

BMAA AGM 2016

MINUTES OF MEETING



**MINUTES OF THE ANNUAL GENERAL MEETING OF THE
BRITISH MICROLIGHT AIRCRAFT ASSOCIATION HELD IN THE
PATTINGHAM SUITE OF THE INTERNATIONAL CENTRE, TELFORD. AT 13:00h ON
3 DECEMBER 2016**

PRESENT

On the platform: *Rob Hughes* (chair of the meeting), *Ben Syson*, *Geoff Weighell*, *David Robbins*, *Spencer Harvey*, *Rob Grimwood*, *Terry Viner*, *Rob Mott*, *Deepak Mahajan* — plus 47 BMAA members in the hall.

APOLOGIES FOR ABSENCE

Ginge Sunley (1265), *Joan Walsh* (2916), *David Bremner* (4562)

MINUTES OF THE LAST AGM

These were made available and taken as read. Proposed by *Bob Hood* (3300) that they be accepted, seconded by *Deepak Mahajan* (3499), agreed unanimously.

MATTERS ARISING FROM THE MINUTES

None.

CHAIRMAN'S ADDRESS

Chairman *Rob Hughes* explained that, as last year, the meeting would rely on the BMAA annual report, rather than each person on the platform explaining their year's activities in detail. Extracts from the report would be discussed and speakers would take questions from the floor as they went along, drawing in other people from the platform as appropriate.

The annual report (as shown in the appendix to these minutes) had been published online and copies were available in the meeting.

He thanked outgoing council members *David Bremner*, *David Robbins* and *Chris Draper*, plus the team responsible for the World Microlight & Paramotor Championships at Popham and the staff at Deddington. He explained the association's marketing plans for 2017, which included the recently launched microlight YouTube channel.

Rick Goddin (2151) raised a point of order from the floor, pointing out that with 47 members present the meeting was not quorate. The Chairman replied that the possibility of this had been foreseen and the council had concluded that votes could proceed as normal, on the understanding that they were not binding.

He then handed over to Chief Executive *Geoff Weighell*.

Geoff echoed the Chairman's appreciation of the staff's commitment – 'they are brilliant', he said – adding that feedback from members on the level of service was always appreciated. *Bob Hood* (3300) asked when the Forum would be reappearing; Geoff replied that various volunteer moderators had come and gone, but plans were afoot via Rob Hughes to reinstate it. He added that the new BMAA website would be operational in February, linked to a new database.

The Chairman then asked Chief Technical Officer *Ben Syson* for his comments.

Ben reported that the new weighing system had now bedded in and that the revised arrangements for check-flying appeared to be working. To mitigate the costs of moving to 8.33MHz radios, the CAA was proposing to pay grants directly to owners.

A number of training microlights had now amassed high hours and were showing the effects; the Technical Office was working with the manufacturers to keep them flying safely.

A member asked about the proposed raising of the microlight limit to 600kg. *Rob Hughes* explained that the matter was still under negotiation, as the European Parliament was in favour but the European Council was not.

Next the Chairman asked Chief Inspector *Rob Mott* for his comments.

Rob explained that the new database would allow owners and inspectors to access files online. He was also pleased to announce that for the first time since the introduction of SIGMA, the inspectorate had started to grow. He concluded by adding that there would be further member courses in 2017, the first being for flexwings.

TREASURER'S REPORT

Treasurer *Rob Grimwood* told the meeting that the association lost approximately £16,000 in its 2015-16 financial year, as against the £10,000 envisaged in the budget. This meant that the outcome was within 1% of the predicted outcome.

For 2016-17 there would be no increase in subscriptions or fees, as the current levels were believed to be sufficient to ensure that the association broke even – its target for 2016-17.

Next he asked the meeting to approve the re-appointment of the existing auditors, Ellacotts. This was proposed by *Ben Syson* and seconded by *Neil King (5420)* and passed nem con.

Finally he asked the meeting to accept the accounts as presented. This was proposed by *Chris Wills (648)*, seconded by *Tim Burrow (2240)* and passed nem con.

ANY OTHER BUSINESS

As no written questions had been received in advance of the meeting, the Chairman told the meeting that he would accept questions from the floor.

Tim Burrow wanted to know the Association's policy regarding the availability of owners' addresses on G-INFO, in the light of the ongoing problem of engine theft. *Geoff Weighell* replied that the CAA would accept the substitution of a PO Box number; he had offered to look into providing a BMAA PO Box number, to save individual members the cost of setting up their own, but to date no member had responded to that suggestion. He added that the CAA had done some research into the problem and had found no link between hits on G-INFO and subsequent thefts.

BMAA COUNCIL NEW APPOINTMENTS

The Chairman confirmed two new appointments to the Council, explaining that there had been no election this year as the number of candidates had not exceeded the number of vacancies.

Accordingly, he was pleased to welcome *Richard Bisiker (8742)* and *Patricia Mawuli Porter (11122)* to the Council. Following the recent resignation of *Chris Draper (0003)*, an additional vacancy had arisen, which the Council was proposing to fill with a co-opted member. An announcement regarding this would be made shortly.

