



2026 ASC AGM – TREASURER’S REPORT

INTRODUCTION

I am pleased to present my Treasurer’s Report for the year ending June 2026, along with the Statistics Report on behalf of Geoff Wood.

FINANCIAL OVERVIEW

Our Auditor reports the ASC’s income for the 25/26 year at \$950K, up from the previous year’s income of \$820K by \$129K or 16%. Our total expenses at \$833K are also higher by \$108K or 15%. This resulted in a “net profit” of \$116K which represents a significant “profitability” improvement against the previous year’s profit of \$21K.

The Auditor’s Report paints a very rosy picture, but the reality is a little different. During last year the Club was extremely fortunate to have received a very generous \$200K donation from Karl Faeth. According to accounting standards, all donations should be treated as income, which really distorts our true trading position. Excluding Karl’s donation our income for the year was \$750K, ie, down by \$70K from the prior year. Our bottom-line profit was similarly affected with a true loss of \$84K. The real story is far less healthy.

The reality is that 25/26 year has been a difficult trading year for the ASC, with reduced real trading income and significantly higher costs.

Karl’s donation was used to purchase a new Jabiru J230, with all the bangs and whistles, resulting in a significant increase in Club assets. The value of the new Jabiru is now reflected in the Balance Sheet as member equity.

Our combined flying operations generated an income of \$448K compared to the previous year’s income of \$483K, ie, down by 7.2%. Flying operational expenses for 25/26 at \$389K were higher by \$59K or 18%. The result was that the “profitability” of our flying operations reduced by \$93K from the previous year.

Airfield Operations (or Infrastructure as the Auditor refers to it) income that includes things like hangar site leases and income from share farming was \$100K, almost identical to the previous year. Unfortunately, costs were considerably higher by \$15K, representing a reduced “profitability” of \$58K. Additional expenses associated with pest control and equipment maintenance were the significant contributors to higher costs.

Income from Social & House was down but so were costs. This was the result of external events occurring on the airfield in the 24/25 year that weren't repeated in the 25/26 year. Although Social & House does generate a small profit, its real value is much greater as it provides a valuable contribution to the Club's social life, so thank you to all those involved.

The remaining cost centre within the ASC financial structure is what we call General and Overheads. The principal source of income is from membership subscriptions, interest on savings, returns on investments and sales of goods such as fuel and club merchandise. Expenses include insurances (except aircraft), costs associated with sale items, administration expenses and of course wages for our hard-working administration staff. Expenses attributed to General and Overheads will always be much higher than its income. Last year's income of \$179K was \$21K less than the previous year, which was mainly the result of reduced membership subscription income and lower returns on our investments. Expenses at \$342K were almost identical to the 24/25 year.

Of real concern is that income from membership subscriptions at \$133K was down by \$8 or 6%, which really equates to a 9% reduction when inflation is taken into account. I will comment further on this issue when I present Geoff Woods' 25/26 Statistics Report.

At the end of June this year our net cash and equivalent assets less liabilities were \$601K compared to \$636K for the previous year. Accumulated provisions for future capital purchases were \$347K at the end of June and total member equity at \$3,204K was \$131K higher than at the end of June 2025.

A comment about "profit". Some might ask, why is it so important to generate a profit? In the traditional sense we really don't make a "profit", as none of the excess of revenue, over costs and expenses, is paid as a dividend, it all goes back into providing improved services and facilities for our members – remember, we are a Not-For-Profit Incorporated Association. Accumulated "profits" are a vital part of ensuring our future viability and sustainability. They enable us to provision for future planned capital investments, such as replacement aircraft and airfield upgrades. We also need to generate a reasonable surplus for the "rainy day", that will inevitably come.

The 25/26 year has been a challenging one for the ASC. Overall, our financial situation is healthy and enables the club to meet its financial obligations and to be able to continue to provide services to its members and invest in capital projects that will directly benefit members. Your Committee believes the ASC is in a sound financial position.

