



INTERNATIONAL FEDERATION OF AIRWORTHINESS

AGM REPORT
and
ANNUAL ACCOUNTS
2003 - 2004

Seeking renewal; Thor Johnansen of Boeing & Derek Cridland of Cathay Pacific

New Nominations: Zhou Kaixuan of CAAC, Chung Mak of TAECO & Cliff Edwards of Shell Aircraft.

As there is no contest, it was proposed that the AGM accept these nominations election en-bloc;
This was carried unanimously.

AGM RATIFICATION OF EC'S NON-CORPORATE NOMINATIONS:

Graham Harris indicated that the EC was recommending that Captain Igor Nikulin of Siberian Airlines be ratified by the AGM as an Associate Member.
This was also carried unanimously.

6. Report by the Chairman of the Executive Council - Barry Green

Welcome to all our IFA Members and friends here in Shanghai for this IFA's Annual General Meeting and also as participants in this the 57th Annual International Aviation Safety Seminar, which is being held in conjunction with our colleagues "The Flight Safety Foundation" and the "IATA-Technical Group".

We have now concluded a busy and interesting year of IFA activities, the specific details of which our Executive Director Mr. John W. Saull will cover in his separate report. IFA has made its presence felt in the European regulatory organisation changes in the JAA/EASA, where IFA has technical members 'assigned' to work on the various committees as well as our own projects e.g.: Continuing Airworthiness, Human Factors. IFA's latest success, after some eight years of work and lobbying, is that IFA has been formally accepted, by the President of the Air Navigation Commission, as a full member of the ICAO AIRP (Airworthiness Panel).

Mr. Andrew McClymont IFA VP Europe will be attending the next meeting in Tokyo as IFA's representative. Because this ICAO meeting is being held at the same time as this IASS, Andrew is not able to be with us in Shanghai, but we do thank him for his work on behalf of IFA and we will look forward to reading his report in due course.

Details regarding the administration and general business matters of the Executive Council, as dealt with during the Executive Council meetings, have already been published either in hard copy or on the IFA Web-site, and are now available to all IFA Members. In summary, all goes well especially with the IFA Secretariat being so ably managed by Ms. Linda Hare, who has made great progress and numerous improvements. Unfortunately, Linda was not able to be here in Shanghai, so we send her a special vote of thanks for all that she has done and may her support long continue.

The financial status and future budget plans of the IFA will be amply covered in the specific reports of our Deputy Executive Director & Treasurer Mr. Maurice E. Hare and the Chairman of the IFA Trustees Mr. Jim M. Rainbow OBE. On behalf of the Executive Council, it is my pleasure to record a sincere vote of thanks to Maurice and Jim and extend this to all of our Trustees for their continued dedication and guidance. As was recently published in IFA's News Extra, our Trustee since 1987 Sir Peter Masefield, has had to resign due to illness. Therefore, on behalf of all in IFA, it is my honour to herewith record our most sincere and heartfelt appreciation and thanks for all that Sir Peter has done for the Federation, and we wish him well.

Membership numbers have decreased, however, I am pleased to report that we do have some new Members to welcome. Mr. Graham P. Harris has done a sterling job managing the Membership and Publicity matters of the Federation will report on the specifics; however he does need your help in recruiting new IFA Members. Graham has been given positive and very welcome assistance by Mr. Frank Jauregui (IFA VP the Americas) and Dr. Ron Yates (IFA VP Australasia) and we truly owe them our thanks for their work on IFA's behalf. Personal contacts and the publicising of "IFA" by its existing Members have proven to be one of the most successful ways for gaining new members. So please help this "Membership Drive" by contacting Graham Harris for an "IFA Information Pack" or for his assistance in following up on your initiatives.

The International Federation of Airworthiness is a "low-cost" organization, by virtue of its volunteer administration, and because of this I believe that the Federation is well placed to provide a meaningful contribution to the Aviation Industry. Therefore, I urge all of you to do all in your power to ensure that the Federation continues to play an active part in your special area. We welcome our new Executive Council and Technical Council Members, not all of whom are able to attend this IASS; however, we do look forward to working with them in the future.

