



**FOUNDATION**

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**Financial Statements**  
**31 December 2018**

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**Company number 4219306**  
**Charity number 1088670**

# Contents

Legal and Administrative details	1
<hr/>	
Trustees Report:	
Highlights 2018	2
Chairperson's Statement	8
Strategic Report	
- Activities and Impact	10
- 2019 Objectives	16
- Financial Review	17
- Incoming Resources	17
- Expenditure and Charitable Activities	18
- Reserves Policy and Management	21
- Investment Policy and Performance	23
- Restricted Funds	26
- 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 Craw  
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 (Retired 6 December 2018)  
Ms M Yeoh (Appointed 6 December 2018)

Executive Director:  
Mr S Billingsley

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

## Social Media:

<https://www.facebook.com/FIAfdn>  
<https://www.facebook.com/Global-Fuel-Economy-Initiative-410323319738807>  
<https://www.facebook.com/makeroadssafe>  
[https://www.facebook.com/TRUE\\_Emissions-1065473186965493](https://www.facebook.com/TRUE_Emissions-1065473186965493)  
[https://www.instagram.com/This\\_Is\\_My\\_Street](https://www.instagram.com/This_Is_My_Street)  
[https://www.instagram.com/true\\_emissions](https://www.instagram.com/true_emissions)  
<https://www.instagram.com/GlobalFuelEcon>  
<https://www.youtube.com/user/FIAFoundation>  
[https://www.youtube.com/channel/UCypq6bkx0XD9PYB5XeWU3Gw?view\\_as=subscriber](https://www.youtube.com/channel/UCypq6bkx0XD9PYB5XeWU3Gw?view_as=subscriber)

## Advisors:

Bankers:  
Barclays Bank Plc, Education and Charities Team, Corporate Banking, PO Box 858 Wytham Court, 11 West Way, Oxford, OX2 0YP

## Solicitors:

Herbert Smith, Exchange House, Primrose Street, London, EC2A 2HS

Eversheds Sutherland LLP, One Wood Street London, EC2V 7WS

Gateley plc, 1 Paternoster Square, London EC4M 7DX

## Auditor:

Wilkins Kennedy Audit Services, Gladstone House, 77 - 79 High Street, Egham, Surrey, TW20 9HY

## Investment managers and custodians:

CCLA Investment Management Limited, Senator House, 85 Queen Victoria Street, London, EC4V 4ET (Appointed October 2018)

Credit Suisse (UK) Limited, 5 Cabot Square, London, E14 4QR (Mandate withdrawn July 2018)

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

Sarasin and Partners LLP, Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU

# Highlights 2018

## Activities and Impact

The FIA Foundation (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 almost 1.4 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 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 2018 the Foundation's funding programme and initiatives have:

- Provided seed-funding to the new UN Road Safety Trust Fund, our US \$10 million commitment matched by government and corporate donors;
- Celebrated the first home-grown, independently safety-rated five-star Indian car, the Tata Nexon, just four years after Global NCAP's 'Safe Cars For India' campaign was launched;
- Published a major study of real world vehicle nitrogen oxide emissions in Europe, and detailed analysis of London's emissions which influenced policy change by the Mayor;
- Funded the motor sport safety research programme leading to the successful roll-out of the 'halo' driver protection device for open cockpit racing cars in FIA Formula world championships;
- Enabled the International Road Assessment Programme (iRAP) to influence another \$3 billion of road infrastructure investment with safety assessments and design recommendations;
- Continued to work with more than 60 countries to establish national vehicle fuel economy strategies, with new action plans, legislation and fiscal policies launched in several countries;
- Supported AIP Foundation in successfully persuading the Vietnamese government to provide motorcycle crash helmets to all school first graders, more than 1.9 million children;
- Worked with UN Environment in nine countries to provide technical assistance for improving walking and cycling facilities;
- Trained more than 1,400 police, educators and parents in child seat installation in Latin America;
- Published new research on the political economy of road safety in developing mega cities.

# Highlights 2018

## Charitable activities at a glance:

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<b>Safety, environment and mobility</b> <b>€12,670,000</b> (2017: €11,443,000)	<p>We work to prevent road traffic injuries and we advocate for increased international and country level response to this epidemic in line with the 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.</p> <p>We award grants and manage, support and develop our own programmes to further this work.</p>
<b>Motor sport safety</b> <b>€4,275,000</b> (2017: €4,210,000)	<p>We award grants to promote improvement in the safety of motor sport for participants and spectators.</p>
<b>Memberships and affiliations</b> <b>€88,000</b> (2017: €88,000)	<p>We are a member of a number of Non-Governmental Organisations (NGOs) whose aim is to prevent road traffic injury.</p>
<b>Representational activities and external communications</b> <b>€2,073,000</b> (2017: €1,698,000)	<p>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.</p>
<b>Total charitable expenditure:</b> <b>€19,106,000</b> (2017: €17,439,000)	
<b>Total Expenditure</b> <b>€20,831,000</b> (2017: €19,161,000)	<p>Total expenditure includes the cost of charitable activities (above) and the cost of managing investments €1,725,000 (2017: €1,722,000).</p>

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The figures above include allocated support costs (see note 10 for details).

# Highlights 2018

## Resources Expended

Resources expended by cost category:

	<b>2018</b> €000's	2017 €000's	2016 €000's	2015 €000's	2014 €000's
Grants awarded	<b>14,445</b>	13,532	13,753	12,849	16,242
Activities undertaken directly (designated fund expenditure)	<b>1,899</b>	1,609	1,635	2,220	2,857
Investment manager fees	<b>1,650</b>	1,652	1,596	1,628	1,776
Support and governance costs	<b>2,837</b>	2,368	3,312	1,521	2,220
Total expenditure	<b>20,831</b>	19,161	20,296	18,218	23,095

## Grants awarded

The Foundation is primarily a grant making organisation.

Grants awarded:

	<b>2018</b> €000's	2017 €000's	2016 €000's	2015 €000's	2014 €000's
<b>Unrestricted funds:</b>					
Safety, environment and mobility	<b>10,094</b>	9,029	8,744	8,449	4,631
Motor sport safety	<b>4,182</b>	4,182	4,020	4,020	2,000
Memberships and affiliations	<b>88</b>	88	38	54	23
<b>Restricted funds:</b>					
Safety, environment and mobility	<b>81</b>	233	470	532	1,660
Motor sport safety	<b>-</b>	-	481	(206)	7,928
Total grants awarded	<b>14,445</b>	13,532	13,753	12,849	16,242

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 exceptional withdrawals in 2015 of €10 million, and in 2016 of €5 million. 2018 also includes a grant awarded from an additional exceptional withdrawal of €3 million.

# Highlights 2018

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	22	-	-	22
AMEND	1	201	-	-	201
Asia Injury Prevention Foundation	2	281	-	-	281
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 - NGOs Working in Overseas Development	1	-	-	9	9
Delft University	1	110	-	-	110
Eastern Alliance for Safety and Sustainable Transport	1	275	-	-	275
European Federation for Road Traffic Victims	1	20	-	-	20
European Federation for Transport and Environment	1	20	-	-	20
Fédération Internationale de l'Automobile France	4	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
Global New Car Assessment Programme	1	1,000	-	-	1,000
Global Road Safety Partnership	1	-	-	14	14
Gonzalo Rodriguez Memorial Foundation	2	250	-	-	250
International Council on Clean Transport	4	380	-	-	380
International Road Assessment Programme	2	1,090	-	-	1,090
International Road Traffic and Accident Database	1	-	-	4	4
Institute of Transport and Development Policy	1	80	-	-	80
National Association of City Transport Officials, Inc.	1	109	-	-	109
National Road Safety Council of Jamaica	1	20	-	-	20
Overseas Development Institute (write back of under-utilised grant)		(8)	-	-	(8)
Save the Children	1	187	-	-	187
Secretaría General Iberoamericana	1	50	-	-	50
SLoCAT– Partnership on Sustainable Low Carbon Transport	1	-	-	11	11

# Highlights 2018

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
The Chancellor Masters and Scholars of the University of Oxford	1	11	-	-	11
UNC Highway Safety Research Centre	1	80	-	-	80
UN Economic Commission for Europe – UN Special Envoy Support	1	750	-	-	750
United Nations Environment Programme	1	286	-	-	286
United Nations Road Safety Trust Fund	1	2,588	-	-	2,588
World Bank	1	20	-	-	20
World Health Organization	1	98	-	-	98
World Resources Institute	1	100	-	-	100
	44	10,175	4,182	88	14,445

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:

	2018	2017	2016	2015	2014
Grants awarded as a percentage of net assets	3.8%	3.3%	3.4%	3.1%	4.2%
Number of grants awarded:					
Unrestricted funds	43	52	43	43	24
Restricted funds	1	5	9	9	60
Total grants awarded	44	57	52	52	84

# Highlights 2018

## Investment Performance:

### Value of investments:

	<b>2018</b>	2017	2016	2015	2014
	<b>€000's</b>	€000's	€000's	€000's	€000's
Unrestricted funds	<b>365,838</b>	390,011	390,131	389,942	375,626
Restricted Funds	-	-	-	-	-
<b>Value of investment assets</b>	<b>365,838</b>	390,011	390,131	389,942	375,626

### Investment Income:

	<b>2018</b>	2017	2016	2015	2014
	<b>€000's</b>	€000's	€000's	€000's	€000's
Unrestricted funds	<b>7,773</b>	8,110	8,562	8,653	9,030
Restricted funds	-	-	-	-	50
<b>Value of investment assets</b>	<b>7,773</b>	8,110	8,562	8,653	9,080

### Total return from Investment portfolio:

	<b>2018</b>	2017	2016	2015	2014
Return	<b>-2.4%</b>	4.9%	4.0%	9.8%	11.6%

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

# Chairperson's Statement

The FIA Foundation works hard to reach out, through our members and partners, to communities across the world, to understand the real experiences of the people we seek to serve.

So in 2018 again, we highlighted many of their stories through our reports and events:

- Claudia, from Cochabamba, Bolivia, aged six. She was killed by a taxi while crossing the road to buy bread with her mother and sister;
- Noc from Hanoi, Vietnam, aged 17, who was hit by a car while riding his electric bicycle and suffered serious head injuries. Noc is miraculously recovering, but his family are facing medical bills of \$10,000 and rising;
- Purity, from Nairobi, Kenya, aged 10, who suffers severe asthma yet has to walk two miles to school every day along dangerous and polluted roads.
- Chrisviane, aged 7, from Abidjan in Côte d'Ivoire, who missed two months of school after being hit by a motorcycle while he was out buying ice cream.

Real people, real lives, many millions of them every year, are seriously damaged by road traffic injury, air pollution and the consequences of climate change.

So we have a duty, laid down in our charitable objectives, to do everything in our power to help prevent human suffering and to improve human health. And with almost 1.4 million people dying on the world's roads, tackling global road traffic injuries has been a clear priority for the Foundation from the start. In 2018, therefore, we took the decision to fully endorse and support the new United Nations Road Safety Trust Fund. Approved by the UN General Assembly in April 2018, it has the potential to be an important advance for the global road safety cause.

