



**Report by Robert CLIPSHAM Executive Director Finance
to the 105th General Conference
Belgrade, 14-15 October 2011**

Dear Delegates, Mr. President, Ladies and Gentlemen,

I am presenting the Consolidated budget for 2012, the Classification of members, the scale of Subscriptions and the Voting rights for each Class and the projected income from Air Sport activities to the 105th Annual General Conference under FAI Statutes 4.2.2.5, 4.2.2.6. and 6.2.1.4 for the Executive Board.

14.1) 2012 Scale of Subscriptions and votes

14.2) 2012 Budget

2012 Consolidated Budget

On day 1 in Item 8.1, the process and procedures for the preparation of the Consolidated Budget and for Expenditure approval were presented.

- Budget approval
 - ASC Budgets now on same time line as HQ (one year ahead)
 - Standard budget format ASCs and HQ
 - Approval of Budget
 - ASC Plenary prepares the budget with Work Plans explaining projects and operations
 - EB reviews and approves the detailed ASC budgets
 - EB prepares the consolidated budget HQ and ASC
 - GC approves FAI Consolidated Budget

- Expenditure approval
 - In accordance with the Guidelines for claiming expenses
 - Approval of budgeted expenditures
 - Expense Approval Form with details describing expense

14.1 Scale of Subscriptions

The 2012 Scale of Subscriptions and Votes is in Appendix F and has previously been circulated to you in September. The subscription amounts for each Member Classification have been increased by a proposed two percent to cover some of the accumulated inflationary increases that have occurred since the last increase at the General Conference held in Krakow in 2003.

Adjustments for changes in FAI membership are shown. The total of the subscriptions will be revised to include the decisions taken in this Conference.

14.2 Budget 2012

The consolidated budget was prepared in September in collaboration with the Secretary General and has been reviewed by the Executive Board, and is based on the consolidated anticipated operations for 2012.

The Commission's budgets were prepared at their annual plenary meetings. They have been revised to show two minor items of expenditure and revenue.

Fédération
Aéronautique
Internationale

The draft budget is in Appendix E, previously submitted to you in September, and the revised budget is available this morning in the conference documents.

- **Income**

The income from Members Subscriptions, CHF 1,084,862 may be realized.

Competition Revenues derived from air sport operations are projected to be CHF 333,451.

The CHF 150 000 projected income from sponsorship and value in kind is greatly reduced from the 2010 amount and is greater than the amount received in 2011. As previously noted, the Red Bull flying schedule has been suspended, however we expect to receive a nominal amount in 2012, same as in 2011. Some possible opportunities for sponsorship have been discussed and may be available; however a great deal of work is required to mature these opportunities through the development of the various air sports programmes.

Operational Income of CHF 1 679,292 is budgeted.

- **Expenditure**

The expenditures proposed for 2012 have been set out considering the known and proposed activities and current and proposed staff levels.

During 2011 the office operations were relocated to the new FAI offices that have been purchased at MSI. The budgeted amounts take into account the financial service and maintenance charges at MSI. We have sublet a portion of the new office space which provides revenue which offsets the overall office costs accordingly.

The operating expenses for the Air Sport Commissions are projected to be CHF 376,660.

- **Financial Result**

The total budgeted expenditures are CHF 1,700,758 giving an excess of expenditure over income of CHF -21,465.

- **Operating result – Contributions by Head Office and ASCs**

The schedule for the budgetary process is being revised in 2012 to provide more time to review the draft ASC budgets before they are approved by the EB.

The final budget will be prepared considering the approved subscription amounts and any other financial matters that may come before this Conference.

Mr. President, I request that this budget for FAI operations in 2012 and the Scale of Subscriptions and Votes for 2012 be submitted to the General Conference for approval as set out in Statute 3.4.