DATE OF NEXT MEETING

To be announced, but likely to be held at this venue, in conjunction with *Flyer Live*.

The meeting ended at 1:52pm.

AWARDS

After the end of the AGM proper, *MF Consulting Editor Norman Burr* announced the result of the magazine's annual photographic competition, as follows.

Third place, with the award of a large print of the photo, went to *Paul Haxby (4490)* for his shot of the Devil's Kitchen.

Second place, went to *Gordon & Jill Douglas (2842)* for their picture of Pic de Bure. Their award of a large print was collected on their behalf by *Peter Robinson*.

First place, with the award of a large framed print plus a trophy, went to another *Paul Haxby* shot, 'Sunset over North Wales'.

Norman thanked all the contributors to the competition, which had gone from strength to strength

in recent years.

The Chairman then presented the following awards:

The Steve Hunt Memorial Trophy “for outstanding microlight achievement”, to *Richard Rawes* (3315), for his consistently world-class performance in international competition over many years. Richard was not present to receive the award in person.

The Keith Negal Award “for getting things done” to *the Organising team of the WMPC at Popham, namely Rob Hughes, Rob Grimwood, Chris Saysell (2068), John Waite (8424) and Frank Thompson (9925).*

Class B Trophy “for the winner of the Dual Class of the 2016 BMAA National competitions”, to *Tim Burrow & Neil King.*

Class A Trophy “for the winner of the Solo Class of the 2016 BMAA National competitions”, to *Richard Rawes.*

Novice Shield “for the most promising pilot or crew in a Nationals competition”, also to *Colin Johnson (0990)* who, the Chairman pointed out, had also come second in his class at WMPC, just 17 points adrift of the top spot.

The John Holloway Trophy “for the best organized Nationals round” to *Preston Capes.* This was accepted on behalf of the club by *Frank Hodgson (0305).*

The Chairman then handed over to *Frank Hodgson*, who gave the following summary of Colibri awards since the last AGM.

‘The Colibri Awards were specially designed for microlight and paramotor pilots by the Federation Aeronautique Internationale (FAI) and the Commission Internationale de Micro-Aviation (CIMA) and are internationally recognized standards of achievement and proficiency. The awards are set in three levels: Bronze, Silver, and Gold, of incrementally higher standards.

Several BMMA members have taken up the challenge this year of improving their flying skills by working through these awards and gaining recognition.

Congratulations are due to *Terry Cook (10964), Phil Evans (10763), Emily Hodgson (10903), Colin Johnson, Chris Levings (7690), and Edward Warnell (0970),* who all were awarded the Bronze Colibri certificate and badge.

Both *Emily Hodgson* and *Colin Johnson* progressed further and were awarded the Silver Colibri and aim to qualify for the Gold next year.

Tim Burrow, following his success in achieving the Silver last year, has been awarded the Gold Colibri.

The awards presentation ended at approximately 2:15pm.

Minutes prepared by Norman Burr

MINUTES OF BMAA AGM 2016

APPENDIX



Annual Report 2016

Index:	Page:
Introduction	3
Chief Technical Officer's Report	4
Chief Inspector's Report	6
Flight Safety Report	9
BMAA Publications	10
Treasurer's Report	12
Department Reports	14
Summary of Accounts	18
Company Structure	21

CEO Introduction

Geoff Weighell



The BMAA is a member's organisation formed to represent the interests of British microlight pilots. It is not a profit making organisation, however it has to be run in a business-like manner so that it is financially sound and able to carry out the tasks of representation as well as the day to day roles of providing services to members such as airworthiness activities, pilot licence administration, information dissemination, providing a magazine and web site and hosting other fun and educational events. In this report the team leaders working behind the scenes have reported on their activities throughout the year. I hope that you will find this interesting.

One of my main roles as Chief Executive is to monitor regulation and be aware of potential changes that can affect our members. This year there have been significant changes to the UK aviation legislation which we have been able to help mould for our best interests. The Air Navigation Order was reissued in August 2016 and significant changes for us, the microlight pilots, included a simpler medical standard, the removal of visibility limitations from the NPPL and a 50% increase in an instructor's rating validity period. Other changes this year include a longer validity period for flight training hours prior to licence application and a relaxation in the rules regarding the use of kit built aircraft for flight training. We are currently looking at further changes for the use of kit built aircraft.

Airspace is of significant importance to us. I continue to monitor all proposals for increases in airspace and respond on behalf of the BMAA. We work closely with other aviation organisations to show a united front and have had some success in curbing the enthusiastic airspace "grabs" that have been proposed. Along with airspace come the potential for airspace infringements. I work with the CAA Airspace Infringement Working Group trying to educate for prevention to reduce the number of events, any one of which could lead to a catastrophic incident.

There is a lot going on behind the scenes at the BMAA and I can assure members that all the work that is done and decisions that are made have gone through the screening process of "is it good for the members?". If so we go ahead, if not we don't.

