

Draft Minutes of the Annual General Meeting of Light Aircraft Association Ltd

Conference Room; LAA HQ, Turweston Aerodrome, Saturday 28th September 2013, 14.15hrs

Present:

57 members and guests were present of whom 54 were recorded as beneficial shareholders

In Attendance:

Bob Littledale, Company Secretary, Phil Hall, LAA CEO, Eryl Smith, Association Secretary

Apologies:

Apologies were received from the following Board members together with apologies from 10 beneficial shareholders .

The Lord Rotherwick

Welcome and Introduction:

The Chairman, Roger Hopkinson, welcomed those attending to the Association's 2013 AGM, the fourth such meeting under the new legal structure as the Light Aviation Association. Before commencing the formal meeting he paid tribute to Laurie Shaw who had passed away during the year. Laurie had joined the then PFA in 1968, became an EC member in 1974, served as Company Secretary and Treasurer for twenty seven years and was also a Vice President of the Association. He also started the Berkshire Strut at White Waltham.

Approval of the Minutes of the AGM of the Company held on 29th September 2012

The minutes of the AGM held on 29th September 2012 were agreed unanimously.

Proposed: John Broad

Seconded: Harry Hopkinson

There were no matters arising.

Chairman's Report:

Mr Hopkinson began by reporting that following legal advice the Board had agreed a change to the Rules concerning beneficial shareholders. As a result members not currently registered as Shareholders would automatically, at membership renewal, become beneficial shareholders unless they choose to opt out. It was felt that this would greatly increase the balance and democracy of the Association.

Referring to the statutory accounts he noted that 2012 had returned a net profit of £50k which together with a tax credit of £30k arising from the change in status of the Association to a mutual trading company produced a total surplus of £80k. Shareholder funds had increased to a creditable £616k. He noted, however, that when allowance had been made for special items the underlying finances of the Association remained tight and with the prospect of increased CAA fees an increase in Associations fees could not be ruled out.

Mr Hopkinson spoke of the continued changes the Association faced. This was also reflected in the changing nature of the fleet which had seen a significant reduction in new built aircraft, down 50% in the last 5 years counterbalanced by an increase in 'orphans'. Continuing opportunities such as the continuing airworthiness of gyrocopters and the CAAs more proportionate approach and willingness to delegate additional responsibilities to Associations and even deregulate activities brought with them both challenges and opportunities. This called for professionalism in all that the LAA did. Whilst the future was still unclear he expected that this would require increased engineering professionalism and that we would have a more complex and wider regulatory task.

This required the Association to be 'fit for purpose' in all aspects of its operation. Firstly he thanked all those who had been involved with the recent review of Club Governance which had redefined the relationship between member clubs and the Association. He noted that further transition was required to complete the process and that there would be a general review of how well the new arrangements were working. Secondly he noted that as workload changed and became more complex it would be essential to ensure that the appropriate arrangements were in place for the organisation and management of the Association. This required a balance in the competence and sustainability of the Board and the need to rely on volunteers outside the Board. Good practice offered a number of useful alternative ideas though generally includes rotation of Board members with a defined maximum term. He announced that the Board had begun a review and would bring proposals for any changes to the membership before or at the next AGM. On that basis and in line with these principles, having been privileged to be Chair for eight years, he announced that it would not be his intention to seek re-election when his term closes in 2015.

Concluding his report Mr Hopkinson referred to the passion for aviation that allowed the Association to exist and grow. He thanked all those without whose outstanding efforts these objectives could not be achieved and gave particular thanks to those who worked so hard behind the scenes.

There were no formal questions on the Chairman's report but an informal Q&A session was held following the AGM.

Treasurer's Report

Mr Littledale presented the Association's Financial Statements for 2012; full accounts were available should any member wish to receive a copy). 2012 had seen similar trading levels to 2011 with gross profit at £818k very similar to 2011. Administrative costs had risen by £32k to £781k accounted for by cost of living increases for staff and the magazine editor becoming a full time member of staff. A further £34k had been spent on the computer upgrade in 2012, leaving £14k remaining to be spent. Other cost levels were similar to 2011. Profit before tax at £50k was down from £78k in 2011 but the overall surplus for the year stood at £80k as a result of the tax refund following switch to mutual trading status. He was able to report that trading to date in 2013 remained at similar levels to 2012 but that a close watch needed to be maintained on costs and that engineering charges would need to be reviewed in 2014 as a result of increases in CAA permit charges.

