



South African Model Aircraft Association

Tel - GM: Bob Skinner 083-283-1681. Admin: Linda Dold 083-612-7047 Fax 086-607-8733

PO Box 7116, Bonaero Park, 1622

e-mail: admin@samaa.org.za www.samaa.org

This report covers the activities of the SAMAA Treasury for the period 01 January 2020 to 31 December 2020. I also attach to this report the following annexures:

- The 2020 approved budget versus actual expenditure;
- The 2020 Audited Financial Statements; and
- The 2021 proposed budget.

The 2020 year will for a long time be remembered and saw our members confined to their homes, and preventing them from exercising our beloved hobby, or at least a vital part of it. This had a significant financial impact on our members, with many members electing to adopt a wait and see attitude, with some members electing not to pay membership as and when due. Maybe partly because they were funding model building projects during this period.

It became apparent that with a lack of the anticipated budgeted income, we would soon run into a deficit situation. This necessitated the SMC to revise the 2020 approved expenditure budget and enforcing severe cost containment measures. The Office Staff used their down time to good effect with hundreds of phone calls to members to pay their dues, and in the process getting some lapsed members to also renew their membership.

The upside of this was that we ended the 2020 financial period with a cash surplus of **R424 765,13**, against an original estimated cash surplus of **R64 151,12**. This fiscal restraint will continue into the 2021 financial year.

Certain expenditure approved at the 2020 Annual General Meeting ("AGM") sadly could not take place and the SMC took a decision that these activities, most notably the Communication Strategy by Alec Groenewald, will continue in 2021.

Members will note from the attached proposed 2021 budget, that this will result in a projected deficit of **R193 000,00**. This deficit will be funded from the 2020 surplus, that was carried forward, and relate to activities already approved at the 2020 AGM. We therefore still anticipate an estimated trading surplus of **R35 000,00** (including the carried forward value) for the year, with a continued drive to restore lapsed membership.

Our insurance broker threw a bit of a curved ball at us, when it came time for renewal of the policy. Most notably was an increase in our premium and excess to **R50 000,00** per claim for member-to-member claims. The upside is that we had only one insurance claim in the past 12 years.

The SMC decided to ring fence a portion of the 2020 surplus (**R150 000,00**), that will be set aside to assist members with a portion of any excess payment, if not the whole excess amount, should any future claims arise. Portions of any future surpluses should also be ring fenced.

We are continuing discussion with our Underwriters to negotiate a better dispensation.

Further to the above, the SMC also recommends **no** membership fee increase for the 2021 – 2022 financial year.

Looking forward to the remainder of 2021.



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