Please read the rest of this report carefully to find out more and please remember that the BMAA is there for its members and as a member you have the right to question the members' representatives, the BMAA Council, to ensure that they do take your views into consideration.

Geoff Weighell

Ben Syson



The Technical Office has had another busy year.

Check flying

The new check flying system - which encourages owners to check fly their own aircraft - was introduced in April with new, simplified, check flight schedules, and a comprehensive Check Flying Handbook. Aircraft owners appear to have adapted well to this system. The BMAA Check Pilot cadre has been disbanded. I would like to take this opportunity to thank all past BMAA Check Pilots for their effort and support over the years.

New types

Two new factory-built (type-approved) Microlight types have been approved this year: the EuroFOX and the Aerochute Hummerchute. The EuroFOX was approved directly by the CAA, but on the recommendation of the BMAA. This follows our previous acceptance of kit versions of the EuroFOX. The Aerochute Hummerchute was approved by the BMAA after performing a validation of its Australian type-approval from CASA (the Australian CAA). This is the first time the Technical Office has performed such a validation exercise.

Amateur-built very light aircraft

Although a couple of light aircraft (non-Microlight) designs have been accepted in principle, we still wait for a BMAA light aircraft kit to be finished and get a Permit to Fly. We also have a couple of kit versions of EASA type-certified LSA (Light Sport Aircraft) types that we are looking to accept.

Oversight of manufacturers

The Technical Office has been working alongside the CAA over the last 12 months or so as it approves and oversees Microlight manufacturers. The intention is that the CAA will subcontract this work out to the BMAA in future.

Routine projects

Projects of note include first fitment of a Rotax 912iS, and first fitment of an autopilot, to BMAA aircraft.

Repairs

The Technical Office continues to approve a large number of repairs - particularly to modern 3-axis types, where simple repair by replacement is less practical than for traditional bolted tube construction.

High hours aircraft

Some airframes in the BMAA fleet - particularly modern training machines - are accumulating many thousands of flying hours, which is many more than Microlights have traditionally been designed for. We are starting to see problems associated with this, such as fatigue cracking. The Technical Office is working together with the main manufacturers to develop detailed inspection and part replacement programmes to keep these aircraft flying safely.

Weighing

The new weighing system has bedded in nicely, and the BMAA fleet is in the process of having its last routine weighing. Under the new system aircraft are now being placarded with their actual empty weight - rather than an artificial basic empty weight - which we see as a big safety benefit.

E Conditions

The BMAA has supported the Royal Aeronautical Society in its discussions with the CAA to develop new test flight conditions for experimental aircraft up to 2000kg. These 'E Conditions' as they are known allow experimental aircraft to fly without the overhead of a CAA-approved organisation. In August E Conditions became enshrined in the Air Navigation Order.

8.33 kHz channel spacing radios

The deadline for retiring 25 kHz radio equipment is the end of 2017. The BMAA is waiving the Standard Minor Modification fee for replacement 8.33 kHz radio installations (where the original 25 kHz radio installation was BMAA approved). A streamlined form has also been developed for use where the installation is essentially unchanged (apart from the change in radio model).

Ben Syson



This report will provide a brief overview of what has been implemented over the last twelve months. Secondly to provide an insight to future plans with regard to the BMAA's continued airworthiness system and strategy.

A8-26 Continued Airworthiness

It has been almost 18 months since the BMAA became the first organisation to achieve A8-26 status. There have been a few tweaks to procedures, but the only major changes so far being aircraft weighing and earlier this year to the check flying system.

Our quality system has been followed carefully resulting in more 'in the field' operations, details later in this report. The BMAA Technical Office had an internal audit earlier in the year and is now awaiting the first external audit (by the CAA), this coming March.

By the time of the actual AGM it is hoped that the BMAA will have the first VLA aircraft operating on a full Permit to Fly (as opposed to authorised testing). As stated previously we are striving to ensure there are minimal differences in operational requirements between our VLA and Microlight fleets.

New Database - CiviCRM

Earlier in the year the BMAA started testing a new database. In the last month we have started moving across from the original Enterprise system to the new open source CiviCRM database. The new system is much more versatile and offers new levels of automation not previously available. This will reduce admin burden, increase the efficiency and allow more time for project work and general enquiries.

Some features of the new system include; members will be able to view their own aircraft files (including permit history, weight reports and modification docs), make changes to their personal details and to directly submit applications through the system, which includes purchases. Another improvement relates to Permit applications; members will be able to track progress in real time from start to finish.

Inspector Seminars

Two Inspector seminars were held in 2016. The BMAA Technical Office would like to thank both manufacturers (and associated supporters) for delivering two very professional seminars.

EuroFOX

The first BMAA inspector seminar of 2016 was held at Lukesfield, a private strip in Kent. The seminar focused on two different production variants of the same design, amateur-built aircraft and factory built EuroFOX aircraft. Roger Cornwell and his team gave technical presentations and introduced members of the inspectorate to their impressive facilities. The day was split in two, the morning focusing on presentation material and the afternoon physically inspecting example airframes. As well as technical content, some background info and a brief, but informative history/evolution of the type. Included in the day was a section on 'items of note' during the construction phase and permit revalidation inspections.

