



**FOUNDATION**

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**Financial Statements  
31 December 2017**

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**Company number 4219306  
Charity number 1088670**

# Contents

Legal and Administrative details	1
<hr/>	
Trustees Report:	
Highlights 2017	2
Chairperson's Statement	8
Strategic Report	
- Activities and Impact	11
- 2018 Objectives	17
- Financial Review	18
- Incoming Resources	18
- Expenditure and Charitable Activities	19
- Reserves Policy and Management	22
- Investment Policy and Performance	24
- Restricted Funds	27
- Internal Control and Risk Management	27
Structure, Governance and Management	
- Charity Status	31
- Charity Objects	31
- Trustees	32
- Other Matters	36
<hr/>	
Report of the Independent Auditor	38
<hr/>	
Financial Statements:	
- Statement of Financial Activities	41
- Balance Sheet	42
- Cash Flow Statement	43
- Notes to the Accounts	44
<hr/>	
Five Year Financial Summary	70
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# Legal and Administrative Details

Charity registration number:  
1088670

Company registration number:  
4219306

Registered and principal office:  
60 Trafalgar Square, London, WC2N 5DS

## Trustees:

Mr J Abed  
Ms M Amoni  
Mr M D Angle (Treasurer)  
Mr N Crow  
Mr B Gibbons  
Mr A Gow  
Mr E Jarrett (Company Secretary)  
Mr W Kraus  
Mr A Lagman  
Mr M Nadal  
The Rt Hon. Lord Robertson of Port Ellen KT GCMG  
(Chairperson)  
Mr G Stoker  
Mr J Todt  
Mr K Woodier  
Mr T Yashiro

Executive Director:  
Mr S Billingsley

Website:  
[www.fiafoundation.org](http://www.fiafoundation.org)

## Social Media:

<https://twitter.com/FIAFdn>  
<https://twitter.com/GlobalFuelEcon>  
<https://twitter.com/childhealthGI>  
<https://twitter.com/TrueEmissions1>  
<https://www.facebook.com/ChildHealthInitiative/>  
<https://www.facebook.com/makeroadssafe>  
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## Advisors:

Bankers:  
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## Solicitors:

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## Investment managers and custodians

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# Highlights 2017

## Activities and Impact

The FIA Foundation (The Foundation) supports and promotes safe and sustainable mobility around the world. Our objective is safe, clean, fair and green mobility for all.

We work to prevent road traffic injury in the context of a world in which at least 1.3 million people are killed and many millions more injured on the roads globally every year. We advocate for increased international and country level response to this epidemic in line with the new Sustainable Development Goal agenda and we support programmes designed to reduce the toll of human suffering.

With growing political awareness of the health effects of air pollution, including from vehicles, we work with UN agencies, expert partners and major cities to accurately measure the emissions performance of vehicles, and to highlight the rights of all, and especially children, to safe and healthy travel. We also lead ground breaking work to understand the mobility impact of harassment on women.

Our support for cutting-edge motor sport safety research and training contributes to keeping thousands of participants and spectators safe across the world.

During 2017 the Foundation's funding programme and initiatives have:

- Enabled the International Road Assessment Programme to influence the safety design of \$7.7 billion of road infrastructure investment globally;
- Supported the Office of the UN Secretary General's Special Envoy for Road Safety in securing approval to launch a new UN Fund for Road Safety;
- Backed the first ever independent car crash test programme in Africa, launching #SaferCarsforAfrica with Global NCAP and the Automobile Association of South Africa;
- Joined the Mayors of Paris and London to launch a new, independent 'TRUE emissions' initiative, testing on-street vehicle emissions from thousands of cars;
- Organised a Child Health Initiative forum at London City Hall, with Mayor Sadiq Khan, convening injury prevention, air quality, climate, urban design and child rights campaigners;
- Continued to work with more than 60 countries to establish national vehicle fuel economy strategies, with new action plans launched in several countries;
- Supported more than 25 new car crash tests; helped to protect more than 18,000 Asian schoolchildren with motorcycle helmets; and more than 10,000 African schoolchildren with speed reduction measures near their schools;
- Trained more than 1,200 police, educators and parents in child seat installation in Latin America;
- Joined with the FIA and JC Decaux in launching the #3500LIVES road safety advertising campaign in hundreds of cities across the world;
- Helped in raising \$3 million in corporate donations for UNICEF road safety programmes;
- Enabled the research leading to introduction of the HALO head protection system in Formula One;
- Published new research on the health impact of air pollution on poor children in London; the extent of sexual harassment of women travellers in Latin America; and, the cost-effectiveness of Vietnam's ten year implementation of motorcycle helmet legislation.

# Highlights 2017

## Charitable activities at a glance:

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### Safety, environment and mobility

**€11,443,000**

(2016: €12,033,000)

We work to prevent road traffic and we advocate for increased international and country level response to this epidemic in line with the new Sustainable Development Goal agenda. In addition, we host and coordinate the world's leading vehicle fuel efficiency initiative and work with the UN Environment Programme and other partners to encourage walking and cycling as alternative modes.

We award grants and manage, support and develop our own programmes to further this work.

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### Motor sport safety

**€4,210,000**

(2016: €4,539,000)

We award grants to promote improvement in the safety of motor sport for participants and spectators.

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### Memberships and affiliations

**€88,000**

(2016: €41,000)

We are a member of a number of Non-Governmental Organisations (NGOs) whose aim is to prevent road traffic injury.

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### Representational activities and external communications

**€1,698,000**

(2016: €1,997,000)

We disseminate the results of the research and provide information on road safety, automobile technology, the protection and preservation of human life and public health, transport and public mobility and the protection of the environment.

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### Total charitable expenditure:

**€17,439,000**

(2016: €18,610,000)

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### Total Expenditure

**€19,161,000**

(2016: €20,296,000)

Total expenditure includes the cost of charitable activities (above) and the cost of managing investments €1,722,000 (2015: €1,681,000).

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The figures above include allocated support costs (see note 9 for details).

# Highlights 2017

## Resources Expended

Resources expended by cost category:

	<b>2017</b> €000's	2016 €000's	2015 €000's	2014 €000's	2013 €000's
Grants awarded	<b>13,532</b>	13,753	12,849	16,242	17,662
Activities undertaken directly (designated fund expenditure)	<b>1,609</b>	1,635	2,220	2,857	2,263
Investment manager fees	<b>1,652</b>	1,596	1,628	1,776	1,470
Support and governance costs	<b>2,368</b>	3,312	1,521	2,220	2,610
<b>Total expenditure</b>	<b>19,161</b>	20,296	18,218	23,095	24,005

## Grants awarded

The Foundation is primarily a grant making organisation.

Grants awarded:

	<b>2017</b> €000's	2016 €000's	2015 €000's	2014 €000's	2013 €000's
<b>Unrestricted funds:</b>					
Safety, environment and mobility	<b>9,029</b>	8,744	8,449	4,631	4,551
Motor sport safety	<b>4,182</b>	4,020	4,020	2,000	2,000
Memberships and affiliations	<b>88</b>	38	54	23	45
<b>Restricted funds:</b>					
Safety, environment and mobility	<b>233</b>	470	532	1,660	1,886
Motor sport safety	<b>-</b>	481	(206)	7,928	9,180
<b>Total grants awarded</b>	<b>13,532</b>	13,753	12,849	16,242	17,662

The restricted fund grant programme includes the Motor Sport Safety Development Fund which had a finite life from 2009 to 2016.

Unrestricted fund grant awards from 2015 - 2017 include additional grants awarded from an exceptional withdrawals in 2015 of €10 million, and in 2016 of €5 million.

# Highlights 2017

Grants have been awarded to institutions as follows (after write backs for underutilised grants):

	No of grant awards	Safety, environment and mobility €000's	Motor sport safety €000's	Memberships and affiliations €000's	Total €000's
Aether Limited	1	23	-	-	23
AMEND	1	192	-	-	192
Asia Injury Prevention Foundation	4	349	-	-	349
Association pour le Développement de la Recherche sur le Cerveau et la Moelle Epinière	1	325	-	-	325
Australasian New Car Assessment Programme	1	-	-	50	50
BOND - NGO's Working in Overseas Development	1	-	-	9	9
Centre for Disease Control and Injury Prevention Foundation	1	50	-	-	50
Delft University	2	125	-	-	125
Eastern Alliance for Safety and Sustainable Transport	2	291	-	-	291
European Federation for Road Traffic Victims	1	20	-	-	20
European Federation for Transport and Environment	1	31	-	-	31
Federación Iberoamericana	1	5	-	-	5
Fédération Internationale de l'Automobile France	5	1,800	2,000	-	3,800
Fédération Internationale de l'Automobile Switzerland (and its subsidiary undertaking, The Global Institute for Motorsport Safety)	3	-	2,182	-	2,182
Fire Aid	1	30	-	-	30
François Cuenot	1	11	-	-	11
Global Alliance of NGO's for Road Safety	2	63	-	-	63
Global New Car Assessment Programme	1	1,000	-	-	1,000
Global Road Safety Partnership	1	-	-	14	14
Gonzalo Rodriguez Memorial Foundation	1	200	-	-	200
HRH Prince Michael of Kent International Road Safety Awards	1	27	-	-	27
International Council on Clean Transport	2	237	-	-	237
International Road Assessment Programme	2	1,200	-	-	1,200
International Road Traffic and Accident Database	1	-	-	4	4
Institute of Road Traffic Education	2	100	-	-	100
Institute of Transport and Development Policy	1	80	-	-	80

# Highlights 2017

Grants awarded to institutions (after write backs for underutilised grants) continued:

	No of grant awards	Safety, environment and mobility €000's	Motor sport safety €000's	Memberships and affiliations €000's	Total €000's
LIFE	1	10	-	-	10
London Sustainability Exchange	1	40	-	-	40
Organisation for Economic Co-operation and Development	2	145	-	-	145
Overseas Development Institute	1	10	-	-	10
Save the Children	1	49	-	-	49
SLoCAT– Partnership on Sustainable Low Carbon Transport	1	-	-	11	11
The United Nations Children's Fund (UNICEF)	2	1,065	-	-	1,065
UNC Highway Safety Research Centre	1	74	-	-	74
United Nations Environment Programme	2	690	-	-	690
UN Economic Commission for Europe – UN Special Envoy Support	1	750	-	-	750
World Bank	1	100	-	-	100
World Health Organisation	1	70	-	-	70
World Resources Institute	1	100	-	-	100
	57	9,262	4,182	88	13,532

Full details of grants by including the activity undertaken and the source of funding are disclosed in note 6 to the accounts.

## Other grant information:

	2017	2016	2015	2014	2013
Grants awarded as a percentage of net assets	3.3%	3.4%	3.1%	4.2%	4.8%
Number of grants awarded:					
Unrestricted funds	52	43	43	24	20
Restricted funds	5	9	9	60	124
Total grants awarded	57	52	52	84	144

# Highlights 2017

## Investment Performance:

### Value of investments:

	<b>2017</b>	2016	2015	2014	2013
	<b>€000's</b>	€000's	€000's	€000's	€000's
Unrestricted funds	<b>390,011</b>	390,131	389,942	375,626	338,074
Restricted Funds	-	-	-	-	10,218
<b>Value of investment assets</b>	<b>390,011</b>	390,131	389,942	375,626	348,292

### Investment Income:

	<b>2017</b>	2016	2015	2014	2013
	<b>€000's</b>	€000's	€000's	€000's	€000's
Unrestricted funds	<b>8,110</b>	8,562	8,653	9,030	7,735
Restricted funds	-	-	-	50	260
<b>Value of investment assets</b>	<b>8,110</b>	8,562	8,653	9,080	7,995

### Total return from Investment portfolio:

	<b>2017</b>	2016	2015	2014	2013
<b>Return</b>	<b>4.9%</b>	4.0%	9.8%	11.6%	20.5%

Restricted fund investments related to the Motor Sport Safety Development Fund. The fund is now closed.

# Chairman's Statement

I am extremely proud of the work the FIA Foundation has led in 2017, and the progress that has been made.

Together with our partners we continue to set agendas on both policy and programme delivery, with real and measurable impact across the world.

But whatever we can do is not, on its own, sufficient. The scale of the challenge, the global road safety crisis and the environmental issues we face, demands widespread action and unprecedented and long-term political commitment.

So we have to use the Foundation's voice and our funds to amplify the call to action, and to bring others on board with this cause.

Finding new sources of funding is critical, particularly for global road safety. Including the contribution from our Foundation, and others like Bloomberg Philanthropies, perhaps only 30 or 40 million dollars a year is being provided in international support for road safety.

Yet the UN calculates that 770 million dollars in international financing is needed, every year – for ten years – for the sustained activity necessary to meet the global target to halve road deaths.

In 2017, therefore, the Foundation financed the vital campaign for a new UN Road Safety Fund. We did this by funding the office of the UN Special Envoy for Road Safety, FIA President Jean Todt (also a Foundation trustee ex officio), and his advocacy, persuading governments to endorse the establishment of a Fund; and supported the FIA High Level Panel – a group of leading administrative and business CEOs, on which I am proud to serve – in its efforts to identify new global sources of funding commensurate to the scale of this public health emergency.

The highly visible public face of this effort was the unprecedented #3500Lives road safety awareness advertising campaign, promoted during 2017 by a roster of celebrities in hundreds of cities across the world. The Foundation was pleased to co-fund and support this exciting campaign with the FIA, and acknowledges the generosity and vision of JC Decaux in donating pro bono advertising space.

In December 2017 the UN Secretary General, António Guterres, endorsed the UN Road Safety Fund and asked that it be established during 2018. Key to its viability will be persuading potential donors that investing in road traffic injury prevention is achievable and cost-effective.

So another important role for the Foundation is to provide the 'venture capital' investment in evidence-based road safety initiatives and partners capable of scaling up if additional resources become available.

For example, infrastructure safety is proven to be a cost-effective investment, particularly when integrated into wider construction or maintenance projects.

Research undertaken for the Foundation in 2016, by social impact experts in Australia, forensically calculated the real health costs of road traffic injuries. They found that early investment in safer infrastructure targeted at those injuries pays for itself three times over. So the question that finance ministers and international donors should be asking is not whether road safety is affordable, but whether they can afford not to act.

# Chairman's Statement

In 2017 our infrastructure safety partner iRAP assessed and star rated another 170,000 kilometres of road. In total, iRAP's safety analysis has now influenced more than 50 billion dollars' worth of investment on roads around the world.

In 2017 we celebrated the 20<sup>th</sup> anniversary of the launch of the European New Car Assessment Programme. Its independent testing, combined with tougher EU vehicle standards, has contributed to saving more than 78,000 lives.

The Foundation is building on this example by funding independent crash test programmes and campaigns in Australia, Latin America, India and South East Asia. These programmes continued to scrutinise motor manufacturers during 2017 and, through the power of consumer purchasing choice, are changing car safety performance far more quickly than regulation. In November, with our support, a new crash test programme was launched in South Africa, the first on the continent.

Another important tool for saving lives is speed management. The most urgent objective we should be promoting, and a priority for many of our regional NGO partners, is to slow down urban traffic. Slow it through urban street design; through enforcement; through in-car technology. If we want to have any chance of achieving the global road safety target by 2030, let alone 2020, governments must deliver the 'speed vaccine' proven to reduce deaths and injuries.