It is also a significant personal achievement for FIA President Jean Todt, an ex-officio member of our Board of Trustees, who as UN Special Envoy for Road Safety successfully made the case for the Fund. But to succeed it needs resources, at a scale not yet seen in this field. The Foundation was first to step up, with a \$10 million pledge. We made this conditional on matching funding being secured, and by the end of the year this had been achieved, with governmental donors including France, Russia and the European Commission; and private sector donors including Michelin, Pirelli and Total. There is still a mountain to climb, but momentum is building. And the need is urgent.

So we need to raise our level of ambition, to demand greater action from governments and institutions, and from ourselves. By supporting the Office of the UN Special Envoy and funding the FIA's High Level Panel on Road Safety, which brings together business and institutional leaders to advocate for greater resourcing, we are helping to drive the effort to transform funding levels. Ahead of the 2020 3<sup>rd</sup> Global Ministerial Conference on Road Safety, to be hosted in Stockholm by the Swedish Government, the pressure for financing and greater political will must become irresistible. And in this effort, the Foundation provides so much more than just financial support.

Our research and advocacy are having real impact, complementing the work of the FIA High Level Panel by building alliances beyond the traditional road safety community. During 2018 we took the road safety message out to the World Urban Forum, the World Health Assembly, the UN heads of government Summit on non-communicable diseases, and to the annual forum of the Partnership for Maternal, New-Born and Child Health.

Through our strong emphasis on adolescent health, we are urging policymakers and donors to respond to the utterly compelling data. Our report, 'Unfinished Journey: the global health response to children & road traffic', launched at the 2018 World Health Assembly, asks difficult questions of the governments

# Chairperson's Statement

and institutions responsible for setting priorities: if the leading cause of adolescent death is road traffic injury, why are there no mainstream international action programmes in response?

But as well as highlighting problems, the Foundation is also bringing solutions. In 2018 we teamed up with the George Institute to produce a Child Health Initiative toolkit, a practical online resource bringing together the best available practice from across the world for delivering safe and healthy streets for young people. Many of these success stories have been co-funded by the Foundation, from Dar Es Salaam to Mexico City. For example, our work with iRAP to develop their 'star rating for schools' street design rating tool has now, in its beta phase, been used by 10 partners, including several FIA member clubs, in more than 600 locations.

As part of our Child Health Initiative, we are also now pooling funds with three major donors, Bloomberg Philanthropies, Fondation Botnar and Bernard van Leer Foundation, to support a 'Streets for Kids' urban design programme led by the Global Designing Cities Initiative to help achieve our collective vision of transforming the way young people navigate our cities.

Safe *and* healthy journeys means tackling not only road traffic injury but also the invisible and insidious menace of traffic pollution, which is afflicting millions of people across the world. Children are particularly vulnerable to dirty air, which can have serious impacts on their health and development. So, working with world-leading experts at the International Council on Clean Transportation, we have tested the nitrogen-oxide emissions (NO<sub>x</sub>) of hundreds of thousands of vehicles in London and Paris, and analysed a European database of many hundreds of thousands more, publishing the first results in 2018. These show that the vast majority of diesel cars currently on the road are in serious breach of NO<sub>x</sub> emissions standards, although petrol cars perform much better. The data gives car-buying consumers practical advice. It gives policymakers accurate data to guide their decisions, and London is already using our findings to help focus its policy. New York is the latest city to sign up.

Serious motor sport injuries are, thankfully, rare. But when they do happen the consequences on those involved can be profound, with the impact amplified across global media.

Much of the vital research and training we support in the motor sport safety field goes unnoticed by the sport's millions of fans. But in 2018, the halo, a head protection device for open cockpit Formula series cars, made the headlines and almost certainly saved lives in high profile racing crashes. The research and development programme, led by our partners at the FIA, was funded by the Foundation, and joins a portfolio of safety improvements that we have supported including high speed barriers, fire retardant clothing, black box crash recording technology and advances in crash helmet design.

From the race track to the road, from the electric vehicle revolution to the humble, yet essential, sidewalk: the Foundation is investing in solutions and making the case for action. We are a relatively small philanthropy, yet, by forging alliances and convening expertise for under-resourced issues, we are helping to make a difference in improving health outcomes for people living at the frontline of some of the most difficult challenges facing the modern world.



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

FIA Foundation

12 July 2019

# Trustees Report: Strategic Report

The Trustees present their report on the activities and results for the year ended 31 December 2018. 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 (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).

Our focus in 2018 included supporting the launch of the new UN Road Safety Trust Fund; working with partners in our Child Health Initiative to advocate for road traffic injury and traffic pollution to be recognised as significant contributors to adolescent health; and establishing our new Real Urban Emissions (TRUE) initiative, with the publication of its first data sets of real-world traffic emissions. We also continued to encourage our grant partners to publish evidence, expand their programmes and attract new donors for their life-saving work.

### **Supporting a new UN Road Safety Trust Fund**

In April 2018 the United Nations General Assembly held a debate on global road traffic injury, which was opened by the Deputy Secretary General, Amina Mohammed. HRH Prince Michael of Kent represented the UK Government in the debate and devoted a substantial part of his speech to highlighting the campaigns and programmatic achievements of the Foundation. Following the debate, and the adoption of a Resolution which approved the establishment of a new UN Road Safety Trust Fund (which had been a key objective of the UN Special Envoy for Road Safety, Jean Todt, whose UN office is funded by the Foundation), the Foundation announced support of US \$10 million over three years, to kick-start the new Fund.

The Fund is intended to provide catalytic strategic financing to assist countries in identifying and tackling deficiencies in road safety policy and operations. It became operational during 2018, and has so far raised an additional \$10 million, from donors including France, the Russian Federation, the European Commission, and private sector donors including Total, Pirelli and Michelin. The Foundation holds a seat on the Advisory Board and Steering Committee of the Trust Fund, the latter shared with the FIA, using our position as a donor to encourage partnership, including connecting with other funds concerned with related Sustainable Development Goals (SDG) issues; consultation with and transparency to civil society; and a strong emphasis on the Safe System approach.

To build on this successful early fundraising, the FIA High Level Panel on Road Safety, which is supported with a grant by the Foundation and includes our chairperson, Lord Robertson, amongst its members, is developing a major new road safety campaign to build corporate and public awareness and encourage sustainable sources of financing for the UN Road Safety Trust Fund. The High Level Panel, which comprises corporate CEOs and UN and other public institutional leaders, met in Paris in October to review progress and encourage greater effort in the run-up to the 3<sup>rd</sup> High Level Conference on Road Safety, which will be hosted by the Swedish Government in Stockholm in February 2020. The High Level Panel members were hosted by the Mayor of Paris, Anne Hidalgo, at the Hôtel de Ville, and by the President of France, Emmanuel Macron, at the Elysée Palace.

# Trustees Report: Strategic Report

## **Addressing the 'Unfinished Journey' on child and adolescent health**

In 2018, for the first time, the Foundation participated in the World Health Assembly, the annual governing meeting of ministers of health at the World Health Organization, to promote an agenda for adolescent health. Spearheaded by Zoleka Mandela, our child health ambassador, we organised a side event with Jamaica's minister of health, senior policymakers from WHO, UNICEF and Save the Children; and health partners from the NCD Alliance and G4 Alliance and launched a new report 'Unfinished Journey: the global health response to children and road traffic'. This report argued that the global health community has recognised the impact of road traffic injury (now the leading cause of death for children and adolescents over the age of 5) and included the issue in the SDGs but has not yet completed the journey by including action on road safety within the major programmes and alliances dedicated to other aspects of adolescent health. The report calls for a UN summit on adolescent health to redress this, and to connect related social issues affecting adolescents in the modern world. Zoleka Mandela also met WHO Director General Dr Tedros to brief him on the campaign.

In July, during the annual 'High Level Political Forum' on the SDGs, the Foundation organised an ambassadorial briefing luncheon at the UN in New York to present the campaign for an adolescent health summit and action on the health impacts of road traffic. Keynote speakers included the Executive Director of UN Habitat, Maimunah Mohd Sharif; Jean Todt; actress and UNDP Goodwill ambassador Michelle Yeoh; and ministers and ambassadors from countries including Brazil, Russia, Sweden, Jamaica and Oman attended and spoke.

To engage directly with the leading UN processes working on adolescent health, the Foundation participated in two important meetings later in 2018. Zoleka Mandela spoke on a panel at the High Level Summit on Non-Communicable Diseases, held during the heads of government opening of the UN General Assembly in September 2018, alongside philanthropist Michael R. Bloomberg and the President of Zambia. In December, the Foundation persuaded the Partners' Forum for maternal, newborn and child health to include road traffic injury in its annual event for the first time, with the Foundation co-chairing a session alongside the Swedish International Development Cooperation Agency (SIDA). Both events provided important opportunities to build support for our call for an adolescent health summit.

## **Measuring the TRUE emissions of road traffic**

It is becoming ever clearer that young children are at serious risk from poor air quality. Building on our 2016 expert seminar and report on 'dieselgate' and the subsequent launch in 2017 of The Real Urban Emissions (TRUE) Initiative, in 2018 the Foundation, together with partners including the International Council on Clean Transportation (ICCT) and C40 Cities, published the first data sets of real-world emissions from 375,000 vehicles. A TRUE rating system, intended to inform both consumers and policymakers, included data collected across Europe in the CONOX project, which was funded by the Swiss Federal Office for the Environment. It is the largest collection of data on vehicles emissions in Europe to be brought together so far.

The data showed that all Euro 6 diesel models tested exceeded European Commission NO<sub>x</sub> emissions limits. Four manufacturers had average emissions of more than 12 times above the approval limit. Even the best Euro 6 diesel groups produced NO<sub>x</sub> emissions of more than twice the type-approval limit, and all other manufacturer groups were at least four times the type-approval limit. Euro 5 diesel families performed particularly poorly: all families had NO<sub>x</sub> emissions at least twice that of the limit, and the worst families had emissions 18 times the limit. By contrast, Euro 6 petrol vehicle NO<sub>x</sub> emissions for even the worst manufacturers were within 1.5 times the type-approval limit.

# Trustees Report: Strategic Report

The release of the results attracted significant media and public interest. To coincide with the launch, the Foundation organised a Global Workshop at Bloomberg and London's City Hall, welcoming delegates from across the world to join environmental and technical leaders to discuss how to tackle toxic emissions in cities. Policy leaders from the city administrations of Paris and London as well as ICCT and C40 Cities discussed policies needed to effectively regulate vehicle emissions. The Mayor of London, Sadiq Khan, also recorded a video in which he commended the Foundation and TRUE's work, and the impact its real world data can have in supporting policymaking of cities across the world.

This impact was demonstrated in December, when TRUE released the results of new roadside testing, conducted during 2017-18, of more than 100,000 vehicles in London. This showed that the most common black taxi cab models in London are polluting the streets with NO<sub>x</sub> emissions up to 30 times the level of personal petrol cars of the same age.

The research also found that London's Euro 5 and Euro 6 diesel cars are, on average, producing six times more NO<sub>x</sub> than equivalent petrol cars. However, the average bus fleet NO<sub>x</sub> emissions have fallen by 65% in the past five years demonstrating the impact that good policy can have. London's government has already used the TRUE data to inform and support its new policy encouraging taxi drivers to switch to cleaner vehicles, aiming for a similar change as seen in the bus fleet.

