£'000	£'000	£'000	£'000	£'000	£'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 (see Note 5)</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 5 where Support and Governance Costs are summarised.

The value of Charitable Expenditure by Activity has been used as the basis for apportionment of the Support and Governance Costs shown above.

## Notes to the Financial Statements cont.

### 7. Governors, Employees and Related Parties

#### A. Numbers and Costs

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

	2023 Number	2022 Number
Charitable Activities	172	140
Support Staff	63	56
Governance	10	5
Motability Enterprises Ltd	1	1
<b>Total</b>	<b>246</b>	<b>202</b>

#### Staff costs were as follows:

	2023 £'000	2022 £'000
Salaries	9,690	7,496
Benefits in Kind	283	195
Social Security Costs	1,049	749
Pension Costs: Defined Benefit	264	253
Pension Costs: Defined Contribution	1,190	943
Restructuring Costs	54	-
Other Staff Costs	490	254
<b>Total</b>	<b>13,020</b>	<b>9,890</b>

The number of employees whose emoluments, excluding pension contributions and employers NI, for the year fell within the following bands:

	2023 Number	2022 Number
£60,000 to £69,999	9	10
£70,000 to £79,999	6	1
£80,000 to £89,999	1	3
£90,000 to £99,999	5	2
£100,000 to £109,999	2	3
£110,000 to £119,999	-	1
£120,000 to £129,999	1	-
£150,000 to £159,999	1	1
£180,000 to £189,999	1	1
£190,000 to £199,999	1	-
<b>Total</b>	<b>27</b>	<b>22</b>

## 7. Governors, Employees and Related Parties cont.

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

The total remuneration (including employers NIC, pension contributions and benefits in kind) of the key management personnel of the Charity for the year totalled £892,506 (2022: £697,448).

During the year, £52,029 termination benefit was paid (2022: £nil).

### B. Governors' Emoluments

The number of Governors in 2023 was 10 (2022: 10).

No Governor received any emoluments during the year (2022: nil).

Ten Governors (2022: five) received reimbursement of expenses for travel and accommodation costs amounting to £4,102 (2022: £3,490). No donations were received from Governors during the year (2022: nil).

### C. Professional Indemnity

Appropriate insurance has been arranged by the Charity to indemnify Governors and employees for their legal liability for damages and legal expenses arising from the performance of their duties, in 2023 this was £10.0m (2022: £10.0m). The cost of the policy in 2023 was £0.03m (2022: £0.03m).

### D. Related Parties

Motability Endowment Trust (MET) was set up in 2019 to support the work of the Motability Foundation. The Motability Foundation is the sole corporate Trustee of MET. During the period an administration charge of £0.52m was paid by MET to the Motability Foundation (2022: £0.42m).

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

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

Motability Operations makes donations from surplus capital to the Motability Foundation. An unrestricted donation of £200m was made to the Motability Foundation in the year (2022: £170m).

The Motability Foundation paid Motability Operations £42.1m (2022: £36.9m) in respect of grants awarded to customers, to fund Advance Payments and adaptations on vehicles provided under the lease schemes by Motability Operations to customers in receipt of grants.

As at 31 March 2023 Motability Operations was due £6.0m (2022: £2.8m) in outstanding invoices and £68.2m (2022: £42.7m) in accrued commitments, totalling £74.2m (2022: £45.5m) from the Motability Foundation.

In addition, for 2023, £4.4m (2022: £4.7m) was received from Motability Operations as rebates, where customers terminated their lease agreements early, in respect of grant awards towards Advance Payments and adaptations managed by Motability Operations.

As at 31 March 2023 £0.5m (2022: £nil) was due to the Motability Foundation from Motability Operations for lease agreement rebates.

The Motability Foundation has a wholly owned trading subsidiary, Motability Enterprises Limited (MEL) – see Note 2 for details. In 2023, the Motability Foundation invoiced MEL £0.09m (2022: £0.09m) in respect of administration charges.

As at 31 March 2023 £0.1m (2022: £0.3m) was due from MEL to the Motability Foundation as a qualifying distribution under Deed of Covenant. MEL recharged the Motability Foundation £1.1m (2022: £0.5m) in respect of the fixed and charitable variable costs for the production of Lifestyle magazine. These costs are included in the Charity's and Group expenditure. As at 31 March 2023 there was £0.1m due from the Motability Foundation to MEL (2022: £nil).

Cheryl Ward served as a Governor for part of 2022/23 (resigned 22 September 2022) and for 2021/22. The amounts of grants awarded to Family Fund, of which Cheryl Ward was the CEO, were £1.5m in 2022 and £5.5m in 2023 under a pilot and now under a programme. Cheryl Ward

## Notes to the Financial Statements cont.

### 7. Governors, Employees and Related Parties cont.

recused herself from decision making for these grants.

The grants are given to support families with disabled children under the age of three with their transport needs. An administration charge of £0.2m (2022: £0.08m) is deducted from the award amounts to support the administration costs of the programme within Family Fund.

The total grant current allocation for the Family Fund Under 3s programme

is £15.0m (2022: £15.0m). The programme is subject to performance conditions and grant amounts are recognised as those conditions are met. The allocated but not yet awarded amount £9.0m (2022: £14.5m) is reported in Note 22.

The Motability Foundation values lived experience in its governance. Occasionally, a Governor will be eligible for a grant award due to their disability, independently of their status as a Governor. During

the year, Richard Cartwright served as a Governor and received a grant for £nil in relation to the Access to Work Grant Programme (2022: £4,071). He took no part in the award decision-making process.

