



mcclarda[®]

Today's Industry. Tomorrow's Journeys

ANNUAL REPORT

November 2023



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CHAIRMAN'S REPORT

NEIL FLETCHER HONDA UK

*Head of Motorcycles
Chairman, MCIA Board of Directors*

It gives me great pleasure to write to you following another challenging but good year for the Industry and MCIA.

In 2023, we finally began to put the pandemic behind us, and the market appears to have a more familiar shape. Whilst that's positive, the war in Ukraine and escalating conflict in the Middle East will undoubtedly continue to influence the global economy, impact energy prices, and bring new challenges ahead. Our thoughts are with all the innocent people affected in these troubled zones.

Despite some ups and downs in some sectors through 2023, the UK Powered Two-wheeler market remains strong. The MCIA is forecasting annual volumes to be similar to 2022 but with added growth in the circulating parc (*total number of bikes in use*). These market conditions are encouraging and should prove to be a strong platform for us all to build upon in 2024.

The UK political situation remains somewhat volatile and unpredictable, with the current Government rocked by local election results and regular negative headlines. As you would expect, the team at MCIA have been busy building relationships with opposition Shadow Ministers in order to prepare for all eventualities at the ballot box next year.

As you will be aware, the Government are yet to respond to the phase-out of non-zero emission vehicles in our sector. We expect to receive a response before the Christmas break, but other such response dates have come and gone. The MCIA will continue to push for a positive outcome to the comprehensive submissions made on this matter. The "delay" recently announced for the car & van sector (from 2030 – 2035) appears to amount to little in the real world as the ZEV mandate will still require 80% of all new cars and vans to have zero "tailpipe" emission by the original 2030 date. In any case, the MCIA team are in regular contact with senior officials who brief us that any decisions already taken for the car sector will not impact the outcomes for L-category (Mopeds & Motorcycles). We remain assured our concerns will be fully considered when any announcement is finally made.

On a more positive note, you will have seen the MCIA launched the "**A Licence to Net Zero**" campaign. This initiative is an integral part of the joint Government / Sector action plan that was launched in February 2022. Within the plan, there are ten key actions, including an agreement in principle to conduct a full rider licence review. The objective of our proposal is to reduce the cost, complexity, and duplication of gaining a licence without compromising road safety.



I can advise the campaign has been well received by the relevant officials, and the MCIA is pushing hard to get this full review underway.

As we look ahead to Motorcycle Live, I am pleased to report ticket sales are up on the previous year. There will be forty-eight manufacturers and brands on display, along with many great opportunities to ride our increasingly wonderful products. Motorcycle Live is the industry showcase event providing some two-wheel-inspired sunshine as the days shorten and the festive season kicks in. Please be sure to promote the Show with its spectacle and experiences on offer through your communication channels, and if you are not exhibiting this year, we would very much welcome you to take part in 2024.

I close by saying a big thank you to all those companies that support the MCIA and a warm welcome to the many new member companies that have joined this year. I look forward to meeting some of you at Motorcycle Live and the member conference, which takes place at the National Motorcycle Museum on the 23rd of January, 2024.

Lastly, from the Board and the team here at MCIA, we wish you a Happy Christmas and Prosperous 2024.

CHIEF EXECUTIVE REPORT

TONY CAMPBELL

MCIA Ltd

CEO

At the time of writing, 2023 looks to be another great year for the sector, with new bike volumes expected to finish close to 2022 actuals, where we have also seen an increase in circulating parc. This is supported by reports from other areas of our membership, who are also advising positive growth when compared to 2022.

We continue to see unrest and uncertainty in some parts of the world with both the continuation of the conflict in Ukraine and now the war in the Middle East. This brings continued uncertainty in the global economy and markets, and we hope things do not escalate further.

Aside from wars, the UK continues to face economic challenges, including high interest rates and energy prices. The consequence of this is a high cost of living, squeezing household incomes. Despite these influences, our sector remains robust; however, we expect these burdens to soften during 2024, which can only help our market develop.

