



FIA Foundation
for the Automobile and Society

Financial Statements 2012

Company number 4219306
Charity number 1088670

www.fiafoundation.org

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Chairman's Statement

Over the past year, following a Strategic Review which built on the experience of the FIA Foundation's first decade, we have focused resources on a few key strategic partners and programmes in order to meet our charitable objectives. Road safety and environmental programmes have been supported and developed, with measurable and impressive results.

Major strategic partners, with whom we have concluded five-year €1 million annual grant agreements are: the International Road Assessment Programme (iRAP), the Global New Car Assessment Programme (Global NCAP), and the FIA's 'Action for Road Safety' initiative. The Foundation also plays leading roles as a donor to the World Bank's Global Road Safety Facility and as member of the United Nation's Road Safety Collaboration. In addition we are working to raise additional resources through the Road Safety Fund which aims particularly to assist non-governmental organisations active in road injury prevention.

We have also continued to provide financial and secretariat support for the Commission for Global Road Safety and the Make Roads Safe campaign which in 2012, for the first time, secured recognition of road safety as a development issue in the Outcomes Document of the UN Conference on Sustainable Development (Rio+20). The Make Roads Safe campaign has also benefited from involvement by the family of Nelson Mandela who are supporting its global advocacy efforts in memory of Zenani Mandela. Members of the family were present as the Commission hosted its first Decade of Action Policy and Donor Forum in New York at which the mayor of New York Michael Bloomberg received the inaugural 'Decade of Action Award' from Patron of the Commission, HRH Prince Michael of Kent.

In the environmental sphere, the FIA Foundation has further developed its partnership with the UN Environment Programme, the International Transport Forum, and the International Energy Agency in their shared efforts to reduce vehicle consumption and combat climate change through the Global Fuel Economy Initiative. In October 2012 the FIA Foundation hosted the global meeting of the Partnership for Clean Fuels and Vehicles, the UN-led partnership which was responsible for successfully eliminating leaded petrol and is now leading a campaign to reduce sulphur content in fuel.

The Foundation also continues its strategic and financial support for the FIA Institute for Motor Sport Safety & Sustainability, to which it is the major donor.

Finally, following my first year as Chairman, I would like to thank my fellow Trustees for their guidance and commitment to ensure that the FIA Foundation continues to meet its charitable objectives. I would also like to thank the staff for all their work in making the FIA Foundation's activities such a success.



Tim Keown
Chairman
FIA Foundation

Trustees' Report

The Trustees present their report on the activities and results for the year ended 31 December 2012. This report will outline some of the highlights of the year including the progress made against objectives, the new challenges being undertaken and the goals being set for the future to achieve the aims of the FIA Foundation.

Objectives

Charity objects

The objects of the FIA Foundation are the promotion of public safety and public health, the protection and preservation of human life and the conservation, protection and improvement of the physical and natural environment in particular by:

- promoting research, disseminating the results of research and providing information on matters of public interest which may include road safety, automobile technology, the protection and preservation of human life and public health, transport and public mobility and the protection of the environment; and
- promoting improvement in the safety of motor sport, and of drivers, passengers, pedestrians and other road users.

The FIA Foundation is primarily a grant making organisation although it does manage some projects internally. The grant making policy is included in the Financial Policies section.

Grants are made under the following categories:

Safety, environment and mobility

This is the work carried out to fulfil our first object of "promoting research, disseminating the results of research and providing information on matters of public interest which may include road safety, automobile technology, the protection and preservation of human life and public health, transport and public mobility and the protection of the environment". Our work in representational activities (see below) also fulfils this objective.

Motor sport safety

This is the work carried out to fulfil our second objective of "promoting improvement in the safety of motor sport". Our research, fellowships, memberships and affiliations expenditure (see below) also fulfil this objective.

Memberships and affiliations

As described above these are research, fellowships, memberships and affiliations to achieve our objectives.

Representational activities and external communications

As described above these are internally managed projects to achieve our first objective.

Trustees' Report

Review of Activities

During the year €19,639,000 was distributed in funding for grants (from both unrestricted and restricted funds) and our own campaigning activities. Progress on main activities and projects undertaken during the reporting period are detailed below. Further details are available from the Foundation secretariat.

In 2012 the FIA Foundation has continued to support and develop road safety and environmental programmes that are making a real and measurable impact. In particular we have maintained a high level of successful advocacy during the second year of the UN Decade of Action for Road Safety. The year also saw the full implementation of the Foundation's 2011 Strategic Review which built on the lessons and experience of our first decade. As a result, the Foundation is now concentrating the majority of its resources on multi-year co-operation with a few key strategic partners and programmes and has continued to strengthened its governance and evaluation process.

Road safety partnerships

In the area of road safety our major partners (with whom we have concluded five year €1 million annual grant agreements) are the International Road Assessment Programme (iRAP), the Global New Car Assessment Programme (Global NCAP), and the FIA's 'Action for Road Safety' initiative. Other road safety partners include the Gonzalo Rodriguez Foundation and their innovative 'Educar' project promoting child safety in Latin America, the Asian Injury Prevention Foundation's for the leadership of the Global Helmet Vaccine Initiative and the Eastern Alliance for Safe and Sustainable Transport for their road safety capacity building projects in countries across the Commonwealth of Independent States. The Foundation also plays a leading role as a donor to the World Bank's Global Road Safety Facility and as a leading member of the United Nation's Road Safety Collaboration. In addition we are working to raise additional resources through the Road Safety Fund which aims particularly to assist non-governmental organisations active in road injury prevention.

All these partnerships are closely aligned with the Global Plan of the UN Decade of Action and its five pillars promoting management capacity, safer roads, safer vehicles, safer road users and post-crash response. The Foundation's advocacy activities on global road safety are being led by the Commission for Global Road Safety chaired by Lord Robertson of Port Ellen and the Make Roads Safe campaign. A brief description of our major partners and related activities are as follows:

iRAP

The International Road Assessment Programme is now active in more than 80 countries and its focus on the need for a minimum three-star safety rating on all roads is beginning to be accepted with the major development banks. The FIA Foundation's long term commitment has continued to enable iRAP to expand its work and to begin to attract additional sources of financial support.

Global NCAP

The Foundation's backing of the Global New Car Assessment Programme has been enabling independent crash tests to become established in Latin America and Asia, for the first time providing consumers in rapidly motorising regions with accessible safety information. As with iRAP, this programme seeks to place knowledge about road safety in the hands of the public and policymakers, allowing for informed choices on investment decisions – whether it is the benefits of including a median barrier in a road upgrade, or purchasing a car with airbags, crumple zones and electronic stability control.

FIA 'Action for Road Safety'

The FIA's 'Action for Road Safety' initiative is enabling automobile clubs across the world to contribute road safety programmes and much needed national campaigning to support the United Nations Decade of Action for Road Safety.

Commission for Global Road Safety

In providing financial and secretariat support for the Commission for Global Road Safety and the Make Roads Safe campaign, the Foundation maintained direct support for a high level of successful global advocacy for the UN Decade of Action for Road Safety. The Commission and Make Roads Safe campaign in 2012 secured recognition of road safety as a development issue in the Outcomes Document of the UN Conference on Sustainable Development (Rio+20). This was the first time ever for recognition of road safety at this level of a global development summit. The Commission hosted its first Decade of Action Policy and Donor Forum in New York at which the mayor of New York Michael Bloomberg received the inaugural 'Decade of Action Award' from HRH Prince Michael of Kent. In November the Commission was host at the European Bank for Reconstruction and Development in London at which its members reviewed progress since the launch of the Decade and discussed its forthcoming 2013 activities.

Trustees' Report

The Road Safety Fund

The Road Safety Fund has been established by the World Health Organization and the FIA Foundation as the international fundraising arm of the UN Decade of Action for Road Safety. All management costs of the Fund are provided as a charitable activity by the FIA Foundation. A range of interventions and programmes, financed by donors were supported through the Fund in 2012.

Environmental partnerships

The major environmental partnerships and initiatives of the Foundation are the Global Fuel Economy Initiative (GFEI) and the Partnership for Clean Fuels and Vehicles (PCFV). In the GFEI the Foundation is a partner with the UN Environment Programme, the International Transport Forum and the International Energy Agency and is providing both intellectual leadership and technical support to governments seeking to reduce vehicle fuel consumption and to combat climate change. In 2012 the GFEI launched a new three year work-plan and will further develop its core areas of work: policy support, outreach and research and analysis. Specific targets have been identified in the work-plan – for example to engage a further four countries in the GFEI in-country policy support toolkit work. Progress has already been made with the initial four – Chile, Ethiopia, Indonesia and Kenya. In Chile the GFEI assisted the Environment Ministry to hold an inter-ministerial Conference on Clean Vehicles in Santiago.

In October 2012, the Foundation hosted the global meeting of the Partnership for Clean Fuels and Vehicles, the UN-led partnership which was responsible for successfully eliminating leaded petrol and is now leading a campaign to reduce sulphur content in fuel. The lead phase-out has been shown to have resulted in huge benefits to public health, education and society as a whole. A report commissioned by the California State University to assess the programme found a range of benefits from the phase-out including 1.2 million fewer premature deaths, lower levels of criminality and improved performance in education among children.

To improve air quality and tackle particulate emissions, the PCFV will address both fuel and vehicle technologies together in a 'systems approach' to reduce sulphur levels and tackle diesel particulate emissions. It will look at ways to reduce sulphur levels in fuel – with the objective to reach a target of 50 parts per million – and will aim to promote vehicle technologies such as the use of particulate filters. The partnership has already been working with countries around the world in the reduction of sulphur levels in fuels and the aim would now be to expand this work. Emphasis is likely to be placed on helping countries reach the more advanced levels of emissions standards for vehicles as found in the EU.

Motor sport safety and sustainability

The Foundation continues its partnership with the FIA Institute for Motor Sport Safety & Sustainability, to which it is the major donor. Medical advances, technical development and comprehensive training at all levels are core parts of the Institute's mission to ensure safety and sustainability of motorsport.

Important progress has been made in efforts to improve safety levels for drivers. The Institute has been striving to make safety improvements to open wheel single seat cockpits, particularly to offer improved protection from flying debris. Cockpit safety testing has made good progress. Initial results on tests on a "forward roll hoop" structure manufactured and supplied by the Lotus F1 team, which provides a deflecting barrier ahead of the driver are promising and the research into different types of impact and scenarios continues.

The Motor Sport Safety Development Fund

Due to their expertise in the area of motor sport, day to day running of the Motor Sport Safety Development Fund is carried out by the FIA Institute for Motor Sport Safety and Sustainability (The Institute). The Fund activities are split into 5 main areas, all of which fall under the Institute's Education Programme:

- Officials Safety Training Programme (OSTP)
- Young Driver Safety Programme (YDSP)
- Sustainability Programme (SP)
- Medical Programme (MP) (included in OSTP for grant purposes)
- Facility Improvement Programme (FIP)

Officials Safety Training Programme (OSTP)

The Institute's Best Practice Framework has been reviewed and an updated version was released in July 2012.

National Sporting Authority (ASNs) that adopt the frameworks and facilitate knowledge and training are accredited by the Institute. Currently 7 National Sporting Authority (ASNs) have received accreditation with a further 7 applications pending. 4 ASNs have been approved to perform Regional Training Provider (RTP) roles. It is the responsibility of the Institute's RTPs to provide tailored training services to ASNs, including the training of trainers.

