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What is Motability?

Motability is a national charity, established with all party support in 1977, to assist disabled people with their mobility needs by enabling them to use their government-funded mobility allowances to obtain a car, powered wheelchair or scooter.

We direct and oversee the Motability Scheme.

We administer the Government's Specialised Vehicles Fund which provides grants for customers who need to travel in their wheelchairs. We also provide technical support to customers and the adaptation and conversion industry.

We raise funds to provide financial help to customers who would otherwise be unable to afford the mobility solution that they need.

The Motability Scheme

As a unique and successful collaboration of the public and private sectors, the Car Scheme is run for Motability on a contract basis by Motability Operations, a not-for-profit private company owned by the major banks. The Wheelchair and Scooter Scheme is operated by route2mobility, a limited company under contract to Motability.

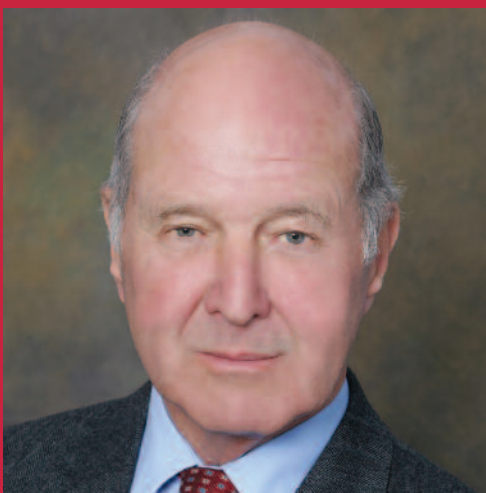
The Motability Scheme enables people to use the Higher Rate Mobility Component of Disability Living Allowance or the War Pensioners' Mobility Supplement to obtain a car, powered wheelchair or scooter.

The most popular option, chosen by over 95% of customers, is the contract hire of a new car. Customers choose a new car every three years with insurance, road tax, servicing, tyres and breakdown cover all included in a single monthly payment. A wide range of adaptations and wheelchair accessible vehicles are also available.

A similar contract hire scheme exists for people wishing to get a scooter or powered wheelchair instead. There are also competitive hire purchase schemes for customers whose needs are unlikely to change and who want to own their car, wheelchair or scooter. Currently, some 460,000 disabled people use the Scheme and since 1978, over 2 million cars, scooters and powered wheelchairs have been provided through the Motability Scheme.



Chairman's Report



The Lord Sterling of Plaistow
GCVO CBE

Chairman of Motability

Last October, we reached yet another historic milestone – two million cars provided by the Scheme. We were honoured and delighted that Her Royal Highness, Princess Alexandra, on behalf of our principal Patron, Her Majesty The Queen, was able to be with us to celebrate this event. We were privileged again to be able to use the gracious setting of The Royal Mews at Buckingham Palace. Six customers, each of whom had their own inspiring story, were presented with their car by HRH Princess Alexandra. Over 200 guests representing all of Motability's customers, staff, partners and contractors were there to enjoy the ceremony. Through the assistance of many partners, a line of vehicles, starting with the original invalid tricycle, gave a visual image of the history of the Motability Scheme.

As I said in my expression of thanks to HRH Princess Alexandra, no-one at the start of the Scheme, including the late Lord Goodman and myself, foresaw just how successful Motability would become. The Scheme has truly become 'a road to freedom' for disabled people, by restoring to them the opportunity for independent mobility.

At our Annual General Meeting last September, we were able to announce momentous improvements in prices of vehicles for disabled customers who require costly adaptations. On 1 October 2006, most of the popular adaptations, such as hand controls, were included in the

contract hire price at no extra cost. At the same time, there were significant price reductions in the contract hire prices for automatics and wheelchair accessible vehicles. Together with the programme to remove the backlog in drive from wheelchair applications, Motability has moved further than ever before to meet the needs of all its disabled customers. We were delighted with the Government's substantial increase in the Specialised Vehicle Fund to support this work.

The Powered Wheelchair and Scooter Scheme, whilst much smaller than the Car Scheme, has also grown in numbers. Its customers place equal value on the independence provided by their mobility solutions. We were pleased to see the strengthening of its finance position and the appointment of a new management team eager to improve customer services and value for money.

All of the Scheme's successes depend on a unique structure of partnership that dates from the inception of the Scheme. At the highest level, the Scheme continues to enjoy the support of all the main political parties, as well as the patronage of Her Majesty The Queen. We have an excellent relationship with the disability team at the Department for Work and Pensions, headed by Bruce Calderwood and Norman Cockett, and the Accessibility and Equality Unit at the Department for Transport, headed by Miranda Carter. We are grateful for the continuing support of their Ministerial teams, in particular, Anne McGuire, the Minister for Disabled People. We also work closely with the National Audit Office who support the DWP in validating our service performance.