The IFA website: www.ifairworthy.org, has proved to be a real success and it is a most cost effective means of making data readily available to all Members. So please take advantage of the IFA website for all the information that it has to offer, including copies of the Executive Council Meeting Minutes and the Technical Committee Minutes; plus "IFA NEWS" and "IFA News-Extra". Mr. Donald K. Smith does a great job as IFA's Editor; so on behalf of the Executive Council, a sincere vote of thanks to Don Smith and Graham Harris for their work on all of these special publications.

The "IFA History", written and edited by Don Smith, is nearing completion and will soon be ready for publishing. Jim Rainbow and Linda Hare are working with Don on this project. Also, I am pleased to announce that Jim Rainbow has generously offered to sponsor this special publication; many thanks Jim.

The "IFA-Whittle Safety Award" is now recognised and accepted as a most prestigious Award in the Aviation Industry. Dr. Ronald J. Yates AM, and his Committee have had the difficult task of reviewing and selecting just one award winner whilst giving due consideration to all aspects of each nominees submission. Our sincere thanks go to Dr. Ron Yates and his Committee for their time and dedication to this "IFA - Whittle Safety Award"; and our congratulations to this year's recipient.

Mr. R. Don. Hammond, the IFA Scholarship Awards Administrator, is not able to be here in Shanghai, so he has presented his annual report on the program and status of both the "IFA - Len Gore - Scholarship" and the "IFA - ISTAT - Scholarship" and this report will be part of these AGM minutes. The Scholarship schemes have not been very active over the past couple of years, so we need all IFA member companies to get behind this initiative and enthusiastically encourage those responsible within their companies to seek suitable candidates for these Scholarships and to submit nominations in due time. On behalf of the Executive Council, a sincere vote of thanks to Don for his continued work on the IFA Scholarship programs.

The IFA Technical Committee is without doubt one of IFA's most important and productive operations, the full details of which will be covered by Mr. Brian L. Perry, VP Technical and Chairman of the T.C. in his separate report. On behalf of the IFA Membership and the Executive Council, a sincere vote of thanks goes to Brian Perry and the volunteer Members of the Technical Committee, for their excellent work.

Two IFA Workshops have been specifically arranged for this IASS here in Shanghai. "Safety Management" with Mr. Cliff Edwards (Shell Aviation) and "Continuing Airworthiness" with Mr. Frank Fickeisen (Boeing). We do hope that these Workshops will be well supported, and I take this opportunity to sincerely thank all concerned for their efforts and contributions.

The volunteer Members of the Executive Council continue to strive to ensure that the International Federation of Airworthiness is able to meet the expectations of all its Members. Mr. Graham P. Harris has done a terrific job in organising the IFA Display Stand at this IASS, as well as handling numerous other tasks for IFA, so on behalf of the Executive Council we extend a special vote of thanks to Graham for a job well done, above and beyond the call of duty. To all our IFA Officers and Members of the Executive Council, I extend a personal vote of thanks for their dedication and work, on behalf of all in the Federation.

This year's IASS is the result of much hard work by the Joint Agenda Development Committee, with Mr. Jim Burin of FSF as Chairman, and all concerned are to be congratulated on a job well done.

The Executive Council wishes to record special thanks to TAECO (Xiamen) for their sponsoring of the IFA meeting rooms, equipment and refreshments at this IASS in Shanghai.

Finally, a very sincere thank you to Mr. David Lui General Manager Engineering of Dragonair and to Mr. Derek Cridland Engineering Director of Cathay Pacific Airways for their most generous sponsorship of a "Shanghai Dinner Evening" for all IFA Delegates and Friends attending this IASS.

In conclusion, let me wish all IFA Members and all other attendees at this IASS-2004 in Shanghai, China, a most enjoyable and successful event.

