



Draft Minutes

Of the

Aero Club of South Africa

76th Annual General meeting

Held

10th of May 2017 at 18:00 for 18:30

In the EAA Auditorium at Rand Airport

1. Notice Convening the Meeting

a. Attendance

Jeff Earle	Chairman
Paul Lastrucci	Vice Chairman
Hanke Fourie	Hon Treasurer

As per attendance register attached hereto

b. Apologies

As per apology register attached hereto

c. Confirmation of Quorum

JEE confirmed that a Quorum was present, with Ordinary members from at least six Member Associations present in person or by proxy, provided that at least 20 Ordinary Members are present in person.

d. Announcements

No announcements were tabled

2. Confirmation of the Minutes of the 75th Annual General Meeting

- a. No Corrections were recorded, and was proposed by Jeremy Woods and seconded by Gordon Dyne as a true reflection of the 75th Annual General Meeting
- b. No Matters arising from previous Minutes were tabled.

3. Chairman's Report

- a. Jeff Earle requested from the members of Aero Club to kindly ignore the report that is included in the AGM pack, as the report was changed. The Chairman's report that was tabled at the AGM is attached hereto.
- b. The Chairman's Report was Proposed by Bruce Harrison and Seconded by Gordon Dyne.



4. Treasurer's Report

a. Financial Status of The Aero Club NPC and associated companies

The treasurer's report for the year ended 31 December 2016 was tabled by Hanke Fourie. He reported that the Aero Club of SA's financial statements project a healthy company for the year ending December 2016. He reported that Aero Club however is under financial challenges.

The Aero Club of South Africa NPC			
(Registration number 1936/007537/08)			
Financial Statements for the year ended 31 December 2016			
Statement of Comprehensive Income			
Figures in Rand	Note(s)	2016	2015
Revenue	10	1,560,088	1,580,539
Cost of sales	11	(16,675)	(9,508)
Gross surplus		1,543,413	1,571,031
Other income	12	133,099	428,506
Operating expenses		(1,934,294)	(2,225,337)
Operating surplus (deficit)		(257,782)	(225,800)
Investment revenue	13	68,326	70,071
Surplus (deficit) for the year		(189,456)	(155,729)

He reported that as seen above, the revenue is down despite increases in annual Membership contributions. It means member numbers are down. The annual member subscription fee was R425, inclusive of VAT for the 2016 year. This translates to 7.95% from the previous year. However, included in the R425.00 is a R25.00 per member contribution towards the centenary fund.

The Aero Club of South Africa NPC			
(Registration number 1936/007537/08)			
Financial Statements for the year ended 31 December 2016			
Statement of Financial Position as at 31 December 2016			
Figures in Rand	Note(s)	2016	2015
Assets			
Non-Current Assets			
Property, plant and equipment	2	65,666	37,048
Current Assets			
Inventories	5	23,170	39,846
Loans receivable	3	177,500	281,878
Trade and other receivables	6	77,583	208,568
Other financial assets	4	100	100
Cash and cash equivalents	7	1,692,205	1,957,703
		1,970,558	2,488,095
Total Assets		2,036,224	2,525,143
Equity and Liabilities			
Equity			
Retained income		804,285	993,741
Liabilities			
Current Liabilities			
Trade and other payables	9	847,874	1,077,804
Loans payable	3	192,533	356,198
Capital Funds	8	191,532	97,400
		1,231,939	1,531,402
Total Equity and Liabilities		2,036,224	2,525,143



As seen below he reported that we have requested R 100,000 of the allotment to help pay for administrative expenses at the Aero Club and we have decided to pay for the FAI annual subscription or a portion of it. The costs of the FAI license are budgeted at R 160,00 at the current exchange rates.

He further reported that the investment income on the funds in the bank was R 68,326 compared with the previous year of R 70,071 for the year.