AUDITOR'S REPORT

Legislation related to incorporated associations, such as ASC, requires that our financial records are audited annually to Australian accounting standards by an independent, accredited auditor.

For the past 6 years we have employed Messenger Zerner Chartered Accountants to undertake that role and although a significant cost to the Club, I believe they are doing a good job. Under our Constitution, Committee is charged with appointing the auditors on an annual basis.

For those that are interested, there are a few copies of the Auditor's Report on the tables for your perusal.

STATISTICS REPORT

Each year our Statistics Officer, Geoff Wood, prepares a report that advises Committee of important statistics. This analysis is intended to assist Committee in reviewing the club's organisational health, identifying trends and to help with decisions relating to policies.

Each year the club's statistics are amassed as at 30 June. Final member numbers are an exception; these are taken at 31 October (the day before memberships expire) but interim numbers as at 30 June are included here for interest as a year-on-year comparison.

The full Excel spreadsheet of statistics accompanies Geoff's report.

Highlights and comments on trends are as follows:

Flying activity in ASC-owned aircraft

Total flying hours in club-owned aircraft of all types (gliders, motor glider, LSA and tugs) declined sharply (by 10%) from 2025 to 2026. However, the decline against the 5-year average (a better measure in Geoff's opinion) was less dramatic at 4%.

Within those overall figures there are some important variations. For 2026 the gliding total is up 11% compared to last year and 3% over the 5-year average, whereas LSA flying is down 18% on last year and down 21% on the 5-year average.

Member numbers

Our member numbers as measured at the end of June have declined this year. Overall member numbers compared to last year have gone from 337 to 318, a reduction of 7%. The reduction has come almost exclusively from the ranks of flying members, with other categories virtually unchanged.

The numbers of pilots whose primary orientation is to gliding or to LSA remain in the same ballpark at about 180 and 160 respectively (exact numbers cannot be given because some members follow both activities, and some e.g. General Aviation enthusiasts follow neither.)

Other statistics

Some notable trends are as follows:

- There has been a significant reduction in reported accidents and incidents in all categories. Geoff cannot say whether this is because of changes in reporting or real improvements in safety.
- Glider AEFs are holding up well. However LSA TIFs are down, something which Geoff understands is due to a policy change at one stage during the year.
- The number of private aircraft (both powered and gliders) based at and operated from Gawler continues to rise. There are now over 130 aircraft (ASC-owned and private) based at our aerodrome.

Conclusions

The role of the Statistics Officer is to present numbers in digestible form and to identify trends. It is for others to deduce reasons for changes and thereby enable Committee to determine appropriate policies and actions.

Having said this, Geoff would like to report, that in his view, the figures show that the club continues to have a healthy, diverse group of members and activities. Such negatives as we are experiencing are consistent with what one anecdotally understands about shifts in society; people are finding they have less discretionary funds and lots of alternative activities. With suitable management and promotion the ASC should continue to prosper.

This analysis is presented for Committee's information and action as appropriate. In doing so Geoff would like to acknowledge the excellent support provided by club officers and staff in the ASC office.

For those that are interested in more of the statistical detail there are some printed copies of the report and the full set of figures on the tables. I would like to acknowledge Geoff's valuable work in preparing the report.

CLOSING NOTE

Our business is not big, but it is complex, with many facets that need careful managing. Our office staff do a fabulous job of keeping our books in order and supporting me as Treasurer and the Committee.

I would like to acknowledge Angela and Jenny who have been fabulous servants of the Club over many years. As happens in life, circumstances change and I'm very pleased to welcome Cara to the team. She hasn't been here for long but she's already demonstrating her high-level skills and commitment to her work. And of course there's Tom – thank you for your astute leadership. Our office staff are passionate about what they do and they love their work environment.

Steve Pegler

Treasurer

Adelaide Soaring Club Inc.

12th September 2026