**“The Scheme has truly become
‘a road to freedom’ for
disabled people by restoring
to them the opportunity for
independent mobility”**

Under the expert chairmanship of Neil Johnson and leadership of Chief Executive, Mike Betts, Motability Operations both deliver outstanding service to customers and maintain excellent relationships with partner banks, manufacturers and dealers.

“All of the Scheme’s successes depend on a unique structure of partnership that dates from the inception of the Scheme.”

Our Governors continue to give their time generously to support the Scheme. We owe thanks particularly to Gerry Acher, our Vice-Chairman and Chairman of the Scheme Oversight Committee; Richard Bennison, our Honorary Treasurer and Chairman of the Audit Committee; and Professor Adrian Stokes, Chairman of the Grants Committee. Christopher Lendrum has played an especially important role in leading the group which are examining the long term funding needs of the Scheme as it continues to grow. We were also delighted to confirm Kate Nash (former Chief Executive of RADAR) in her role of Governor, already making a distinctive and substantial contribution.

Under the leadership of our Director at Motability, Don Brereton, and Mike Betts, the Chief Executive of Motability Operations, all the staff work seamlessly together to achieve our aims for the Scheme. This has been particularly valuable in the initiatives taken to improve and promote our services for more severely disabled customers.

As we look forward to the 30th birthday of the Scheme this December, I can feel confident that all of its founders, a number of whom still work with us today, can take pride in the achievements to date and our determination to strive to ensure even better service in future years.

Director's Report



Don Brereton CB
Director of Motability

We are delighted with the progress made this year on two of our highest priorities. First, the improvements in services now available for customers needing specialist adaptations and conversions. Second, communicating the benefits of the Scheme to potential customers.

Success in these areas has been built on the joint commitment and effort of staff in both Motability and Motability Operations. Since 1 October 2006 most popular adaptations, such as hand controls, have been available at no additional cost to the normal lease. A wider range of automatics and wheelchair accessible vehicles with no advance payment have also been made available on contract hire. At the same time, a great deal of work has been done to streamline the process of assessing customers for government grants and commissioning drive from wheelchair solutions. This year 156 such vehicles have been ordered and we are at last in sight of clearing the backlog of customers who have had to wait too long for their vehicles.

These are major steps forward. Wide communication of these advances and the opportunities available for customers generally in the Scheme has continued to support positive growth. The contract hire fleet continues to grow at about 6% per annum. Much higher growth has been experienced in the number of vehicles fitted with adaptations and vehicles with wheelchair access. Applications for grants have also grown, in particular, requests for help with driving lessons and for wheelchair accessible vehicles for passengers.

Financing these improvements has been made possible through a variety of means. Overall, the Scheme has been able to provide a wider range of vehicles and services at affordable prices. The Department for Work and Pensions has increased the level of government grant in line with our commitment to increase the availability of drive from wheelchair solutions. We increased our fundraising income from voluntary sources and benefited from additional income generated by the Motability Tenth Anniversary Trust. We continually review all our sources of income to ensure that we can finance the continuing improvements to the Scheme.

The Powered Wheelchair and Scooter Scheme, has also benefited from positive growth and more competitive pricing. Contract hire is now the option chosen by a growing number of customers. In the early months of 2007, route2mobility's proposals to restructure the finance and management of this part of the Motability Scheme were agreed with Governors. We look forward to working with them to improve customer choice and service.

Within Motability this was also a year of considerable change. We moved to new premises in Harlow to improve our working environment and make it more accessible whilst reducing our running costs. New business processes were implemented in our administration of charitable and government grants. The objective is to streamline and modernise this vital part of our business and again make the service more accessible for our customers. A major project was put in place to provide up-to-date IT support to these business processes. It is to the great credit of all our staff and the senior management team that these developments took place with no visible break in our services. Our commitment to involving and developing our staff was recognised during the year with renewal of our Investors in People accreditation. This is a good foundation for our continuing programme of modernising and improving our methods of working for the benefit of all.

Customer Profile

Cameron, from Newcastle, 5 years old

Cameron's family are now enjoying their first car on the Motability Scheme, a Vauxhall Astra, after his Special Needs Behaviour Specialist told his mum, Tanya, about Motability.

It's made a huge difference to Cameron's life, as now we can enjoy lots of family days out. Thank you!

Highlights of 2006/07

Number of cars, wheelchairs and scooters supplied

168,870 cars and 2,909 powered wheelchairs and scooters were supplied during the year. On 31 March 2007, the Scheme had 460,149 customers, an increase of 26,001 (6%) on March 2006.

Two million Motability Car Scheme vehicles



On 6 October 2006, HRH Princess Alexandra, joined Lord Sterling of Plaistow GCVO CBE, Chairman of Motability, to hand over the keys of six new cars to Motability customers at the Royal Mews. The presentations marked a milestone in the Scheme's history, having provided two million cars to disabled people over the last 28 years.

