



**Draft Minutes**  
**Of the**  
**Aero Club of South Africa**  
**77<sup>th</sup> Annual General meeting**  
**Held**  
**27<sup>th</sup> of March 2018 at 18:00 for 18:30**  
**In the Academy Conference Centre**  
**Hangar 50, Hurricane Road**  
**Rand Airport**

**1.0 Opening**

Paul Lastrucci (PLI) welcomed the members and board members in attendance to the 77<sup>th</sup> Annual General meeting. PLI apologised that the Venue had to change at such short notice, but the change was due to the EAA Auditorium that was flooded with the recent rain in area.

**1.1 Notice Convening the Meeting**

a. Roll Call

The Attendance to the meeting is as per the attendance register

b. Apologies

Rob Jonkers	RJS	SAPFA
Graham Field	GFD	PASA
Gary Whitecross	GWS	
Marie Reddy	MRY	EAA

c. Confirmation of Quorum

PLI confirmed that a Quorum is present at the meeting with 6 Federations and 20 Ordinary members in attendance.

d. Announcements

PLI announced that J. Earle resigned from his position as Chairman of the Aero Club and that PLI will be acting Chairman for this meeting.

For information purposes he announced that there would be a vote for a New ARO

**2. Confirmation of the Minutes of the 76th Annual General Meeting**

a. Corrections, Proposer & Seconder Approval

The minutes of the previous AGM were confirmed as a true reflection of the meeting and confirmed by Richard Becker and seconded by Marthinus Potgieter

b. Matters Arising from previous Minutes

There were no matters arising from the previous minutes

### 3. Chairman's Report – Aero Club Chairman's Report 2017

The Chairman's report was tabled by PLI on behalf of Jeff Earle. 2017 has been a tumultuous year, with so many critical events that occurred. He thanked Richard Becker for his efforts as Aero Club General Manager, who resigned in February. He said it took us a while to find a suitable replacement in Alan Evan-Hanes, who seems to have had his hands full since joining us in June. Chandre Steenkamp took some maternity leave to deliver a delightful baby girl.

Long-time Chairman Col (ret) Jeff Earle resigned in early 2018 prior to the publication of this report after steering Aero Club through its darkest days and provided strategic leadership throughout. PLI reported that Jeff had expressed a desire to resign as Chairman in May, and selflessly continued to support Aero Club and Safety First initiatives during the year at tremendous personal cost, including creating the foundations for holding Airweek 2018 in Middelburg. He was also instrumental in developing ideas for Aero Clubs Centenary in 2020. We cannot thank him enough, he reported that he has extremely big shoes to fill. Rob Jonkers has stepped up to be Acting Vice Chairman until our Annual General Meeting in early 2018.

PLI reported that in March the SACAA elected not to renew RAASA's contract, which created significant uncertainty in the industry. Inadequate and often conflicting communication brought a mistrust which took until the end of the year to settle. The actual impact of this decision has yet to be determined, but we are positive that the future will bring far greater industry consultation and involvement in determining our future.

On the positive side the Aero Club section chairmen held very constructive strategic sessions throughout the year, culminating in a stronger and solidified team going forward. One of the outcomes was the identification that our existing Articles of Association are archaic. An entire revision and modernisation of this has been drafted and will be presented to all members in 2018 following adequate legal compliance review.

PLI reported that the Aero Club Bluebox financial payment system is working as intended with increasing enthusiasm to build on the capability to obtain seamless membership payments. Airweek 2017 held at Parys was well attended with all sections participating. We have seen the development of many youth's enthusiasm into the greater aviation industry via T&D initiatives supported by EAA Young Eagles with sponsorship from various parties.

SAPFA again held a very successful PTAR, which was marred by two accidents, luckily both without any fatalities. They also competed internationally at the Precision Rally Championship in Austria and at the World Air Navigation Rally Championships in Spain, where Frank Eckard achieved Gold for Spot Landing. Aero Club continued to support the Safety First Aviator programme throughout the year, with many new volunteers sharing their expertise.

SAC held an exemplary World Aerobatic Championship at Malelane where the South African Team did well to hold up our flag in the face of semi-professional government sponsored competition. SAGPA's North meets South was a superb event, providing an example as to how all gyrocopters can share their interests. BAFSA participated in France.

The Aero Club Annual Awards dinner continued to be a wonderful success and grows each year. PLI reported that we enjoy the opportunity to celebrate our significant achievers during the year. We were most lucky to have Paul Maritz accept our invitation as a guest speaker, which turned out to be rather entertaining.

2018 is poised to be a significant year in which many changes will occur, and we are most positive that it will improve our industry. He thanked the Aero Club staff, Executive Committee, Board of Directors and each of you as a member, who have continued to contribute to make Aero Club's vision of protecting, preserving and promoting free flight.

The Chairman's report was confirmed by John Gaillard and Seconded by Karl Jensen.

#### 4. Treasurer's Report

The Treasurer's report was tabled by HFE the Treasurer.

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

Focus points The Aero Club of South Africa's financials statements project a healthy company for the year ending December 2017. We have however financial challenges.

##### b. The Aero Club NPC

<b>The Aero Club of South Africa NPC</b>			
(Registration number 1936/007537/08)			
Financial Statements for the year ended 31 December 2017			
<b>Detailed Income Statement</b>			
Figures in Rand	Note(s)	2017	2016
<b>Revenue</b>			
Flight folio log book		12,305	17,671
Licences - FAI - Sporting Licence		67,659	53,421
Subscriptions		1,757,305	1,488,996
	10	<b>1,837,269</b>	<b>1,560,088</b>
<b>Cost of sales</b>			
	11	<b>(9,775)</b>	<b>(16,675)</b>
<b>Gross surplus</b>		<b>1,827,494</b>	<b>1,543,413</b>
<b>Other income</b>			
Commissions received		12,511	18,099
Gains on disposal of assets		-	15,000
Interest received	13	81,292	68,326
Sport and Recreational (SRSA)		450,000	600,000
		<b>543,803</b>	<b>701,425</b>

As seen above, the revenue is up compared to the previous year due to an increase in membership fee per member for the year and because of the increase of membership numbers.

