




LIPS

2010



photography by james nixon





Another year has passed and LIPS continues to move from strength to strength. Our fund reserves and financial position remains strong, while our membership numbers have continued to steadily increase throughout the year. We changed our financial dealings from Acuma wealth management to Mondial, who offer us professional and secure investment opportunities with lower financial charges. Most of the membership will be familiar with Mondial who also provide personal financial advice to Emirates Pilots within the Emirates Group Provident Scheme.

Many members approached the LIPS committee requesting an easy, hassle free method of making payments. Throughout early 2010 we explored various avenues available for easy membership payments and with the help of the EPC, towards the end of the year, we managed to secure and introduce monthly salary deductions. The positive response from the membership was immediately evident and every week we see more and more members make the change to this form of payment.

We have identified our website as an area in which improvements should occur. In 2011 upgrades will progressively be introduced as we continue to work with the website maintenance agents to make functionality seamless. One of the glitches high on our to-do list, is to integrate the online registration and application forms. As it stands, new joiners first need to register their information and personal details, then manually complete the LIPS application form. Once the work on the website has been completed, new joiners will be able to simply print an already completed application form, from the data captured

during registration. They then simply sign the form and submit to LIPS to be processed.

In 2010 we also said goodbye to Captain Andy Bell, the founder of LIPS. Andy resigned from Emirates during the financial year to take up a position in Qatar. He also resigned his position as a director of LIPS. On behalf of LIPS we wish him and his family clear, blue skies and strong tailwinds.

In conclusion, on behalf of all at LIPS, we hope that 2011 is a happy, safe and successful year for you and your loved ones.

As always, we look forward to your feedback and suggestions. Please feel free to email us at - **support@lipesk.org** with your views, ideas and areas in which you would like to see an improvement.

Happy aviating.

Paulo Pereira

Foreword

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Financial Report

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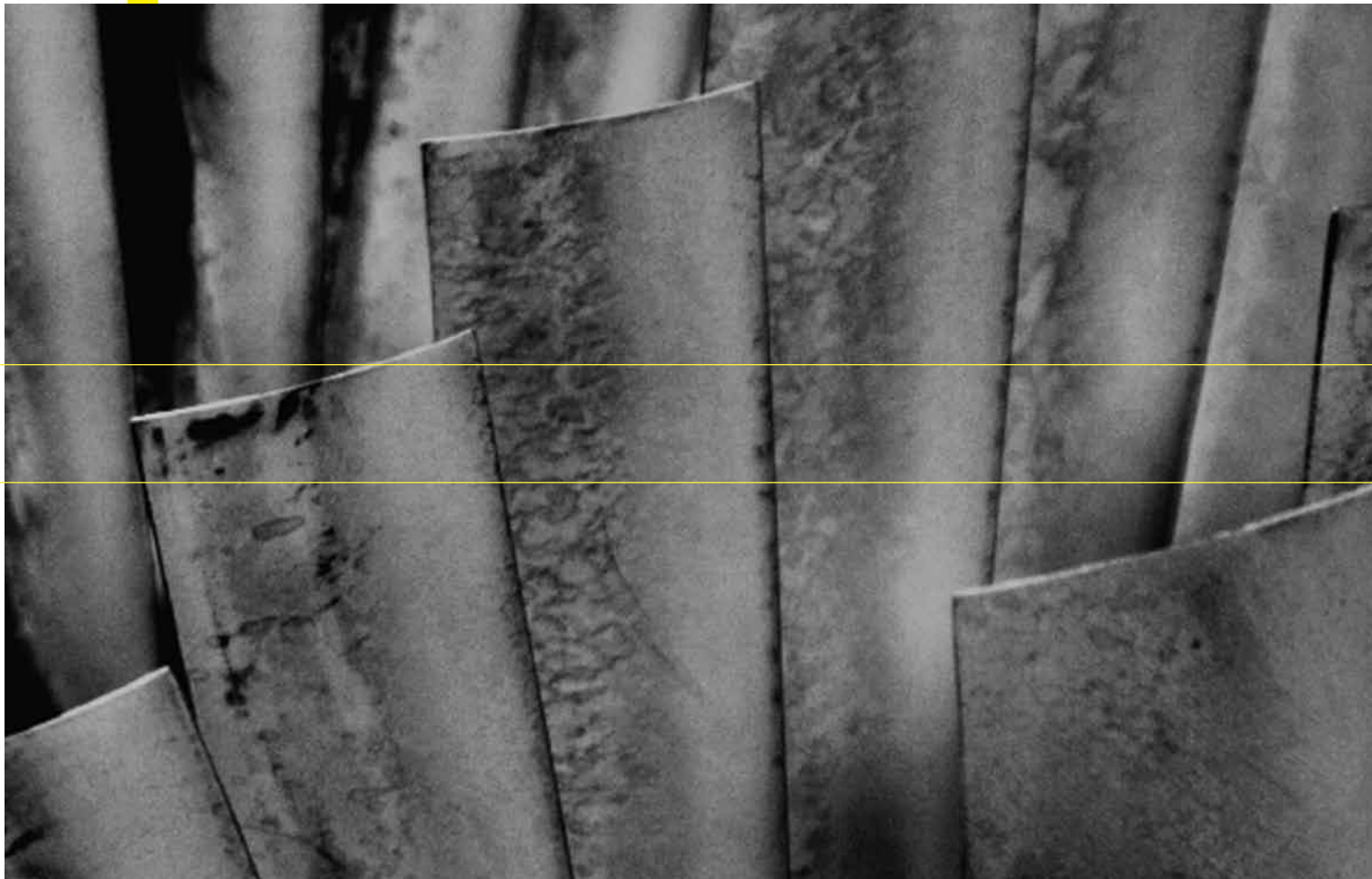
LIPS has had a successful year in 2010 with an increase in turnover of 22.2% and a net profit of 18.3% compared to the 2009 year. This has been achieved despite the payment of 1 claim throughout the year. While the markets were still showing signs of turbulence, the value of the LIPS investments grew by an additional AED 62,685 and the total value of assets increased by 119%. This can be attributed to the sharp increase in the number of members, many of which paid for their membership fees in advance, taking advantage of the discount offered for annual payments.