Trustees' Report

Young Driver Safety Programme (YDSP)

The Best Practice Framework has been reviewed and an updated version was released in September 2012.

An accreditation initiative for the YDSP was launched in October 2012 with an application for accreditation at Achievement of Excellence level currently pending from Australia.

The Institute manages the Driver Academy as part of the YDSP. The 2012 Academy involved 18 drivers and took place over five workshops.

Alongside the delivery of the Academy's curriculum, representatives from the research, medical and sustainability programmes all outlined their respective areas of work to the participants.

Sustainability Programme

Following endorsement from the Institute's Executive Committee, the Environmental Certification Framework was released in August 2012.

Medical Programme

The FIA Institute has established the FIA Institute Medical Advisory Panel, a network of leading medical experts involved in motor sport. The Panel works closely with the FIA Institute's other experts to develop a series of world-class educational resources and research initiatives.

The main focus of the Medical Programme is to promote best practice for medical personnel involved in all disciplines of motor sport. This will be achieved with the development of a training and education infrastructure, and will include the development of publications, a competency framework, and a 'train the trainer' programme.

A two-day Medical Summit was held during the 2012 General Assembly in Istanbul which concentrated on the topic of 'Pathway of Care' for motor sport competitors.

Facility Improvement Programme (FIP)

The FIP programme is currently under review and funding under this programme was not available during the September 2012 funding round.

The Institute, in partnership with the Foundation, has undertaken a project to develop a model for multi-purpose facilities. The Institute appointed Test and Training International to undertake this project. The model was underpinned by the existing best practice framework and sought to create a template that can be used to guide the development of multi-purpose facilities. A final copy of the project deliverables was provided to the FIA Foundation and FIA Institute by TTI in July 2012.

Trustees' Report

2013 Objectives

The FIA Foundation will continue to support its key strategic partners in 2013 so that they can continue to develop and meet their objectives.

Our major advocacy activity will be to influence the policy process during a pivotal period for international cooperation on sustainable development. In 2015, the Millennium Development Goals (MDGs) will reach their target year. The MDGs have shaped international priorities and global development financing decisions for more than a decade. The UN in 2013 will advance the international discussion on the replacement for the MDGs, the proposed Sustainable Development Goals (SDGs).

The Foundation, working with our road safety and environmental partnerships, will press for safe and sustainable transport to be included in these global development goals.

Key activities and advocacy campaigns will be focused on:

- the 2nd UN Global Road Safety Week in May 2013, with its theme of pedestrian safety.
- the 'Long Short Walk', a global campaigning activity to support the advocacy objectives will be launched together with the Mandela Family. Resources will be focused on selected key events in major cities.
- a coalition of supporters and organisations will be mobilised in partnership with the WHO and UN Road Safety Collaboration, to advance the campaign. This momentum will then be taken forward through to the UN consultations and debates on the SDGs during 2013.

With its focus on sustainable transport, pedestrian safety and protection of vulnerable road users, this advocacy push also draws in key elements of the environmental agenda – calling for safer, healthier and greener mobility.

Further development of the Global Fuel Economy Initiative will also take place in 2013. The GFEI will provide fuel economy support and development with additional countries. Key research initiatives, such as the analysis of light duty vehicle fuel economy with the International Energy Agency, will be published. The Partnership for Clean fuels and Vehicles will be supported to advance its new programme focusing on the reduction of sulphur levels in fuel and tackling diesel emissions.

Key activities for the Motor Sport Safety Development fund will include:

- holding regional events in Latin America, Sub-Saharan Africa, and the Middle East & North Africa where key priorities will include not only increase engagement with ASNs, but also the Institute's accreditation initiative and the Sustainability and Medical programmes.
- recruitment for the Driver Academy with five regional selection events taking place in Europe, Asia, the Middle East, Africa and the Americas. This new format will provide the opportunity for many more young drivers to apply for the Academy.
- further development of the Sustainability Programme, as ASNs were invited to apply for funding for the first time in 2013.
- development of accreditation guidelines under the Medical Programme, as well as medical courses that can be delivered by accredited ASNs. The first of these will be a basic course for doctors attending a motor sport event, to be followed by an extrication course.
- publication of "Medicine in Motor Sport", a comprehensive guide to every major aspect of medicine in Motor Sport

Trustees' Report

Financial Review

Investment assets and returns

The Foundation's asset allocation policy is influenced by the investment objective described within the investment policies below. The performance of each manager is assessed against the targets laid down in the Statement of Investment Principles.

The current investment managers of the Foundation are Investec Wealth and Investment Limited, Morgan Stanley and Co. International Limited and Sarasin and Partners LLP.

The Foundation's investment assets increased in value by 5.1% (after withdrawals). This was in line with general market increases and was a positive result. The value of unrestricted investments rose by 8.5% (after withdrawals). As a result all of the investment managers met the target of increasing the value of the fund by the European Consumer Price Index during the year

The value of investments held in restricted funds fell by 27.8%. The fall in value was due to the withdrawal of €8 million (2011: €328,000) to fund 2012 grant payments and reflects the aim of disbursing the Motor Sport Safety Development fund by the end of 2015.

The cash draw down target for 2012 was set at €10,827,000 for unrestricted funds. The target can be met by a combination of income achieved by the portfolio and capital withdrawals from the adoption of the total return mandate. All managers met this target during the year. A further €3,600,000 was withdrawn during the year to replenish cash reserves in line with the reserves policy described below. Therefore, the total withdrawal from unrestricted reserves was €14,427,000 (2011: €9,210,000).

At 31 December 2012 investment assets (including the investment properties) were valued at €323,874,000 (2011: €308,099,000). The value of unrestricted investment assets were €302,938,000 (2011: €279,357,000), whilst €20,936,000 (2011: €28742,000) related to restricted reserves.

Investment assets produced unrealised gains during the year of €25,565,000 (2011: €8,200,000). These gains are stated after the withdrawals noted above. The unrealised gain relating to unrestricted reserves was €25,991,000 (2011: €7,887,000). Restricted reserves achieved an unrealised loss of €426,000 (2011: gain of €313,000).

A desk-top valuation of the Foundation's Investment Properties was undertaken by Montagu Evans, Chartered Surveyors as at 31 December 2012. The estimated value of the properties at this date was £7,400,000 (2011: £7,093,000). When translated to Euro the value of properties increased to €9,093,000 (2011: €8,486,000). The resulting unrealised gain for the year of following this valuation was €607,000 (2011: €147,000).

All asset allocation decisions are taken by our investment managers. Diversification is by asset class, investment manager and investment style. Both AVIVA and Sarasin used Options during a period to protect the portfolio. The market valuation of options at the year end was €7,866 (2011: €207,000). The Foundation has significant exposure to foreign currency due to its globally diversified portfolio. Currency hedging facilities are utilised where investments are not held in Euro. The unrealised gain on forward contracts at the year end was €516,000 (2011: unrealised loss €2,617,000). This level of derivatives is representative of their use during the year.

At 31 December 2012, the asset allocation of our investments was:

Investment	Amount €000's	Percentage
Listed equity investments	€ 207,234	64.0%
Fixed and variable interest stocks	€ 59,200	18.3%
Alternative investments	€ 5,356	1.7%
Property funds	€ 8,090	2.5%
Investment Properties	€ 9,093	2.8%
Cash	€ 34,901	10.7%
	€ 323,874	100.0%

Approximately 36.2% (2011: 24.4%) of unrestricted investment assets are held in Europe, 18.1% (2011: 14.5%) in the UK, 39.8% (2011: 49.2%) in North America and 5.9% (2011: 11.9%) spread across Asia and the Pacific and other countries. 62.6% (2011: 44.2%) of restricted fund investments are held in Europe and 37.4% (2011: 55.8%) are held in North America.

Trustees' Report

Accrued income due from investments of €775,000 (2011: €744,000) is included within current assets. €595,000 (2011: €458,000) relates to unrestricted reserves and €180,000 (2011: €286,000) to restricted reserves.

€7,371,000 (2011: €6,795,000) was received from investment assets during the year to 31 December 2012. The income yield from investments was 2.3% (2011: 2.2%). Investment managers performance is assessed on a total return basis rather than on income yields.

Investment manager costs of €1,394,000 (2011: €1,511,000) comprising manager fees, performance fees and custodian fees are included within the costs of managing investments in the Statement of Financial Activities. Fees have decreased due to a reduction in performance related fees charged by AVIVA following their removal as managers to the Foundation. Under the Statement of Investment Principles investment managers are able to charge fees which they deem to be fair as their performance is assessed by considering capital appreciation net of fees. The level of fees charged represents 0.43% (2011: 0.49%) of the value of the portfolio. Fee levels are closely monitored on a quarterly basis by the members of the Investment Committee and fees which are deemed excessive are discussed with the investment managers.

During the early part of 2012 AVIVA Investment Managers undertook a business review of their activities, and as a result they decided to focus on core set of investment capabilities and markets. The new focus represented a significant change from the strategy adopted by AVIVA in relation to the Foundation's assets to date. The revised proposal presented to the Investment Committee did not appear consistent with the aims of the Foundation, and hence with regret the Board of Trustees decided to terminate the Investment Manager Mandate with AVIVA in early April 2012.

The Investment Committee interviewed two managers and subsequently recommended the appointment of Investec Wealth and Investment Limited. This appointment was ratified by the Board of Trustees on Wednesday 4 April 2012. The AVIVA portfolio was transferred to Investec Wealth and Investment Limited on 15 June 2012.

Charitable Activities

The total allocated to grants and internally managed projects was €19,639,000 (2011: €16,147,000). Grants awarded amounted to €18,322,000 (2011: €13,966,000), whilst transfers of €1,317,000 (2011: €2,181,000) were made to designated reserves to fund internally managed projects.

The split of grants (by numbers of recipients and amount) is shown below:

Category	Grants from unrestricted funds		Grants from restricted funds		Number	Amount €000's	Total Percent -age
	Number	Amount €000's	Number	Amount €000's			
Safety, environment and mobility	13	4,169	19	1,610	32	5,779	31.5%
Motor sport safety	2	2,055	82	10,408	84	12,463	68.0%
Memberships and affiliations	4	80	-	-	4	80	0.5%
	19	6,304	101	12,018	120	18,322	100%

Grants awarded are disclosed, by recipient, in note 6.

Unrestricted reserves

The Foundation's core activities are funded by returns from the Investment Portfolio.

The Foundation is primarily a grant making organisation with €6,304,000 (2011: €8,591,000) being awarded to 12 individual organisations.

€1,051,000 (2011: €408,000) was transferred from general reserves to restricted reserves. €46,000 (2011: €65,000) was reallocated from general funds to designated reserves. This transfer represented underutilised grants from prior periods.

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Trustees' Report

€1,317,000 (2011: €2,181,000) was transferred to designated reserves to cover expenditure on internally managed projects. Actual expenditure incurred on the projects amounted to €1,382,000 (2011: €2,450,000). These costs are described as direct costs in the Statement of Financial Activities. A full analysis of designated reserves by project is provided in note 16.

Governance costs including Trustees' expenses, directors' insurance and allocated support costs were €662,000 (2011: €831,000) which represent 5.6% (2011: 5.5%) of total costs.

Restricted funds

An analysis of restricted funds is provided in note 17.

eSafetyAware!

The Foundation acted as a coordinator for the European Commission funded project "eSafety Challenge and Awareness Raising". The grant agreement expired on 31 December 2011 and the final grant instalment of €174,000 was received during the year.

The Foundation contributed €11,000 to the project during the year to cover indirect costs (VAT) not considered recoverable under the FP7 grant agreement.