In May 2017, to coincide with UN Global Road Safety Week, the Foundation's Child Health Initiative organised an Open Letter calling for rapid implementation of the 'speed vaccine', signed by global public health leaders including Jimmy Carter, Michael Bloomberg and Margaret Chan, and by policy leaders including the European Commissioners responsible for health and transport.

Many cities are now embracing the concept of 'healthy streets'. Safe speeds are a vital component, alongside action on air quality. This approach, widely adopted, can save and improve many lives. It was the main message of our 'Every Journey, Every Child' conference held at London City Hall in October 2017 where I joined the Mayors of London and Accra to launch our campaign for every child's right to safe and healthy streets, and signed the Foundation up to the World Health Organization's 'Breathe Life' air quality initiative.

We are giving practical support to this agenda with our new TRUE (real urban emissions) Initiative, launched with the Mayors of Paris and London in March 2017. Co-funded by Bloomberg Philanthropies, and aided by the technical expertise of the International Council for Clean Transportation, we are now testing the real world emissions of thousands of cars so that we can provide both consumers and policymakers with the facts on air pollution.

TRUE is just one example of the ground-breaking research we supported in 2017, ranging from the technical safety advances identified by the Global Institute for Motor Sport Safety, to our collaboration with the Latin American Development Bank exposing the harassment faced by women travellers in Latin America, to the case study we funded in Vietnam, charting the thousands of lives and billions of dollars saved over ten years of the country's motorcycle helmet campaign.

# Chairman's Statement

Yet despite our considerable efforts and achievements, and those of our partners and many others across the world, three thousand five hundred lives continue to be lost in road traffic crashes every day, with many thousands more lives affected by injury, pollution and blighted environments. That is the shocking fact. That is what the FIA Foundation exists, and strives, to prevent. We are making progress, and we continue to fight for every life.

A handwritten signature in blue ink, appearing to read 'Lord Robertson', is positioned below the main text.

**The Rt Hon. Lord Robertson of Port Ellen, KT GCMG**  
FIA Foundation  
4 July 2018

# Trustees Report: Strategic Report

The Trustees present their report on the activities and results for the year ended 31 December 2017. 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 (the Foundation).

## Activities and Impact

Progress on the main activities and projects undertaken during the reporting period are detailed below. Further details are available in the Annual Review, which is available from our website, [www.fiafoundation.org](http://www.fiafoundation.org).

In 2017 the Foundation's main priorities were to encourage greater engagement by governments and other actors in the Sustainable Development Goal mobility targets, including through advocacy for a new UN Fund; to support partners in translating their programmes into policy action, for example by persuading policymakers to adopt approaches proven to reduce road traffic injuries; to establish our new Child Health Initiative as a recognised, respected and useful platform for promoting child mobility rights; and, to develop our environmental portfolio with fuel efficiency research on heavy goods vehicles and electric vehicles, and with new interventions to improve air quality.

### Road Safety: keeping up the pressure for international action

For the Foundation a key priority is to maintain momentum in the effort to build high level political will and financial commitments for global road traffic injury prevention. 2017 saw intense diplomacy to establish a global UN Road Safety Trust Fund and to identify new sources of sustainable funding to deliver the necessary action to save lives. The campaign has been spearheaded by the United Nations; the FIA High Level Panel for Road Safety; and the FIA President and UN Special Envoy for Road Safety, Jean Todt, all undertaken with funding from the Foundation. The campaign resulted in approval by the UN Secretary General for the new Fund, a decision set to be ratified by member governments in 2018.

To take this message out to the public, the Foundation supported the launch of the FIA's #3500LIVES campaign from March 2017. Rolled out in major cities across the globe, courtesy of JC Decaux, #3500LIVES is a truly unprecedented road safety advertising campaign. Already seen more than a billion times, the campaign's roster of celebrity ambassadors – movie and music stars like Michael Fassbender, Michelle Yeoh and Pharrell Williams; sports stars like Rafael Nadal, Vanessa Low and Felipe Massa - united in urging practical action by every road user: encouraging wearing a seat belt or a motorcycle helmet; and, discouraging speeding, drink driving and using a mobile phone. But the campaign also has a political message and a manifesto, fronted by Mayor of Paris Anne Hidalgo, the world has adopted a road safety health target in the Sustainable Development Goals and this ambitious objective has to be delivered.

In July 2017 the Foundation organised an event with ambassadors during the UN's High Level Political Forum, the main accountability meeting for measuring progress in achieving the SDGs. The forum heard from ambassadors and senior diplomats on the efforts their countries are making towards the road safety target. Jean Todt also presented the plans for a UN Fund and urged support.

### Mobility Rights of the Child

A priority for the Foundation and its Child Health Initiative is building effective alliances for action on road danger and air pollution through a focus on children. Our 'Every Journey, Every Child' conference in October 2017 brought together policy leaders from around the world to call for greater urgency in responding to these joint health burdens. Hundreds of thousands of children and young people are

# Trustees Report:

## Strategic Report

killed or seriously injured in road crashes every year; and, millions breathe highly toxic air every day causing life-long health issues. Air pollution, some of which is caused by traffic emissions, also enables major diseases like pneumonia which is now the leading killer of children aged under five.

At the Child Health Initiative event (convened by the Foundation and including UNICEF, Save the Children, UN Environment and the World Resources Institute) the #EveryLife Declaration of Every Child's Right to Safe and Healthy Streets was issued, comprising six articles of rights focused on protecting children from traffic related toxic air pollution and road traffic injury. The Declaration also calls for global leaders to provide a safe and healthy journey to school for every child worldwide. Mayor of London Sadiq Khan endorsed the call for action when he opened the conference, commending the Foundation for "doing so much to champion the cause of sustainable transport."

### Practical interventions to protect children

Under the aegis of the Child Health Initiative, the Foundation is supporting and working with a number of implementation partners to demonstrate that cost-effective solutions exist to prevent road traffic injury and, through better design, to create urban environments that protect and encourage health. The aim is to encourage governments to adopt life-saving policies.

In the Mexican city of Guadalajara, for example, resulting from a project led by the World Resources Institute (WRI), the municipality announced a 20 million Peso (\$1 million) increase in government funding for safe pedestrian crossing interventions within a total investment of 50 million Pesos (\$2.7 million). WRI worked closely with city authorities to influence infrastructure design. The work is highly targeted and data driven with WRI analysis identifying 50 intersections with high traffic fatality rates as priorities for action.

The approach is as relevant in sub-Saharan Africa as in Latin America. In Nairobi, 50% of the city's population get around by walking and cycling. Yet the majority of these journeys are potentially life threatening – pedestrians accounted for 70% of the city's 700 road fatalities in 2014. The 'Share the Road' programme led by UN Environment with the support of the Foundation is addressing this issue. In 2017, Share the Road issued an action plan to speed up implementation of the city's non-motorised transport programming.

In an example of cross-fertilisation across continents, Nairobi's experience is also benefiting the movement in Latin America, with lessons now being shared in Brazil. Here Foundation partners WRI and UN Environment are collaborating and maximising their impact. A network of 10 Brazilian cities (Niterói, Porto Alegre, João Pessoa, Campinas, Joinville, Salvador, São Paulo, Juiz de Fora, Recife e Fortaleza, and Distrito Federal) are now working to make walking and cycling safer and more accessible across the country. They are supported by guidance identifying a range of actions to enable people to walk and cycle safely.

In the United States, the Foundation is supporting 'Vision Zero for Youth', a programme to encourage cities to focus on young people as the starting point for citywide action to implement a safe system approach. The first recipient of the 'Vision Zero for Youth' Award, Mayor Eric Garcetti of Los Angeles described the imperative for action, "Children should be able to make their way to and from school safely. Continuing to make strategic, data driven approaches to engineering, enforcement, education, and evaluation, in partnership with school communities, will make L.A.'s streets safer."

Vision Zero for Youth was also translated to Mexico in 2017, with another Foundation partner, the Institute for Transportation and Development Policy (ITDP), implementing an initiative around middle

# Trustees Report:

## Strategic Report

schools in Mexico City. In Uruguay and Argentina, the street design and infrastructure around more than 80 schools was 'star rating' assessed by Fundación Gonzalo Rodríguez in partnership with the International Road Assessment Programme (iRAP). In ten countries in Sub-Saharan Africa, NGO Amend is linking demonstration infrastructure projects at schools with advocacy for policy change. And in Jamaica, Amend and iRAP are working with UNICEF and the automobile club in an initiative, supported by the Prime Minister, to mainstream traffic speed reduction and safe school infrastructure into national policy.

### The Speed Vaccine and UN Global Road Safety Week

A key objective for 2017 was to support a successful UN Global Road Safety Week, the regular awareness raising event around the world which in 2017 focused on speed management, the 'silver bullet' of traffic injury reduction. As well as providing financial support for the Week to the World Health Organisation (WHO) and the Global Alliance of NGOs for Road Safety, the Foundation published an Open Letter signed by more than 50 prominent figures including UN agency leaders, ministers, EU Commissioners, mayors, academics, public health deans from several major US universities and child rights NGOs and road safety campaigners. The signatories were headed by former President Jimmy Carter, WHO director general Margaret Chan, philanthropist Michael Bloomberg and Jamaican Prime Minister Andrew Holness, calling for reductions in urban traffic speed as a 'vaccine' proven to protect children from death and serious injury.

### Making an impact on vehicle safety

#SaferCarsforAfrica, the first ever independent car crash tests on the African continent, was launched to South African consumers in November 2017, shining a spotlight on the crash test performance of some of the most popular new cars in the country. The five cars, tested by Global NCAP and AA South Africa with the support of the Foundation and Bloomberg Philanthropies, showed a wide range of safety performances. The lowest ranking car, Chery QQ3, received a 'zero stars' rating, indicating a high probability of life-threatening injury in a road crash for both adult and child testing. The best performer, the Toyota Etios, managed a creditable four stars.

The models tested include South Africa's best-selling car, the VW Polo Vivo. The Datsun Go+ and Renault Sandero also underwent the safety assessment. Combined sales of these five cars account for around 65% of all the new cars sold in South Africa in 2016. Global NCAP chose the entry level version of each model and as a result one of them was not fitted with air bags as standard. The results highlight differences in the structural integrity of the vehicles tested. Now the pressure is on for the South African government to respond by requiring all new cars sold in the country to meet minimum UN regulations on crash performance. Despite being a signatory to the 1958 UN agreement on vehicle safety, South Africa has not yet adopted the crucial regulations which govern front and side impact minimum performance.

The NCAP tests also rate child restraint performance, assuming these have been correctly fitted. But ensuring laws covering child seat fitment and encouraging parents to use them is also a big challenge. There was some progress in 2017, with both Mexico and the United Arab Emirates adopting child restraint legislation following an advocacy campaign by their auto clubs using the FIA's 'Toolkit for child safety in cars'. The toolkit is funded by the Foundation and built on the principle that every country can improve its child restraint use. This digital advocacy and campaigning tool has been disseminated to member clubs involved in advocacy work on child safety. Nine pilot projects (in Belarus, Chile, Japan, Mexico, Paraguay, United Arab Emirates, and Uruguay) were activated in late 2016 and early 2017, at a range of levels, to help the clubs use Toolkit materials and promote regulatory reforms and raise public awareness. Belarus and Chile have poor enforcement and low child restraint use, while work in Japan,

# Trustees Report: Strategic Report

where use is widespread, focused on providing specialised information to engaged consumers to identify common mistakes.

## Influencing investment in infrastructure

In 2017 iRAP, the Foundation's partner working on road infrastructure safety, influenced the design of \$7.7bn worth of road construction and upgrading worldwide. This was mainly achieved through the programme's success in becoming an embedded element of policy in countries and institutions. In China, for example, China RAP is now a flourishing programme inside the transport ministry, working with the Asian Development Bank on more than \$1bn of highway build, with the aim of ensuring minimum safety design standards are met across the network. In England, the highways agency has a star rating target for its motorway network based on RAP protocols. The World Bank published a new 'safeguards' policy in 2017 and is currently reviewing how to incorporate RAP assessments and star rating as a performance guide.

In India, 2017 also saw the launch of a stand-alone India RAP programme. This builds on a series of road assessment projects conducted in India by the International Road Assessment Programme (iRAP) since 2010. To date, 12,000km of iRAP assessments have been undertaken on road projects supported by the World Bank, National Highways Authority of India (NHAI) and State Government across 12 states. Additional 5,000km of road is currently under assessment on the Golden Quadrilateral, linking the major cities of Delhi, Mumbai, Bangalore and Chennai. The need for a programme like India RAP is urgent in the Indian context. India's Ministry of Road Transport and Highways reports that 150,785 people were killed on the roads in India in 2016 – approximately 17 deaths every hour. Yet WHO estimates annual road deaths at more than 200,000.

## Taking action for the environment

Urban air pollution is now recognised to be a public health emergency of immense proportions. One of the significant contributors is vehicle emissions. So in 2017, the Foundation funded new analysis to shape policy debates around air pollution from vehicles. We are working to understand who is most exposed to toxic air, and analysing the disproportionate impact on deprived communities. We are measuring real-world vehicle emissions, to enable better targeting of solutions by policy makers, and we are helping to empower communities to take action towards a greener and healthier future.

The 'dieselpgate' scandal has highlighted both the discrepancy between posted laboratory tests and real world emissions performance, and the lengths some auto companies will go to cheat the system. A broader consumer understanding of emissions data, and the ability to check the real environmental impact of different vehicles, is vital for providing both policymakers and consumers with the information they need to make informed choices.

So in March 2017, the Foundation joined the Mayors of Paris, Anne Hidalgo, and London, Sadiq Khan, in announcing the TRUE (real urban emissions) Initiative. A partnership with the International Council on Clean Transportation (ICCT), Transport and Environment, C40 Cities and Global NCAP, and with co-funding from other foundations including Bloomberg Philanthropies, the initiative will test hundreds of thousands of vehicles, beginning in London, to ascertain their actual emission performance and publish the results. Roadside testing in London began in October 2017 and will be used to create the Greater London Authority's 'Used Cleaner Vehicle Checker' in 2018, following the testing of around 100,000 vehicles on London's streets.

Using London as a test case to inform global policy, the Foundation commissioned air quality consultants Aether to look at the evidence of which children are most affected by this problem. The resulting report

# Trustees Report:

## Strategic Report

'London's Polluted Schools: the Social Context', exposed serious equity issues within London: the capital's most deprived children are attending schools most affected by poor air quality. Children at these schools are more likely to walk there and less likely to use a car, and they contribute the least to the poor air which they have to breathe. The Foundation also established a twinning partnership between schools in London, Delhi and Nairobi to share experiences and advocacy training on air quality activism. Mayor Khan visited our Delhi school project in December 2017 as part of his trade mission to India.

The TRUE initiative builds on the Foundation's 15 year air quality partnership with UN Environment as a supporter of the Partnership for Clean Fuels & Vehicles, as well as our coordinating role of the Global Fuel Economy Initiative (GFEI). While the main focus of the GFEI has been on conventional passenger cars, a priority for 2017 was to develop policy for Heavy Duty Vehicles. Without action, worldwide fuel consumption by Heavy Duty Vehicles (HDVs) is on track to overtake passenger vehicles in the next two decades, confirming them as a major contributor to climate change, to poor air quality and to ill-health. Action needs to be taken by countries now to ensure that the Paris Agreement on climate change is more than just an aspiration.