The annual member subscription fee was R460.00 inclusive of VAT. For 2016 the membership fee was R425.00 inclusive of VAT. This translates to 8.23% compared to the previous year. The R460.00 included a R25.00 per member contribution towards the centenary fund.

The annual subscription fee was inclusive of VAT was R460.00 in 2017, R425.00 in 2016, R395 in 2015, R350.00 in 2014.

	Year	Total	Fee excl	Members
Subscriptions	2017	1,757,305	403,51	4355
	2016	1,488,996	372,81	3994
	2015	1,504,200	346.49	4341

The R450,000 was received after December 2016 from Department Sport and Recreation of which R350,000 was received for specific transformation and development projects. This must be used on the projects of pilot training or awareness.

The great news is that we have R450,000 for the benefit of our sport, without the members having to contribute more to make training or awareness projects possible. Aero Club's contribution for the year was R120,000 which we paid as a contractor's fee to Daniel Ralefeta to facilitate the programme.

We have used R100,000 of the allotment of this R450,000 to contribute towards 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 R160,000 at the current exchange rates.

Investment income on the funds in the bank was R81,292 compared with the previous year of R68,326 for the year. The interest rate has stayed the same for most of the two years in comparison.

<b>The Aero Club of South Africa NPC</b> (Registration number 1936/007537/08) Financial Statements for the year ended 31 December 2017			
<b>Detailed Income Statement</b>			
Figures in Rand	Note(s)	2017	2016
<b>Operating expenses</b>			
Accounting fees		139,898	137,940
Auditors' remuneration	14	6,400	26,400
Bad debts		-	88,912
Bank charges		41,578	51,251
Cleaning		3,052	89
Computer expenses		26,545	12,972
Conference fees		12,714	4,078
Consulting fees		8,905	-
Contributions to The Aero Club of SA Events (Pty) Ltd		30,000	-
Depreciation		20,307	22,332
Employee costs		781,330	680,651
Fines and penalties		3,172	4,584
Insurance		14,684	42,330
Legal expenses		31,765	4,424
Loss on scrapped assets		967	-
Marketing and awareness		83,908	28,405
Membership fees - FAI		158,149	178,458
Membership system operational costs		93,590	71,070
Office expenses		4,453	5,321
Other expenses		-	500
Postage		30,918	34,569
Printing and stationery		15,740	117,054
Refreshments		11,251	5,272
Rent and municipal charges		52,894	49,236
Repairs and maintenance		33,963	25,167
Safety campaign expenses		30,000	50,000
Strategic Session / MOI Preparations		73,011	-
Subscriptions		2,542	1,943
Subscriptions - Centenary Contribution		95,506	94,132
Telephone and fax		24,356	32,603
Training		16,046	-
Transformation and development		470,000	620,000
Travel - local		27,838	6,148
Travel - overseas		39,525	38,453
Year end function expenses		75,000	-
		<b>2,460,007</b>	<b>2,434,294</b>
<b>Surplus (deficit) for the year</b>		<b>(88,710)</b>	<b>(189,456)</b>

## Expenses

Salaries and wages are the biggest expense at R781,330 for the calendar year compared to R680,651 for the 2016 year. The Aero Club has three full time staff members employed.

The annual FAI subscription is paid in Swiss Francs. The amount has stayed the same over the last number of years, but the weakening in the Rand was the real implication for the Aero Club's financials.

### FAI membership Fees

2017	R158,149	SFr 11,220	R14.09 / 1SFr
2016	R178,458	SFr 11,220	R15.93 / 1SFr
2015	R154,333	SFr 11,220	R13,75 / 1SFr
2014	R140,426	SFr 11,220	R12,51 / 1SFr
2013	R121,956	SFr 11,220	R10,86 / 1SFr
2012	R102,464	SFr11,220	R9.31 / 1SFr

The Aeropay system (operated by Blue Box) was in use from 1 November 2015 and was working as intended without significant issues. Some issues discovered recently during training will be addressed in order to get better value from this system.

The system automatically transfers the income into the Aero Club's bank accounts and then we prepare any payments, allowing full control over our funds. No third party handles our funds.

The Aero Club made an R30,000 contribution towards the Airweek in March 2017 as well as R75,000 towards the Awards Function in November 2017. We will highlight more on these costs, when we discuss the annual financial statements of the Aero Club of SA Events.

A provision is made for our centenary celebrations, an expense of R95,506 (R25 per member recovery per year income) (2016 R94,132) that is transferred to the balance sheet. When you add this back, the Aero Club is in the green.

We had expenses of R73,011 for the strategic session and the compilation of the memorandum of incorporation (MOI). We planned only R40,000 for this line item.

For legal costs we also did not plan when we compiled the budget. The legal expenses were to test the legality of MOGAS ARO application, as well as defending costs of a case where Aero Club was named as a defendant in the Glen Dell matter.

Because of these extraordinary expenses in 2017, the shortfall of R88,710 is understandable for the year.

## Balance Sheet

Cash and cash equivalents increased from R1,692,205 to R1,695,571 by the end of December 2017. Only the cash generated is being absorbed by expenses.

Our retained income decreased from R804,285 at the end of December 2016 to R715,575, at the end of December 2017. The decreased is the effect of the shortfall recognized in the income statement.

The trade and other payable are mainly the fees received in advance by the end of December 2017 which is recorded as fees in 2018.

The loans receivable and loans payable by the end of December is the membership fees due to the sections that was received during December 2017.