7. Report by the Executive Director

It is unfortunate that some of our stalwart members have not been able to come to Shanghai but we extend a welcome to, our President Mr Al-Zabin and our new EC and TC members.

This has been a further year of high technical involvement in a wide range of technical committees and participation in conferences in the UK and overseas. IFA has a powerful and valuable international contact base. I consider our resources are fully stretched as are those of industry. We are seeing a downturn in their technical resources and it could affect our contact base in the future on some important safety issues. Also IFA succession planning needs to be considered.

Our work on international committees has further increased with the acceptance by the President of the ICAO Air Navigation Commission, of IFA Observer status on the Airworthiness Panel (AIRP)., This has been many years coming; our persistence has finally paid off. The next AIRP meeting is in Tokyo and we will participate. I am sure we can provide excellent technical input. The Observer Status is in my name, however, Andrew McClymont as our alternate representative and he will attend in Tokyo which conflicts with this IASS. (NOTE : IFA can not have Member status, as we are not representing an ICAO State.)

Membership continues to decline and some of our major airline members have regrettably resigned eg British Airways and

Delta Airlines. Our membership of manufacturing industry organisations has redressed the balance somewhat. Membership drives have been undertaken with some limited success, however, it is plain that personal contacts and persistence are, as ever, the main source of membership gains.

IFA finances are still sound, thanks to the Trust Fund. But we continue to trade at an annual loss, principally due to the cost of the IASS. I maintain that the IASS provides an important focus for our work and we make a sound contribution to Technical Issues and Safety Management processes which require the integration of flight operations and airworthiness.

We still maintain excellent support from the UK CAA who continue to provide meeting room facilities, including the joint FSF/IFA/IATA `Call for Papers` meeting. It is noted that IATA have had no representation at this or other IASS technical development meetings, since the retirement of Paul Woodburn last year. The Royal Aeronautical Society have also provided meeting room facilities: several of the TC/EC members are on the Society`s committees, providing the Chair for two of the Groups (Airworthiness & Maintenance and Avionics) and also members of several Groups. We are most grateful for all this continuing support.

A highly enjoyable and successful welcome party for our President, Mr Al-Zabin was held at the Royal Aeronautical Society headquarters following the EC meeting in April. It was sponsored by Kuwait Airways for which we are grateful. Some of the event photos featured in an IFA News Extra.

The IFA News, one hard copy per year and News Extras(emailled) are now a regular feature of our work and I hope that we are getting some newsworthy safety related messages across the world, many of the recipients are not IFA members but it serves to keep up the aims of our constitution.

Our Secretariat, continues to provide excellent support thanks to the enthusiasm and creativity of Linda Hare. She gives IFA a professional image with the sound assistance of Graham Harris. Linda has also implemented several useful changes to our procedures, from membership charging policy to converting our video `Every Day` into a DVD which is on sale at this IASS. We have had a good response to the sales of this programme in the past year, principally due to the increase of Human Factors training requirements throughout JAA and EASA member nations. The website is continually updated with technical papers.

Response to our Scholarship scheme continues to be dogged by lack of applicants. The placing of students has become very difficult in the trying conditions of the aviation scene. The ISTAT scholarship position will be filled this year, but we have yet to receive any further donations from ISTAT, despite several reminders and request for consideration. I believe this is now a lost cause and we should consider deleting the title. We have accumulated some funds in the scheme and will use it to send a chosen applicant on the UK Airworthiness course or possibly other suitable airworthiness management related training.

The 2005 Aerospace North America Conference & Exposition will be in Hartford Connecticut, US. A major change to the organisation SAE will no longer provide the Technical Conference: it will be handled by ANA. A decision to attend and have a technical paper session will be made at the EC meeting. It represents an alternative international conference for IFA representation and contact base. Previous IFA representation at the 2001 and 2003 events was considered successful.