Scheme enhancements

A number of improvements were made to the Scheme which are detailed on page 10. These included a wider range of automatic cars and wheelchair accessible vehicles with no advance payment, popular adaptations such as hand controls available at no additional cost, no more formal inspections at the end of lease and further developments to the online searchable price guide.

Financial help

Motability awarded grants totalling £13 million to help 5,250 people with their mobility needs. This included £9.1 million of government funded grants and our own fundraising activities provided £1.3 million. The Tenth Anniversary Trust also contributed £2.5 million for grants. The introduction of new processes and systems is also ensuring that customers needing financial help are supported with the minimum paperwork and delay.

Scheme awareness

Motability continued with its awareness campaigns to help ensure that all eligible disabled people are made aware of the Scheme. Initiatives included an information leaflet to all recipients of the Higher Rate Mobility Component of the Disability Living Allowance, and, for the first time, to eligible War Pensioners; the distribution of leaflets and information to healthcare professionals and advisors; attendance at exhibitions and conferences throughout the UK; and support for dealers promoting the Scheme in their local areas. A new initiative this year was the production of an information DVD, 'The Secret's Out', fronted by actress and disability rights campaigner, Julie Fernandez, which can also be viewed or downloaded from the Motability website. It is proving popular with both eligible non-customers and professionals alike.

New premises

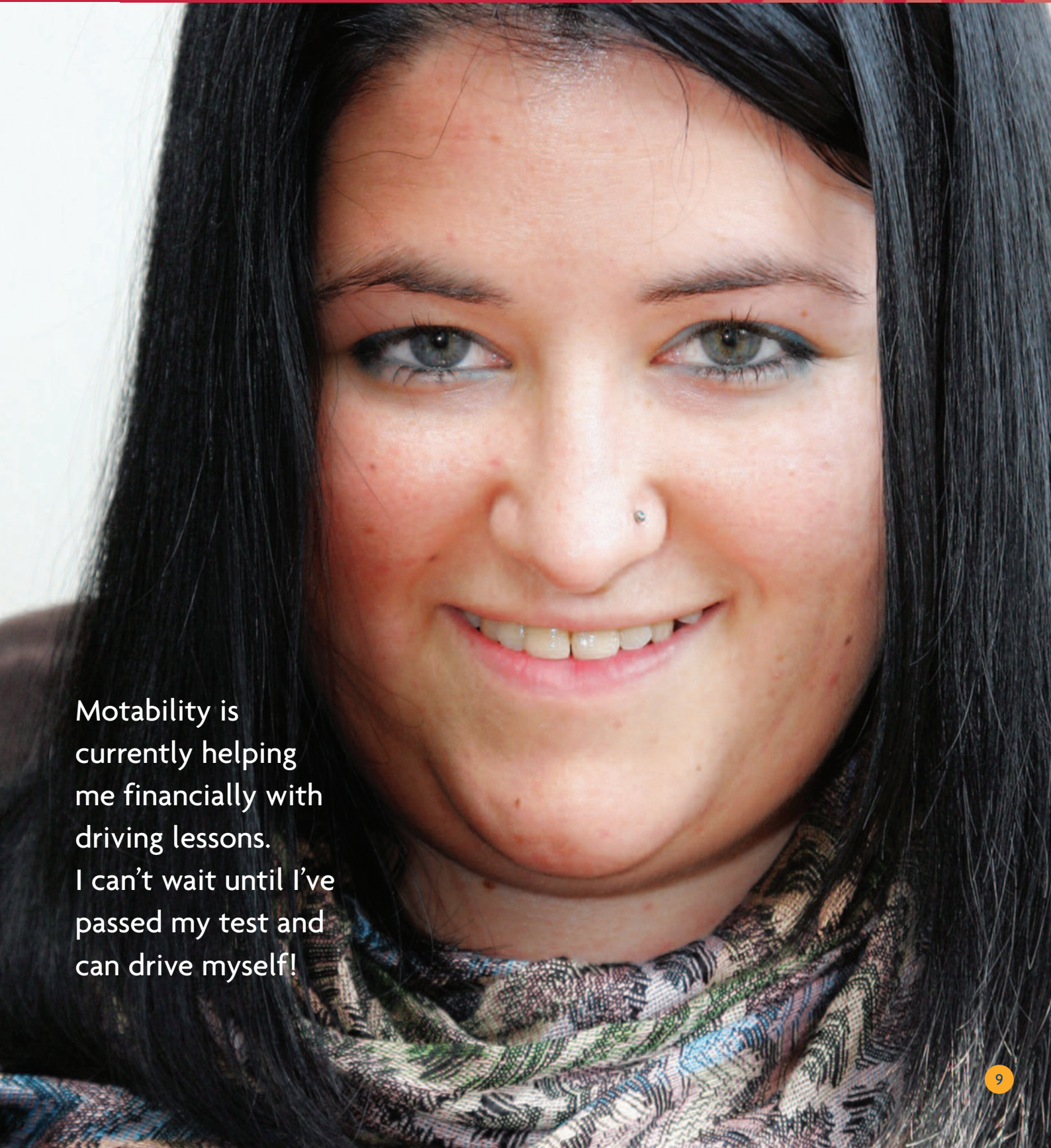


The new premises, occupied by Motability at the end of October 2006, gave an opportunity to remount our Royal Charter in the reception area and for Governors and staff to celebrate the move in December.