On the Political front, MCIA continues to service our members well, and our relations with the Government have never been so strong. We will continue to work closely with Ministers and senior officials on all aspects of the joint Government / Sector action plan. You will have seen recently the launch of the “**A Licence to Net Zero**” campaign, which is designed to remove complexity, cost and duplication from the current licensing regime and, at the same time, reduce minimum ages at all licence entry points. Whilst it will not be as simple as some would like, we must accept what will be possible, given the poor road safety record.

You're probably wondering what's happening with the Phase Out of Non-Zero emission mopeds, motorcycles, and other L-category vehicles, and we are hopeful the Government will respond before yearend, albeit we would not be surprised if we do not hear anything until early in 2024. We are advised that the Government has listened to our concerns and will respond with full consideration to all the points we raised. We remain hopeful this is the case and expect a supportive response, allowing the industry to plan, develop and introduce the right technologies in the coming years.



The MCIA Team

We have now established an incredibly strong, knowledgeable, and dedicated team here at MCIA whose focus is to represent and service our members. Our priorities are to ensure the core services are of the highest quality and, at the same time, push to introduce new added value services that will provide additional support and insight for your business.

Membership growth

2023 has seen further growth in our membership, welcoming in more whole vehicle manufacturers and importers along with new members from other areas of the industry. This is the result of hard work from the membership department and the wider MCIA staff.

Motorcycle Live

With just a few weeks to run, Motorcycle Live is full steam ahead. As I write, we are happy to report ticket sales are up compared to 2022 for the same period. We have 48 vehicle manufacturers exhibiting, an increased number of retailers and even more opportunities for visitors to experience life on two wheels. Even if you are not exhibiting at the show, please take the time to visit and enquire about opportunities to join us at the 2024 event.

CHIEF EXECUTIVE REPORT

MCIA Financial Wellbeing

You will see from the financial statements that MCIA continues to remain in a financially secure position, and you will know this is not by luck but by good planning, ambitious income targets, tight controls on costs and an efficient workforce focussed on delivering excellent services, to our members.

It is these principles that will remain in place as we move ahead into 2024 and beyond.

Our sector in 2024 and beyond

Over the next 10-15 years, our sector will face many new challenges, which in turn will create opportunities. As in any business (and market), it will be those companies that foresee the change, be able to predict what's coming and plan for it. Identifying these opportunities will be key to future success. Never has standing still and hoping for the status quo been the right thing to do. With this in mind, I encourage you to be alert, be brave and ensure you have a team around you that is dynamic, agile, and aware of what's needed in the future.

Be assured that MCIA will continue to support both the legacy market and the development of the new markets. We will do this by ensuring the path ahead is as clear as possible and providing the support you need.

Careers in the Sector

You will recall MCIA coordinated a new initiative which set out to address the shortages of technical apprentices in the network of dealers and to promote how great the industry is to work in. I am pleased to advise that we are now well underway in attracting new young people into apprenticeships with the appointment of Emtec (Nottingham College), along with Bosch as industry training partners.

We are expecting 60 new apprentices to join the industry over the next few months with a year two and three plan in place. We will again have a Careers stand at Motorcycle Live and urge you to visit the stand to find out more.

Summary and Thank You

It is a real pleasure working in this industry and, more importantly representing all the companies that support MCIA. The team here are committed to delivering the best services possible, representing your interests and helping create a stable and growing market for the sector. Without your support this can't happen, and therefore please accept my sincere thanks and appreciation to you all.

I wish you, your families, and your colleagues a very Happy Christmas and a prosperous 2024. I look forward to seeing you all at Motorcycle Live, and in the New Year at the Conference, which takes place on the 23rd of January.

FINANCIAL SUMMARY

MEMBERSHIP YEAR 2022/23

Key financials are outlined below and a full copy of accounts including the Directors' and Auditors' Report is available on request. Please contact Karl Pahnke, Financial Controller at k.pahnke@mcia.co.uk should you require any further detail.