Our workshops have grown in status and importance and they are now an important part of the IFA IASS contribution. Our thanks are due to the presenters Cliff Edwards and Frank Fickeisen.

We are most grateful to this years IASS sponsors, TAECO, Cathay Pacific and Dragon Airways for the support they are giving to the meeting facilities and workshops equipment. and the IFA dinner.

8. Financial Report and Accounts - Jim Rainbow presented the accounts on behalf of Maurice Hare.

The year had started off quite strongly with over 50% of our budgeted income in within the first 3 months, however with the declining Dollar and our subs set as \$800 US now only worth £447 (this varies on a daily basis) and with most of our expenditure in UK £'s this has a considerable effect on our bottom line. This resulted in my having to take £19000 from the trust fund which I am pleased to say came mostly from profits of the fund. The sheets attached to these minutes give a detailed report prepared by our accountants BWH & Co.

9. Report of the Trust Fund

Jim Rainbow reported that the fund was currently enjoying a good upward trend, reflecting the general stock market trends. The return is fluctuating between 4% and 7%. Its recent overall value was reported as;

£149,962 as at June 2004

£150,886 as at September 2004

£152,867 as at November 2004.

However, as reported above, the fund value continues to shrink, as annual withdrawals are necessitated to meet the short-fall in subscription income.

10. Report on Membership and Publicity

Graham Harris reported as follows:

Membership

As at 30th October, 2004, overall membership has fallen to 87, due to loss of 17 and gain of 7 new members, since the last full report in November 2003. 8 members resigned and 9 were terminated due to long term overdue subscriptions.

Limited recruitment campaigns continue, with assistance from IFA's VP's, using their regional knowledge, which produced 3 out of our 6 new members. Targeted follow-ups from contacts made at the IASS in Washington last year were made, without success.

Membership make up is as follows.

27 Airlines	1 Aircraft Sales & Leasing
13 Manufacturers	2 Consultancies
14 Service/Repair Orgs.	2 College/Universities
10 Regulatory Authorities	2 Aviation Insurers
2 Flight Safety Organisation	1 Recruitment Organisation
5 Professional Societies	2 Aviation Organisations
1 Military	5 Associate Members

New Paid-Up Members

Philippine Airlines
Kuwait A/C Eng & Pilots Assoc
Australian Licensed Eng. Assoc
Spirit Airlines, USA
Rubybird Aviation, Japan
Kawasaki, Japan
Captain I Nikulin, Siberian
(Associate)

Resignations

Richard Wolf
Belac Eng.
RSVI Acuity Ci Matrix
Kanebo
FAT
Delta
BA
St Aviation Services

Terminations

Air Eurosafe
Malev Hungarian
Jet Airways (India)
BAe Preston
My Travel
Air Pacific
East Airlines Airliban
FLS (Ireland)
College of Aeronautics NJ

We continue to struggle to make any break through in new membership during the current recession. Airlines and Companies alike, continue to report severe restrictions on non-discretionary spending.

The success's we do have come mainly through the targeting of people who are known to members & officers. Recruitment campaigns have not worked.

PUBLICITY

Website www.ifairworthy.org Hits as at 30 October 2004 = 15,810.

The website continues to prove its worth as a very efficient and cost effective means of communication.

Our training video "Everyday", continues to sell to random site visitors and is now available in DVD format. New technical material for the website is always welcome from any member.

Sponsorship of IFA's rooms and equipment requirements for the IASS meetings in Shanghai is being provided by TAECO of Xiamen, and the post AGM Reception by Cathay Pacific and Dragonair. We are very grateful to these Company's for their support.

Newsletters

An electronic issue of IFA News Extra was distributed during the summer and a further one just prior to this IASS. A hard copy issue of IFA News will circulate in the New Year and will include news from IASS Shanghai. New material from members for inclusion in these productions is always welcome (input directly to the Secretariat please).

Brochures, Etc.

Thanks to a sterling effort by Linda Hare at our Secretariat, handouts for this year's conference workshops have been prepared in digital (CD-ROM) format.