Customer Profile

Rebecca, a 21 year old student from Liverpool

Rebecca, who has Spinal Muscular Atrophy Type II, received her new wheelchair-accessible Sirius Kangoo from HRH Princess Alexandra, as part of the two millionth vehicle celebrations.



Motability is currently helping me financially with driving lessons. I can't wait until I've passed my test and can drive myself!

Report on Motability Scheme Performance



Gerald Acher CBE LVO

Chairman of the Scheme Oversight Committee

"Oversight of both the car and wheelchair schemes is carried out by a dedicated team at Motability, reporting to the Scheme Oversight Committee which meets quarterly. This Report covers some of the most important changes and key performance indicators which we use to monitor and direct the Scheme."

Car Scheme

Achievements during 2006/07

Building on the many changes already introduced by Motability Operations during the previous four years, further improvements were made in 2006/07, including the specific aims we set out in last year's Annual Report:

We have maintained high levels of customer satisfaction and loyalty through 2006/07. This reflects first-class service and a wide selection of popular cars including newly launched models, automatics and wheelchair accessible vehicles at affordable prices.

We have continued to invest in increasing awareness and understanding of the Scheme so that as many disabled people as possible can make an informed choice about their own mobility solutions. At a national level, we mailed an information leaflet to recipients of the relevant mobility allowances and produced a short DVD to promote the Scheme to

potential customers and advisors. At a local level, we encouraged dealers to work with local media and groups in their own areas. Improved communications have raised awareness of the Scheme, contributing to an increase in customer numbers to 453,171 in March 2007 from 427,605 in March 2006.

In order to reduce the additional costs experienced by customers requiring more complex mobility solutions, we made major changes to prices in October 2006. Many popular adaptations, such as push-pull hand controls and left-foot accelerators, are now available at no additional cost, with more extensive adaptations at affordable prices. In addition, improved pricing is available on a range of automatic cars and wheelchair accessible vehicles (WAVs), with many available with no advance payment.

The online searchable price guide that was introduced in 2005/06 was improved further with the inclusion of data on the accessibility features of each model. The site has also been enhanced by the inclusion of reviews and images of cars available on the Scheme.

End of contract changes were introduced to further improve the process of returning cars at the end of leases with no more formal inspections and a clearer wear and tear policy.

The network of dealers expanded to over 4,000 with further manufacturers also joining the Scheme, bringing the total number to 33 in March 2007. The market share of manufacturers available on the Scheme at March 2007 represents 97% of the UK market.

Green issues will become increasingly important to us. As a first step, we have increased the amount of information being provided to customers so that they can take environmental issues into consideration when choosing and using their cars. For example, the January 2007 price guide included a new section highlighting cars with emissions of less than 120g/km, resulting in a 25% year on year increase in customers choosing such cars on the Scheme.

Performance during 2006/07

Customer Satisfaction

At the end of 2006/07, the three headline measures of customer satisfaction remained above our objectives, reflecting customers' appreciation of the lower prices and improved services being provided by Motability Operations. The percentage of customers renewing at the end of their leases also increased from 86% in 2005/06 to 92% in 2006/07.

Customer Satisfaction and Pricing Performance Indicators

	2005/06 Actual	2006/07 Actual	Scheme Objective
Overall satisfaction with the Scheme	96%	96%	92%
Customers who would recommend the Scheme	97%	96%	92%
Customer intention to renew their leases	96%	96%	92%
Actual customer renewal at end of lease	86%	92%	78%

Value for money

The Contract Hire Scheme continued to offer excellent value for money. Independent analysis indicates that prices for the top 50 models on the Scheme are 29% cheaper than the average of a number of other major contract hire companies for the same models.

Affordability

Over the last four years, Motability Operations has been able to offer significantly lower prices to Scheme customers. These lower prices have been sustained as a result of good performance in the sale of used cars and a continued focus on managing administrative and other costs within industry benchmarks.

In January 2006, we changed our affordability performance indicators to measure the number of models (rather than each variant of a model) available with no advance payment in a number of vehicle categories. As at March 2007, there were a total of 79 models available, an increase of 21 models compared with March 2006. There were 21 automatics and 33 manuals for the small car category and 9 automatics and 16 manuals for the small family and MPV category.

We also introduced a performance indicator to measure the number of vehicles in which a wheelchair user can travel as a passenger with an advance payment of £500 or less. As at March 2007, there were 50 model variants available, an increase of 42 compared to March 2006.