CONSOLIDATED INCOME & EXPENDITURE ACCOUNT

Year ended March 2023

	2023 - £	2022 - £
TURNOVER	3,961,807	3,427,190
Cost of sales	2,369,080	2,094,405
GROSS SURPLUS	1,592,727	1,332,785
Administrative expenses	1,535,660	1,284,367
	57,067	48,418
Other operating income	5,946	8,640
OPERATING SURPLUS	63,013	57,058
Interest receivable and similar income	12,494	3,720
SURPLUS BEFORE TAXATION	75,507	60,778
Tax on surplus on ordinary activities	15,442	(58,739)
SURPLUS FOR THE FINANCIAL YEAR FOR THE GROUP	60,065	119,517

CONSOLIDATED BALANCE SHEET

31 March 2023

	2023 - £	2022 - £
FIXED ASSETS		
Tangible assets	657,036	645,942
Investments	-	-
	657,036	645,942
CURRENT ASSETS		
Debtors	594,586	601,793
Cash at bank and in hand	2,110,659	2,522,454
	2,705,245	3,124,247
CREDITORS		
Amounts falling due within 1 year	(208,138)	(676,111)
NET CURRENT ASSETS	2,497,107	2,448,136
TOTAL ASSETS LESS CURRENT LIABILITIES	3,154,143	3,094,078
RESERVES		
Income and expenditure account	3,154,143	3,094,078

GOVERNANCE

MCIA BOARD OF DIRECTORS 2023/24



NEIL FLETCHER

Honda UK
Appointed Director*
CHAIR



TONY CAMPBELL

CEO, MCIA
Appointed Director*



HOWARD DALE

Kawasaki Motors (UK) Ltd
Appointed Director



DEVRON BOLTON

Triumph Motorcycles
Appointed Director



MICHAEL NIBLETT

Harley-Davidson UK
Appointed Director



MATT WALKER

KTM Sportmotorcycle UK
Appointed Director



MIKE LOYDALL

TME
Elected Director
Service Providers SMG Chair



STEVE REYNOLDS

Scooter Sense (UK) Ltd
Elected Director
Manufacturer & Importer SMG
Vice-Chair



ADAM KELLEY

Yamaha Motor UK
Appointed Director*
VICE CHAIR



GEORGE CHEESEMAN

Royal Enfield (UK) Ltd
Appointed Director*



PAULO ALVES

BMW Motorrad UK
Appointed Director



PAUL DE LUSIGNAN

Suzuki GB PLC
Appointed Director



**FABRIZIO
CAZZOLI**

Ducati UK
Appointed Director



DEAN CLEMENTS

Clements Moto
Appointed Director



ANDY MAYO

Local Transport Projects
Independent Director*



KEVIN HOWELLS

Datag ID Ltd
Elected Director
Accessory & Component SMG Chair

*Audit Committee Member, responsible for reviewing financial strategies, budgets & accounting operations relating to MCIA and MCIA Events Ltd