Mr Littledale advised the meeting that the LAA's tax status had changed to that of a mutual trading organisation whereby the majority of the activities on the Association are now recognised as being outside the scope of Corporation Tax on the grounds that they comprise transactions between members trading amongst themselves. In connection with this change, the directors had been advised that, correctly to reflect the nature of the LAA's trading, the dissolution rules in our constitutional documents should return any surplus to our members rather than, as the full membership voted on the restructuring of the company, to an organisation with similar aims. It was therefore being proposed that the relevant clauses in the company's Memorandum and Articles of Association be changed to:

"If, upon the winding up or dissolution of the company there remains, after the sale of all its assets and the satisfaction of all its debts and liabilities, any surplus whatsoever, the same shall be paid to the past and present members of the Light Aircraft Association (formerly the Popular Flying Association) in accordance with the guidelines laid down by Her Majesty's Revenue and Customs for the distribution of surpluses of mutual trading organisations."

Mr Littledale noted that such a change would require to be put to an EGM which Mr Hopkinson advised would take place on Friday 22 November. Formal notification of the EGM and the precise wording of the motion would be advised via the Association's magazine and website. An informal show of hands of those shareholders present indicated unanimously that such a proposal would be acceptable.

Mr Littledale replied to the following questions from the floor:

Q: Why did the Association only seek mutual trading status from 2010?

A: BL confirmed that the tax credit only related to profitable trading. The Association had not been in profit in the first two years following restructuring and therefore the tax credit only applied to the last two years trading.

Q: Will any distribution of proceeds upon winding up apply only to beneficial shareholders or all ordinary members.

A: Proceeds will be returned to all members who were members during the previous 5 years. No distinction is made between ordinary members and beneficial shareholders because mutual trading commenced during the time of the Association as the PFA and was not changed due to the change in corporate status

Q: Would it not be preferable to hold the proposed EGM during the Flying Show at the NEC, or defer it to next year's AGM.

A: Mr Hopkinson explained that whilst this was essentially a technical change it needed to be completed prior to the submission of the Company's accounts due by 31 December 2013. Director availability and the logistics of arranging an EGM at the Flying Show event made that impractical. Full notification of the motion would be available to members and proxy voting forms would also be available.

Motion Notified for Discussion

There were no Motions Notified for Discussion.

Resolutions

Adoption of the Statutory Accounts of the Company for the year ended 31 December 2012

Adoption of the statutory accounts of the company for the year ended 31 December 2012 was approved unanimously.

Proposed: Philip Levi

Seconded: Stewart Jackson

Election and Re-Election of Officers of the Association

Mr Jeremy Cooke stood for election as a director of the company. In response to a question from the floor Mr Plumb summarised Mr Cooke’s credentials. There being no other nominations. Mr Cooke was unanimously elected.

Proposed Harry Hopkins; Seconded Barry Plumb

The following Board Member submitted himself for re-election on rotation and were re-elected without objection;

John Brady; proposed Roger Hopkinson, seconded Brian Davies

Mr Plumb had withdrawn his application for re-election due to personal circumstances and would be stepping down from the Board. Mr Hopkinson paid tribute to Mr Plumb who had served as a Board member for 8 years during which time he had led the Engineering Committee and been a tireless champion of MOGAS. He would remain as VP consultations for EFLEVA.

Mr Hopkinson also acknowledged the services of Mr Littledale who was standing down after 7 years as Company Solicitor and Treasurer. A successor had been identified and would shortly commence. In the meantime Mr Littledale would provide a seamless transition.

Those present expressed their appreciation for the service given to the Association by both Mr Plumb and Mr Littledale.

Re-election of Collett Hulance LLP as auditors of the Company

There being no objections Collett Hulance were duly re-appointed as auditors to the company for the financial year 2013/14

Proposed Harry Hopkinson, seconded Stewart Jackson

AOB

There being no other business notified the Chairman thanked members present for their attendance and declared the AGM closed at 15.15hrs

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Chairman

Date