The Motability Foundation paid £0.2m (2022: £0.1m) to 'Motability Pension Scheme' in respect of the defined benefit scheme which was closed to future accrual from 30 April 2012. See Note 21.

### 8. Fixed Asset Investment in Subsidiary Undertaking

	Group 2023 £	Group 2022 £
Investments in Motability Enterprises Ltd	100	100
<b>Fixed Asset Investment in Subsidiary Undertaking</b>	<b>100</b>	<b>100</b>

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

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

## 9. Intangible Fixed Assets (Group and Charity)

	Computer Software 2023 £'000	Assets in the Course of Construction 2023 £'000	Total 2023 £'000
<b>Cost</b>			
<b>At 1 April 2022</b>	<b>2,380</b>	<b>174</b>	<b>2,554</b>
Work in Progress	-	131	131
Additions	104	-	104
Disposals	(23)	(163)	(186)
Transfers	11	(11)	-
<b>At 31 March 2023</b>	<b>2,472</b>	<b>131</b>	<b>2,603</b>
<b>Amortisation and Impairment</b>			
<b>At 1 April 2022</b>	<b>1,407</b>	<b>-</b>	<b>1,407</b>
Amortisation Charged For The Year	313	-	313
Disposals	(23)	-	(23)
<b>At 31 March 2023</b>	<b>1,697</b>	<b>-</b>	<b>1,697</b>
<b>Net Book Value (net of the above)</b>			
<b>At 31 March 2022</b>	<b>973</b>	<b>174</b>	<b>1,147</b>
<b>At 31 March 2023</b>	<b>775</b>	<b>131</b>	<b>906</b>

All assets are used for direct charitable purposes.

## Notes to the Financial Statements cont.

### 9. Tangible Fixed Assets (Group and Charity)

	Leasehold Improvements 2023 £'000	Motor Vehicles 2023 £'000	Fixtures and Fittings 2023 £'000	Computer Hardware 2023 £'000	Assets in the Course of Construction 2023 £'000	Total 2023 £'000
<b>Cost</b>						
<b>At 1 April 2022</b>	<b>4,052</b>	<b>599</b>	<b>272</b>	<b>904</b>	<b>204</b>	<b>6,031</b>
Additions	129	18	2	147	-	296
Work in Progress	-	-	-	-	74	74
Disposals	-	-	-	(199)	-	(199)
Transfers	-	201	-	5	(205)	1
<b>At 31 March 2023</b>	<b>4,181</b>	<b>818</b>	<b>274</b>	<b>857</b>	<b>73</b>	<b>6,203</b>
<b>Depreciation and Impairment</b>						
<b>At 1 April 2022</b>	<b>2,191</b>	<b>401</b>	<b>257</b>	<b>811</b>	<b>-</b>	<b>3,660</b>
Depreciation Charged in the Year	1,319	173	4	68	-	1,564
Eliminated in Respect of Disposals	-	-	-	(199)	-	(199)
<b>At 31 March 2023</b>	<b>3,510</b>	<b>574</b>	<b>261</b>	<b>680</b>	<b>-</b>	<b>5,025</b>
<b>Carrying Amount</b>						
<b>At 31 March 2022</b>	<b>1,863</b>	<b>195</b>	<b>13</b>	<b>95</b>	<b>205</b>	<b>2,371</b>
<b>At 31 March 2023</b>	<b>671</b>	<b>244</b>	<b>13</b>	<b>177</b>	<b>73</b>	<b>1,178</b>

All assets are used for direct charitable purposes.

## 10. Investments Movement

<b>Group and Charity</b>	Fixed Asset Investments	Current Asset Investments	Group and Charity	Fixed Asset Investments	Current Asset Investments	Group and Charity
<b>Reconciliation of Movement in Fair Value during the period</b>	2023 £'000	2023 £'000	2023 £'000	2022 £'000 *As restated	2022 £'000 *As restated	2022 £'000 *As restated
<b>Fair Value as at 1 April</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>
Reclassification	(4)	4	-	-	-	-
<b>Additions:</b>						
Amounts Invested	722,638	184,839	907,477	716,920	32,000	748,920
Reinvested Investment Income	23,021	-	23,021	10,315	81	10,396
<b>Withdrawals:</b>						
Amounts Withdrawn	(628,193)	(138,081)	(766,274)	(498,468)	(150,000)	(648,468)
Investment Fees Charged to Capital	(12,563)	(459)	(13,022)	(1,799)	-	(1,799)
(Losses) / Gains in the Year	(26,722)	1,484	(25,238)	67,577	-	67,577
Movement in Investment Portfolio Cash	125	840	965	-	-	-
Reclassification	-	-	-	(14,780)	14,780	-
<b>Fair Value as at 31 March</b>	<b>1,726,040</b>	<b>105,491</b>	<b>1,831,531</b>	<b>1,647,738</b>	<b>56,864</b>	<b>1,704,602</b>

\* Please see Note 25 for Prior Year Adjustment schedule.

The investment loss shown above of £25.2m when adjusted for foreign exchange losses of £33,000 gives the Net (Losses) / Gains on Investments figure of £25.3m shown on the Consolidated Statement of Financial Activities.

For 2022, the investment gain shown above of £67.6m when adjusted for additional Total Expense Ratio (TER) investment management costs of £3.3m and discounting adjustments of £1.9m gives the Net Gains / (Losses) on Investments figure of £72.8m shown on the Consolidated Statement of Financial Activities.

