REGISTERED NUMBER.
1555021
England and Wales

LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED

ANNUAL REPORT AND ACCOUNTS

31st JANUARY 2007

IAN W SMITH

CHARTERED ACCOUNTANT

TUESDAY

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COMPANIES HOUSE

LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED

COUNCIL OF MANAGEMENT	S Stephenson	Chairman
	D C Richardson	Vice Chairman
	C Cole	Secretary
	R P Chapman	Treasurer
	T J Allett	Journal Editor
	R C Bainborough	
	J S Ball	
	P Skinner	
	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 2007

Pages	1 - 2	Report of the Council of Management
	3	Accountant's Report
	4	Statement of Financial Activities, including Income & Expenditure Account
	5	Balance Sheet
	6 - 9	Notes to the Accounts including results of L L A. (Sales) Ltd

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 2007

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 initially 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 L L A (Sales) Ltd, was formed on 24th May 1995 and commenced to sell items relevant to the objects of the Association In the year ended 31st January 2006 it also supplied and delivered for the Association its biannual journal "Memorial Flight" The printing and distribution has now reverted to the Association

Council Members

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

A R Allen	
T J Allett	(appointed 29th April 2006)
R C Bainborough	
J S Ball	
R P Chapman	
C Cole	
L R Lane	(resigned 25th January 2007)
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 Lane has resigned in accordance with Article 43 (D)

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 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 the behalf of the Council of Management



C Cole - Secretary

Approved by the Council 9th March 2007

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 2007 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 the companies not entitled to the exemption specified in section 249B (1)

Ian W Smith
Reporting Accountant
6 The Hawthorns
Nettleham
Lincoln
LN2 2GD

9th March 2007

LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED
STATEMENT OF FINANCIAL ACTIVITIES, INCLUDING INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST JANUARY 2007

	General Fund	Designated Fund	Total	2006 Total
Incoming Resources	£	£	£	£
Subscriptions	39017	-	39017	37895
Donations & Gifts	17916	3494	21410	41640
Income tax refunded under Gift Aid	6601	-	6601	-
Raffle	-	9340	9340	7966
	63534	12834	76368	87501
Investment Income - Bank Interest	5692	-	5692	5111
Interest on income tax refunded	383	-	383	-
Total incoming resources (note 3 to accounts)	69609	12834	82443	92612
Resources Expended				
Direct charitable expenditure				
Journal including distribution	11004		11004	14110
Other printing	2223		2223	2062
Postage	2991		2991	2380
Stationery	1311		1311	653
Computer overheads	1315		1315	338
Raffle expenditure	-	932	932	785
Advertising and display	190		190	396
RAF Open Day, Waddington	93		93	108
Members Day, RAF Coningsby	851		851	691
Donations				
Battle of Britain Memorial Flight	13430	5991	19421	16717
RAF Benevolent Fund	500		500	500
Bomber Command Memorial Fund	5000		5000	-
Hanger project appraisal costs	275		275	-
Rates and water	375		375	359
Light and heat	828		828	623
Repairs, renewals and maintenance - property	360		360	3698
Insurance	372		372	383
Telephone	165		165	223
Miscellaneous expenses	87		87	81
Depreciation	2241		2241	2129
	43611	6923	50534	46236
Management and administration				
Legal fees	-		-	593
Accountant's remuneration	685		685	535
Total resources expended	44296	6923	51219	47364
Net incoming resources before transfer	25313	5911	31224	45248
Transfer between funds	-	-	-	-
Net incoming resources for the year	25313	5911	31224	45248
Accumulated fund at 1 February 2006	235943	5910	241853	196605
Accumulated fund at 31 January 2007	261256	11821	273077	241853
Trading activities - subsidiary company				
Profit (Loss) (note 5 to accounts)			1018	(549)

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 - 31ST JANUARY 2007

		2007	2006
		£	£
Fixed Assets			
Tangible assets (note 4)		71035	65728
Investment - shares in subsidiary company (note 5)		2	2
		71037	65730
Current Assets			
Debtors	Amount owed by subsidiary company	2300	15944
	Income tax repayable	2373	-
	Prepayments	413	388
Bank	Current account	1046	-
	Deposit accounts	79644	52342
	Reserve account	117121	112594
		202897	181268
Creditors: amounts falling due within one year			
Bank overdraft		-	1675
Accruals		857	3470
		857	5145
Net Current Assets		202040	176123
Total Assets Less Current Liabilities		273077	241853
Accumulated Fund			
Unrestricted		273077	241853