Affordability Performance Indicators

	2005/06 Actual	2006/07 Actual	Scheme Objective
Number of models available with no advance payment	58	79	51
Number of WAV model variants (passenger) with an advance payment of £500 or less	8	50	5

Continuous mobility

Motability Operations have maintained a strong focus on ensuring that the customer is kept mobile whenever possible, both between leases and within the life of each lease. Gaps at the end of lease have been virtually eliminated over recent years and, for gaps during the contract caused by accident or theft, Motability Operations also help customers to become mobile again as quickly as possible with courtesy cars and a range of other solutions. The Scheme also provides a comprehensive breakdown assistance service for contract hire cars and monitors the performance of our service provider, RAC. During 2006/07, RAC continued to deliver an excellent performance for our customers although average time to respond did slip slightly from an average of 38 to 40 minutes.

Continuous Mobility Performance Indicators

	2005/06 Actual	2006/07 Actual	Scheme Objective
Customers taking delivery of new car on same day as handing back old car	99.9%	100%	98%
Roadside assistance – average response time	38 min	40 min	42 min

Risk management

The Scheme is exposed to a number of risks, including the uncertain value of cars at the end of their three year leases. The Scheme Oversight Committee monitors these operational and financial risks on an ongoing basis within their quarterly meetings to ensure that the Scheme manages these risks appropriately and is suitably financed to ensure the provision of a continuous and affordable service to customers.

Aims for 2007/08

We will maintain the current high levels of customer satisfaction and loyalty through 2007/08 by continuing to offer affordable prices and first class service to all customers, however simple or complex their mobility needs.

We will continue to invest in improved awareness and understanding of the Scheme among those disabled people who would be able to use its services.

We will provide customers with improved information on environmental issues associated with their motoring choices so that they can maintain their mobility while minimising their environmental impact.

Powered Wheelchair and Scooter Scheme

Achievements during 2006/07

route2mobility Limited (r2m) increased customer numbers to 6,978 in March 2007 from 6,143 in March 2006. Overall customer satisfaction fell back slightly during the year from 89% to 87%, although customers' rating of their product suitability did improve over the period. More detailed research highlighted a need for more consistent aftersales support to be provided to customers, ensuring that they are not left without the use of their scooter or powered wheelchair wherever possible. r2m maintained their performance in reducing prices by at least 20% of RRP for scooters and 10% for powered wheelchairs. For scooters, the average discount from RRP was 22% and 13% for powered wheelchairs. The contract hire product, introduced in 2005/06 and including servicing, maintenance, insurance and breakdown cover in a single peace-of-mind package, has been well received by customers and now accounts for close to 50% of new customer agreements.

In March 2007, Jamie Borwick, Chairman of r2m, substantially increased his investment into the company in order to remove the existing constraints on the business and allow it to develop and expand. At the same time, Michael McRedmond took over as the Chief Executive Officer. We look forward to working with the new team and developing this part of the Scheme to its full potential.

Customer Satisfaction and Pricing Performance Indicators

	2005/06 Actual	2006/07 Actual	Scheme Objective
Overall satisfaction with the Scheme	89%	87%	95%
Customers' rating of product suitability	93%	95%	95%
Average discount from manufacturers' RRP – scooters	22%	22%	20%
Average discount from manufacturers' RRP – powered wheelchairs	11%	13%	10%

Aims for 2007/08

We will seek to achieve consistently high levels of customer satisfaction with the sales and aftersales process of the Scheme.

In particular, we will seek improvements in the quality and consistency of the aftersales support provided by dealers to Scheme customers.