The capital funds and provisions are mainly the Centenary contributions over the last few years.

<b>The Aero Club of South Africa NPC</b>			
(Registration number 1936/007537/08)			
Financial Statements for the year ended 31 December 2017			
<b>Statement of Financial Position as at 31 December 2017</b>			
Figures in Rand	Note(s)	2017	2016
<b>Assets</b>			
Non-Current Assets			
Property, plant and equipment	2	68,584	65,666
Current Assets			
Inventories	5	18,675	23,170
Loans receivable	3	30,000	177,500
Trade and other receivables	6	22,589	77,583
Other financial assets	4	100	100
Cash and cash equivalents	7	1,695,571	1,692,205
		<b>1,766,935</b>	<b>1,970,558</b>
<b>Total Assets</b>		<b>1,835,519</b>	<b>2,036,224</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Retained income		715,575	804,285
<b>Liabilities</b>			
Current Liabilities			
Trade and other payables	9	368,738	847,874
Loans payable	3	454,169	192,533
Capital Funds & Provisions	8	297,037	191,532
		<b>1,119,944</b>	<b>1,231,939</b>
<b>Total Equity and Liabilities</b>		<b>1,835,519</b>	<b>2,036,224</b>

c. The Aero Club of South Africa Events (PTY) Ltd

This company is a private company wholly owned by the Aero Club of SA.

This entity was formed to handle all the events of the Aero Club. As most of our events are just recovery of costs, this entity is not registered for VAT as we are below the threshold. We can therefore recover costs of functions from members taking part in events, at lower levels.

During the year under review Aero Club Events (PTY) Ltd handled the Awards Function, the 2017 Air week, act as custodian for the Safety Campaign but also the Airshow in Umtata.

Summarized in the table below, the lines in the income statement are categorized together.

<b>AeCSA Events (Pty) Limited</b>			
<b>Summary of I/S - December 2017</b>			
		<b>2017</b>	<b>2016</b>
<b>Air Week</b>	Income	96 515	3 830
	Costs	(102 474)	-
		<b>(5 959)</b>	<b>3 830</b>
<b>Awrds Function</b>	Sales	72 200	79 450
	Contribution	75 000	-
		<b>147 200</b>	<b>79 450</b>
	Costs	(157 704)	(167 674)
		<b>(10 504)</b>	<b>(88 224)</b>
<b>Admin</b>	Income	34 508	93 373
	Interest	6 323	5 979
	Statutory / Admin Costs	(41 909)	(33 377)
		<b>(1 078)</b>	<b>65 975</b>
<b>AAD</b>	Income	0	39 010
	Expences	0	(70 857)
		<b>0</b>	<b>(31 847)</b>
		<b>(17 541)</b>	<b>(50 266)</b>

The Airweek hosted by the Aero Club was held at Parys- Free state for the second year in a row. We had the R30,000 contribution from the Aero Club, Sponsorship of R30,000 from the SACAA and R30,000 under the Awareness budget of The Aero Club of SA Development.

With the selling of stands and food etc. the income was R96,515. With the Aero Club's R30,000 contribution the nett costs were R35,959 in the two companies.

2017 Awards function that was held at the Swartkops Air Force Museum

Year	Cost	Income	Net cost	Venue
2017	R157,704	R72,200	R85,504	Swartkops AFB
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

In 2017 was 230 members and guests, in 2016 was 260 members and guests and in 2015 240 members and guests in attendance.

### Admin Income

The company had administrative income of R34,508 (2016 R93,373) for the year, and interest of R6,323 (2016 R5,979).

### Airshow (Umtata) & International Civil Aviation Day 2017 (Langebaan)

The funds were paid by SACAA to Aero Club to facilitate the day and pay the vendors, without for the vendors having to register with the CAA.

The event at Umtata did happen – but due to bad weather for part of the day, not all the participants could fly or fly in. The funds for these vendors therefore is due back to the CAA to the amount of R123,000. The ICAD day in 2017 was also not supported by the Aero Club in the past year, as the Air Force handled the logistics which the Aero Club normally did. The lack of income for this year, was largely influenced by the last two events that did not happen as before.

The Aero Club of SA Events (Pty) Ltd			
(Registration number: 2012/217049/07)			
Annual Financial Statements for the year ended 31 December 2017			
Detailed Income Statement			
Figures in Rand	Note(s)	2017	2016
<b>Revenue</b>			
Awards function income		147 200	79 450
AAD Income		-	39 010
	7	147 200	118 460
<b>Other income</b>			
Administration and management fees received		34 508	93 373
Airweek 2017		96 515	3 830
Interest received	9	6 323	5 979
		137 346	103 182
<b>Operating expenses</b>			
Accounting fees		20 697	18 000
Airweek costs		102 474	-
Auditors' remuneration		16 152	12 085
Awards function expenses		155 664	166 234
Bank charges		4 010	2 892
Delivery expenses		-	1 000
Entertainment		-	5 587
Secretarial fees		1 050	400
Staff welfare		-	1 070
Stand rentals		-	63 200
Travel - local		2 040	1 440
		302 087	271 908
<b>Deficit for the year</b>		<b>(17 541)</b>	<b>(50 266)</b>



## Summary

The nett shortfall for the year was R17,541 for the year compared to a shortfall of R50,266 in 2016.

## Balance Sheet

Cash in the bank and call accounts is R244,608 which included R123,000 held and are due to the SACAA and R183,533 held on behalf of the Safety Campaign.

The equity is R123,922 negative. This happened as we had losses every year since inception of this company. The Aero Club could have made the loses good every year, but as this entity is tax liable should we make profits, this means losses are recorded in the years and will be used against any profits we make in future.

Our share capital is only R100 and with the loss, the company is technically insolvent.

In the past the loan account from the Aero Club was larger than the loss (see 2016 year) and the Aero Club could subordinate its loan (meaning we pay back all creditors first) should we liquidate the company.