The Aero Club of South Africa NPC			
(Registration number 1936/007537/08)			
Financial Statements for the year ended 31 December 2016			
Detailed Income Statement			
Figures in Rand	Note(s)	2016	2015
Revenue			
Flight folio log book		17,671	15,097
Licences - FAI - Crew Card		-	2,518
Licences - FAI - Sporting Licence		53,421	58,724
Subscriptions		1,488,996	1,504,200
	10	1,560,088	1,580,539
Cost of sales			
	11	(16,675)	(9,508)
Gross surplus		1,543,413	1,571,031
Other income			
Commissions received		18,099	17,892
Gains on disposal of assets		15,000	-
Interest received	13	68,326	70,071
Sport and Recreational (SRSA)		100,000	400,000
Sundry income		-	10,614
		201,425	498,577

Hanke Fourie also reported that salaries and wages are the biggest expense at R 680,651 for the calendar year. The Aero Club has three full time staff members employed.

For the last four years, the Department of Sport and Recreation SA sponsorship was used to help combat the cost of the FAI as an annual project which is paid in Swiss Franc. The subscription income is therefore used for other costs.

The new Aero Pay system (operated by Blue Box) was in use from 1 November 2015. So far it seems that the members are happy with the system. The system allows the income into our bank accounts and we do the payments. We have full control over Funds.

He reported that on Bad Debts the Fundi value of R 88,912 was written off. Cash and equivalents decreased from R 1,957,703 to R 1,692,205 by the end of December 2016 but did not include the R450,000 which was received after year end, and the 2015 did include the R 600,000.

The Assists purchased was for AAD at reasonable prices.



The Aero Club of South Africa NPC

Detailed Income Statement			
Figures in Rand	Note(s)	2016	2015
Operating expenses			
Accounting fees		137,940	129,850
Advertising		28,405	40,704
Auditors remuneration	14	26,400	24,000
Bad debts		88,912	-
Bank charges		51,251	11,363
Cleaning		89	-
Computer expenses		12,972	23,395
Conference fees		4,078	-
Consulting fees		-	930
Depreciation		22,332	18,056
Discount allowed		-	1
Donations		-	1,565
Employee costs		680,651	720,273
Farming expenses		4,584	-
Fundi operational costs		71,070	176,882
Insurance		42,330	49,919
Legal expenses		4,424	-
Membership cards		-	670
Membership fees - FAI		178,458	154,333
Office expenses		5,321	-
Other expenses		500	-
Postage		34,569	35,035
Printing and stationery		117,054	106,009
Refreshments		5,272	23,973
Rent and municipal charges		49,236	45,000
Repairs and maintenance		25,167	4,867
Safety campaign expenses		50,000	45,000
Subscriptions		1,943	5,128
Subscriptions - Centenary Contribution		94,132	96,900
Telephone and fax		32,603	38,365
Transformation and development		120,000	420,000
Travel - local		6,148	17,415
Travel - overseas		38,453	35,704
		1,934,294	2,225,337
Surplus (deficit) for the year		(189,456)	(155,729)



b. Financial Status of The Aero Club of SA Events (PTY) Ltd

Hanke Fourie reported that this entity was formed to handle all the events of Aero Club. As most of our events are just recovery of costs, this entity was not registered for VAT as it is below the VAT reporting threshold. We can therefore recover costs from members taking part in event at lower costs.

During the year under review Aero Club Events (PTY) Ltd handled the Awards Function, and the Safety Campaign’s financial matters.

The Aero Club of SA Events (Pty) Ltd			
(Registration number 2012/217049/07)			
Annual Financial Statements for the year ended 31 December 2016			
Statement of Financial Position as at 31 December 2016			
Figures in Rand	Note(s)	2016	2015
Assets			
Current Assets			
Loans to group companies	2	-	30,000
Trade and other receivables	3	7,052	358,702
Cash and cash equivalents	4	554,388	162,665
		561,440	551,367
Total Assets		561,440	551,367
Equity and Liabilities			
Equity			
Share capital	5	100	100
Accumulated loss		(106,379)	(56,113)
		(106,279)	(56,013)
Liabilities			
Current Liabilities			
Trade and other payables	6	560,219	325,502
Loans from group companies	2	107,500	281,878
		667,719	607,380
Total Equity and Liabilities		561,440	551,367

As seen in the Statement of Financial position as at 31 December 2016 above cash in the bank and call accounts is R 554,388 which includes R386,484 held on behalf of SACAA and R 46,272 held on behalf of the Safety Campaign. The R 386,484 was requested and paid back to the SACAA by the end of March 2017.