## **Safer cars for India, by Indians**

A vehicle safety programme supported by the Foundation has also achieved significant impact, in improving the quality of cars being sold in India. Four years after the launch of its Safer Cars for India campaign, which highlighted the appalling 'zero star' safety performance of many popular cars available to Indian consumers, the Global New Car Assessment Programme (Global NCAP) has tested the first home-grown 'five-star' Indian car. The Tata Nexon scored five stars for Adult Occupant Protection and three stars for Child Occupant Protection. Following the Nexon's four star result earlier in 2018, Tata improved a number of safety features including making a Seat Belt Reminder (SBR) for driver and passenger a standard for all variants of the model. In addition the Nexon was required to pass a side impact test meeting UN side impact protection requirements.

The publicity generated in the Indian media and the debate sparked across social media by the campaign since 2014 has increased pressure on car makers to improve their offering and has highlighted the lack of regulatory oversight and slow response of the Indian government. The challenge faced in India was highlighted by another test result, of the Maruti Suzuki Swift, which scored zero stars in 2014 and was retested in 2018 after updates. In comparison to its predecessor, the new Swift offers two standard airbags and approved anchorage points for child restraints. However compared to its twin model for the European market, the Indian version still underperformed in the frontal crash test and could only rise to a poor two-star safety level. Safety features like side body and curtain airbags and Electronic Stability Control (ESC), that are standard for Europe, are not even offered to Indian consumers.

Meanwhile, in South Africa, Global NCAP's Safer Cars for Africa campaign, launched in 2017, also tested a new batch of cars in 2018. The Nissan 'Hardbody', a popular and widely used flat-bed vehicle, produced the lowest score of all tests completed to date, achieving a 00.00 score and zero stars. The vehicle structure collapsed during the crash test and the steering wheel column penetrated the passengers' compartment, creating an additional risk for the driver as it moved straight into the dummy's chest. This performance showed a significant risk of injuries for the driver despite the car being equipped with double frontal airbags. The three other cars tested in the 2018 round achieved a

# Trustees Report: Strategic Report

three-star rating, adequate but not good, showing how South Africa's lack of regulatory requirements for vehicle safety is placing its road users at risk.

## **Using political economy to secure safe roads**

Explaining political failure to tackle road safety, whether it be regulating vehicles or providing safe roads, and identifying the necessary ingredients for successful policy change, was the theme of a major political economy research study commissioned by the Foundation from the Overseas Development Institute (ODI) and the World Resources Institute (WRI), and published in 2018. 'Securing Safe Roads: the politics of change' examined political and decision-making structures in three major cities, Bogota, Colombia; Mumbai, India; and Nairobi, Kenya. Headline findings highlighted the distance in lived experience between the policy elites and the people most vulnerable to poor planning and transportation decisions; the way in which a traditional approach of blaming individual road users, rather than the system, for crashes allows politicians to avoid or evade responsibility, or to not comprehend that they have responsibility in the first place; and the need – exemplified by Bogota's approach – to connect road safety policies to a wider social agenda (for example, improving urban quality of life and tackling violence; integrating with a wider public health approach) in order to build public support and long term political sustainability.

The report was launched with a policy conference in Nairobi, and has subsequently been presented at seminars in Washington DC, Bogota and Rome. It attracted significant interest from ODI's development policy audience, helping to increase understanding of the role road safety plays in supporting wider social development, child survival and poverty reduction objectives.

## **Building evidence and networks for child-friendly streets**

Another Foundation-sponsored report published in 2018, 'Sustainable & Safe: A Vision & Guidance for Zero Road Deaths', this time a collaboration between the WRI and the World Bank, detailed the case for implementing the Safe System approach with a focus on speed management and design improvements to urban streets. This analysis was reinforced by a new partnership, 'Streets for Kids', led by the Global Designing Cities Initiative with support from four philanthropies: Bloomberg, Bernard van Leer Foundation, Botnar Foundation and the Foundation. The three-year project, launched in April 2018, will work in 12 fast developing cities to assist with improvements to urban design and street engineering, to make streets safe for children.

The alliance is a core element of our Child Health Initiative and builds on existing work funded by the Foundation with the Institute for Transportation & Development Policy (ITDP) in Mexico City; with WRI in several cities across South America and in Turkey; with UN Environment's 'Share the Road' programme; and with UNICEF. A project with UNICEF Jamaica which is upgrading street design around 12 schools, co-funded by infrastructure company Abertis, received the personal endorsement of Prime Minister Andrew Holness at a meeting in November 2018 to discuss progress. Meanwhile our partner in Sub-Saharan Africa, Amend, published a peer-reviewed article in the British Medical Journal's Injury Prevention report on its School Area Road Safety Assessments & Improvements (SARSAI) interventions and the more than 25% serious injury reduction resulting from a research project, funded by the Foundation, at 20 schools in Dar Es Salaam. This growing body of evidence has been collated in a new online Child Health Initiative toolkit, compiled by researchers at the George Institute and intended to assist both policymakers and practitioners, which was launched by Zoleka Mandela at the Safety 2018 World Conference organised by the WHO and Thai Government in Bangkok in November 2018.

Following the inclusion of safe and healthy journeys to school in the objectives of the New Urban Agenda at Habitat III in 2016 (the result of Foundation advocacy), we have continued to make the case

# Trustees Report:

## Strategic Report

for child safety in traffic, and streets designed to be safe for these most vulnerable of users, to be a priority in urban policy. In February 2018 Zoleka Mandela, our child health ambassador, spoke in the opening Plenary of the World Urban Forum, held in Kuala Lumpur, to urge a focus on child rights. Two new reports on the traffic injury toll for children and adolescents, and the benefits of a focus on street design and speed management, were published in 2018. The first, 'Streets for Life: Safe and Healthy Journeys for the Children of Latin America and the Caribbean', published jointly by UNICEF, Save the Children, Gonzalo Rodriguez Memorial Foundation and the Foundation in English and Spanish, was launched at a major regional child injury prevention conference in Buenos Aires. The second, 'Un Grand Pas en Avant: Un programme d'action pour la sécurité piétonnière des enfants d'Afrique' published in French with Amend and Handicap International, and focused on the experience of Francophone African countries, was launched at the African Road Safety Forum in Marrakech, with participation by ministers from Burkina Faso, Cameroon, DRC, Gambia, Liberia, Morocco, Nigeria, Mali, Senegal and Sierra Leone.

### Safety by design

From the urban streets of West Africa to the race tracks of Formula One: The safe system principles are the same, the treatments dramatically different. Perhaps the most widely noticed and reported of the Foundation's investments in 2018 was the Halo, the driver protection device introduced into F1, F2 and Formula E for the 2018 season.

The Halo proved its worth on at least two occasions: a crash at the Circuit de Barcelona-Catalunya during a Formula 2 race, in which driver Tadasuke Makino avoided injury – or worse – when the airborne car of Nirei Fukuzumi made contact with his Halo. At the Belgian Grand Prix Fernando Alonso's McLaren was slammed into the air, with his car landing on top of Charles Leclerc's Sauber. Fortunately, Alonso's car did not touch Leclerc's helmet and it seems as if the Halo helped to deflect it away from the driver. What is certain is that Alonso's front-right wheel struck Leclerc's Halo as it passed over the car, breaking the McLaren's suspension. What has been satisfying for the FIA design team is that while the Halo project was instigated to provide additional protection from flying objects, such as stray tyres, it has also proved protective in other circumstances, in this case a car launching into the air.

The Halo is just one of the motor sport safety research projects supported by the Foundation during 2018, and some have applications beyond racing. For example, simulations drawn from actual crash data in cross country rallying have been used to predict the type of spinal injuries vehicle occupants might suffer in specific types of crash; while research on concussion, in collaboration with Cambridge Neurosciences, and with the Institut de la Vision on the validation of a Vision Assessment Tool for road car driving, have potential for much wider application beyond motor sport.

But the core business of the research remains preventing injury for sport participants, officials and spectators, including research to further improve the crashworthiness of F1 cars, for example through review of nosecone design. A new FIA helmet racing standard, the most sophisticated in the world, was also approved in 2018. But, besides high-profile research, much of the work of ensuring safety goes on at grassroots level with training and development of officials and volunteers in the national sporting associations (ASNs) which run motor sport – from grand prix to regional rallies - within each country. For example, during 2018 the FIA's Rally Safety Taskforce visited countries from Poland to Indonesia to Tanzania to advise on safety management and design for rally events, and train local managers and marshals. Training in first aid and extrication of drivers from vehicles after a crash is also a constant priority.

# Trustees Report:

## Strategic Report

### **A global network for safer roads**

Training and expanding life-saving expertise is a priority for FIA mobility clubs, too. Through the Foundation's grant to the FIA Road Safety Grant Programme, automobile clubs are working together in growing regional networks of knowledge. In the Balkans, for example, clubs from Serbia, Macedonia, Bulgaria and Kosovo have been trained by technical partner EASST in iRAP's Star Rating for Schools protocols, working with local authorities to assess safety for children on their journey to school, and advocating for improvements. In Skopje, as a result, the city council has included funding for infrastructure design changes around schools in its annual budget. From Tanzania to Colombia to Guatemala projects focused on improving the safety of school journeys, whether through street design and speed reduction, or through provision of cycle helmets and training, have benefitted thousands of children.

Clubs working on child seat safety also benefit from training and other global support from the FIA and expert partners. In Georgia, for example, the club has worked to get strengthened child seat legislation through parliament. Meanwhile the Safe City Streets Network, co-organised by the International Transport Forum and the FIA, with support from the Foundation, now includes 49 cities and in 2018 published a Global Benchmarking for Urban Road Safety report, which recommends cities to invest in vulnerable road users, pedestrians, cyclists and motorcyclists as they account for nearly 80% of urban traffic fatalities. Network events were organised in Rome, London and Manchester to bring international experts and clubs together.

### **It's all about impact: results for public benefit**

Ultimately, the success of our funding is measured in the policies changed, the lives saved, and the injuries and health costs prevented. So in 2018 the Foundation measured public benefit impact by the \$3 billion of new road investment which included iRAP infrastructure safety design recommendations; by the 1.9 million motorcycle crash helmets that the Vietnamese government pledged to provide to first-grader schoolchildren as result of sustained advocacy and moral leadership by our partner AIP Foundation; by the road engineers in Tajikistan and Kyrgyzstan who have been trained in modern safety design methods by our partner EASST and the European Bank for Reconstruction & Development; by the publication in the British Medical Journal of peer-reviewed validation that the design and speed reduction package implemented by our partner Amend is saving children's lives.

These achievements, together with all the work and progress outlined above, demonstrates the Foundation's strong return on investment and continuing impact in neglected areas of public policy.

