



Draft Minutes
Of the
Aero Club of South Africa
75th Annual General meeting
Held on the
8th of June 2016 at 18:30
In the EAA Auditorium at Rand Airport

1.0	<p>Opening Welcome and Apologies</p> <p>JE opened the 75th AGM at 18:30 with a word of welcome to all,</p> <p>1.1 Apologies recorded were;</p> <p style="padding-left: 20px;">Kevin Storie John Gaillard Athol Franz Marthinus Potgieter Rikus Erasmus Donald Hicks Brett Hickman Felicity Clegg Danie Minnaar Dirk Smit Hans Schwebel</p> <p>1.2 Quorum</p> <p style="padding-left: 20px;">A Quorum for the meeting was present and the meeting was declared open with</p> <p style="padding-left: 20px;">The Chairman mentioned that it was the 75th AGM of the Aero Club of South Africa, but surmised that since the club was 96 years old some meetings might have been missed during the war years.</p> <p>1.3 Announcements</p> <p style="padding-left: 20px;">No announcements were recorded</p>	
2.0	<p>Confirmation of the 74th Annual General Meeting</p> <p>The minutes of the 74th AGM were adopted without change</p> <p>Proposed: Gordon Dyne Seconder: Jeremy Woods</p>	
3.0	<p>Chairman's Address</p> <p>3.1 The Chairman delivered his address,</p> <p><i>Aeroclub of South Africa - Chairman's Report</i></p>	

8th June 2016

It is with pleasure that I now deliver my Chairman's Report focusing on some of the newsworthy developments.

1. General Manager

After a number of years at the helm of Aero Club as the General Manager, Kevin Storie has stepped down to pursue some personal building projects. Kevin gave us many months of warning, but it still taxed our abilities to timeously replace him. It is not easy to replace the calibre of Kevin. He continues to assist us with many of our projects and is never far when we need his help or advice. To say we sincerely thank him at this stage seems hopelessly inadequate.

We were fortunate to find a replacement. Richard Becker retired as a professional electrical engineer and after a few months of retirement realised he was too young for inactivity. Richard joined us in December to facilitate the hand over from Kevin. Richard realised how high Kevin had set the bar, but nevertheless he hit the ground running. He brings vast, refreshing experience to the position. He held a PPL and was prominent in gliding circles having been Chairman of Magalies Gliding Club for eight years. We wish him well in settling down as he learns the nuances of the Aeroclub.

2. RAASA Board

Aeroclub is responsible for nominating three of the directors for the RAASA board. After the resignation of Chris Booysen and Stan Oliver, we nominated Mr John Morrison the former CEO of the Airlines association, and Mr Colin Jordaan the former DCA. Together with our other appointee Chris Linakis these two gentlemen complete our high powered representation to look after our aviation interests. We sincerely thank Chris and Stan for their years of service to Aeroclub.

Our relationship with RAASA is on a sound professional level. We receive a lot of support in the many issues we have to negotiate, in order to pragmatically promote affordable Sport and Recreational aviation.

3. Industry Representation & Matters

- Part 47 which we were instrumental in developing, is now operating smoothly and it seems many of the problems with ex-military types, gliders etc. have been resolved. Registration can now be achieved simply and with minimal bureaucracy.*
- Project 24 continues to involve our attention but is progressing satisfactorily. We are profoundly grateful for MISASA's involvement in providing Rowena to assist RAASA in consolidating the proposed changes and additions required to make it possible for recreational aviation to operate smoothly.*
- Development of the Part 115. This is the adventure flying concern which we are trying to regularise and steer away from getting caught up in commercial flying regulations. For the first time we are heading to provide a home for the "flipping and adventure type" aviation. Inter alia it caters for pax's in one man one type operations. This is also critical to the tourism sector in SA that aviation addresses.*
- The Berwick matter together with the recent Paragliding accident in Cape Town will undoubtedly have far reaching effects on the aviation industry hence the need for the expedient introduction of the Part 115 regulations.*
- The Memorandum of Understanding between AeCSA and the Swaziland Flying Association is in place. Next we must replicate this with Botswana, Zambia and Namibia without delay. This has many advantages, one of which is that our aviators will be able to move in Sub Saharan Africa with ease. Inter country formalities will be much more accommodating.*

4. Safety Campaign

The Safety Campaign continues to be a most visible contribution from Aeroclub. While there are many other contributors to this, both financially, and "hands on deck", Aeroclub stands proudly in the front row. Without the driving force of Kevin we may well suffer greater navigational errors. Well done to Kevin & team in successfully developing & rolling out Phase

4 of the Safety Campaign ‘Know your spots’ which as I speak is being presented at the KZN leg of this event. Hazardous attitudes seems the area of focus as more rules and regulations will not solve the problems that we are currently experiencing with an unacceptably high number of experienced pilots involved in aviation accidents and fatalities.