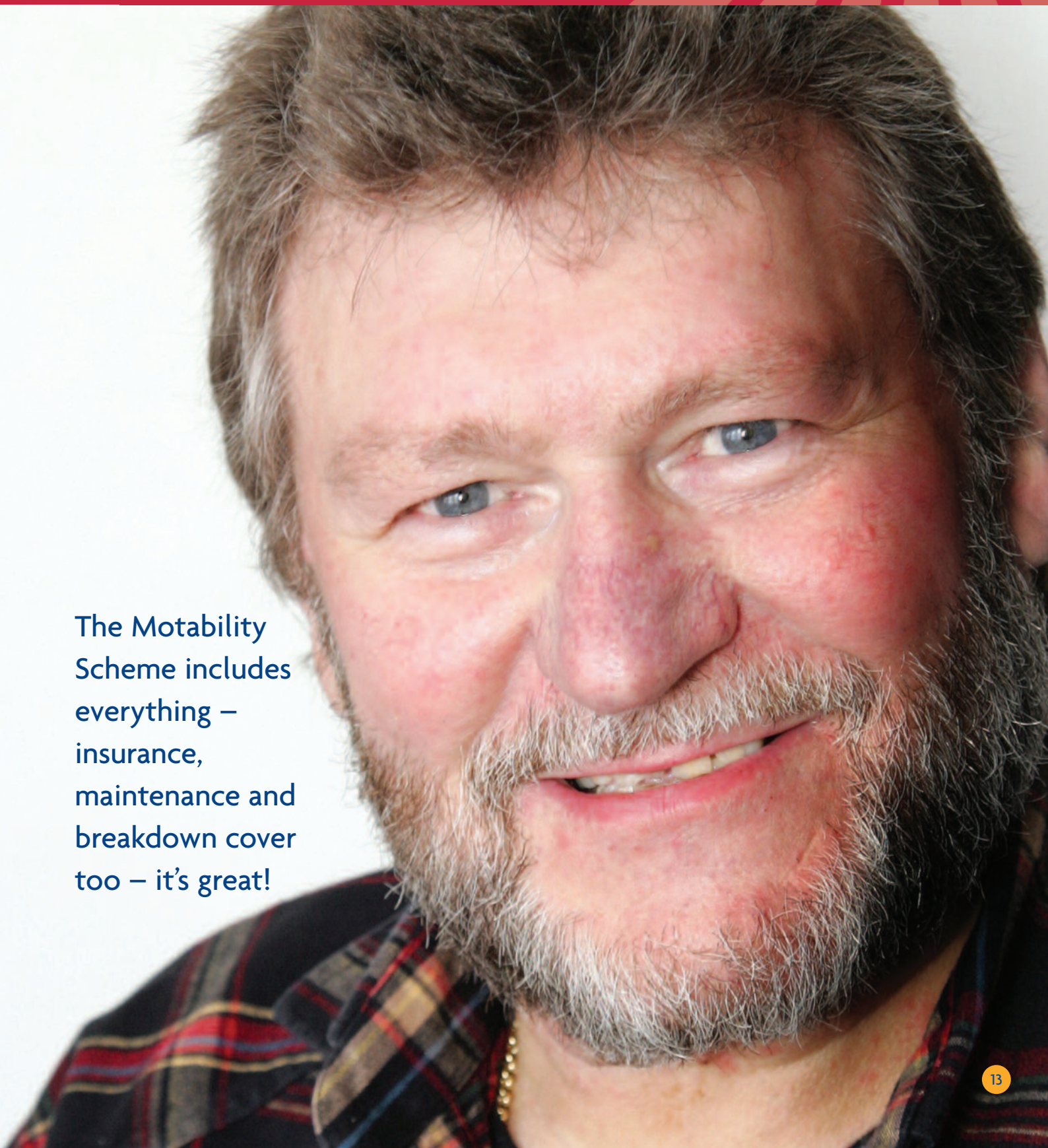
We will look for further opportunities to reduce the prices paid by customers by securing the best deals possible on products, insurance and servicing.

Customer Profile

Allan, from Oxford, 65 years old

Allan, who has osteoarthritis, decided to use his government funded mobility allowance to finance his first Motability Scooter, a Cordova, supplied by Chartercare.

The Motability Scheme includes everything – insurance, maintenance and breakdown cover too – it's great!



Report on Grants and Technical

Achievements for 2006/07

Develop and implement new grants application process

Customers are now able to apply for a grant by telephone and internet applications will be possible later in the year following the implementation of a new IT system. Application times have been reduced through the adoption of new methods of working and the new IT system will enable further reductions. A number of changes have also been made to improve the service offered to grant assisted customers. These are focused on involving the customer more fully in the selection of a suitable vehicle. Whilst some of these changes are already in place the new IT system will enable us to complete this work.

Develop a specification for highly adapted drive from Wheelchair Accessible Vehicles

The specification has been successfully developed in consultation with the conversion industry. All new vehicle conversions of this type are now being accredited to this specification, and existing products will need to comply with the requirements within 12 months.

Complete the implementation of new customer assessment processes

The changes have been successfully implemented and in addition:

In November Motability took delivery of two new wheelchair accessible assessment vehicles that have a range of adaptations including high technology driving controls. The vehicles are a key element in the delivery of accurate and timely assessments, particularly for the most complex drive from wheelchair applications.

The revised working methods have enabled the volume of assessments to be doubled over the year.

Motability has forged closer links with our suppliers, particularly for demonstrating drive from wheelchair vehicles. These changes have ensured that the suppliers are far more involved in the delivery of a suitable vehicle to our customer.

Motability Operations has set up a dedicated Customer Solutions Team to focus on providing a service to customers requiring complex vehicles. This team provides support to customers whilst their vehicle is being built and also once it is in use on the Motability Contract Hire Scheme.

The application and build time for drive from wheelchair vehicles has been significantly reduced despite the largest ever increase in successful applications. However, the lead time is still far too long and further changes are planned and being implemented to make delivery times more comparable to standard production cars.

Complete the development of Codes of Practice for adaptations

The new Codes of Practice have been completed and implemented, and a number of old codes have also been revised. As technologies and products change so the Codes of Practice are added to and revised accordingly. This has led to a need for two further Codes of Practice which are now under development. All Codes of Practice and the Motability WAV Specification can be found on our website at www.motability.co.uk

Performance during 2006/07

Charitable grants

Charitable grants are funded from our own fundraising activities and the support of the Motability Tenth Anniversary Trust. Due to the low advance payments for vehicles enjoyed by Scheme customers, these grants are made predominantly to provide assistance for those customers who need significant adaptations, larger vehicles and driving lessons.

