



FIA Foundation
for the Automobile and Society

Financial Statements 2007



Company number 4219306
Charity number 1088670

www.fiafoundation.com

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Trustees' Report

The Trustees present their report on the activities and results for the year ended 31 December 2007. 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 and Activities

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 policy section.

Grants are made under the following categories

Safety, environment and mobility

This is the work carried out to fulfil our first objective 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, and of drivers, passengers, pedestrians and other road users". Our research, fellowships, memberships and affiliations expenditure (see below) also fulfils this objective.

Research, fellowships, memberships and affiliations

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

Representational activities and external communications

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

Activities

In total the Trustees awarded grants and made transfers to designated and restricted reserves for internally managed projects of €9,437,000 (2006: €9,698,000). 29 (2006: 32) grants were made to individual organisations amounting to €8,017,000 (2006: €7,723,000), while €1,320,000 (2006: €1,975,000) was transferred to designated reserves and €100,000 (2006: €nil) was transferred to restricted reserves. A further €499,000 was reallocated from general funds to designated reserves (€349,000) and restricted funds (€150,000). This transfer represented under utilised grants from prior periods.

Trustees' Report

The split of grants and designations to each of the categories discussed above is shown below

Category	Amount	Percentage
Safety environment and mobility	5,176,000	54.9%
Motor sport safety	3,725,000	39.5%
Research, fellowships, memberships and affiliations	306,000	3.2%
Representational activities and external communications	230,000	2.4%
	<u>9,437,000</u>	<u>100%</u>

The level of individual grants and designations to fulfil the objects of the charity were

Recipient and description	Amount awarded
Safety, environment and mobility	
External recipients	
Fédération Internationale de l'Automobile (FIA)* - FIA European Traffic Education Contest	€30,000
25 automobile clubs from 25 different countries participated in the 2007 contest with the final being held in Madrid in September 2007. The grant assisted in paying the organisation costs of the contest.	
Allgemeiner Deutscher Automobil-Club e V (ADAC)* – Eco-Test	€105,000
On-going support in partnership with ADAC for this unique testing initiative which outperforms all other tests of a car's environmental impact, because it covers all key emissions in more realistic driving conditions, than the standard tests do.	
Allgemeiner Deutscher Automobil-Club e V (ADAC)* – EuroTAP	€100,000
This ADAC-led coalition of 12 European FIA clubs' European Tunnel Assessment Programme rates safety and emergency access of road tunnels and is a useful way to draw public and media attention to poor tunnels and secure political action to improve them.	
Allgemeiner Deutscher Automobil-Club e V (ADAC)* – Initiative for Global Accident Prevention	€200,000
This ADAC international accident research project involving several European automobile clubs uses accident research to develop knowledge and tools to prevent crashes or improve emergency response. There are clear benefits of this use of data by major advanced clubs such as the ADAC which has its own extensive airborne accident rescue capability.	
Armenian Road Safety Council	€45,000
Continued support of the Road Safety Council in Armenia to coordinate NGO's, companies, police and other organisations in road safety campaigns and activities.	
Association pour le Développement de la Recherche sur le Cerveau et la Moelle Epinière (ADREC)* – Institute for Brain and Spinal Cord Disorders	€325,000
Creation of an international centre of research and treatment of neurological and psychiatric disorders and especially brain and spinal cord trauma.	
Automovil Club Argentino (ACA)* - Itinerant Programme of Education for Road Safety	€216,000
This road safety education campaign throughout Argentina aims to improve all public road users' knowledge and attitudes to driving. The campaign has been spread over 15 school years and is tailored to focus on different age ranges, with special emphasis on 16-30 year old range. The funding was used to construct a mobile classroom to reach as many different geographical areas as possible as well as a traffic park for children for practical exercises.	
Automobile Club d'Italia (ACI)* - Pedestrian Crossing Assessment Project	€125,000
Pan-European project examining the design and equipment of crossings, regulations and rules relating to them and ranking their safety potential.	
Automóvil Club de Chile (ACCHI)* - Regional Actors in Road Safety	€80,000
Arising from the Latin America road safety stakeholder process, the Automobile Club of Chile was chosen to host a regional road safety office to establish activities in Latin America. The funding covers the start up costs of this operation, with the final objective for the 'regional actor' to become funded from within the region and thus "catalyse" road safety activity there. A Regional Forum was held in December 2007 in Puerto Rico. The Latin American Road Safety Regional Stakeholders Forum has considerable potential to engage a range of governments and institutional players in a region where there was virtually no pre-existing road safety network.	

Trustees' Report

Consultancies	€250,000
The FIA Foundation maintains the services of several specialist consultants who provide consultancy on various technical road safety and environmental issues	
Edinburgh Climate Change Management (ECCM) – Climate Change Programme	€100,000
Continuation of support for the Scolel Te project in Chiapas, Mexico. This programme supports the planting of trees, which is both a practical way of sequestering carbon, and a development opportunity for hundreds of local farmers	
Federation Internationale de l'Automobile (FIA) * – Driver Training Project	€100,000
International project to develop a best practice benchmarking guide to driver training and licensing, to be followed by the development of an international approval system which will play a major role in raising the standards of training and road safety around the world	
Georgian Automobile Federation* - Partnership for Road Safety in Georgia	€40,000
The Partnership for Road Safety in Georgia has been established to encourage the road safety debate with government and other stakeholders and raise awareness of the issues, with the following strategic objectives: raise awareness of road safety issues, improve the safety of the existing road infrastructure, and influence policy and legislation on traffic management and road safety	
Gonzalo Rodriguez Memorial Foundation - The Child Road User Safety Initiative – A Promising Model for Latin America and the Caribbean	€85,000
A project run in collaboration with the Automobile Club of Uruguay, initially in Uruguay, but ultimately throughout Latin America and the Caribbean, the overall goal of which is to demonstrate the need for and the effectiveness of interventions to protect child passengers and pedestrians. The main goals are to establish a comprehensive and accurate data system for child pedestrians and passengers, implement a multi-component pilot programme to improve child pedestrian and passenger safety, and build capacity to support appropriate intervention strategies	
International Road Assessment Programme (iRAP) +	€1,300,000
Funding of €3 million over 10 years, i.e., an annual grant of €300,000 per year. The aim of iRAP is to provide independent, consistent road safety ratings across the world to reduce death and serious injury by identifying shortcomings which can be addressed by practical road safety improvements. 2007 marked a critical point in the development of iRAP and a further €1 million was therefore earmarked for its development	
Institute of Road Traffic Education (IRTE) – College of Traffic Management	€20,000
Support for IRTE to hire a full-time fund raiser to raise funds to develop a "College of Traffic Management" which would be the first of its kind in India to provide training and research in all areas of traffic management under one roof, thereby helping to catalyse a sustainable flow of funding for road safety in India	
Italian Ministry for Youth Policies and Sport – Road Safety Intervention and Accident Prevention Campaign	€50,000
An Italian government campaign to promote a road safety culture to young people	
Special Olympics Hellas + - "20 Years training for life"	€40,000
Project to educate children and adults with learning difficulties on road safety and the rules of the road, with a particular focus on a practical cycling event to demonstrate the importance of traffic rules and wearing helmets	
Reial Automòbil Club de Catalunya (RACC) – Young Driving Project "Driving a right, a responsibility"	€100,000
A Young Drivers project, aimed at reducing the death rate amongst young drivers in Spain by 25% by 2010. The project combines awareness campaigning direct to the target audience with policy analysis aimed at policymakers and the media	
World Bank - Global Road Safety Facility	€500,000
This funds the road safety activities of the World Health Organisation, the Asian banks road safety programme and facilitates travel to meetings for representatives of the UN regional commissions. This funding is part of the five-year, \$5 million agreement made between the FIA Foundation and the World Bank in 2005/2006	
World New Car Assessment Programme (NCAP)	€250,000
Establishment of a World NCAP to undertake ad hoc testing in territories without any NCAP programme in place	
Internally managed projects (designated funds)	
African Road Safety Co-ordinators' Network	€10,000
Support for the development of a road safety co-ordinators' network in Africa	
Automobile and Society Report	€200,000
A follow-up to the 2004 Automobile & Society report, with a broader scope to include major new economies such as India, China and Brazil, as well as examining trends across the developing world	

