

REGISTERED NUMBER:
1555021
England and Wales

LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED

ANNUAL REPORT AND ACCOUNTS

31st JANUARY 2003



IAN W SMITH
CHARTERED ACCOUNTANT

LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED

COUNCIL OF MANAGEMENT	S Stephenson	Chairman
	D C Richardson	Vice Chairman
	C Cole	Secretary
	R P Chapman	Treasurer
	B Briscoe	Journal Editor
	P Skinner	Roving Reporter
	R C Bainborough	
	J S Ball	
	L R Lane	
	D A McCarthy	
	A R Allen	

COMPANY REGISTERED OFFICE 49 Canwick Road
Lincoln LN5 8HE

COMPANY REGISTERED NUMBER 1555021 - England and Wales

REGISTERED CHARITY NUMBER 511418

ACCOUNTANT Ian W Smith
Chartered Accountant and Chartered Tax Adviser
9 Herrington Avenue
Nettleham
Lincoln
LN2 2XU

ANNUAL REPORT AND ACCOUNTS - 31ST JANUARY 2003

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3	Accountant's Report
4	Statement of Financial Activities, including Income and Expenditure Account
5	Balance Sheet
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LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED

REPORT OF THE COUNCIL OF MANAGEMENT

The Council of Management present their annual report with the accounts of the Association for the year ended 31st January 2003.

Principal Activity

The principal activity of the Association in the year under review was to create interest and raise funds to maintain, preserve, restore and display the Lancaster Bomber "City of Lincoln" and any other aeroplanes and objects of historical interest associated with the Lancaster or the Royal Air Force for the benefit of the public and as a memorial to Bomber Command personnel during the 1939-1945 war.

A fund is being generated in anticipation of the situation arising when the Lancaster eventually ceases to fly, so that appropriate action can be taken as necessary following any decision by the RAF.

Donations from specific sources and raffle income have been designated for use by or payment to the Battle of Britain Memorial Flight at RAF Coningsby, which includes the Lancaster Bomber and other World War II aircraft.

A wholly owned non-charitable subsidiary trading company was formed on 24th May 1995 and commenced to sell items relevant to the objects of the Association.

Council Members

The members of the Council of Management in office in the year were as follows:

A. R. Allen
R Bainborough
J Ball
B Briscoe
R P Chapman
C Cole
L R Lane
D A McCarthy
D C Richardson
P Skinner
S Stephenson

In accordance with Article 44 of the Articles of Association, Messrs Ball, Briscoe, Lane and Richardson retire by rotation. Being eligible, they have all offered themselves for re-election.

LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED

REPORT OF THE COUNCIL OF MANAGEMENT (Continued)

Members of the Council of Managements' Responsibilities

Company law requires the members of the Council of Management to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Association and of the financial activities of the Association for that period. In preparing those accounts, the members of the Council of Management are required to:

- * select suitable accounting policies and then apply them consistently;
- * make judgements and estimates that are reasonable and prudent;
- * follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- * prepare the accounts on the going concern basis unless it is inappropriate to presume that the Association will continue in operation.

The members of the Council of Management are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and the detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the Council of Management


.....
C Cole - Secretary

Approved by the Council: 12th April 2003

ACCOUNTANT'S REPORT TO THE MEMBERS
ON THE UNAUDITED ACCOUNTS OF
LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED

I report on the accounts for the year ended 31st January 2003 set out on pages 4 to 9.

Respective responsibilities of Council of Management and reporting accountant

As described on the balance sheet the company's Council of Management are responsible for the preparation of the accounts and they consider that the company is exempt from an audit. It is my responsibility to carry out procedures designed to enable me to report my opinion.

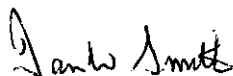
Basis of opinion

My work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so my procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as I considered necessary for the purposes of this report. These procedures provide only the assurance expressed in my opinion.

Opinion

In my opinion:

- (a) the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985;
- (b) having regard to only, and on the basis of, the information contained in those accounting records:
 - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249A(4) of the Act as modified by section 249A(5) and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).