# Trustees Report: Strategic Report

## 2019 Objectives

The Foundation will support its key strategic programme partners in 2019 and beyond by:

- We are currently undertaking a Strategic Review, to evaluate the charity's impact since 2011 and to prepare for a new grant round beginning in 2021. The review, involving the active participation of all the trustees and in consultation with grant partners and other organisations active in our field of work, will define the Foundation's policy focus and funding priorities for the years ahead;
- Sweden will host the 3<sup>rd</sup> High Level Ministerial Conference on Road Safety in February 2020, and the Foundation is part of the planning committee preparing the conference, its agenda and intended outcomes. A key priority is to see the Sustainable Development goals road safety target (3.6) extended to 2030 or replaced;
- With the new UN Road Safety Trust Fund now up and running, the Foundation will be supporting efforts to increase funding and political commitment;
- As air quality and the health impacts of air pollution rise up the political agenda, effective action will only be achieved from a foundation of accurate data. Building on the TRUE emissions initiative's pilot work on real-world emissions data in London, Paris and New York, we will be working to expand the coalition of cities and broaden the donor base;
- Connecting the technological frontiers of Formula E and motor sport safety to real world applications of benefit to the wider public is high on the Foundation's agenda, and a priority for 2019 is to effect practical partnerships to begin to realise some of these benefits;
- As our Global Fuel Economy Initiative (GFEI) celebrates 10 years of data research, policy advice and practical support to governments around the world, we will be launching a GFEI 2.0, arising from an in-depth strategic review, with a deepening focus on zero emission vehicles;
- Working with our Child Health Initiative partners, the Foundation will be leading calls and building support for an adolescent health summit of world leaders to bring attention to the neglect of the number one killer of young people, road traffic crashes, and interconnections with other health issues.

# Trustees Report: Strategic Report

## Financial Review

### Summary of results

	<b>2018</b>	2017	Percentage Change
	<b>€000's</b>	€000's	
<b>Incoming Resources:</b>			
Unrestricted funds	<b>7,947</b>	8,110	-2.0%
Restricted funds	<b>96</b>	195	-50.8%
	<b>8,043</b>	8,305	-3.2%
<b>Resources Expended:</b>			
Unrestricted funds	<b>20,650</b>	18,788	9.9%
Restricted funds	<b>181</b>	373	-51.5%
	<b>20,831</b>	19,161	8.7%
<b>(Losses)/gains on investment assets</b>			
Unrestricted funds	<b>(14,742)</b>	11,571	-127.4%

## 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 €337,000 during the year, income returns account for 60.0% (2017: 63.6%) of our cash requirement for the year, before exceptional withdrawals. Portfolio returns were affected by the decision of the Board of Trustees to liquidate the Credit Suisse portfolio in July 2018 (see Investment Policy and Performance below). Returns achieved are 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 €81,000 (2017: 96,000) received by the Road Safety Fund, and grant income received of €15,000 (2017: €99,000).

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 was the last year of the Road Safety Fund as the Foundation has agreed with the World Health Organization to close the fund after the donation from Johnson and Johnson was received and the remaining outstanding grants have been paid. Many of the donor-NGO partnerships fostered by the Fund are more effectively managed on a bilateral basis and hence the role of the Fund as facilitator is no longer required.

Grant income of €15,000 (2017: €99,000) 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 €20,831,000 (2017: €19,161,000). 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 €16,385,000 (2017: €15,223,000). €14,445,000 (2017: €13,532,000) was allocated to our grant programmes, whilst €1,940,000 (2017: €1,691,000) was transferred to designated funds for internally managed projects.

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

Category	2018					2017		
	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	32	6,803	(47)	6,756	62.2%	37	6,649	68.1%
Motor sport safety	3	4,020	-	4,020	37.0%	3	3,020	31.0%
Memberships and affiliations	5	88	-	88	0.8%	5	88	0.9%
	<b>40</b>	<b>10,911</b>	<b>(47)</b>	<b>10,864</b>	<b>100%</b>	<b>45</b>	<b>9,757</b>	<b>100%</b>
<b>Exceptional funding:</b>								
Safety, environment and mobility	2	3,338	-	3,338	95.4%	5	2,380	67.2%
Motor sport safety	1	162	-	162	4.6%	2	1,162	32.8%
	<b>3</b>	<b>3,500</b>	<b>-</b>	<b>3,500</b>	<b>100%</b>	<b>7</b>	<b>3,542</b>	<b>100%</b>
<b>Total unrestricted funds</b>								
Safety, environment and mobility	34	10,141	(47)	10,094	70.3%	42	9,029	67.9%
Motor sport safety	4	4,182	-	4,182	29.1%	5	4,182	31.4%
Memberships and affiliations	5	88	-	88	0.6%	5	88	0.7%
	<b>43</b>	<b>14,411</b>	<b>(47)</b>	<b>14,364</b>	<b>100%</b>	<b>52</b>	<b>13,299</b>	<b>100%</b>

# Trustees Report: Strategic Report

Category	2018					2017		
	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	1	81	-	81	100%	5	233	100%
<b>Grants Awarded</b>	<b>44</b>	<b>14,492</b>	<b>(47)</b>	<b>14,445</b>		<b>57</b>	<b>13,532</b>	

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

33 (2017: 39) organisations benefitted from grants awarded during the year. Grants are disclosed, by recipient and project, in note 7.

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. The final €42,000 of these funds were committed 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. €2,775,000 was committed during 2017 to 2018. The remaining €2,225,000 has been allocated to 2019 (€1,112,500) and 2020 (€1,112,500).

As noted in the Investment policy and Performance section of this report in March 2018 the Board of Trustees Meeting 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 United Nations Road Safety Trust Fund. The withdrawals are contingent on the UN fund being able to attract match funding from other sources. €2,600,000 was withdrawn from the portfolio during the year to fund this commitment.

## 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.

Designations, by project, are disclosed in note 20. The balance carried forward on designated funds will be utilised during the forthcoming year.

# Trustees Report: Strategic Report

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	Net expenditure €000's	Balance carried forward €000's
Safety, environment and mobility	6	413	1,025	17	(452)	(767)	236
Representational activities and external communications	5	103	915	(17)	(141)	(861)	(1)
<b>Total</b>	<b>11</b>	<b>516</b>	<b>1,940</b>	<b>-</b>	<b>(593)</b>	<b>(1,628)</b>	<b>235</b>

## 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 2018 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:** assessing 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;

# Trustees Report: Strategic Report

- **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 2018 evaluations of all multi-year recipients received a satisfactory evaluation and hence the next year of funding will be made available in 2019.

## 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 2018 reserves were as follows:

Reserves	2018 €000's	2017 €000's	Percentage increase/ (decrease)
Unrestricted Funds			
- General funds	358,204	362,738	-1.2%
- Designated Funds	235	516	-54.5
	<b>358,439</b>	363,254	-1.3
- Revaluation reserve	22,615	45,245	-50.0%
	<b>381,054</b>	408,499	-6.7%
Restricted Funds	(21)	64	-132.8%
<b>Total</b>	<b>381,033</b>	408,563	-6.7%

Restricted funds are expected to further reduce during 2019 with the closure of the Road Safety Fund, and the completion of the Global Fuel Economy Initiative - Regional Implementation project.

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

# Trustees Report: Strategic Report

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:

	<b>2018</b> €000's	2017 €000's	2016 €000's	2015 €000's	2014 €000's
Value of the listed investment portfolio (shares, accrued income and cash)	<b>355,516</b>	380,097	380,566	379,037	367,661
Value of the original donation from the FIA after the Consumer Price Index (CPI) for Europe is applied	<b>399,344</b>	392,901	386,409	381,978	381,216
Reserves shortfall	<b>(43,828)</b>	(12,804)	(5,843)	(2,941)	(13,555)

The increase in the shortfall is due to performance of the investment portfolio (see below) and the exceptional withdrawal of €2,600,000 required to fund the United Nations Road Safety Trust Fund. Since the year end the Foundation has seen a recovery in the valuation of the share portfolio which stood at €383.7 million at 31 March 2019. The valuation deficit compared to the value of the original donation from the FIA after the Consumer Price Index (CPI) for Europe is applied has fallen to €17 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 €13 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 (CPI) 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.

# Trustees Report: Strategic Report

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>2018</b> <b>€000's</b>	2017 €000's
Cash at Bank	<b>14,827</b>	17,813
Cash held as part of the investment portfolio	<b>126,949</b>	22,511
<b>Total</b>	<b>141,776</b>	40,324

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

Cash as part of the investment portfolio has risen reflecting the decision of the Trustees to liquidate the Credit Suisse portfolio in July. These funds have been reinvested after the year end in units in the COIF Charities Investment Fund with CCLA (see investment policy and performance 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 CCLA Investment Management Limited (CCLA), Investec Wealth and Investment Limited (Investec), 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.

# Trustees Report: Strategic Report

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.

During the period January to mid-October 2018, each manager was asked to hold at least €6 million in cash within the portfolio, to protect the value of the funds. This requirement was rescinded in October 2018.

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

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

The requested draw down from investment managers for the year ending 31 December 2019 has been set at €16.55 million. The request comprises: €13.2 million to fund the remaining grant payments and overheads for 2019, with €6 million being retained to fund the first grant payments of 2020; and, exceptional withdrawals of €2.6 million and €750,000 to fund the United Nations Road Safety Trust Fund and the United Nations Economic Commission for Europe (UNECE) to assist with the office costs of the UN Special Envoy for Road Safety, respectively. The Board of Trustees agreed both exceptional withdrawals in their meeting in March 2018.

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.

Credit Suisse's investment mandate was withdrawn by the Board of Trustees in July 2018 following disappointing investment returns in 2017 (as reported in last year's Strategic Report) which continued into 2018. The portfolio was liquidated and held in cash at the year end. CCLA were appointed as investment managers in October 2018. Following completion of due diligence procedures €56 million was transferred to CCLA for investment in the COIF Charities Investment Fund in January 2019. The remaining €56 million was transferred in May 2019.

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.

# Trustees Report: Strategic Report

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

	<b>2018</b> € 000's	2017 € 000's
Value of investment assets (property and share portfolio)	<b>365,838</b>	390,011
Realised (losses)/gains on investment assets	<b>(1,550)</b>	(1,846)
Unrealised (losses)/gains on investment assets	<b>(13,192)</b>	13,417
Withdrawals during the year *	<b>15,584</b>	17,743
Percentage (decrease)/increase in value of assets (after withdrawals)	<b>-6.2%</b>	0.0%
Total return on listed investments	<b>-2.4%</b>	4.9%
European Consumer Price Index (CPI)	<b>1.7%</b>	1.7%
Investment income	<b>7,773</b>	8,110
Income yield	<b>1.7%</b>	2.1%
Accrued income due	<b>174</b>	628
Investment manager fees	<b>1,445</b>	1,557
Fee levels charged	<b>0.4%</b>	0.4%

\*An exceptional withdrawal of €2,600,000 was made from the portfolio during the year to fund the commitment of the United Nations Road Safety Trust Fund.

The total return for the year was -2.4% (2017: 4.9%).

Market conditions were volatile during the final quarter of the year, with a steep decline in valuations in December. This is reflected in the negative return on the portfolio, which reversed gains achieved during the earlier part of the year, and the results achieved by the two remaining active managers. The overall return was disappointing. However, the defensive position following the decision to liquidate the Credit Suisse portfolio and hold cash proved advantageous in protecting some of the portfolio value at the year end.

The total return of Investec and Sarasin at -4.7% and -1.9%, respectively were disappointing but in line with general market movements. Their performance was in line with comparative active managers. Neither manager met the target increasing the value of the fund by European CPI during the year, after withdrawals.

