

Annual Report and Financial Statements

2008



Moving from Pilot to Programme

Chairman's Report



John Dawson
Chairman

The year 2008 was significant for road safety. Firstly, the United Nations General Assembly resolved to hold the first ever Ministerial Conference on Road Safety. Secondly, *Make Roads Safe* - the FIA Foundation led campaign for global road safety - called for a *Decade of Action for Road Safety 2010–2020*. Informed opinion is being energized in the knowledge that the World Health Organisation (WHO) reported that over 1 million people are killed each year on the world's roads - more than 3,500 every day and that, unfettered, annual road deaths will climb to 1.9 million by 2020.

Large as the problem is, making roads safe is not an insurmountable challenge; the requisite research, technology and expertise to save lives already exists. The International Road Assessment Programme (iRAP) was extremely successful in demonstrating this during 2008.

iRAP is increasingly playing a critical role in international road safety, bridging the gap between global efforts to raise awareness at the political level and local projects that are building safety into high-risk roads. Throughout the year, the Programme successfully assisted low-income and middle-income countries to harness the life-saving potential and outstanding economic benefits of safe road infrastructure.

iRAP is part of a movement that has now seen Road Assessment Programmes applied to more than 300,000km of road worldwide and people in more than 60 countries read our regular news updates in the recently established e-newsletter, *WrapUp*.

iRAP is now moving from pilot to programme in anticipation of a major role in the *Decade of Action*. Thanks to the research and development of previous years, iRAP is now uniquely placed to help target national and international resources towards the highest priorities for safety investment. Our road inspections and analysis tools locate the major safety problems on the world's busy, high-risk roads where so many deaths and serious injuries are concentrated. They generate the affordable, high return solutions needed.

A substantial part of iRAP's success can be attributed to the outstanding global leadership and financial generosity of the FIA Foundation. Our partnership with the World Bank Global Road Safety Facility has helped ensure our efforts have always been focused on large scale interventions that can make a difference to casualties of global significance.

*iRAP is moving from
pilot to programme*

The Directors' Report



John Dawson
Chairman



David Ward
Director



Peter Kissinger
Director



John Mumford
Director



Mike Harris
Director

Pilot Projects

With the assistance of the FIA Foundation and numerous stakeholder organisations, in 2006 iRAP established an ambitious programme to develop new tools for low-income and middle-income countries and demonstrate their application in four national pilot projects during 2007. These projects were completed during 2008 and the results were published in *Vaccines for Roads* and presented at a conference hosted by the European Bank of Reconstruction and Development in July 2008. *Vaccines for Roads* reported the assessment of more than 10,000km of roads across Chile, Costa Rica, South Africa and Malaysia.¹

Using iRAP's globally consistent methodology, the pilot projects identified opportunities to prevent 73,000 deaths and serious injuries (a reduction of 27% on the networks assessed) and save US\$7 billion. For each dollar invested in the programmes, there would be a saving of \$14 in terms of crash costs avoided.

In addition to advancing the assessment methodology and technology and developing countermeasure programmes in each of the pilot countries, the projects showed how partnerships could be built between organisations leading in road safety, such as automobile associations, government departments and other non-government organisations.

Wave 2 Projects

Following the success of the pilot projects, the World Bank Global Road Safety Facility awarded iRAP a grant of US\$1 million through the Memorandum of Understanding signed in 2006.

With these funds, during 2008, a second wave of assessments was undertaken in Argentina (3,002km), Peru (3,063km) and Serbia (2,945km). The beginnings of an African programme was launched with a trial project undertaken in Nigeria (127km) followed by a full scale feasibility study and inspection of 2,593km of network in Kenya.

As was the case in the pilot projects, the leadership and support of key road safety organisations, including local automobile associations and transport departments was critical to the success of the projects.

In each of the countries, an inspection manual was produced and tailored to the particular road conditions in each country. In Argentina, Nigeria, Peru and Serbia, detailed road condition databases were developed using iRAP's online software.

¹ *Vaccines for Roads* is available for download from www.irap.net/library.asp

By the end of 2008, early results had indicated that, like the pilot projects, these Wave 2 projects would identify opportunities to prevent many thousands of deaths and serious injuries, with economic benefits of the resultant countermeasure programmes being many times larger than their costs.

With the success of these Wave 2 projects, iRAP has committed to publishing the results during 2009.