## Notes to the Financial Statements cont.

### 11. Investments Valuation

	Fixed Asset Investments	Current Asset Investments	Group and Charity	Fixed Asset Investments	Current Asset Investments	Group and Charity
<b>At 31 March</b>	2023	2023	2023	2022	2022	2022
<b>Group and Charity investments comprised:</b>	£'000	£'000	£'000	£'000	£'000	£'000
Equity Securities	810,576	-	810,576	828,160	-	828,160
Debt Securities	514,075	93,797	607,872	474,640	14,780	489,420
Infrastructure and Property	147,053	-	147,053	-	-	-
Money Market Instruments	127,936	11,694	139,630	170,169	-	170,169
Other Investments	126,400	-	126,400	144,769	-	144,769
Short-Term Deposits	-	-	-	-	42,084	42,084
Cash held with Broker*	-	-	-	30,000	-	30,000
<b>Fair Value as at 31 March</b>	<b>1,726,040</b>	<b>105,491</b>	<b>1,831,531</b>	<b>1,647,738</b>	<b>56,864</b>	<b>1,704,602</b>

Within listed Debt Securities (above) Enil of bond securities have maturity dates beyond one year (2022: £19m).

As at 31 March 2023, there were uncalled capital commitments to private investment firms totalling £144m (2022 : £125m).

The investment portfolio held at 31 March 2023 is being held for the long term and contains a mix of investments including some cash balances and money market instruments. Other investments include private credit, property and venture capital investments.

\* Cash held with Broker awaiting settlement of equity investment.

	Listed	Unlisted	Total	Listed	Unlisted	Total
<b>Listed and Unlisted Investment Valuation</b>	2023	2023	2023	2022	2022	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Fixed Assets	1,258,565	467,475	1,726,040	1,540,945	106,793	1,647,738
Current Assets	105,491	-	105,491	56,864	-	56,864
<b>Total</b>	<b>1,364,056</b>	<b>467,475</b>	<b>1,831,531</b>	<b>1,597,809</b>	<b>106,793</b>	<b>1,704,602</b>

## 12. Debtors

	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Trade and Other Debtors	202	468	55	295
Amounts Owed by Motability Operations Ltd	542	449	542	449
<b>Trade Debtors and Other Receivables</b>	<b>744</b>	<b>917</b>	<b>597</b>	<b>744</b>
Amounts Owed by Subsidiary - Motability Enterprises Ltd	-	-	115	265
Accrued Income	4,503	2,103	4,346	1,920
Prepayments	977	524	971	520
<b>Debtors</b>	<b>6,224</b>	<b>3,544</b>	<b>6,029</b>	<b>3,449</b>

Included in Accrued Income is £4.3m of accrued investment income (2022: £1.9m).

## Notes to the Financial Statements cont.

### 13. Creditors: Amounts Falling Due Within One Year

	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Scheme-Related Grants	68,700	44,494	68,700	44,494
Access to Mobility	2,303	-	2,303	-
Support of Under Fives	500	-	500	-
Innovation Grants	497	-	497	-
Designated Grants to Organisations Programme	4,007	-	4,007	-
<b>Grants Falling Due within One Year</b>	<b>76,007</b>	<b>44,494</b>	<b>76,007</b>	<b>44,494</b>
Other Creditors including Taxation and Social Security	298	544	272	508
Trade Creditors	8,371	4,216	8,329	3,935
Amounts Owed to Subsidiary - Motability Enterprises Ltd	-	-	59	-
Accrued Liabilities	1,300	2,540	997	2,286
<b>Creditors Amounts Falling Due within One Year</b>	<b>85,976</b>	<b>51,794</b>	<b>85,664</b>	<b>51,223</b>
Amounts Owed to Motability Operations Limited	74,206	45,547	74,206	45,547
Amounts Owed to Third Party Suppliers and Other Creditors	6,766	6,247	6,395	5,676
Amounts Owed to Organisational Grants Beneficiaries	5,004	-	5,004	-
Amounts Owed to Subsidiary - Motability Enterprises Ltd	-	-	59	-
<b>Creditors Amounts Falling Due within One Year</b>	<b>85,976</b>	<b>51,794</b>	<b>85,664</b>	<b>51,223</b>

## 14. Provisions

	Group 2023 £'000	Group 2022 £'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	112	107
Movement in Provision	8	5
<b>Provision for Uncashed Cheques Carried Forward 31 March</b>	<b>120</b>	<b>112</b>
<b>Group and Charity PIP Provision</b>		
Provision brought forward 1 April	400	2,067
Provision Utilised in Year	-	(1,667)
<b>PIP Provision Carried Forward 31 March</b>	<b>400</b>	<b>400</b>
<b>Provisions</b>	<b>1,080</b>	<b>1,072</b>

The Charity has provided for its possible liability in relation to its leasehold property totalling £560,000.

The Charity has provided for its possible liability in relation to its unrepresented cheques totalling £120,000.

The Charity has provided for its possible liability in relation to its PIP Transitional Support Programme totalling £400,000. Please refer to Note 1 Accounting Policies - Section K: Accounting for PIP Transitional Support Programme Grants for further information.