At an official COP23 Climate Summit event in Bonn, the Foundation announced ambitious new GFEI targets for HDV fuel efficiency, outlining a target of a 35% reduction in average fuel consumption of new HDV vehicles globally by 2035, an ambitious but achievable goal in major markets. Achieving the GFEI 35by35 HDV target could save millions of barrels of oil per day and avoid 1-2 billion tons of CO<sub>2</sub> emissions per year in 2035. As with GFEI's passenger car strategy, the HDV target will be the focus of engagement with countries to develop action plans including awareness raising, performance labels and fiscal frameworks.

### Investing in safer motor sport

In 2017 the Foundation continued to support motor sport safety programmes across the world, working towards the 'Vision Zero' objective of preventing all fatalities and serious injuries in motor sport, and using the sport to showcase the possibilities for the wider motoring world.

There are two separate funding streams. Motor sport safety research funding is managed by the Fédération Internationale de l'Automobile Switzerland (FIA) with Foundation funding ring-fenced for projects undertaken by the Global Institute for Motor Sport Safety (The Global Institute). The Global Institute undertakes research and conduct crash investigations to improve motor sport safety and to promote the use of this research for the benefit of safety on public roads. A major project delivered in 2017 was the search for a new frontal protection system for single seater championships, following a number of incidents across track motor sport involving flying debris. A 'shield' screen was tested and rejected, and the FIA, as the governing body of motor sport, decided to implement the 'Halo'. This device has to withstand 125 kiloNewtons (kN) of force (equivalent to 12 tonnes in weight) from above for five seconds without a failure to any part of the survival cell or the mountings. It must also withstand longitudinal forces of 83 kN and a lateral load of 93 kN from the side. It is now the strongest element on a Formula One car. It is being deployed in 2018 in Formula One, Formula 2 and Formula E.

Other research projects undertaken with Foundation support include testing of new materials for Formula One headrests; development and testing of new side intrusion panels for lower formulae (F3 and F4) to maintain safety levels whilst minimising costs; the development of a new circuit safety barrier and full deployment to cope with Formula One's increased car speed in 2017; and the creation of prototype advanced seat brackets for better protection against tree impact for rally cars.

# Trustees Report:

## Strategic Report

The second stream of motor sport safety funding supports training and development for national sporting authorities, or ASNs (FIA and Foundation member clubs with regulatory powers in their countries to oversee motor sport). In 2017, nine safety seminars were organised for ASNs, motor sport event organisers, race directors and stewards, and drivers with topics including medical preparations for an event, safety equipment, track safety, including the positioning of spectators and media. A number of individual projects were also funded to train race operators and marshals, including in first aid and extrication techniques following a crash.

The Foundation also funds the World Motor Sport Accident Database (WADB) which collects accident data for motor sport safety research to improve data collection of fatal and serious accidents worldwide, centralise data for better analysis, and to enable the FIA and the Global Institute to identify research areas to improve motor sport safety. As more data is gathered, the FIA is better able to monitor the effectiveness of its safety training, the Scrutineering Seminars, and the Rally Safety Task Force. For example, since the Rally Safety Task Force went into operation, in response to a number of serious and fatal incidents, the FIA has recorded a decrease in the number of spectators killed or seriously injured from 13 killed and 19 seriously injured in 2015, to two spectators killed and two seriously injured in 2016, and three spectators killed and three seriously injured in 2017.

### Mobility Research

In 2017 the Foundation built on 2016 research into women's experience of personal security while using public transport, with a new stream of work focused on Latin American cities co-funded by the Corporación Andina De Fomento (CAF), the Development Bank of Latin America. This included an expert seminar in Buenos Aires and a new report 'Ella Se Mueve Segura (She Moves Safely)' published in January 2018 with events at the US Transportation Research Board annual meeting and the 'Transforming Transportation' event hosted by the World Bank.

In addition to the air quality research in London cited above, the Foundation also published a case study political economy review of London's approach to tackling the issue, and a number of technical research papers, including on electric vehicles, commissioned from partners in the Global Fuel Economy Initiative.

A road safety paper, 'Head First: a case study of Vietnam's motorcycle helmet campaign', which evaluated the impact and cost-effectiveness of the national effort to increase helmet use, was commissioned from our partner AIP Foundation and launched on the 10<sup>th</sup> anniversary of the introduction of the country's motorcycle helmet legislation, at an event in Hanoi attended by Vietnam's transport minister.

# Trustees Report: Strategic Report

## 2018 Objectives

The Foundation will support its key strategic programme partners in 2018 and beyond so that they can continue to develop and meet their objectives, within the framework of the Sustainable Development Goal mobility targets. Assisting partners in effective evaluation, maximising dissemination of peer-reviewed results, and securing new financial and technical partnerships to ensure sustainability of programmes continues to be a priority. A Strategy Review will also be held during 2018 to help the Foundation position its work for the post-2020 period.

Our main objectives for 2018 include:

- Working with governments due to report to the 2018 UN High Level Political Forum to promote fuel efficiency and road safety in cities as key deliverables in their accountability metrics for the SDGs;
- Supporting a successful launch for the new UN Fund for Road Safety, including funding and working as part of the FIA High Level Panel for Road Safety to encourage new donors and explore new sources of financing;
- Utilising the Child Health Initiative network to campaign for child rights and adolescent health to become a more integrated priority in global health strategies; and to build donor support for proven interventions;
- Publishing new research on the impact of road traffic injuries on children in Latin America, combined with a major networking event;
- Developing the new TRUE Initiative with publication of data for initial cities, including London and Paris; a networking event; and building an alliance of additional cities and donors;
- Undertaking a Strategy Review to evaluate the impact and future potential of our current partners, to understand the policy and data context of the world in which we're operating; and to position for future challenges;
- Commissioning and publishing further innovative mobility research on women's security, child rights and links between transport policies and social exclusion, poverty, education and environmental protection.

# Trustees Report: Strategic Report

## Financial Review

### Summary of results

	<b>2017</b>	2016	Percentage Change
	<b>€000's</b>	€000's	
<b>Incoming Resources:</b>			
Unrestricted funds	<b>8,110</b>	8,562	-5.3%
Restricted funds	<b>195</b>	556	-64.9%
	<b>8,305</b>	9,118	-8.9%
<b>Resources Expended:</b>			
Unrestricted funds	<b>18,788</b>	19,236	-2.3%
Restricted funds	<b>373</b>	1,060	-64.8%
	<b>19,161</b>	20,296	-5.6%
<b>Gains/(losses) on investment assets</b>			
Unrestricted funds	<b>11,571</b>	6,215	86.2%

## Incoming Resources

### Unrestricted funds:

The Foundation's unrestricted activities are primarily funded by the returns achieved by the investment portfolio. Although income has reduced by €452,000 during the year, income returns account for 63.6% (2016: 68.0%) of our cash requirement for the year, before exceptional withdrawals. This is due to the asset allocation decisions of our investment managers, with a focus on investment in high quality assets with strong historical performance and good dividend yields.

### Restricted funds:

Restricted fund income comprises donations of €96,000 (2016: 252,000) received by the Road Safety fund, and grant income received of €99,000 (2016: €304,000).

Donations by donor are disclosed in note 2 of the financial statements. Donations are passed to NGO's in accordance with the donor's instructions. 2018 will be the last year of the Road Safety Fund as the Foundation has agreed with the World Health Organization to close the fund after this year's donation from Johnson and Johnson has been received and the remaining outstanding grants have been paid. For many years the Foundation has acted as a facilitator for donors to give directly to NGO's, and hence the Fund is no longer required.

Grant income of €99,000 (2016: €304,000) was received for restricted funds as disclosed in note 3 of the Financial Statements. The funds are restricted for use for specified purposes as laid down by the donor.

# Trustees Report: Strategic Report

## Expenditure and Charitable Activities

Total expenditure for the year was €19,161,000 (2016: €20,296,000). Expenditure covers four main areas: Safety environment and mobility; Motor sport safety; Memberships and affiliations; and Representational activities and external communications. Expenditure is split between charitable activities, investment manager fees and support costs.

The majority of the Foundation's expenditure is via the grant programme, although it does manage its own advocacy and research programmes to promote safe and sustainable mobility around the world to achieve the objective of safe, clean, fair and green mobility for all.

### Grants Awarded

The total allocated to grants and internally managed projects (designated funds) was €15,223,000 (2016: €15,558,000). €13,532,000 (2016: €13,753,000) was allocated to our grant programmes, whilst €1,691,000 (2016: €1,805,000) was transferred to designated funds for internally managed projects.

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

Category	2017					2016		
	No.	Grants Awarded €000's	Write back ^ €000's	Net grants awarded €000's	Percent- age of grants awarded	No.	Net grants awarded €000's	Percent- age of grants awarded
<b>Unrestricted Funds:</b>								
Annual programme: Safety, environment and mobility	37	6,672	(23)	6,649	68.1%	23	5,523	64.4%
Motor sport safety	3	3,020	-	3,020	31.0%	3	3,020	35.2%
Memberships and affiliations	5	88	-	88	0.9%	4	38	0.4%
	<b>45</b>	<b>9,780</b>	<b>(23)</b>	<b>9,757</b>	<b>100%</b>	30	8,581	100%
<b>Exceptional funding:</b>								
Safety, environment and mobility	5	2,380	-	2,380	67.2%	12	3,221	76.3%
Motor sport safety	2	1,162	-	1,162	32.8%	1	1,000	23.7%
	<b>7</b>	<b>3,542</b>	<b>-</b>	<b>3,542</b>	<b>100%</b>	13	4,221	100%
<b>Total unrestricted funds</b>								
Safety, environment and mobility	42	9,052	(23)	9,029	67.9%	35	8,744	68.3%
Motor sport safety	5	4,182	-	4,182	31.4%	4	4,020	31.4%
Memberships and affiliations	5	88	-	88	0.7%	5	38	0.3%
	<b>52</b>	<b>13,322</b>	<b>(23)</b>	<b>13,299</b>	<b>100%</b>	43	12,802	100%

# Trustees Report: Strategic Report

Category	2017					2016		
	No.	Grants Awarded €000's	Write back ^ €000's	Net grants awarded €000's	Percent- age of grants awarded	No.	Net grants awarded €000's	Percent- age of grants awarded
<b>Restricted Funds:</b>								
Safety, environment and mobility	5	233	-	233	100%	8	470	49.4%
Motor sport safety	-	-	-	-	-%	1	481	50.6%
	<b>5</b>	<b>233</b>	<b>-</b>	<b>233</b>	<b>100%</b>	<b>9</b>	<b>951</b>	<b>100%</b>
<b>Grants Awarded</b>	<b>57</b>	<b>13,555</b>	<b>(23)</b>	<b>13,532</b>		<b>52</b>	<b>13,753</b>	

^ The write back represents underutilised grants awarded in prior years.

39 (2016: 36) organisations benefitted from grants awarded during the year. Grants are disclosed, by recipient and project, in note 6.

During 2015 the Foundation made an exceptional withdrawal of €10 million. This withdrawal has been used to extend the grant making programme during the period 2015 to 2017. €9,958,000 of the €10 million was been committed during 2015 to 2017. The final €42,000 has been allocated in 2018.

As noted in last year's Strategic Report exceptional returns were achieved during the first quarter of 2017. As a result, the Board agreed to draw down an additional €5 million from the portfolio in March 2017, to extend the grant making programme during the period 2017 to 2020. €912,000 was committed during 2017. A further €1,863,000 has been allocated in 2018, and the remaining €2,225,000 has been allocated to 2019 and 2020.

## Designated funds

The Foundation continues to manage, support and develop road safety and environmental programmes. Funds are designated by the Trustees for specific purposes to meet the Foundation's objectives.

Allocations and expenditure on designated funds were as follows:

	Number of projects	Balance brought forward €000's	Funds designated €000's	Reallocations €000's	Grants Awarded €000's	Direct expenditure €000's	Balance carried forward €000's
Safety, environment and mobility	5	472	776	55	(256)	(634)	413
Representational activities and external communications	5	183	915	(55)	(97)	(843)	103
<b>Total</b>	<b>10</b>	<b>655</b>	<b>1,691</b>	<b>-</b>	<b>(353)</b>	<b>(1,477)</b>	<b>516</b>

# Trustees Report:

## Strategic Report

Designations, by project, are disclosed in note 19. The balance carried forward on designated funds will be utilised during the forthcoming year.

### Other costs and overheads

The Foundation monitors and reviews support and indirect costs on a quarterly basis to ensure they are in line with expectations and budgets. Costs incurred in 2017 were in line with the budgets set, in their native currency. The majority of overhead costs are incurred in Sterling and translated to Euro at the prevailing exchange rate.

### Grant making and monitoring policy for unrestricted funds

The Foundation has established its grant policy to achieve its objects for public benefit.

Grants are awarded in the following categories: Safety, environment and mobility; Motor sport safety; Memberships and affiliations. The aim of the Foundation is to promote research, disseminate 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, the safety of motor sport and the protection of the environment.

The Foundation invites applications for grants from organisations which it considers to be appropriate strategic partners and whose activities meet the aims stated above. As the result of a Strategic Review conducted in 2011 the Foundation no longer accepts unsolicited applications. Applications are considered by the Programmes Committee which makes recommendations to the Board of Trustees.

Grants awarded are reviewed annually to ensure that they reflect the Foundation's objects and thereby advance public benefit.

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. Evaluations are undertaken annually. The Activity Evaluation Criteria are as follows:

- **Resource mobilisation:** assessing the additional financial resources mobilised both directly and indirectly as a consequence of the Foundation's 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; and
- **Impact effects:** assessing both direct and indirect impacts of the project in terms of end results such as fatality/injury reduction rates, seat belt usage, reduced vehicle emission, increased public awareness, or similar metrics and measurable outcomes.

The aim of the evaluation is to assist our annual and multi-annual grants beneficiaries to meet their activity goals and our charitable objectives. 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. During the 2017 evaluations of all multi-year recipients received a satisfactory evaluation and hence the next year of funding will be made available in 2018.

# Trustees Report: Strategic Report

## Grant making policy for the Road Safety Fund

Grants are made by the Secretariat, with approval from the co-Chairmen and the Expert Advisory Committee of the Fund, which includes one Foundation Trustee. The Committee meets at least once a year. All Fund activities are reported to the main Programmes Committee of the Foundation.

Grants are awarded to recipients in accordance with the donor's requests. Grants must meet the same Activity Evaluation Criteria as grants from unrestricted funds and be consistent with the objectives of the Global Plan for the Decade of Action for Road Safety.

## Reserves Policy and Management

At 31 December 2017 reserves were as follows:

Reserves	2017 €000's	2016 €000's	Percentage increase/ (decrease)
Unrestricted Funds			
- General funds	362,738	354,075	2.4%
- Designated Funds	516	655	-21.2%
	<b>363,254</b>	354,730	2.4%
- Revaluation reserve	45,245	52,876	-14.4%
	<b>408,499</b>	407,606	0.2%
Restricted Funds	64	242	-73.6%
<b>Total</b>	<b>408,563</b>	407,848	0.2%

Restricted funds are expected to further reduce during 2018 with the closure of the Road Safety Fund, and the completion of the Personal Security of Women: A Study of Three Cities in Latin America work. The Global Fuel Economy Initiative - Regional Implementation project has been extended and is now scheduled for completion in 2019.

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". To achieve the objective of preserving the capital base the Foundation aims to ensure that the value of the investment share portfolio is equal to the expected growth of the original donation from the FIA once the Consumer Price Index (CPI) for Europe is applied.