Trustees' Report

Environmental Policy and Research Programme €150,000

The Foundation expanded its environmental activities with the recruitment of a Director of Environment in 2007 and began to work even more closely with various international partners, including the International Energy Agency, International Transport Forum and United Nations Environment Programmes (UNEP). It continued to play an active role in the UN's Partnership for Clean Fuels and Vehicles, supporting the introduction of cleaner fuels in developing countries, and to work closely with the ADAC on the innovative Eco Test programme that measures the fuel economy and emissions performance of new cars in Europe. It has also started work on assessing its own carbon footprint.

Make Roads Safe Campaign €500,000

To promote the recommendations of the report of the Commission for Global Road Safety. The campaign continues to raise awareness about global road safety and encourage governments to include global road safety as an item on the agenda of a future G8 summit.

Repair Information Report €30,000

A report on repair information legislation and practice in the major automotive markets, it details a pathway to introducing a Global Technical Regulation (GTR) in the UN-ECE to protect the right of independent repairers to access diagnostic information in vehicles. This independent access is important for consumer protection and for environmental performance.

Road Safety and Tourism €50,000

Report by John White, former Head of the OECD/ECMT Joint Transport Research Centre, on the impact of road traffic injury in popular tourism destinations, and related issues.

Road Safety Scholarship Programme €75,000

Following the success of its sponsorship of a John Smith road safety Fellow, the FIA Foundation has developed its own road safety scholarship programme to be run by former John Smith Fellowship Trust's Director Emma MacLennan.

Internally managed projects (restricted funds)

E-Safety Aware – Choose ESC! €100,000

The FIA Foundation implemented the Choose ESC! campaign, which is part funded by a grant from the European Commission. The aim is to promote new active safety technologies to the public. The campaign was launched in Rome in May 2007.

External grants	€4,061,000
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Internally managed projects (designated funds)	€1,015,000
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Internally managed projects (restricted funds)	€ 100,000
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Total safety, environment and mobility grants	€5,176,000
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Motor sport safety

External Recipients

FIA Institute for Motor Sport Safety + €3,600,000

The objective of the FIA Institute is to promote improvements in the safety of motor sport by supporting and disseminating the results of research, supporting training of officials, circuit and race personnel in safety procedures, practices and the use of equipment, and supporting the protection of participants, officials and members of the public at international motor sport events and monitoring motor sport safety trends in order to identify research and regulation priorities.

Consultancy €125,000

Provision of specialist consultancy services on various aspects of motor sport and general road safety.

External grants	€3,725,000
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Total motor sport safety grants	€3,725,000
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Trustees' Report

Research, fellowships, memberships and affiliations

External Recipients

European New Car Assessment Programme - EuroNCAP €150,000

EuroNCAP provides motoring consumers with a realistic and independent assessment of the safety performance of some of the most popular cars sold in Europe. The FIA Foundation will sponsor a car for testing as part of the programme which will include front and side impact and pedestrian testing. The FIA Foundation also covers the cost of production materials when results are launched.

eSafetyAware! €10,000

The FIA Foundation implemented the Choose ESC! campaign, which is part funded by a grant from the European Commission. The aim is to promote new active safety technologies to the public. The campaign was launched in Rome in May 2007.

Global Road Safety Partnership (GRSP) €10,000

The Global Road Safety Partnership (GRSP) brings together governments and governmental agencies, the private sector and civil society organisations to address road safety issues in low and middle income countries. The GRSP is a hosted programme of the International Federation of Red Cross and Red Crescent Societies (IFRC), based in Geneva. Membership of the GRSP has provided the FIA Foundation with a seat on the Executive Committee and a say in the role and direction of the organisation.

International Road Traffic Accident Database (IRTAD) €10,000

IRTAD is an international database that gathers data on traffic and road accidents from 28 out of 30 OECD (Organisation for Economic Co-operation and Development) countries. The FIA Foundation has full access to the database and the information contained within.

World Road Association – PIARC €1,000

PIARC is a non-political and non-profit making association, with the aim to be the world leader in the exchange of knowledge on roads and road transport policy and practices within an integrated sustainable transport context.

United Nations Environment Programme (UNEP) - Partnership for Cleaner Fuels and Vehicles €50,000

The Partnership for Cleaner Fuels and Vehicles was established in 2002 following the World Summit on Sustainable Development to reduce vehicular air pollution in developing countries through the promotion of clean fuels and vehicles. It provides a clearing house for information and advice on environmental improvements, including the phasing out of leaded fuel and introducing catalytic converters for low and middle income countries. It plays an important role in raising awareness amongst governments and motorists about cleaner fuel technologies.

Internally managed projects (designated funds)

Fellowships €75,000

The FIA Foundation Fellowships are granted on recommendation of the Board of Trustees to individuals with significant expertise in a public policy or technical area of value to informing the FIA Foundation's work. The Fellows receive a stipend from the FIA Foundation and are then available to provide high level advice and support to the FIA Foundation, for example, on specialist vehicle technology or public health issues.

External grants €231,000

Internally managed projects (designated funds) €75,000

Total expenditure on research, fellowships, memberships and affiliations €306,000

Trustees' Report

Representational activities and external communications

Internally managed projects (designated funds)

External Representation €150,000

The FIA Foundation continues to take an active role in external representation at relevant international bodies, such as the UN, UN-ECE and EU. This designation covers travel, accommodation and related costs of these activities.

FIA Foundation Website €20,000

The FIA Foundation manages the Think Before You Drive and Make Roads Safe websites in addition to its own website. This designation covers any technical add-ons, for example, online petitions, pictures and streamed film capacity.

Publicity €60,000

This designation covers printing costs for publications and production costs for advocacy films.

Internally managed projects (designated funds) €230,000

Total expenditure on representational activities and external communications €230,000

Summary

External grants 8,017,000

Internally managed projects (designated funds) 1,320,000

Internally managed projects (restricted funds) 100,000

Total expenditure and designations 9,437,000

* FIA Foundation for the Automobile and Society member organisation

+ Other related party

Achievements and plans for the future

Safety, environment and mobility and external representation

2007 saw the FIA Foundation continuing to give major priority to global road safety issues, primarily through the Make Roads Safe campaign, as well as increasing its environmental activities with the recruitment of a new Director of Environment.