Daniella Williams

L.I.P.S LIMITED//STATEMENT OF FINANCIAL PERFORMANCE		
UAE DIRHAMS	31/12/2010	31/12/2009
REVENUE FROM ORDINARY ACTIVITIES		
Member Contribution	2,472,135	2,013,360
Interest on bank deposits	6,306	14,147
TOTAL REVENUE:	2,478,441	2,027,507
EXPENSES		
Loss of License Benefits Paid	275,000	0
Contribution Refunds	17,255	6,099
Administration Expenses	128,971	99,504
Marketing Expenses	2,620	5,036
IT & Website Expenses	5,940	11,411
Legal Expenses	11,368	26,235
Printing and Stationery	3,289	8,860
Less: Net Fair Value Investment Profit	62,685	134,938
TOTAL EXPENDITURE	106,757	22,207
NET INCOME FOR THE YEAR	2,371,684	2,005,300
CURRENT ASSETS		
Cash	2,492,480	1,397,587
Investments	5,146,604	2,082,260
TOTAL ASSETS	7,639,084	3,479,847

photography by mark smith





Investment Report

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To protect you and all members in a time of need, LIPS members' funds are conservatively managed. The fund's primary goal is capital preservation. We successfully and completely avoided the recent world financial crisis. Now we are looking forward to initiating investments that will benefit from a rebound in the world economy.

2010 was a year in which the Directors carefully avoided risk to your funds. A small position in gold was sold during the year. The fund administrator switch, away from Acuma, meant we could not make additional investments until necessary arrangements were in place for an alternative fund administrator.

These arrangements are now complete and we are happy to report Mondial Dubai will be our new fund administrator. LIPS has a good working relationship with Mondial and all the arrangements are now in place for additional investments to be made. Through them we will have a variety of conservative and more aggressive fund vehicles available, that would otherwise be closed to us.

Going forward, we plan on making low-risk investments in gold, equities, interest-bearing certificates and alternative investments – with not more than 20% of investment funds in any one category.

The funds goal is to achieve solid, consistent returns of between 5% and 7% per year, with lower risk than a private individual's portfolio would be exposed to.

Roger Hall

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Membership

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Membership of LIPS continues to grow, with 16 pilots joining on average each month.