Eurostar

The second BMAA inspector seminar of 2016 was held at Booker airfield in High Wycombe. The seminar focused on the two types of Eurostar Microlight operating in the UK, the EV97 TeamEurostar and the Eurostar SL. Edmund Otun & Steve Pike (plus other members) of team Light Sport Aviation (LSA) gave technical presentations about the different airframes as well as a history of Evektor and the design changes over the years. This was followed by Chris Theakston of CT Aviation, who gave an insightful presentation regarding his own experience of inspecting the types. The day ended with a hangar tour and an organised 'walk round' of both types.

BMAA Inspector Appointments & Renewals

For the first time in over a decade the Inspectorate has started to expand, it is hoped that this positive trend will continue into 2017. By the end of this year we should have made 5-6 new appointments.

Additionally, three new Senior Inspector appointments have been made, to help support the existing numbers. Currently there are other candidates still progressing through the mentoring stage.

Aircraft Surveys

An area of increased activity for 2016, members of the BMAA Technical Office have surveyed aircraft, personnel and airfields in the following areas; Husbands Bosworth, Little Gransden, Roddige, High Wycombe, Watnall, Caunton, St. Michaels, Eccelstone, Carrickmore (NI), Newtonards (NI), Popham, Preston Capes, Staplehurst, Wellingborough, Dunkeswell, Launceston, Sywell, Enstone, Sandtoft, Church Fenton, Conington, Hereford & Baxby. Around 50% of the work has been in conjunction with the CAA. Additionally the BMAA has audited some amateur built completions as a part of this initiative.

Permit to Fly Revocations

Again, rolling on from last year the BMAA has continued to receive letters of notification of Permit to Fly revocations from the CAA. In a vast majority of cases the

reason is simply a mismanagement of change of ownership process. If the change of ownership is not completed properly, after a fixed time period the CAA will suspend the Permit, if no correcting action is taken they then actually revoke the certificate. This has a knock-on effect; in order for the aircraft to fly again a new (and full) Permit to Fly application has to be made to the CAA via a suitably authorised organisation (i.e. Type Approval holder). This will ultimately normally be the manufacturer or the BMAA. In either case, it takes time to rectify say when compared to renewing a Certificate of Validity, plus it generates additional cost.

Notices, Alerts & Information Dissemination

2016 has been a very busy year for the production and dissemination of notices, defect alerts and Mandatory Permit Directives (MPDs). Various manufacturers and kit suppliers have been generating bulletins in response to defects that have manifested themselves in operation.

The BMAA website (www.bmaa.org) acts as a notice board for such publications, for the benefit of all. Notifications are also sent directly to all active members of the inspectorate.

As mentioned last year all BMAA relevant airframe & engine MPDs (Mandatory Permit Directives) have been collated and organised into one section on the BMAA website. This should simplify the act of checking MPDs for owners and inspectors alike.

FUTURE PLANS

Member Courses

A new initiative for early 2017 will be the introduction of member courses. To start with there will be two flavours, one on the rigging and derigging of Flexwings and the second on basic engine & airframe maintenance. Initially both courses will be run in the Midlands area, within 50 miles of BMAA HQ, but the plan is to expand further afield as the year progresses. Keep an eye on the website for developments, members will be notified via email and through MF.

Spot Inspections

Following on from this years increased activity, the technical team will continue to conduct spot inspections, again some of which will be conducted in collaboration with the CAA.

Rob Mott



The BMAA takes the matter of flight safety very seriously. To help promote and educate safe flying the BMAA employs a part time Safety Officer. This role is filled by Pete Watson, an experienced pilot having flown both light aircraft and a variety of microlights. Pete's role is to review reported microlight accidents and incidents and make members aware of potential pitfalls and particularly any developing trends so that they may be forwarded, or just reminded, so they may avoid the occurrences themselves.

The Safety Officer gathers information from reports made directly to the BMAA from members and by contact with club safety officers and other flight safety organisations such as the General Aviation Safety Council (GASCo), the Air Accident Investigation Branch of the Department for Transport (AAIB), the Confidential Human Incident Reporting Programme (CHIRP).

Information gathered is considered by the Safety Officer and members of the BMAA Technical Office staff before reporting to the membership. Where flight training is thought to be a contributory factor in accidents and incidents there is also liaison with the BMAA Training Committee who can pass on recommendations to the microlight flight instructors.

In 2016 there have been 4 fatal accidents in microlights in the UK resulting in the death of seven people. The BMAA takes this opportunity to pass its sympathy and condolences to the families and friends of those individuals. The potential for fatal accidents are a fact of life in aviation however each one is a significant event. When the full investigations into each have been completed we hope that any lessons that can be learned will be heeded and help to avoid any similar event in the future.