Expenditure of €165,000 (2011: €475,000) was claimed by the project partners to cover their costs incurred to fund demonstration events around Europe and the production of dissemination materials.

Make Roads Safe Hellas

€35,000 (2011: €9,000) was spent by the Make Roads Safe Hellas, in Crete, promoting road safety activities and the helmet wearing initiative on the Island. The remaining €6,000 of the fund is expected to be used within the next year.

Road Safety Fund

The fund was created as the new global fund for road safety to support the implementation of the United Nations' Decade of Action for Road Safety 2011-2020. The Foundation directs funds from a range of donors – companies, governments, philanthropies and the public – to support road injury prevention programmes in countries and communities working to defeat the growing epidemic of road death and injury.

Incoming resources to the fund were €488,000 (2011: €518,000). The Foundation actively sought donations for the fund from outside sources and during the year received €482,000 (2011: €419,000), see note 2. An online shop was established for the sale of the Decade of Action for Road Safety Tag, pins etc, see note 4. Sales of €6,000 (2011: €99,000) were achieved during the year. The Foundation contributed €1,040,000 (2011: €408,000) to the fund for the payment of grants.

Grants amounting to €1,610,000 (2011: €476,000) were made from the Fund. Grants awarded are disclosed, by recipient, in note 6. A further €41,000 (2011: €115,000) of other costs were incurred in relation to the disbursement of grants.

The Global Fuel Economy Initiative – Outreach and support Programme

A United Nations Environment Programme small scale funding grant of €68,000 (\$95,000) was awarded to the Foundation to fund dissemination and support materials with the objective of helping to lower CO₂ and pollutant emissions from automobiles by supporting improvements in auto fuel efficiency through planning and strategy development at a national level.

The grant agreement expired on 30 November 2012. The United Nations Environment Programme agreed a final full payment of €43,000 (\$57,000). Expenditure of €9,000 (2011: €61,000) was incurred covering the costs of GFEI contact group meetings, producing outreach materials and supporting a dedicated website.

The Global Fuel Economy Initiative – Research Programme

A United Nations Environment Programme small scale funding grant of €70,000 (\$100,000) was awarded to the Foundation to fund research with the objective of helping to lower CO₂ and pollutant emissions from automobiles by supporting improvements in auto fuel efficiency through planning and strategy development at a national level.

The grant agreement expired on 31 December 2012. The United Nations Environment Programme agreed a final full grant payment of €46,000 (\$60,000). Expenditure of €74,000 (\$100,000) (2011: €nil) was incurred during the year on the production of the research report.

Trustees' Report

FIA Motor Sport Safety Development Fund

The Fédération Internationale de l'Automobile (FIA) World Motor Sport Council agreed in 2008 to establish a Motor Sport Safety Development Fund ('the Fund') through which the €38,667,000 (\$60 million) it received from a McLaren Mercedes fine could be used to promote safety in motor sport working with its ASNs worldwide. This funding was donated to the FIA Foundation for use as a "restricted" fund.

The fund is invested by the Foundation in a separate fixed income portfolio managed by Sarasin and Partners LLP. During the year income of €559,000 (2011: €727,000) was received from the investments and is available for use in future years.

A further €290,000 (2011: €298,000) was received from ASN's as a contribution towards the Facilities Improvement Programme (FIP).

Total expenditure of the fund during 2012 was €11,895,000 (2011: 5,501,000). Grants amounting to €10,408,000 (2011: €4,899,000) were made from the Fund. €275,000 (2011: €357,000) representing underutilised grants from prior periods were written back to the fund and are available for redistribution in future periods. The remaining €1,762,000 (2011: €959,000) of expenditure represented the management fees charged by the FIA Institute for Motor Sport Safety, costs incurred to assess applications for grants by the Programmes Chairman and investment manager fees.

The Foundation estimates the fund will be fully disbursed by the end of 2015.

Financial Policies

Reserves policy

The long term objective of the trustees is to "preserve the capital base in real terms for as long as is practicable whilst meeting the needs of the beneficiaries at a sustainable level".

The investment policy described below has been formulated as a result of the aim of the reserves policy. Therefore, the majority of the reserves have been invested in assets which are used to generate incoming resources to fund grants, internally managed projects and support costs.

The Foundation also holds a proportion of its reserves in cash. Since June 2006 the investment managers have been set an annual withdrawal target which increases by the Consumer Price Index for Europe annually. The managers are able to manage the portfolio on a total return basis and may therefore draw down capital to meet the income target, but they must also meet a capital growth target. With this approach, volatility in short term income should not impact on expenditure. The policy should also ensure that the Foundation is able to continue in its current manner should unforeseen events arise.

The level of reserves is reviewed annually and compared to long term plans and the expected growth of the original donation from the Fédération Internationale de l'Automobile once the Consumer Price Index for Europe is applied.

Since the introduction of the new investment mandate the Foundation has benefitted from knowing the total available for disbursements during the forthcoming year. Therefore programme funding periods can now fall in line with calendar years, based on projected drawdown for the same year.

The Trustees have also agreed to hold cash balances of approximately €9 million, which equates to approximately one year's programmes expenditure. The cash can be held by either the Foundation or by the Investment managers. This policy facilitates cash flow and helps prevent a forced sale of assets during periods of poor investment returns.

At 31 December 2012 the FIA Foundation held €406,000 (2011: €425,000) in designated funds, €299,273,000 (2011: €282,663,000) in general funds and €22,976,000 (2011: €11,870,000) in the revaluation reserve. An additional €20,143,000 (2011: €31,768,000) is held within restricted reserves.

Trustees' Report

Investment policy

The FIA Foundation has the power to deposit or invest funds not immediately required for its purposes in, or upon, such investments, securities or property as the trustees may think fit. The Trustees have the power to delegate the management of investments to a financial expert but must review the performance of the investments regularly.

The principle objective of the investment policy is to seek total return in the long term to provide for real increases in annual expenditure while preserving the charity's capital base in real terms. This is to balance the needs of both current and future beneficiaries and therefore the assets are invested for long term returns rather than to maximise short term income.

The Foundation's policy is that all investments are externally managed by investment managers appointed by the Board of Trustees. The Foundation's investments are under the safe custody of JPMorgan.

The investment policy adopted by the Investment Committee and Board of Trustees has been incorporated into the Statement of Investment Principles, which has been distributed to each investment manager and the Foundation's custodian, JPMorgan.

Investment managers have discretion to make all asset allocation decisions in order to achieve the following investment objective, as stated in the Statement of Investment Principles:

"The Trustees' investment objective is to produce an annual income of the order of € 10 million per annum, net of management charges and any irrecoverable tax, whilst maintaining the capital value of the fund in real terms over the long term. By "in real terms" it is meant that the capital value of the fund needs to increase broadly in line with the Consumer Price Index (CPI) for Europe"

In addition, the managers had been asked to hold at least 5% of assets in cash or cash equivalent products with effect from September 2012. The Trustees requested this to ensure that sufficient cash is available on an annual basis and to try to prevent crystallisation of losses in period of economic downturns. This requirement was rescinded in March 2013.

Performance of the managers is assessed by comparing the portfolio returns of each manager on a three year rolling basis. The results are reviewed by the Investment Committee on a quarterly basis.

The investment strategy will be reviewed by the Investment Committee and the Board of Trustees at least once every three years. A review of policy commenced in early 2013 and should be completed by September 2013.

Investment managers are permitted to use derivatives to ameliorate the risk associated with holding shares in different currencies, and as a stop loss on equity positions within agreed limits. The managers have discretion regarding the level of derivatives that can be used but they must comply with HM Revenue and Customs guidelines. Currently derivatives take the form of forward currency contracts or options.

Grant making policy for general funds

The FIA Foundation considers applications for grants from any organisation or individual, providing the application meets at least one of the general or specific objectives of the charity. Applications are considered by the Programmes Committee which makes recommendations to the Board of Trustees. Funding is agreed for a 3 to 5 year timescale, but each grant recipient must comply with the grant and reporting terms to be able to access the following years agreed funding.

The Trustees have made commitments to make grants and made transfers to designated funds for internally managed projects as described within this report.

In 2012, the Foundation introduced a revised annual evaluation process of our major partners with the support of an independent expert to assist our multi-annual grants beneficiaries to meet their activity goals and our charitable objectives.

Trustees' Report

The Foundation has developed Activity Evaluation Criteria to evaluate the grant recipients performance on an annual basis, and to guide the Foundation's future funding decisions and priorities. The Activity Evaluation Criteria are as follows:

- **Resource mobilisation:** assessing the additional financial resources mobilised both directly and indirectly as a consequence of the Foundations financial support to the activity;
- **Partnership mobilisation:** accessing the number of additional stakeholders, communities or sectors that become involved, or influenced by, the activity.
- **Innovation effects:** assessing those characteristics of the activity that develop new applications, experience, policies, research, or technologies that can be applied elsewhere;
- **Sustainability:** assessing the capacity of the activity to become financially and operationally self-sufficient over the medium and long term, or which generate lasting effects after its completion;
- **Impact effects:** assessing both direct and indirect impacts of the project in terms of end results such as fatality/injury reductions rates, seat belt usage, reduced vehicle emission, increased public awareness, or similar metrics and measurable outcomes.

The Foundation may suspend payment of all or part of any annual grant instalment if the recipient fails to receive a satisfactory evaluation on an annual basis.

Grant making policy for the Motor Sport Safety Development Fund

A Management Committee, made up of Mr N Craw, Mr C Gracia, Mr M Mosley, Mr M Schumacher and Mr J Todt have been appointed to consider applications.

All funding applications are submitted via the Institute's secure funding portal during a four-week period in September each year. ASNs are able to submit up to three applications under each of the three safety programmes during each funding cycle. Funding applications are required to meet a range of funding criteria, and in particular need to demonstrate an alignment, or an intention to align, to the relevant best practice frameworks.

The Institute is responsible for assessing the applications and making recommendations to the Fund Management Committee. The Fund Management Committee meets in November or December each year to consider the recommendations. For the applications that are approved, each recipient is required to enter into a grant agreement with the Institute. Upon the successful execution of the agreement and the fulfilment of any grant conditions, the recipient is paid the first 40% of the grant. The recipients are then required periodically to report progress, and upon the approval of these reports, subsequent grant payments are made. Each year, a small number of recipient projects are selected for a detailed audit and evaluation. To date, pilot audits have been carried out in September 2011 for the Singapore ASN in relation to their 2010 Officials Safety Training Programme activity and in 2012 for the Costa Rican ASN's 2011 Young Driver Safety Programme and the Finland ASN's 2010 Facility Improvement Programme project.

For the September 2012 applications round, funding was available under the Officials Safety Training Programme (€125,000 funding cap), Young Driver Safety Programme (€100,000 funding cap) and Sustainability Programme (€50,000 funding cap).

It was agreed that the priority for the 2012 applications round should be to target those ASNs that had not yet received any funding. With the agreement of the FMC, funding criteria were amended to reflect this aim, with those ASNs who had already received €250,000 or above in previous funding rounds no longer eligible to apply for funding. ASNs that had received €75,000 or less in grant funding to date were able to apply for up to two grants per annum. ASNs that had received more than €75,000 but less than €250,000 to date were able to apply for one grant per annum.

In addition, funding relief for low and middle income countries was increased to 80% and 70% respectively to try and assist those ASNs who find it difficult to contribute to project costs. Furthermore, upon request, the FIA Institute agreed to consider reclassification of ASNs from high and middle-income countries where the economic situation of the ASN does not match that of the country.