Close to the yearend Aero Club events paid back a R102,500 leaving only R30,000 due. As there was not enough of the loan left, Aero Club had to make a note in its financial statements and Aero Club of SA Events the same note \* in short that Aero Club will stand in for any shortfall.

There is no risk, as the directors of the Aero Club are the same directors of the Aero Club Events. We do not want Aero Club to stand in for this and will resolve this, this coming year of make profits.

<b>The Aero Club of SA Events (Pty) Ltd</b>			
(Registration number: 2012/217049/07)			
Annual Financial Statements for the year ended 31 December 2017			
<b>Statement of Financial Position as at 31 December 2017</b>			
Figures in Rand	Note(s)	2017	2016
<b>Assets</b>			
Current Assets			
Trade and other receivables	3	3 200	7 050
Cash and cash equivalents	4	244 608	554 388
		<b>247 808</b>	<b>561 438</b>
<b>Total Assets</b>		<b>247 808</b>	<b>561 438</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	5	100	100
Retained income		(123 922)	(106 381)
		<b>(123 822)</b>	<b>(106 281)</b>
<b>Liabilities</b>			
Current Liabilities			
Trade and other payables	6	341 630	560 219
Loans payable	2	30 000	107 500
		<b>371 630</b>	<b>667 719</b>
<b>Total Equity and Liabilities</b>		<b>247 808</b>	<b>561 438</b>

## The Aero Club of SA Events (Pty) Ltd

(Registration number: 2012/217049/07)

Annual Financial Statements for the year ended 31 December 2017

### Supplementary Information

#### 1. Safety Campaign

	2017	2016
<b>Opening Surplus</b>	-	292 699
<b>Donations received</b>	-	-
Aero club of South Africa NPC	30 000	50 000
Phase 5 / Phase 4	-	-
Airline Pilot Association of South Africa	50 000	6 000
CAA	120 000	(30 000)
CAASA	30 000	-
RAASA	25 000	-
EAA National	10 000	-
EAA Chapter 322	10 000	-
<b>Total</b>	<b>275 000</b>	<b>318 699</b>
<b>Expenses</b>	-	-
Phase 5 / Phase 4	-	-
Administration costs	20 017	18 821
Accommodation and subsistence	55 176	47 228
Rentals	9 526	2 498
DVD covers/ clothing / posters	18 100	81 734
Flight tickets	24 470	27 447
Video production	-	84 043
Prizes	10 456	10 657
<b>Total</b>	<b>137 739</b>	<b>272 428</b>
<b>Surplus kept in trust</b>	<b>183,533</b>	<b>46,272</b>

#### 7. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

The Aero Club of South Africa NPC has agreed to stand surety for all liabilities of The Aero Club of SA Events (Pty) Ltd for as long as it takes to restore the solvency of The Aero Club of SA Events (Pty) Ltd. The Aero Club of SA Events (Pty) Ltd is a fully owned subsidiary of The Aero Club of South Africa NPC.

d. The Aero Club of SA Development NPC

With the funds of SRSA of R450,000 (2016) the sections or clubs had funds to plan exciting projects. From pilot training to aviation awareness are planned 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.

This is where the contention on the financial statement is. The ones highlighted was not spent in the year under review, as well as some of the sections felt there was not enough consultation before funds were handed to clubs. A new procedure is in place to make sure all are consulted in future.

AeCSA Development NPC			
Dec-17 SRSA / R 450,000			
		Comment	To be paid
Allotment	450 000,00		
	448 822,68		
AeCSA - Admin / FAI	100 000,00		
Awareness - Air Week	54 506,50	R 30,000 Contribution to Facilities	
Awareness - New Castle	14 625,63		
Awareness - Kranskop	10 219,60		
Awareness - Wonderboom Adrenaline show	13 970,95		568,00
Awareness - Rand Airshow	4 200,00		
Awareness - Gliding day	7 800,00	(Awaiting invoices)	7 800,00
Awareness - Dinner Awards	3 500,00		
Project - BAFSA	50 000,00		
Project - PASA	40 000,00		
Project - Kranskop Gliding	20 000,00		
Project - Kroonstad Gliding	10 000,00		
Project SAMAA	20 000,00		
Project - MISASA	50 000,00	Not Paid ( Still 2016 report outstanding)	50 000,00
Project - TMG	50 000,00	Not Paid ( Invoice to be submitted)	50 000,00
To be allocated	<b>1 177,32</b>		<b>108 368,00</b>

The Aero Club of SA Development NPC				
(Registration number: 2013/008857/08)				
Annual Financial Statements for the year ended 31 December 2017				
Detailed Income Statement				
Figures in Rand	Note(s)	2017	2016	
<b>Revenue</b>				
Funds used		241,261	547,380	
AAD income		-	38,570	
	7	<b>241,261</b>	<b>585,950</b>	
<b>Other income</b>				
Interest received	8	21,981	23,782	
<b>Operating expenses</b>				
Accounting fees		12,000	10,000	
Auditors' remuneration		7,980	7,496	
Bank charges		1,190	1,627	
Depreciation, amortisation and impairments		-	13,235	
SRSA Projects		237,522	562,974	
Secretarial fees		1,050	400	
The Aero Club of South Africa Awards Evening expenses		3,500	14,000	
		<b>263,242</b>	<b>609,732</b>	

The Aero Club of SA Development NPC will always be a break-even position. The cash in the bank account pay for expenses running the company and for specific projects. The funds are trust funds and can only be used according to the project budget we received funds for.