## Notes to the Financial Statements cont.

### 15. Analysis of Group Net Assets / Liabilities Between Funds

	Group Unrestricted 2023 £'000	Group Restricted 2023 £'000	Group Endowment 2023 £'000	Group Total 2023 £'000
<b>Fund balances at 31 March 2023 are represented by:</b>				
Intangible Fixed Assets	906	-	-	906
Tangible Assets	1,178	-	-	1,178
Fixed Asset Investments	467,707	41,755	1,216,578	1,726,040
Current Assets	45,881	2,468	7,824	56,173
Creditors: Amounts Falling Due after One Year	(10)	-	-	(10)
Provisions and Pensions	(1,336)	(481)	-	(1,817)
	<b>514,326</b>	<b>43,742</b>	<b>1,224,402</b>	<b>1,782,470</b>

	Group Unrestricted 2022 £'000	Group Restricted 2022 £'000	Group Endowment 2022 £'000	Group Total 2022 £'000
<b>Fund balances at 31 March 2022 are represented by:</b>				
Intangible Fixed Assets	1,147	-	-	1,147
Tangible Assets	2,371	-	-	2,371
Fixed Asset Investments	385,471	39,010	1,223,253	1,647,734
Current Assets	31,145	3,960	11,767	46,872
Creditors: Amounts Falling Due after One Year	(30)	-	-	(30)
Provisions and Pensions	(1,722)	(482)	-	(2,204)
	<b>418,382</b>	<b>42,488</b>	<b>1,235,020</b>	<b>1,695,890</b>

## 16. Analysis of Charity Net Assets / Liabilities Between Funds

	Charity Unrestricted 2023 £'000	Charity Restricted 2023 £'000	Charity Endowment 2023 £'000	Charity Total 2023 £'000
<b>Fund balances at 31 March 2023 are represented by:</b>				
Intangible Fixed Assets	906	-	-	906
Tangible Assets	1,178	-	-	1,178
Fixed Asset Investments	467,707	41,755	1,216,578	1,726,040
Current Assets	45,866	2,468	7,824	56,158
Creditors: Amounts Falling Due after One Year	(10)	-	-	(10)
Provisions and Pensions	(1,336)	(481)	-	(1,817)
	<b>514,311</b>	<b>43,742</b>	<b>1,224,402</b>	<b>1,782,455</b>

	Charity Unrestricted 2022 £'000	Charity Restricted 2022 £'000	Charity Endowment 2022 £'000	Charity Total 2022 £'000
<b>Fund balances at 31 March 2022 are represented by:</b>				
Intangible Fixed Assets	1,147	-	-	1,147
Tangible Assets	2,371	-	-	2,371
Fixed Asset Investments	385,471	39,010	1,223,253	1,647,734
Current Assets	31,230	3,960	11,767	46,857
Creditors: Amounts Falling Due after One Year	(30)	-	-	(30)
Provisions and Pensions	(1,722)	(482)	-	(2,204)
	<b>418,367</b>	<b>42,488</b>	<b>1,235,020</b>	<b>1,695,875</b>

## Notes to the Financial Statements cont.

### 17. Unrestricted Funds

Movement in Funds:	Balance at 1 April 2022 £'000	Income £'000	Expenditure £'000	Transfer between Funds £'000	Investment Losses £'000	Other Realised Gains £'000	Balance at 31 March 2023 £'000
<b>Charity</b>							
General Funds	368,367	219,556	(109,799)	-	(8,145)	478	470,457
Designated Fund - Wheelchair Accessible Vehicles	-	-	-	-	-	-	-
Designated Fund - Grants to Charities and Organisations	50,000	-	(6,146)	-	-	-	43,854
<b>Unrestricted Funds</b>	<b>418,367</b>	<b>219,556</b>	<b>(115,945)</b>	<b>-</b>	<b>(8,145)</b>	<b>478</b>	<b>514,311</b>
<b>Group</b>							
General Funds	368,382	220,282	(110,525)	-	(8,145)	478	470,472
Designated Fund - Wheelchair Accessible Vehicles	-	-	-	-	-	-	-
Designated Fund - Grants to Charities and Organisations	50,000	-	(6,146)	-	-	-	43,854
<b>Unrestricted Funds</b>	<b>418,382</b>	<b>220,282</b>	<b>(116,671)</b>	<b>-</b>	<b>(8,145)</b>	<b>478</b>	<b>514,326</b>

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

During the year, the Motability Foundation incurred the first spend against this designation.

Movement in Funds:	Balance at 1 April 2021 £'000	Income £'000	Expenditure £'000	Transfer between Funds £'000	Investment Losses £'000	Other Realised Gains £'000	Balance at 31 March 2022 £'000
<b>Charity</b>							
General Funds	321,572	171,848	(72,193)	(50,000)	(4,533)	1,673	368,367
Designated Fund - Wheelchair Accessible Vehicles	7,717	33	(7,734)	-	(16)	-	-
Designated Fund - Grants to Charities and Organisations	-	-	-	50,000	-	-	50,000
<b>Unrestricted Funds</b>	<b>329,289</b>	<b>171,881</b>	<b>(79,927)</b>	<b>-</b>	<b>(4,549)</b>	<b>1,673</b>	<b>418,367</b>
<b>Group</b>							
General Funds	321,587	172,261	(72,606)	(50,000)	(4,533)	1,673	368,382
Designated Fund - Wheelchair Accessible Vehicles	7,717	33	7,734	-	(16)	-	-
Designated Fund - Grants to Charities and Organisations	-	-	-	50,000	-	-	50,000
<b>Unrestricted Funds</b>	<b>329,304</b>	<b>172,294</b>	<b>80,340</b>	<b>-</b>	<b>(4,549)</b>	<b>1,673</b>	<b>418,382</b>

## 18. Restricted Funds

Group and Charity	Balance at 1 April 2022 £'000	Income £'000	Expenditure £'000	Investment Gain £'000	Transfer between Funds £'000	Balance at 31 March 2023 £'000
PIP Transitional Support Programme	42,488	443	(261)	1,072	-	43,742
<b>Restricted Fund</b>	<b>42,488</b>	<b>443</b>	<b>(261)</b>	<b>1,072</b>	<b>-</b>	<b>43,742</b>

Restricted Funds may only be spent for the purpose specified by the donor, normally as given in the fund title. PIP Transitional Support Programme is used to support beneficiaries who lose their allowance due to reassessment.

