

**2023 Annual General Meeting of the Light Aircraft Association Ltd.  
The Discovery Hub, Old Warden Aerodrome, Biggleswade  
Sunday 15<sup>th</sup> October 2023**

**MINUTES**

**1. Eryl Smith, LAA Chairman, opened the meeting at 12.00**

After a count of members in the hall (52) and present on Zoom (34), the Chairman confirmed that the meeting was quorate. Proceedings were recorded to assist review.

**2. Apologies for absence**

Apologies were received from Sir John Allison, Paul Coppin, Harry Hopkins, Tony Razzell and Steve Slater.

**3. Minutes of the 2022 AGM**

The Approval of the Minutes of the 2022 AGM was proposed by John Brady and seconded by Ian Sweetland and agreed *nem con*.

**4. Chairman's Welcome and Report**

The Chairman welcomed those present, together with those attending on Zoom, noting that the 2023 AGM was reporting on the year 2022. He introduced those on the table alongside him, being Company Secretary David Mole, Treasurer Will Garton-Jones, CEO Simon Tilling and the minute taker. Concluding business carried over from the previous year, he noted that last year's motion on gyros had been withdrawn. It lay beyond the powers of the LAA. The Chief Inspector had reported that two gyro inspectors had been added during the year. More were needed as gyros now made up 6% of the fleet, but training was proving difficult. Those produced by Cavalon and Calidus required a week's inspector training in Germany. It had not yet proved possible to get inspector training for Magni gyros in the UK.

The Chairman then presented his report, noting that recovery from Covid had been overshadowed by world events. The year had ended with a £90k loss, exacerbated by the fraud previously reported on. Good progress was being made this year with the expectation of a balanced budget for 2024. The Board had worked to address weaknesses exposed by the fraud and were confident the actions taken would minimise the risk of a repetition, with all but one of the review's recommendations acted on. It had not proved possible to close entirely the problem bank account as salaries etc. had to be paid from it; but funds had been reduced in this and other accounts. Additional accounts had been opened to spread the risk as well as to capture better interest rates. The bureaucracy involved in opening new business accounts was considerable, taking a great deal of time and administrative effort.

Board and employees had received anti-fraud training. Terms of reference for all committees had been reviewed. Five meetings of the Finance Committee had been held and three of the Risk and Audit Committee under its new Chairman,

Chris Holliday. There was great dissatisfaction with the bank's response to the LAA's claim against them, leading to a complaint to the Financial Ombudsman. The Ombudsman had, however, upheld the bank's position. We had appealed but another case before the Court of Appeal ended in favour of the bank in question. The LAA had left no stone unturned in seeking redress.

Steve Slater had retired from the CEO role after the end of 2022 and been succeeded by Simon Tilling, who came into post in April, bringing with him much business expertise. This is important as, although the LAA is a Members' Association, it is running a business and thus needs to be professional. The Chairman wished Steve well in recovering from his stroke in June. He concluded by recognising the work of volunteers, noting those who run training programmes, pilot coaches, the 350 inspectors, the local Struts and Committees and the Rally/Fly-in team; and thanking his Board, Simon and the HQ Team.

## **5. The Treasurer's Report and Adoption of the 2022 Statutory Accounts**

The Treasurer, Will Garton-Jones, delivered his 2023 report and the Statutory Accounts, which had been made available to Members in advance. Despite the challenges, he reported that the financial position was stable but not sustainable, the position being made worse by the £64,500 loss owing to fraud. Cost savings of around £60k had been achieved. All financial processes and authority levels had been reviewed. As already noted, training had been undertaken and bank accounts changed and augmented. It had been a traumatic and demanding time!

Revenue for the year stood at £1.374 million (Up 5% on 2021). 88% of this came from membership (£543k, up 4%) and permits (£671k, up 9%). Print costs were up 19% at £210k and premises costs were up 17%. Staff costs were, however, down 3% at £746k as some vacancies had not been filled immediately. Total costs for the year stood at £1.455 million, leading to an operating loss for the year of £146k and pre-tax loss of £164k. Reserves were accordingly down from £1.130 million to £961k. The Treasurer stressed the conclusion that current income levels are insufficient to return the Association to balance at the end of 2024. Increased income is required.