5. Transformation and Development

We are very proud of the progress of our AeCSA’s entire Transformation and Development programme. Under the tutorship of Daniel Ralefeta the activities and visibility remain unbounded. Most weekends there is an activity which is well attended and widely publicised initially on WhatsApp and thereafter in the various newsletters. Slowly we are orientating the various sections and getting greater participation.

We are always wildly excited when we receive our grants from SRSA. This is most welcome and needed to further T&D interests. Sadly though, SRSA grant the money and the NEED to see what’s happened, or even just, how do the sections intend using this money. This they need in the form of “a report”. There seems to be some misunderstanding as to the importance and timing of these reports, so they are not forthcoming. Should these reports not be timeously tabled, then the money would have to be returned. This would indeed be a slap in the face to all the hard work and efforts to motivate these increasing payments in the first place. The matter has been addressed and we hope for a successful conclusion. My profound and grateful congratulations to Daniel for spearheading this operation with such enthusiasm. A word of warning Daniel, please build your team around you to keep pace with you. Well done Daniel.

6. Achievements

Congratulations to Frank and Cally Eckard on their achievements at the World Air Games. The World Air Games were held in Dubai in the first two weeks of December, Frank and Cally were awarded gold medals for the Landing Competition, and Bronze medals for third overall. The selected South African team were Frank and Cally Eckard for General Aviation (ANR), Nigel Hopkins for aerobatics and Paul Jackson for Para motors.

7. Aero Pay System

Owing to non-performance by Fundi, we had to make a change. At the end of last year we appointed Blue Box to handle the Aeroclub payment set up. It is early days yet, but all indications are that we have a winner. We thank you for your patience during this transition period.

8. Office Administration

With the excising of Kevin from the team and inserting Richard, understandably some settling down took place. Happily Richard acquitted himself well and added much value to the operation. Sandra too had to undergo some adjustments and remains an indispensable force in the office. Chandre, who is resident in the front office has successfully been our first line of defence for the year. Hanke ably steers us through all the financial “rapids”, which we sometimes think of as plain “waterfalls”. To all in the office staff and Paul, I thank you for all you have contributed to the success of Aero Club.

9. Conclusion

Finally, I thank you the members for having the faith and entrusting the management of Aeroclub to us for the year. Should we be re-elected to these positions then we pledge to continue our quest of preserving our beautiful blue skies for Sport and Recreational Aviation.

I thank you.

Jeff Earle
Chairman
AeCSA

The Treasurer (HF) presented comments on the Accounts for the Aero Club of South Africa, The Aero Club of South Africa Events and the Aero Club of South Africa Development.

The Aero Club of SA and subsidiaries

Financial Report for the year ending 31 December 2015

Comments regarding the Audited Annual Financial Statements

The Aero Club of SA financial results are reflected in three Annual Financial Statements. Some pages are extracted from the AFS for easy reference.

The Aero Club of SA NPC (Non Profit Company)

The Aero Club of SA Events (Pty) Limited (Private Company)

The Aero Club of SA Development NPC (Non Profit Company)

We have continued as in the past not to consolidate the three companies. We do not believe it will have a benefit to the reader and to avoid higher audit costs.

The Aero Club of SA

Please refer to Page 9 for the summary income statement and page 18 for the detail of the Aero Club's income and expenses.

The Aero Club of SA had a shortfall of R 155,730 for the 12 months under review, compared to a surplus of R14,091 for the previous year.