Trustees' Report

Structure, governance and management

Charity status

The FIA Foundation for the Automobile and Society is registered in England and Wales as a charity, number 1088670, and as a company limited by guarantee, number 4219306. The liability of the Trustees, as members, is limited to a sum not exceeding £10. The FIA Foundation for the Automobile and Society is governed by its Articles of Association. The directors of the FIA Foundation are its Trustees for the purposes of charity law. The terms of the charity's Articles of Association exclude the power to raise funds by the means of taxable trading, where such trading falls outside its charitable objects.

Trustees

The membership of the Board is set out on page 42.

All Trustees served throughout the year apart from Messrs Njoroge, Tanaka, Gow and Yashiro; and Ms Despotopoulou and Ms Amoni. Messrs Gow and Yashiro and Ms Amoni were appointed on 6 December 2012. Ms Despotopoulou retired on 6 December 2012. Mr D Njoroge and Mr Tanaka resigned on 14 May 2012 and 20 June 2012 respectively.

A Strategy Review in 2011 considered the Foundation's governance system and, in particular, the role and composition of the Board of Trustees. The Foundation's Trustees play a critical role in ensuring that the Foundation meets its objects of promoting road safety, sustainable mobility and motor sport safety. Their duties are set out in the Foundation's Articles of Association and are reinforced by the Trustees' Code of Conduct adopted by the Board in March 2007. The principal involvement of Trustees is through participation in the Board and its subsidiary bodies, namely the Executive; Programmes; Investment; and Audit Committees. For the sake of good governance and to adhere to all relevant UK legislation, the Strategy Review recommended that:

- Trustees sign a personal declaration accepting their duties and responsibilities;
- Three Trustees be nominated as representatives of the Fédération Internationale de l'Automobile (FIA) (see below). The President of the FIA is an ex-officio member of the Board;
- Two Trustees be elected that are independent of the membership of the Foundation;
- A formal induction and training programme be developed for new Trustees;
- A Trustee job description be published and candidates interviewed if appropriate;
- A register of Trustee's interests be maintained; and
- The upper age limit for trustees be abolished and instead a maximum tenure of two terms per trustee be introduced. At the discretion of the Chairman a trustee may be invited to serve a third term.

To accommodate these changes amendments were made to the Foundation's Articles of Association, approved on 8 December 2011, and at the same time they were updated to make them consistent with the recommended new format for such governing documents arising from the UK Companies Act 2006. This new format also follows the recommended good practice of the UK Charity Commission.

Under the revised Articles of Association, the Board of Trustees must maintain a minimum membership of nine and a maximum membership of 15. This figure includes two directors independent from any member of the charity, the President of the FIA *ex officio*, and three directors nominated by the FIA, currently Messrs Craw, Gibbons and Stoker. The remaining 11 trustees are elected by an ordinary resolution by members at the Annual General Meeting. One third (or the nearest one third) of these Trustees must retire at each AGM. Messrs M Angle, J Dawson, C Gérondeau and M Mosley retire at the 2013 AGM, and are eligible for re-election.

Induction and training of new Trustees

When a new Trustee is appointed, they receive the FIA Foundation Governance folder – Key Policies and Documents as induction which includes following documents:

- the Foundation's Articles of Association;
- the Foundation's Internal Regulations;
- the Foundation's Anti-Bribery and Corruption policy;
- the Foundation's Conflict of Interest policy;
- the Code of Conduct for Trustees;
- a note on the Foundation's relationship with the FIA;
- the Strategic Review;
- a copy of the Memorandum of Understanding between the FIA Foundation and the FIA;
- the FIA Foundation travel and expenses policy for trustees; and
- a list of the members of the Board of Trustees, the Executive; Programmes; Investment; and Audit Committees and their contact details.

Trustees' Report

They are also sent a copy of the Trustees' Liability Insurance. Trustees also receive and are expected to have read the Charity Commission's publications: "CC3: The Essential Trustee: What you need to know", "A Guide to Conflicts of Interests" and "A Guide to Corporate Foundations" as well as the Ministry of Justice Guidance on the UK Bribery Act 2010.

All trustees must sign a trustee declaration, declaring themselves fit and eligible to serve as a trustee of the FIA Foundation and complete and update, on an annual basis if necessary, a register of interests.

As the majority of our Trustees hail from our member organisations, they are generally already aware of the Foundation's activities and familiar with the Foundation's senior staff members. They are also all present or past senior executives of major organisations and thus comfortable with what is and is not expected of them in their role as Trustees. Training is therefore handled on an ad hoc basis and will be arranged for any Trustee if they request it.

Conflicts of interest

The FIA Foundation has a policy on conflicts of interest which applies to Trustees, employees and members of the FIA Foundation's decision-making committees. When a Trustee has a material interest in any grant, investment or other matter being considered by the FIA Foundation, that Trustee does not participate in the decision on that grant or other matter. The same principle applies to staff and members of committees who are able to influence the charity's funding decisions.

Committees and meetings

Under the Articles of Association the Trustees are required to hold at least two meetings a year. Currently the full Board meets three times a year. However, there are four additional Trustee sub committees (the Executive Committee; the Programmes Committee; the Investment Committee; and the Audit Committee) which ordinarily meet a minimum of once a year.

The Executive Committee's Terms of Reference are:

- to review questions of governance or any other matter referred to it by the Chairman or by the Board;
- to recommend the specification for the role of trustee, to oversee the process of trustee selection, and to review trustee applications; and
- to support the Director-General in the management of the Foundation's Human Resources, to oversee the general terms and conditions of staff employment, and to approve general salary levels and specifically the remuneration of the Director General.

The membership of the Executive Committee consists of Mr Keown (Chairman); Mr M Angle (Treasurer); Mr E Jarrett (Company Secretary); and Mr J Dawson (Chairman of the Programmes Committee).

The Programmes Committee's Terms of Reference are:

- to review and propose the annual programme priorities, activities and expenditure of the Foundation for approval by the Board;
- to consider and recommend for Board approval future projects and programmes to be supported by the Foundation; and
- to apply the agreed evaluation criteria to the Foundation's projects and programmes.

The membership of the Programmes Committee consists of Mr J Dawson (Chairman); Mr C Gérondeau; and Mr M Mosley. However, as the Programmes Committee is now held on the day before the Spring Board of Trustees meeting, it is normal practice for all trustees to attend this meeting.

The Investment Committee's Terms of Reference are:

- to propose and recommend to the Board the investment strategy and the Statement of Investment Principles to be adopted in managing the Foundation's investment assets, including property and cash reserves;
- to select and, with the approval of the Board, to appoint independent fund managers to manage parts of those assets on a discretionary basis, to an agreed set of objectives and benchmarks;
- to monitor closely and report regularly to the Board the relative performance and charges of the individual fund managers, and of the fund as a whole, and
- to assist and support the Financial Controller when required in all routine aspects of the management of the Foundation's financial resources.

The membership of the Investment Committee consists of Mr M Angle (Chairman and Treasurer); Mr C Demole (co-opted member); Mr M Mosley and Mr B Perko.

Trustees' Report

The Audit Committee's Terms of Reference are:

- to supervise and monitor on behalf of the Board the annual audit of the Foundation's Annual Financial Statements,
- to meet the Foundation's auditors on the completion of the annual audit, and to approve on behalf of the Board the Key Issues Memorandum;
- to advise the Board on the appointment of the Foundation's auditors and their fees; and
- to review annually the Foundation's policies to minimise risk across its activities, including its internal controls and its obligations under the UK Bribery Act.

The membership of the Audit Committee consists of Mr E Jarrett (Chairman and Company Secretary) and Mr M Angle (Treasurer).

Mr T Keown, Foundation Chairman, is a member ex officio of the Programmes, Investment and Audit Committees.

Public Benefit Reporting

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities and setting the grant making policy.

Internal control and risk management

The Trustees are responsible for the FIA Foundation's systems of internal control and effectiveness. No system of internal control can provide absolute assurance against material misstatement or loss. However, the FIA Foundation's system is designed to provide the Board of Trustees with reasonable assurance that there are proper procedures in place and they are operating effectively.

The key elements of the internal control system are:

- **Delegation:** there is a clear organisational structure with documented lines of authority and responsibility for control;
- **Reporting:** the Board of Trustees approves and reviews annual budgets and expenditure targets and monitors actual and forecast expenditure and investment reports on a regular basis. The Trustees may, and do, commission internal audit reports from time to time; and
- **Risk management:** the potential risks arising from the FIA Foundation's activities have been documented in a comprehensive risk register. This was reviewed and updated significantly to follow best practice and provision of the UK Bribery Act 2010.

The risk management process follows three main requirements or sources of guidance: the Charity Commission's 'Hallmarks of an Effective Charity'; the Statement of Recommended Practice (SORP 2005) for Accounting and Reporting by Charities; and to fully implement the provisions of the Foundation's anti-bribery policy it is necessary to carry out an anti-bribery and corruption risk assessment. In 2013 the Foundation will develop an anti-fraud policy statement and response plan and continue to carry out its annual risk assessment and partner evaluation process.

The Foundation's risk management matrix is now divided into four major risk areas: financial; operational; reputational; and bribery and corruption, which are assessed annually and provided with a 'traffic light' monitoring system, red indicating a significant risk to the Foundation which should be continually monitored by management; amber a medium level risk which should be monitored by management on a periodic basis e.g. quarterly; and green a low risk which should reassessed on an annual basis.

Under the four major risk areas above the major risks comprise:

- **Financial:** investment policy; fraud/error; budgetary control; capacity/use of resources; and taxation;
- **Operational:** loss of staff; loss of trustees; health, safety and environment; disaster recovery and planning; suppliers; illegal activity;
- **Reputational:** non-compliance with UK charity/company law; beneficiary relationships; and stakeholders' perceptions; and
- **Bribery and Corruption:** country risk; sector risk; transaction risk; activity opportunity risk; activity partner risk; and internal risk.

Trustees' Report

The Trustees have reviewed the major risks to which the FIA Foundation is exposed and can confirm that all reasonable measures are being taken and systems have been established to control or mitigate the effect of these risks on the achievement of the charity's objectives. The financial risks of the Foundation are discussed in greater detail below:

Financial risk assessment

The Foundation is exposed to a number of financial risks including credit risk, market risk, foreign exchange risk, and liquidity risk due to its investing activities.

- **Credit risk:** The principal financial assets are investments and bank balances and credit risk is primarily attributable to bank balances. To mitigate the risk the Foundation reviews the level of balances held with each institution and reviews credit ratings.
- **Market risk:** Investments are subject to market movements. This is managed by investment through diversification across a broad range of asset classes, geographies, investment managers and investment strategies. The use of derivatives in the form of forward exchange contracts and options is permitted with the approval of the Investment Committee to assist with managing these risks. Derivatives are not used for speculative purposes.
- **Currency risk:** The Foundation is exposed to translation and transaction foreign exchange risk from non Euro denominated assets. This is managed by forward exchange contracts to hedge these exposures.
- **Liquidity risk:** The Foundation seeks to ensure sufficient liquidity is available to meet foreseeable needs. The Foundation aims to hold cash deposits of approximately €9 million to ensure volatility in short term income should not impact on expenditure and to ensure that the Foundation is able to continue in its current manner should unforeseen events arise.