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

At 31 December 2018, the evolution of the asset allocation of investments was:

	<b>2018</b>	2017	2016	2015	2014
Listed equity investments	<b>42.6%</b>	64.8%	63.5%	68.4%	73.1%
Fixed and variable interest stocks	<b>11.0%</b>	18.2%	18.5%	15.9%	15.0%
Alternative investments	<b>4.6%</b>	4.7%	4.8%	2.7%	2.2%
Property funds	<b>4.2%</b>	3.8%	3.5%	2.2%	2.7%
Investment Properties	<b>2.9%</b>	2.7%	2.6%	3.0%	2.3%
Cash	<b>34.7%</b>	5.8%	7.1%	7.8%	4.7%
Total	<b>100%</b>	100%	100%	100%	100%

# Trustees Report: Strategic Report

Cash levels are significantly higher than previous years following the liquidation of the Credit Suisse portfolio. The cash has been invested post year end in the CCLA COIF Charities Investment Fund.

Both Investec and Sarasin expect asset allocations and geographical allocations to remain at similar levels to those in 2018, 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:

	2018	2017	2016	2015	2014
Europe	61.2%	49.3%	40.4%	43.9%	42.7%
UK	13.1%	12.9%	14.1%	14.3%	14.9%
North America	20.5%	28.9%	38.3%	33.2%	35.9%
Asia, Pacific and other countries	5.2%	8.9%	7.2%	8.6%	6.5%
Total	100%	100%	100%	100%	100%

A desktop valuation of the Investment Property was undertaken by Montagu Evans, Chartered Surveyors as at 31 December 2019. Investment properties are included in note 15. The resulting unrealised gain for the year following this valuation was €206,000, comprising a valuation gain of €80,000 and an exchange rate loss of €126,000 (2017: gain €233,000, comprising a valuation gain of €626,000 and an exchange loss of €393,000).

## Restricted Funds

The Foundation managed three 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	2018 €000's	2017 €000's
The Global Fuel Economy Initiative - Regional Implementation	(25)	64
Personal Security of Women: A Study of Three Cities in Latin America	-	(7)
Road Safety Fund	4	7
<b>Total</b>	<b>(21)</b>	<b>64</b>

The purpose and restriction of the funds, and an analysis of incoming and outgoing resources is provided in note 21 to the financial statements.

# Trustees Report: Strategic Report

## 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 Charity Commission's "Charity and Risk Management" (CC26), 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. In 2018 it also developed the following: a sanctions policy; safeguarding policy and privacy policies, the latter in line with the General Data Protection Regulation (GDPR); and, updated its due 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

# Trustees Report: Strategic Report

have been established to control or mitigate the effect of these risks on the achievement of the charity's objectives.

The Trustees have assessed the potential risks in relation to the United Kingdom's withdrawal from the European Union and believe that the risks to the Foundation are low.

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

<b>Risk</b>	<b>Measure in place to mitigate the risks</b>
<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>
<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>

# Trustees Report: Strategic Report

Risk	Measure in place to mitigate the risks
<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> <li>- reputational loss</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> <li>- employee handbook including code of conduct and safeguarding policies.</li> <li>- HR processes in line with GDPR.</li> <li>- regular staff meetings and away-day events.</li> <li>- annual appraisal process.</li> <li>- open door policy with Executive Director and Director of Governance and Personnel.</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> <li>- appointment of Compliance Officers for bribery, fraud and sanctions protection.</li> </ul>
<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>

# Trustees Report: Strategic Report

Risk	Measure in place to mitigate the risks
<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 and sanctions 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 and sanctions policies.</li> <li>- appointment of Compliance Officers.</li> <li>- grant agreements require partners to certify annually compliance with applicable anti-bribery/fraud laws.</li> <li>- periodic external audit review.</li> <li>- appointment of independent evaluator for motor sport safety projects.</li> </ul>

## Bribery and Corruption

Country risk: The Foundation’s main partners are from the following countries: United Kingdom; USA; Vietnam; France; Switzerland; 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 and sanctions 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 (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 number 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 Craw #	2011				
Mr B Gibbons #	2011				
Mr A Gow	2012		✓		
Mr E Jarrett (Company Secretary)	2011	✓			II
Mr W Kraus	2016		✓	✓	✓Ω
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	Υ	Υ	Υ
Mr J Todt ( <i>ex officio</i> , FIA President)	2008				
Mr K Woodier ^	2016			✓	✓
Mr T Yashiro	2012				
Ms M Yeoh	2018				

^ Independent Trustee

II Chairperson

# FIA nominee Trustees

Υ *Ex officio* member

✓ Member

Ω From 14 March 2018

# 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 2018, 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.

Ms M Amoni, and Messrs J Abed, A Gow and T Yashiro retired from the Board at the AGM on 6 December 2018. Mr Abed was re-elected for a second term, and Ms Amoni and Mr Gow were re-elected for a third and final term. Mr Yashiro did not seek re-election.

Ms M Yeoh was elected for a first term.

Messrs M Angle, W Kraus and K Woodier are due to retire at the forthcoming AGM. Mr Angle will have served three consecutive terms and is therefore ineligible for re-election. Messrs Kraus and Woodier have served one term and are eligible to offer themselves 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 resigned as a co-opted member of 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;
- Safeguarding Policy;
- Privacy 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.

### 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.

### Social Media

The Foundation utilises social media as a core part of its communications activities. Twitter, Instagram, Facebook and YouTube 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 global public health community. Communications on social media are managed with appropriate diligence and care. They are controlled by the Deputy Director and Executive Director to ensure that the Foundation's objectives are met and risks managed.

Links to our sites are:

Facebook Foundation: <https://www.facebook.com/FIAfdn>

Facebook GFEI: <https://www.facebook.com/Global-Fuel-Economy-Initiative-410323319738807>

Facebook TRUE: [https://www.facebook.com/TRUE\\_Emissions-1065473186965493](https://www.facebook.com/TRUE_Emissions-1065473186965493)

Facebook Make Roads Safe: <https://www.facebook.com/makeroadssafe>

Instagram Foundation: [https://www.instagram.com/This\\_Is\\_My\\_Street](https://www.instagram.com/This_Is_My_Street)

Instagram TRUE: [https://www.instagram.com/true\\_emissions](https://www.instagram.com/true_emissions)

Instagram GFEI: <https://www.instagram.com/GlobalFuelEcon>

Linkedin Foundation: <https://www.linkedin.com/company/fia-foundation>

Linkedin TRUE: <https://www.linkedin.com/showcase/the-real-urban-emissions-initiative>

Linkedin CHI: <https://www.linkedin.com/showcase/child-health-initiative>

YouTube FIA Foundation: <https://www.youtube.com/user/FIAFoundation>

YouTube TRUE:

[https://www.youtube.com/channel/UCypq6bkx0XD9PYB5XeWU3Gw?view\\_as=subscriber](https://www.youtube.com/channel/UCypq6bkx0XD9PYB5XeWU3Gw?view_as=subscriber)

# Trustees Report:

## Structure, governance & management

### Changes in fixed assets

The movements in fixed assets are set out in notes 14 and 15 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 20. Grants made to organisations which are members of the charity are disclosed in note 7. All other related party transactions are disclosed in note 27.

### Auditor appointment

Wilkins Kennedy Audit Services, 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

12 July 2019

# 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 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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 2018 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 Audit Services  
Statutory Auditor, Chartered Accountants  
Egham  
12 July 2019

# Statement of Financial Activities

For the year ended 31 December 2018 (incorporating an income and expenditure account)

	Note	Unrestricted Funds 2018 €000's	Restricted Funds 2018 €000's	<b>Total 2018 €000's</b>	Total 2017 €000's
<b>Income</b>					
Donations	2	-	81	<b>81</b>	96
Charitable activities	3	-	15	<b>15</b>	99
Other income	4	174	-	<b>174</b>	-
Investment income	5	7,773	-	<b>7,773</b>	8,110
<b>Total Incoming resources</b>		<b>7,947</b>	<b>96</b>	<b>8,043</b>	<b>8,305</b>
<b>Expenditure</b>					
Raising funds:					
- Costs of managing investments	6	1,725	-	<b>1,725</b>	1,722
Charitable activities:					
- Safety, environment and mobility	6	12,489	181	<b>12,670</b>	11,443
- Motor sport safety	6	4,275	-	<b>4,275</b>	4,210
- Memberships and affiliations	6	88	-	<b>88</b>	88
- Representational activities and external communications	6	2,073	-	<b>2,073</b>	1,698
<b>Total resources expended</b>	<b>6</b>	<b>20,650</b>	<b>181</b>	<b>20,831</b>	<b>19,161</b>
Net expenditure before gains on investments		(12,703)	(85)	<b>(12,788)</b>	(10,856)
(Losses)/gains on investment assets	15	(14,742)	-	<b>(14,742)</b>	11,571
<b>Net (expenditure)/income for the year and net movement in funds</b>		<b>(27,445)</b>	<b>(85)</b>	<b>(27,530)</b>	<b>715</b>
<b>Reconciliation of funds:</b>					
Balance at 1 January 2018	19-21	408,499	64	<b>408,563</b>	407,848
<b>Balance at 31 December 2018</b>	<b>19-21</b>	<b>381,054</b>	<b>(21)</b>	<b>381,033</b>	<b>408,563</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.

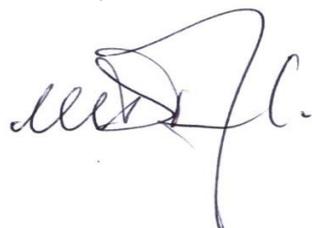
# Balance Sheet

As at 31 December 2018

	Note	Unrestricted Funds 2018 €000's	Restricted Funds 2018 €000's	<b>Total 2018 €000's</b>	Total 2017 €000's
<b>Fixed assets</b>					
Tangible assets	14	4,246	-	<b>4,246</b>	4,277
Investments	15	365,838	-	<b>365,838</b>	390,011
		<b>370,084</b>	-	<b>370,084</b>	394,288
<b>Current assets</b>					
Debtors	16	2,362	-	<b>2,362</b>	3,246
Cash at bank and in hand		14,827	7	<b>14,834</b>	17,912
		<b>17,189</b>	7	<b>17,196</b>	21,158
<b>Liabilities</b>					
Creditors: amounts falling due within one year	17	(6,219)	(28)	<b>(6,247)</b>	(6,883)
<b>Net current assets</b>		10,970	(21)	<b>10,949</b>	14,275
<b>Total assets less current liabilities</b>		381,054	(21)	<b>381,033</b>	408,563
<b>Net assets</b>		381,054	(21)	<b>381,033</b>	408,563
<b>Funds</b>					
Unrestricted funds:					
- General funds	19	358,439	-	<b>358,439</b>	363,254
- Revaluation reserve	19	22,615	-	<b>22,615</b>	45,245
		<b>381,054</b>	-	<b>381,054</b>	408,499
Restricted funds	21	-	(21)	<b>(21)</b>	64
<b>Total charity funds</b>		381,054	(21)	<b>381,033</b>	408,563

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

The financial statements were approved by the Board of Trustees on 12 July 2019 and signed on their behalf by:



**Martin D Angle**

Treasurer

Company Number: 4219306

# Statement of Cash Flows

For the year ended 31 December 2018

	2018 €000's	2017 €000's
<b>Net cash outflow from operating activities:</b>		
Net cash used in operating activities	(20,357)	(15,592)
<b>Cash flows from investing activities:</b>		
Dividends, interest and rents from investments	7,869	8,053
Purchase of tangible fixed assets	(21)	(13)
Proceeds from sale of investments	181,865	145,764
Purchase of investments	(64,404)	(137,983)
<b>Net cash provided by investing activities</b>	<b>125,309</b>	<b>15,821</b>
<b>Change in cash and cash equivalents in the year</b>	<b>104,952</b>	<b>229</b>
Cash and cash equivalents on 1 January 2018	40,423	41,612
Change in cash and cash equivalents due to exchange rate movements	(3,592)	(1,418)
<b>Cash and cash equivalents on 31 December 2018</b>	<b>141,783</b>	<b>40,423</b>

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

	2018 €000's	2017 €000's
Net (expenditure)/income for the year	(27,530)	715
Adjustments for:		
Depreciation	34	35
Losses/(gains) on investments	14,742	(11,571)
Impairment losses/(reversing) on the revaluation of fixed assets land and buildings	18	(93)
Dividends, interest and rents from investments	(7,869)	(8,053)
Decrease in debtors	884	461
(Decrease)/increase in creditors	(636)	2,914
<b>Net cash used in operating activities</b>	<b>(20,357)</b>	<b>(15,592)</b>

## Analysis of cash and cash equivalents

	2018 €000's	2017 €000's
Cash at bank and in hand	14,834	17,912
Cash held as part of the investment portfolio	126,949	22,511
<b>Total cash and cash equivalents</b>	<b>141,783</b>	<b>40,423</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 14 and 15 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 15.