The Aero Club of SA Events (Pty) Ltd

(Registration number 2012/217049/07)

Annual Financial Statements for the year ended 31 December 2016

Detailed Income Statement

Figures in Rand	Note(s)	2016	2015
Revenue			
Awards function income		79,450	66,700
AAD Income		39,010	-
	7	118,460	66,700
Other income			
Administration and management fees received		93,373	98,311
Airweek 2015		3,830	62,412
Interest received	9	5,979	19,407
		103,182	180,130
Operating expenses			
Accounting fees		18,000	17,004
Airweek costs		-	88,064
Auditors' remuneration		12,085	13,370
Awards function expenses		166,234	170,442
Bank charges		2,892	1,788
Delivery expenses		1,000	-
Entertainment		5,587	-
Lease rentals on operating lease		63,200	-
Secretarial fees		400	1,000
Staff welfare		1,070	-
Travel - local		1,440	-
		271,908	291,668
Deficit for the year		(50,266)	(44,838)

The Income statement above reflect that during the year under review, two events were hosted. The AAD 2016 and the awards function in November 2016.

Awards Function held at the Swartkops Air Force Museum

Yearend Function

Year	Cost	Income	Net cost	Venue
2016	R166,234	R79,450	R86,784	Swartkops AFB
2015	R149,374	R66,700	R82,674	Swartkops AFB
2014	R113,304	R47,040	R66,264	Swartkops AFB
2013	R133,209	R62,645	R70,564	Swartkops AFB

The net cost of the AAD 2016 was R 24,190. The net cost of the awards function was R 86,784.

The company had administrative income of R 93,373 for the year, and interest of R 5,979. The net shortfall for the year was R 50,266.



Supplementary Information		
1. Safety Campaign		
Opening Surplus	2016	2015
	292,699	-
Donations received		
Aero club of South Africa NPC	50,000	-
Phase 4		
Airline Pilot Association of South Africa	6,000	50,000
ATNS	-	50,000
CAA	(30,000)	150,000
CAASA	-	50,000
RAASA	-	50,000
Phase 3		
The Aero Club of South Africa NPC	-	45,000
CAA	-	10,831
ATNS	-	53,470
Previous years	-	160,000
Total	318,699	619,301
Expenses		
Phase 1 and 2	-	35,212
Phase 3		
Administration costs	-	490
Accommodation and subsistence	-	19,888
Car rental	-	5,125
DVD Covers / clothing / posters	-	70,380
Flights tickets	-	29,625
Roadshow	-	14,462
Video production	-	96,480
Phase 4		
Video production	-	54,940
Total	-	326,602
Administration costs	18,821	-
Accommodation and subsistence	47,228	-
Car rental	2,498	-
DVD covers / clothing / posters	81,734	-
Flight tickets	27,447	-
Video production	84,043	-
Prizes	10,657	-
Total	272,428	-
Surplus kept in trust	46,272	292,699

c. Financial Status of The Aero Club of SA Development NPC

With the funds of SRSA of R 300,000 (2014) and R 500,000 (2015) and R 350,000 (2016) the section has exciting projects planned. From pilot training to aviation awareness across various sections that have applied for funding. This is another great feather in the cap for Aero Club and what Aero Club can do for you as a member and a section. The detail of the company and projects will be highlighted in the Transformation & Development report.

Although we report on the project cost, the Development company will always be in a break-even position. The cash in the bank account pay for expenses running the company and for specific projects. The funds are seen as trust funds and can only be used according to the project budget we received the funds for.



The Aero Club of SA Development NPC

(Registration number 2013/008857/08)
Annual Financial Statements for the year ended 31 December 2016

Statement of Financial Position as at 31 December 2016

Figures in Rand	Note(s)	2016	2015
Assets			
Current Assets			
Loans to group companies	3	-	50,000
Trade and other receivables	4	1,350	3,000
Cash and cash equivalents	5	424,162	378,504
		425,512	431,504
Total Assets		425,512	431,504
Equity and Liabilities			
Liabilities			
Current Liabilities			
Trade and other payables	6	355,512	401,504
Loans payable	3	70,000	30,000
		425,512	431,504
Total Equity and Liabilities		425,512	431,504

The Aero Club of SA Development NPC

(Registration number 2013/008857/08)
Annual Financial Statements for the year ended 31 December 2016