1,514 customers received a charitable grant for a vehicle and/or adaptations.

2,301 people received grants to assist them with driving lessons.

Telephone applications were introduced for customers looking for financial help.

In total, charitable expenditure totalled £2.9 million.

Government Grants – Specialised Vehicles Fund

Motability administers the Specialised Vehicles Fund on behalf of the Government, for people needing a heavily adapted vehicle, often wheelchair accessible, either as a passenger or a driver.

Passenger vehicles:

We have continued to ensure that there is no waiting list, other than the time taken to supply the vehicle, for passenger grant applicants. The continuing low advance payments for Wheelchair Accessible Vehicles (WAVs) have led to a significant increase in vehicles that have been self-financed through the Motability Scheme. This has allowed us to concentrate on helping those in need of more expensive adapted vehicles whilst also providing the largest number of grants funded vehicles ever.

Grants were provided for 1,038 wheelchair accessible passenger vehicles plus 676 other passenger vehicles.

Driver vehicles:

A key objective for Motability is to increase the number of drive from wheelchair vehicles supplied to our customers. This is to meet the increasing demand for this type of vehicle. This year we have supplied a similar number of vehicles to last year, which was the highest we had ever achieved. However, we have worked closely with both Motability Operations and our vehicle suppliers to change the application and vehicle manufacturing processes to increase capacity and speed up the time from application to supply and the results of these changes will start to show in the coming year.

123 applications were received.

67 vehicles were completed for customers.

156 vehicles were ordered and are now in the process of being supplied to customers.

Technical Services

When necessary, Motability provides an assessment service for customers receiving financial help to decide on suitable adaptations and vehicles. It also carries out technical evaluations of products and suppliers.

Over 900 customer referrals were dealt with during the year resulting in over 1,000 visits to customers by members of the assessment team.

61 products and vehicles were accredited for use by Motability customers.

Aims for 2007/08

Develop and implement a new Grants IT system designed to support further improvements in customer service with internet applications and reduced application times.

Increase the number of drive from wheelchair vehicles delivered to customers.

Hold a European conference attended by key stakeholders such as policy makers, car manufacturers, adaptation/conversion suppliers and assessment specialists with the objective of promoting an understanding of the needs of disabled motorists.

Customer Profile

Elizabeth, from London, 55 years old

Elizabeth has Multiple Sclerosis and is currently enjoying her second car on the Motability Scheme, a Renault Scenic. Motability also gave her a grant towards the cost of hand controls and a wheelchair hoist to enable Elizabeth to drive herself.

Before my
Motability car I
was housebound,
now I am able to
go out wherever
and whenever
I want.



Report on Fundraising

Every year, Motability raises over £2 million to support the provision of financial help to customers. The funds we raise help customers who would otherwise be unable to afford the type of car, adaptations or driving lessons that they need to become independently mobile.

How Motability raises money

Each year, in addition to our three national raffles, our Fundraising team organises a diverse range of activities, campaigns and events. These include activities for individuals, such as parachute jumps and our own Tea Party Week, and sponsored corporate events, such as entertaining clients with a day at York Races. We welcome new opportunities to work with corporate partners on a variety of sponsorship opportunities, such as direct mail campaigns, nominated charity of the year and employee fundraising initiatives. We have a growing base of individual 'Friends of Motability' who support our raffles or who make regular donations.

Payroll Giving is another popular and tax efficient way for individuals to donate money to support us. Likewise, Charitable Trusts and Foundations continue to provide an important source of income, as do the legacies that are kindly left to us by valued supporters.

Achievements for 2006/07

A total of £2.4 million was raised from direct fundraising activities for the Charitable Fund representing an 11% increase on last year.

During the year we conducted a review of all our database needs. This resulted in upgrading our system to enable us to target campaigns more efficiently and effectively.

A review of the timing and number of our raffle and appeal campaigns resulted in us raising over £1.7 million accounting for over 65% of total income.

Income from Charitable Trusts and Foundations increased by 5% to £257,527. This increase was primarily from newly acquired support.

A successful campaign to encourage supporters to sign up to gift aid resulted in a 20% increase in gift aid supporters.

Working closely with Motability Operations, details for a dealer fundraising campaign were finalised.

A feasibility study was concluded on the viability of a customer and supporter affinity programme and plans were finalised to launch a pilot programme.

Aims for 2007/08

Launch the dealer fundraising campaign during May 2007, as part of wider events to promote the Scheme and target each dealer to raise £50.

Reduce raffle costs by 10%.

Launch the affinity programme pilot to customers and supporters in April 2007.

