

Agenda Item # 6

**Report on Finances 2011-2012**  
by the FAI Executive Director of Finance  
**Robert Clipsham**

**6.1 2011 Financial Report**

## 2011 Financial Statement

### Accounting / Reporting

- 104<sup>th</sup> General Conference Dublin 2010, the FAI HO and ASCs financial operations for 2011 are consolidated.
- Good Financial Management Practices as suggested by the FAI Auditors
- Compliance with the Executive Board responsibility for all financial and accountancy matters
- Provide increased transparency on all FAI financial matters
- 104<sup>th</sup> General Conference Dublin 2010 approved consolidated budget for 2011. ASCs operations were shown as a five year average

## 2011 Financial Statement

### Accounting / Reporting

- ASCs Income & Expenses recorded on Accrual Basis
  - Transaction recognized on date it occurs, not when payment is made
  - More accurate picture of the current condition
- Deposits are Balance Sheet items (Liability)
- Equipment investments are Balance Sheet items (Asset)
- Financial statements have been consolidated
  - All Revenues: Subscriptions, Sponsors & Media, Competitions, ...
  - All Expenses: HO, ASCs, Technical Commissions, WGs...
- ASC Contributions to FAI Reserves are shown in a Table
- 2011 / 2010 income and expense categories not comparable

**Statement of income and expenditure for the year ended December 31 (in Swiss Francs)**

	2011			2010
	Sports Operations	HO Operations	FAI	
<b>TOTAL INCOME</b>	<b>323 859</b>	<b>1 290 218</b>	<b>1 614 077</b>	<b>1 670 572</b>
<b>Membership Revenues</b>	<b>0</b>	<b>1 163 273</b>	<b>1 163 273</b>	<b>1 007 892</b>
Subscriptions	0	1 006 774	1 006 774	1 007 892
EA Subscriptions	0	156 499	156 499	139 793
<b>Competition Revenues</b>	<b>290 194</b>	<b>3 228</b>	<b>293 422</b>	<b>60 508</b>
Sanction Fee - WAG	0	2 970	2 970	0
Sanction Fee - World Champ	51 630	0	51 630	0
Sanction Fee - Continental Champ	97 475	0	97 475	0
Sanction Fee - ASC Challenge / Cat 2 Events	91 232	258	91 491	0
Sale of Championship Medals	28 864	0	28 864	60 508
Other: Protest Fees, Online Contest	20 992	0	20 992	0
<b>Commercial Revenues</b>	<b>33 083</b>	<b>38 448</b>	<b>71 531</b>	<b>563 900</b>
Merchandising (Textile, badges, pin's etc ...)	29 107	6 435	35 542	2 425
Sponsors (Incl Value-In-Kind - VIK)	0	25 984	25 984	552 711
TV / Media Rights	0	5 830	5 830	8 698
Licensing - Royalties (Incl Equipment)	3 084	200	3 284	0
Donations	893	0	893	67
<b>Financial Income</b>	<b>0</b>	<b>9 406</b>	<b>9 406</b>	<b>20 830</b>
<b>Other Income</b>	<b>582</b>	<b>75 862</b>	<b>76 444</b>	<b>17 442</b>
<b>106<sup>th</sup> FAI General Conference</b>				<b>5</b>

	2011			2010
	Sports Operations	HO Operations	FAI	
<b>TOTAL EXPENDITURE</b>	<b>314 725</b>	<b>1 467 459</b>	<b>1 782 184</b>	<b>1 584 626</b>
<b>Administration Expenses</b>	<b>29 439</b>	<b>1 070 365</b>	<b>1 099 804</b>	<b>1 106 634</b>
Salaries & Social Charges	0	839 161	839 161	758 288
Staff Expenses	0	1 542	1 542	15 000
General Administration	1 376	158 162	159 538	248 727
Management Fees	22 503	30 546	53 049	59 145
Depreciation	5 051	39 489	44 540	3 865
Special Projects	509	1 465	1 974	21 609
<b>Operating Expenses</b>	<b>272 503</b>	<b>102 931</b>	<b>375 434</b>	<b>229 033</b>
General Conference + NAC Meeting	6 597	16 233	22 831	13 338
Executive Board + ASCP	15 538	40 675	56 213	46 980
ASC Plenaries, Meetings & WGs	59 530	41 128	100 657	41 426
Expert Groups	2 433	482	2 915	0
Other FAI Bodies (SWG, FRTF, ...)	143	132	275	0
WAG - World Air Games	1 710	205	1 915	0
World Games & other Multi-Sports Events	0	1 651	1 651	0
FAI - World Championships	71 238	0	71 238	51 828
FAI - Continental Championships	91 432	1 168	92 600	0
FAI - World Series	94	0	94	0
FAI - ASC Challenges	6 918	773	7 691	0
Other Events	0	483	483	75 461
Development Programs	16 871	0	16 871	0
<b>106<sup>th</sup> FAI General Conference</b>				<b>6</b>