### 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 8.
<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 10.
<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 10.
<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>2018</b>	<b>2017</b>
Sterling	€1:£	€1:£0.898265	€1:£0.887575
US Dollar	€1:\$	€1:\$1.145137	€1:\$1.190008

## 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:

	<b>Year ended 31 December 2018 €000's</b>	Year ended 31 December 2017 €000's
<b>Safety, environment and mobility (restricted funds):</b>		
<b>Road Safety Fund</b>		
Mr T Ellis	-	1
Johnson and Johnson	<b>81</b>	95
<b>Total donations to restricted funds</b>	<b>81</b>	96

# Notes to the Accounts

## 3 Income from charitable activities

	Year ended 31 December 2018 €000's	Year ended 31 December 2017 €000's
<b>Safety, environment and mobility (restricted funds):</b>		
<b>Personal Security of Women - A Study of Three Cities in Latin America</b> Corporación Andina De Fomento (CAF)	15	99
<b>Total income from charitable activities</b>	<b>15</b>	<b>99</b>

## 4 Other income

Other income comprises income from:

	Year ended 31 December 2018 €000's	Year ended 31 December 2017 €000's
<b>Safety, environment and mobility (designated funds):</b>		
<b>Share of advertising income from AUTO, the International Journal of the Fédération Internationale de l'Automobile (FIA)</b> Fédération Internationale de l'Automobile (FIA)	174	-
<b>Total income</b>	<b>174</b>	<b>-</b>

## 5 Investment income

Investment income comprises income from:

	Year ended 31 December 2018 €000's	Year ended 31 December 2017 €000's
Listed equity investments	5,459	5,473
Fixed and variable interest stocks	1,525	2,005
Interest on cash held at brokers	271	21
Investment properties	510	561
Bank deposits and financial markets	8	50
	<b>7,773</b>	<b>8,110</b>

# Notes to the Accounts

## 6 Resources expended

	Grants €'000's	Activities under- taken directly €'000's	Invest- ment manager costs €'000's	Support and govern- ance costs €'000's	2018 €'000's	2017 €'000's
Costs of managing investments	-	-	1,650	75	<b>1,725</b>	1,722
Safety, environment and mobility	10,175	865	-	1,630	<b>12,670</b>	11,443
Motor sport safety	4,182	-	-	93	<b>4,275</b>	4,210
Memberships and affiliations	88	-	-	-	<b>88</b>	88
Representational activities and external communications	-	1,034	-	1,039	<b>2,073</b>	1,698
	<b>14,445</b>	<b>1,899</b>	<b>1,650</b>	<b>2,837</b>	<b>20,831</b>	<b>19,161</b>

Resources expended are further analysed in the following notes:

- note 7 for details of grant funding;
- note 8 for details of activities undertaken directly;
- note 9 for details of Investment manager costs; and
- note 10 for support and indirect cost allocations.

## 7 Grants

Grant expenditure during the year was as follows:

	Grants €'000's	Write back under utilised grants €'000's	Year ended 31 December 2018 €'000's	Year ended 31 December 2017 €'000's
Safety, environment and mobility	10,222	(47)	<b>10,175</b>	9,262
Motor sport safety	4,182	-	<b>4,182</b>	4,182
Memberships and affiliations	88	-	<b>88</b>	88
	<b>14,492</b>	<b>(47)</b>	<b>14,445</b>	<b>13,532</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	201
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	325
Gonzalo Rodriguez Memorial Foundation* - Regional Child Road Safety Vaccine	200
<b>Unrestricted funds - Other Road Safety and Environment Programmes:</b>	
Delft University - The Delft Road Safety Course	110
European Federation of Road Traffic Victims (FEVR) - World Remembrance Day	20
Fire Aid + - Fire Aid	30
Institute of Transport and Development Policy (ITDP) - Partnership to Promote "Vision Zero for Youth" for Developing Countries	80
National Association of City Transport Officials, Inc (NACTO) – Streets for Kids (Phase 1)	109
Save the Children – Global Road Safety Programme	187
Secretaría General Iberoamericana (SEGIB) - Implementing Changes in Registration of Road Fatalities Deaths in African Countries	50
UNC Highway Safety Research Centre - Vision Zero for Young Pedestrians	80
World Bank - Implementing Changes in Registration of Road Fatalities Deaths in African Countries	20
World Health Organisation (WHO) - Implementing Changes in Registration of Road Fatalities Deaths in African Countries	98
World Resources Institute (WRI) - Fostering Cities Safer by Design and Safe Systems	100
<b>Designated funds - Other Road Safety and Environment Programmes:</b>	
Aether Limited - Potential impact of Brexit on transport emission regulations in the UK	22
European Federation for Transport and Environment – Safer Lorries Campaign (EU Review of General Safety Regulation)	20
Gonzalo Rodriguez Memorial Foundation* - International Child Road Safety Forum	50
International Council on Clean Transport (ICCT) - Emerging Best Practices on Heavy Duty Vehicle Simulation Modelling and Fuel Efficiency Standards	85

# 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 (cont'd):</b>	
International Council on Clean Transport (ICCT) - Reducing Transport CO <sub>2</sub> : Supporting Regulatory Development in South Africa and Feebate System Development in Peru – Year 2	50
International Council on Clean Transport (ICCT) - Short Term Funding to support TRUE strategic growth	75
International Council on Clean Transport (ICCT) - The Real Urban Emissions (TRUE) initiative, Phase 2	170
International Road Assessment Programme (iRAP)* + - Star Rating for Schools - Programme Establishment and Launch	90
National Road Safety Council of Jamaica (NRSC) - Preventing Road Traffic Injuries in Jamaica	20
The Chancellor Masters and Scholars of the University of Oxford - Child Health Initiative Development of a Toolkit	11
<b>Safety, environment and mobility - grants awarded from unrestricted funds</b>	<b>6,803</b>
<b>Unrestricted funds - Exceptional Funding:</b>	
United Nations Economic Commission for Europe (UNECE) - UN Special Envoy for Road Safety	750
United Nations – United Nations Road Safety Trust Fund	2,588
<b>Safety, environment and mobility - grants awarded from exceptional funding</b>	<b>3,338</b>
<b>Restricted funds:</b>	
<b>Road Safety Fund - Directed Grants Programme:</b>	
Asia Injury Prevention Foundation (AIPF) - Helmets for Kids, Vietnam	81
<b>Safety, environment and mobility - grants awarded from restricted funds</b>	<b>81</b>
Grants awarded from unrestricted funds	6,803
Grants awarded from unrestricted funds - exceptional funding	3,338
Grants awarded from restricted funds	81
<b>Total safety, environment and mobility grants</b>	<b>10,222</b>

# Notes to the Accounts

Recipient and project	Amount Awarded €'000's
<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	2,000
<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>4,020</b>
<b>Unrestricted funds – Exceptional Funding:</b>	
Fédération Internationale de l'Automobile Switzerland (FIA)* + - Motor Sport Safety	162
<b>Motor sport safety – grants awarded from unrestricted funds, exceptional funding</b>	<b>162</b>
Grants awarded from unrestricted funds	4,020
Grants awarded from unrestricted funds – exceptional funding	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 - NGOs 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	10,911
Grants awarded from unrestricted funds - exceptional funding	3,500
Grants awarded from restricted funds	81
<b>Total Grants Awarded (prior to write backs of underutilised grants)</b>	<b>14,492</b>

\* FIA Foundation member organisation

+ Other related party

# Notes to the Accounts

## 8 Activities undertaken directly (direct costs)

Expenditure was as follows:

	Year ended 31 December 2018 €000's	Year ended 31 December 2017 €000's
<b>Safety, environment and mobility</b>		
<b>Designated funds</b>		
Ambassadors	259	85
Decade of Action Advocacy	282	350
Environmental Policy and Research Programme	1	20
Global Fuel Economy Initiative (GFEI)	202	168
TRUE, The Real Urban Emissions Initiative	5	11
Women in Transport	18	-
	<b>767</b>	<b>634</b>
<b>Restricted funds</b>		
Personal Security of Women - A Study of Three Cities in Latin America	8	80
The Global Fuel Economy Initiative - Regional Implementation	89	52
	<b>97</b>	<b>132</b>
<b>Safety, environment and mobility</b>	<b>864</b>	<b>766</b>
<b>Representational activities and external communications</b>		
<b>Designated funds</b>		
AUTO Magazine	140	-
External Representation	287	284
Evaluation	257	238
FIA Foundation Website	16	22
Publicity	335	299
	<b>1,035</b>	<b>843</b>
<b>Total direct expenditure</b>	<b>1,899</b>	<b>1,609</b>
Expenditure from designated reserves	<b>1,802</b>	1,477
Expenditure from restricted funds	<b>97</b>	132
<b>Direct Expenditure</b>	<b>1,899</b>	<b>1,609</b>

# Notes to the Accounts

## 9 Costs of managing investments

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

	<b>Year ended 31 December 2018 €000's</b>	Year ended 31 December 2017 €000's
Investment fund manager fees	<b>1,326</b>	1,473
Other investment portfolio costs	<b>119</b>	84
Investment property costs	<b>205</b>	95
	<b>1,650</b>	1,652

## 10 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 2018 €000's</b>
Staff costs	1,815	140	<b>1,955</b>
Premises costs	145	8	<b>153</b>
Office costs	112	13	<b>125</b>
IT costs	122	6	<b>128</b>
Legal and professional	131	20	<b>151</b>
Other exchange losses	47	2	<b>49</b>
Reversal of impairment losses on revaluation of fixed assets land and buildings	(31)	(1)	<b>(32)</b>
Impairment losses of fixed assets land and buildings due to exchange rate fluctuations	48	2	<b>50</b>
	<b>2,389</b>	<b>190</b>	<b>2,579</b>