Questioned on how many posts remained unfilled, the CEO advised there was just one to fill. An offer is expected to be made in the following week. Further questioned on why, if the "offending" account cannot be closed, it cannot just be left dormant, the Treasurer replied that closing it will take time. It will be done if possible and an update will be provided next year. In the meantime, a new current account had been opened and some business had been moved to it. A further question concerned investment policy. This was described as conservative, to defend members' funds. So money was held in deposit accounts rather than investments. The Board had decided to put £150k with Brewin Dolphin, an investment bank. This had grown to £180k but retrenchment in the market meant that its value was now back at £150k. Interest bearing accounts elsewhere were reviewed regularly to optimise and manage reserves actively.

The Treasurer's Report and Statutory Accounts were adopted *nem con*.

The Chairman concluded by thanking Will Garton-Jones for his unstinting work as Treasurer, recognising that he is standing down from the Board at this AGM.

## **6. Re-election of Just Audit and Assurance Ltd. As Auditors for the Association**

Just Audit and Assurance Ltd. were re-elected *nem con*.

## **7. Election of Directors of the Company**

No election was required as Will Garton-Jones is stepping down and there was one nomination, Charlotte Dadswell. Charlotte is accordingly elected. The Chairman was delighted to welcome her. With her extensive background in aviation, she would bring a welcome additional dimension to the work of the Board.

## **8. AOB and Close of AGM**

No AOB had been notified to the Chairman, so the AGM closed at 12.45p.m. There followed an informal review by the CEO, Simon Tilling, concluding with a Q&A session.

Signed:

Chairman

## **Simon Tilling's Review and Q&A**

The recently (April) appointed CEO noted that what struck him immediately, coming into the LAA, was the complexity of what goes on in the Association: what we have to do to administer around 5,000 aircraft. Added to that is the advocacy role vis-a-vis the CAA and Department of Transport and interaction with fellow organisations such as the BGA and BMAA plus the continuing challenges over airspace, especially currently those relating to drones. How best to support the membership, Struts, Rally and fly-ins with fewer than 20 staff is his particular challenge.

The LAA is not a business in the sense of being intent on turning a profit; but it is very much a business in that it cannot continue making a loss. He is committed to bring the organisation back to making a small surplus, so increasing fees is a must. He is also looking at revenue generation and seeking to maintain and enhance the reputation of the LAA. Questions to be asked – and answered – include the reasons why those, other than pilots, owners and builders join? What do owners want from the LAA? What is the Association doing well and not doing well?

The first questioner wanted the LAA to go back to running a proper rally. That is what non-owner enthusiasts want! So what progress is there on the 2024 Rally? The recent survey had shown that it needs to be bigger, have more content and be located further north. The Rally Committee starts work next week! The Chairman commented that although members had asked, "Why not Sywell?", the airfield owner there didn't want us and would want to impose an unaffordable £30k charge for the Rally weekend. It was, though, something of a struggle to find an airfield of the size necessary which would work with us. And we would need another party to work with us. The band of volunteers for what has always been volunteer-run is diminishing through age.

A second questioner considered the LAA needed a longer-term, five or more year, agreement for the Rally in order for it to be sustainable from year to year. The CEO picked up the point about ageing. Our demographics are a problem. Average age of members is around 63 but it is going up by 11 months each year. There are more members over 80 than under 40. How can we get younger people into aviation, encouraging them to spend money on aircraft rather than cars? Something along the lines of "Young Eagles" was suggested by a further questioner; but the CEO pointed out that we also need people who can come into aviation now.

Others supported getting youngsters involved, in ways which might attract their parents too. The model flyers should be involved and greater focus should be given to a children's area at the Rally. Yet we still need "Empty nesters"; those coming up to retirement with surplus disposable income. The relationship with the BMAA was questioned, as they seem to provide an easier entry into flying. The CEO noted that he has a good working relationship with Rob Bremner at the BMAA but we were not there yet with e.g. holding a joint rally. The Chairman was frustrated and disappointed that we couldn't find a way to bring the two organisations together but the differences were intractable. We were though, trying to co-operate across a wider field.

The CEO remarked on the change to the permit system, which had not been as good as it could have been. Permit revalidations had been taking longer than they should but the seven day target was now being achieved. A working group was looking at the modifications process with the hope of developing a lighter touch and with the HQ in more of a general oversight role. Moving CAA aircraft onto the LAA system still had to be aircraft by aircraft, rather than more generic, type by type, so it was a slow process. Finally, could the LAA not abolish the Vne test? It is under consideration but yet to be decided.