The difference in the two values is shown below:

	2017 €000's	2016 €000's	2015 €000's	2014 €000's	2013 €000's
Value of the listed investment portfolio (shares and cash)	380,097	380,566	379,037	367,661	330,869
Value of the original donation from the FIA after the Consumer Price Index (CPI) for Europe is applied	392,901	386,409	381,978	381,216	381,979
Reserves shortfall	<b>(12,804)</b>	(5,843)	(2,941)	(13,555)	(51,110)

# Trustees Report: Strategic Report

The increase in the shortfall in 2017 to €13 million (€6 million) is stated after an exceptional €5 million was withdrawn from the portfolio in March 2017. Had this withdrawal not been made the shortfall would have been €8 million.

The Foundation has adopted a conservative expenditure policy since 2008 to improve the level of reserves available. The expenditure policy has been balanced with the needs of our beneficiaries and our charitable activities. However, the Foundation has taken advantage of periods where the Investment Portfolio has produced excessive returns to draw down funds to extend the grant making programme, for example, in 2015 and 2017 where exceptional withdrawals of €10 million and €5 million were made.

The Foundation has reviewed the annual level of expenditure and anticipates that current expenditure levels of approximately €12 million per year in total (a drawdown of approximately 3-4% of total investment assets), rising by inflation is not excessive and will enable it to continue to meet the needs of beneficiaries for the foreseeable future.

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 expected return is approximately 3%.

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 Trustees have agreed to hold cash balances of a minimum of €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 the end of each year the Foundation assesses the level of unrestricted cash balances held (cash at bank and as part as of the investment portfolio) and outstanding commitments to determine the amount which will be requested from the portfolio during the following year. Unrestricted cash balances held were as follows:

<b>Unrestricted Cash balances</b>	<b>2017</b>	2016
	<b>€000's</b>	€000's
Cash at Bank	<b>17,813</b>	13,327
Cash held as part of the investment portfolio	<b>22,511</b>	27,839
<b>Total</b>	<b>40,324</b>	40,666

Cash balances held at the year end comply with the reserves policy of holding a minimum of €9 million.

# Trustees Report: Strategic Report

Cash and bank balances held internally have risen reflecting the increase in the monies due to grant beneficiaries (see note 16) which we anticipate will be paid during 2018, and the additional exceptional withdrawal of €5 million made during the year which will be used to extend the grant making programme in 2018 to 2020.

Each investment manager continues to hold at least €6 million in cash within the portfolio in compliance with our investment policy (see below).

## Investment Policy and Performance

The performance of the investment portfolio is critical for the continued success of the Foundation and its ability to continue to fund grants.

### Investment policy

The 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 principal 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 current investment managers of the Foundation are Investec Wealth and Investment Limited (Investec), Credit Suisse (UK) Limited (Credit Suisse) and Sarasin and Partners LLP (Sarasin). Custodial services are provided by all of our managers as part of the management fee already paid. The Trustees have assessed that there is no increased investment risk of allowing each manager to act as custodian.

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 is reviewed annually by the Investment Committee.

With effect from 2 March 2015, the Foundation's investment policy was altered and investment directly or indirectly in tobacco companies or related businesses is prohibited.

Each manager has been asked to hold at least €6 million in cash within the portfolio, to protect the value of the funds during 2017-18. The Trustees have confirmed they would be willing to accept reduced returns for the capital protection.

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*

# Trustees Report: Strategic Report

*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.”*

The requested draw down from investment managers for the year ending 31 December 2018 has been set at €13.0 million. This will be used to fund the remaining grant payments and overheads for 2018, with €6 million being retained to fund the first grant payments of 2019. The funds will be drawn down in the latter half of the year.

During the Board of Trustees Meeting in March 2018 the Foundation agreed, in principle, to make exceptional withdrawals totalling \$10 million over the three year period to 2020 to help catalyse wider fundraising efforts for the new UN Fund for Road Safety. The withdrawals are contingent on the UN fund being able to attract match funding from other sources.

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

Investment manager fees are calculated as a fixed percentage of the value of the portfolio. Fee rates range between 0.3 and 0.4 basis points. Fee levels are closely monitored on a quarterly basis by the members of the Investment Committee.

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 are utilised by one manager, Sarasin, and take the form of options.

## Investment performance

The performance of each manager is assessed against the targets laid down in the Statement of Investment Principles, on a total returns basis.

A summary of the performance of investment assets is provided below:

	<b>2017</b>	2016
	<b>€ 000's</b>	€ 000's
Value of investment assets (property and share portfolio)	<b>390,011</b>	390,131
Realised (losses)/gains on investment assets	<b>(1,846)</b>	(8,374)
Unrealised gains on investment assets	<b>13,417</b>	14,589
Withdrawals during the year *	<b>17,743</b>	12,597
Percentage increase in value of assets (after withdrawals)	<b>0.0%</b>	0.1%
Total return on listed investments	<b>4.9%</b>	4.0%
European Consumer Price Index (CPI)	<b>1.7%</b>	1.2%
Investment income	<b>8,110</b>	8,562
Income yield	<b>2.1%</b>	2.1%
Accrued income due	<b>628</b>	744
Investment manager fees	<b>1,557</b>	1,500
Fee levels charged	<b>0.4%</b>	0.4%

# Trustees Report: Strategic Report

\*As noted above exceptional returns were achieved during the first quarter of the 2017. As a result the Board agreed to draw down an additional €5 million from the portfolio in March 2017, to extend the grant making programme during the period 2017 to 2019.

All asset allocation decisions are taken by our investment managers. Diversification is by asset class, investment manager and investment style.

The total return for the year of 4.9% (2016: 4.0%).

The result was affected by the under-performance of Credit Suisse, whose return was 0.9%. Incorrect currency positioning and negative equity selections impacted their overall return. Credit Suisse did not meet the requirement of increasing the value of the fund by European CPI during the year, after withdrawals.

The total return of Investec and Sarasin at 7.7% and 5.7% respectively were positive, and in line with general market movements. Investec met the target increasing the value of the fund by European CPI during the year, after withdrawals. Sarasin did not manage to meet this target. This was due to the request for their share of the exceptional €5 million withdrawal. Had this withdrawal not been made, Sarasin would have met the target for the year.

At 31 December 2017, the evolution of the asset allocation of investments was:

	2017	2016	2015	2014	2013
Listed equity investments	64.8%	63.5%	68.4%	73.1%	74.0%
Fixed and variable interest stocks	18.2%	18.5%	15.9%	15.0%	13.6%
Alternative investments	4.7%	4.8%	2.7%	2.2%	2.2%
Property funds	3.8%	3.5%	2.2%	2.7%	2.6%
Investment Properties	2.7%	2.6%	3.0%	2.3%	2.2%
Cash	5.8%	7.1%	7.8%	4.7%	5.4%
Total	100%	100%	100%	100%	100%

All three managers expect asset allocations and geographical allocations to remain at similar levels to those in 2017, during the forthcoming year. Equities remain the asset class of choice.

The Foundation has significant exposure to foreign currency due to its globally diversified portfolio.

The global allocation of investments was:

	2017	2016	2015	2014	2013
Europe	49.3%	40.4%	43.9%	42.7%	42.7%
UK	12.9%	14.1%	14.3%	14.9%	15.3%
North America	28.9%	38.3%	33.2%	35.9%	34.7%
Asia, Pacific and other countries	8.9%	7.2%	8.6%	6.5%	7.3%
Total	100%	100%	100%	100%	100%

A desktop valuation of the Investment Property was undertaken by Montagu Evans, Chartered Surveyors as at 31 December 2017. Investment properties are included in note 14. The resulting unrealised gain for the year of following this valuation was €233,000, comprising a valuation gain of

# Trustees Report: Strategic Report

€626,000 and an exchange rate loss of €393,000 (2016: loss €1,484,000, comprising a valuation gain of €194,000 and an exchange loss of €1,678,000).

## Restricted Funds

The Foundation managed four restricted funds during the year. The donations and other incoming resources received or generated for expenditure are restricted for the specified purposes as laid down by the donor.

At the end of the year the balances on each fund were as follows:

Restricted fund	2017 €000's	2016 €000's
The Global Fuel Economy Initiative - Regional Implementation	64	116
Global Road Safety Campaign Programme	-	57
Personal Security of Women: A Study of Three Cities in Latin America	(7)	(27)
Road Safety Fund	7	96
<b>Total</b>	<b>64</b>	<b>242</b>

The purpose and restriction of the funds, and an analysis of incoming and outgoing resources is provided in note 20 to the financial statements.

## Internal Control and Risk Management

The Trustees are responsible for the Foundation's systems of internal control and effectiveness. No system of internal control can provide absolute assurance against material misstatement or loss. However, the 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 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 "Accounting and Reporting by Charities"; and to fully implement the Foundation's anti-bribery policy it is necessary to carry out an anti-bribery and corruption risk assessment. The Foundation developed an anti-fraud policy statement and response plan and continued to carry out its annual risk assessment and partner evaluation process. It is also in the process of developing a sanctions policy, and has updated its due

# Trustees Report: Strategic Report

diligence processes to ensure the Foundation is taking all possible measures to mitigate against the risk of breaching sanctions anywhere in the world.

The Foundation's risk management matrix is now divided into four major risks 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 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; data protection breaches/compliance with the General Data Protection Regulation;
- **Reputational:** non-compliance with UK charity/company law/sanctions regimes; beneficiary relationships; and stakeholders' perceptions; and
- **Bribery and Corruption:** country risk; sector risk; transaction risk; activity opportunity risk; activity partner risk; and internal risk.

The Board of Trustees and the Audit Committee review the major risks to which the Foundation is exposed on an annual basis 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.

Principal risks assessed as medium or higher level risks are as follows:

Risk	Measure in place to mitigate the risks
<b>Financial - investment policy</b>	
<ul style="list-style-type: none"> <li>- financial loss through inappropriate/speculative investment or lack of diversity.</li> <li>- lack of investment advice/strategy.</li> <li>- market risk and counter party risk.</li> </ul>	<ul style="list-style-type: none"> <li>- agreed Statement of Investment Principles reviewed periodically.</li> <li>- an adequate reserves policy.</li> <li>- the use of reputable fund managers.</li> <li>- investment experience within the Board of Trustees.</li> <li>- regular monitoring of the fund managers by the Investment Committee.</li> </ul>
<b>Financial - credit risk</b>	
<ul style="list-style-type: none"> <li>- investments and bank balances and credit risk is primarily attributable to bank balances.</li> </ul>	<ul style="list-style-type: none"> <li>- review the level of balances held with each institution and reviews credit ratings.</li> </ul>

# Trustees Report: Strategic Report

Risk	Measure in place to mitigate the risks
<b>Financial - currency risk</b> <ul style="list-style-type: none"> <li>- exposure to translation and transaction foreign exchange risk from non Euro denominated assets.</li> </ul>	<ul style="list-style-type: none"> <li>- management by use of forward exchange contracts to hedge these exposures.</li> </ul>
<b>Financial - market risk</b> <ul style="list-style-type: none"> <li>- Investments are subject to market movements.</li> </ul>	<ul style="list-style-type: none"> <li>- investment through diversification across a broad range of asset classes, geographies, investment managers and investment strategies.</li> <li>- 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.</li> </ul>
<b>Financial - liquidity risk</b> <ul style="list-style-type: none"> <li>- to ensure sufficient liquidity is available to meet foreseeable needs.</li> </ul>	<ul style="list-style-type: none"> <li>- aim 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.</li> </ul>
<b>Operational – loss of staff</b> <ul style="list-style-type: none"> <li>- loss of valuable knowledge, skills and experience.</li> <li>- operational impact on projects and day-to-day running of the Foundation.</li> <li>- loss of contact base.</li> <li>- weak organisational structure.</li> </ul>	<ul style="list-style-type: none"> <li>- annual review of employee reward and retention strategy.</li> <li>- High-end employee benefit package.</li> <li>- Flexible work environment.</li> <li>- Two Deputy Directors appointed 2016.</li> <li>- Deputies appointed to cover roles during absences and sound documentation system.</li> <li>- Periodic review of organisational chart and job descriptions.</li> </ul>
<b>Reputational - beneficiary relationships</b> <ul style="list-style-type: none"> <li>- impact on Foundation’s reputation.</li> <li>- complaints from grant beneficiaries.</li> </ul>	<ul style="list-style-type: none"> <li>- thorough due diligence and approval process for grants.</li> <li>- payment by instalments and potential for suspension or demand for remedial measures.</li> <li>- a grant evaluation process including reporting requirements, annual meeting with key beneficiaries.</li> <li>- an independent audit of a sample of grant awards will be implemented.</li> </ul>

# Trustees Report: Strategic Report

Risk	Measure in place to mitigate the risks
<b>Reputational – risk of breach of EU, UN, UK, and USA sanctions</b>	
<ul style="list-style-type: none"> <li>- penalties from relevant country</li> <li>- impact on Foundation’s reputation</li> </ul>	<ul style="list-style-type: none"> <li>- sanctions policy introduced.</li> <li>- thorough due diligence including sanctions screening, and approval process for grants.</li> <li>- in the case of grant activities in high risk jurisdictions, enhanced and ongoing due diligence.</li> <li>- Regular review of due diligence and grants in countries where sanctions exist.</li> <li>- Sanctions compliance training for relevant staff.</li> </ul>
<b>Bribery and Corruption - Sector Risk</b>	
<ul style="list-style-type: none"> <li>- Widespread corruption in road transport sector.</li> </ul>	<ul style="list-style-type: none"> <li>- Adoption of anti-bribery and corruption and anti-fraud policies.</li> <li>- Foundation only works with known partners with an interest in protecting consumers and public safety.</li> <li>- Foundation partners are required to acknowledge our anti-bribery and corruption, and anti-fraud policies.</li> <li>- Appointment of Compliance Officer.</li> <li>- Grant agreements require partners to certify annually compliance with applicable anti-bribery/fraud laws.</li> <li>- Periodic external audit review.</li> </ul>

## Bribery and Corruption

Country risk: The Foundation’s main partners are from the following countries: United Kingdom; USA; Vietnam; France; Tanzania and Uruguay. The Foundation uses the Transparency International Corruption Perceptions Index (TICPI) for an indication of the corruption risk in a particular territory. The higher the score, the “cleaner” the country. A score of below 50 indicates that public institutions in that country need to be more transparent and powerful officials more accountable. The decision to continue operations in a particular territory is one of management. Enhanced procedures and controls must be adopted when undertaking activities in the higher risk jurisdictions. All of the countries listed above have a score greater than 70, except for Vietnam and Tanzania, which have scores of 35 and 36 respectively (2017 scores). Given our robust anti-bribery and corruption and anti-fraud policies and Fraud Response Plan, and our new sanctions monitoring and compliance work and the fact that we only work with known partners with an interest in protecting consumers and public safety, the Foundation is comfortable with these scores.

In all of the bribery and corruption risk areas (sector; transaction, activity opportunity; activity partner; and internal), the Foundation has in place policies and procedures to ensure it is as well protected as it can be. Such policies and procedures include a Compliance Officer; the need for all partners to acknowledge our anti-bribery and corruption and anti-fraud policies; training for all employees who may face demand for facilitation payments; gifts and hospitality rules.

# Trustees Report:

## Structure, governance & management

### Charity Status

The FIA Foundation 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 is limited to a sum not exceeding £10. The Foundation is governed by its Articles of Association. The directors of the 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.

### Charity Objects

The objects of the 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 Foundation is primarily a grant making organisation although it does manage some projects internally. The grant making policy is included in the Strategic Report.