Prevention is better than cure and so we recommend that pilots recognise that in aviation no one knows it all and even what you did know once can get rusty. The answer is to keep an open mind and look for and take opportunities to learn more and refresh what you knew at one time. An ideal time to brush up is when you take the one hour of flight training with an instructor as part of your licence revalidation. Get the instructor to check that you are current with changes in legislation and still able to plan a flight as well as taking you through the flight practicing techniques and manoeuvres that you may not have flown for a while. And when the nights draw in try to get along to a GASCo Safety Evening. You will meet lots of other pilots, hear a lot of useful and thought provoking information and they are usually completely free.

We wish you safe flying in 2017.



MF

The bad news is that MF continues to be 48 pages, down from the 52 of three years ago due to a fall in advertising. The good news is that although the number of editorial pages dropped by four, the number of advertising pages every issue has dropped by five and sometimes six or seven, so we actually have one to three more pages of editorial than we had before. Having said that, I'd be keen to get us back to 52 at some stage if it was financially feasible.

In terms of staff, Norman continues to do a brilliant job as consulting editor, from writing inspired letters headlines and drafting the initial design to catching my Cubes (Cock-ups by editor) before they make it into print. I've lost count of the number of times he's kept me right and stopped me making a fool of myself – no mean feat.

At Pagefast, Ian Norris never fails to amaze me by his skill in designing MF and eMF, writing inspired text and often going out of his way to find extra information that Norman and I have missed, all with his customary humour and grace.

Lawrence Bell resigned as roving reporter because he was too busy running his new flying school at Durham Aerosports, and was replaced by the excellent and enthusiastic Paul Kiddell, who's doing a great job finding news stories, suggesting and writing features and taking brilliant photos.

Rick Goddin resigned from Airfield of the Month, Touring Tips and free landing vouchers after not being re-elected to the council, but Merv Middleton stepped seamlessly into the breach to do a superlative job.

Feedback from readers continues to be great, particularly after repeated requests to the tech office for a tech column as requested by readers in our 2015 survey finally resulted in a more or less monthly contribution.

Readers also asked for more flight tests and Secondhand Secrets articles, and in the past year we've had Secondhand Secrets articles on the Dragon Chaser 2, AX3 and AX2000, X-air, Shadow, Thruster and Phantom, as well as flight tests of new models such as the CT Supralight, SD-1, FoxCub, Quik Lite, Pipistrel Virus, Sherwood Kub, Aerolite 120, Pipistrel Alpha, TechPro Merlin and Breezer, so we've covered a good range from old to new.

Another request from readers was fewer touring pieces, so I've generally kept these down to a maximum of two pages. As always, I've worked with readers who contribute stuff to edit it with them and show them how to improve it and trim out the chaff, and as a result, their future contributions are always better. And also as always, I continue to be amazed at the quality of articles and pictures that readers send in.

eMF

This continues to be a really useful resource for late-breaking news stories, teasers for MF, all the photo competition entries, videos, and as a home for great stuff that would never fit into MF.

Finance

The MF expenses budget is £3,800 per annum, and yet again I've failed to spend it all, with the total for the financial year £3,394.55. Sorry about that.

Geoff Hill

Treasurer's Report

Rob
Grimwood



The BMAA financial year 2015-2016 ended on 31st August 2016, therefore we currently sit three months into the new financial year 2016-2017. This report looks into summarising the 2015-2016 financial year and then goes on to talk about fee structures for this current year in order to meet our ongoing financial goals.

We ended the 2015-16 year having made a loss of £15,670 as opposed to during the last two years where we made a profit of £29,000 and £7,600 respectively.

Last year we decided not to increase our fees with the prediction of making a small loss in normal trading of around £10,000 in order to offset the profit we have previously made year on year. This loss was predicted to further increase due to the appointment of a Marketing member of staff although the actual costs involved had not yet been decided. However during the course of the year we did not appoint a new marketing member of staff so this had no impact on the finances. The main differences in this financial year were:

Income

- Membership UK and Overseas down £5,000 – Although the membership income is down in terms of money this is not due to a reduction in members. At year end we had 3867 members which is actually 62 more than last year. So we believe the reduction in revenue is a timing issue due to 3 yearly memberships and or family memberships and the take up of discounted membership fees for young and student members.
- MF income up £4,270 – Great news! This is due to some new advertising revenue like Mendleson.
- Airworthiness and Licensing income together were down nearly £13,000, we think this was due to the very poor Autumn we had last year. We were hoping to catch up as the year progressed but we didn't. This is something to keep an eye on during the early part of this year.
- Type approval work up £1,700 – the work we do for manufacturers.
- A big difference was the income from the World Microlight and Paramotor Championships (WMPC) at Popham which was a one off event which received an income of £92,600.

Expenses

- Competitions up by £7,200 – This was a combination of paying travel expenses for the WAG team (although in this year's accounts it was actually from last year's allocation) and this year's entry fees for the British team at WMPC.
- WMPC 2016 £88,800 – See description above in income.
- Staff Salaries up £10,500 (including associated NI contributions).

