



Financial Evaluation of Flying Training Organisations (FTOs) / Type Rating Training Organisations (TRTOs)

OBJECTIVE

1. The objective of this IEM is to set out the means of compliance for CARC to be satisfied that FTOs/TRTOs have sufficient funding available to conduct training to the approved standards of JCAR-FCL1. Paragraph 9 of Appendix 1 a to JCAR-FCL1.055 and paragraph 8 of Appendix 2 to JCAR-FCL 1.055 address the maintenance of acceptable flying training standards throughout the duration of a course. It is not 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 flying training can be, or can continue to be, provided in accordance with relevant JCAR-FCL 1 training requirements and standards.

APPLICATION FOR APPROVAL OR REVALIDATION

2. 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) Training facilities and number of students.

Details, as appropriate, of:

- The number and types of training aircraft that will be used;
- The number of flight and ground instructors that will be employed;
- The number of classrooms and other types of training facilities (synthetic training devices, etc.) intended for use;
- The supporting infrastructure (staff offices, operations room, briefing rooms, rest rooms, hangars, etc.)
- Planned number of students (by month and course)



Flight Operations Standards Department
Flight Crew Licensing & Training Section - Flying Training Organizations

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(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.
3. 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 an auditor which certifies that the applicant has, or has recourse to, sufficient financial resources to meet the applicant's proposals as described in the plan to conduct JCAR-FCL 1 approved courses. 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 of JCAR-FCL 1.

ONGOING FINANCIAL MONITORING

4. After approval has been granted, if CARC has reason to believe that the necessary standards of compliance with JCAR-FCL 1 are not being met or may not be met due to a lack or apparent lack of financial resources, the Commission 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 CARC. Any such submission is to be accompanied by a further Financial Statement signed by the approved organisation's bankers or auditors.

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