Grants awarded and activities undertaken directly by the Foundation fall 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, memberships and affiliations expenditure (see below) also fulfil this objective.

#### Memberships and affiliations

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

#### Representational activities and external communications

As described above these are activities undertaken directly by the Foundation to achieve our first objective.

# Trustees Report:

## Structure, governance & management

### 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 current Trustees' Code of Conduct. The principal involvement of Trustees is through participation in the Board and its subsidiary bodies, namely the Executive; Programmes; Investment; and Audit Committees.

#### Trustees and Committee membership

Under the Articles of Association, the Board of Trustees must maintain a minimum membership of nine and a maximum membership of 15. This figure includes not less than two directors independent from any member of the charity, the President of the FIA *ex officio*, and three directors nominated by the FIA. The independent directors and all non-FIA nominated Trustees are elected by an ordinary resolution by members at the Annual General Meeting (AGM). One third (or the nearest one third) of these Trustees must retire at each AGM. Other than the President of the FIA, trustees are elected for a maximum of two terms of three years. The Board may permit a trustee to stand for election for a third consecutive term of office if it is satisfied that there is a particular need for that trustee's skills and experience on the Board of Trustees, or, in the case of the three FIA trustees, if the FIA requests such an extension.

The Trustees who served throughout the year are shown below:

	Year of Appointment	Committee			
		Executive	Programmes	Investment	Audit
Mr J Abed	2015				
Ms M Amoni ^	2012		✓		
Mr M D Angle (Treasurer) ^	2010	✓		II	✓
Mr N Crow #	2011				
Mr B Gibbons #	2011				
Mr A Gow	2012		✓		
Mr E Jarrett (Company Secretary)	2011	✓			II
Mr W Kraus	2016		✓	✓●	✓∂
Mr A Lagman	2014		✓		
Mr M Nadal	2014		II		
Mr G Stoker #	2011				
The Rt Hon. The Lord Robertson of Port Ellen KT (Chairperson) ^	2014	II	∴	∴	∴
Mr J Todt ( <i>ex officio</i> , FIA President)	2008				
Mr K Woodier ^	2016			✓	✓●
Mr T Yashiro	2012				

^ Independent Trustee

II Chairperson

∂ From 14 March 2018

# FIA nominee Trustees

∴ *Ex officio* member

✓ Member

● From 29 June 2017

# Trustees Report:

## Structure, governance & management

The Programmes Committee meeting is now held the day before the Spring Board of Trustees meeting, so it is normal practice for most Trustees to attend this meeting.

During the Board Meeting on 2 April 2014, it was agreed that one FIA nominated Trustee would be invited to join the Executive Committee. The Trustee selected will depend on the subject under discussion.

Messrs N Craw, B Gibbons, E Jarrett, G Lagman, M Nadal, G Stoker and Chairman Lord Robertson of Port Ellen KT retired from the Board at the AGM on 7 December 2017. Lord Robertson of Port Ellen KT, and Messrs Lagman and Nadal were re-elected for second term, and Messrs Craw, Gibbons, Jarrett, and Stoker were re-elected for a third and final term.

Ms M Amoni, and Messrs J Abed, A Gow and T Yashiro are due to retire at the forthcoming AGM. Ms Amoni, and Messrs Gow and Yashiro have served two terms and are eligible for re-election for a third and final term. Mr Abed has served one term and is eligible to offer himself for re-election for a second term.

### Key management and personnel remuneration

The Trustees consider the Board of Trustees and the Executive Director as the key management personnel of the charity in charge with directing and controlling the charity, and running and operating the charity on a day to day basis.

All Trustees give their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in notes 12 and 26 respectively.

The pay of the charity's Executive Director is reviewed annually by the Executive Committee and is increased in line with inflation. The remuneration is also benchmarked with charities of a similar size and activity to ensure that the remuneration is not out of line with that paid for similar roles.

### Committees and meetings

The Board of Trustees meets three times a year. There are also 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 terms of reference for each committee are:

**Executive Committee:** to review questions of governance or any other matter referred to it by the Chairperson 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 Executive Director 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 Executive Director.

**Programmes Committee:** 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.

# Trustees Report:

## Structure, governance & management

Investment Committee: 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 Finance Director when required in all routine aspects of the management of the Foundation's financial resources.

Mr D Clermont was appointed as a co-opted member of the Investment Committee on 29 June 2017. With regret, he resigned from the Committee on 1 February 2018 to concentrate on his growing Private Equity Investment Fund.

Mr G Braggiotti was appointed as a co-opted member of the Investment Committee on 14 March 2018.

Audit Committee: 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 Audit Findings Document; 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.

### Induction and training of new Trustees

When a new Trustee is appointed, they receive the Foundation Governance handbook – 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 Anti-Fraud policy and Fraud Response Plan
- the Foundation's Conflict of Interest policy;
- the Code of Conduct for Trustees;
- Sanctions Policy;
- a note on the Foundation's relationship with the FIA;
- the Strategy Review issued in 2011;
- a copy of the Memorandum of Understanding between the Foundation and the FIA;
- the Foundation's 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.

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 Foundation and complete and update, on an annual basis, a register of interests.

# Trustees Report:

## Structure, governance & management

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 Foundation has a policy on conflicts of interest which applies to Trustees, employees and members of the Foundation's decision-making committees. When a Trustee has a material interest in any grant, investment or other matter being considered by the 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 Foundation for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic 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 FRS 102;
- make judgements 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.

As 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

# Trustees Report:

## Structure, governance & management

the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Other Matters

#### The Strategic Report

The Trustees confirm that in approving these financial statements they are also approving the Strategic Report, which is contained within the Trustees' Report, in their capacity as Trustees and Directors of the Foundation.

#### Charity Commission request for information

The Charity Commission contacted the FIA Foundation in September 2017 requesting clarification following media reports that the Fédération Internationale de l'Automobile France (FIA) had funded motor sport safety projects in Syria, through the Automobile Club of Syria (which is a member of both the FIA and the FIA Foundation). In response the Foundation provided our regulator with information about a number of small sub-grants, made by the FIA from Foundation grants, for both road safety and motor sport safety projects in Syria.

The Charity Commission was satisfied that the grants in question met our charitable objectives and did not breach any international sanctions in force against Syrian entities or individuals, and formally closed its review in March 2018.

The Board of Trustees was concerned about some aspects of the case, namely that an instruction from the Foundation to our partner in 2015 not to fund mobility projects in Syria had not been followed, and that there had been insufficient oversight of the sport projects. As a result changes have been made to grant processes; sanctions compliance has been toughened; and a new member of staff has been appointed, on a consultancy basis, to provide enhanced oversight of motor sport safety projects. The Foundation will not make, or allow partners to make, grants in Syria for the foreseeable future.

#### 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.

#### Fund-raising

The Foundation is not actively engaged in fund raising activities.

#### Changes in fixed assets

The movements in fixed assets are set out in notes 13 and 14 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 19. Grants made to organisations which are members of the charity are disclosed in note 6. All other related party transactions are disclosed in note 26.

# Trustees Report:

## Structure, governance & management

### Social Media

The Foundation utilises social media as a core part of its communications activities. Twitter and Facebook are the primary channels. They have enabled the Foundation to communicate and engage with organisations and individuals in order to meet both advocacy and programmatic objectives. Through social media, the Foundation has been able to target its communications effectively and also connect with a wider audience. Social media has been particularly important in efforts to engage with a wide range of organisations and individuals influential in the post-2015 SDG process. Communications on social media are managed with appropriate diligence and care. They are controlled by the Director of Advocacy and Executive Director to ensure that the Foundation's objectives are met and risks managed.

Links to our sites are:

Twitter FIAFdn: <https://twitter.com/FIAFdn>

Twitter GFEI: <https://twitter.com/GlobalFuelEcon>

Twitter CHI: <https://twitter.com/childhealthGI>

Twitter TRUE: <https://twitter.com/TrueEmissions1>

Facebook CHI: <https://www.facebook.com/ChildHealthInitiative/>

Facebook MRS: <https://www.facebook.com/makeroadssafe>

Instagram CHI: <https://www.instagram.com/childhealthgi/>

### Auditor appointment

Wilkins Kennedy LLP, having expressed their willingness to continue in office, will be deemed to have been reappointed for the next financial year in accordance with section 487 (2) of the Companies Act 2006.

On behalf of the Trustees



**The Rt Hon. Lord Robertson of Port Ellen KT GCMG**

Chairperson

4 July 2018

# Independent Auditors Report to the Members of the FIA Foundation

## Opinion

We have audited the financial statements of FIA Foundation (the 'charitable company') for the year ended 31 December 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 2017 and of its incoming resources and application of resources, 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.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material

# Independent Auditors Report to the Members of the FIA Foundation

misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report and strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

## Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which 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.

## Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered

# Independent Auditors Report to the Members of the FIA Foundation

material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of our report

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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Creasey (Senior Statutory Auditor)  
For and on behalf of Wilkins Kennedy LLP  
Statutory Auditor, Chartered Accountants  
Egham  
4 July 2018

# Statement of Financial Activities

For the year ended 31 December 2017 (incorporating an income and expenditure account)

	Note	Unrestricted Funds 2017 €000's	Restricted Funds 2017 €000's	<b>Total 2017 €000's</b>	Total 2016 €000's
<b>Income</b>					
Donations	2	-	96	<b>96</b>	252
Charitable activities	3	-	99	<b>99</b>	304
Investment income	4	8,110	-	<b>8,110</b>	8,562
<b>Total Incoming resources</b>		<b>8,110</b>	<b>195</b>	<b>8,305</b>	<b>9,118</b>
<b>Expenditure</b>					
Raising funds:					
- Costs of managing investments	5	1,722	-	<b>1,722</b>	1,686
Charitable activities:					
- Safety, environment and mobility	5	11,070	373	<b>11,443</b>	12,033
- Motor sport safety	5	4,210	-	<b>4,210</b>	4,539
- Memberships and affiliations	5	88	-	<b>88</b>	41
- Representational activities and external communications	5	1,698	-	<b>1,698</b>	1,997
<b>Total resources expended</b>	<b>5</b>	<b>18,788</b>	<b>373</b>	<b>19,161</b>	<b>20,296</b>
Net expenditure before gains on investments		(10,678)	(178)	<b>(10,856)</b>	(11,178)
Gains on investment assets	14	11,571	-	<b>11,571</b>	6,215
<b>Net income/(expenditure) for the year and net movement in funds</b>		<b>893</b>	<b>(178)</b>	<b>715</b>	<b>(4,963)</b>
<b>Reconciliation of funds:</b>					
Balance at 1 January 2017	18-20	407,606	242	<b>407,848</b>	412,811
<b>Balance at 31 December 2017</b>	<b>18-20</b>	<b>408,499</b>	<b>64</b>	<b>408,563</b>	<b>407,848</b>

The Statement of financial activities includes all gains and losses recognised in the year. All amounts relate to continuing operations.

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

# Balance Sheet

As at 31 December 2017

	Note	Unrestricted Funds 2017 €000's	Restricted Funds 2017 €000's	Total 2017 €000's	Total 2016 €000's
<b>Fixed assets</b>					
Tangible assets	13	4,277	-	4,277	4,206
Investments	14	390,011	-	390,011	390,131
		394,288	-	394,288	394,337
<b>Current assets</b>					
Debtors	15	3,200	46	3,246	3,707
Cash at bank and in hand		17,813	99	17,912	13,773
		21,013	145	21,158	17,480
<b>Liabilities</b>					
Creditors: amounts falling due within one year	16	(6,802)	(81)	(6,883)	(3,969)
<b>Net current assets</b>		14,211	64	14,275	13,511
<b>Total assets less current liabilities</b>		408,499	64	408,563	407,848
<b>Net assets</b>		408,499	64	408,563	407,848
<b>Funds</b>					
Unrestricted funds:					
- General funds	18	363,254	-	363,254	354,730
- Revaluation reserve	18	45,245	-	45,245	52,876
		408,499	-	408,499	407,606
Restricted funds	20	-	64	64	242
<b>Total charity funds</b>		408,499	64	408,563	407,848

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 2018 and signed on their behalf by:



**Martin D Angle**

Treasurer

Company Number: 4219306

# Statement of Cash Flows

For the year ended 31 December 2017

	2017 €000's	2016 €000's
<b>Net cash outflow from operating activities:</b>		
Net cash used in operating activities	(15,592)	(21,477)
<b>Cash flows from investing activities:</b>		
Dividends, interest and rents from investments	8,053	8,484
Purchase of tangible fixed assets	(13)	(3)
Proceeds from sale of investments	145,764	117,586
Purchase of investments	(137,983)	(114,510)
<b>Net cash provided by investing activities</b>	<b>15,821</b>	<b>11,557</b>
<b>Change in cash and cash equivalents in the year</b>	<b>229</b>	<b>(9,920)</b>
Cash and cash equivalents on 1 January 2017	41,612	51,141
Change in cash and cash equivalents due to exchange rate movements	(1,418)	391
<b>Cash and cash equivalents on 31 December 2017</b>	<b>40,423</b>	<b>41,612</b>

## Reconciliation of net income to net cash flow from operating activities

	2017 €000's	2016 €000's
Net income/(expenditure) for the year	715	(4,963)
Adjustments for:		
Depreciation	35	36
Gains on investments	(11,571)	(6,215)
Impairment losses (reversing) on the revaluation of fixed assets land and buildings	(93)	593
Dividends, interest and rents from investments	(8,053)	(8,484)
Decrease in debtors	461	672
Increase/(Decrease) in creditors	2,914	(3,116)
<b>Net cash used in operating activities</b>	<b>(15,592)</b>	<b>(21,477)</b>

## Analysis of cash and cash equivalents

	2017 €000's	2016 €000's
Cash at bank and in hand	17,912	13,773
Cash held as part of the investment portfolio	22,511	27,839
<b>Total cash and cash equivalents</b>	<b>40,423</b>	<b>41,612</b>

# Notes to the Accounts

## 1 Principal accounting policies

### Basis of preparation

The financial statements have been prepared under the historical cost convention except for our property which has been valued at market (fair) value. They comply with the Statement of Recommended Practice “Accounting and Reporting by Charities” (“the Charities SORP FRS 102”) preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), effective 1 January 2015, Financial Reporting Standard 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” and the Companies Act 2006.

### Company Status

The FIA Foundation is registered in England and Wales as a company limited by guarantee. The liability of the Trustees is limited to a sum not exceeding £10. The registered office is 60 Trafalgar Square, London, WC2N 5DS. The Foundation meets the definition of a public benefit entity under FRS 102.

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

### Functional and presentational currency

The functional and presentational currency of the Foundation is the Euro. This is the currency of the primary economic environment in which the Foundation operates.

### Significant judgements and estimates

Preparation of the financial statements requires the Trustees to make significant judgements, estimates and assumptions about the carrying values of assets and liabilities not readily apparent for other sources. The key judgements and sources of estimation that have a significant effect on the amounts recognised in the financial statements include:

<b>Property</b>	Both fixed assets land and buildings and the investment property are stated at fair value. The value of this property is affected by general market movements. See notes 13 and 14 for further information.
<b>Listed Investments</b>	The most significant area of uncertainty that effects income and the carrying value of assets are the level of investment return and the performance of the investment markets. See the Investment Policy and Performance, and Internal Control and Risk Management sections of the Strategic report and note 14.