Group and Charity	Balance at 1 April 2021 £'000	Income £'000	Expenditure £'000	Investment Gain £'000	Transfer between Funds £'000	Balance at 31 March 2022 £'000
PIP Transitional Support Programme	41,254	60	1,164	10	-	42,488
<b>Restricted Fund</b>	<b>41,254</b>	<b>60</b>	<b>1,164</b>	<b>10</b>	<b>-</b>	<b>42,488</b>

## 19. Endowment Fund

Group and Charity	Balance at 1 April 2022 £'000	Income £'000	Expenditure £'000	Investment (Losses) / Gains £'000	Other Realised Gains £'000	Balance at 31 March 2023 £'000
Endowment Fund	1,235,020	19,668	(12,089)	(18,198)	1	1,224,402
<b>Endowment Fund</b>	<b>1,235,020</b>	<b>19,668</b>	<b>(12,089)</b>	<b>(18,198)</b>	<b>1</b>	<b>1,224,402</b>

Group and Charity	Balance at 1 April 2021 £'000	Income £'000	Expenditure £'000	Investment (Losses) / Gains £'000	Other Realised Gains £'000	Balance at 31 March 2022 £'000
Endowment Fund	1,153,818	11,392	(7,523)	77,333	-	1,235,020
<b>Endowment Fund</b>	<b>1,153,818</b>	<b>11,392</b>	<b>(7,523)</b>	<b>77,333</b>	<b>-</b>	<b>1,235,020</b>

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

## Notes to the Financial Statements cont.

### 20. Funds Held as an Agent

<b>Movement in Funds:</b>	Balance at 1 April 2022 £'000	Income £'000	Expenditure £'000	Balance at 31 March 2023 £'000
<b>Charity</b>				
Funds Held as Agent on behalf of Veterans UK	42	400	(401)	41
<b>Funds Held as Agent</b>	<b>42</b>	<b>400</b>	<b>(401)</b>	<b>41</b>
<b>Group</b>				
Funds Held as Agent on behalf of Veterans UK	42	400	(401)	41
<b>Funds Held as Agent</b>	<b>42</b>	<b>400</b>	<b>(401)</b>	<b>41</b>

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

<b>Movement in Funds:</b>	Balance at 1 April 2021 £'000	Income £'000	Expenditure £'000	Balance at 31 March 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>

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

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

## 21. Pension Arrangements

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

From 1 October 2005, changes were made to the defined benefit pension scheme:

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

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

The last actuarial valuation was prepared using the "Attained Age" method, as at 31 March 2019. This valuation used the following assumptions:

	%
Investment return in deferment	3.65
Investment return in payment (Non-pensioners / Pensioners)	2.15/1.75
Salary increases	Nil
Pension increases pre-retirement – Deferred Pensioners	3.00
Pension increases pre-retirement – Employed Deferred Pensioners – Post-1997 service	3.65
	2.40

At 31 March 2019, the market value of the scheme's asset was £21.8m, the present value of liabilities was £23m resulting in an actuarial deficit of £1.2m, equivalent to a funding level of 95 per cent. The employer, having considered the various recovering plans, agreed to pay £0.7m on 31 March 2020 and £0.6m on 31 March 2021, as well as scheme costs of £0.08m p.a., following agreement with the pension Trustees.

A qualified actuary using revised assumptions that are consistent with the requirements of FRS 102 has updated the actuarial valuation described above at 31 March 2023. Investments have been valued for this purpose at fair value.

The pension cost to the Charity under FRS 102 was £0.26m (2022: £0.25m). The major assumptions used for the FRS 102 actuarial valuation were:

	2023 %	2022 %	2021 %
Rate of increase in salaries	N/A	N/A	N/A
Rate of increase in pensions in payment	3.00	3.35	2.60
Discount Rate	4.70	2.64	1.85
Price inflation	3.30	3.85	3.15

## Notes to the Financial Statements cont.

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

	2023 %	2023 £'000	2022 %	2022 £'000	2021 %	2021 £'000
Equities	4.70	4,617	2.64	9,160	1.85	11,188
Bonds / Gilts	4.70	11,783	2.64	14,112	1.85	9,163
Cash	4.70	949	2.64	540	1.85	3,073
Property and Other	4.70	774	2.64	1,035	1.85	1,243
Total Fair Value of Assets		18,123		24,847		24,667
Present Value of Scheme Liabilities		(18,860)		(25,979)		(27,299)
<b>Net Pension (Liability)</b>		<b>(737)</b>		<b>(1,132)</b>		<b>(2,632)</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 2023. The contribution rate for 2023 was nil of pensionable earnings (2022: nil) due to the scheme being closed to future accrual with effect from 30 April 2012.