In support of the Make Roads Safe campaign, the FIA Foundation organised a major Make Roads Safe rally in London in April 2007 (to coincide with the UN Global Road Safety Week) and an event in Berlin in May 2007 (during Germany's Presidency of the G8), both of which attracted significant media coverage and featured Michael Schumacher, German Transport Minister Wolfgang Tiefensee and Costa Rican Transport Minister Karla Gonzales. The African launch of the Make Roads Safe campaign took place in Cape Town also in May with a keynote speech by Archbishop Desmond Tutu. The FIA Foundation also supported a series of regional seminars and briefings in Ghana in February 2007, Oman in March 2007 and also took the campaign to Australia and New Zealand in November. The campaign has also secured support from several other high profile personalities, including footballers Lilian Thuram, Samuel Eto'o and Eduardo.

The first quarter of 2008 has seen a continuation of FIA Foundation's efforts to achieve its goal to secure agreement at the United Nations General Assembly to hold a first ever UN Ministerial Meeting on Global Road Safety in 2009. This was successful when the UN General Assembly debated road safety on 31 March in New York and voted in favour of such a governmental meeting. Lord Robertson of Port Ellen, Chairman of the Commission for Global Road Safety which originally called for a UN Conference in its 'Make Roads Safe' report, attended the debate along with Michelle Yeoh, David Ward and Saul Billingsley and addressed the General Assembly to ask it to back the Foundation's proposal. Plans are now underway to host and fund a series of pre-ministerial meetings around the world to up the momentum of the campaign and promote a strong agenda for action to the UN Ministerial conference, including

- Calling on the international community to fund, at minimum, a 10 year, \$300 million, action plan to increase road safety capacity in middle and low income countries,
- To ensure that 10% of road infrastructure budgets funded by international donors should be earmarked for safety.

Trustees' Report

Alongside this major advocacy campaign, the FIA Foundation has continued to work with the World Bank to encourage other donors to support its Global Road Safety Facility and with other partners and member organisations on road safety projects and to encourage the road safety debate at national as well as global level. We will continue to support such projects in 2008.

The FIA Foundation has also continued its strong support of the International Road Assessment Programme (iRAP) which, through its innovative road rating system, has great potential to substantially improve the safety performance of road networks in all regions of the world. Supporting the further development of iRAP has been a key project goal in 2007 and this will continue in 2008.

The FIA Foundation also continues to lead the pan European 'eSafety Aware' public/private partnership promoting awareness of the potential of intelligent vehicle systems to promote road safety. May 2007 saw the launch of the 'Choose ESC' campaign in Rome to encourage consumers to buy new cars equipped with Electronic Stability Control (ESC) which has a proven and potentially large casualty reduction potential both in the European Union and elsewhere. Launches have also taken place in the UK, Slovenia and at the Frankfurt Motor Show and live ESC demonstrations were held in Zolder, Belgium and in Versailles, as part of the 'Prevent' Intelligent Cars Conference, where David Ward spoke. In the Summer of 2007, a new working group within the GRRF (Brakes and running gear group) of the UNECEWP 29 was created in order to develop a draft Global Technical Regulation by June 2008.

The other major activities of the FIA Foundation concern the environment and sustainable mobility. The FIA Foundation continues to be an active member of the UN Partnership for New Fuels and Vehicles, in particular, supporting the introduction of cleaner fuels in developing countries. We also continue to support the innovative Eco Test programme that measures the fuel economy and emissions performance of new cars in Europe. We will similarly continue to support the Scolel Te Carbon sequestration scheme in Mexico.

Motor sport safety

The FIA Foundation is also a major supporter of the FIA Institute for Motor Sport Safety which was established in 2005 with the ambition that it should become a global centre of excellence in research and training for motor sport safety. With FIA Foundation support the Institute held a successful Sport's Safety Summit in January 2007 with the participation of many major sports, including the International Olympic Committee.

The Institute has also established a Medical Faculty for doctors and medical practitioners engaged in providing medical support for motor sport. The FIA Institute Medical Faculty (FIMF) incorporates an individual membership for all of the doctors and medical practitioners concerned with safety in motor sport as well as a membership for those organisations working in the field. Chaired by FIA Institute Deputy President Professor Gérard Saillant, it offers a forum to share knowledge, facilitate research, improve training and raise standards amongst motor racing's growing global medical fraternity. As a recommendation of the first FIA Institute Safety Summit the membership of the FIMF will also be open to medical experts working in other sporting disciplines creating a unique global network for best practice.

The FIA Foundation will continue to support the work of the FIA Institute for Motor Sport Safety in 2008.

Trustees' Report

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 its reserves in cash. Until 31 December 2007 it was the policy of the Foundation to invest all income net of fees received from the investment portfolio into a high interest deposit account. This was then used to fund grants for the following grant year. For example, all income received in the year 1 January 2007 to 31 December 2007 was invested in a high interest account to fund grants during the grant year 1 July 2008 to 30 June 2009.

From 1 January 2008, this policy has changed. Since June 2006 the investment managers have been set an income 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 gained a clear idea of how much income it will receive during the forthcoming year. Therefore programme funding periods can now fall in line with calendar years, based on projected income for the same year.

To move from the old to the new basis there will be an adjustment period. Therefore the next programme period will only run for six months, from July to December 2008. The new basis will start on 1 January 2009.

The Trustees have also agreed to hold cash balances of approximately €9 million, which equates to approximately one year's programmes expenditure. This policy would facilitate cash flow and would help prevent a forced sale of assets during periods of poor investment returns.

At 31 December 2007 the FIA Foundation held €1,048,000 (2006: €1,338,000) in designated funds, €348,495,000 (2006: €333,942,000) in general funds and €12,090,000 (2006: €22,846,000) in the revaluation reserve. An additional €154,000 (2006: €nil) is held within restricted reserves.

The purpose of the designated funds is provided within the Trustees' Report. The designated funds should be expended during the next financial year.

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 may invest only after obtaining advice from a financial expert. 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 life 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.

Trustees' Report

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."

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.

Investment managers are permitted to use derivatives to ameliorate the risk associated with holding shares in different currencies. The managers have discretion regarding the level of derivatives that can be used but they must comply with Inland Revenue guidelines. Currently derivatives take the form of forward currency contracts or options.

Grant making policy

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. The Trustees have made commitments to make grants and made provisional designations for internally managed projects as described within this report.

Financial Review

Investment assets and returns

The Foundation's asset allocation policy is influenced by the investment objective described within the investment policies above.

The year to 31 December 2007 was the first complete year for the managers with regards to meeting the investment objective, and their performance is now assessed against the targets laid down in the Statement of Investment Principles.

During the year to 31 December 2007 all the managers met the targets set down in the Statement of Investment Principles. The Foundation received €9,900,000 million in total from the managers (€3,330,000 from each manager). The cash received was a combination of income achieved by the portfolio and capital withdrawals from the adoption of the total return mandate. The value of each portfolio also increased by more than the European Consumer Price Index during the year.

At 31 December 2007 investment assets (including the investment properties) were valued at €333,905,000 (2006: €336,031,000). Investment assets produced unrealised gains during the year of €4,810,000 (2006: €15,238,000). These gains are stated after €9,900,000 was withdrawn from the portfolio as stated above. An additional €4,600,000 (€2006: €7,125,000) was withdrawn from the portfolio during the year to fund grants, designated expenditure and overheads.

Trustees' Report

All asset allocation decisions are taken by our investment managers. Diversification is by asset class, investment manager and investment style. Only one manager used Options during a period to protect approximately 0.01% of the overall value of the portfolio. Currency forward contracts represent 0.7% (2006: 1%) of the value of investment assets at 31 December 2007. This level of derivatives is representative of their use during the year.