The reasons for the short fall are of an "extraordinary nature" and had a negative impact on the results for the 12 months:

- 1) Membership fees were less than planned for. We budgeted for 4,609 members, effectively 4,341 renewed in the year under review (268 members). 2 sections have a different year end renewal cut off point, which make this difficult to report on meaningful figures at the same cut off point as the Aero Club.
- 2) Membership numbers are lower at 4,341 for 2015 compared to 4,380 for the previous year. We aimed for a growth, we went slightly in reverse.
- 3) The Aero Club has moved over to a new membership system and the development of the new system was also expensed from August 2015 onwards. The costs of this were R 70,000 that we have not budgeted for, but expensed it 2015 right away.
- 4) With Kevin Storie, the general manager at the end of December 2015 leaving our employment, we have paid out his leave and with the appointment of a new general manager, Richard Becker appointed at the end of the 2015, paid a second GM's salary in December. This event made the staff costs 9% higher than planned.
- 5) As part of our expenses, we have R 96,900 reserved as capital for the centenary event. By allocating R25,00 per member per year from the membership fees, we contribute funds towards this goal. This amount is shown as an expense in the income statement and included in the shortfall listed above.

We are registered as tax exempt with SARS. This is the first time in many years that we had a shortfall and might support our status if it comes under question at any point in time.

Interest received was R 70,071 for the year versus R 52,425 for the previous year. If we did not have a nest egg in the bank, the shortfall would have been bigger.

Department Sport & Recreation allocated R 400,000 for the year under review (2014/2015) after our presentations of projects. R 300,000 of this amount was for projects of The Aero Club of SA Development, the company housing the Transformation and Development section of the Aero Club. The balance of R100,000 of the SRSA sponsorship was utilised towards admin costs and we have again elected to contribute towards the FAI costs of R154,333 listed under expenses.

The Aero Club has not made a financial contribution to the first two Safety First Campaigns. Our contribution was in the form of effort and time of the Aero Club staff, general manager and Exco to present on behalf of the industry and financial contributors.

In the 2015 year, we have contributed R 45,000 in monetary terms towards the expenses and paid it to the Events Company, over and above the efforts mentioned before. The Safety Campaign will be discussed in detail when we discuss the statements of the Events Company.

Insurance seems that it increased drastically from last year. In the previous year (2014), the auditors suggested that where the policies renewal dates do not coincide with the financial year, the prepaid amount (the portion relating to the next year) must be shown in the balance sheet as a "Prepaid Expenses" and expensed in the 2015 year. The amount of R 49,919 is the correct amount for insurance for the year. The 2014 figure of R 19,774 is therefore not a good comparison.

Printing and stationery are mainly the costs of the year book produced and sent to all members.

Contributions to Transformation and Development were R 420,000. This amount comprises of R300,000 of SRSA funds we received on Developments' behalf and R 120,000 (R10,000 per month of our funds towards this project).

The overseas travel costs of R 35,704 were for the FAI conference in Rotterdam attended by John Gaillard.

The Aero Club of SA * Statement of Financial Position

Refer to page 8 for the balance sheet.

The Aero Club's assets are mainly financial assets, but also a small amount of fixed assets.

The assets are stated as what we believe are the correct values.

The equity reduced from R 1,149,470 to R 993,740 due to the shortfall mentioned before.

Loans receivable of R281,878 is funds we had to loan to Aero Club Events Company as working capital. R 161,877.71 of this was paid back to the Aero Club subsequent to the year end. The balance is still due to the Aero Club and will be repaid when the cash is available in the events company.

Trade and Receivables are R 208,567 at the balance sheet date.

Of this Fundi CRM owes the Aero Club R105,999.10 for two month's fees. Fundi CRM have not invoiced the Aero Club for costs for collecting the membership fees in 2015 for quite a number of months. We have made provision for these costs in the financial statements to the amount of R 28,000. The net costs due is therefore R77,999.10. We have handed this over for collection to attorney Fanus Swart from Serfontein, Viljoen & Swart Attorneys in Brooklyn Pretoria. We will keep an eye on the costs to recover the funds.

Cash in the bank at year end was R 1,957,703. Of this amount R 600,000 was received just before the end of the year for the next SRSA allocation and will be distributed / used in 2016.

R 500,000 of the R600,000, was paid over to T&D after year end.

The **Trade and other Payables** of R 1,077,804 are the R 600,000 SRSA allotment mentioned before; funds received after the new membership season opened in December 2015 and only recognised as income in January 2016; Fundi System costs that they have not invoiced to us. The trade payables also include the invoice of African Pilot for R 96,120 for the annual report printing.