Research and Development

Throughout 2008, iRAP dedicated substantial efforts to continuing improvement and development of the knowledge base and technology underpinning its risk assessment and countermeasure programme models and online software.

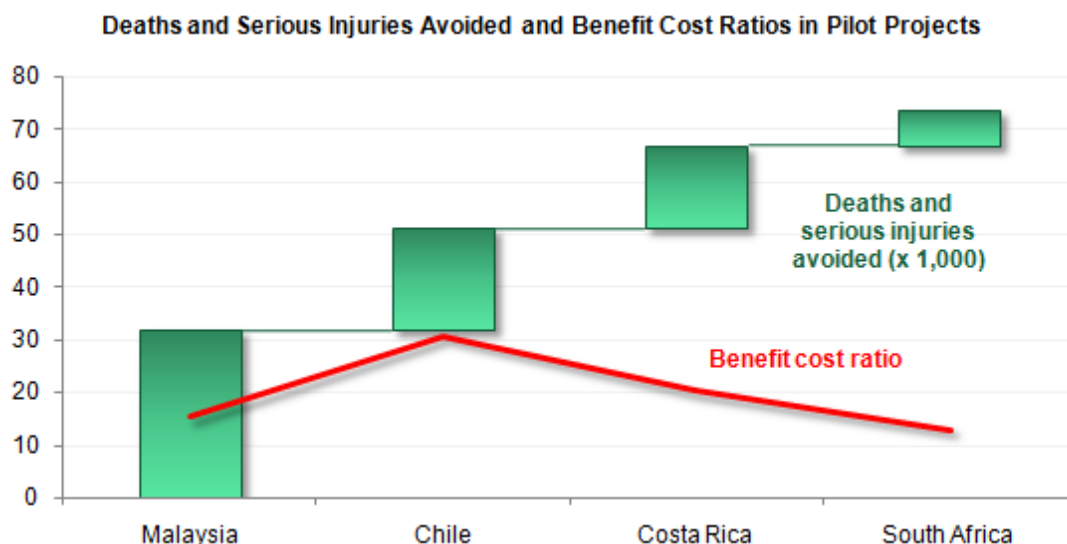
reflect varying road networks, travel modes and local circumstances.

Concurrent with these developments, iRAP set in place the structure for a Global Technical Committee to oversee and lead methodological research, development and quality assurance processes.

Road Safety Toolkit

The iRAP Road Safety Toolkit was created during 2008 to deliver a comprehensive and easy-to-use road safety resource to help practitioners find the most effective and affordable road safety countermeasures to reduce casualties. Its development was supported by the Global Transport Knowledge Partnership (gTKP) and the World Bank Global Road Safety Facility.

The Toolkit is freely available on the internet and



This included reviewing and revising the risk factors contained in the model on the basis of the results from the four pilot projects, and the addition of new countermeasures, such as segregated motorcycle and bicycle facilities and median crossing points.

New functionality was added to the software, such as an on-screen report and map providing an estimate of numbers of deaths and serious injuries prevented per kilometre over the 20 year analysis period.

As additional projects in new countries are undertaken and new data becomes available, the models will continue to be developed to best

is accessible for low speed internet connections. It is a living document that can be updated as the road safety knowledge base improves. The guidance is particularly relevant to low-income and middle-income countries, with many of the countermeasures being low-cost. The Toolkit can be searched by: crash type, road user type, and treatment type to find the most suitable approach for implementation.

As well as information about cost, treatment life and effectiveness of the countermeasures, the Toolkit describes issues to consider when implementing countermeasures and provides links to technical references, manuals and selected behavioural approaches that might be effective.

The Toolkit also has a section for the submission of case studies. These case studies will be checked and verified, before becoming available via links from countermeasure pages.

Asia Pacific

Road deaths are projected to increase between 80% and 144% in Asia and the Pacific in the two decades to 2020. With that daunting statistic in mind, iRAP sought to develop its capacity in Asia Pacific during 2008. At the beginning of the year, Rob McInerney, formerly of ARRB Group in Australia, was appointed to the new role of iRAP Asia Pacific CEO.