Agenda # 6.1 – Finances 2011				
	2011			2010
	Sports Operations	HO Operations	FAI	
<b>Marketing / Communication</b>	<b>4 477</b>	<b>60 686</b>	<b>65 163</b>	<b>135 754</b>
Merchandising	1 013	5 887	6 900	23 367
Performance Awards & Diplomas	1 036	3 693	4 729	0
Subscriptions to Associations	0	8 679	8 679	<b>7 259</b>
Printing / Advertising / News	1 818	8 732	10 550	<b>25 098</b>
Graphic Design	0	20 454	20 454	75 000
Public Relations	0	7 500	7 500	2 720
TV Production	610	5 742	6 352	2 310
<b>Financial Costs</b>	<b>4 210</b>	<b>25 220</b>	<b>29 430</b>	<b>9 342</b>
Bank Charges	4 210	3 874	8 084	8 394
Investment Management Charges	0	1 066	1 066	948
Interest on Bank Loan (MSI Office)	0	20 280	20 280	0
<b>Others</b>	<b>4 096</b>	<b>208 256</b>	<b>212 352</b>	<b>103 863</b>
Exceptional Charges	4 096	31 430	35 526	11 136
Provision for unpaid subscription	0	4 271	4 271	4 150
Foreign exchange	0	16 056	16 056	88 577
EA Subscriptions	0	156 499	156 499	139 793
<b>EXCESS OF INCOME OVER EXPENDITURE</b>	<b>9 134</b>	<b>( 177 240)</b>	<b>( 168 107)</b>	<b>85 947</b>
<b>106<sup>th</sup> FAI General Conference</b>				<b>7</b>

Agenda # 6.1 – Finances 2011				
	2011			2010
	Sports Operations	HO Operations	FAI	
<b>LESS: transfer to the special reserves</b>	<b>( 9 134)</b>	0	( 9 134)	0
LESS: transfer to Development and Innovation Fund	0	27	27	230
Balance at disposal over operating fund for the year	0	( 177 267)	( 177 267)	85 717
<b>ADD: operating fund balances at beginning of year</b>			788 226	702 509
Operating fund balances at end of year			610'959	788'226
<b>106<sup>th</sup> FAI General Conference</b>				<b>8</b>

Agenda # 6.1 – Finances 2011					
	Balance at January 1, 2011	Funds received	Amounts paid out	Net Difference	Balance at December 31, 2011
	CHF	CHF	CHF	CHF	CHF
<b>Commissions :</b>					
- Hang Gliding (CIVL)	251 457	73 979	( 54 972)	19 008	270 465
- Aeromodelling (CIAM)	68 971	44 183	( 45 932)	( 1 749)	67 222
- Ballooning (CIA)	74 699	26 240	( 6 473)	19 767	94 465
- Microlight (CIMA)	37 175	0	( 4 812)	( 4 812)	32 363
- Gliding (IGC)	170 909	48 630	( 44 239)	4 392	175 301
- Aerobatics (CIVA)	121 239	44 958	( 55 556)	( 10 598)	110 641
- General aviation (GAC)	61 252	7 464	( 5 849)	1 615	62 867
- Rotorcraft (CIG)	14 885	540	( 3 574)	( 3 034)	11 851
- Parachuting (IPC)	195 115	77 864	( 101 490)	( 23 626)	171 489
- Amateur built & experimental aircraft (CIACA)	1 916	0	0	0	1 916
- Airspace and Navigation System (CANS)	0		( 245)	( 245)	( 245)
-Aviation and Space Education (CIEA)	0		( 464)	( 464)	( 464)
- Medical (CIMP)	0	531	( 2 202)	( 1 671)	( 1 671)
-General Airports (CASI)	2 000	0	0	0	2 000
	999 617	324 390	( 325 807)	( 1 417)	998 201
World Air Games	319 565	0	( 38 280)	( 38 280)	281 285
Olympic Movement Fund	137 624	21 492	( 494)	20 998	158 622
World Grand Prix of Aviation	100 931	0	0	0	100 931
<b>GRAND TOTAL</b>	<b>1 557 737</b>	<b>345 882</b>	<b>( 364 581)</b>	<b>( 18 699)</b>	<b>1 539 039</b>
<b>106<sup>th</sup> FAI General Conference</b>					<b>9</b>

