



INGWELALA

Ingwelala Share Block (Pty) Ltd

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Dear Members of Ingwelala

13 March 2017

Message from the Chairman - No. 29

Project Sky Hawk



Management conceived the Project Sky Hawk idea about fifteen months ago to support wildlife conservation and anti-poaching in our greater area as a Management led project (rather than an Ingwelala project) to acquire a suitable anti-poaching surveillance aircraft. Management, after consulting with the Board in January 2016, thereafter issued an appeal to Ingwelala Members and there has been a tremendous response from the Members. This wonderful initiative and opportunity was described to Members by Kevin Alborough in his Chairman's Message No.27 in September 2016 <http://ingwelala.co.za/downloads.html>.

In total to date 54 bungalows have donated cash, either through sponsoring staff cycling in organised events, or simply by donating hard cash towards Project Sky Hawk.

Another 59 bungalows (over and above the 54 above) have supported Project Sky Hawk when Management and Members worked together to raise money specifically for Project Sky Hawk, e.g. by selling boerewors rolls and refreshments at Springbok rugby matches, mounting the Ingwelala Challenge at Ingwelala during the 2016 Easter weekend and delivering the water polo tournament over the 2017 New Year.

Management have raised R439 079 in the twelve months to March 2017. A fantastic effort by the participating parties who deserve a huge thank you for their support for anti-poaching in our area.

Directors: John M Saker (Chairman), John H Llewellyn (Managing), Gregory B Babaya, Charl D du Plessis, Andrew R Hauptfleisch, Derek G King, Gavin I Maile, Nic Roodt, Andrew Rossaak, Georg R Schwaeble, Bruce R Simpson, Helen J Tonetti

There are several pledges outstanding amounting to about R16 300, which when collected may well be directed by Management to specific parts of the project.

Management's target was R500 000 for the aircraft and the hanger. The Sky Hawk, registration number ZU- ETD, cost R450 000 including vat.

The attendant operational and insurance costs which on an annual basis are likely to amount to approximately R30 000 still need to be covered by ongoing fundraising activities. The project continues to need further contributions and there are standby arrangements for funding to complete the project as best as possible. For example the aircraft needs to be located at Ingwelala in a secure manner and this will require a hanger – again additional efforts are underway to acquire and properly erect this structure economically.

A suitable aircraft was identified by the General Manager early in the process and in order to acquire the aircraft at that time bridging finance was authorised by the Board and the aircraft secured. This bridging finance has been repaid 97% at this time to Ingwelala from the proceeds of the fund raising to date, with surely some more to come from the Easter 2017 Ingwelala Challenge.

If the vat was claimable in Ingwelala, the cost would be reduced by claimable vat of R27 000, and if claimed in Sibon by R55 000.

In choosing this particular aircraft, the General Manager relied in part on the experiences learned at the SA Wildlife College. They chose the Savannah aircraft primarily for safety and reliability as well as being the perfect aircraft for the job. The safe and docile, slow flying, handling characteristics, robust design and short-field capability make it a winner in its field. Also this aircraft is quiet in flight and in the right hands has excellent short-field capability. All these factors make the Savannah a very useful aircraft in conservation operations.

The aircraft required some minor modification which has been attended to. The big effort has been to register the aircraft suitably and Ingwelala has appointed a specialist agent to attend to the complicated aircraft ownership registration process currently under way. The aircraft is currently securely located in Modimolle, Limpopo with a suitable "AP" (authorised person, who is very familiar with the plane) pending the ownership change process and which needs to be completed before the aircraft can be flown to Ingwelala. Of course once at Ingwelala, the aircraft needs to be capable of being securely housed in a protective hangar and a project is under way to acquire this structure at a suitable cost.

As the aircraft is simple in design and structure, the aircraft maintenance requirements are much along the lines of a motor vehicle and with similar costs, unlike more sophisticated aircraft and the attendant formal and more onerous fuselage and engine checks etc. The aircraft runs on normal generally available fuel. Furthermore, it is built in a factory in South Africa so support is readily available and generously offered.

Anti-poaching and conservation operations are inherently risky to any ranger, warden, tracker, and picket in a remote area and to any pilot. The flight school at the SA Wildlife College strongly advise that new pilots to this type of flying proceed with caution, and Management understand and accept the risks as they do in their daily activities when they "prowl the empty bush at night, in fast cars and on foot".

The flight school has offered to share with Management the GKEPF air wing Standard Operating Procedures Manual, which outlines levels of experience correlated to types of operations. Management intend to follow these protocols, including six-monthly refreshers and training, as GKEPF colleagues. This is an example of our further cooperation with neighbours and the industry in our area in the collective effort to conserve our environment and conduct anti-poaching operations. In fact GKEPF have recently been enquiring when support from the Ingwelala aircraft may come online, as it is needed. We are committed to assisting all in the Nkhoru PNR Association, the Umbabat and the APNR to the best of limited resources.