A new lightweight stand was introduced to facilitate ease of transport and lower costs. Up-dated packs have also been produced for stand visitors.

Work is still in-hand to produce the History of IFA brochure thanks to the generous sponsorship from Jim Rainbow, who will have the draft available in Shanghai.

Press

The reception to welcome our new President, which was held at the Royal Aeronautical Society headquarters in London on Wednesday 8th April, 2004, was well covered, including a newsreel item on Kuwait TV News.

A press release on the Whittle Award was made immediately prior to this IASS Conference.

Secretariat

The next hard copy issue of the Membership Directory is targeted for publication by the year end, to take account of all the changes resulting from the Shanghai AGM. All members are requested to keep the Secretariat informed of any changes to their contact details, so that the directory can be maintained as a current working document.

11. Technical Committee Report

Brian Perry indicated that a full copy of the Minutes of the Shanghai Technical Committee Meeting would be circulated to all members in due course. By way of summary, he reported that a very lively meeting had been held, involving 21 participants from 6 countries. The meeting had been privileged to receive update presentations from both the FAA and EASA. In addition, Boeing had given a preview of their B 7E7 presentation, which had been very well received.

The maintenance "Working Hours" white paper had been reviewed in depth. The TC had subsequently received EC approval for the following plan: members will be given until end December for any final comments; paper will be issued in the New Year.

12. Whittle Award Report

Ron Yates offered his congratulations to Cliff Edwards of Shell, who was this years Whittle Award winner, in recognition of his work on the evolution and implementation of Safety management Systems.

He reminded all present that the process needed to be re-started in June 2005, to facilitate the selection of next year's winner. All members were urged to seek potential candidates within their respective businesses.

13. Scholarships' Report

Ron Yates reported on behalf of Don Hammond, that no further progress had been made with the last award winner due to difficulties in placing within industry, and no further interest had been shown in any subsequent award.

It had subsequently been agreed that we should perhaps be seeking alternative placements, which did not involve any industrial security implications. For example, placements with Regulatory Authorities could prove interesting.

14. Presentation of Certificates

Our President, Ahmad Faisal Al Zabin presented certificates to the following new members:
Hiroshi Takechi of Rubybird Aviation, Japan, Hiroyuki Waki of Kawasaki Aerospace, Japan
Keith Tyler & Kevin Dadge, ALAEA, Bader Al Shayji, on behalf of the KAEPA
Capt. Igor Nikulin (Associate) of Siberian Airways

A certificate was also presented to Martin Erin Tasker of Technical & Logistics, recognising that businesses change of name.

16 Any Other Business

16.1 Barry green reported with regret the resignation due to ill health of Sir Peter Masefield, who had served IFA in the role of Trustee for many years.

16.2 Barry Green submitted a proposal from the EC, for ratification by the AGM, that Dr Wang Zhong, who is Director General of the Airworthiness department of the CAAC, be awarded an Honorary life Membership of IFA, in recognition of the impact of his work and leadership on air safety in China. This was agreed unanimously.

17. Time and Place of next Annual General Meeting.

The next AGM will take place in Moscow, co-incident with the 2005 IASS Conference. The dates for this have yet to be published but they are likely to fall in November, 2005. These dates will be published to the membership as soon as they become available.

**International Federation of Airworthiness
for Aerospace Engineering, Maintenance and Continuing Airworthiness**

Trustees' report and financial statements

for the year ended 30 June 2004

BWH and Company
35 Green Lane

International Federation of Airworthiness

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International Federation of Airworthiness

Legal and administrative information

Title

The full title of the Organisation is The International Federation of Airworthiness for Aerospace Engineering, Maintenance and Continuing Airworthiness. For ease of reference the title used in these accounts is: The International Federation of Airworthiness.

Status

Constitution adopted 21st October 1991 (as amended 6th November 2001).

