

INFORMATION CIRCULAR 2/TO – FSD/PEL05

FINANCIAL EVALUATION OF TRAINING ORGANISATIONS

This Information Leaflet, issued by the Personnel Licensing unit of the LCAA – Flight Safety Directorate, is intended to set out the means of compliance for the LCAA to be satisfied that Training Organizations have sufficient funding available to conduct training to the approved standards.

By no means it is intended to be a consumer protection provision.

The grant and revalidation of an approval cannot therefore be construed as a guarantee of the underlying financial soundness of the organisation.

It is an indication, on the basis of financial information provided, that the approved organisation can provide sufficient facilities and qualified staff such that training can be, or can continue to be, provided in accordance with relevant training requirements and standards.

In order to assist the Training Organization in achieving this goal, the characteristics of the data to be forwarded to the LCAA – Flight Safety Directorate, is exemplified below.

NOTE: According to the continuous updating process of the standards and related procedures, this leaflet can be changed, or eliminated.

THE FINANCIAL EVALUATION OF TRAINING ORGANISATIONS

APPLICATION FOR APPROVAL OR REVALIDATION

1. Any application for initial approval or revalidation is to be supported by a plan, covering the period of approval requested, which includes at least the following information:

(a) details, as appropriate, of training facilities and number of students:

- number and types of training equipment that will be used;
- number of instructors that will be employed;
- number of classrooms and other types of training facilities (flight training devices, cabin mock-ups, engines, etc.) intended for use;
- supporting infrastructure (staff offices, operations room, briefing rooms, rest rooms, hangars, etc.)
- planned number of students (by month and course)

(b) financial details

- capital expenditure necessary to provide the planned facilities;
- costs associated with running each of the courses for which approval is sought;
- income forecasts for the period of approval;
- a forecast financial operating statement for the business for which approval is sought;
- details of any other financial trading arrangement on which the viability of the approved organisation may be dependent.

2. The plan submitted in support of an application for initial approval or revalidation is to be accompanied by a Financial Statement from the applicant's bankers or auditors which certify that the applicant has, or has recourse to, sufficient financial resources to meet the applicant's proposals as described in the plan to conduct approved courses.

3. An appropriately revised Financial Statement will be required whenever the applicants wish to expand their activities in addition to those described in the plan, in order to satisfy the requirements.



ONGOING FINANCIAL MONITORING

4. After approval has been granted, if the LCAA has reason to believe that the necessary standards of compliance are not being met or may not be met due to a lack, or apparent lack of financial resources, the LCAA may require the organisation to demonstrate in a written submission that sufficient funds can and will be made available to continue to meet the terms of approval, or such modifications to it as may have been agreed with the LCAA.

Any such submission is to be accompanied by a further Financial Statement signed by the approved organisation's bankers or auditors.

5. The LCAA may also require a Financial Statement if it appears to the LCAA that operation of the approved course(s) is significantly at variance with the proposals contained in the business plan.

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