For the financial year ended 31st January 2007 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

The 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 9th March 2007

LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS - 31ST JANUARY 2007

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 £1 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 and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP) applicable accounting standards and the Companies Act 1985 Consolidated accounts have not been prepared in accordance with the size of the group

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, with the exception of Gift Aid due from L L A (Sales) Ltd, are included in income on receipt Tax repayments by H M Revenue & Customs under members Gift Aid declarations are included when receivable

d) **Tangible Fixed Assets**

Depreciation is provided in order to write off the cost of each item of fixtures, fittings and equipment over its estimated useful life on a straight line basis at an annual rate of 20% or 25%

The aircraft are kept at Newark Air Museum on static display, in return for which the museum stores and maintains them 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 they are not to 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 amount

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

LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS - 31ST JANUARY 2007

4 **Tangible Fixed Assets**

	Freehold property	Fixtures Fittings & Equipment	Shackleton & Vulcan Aircraft	Total
	£	£	£	£
Cost				
At 1st February 2006	26165	19584	36528	82277
Additions	5259	2289	-	7548
At 31st January 2007	31424	21873	36528	89825
Depreciation				
At 1st February 2006	-	16549	-	16549
Charge for the year	-	2241	-	2241
At 31st January 2007	-	18790	-	18790
Net Book Value				
At 31st January 2007	31424	3083	36528	71035
At 31st January 2006	26165	3035	36528	65728

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**

Capital Commitments	2007 £	2006 £
At 31st January 2007 capital expenditure commitments were as follows		
Contracted but not provided for in the accounts	-	-

Charitable Commitments

The Association is committed to continuing expenditure including aircraft restoration for the Battle of Britain Memorial Flight The amount not provided for in the accounts at 31st January 2007 is £4586 (2006 - £4930)

7 **Transaction with Director**

In the previous year a Vulcan Bomber was purchased from Mr S Stephenson for the sum of £25000 The decision to make this purchase was taken by the Council of Management in the absence of Mr Stephenson

8 **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 2007
L.L.A. (SALES) LTD - Detailed Profit and Loss Account
for the year ended 31st January 2007

	2007		2006	
	£	£	£	£
Sales (including Journal "Memorial Flight" under 2006)		41672		61646
Cost of sales and stock write-down				
Stocks 1st February 2006	13463		10477	
Purchases	31691		30743	
	45154		41220	
Less Stocks 31st January 2007	11987		13463	
	33167		27757	
Printing and distribution - Journal	-	33167	14678	42435
Gross Profit		8505		19211
Selling and Distribution Costs				
Printing and stationery	1998		1551	
Postage and packing	2273		1724	
Credit card charges	492		543	
Advertising	141		-	
	4904		3818	
Administrative Expenses				
Insurance	371		357	
Accountant's remuneration	685		535	
Sundry expenses	34		69	
Gift Aid	1500		15000	
Depreciation	6		6	
	2596		15967	
		7500		19785
Operating Profit (Loss)		1005		(574)
Bank Interest Received		13		25
Profit (Loss) on ordinary activities before taxation		1018		(549)
Taxation		-		-
Profit (Loss) for financial year		1018		(549)
Retained Profit at 1st February 2006		19785		20334
Retained Profit at 31st January 2007		20803		19785

LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED
NOTES TO THE ACCOUNTS - 31ST JANUARY 2007
L.L.A. (SALES) LTD - Balance Sheet as at
31st January 2007

	2007 £	2006 £
Fixed Assets		
Tangible assets	6	12
Current Assets		
Stocks	11987	13463
Debtors	361	420
Cash at bank	13060	24537
	25408	38420
Creditors: amounts falling due within one year		
Trade creditors	-	498
Other creditors	1643	1663
Amount owed to holding company	2300	15944
Corporation tax	-	-
Accruals	666	540
	4609	18645
Net Current Assets	20799	19775
Total Assets less Current Liabilities	20805	19787
Capital and Reserves		
Called up share capital	2	2
Profit and loss account	20803	19785
Shareholder's Funds	20805	19787