Statement of Comprehensive Income

Figures in Rand	Note(s)	2016	2015
Revenue	7	585,950	96,130
Operating expenses		(609,732)	(100,757)
Operating loss		(23,782)	(4,627)
Investment revenue	8	23,782	4,627
Surplus / (Deficit) for the year		-	-



The Aero Club of SA Development NPC

(Registration number 2013/008857/08)

Annual Financial Statements for the year ended 31 December 2016

Detailed Income Statement

Figures in Rand	Note(s)	2016	2015
Revenue			
AAD income		38,570	-
Funds used		547,380	93,130
RAASA Contribution		-	3,000
	7	585,950	96,130
Other income			
Interest received	8	23,782	4,627
Operating expenses			
Accounting fees		10,000	10,000
Aero Club Airweek 2015 expenses		-	21,177
Auditors remuneration		7,496	7,005
Bank charges		1,627	1,069
Depreciation, amortisation and impairments		13,235	-
Entertainment		1,800	-
Printing and stationery		-	13,862
SRSA Projects		561,174	37,744
Secretarial fees		400	1,200
The Aero Club of South Africa Awards Evening expenses		14,000	8,700
		609,732	100,757

In summary, he reported that the Aero Club of South Africa's financial year was productive and a thank you to each member supporting the initiatives, your time and financial contribution made it all possible.

He expressed his sincere thanks to the general manager Richard Becker and the staff at the Aero Club of South Africa who made these results possible.

d. Appointment of Auditors

It was agreed that the Aero Club of South Africa will make use of the same auditors as the previous financial year; Van Wyk Compton Inc.

It was proposed by Karl Jensen and seconded by James Pitman that the Aero Club of South Africa will make use of Van Wyk Compton Inc.

e. Acceptance of Treasurer's Report

The Treasurers report was proposed by Athol Franz and Seconded by Barry Turner.



5. General

a. Airweek 2017

Jeff Earle reported that Airweek was an event for aviators by aviators, he commended the organisers on a successful event, Athol Franz requested from the Aero Club board to consider having an Airweek twice a year.

b. Centenary Celebration Planning

Jeff Earle reported on the Centenary and reported that Rob Jonkers will elaborate on the planning of the centenary celebrations.

Rob Jonkers reported that the first meeting was held earlier in the year, where a Wishlist was established, he requested from the members to assist with the planning. Proposed events are;

- Yearbook,
- Airweek,
- Silver Queen Air Race,
- Adventure Rally,
- Having the World Air Games and FAI conference hosted in South Africa.

c. Aero Club Strategic Session

Jeff Earle reported that the Aero Club held a Strategic Session in January hosted by Tony Frost, issues affecting the growth of Aero Club were identified and steps have been taken to implement them where possible.

6. Election of New Committee

a. Nominations Received for Consideration

Hanke Fourie reported that we have received 1 nomination namely James Pitman
He confirmed that there is no need the vote as the board have a vacant seat which James Pitman can fill.

With each section Chairman having a seat on the board, the following were confirmed

- Rowena Kraidy Co-Opted
- Eugene Couzyn Co –Opted
- Rob Jonkers Co –Opted
- James Pitman Co –Opted
- Jeff Earle
- Hanke Fourie
- Kevin Storie CAASA



7. Questions from the floor

a. AP Scheme

Jeff Earle replied that the AP Scheme will be revisited, and he reported that the matter is being tabled.

b. RAASA closure

Jeff Earle reported that Aero Club is looking after the interest of members, AeCSA would like RAASA to act a buffer to SACAA. He reported that he has a plan to table an objection in the works; he reported that RAASA will be supported by Aero Club.

c. ICASA Radio Licenses

Jeff Earle replied that Kevin Storie will attend to the matter, and look at a solution.

8. Opening of 1st Board Meeting

a. Appointment of Office Bearers

The members of the Aero Club board convened a meeting to appoint the office bearers.

Col.J Earle expressed his intention to stand down as Executive Chairman and be appointed as Past Chairman in a non-executive capacity. Following a lack of nominations It was agreed that the office bearers should remain unchanged as follows:

- Jeff Earle Chairman
- Paul Lastrucci Vice Chairman
- Hanke Fourie Hon Treasurer

9. Notification of Exco and Closure of the 76th AGM

- a. The 76th AGM was closed after the appointment of office bearers took place