Trustees responsibilities for the financial statements

The trustees (who are also directors of the FIA Foundation for the Automobile and Society for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the Trustees is aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Trustees' Report

Other matters

Changes in fixed assets

The movements in fixed assets are set out in notes 12 and 13 to the financial statements.

Related party transactions

The charity has designated some of the income generated by the investment portfolio for internally managed projects. These are listed in note 16. Grants made to organisations which are members of the charity are disclosed in note 6. All other related party transactions are disclosed in note 23.

Charitable donations

During the period made one charitable donation of €700 (2011: €nil) to Cynthia Spencer House. No other charitable or political contributions were made by the Foundation.

Auditor

A resolution for the reappointment of Grant Thornton UK LLP as auditor of the charity will be proposed at the forthcoming Annual General Meeting.

On behalf of the Trustees



Tim Keown
Chairman
4 July 2013

Report of the Independent Auditor to the Members of the FIA Foundation for the Automobile and Society

Independent auditor's report to the members of The FIA Foundation for the Automobile and Society

We have audited the financial statements of the FIA Foundation for the Automobile and Society for the year ended 31 December 2012 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 16, the trustees (who are also the directors of the FIA Foundation for the Automobile and Society for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Grant Thornton UK LLP

Paul Creasey
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Oxford
4 July 2013

Statement of Financial Activities

For the year ended 31 December 2012 (incorporating an income and expenditure account and a statement of recognised gains and losses)

	Note	Unrestricted Funds 2012 €000's	Restricted Funds 2012 €000's	Total 2012 €000's	Total 2011 €000's
Incoming resources					
Voluntary income	2	-	482	482	425
Investment income	3	6,812	559	7,371	6,795
Charitable activities	4	-	559	559	938
		6,812	1,600	8,412	8,158
Resources expended					
Cost of generating funds:					
- Costs of managing investments	5	1,581	22	1,603	1,706
Charitable activities:					
- Safety, environment and mobility	5	6,484	1,934	8,418	7,671
- Motor sport safety	5	2,052	11,873	13,925	10,446
- Memberships and affiliations	5	190	-	190	238
- Representational activities and external communications	5	741	-	741	813
Governance costs	5	662	-	662	831
Total resources expended	5	(11,710)	(13,829)	(25,539)	(21,705)
Net outgoing resources before transfers					
		(4,898)	(12,229)	(17,127)	(13,547)
Transfers between funds					
		(1,051)	1,051	-	-
Net outgoing resources for the year					
		(5,949)	(11,178)	(17,127)	(13,547)
Other recognised gains and losses:					
Realised gains/(losses) on investment assets					
		7,655	(21)	7,634	(24,799)
Net income and expenditure					
		1,706	(11,199)	(9,493)	(38,346)
Unrealised gains and losses:					
Unrealised gains/(losses) on investment assets					
		25,991	(426)	25,565	8,200
Net movement in funds					
		27,697	(11,625)	16,072	(30,146)
Reconciliation of funds:					
Balance at 1 January 2012	16-18	294,958	31,768	326,726	356,872
Balance at 31 December 2012	16-18	322,655	20,143	342,798	326,726

All amounts relate to continuing operations.

Information up to and including net income and expenditure represents the information required by the Companies Act 2006. It excludes unrealised gains on investments in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" as revised in 2005.

The notes to the accounts form an integral part of the financial statements.

Balance Sheet

As at 31 December 2012

	Note	2012 €000's	2011 €000's
Fixed assets			
Tangible assets	12	4,011	4,113
Investments	13	323,874	308,099
		327,885	312,212
Current assets			
Debtors	14	6,023	10,458
Cash at bank and in hand		13,376	8,810
		19,399	19,268
Liabilities			
Creditors: amounts falling due within one year	15	(4,486)	(4,754)
Net current assets		14,913	14,514
Total assets less current liabilities		342,798	326,726
Net assets		342,798	326,726
Funds			
Unrestricted funds			
- Designated funds	16	406	425
- Revaluation reserve	17	22,976	11,870
- General funds	17	299,273	282,663
		322,655	294,958
Restricted funds	18	20,143	31,768
Total charity funds		342,798	326,726

The notes to the accounts form an integral part of the financial statements.

The financial statements were approved by the Board of Trustees on 4 July 2013 and signed on their behalf by:



Martin D Angle
Treasurer

Company Number: 4219306

Cash flow statement

For the year ended 31 December 2012

	2012 €000's	2011 €000's
Net cash outflow from operating activities	(12,832)	(12,639)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(26)	(5)
Purchase of fixed asset investments	(159,503)	(210,305)
Proceeds from sale of fixed asset investments	176,070	234,659
Net cash inflow from investing activities	16,541	24,349
Increase in cash	3,709	11,710

Reconciliation of changes in resources to net cash outflow from operating activities

	2012 €000's	2011 €000's
Net outgoing resources	(17,127)	(13,547)
Depreciation	128	129
Loss on disposal of assets	-	1
Decrease/(increase) in debtors	4,435	(122)
(Decrease)/increase in creditors	(268)	900
Net cash outflow from operating activities	(12,832)	(12,639)

Reconciliation of net cash flow to movement in net funds

	2012 €000's	2011 €000's
Increase in cash in the period	3,709	11,710
Effects of realised foreign exchange losses	(1,702)	(1,948)
Effects of unrealised foreign exchange gains	4,038	1,688
Movement in net funds	6,045	11,450
Net funds at 1 January 2012	42,232	30,782
Net funds at 31 December 2012	48,277	42,232

Analysis of changes in net funds

	At 1 January 2012 €'000's	Cash flows €'000's	Exchange movement €'000's	At 31 December 2012 €'000's
Cash at bank	8,810	4,566	-	13,376
Cash held as part of the investment portfolio	33,422	(857)	2,336	34,901
	42,232	3,709	2,336	48,277

Notes to the Accounts

1 Principal accounting policies

Accounting convention

The financial statements have been prepared under the historical cost convention except for investments which have been valued at market value, as detailed below. They comply with the Statement of Recommended Practice "Accounting and Reporting by Charities" ("the SORP") as revised in 2005, together with the reporting requirements of the Companies Act 2006 and applicable accounting standards except for non-depreciation of investment properties.

Investment properties

All of the charity's investment properties are held for long-term investment and are included in the balance sheet at their open market values. The surpluses or deficits on annual revaluation of such properties are transferred to the revaluation reserve. Depreciation is not provided in respect of freehold investment properties. This is in accordance with SSAP19 which, unlike the Companies Act 2006, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the charity and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

The principal accounting policies for the charitable company are set out below:

Incoming resources

All incoming resources are included in the SOFA when the Foundation is legally entitled to the income and the amount can be quantified with reasonable certainty. More specific details relating to each category of income are shown below.

Grants	Grant income is recognised when the charity has met the conditions of receipt and is entitled to the funds.
Voluntary Income	All monetary donations are included in full when receivable, provided that there are no donor-imposed restrictions as to the timing of the related expenditure, in which case recognition is deferred until any precondition is met.
Investment income	Investment income, including associated tax recoveries, but with the exception of income receivable in respect of fixed interest securities, is recognised when receivable. Income receivable in respect of fixed interest securities is recognised on the accruals basis.
Rental income	Rental income is recognised when receivable, on a straight line basis.

Resources expended

Expenditure is accounted for on an accruals basis.

Resources expended comprise:

Costs of generating funds: Cost of managing investments	This includes investment manager fees, staff salaries and other costs directly attributable to the management of the investment portfolio.
Costs of charitable activities	The charitable activities flow from the Charity's vision and purpose, which are highlighted in the Trustees' Report. The primary charitable activities as disclosed in the SOFA are as follows: Safety, environment and mobility; Motor sport safety; Research, fellowships, memberships and affiliations; and Representational activities.

The costs of charitable activities include grants made to external organisations and direct expenditure. The accounting treatment for these are as follows:

Grants payable	Grants payable are recognised in the financial statements in the year in which they are approved and such approval has been communicated to the recipients, except to the extent that it is subject to conditions that enable the Foundation to revoke the award.
Direct costs	This is expenditure made from designated reserves relating to internally managed projects. Details of costs can be found in note 7.

Notes to the Accounts

Support and indirect costs	These are shared and indirect costs associated with the main activities of the Foundation. Details of costs can be found in note 8.
Allocation of support and indirect costs	Costs which relate directly to an employee are allocated against the activities they undertake. Support and indirect costs are apportioned on the basis of the number of full time equivalent staff.
Governance costs	Governance costs include external audit and legal advice on governance matters, directors and officers insurance, trustees' expenses and an apportionment of shared and indirect costs.
Irrecoverable VAT	The irrecoverable VAT element is included in the expense category to which it relates.

Fund accounting

The Foundation holds the following funds:

Restricted funds	Donations and other incoming resources received or generated for expenditure for specified purposes as laid down by the donor (see note 18).
General funds (unrestricted funds)	Donations and other incoming resources received or generated for expenditure on the general objectives of the charity.
Designated funds	General funds which have been designated for specific purposes by the trustees.

On occasion the Programmes Committee will recommend the transfer of monies between funds where grants have been underutilised by recipients. The transfer of these monies is subsequently approved by the Board of Trustees.

Tangible fixed assets and depreciation

Tangible fixed assets are capitalised at cost where their acquisition value is greater than €750, and are stated at cost net of depreciation.

Depreciation is calculated to write down the cost of all tangible fixed assets excluding investment properties by equal annual instalments over their estimated useful economic lives, calculated on a monthly basis.

The rates applicable are:

Freehold properties	2%
Fixtures and fittings	20%
Computer equipment	33 1/3%

Investments

The Foundation holds both property and listed investments as part of the investment portfolio. The accounting treatment for these are as follows:

Properties	Investment Properties are included at their estimated market value in their native currency at the balance sheet date, translated at the rate ruling at the date of valuation, the year end. Investment Properties are formally valued at least every five years by professional valuers and are reviewed annually to ensure the most recent formal valuation is still reasonable.
Listed Investments	Listed investments are valued at their market value in their native currency at the end of year financial year and are translated at the rate ruling at this date. Cash held as part of an investment portfolio, as a monetary asset, is translated using the closing rate method. Net gains and losses arising on revaluations and disposals during the period are included in the SOFA. Realised gains and losses arise on the sale of investments and represent the difference between the valuation at the beginning of the financial year and the proceeds from the sale of the investment. Unrealised gains and losses consist of the movement in the market value of investments on an annual basis.
Revaluation reserve	The excess of market valuations over the cost of investments is included within the revaluation reserve.

Notes to the Accounts

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Non-monetary assets and liabilities in foreign currencies are translated at the rates ruling at the date of acquisition, or average rate if not materially different. Exchange differences are dealt with in the SOFA. The exchange rates ruling at the balance sheet date were as follows:

Currency	2012	
Sterling	€1:£	€1:£0.813816
US Dollar	€1:\$	€1:\$1.310817

Exchange gains and losses are allocated to the appropriate income or expenditure category.

Taxation

The activities of the Charity fall within the exemptions conferred by section 505 and 506 of the Income and Corporation Taxes Act 1988. Consequently, no corporation tax is provided for in the financial statements.

Retirement benefits

Defined contribution scheme

The pension costs charged against the SOFA are the contributions payable to the schemes in respect of the accounting period.

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the SOFA on a straight line basis over the lease term.

Liabilities

Liabilities are recognised when there is a legal and constructive obligation committing the charity to the expenditure.