### Incoming resources

All incoming resources are included in the Statement of Financial Activities (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:

<b>Grants</b>	Grant income is recognised when the charity has met the conditions of receipt, is entitled to the funds, and the amount can be measured reliably.
<b>Donations</b>	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 the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred until any precondition is met.

# Notes to the Accounts

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<b>Investment income</b>	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 effective interest method.
<b>Rental income</b>	Rental income is recognised when receivable, on a straight line basis.

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## Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

Resources expended comprise:

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<b>Raising funds: Cost of managing investments</b>	This includes investment manager fees, staff salaries and other costs directly attributable to the management of the investment portfolio.
<b>Costs of charitable activities</b>	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; Memberships and affiliations; and Representational activities and external communications.

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

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<b>Grants payable</b>	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.
<b>Direct expenditure</b>	This is expenditure made from designated reserves relating to internally managed projects. Details of costs can be found in note 7.
<b>Support and indirect costs</b>	These are shared and indirect costs associated with the main activities of the Foundation. Details of costs can be found in note 9.
<b>Allocation of support costs</b>	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.
<b>Governance costs</b>	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. Governance costs are apportioned on the basis of the number of full time equivalent staff. Details of costs can be found in note 9.
<b>Irrecoverable VAT</b>	The irrecoverable VAT element is included in the expense category to which it relates.

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# Notes to the Accounts

## Fund accounting

The Foundation holds the following funds:

<b>Restricted funds</b>	Donations and other incoming resources received or generated for expenditure for specified purposes as laid down by the donor (see note 18).
<b>General funds (unrestricted funds)</b>	Donations and other incoming resources received or generated for expenditure on the general objectives of the charity.
<b>Designated funds</b>	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.

## Property

The Foundation owns one property that is in mixed functional and investment use. Areas of the building occupied by the Foundation are classified as fixed assets, whilst areas occupied by third-party tenants are classified as an investment property. All property is valued at the estimated market (fair) value in the native currency at the balance sheet date and translated at the exchange rate ruling at the year end. The valuation is pro-rated according to floor space occupied by the Foundation and third-party tenants.

The property is valued annually either by a full valuation, which is undertaken every five years, or a desktop valuation in the intervening years.

## Tangible fixed assets and depreciation

Freehold land and buildings are measured at fair value at the date of revaluation less impairment losses. All gains and losses arising from the revaluation of land and buildings are taken to the Statement of Financial Activities as they arise.

Other 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 other fixed assets by equal annual instalments over their estimated useful economic lives, calculated on an annual basis. The rates applicable are:

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:

<b>Property</b>	Investment property includes one property that is mixed functional and investment use. The accounting policy for properties is stated above.
<b>Listed Investments</b>	Listed investments are valued at their market value in their native currency at the end of the 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 at the closing rate.

# Notes to the Accounts

<b>Derivatives</b>	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. The accounting treatment for derivatives follows that of listed investments.
<b>Gains and losses on investments</b>	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. All gains and losses are taken to the SOFA as they arise. Realised and unrealised investment gains and losses are combined in the SOFA
<b>Revaluation reserve</b>	The excess of market valuations over the cost of investments is included within the revaluation reserve.

## Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are value at the amount prepaid net of any trade discounts. Accrued income represents income receivable in respect of fixed interest securities.

## Cash and liquid assets

Cash at bank and cash holdings within the investment portfolio includes cash and short term highly liquid investments with an original maturity date of three months or less.

The Trustees consider both cash held within its own bank accounts and balances held by our Investment Managers when considering the liquidity of the Foundation.

## Liabilities

Liabilities are recognised when there is a legal and constructive obligation committing the charity to the expenditure. Creditors and provisions are normally recognised at their settlement amount after allowing for trade discounts due.

## 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. Exchange gains and losses are allocated to the appropriate income or expenditure category. The exchange rates ruling at the balance sheet date were as follows:

<b>Currency</b>		<b>2017</b>	<b>2016</b>
Sterling	€1:£	€1:£0.887575	€1:£0.855663
US Dollar	€1:\$	€1:\$1.190008	€1:\$1.052889

## Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1, Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK Corporation tax purposes.

# Notes to the Accounts

## Employee benefits

Short term employee benefits, including holiday pay, are recognised as an expense in the period in which they are incurred.

The Foundation recognises an accrual for accumulated annual leave accrued by employees as a result of services rendered in the current period for which employees can carry forward and use within the next year. The accrual is measured at the salary cost of the respective employee in relation to the period of absence.

## Defined contribution scheme

The pension costs charged against the SOFA are the contributions payable to the schemes in respect of the accounting period. The Foundation has no liability beyond making its contribution and paying across deductions for employee contributions.

## 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.

## 2 Donations

The Foundation received the following:

	Year ended 31 December 2017 €000's	Year ended 31 December 2016 €000's
<b>Safety, environment and mobility (restricted funds):</b>		
<b>Road Safety Fund</b>		
Mr T Ellis	1	1
Johnson and Johnson	95	92
Nexco	-	14
United Parcel Services (UPS)	-	131
Vinci	-	14
<b>Total donations to restricted funds</b>	<b>96</b>	<b>252</b>

# Notes to the Accounts

## 3 Income from charitable activities

	Year ended 31 December 2017 €000's	Year ended 31 December 2016 €000's
<b>Safety, environment and mobility:</b>		
<b>Contribution to The Global Fuel Economy Initiative – Regional Implementation</b>		
United Nations Environment Programme	-	185
<b>Global Road Safety Campaign Programme</b>		
eSafetyAware asbl	-	67
<b>Personal Security of Women - A Study of Three Cities in Latin America</b>		
Corporación Andina De Fomento (CAF)	99	52
<b>Total income</b>	<b>99</b>	<b>304</b>

## 4 Investment income

Investment income comprises income from:

	Year ended 31 December 2017 €000's	Year ended 31 December 2016 €000's
Listed equity investments	5,473	5,972
Fixed and variable interest stocks	2,005	1,898
Interest on cash held at brokers	21	70
Investment properties	561	620
Bank deposits and financial markets	50	2
	<b>8,110</b>	<b>8,562</b>

# Notes to the Accounts

## 5 Resources expended

	Grants €'000's	Activities under- taken directly €'000's	Invest- ment manager costs €'000's	Support and govern- ance costs €'000's	2017 €'000's	2016 €'000's
Costs of managing investments	-	-	1,652	70	<b>1,722</b>	1,686
Safety, environment and mobility	9,262	766	-	1,415	<b>11,443</b>	12,033
Motor sport safety	4,182	-	-	28	<b>4,210</b>	4,539
Memberships and affiliations	88	-	-	-	<b>88</b>	41
Representational activities and external communications	-	843	-	855	<b>1,698</b>	1,997
	<b>13,532</b>	<b>1,609</b>	<b>1,652</b>	<b>2,368</b>	<b>19,161</b>	<b>20,296</b>

Resources expended are further analysed in the following notes:

- note 6 for details of grant funding;
- note 7 for details of activities undertaken directly;
- note 8 for details of Investment manager costs; and
- note 9 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	Year ended 31 December 2017 €'000's	Year ended 31 December 2016 €'000's
Safety, environment and mobility	9,285	(23)	<b>9,262</b>	9,214
Motor sport safety	4,182	-	<b>4,182</b>	4,501
Memberships and affiliations	88	-	<b>88</b>	38
	<b>13,555</b>	<b>(23)</b>	<b>13,532</b>	<b>13,753</b>

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 (prior to write backs of underutilised grants):

Recipient and project	Amount Awarded €'000's
<b>Safety, environment and mobility</b>	
<b>Unrestricted funds - Major Partners:</b>	
Fédération Internationale de l'Automobile France (FIA)* + - FIA Road Safety Programme	1,200
Fédération Internationale de l'Automobile France (FIA)* + - FIA Sustainable Mobility Programme	300
Fédération Internationale de l'Automobile France (FIA)* + - FIA High Level Panel for Road Safety	300
GlobalNCAP - Global New Car Assessment Programme	1,000
International Road Assessment Programme (iRAP)* + - International Road Assessment Programme	1,000
<b>Unrestricted funds - Other Multi-year Partners:</b>	
AMEND - School Area Road Safety Assessments	192
Asia Injury Prevention Foundation (AIPF) - Global Helmet Vaccine Initiative	200
Association pour le Développement de la Recherche sur le Cerveau et la Moelle Epinière (ADREC) - Institute for Brain and Spinal Cord Disorders	325
Eastern Alliance for Safety and Sustainable Transport (EASST) - Promoting Safe and Sustainable Transport in Eastern Europe	275
United Nations Environment Programme (UNEP) - Supporting Sustainable for the Environment, Air Quality and Road Safety	360
Gonzalo Rodriguez Memorial Foundation* - Regional Child Road Safety Vaccine	200
<b>Unrestricted funds - Other Road Safety and Environment Programmes:</b>	
Centre for Disease Control and Injury Prevention Foundation (CDC) – Independent Evaluation and Peer Review of Road Safety Projects	50
Delft University - The Delft Road Safety Course	110
European Federation of Road Traffic Victims (FEVER) - World Remembrance Day	20
European Federation for Transport and Environment - Safe Lorries Campaign	40
Federación Iberoamericana - Iberoamerican Federation of Traffic Victims Meeting	5
Fire Aid + - Fire Aid	30
International Council on Clean Transport (ICCT) - TRUE, The Real Urban Emissions Initiative	200
Institute of Road Traffic Education (IRTE) - Masters of Science Course in Traffic Management	43
Institute of Transport and Development Policy (ITDP) - Partnership to Promote "Vision Zero for Youth" for Developing Countries	80
Global Alliance for NGO's for Road Safety - 2017 Annual Meeting of NGO's	45
Overseas Development Institute (ODI) - Political Economy of Sustainable Urban Transport	10
HRH Prince Michael of Kent International Road Safety Awards - International Road Safety Awards	27
Save the Children - The 7% Project	60
UNC Highway Safety Research Centre - Vision Zero for Young Pedestrians	77
World Health Organisation - 4 <sup>th</sup> Global Road Safety Week	70
World Resources Institute - Fostering Cities Safer by Design and Safe Systems	100

# Notes to the Accounts

Recipient and project	Amount Awarded €'000's
<b>Safety, environment and mobility (cont'd)</b>	
<b>Designated funds - Other Road Safety and Environment Programmes:</b>	
Aether Limited - London, Safe Routes to School	23
Asia Injury Prevention Foundation (AIPF) - Vietnam Helmet Case Study	53
Eastern Alliance for Safety and Sustainable Transport (EASST) - The Safety of Street Children on Georgian Roads	16
Francois Cuenot - Weight and Footprint Study	11
Global Alliance for NGO's for Road Safety - Every Journey, Every Child Travel Fund	18
International Council on Clean Transport (ICCT) - Reducing Transport CO <sub>2</sub> : Supporting Regulatory Development in South Africa and Feebate System Development in Peru	37
LIFE - 2017 Global Road Safety Film Festival	10
London Sustainability Exchange (LSX) - Cleaner Air 4 Primary Schools Toolkit	40
Organisation for Economic Co-operation and Development (OECD) - Low Carbon Global Road Freight	45
Organisation for Economic Co-operation and Development (OECD) - International Energy Agency (IEA) Research, policy development and outreach activities for the Global Fuel Economy Initiative	100
<b>Safety, environment and mobility - grants awarded from unrestricted funds</b>	<b>6,672</b>
<b>Unrestricted funds - Exceptional Funding:</b>	
International Road Assessment Programme (iRAP)* + - International Road Assessment Programme	200
United Nations Economic Commission for Europe (UNECE) - UN Special Envoy for Road Safety	750
United Nations Children's Fund (UNICEF) - Child Road Traffic Injury Action Plan	1,000
United Nations Environment Programme (UNEP) - Global Fuel Economy Initiative (GFEI): Phase III – Support to 20 Countries Project	330
World Bank - Global Road Safety Facility	100
<b>Safety, environment and mobility - grants awarded from unrestricted funds, exceptional funding</b>	<b>2,380</b>
<b>Restricted funds:</b>	
<b>Road Safety Fund - Directed Grants Programme:</b>	
Asia Injury Prevention Foundation (AIPF) - Helmets for Kids, Vietnam	3
Asia Injury Prevention Foundation (AIPF) - Helmets for Kids, Vietnam	93
Delft University - The Delft Road Safety Course in Ghana	15
United Nations Children's Fund (UNICEF) - Child Road Traffic Injury Action Plan, Latin America and East Asia Regional Office Support	65
<b>Global Road Safety Campaign</b>	
Institute of Road Traffic Education (IRTE) - Masters of Science Course in Traffic Management	57
<b>Safety, environment and mobility - grants awarded from restricted funds</b>	<b>233</b>

# Notes to the Accounts

Recipient and project	Amount Awarded €'000's
Grants awarded from unrestricted funds	6,672
Grants awarded from unrestricted funds - exceptional funding	2,380
Grants awarded from restricted funds	233
<b>Total safety, environment and mobility grants</b>	<b>9,285</b>
<b>Motor sport safety</b>	
<b>Unrestricted funds - Major Partners</b>	
Fédération Internationale de l'Automobile Switzerland (FIA)* + - Motor Sport Safety	2,000
Fédération Internationale de l'Automobile France (FIA)* + - ASN Motor Sport Safety Grant Programme	1,000
<b>Unrestricted funds - Other Motor Sport Programmes</b>	
Global Institute for Motor Sport Safety (FIA)* + - Sid Watkins Scholarship	20
<b>Motor sport safety – grants awarded from unrestricted funds</b>	<b>3,020</b>
<b>Unrestricted funds – Exceptional Funding:</b>	
Fédération Internationale de l'Automobile France (FIA)* + - ASN Motor Sport Safety Grant Programme	1,000
Fédération Internationale de l'Automobile Switzerland (FIA)* + - Motor Sport Safety	162
<b>Motor sport safety – grants awarded from unrestricted funds, exceptional funding</b>	<b>1,162</b>
Grants awarded from unrestricted funds	3,020
Grants awarded from unrestricted funds – exceptional funding	1,162
<b>Total Motor Sport Safety Grants</b>	<b>4,182</b>
<b>Memberships and affiliations - Unrestricted funds</b>	
Australasian New Car Assessment Programme (ANCAP)	50
BOND - NGO's Working in Overseas Development	9
Global Road Safety Partnership (GRSP)	14
International Road Traffic and Accident Database (IRTAD)	4
SLoCaT - Partnership on Sustainable Low Carbon Transport	11
<b>Total memberships and affiliations expenditure</b>	<b>88</b>
<b>Total Grants Awarded:</b>	
Grants awarded from unrestricted funds	9,780
Grants awarded from unrestricted funds - exceptional funding	3,542
Grants awarded from restricted funds	233
<b>Total Grants Awarded (prior to write backs of underutilised grants)</b>	<b>13,555</b>

\* FIA Foundation member organisation

+ Other related party

# Notes to the Accounts

## 7 Activities undertaken directly (direct costs)

Expenditure was as follows:

	Year ended 31 December 2017 €000's	Year ended 31 December 2016 €000's
<b>Safety, environment and mobility</b>		
<b>Designated funds</b>		
Ambassadors	85	177
Decade of Action Advocacy	350	265
Department for Trade (DFT) - UK/Brazil Workshop	-	2
Environmental Policy and Research Programme	20	81
Global Fuel Economy Initiative (GFEI)	168	200
TRUE, The Real Urban Emissions Initiative	11	-
	<b>634</b>	<b>725</b>
<b>Restricted funds</b>		
Global Road Safety Campaign Programme	-	10
Personal Security of Women - A Study of Three Cities in Latin America	80	79
The Global Fuel Economy Initiative - Regional Implementation	52	7
	<b>132</b>	<b>96</b>
	<b>766</b>	<b>821</b>
<b>Safety, environment and mobility</b>		
<b>Representational activities and external communications</b>		
<b>Designated funds</b>		
AUTO Magazine	-	4
External Representation	284	213
Evaluation	238	314
FIA Foundation Website	22	13
Publicity	299	270
	<b>843</b>	<b>814</b>
	<b>1,609</b>	<b>1,635</b>
<b>Total direct expenditure</b>	<b>1,609</b>	<b>1,635</b>
Expenditure from designated reserves	1,477	1,539
Expenditure from restricted funds	132	96
<b>Direct Expenditure</b>	<b>1,609</b>	<b>1,635</b>

# Notes to the Accounts

## 8 Costs of managing investments

Investment management costs relating to unrestricted funds during the year were as follows:

	<b>Year ended 31 December 2017 €000's</b>	Year ended 31 December 2016 €000's
Investment fund manager fees	<b>1,473</b>	1,471
Other investment portfolio costs	<b>84</b>	29
Investment property costs	<b>95</b>	96
	<b>1,652</b>	1,596

## 9 Support and governance costs

The breakdown of support costs and how they are allocated between governance costs and other costs is shown below:

	Other support costs €000's	Governance related €000's	<b>Total support costs 2017 €000's</b>
Staff costs	1,548	136	<b>1,684</b>
Premises costs	100	5	<b>105</b>
Office costs	120	8	<b>128</b>
IT costs	98	5	<b>103</b>
Legal and professional	157	7	<b>164</b>
Other exchange losses	35	2	<b>37</b>
Reversal of impairment losses on revaluation of fixed assets land and buildings	(238)	(12)	<b>(250)</b>
Impairment losses of fixed assets land and buildings due to exchange rate fluctuations	150	7	<b>157</b>
	<b>1,970</b>	<b>158</b>	<b>2,128</b>

Governance costs include:

	<b>Year ended 31 December 2017 €000's</b>	Year ended 31 December 2016 €000's
Trustees' expenses	<b>131</b>	137
Annual General Meeting costs	<b>56</b>	60
Trustees' Indemnity Insurance	<b>20</b>	21
Auditor's remuneration	<b>31</b>	27
Legal fees	<b>2</b>	17
Allocated support costs (see above)	<b>158</b>	228
	<b>398</b>	490

# Notes to the Accounts

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

Other support and governance costs are apportioned on the basis of the number of full time equivalent staff.

The Trustees have decided to meet all governance costs from unrestricted funds.

Support and governance costs are allocated to charitable activities as follows:

	Other support costs €000's	Governance costs €000's	2017 €000's	2016 €000's
Costs of managing investments	62	8	70	90
Safety, environment and mobility	1,174	241	1,415	1,998
Motor sport safety	25	3	28	38
Memberships and affiliations	-	-	-	3
Representational activities and external communications	709	146	855	1,183
	1,970	398	2,368	3,312

## 10 Net income for the year

This is stated after:

	Year ended 31 December 2017 €000's	Year ended 31 December 2016 €000's
Auditor's remuneration:		
Statutory audit services - Wilkins Kennedy LLP	24	24
Corporate taxation services – Wilkins Kennedy LLP	7	-
Statutory audit services - former auditors, Grant Thornton LLP	-	3
Audit of grant recipients (included in direct costs) - paid to Grant Thornton LLP	-	21
Depreciation:		
Owned tangible fixed assets	35	36
Irrecoverable VAT	73	85
Exchange losses on monetary assets	37	129
Rents payable under operating leases	37	40
Rents receivable under operating leases	466	513

# Notes to the Accounts

## 11 Employees

The majority of staff are based in the UK and are paid in Sterling (GBP). Therefore, foreign exchange movements between GBP and the Euro will impact comparisons between financial years.

Staff costs during the year were as follows:

	<b>Year ended 31 December 2017 €000's</b>	Year ended 31 December 2016 €000's
Salaries	1,194	1,213
Social security costs	169	174
Pension costs	227	245
	<b>1,590</b>	<b>1,632</b>

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

	<b>Number 2017</b>	Number 2016
Safety, environment and mobility	9	9
Representational activities and external communications	5	5
	<b>14</b>	<b>14</b>

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

	<b>Number 2017</b>	Number 2016
€ 0 - € 70,000	7	6
€ 70,000 - € 80,000	2	1
€ 80,000 - € 90,000	1	3
€110,000 - €120,000	1	-
€120,000 - €130,000	1	1
€130,000 - €140,000	1	2
€170,000 - €180,000	-	1
€180,000 - €190,000	1	-
	<b>14</b>	<b>14</b>

The Foundation contributed to a Defined Contribution Scheme for all UK based staff operated on a salary sacrifice basis. Employer pension contributions for the 6 employees (2016: 6) whose emoluments are in excess of €70,000 were €145,000 (2016: €167,000). There were no outstanding contributions at the year end.

The Trustees consider its key management personnel comprise the Trustees and the Executive Director. The Executive Director's emoluments for the year were €184,727 (2016: €178,782) with a pension contribution of €18,472 (2016: €40,349). The Executive Director did not receive any additional benefits during the year (2016: €nil).

# Notes to the Accounts

## 12 Payments to Trustees

Expense reimbursements payable to 13 Trustees (2016: 13 Trustees) for the period amounted to €131,000 (2016: €137,000) and can be analysed as follows:

	Year ended 31 December 2017 €000's	Year ended 31 December 2016 €000's
Travel costs	100	110
Accommodation and subsistence	31	27
<b>Total</b>	<b>131</b>	<b>137</b>

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.

## 13 Tangible fixed assets

	Freehold land, buildings and improvements €000's	Fixtures, fittings, and equipment €000's	Computer equipment €000's	Total €000's
Cost or valuation				
At 1 January 2017	4,124	148	42	4,314
Additions	-	-	13	13
Disposals	-	-	(9)	(9)
Impairment losses on revaluation	93	-	-	93
At 31 December 2017	4,217	148	46	4,411
Depreciation				
At 1 January 2017	-	72	36	108
Charge for the year	-	26	9	35
Eliminated on disposal	-	-	(9)	(9)
At 31 December 2017	-	98	36	134
<b>Net book amount as at 31 December 2017</b>	<b>4,217</b>	<b>50</b>	<b>10</b>	<b>4,277</b>
Net book amount as at 31 December 2016	4,124	76	6	4,206

The freehold land, buildings and improvements are valued at open market value. On 31 December 2017 a desktop valuation was undertaken by Montagu Evans, Chartered Surveyors. The basis of the valuation is existing use subject to the existing and proposed leases.

The Sterling valuation at this date was £3,743,000 (2016: £3,528,000). Impairment losses of €93,000 (comprising a valuation gain of €250,000 and an exchange rate loss of €157,000) reversed following the

# Notes to the Accounts

revaluation (2016: loss €593,000, comprising a valuation gain of €78,000 and an exchange loss of €671,000). The impairment losses were recognised in prior years.

If freehold land, buildings and improvements had not been revalued, they would have been included on the historical costs basis at €4,830,000 (2016: €4,830,000). At the year-end accumulated impairment losses of €613,000 (2016: €706,000) have been recognised in the financial statements.

## 14 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 2017	10,309	351,983	27,839	<b>390,131</b>
Net transfers to cash	-	-	(17,743)	<b>(17,743)</b>
Shares purchased	-	137,983	(137,983)	-
Dividends received	-	-	7,485	<b>7,485</b>
Movement in accrued income	-	-	109	<b>109</b>
Other income	-	-	13	<b>13</b>
Interest and charges paid	-	-	(1,555)	<b>(1,555)</b>
Realised losses	-	(1,851)	5	<b>(1,846)</b>
Unrealised investment gains	626	14,607	-	<b>15,233</b>
Unrealised exchange losses	(393)	-	(1,423)	<b>(1,816)</b>
Proceeds from disposals	-	(145,764)	145,764	-
At 31 December 2017	10,542	356,958	22,511	<b>390,011</b>

The Investment Property is valued at open market value. On 31 December 2017 a desktop valuation was undertaken by Montagu Evans, Chartered Surveyors. The Sterling valuation at this date was £9,357,000 (2016: £8,821,000). The basis of the valuation is existing use subject to the existing and proposed leases. The loss, arising from revaluation and fluctuations in the exchange rate, has been transferred to unrealised losses in the Statement of Financial Activities.

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

## 15 Debtors

	2017 €000's	2016 €000's
Prepayments	82	73
Accrued income	628	744
Other debtors	2,536	2,890
	<b>3,246</b>	<b>3,707</b>

€46,000 of other debtors relates to grant income due to restricted funds. The remaining €3,200,000 relates to unrestricted funds.

# Notes to the Accounts

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

	2017 €000's	2016 €000's
Other debtors	1,950	2,275

## 16 Creditors: amounts falling due within one year

	2017 €000's	2016 €000's
Grants committed but not paid over	6,074	3,090
Trade creditors	51	99
Accruals	508	514
Deferred income	229	241
Social security and other taxes	21	25
	<b>6,883</b>	<b>3,969</b>

With the exception grant commitments as stated below, all other creditor balances relate to unrestricted funds.

The Foundation is primarily a grant making organisation. All grants awarded are subject to performance conditions. For more information about the ways grants are managed please to refer to the Grant Making and Monitoring section of the Strategic Report. The Foundation anticipates that all grants committed but not paid over at the year end will be settled during the next year.

Movements in the grants commitments during the year were as follows:

	Unrestricted funds €000's	Restricted funds €000's	Total €000's
At 1 January 2017	2,886	204	3,090
Grants awarded in year	13,322	233	13,555
Write back of underutilised grants in prior periods	(23)	-	(23)
Grants paid during the year	(10,192)	(356)	(10,548)
At 31 December 2017	5,993	81	6,074

Movements in deferred income were as follows:

	Rental income €000's	Rent Deposit €000's	Total €000's
At 1 January 2017	134	107	241
Amounts released during the year	(134)	-	(134)
Amounts deferred during the year	126	-	126
Exchange rate loss	-	(4)	(4)
At 31 December 2017	126	103	229

# Notes to the Accounts

Rental income is deferred and released to the SOFA over the period to which the income relates.

A rent deposit is payable by tenants prior to the commencement of their lease. The sterling amount of the deposit is translated at the exchange rate prevailing at the year end, resulting in an exchange gain or loss. The deposit is repayable at the end of the lease term.

## 17 Financial Instruments

The carrying amount of the Foundations financial instruments are as follows:

	Note	2017 €000's	2016 €000's
Financial assets measured at amortised cost:			
Other debtors	15	3,164	3,634
Cash at bank and in hand		17,912	13,773
		<b>21,076</b>	17,407
Financial assets measured at fair value through net income/(expenditure):			
Investments	14	390,011	390,131
Freehold land and buildings	13	4,217	4,124
		<b>394,228</b>	394,255
Financial liabilities measured at amortised cost:			
Trade creditors	16	51	99
Other creditor transactions	16	6,811	3,845
		<b>6,862</b>	3,944

The income, expenses, net gains and net losses attributable to the Foundation's financial instruments are summarised as follows:

	Note	2017 €000's	2016 €000's
Recognised in net expenditure before gains on investments:			
Realised exchange losses on financial assets and liabilities	10	(28)	(147)
Unrealised exchange (losses)/gains on financial assets and liabilities	10	(9)	18
Reversal of impairment losses/(impairment losses) on the revaluation of fixed asset land and buildings	13	93	(593)
Total gains/(losses) on net expenditure before gains on investments		<b>56</b>	(722)

# Notes to the Accounts

	Note	2016 €000's	2015 €000's
Gains on investment assets:			
Realised losses on investments	14	(1,846)	(8,374)
Unrealised gains on investments	14	13,417	14,589
Total gains on investment assets		11,571	6,215
Total gains attributable to financial instruments		11,627	5,493

The total interest received for financial assets and financial liabilities that are not measured at fair value was €49,000 (2016: €1,000).

One fund manager, Sarasin, used derivative financial instruments in the form of options during the period to protect the portfolio. They invested in 25 (2016: 27) positions at a cost of -€157,000 (2016: -€244,000) during the year. The market valuation of the three remaining holdings at the year end was -€59,000 (2016: €129,000), representing a loss of €44,000 (2016: gain €44,000). All positions are listed investments and are stated at their mid-market values as at the balance sheet date.

The financial risks faced by the Foundation and the steps taken to mitigate the risks are disclosed in the Strategic Report, under Internal Control and Risk Management.

## 18 Unrestricted funds

Unrestricted funds can be analysed as follows:

Project Name	Designated funds €000's	General funds €000's	Total General funds €000's	Revaluation reserve €000's	At 31 December 2017 €000's
At 1 January 2017	655	354,075	354,730	52,876	407,606
Incoming resources	-	8,110	8,110	-	8,110
Costs of managing investments	-	(1,722)	(1,722)	-	(1,722)
Safety, environment and mobility expenditure	-	(11,070)	(11,070)	-	(11,070)
Motor sport safety expenditure	-	(4,210)	(4,210)	-	(4,210)
Memberships and affiliations expenditure	-	(88)	(88)	-	(88)
Representational activities and external communications expenditure	-	(1,698)	(1,698)	-	(1,698)
Designation of funds	1,691	(1,691)	-	-	-
Grants awarded from designated funds	(353)	353	-	-	-
Activities undertaken directly - expenditure	(1,477)	1,477	-	-	-
Gains on investments	-	19,202	19,202	(7,631)	11,571
At 31 December 2017	516	362,738	363,254	45,245	408,499

# Notes to the Accounts

## 19 Designated funds

Activities undertaken by the Foundation are listed below:

Activity Name	At 1 January 2017 €000's	Design- ations in the year €000's	Change in design- ations in the year €000's	Grants Awarded €000's	Funds commit- ted in the year €000's	At 31 December 2017 €000's
<b>Safety, environment and mobility</b>						
Ambassadors	-	150	-	-	(85)	65
Decade of Action	27	300	55	-	(350)	32
Environmental Policy and Research Programme	235	150	-	(156)	(20)	209
Global Fuel Economy Initiative	210	140	-	(100)	(168)	82
TRUE, The Real Urban Emissions Initiative	-	36	-	-	(11)	25
	472	776	55	(256)	(634)	413
<b>Representational activities and external communications</b>						
AUTO Magazine	65	-	(55)	-	-	10
External representation	70	250	-	-	(284)	36
Evaluation, Research and Programme Support	6	350	-	(97)	(238)	21
Website	8	15	-	-	(22)	1
Publicity	34	300	-	-	(299)	35
	183	915	(55)	(97)	(843)	103
<b>Total</b>	655	1,691	-	(353)	(1,477)	516

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

## 20 Restricted Funds

	<b>At 1 January 2017 €000's</b>	<b>Incoming resources €000's</b>	<b>Resources expended €000's</b>	<b>At 31 December 2017 €000's</b>
<b>Safety, environment and mobility</b>				
The Global Fuel Economy Initiative - Regional Implementation	116	-	(52)	64
Global Road Safety Campaign Programme	57	-	(57)	-
Personal Security of Women - A Study of Three Cities in Latin America	(27)	99	(79)	(7)
Road Safety Fund	96	96	(185)	7
	<b>242</b>	<b>195</b>	<b>(373)</b>	<b>64</b>

Purpose and restriction in use:

### The Global Fuel Economy Initiative - Regional Implementation

Execution of the project “Stabilizing Greenhouse Gas Emissions from Road Transport Through Doubling of Global Vehicle Fuel Economy: Regional Implementation of Global Fuel Economy”. The main object is to support the development of national fuel economy policies in 20 countries. The programme has been extended and is scheduled to run until 2019.