During 2008, the makings of significant projects in Vietnam and China were established. iRAP Vietnam began late in 2008 and iRAP China is expected to begin during the first quarter of 2009.

iRAP Vietnam is financed through the World Bank

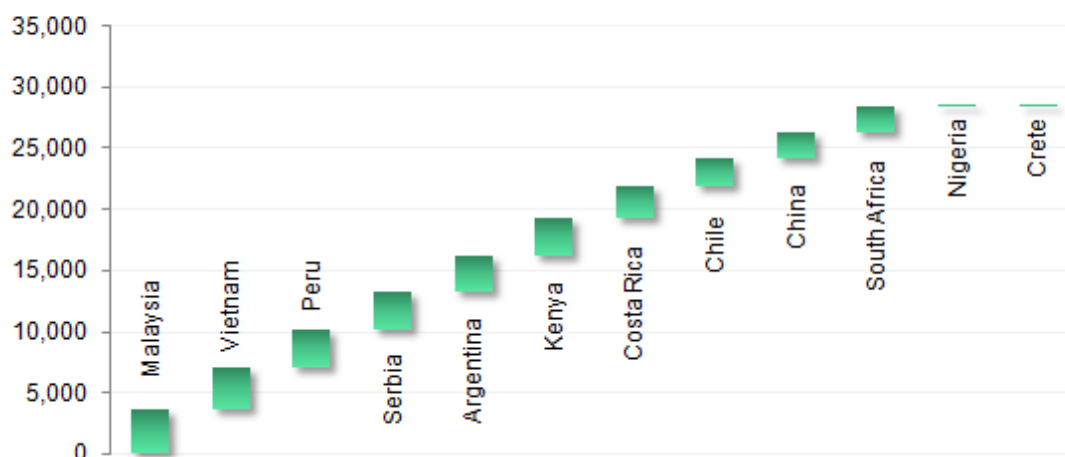
As part of the effort to build and share knowledge in the region, more than 50 delegates from 10 countries took part in the inaugural iRAP Asia Pacific Workshop in Malaysia during October 2008. The workshop drew together road safety professionals from automobile associations, road authorities, research institutes and industry in Vietnam, Thailand, Malaysia, Singapore, Australia, New Zealand, China, Laos, the Philippines and Bangladesh.

Latin America and the Caribbean

With pilot projects undertaken in Chile and Costa Rica and work in Peru and Argentina underway, iRAP and the Inter-American Development Bank began discussions about an agreement to tackle jointly road deaths and injuries throughout Latin America and the Caribbean.

Each year, more than 50,000 people are killed on

Low and Middle-Income Country Surveys Completed and Planned (2008, 2009)



Global Road Safety Facility and will assess more than 3,500km of road. iRAP China will be undertaken in partnership with the Research Institute of Highways (RIOH) and will involve an initial assessment of 2,100km.

Each of these projects represents an important step in tackling the road safety challenge in what is a diverse region. In Vietnam, nearly all vehicles on the roads are two wheelers which contribute to nine out of ten road crashes. Meanwhile, China is experiencing unprecedented growth in motorisation and therefore road crash exposure and risk.

roads throughout the region and this is projected to increase by almost 50% in the 20 years to 2020. Such an agreement would pave the way for guidance on road safety investment, training, research, communications and evaluation in the 26 countries to which the Bank provides services.

Africa

Despite low levels of motorization, Africa experiences some of the highest fatalities per head of population from road crashes in the world.

It is estimated that the impact of road fatalities and serious injuries costs Africa circa 4% of GDP

and kills as many people of school or working age as AIDS. Significant proportions of hospital beds can be taken up by victims of road crashes. However the resources devoted to road safety fall well short of the resources devoted to other issues.

The iRAP projects in Africa have identified that improvements in road infrastructure could have high impact in reducing road casualties and high economic returns. The focus of this investment needs to be in road rehabilitation and maintenance. There is in particular a need to include proper assessment and design of pedestrian facilities in all future road development. Projects funded by development aid continue to be focused on new roads designed for vehicles with inadequate attention given to the dangers faced by other road users from the resulting higher speed traffic.

iRAP's assessments in Africa are currently concentrating on the corridor roads in East Africa. A survey of roads in Kenya was completed in 2008 and surveys in Uganda and Tanzania are under development. The objective of aid for road infrastructure in Africa must be to ensure that aid funded road projects in this region are designed to meet the needs of all road users. A properly designed new road should lead to far fewer people being killed not more. Aid institutions must target their investment in roads in line with their missions to reduce rather than exacerbate the human cost of economic development among the poor. There are no hard choices here because good safe road design also has high returns as the iRAP projects are showing again and again. The 4% of GDP lost in Africa to road crashes takes place largely on a relatively small network of busy main roads poorly equipped for safety. The output of the iRAP projects not only provides remedial measures on existing roads but, through its predictive modeling capability, can be applied to help ensure that the design of new roads is fit for purpose.