2 Voluntary income

The charity received the following:

	Year ended 31 December 2012 €000's	Year ended 31 December 2011 €000's
Donations to designated funds – Decade of Action Advocacy	-	2
Donations to undesignated funds	-	4
Total donations to Unrestricted Funds	-	6
Donations to Restricted Funds – Road Safety Fund		
Allianz	104	104
Guinea Alumina	-	11
Innovate Solutions	-	11
Johnson and Johnson	110	-
Liberty Seguros	11	-
Nexco	11	-
Robert Bosch GmbH	114	114
Research in Motion	11	-
United Parcel Services (UPS)	118	112
United Way World Wide	-	66
Sundry Donations	3	1
Total Donations to Restricted Funds	482	419
Total Donations	482	425

Notes to the Accounts

3 Investment income

Investment income comprises income from:

	Year ended 31 December 2012 €000's	Year ended 31 December 2011 €000's
Listed equity investments	4,862	4,215
Fixed and variable interest stocks	1,661	1,442
Interest on cash held at brokers	110	405
Investment properties	704	662
Bank deposits and financial markets	34	71
	7,371	6,795

The above investment income is derived from assets held within the UK, except for the income from listed securities which are held both within and outside the UK.

4 Income from charitable activities

	Year ended 31 December 2012 €000's	Year ended 31 December 2011 €000's
Contributions to eSafetyAware!		
European Commission Grants	174	486
Contributions to the Road Safety Fund		
Sale of Decade of Actions Tags	6	99
Contribution to The Global Fuel Economy Initiative – Outreach and Support Programme		
United Nations Environment Programme – Small Scale funding Grant	43	27
Contribution to The Global Fuel Economy Initiative– Research Support		
United Nations Environment Programme – Small Scale funding Grant	46	28
Contributions to the Motor Sport Safety Development Fund – ASN's contributions toward the Facilities Improvement Programme (FIP)		
Confederação Brasileira de Automobilismo (CBA)	76	-
Dansk Automobile Sports Union (DASU)	67	-
Club Automovilístico de Nicaragua (CAN)	78	-
Motor Sports Association (MSA)	69	72
Russian Automobile Federation (RAF)	-	109
Confederation of Australian Motor Sport Ltd (CAMS)	-	117
	290	298
Total income	559	938

Notes to the Accounts

5 Resources expended

	Grants €'000's	Direct expendi- ture €'000's	Support and indirect costs €'000's	2012 €'000's	2011 €'000's
Costs of managing investments	-	-	1,603	1,603	1,706
Safety, environment and mobility	5,771	1,387	1,260	8,418	7,671
Motor sport safety	12,158	1,676	91	13,925	10,446
Memberships and affiliations	79	-	111	190	238
Representational activities and external communications	-	283	458	741	813
Governance costs	-	-	662	662	831
	18,008	3,346	4,185	25,539	21,705

See note 6 for details of grant funding.

See note 7 for details of direct expenditure.

See note 8 for support and indirect cost allocations.

6 Grants

Grant expenditure during the year was as follows:

	Grants €'000's	Write back under utilised grants €'000's	2012 €'000's	2011 €'000's
Safety, environment and mobility	5,779	(8)	5,771	3,795
Motor sport safety	12,463	(305)	12,158	9,491
Memberships and affiliations	80	(1)	79	139
	18,322	(314)	18,008	13,425

Detailed descriptions of each grant are provided below.

Each grant recipient received one grant, although this may have been payable in more than one tranche. All grants were made to institutions and were restricted to the purpose for which the grant was approved.

Notes to the Accounts

Grants Awarded:

	Amount Awarded €'000's
Recipient and project	
Safety, environment and mobility	
External recipients	
Advocacy, Capacity Building and Road Safety	
Asia Injury Prevention Foundation (AIPF) - Global Helmet Vaccine Initiative	210
Eastern Alliance for Safety and Sustainable Transport (EASST) + - East Safe and Sustainable Transport Network	150
Gonzalo Rodriguez Memorial Foundation - Regional Child Road Safety Vaccine	150
Gordon Murray Design Limited - Aerodynamic Downforce Research Project	140
Make Roads Safe Hellas - Global Helmet Vaccine Initiative	25
World Bank – Global Road Safety Facility	114
Post Crash Response	
Association pour le Développement de la Recherche sur le Cerveau et la Moelle Epinière (ADREC) - Institute for Brain and Spinal Cord Disorders	325
Safer Roads and Mobility	
International Road Assessment Programme (iRAP)* + - International Road Assessment Programme	900
Safer Road Users	
Fédération Internationale de l'Automobile (FIA)* + - FIA Road Safety Programme	1,000
Fédération Internationale de l'Automobile (FIA)* + - FIA Capacity Building Programme	500
Vehicles	
GlobalNCAP + - Global New Car Assessment Programme	600
Environment	
Fundacio Privada RACC - Increasing environmental awareness and extending eco-driving techniques among Latin American drivers	50
Plan Vivo Foundation - Climate Change Programme	5
Safety, environment and mobility – grants awarded from unrestricted funds	4,169
Restricted funds – Road Safety Fund	
Amend.org - School area road safety assessment and improvement pilot: Be Seen, Be Safe	23
Asia Injury Prevention Foundation (AIPF) - Global Helmet Vaccine Initiative	248
Delft University - Postgraduate course on road safety in low and middle income countries	23
Fleet Forum Association - Modular Driving Training	116
Fleet Forum Association - Modular Driving Training, Phase II	119
Fundatia Protect - Be Aware, Be safe	19
Global Alliance of NGO's for Road Safety - Creating a Communications Platform	19
GlobalNCAP + - Global New Car Assessment Programme	400
Gonzalo Rodriguez Memorial Foundation - Support and Training on Child Restraint Systems (CRS) Installation	19
Indonesia Ministry of Health - Development of Injury Surveillance System in Indonesia	8
Institute of Road Traffic Education - Course on Urban Transport and Planning	12
International Road Assessment Programme (iRAP) * + - International Road Assessment Programme	400
Ong Fondei Ma Bori - National Helmet Awareness Campaign	19
Partnership for Road Safety - Protect Children's Lives on Georgian Roads	19
Road Traffic Injury Research Network - Monitoring Workshop for Latin America	23
Roadwise Network - Training and Equipping Cyclists	8
South Africans Against Drunk Driving - Road safety research and enforcement in Kwazulu Natal	16
Youth for Road Safety - Capacity Development for Young People in Kenya	19
United Nations Environment Programme - Share the Road	100
Safety, environment and mobility – grants awarded from restricted funds	1,610
Grants awarded from unrestricted funds	4,169
Grants awarded from restricted funds	1,610
Total safety, environment and mobility grants	5,779

Notes to the Accounts

Recipient and Project	Amount Awarded €'000's
Motor sport safety	
External Recipients	
FIA Institute for Motor Sport Safety + - Motor Sport Safety	2,000
P Doggwiler - Consultancies and research	55
Motor sport safety – grants awarded from unrestricted funds	2,055
Restricted funds – Motor Sport Safety Development Fund	
Officials Skills Safety Training Programme (OSTP)	
Fédération Algerienne des Sports Mécaniques (FASM)*	125
Confederation of Australian Motor Sport Ltd (CAMS)*	51
Confederation of Australian Motor Sport Ltd (CAMS)*	117
Royal Automobile Club de Belgique (RACB) *	10
Automovil Club Boliviano (ACB)*	76
Touring & Automovil Club de Colombia (ACC)*	108
Automovil Club de Costa Rica (ACCR)* +	17
Federacion Chilena De Automovilismo Deportivo (FADECH)*	80
Automobile Club of Ecuador (ANETA)*	57
National Automobilsport Federation of Hungary (MNASZ)*	17
Motorcycle and Automobile Federation of the Islamic Republic of Iran (MAFIRI)*	125
Motorsport Ireland	4
Motorsport Ireland	19
Automobile Club d'Italia - Commissione Sportiva Automobilistica Italiana (ACI*-CSAI)	60
Japan Automobile Federation(JAF)*	29
Kenya Motor Sport Foundation (KMSF)*	32
Kuwait International Automobile Club (KIAC)*	81
Confederation of African Countries in Motorsport (CACMS)*	85
Automobile et Touring Club du Liban (ATCL)*	60
Federation du Sport Automobile de Madagascar (FSAM)*	69
Malta Motorsport Federation	21
Organizacion Mexicana del Deporte Automovilistico Internacional (OMDAI)*	38
Federation Royale Marocaine de Sports Automobile (FRMSA)*	57
KNAC Nationale Autosport Federatie (KNAF)*	50
MotorSport New Zealand (MSNZ)*	50
Oman Automobile Association (OAA)*	84
Palestinian Motor Sport and Motorcycle Federation*	63
Touring Y Automovil Club del Peru (TACP)*	20
Automobile Association Philippines (AAP)*	118
Russian Automobile Federation (RAF)*	125
Saudi Arabian Motor Sport Federation (SAMSF)*	60
Automobile and Motorcycle Association of Serbia (AMSS)*	36
Singapore Motor Sports Association*	125
Auto Sport Federation of Slovenia – AS 2005*	15
Motor Sport South Africa (MSA)*	125
Korea Automobile Racing Association (KARA)*	67
Real Federacion Espanola de Automovilismo (RFEDA)*	38
Real Federacion Espanola de Automovilismo (RFEDA)*	7
Ceylon Motor Sports Club (CMSC)*	107
Sudan Automobile and Tourism Club (SAC)*	50
Automobile Club de Syrie*	70
Automobile Club de Syrie*	83
Automobile Association of Tanzania (AAT)*	85
Trinidad and Tobago Automobile Sports Association (TTASA)*	43
Automobile and Touring Club of the United Arab Emirates (ATCUAE)*	42
Motor Sports Association (MSA)* +	44
Touring Y Automovil Club de Venezuela (TACV)*	66

Notes to the Accounts

Recipient and Project	Amount Awarded €'000's
Special Projects	
Fédération Internationale de l'Automobile (FIA) * + - FIA Combined Sporting Events – Medical, Safety and Women in Motorsport	2,197
FIA Institute for Motor Sport Safety + - Medical Training Programme	350
FIA Institute for Motor Sport Safety + - Research and Support	1,000
FIA Institute for Motor Sport Safety + - Sustainability Programme	465
Officials Skills Safety Training Programme (OSTP) Grants	6,923
Young Driver Safety Scholarship Programme (YDSP)	
Confederation of Australian Motor Sport LTD (CAMS)*	100
Royal Automobile Club of Belgium (RACB)*	100
Federation of Automobile Sports of The People's Republic of China (FASC)*	65
Chinese Taipei Motor Sports Association (CTMSA)*	23
Automovil Club de Costa Rica (ACCR)* +	20
Autoclub of the Czech Republic (ACCR)*	70
Estonian Autosport Union (EASU)*	50
AKK Motorsport*	100
Fédération Française du Sport Automobile (FFSA)*	35
Automobile Association of Malaysia (AAM)* - Third Party Recipient: Sepang International Circuit	40
Malta Motorsport Federation*	13
Organizacion Mexicana del Deporte Automovilistico Internacional (OMDAI)*	40
Federation Royale Marocaine de Sports Automobile (FRMSA)*	65
KNAC Nationale Autosport Federatie (KNAF)*	100
Motorsport New Zealand (MSNZ)*	56
The Norwegian Automobile Sport Federation	79
Oman Automobile Association (OAA)*	75
Singapore Motor Sports Association*	48
Auto Sport Federation of Slovenia – AS 2005*	18
Motor Sport South Africa (MSA)*	89
Korea Automobile Racing Association (KARA)*	67
Svenska Bilsportforbundet (SBF)*	6
Turkish Automobile Sports Federation (TOSFED)*	90
Motor Sports Association (MSA)* +	46
Automobile Competition Committee for the United States FIA, INC (ACCUS)* + - Third Party Recipient: Road Racers Driving Club	110
Automobile Competition Committee for the United States FIA, INC (ACCUS)* + - Third Party Recipient: Skip Barber Driving School	98
Special Projects	
FIA Institute for Motor Sport Safety + - Young Driver Excellence Academy	729
Young Driver Safety Scholarship Programme (YDSP) Grants	2,332
Facility Safety Improvement Consultancy Programme (FIP)	
Confederação Brasileira de Automobilismo (CBA)* - Third Party Recipient: Governo do DF	305
Dansk Automobile Sports Union (DASU)*	268
Club Automovilistico de Nicaragua (CAN)*	311
Motor Sports Association (MSA)* + - Third Party Recipient: Heads of the Valleys Development Corporation	269
Facility Safety Improvement Consultancy Programme (FIP) Grants	1,153
Motor Sport Safety – grants awarded from restricted funds	10,408
Grants awarded from unrestricted funds	2,055
Grants awarded from restricted funds	10,408
Total Motor Sport Safety Grants	12,463