Balance Sheet

Cash and call accounts R452,499

<b>The Aero Club of SA Development NPC</b> (Registration number: 2013/008857/08) Annual Financial Statements for the year ended 31 December 2017			
<b>Statement of Financial Position as at 31 December 2017</b>			
Figures in Rand	Note(s)	2017	2016
<b>Assets</b>			
Current Assets			
Loans to group companies	3	700	-
Trade and other receivables	4	10,000	1,350
Cash and cash equivalents	5	452,499	424,162
		<b>463,199</b>	<b>425,512</b>
<b>Total Assets</b>		<b>463,199</b>	<b>425,512</b>
<b>Equity and Liabilities</b>			
<b>Liabilities</b>			
Current Liabilities			
Trade and other payables	6	463,199	355,512
Loans payable	3	-	70,000
		<b>463,199</b>	<b>425,512</b>
<b>Total Equity and Liabilities</b>		<b>463,199</b>	<b>425,512</b>

Summary

The Aero Club of South Africa’s financial year was productive and thank you for each member supporting the initiatives. Your time, efforts and financial contribution made it all possible.

HFE expressed his sincere thanks to the General Manager Alan Evan-Hanes, Sandra and Chandre at the Aero Club of South Africa who made producing these results possible.

The financial statements have been presented at this AGM and provided in these minutes as information only, as the Board required more time to review the content, as such an SGM will be called to approve the financial statements at a later date.

e. Subscription Fees

R500.00 for 1 Jan 2018 to 31 Dec 2018

Includes VAT and R25.00 for Aero Club 2020 Centenary Fund forms part of the fee.

f. Budget for 2018

<b>The Aero Club of South Africa</b>		4,703
<b>Budget Jan 2018 to Dec 2018</b>		
Number of members		Yr to Date
		<b>12 Months Budget</b>
<b>Income</b>		<b>-2,899,292</b>
Subscriptions	R412.28 Ex Vat	-1,938,956
Centenary Contribution	R 26.32 Ex Vat	-103,136
FAI Sporting License	R 185 / R 162.28 Ext Vat	-60,000
FAI Crew Card		-1,200
Commission Received		-30,000
Year end function income		
Sales Novelties (Flight Folios/badges)		-18,000
Airshow Income (ICAD)	Net Income	-20,000
Sport and Recreational (SRSA) - Admin Component	R 150k + R 350k	-500,000
Interest Received		-84,000
<b>Sponsorship</b>		<b>-144,000</b>
		<b>2,893,106</b>
<b>Less: Expenses</b>		
Hon. Membership		1,535
Centenary Fund		103,136
Cost of Flight Folio		15,000
Accounting fees	Accounting & Payroll	148,200
Transformation and Development	R120k + R 350k	470,000
Pilots Post (Previously Year book)		150,000
Audit Fees	3 x companies Audits	40,000
Airshow (ICAD)		-
Year end Function Contribution	Estimate	75,000
Bank Charges		17,160
Bank Charges - Card & Merchant Account		39,000
Conference Costs		12,000
Computer Costs		15,000
Depreciation		18,000
Insurance	Cover from R 10 mil-R20mi	98,000
Blue Box Operational Expenses		102,000
Membership fees - FAI	Negotiate new fee	168,300
Office Expenses / Cleaning		9,000
Staff training		7,500
Postages & Courier	Annual Report not send	18,000
Promotion and Marketing / Awareness	Newsletter / Marketing	24,000
Printing & Stationary		20,000
Rent	RAASA R4530* 10%	60,000
Refreshments		7,000
Repairs & Maintenance - Office		1,500
Internet and Web Hosting		39,025
Strategic Session / MOI	Crutial to planning	30,000
Salaries	3 Staff / inc Bonus	1,030,750
Safety Campaign		30,000
Subscriptions		6,000
Sundry Expenses		6,000
Allocation - Events / Airweek		30,000
Telephones & Fax		24,000
Travel/Accommodation - Local		18,000
Travel/Accommodation - International	FAI Conference	35,000
Workman's Compensation		5,000
Trophies / Awards at Awards function / Boards		20,000
Retained Income / (Deficit)		<b>6,186</b>

g. Appointment of Auditors

HFE proposed that the Aero Club of South Africa NPC make use of the current Auditors:

Van Wyk Compton Incorporated  
 Woodhill office park, Block 2  
 53 Phillip Engelbrecht Ave, Meyersdal, Alberton,1448

This was proposed by GDE and seconded by RBL

## 5. General Manager's Report

I instinctively knew that taking on the position in June 2017 of General Manager in the Aero Club of South Africa would pose some challenges, but this did not prepare me for the magnitude and quantum of the plethora of problems that I faced. I thank Richard Becker for holding the fort much longer than he wanted to and never failing to assist me when called upon to resolve issues.

There contemplation and resolution were not done alone I would like to express my deepest gratitude to Sandra Strydom (my right hand "man"), Kevin Storie (undoubtedly one of Aero Club's most supportive members), Jeff Earle, Paul Lastrucci, Hanke Fourie, Rob Jonkers, and Chandre Steenkamp for their generous support and guidance when I needed it most. The personal sacrifices made by the executive team need to be witnessed to be believed. The Aero Club Board Section Members have also been massively supportive, Yolande Combrinck, James Pitman and Rowena Kraidy. Tony Frost has been there when I have needed someone to bounce ideas off, as he is most understanding of the business decisions and associated people dynamics. Karl Jensen has never failed to step up to the plate when called upon, which has been often.

The recreational aviation landscape was undeniably altered when the SACAA unilaterally decided to reabsorb all functions performed by RAASA, for reasons still shrouded in mystery and ambiguity. This gave rise to natural concerns over the future of recreational aviation in general and the role of Aero Club in particular. It created a loss of trust with the SACAA. Despite this, all current indications are that recreational aviation should be stronger for it. When serving on the SACAA's RAASA Transitional Council, I was not asked to make any decisions affecting RAASA's future and seemed to have little influence in the few debates held in the meetings. This is now all largely irrelevant, as RAASA will be fully amalgamated with the SACAA. We can only hope that the excellent service levels offered by RAASA continue. There has been a recent change in the relationship with the SACAA and all indications show a future with very positive outlook. We should all undertake activities that foster good relationships going forward.