- Council Expenses down £1,800.
- Postage and carriage down £1,400 – not many permits sent out by post any more.
- IT Costs up £10,700– For the website custom build.
- Professional fees up by £4,000 – NPPL fee and A826 approval which we didn't pay a full year of last year.
- Software costs up by £26,200 - Software purchases includes £3000 for the LAA database and for ePay Bacs module.
- Insurance down £9,000 – refund on check flying policy, more will be saved this year.

You will remember from my report last year that we budgeted £30,000 for a new database and new custom website. This work is nearly finished and we expect it to go a little over budget.

As I stated earlier, all in all we have finished the year having made a loss of £15,670.

Although this is higher than the expected £10,000 loss we budgeted for the extra £5,670 equates to less than 1% of our turnover so in fact is extremely close to our prediction. All in all the year progressed very much as expected.

Recommendations for this financial year

Recently I got together with the CEO and we conducted a thorough review of last year's figures and looked at the budget for this financial year, which started in September. We have added the values of known expenditure and increased others by 2%.

Although we have not yet employed a direct marketing member of staff we have decided to attend the Daily Telegraph Outdoor adventure and camping show in London in February 2017 with a budget of £7,500 set aside. We have also included a contingency of £5000.

Without increasing the fees at all the budget shows a slight Profit of £1.5K.

My proposal is therefore to keep all the fees the same for this year in order to continue to trade at zero profit level which is our ongoing financial strategy as set out by Council.

Department Reports

To help understand where income and expenditure are generated we have created reports for the activities which form the basis of the functions of the BMAA.

Actual income and costs are allocated to the activity where they occur and a proportion of overheads are allocated based upon the staffing requirements of each activity. Some activities will show a significant cost, whilst others make an overall positive contribution to the income of the BMAA. Because the BMAA is run for the benefit of all members and offers potential benefits to all, such as availability of airworthiness services, it is accepted that a degree of subsidy for some activity from other income will be needed. This report shows the financial states of the activity groups and the summary of the final annual position of the BMAA at the most recent year end, August 31st 2016.

Administration Department

Income

Shop & General sales	5,488
Build A Plane	0
	<u>5,488</u>

Costs

Stock cost of sales	2,035
Council & CEO	52
Depreciation	6,617
Office running	30,532
IT	42,466
Overheads	108,527
	<u>190,229</u>

Total Administration Department (184,741)

Within every organisation there is a cost to just being in existence. At the BMAA we call this the Administration cost, where income and expenditure cannot be directly allocated to a particular main activity but is needed by all. Included will be such items as the availability of heating, lighting, water, telephones and communications and premises costs.

This year we have included the budgeted cost of upgrading the BMAA database and web site. This has been treated as a one off expense rather than a capital project to be written off over several years.

Membership Department

Income

Membership fees	250,382
Other events	393
WMPC	92,662
	<u>343,437</u>

Costs

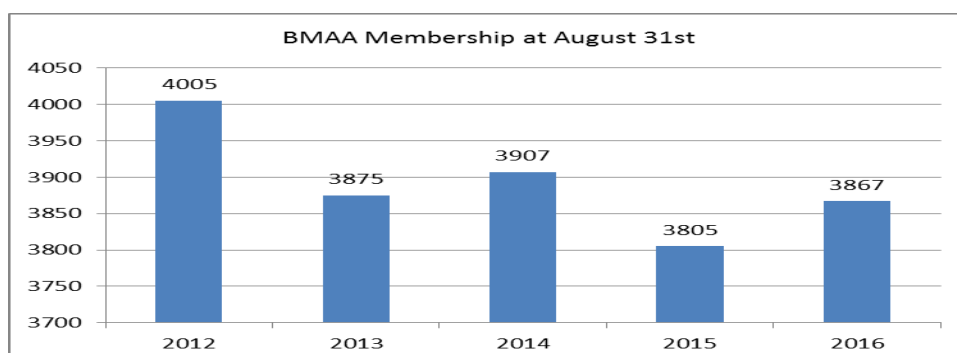
Council	3,485
Promotions	576
Representation UK & Overseas	2,219
Shop	0
Commissions	1,260
Competition Event	8,116
Show	0
Royal Aero Club	3,954
WMPC	88,786
Overheads	29,428
	<u>137,824</u>

Total Membership Department 205,613

The Membership department income activity comes from membership fees and other sources where the activity is undertaken for the benefit of BMAA members.

Costs attributed to the membership department are those resulting from running the membership system and such activity as representing the member's interests in regulatory and other interest areas. The cost of events is also included to balance the income from events.

The Membership department is an overall contributor to the BMAA finances, although without the other activities carried out by the BMAA there would be less reason for a microlight pilot to be a member.



Engineering Department

Income

Mods & Home builds	7,111
Type Approval Work	3,391
	<u>10,502</u>

Costs

CTO/Tech & research expenses	5,379
Representation UK & Overseas	0
Overheads	158,941
	<u>164,320</u>

Total Engineering Department (153,818)

The Engineering department can be considered to be a loss leader in financial terms.

Without a resource to approve designs, whether they be new aircraft, modifications or repairs, BMAA members would have to pay the higher costs of CAA fees and possibly suffer slower turnaround times for applications.