On page 6, individuals are listed who were responsible at board level between 1 January and 31 December 2015.

The Aero Club of SA Events (Pty) Limited

The wholly owned subsidiary of the Aero Club of SA handles the events on behalf of the Aero Club.

The table on the next page gives a bird's eye view of the costs per activity or projects in comparison with the previous year.

The summary income statement can be seen on page 7 of the events company and the detail on page 14 of the events company.

The Company had a net income after statutory cost of R 84,556. With all three income or cost centres consolidated, the shortfall for the year was R 44,838.

The annual awards function in 2015 looks much more expensive than the event in 2014. In 2015 we had a record number 270 people attending the event, 40 being guests.

In 2014 we had 200 attending, 31 being guests. The cost of 2015 is in line with 2014, should it be adjusted for the higher number of people and a 10% increase in cost. The net cost of the awards function was R 82,667 compared to R 50,707 for the previous year.

Some years there are more awards suggested and issued by sections and all of these accolades are framed, some years will be more expensive. The costs of the accolades and frames were R 21,074 compared to R 15,277 in 2014.

The Air Week 2015 contribution from the Aero Club was the net amount of R 25,652. The planned budget was R 30,000.

The Aero Club assisted the CAA to organise two air shows one air show was held at Dundee and the other one ICAD 2015 at Mafikeng.

The detailed income statement (p14) can be allocated in the following divisions:

The Aero Club of SA Events (Pty) Limited

Dec-15					2015					2014
Revenue	Admin	Air Week	Awrds			Admin	AAD 2014	Awrds		
Awards Function			66,700	66,700				47,320	47,320	
AAD (2014)							104,250		104,250	
Admin / Man Fees	98,311			98,311		80,000			80,000	
AirWeek Income		62,412		62,412						
Interest	19,407			19,407						
	117,718	62,412	66,700	246,830		80,000	104,250	47,320	231,570	
Expenses	33,162	88,064	170,442	291,668		27,963	100,367	113,304	241,634	
AAD (2014)							100,367		100,367	
Awards Function Expenses			149,368	149,368				98,027	98,027	
Awards Function - Awards Expenses			21,074	21,074				15,277	15,277	
Air Week costs		88,064		88,064					-	
Accounting Fees	17,004			17,004		16,469			16,469	
Auditors remuneration	13,370			13,370		10,000			10,000	
Bank Charges	1,788			1,788		1,494			1,494	
Secretarial Fees	1,000			1,000					-	
Profit / (Loss)	84,556	-25,652	-103,742	-44,838		52,037	3,883	-65,984	-10,064	
Total attending YE Function			270					200		
Guests			40					31		
			230					169		

The Safety First Aviator campaign's financial affairs are also handled via the Aero Club Events Company.

As these funds are not the Aero Club's, we handle the accounting of the contributions and expenses as balance sheet items. The income and expenses do not form part of the income of the company.

The net result is always the cash in the bank still available for the project.

Page 15 shows the contributors towards Phase 4, "Know your spots" campaign. After the audit of these results, the CAA has changed their contribution to R120,000 instead of R150,000. This change will be reflected in the 2016 year. This amount is still outstanding at the time of the 2016 AGM.

The net funds received not used yet in the campaign was R 292,699 at the balance sheet date and reflected under trade and other payables.

The Aero Club of SA Development NPC

The Aero Club of SA Development NPC is the custodian of the funds that are received from Lotto and the SRSA to further our projects.

Page 7 is the summary of the income and expenses and the detail is on Page 13. The company will always be at a breakeven (as seen the bottom line on page 7), as we transfer the funds earmarked for the projects from funds available.

The income used was R93,130 which is transferred from the funds in the balance sheet. RAASA contributed R3,000 for a project.

We focus to have more external parties contributing directly to the Aero Club T&D effort.

In 2015 the Development team had taken part in the Aero Club Air Week 2015 to the amount of R 21,177 and two SRSA projects amounting to R 37,743 both at Brits Flying Club and corporate marketing material and folders.

Interest earned was R 4,627 for the year on the funds in the bank.

On page 6 is the Statement of Financial Position (or balance sheet) is listed.

In the bank at year end was R 378,504 (Lotto & SRSA Funds allocated for 2016). The funds not used were shown under trade and other payables.

