

Light Aircraft Association Limited

AGM 2018 Treasurers Report

During 2017 the association achieved a stable and satisfactory financial performance. The recorded turnover reflects a donation of £81,025 from LAAET following the decision of the trustees to close the charity. This donation was passed to the Armstrong Isaac Fund and is shown as a Restricted Fund in the accounts. Turnover from normal operations increased by 3.26% but total costs increased by 7.4% resulting in a reduction of surplus from normal operations of 23.5% compared to 2016. This is in line with expectations and this trend is expected to continue in the next financial year. As I said last year, the association has sufficient reserves of £1,294,708 to protect our members from any significant increase in the cost of membership, at least in the short term.

The surplus of £223,854 we enjoyed this year was the result of several factors:

- The donation of funds from the LAAET
- Continued strong membership numbers, particularly for Full Plus members, which in turn drove a strong performance for Engineering activities
- Lower than predicted costs, principally as a result of delayed recruitment

I want particularly to mention the LAA Rally which continues to give great value for members. Last year the combination of careful management by the Rally Team and a good take-up of stand spaces and sponsorship opportunities ensured the event generated a £10,000 surplus from the event.

You can find more details on the accounts if you wish in the August LAA Magazine and also on the website.

Historically, the Board has considered it prudent to build a reserve fund against difficult trading conditions and therefore set a target of a 2% surplus. Looking forwards, it is important for the LAA to preserve its trading status as a not-for-profit membership association. It is therefore necessary to constrain the scale of the reserves and to achieve that, the Board has set a deficit target of 2.7% of turnover for 2018.