Having an engineering department staffed by engineers who are also microlight pilots benefits the speed and proportionality of the approach to applications.

Subsequent renewal fees through the ongoing airworthiness system will offset much of the differential between the cost of an approval and the fees charged for it.

Airworthiness Department

Income

Airworthiness	283,331
Inspector fees	5,581
Seminar fees	0
	<u>288,912</u>

Costs

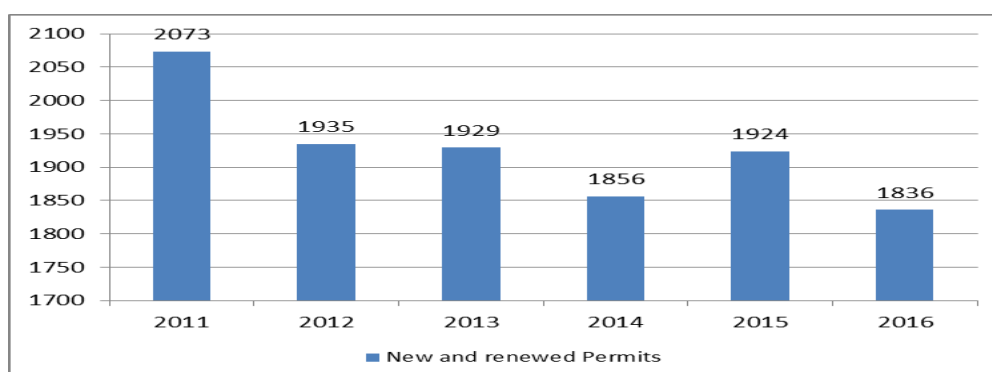
CAA	9,095
Chief Executive	0
Chief Technical Officer	532
Chief Inspector	1,738
Technical & Research	86
Representation UK & Overseas	0
Seminar expenses	0
Overheads	42,792
	<u>54,243</u>

Total Airworthiness Department 234,669

The Airworthiness department is responsible for the on-going airworthiness of the BMAA microlight fleet.

It is this department that is responsible for the appointment, on-going training and supervision of inspectors. The income from the inspector activity covers the expense incurred by the Engineering department that generates the approvals to which the inspectorate work.

The inspector system is, to the BMAA as a business, a high risk area and a large proportion of the overheads can be directly attributed to insurance and oversight costs.



Flight Training Department

Income

Examiner & Instructor fees	6,215
CAA NPPL income	25,801
Seminar fees	4,475
	36,491

Costs

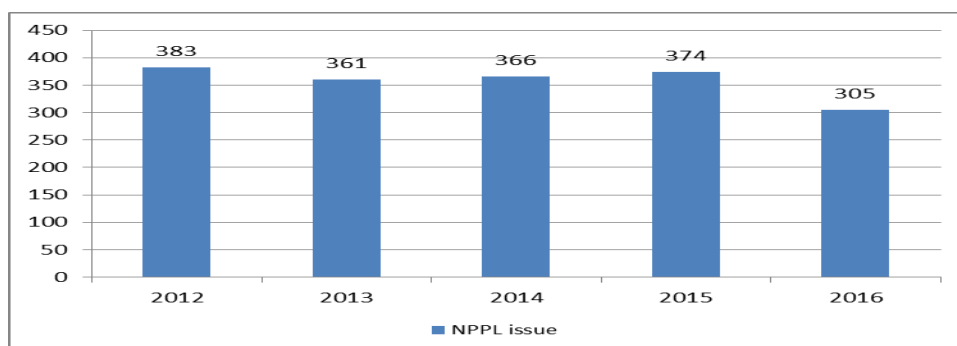
CEO	77
Promotions	0
Representation UK & Overseas	101
Seminar expenses	3,058
Panel & Training Committee exps	4,299
Overheads	29,395
	36,930

Total Flight Training Department (439)

When the NPPL was introduced in 2002 the BMAA agreed a contract with the CAA to provide an information centre for NPPL enquiries, process and recommend applications for NPPL Microlight Class ratings, write examinations, develop instructor and examiner training and generally run the NPPL Microlight system.

Income is derived from a part of all the NPPL applications that are made through the BMAA and fees levied on instructor and examiner activity.

There are specific staffing requirements for the department and an annual approval fee to the CAA.



Flight Safety Department

Income

0

Costs

CI/Safety Officer	319
Representation UK & Overseas	353
Overheads	24,659
	25,330

Total Safety Department (25,330)

The BMAA has increased and improved its efforts to promote flight safety to all microlight pilots. Although this department shows no income the education that we hope to pass on is, we believe, a valuable contribution to the British microlight movement.

Improvements in flight safety reflect well on microlighting as a sector of General Aviation. An improved reputation encourages potential pilots to take up microlight flying and so has the added benefit of promoting our sport.