RAASA will continue until the end of March in 2019, and the future is to some degree uncertain. There are plans to amalgamate it fully with SACAA in Midrand, but they lack the physical office space to accommodate them. So, I expect that there will be some staff changes and re-branding, but this does not mean all changes are necessarily negative.

The regulatory environment affecting recreational aviation has become increasingly complex and burdensome. Aero Club's role going forward will be to reduce and simplify this, so that as many barriers to entry are removed for new enthusiasts. The recent rejection of proposed changes to parts 55 and 56 reflects the industry desire to simplify and design its own reasonable rules. Overall, recreational aviation seems to continue from strength to strength, no matter what obstacles are placed in the path of its enthusiasts.

A survey of our membership shows an aging population that does not mirror the overall demographics of South Africa. The challenge to change our membership to better reflect overall demographics will haunt us for years, as recreational aviation has always been naturally attractive to white males across the world in its approximate hundred years of existence. This does not mean we should not seek to make it especially attractive to females and persons of colour.

Each section for its own survival needs to reflect on the barriers to entry and implement solutions to assist new entrants. We need to foster the needs of females and persons of colour. I am especially interested in true enthusiast's irrespective of their demographics. Skin colour and sex were not of their choosing but being an aviation enthusiast is, and I want to be with people that like aviation. In finding and growing aviation enthusiasts, Daniel Ralefeta and his team have been achieving great things largely unnoticed.

Aero Club proudly celebrates its centenary in 2020, a truly significant achievement when you really think about it. But our centenary is a timespan only just beyond tomorrow away and unless we all pick up our oar and start rowing, currents will take us past the harbour of opportunity before we know it. Rob Jonkers has been saddled with a long wish list and too few volunteers. His generous capability only extends so far, we need assistance to help make something special that should be memorable for all, in our lifetime.

During the year Aero Club has proudly boasted of its members achievements and awarded them accolades at our annual awards dinner. We have also made reasonable attempts to connect with our members during the year by attending many events, but most of all listening to our members and substantially increasing communication at all levels. Our collaboration with Pilots Post for professional electronic news dissemination has been well received. The Airweek at Parys was well attended and every year we aim to build on it to make it the key aviation event, just as Oshkosh has become.

Aero Club's role is to *preserve, protect and promote free flight*. This has not changed and will be our focus for years to come. We have held no less than three strategic review meetings that have solidified us as a team, defined short term plans and marked out long-term goals.

One of the key decisions arising from our internal review was to assess our interaction with our members. We found that our Articles of Association were outdated and no longer reflected our wishes. A new Constitution has been drafted and is awaiting final legal compliance review prior to being shared with all members. A Special General Meeting will be called to adopt this later this year. Our communication platform was changed to online, as the effectiveness and costs of printing and distributing traditional paper-based documents was perceived to offer material advantages. Feedback from members so far has been positive and supported this decision.

I am embracing 2018 as a year where massive changes will occur, and we should embrace them positively and capitalise on the opportunity. I love flying in a country that allows recreational flying freedom, and *this only occurs because of our collective and focussed membership*. Without your support none of us would fly, so I am especially grateful to each of you and I am looking forward to meeting so that I may share your enthusiasm.

## 6. General

### a. Airweek 2018 Feedback

It was tabled that the Airweek should be planned to be later in the year, and to include an Airshow component to assist with costs recovery. AEH reported that the latest Airweek held in Middelburg were regarded as successful, he reported that due to poor weather conditions the attendance was lower than expected. It was reported that the next Airweek will be once again in Middelburg but later in the year. AEH also reported that the idea with the Airweek is a build up to the 2020 Centenary year.

### b. Centenary Celebration Planning

The centenary celebration planning was tabled by PLI on behalf of RJS, he reported that the centenary prospectus is in work and to be used to secure funding and sponsorship.

PLI proposed that the logo below be used as an official Centenary Logo.



He reported that an outline of the Yearbook started, and that historical research is in progress.

### **Planned Centenary Projects**

- Governor General's Cup Race –3 day event around the country, look at gaining as many vintage entries, need to link up with old clubs for their support, possible finish at Airweek 2020 (SAPFA)
- Centenary Airweek 2020 – Middelburg planned – Need to have as many section activities for this period (Aero Club)
- Silver Queen Rally (Swartkops) – (SAAF and Aero Club)
- World Rally Flying Championship (SAPFA)
- A Centenary First Day Cover Postage Stamp Series
- Centenary Banquet – possible date the weekend prior Airweek
- Centenary Yearbook – An annual of 100 years of Aviation in SA



c. Constitution & MOI Review

**Current Status Quo** The Aero Club currently has Articles of Association (AoA) as its defining constitution. The CIPC requires an MOI (Memorandum of Incorporation) to be the registered NPC document – post 2008. Aero Club is overdue in establishing a properly constituted MOI