At 31 December 2007, the asset allocation of our investments was

Investment	Amount €000's	Percentage
Listed equity investments	184,081	55.1%
Fixed and Variable interest stocks	75,887	22.7%
Alternative investments	5,450	1.6%
Property	11,667	3.5%
Cash	54,448	16.4%
Cash related investments	2,372	0.7%
Total	333,905	100.0%

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. Approximately 57.4% (2006: 51.0%) of investment assets are held in Europe, 6.9% (2006: 10.7%) in the UK, 27.8% (2006: 23.2%) in North America and 7.9% (2006: 15.1%) spread across Asia and the Pacific and other countries.

Accrued income due from investment managers of €1,835,000 (2006: €2,250,000) is included within current assets.

€8,489,000 (2006: €8,602,000) was received from investment assets during the year to 31 December 2007. The income yield from investments was 2.5% (2006: 2.6%).

Investment manager costs of €1,673,000 (2006: €1,621,000) comprising manager fees, performance fees and custodian fees are included within the costs of managing investments in the Statement of Financial Activities. 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 0.5% (2006: 0.5%) of the value of the portfolio. This has been an area of concern to the Trustees and the level of fees has been discussed with the investment managers. Fees will continue to be closely monitored on a quarterly basis by the members of the investment committee.

The income target for 2008, as set down by the Statement of Investment Principles is €10,275,000 (€3,425,000 from each manager). This can be achieved from either income returns from investments or capital growth.

Voluntary Income

The Foundation received a €12,000 donation (2006: €1,244,000) from Bridgestone Corporation.

The Foundation received a grant from the European Commission of €208,000 as part funding of the pan-European 'eSafetyAware!' campaign. The aim of the campaign is to promote awareness of the potential of intelligent vehicle systems to promote road safety. Contributions of €245,000 were received from 15 donors to assist with the campaign. A further €55,000 was received as a gift in kind from Robert Bosch GmbH, who allowed the campaign to use their simulator during six demonstration events.

Trustees' Report

Charitable expenditure

Grant making in 2007 amounted to €8,017,000 (2006 7,723,000) €1,320,000 (2006 €1,975,000) was transferred to designated funds and €100,000 (€nil) was transferred to restricted funds for internally managed projects. In total €9,437,000 (2006 €9,698,000) was allocated as grants, designated reserves or restricted funds during the year. A further €499,000 was reallocated from general funds to designated reserves (€349,000) and restricted funds (€150,000). This transfer represented under utilised grants from prior periods.

€1,959,000 was transferred from designated reserves (2006 €1,738,000) to cover expenditure on internally managed projects, including Make Roads Safe which was a major activity of the Foundation this year. These costs are described as direct costs in the Statement of Financial Activities.

€604,000 (2006 €nil) was spent from the eSafetyAware¹ restricted fund. The expenditure funded demonstration events around Europe and the production of dissemination materials.

Charitable activities (grants, direct costs and support costs) represent 82.6% (2006 82.7%) of the total expenditure of the Foundation.

As described in the reserves policy above the Foundation set the level of charitable expenditure based on the investment income and returns for the previous year. €9,190,000 was agreed during the March 2008 Board of Trustees meeting as being available for grants and internally managed projects for programme period 6 which runs from 1 July 2008 to 31 December 2008.

Governance costs including Trustees' expenses, directors' insurance and allocated support costs were €649,000 (2006 622,000) which represent 4.7% (2006 4.3%) of total costs.

Structure, governance and management

Charity status

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 £1. The FIA Foundation for the Automobile and Society is governed by its Memorandum and Articles of Association. The directors of the FIA Foundation are its Trustees for the purposes of charity law. The terms of the charity's Memorandum and 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 34.

All Trustees served throughout the year apart from Mr D Njoroge and Mr M Schumacher, who were appointed on 25 October 2007. Mr O Flimm and Mr B Martin retired from the Board of Trustees on 25 October 2007 and were appointed Honorary Members of the FIA Foundation.

The Board of Trustees must maintain a minimum membership of three and a maximum membership of 15. Trustees are elected by an ordinary resolution by members at the Annual General Meeting. With the exception of the Chairman, one third (or the nearest one third) of the Trustees must retire at each AGM. New Trustees elected from 1 January 2007 onwards who celebrate their 70th birthday during their term of office cannot seek re-election and current Trustees over the age of 75 years cannot seek re-election.

Rosario Alessi, the Foundation's Chairman, along with Max Mosley, Sebastia Salvado, Ari Vatanen and Robert Darbelnet retire at the 2008 AGM, with Max Mosley, Ari Vatanen and Robert Darbelnet, being eligible, offering themselves for re-election. Rosario Alessi and Sebastia Salvado are not eligible for re-election. On their retirement they will become Honorary Members of the FIA Foundation.

Trustees' Report

Recruitment and appointment of new Trustees

With the introduction of a new retirement/re-election process, there will be vacancies in the future on the Board of Trustees. There has been growing interest from Foundation members on how to apply to become a Trustee of the Foundation and the secretariat has therefore developed an application pack as well as a process of handling applications.

The secretariat will send any person who has formally expressed an interest in applying to become a Trustee the job and person profile and application form. The secretariat will also inform them of the following:

- the number of vacancies on the Board of Trustees at the time,
- the deadline of 1 June for applications,
- that applications will be considered only if there is a vacancy and at the June meetings of the Board of Trustees, and
- if an application is approved by the Board of Trustees, it would then be submitted to the Annual General Meeting in October.

Induction and training of new Trustees

When a new Trustee is appointed, they receive the following documents as induction:

- a copy of the Memorandum and Articles of Association,
- a list of the members of the Board of Trustees, the Programmes and Investment Committees and their contact details,
- the FIA Foundation travel and expenses policy for trustees,
- information from the UK Charity Commission website on the responsibilities of UK Charity Trustees, and
- a copy of the Trustees' Liability Insurance.

A Trustee code of conduct was approved at the Board of Trustees' meeting in March 2007 and in future this will also be sent to new Trustees.

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 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.

Committees and meetings

Under the Memorandum and 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 three additional Trustee sub-committees (the Investment Committee, the Programmes Committee and the Remuneration and Audit Committee) which also meet a minimum of once a year.

The Investment Committee reviews the financial management of the charity's assets and makes recommendations to the Board of Trustees. The membership of the Investment Committee consists of a minimum of three and a maximum of five Trustees (including the Treasurer) and may co-opt up to three additional non-Trustees who give expert advice as requested but do not vote. The membership of the Investment Committee consists of Mr T Keown (Chairman), Mr O Flimm (Treasurer to 25 October 2007), Dr J Llewellyn, Mr M Mosley, and Mr S Salvadó.

The Programmes Committee reviews and approves grant applications for further consideration by the Board of Trustees. The membership of the Programme Committee consists of a minimum of three and a maximum of five Trustees and may co-opt up to three additional non-Trustees who give expert advice as requested but who do not vote. The membership of the Programme Committee consists of Mr M Mosley (Chairman), Mr R Alessi, Mr R Darbelnet, Mr J Dawson, Mr C Gerondeau and Mr B Martin (to 25 October 2007).

Trustees' Report

The Audit and Remuneration Committee reviews the salaries and benefits of Foundation staff and approves any salaries and benefits changes for the Director General and Deputy Director General. It also examines the draft Financial Statements before submission to the Board of Trustees and recommends any necessary internal audit measures. The membership of the Remuneration and Audit Committee consists of the Treasurer (Chairman) and at least one other Trustee, in addition to the Chairman of the Foundation, who will be an *ex officio* member. The membership of the Remuneration and Audit Committee consists of Mr T Keown (Chairman) and Dr J Llewellyn, with Mr R Alessi as an *ex officio* member.