Publications Department

Income

MF Magazine	28,498
This is Microlighting	0
MF Website income	107
	28,606

Costs

MF Magazine costs	107,816
This is Microlighting costs	0
MF Website costs	7,285
Overheads	5,128
	120,229

Total Publications Department (91,623)

The public face of the BMAA is the monthly magazine, Microlight Flying. MF is seen as a major benefit of being a BMAA member and allows the Council members and staff of the BMAA to communicate with members, as well as provide other information and entertainment.

Income comes from advertising revenue, no copies are sold. Production costs and delivery are the expense incurred. These costs are reviewed on an ongoing basis to try to achieve best value for the membership.

Financial report compiled by Rob Grimwood - BMAA Treasurer

DETAILED PROFIT AND LOSS ACCOUNT

		2016		2015
	£	£	£	£
Turnover				
Membership Fees		250,382		255,254
Magazine income		28,498		24,863
PR, marketing, sales		4,474		5,538
Airworthiness document fees		293,833		302,171
Inspector fees		5,581		5,445
LIAC NPPL (CAA)		25,801		30,609
Examiners fees		3,057		2,883
Instructor fees		3,158		3,485
Seminar fees		4,475		-
Competitions and sponsorships		93,070		1,391
Build a plane project income		-		29,751
		712,329		661,390
Cost of sales				
Airworthiness and technical	2,877		1,736	
Safety costs	906		1,130	
Panel expenses	2,720		2,167	
Magazine and newsletter costs	107,816		108,369	
Postage and stationery	5,761		8,093	
Club commissions	1,260		1,560	
Competitions and events	100,371		1,036	
PR, marketing, sales	14,675		15,705	
Build a plane project costs	-		25,963	
Civil Aviation Authority	15,451		12,267	
Check pilot insurance	19,093		17,490	
		(270,930)		(195,516)
Gross profit	61.97%	441,399	70.44%	465,874

SCHEDULE OF ADMINISTRATIVE EXPENSES

	2016	2015
	£	£
Administrative expenses		
Wages and salaries (excluding employers national insurance)	284,308	275,688
Social security	25,079	24,879
Staff pension costs	10,196	9,314
Donations	2,800	2,543
Office water, insurance, heating and light	9,538	14,444
Insurance	31,568	37,710
Repairs to property	(3,555)	6,930
Repairs and renewals	632	300
Telephone	2,643	2,501
Hire of plant and machinery	6,621	6,098
Computer costs	26,252	-
Office and travel expenses	32,689	23,893
Consultancy fees	4,290	8,811
Audit fees	3,173	3,230
Other non-audit fees	-	200
Bank charges	3,362	3,604
Subscriptions	4,856	4,922
Donations to bursary fund	6,000	6,000
Depreciation on freehold property	4,000	-
Depreciation on plant and machinery	1,618	5,159
Depreciation on fixtures and fittings	999	731
	457,069	436,957
Administrative expenses	(457,069)	(436,957)

Summary		2016		2015
Gross profit	61.97%	441,399	70.44%	465,874
Administrative expenses		(457,069)		(436,957)
Operating (loss)/profit		(15,670)		28,917

FIVE YEAR ACCOUNTS SUMMARY - FIVE FINANCIAL PERIODS TO 31 AUGUST 2016

	2016	2015	2014	2013	2012
	£	£	£	£	£
Profit and loss					
Turnover	712,329	661,390	617,695	600,318	595,626
Cost of sales	(270,930)	(195,516)	(165,661)	(168,792)	(165,363)
Gross profit/(loss)	441,399	465,874	452,034	431,526	430,263
Administrative expenses	(457,069)	(436,957)	(444,519)	(434,406)	(424,055)
Other interest receivable and similar	-	-	188	1,421	1,913
Profit/(loss) before tax	(15,670)	28,917	7,703	(1,459)	8,121
Tax	-	-	(38)	(284)	(383)
Profit/(loss) after tax	(15,670)	28,917	7,665	(1,743)	7,738
Balance sheet					
Total fixed assets (NBV)	203,895	207,273	254,905	265,866	265,715
Stocks	52,830	1,704	26,538	1,027	2,008
Debtors	41,610	21,050	22,916	79,544	73,879
Cash at bank and in hand	344,140	397,107	321,764	293,473	300,526
Current assets	438,580	419,861	371,218	374,044	376,413
Creditors	(92,649)	(65,910)	(63,943)	(79,825)	(100,366)
Current liabilities	(92,649)	(65,910)	(63,943)	(79,825)	(100,366)
Net current assets/(liabilities)	345,931	353,951	307,275	294,219	276,047
Provisions for liabilities and charges	(35,493)	(31,221)	(14,496)	(20,066)	-
Net assets/shareholders' funds	514,333	530,003	547,684	540,019	541,762

Company Structure

BMAA Ltd

Company No: 01678351

Company address: The Bullring
Deddington
Banbury
Oxfordshire
OX15 0TT

Directors:

Rob Hughes	Chairman
Rob Grimwood	Vice Chairman & Treasurer
Spencer Harvey	
Deepak Mahajan	
David Robbins	
Terry Viner	

Chief Executive	Geoff Weighell
Company Secretary	Geoff Weighell