Ian W Smith
Reporting Accountant
9 Herrington Avenue
Nettleham
Lincoln
LN2 2XU

12th April 2003

LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED
STATEMENT OF FINANCIAL ACTIVITIES, INCLUDING INCOME AND EXPENDITURE
ACCOUNT FOR THE YEAR ENDED 31st JANUARY 2003

	General Fund	Designated Fund	Total	2002 Total
	£	£	£	£
Incoming resources				
Subscriptions	37502	-	37502	36002
Donations and gifts	11321	4688	16009	13662
Raffle and other fund raising	-	<u>7321</u>	<u>7321</u>	<u>9509</u>
	48823	12009	60832	59173
Investment income - bank interest	<u>2392</u>	-	<u>2392</u>	<u>3487</u>
Total incoming resources (note 3 to accounts)	<u>51215</u>	<u>12009</u>	<u>63224</u>	<u>62660</u>
Resources expended				
Direct charitable expenditure:				
Newsletters	13674		13674	13346
Other printing	1742		1742	1191
Postage	8700		8700	8423
Envelopes and other stationery	3027		3027	1484
Data input	143		143	435
Advertising	1953		1953	1645
RAF open days	140		140	663
Donations:				
Battle of Britain Memorial Flight	5707	8672	14379	8157
Lincolnshire Aviation Heritage Centre	-	250	250	250
Vulcan Restoration Trust	-	-	-	750
RAF Coningsby Station Charity Fund	-	1500	1500	-
Sundry other	600		600	750
Legal fees	2172		2172	-
Rates and water	318		318	306
Light and heat	311		311	397
Repairs, renewals and maint - property	8438		8438	336
Insurance	248		248	192
Raffle expenditure	-	826	826	1405
Miscellaneous expenses	342		342	271
Depreciation	<u>1782</u>		<u>1782</u>	<u>1375</u>
	49297	11248	60545	41376
Management and administration:				
Accountants remuneration	<u>375</u>	-	<u>375</u>	<u>360</u>
Total resources expended	<u>49672</u>	<u>11248</u>	<u>60920</u>	<u>41736</u>
Net incoming (outgoing) resources before transfer	1543	761	2304	20924
Transfer between funds	-	-	-	-
Net incoming (outgoing) resources for the year	1543	761	2304	20924
Accumulated fund at 1 February 2002	<u>156316</u>	-	<u>156316</u>	<u>135392</u>
Accumulated fund at 31 January 2003	<u>157859</u>	<u>761</u>	<u>158620</u>	<u>156316</u>
Trading activities - subsidiary company				
Gross income (note 5 to accounts)			<u>4168</u>	<u>1</u>

Continuing Operations

None of the Association's activities were acquired or discontinued during the above two financial years.

Total Recognised Gains and Losses

The Association has no recognised gains or losses other than the net income for the above two financial years.

LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED

BALANCE SHEET AS AT 31st JANUARY 2003

	2003 £	2002 £
Fixed Assets		
Tangible assets (note 4)	39266	38681
Investment - shares in subsidiary company (note 5)	2	2
	<u>39268</u>	<u>38683</u>
Current Assets		
Debtors: Amount owed by subsidiary company	-	4480
Prepayments	245	561
Bank: Current account	2744	274
Deposit accounts	62829	54133
Reserve account	62519	60580
	<u>128337</u>	<u>120028</u>
Creditors: amounts falling due within one year		
Trade creditors	-	1592
Accruals	8985	803
	<u>8985</u>	<u>2395</u>
Net Current Assets	<u>119352</u>	<u>117633</u>
Total Assets Less Current Liabilities	<u>158620</u>	<u>156316</u>
Accumulated Fund		
Unrestricted	158620	156316

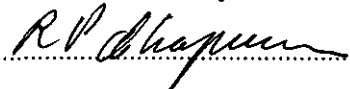
For the financial year ended 31st January 2003 the company was entitled to exemption from audit under section 249A(2) Companies Act 1985; and no notice has been deposited under section 249B(2). The Council of Management acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 and preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the year and of its profit or loss for the financial year in accordance with the requirements of section 226 and which otherwise comply with the requirements of the Companies Act 1985, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions of Part VII of Companies Act 1985 relating to small companies.

Signed on behalf of the Council of Management

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.....

S Stephenson - Chairman

D C Richardson - Vice Chairman

R P Chapman - Treasurer

Approved by the Council: 12th April 2003

LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS - 31st JANUARY 2003

1 Status

The Association is a company limited by guarantee formed in 1981 and is registered as a charity. The liability of each member is restricted to one pound. The Association is exempt from Corporation Tax as long as its income is used for charitable purposes.

2 Accounting Policies

a) Basis of Accounting

The accounts have been prepared under the historical cost convention in accordance with applicable accounting standards. The provisions of Accounting by Charities - Statement of Recommended Practice have been adopted in these accounts.

b) Cash Flow

The accounts do not include a cash flow statement because the Association, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "Cash flow statements".

c) Income

Subscriptions and donations are included in income on receipt.

d) Tangible Fixed Assets

Depreciation is provided in order to write off the cost of fixtures, fittings and equipment over their estimated useful lives on a straight line basis at a rate of 20%.