Trustees

J Rainbow OBE
S John OBE
K.V. Kellaway
B. Lockwood Goose
Sir Peter Masefield

Officers

President	A F Al Zabin
Executive Director	John Saull
Treasurer	M Hare
Director - Publicity & Membership	Graham Harris
Scholarship Administrator	R D Hammond
Vice president - Europe	Andrew McClymont
Vice president - Technical	B L Perry
Vice president - Australasia	Ronald Yates
Vice president - Americas	F Jauregui
Vice president - Middle East	B Al Shayji
Vice president - Far East	D Cridland

Charity number

296354

Registered office

4 Hamilton Place
London
W1V 0BQ

Accountants

BWH & Company
35 Green Lane
Northwood
Middlesex
HP6 2PX

Business address

14 Railway Approach
East Grinstead
West Sussex
RH19 1BP

International Federation of Airworthiness

Trustees' report for the year ended 30 June 2004

Charitable objects

The charity was set up to advance airworthiness and air safety for the benefit of the public and to advance education in aircraft engineering for the benefit of the public by the provision of scholarships.

Organisational structure

The IFA consists of Corporate, Associate and Honorary members. The ultimate authority of the IFA is vested in the General Meeting which is composed of representatives of the Corporate members of the IFA. The Executive Council is elected by the General Meeting to exercise the functions of the IFA.

Review of activities and achievements

Delegates attended the annual conference in Washington DC. Members sit on many technical committees in the air transport industry and contribute to the ongoing improvement of air safety standards.

Statement of trustees' responsibilities

Charity law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity at the year end and of its incoming resources and resources expended during that year. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

At the Annual General Meeting held on 1 November 2003, a resolution was passed amending the Constitution of The International Federation of Airworthiness so that the accounts are not audited but are subject to an Annual Review. Messrs BWH and Company were appointed to carry out that review.

The trustees recommend that BWH & Company remain in office until further notice.

This report was approved by the trustees on 5 October 2004 and signed on its behalf by

J Rainbow OBE

International Federation of Airworthiness

Independent examiner's report to the trustees on the unaudited financial statements of International Federation of Airworthiness.

We report on the financial statements of International Federation of Airworthiness for the year ended 30 June 2004 which comprise the statement of financial activities, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of trustees and examiner

As the charity's trustees you are responsible for the preparation of the accounts, you consider that the audit requirement of section 43(2) of the Charities Act 1993 (the Act) does not apply. It is our responsibility to state, on the basis of procedures specified in the General Directions given by the Charity Commissioners under section 43(7)(b) of the Act, whether particular matters have come to our attention.

Basis of independent examiner's report

Our examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently we do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In connection with our examination, no matter has come to our attention:

- (1) which gives us reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with section 41 of the Act; and
 - to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the Acthave not been met; or
- (2) to which, in our opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