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
- **risk management** the potential risks arising from the FIA Foundation's activities have been documented in a comprehensive risk register. 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.

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.

Trustees responsibilities for the financial statements

The Trustees (who are also directors of the Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and the income and application of resources, including 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 apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether the applicable 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 the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charitable company and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Trustees' Report

As far as the Trustees are aware

- there is no relevant material audit information of which the Charitable company's auditor is unaware, and
- the Trustees have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

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

Other matters

Changes in fixed assets

The movements in fixed assets are set out in notes 11 and 12 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 and described in the Trustees' Report. Grants made to organisations which are members of the charity are disclosed in the Trustees' Report. All other related party transactions are disclosed in note 26.

Charitable donations

The Trustees provided office space, rent free, to the John Smith Memorial Trust during the year. The market value of the space provided was €3,000 per annum (2006 €3,000). The Trustees also donated stationery and office equipment valued at €2,500 (2006 €2,000) to the John Smith Memorial Trust.

During the period no other charitable or political contributions were made by the charity.

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



John Dawson
3 July 2008



Report of the Independent Auditor 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 2007 which comprise the statement of financial activities, the balance sheet, the cash flow statement and notes 1 to 27. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the 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 auditor

The responsibilities of the Trustees (who are also the directors of FIA Foundation for the Automobile and Society for the purposes of company law) for preparing the Trustees' Report and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 December 2007 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Trustees' Report is consistent with the financial statements for the year ended 31 December 2007.

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
OXFORD
3 July 2008

Statement of Financial Activities

For the year ended 31 December 2007 (incorporating an income and expenditure account and a statement of recognised gains and losses)

	Note	Unrestricted Funds 2007 €000	Restricted Funds 2007 €000	Total 2007 €000	Total 2006 €000
Incoming resources					
Voluntary income	2	12	508	520	1,244
Investment income	3	8,489	-	8,489	8,602
		<u>8,501</u>	<u>508</u>	<u>9,009</u>	<u>9,846</u>
Resources expended					
Cost of generating funds					
- Costs of managing investments	4	1,756	-	1,756	1,864
Charitable activities					
- Safety, environment and mobility	4	5,930	604	6,534	5,975
- Motor sport safety	4	3,755	-	3,755	4,332
- Research, fellowships, memberships and affiliations	4	347	-	347	724
- Representational activities and external communications	4	807	-	807	812
Governance costs	4	649	-	649	622
Total resources expended	4	<u>13,244</u>	<u>604</u>	<u>13,848</u>	<u>14,329</u>
Net outgoing resources before transfers		(4,743)	(96)	(4,839)	(4,483)
Transfers between funds		(250)	250	-	-
Net outgoing resources for the year		<u>(4,993)</u>	<u>154</u>	<u>(4,839)</u>	<u>(4,483)</u>
Other recognised gains and losses					
Realised losses on investment assets		(3,483)	-	(3,483)	(3,322)
Other realised gains		1,271	-	1,271	125
		<u>(2,212)</u>	<u>-</u>	<u>(2,212)</u>	<u>(3,197)</u>
Net income and expenditure		(7,205)	154	(7,051)	(7,680)
Unrealised gains					
Unrealised gains on investment assets		10,796	-	10,796	18,322
Other unrealised (losses)		(84)	-	(84)	(65)
		<u>10,712</u>	<u>-</u>	<u>10,712</u>	<u>18,257</u>
Net movement in funds		3,507	154	3,661	10,577
Reconciliation of funds					
Balance at 1 January 2007	17	358,126	-	358,126	347,549
Balance at 31 December 2007	16-18	<u>361,633</u>	<u>154</u>	<u>361,787</u>	<u>358,126</u>

All amounts relate to continuing operations

All gains and losses recognised in the year are included in the Statement of Financial Activities

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


Balance Sheet

As at 31 December 2007

	Note	2007 €000	2006 €000
Fixed assets			
Tangible assets	11	4,554	4,685
Investments	12	<u>333,905</u>	<u>336,031</u>
		338,459	340,716
Current assets			
Debtors	13	10,299	11,436
Cash at bank and in hand		<u>16,698</u>	<u>12,111</u>
		26,997	23,547
Liabilities			
Creditors amounts falling due within one year	14	<u>(3,669)</u>	<u>(3,737)</u>
Net current assets		23,328	19,810
Total assets less current liabilities		361,787	360,526
Creditors amounts falling due after more than one year	15	-	(2,400)
Net assets		<u>361,787</u>	<u>358,126</u>
Funds			
Unrestricted funds			
- Designated funds	16	1,048	1,338
- Revaluation reserve	17	12,090	22,846
- General funds	17	<u>348,495</u>	<u>333,942</u>
		361,633	358,126
Restricted funds	18	<u>154</u>	-
Total charity funds		<u>361,787</u>	<u>358,126</u>

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

The financial statements were approved by the Board of Trustees on 3 July 2008 and signed on their behalf by


Mr J Dawson
Trustee

Cash flow statement

For the year ended 31 December 2007

		2007	2006
	Note	€000	€000
Net cash outflow from operating activities	20	(6,074)	(4,390)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(39)	(23)
Purchase of fixed asset investments		(239,287)	(272,630)
Proceeds from sale of fixed asset investments		260,903	304,601
Net cash inflow from investing activities		21,577	31,948
Increase in cash	22	15,503	27,558

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. 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 1985 and applicable accounting standards.

The principal accounting policies for the charitable company are set out below and have remained unchanged.

Incoming resources

All incoming resources are included in the SOFA when the company 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 is entitled to receipt.

Donations

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.

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 when a contractual commitment exists.

Direct costs

This is expenditure made from designated reserves relating to internally managed projects. Details of costs can be found in note 6.

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 7.

Notes to the Accounts

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

General funds are donations and other incoming resources received or generated for expenditure on the general objectives of the charity

Designated funds are general funds which have been designated for specific purposes by the 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

Investment properties and listed investments are valued at their market value in their native currency at the balance sheet date, translated at the rate ruling at the year end. This is not in accordance with SSAP 20 which requires investments to be translated at the rate ruling at the date of acquisition. The policy adopted provides a more accurate valuation of the investments at the year end

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

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	2007	2006
Sterling	€1 £0 738360	€1 £0 673732
US Dollar	€1 \$0 684879	€1 \$0 757855

Taxation

The activities of the Chanty 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

Notes to the Accounts

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

All assets are regarded as operating leases and the payments made under them 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 2007 €000's	Year ended 31 December 2006 €000's
Donations	12	1,244
Grants receivable	208	-
Contributions to eSafetyAware!	245	-
Gifts in kind	55	-
	<u>520</u>	<u>1,244</u>

3 Investment income

Investment income comprises income from

	Year ended 31 December 2007 €000's	Year ended 31 December 2006 €000's
Listed equity investments	2,026	2,045
Fixed and variable interest stocks	3,602	4,424
Interest on cash held at brokers	1,647	1,152
Investment properties	770	725
Bank deposits and financial markets	405	205
Other income	39	51
	<u>8,489</u>	<u>8,602</u>