	2023 %	2022 %
Equities	25.48	36.87
Bonds / Gilts	65.02	56.80
Cash	5.24	2.17
Property and Other	4.26	4.16

The liabilities were valued using the following mortality assumptions:

- Basetable: S3PA
- Future mortality improvements: CMI\_2021, 1.25% Long term rate
- Age rating: None

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

	2023	2022
<b>Retiring Now</b>		
Males	22.00	22.00
Females	24.40	24.30
<b>Retiring in 20 Years</b>		
Males	23.30	23.30
Females	25.80	25.80

**21.2** The movement in the scheme's deficit over the year to 31 March 2023 is summarised as follows

	2023 £'000	2022 £'000
<b>The Pension Deficit as at 31 March Comprises:</b>		
Pension Deficit at 1 April	(1,132)	(2,632)
Gain / (Loss) in the Year - Actuarial	479	1,673
Contribution to Scheme Administration Costs	180	80
<b>Subtotal</b>	<b>(473)</b>	<b>(879)</b>
<b>Analysis of Amounts Charged to the SoFA for the Year:</b>		
Other Finance Cost	(28)	(52)
Current Service Cost	(236)	(201)
Past Service Cost	-	-
<b>Subtotal</b>	<b>(264)</b>	<b>(253)</b>
<b>Pension deficit at 31 March</b>	<b>(737)</b>	<b>(1,132)</b>

**21.3** Analysis of the amount that has been charged to the SoFA under FRS 102

	2023 £'000	2022 £'000
Current Service Cost	236	201
<b>Total</b>	<b>236</b>	<b>201</b>

**21.4** Analysis of the amount that has been debited to net finance charges under FRS 102

	2023 £'000	2022 £'000
Expected Return on Pension Scheme Assets	649	451
Interest on Pension Scheme Liabilities	(677)	(503)
<b>Total</b>	<b>(28)</b>	<b>(52)</b>

## Notes to the Financial Statements cont.

### 21.5 Analysis of the Actuarial Movement

	2023 £'000	2022 £'000	2021 £'000
Actual Return Less Expected Return on Pension Scheme Assets	(6,679)	313	840
Experience (Losses) / Gains Arising on the Scheme Liabilities	(1,010)	13	99
Changes in the Assumptions Underlying the Present Value of the Scheme Liabilities	8,168	1,347	(4,120)
<b>Total</b>	<b>479</b>	<b>1,673</b>	<b>(3,181)</b>
Adjustment to Restrict Recognition of Surplus	-	-	34
<b>Revised Recognised Gain / (Loss) for the Year</b>	<b>479</b>	<b>1,673</b>	<b>(3,147)</b>

### 21.6 Reconciliation of Present Value Defined Benefit Obligation

	2023 £'000	2022 £'000
<b>Opening Balance at 1 April</b>	<b>25,979</b>	<b>27,299</b>
Current Service Cost	236	201
Past Service Cost	-	-
Curtailment	-	-
Settlements	-	-
Interest Cost	677	503
Employee Contribution	-	-
Actuarial Gains	(7,158)	(1,360)
Administration Expenses	(236)	(201)
Changes to Exchange Rates	-	-
Benefits Paid	(638)	(463)
<b>Closing Balance at 31 March</b>	<b>18,860</b>	<b>25,979</b>

## 21.7 Reconciliation of Fair Value Plan Assets

	2023 £'000	2022 £'000
<b>Opening Balance at 1 April</b>	24,847	24,667
Expected Return on Assets	649	451
Actuarial (Losses) / Gains	(6,679)	313
Changes to Exchange Rates	-	-
Employer Contribution	180	80
Employee Contribution	-	-
Settlements	-	-
Administration Expenses	(236)	(201)
Benefits Paid	(638)	(463)
<b>Closing Balance at 31 March</b>	<b>18,123</b>	<b>24,847</b>

## 21.8 Reconciliation of Change in Funded Status

	2023 £'000	2022 £'000
<b>Opening Balance at 1 April</b>	(1,132)	(2,632)
Pension Expense	(264)	(253)
Employer Contribution	180	80
Changes to Exchange Rates	-	-
Actuarial Gains	479	1,673
<b>Closing Balance at 31 March</b>	<b>(737)</b>	<b>(1,132)</b>

## 21.9 History of Experienced Gains and Losses

	2023 £'000	2022 £'000	2021 £'000	2020 £'000	2019 £'000
<b>Difference Between Actual and Expected Return on Assets</b>					
Amount	(6,679)	313	840	990	(405)
<b>% of Scheme Assets</b>	<b>36.9%</b>	<b>1.3%</b>	<b>3.4%</b>	<b>4.2%</b>	<b>(1.9%)</b>
<b>Experience of Gains and (Losses) Arising on Liabilities</b>					
Amount	(1,010)	13	99	1997	(14)
<b>% of Scheme Assets</b>	<b>5.6%</b>	<b>0.1%</b>	<b>0.4%</b>	<b>8.6%</b>	<b>0.1%</b>

## Notes to the Financial Statements cont.

### 22. Commitments and Conditional Grant Awards

#### i) Operating Leases

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

	Premises 2023 £'000	Premises 2022 £'000	Other 2023 £'000	Other 2022 £'000
Within One Year	225	646	16	24
Between One and Five Years	50	215	-	1
Over Five Years	6	-	-	-
<b>Total</b>	<b>281</b>	<b>861</b>	<b>16</b>	<b>25</b>
<b>Operating Lease Expenditure</b>				
	2023 £'000	2022 £'000		
Premises	510	428		
Plant, Machinery and Vehicles	39	36		
<b>Total</b>	<b>549</b>	<b>464</b>		

#### ii) Capital Commitments

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

#### iii) Investment Commitments

As at 31 March 2023, there were uncalled capital commitments to investment funds totalling £144m (2022: £125m). The two largest commitments were £48.5m for global property and £34m for an infrastructure fund.

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

## 22. Commitments and Conditional Grant Awards Cont.

### iv) Conditional Grant Awards

All grants are subject to conditions.

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

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

Current grants where performance conditions had not yet been fulfilled as at 31 March 2023 are set out below.

