



**Report by Robert CLIPSHAM Executive Director Finance  
to the 107<sup>th</sup> General Conference  
Kuala Lumpur, 4-5 October 2013**

Dear Delegates, Mr. President, Ladies and Gentlemen,

I am reporting on financial matters to the 107<sup>th</sup> Annual General Conference under FAI Statutes 4.2.3 and 6.2.1.4 as Executive Director Finance and for the Executive Board under Statute 4.2.2.4 and 4.2.2.5 which is jointly responsible to General Conference for all decisions made and financial and accountancy matters taken between General Conferences.

This report covers the following three items appearing as Agenda item 7 FAI Finances:

7.1) The 2012 Report by the Statutory Auditors, including the Balance sheet, Statement of Income and Expenditure and the operations of the Commissions.

7.2) The Financial Situation at 30 June 2013

7.3) Approval of Auditors for 2014

Show the original copy of the PWC Report Agenda Appendix A

A copy of the Financial Statement is in the Conference documents.

A summary of the significant accounting policies are set out on pages 7 and 8 in the FAI's Report of the Statutory Auditors 2012 prepared by PricewaterhouseCoopers signed 11 September, 2013 as required by Statute 7.5.1.

## **7.1 2012 Statement of Income and Expenditure**

The FAI operations are denominated in CHF.

### **Income**

The total income is **CHF1,821,707** The incomes for ASC and HO are shown.

The income comparisons for 2011 and 2012 are shown in the **graphs**.

1.1.1. **Subscriptions**

1.1.2. **Competition Revenues**

1.1.3. **Commercial Revenues**

**Financial Income**

### **Expenditure**

The total expenditures are CHF 1,782,184.

The expenses are shown in the **graphs** with comparisons to 2011 and 2012.

### **Allocation to The Reserves**

The Operating fund at the end of the year is **CHF 602,442**.

### **ASC 2012 Reserves**

The Incomes and Expenditures of the ASC are shown in the **graph**.

### **Balance sheet at December 31, 2012**

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The Balance Sheet Assets are shown in the graphs with comparisons to 2011 and 2012.

The Balance Sheet Liabilities are shown in the **graphs** with comparisons to 2011 and 2012.

### **Liabilities and funds**

The current liabilities and Funds including the Special Reserves, MSI Reserve, Development and Innovation Fund and the Operating funds are adequately provided for in the Assets. The Development and Innovation Fund is CHF 539,438, as set out in note 4.

Mr. President, in concluding my report on the 2012 Financial Statement, I note that the Financial Statements have been reviewed by the Executive Board, I ask you, Mr. President, to submit the Accounts of 2012 to the General Conference for approval, as set out in Statute 3.4.1.3.

## **7.2 The Financial Situation at 30 June 2013**

The Financial Situation at 30 June 2012 gives an indication of the expected result for the year ending December 31, 2013.

The operations are recorded up to the end of June in the ABACUS software which has been introduced in 2013. This accounting system is maintained by FIDULEM, an accounting firm that provides services to FAI. Extensive time has been required to complete the consolidation of the FAI accounts to December 31, 2012, for the combined ASC and HO operations.

### **Income**

At the end of June, 90% of the subscriptions are paid, including arrears. We are on budget. The Air Sport Commissions operations will be completed later in the year.

### **Expenditure**

The realized expenses to 30 June are comparable to the budget.

**There are expenditures to be completed in the remaining months of 2013 and therefore the accounts at June 30 are not indicative of the expected results at December 31 2012**

We are anticipating a result at the end of the year 31/12/13 similar to the 2013 budgeted amount CHF12,985.

Other matters in progress:

A bank account has been opened for CIVL with an authorization system for viewing the daily account transactions and for the setting up of expense claim reimbursements to be processed by HO. CIVL has initiated the long process of updating all their documents with new account numbers. First payments have been made through this account. Test phase successful and will be applied to Commissions interested.

FAI has held discussions recently with Western Union and the "GlobalPay" service they are proposing to NGOs for making payments worldwide at significantly reduced costs. A test phase is in progress. *If the FAI agrees on terms with Western Union, exchange transaction fees would be reduced very considerably.*

Mr, President, these are my comments on the 2013 accounts.

**7.3 Appointment of Auditors for 2013**

Mr. President I have a MOTION for the appointment of the FAI Auditors for 2014 as required by Statute 7.5.1

**That Price Waterhouse Coopers be appointed the auditors for 2014 and that the Executive Board is authorized to set the remuneration.**

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---- Mr. President; I appreciate the work of the ASC Financial Secretaries to manage the sporting financial operations. I wish to give special thanks to the FAI office staff in their work on financial matters and in particular to Ms. Cosette Mast, who, under the direction of Jean-Marc Badan, carried out the financial management.  
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Robert CLIPSHAM  
FAI Executive Director Finance