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

Notes to the Accounts

4 Resources expended

	Grants €'000's	Direct expendi- ture €'000's	Support and indirect costs €'000's	2007 €'000's	2006 €'000's
Costs of managing investments	-	-	1,756	1,756	1,864
Safety, environment and mobility	3,690	1,927	917	6,534	5,975
Motor sport safety	3,725	-	30	3,755	4,332
Research, fellowships, memberships and affiliations	156	45	146	347	724
Representational activities and external communications	-	380	427	807	812
Governance costs	-	-	649	649	622
	<u>7,571</u>	<u>2,352</u>	<u>3,925</u>	<u>13,848</u>	<u>14,329</u>

See note 5 for details of grant funding Detailed descriptions of grant allocations are provided in the Trustees Report

See note 6 for details of direct expenditure

See note 7 for support and indirect cost allocations

5 Grants

Grant expenditure during the year was as follows

	Grants €'000's	Write back under utilised grants €'000's	2007 €'000's	2006 €'000's
Safety, environment and mobility	4,061	(371)	3,690	2,860
Motor sport safety	3,725	-	3,725	4,300
Research, fellowships, memberships and affiliations	231	(75)	156	503
	<u>8,017</u>	<u>(446)</u>	<u>7,571</u>	<u>7,663</u>

Detailed descriptions of each grant are provided in the Trustees' Report

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

6 Direct expenditure

Expenditure was as follows. The majority of expenditure is from designated reserves. Detailed descriptions of each project are provided in the Trustees' Report.

	Year ended 31 December 2007 €000's	Year ended 31 December 2006 €000's
Safety, environment and mobility		
Environmental Policy and Research Programme	172	-
Commission for Global Road Safety	41	159
Commission for Sustainable Mobility	72	25
eSafetyAware!	393	-
Make Roads Safe, UN and Regional Commissions	1,081	568
Seat belt safety and road safety campaigns	59	212
Repair Information Report	5	-
Road Safety and Tourism	29	-
Think Before You Drive	75	1,567
	1,927	2,531
Research, fellowships, memberships and affiliations		
Fellowships	45	30
	45	30
Representational activities and external communications		
External representation	69	78
FIA Foundation Website	32	38
International Policy Forum	216	182
Publicity	45	98
Working Groups	18	25
	380	421
Total direct expenditure	2,352	2,982
Expenditure from designated reserves	1,959	2,982
Expenditure from restricted funds	393	-
Direct Expenditure	2,352	2,982

Notes to the Accounts

7 Support and indirect costs

	Staff costs €000's	Office, premises and IT €000's	Trustees' expenses €000's	Legal and profess- ional €000's	Invest- ment manage- ment €000's	2007 €000's	2006 €000's
Costs of managing investments	63	16	-	3	1,674	1,756	1,864
Safety, environment and mobility	701	173	-	43	-	917	584
Motor sport safety	24	5	-	1	-	30	32
Research, fellowships, memberships and affiliations	117	24	-	5	-	146	191
Representational activities and external communications	301	99	-	27	-	427	391
Governance costs	289	101	177	82	-	649	622
	<u>1,495</u>	<u>418</u>	<u>177</u>	<u>161</u>	<u>1,674</u>	<u>3,925</u>	<u>3,684</u>

Cost that related 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

8 Net incoming resources

This is stated after

	Year ended 31 December 2007 €000's	Year ended 31 December 2006 €000's
Auditor's remuneration		
Audit services	27	28
Non-audit services	1	6
Depreciation		
Owned tangible fixed assets	170	165
Irrecoverable VAT	47	38
Rents receivable under operating leases	<u>654</u>	<u>600</u>

Notes to the Accounts

9 Employees

Staff costs during the year were as follows

	Year ended 31 December 2007 €000's	Year ended 31 December 2006 €000's
Salaries	1,151	863
Social security costs	128	110
Pension costs	103	81
	<u>1,382</u>	<u>1,054</u>

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

	Number 2007 €000's	Number 2006 €000's
Cost of managing investments	-	-
Safety, environment and mobility	5	4
Motor sport safety	-	-
Research, fellowships, memberships and affiliations	1	1
Representational activities and external communications	3	2
Governance costs	2	3
	<u>11</u>	<u>10</u>

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

	Number 2007	Number 2006
€ 0 - € 80,000	2	3
€ 80,000 - € 90,000	-	-
€ 90,000 - €100,000	-	2
€100,000 - €110,000	3	2
€110,000 - €120,000	3	-
€130,000 - €140,000	-	2
€140,000 - €150,000	1	-
€150,000 - €160,000	2	1
	<u>11</u>	<u>10</u>

During the year the following amounts were paid to higher paid employees (employees earning over €80,000) as shown above

	2007 €000's	2006 €000's
Pension contributions to money purchase pension schemes	<u>84</u>	<u>68</u>

During the year 7 (2006 5) higher paid employees participated in money purchase pension schemes

Notes to the Accounts

10 Payments to Trustees

Expense reimbursements payable to 14 Trustees (2006 13 trustees) for the period amounted to €177,000 (2006 €136,000) and can be analysed as follows

	Year ended 31 December 2007 €000's	Year ended 31 December 2006 €000's
Secretariat costs of the Chairman	48	48
Travel and subsistence	129	88
	<u>177</u>	<u>136</u>

In addition to the expense reimbursements described above €25,000 (2006 €25,000) was paid to the Fédération Française des Automobile-Clubs et des Usagers de la Route (FFAC) for Mr Gerondeau's work with the Commission for Sustainable Mobility. This is included within direct expenditure within safety, environment and mobility (see notes 6 and 16)

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

11 Tangible fixed assets

	Freehold land, buildings and improve- ments €000's	Fixtures, fittings, and equipment €000's	Computer equipment €000's	Total €000's
Cost				
At 1 January 2007	4,948	240	94	5,282
Additions	-	11	28	39
Disposals	-	-	(35)	(35)
At 31 December 2007	<u>4,948</u>	<u>251</u>	<u>87</u>	<u>5,286</u>
Depreciation				
At 1 January 2006	380	161	56	597
Charge for the year	98	48	24	170
Eliminated on disposal	-	-	(35)	(35)
At 31 December 2007	<u>478</u>	<u>209</u>	<u>45</u>	<u>732</u>
Net book amount as at 31 December 2007	<u>4,470</u>	<u>42</u>	<u>42</u>	<u>4,554</u>
Net book amount as at 31 December 2006	<u>4,568</u>	<u>79</u>	<u>38</u>	<u>4,685</u>

Notes to the Accounts

12 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 2007	12,786	284,589	38,656	336,031
Net transfers to cash	-	-	(17,006)	(17,006)
Shares purchased	-	239,287	(239,287)	-
Dividends received	-	-	5,547	5,547
Interest received	-	-	1,216	1,216
Movement in accrued income	-	-	223	223
Other income	-	-	429	429
Interest and charges paid	-	-	(1,179)	(1,179)
Realised losses	-	(3,484)	(935)	(4,419)
Unrealised investment gains/(losses)	(1,119)	5,929	4,639	9,449
Unrealised exchange gain on monetary assets	-	-	3,614	3,614
Proceeds from disposals	-	(260,903)	260,903	-
At 31 December 2007	11,667	265,418	56,820	333,905

The investment properties are held entirely within the United Kingdom. Investment properties are valued at open market value. At 31 December 2007 the investment properties were revalued by Montagu Evans, Chartered Surveyors. The basis of the valuation is existing use subject to the existing and proposed leases. The surplus 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:

	2007 €000's	2006 €000's
UK listed equity investments	4,433	12,843
UK fixed and variable interest stocks	6,693	10,272
Overseas listed equity investments	179,648	180,550
Overseas fixed and variable interest stocks	69,194	70,376
Overseas alternative investments	5,450	10,548
UK Investment properties (as restated)	11,667	12,786
Cash held as part of the investment portfolio	56,820	38,656
	333,905	336,031

When analysed by relative market value at the year end, the funds are invested 55.1% in equities (2006 57.6%), 22.7% in bonds (2006 24%), 1.6% in alternative investments (2006 3.1%), 17.1% in cash (2006 11.5%) and 3.5% in investment properties (2006 3.8%).