### Global Road Safety Campaign Programme

Promote road safety and vehicle safety technologies. The campaign will be undertaken by the Institute of Road Traffic Education in India.

### Personal Security of Women – A Study of Three Cities in Latin America

A study of Women’s personal security when using public transport in Santiago (Chile), Buenos Aires (Argentina) and Quito (Ecuador). The aim of the project is to: expand the knowledge and provide evidence of the issue in Latin America; provide guidance for development and funding agencies in the form of a tool kit to help improve gender sensitive transport and planning operations; give input into other ongoing international work in this area and increase visibility of the situation as an economic and social development rather than a security issue; and increase capacity and leave a legacy with academics and civil society organisations. Key outputs will include an international guide and recommendations in form of a tool kit for policy and decision makers and operators, to drive a new approach to transport policy in a number of cities.

The study was due to complete in 2017, but the final report and toolkit has not yet been submitted to Corporación Andina De Fomento (CAF). The final tranche of funding is dependent on this report.

### 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 a 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

# Notes to the Accounts

programmes in countries and communities working to defeat this growing epidemic of road death and injury.

The Foundation has agreed with the World Health Organization that 2018 will be the final year of the Fund. The majority of donors now provide funds directly to the recipients rather than routing through the Foundation.

## 21 Operating leases

The Foundation is due to pay the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2017 €000's	2016 €000's
Office equipment:		
Within one year	35	37
Between two and five years	69	110
<b>Total</b>	<b>104</b>	<b>147</b>

## 22 Rental income leases

The Foundation owns one property that is in mixed functional and investment use. Areas of the building occupied by the Foundation are classified as fixed assets, whilst areas occupied by third-party tenants are classified as an investment property. The property is commercially let on full repair and insurance leases, with 5 yearly rent reviews. Break terms are not included in the lease agreements unless specifically requested.

The Foundation is due to receive the following future minimum lease rental receipts under non-cancellable rental leases for each of the following periods:

	2017 €000's	2016 €000's
Within one year	380	466
Between two and five years	1,189	869
After five years	1,541	1,754
<b>Total</b>	<b>3,110</b>	<b>3,089</b>

## 23 Capital commitments

The Foundation did not have any capital commitments at 31 December 2017 or 31 December 2016.

# Notes to the Accounts

## 24 Future commitments – multi-annual grants payable

The Foundation has awarded multi-annual grants to a number of beneficiaries. Future grant payments have not been recognised as a liability as they are conditional on the beneficiary meeting their activity goals and our charitable objectives. As noted within the Strategic Report - Grant Making and Monitoring Policy, the Foundation may suspend payment of all or part of the of any annual grant instalment if the grant conditions are not met.

€1,238,000 of these grants will be funded from the exceptional withdrawal of €5 million made in March 2017. The remaining €27,090,000 of future grant payments will be funded from future returns from the investment portfolio.

The movement in future commitments was as follows:

	Total €000's
At 1 January 2017	2,180
Grants awarded	39,703
Grants charged to the Statement of Financial Activities (note 6)	(13,555)
At 31 December 2017	28,328
Payable within one year	10,323
Payable after more than one year	18,005
<b>Total</b>	<b>28,328</b>

Multi-annual grants have been awarded to the following organisations:

	2018 €000's	2019 €000's	2020 €000's	Total €000's
<b>Recipient and project</b>				
<b>Safety, environment and mobility</b>				
<b>Unrestricted funds - Major Partners:</b>				
Fédération Internationale de l'Automobile France - FIA Road Safety Programme	1,200	1,200	1,200	3,600
Fédération Internationale de l'Automobile France - FIA Sustainable Mobility Programme	300	300	300	900
Fédération Internationale de l'Automobile France - FIA High Level Panel for Road Safety	300	300	-	600
GlobalNCAP - Global New Car Assessment Programme	1,000	1,000	1,000	3,000
International Road Assessment Programme - International Road Assessment Programme	1,000	1,000	1,000	3,000
<b>Unrestricted funds - Other Multi-year Partners:</b>				
AMEND - School Area Road Safety Assessments	200	200	200	600
Asia Injury Prevention Foundation - Global Helmet Vaccine Initiative	200	200	200	600

# Notes to the Accounts

	2018 €000's	2019 €000's	2020 €000's	Total €000's
<b>Recipient and project</b>				
<b>Safety, environment and mobility (cont'd)</b>				
<b>Unrestricted funds - Other Multi-year Partners:</b>				
Eastern Alliance for Safety and Sustainable Transport - Promoting Safe and Sustainable Transport in Eastern Europe	275	200	200	675
Gonzalo Rodriguez Memorial Foundation - Regional Child Road Safety Vaccine	200	200	200	600
European Federation of Road Traffic Victims - World Remembrance Day	20	-	-	20
United Nations Environment Programme - Supporting Sustainable for the Environment, Air Quality and Road Safety	325	325	325	975
<b>Unrestricted funds - Other Road Safety and Environment Programmes:</b>				
Delft University - The Delft Road Safety Course	110	110	-	220
Institute of Road Traffic Education - Masters of Science Course in Traffic Management	80	-	-	80
UNC Highway Safety Research Centre - Vision Zero for Young Pedestrians	80	-	-	80
World Resources Institute - Fostering Cities Safer by Design and Safe Systems	100	-	-	100
<b>Unrestricted funds - Exceptional Funding:</b>				
United Nations Economic Commission for Europe (UNECE) - UN Special Envoy for Road Safety	750	-	-	750
<b>Motor sport safety</b>				
<b>Unrestricted funds - Major Partners:</b>				
Fédération Internationale de l'Automobile Switzerland - Motor Sport Safety	2,000	2,000	2,000	6,000
Fédération Internationale de l'Automobile France - ASN Motor Sport Safety Grant Programme	2,000	2,000	2,000	6,000
<b>Unrestricted funds - Other Motor Sport Programmes:</b>				
Global Institute for Motor Sport Safety - Sid Watkins Scholarship	20	20	-	40
<b>Unrestricted funds - Exceptional Funding:</b>				
Fédération Internationale de l'Automobile Switzerland - Motor Sport Safety	163	162	163	488
At 31 December 2017	10,323	9,217	8,788	28,328

## 25 Contingent assets/liabilities

There were no other contingent assets or liabilities at 31 December 2017 or 31 December 2016.

# Notes to the Accounts

## 26 Related party transactions

Expense reimbursements of €131,000 (2016: €137,000) were due to Trustees. Of these amounts €14,000 (2016: €21,000) were outstanding at the year end.

Grants have been made for the benefit of projects run by the Foundation member organisations as disclosed in the note 6.

Grants and other payments have also been made to organisations related to the Trustees and Foundation staff, as follows:

Grants of €3,800,000 (2016: €4,187,000) were awarded to the Fédération Internationale de l'Automobile France (FIA) during the year. €4,434,000 of current year and prior year grants (2016 : €1,662,000) were outstanding at the year end. In addition, grants of €2,182,000 (2016: €nil) were awarded to the Fédération Internationale de l'Automobile Switzerland (FIA) and its subsidiary undertaking The Global Institute of Motorsport Safety, during the year. €162,000 of current year grants (2016 : €nil) were outstanding at the year end.

The Foundation also paid €56,000 (2016: €60,000) to the FIA cover the staging costs of the Foundation's Annual General Meeting in Paris.

Trustees are connected to the FIA and its subsidiary undertaking as described below:

Mr J Todt is the President of the FIA. Mr N Crow (Senate President, retired 8 December 2017), Mr B Gibbons (Deputy President for Mobility and Tourism to 8 December 2017, Senate President from 8 December 2017), and Mr G Stoker (Deputy President for Motor Sport) are officers of the FIA.

The FIA has four governing bodies: General Assembly; Senate; World Motor Sport Council (WMSC) and World Council for Automobile Mobility and Tourism (WCAMT). The following Trustees serve as members of these bodies: Mr J Abed is a Vice President of the WMSC; Mr E Jarrett is a titular member for Region III of WCAMT; Mr W Kraus was a member of the Senate (retired 8 December 2017) and a titular member for Region I of the WCAMT (retired 8 December 2017); Mr M Nadal was a titular member for Region I of the WCAMT (retired 1 July 2017); and, Mr T Yashiro was a Vice President for Region II of the WCAMT (retired 8 December 2017), and is a titular member for Region II of the WCAMT (appointed 8 December 2017).

The FIA also has a number of Committees and Commissions. The following trustees serve on these Committees as follows: Mr A Gow is the President of the FIA Touring Car Commission; Mr W Kraus was the President of the Nominations Committee (retired 8 December 2017); Mr T Yashiro was the President of the Automobile Mobility and Tourism Region II – Asia and Pacific (retired 5 December 2017), a member of the Statutes Review Committee (retired 8 December 2017), a member of the Mobility Programmes Committee (retired 8 December 2017). He was appointed as a Vice President of the Automobile Mobility and Tourism Region II – Asia and Pacific on 5 December 2017.

Mr M Nadal serves as the Secretary of the FIA High Level Panel for Road Safety, on a consultancy basis.

Mr A Gow was appointed as a Director of the Global Institute of Motorsport Safety on 4 December 2017.

# Notes to the Accounts

All Trustees apart from Ms M Amoni, Mr M Angle, The Rt Hon. The Lord Robertson of Port Ellen KT, and Mr K Woodier (Independent Trustees) are also connected to the FIA by virtue of the position they hold or held in their own national club. All of the national clubs are members of the FIA and the Foundation.

Grants of €325,000 per year for a period of 20 years were awarded to Association pour le Développement de la Recherche sur le Cerveau et la Moelle Epinière (ADREC) during the year ended 31 December 2005 (ie €6.5 million in total). All of the 20 year grant has been paid, in advance, to ADREC. Mr J Todt is a Founding Member and Vice Chairperson of the Board of Directors of ADREC.

Grants of €750,000 (2016: €750,000) were awarded to the United Nations Economic Commission for Europe (UNECE) to support the activities of Mr J Todt and UNECE staff, in his position as the Special Envoy of the UN Secretary General for Road Safety. No amounts were outstanding at the year end (€2016: €nil).

€30,000 of grants awarded to the Fundació Reial Automobile Club de Catalunya prior to the year end are unpaid at the end of the year. Mr M Nadal was the Director of the Foundation until his resignation on 1 July 2017.

Grants of €1,200,000 (2016: €1,300,000) were awarded to International Road Assessment Programme (iRAP) during the year. €20,000 (2016: €136,000) were outstanding at the year end. Mr M Nadal and Mr S Billingsley (Foundation representative) are members of the Board.

The Foundation paid Lifesavers Conference Inc. €1,000 (2016: €1,000) for rental space for the 2017 conference held in Charlotte, North Carolina. In addition €2,000 (2016: €2,000) was paid as a sponsorship pledge for the 2018 Annual Conference to be held in San Antonio, Texas. The amount is included in other debtors. Ms M Amoni is a Director of Lifesavers Conference Inc.

## **27 Controlling related party**

The Trustees consider that there is no controlling related party.

# Five Year Financial Summary

## Summary of Income and Expenditure:

	2017 €000's	2016 €000's	2015 €000's	2014 €000's	2013 €000's
Incoming resources	<b>8,305</b>	9,118	9,335	9,611	8,920
Expenditure:					
Costs of managing investments	<b>1,722</b>	1,686	1,681	1,853	1,568
Charitable Activities:					
Safety, environment and mobility	<b>11,443</b>	12,033	11,168	8,682	8,853
Motor Sport Safety	<b>4,210</b>	4,539	3,943	11,092	12,383
Memberships and Affiliations	<b>88</b>	41	58	109	150
Representational Activities and external communications	<b>1,698</b>	1,997	1,368	1,359	1,051
Total resources expended	<b>19,161</b>	20,296	18,218	23,095	24,005
Net expenditure before gains on investments	<b>(10,856)</b>	(11,178)	(8,883)	(13,484)	(15,085)
Recognised gains/losses	<b>11,571</b>	6,215	30,459	36,884	40,954
Net movement in funds	<b>715</b>	(4,963)	21,576	23,400	25,869

## Summary of assets and liabilities:

	2017 €000's	2016 €000's	2015 €000's	2014 €000's	2013 €000's
Fixed assets	<b>394,288</b>	394,337	394,774	379,211	352,205
Current assets	<b>21,158</b>	17,480	25,122	18,730	23,118
Current liabilities	<b>(6,883)</b>	(3,969)	(7,085)	(6,706)	(6,656)
Net Assets	<b>408,563</b>	407,848	412,811	391,235	368,667
Represented by:					
Unrestricted funds	<b>408,499</b>	407,606	412,065	390,547	358,811
Restricted funds	<b>64</b>	242	746	688	9,856
Total funds	<b>408,563</b>	407,848	412,811	391,235	368,667

# Five Year Financial Summary

## Evolution of the grant programme (after write backs of under-utilised grants):

	2017 €000's	2016 €000's	2015 €000's	2014 €000's	2013 €000's
<b>Unrestricted funds - annual programme:</b>					
Safety, environment and mobility	6,649	5,523	6,359	4,631	4,551
Motor sport safety	3,020	3,020	3,020	2,000	2,000
Memberships and affiliations	88	38	54	23	45
<b>Total annual programme grants awarded</b>	<b>9,757</b>	8,581	9,433	6,654	6,596
<b>Unrestricted funds - Exceptional funding (2015-2017):</b>					
Safety, environment and mobility	2,380	3,221	2,090	-	-
Motor sport safety	1,162	1,000	1,000	-	-
<b>Total exceptional grants awarded</b>	<b>3,542</b>	4,221	3,090	-	-
<b>Unrestricted fund grants awarded</b>					
Safety, environment and mobility	9,029	8,744	8,449	4,631	4,551
Motor sport safety	4,182	4,020	4,020	2,000	2,000
Memberships and affiliations	88	38	54	23	45
<b>Total unrestricted fund grants awarded</b>	<b>13,299</b>	12,802	12,523	6,654	6,596
<b>Restricted Funds:</b>					
Safety, environment and mobility	233	470	532	1,660	1,886
Motor sport safety*	-	481	(206)	7,928	9,180
<b>Total restricted fund grants awarded</b>	<b>233</b>	951	326	9,588	11,066
<b>Total grants awarded</b>					
Safety, environment and mobility	9,262	9,214	8,981	6,291	6,437
Motor sport safety	4,182	4,501	3,814	9,928	11,180
Memberships and affiliations	88	38	54	23	45
<b>Grants awarded</b>	<b>13,532</b>	13,753	12,849	16,242	17,622
<b>Percentage of awards by category</b>					
Safety, environment and mobility	68.4%	67.0%	69.9%	38.8%	36.5%
Motor sport safety	31.0%	32.7%	29.7%	61.1%	63.3%
Memberships and affiliations	0.6%	0.3%	0.4%	0.1%	0.2%
	<b>100.0%</b>	100.0%	100.0%	100.0%	100.0%

\*During the period 2009 to 2016 the Foundation distributed the Motor Sport Safety Development Fund. The fund had a finite life and was fully distributed in 2016.