Financial Summary

The summarised accounts set out on page 19 have been extracted from the full Annual Accounts prepared in accordance with the Charities Act 1993, which were approved by the Board of Governors on 18 June 2007.

The full annual accounts have been audited and the auditors' opinion was unqualified and delivered to the Charity Commission. They were signed by:

The Lord Sterling of Plaistow GCVO CBE

Chairman

Richard Bennison

Honorary Treasurer

17 August 2007

Independent Auditors' Statement to the Governors of Motability

We have examined the summary financial statements which comprise the summary statement of financial activity and summary balance sheet.

This report is made solely to the Charity's Governors, as a body, in accordance with the *Accounting and Reporting by Charities: Statement of Recommended Practice 2005*. Our audit work has been undertaken so that we might state to the Charity's Governors those matters we are required to state to them in an auditors' 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 Governors as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Governors and Auditors

The Governors are responsible for preparing the summary financial statements in accordance with the recommendations of the *Accounting and Reporting by Charities: A Statement of Recommended Practice 2005*.

Our responsibility is to report to you our opinion on the consistency of the summary financial statements with the full financial statements and Governors' Annual Report. We also read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the summary financial statements.

Basis of opinion

We conducted our work having regard to *Bulletin 1999/6 The auditors' statement on the summary financial statement* and *Practice Note 11 The audit of charities* issued by the Auditing Practices Board for use in the United Kingdom.

Opinion

In our opinion, the summarised financial statements are consistent with the full financial statements and the Governors' Annual Report of Motability for the year ended 31 March 2007.

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

3 Victoria Square
Victoria Street
St Albans
Hertfordshire
AL1 3TF

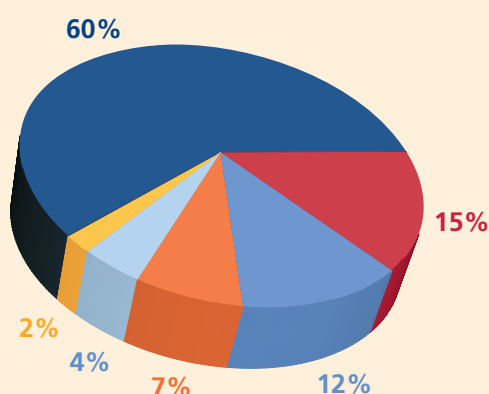
29 August 2007

These summarised accounts may not contain sufficient information to allow for a full understanding of the financial affairs of the Charity.

For further information the full Annual Accounts, the auditors' report on those accounts and the Governor's report should be consulted. Copies of these can be obtained via our website at www.motability.co.uk

Income

Where Motability's income came from in 2006/07

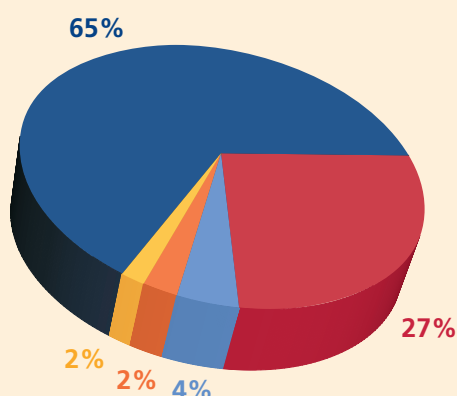


	£'000
Government Grants	12,884
Lease Levy Income	3,283
Tenth Anniversary Trust	2,614
Trading Income	1,538
Fundraising Income	872
Investment and Other Income	408
Total Incoming Resources	21,599

(2005/06: 19,421)

Expenditure

How each pound was spent in 2006/07



	£'000
Grants to Disabled People	13,563
Support Costs	5,687
Cost of Trading	849
Governance and Strategic Management of the Charity	477
Cost of Generating Voluntary Funds	330
Total Resources Expended	20,906

(2005/06: 19,504)

Summary Balance Sheet at 31 March 2007

	£'000		£'000
Fixed Assets	647	Represented By:	
Current Assets	13,436	Restricted Funds	7,864
Liabilities	(5,418)	Unrestricted Funds	565
FRS 17 Pension Liability	(1,775)	Restricted Pension Reserve	(1,539)
Net Assets	6,890	Total Funds	6,890

Thank You

On behalf of all our customers who have benefited from their generosity, Motability would like to thank all the companies, organisations and charitable trusts which supported us in 2006/07.

In particular we wish to acknowledge the support of:

8 Limited
Alamo National Car Rental
Arsenal Football Club
Asda
Aston Villa Football Club
Autoglass
BCA AutomotiV
Blackhorse Motor & Leisure Finance
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Customer Profile

Charles, a War Pensioner from Devon

Charles was hit in the leg by a grenade and has Pes Cavus in both his feet. He first heard about Motability from the Service Personnel and Veterans Agency and currently has an automatic Hyundai Matrix on the Scheme.

This is my fifth Motability car but I still love driving and making use of the car at every opportunity.

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