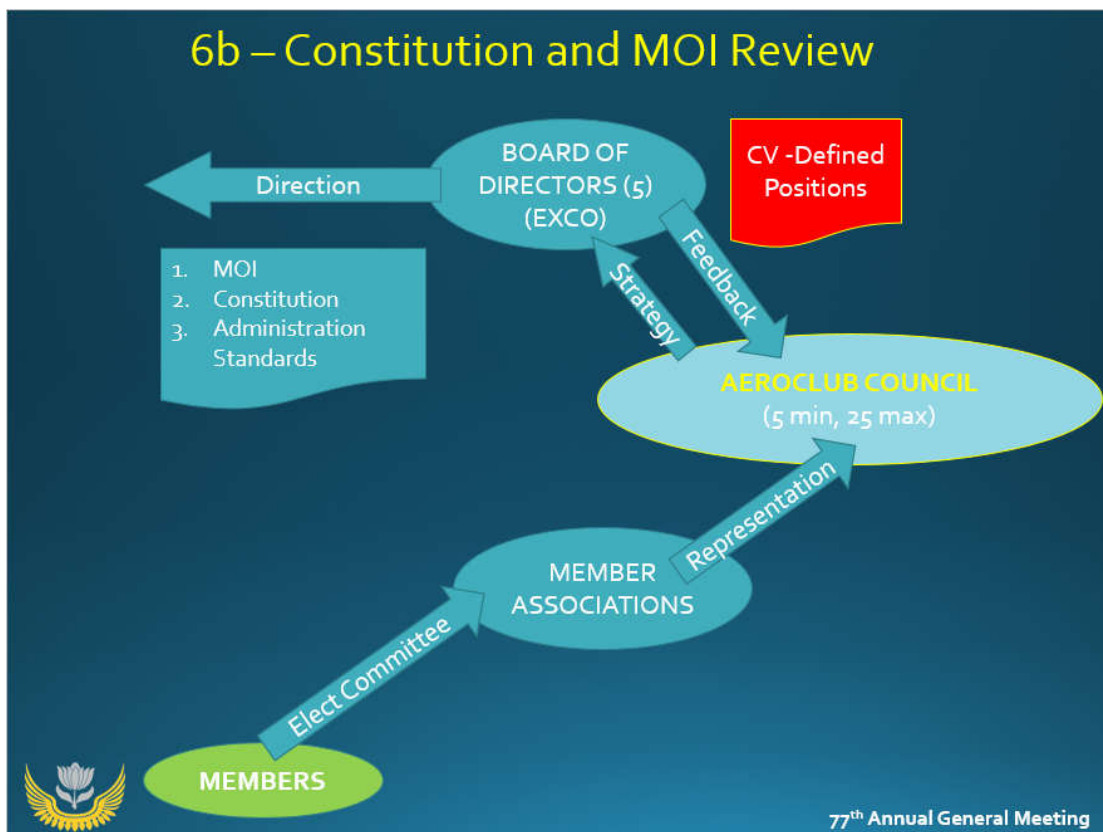
**Key Changes to the Articles of Association into the Constitution**

**Directors** – Only Exco as Registered directors with Fiduciary Responsibility

**Exco** – Chairman, Vice Chairman, Treasurer, Elected Officer, General Manager (total of 5, changed from 4 under AoA)

**Council** – Exco + Section representatives from Member Associations + appointments by SACAA , FAI, CAASA etc.

**Terms of Office** – 3 years for directors, must stand down, can be elected for a 2<sup>nd</sup> term. Maximum limit is 6 consecutive years, standing down after the 2<sup>nd</sup> term is mandatory. Can stand again should a nomination be made in future years.



**The Plan**

The Creation of a Constitution that incorporates the elements of the Companies Act and AoA as required in a Memorandum of Incorporation (MOI).

The MOI is a subset of the Constitution required to meet the requirements of the Act. Both MOI and Constitution are drafted and currently in legal review. SGM to be called for member review and acceptance – mid year 2018.

d. RAASA re-incorporation into CAA

RAASA Transitional Council is established. RAASA will continue until 31 March 2019 in its current form.

RAASA structure to be fully absorbed into SACAA not separate NTCA / NPL

e. New Aero Club accommodation might be needed given the RAASA changes

Options to be considered:

- Current Accommodation or other Rand Airport based space
- EAA Auditorium with additional cabin-based office space
- Option of re-furbishing a DC6 into offices



Require planning options for consideration for 2019, as such the following to be planned for consideration of office space to include the option of the DC6:

- Project manager
- Architect
- Interior Designer
- Electrician
- Plumber
- Air conditioning
- Shopfitter / Welder – airstairs
- Aircraft seats and furniture

## 7. **Additional Aero Club Section – VOTE REQUIRED**

Do you accept “MOGAS” as a new section of the Aero Club? Y/N

AEH tabled the additional Aero Club section and the following points were discussed.

### **Existing Regulations**

CARS Part 94.06.1

- 1) Any person acting as Pilot-in-Command of a non-type certified aircraft for aviation recreational purposes or in air displays, shall comply with the standards and procedures determined by the organisation designated for the purpose in terms of part 149, if any, and if applicable.
- 2) Any person acting as Pilot-in-Command of a non-type certified aircraft for aviation recreational purposes shall be a bona fide member of an applicable Aviation Recreation Organisation designated by the Director in terms of part 149 and abide by its constitution and code of conduct, if any.
- 3) For the purposes of this subpart, and until such time that an organisation has been approved in terms of part 149, any person acting as Pilot-in-Command of a non-type certified aircraft for aviation recreational purposes or in air displays, shall comply with the flight operation standards and procedures prescribed for its members by the national body representative of the particular aviation sport, provided that these standards and procedures include those prescribed in, and are not in conflict with, the provisions of this part.