Conclusion

We had all three companies audited by VanWykCompton Incorporated in accordance with the Companies Act of 2008.

We have received an unqualified report in all three companies.

My thanks to the loyal members for being members of the Aero Club who contributed towards the running of the Club; the staff of the Aero Club; in the year under review the support from the outgoing General Manager Kevin Storie and Richard Becker for his support in the new year as General Manager.

Eugene Couzyn asked about the chances of recovering the bad debt from Fundi.JE explained that the matter was being pursued, but that the AeCSA would curtail costs in order not to throw good money

	<p>after bad.</p> <p>Alan Mackenzie suggested that an additional R300.00 should be added to each member's annual fees in order to raise extra funds, R1.3 Mill according to his calculations. JE pointed out that the total collected by this means would be somewhat less as SAMAA members paid lower membership fees. Nevertheless, the matter would be tabled at the next Board meeting,</p> <p>The Financials were Proposed by: Eugene Couzyn And seconded by: Frank Eckard</p>	
5.0	<p>Motions</p> <p>To amend Article 2.2.1 of the Articles of Association. The Chairman explained that, owing to the fact that a new Memorandum of Association (MOI) for the Clubs had to be adopted in place of the Articles of Association, the proposed amendment would not be put to the meeting, but changes would be incorporated in the new MOI. However, four additional members would be required to help with the centenary celebrations and consequently the following additional board representatives were approved by the meeting. One further representative is still to be approved. One further addition to the board was approved, this is a representative from the Commercial Aviation Association of SA (CAASA). Mr JP Truter was nominated and accepted this position. The chairman pointed out that AeCSA had representation on the CAASA board, that the two organisations supported each other in many aspects, especially with respect to the SACAA and had many common goals and interests.</p>	
6.0	<p>General</p> <p>6.1 Athol Franz matter The Chairman briefed the meeting on the events that had taken place at the EAA function in Mosselbay. He had spoken to Athol regarding the AeCSA's concerns regarding this matter and suggested that AF make an apology to Jim Davis for the remarks he made in Mosselbay. AF had done this.</p> <p>6.2 Future tenders for AeCSA publicity John Boucher asked if in future tenders would be called for publicity work, such as the yearbook. RB replied that this had been discussed and agreed to at the most recent Board meeting and therefore tenders would be called for in Future.</p> <p>6.3 Africa Aerospace and Defence 2016 RB informed the meeting that the sections had experienced reluctance in taking part in AAD except for a mass parachute jump and a mass Gyrocopter fly pass. The reluctance was mainly due to cost and a perception that the cost/benefit ratio was not favourable. The EXCO had discussed this matter before the AGM and decided to reduce the price and cost of the stand to be built for AeCSA and to try to make the exhibition much more interactive and then re-approach the sections with a new proposal. The Chairman suggested a bar with drinks at the close if each day.</p> <p>6.4 Centenary celebrations The Chairman outlined the plans for the Aero Club's centenary in 2020 and explained the organisation that was being established in order to achieve a successful year of events. He emphasised the necessity to aim high. All sections were asked to consider their history and give thought to activities which could add to the relevance of celebrations.</p>	
7.0	<p>Election of new committee</p> <p>The following members were re-elected to the Board.</p> <p>Jeff Earle – Chairman Hanke Fourie – Honourer Treasurer Paul Lastrucci – Vice Chairman Rowena Kraidy Rama Iyer – Co opted Eugene Couzyn – Co opted Rob Jonkers – Co opted Jonty Esser – Co Opted Kevin Storie – Co Opted</p>	

	<p>7.1 The 75th Annual General Meeting were temporary adjourned in order to allow the election of office bearers for the Board.</p>	
<p>8.0</p>	<p>Opening of the 1st Board meeting</p> <p>The meeting then moved to the election of the Chairman, Vice Chairman and Hon. Treasurer It was unanimously agreed by the members of the board that the Exco should remain unchanged as Chairman – Jeff Earle Vice – Treasurer – Paul Lastrucci Hon treasurer – Hanke Fourie</p> <p>The new Board members were welcomed to the Board and the 1st Board meeting were adjourned.</p>	
<p>9.0</p>	<p>Notification of Exco and Closure of the 75th AGM</p> <p>9.1 The Chairman notified the AeCSA members of the Exco members and the 75th AGM of the Aero Club of South Africa were closed</p>	