

REGISTERED NUMBER:

1555021

England and Wales

LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED

ANNUAL REPORT AND ACCOUNTS

31st JANUARY 2004



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
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
6 The Hawthorns
Nettleham
Lincoln
LN2 2GD

ANNUAL REPORT AND ACCOUNTS - 31ST JANUARY 2004

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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 2004.

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 Chapman, McCarthy and Stephenson retire by rotation. Being eligible, they have all offered themselves for re-election. Mr. Briscoe has resigned in accordance with Article 43(D).

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: 17th April 2004

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 2004 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
6 The Hawthorns
Nettleham
Lincoln
LN2 2GD

17th April 2004

LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED
STATEMENT OF FINANCIAL ACTIVITIES, INCLUDING INCOME AND EXPENDITURE
ACCOUNT FOR THE YEAR ENDED 31st JANUARY 2004

	General Fund £	Designated Fund £	Total £	2003 Total £
Incoming resources				
Subscriptions	37240	-	37240	37502
Donations and gifts	21627	1510	23137	16009
Raffle	-	8036	8036	7321
	<u>58867</u>	<u>9546</u>	<u>68413</u>	<u>60832</u>
Investment income - bank interest	2770	-	2770	2392
Total incoming resources (note 3 to accounts)	<u>61637</u>	<u>9546</u>	<u>71183</u>	<u>63224</u>
Resources expended				
Direct charitable expenditure:				
Journals	13167		13167	13674
Other printing	2025		2025	1742
Postage	8752		8752	8700
Envelopes and other stationery	2757		2757	2917
Raffle expenditure	-	800	800	826
Advertising and display	680		680	2063
RAF Open Day Waddington	512		512	140
Donations:				
Battle of Britain Memorial Flight	17925	4630	22555	14379
RAF Benevolent Fund	500		500	500
Lincolnshire Aviation Heritage Centre	-		-	250
RAF Coningsby Station Charity Fund	-		-	1500
Sundry other	-		-	100
Legal fees	-		-	2172
Rates and water	334		334	318
Light and heat	428		428	311
Repairs, renewals and maint - property	141		141	8438
Insurance	330		330	248
Telephone	298		298	-
Miscellaneous expenses	306		306	485
Depreciation	<u>2127</u>		<u>2127</u>	<u>1782</u>
	<u>50282</u>	<u>5430</u>	<u>55712</u>	<u>60545</u>
Management and administration:				
Accountants remuneration	395		395	375
Total resources expended	<u>50677</u>	<u>5430</u>	<u>56107</u>	<u>60920</u>
Net incoming resources				
before transfer	10960	4116	15076	2304
Transfer between funds	-	-	-	-
Net incoming resources				
for the year	10960	4116	15076	2304
Accumulated fund at 1February2003	<u>157859</u>	<u>761</u>	<u>158620</u>	<u>156316</u>
Accumulated fund at 31January 2004	<u>168819</u>	<u>4877</u>	<u>173696</u>	<u>158620</u>
Trading activities - subsidiary company				
Gross income (note 5 to accounts)			4562	4168

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 2004

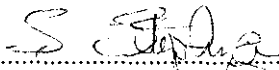
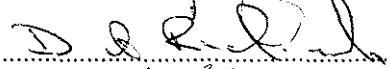
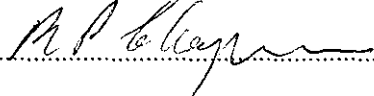
	2004 £	2003 £
Fixed Assets		
Tangible assets (note 4)	39675	39266
Investment - shares in subsidiary company (note 5)	2	2
	39677	39268
Current Assets		
Debtors: Amount owed by subsidiary company	3428	-
Prepayments	271	245
Bank: Current account	2016	2744
Deposit accounts	24851	62829
Reserve account	104319	62519
	134885	128337
Creditors: amounts falling due within one year		
Subscriptions overpaid	104	-
Accruals	762	8985
	866	8985
Net Current Assets	134019	119352
Total Assets Less Current Liabilities	173696	158620
Accumulated Fund		
Unrestricted	173696	158620

For the financial year ended 31st January 2004 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

S Stephenson - Chairman

D C Richardson - Vice Chairman

R P Chapman - Treasurer

Approved by the Council: 17th April 2004

LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS - 31st JANUARY 2004

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 2004

4	Tangible Fixed Assets	Freehold Property	Fixtures Fittings and Equipment	Shackleton Aircraft	Total
		£	£	£	£
	Cost				
	At 1st February 2003	23418	14293	11528	49239
	Additions	-	2536	-	2536
	At 31st January 2004	23418	16829	11528	51775
	Depreciation				
	At 1st February 2003	-	9973	-	9973
	Charge for the year	-	2127	-	2127
	At 31st January 2004	-	12100	-	12100
	Net Book Values				
	At 31st January 2004	23418	4729	11528	39675
	At 31st January 2003	23418	4320	11528	39266

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	2004	2003
	Capital Commitments	£	£
	At 31st January 2004 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. The amount not provided for in the accounts at 31st January 2004 is £nil (2003 - £10511).		

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 2004
L.L.A. (SALES) LTD - Detailed Profit and Loss Account
for the year ended 31st January 2004

	2004		2003	
	£	£	£	£
Sales		31810		34579
Cost of sales and stock write-down				
Stocks 1st February 2003	7760		10090	
Purchases	15251		24099	
	<u>23011</u>		<u>34189</u>	
Less: Stocks 31st January 2004	9787		7760	
	<u>13224</u>		<u>26429</u>	
Gross Profit		<u>18586</u>		<u>8150</u>
Selling and Distribution Costs				
Stationery and printing	2527		1981	
Postage and packing	1051		859	
Credit card charges	448		285	
	<u>4026</u>		<u>3125</u>	
Administrative Expenses				
Telephone and fax	227		176	
Insurance	330		248	
Accountants remuneration	395		375	
Sundry expenses	49		60	
Gift Aid	9000		-	
Depreciation	6		-	
	<u>10007</u>		<u>859</u>	
		<u>14033</u>		<u>3984</u>
Operating Profit		<u>4553</u>		<u>4166</u>
Bank Interest Received		9		2
Profit on ordinary activities before taxation		<u>4562</u>		<u>4168</u>
Taxation		<u>-</u>		<u>(66)</u>
Profit for financial year		<u>4562</u>		<u>4102</u>
Retained Profit at 1st February 2003		<u>16387</u>		<u>12285</u>
Retained Profit at 31st January 2004		<u>20949</u>		<u>16387</u>

LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS - 31st JANUARY 2004

L.L.A. (SALES) LTD - Balance Sheet as at 31st January 2004

	2004 £	2003 £
Fixed Assets		
Tangible assets	24	-
Current Assets		
Stocks	9787	7760
Debtors	257	1809
Cash at bank	15786	8279
	25830	17848
Creditors: amounts falling due within one year		
Trade creditors	-	188
Other creditors	1076	806
Amount owed to holding company	3428	-
Corporation tax	-	64
Accruals	399	401
	4903	1459
Net Current Assets	20927	16389
Total Assets less Current Liabilities	20951	16389
Capital and Reserves		
Called up share capital	2	2
Profit and loss account	20949	16387
Shareholders' Funds	20951	16389