The Shackleton aircraft is kept at Newark Air Museum as a static display, in return for which the museum stores and maintains it and when necessary will perform major overhaul and refit work. The Association will also have any additional work done that it feels necessary. In view of the condition of the aircraft being preserved it is the opinion of the Council of Management that it not be depreciated.

Depreciation is not provided on the freehold building 49 Canwick Road, Lincoln which is included at original cost together with the cost of improvements. In the opinion of the Council of Management, the residual value of the building is such that depreciation would be immaterial.

No depreciation is provided on freehold land.

3 Income

Subscriptions and donations arising from members outside the United Kingdom are not considered to be a significant amounts.

Donations from specific sources and raffle income have been designated for use by or payment to the Battle of Britain Memorial Flight.

LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS - 31st JANUARY 2003

4	Tangible Fixed Assets	Freehold Property	Fixtures Fittings and Equipment	Shackleton Aircraft	Total
		£	£	£	£
	Cost				
	At 1st February 2002	23418	11926	11528	46872
	Additions	-	2367	-	2367
	At 31st January 2003	23418	14293	11528	49239
	Depreciation				
	At 1st February 2002	-	8191	-	8191
	Charge for the year	-	1782	-	1782
	At 31st January 2003	-	9973	-	9973
	Net Book Values				
	At 31st January 2003	23418	4320	11528	39266
	At 31st January 2002	23418	3735	11528	38681

- 5 Investment**
The Association's investment in its subsidiary company represents the whole of the issued share capital of L.L.A. (Sales) Ltd of two ordinary £1 shares. The company was registered in England and Wales on 24th May 1995 and principally operates in the United Kingdom. The results of the company are as follows on pages 8 and 9

6	Commitments	2003	2002
	Capital Commitments	£	£
	At 31st January 2003 capital expenditure commitments were as follows:		
	Contracted but not provided for in the accounts	-	-

Charitable Commitments

The Association is committed to continuing expenditure on aircraft restoration for the Battle of Britain Memorial Flight of an amount not provided for in the accounts of approximately £10511 (2002 nil).

7 Post Balance Sheet Events

There have been no post balance sheet events which materially effect the Association's affairs.

LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED
NOTES TO THE ACCOUNTS - 31st JANUARY 2003
L.L.A. (SALES) LTD - Detailed Profit and Loss Account
for the year ended 31st January 2003

	2003		2002	
	£	£	£	£
Sales		34579		24021
Cost of sales and stock write-down				
Stocks 1st February 2002	10090		11259	
Purchases	24099		17070	
	<u>34189</u>		<u>28329</u>	
Less: Stocks 31st January 2003	7760		10090	
	<u>26429</u>		<u>18239</u>	
Gross Profit		<u>8150</u>		<u>5782</u>
Selling and Distribution Costs				
Postage and packing	859		602	
Advertising and display	-		134	
	<u>859</u>		<u>736</u>	
Administrative Expenses				
Stationery and printing	1981		2163	
Telephone and fax	176		173	
Credit card charges	285		231	
Insurance	248		193	
Gift aid	-		1800	
Sundry expenses	60		73	
Accountants remuneration	375		360	
Depreciation	-		64	
	<u>3125</u>		<u>5057</u>	
		3984		5793
Operating Profit (Loss)		<u>4166</u>		<u>(11)</u>
Bank Interest Received		2		12
Profit on ordinary activities before taxation		<u>4168</u>		<u>1</u>
Taxation		(66)		(4)
Profit (Loss) for financial year		4102		(3)
Retained Profit at 1st February 2002		<u>12285</u>		<u>12288</u>
Retained Profit at 31st January 2003		<u>16387</u>		<u>12285</u>

LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS - 31st JANUARY 2003

**L.L.A. (SALES) LTD - Balance Sheet as at
31st January 2003**

	2003	2002
	£	£
Fixed Assets		
Tangible assets	-	-
Current Assets		
Stocks	7760	10090
Debtors	1809	199
Cash at bank and in hand	8279	9191
	17848	19480
Creditors: amounts falling due within one year		
Trade creditors	188	895
Other creditors	806	1410
Amount owed to holding company	-	4480
Corporation tax	64	2
Accruals	401	406
	1459	7193
Net Current Assets	16389	12287
Total Assets less Current Liabilities	16389	12287
Capital and Reserves		
Called up share capital	2	2
Profit and loss account	16387	12285
Shareholders' Funds	16389	12287