**BWH & Company and
Chartered Accountants
Registered Auditors**

**35 Green Lane
Northwood
Middlesex**

HP6 2PX

International Federation of Airworthiness

Statement of financial activities For the year ended 30 June 2004

	Notes	Unrestricted General Fund £	Unrestricted Trust fund £	Scholarship fund £	2004 Total £	2003 Total £
Incoming resources						
Subscriptions	2	28,753	-	-	28,753	38,989
Video sales		1,531	-	-	1,531	1,065
Investment income	3	2	2,413	56	2,471	4,076
Other incoming resources	4	231	-	-	231	-
Total incoming resources		<u>30,517</u>	<u>2,413</u>	<u>56</u>	<u>32,986</u>	<u>44,130</u>
Resources expended						
Grants payable	5	-	-	-	-	2,785
Conferences		18,336	-	-	18,336	16,745
Technical committee expenses		8,997	-	-	8,997	9,337
Executive committee expenses		1,334	-	-	1,334	1,958
Printing, postage and stationery		4,147	-	-	4,147	4,454
Publicity		2,901	-	-	2,901	-
Computer costs		-	-	-	-	103
Website costs		1,600	-	-	1,600	1,600
Editorial fees		2,099	-	-	2,099	5,742
Accountancy fees		1,400	-	-	1,400	-
Audit fees		-	-	-	-	1,500
Profit/loss on exchange		327	-	-	327	140
Secretarial expenses		8,566	-	-	8,566	8,685
Management fee		-	-	-	-	351
General expenses		58	-	218	276	387
Interest and charges		461	-	-	461	326
Total resources expended		<u>(50,226)</u>	<u>-</u>	<u>(218)</u>	<u>(50,444)</u>	<u>(54,113)</u>
Net incoming resources before transfers		<u>(19,709)</u>	<u>2,413</u>	<u>(162)</u>	<u>(17,458)</u>	<u>(9,983)</u>
Transfers between funds		<u>19,000</u>	<u>(19,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net incoming resources before gains and losses on revaluations and disposals		<u>(709)</u>	<u>(16,587)</u>	<u>(162)</u>	<u>(17,458)</u>	<u>(9,983)</u>
Gains and losses on revaluations and disposals of investment assets		<u>-</u>	<u>11,375</u>	<u>-</u>	<u>11,375</u>	<u>(13,721)</u>
Net movement in funds		<u>(709)</u>	<u>(5,212)</u>	<u>(162)</u>	<u>(6,083)</u>	<u>(23,704)</u>
Total funds brought forward		<u>1,775</u>	<u>152,764</u>	<u>4,304</u>	<u>158,843</u>	<u>182,547</u>
Total funds carried forward		<u>1,066</u>	<u>147,552</u>	<u>4,142</u>	<u>152,760</u>	<u>158,843</u>

The notes on pages 6 to 10 form an integral part of these financial statements.

International Federation of Airworthiness

Balance sheet as at 30 June 2004

	Notes	2004		2003	
		£	£	£	£
Fixed assets					
Investments	6		138,876		147,260
Current assets					
Cash at bank and in hand		16,828		15,567	
		<u>16,828</u>		<u>15,567</u>	
Creditors: amounts falling due within one year	9	(2,944)		(3,984)	
Net current assets			<u>13,884</u>		<u>11,583</u>
Net assets			<u>152,760</u>		<u>158,843</u>
Funds					
Unrestricted funds	11		148,618		154,539
Restricted funds	12		4,142		4,304
			<u>152,760</u>		<u>158,843</u>

J Rainbow OBE
Trustee

.....
M Hare
Treasurer

The notes on pages 6 to 10 form an integral part of these financial statements.

International Federation of Airworthiness

Notes to the financial statements for the year ended 30 June 2004

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002) and follow the recommendations in 'Accounting and Reporting by Charities: Statement of Recommended Practice' issued in October 2000.

1.2. Incoming resources

Income from investments is included in the year in which it is received.

1.3. Resources expended

Resources expended are recognised in the year in which they are incurred.

1.4. Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.5. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the SOFA.

2. Subscription income

	Unrestricted funds	2004	2003
	£	£	£
Subscriptions from members	28,753	28,753	38,989
	<u>28,753</u>	<u>28,753</u>	<u>38,989</u>

3. Investment income

	Unrestricted funds	Restricted funds	2004	2003
	£	£	£	£
Dividends received	-	-	2,342	3,652
Interest received	2	56	129	424
	<u>2</u>	<u>56</u>	<u>2,471</u>	<u>4,076</u>

International Federation of Airworthiness

Notes to the financial statements for the year ended 30 June 2004

4. Other incoming resources

	Unrestricted funds	2004	2003
	£	£	£
Sundry receipts	231	231	-
	<u>231</u>	<u>231</u>	<u>-</u>
	<u><u>231</u></u>	<u><u>231</u></u>	<u><u>-</u></u>

5. Grants payable

	2004	2003
	£	£
Scholarships	-	2,785
	<u>-</u>	<u>2,785</u>
	<u><u>-</u></u>	<u><u>2,785</u></u>

No applications have been received for scholarships in the year.