Notes to the Accounts

Recipient	Amount Awarded €'000's
Memberships and affiliations	
External Recipients	
Global Road Safety Partnership (GRSP)	20
International Road Traffic and Accident Database (IRTAD)	5
Share the Road	5
United Nations Environment Programme (UNEP) - Partnership for Cleaner Fuels and Vehicles (PCFV)	50
Total memberships and affiliations expenditure	80
Summary:	
Grants awarded from unrestricted funds	6,304
Grants awarded from restricted funds	12,018
Total Grants Awarded	18,322

- * FIA Foundation for the Automobile and Society member organisation
- + Other related party

Notes to the Accounts

7 Direct expenditure

Expenditure was as follows.

	Year ended 31 December 2012 €000's	Year ended 31 December 2011 €000's
Safety, environment and mobility		
Designated funds		
Climate Change Programme	-	16
Decade of Action Advocacy	178	927
Environmental Policy and Research Programme	157	219
FIA African Union: Road Safety Co-ordination project	55	95
Global Helmet Campaign	-	67
International Seat Belt Vaccine Initiative	39	452
Make Roads Safe	456	-
Rio +20	15	-
Road Scholarship Programme	141	147
Urban Mobility Programme	50	91
World NCAP	8	42
	1,099	2,056
Restricted funds		
eSafetyAware!	164	415
Latin NCAP Car Testing Programme	-	10
Make Roads Safe Hellas	35	9
Road Safety Fund	6	93
The Global Fuel Economy Initiative – Outreach and Support Programme	9	61
The Global Fuel Economy Initiative – Research Programme	74	-
	288	588
	1,387	2,644
Safety, environment and mobility		
Motor Sport Safety		
Restricted funds		
Motor Sport Safety Development Fund	1,676	820
Representational activities and external communications		
Designated funds		
External Representation	203	220
FIA Foundation Website	20	14
International Policy Forum	-	100
Publicity	60	60
	283	394
	3,346	3,858
Total direct expenditure		
Expenditure from designated reserves	1,382	2,450
Expenditure from restricted funds	1,964	1,408
Direct Expenditure	3,346	3,858

Notes to the Accounts

8 Support and indirect costs

	Staff costs €000's	Office, premises and IT €000's	Trustees' expenses €000's	Legal and professional €000's	Investment management €000's	2012 €000's	2011 €000's
Costs of managing investments	72	15	-	7	1,509	1,603	1,706
Safety, environment and mobility	858	251	-	151	-	1,260	1,232
Motor sport safety	30	9	-	52	-	91	135
Memberships and affiliations	82	18	-	11	-	111	99
Representational activities and external communications	327	83	-	48	-	458	419
Governance costs	333	86	63	180	-	662	831
	1,702	462	63	449	1,509	4,185	4,422

Costs that relate directly to an employee are allocated against the activities they undertake.

Support and indirect costs are apportioned on the basis of the number of full time equivalent staff.

Trustees' expenses, legal and professional fees, and investment management fees are charged directly to the activities they relate to.

9 Net incoming resources

This is stated after:

	Year ended 31 December 2012 €000's	Year ended 31 December 2011 €000's
Auditor's remuneration:		
Audit services	29	26
Non-audit services	3	6
Depreciation:		
Owned tangible fixed assets	128	129
Irrecoverable VAT	91	119
Exchange losses on monetary assets	146	76
Rents payable under operating leases	39	41
Rents receivable under operating leases	613	581

Notes to the Accounts

10 Employees

Staff costs during the year were as follows:

	Year ended 31 December 2012 €000's	Year ended 31 December 2011 €000's
Salaries	1,233	1,202
Social security costs	170	165
Pension costs	197	127
	1,600	1,494

The average number of employees during the year analysed by activity on a full time basis was:

	Number 2012	Number 2011
Cost of managing investments	-	-
Safety, environment and mobility	8	8
Motor sport safety	-	-
Memberships and affiliations	-	1
Representational activities and external communications	3	3
Governance costs	3	3
	14	15

The emoluments of employees during the year, whose gross pay and benefits (excluding employer pension contributions) fell within the following bands:

	Number 2012	Number 2011
€ 0 - € 50,000	3	4
€ 50,000 - € 60,000	-	1
€ 60,000 - € 70,000	3	2
€ 70,000 - € 80,000	2	1
€ 80,000 - € 90,000	-	1
€ 90,000 - €100,000	1	1
€100,000 - €110,000	-	2
€110,000 - €120,000	2	-
€120,000 - €130,000	-	1
€130,000 - €140,000	1	1
€140,000 - €150,000	1	-
€170,000 - €180,000	-	1
€180,000 - €190,000	1	-
	14	15

During the year the following amounts were paid to higher paid employees (employees earning over €60,000) as shown above:

	2012 €000's	2011 €000's
Pension contributions to money purchase pension schemes	174	110

During the year 9 (2011: 8) higher paid employees participated in money purchase pension schemes.

Notes to the Accounts

11 Payments to Trustees

Expense reimbursements payable to 11 Trustees (2011: 12 trustees) for the period amounted to €63,000 (2011: €189,000) and can be analysed as follows:

	Year ended 31 December 2012 €000's	Year ended 31 December 2011 €000's
Travel and subsistence	63	189

Trustees' expenses were significantly lower than the previous year. The 2011 Annual General Meeting (AGM) was held in India and the reimbursement of the Trustees travel costs to attend this meeting was significantly higher than costs in previous years. The 2012 the AGM was held in Turkey and hence costs were reduced.

No other Trustee or person with a family or business connection with a Trustee received any remuneration directly or indirectly from the charity in the year or the prior year.

12 Tangible fixed assets

	Freehold land, buildings and improvements €000's	Fixtures, fittings, and equipment €000's	Computer equipment €000's	Total €000's
Cost				
At 1 January 2012	4,948	211	93	5,252
Additions	-	2	24	26
Disposals	-	-	(32)	(32)
At 31 December 2012	4,948	213	85	5,246
Depreciation				
At 1 January 2012	874	200	65	1,139
Charge for the year	99	5	24	128
Eliminated on disposal	-	-	(32)	(32)
At 31 December 2012	973	205	57	1,235
Net book amount as at 31 December 2012	3,975	8	28	4,011
Net book amount as at 31 December 2011	4,074	11	28	4,113

Notes to the Accounts

13 Fixed assets investments

	Investment properties €000's	Listed investments €000's	Cash held as part of the investment portfolio €000's	Total €000's
At 1 January 2012	8,486	266,191	33,422	308,099
Net transfers to cash	-	-	(22,427)	(22,427)
Shares purchased	-	159,503	(159,503)	-
Dividends received	-	-	6,471	6,471
Interest received	-	-	11	11
Movement in accrued income	-	-	(67)	(67)
Other income	-	-	57	57
Interest and charges paid	-	-	(1,469)	(1,469)
Realised gains/(losses)	-	9,336	(1,702)	7,634
Unrealised investment gains	607	20,920	-	21,527
Unrealised exchange gains on monetary assets	-	-	4,038	4,038
Proceeds from disposals	-	(176,070)	176,070	-
At 31 December 2012	9,093	279,880	34,901	323,874

The investment properties are held entirely within the United Kingdom. Investment properties are valued at open market value. On 31 December 2012 a desk top valuation was undertaken by Montagu Evans, Chartered Surveyors. The Sterling valuation at this date was £7,400,000. The basis of the valuation is existing use subject to the existing and proposed leases. The surplus, arising from revaluation and fluctuations in the exchange rate, has been transferred to unrealised gains in the Statement of Financial Activities.

Listed investments are stated at their mid-market values as at the balance sheet date.

The value of the fixed asset investments held within and outside the United Kingdom, analysed by type of investment is as follows:

	2012 €000's	2011 €000's
UK listed equity investments	22,264	21,168
UK fixed and variable interest stocks	11,395	2,906
UK alternative investments	4,731	4,006
Uk property investment funds	1,319	-
Overseas listed equity investments	139,053	178,224
Overseas fixed and variable interest stocks	93,721	51,809
Overseas alternative investments	626	1,618
Overseas property investment funds	6,771	6,460
UK Investment properties	9,093	8,486
Cash held as part of the investment portfolio	34,901	33,422
	323,874	308,099

When analysed by relative market value at the year end, the funds are invested 64.0% in equities (2011: 64.7%), 18.3% in bonds (2011: 17.8%), 1.7% in alternative investments (2011: 1.8%), 10.7% in cash (2011: 10.9%) and 5.3% in properties (2011: 4.8%).

At the year end, an amount equivalent to €58,000 (2011: €nil) of the cash held by fund managers as part of the investment portfolio was denominated in sterling, and the balance was denominated in other currencies.

Notes to the Accounts

Derivatives are recognised in the balance sheet at fair value. The Foundation uses options and forward currency contracts as described below:

Options were used by two managers to protect the portfolio from market risks. Since 15 June 2012, only one manager has invested in options. Use of options is at the discretion of the Board of Trustees and must be for defensive reasons with the maximum investment not exceeding 5% of the total value of the portfolio. The cost of call options at 31 December 2012 was €11,000 (2011: €1,258,000), with a market valuation of €7,866 (2011: €207,000). Options are included within listed investments.

Forward currency contracts are used by all investment managers to reduce currency exposure in the portfolio. The basis of fair value of these forward exchange contracts is estimated by using the gain or loss that would arise from closing the contract at the balance sheet date. The gain arising on forward currency contracts at 31 December 2012 was €516,000 (2011: loss €2,617,000). The losses are included within cash held as part of the investment portfolio.

If the listed investments and investment properties had not been revalued, they would have been included on the historical costs basis at the following amounts:

	2012 €000's	2011 €000's
Listed investments	250,659	246,178
Investment properties	13,490	13,490
	264,149	259,668

No individual investments comprise over 5% of the value of the portfolio.