	Current Conditional Awards £'000	Recognised in Prior Years £'000	Conditional Grant Award B/Fwd £'000	Conditional Award in Year £'000	Recognised Charitable Expenditure £'000	Conditional Grant Award C/Fwd £'000
Designability (Wizzybug)	5,400	(2,200)	3,200	-	(1,500)	1,700
Family Fund Trust	15,000	(500)	14,500	-	(5,500)	9,000
<b>Total Under 5s Grant</b>	<b>20,400</b>	<b>(2,700)</b>	<b>17,700</b>	<b>-</b>	<b>(7,000)</b>	<b>10,700</b>
Designability (EV Charging)	761	(591)	170	-	(170)	-
Extra Mile Car Clubs	-	-	-	679	(484)	195
User Research Grants	447	(447)	-	593	(505)	88
NCAT - Evidence Centre	-	-	-	20,000	(255)	19,745
Scholarships	200	(19)	181	-	(50)	131
<b>Total Innovation</b>	<b>1,408</b>	<b>(1,057)</b>	<b>351</b>	<b>21,272</b>	<b>(1,464)</b>	<b>20,159</b>
Active Travel	-	-	-	712	(229)	483
Community Transport	-	-	-	8,925	(4,953)	3,972
Travelling with Confidence	-	-	-	992	(331)	661
Wheelchairs	-	-	-	1,950	(633)	1,317
<b>Total Impact</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,579</b>	<b>(6,146)</b>	<b>6,433</b>
<b>Total for Grants to Organisations</b>	<b>21,808</b>	<b>(3,757)</b>	<b>18,051</b>	<b>33,851</b>	<b>(14,610)</b>	<b>37,292</b>

These conditional grant awards will be funded from general fund reserves.

## Notes to the Financial Statements cont.

### **The Motability Foundation awarded:**

- i) £20m in 2022/23 (over seven years to 2029/30) to a consortium headed by Coventry University for the creation and running of the NCAT.
- ii) £15m in 2021/22 (over three years to 2024/25) to Family Fund to support the mobility of families with children under three years old.
- iii) £5.4m in 2019/20 (over four years to 2024/25) to Designability to support the availability of Wizzybugs to children up to the age of five years old.
- iv) £0.6m in 2021/22 (over two years to 2022/23) to Designability to develop a design for accessible charging points.
- v) £12.6m in 2022/23 (out of £50m designated) for 'Impact' grants (over up to three years to 2025/26) covering six separate initiatives: Community Transport, Active Travel, Reducing Barriers to Driving, Research, Travel Confidence and Wheelchairs.

For details of progress on major awards, please see the Grant Award Activity table on page 28.

## 23. Taxation

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

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

## 24. Events after the reporting date

There are no post balance sheet date events to note.

## 25. Prior Year Adjustment

### A. Cash Flow Statement

	Previously Reported Group 2022 £'000	Adjustments 2022 £'000	Restated Group 2022 £'000
<b>Adjustments for Non Cash Items</b>			
Reinvested Investment Income	-	(10,396)	(10,396)
Investment Management Fees Charged to Capital (Gains) / Losses in the Year	- (67,710)	1,799 133	1,799 (67,577)
<b>Adjustments to Exclude Investment Activities</b>			
Investment Income	(10,550)	8,015	(2,535)
Interest Income	(399)	3	(396)
Investment Management Fees Paid	2,936	(1,799)	1,137
<b>Cash Flows from Investing Activities</b>			
Investment Income	10,550	(8,015)	2,535
Interest Income	399	(3)	396
Investment Management Fees Paid	(2,936)	1,799	(1,137)
Purchases of Fixed Assets Investments	(880,854)	163,934	(716,920)
Proceeds from Sales of Fixed Assets Investments	604,890	(138,783)	466,107
Proceeds from Sales of Current Assets Investments	150,000	32,361	182,361
Decrease in Investment Cash	49,048	(49,048)	-
<b>Net Movement</b>		-	

Cash Flow Statement: restatement of fixed asset investment purchases and proceeds.

Correction of prior year: the amendments in lines Purchases of Fixed Assets Investments (£164m), Proceeds from the Sale of Fixed Assets Investments (£139m), Investment Income (£8m), Management Fees (£1.8m) and Decrease in Investment Cash (£49m) correct a prior year figure for non-cash movements disclosed within the 2022 Cash Flow Statement. Proceeds from Sale of Current Asset Investments (£32.4m) discloses an investment cash flow omitted in the prior year.

The requirement to restate investment purchases and proceeds was identified following a review of cash flows as part of the change in investment accounting policy in the period (see below).

Reinvested investment income represents income not received into a Motability Foundation bank account, but retained within the portfolio and reinvested by the Fund Manager.

Investment Management Fees charged to capital relates to when a Fund Manager deducts their fees directly from the Fund rather than being paid from a Motability Foundation bank account.

Cash held under discretionary mandates is treated as being part of Investments (rather than cash) and therefore is no longer included as a movement in cash.

## Notes to the Financial Statements cont.

### 25. Prior Year Adjustment cont.

#### B. Investment Movements

	Previously Reported Group 2022 £'000	Adjustments 2022 £'000	Restated Group 2022 £'000
Fair Value as at 1 April	1,527,976	-	1,527,976
<b>Additions</b>			
Gross Purchases	912,854	(912,854)	-
Amounts Invested	-	748,920	748,920
Reinvested Investment Income	-	10,396	10,396
<b>Withdrawals</b>			
Gross Sales	(754,890)	754,890	-
Amounts Withdrawn	-	(648,468)	(648,468)
Investment Fees Charged to Capital	-	(1,799)	(1,799)
<b>Gains / (Losses) in the Year</b>	<b>67,710</b>	<b>(133)</b>	<b>67,577</b>
<b>Movement in Portfolio Cash</b>	<b>(49,048)</b>	<b>49,048</b>	<b>-</b>
<b>Fair Value as at 31 March</b>	<b>1,704,602</b>	<b>-</b>	<b>1,704,602</b>

The change in accounting policy provides more reliable and relevant information as it enables the reader of the financial statements to understand the cash inflows and outflows relating to investment additions and withdrawals.