Governance costs include:

	<b>Year ended 31 December 2018 €000's</b>	Year ended 31 December 2017 €000's
Trustees' expenses	<b>157</b>	131
Annual General Meeting costs	<b>54</b>	56
Trustees' Indemnity Insurance	<b>20</b>	20
Auditor's remuneration	<b>27</b>	31
Legal fees	<b>-</b>	2
Allocated support costs (see above)	<b>190</b>	158
	<b>448</b>	398

# 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	2018 €000's	2017 €000's
Costs of managing investments	66	9	75	70
Safety, environment and mobility	1,362	268	1,630	1,415
Motor sport safety	90	3	93	28
Representational activities and external communications	871	168	1,039	855
	2,389	448	2,837	2,368

## 11 Net income for the year

This is stated after:

	Year ended 31 December 2018 €000's	Year ended 31 December 2017 €000's
Auditor's remuneration:		
Statutory audit services - Wilkins Kennedy Audit Services	24	24
Corporate taxation services – Wilkins Kennedy	3	7
Depreciation: owned tangible fixed assets	34	35
Irrecoverable VAT	79	73
Exchange losses on monetary assets	49	37
Rents payable under operating leases	36	37
Rents receivable under operating leases	386	466

# Notes to the Accounts

## 12 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 2018 €000's</b>	Year ended 31 December 2017 €000's
Salaries	<b>1,382</b>	1,194
Social security costs	<b>189</b>	169
Pension costs	<b>269</b>	227
	<b>1,840</b>	1,590

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

	<b>Number 2018</b>	Number 2017
Safety, environment and mobility	<b>8</b>	9
Representational activities and external communications	<b>6</b>	5
	<b>14</b>	14

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

	<b>Number 2018</b>	Number 2017
€ 0 - € 70,000	<b>6</b>	7
€ 70,000 - € 80,000	<b>-</b>	2
€ 80,000 - € 90,000	<b>2</b>	1
€100,000 - €110,000	<b>2</b>	-
€110,000 - €120,000	<b>1</b>	1
€120,000 - €130,000	<b>1</b>	1
€130,000 - €140,000	<b>1</b>	1
€180,000 - €190,000	<b>1</b>	1
	<b>14</b>	14

The Foundation contributed to a Defined Contribution Scheme for all UK based staff operated on a salary sacrifice basis. Employer pension contributions for the 8 employees (2017: 6) whose emoluments are in excess of €70,000 were €160,000 (2017: €145,000). 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 €185,784 (2017: €184,727) with a pension contribution of €18,578 (2017: €18,472). The Executive Director did not receive any additional benefits during the year (2017: €nil).

# Notes to the Accounts

## 13 Payments to Trustees

Expense reimbursements payable to 13 Trustees (2017: 13 Trustees) for the period amounted to €157,000 (2017: €131,000) and can be analysed as follows:

	Year ended 31 December 2018 €000's	Year ended 31 December 2017 €000's
Travel costs	125	100
Accommodation and subsistence	32	31
<b>Total</b>	<b>157</b>	<b>131</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.

## 14 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 2018	4,217	148	46	4,411
Additions	-	12	9	21
Disposals	-	-	(10)	(10)
Impairment losses on revaluation	(18)	-	-	(18)
At 31 December 2018	4,199	160	45	4,404
Depreciation				
At 1 January 2018	-	98	36	134
Charge for the year	-	28	6	34
Eliminated on disposal	-	-	(10)	(10)
At 31 December 2018	-	126	32	158
<b>Net book amount as at 31 December 2018</b>	<b>4,199</b>	<b>34</b>	<b>13</b>	<b>4,246</b>
Net book amount as at 31 December 2017	4,217	50	10	4,277

The freehold land, buildings and improvements are valued at open market value. On 31 December 2018 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 £3,771,000 (2017: £3,743,000). The resulting unrealised loss for the year following this valuation was €18,000 comprising a valuation gain of €32,000 and an exchange rate loss of €50,000 (2017: gain €93,000, comprising a valuation gain of €250,000 and an exchange loss

# Notes to the Accounts

of €157,000). The deficit has been transferred to impairment losses in the Statement of Financial Activities (see note 10).

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 €631,000 (2017: €613,000) have been recognised in the financial statements.

## 15 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 2018	10,542	356,958	22,511	390,011
Net transfers to cash	-	-	(15,584)	(15,584)
Shares purchased	-	64,404	(64,404)	-
Dividends received	-	-	7,065	7,065
Movement in accrued income	-	-	372	372
Other income	-	-	271	271
Interest and charges paid	-	-	(1,555)	(1,555)
Realised losses	-	2,076	(3,626)	(1,550)
Unrealised investment gains	80	(13,180)	-	(13,100)
Unrealised exchange losses	(126)	-	34	(92)
Proceeds from disposals	-	(181,865)	181,865	-
At 31 December 2018	10,496	228,393	126,949	365,838

The Investment Property is valued at open market value. On 31 December 2018 a desktop valuation was undertaken by Montagu Evans, Chartered Surveyors. The Sterling valuation at this date was £9,429,000 (2017: £9,357,000). 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.

## 16 Debtors

	2018 €000's	2017 €000's
Prepayments	57	82
Accrued income	174	628
Other debtors	2,131	2,536
	<b>2,362</b>	<b>3,246</b>

All balances relate 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:

	<b>2018</b> <b>€000's</b>	2017 €000's
Other debtors	<b>1,625</b>	1,950

## 17 Creditors: amounts falling due within one year

	<b>2018</b> <b>€000's</b>	2017 €000's
Grants committed but not paid over	<b>5,512</b>	6,074
Trade creditors	<b>73</b>	51
Accruals	<b>466</b>	508
Deferred income	<b>181</b>	229
Social security and other taxes	<b>15</b>	21
	<b>6,247</b>	6,883

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 way 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:

	<b>Unrestricted funds €000's</b>	<b>Restricted funds €000's</b>	<b>Total €000's</b>
At 1 January 2018	5,993	81	<b>6,074</b>
Grants awarded in year	14,411	81	<b>14,492</b>
Write back of underutilised grants in prior periods	(47)	-	<b>(47)</b>
Grants paid during the year	(14,873)	(134)	<b>(15,007)</b>
At 31 December 2018	5,484	28	<b>5,512</b>

Movements in deferred income were as follows:

	<b>Rental income €000's</b>	<b>Rent Deposit €000's</b>	<b>Total €000's</b>
At 1 January 2018	126	103	<b>229</b>
Amounts released during the year	(126)	(57)	<b>(183)</b>
Amounts deferred during the year	99	37	<b>136</b>
Exchange rate loss	-	(1)	<b>(1)</b>
At 31 December 2018	99	82	<b>181</b>

# 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.

## 18 Financial Instruments

The carrying amount of the Foundation's financial instruments are as follows:

	Note	2018 €000's	2017 €000's
Financial assets measured at amortised cost:			
Other debtors	16	2,305	3,164
Cash at bank and in hand		14,834	17,912
		<b>17,139</b>	<b>21,076</b>
Financial assets measured at fair value through net income/(expenditure):			
Investments	15	365,838	390,011
Freehold land and buildings	14	4,199	4,217
		<b>370,037</b>	<b>394,228</b>
Financial liabilities measured at amortised cost:			
Trade creditors	17	73	51
Other creditor transactions	17	6,159	6,811
		<b>6,232</b>	<b>6,862</b>

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

	Note	2018 €000's	2017 €000's
Recognised in net expenditure before gains on investments:			
Realised exchange losses on financial assets and liabilities	10	(67)	(28)
Unrealised exchange gains /(losses) on financial assets and liabilities	10	18	(9)
(Impairment losses)/reversal of impairment losses on the revaluation of fixed asset land and buildings	13	(18)	93
Total (losses)/gains on net expenditure before gains on investments		<b>(67)</b>	<b>56</b>

# Notes to the Accounts

	Note	2018 €000's	2017 €000's
Gains on investment assets:			
Realised losses on investments	14	(1,550)	(1,846)
Unrealised (losses)/gains on investments	14	(13,192)	13,417
Total (losses)/gains on investment assets		(14,742)	11,571
Total (losses)/gains attributable to financial instruments		(14,809)	11,627

The total interest received for financial assets and financial liabilities that are not measured at fair value was €8,000 (2017: €49,000).

One fund manager, Sarasin, used derivative financial instruments in the form of options during the period to protect the portfolio. They invested in 33 (2017: 25) positions at a cost of -€123,000 (2017: -€157,000) during the year. The market valuation of the three remaining holdings at the year-end was -€20,000 (2017: -€59,000), representing a gain of €6,000 (2017: loss €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.

## 19 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 2018 €000's
At 1 January 2018	516	362,738	363,254	45,245	408,499
Incoming resources	174	7,773	7,947	-	7,947
Costs of managing investments	-	(1,725)	(1,725)	-	(1,725)
Safety, environment and mobility expenditure	-	(12,489)	(12,489)	-	(12,489)
Motor sport safety expenditure	-	(4,275)	(4,275)	-	(4,275)
Memberships and affiliations expenditure	-	(88)	(88)	-	(88)
Representational activities and external communications expenditure	-	(2,073)	(2,073)	-	(2,073)
Designation of funds	1,940	(1,940)	-	-	-
Grants awarded from designated funds	(593)	593	-	-	-
Activities undertaken directly - expenditure	(1,802)	1,802	-	-	-
Gains on investments	-	7,888	7,888	(22,630)	(14,742)
At 31 December 2018	235	358,204	358,439	22,615	381,054

# Notes to the Accounts

## 20 Designated funds

Activities undertaken by the Foundation are listed below:

Activity Name	At 1 January 2018 €000's	Design- ations in the year €000's	Change in design- ations in the year €000's	Grants Awarded €000's	Net funds commit- ted in the year €000's	At 31 December 2018 €000's
<b>Safety, environment and mobility</b>						
Ambassadors	65	150	34	-	(259)	(10)
Decade of Action	32	300	-	(50)	(282)	-
Environmental Policy and Research Programme	209	150	-	(352)	(1)	6
Global Fuel Economy Initiative	82	250	-	(50)	(202)	80
TRUE, The Real Urban Emissions Initiative	25	100	-	-	(5)	120
Women in Transport	-	75	(17)	-	(18)	40
	413	1,025	17	(452)	(767)	236
<b>Representational activities and external communications</b>						
AUTO Magazine	10	-	(44)	-	34	-
External representation	36	250	-	-	(287)	(1)
Evaluation, Research and Programme Support	21	350	27	(141)	(257)	-
Website	1	15	-	-	(16)	-
Publicity	35	300	-	-	(335)	-
	103	915	(17)	(141)	(861)	(1)
<b>Total</b>	516	1,940	-	(593)	(1,628)	235

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.

Net funds committed comprise other income (see note 4) less costs for activities undertaken directly (direct costs) (see note 8).

Two of the designated funds were overdrawn at the year end. Funds have been allocated to these activities in 2019 to cover the short fall.