In 2010 LIPS membership increased by 196 and at the end of 2010 LIPS membership was 775. At the time of writing this report LIPS membership stands at 788.

One member has been receiving LIPS benefits since 3rd January 2010. There were no other claims submitted in 2010.

Over the period of the 2010 report, LIPS paid AED 17,254.50 as a Leaving Service Benefit to 9 LIPS members who left the scheme.

In November 2010 LIPS introduced salary deductions and there are now approximately 300 members using this facility.

LIPS is “By Emirates Pilots, For Emirates Pilots”. The more members we are, the better the scheme is for all. Please tell your friends and colleagues about LIPS and as an incentive to help LIPS grow, LIPS will credit you with 1 month FREE LIPS membership for every new member you refer and who subsequently joins. So refer colleagues now and start saving and spreading the LIPS benefits!

Garrie Don

Salary Deductions

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LIPS now offers monthly salary deductions. Thanks to an agreement entered into with EPC, you now have the choice of LIPS subscriptions being deducted from your monthly salary along with your EPC deduction.

For those that like receiving a discount, there still is the choice to pay annually.

To pay by salary deduction, please go to **www.lipsek.org** and download the LIPS salary deduction authorisation form from the home page. Place the completed form in FC424 (Capt. Paulo Pereira) for processing

Even if you are paid up to in the future, you can still submit the salary deduction form now and it will commence automatically at the time your fees are due, giving you peace of mind you will remain financial.

Forms received prior to end of the month, will be processed in the following months pay, for the following months LIPS subscription. That is, if the form is received by LIPS by the end of June, Dhs320 will be deducted from the July salary for the LIPS subscription 1st - 31st August.

Garrie Don

2010 has proven to be a year of change for the administration function of LIPS. These changes have all assisted to improve the quality and efficiency of the support provided to both the existing members and the new members of the scheme. Membership numbers have continued to grow at a fast rate and ongoing promotion and marketing of the scheme have kept the support crew busy.

The Administration function has made every effort to ensure that the members are notified of membership renewals and overdue membership fees. New applications are processed in an efficient manner and members are continuously informed of the latest news and announcements.

The focus has continued to be on providing a professional and quality service with a bright and positive attitude to the members. The changes below have enabled LIPS to strive towards achieving these goals and to make LIPS a growing success.

LIPS Year on Year Asset Value to Membership Numbers



Administration

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Daniella Williams

After severing ties as the Finance / HR Director of Acuma, Daniella has moved on to start her own Chartered Accounting Firm, Williams Business Consultancy which provides outsourced accounting and business consultation services to small and medium sized expatriate companies in the UAE. She is passionate about helping LIPS be a successful organisation and after 3 years of administration services via Acuma, she continues to manage the accounting and administration needs of the LIPS scheme.

Administration

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Emirates Pilots Club

LIPS has partnered with Emirates Pilots Club to continue its commitment of providing quality and professional service to the pilots. For those pilots who prefer to submit their application form or wish to pay their membership fees in person, Hannah from EPC is available to meet them at the Signature offices on the 5th floor of the Fairmont Hotel.

The administration crew have also been busy processing the newly introduced salary deduction payment method, ensuring that members are added to the next available salary deduction opportunity in good time. Constant contact is maintained during this process so that members are aware of what to expect as their first and subsequent salary deductions take place.

LIPS Member Payment Methods as at 31st Dec 2010



Administration

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Contact

In an effort to make LIPS more accessible to the members and potential members of LIPS, the team have ensured that all forms of communication have been made available to those who need to contact the team. The LIPS website at www.lipsek.org is continuously undergoing development to ensure that it provides members with the latest news and information. This includes email addresses of all the LIPS committee and a mobile phone number for those who wish to contact Daniella directly with urgent queries.

A Facebook membership page has also been set up as an opportunity for members to share via a forum any comments they may have. The LIPS team endeavour to always be available to the needs of the members and no query or comment goes unnoticed.

The committee look forward to an even more successful year in 2011 and anticipate membership numbers to grow sharply due to the salary deduction payment option.

Daniella Williams

General enquiries, suggestions and comments should be addressed to support@lipsek.org

LIPS Contacts

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