At the year end, an amount equivalent to €22,000 (2006 €9,000) 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

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

	2007 €000's	2006 €000's
Listed investments	251,506	261,040
Investment properties	13,490	13,490
	<u>264,996</u>	<u>274,530</u>

The investment in AXA Rosenberg Eurobloc comprises 15.1% (2006 14%) of the value of the portfolio
No other individual investments comprise over 5% of the value of the portfolio

13 Debtors

	2007 €000's	2006 €000's
Prepayments	45	43
Accrued income	1,835	2,250
Other debtors	8,419	9,143
	<u>10,299</u>	<u>11,436</u>

Included in the above are the following amounts due after more than one year

	2007 €000's	2006 €000's
Other debtors	<u>7,300</u>	<u>7,925</u>

14 Creditors: amounts falling due within one year

	2007 €000's	2006 €000's
Grants committed but not paid over	2,503	2,709
Other creditors	236	210
Accruals	900	770
Social security and other taxes	30	48
	<u>3,669</u>	<u>3,737</u>

15 Creditors: amounts falling due after more than one year

	2007 €000's	2006 €000's
Grants committed but not paid over	<u>-</u>	<u>2,400</u>

Notes to the Accounts

16 Designated funds

Internally managed projects

Project Name	At 1 January 2007 €000's	Design- ations in the year €000's	Changes in design- ation in the year €000's	Grants committed in the year €000's	At 31 December 2007 €000's
Safety, environment and mobility					
African co-ordinators' network	-	10	-	-	10
Auto and Society Report	-	200	-	-	200
Environmental Policy and Research Programme	150	150	68	(172)	196
Commission for Global Road Safety	41	-	-	(41)	-
Commission for Sustainable Mobility	75	-	-	(72)	3
Make Roads Safe, UN and Regional Commissions	501	500	131	(1,081)	51
Repair Information Report	-	30	-	(5)	25
Road Safety and Tourism	-	50	-	(29)	21
Road Safety Scholarship Programme	-	75	-	-	75
Seat Belt Safety Campaign and Road Safety Activities	58	-	110	(59)	109
Think Before You Drive	39	-	40	(75)	4
	<u>864</u>	<u>1,015</u>	<u>349</u>	<u>(1,534)</u>	<u>694</u>
Research, fellowships, memberships and affiliations					
Fellowships	45	75	-	(45)	75
Policy Opinion Series	60	-	-	-	60
	<u>105</u>	<u>75</u>	<u>-</u>	<u>(45)</u>	<u>135</u>
Representational activities and external communications					
External representation	36	150	-	(69)	117
Website	22	20	-	(32)	10
International Policy Forum	118	-	99	(216)	1
Publicity	19	60	-	(45)	34
Working Groups	174	-	(99)	(18)	57
	<u>369</u>	<u>230</u>	<u>-</u>	<u>(380)</u>	<u>219</u>
Total	<u>1,338</u>	<u>1,320</u>	<u>349</u>	<u>(1,959)</u>	<u>1,048</u>

The above designated funds were established in the prior period and during the year for the purposes described in the Trustees' Report. 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 General funds

	Designated funds €000's	Revaluation reserve €000's	General funds €000's	Total €000's
At 1 January 2007	1,338	22,846	333,942	358,126
Incoming resources	-	-	8,501	8,501
Costs of managing investments	-	-	(1,756)	(1,756)
Safety, environment and mobility expenditure	-	-	(5,930)	(5,930)
Motor sport safety expenditure	-	-	(3,755)	(3,755)
Research, fellowships, memberships and affiliations expenditure	-	-	(347)	(347)
Representational activities and external communications expenditure	-	-	(807)	(807)
Governance Costs	-	-	(649)	(649)
Designation for purposes listed in the Trustees' Report	1,320	-	(1,320)	-
Changes in designation	349	-	(349)	-
Grants committed	(1,959)	-	1,959	-
Transfer to restricted funds	-	-	(250)	(250)
Unrealised gains	-	4,810	5,902	10,712
Gains eliminated on disposal	-	(15,566)	-	(15,566)
Realised gains	-	-	13,354	13,354
At 31 December 2007	1,048	12,090	348,495	361,633

18 Restricted Funds

	At 1 January 2007 €000's	Incoming resources €000's	Resources expended €000's	Transfers from unrestricted funds €000's	At 31 December 2007 €000's
Safety, environment and mobility					
eSafetyAware ¹	-	508	(604)	250	154

Purpose and restriction in use

To fund the pan European information campaign on Electronic stability controls in cars

Notes to the Accounts

19 Analysis of net assets between funds

	Unrestricted funds €000's	Restricted funds €000's	Total 2007 €000's
Fund balances are represented by			
Tangible fixed assets	4,554	-	4,554
Investments	333,905	-	333,905
Current Assets	26,829	168	26,997
Current liabilities	(3,655)	(14)	(3,669)
Total net assets	<u>361,633</u>	<u>154</u>	<u>361,787</u>

20 Reconciliation of changes in resources to net cash inflow

	2007 €000's	2006 €000's
Net outgoing resources	(4,839)	(4,483)
Depreciation	170	165
Loss on disposal of tangible fixed assets	-	-
Decrease/(increase) in debtors	1,060	(2,361)
(Decrease)/Increase in creditors	(2,465)	2,289
Net cash outflow from operating activities	<u>(6,074)</u>	<u>(4,390)</u>

21 Reconciliation of net cash flow to movement in net funds

	2007 €000's	2006 €000's
Increase in cash in the period	15,503	27,558
Effects of realised foreign exchange gains	1,332	49
Effects of unrealised foreign exchange gains	5,916	5,168
Movement in net funds	<u>22,751</u>	<u>32,775</u>
Net funds at 1 January 2007	<u>50,767</u>	<u>17,992</u>
Net funds at 31 December 2007	<u>73,518</u>	<u>50,767</u>

22 Analysis of changes in net funds

	At 1 January 2007 €'000's	Cash flows €'000's	Exchange movement €'000's	At 31 December 2007 €'000's
Cash at bank	12,111	4,657	(70)	16,698
Cash held as part of the investment portfolio	<u>38,656</u>	<u>10,846</u>	<u>7,318</u>	<u>56,820</u>
	<u>50,767</u>	<u>15,503</u>	<u>7,248</u>	<u>73,518</u>

23 Capital commitments

The charity did not have any capital commitments at 31 December 2007 or 31 December 2006

Notes to the Accounts

24 Contingent assets/liabilities

There were no contingent assets or liabilities at 31 December 2007 or 31 December 2006

25 Leasing commitments

Operating lease payments amounting to €35,000 (2006 €32,000) are due within one year. The leases to which these amounts relate expire as follows

	2007		2006	
	Land and buildings €'000's	Other €'000's	Land and buildings €'000's	Other €'000's
In one year or less	20	-	20	-
Between one and five years	-	15	-	12
	<u>20</u>	<u>15</u>	<u>20</u>	<u>12</u>

26 Related party transactions

Expense reimbursements of €129,000 (2006 €88,000) were due to the Trustees, and €48,000 (2006 €48,000) was due to the Chairman in respect of secretariat fees, as disclosed in note 10. Of these amounts €49,772 (2006 €19,000) were outstanding at the year end.