There remains the need to finalise our own standard operating procedures for the use of the aircraft when called upon, e.g. in responding to “shots fired” reports or the discovery of an animal carcass. These will be within the framework already provided by the GKEPF air wing SOP manual.

The 2016 Board was consulted by Management to consider a special purpose company or third party to take ownership of the aircraft and to operate the flying service. While such arrangements could have been achieved there was, in any event, going to be a delay while the official arrangements were being put in place. The 2016 Board ultimately advised that given the significant financial contributions made by Ingwelala members that it was preferable to have the aircraft owned close to home and located in our vicinity rather than at some other somewhat distant facility and under the control of someone else, even if associated with conservation and anti-poaching.

During the latter part of 2016 a retired legal practitioner Ingwelala member indicated his opinion to the Board that he felt there was some uncertainty in terms of the Share Blocks Act as to whether Ingwelala was entitled to own this type of asset in the pursuit of its main objects. This uncertainty is an interpretation by that Member of the Share Blocks Act and as a consequence the Board in November 2016 before the 2016 AGM decided by formal board resolution to observe that expressed cautiousness and to have the aircraft owned by the Sibon Company, which is not a Share Block Company. This process is under way.

Bearing in mind that the aircraft is arguably long term virtually fully funded by voluntarily made cash donations and Management and Member fundraising, the ownership of the aircraft by Sibon does not use any Sibon standalone funding. And as 194 of Ingwelala’s 209 shareblocks are also Members of Sibon, some 93% common ownership, the aircraft is owned and located close to home.

The Board considered the insurance and legal obligations in the event of a mishap with the aircraft. The Company’s insurers have indicated that the current insurance policies and cover in place are satisfactory in the event of an unfortunate accident whether very serious or not.

We have confirmed with our insurance broker that the Insurer holds Ingwelala Share Block / Sibon covered for the aircraft and for the use - anti-poaching, pursuits in response to gun shots or tracks seen, general surveillance and also for conservation purposes, e.g. mapping burns, monitoring animal numbers and health, looking for sick/injured animals, surface water availability etc. The current coverage reflects the Permitted Uses as: “Private business; pleasure; industrial aid; advanced instruction; rental to Named Permitted Pilots; conversion-to-type instruction of Named Permitted Pilots; anti-poaching/surveillance flights, conservation work and game counting.

An emergency medical evacuation flight would be covered if this was incidental to the normal operation of the aircraft. But not if it was a service being offered to the local community.

At present only two persons are noted as Named Permitted Pilots. Other pilots should be disclosed in due course to the Insurer for approval by Insurers. Naturally, any pilot (including those named) would need to be properly qualified to fly the aircraft.

The staff flying (even though employed) are doing so on a volunteer basis and therefore cannot be considered flying commercially in any sense of the word, this is very important. There is no restriction in terms of employees / members flying the aircraft provided that they are properly licensed / rated, have been included in the insurance as Named Permitted Pilots, and there is no reward involved.

Game counting falls under the definition of activities for which a Game / Livestock Cull Rating is a requirement (per the CARs Part 61: ““cull” includes the selection, counting and herding of game and livestock”). So any pilot undertaking game counting would require the appropriate rating.

The Board has satisfactorily determined that there is no requirement for employees of Ingwelala who fly the aircraft (whether the aircraft is owned by Ingwelala or Sibon or any other party) to be in possession of a commercial pilot’s license and that a conventional private pilot’s license is sufficient. In particular, the operator, rather than the owner, of the aircraft is responsible for flight safety. Naturally the owner has obligations to maintain the aircraft.

The Project Sky Hawk Team is confident that over time the aircraft will maintain its commercial resale value and if sold will recoup the original cost.

This exciting project still needs to be fully achieved and the Board is working with Management to as soon as reasonable have an operational aircraft fully within the financial and operational risk parameters determined by the Board with due regard to the safety of the volunteer pilots.

I endorse the message that Kevin Alborough included in his Project Sky Hawk newsletter in September 2016: *“We are at an important crossroad in the development and protection of our special home at Ingwelala. We all need to do more to save this important asset and provide a legacy to our families into the future. I encourage you all, in whatever way you can, to support the ongoing fundraising of this important project.”*

Thank you again to the so many Members who voluntarily funded Project Sky Hawk and in so doing not requiring material funding from the regular Ingwelala capital or operational budget.

Sincerely



John Saker
Chairman