14 Debtors

	2012 €000's	2011 €000's
Prepayments	72	56
Accrued income	775	744
Other debtors	5,176	9,658
	6,023	10,458

Included in the above are the following amounts, relating to grants paid in advance, due after more than one year:

	2012 €000's	2011 €000's
Other debtors	4,175	4,800

15 Creditors: amounts falling due within one year

	2012 €000's	2011 €000's
Grants committed but not paid over	3,875	3,803
Other creditors	37	47
Accruals	544	866
Social security and other taxes	30	38
	4,486	4,754

Notes to the Accounts

16 Designated funds

Internally managed projects

Project Name	At 1 January 2012 €000's	Donations and designations in the year €000's	Changes in designation in the year €000's	Grants committed in the year €000's	At 31 December 2012 €000's
Safety, environment and mobility					
Climate Change Programme	44	-	(44)	-	-
Decade of Action Advocacy	3	175	-	(178)	-
Environmental Policy and Research Programme	122	245	44	(157)	254
FIA African Union: Road Safety Co-ordination project	5	50	-	(55)	-
Global Helmet Campaign	83	-	(83)	-	-
International Seat Belt Vaccine Initiative	18	-	21	(39)	-
Make Roads Safe	-	397	87	(456)	28
Rio +20	-	15	-	(15)	-
Road Safety Scholarship Programme	-	120	21	(141)	-
Urban Mobility Programme	70	85	-	(50)	105
World NCAP	8	-	-	(8)	-
	353	1,087	46	(1,099)	387
Representational activities and external communications					
External representation	72	150	-	(203)	19
Website	-	20	-	(20)	-
Publicity	-	60	-	(60)	-
	72	230	-	(283)	19
Total	425	1,317	46	(1,382)	406

The above designated funds were established in the prior period and during the year. Grants are made in accordance with the grant making policy as described within the Trustees' Report. Applications must meet at least one of the general or specific objectives of the charity. The funds are represented by cash and short-term deposits.

Notes to the Accounts

17 Unrestricted funds

	Designated funds €000's	Revaluation reserve €000's	General funds €000's	Total €000's
At 1 January 2012	425	11,870	282,663	294,958
Incoming resources	-	-	6,812	6,812
Costs of managing investments	-	-	(1,581)	(1,581)
Safety, environment and mobility expenditure	-	-	(6,484)	(6,484)
Motor sport safety expenditure	-	-	(2,052)	(2,052)
Memberships and affiliations expenditure	-	-	(190)	(190)
Representational activities and external communications expenditure	-	-	(741)	(741)
Governance Costs	-	-	(662)	(662)
Designation of funds	1,317	-	(1,317)	-
Changes in designation	46	-	(46)	-
Grants committed	(1,382)	-	1,382	-
Transfer to restricted funds	-	-	(1,051)	(1,051)
Unrealised gains	-	21,953	4,038	25,991
Gains eliminated on disposal	-	(10,847)	-	(10,847)
Realised gains	-	-	18,502	18,502
At 31 December 2012	406	22,976	299,273	322,655

18 Restricted Funds

	At 1 January 2012 €000's	Incoming resources €000's	Resources expended €000's	Transfers from unrestricted funds €000's	Net investment gains €000's	At 31 December 2012 €000's
Safety, environment and mobility						
eSafetyAware!	(20)	174	(165)	11	-	-
Make Roads Safe Hellas	41	-	(35)	-	-	6
Road Safety Fund	335	488	(1,651)	1,040	-	212
The Global Fuel Economy Initiative – Outreach and Support Programme	(34)	43	(9)	-	-	-
The Global Fuel Economy Initiative – Research Programme	28	46	(74)	-	-	-
Motor Sport Safety						
Motor Sport Safety Development Fund	31,418	849	(11,895)	-	(447)	19,925
	31,768	1,600	(13,829)	1,051	(447)	20,143

Purpose and restriction in use:

eSafetyAware!

To fund the pan European information campaign on Electronic Stability Control in cars. The campaign was completed on 31 December 2011 with the grant being finalised in 2012.

Notes to the Accounts

Make Roads Safe – Greece

To fund a Make Roads Safe Hellas Campaign in Greece.

The Global Fuel Economy Initiative – Outreach and Support Programme

To fund dissemination and support materials with the objective of helping to lower CO2 and pollutant emissions from automobiles by supporting improvements in auto fuel efficiency through planning and strategy development at a national level. The Programme was completed on 30 November 2012.

The Global Fuel Economy Initiative – Research Programme

To fund research with the objective of helping to lower CO2 and pollutant emissions from automobiles by supporting improvements in auto fuel efficiency through planning and strategy development at a national level. The Programme was completed on 31 December 2012.

Road Safety Fund

To invest in the preventative measures that are proven to reduce the risk or severity of road injury.

The fund was created as the new global fund for road safety to support the implementation of the United Nations' Decade of Action for Road Safety 2011-2020, the Foundation directs funds from a range of donors – companies, governments, philanthropies and the public – to support road injury prevention programmes in countries and communities working to defeat this growing epidemic of road death and injury.

FIA Motor Sport Safety Development Fund

The Fund activities are split into 5 main areas: Officials Safety Training Programme; Young Driver Safety Programme; Sustainability Programme; Medical Programme (included in OSTP for grant purposes); and the Facility Improvement Programme.

The fund will be fully distributed by 2015.

19 Analysis of net assets between funds

	Unrestricted funds €000's	Restricted funds €000's	Total 2012 €000's
Fund balances are represented by:			
Tangible fixed assets	4,011	-	4,011
Investments	302,938	20,936	323,874
Current assets	16,944	2,455	19,399
Current liabilities	(1,238)	(3,248)	(4,486)
Total net assets	322,655	20,143	342,798

20 Capital commitments

The charity did not have any capital commitments at 31 December 2012 or 31 December 2011.

21 Contingent assets/liabilities

There were no contingent assets or liabilities at 31 December 2012 or 31 December 2011.

Notes to the Accounts

22 Leasing commitments

Operating lease payments amounting to €40,000 (2011: €41,000) are due within one year. The leases to which these amounts relate expire as follows:

	2012 Other €'000's	2011 Other €'000's
In one year or less	1	1
Between one and five years	39	40
	40	41

23 Related party transactions

Grants have been made for the benefit of projects run by the FIA Foundation for the Automobile and Society member organisations as disclosed in the Note 6.

Grants have also been made to organisations related to the Trustees and the Director General as follows:

Recipient	Trustee/key management personnel and relationship to the recipient organisation	Grants Awarded €'000's	Grants awarded – not yet paid over~ €'000's
Automobile Competition Committee for the United States FIA, Inc (ACCUS)	Mr N Crow (President and Chief Executive Officer)	208	172
Automovil Club de Costa Rica (ACCR)	Mr C Macaya (President)	37	7
Eastern Alliance for Safety and Sustainable Transport (EASST)	Mr D Ward (married to Ms E Maclennan, Director of EASST)	150	27
Fédération Internationale de l'Automobile (FIA)	Mr J Todt (President) Mr B Gibbons (Deputy President) Mr G Stoker (Deputy President) Mr N Crow (Senate President)	3,697	739
FIA Institute for Motor Sport Safety	Mr D Ward (FIA Foundation representative on the Executive Committee)	4,544	-
Global NCAP	Mr M Mosley (Trustee and Chairman) Mr D Ward (Trustee and Secretary)	1,000	-
Association pour le Développement de la Recherche sur le Cerveau et la Moelle Epinière (ADREC) ^	Mr M Mosley (Founding Member) Mr J Todt (Founding Member and Vice Chairman of the Board of Directors)	325	-
International Road Assessment Programme (iRAP) #	Mr J Dawson (Board Member) Mr D Ward (Board Member)	1,300	-
Japan Automobile Federation (JAF)	Mr S Tanaka (former president), Mr T Yashiro (Vice President)	29	17
Motor Sports Association (MSA)	Mr A Gow (Chairman)	359	202

~ Current and previous year grants not yet paid.

^ Grants of €325,000 per year for a period of 20 years were awarded to ADREC during the year ended 31 December 2005 (ie 6.5 million in total). All of the 20 year grant has been paid to ADREC.

Grants of €300,000 per year for a period of 10 years were awarded to iRAP during the year ended 31 December 2006 (ie €3 million in total). All of the 10 year grant has been paid to iRAP. An additional grant of €1 million was awarded to iRAP from unrestricted and restricted funds during the current year.

Notes to the Accounts

Other transactions with organisations related to the Trustees and key management personnel are as follows:

Transaction details	Amount €'000's	Amount Out- standing at year end €'000's
eSafetyAware! AISBL – Mr J Todt (Campaign President) The Foundation acted as a coordinator for the European Commission funded project “eSafety Challenge and Raising Awareness”. Monies were paid to eSafetyAware! AISBL for work completed on this project.	26	-
Fédération Internationale de l'Automobile (FIA) – Mr J Todt (President), Mr B Gibbons (Deputy President), Mr G Stoker (Deputy President), Mr N Crow (Senate President) The Foundation acted as a coordinator for the European Commission funded project “eSafety Challenge and Raising Awareness”. Monies were paid to the FIA for work completed on this project.	95	-
Rental income received for office and warehouse space under rent agreements (all agreements are at arm's length).	145	-
Monies due from the FIA in respect of goods purchased on their behalf.	1	1
Payment due to the FIA to cover the costs of staging the Foundation's Annual General Meeting in Istanbul.	44	44
FIA Foundation – Road Safety Scholarship Programme – Mr D Ward (married to Ms E MacLennan, manager of the Programme) Designated funds allocated to the project.	141	-
Consultancy fees paid to Ms E MacLennan for project management.	48	-
FIA Institute for Motor Sport Safety – Mr D Ward (FIA Foundation representative on the Executive Committee) Rental income received for office space under rent agreements (all agreements are at arm's length).	22	-
Monies due from the FIA Institute in respect of goods purchased on their behalf.	1	1
Management fees charged in connection the Motor Sport Safety Development Fund.	1,359	-
Monies due to the Foundation in respect of unspent management fees charged to the Motor Sport Safety Development Fund by the FIA Institute in prior years.	18	18
Eastern Alliance for Safety and Sustainable Transport (EASST) - Mr D Ward (married to Ms E MacLennan, Director of EASST) Monies due from the EASST in respect of goods purchased on their behalf.	4	4
Trustees Expense reimbursements.	63	5

24 Controlling related parties

The Trustees consider that there is no controlling related party.

Legal and Administrative Details

Charity registration number:

1088670

Company registration number:

4219306

Registered and principal office:

60 Trafalgar Square, London, WC2N 5DS

Trustees

Ms M Amoni (appointed 6 December 2012)

Mr M D Angle (Treasurer) *

Mr N Crow #

Mr J Dawson

Mrs J Despotopoulou (retired on 6 December 2012)

Mr C G rondeau

Mr B Gibbons #

Mr A Gow (appointed 6 December 2012)

Mr E Jarrett (Company Secretary) *

Mr T Keown (Chairman)

Mr C Macaya

Mr M Mosley

Mr D Njoroge (resigned on 14 May 2012)

Mr B Perko

Mr G Stoker #

Mr S Tanaka (resigned on 20 June 2012)

Mr J Todt (ex officio, FIA President)

Mr T Yashiro (appointed 6 December 2012)

* Members of the Audit Committee

FIA nominee trustees

Director General:

Mr D Ward

Deputy Director General:

Mr S Billingsley

Website:

www.fiafoundation.org

Advisors:**Bankers:**

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Eversheds LLP, One Wood Street London, EC2V 7WS

Auditor:

Grant Thornton UK LLP, 3140 Rowan Place, John Smith Drive, Oxford Business Park South, Oxford, OX4 2WD

Investment custodians:

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Investment managers:

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Investec Wealth & Investment Limited ^
2 Gresham Street, London, EC2V 7QN

~ to 15 June 2012

^ from 15 June 2012