The Advantages and Disadvantages of a new ARO

#### Advantages

- Caters for Touring Motor Gliders and Gliders (all types) and LSA TMGs
- New approved Part 149 ARO
- Lower membership costs

#### Disadvantages

- TMGs, Gliders and LSA TMGs disciplines already represented by SSSA as a Part 149 ARO
- MOP's and Training manuals will of necessity be different
- Safety concerns over differences in interaction between pilots/tug pilots and other operatives like winch drivers
- Acceptance of dual international representation unestablished

### ***AEH then tabled a letter received from Mr Whitecross***

*“Dear Sirs,*

*We are in receipt of a letter circulated to members of SSSA and informed that a similar request is being made of MISASA members by the SSSA Exco via MIASA board.*

*While it is well within the rights of these organisations to object to the inclusion of MOGAS into the AeCSA it also displays the real problem that exists, ARO's have become money making mechanisms for the benefit of a select few members, this unrealistic fear of MOGAS “poaching” SSSA and MISASA members is clear evidence of this.*

*SSSA by example has an extra-ordinate amount of capital reserves sitting in call accounts instead of being used for its clubs and members, instead close to R100000 is spent to simply send a handful of pilots to the world championships (usually the same pilots, year in and out)*

*MOGAS growing membership which is obtained from almost 80% of new entrants to the market, and not from ARO churn is clear evidence that far from being a threat to other ARO's we are actually attempting to build the flagging industry.*

*MOGAS fulfilled all and even exceeded the requirements of Part 149 in its application, in fact it appears to be the only one that did, SSSA and some other ARO's have not met these requirements and are in fact falling foul of the law and should have their ARO status withdrawn, but MOGAS are not calling for that, instead have tried to assist some individuals doing the work to get their house in order.*

*Whether MOGAS becomes a section of AeCSA or not is of little consequence, in fact it becomes beneficial to MOGAS members from a pure cost prospective not to be a section, this however will not:-*

*Stop MOGAS from obtaining recognition from SASCOC directly as AeCSA refusal to admit it as a section leaves it little option and constitutionally places SASCOC in an unenviable position of being forced to recognise it as a national representative body.*

*Stop MOGAS from being an ARO, we are recognised, and have kept ourselves in good standing with the authorities unlike some others who are now on final extensions.*

*Stop MOGAS from representing its members at a regulatory level.*

*MOGAS did not request to be a section of AeCSA, we were invited and at a board meeting were accepted, having MOGAS as a section of AeCSA makes AeCSA stronger as a large portion of our members do not belong to AeCSA.*

*Mr Mortimer's letter that was distributed to SSSA members in itself is flawed as SSSA and MISASA oversee multiple disciplines instead of a single one, therefore the precedent is long set, the argument on international representation is quite correct however and having MOGAS outside of AeCSA in fact facilitates this and makes it easier for our HDI members to in fact compete instead of being denied the opportunity.*

*Safety is not the issue as is being bandied by Mr Mortimer in fact clear lack of oversight and sub standard training are the major cause for concern.*

*To SSSA members we respect your democratic right to give Mr Smit your proxy to try exclude MOGAS from AeCSA and we respect and accept the outcome either way, but at which time do we as individuals stand up and say enough and no more, we have a right to fly and enjoy our sport, who will try stop us next?*

*Kind Regards.  
Gary Whitecross  
MOGAS Chairman"*

After the letter was tabled at the AGM, DST addressed the members of the Aero Club with the following statement.

*"MOGAS is indeed poaching SSSA members"*

He responded on the following statement from GWS:

*"instead close to R100000 is spent to simply send a handful of pilots to the world championships (usually the same pilots, year in and out)"*

That this is a myth and that these pilots attend competitions at their own costs and that only entry fees are paid by SSSA. DST further mentioned that GWS was one of the pilots who competed in the Worlds and benefited from the Entry fees that were paid by SSSA.

DST tabled that he takes exception as SSSA is a section in Good Standing, and MOGAS is simply diluting members. He reported that SSSA members are part of a Club CFI structure, and MOGAS members who are not part of the structure poses a safety problem.

He reported that it is problematic if MOGAS should go to SASCOG and reported that every country only has one Gliding Association and Part 149 is flawed and needs to be looked at.

DST further stated that the SSSA will retract their objection to MOGAS as a new section of Aero Club if it changes its scope to only include TMGs.

The following statements were heard from the members of Aero Club:

AFS – In history the same incidence occurred with the Tuisbouers, this section is now dysfunctional and are being re incorporated into EAA.

Matteo – Asked if an additional federation will be recognised by the FAI and SASCOG. AEH- Confirmed to Matteo that Aero Club of SA will remain the only federation recognised by FAI and SASCOG.

MPR- Questioned how many sections will Aero Club have at the end, and where will it stop?

EBI – Wanted to know how many members do MOGAS currently have. No one present was able to answer.

DST – Stated that GWS is currently not an active SSSA member.

JGD – Confirmed to the members of Aero Club that FAI will only recognise one Federation namely Aero Club of South Africa.

NDL - Addressed the members in attendance and questioned the success of “the way we are doing things in providing for our members”. He stated that MOGAS was also involved in Transformation initiatives.

He further said that he is responsible for the approval of MOGAS as an ARO, and not the SACAA as was reported earlier in the meeting. He stated that the application lodged by MOGAS was very well prepared, and more comprehensive and detailed than applications from a few of the current sections of the Aero Club for ARO approvals. He urged Aero Club members to be as inclusive as possible and to allow different views with the aim to develop this sector of the aviation industry.

AEH tabled the voting procedures and voting commenced at 20:15 and all votes were handed in by 20:18.

The meeting was temporary adjourned, as the members of the Board were asked to all gather in the GM office for the following procedures to take place.

**8. Election of New Committee**

- a. Nominations Received for Consideration
- b. Appointment of Office Bearers

**9. Opening of 1 st Board Meeting**

Refer to board minutes.

**10. Notification of Exco and Closure of the 77th AGM**

PLI reported that the Board resolved and voted on the following Executive Committee for 2018.

Chairman – Paul Lastrucci

Vice Chairman – Rob Jonkers

General Manager – Alan Evan-Hanes (Appointed)

Hon Treasurer - Hanke Fourie

Co Opted – James Pitman

PLI tabled that a formal submission with adequate notice will be given regarding the approval of financials and transition of the change in MOI.

The independent auditor announced the results of the votes to incorporate MOGAS as a AeCSA Section as follows:

For – 8

Against – 179

Abstained – 2

Spoilt – 1

Total – 190

The motion was defeated.

The AGM was closed.