International Federation of Airworthiness

**Notes to the financial statements
for the year ended 30 June 2004**

8. Fixed asset investments

Valuation	Listed investments £	Total £
At 1 July 2003	147,260	147,260
Additions	201,127	201,127
Disposals	(220,886)	(220,886)
Revaluations	11,375	11,375
At 30 June 2004	<u>138,876</u>	<u>138,876</u>

The value of investments listed on recognised stock exchanges are as follows:

	£
UK stock exchange	102,024
Stock exchanges outside of the UK	36,852

The following holdings represent more than 5% of the total portfolio:

	% of portfolio	Value of holding £
ACM Bernstein	7	10,888
Artemis Fund Managers	5	8,234
Cazenove UK Growth	7	10,871
Cazenove Absolute Trust	5	7,651
Gartmore Investment Funds	10	14,667
Lazard UK	12	17,819
Lion Trust	7	10,145
Schroeder	5	8,170

7. Trustees' emoluments

There were no employees during the year apart from the Trustees.

No remuneration was paid to the trustees for the year ended 30 June 2004(2003:none). During the year expenses were reimbursed to trustees as follows: K Kellaway £994 hotel & travel expenses; B Lockwood-Goose £206 travel expenses.

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Notes to the financial statements for the year ended 30 June 2004

8. Fixed asset investments

	Listed investments £	Total £
Cost		
At 1 July 2003	147,260	147,260
Additions	201,127	201,127
Disposals	(220,886)	(220,886)
Revaluations	11,375	11,375
At 30 June 2004	<u>138,876</u>	<u>138,876</u>
Net book values		
At 30 June 2004	<u>138,876</u>	<u>138,876</u>
At 30 June 2003	<u>147,260</u>	<u>147,260</u>

9. Creditors: amounts falling due within one year

	2004 £	2003 £
Other taxes and social security costs	44	282
Accruals and deferred income	2,900	3,702
	<u>2,944</u>	<u>3,984</u>

10. Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 30 June 2004 as represented by:			
Investment assets	138,876	-	138,876
Current assets	12,686	4,142	16,828
Current liabilities	(2,944)	-	(2,944)
	<u>148,618</u>	<u>4,142</u>	<u>152,760</u>
Unrealised gains included in tangible fixed assets	<u>6,747</u>	<u>-</u>	<u>6,747</u>

International Federation of Airworthiness

Notes to the financial statements for the year ended 30 June 2004

11. Unrestricted funds	1 July 2003	Incoming	Outgoing	Transfers	30 June 2004
	£	£	£	£	£
General Fund	(1,775)	(30,517)	(50,226)	(19,000)	(101,518)
Unrestricted Trust Fund	(152,764)	(2,413)	11,375	19,000	(124,802)
	<u>154,539</u>	<u>(32,930)</u>	<u>(38,851)</u>	<u>-</u>	<u>(226,320)</u>

Purposes of unrestricted funds

The general fund is used to finance the general purposes of the charity.

The Trust Fund was set up to provide a capital sum for investment, with the intention that the income from that investment would be used to fund a full time secretariat and such projects as agreed by the trustees.

12. Restricted funds	1 July 2003	Incoming	Outgoing	30 June 2004
	£	£	£	£
Scholarship fund	(4,304)	(56)	(218)	(4,578)
	<u>(4,304)</u>	<u>(56)</u>	<u>(218)</u>	<u>(4,578)</u>

Purposes of restricted funds

The purpose of the Scholarship fund is to provide for the payment of scholarships to selected candidates.

13. Transactions with Trustees

A total of £26,885 was paid on behalf of or reimbursed to eight members of the Executive Council in respect of travel, subsistence and telephone costs properly incurred in the furtherance of the objectives of The IFA.

14. Controlling interest

The ultimate control of the charity is vested in the Annual General Meeting.