Agenda # 6.1 – Finances 2011		
<b>Balance sheet at December 31 ( Swiss Francs )</b>		
	2011	2010
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	2 206 816	2 637 985
Marketable securities		
- shares (market value CHF 391'470 in 2011; CHF 318'697 in 2010)	10 816	10 816
Accounts receivable, net of provision of CHF 10'271 in 2011; CHF 9'000 in 2010	36 227	131 764
Prepaid expenses and other receivables	225 478	21 014
Inventory	10 726	14 315
	2 490 063	2 815 894
<b>Fixed assets (net)</b>		
Tangible fixed assets	2 148 033	880 556
Financial assets - advance deposits	0	13 836
	2 148 033	894 392
<b>Total assets</b>	<b>4 638 096</b>	<b>3 710 286</b>
<b>106<sup>th</sup> FAI General Conference</b>		<b>10</b>

**Balance sheet at December 31 ( Swiss Francs )**

	2011	2010
<b>Liabilities and funds</b>		
<b>Current liabilities</b>		
Accounts payable	20 174	24 547
Other debts - EA	2 308	0
Accrued expenses and provisions	300 149	338 334
	<b>322 630</b>	<b>362 881</b>
<b>Long term liabilities</b>		
Mortgage loan	1 194 000	0
<b>Funds</b>		
Special reserves	1 539 039	1 557 737
Reserve MSI	430 000	460 000
Development and Innovation Fund	541 469	541 442
Operating funds, as per statement of income and expenditure	610 959	788 226
	<b>3 121 466</b>	<b>3 347 405</b>
<b>Total liabilities and funds</b>	<b>4 638 096</b>	<b>3 710 286</b>

## 6.2 Financial situation at 31 August 2012

Agenda # 6.2 – Finances 2012

	Situation at 30 June 2012			Budget 2012 (annual)
	Sports Operations	HO Operations	FAI	
<b>Total Incomes</b>	<b>78 948</b>	<b>1 160 765</b>	<b>1 239 713</b>	<b>1 679 302</b>
1.1.Membership revenues	0	917 847	917 847	1 084 872
1.2 Competition revenues	67 891	0	67 891	333 451
1.3 Commercial revenues	11 057	201 266	212 323	191 139
1.4 Financial revenues	0	99	99	10 000
1.5 Other incomes	0	41 554	41 554	58 840
<b>Total expenditures</b>	<b>66 334</b>	<b>501 925</b>	<b>569 715</b>	<b>1 700 758</b>
2.1 Administration expenses	4 378	390 362	394 740	1 154 145
2.2 Operating expenses	56 195	49 564	105 759	468 855
2.3 Marketing / Communication	4 019	33 796	39 271	28 117
2.4 Financial costs	1 015	27 139	28 154	37 845
2.5 Others	727	1 064	1 791	11 795
<b>EXCESS OF INCOME OVER EXPENDITURE</b>	<b>12 614</b>	<b>658 840</b>	<b>669 998</b>	<b>- 21 455</b>

106<sup>th</sup> FAI General Conference

13

Agenda # 6.2 – Finances 2012

	Situation at 31 August 2012			Budget 2012 (annual)
	Sports Operations	HO Operations	FAI	
<b>Total Incomes</b>		<b>1 205 642</b>		<b>1 679 302</b>
1.1.Membership revenues		956 411		1 084 872
1.2 Competition revenues		0		333 451
1.3 Commercial revenues		204 153		191 139
1.4 Financial revenues		99		10 000
1.5 Other incomes		44 979		58 840
<b>Total expenditures</b>		<b>680 862</b>		<b>1 700 758</b>
2.1 Administration expenses		531 416		1 154 145
2.2 Operating expenses		72 814		468 855
2.3 Marketing / Communication		39 488		28 117
2.4 Financial costs		36 080		37 845
2.5 Others		1 064		11 795
<b>EXCESS OF INCOME OVER EXPENDITURE</b>		<b>524 780</b>		<b>- 21 455</b>

106<sup>th</sup> FAI General Conference

14

### **6.3 Approval of Auditors for 2012 and 2013**

**Motion: That Price Waterhouse Coopers be appointed the FAI Auditors for 2013 and that the Executive Board is authorized to set the remuneration.**

**Moved R. Clipsham**

**Seconded**