Eastern and Southern Europe

The EuroRAP programme, which now involves 27 countries, continued to grow from strength to strength. Countries in Europe vary widely in economic development and EuroRAP has created a vibrant Eastern and Southern European group which has been the first to apply the new iRAP

protocols. The project funded by the World Bank Global Road Safety Facility could form a model for Southern and Eastern Europe and beyond.

Developed Countries

EuroRAP began its significant work on the European Commission supported European Road Safety Atlas. EuroRAP also led a ground-breaking review of motorcycle safety.

Following the release of EuroRAP results in the Netherlands, the Dutch Minister for Transport announced his intention to ensure that all national two star roads would be upgraded to three or four stars by 2020.

In the United Kingdom, Spain and Sweden growing ties with governments saw an increased focus on busy main regional roads where so many European road deaths are concentrated.

In Australia, AusRAP undertook research showing that improving a road's Star Rating from two to three stars halves the cost of crashes; and improving from three to four stars halves the crash costs again.

In the United States, usRAP expanded its pilot program from four to eight States, into Illinois, Kentucky, New Mexico, and Utah.

In New Zealand, KiwiRAP undertook extensive research into Star Rating models, examining opportunities to incorporate local research. The Government also identified KiwiRAP as a mechanism for benchmarking the safety performance in its Injury Prevention Strategy.

Early steps were taken in Singapore to establish SgRAP.

A Decade of Action

In November 2008, the *Make Roads Safe* campaign announced it would call for a *Decade of Action* and called for a 50% reduction in projected road deaths by 2020. The global challenge is to save 900,000 lives annually by 2020.

Safer road infrastructure will play a crucial part of achieving this challenging but vital target. Much will depend on the speed at which donors and development banks respond. There is a vast number of simple opportunities to make lasting cuts in global casualties by targeting risky roads.

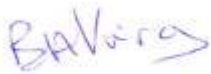
By the end of 2009, iRAP is likely to have completed programmes that recommend direct investment of more than US\$1 billion, producing returns in the order of \$US15 billion and preventing hundreds of thousands of deaths and injuries.

Beyond that, there are numerous countries in which the essential ingredients of successful programmes are already in place, including the Philippines, Laos, South Korea, Uganda, Tanzania, Ecuador, Paraguay, Mexico, Jamaica, Uruguay and many countries in Southern and Eastern Europe. All that is required is commitment to investment.

The UN Ministerial Conference on Road Safety at the end of 2009 will provide a critical opportunity for the world to *Make Roads Safe*.

Small Company Provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.



Mrs B King
Company Secretary

Approved by the Directors on 22 June 2009

Information About iRAP

Board Members

During 2008, the iRAP Board determined that it would expand from four to six members. New members nominated were John Mumford (formerly holding senior roles at BP) who was appointed on 19 May 2009 and Mike Harris (also Executive Director, Australian Automobile Association) who was appointed on 25 November 2008. Following their formal acceptance, they joined John Dawson (Chairman), David Ward (also Director General of the FIA Foundation), Peter Kissinger (also President and CEO of the American Automobile Association Foundation for Traffic Safety) and Lauchlan McIntosh (also Chairman of Australasian New Car Assessment Program) in shaping the strategic direction of iRAP. Lauchlan McIntosh retired as a member on 19 May 2009.

Staff

iRAP staff:

- **James Bradford** is Engineering Manager and responsible for the development and implementation of the Road Protection Score protocol and accreditation processes
- **Dr Joanne Hill** is European Programme Manager and responsible for the co-ordination and support of national programmes across Europe.
- **Shona Holroyd** is the Financial Controller and has specific responsibility for financial arrangements with partners and programming funding.
- **Brenda King** is the iRAP company secretary. She has particular responsibility for the iRAP board and partner liaison and brings expertise in conference and events organisation.
- **Dr Steve Lawson** is Technical Director of iRAP and responsible for the rigour and cogency of the overall programme.
- **Rob McInerney** is the CEO for iRAP in the Asia Pacific Region and works closely with key leaders from individual countries and international organisations in the region to improve the safety of road infrastructure.
- **Greg Smith** is Project and Communications Manager of iRAP, responsible for developing and leading projects in the Asia-Pacific region and managing the programme's communication strategy.