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 Trustees Report.

Grants have also been made to organisations related to the Trustees as follows

The Fédération Internationale de l'Automobile (FIA) is connected to Mr M Mosley who is the president of the FIA.

The following Trustees are also connected to the FIA by virtue of the position they hold in their own national club: Mr R Alessi is the Honorary President of the Automobile Club d'Italia (ACI), Mr O Flimm is the Honorary President of the Allgemeiner Deutscher Automobil-Club e.V. (ADAC), Mr C Gerondeau is the president of the Fédération Française des Automobile-Clubs et des Usagers de la Route (FFAC), Mr T Keown was the Chairman of the Royal Automobile Club (RAC), Mr C Macaya is the President of the Automóvil Club de Costa Rica (ACCR), Mr B Martin is the former president of the Automobile Competition Committee of the for the United States, FIA, Inc (ACCUS), Mr R Darbelnet is the President and Chief Executive Officer of the American Automobile Association (AAA), Mr S Salvadó is the president of the Reial Automòbil Club de Catalunya (RACC), Mr R Sierra is a member of the Automóvil Club Argentino (ACA), Mr S Tanaka is the President of the Japan Automobile Federation (JAF) and Mr D Njoroge is the Director General of the Automobile Association of Kenya (AAK). The ACI, ADAC, FFAC, RAC, ACCR, ACCUS, AAA, RACC, ACA, JAF and AAK are all members of the FIA and the FIA Foundation for the Automobile and Society.

Mrs J Despotopoulou is married to Mr V Despotopoulos, the President of the Automobile and Touring Club of Greece (ELPA). The ELPA is a member of the FIA and FIA Foundation for the Automobile and Society.

Grants of €130,000 (2006 €143,000) were awarded to the FIA in year (as disclosed in the Trustees' Report). €163,000 of current year and prior year grants (2006 €133,000) was outstanding at the year end. The FIA rented office and warehouse space from the FIA Foundation for the Automobile and Society during the year. The rent received from the rental agreements was €150,000 (2006 €149,000) of which €nil (2006 €nil) was outstanding at the year end. The FIA Foundation for the Automobile and Society also rented office space from the FIA during the year. Rent paid to the FIA amounted to €21,000 (2006 €20,000) of which €21,000 (2006 €nil) was outstanding at the year end. All rental agreements were at arms length. At 31 December 2007 €139,000 (2005 €120,000) was due to the Foundation for goods purchased on behalf of the FIA.

Notes to the Accounts

Mr R Alessi is the Honorary President of the Automobile Club d'Italia (ACI) Grants of €125,000 (2006 €nil) were awarded to the Automobile Club d'Italia in the year (as disclosed in the Trustees' Report) €125,000 (2006 €25,000) of which €125,000 (2006 25,000) was outstanding at the year end

Mr O Flimm is the Honorary President of the Allgemeiner Deutscher Automobil- Club e V (ADAC) Grants of €405,000 (2006 €113,000) were awarded to the Allgemeiner Deutscher Automobil- Club e V in the year (as disclosed in the Trustees' Report), of which €415,000 of current and prior year grants (2006 €113,000) was outstanding at the year end

Mr C Gerondeau is the president of the Fédération Française des Automobile-Clubs et des Usagers de la Route (FFAC) €25,000 (2006 €25,000) was paid to the Fédération Française des Automobile-Clubs et des Usagers de la Route (FFAC) for Mr Gerondeau's work with the Commission for Sustainable Mobility, of which €nil (2006 €nil) was outstanding at the year end

Mr C Macaya is the President of the Automóvil Club de Costa Rica (ACCR) Grants of €nil (2006 €30,000) were awarded to the Automóvil Club de Costa Rica (ACCR) in the year (as disclosed in the Trustees' Report) €23,000 of the prior year grant (2006 €30,000) was outstanding at the year end

Mr S Salvado is the president of the Reial Automòbil Club de Catalunya (RACC) Grants of €100,000 (2006 €30,000) were awarded to the Reial Automòbil Club de Catalunya (RACC) in the year (as disclosed in the Trustees' Report) €60,000 (2006 €nil) was outstanding at the year end

Mr R Sierra is a member of the Automóvil Club Argentino (ACA) Grants of €216,000 (2006 €nil) were awarded to the Automóvil Club Argentino (ACA) in the year (as disclosed in the Trustees' Report) €151,000 (2006 €nil) was outstanding at the year end

Mrs J Despotopoulou is the National Director of the Special Olympics Hellas Grants of €40,000 (2006 €nil) were awarded to the Special Olympics Hellas in the year, of which €nil (2006 €nil) was outstanding at the year end

Mr J Dawson and Mr D Ward are directors of the International Road Assessment Programme (iRAP) Grants of €300,000 per year for a period of 10 years were awarded in the year ended 31 December 2006 (i.e. €3 million in total) to the International Road Assessment Programme (as disclosed in the Trustees' Report) All of the 10 year Grant has been paid to iRAP An additional €1,000,000 was awarded to iRAP during the current year of which €nil was outstanding at the year end

Mr D Ward served on the Management Board of the FIA Institute for Motor Sport Safety for the whole year Grants of €3,600,000 (2006 €4,300,000) were awarded to the FIA Institute for Motor Sport Safety in the year (as disclosed in the Trustees' Report), of which €53,000 (2006 €nil) was outstanding at the year end At 31 December 2007 €5,000 (2006 €28,000) was due to the Foundation for goods purchased on behalf of the FIA Institute for Motor Sport Safety

Ms E MacLennan, who was a director of the John Smith Memorial Trust during the year ended 31 December 2007, is married to Mr D Ward, the Director General of the FIA Foundation for the Automobile and Society Grants of €nil (2006 €28,000) were awarded to the John Smith Memorial Trust, of which €nil (2006 €nil) was outstanding at the year end The FIA Foundation for the Automobile and Society donated office space to the John Smith Memorial Trust The market value of this space is €3,000 per annum (2006 €3,000) During the year the Foundation made an additional donation of stationery and office equipment valued at €2,500 (2006 €2,000) to the John Smith Memorial Trust

The Foundation designated €75,000 during the year to the Road Safety Scholarship Programme, which will be run by Ms E MacLennan

27 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

Mr R Alessi (Chairman)*
Mr R Darbelnet
Mr J Dawson (Secretary)
Mrs J Despotopoulou
Mr O Flimm (Treasurer) (to 25 October 2007)
Mr C G rondeau
Mr T Keown (Treasurer) (from 25 October 2007)*
Mr C Macaya
Dr J Llewellyn*
Mr B Martin (to 25 October 2007)
Mr M Mosley
Mr D Njoroge (from 25 October 2007)
Mr S Salvad 
Mr M Schumacher (from 25 October 2007)
Mr R Sierra
Mr S Tanaka
Mr A Vatanen

* Members of the Audit and Remuneration Committee

Director General:
Mr D Ward

Deputy Director General:
Mr S Billingsley

Website:
www.fiafoundation.org

Advisors:

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