AUDITORS - Harrison Beale & Owen

MEMBERSHIP

BENEFITS TO MEMBERS

MEMBER BENEFIT	Frequency	Industry Associated Companies		L-Category Vehicle Manufacturers & Importers			
		HONORARY MEMBER	GENERAL MEMBER	BRONZE MEMBER	SILVER MEMBER	GOLD MEMBER	PLATINUM MEMBER
REPORTING SERVICES							
Press Statistics (New vehicle registrations)	Monthly	✓	✓	✓	✓	✓	✓
Monthly Statistical Book (New vehicle registrations)	Monthly		✓	✓	✓	✓	✓
New Vehicle Registration Data Bespoke Reporting Services	Monthly	③	②	① A	①	①	①
Vehicle Parc – Brand Reports & Parc Summary	Quarterly				✓	✓	✓
Vehicle Parc – Parc Extract & Trend	Quarterly					✓	✓
Vehicle Parc – Bespoke Reporting Services	Quarterly	③	②	① A	①	①	①
Used Vehicle Market – List Reports Bespoke Reporting Services	Quarterly	③	②	① A	①	①	①
Test Pass Data Bespoke Reporting Services	Quarterly	③	②	① A	①	①	①
Theft Reporting*	Quarterly				✓	✓	✓
Executive Summary Report	Daily						✓
New Vehicle Registration Guidance/Support				✓	✓	✓	✓
Technical/Legislative Assistance			✓	✓	✓	✓	✓
Plug-In Vehicle Grant Support				✓	✓	✓	✓
Representation at Government Level		✓	✓	✓	✓	✓	✓
Political Monitoring			✓	✓	✓	✓	✓
News & Communication Latest business advice/guidance			✓	✓	✓	✓	✓
Members First Networking platform for Members			✓	✓	✓	✓	✓
Legal Advice			✓	✓	✓	✓	✓
Website Healthcheck			✓	✓	✓	✓	✓
INITIATIVES							
The Route to Tomorrow's Journeys		✓	✓	✓	✓	✓	✓
Buy Bikes with Confidence Programme				✓	✓	✓	✓
MCIA Secured Scheme				✓	✓	✓	✓
Unlock your Freedom		✓	✓	✓	✓	✓	✓
Decarbonisation Action Plan		✓	✓	✓	✓	✓	✓
The Journey to a Brighter Destination		✓	✓	✓	✓	✓	✓
A Licence to Net Zero		✓	✓	✓	✓	✓	✓
The Motorcycle Industry Careers Hub		✓	✓	✓	✓	✓	✓
Elite Rider Training Initiative		✓	✓	✓	✓	✓	✓
EVENTS							
Motorcycle Live Priority Booking			✓	✓	✓	✓	✓
Motorcycle Live Trade Space Discount		✓	✓	✓	✓	✓	✓
Motorcycle Live Stand Space up to 600m ²							✓
Motorcycle Live Stand Space up to 250m ²					✓	✓	
Motorcycle Live Stand Build Contribution						✓	✓
Motorcycle Live FOC Retail Stand Space (within allocated stand space)						✓	✓
Special Member Group Meetings			✓	✓	✓	✓	✓
Special Interest Group Meetings		✓	✓	✓	✓	✓	✓
MCIA Conference		✓	✓	✓	✓	✓	✓
Networking Opportunities		✓	✓	✓	✓	✓	✓

① Inclusive Membership benefit – initial fee for creation apply - quotation on request

① A Bronze Members can upgrade to Silver Membership to receive additional reporting services

② Reporting available via quotation - 20%-member discount will apply

③ Reporting available via quotation - 5% Honorary member discount will apply

*Subject to additional contract for Vehicle Manufacturers & Importers Only

MCIA TEAM



TONY CAMPBELL
Chief Executive Officer
t.campbell@mcia.co.uk
07590 168714



ALLISON MAKO
PA & Special Projects Manager
a.mako@mcia.co.uk
07723 318723

MEMBERSHIP, COMMUNICATIONS & EVENTS



FINLAY MCALLAN
Commercial Director
f.mcallan@mcia.co.uk
07855 950769



GINA EVANS
Communications & Marketing
Manager
g.evans@mcia.co.uk
07723 318723



PENNY GREENWOOD
Event & Sales Manager
p.greenwood@mcia.co.uk
07792 238788

GOVERNMENT AFFAIRS, POLICY, SAFETY & TRAINING



ALFIE BRIERLEY
Director of Policy & Public Affairs
a.brierley@mcia.co.uk
07590 168714



KAREN COLE
Director of Safety & Training
k.cole@mcia.co.uk
07977 070316



SEAN WATERS
Public Affairs Manager
s.waters@mcia.co.uk
07976 714094

TECHNICAL & REGULATORY AFFAIRS



MARK FOWLER
Head of Technical & Regulatory Affairs
m.fowler@mcia.co.uk
07851 245031

MARKET INTELLIGENCE



NICK DUCK
Head of Market Intelligence
n.duck@mcia.co.uk
07876 542658



HEATHER NICHOLLS
Market Intelligence Manager
h.nicholls@mcia.co.uk
07395 282180



SUE LYNOCK
Market Intelligence Data Manager
s.lynock@mcia.co.uk
07874 853917

MCIA TEAM

FINANCE



KARL PAHNKE

Financial Controller

k.pahnke@mcia.co.uk

07940 557888



NERYS UNDERWOOD

Senior Accountant

n.underwood@mcia.co.uk

07395 282181



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Motor Cycle Industry Association Limited

1 Rye Hill Office Park
Coventry CV5 9AB

Tel: 02476 408000 / Email: info@mcia.co.uk / Web: mcia.co.uk