



**Report by Robert CLIPSHAM Executive Director Finance
to the 108th General Conference
Pattaya, 17-18 October 2014**

Dear Delegates, Mr. President, Ladies and Gentlemen,

I am reporting on financial matters to the 108th 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:

- 8.1) The 2013 Report by the Statutory Auditors, including the Balance sheet, Statement of Income and Expenditure and the operations of the Commissions.
- 8.2) The Financial Situation at 30 September 2014
- 8.3) Approval of Auditors for 2015

Original copy of the PWC Report Agenda Appendix A.

A summary of the significant accounting policies are set out on pages 6 and 7 in the FAI's Report of the Statutory Auditors 2013 prepared by PricewaterhouseCoopers signed 10 September, 2014 as required by Statute 7.5.1.

8.1 2013 Statement of Income and Expenditure

The FAI operations are denominated in CHF.

1.1. Income

The total income is **CHF 1,972,575**.

The incomes for Sports and HO operations are shown.

The income comparisons for 2013 and 2012 are shown in the graphs.

- Financial note 8 and other note 9
- Commercial
- Competition
- Membership

1.2. Expenditures

The total expenditures are CHF 2,027,067.

The expenditures for Sports and HO operations with comparisons for 2013 and 2012 are shown.

The total expenses with comparisons to 2013 and 2012 are shown on the graph.

- Administration notes 10 and 2

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- Operating
- Marketing and communications note 8
- Financial and other

Allocation to the Reserves

The Operating fund at the end of the year is CHF 613,071.

2013 Air Sport Commissions Operations

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

Balance sheet at December 31, 2013

The Balance Sheet Assets 2013 are shown with comparison to 2012.

- The assets and Liabilities of the ASC are set out in note 11

The Balance sheet Liabilities 2013 are shown with comparison to 2012

- Special reserves including Airsport Reserves note 4
- Development and Innovation Fund note 5

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.

Mr. President

In concluding my report on the 2013 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 2013 to the General Conference for approval, as set out in Statute 3.4.1.3.

8.2 Financial situation at 30 September 2013

The Financial Situation at 30 September 2014 gives an indication of the expected result for the year ending December 31, 2014.

The operations are recorded up to the end of September in the ABACUS software which was introduced in 2013. This accounting system is maintained by FIDULEM, an accounting firm that provides services to FAI. The consolidation of the FAI accounts commenced in 2011 for the combined ASC and HO operations has now been completed to December 31, 2013.

1.1. **Income**

At the end of September, 92 % of the subscriptions are paid, including arrears. The balance for previous years is CHF 21,216.

The Air Sport revenues are on budget.

There are Head Office and Air Sport Commissions operations that will be completed in the fourth quarter of the year.

1.2. **Expenditure**

The realized expenses to 30 September are lower than the budget.

There are expenditures to be completed in the remaining months of 2014.

We are anticipating improvement in the 2014 budget amount of – (70,282) at the end of the year 31/12/14 considering an increase in sponsorship revenue that was approved after the 107th GC.

A bank accounts has been opened for each ASC with authorization for viewing the daily account transactions and to provide for the setting up of expense claim reimbursements to be processed by HO.

Mr, President, these are my comments on the 2014 accounts.

8.3 **Appointment of Auditors for 2015**

Mr. President I have a MOTION for the appointment of the FAI Auditors for 2015_as required by Statute 7.5.1

That Price Waterhouse Coopers be appointed the auditors for 2015 and that the **Executive Board is authorized to set the remuneration.**

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 the Secretary General carried out the financial management.

Robert Clipsham
FAI Executive Director Finance