# Notes to the Accounts

## 21 Restricted Funds

	At 1 January 2017 €000's	Incoming resources €000's	Resources expended €000's	At 31 December 2018 €000's
<b>Safety, environment and mobility</b>				
The Global Fuel Economy Initiative - Regional Implementation	64	-	(89)	(25)
Personal Security of Women - A Study of Three Cities in Latin America	(7)	15	(8)	-
Road Safety Fund	7	81	(84)	4
	64	96	(181)	(21)

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 further extended and is scheduled to run until 31 December 2019.

The fund is currently overdrawn as the next tranche of funding is due but has not been confirmed. No income has been recognised during 2018 as the amount cannot be quantified as there is no set payment schedule for this agreement.

### 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 was 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.

The study is complete and 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 has been published.

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

# Notes to the Accounts

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.

The fund will close in 2019 when the final grants due have been paid.

## 22 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:

	<b>2018</b> <b>€000's</b>	2017 €000's
Office equipment:		
Within one year	<b>35</b>	35
Between two and five years	<b>18</b>	53
<b>Total</b>	<b>53</b>	88

## 23 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:

	<b>2018</b> <b>€000's</b>	2017 €000's
Within one year	<b>365</b>	380
Between two and five years	<b>1,562</b>	1,189
After five years	<b>1,542</b>	1,541
<b>Total</b>	<b>3,469</b>	3,110

## 24 Capital commitments

The Foundation did not have any capital commitments at 31 December 2018 or 31 December 2017.

# Notes to the Accounts

## 25 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 annual grant instalment if the grant conditions are not met.

€325,000 of these grants will be funded from the exceptional withdrawal of €5 million made in March 2017. The remaining €24,380,000 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 2018	28,328
Grants awarded	10,869
Grants charged to the Statement of Financial Activities (note 7)	(14,492)
At 31 December 2018	24,705
Payable within one year	12,587
Payable after more than one year	12,118
<b>Total</b>	<b>24,705</b>

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

	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	2,400
Fédération Internationale de l'Automobile France - FIA Sustainable Mobility Programme	300	300	600
Fédération Internationale de l'Automobile France - FIA High Level Panel for Road Safety	300	-	300
Global NCAP - Global New Car Assessment Programme	1,000	1,000	2,000
International Road Assessment Programme - International Road Assessment Programme	1,000	1,000	2,000
<b>Unrestricted funds - Other Multi-year Partners:</b>			
AMEND - School Area Road Safety Assessments	200	200	400
Asia Injury Prevention Foundation - Global Helmet Vaccine Initiative	200	200	400

# Notes to the Accounts

	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	200	200	400
Gonzalo Rodriguez Memorial Foundation - Regional Child Road Safety Vaccine	200	200	400
United Nations Environment Programme - Supporting Sustainable for the Environment, Air Quality and Road Safety	325	325	650
<b>Unrestricted funds - Other Road Safety and Environment Programmes:</b>			
Delft University - The Delft Road Safety Course	110	-	110
<b>Unrestricted funds - Exceptional Funding:</b>			
United Nations Economic Commission for Europe (UNECE) - UN Special Envoy for Road Safety	750	-	750
United Nations – UN Road Safety Trust Fund	2,620	3,330	5,950
<b>Motor sport safety</b>			
<b>Unrestricted funds - Major Partners:</b>			
Fédération Internationale de l'Automobile Switzerland - Motor Sport Safety	2,000	2,000	4,000
Fédération Internationale de l'Automobile France - ASN Motor Sport Safety Grant Programme	2,000	2,000	4,000
<b>Unrestricted funds - Other Motor Sport Programmes:</b>			
Global Institute for Motor Sport Safety - Sid Watkins Scholarship	20	-	20
<b>Unrestricted funds - Exceptional Funding:</b>			
Fédération Internationale de l'Automobile Switzerland - Motor Sport Safety	162	163	325
At 31 December 2018	12,587	12,118	24,705

## 26 Contingent assets/liabilities

There were no other contingent assets or liabilities at 31 December 2018 or 31 December 2017.

# Notes to the Accounts

## 27 Related party transactions

Expense reimbursements of €157,000 (2017: €131,000) were due to Trustees. Of these amounts €24,000 (2017: €14,000) 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 7.

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

Grants of €3,800,000 (2017: €3,800,000) were awarded to the Fédération Internationale de l'Automobile France (FIA) during the year. €1,914,000 of current year and prior year grants (2017 : €4,434,000) were outstanding at the year end. In addition, grants of €2,182,000 (2017: €2,182,000) were awarded to the Fédération Internationale de l'Automobile Switzerland (FIA) and its subsidiary undertaking the Global Institute of Motorsport Safety, during the year. €2,162,000 of current year grants (2017 : €162,000) were outstanding at the year end.

The Foundation also paid €54,000 (2017: €56,000) to the FIA cover member organisations travel and accommodation costs together with staging costs of the Foundation's Annual General Meeting in Paris. This amount is due to the FIA at the year-end was €54,000 (2017: €nil)

The Foundation receives a one-third share of the net revenues from AUTO, the international journal of the FIA. During 2018 the Foundation received revenue of €174,000 (see note 4) and incurred costs of €140,000 (see note 8). This represented the revenue and costs for 2017 and 2018. €18,000 was received from the FIA during the year. €16,000 was outstanding at the year-end (2017: €nil).

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

Mr J Todt is the President of the FIA. Mr B Gibbons (Senate President) 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; and, Mr T Yashiro is a titular member for Region II of the WCAMT.

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 December 2018); and Mr T Yashiro is the Vice President of the Automobile Mobility and Tourism Region II – Asia and Pacific.

Ms M Yeoh is the partner of Mr J Todt.

Mr M Nadal serves as the Secretary of the FIA High Level Panel for Road Safety, on a consultancy basis. The Rt Hon. The Lord Robertson of Port Ellen KT GCMG is a Panel member of the FIA High Level Panel for Road Safety, whilst Mr S Billingsley is an Advisory Group Member.

# Notes to the Accounts

Mr A Gow was a Director of the Global Institute of Motorsport Safety (resigned in June 2018).

All Trustees apart from Ms M Amoni, Mr M Angle, The Rt Hon. The Lord Robertson of Port Ellen KT GCMG, 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 (i.e. €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 (2017: €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 (€2017: €nil).

Grants of €2,588,000 (2017: €nil) were awarded to the United Nations Road Safety Trust Fund. Mr J Todt and The Rt Hon. The Lord Robertson of Port Ellen KT GCMG are members of the Advisory Board. No amounts were outstanding at the year-end (€2017: €nil).

Grants of €1,090,000 (2017: €1,200,000) were awarded to International Road Assessment Programme (iRAP) during the year. €54,000 (2017: €20,000) were outstanding at the year end. Mr M Nadal and Mr S Billingsley (Foundation representative) are non-remunerated members of the Board.

The Foundation paid Lifesavers Conference Inc. €2,000 (2017: €1,000) for rental space for the 2018 conference held in San Antonio, Texas. In addition €2,000 (2017: €2,000) was paid as a sponsorship pledge for the 2019 Annual Conference to be held in Louisville, Kentucky. The amount is included in other debtors. Ms M Amoni is a Director of Lifesavers Conference Inc.

Grants of €80,000 (2017: 80,000) were awarded to UNC Highway Safety Research Centre for Vision Zero for Young Pedestrians. Ms A Amoni is a non-remunerated member of the Advisory Board (appointed May 2018) for Vision Zero for Youth. €20,000 (2017: €nil) was outstanding at the year end.

## **28 Controlling related party**

The Trustees consider that there is no controlling related party.

# Five Year Financial Summary

## Summary of Income and Expenditure:

	2018 €000's	2017 €000's	2016 €000's	2015 €000's	2014 €000's
Incoming resources	8,043	8,305	9,118	9,335	9,611
Expenditure:					
Costs of managing investments	1,725	1,722	1,686	1,681	1,853
Charitable Activities:					
Safety, environment and mobility	12,670	11,443	12,033	11,168	8,682
Motor Sport Safety	4,275	4,210	4,539	3,943	11,092
Memberships and Affiliations	88	88	41	58	109
Representational Activities and external communications	2,073	1,698	1,997	1,368	1,359
Total resources expended	20,831	19,161	20,296	18,218	23,095
Net expenditure before gains on investments	(12,788)	(10,856)	(11,178)	(8,883)	(13,484)
Recognised (losses)/gains	(14,742)	11,571	6,215	30,459	36,884
Net movement in funds	(27,530)	715	(4,963)	21,576	23,400

## Summary of assets and liabilities:

	2018 €000's	2017 €000's	2016 €000's	2015 €000's	2014 €000's
Fixed assets	370,084	394,288	394,337	394,774	379,211
Current assets	17,196	21,158	17,480	25,122	18,730
Current liabilities	(6,247)	(6,883)	(3,969)	(7,085)	(6,706)
Net Assets	381,033	408,563	407,848	412,811	391,235
Represented by:					
Unrestricted funds	381,054	408,499	407,606	412,065	390,547
Restricted funds	(21)	64	242	746	688
Total funds	381,033	408,563	407,848	412,811	391,235

# Five Year Financial Summary

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

	2018 €000's	2017 €000's	2016 €000's	2015 €000's	2014 €000's
<b>Unrestricted funds - annual programme:</b>					
Safety, environment and mobility	6,756	6,649	5,523	6,359	4,631
Motor sport safety	4,020	3,020	3,020	3,020	2,000
Memberships and affiliations	88	88	38	54	23
<b>Total annual programme grants awarded</b>	<b>10,864</b>	<b>9,757</b>	<b>8,581</b>	<b>9,433</b>	<b>6,654</b>
<b>Unrestricted funds - Exceptional funding (2015-2017):</b>					
Safety, environment and mobility	3,338	2,380	3,221	2,090	-
Motor sport safety	162	1,162	1,000	1,000	-
<b>Total exceptional grants awarded</b>	<b>3,500</b>	<b>3,542</b>	<b>4,221</b>	<b>3,090</b>	<b>-</b>
<b>Unrestricted fund grants awarded</b>					
Safety, environment and mobility	10,094	9,029	8,744	8,449	4,631
Motor sport safety	4,182	4,182	4,020	4,020	2,000
Memberships and affiliations	88	88	38	54	23
<b>Total unrestricted fund grants awarded</b>	<b>14,364</b>	<b>13,299</b>	<b>12,802</b>	<b>12,523</b>	<b>6,654</b>
<b>Restricted Funds:</b>					
Safety, environment and mobility	81	233	470	532	1,660
Motor sport safety*	-	-	481	(206)	7,928
<b>Total restricted fund grants awarded</b>	<b>81</b>	<b>233</b>	<b>951</b>	<b>326</b>	<b>9,588</b>
<b>Total grants awarded</b>					
Safety, environment and mobility	10,175	9,262	9,214	8,981	6,291
Motor sport safety	4,182	4,182	4,501	3,814	9,928
Memberships and affiliations	88	88	38	54	23
<b>Grants awarded</b>	<b>14,445</b>	<b>13,532</b>	<b>13,753</b>	<b>12,849</b>	<b>16,242</b>
<b>Percentage of awards by category</b>					
Safety, environment and mobility	70.4%	68.4%	67.0%	69.9%	38.8%
Motor sport safety	29%	31.0%	32.7%	29.7%	61.1%
Memberships and affiliations	0.6%	0.6%	0.3%	0.4%	0.1%
	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

\*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.