Independent Auditor's Report

We have audited the financial statements of International Road Assessment Programme for the year ended 31 December 2008 on pages 10 to 12, which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007) and on the basis of the accounting policies set out on page 11.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out as follows:

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that 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 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

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

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

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

Basis of audit opinion

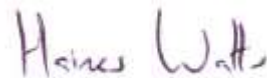
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the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

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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2008 and of its surplus for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



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Berks
SL1 4XP

HAINES WATTS
Chartered Accountants
& Registered Auditors

22 June 2009

Financial Statements

Income and Expenditure Account

Year ended 31 December 2008

	Note	2008 €	2007 €
Income			
Grants receivable	2	2,065,249	1,892,415
Grants payable & programme development		1,842,028	1,698,942
Gross surplus		223,221	193,473
Administrative expenses		<u>294,096</u>	<u>213,260</u>
		(70,875)	(19,787)
Interest receivable		<u>70,875</u>	<u>19,787</u>
Surplus for the financial year		<u>-</u>	<u>-</u>

Balance Sheet

Year ended 31 December 2008

	Note	2008		2007	
		€	€	€	€
Current assets					
Debtors	4	49,292		684,791	
Cash at bank		<u>1,560,191</u>		<u>1,898,066</u>	
		1,609,483		2,582,857	
Creditors: amount falling due within one year	5	<u>144,566</u>		<u>144,846</u>	
Net current assets			1,464,917		2,438,011
Total assets less current liabilities			1,464,917		2,438,011
Accruals and deferred income			1,416,624		2,389,718
			<u>48,293</u>		<u>48,293</u>
Reserves					
Accumulated funds	6		<u>48,293</u>		<u>48,293</u>
			<u>48,293</u>		<u>48,293</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

These financial statements were approved by the directors on 22 June 2009 and are signed on their behalf by:



J Dawson
Director

Notes to the Financial Statements

Year ended 31 December 2008

1. Accounting policies

Basis of accounting

The financial statements have been prepared in euros under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

Revenue recognition

Grants receivable are recognised when they are available for project costs and are matched with the expenditure towards which they are expected to contribute under the terms of the grant.

Development costs

Development expenditure is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into euros at the rates of exchange ruling at the balance sheet date. Transactions in other currencies are translated into euros at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating surplus.

Taxation

The Association is considered by the directors to be a non-trading company and it is therefore not subject to corporation tax on its non investment income.

2. Income

The Association has been awarded grants in 2006 to 2008 from the FIA Foundation totalling €5.05million in order to promote road safety programmes in regions of the world. These grants have been drawn down in advance so the full amount of the grants are available to the Association and have been reflected in the financial statements. In addition the Association has received a grant from the World Bank for US\$1 million to support the Global Road Safety Facility Program. This grant is reflected in the financial statements as expenditure is committed.

3. Staff costs

No director received any remuneration from the Association during the period.

4. Debtors

	2008	2007
	€	€
Grants receivable	49,292	684,791
	<u>49,292</u>	<u>684,791</u>

5. Creditors: Amounts falling due within one year

	2008	2007
	€	€
Trade creditors	106,471	138,103
VAT	1,063	-
Accruals	37,031	6,743
	<u>144,565</u>	<u>144,846</u>

6. Accumulated fund

	2008	2007
	€	€
Balance brought forward	48,293	48,293
Surplus for the period	-	-
	<u>48,293</u>	<u>48,293</u>

7. Related party transactions

Mr J Dawson, a director of the company, is also a director of European Road Assessment Programme ("EuroRAP"), which was awarded a grant of €300,000 (2007 - €550,000). At 31 December 2008 an amount of €8,231 was due to EuroRAP (2007 - €26,958).

Mr D Ward is the Director-General and Mr J Dawson a director of the FIA Foundation, which has committed grants totalling €1,000,000 (2007 - €1,041,587).

8. Company limited by guarantee

The company is limited by guarantee with each member's limited liability to £10.

For more information

For general enquiries, contact us at:

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Email: icanhelp@irap.net

To find out more about the programme, visit www.irap.net.

To watch the iRAP video, go to <http://www.irap.net/pilotproject.asp>.

You can also subscribe to 'WrapUp', the iRAP e-newsletter, by sending a message to icanhelp@irap.net.

iRAP is registered in England & Wales under company number 05476000.

Registered Office: 60 Trafalgar Square, London, WC2N 5DS.

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