Investment purchases and proceeds have been reduced for transactions within certain portfolios where the Fund Manager has discretion to control these transactions and resulting cash flows do not pass through the Motability Foundation or MET bank accounts. Accordingly, the recognition of sales and purchases has been limited to recognising additions to, or withdrawals from, such portfolios. The effect is to reduce reported purchases and proceeds, and the impact in the year to 31 March 2022 is set out above.

This has resulted in a change in accounting policy as previously the Motability Foundation was accounting for all sales and purchases within these portfolios. This change in accounting policy has been treated as a prior year adjustment to ensure comparability of the 2022 figures.

These restatements do not impact fixed or current asset investment balances, nor do they impact total or individual funds, nor net income / (expenditure). Accordingly, no adjustment has been made in respect of earlier years.

The above adjustments reflect a change in accounting policy.

## Appendix I - List of 2022/23 Grants by Beneficiary

BENEFICIARY	£
Accessible EV Charging	169,875
Action for Kids, Tottenham	179,743
Arran Community & Voluntary Service	104,153
Autistic Minds	10,000
Badenoch & Strathspey Community ConneXions	134,372
Brittle Bone Society, Dundee	100,000
Bus Users UK	40,000
Cambs Society for Blind & Partially-Sighted (Camsight)	51,254
Community ConneXions, Gloucester	100,699
Community Equality Disability Action (CEDA) Exeter	100,635
Compaid Trust, Paddock Wood	173,335
Comunn Eachdraidh Nis, Isle of Lewis	104,965
Coventry University - NCAT	255,195
Coventry University - Scholarships	49,877
Croydon Voluntary Association for the Blind	308,800
Daventry Area Community Transport (DACT)	54,649
Derbyshire Community Transport, Ripley	115,859
Derwent Valley Car Club (DVCC)	123,282
Down Armagh Rural Transport (DART), Portadown	235,115
Easilink Community Transport Ltd, Strabane	2,300,977
East Hull Community Transport	172,410
ENABLE, Scotland	330,519
Family Fund	5,500,000
Foresight North East Lincolnshire	44,073
Friends of Pedal Power, Pontcanna, Cardiff	185,001
Green Community Travel, Yate, South Bristol	64,160
Green Fox Energy Co-operative	122,895
Interloch Transport, Argyll	53,384
Mental Health Foundation	145,204
Newlife, Cannock	276,953
North Holderness Community Transport, Hornsea	141,200
North Norfolk Community Transport	68,239
REMAP, Kemsing, Sevenoaks	76,562
RNIB	150,000
SERVE, Rushden, Northants	396,467
Sheppey Matters, Sheerness, Kent	144,161
South East Dorset Community Access Transport (SEDCAT)	100,100
Sussex Community Transport	122,059
Sustrans	100,000
Transport for All	40,000
Visionary	9,500
Voluntary Impact, Northampton	144,307
Wheelchair Alliance	10,000
Wizzybug Loan Scheme	1,500,000
<b>Grants to Organisations</b>	<b>14,609,979</b>
<b>Total 2022/23 Grants to 19,233 Individuals</b>	<b>78,564,136</b>
<b>Total 2022/23 Grants</b>	<b>93,174,115</b>

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#### **Veritas Investment Partners (UK) Limited**

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# Patrons, Governors, Members and Key Executive Employees

## Chief Patron

Her Majesty The Queen was our Chief Patron until her passing away in September 2022.

## Patrons

The Rt Hon Boris Johnson  
The Rt Hon Theresa May MP  
The Rt Hon David Cameron  
The Rt Hon Ed Miliband MP  
The Rt Hon Sir Iain Duncan Smith MP  
The Rt Hon Sir Tony Blair KG

## Life President

The Rt Hon the Lord Sterling of Plaistow GCVO CBE

## Life Vice-President

Brian Carte TD

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### Vice Chairman:

Ed Humpherson CB FCA

### Hon Treasurer:

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(retired 22 September 2022)

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Professor William Webb

Richard Cartwright ACA

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Tony Davis

(appointed 22 September 2022)

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## Members

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Raymond King

Joanna Lewis

Edward Lester

The Baroness Masham of Ilton DL

(until her death in March 2023)

The Hon Sara Morrison

Noel Muddiman CBE

Peter Oppenheimer\*

David Pritchard\*

Lord Kevin Shinkwin

Paul Spencer CBE

The Rt Hon the Lord Sterling of Plaistow GCVO CBE

## Key Executive Employees

### Chief Executive Officer:

Barry Le Grys MBE

### Director of Finance:

Charles Nall ACA

### Director of Charitable Operations:

Lisa Jones

### Director of Performance and Innovation:

Rachael Badger

### Chief Investment Officer:

Philip Coates

\*Independent member  
of Investment Committee



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

We are regulated by the Charity Commission and the Financial Conduct Authority. We are  
entered on the FCA register ([www.fca.org.uk/register](http://www.fca.org.uk/register)) under reference 736309.

Operating as the Motability Foundation.

[motabilityfoundation.org.uk](http://motabilityfoundation.org.uk)