

COMPANY NUMBER : 1555021 England and Wales
CHARITY NUMBER : 511418

LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31ST JANUARY 2011

IAN W SMITH

CHARTERED ACCOUNTANT

FRIDAY



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LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED

REPORT OF THE COUNCIL OF MANAGEMENT

FOR THE YEAR ENDED 31ST JANUARY 2011

The Council of Management present their annual report with the financial statements of the Association for the year ended 31st January 2011

Reference and Administrative Details

Charity registration number 511418

Company registration number 1555021 - England and Wales

Registered office and operational address. 49 Canwick Road, Lincoln LN5 8HE

Council of Management

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

S Stephenson MBE	Chairman
D C Richardson	Vice Chairman
C Cole	Secretary
R P Chapman	Treasurer
T J Allett	Journal Editor
C J Harris	Membership Secretary
R C Bainborough	
J S Ball	
D A McCarthy	
A R Allen	
Mrs Y Masters	BBMF Public Relations Officer
Ms J Unwin (appointed 29th July 2010)	

Independent examiner Ian W Smith FCA CTA 6 The Hawthorns, Nettleham, Lincoln LN2 2GD

Bankers HSBC plc, 221 High Street, Lincoln LN1 1TS

Structure, Governance and Management

Governing document

The Association is a company limited by guarantee governed by its Memorandum and Articles of Association dated 6th April 1981. The members voted on 22nd April 2000 in Annual General Meeting to remove the audit requirement. Due to the level of income of the Association an independent examination is performed. It is registered as a charity with the Charity Commission. There are currently reported to be 5500 active members each of whom agree to contribute an amount not exceeding £1 in the event of the Association being wound up.

Recruitment and Appointment of Council of Management

The directors of the company are also charity trustees for the purposes of charity law and under the Association's Articles are known as members of the Council of Management. Under the Articles one-third of the Council members retire by rotation at each Annual General Meeting. The Council may appoint any member of the Association as a member of the Council if they are considered to be suitable with proven interest. This person has to be re-elected at the next AGM. In accordance with Article 44 of the Articles of Association, Messrs Allen, Cole and Harris retire by rotation. Being eligible, they have offered themselves for re-election. Ms Unwin who was appointed during the year under Article 35 also retires and being eligible offers herself for re-election.

LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED

REPORT OF THE COUNCIL OF MANAGEMENT

FOR THE YEAR ENDED 31ST JANUARY 2011 (continued)

Objects and Activities

The Association's objects and principal activities are 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 and other World War II aircraft. The Council has the power to re-designate surpluses of these donations within unrestricted funds.

A wholly owned non-charitable subsidiary trading company L.L.A. (Sales) Ltd was formed on 24th May 1995 and sells items relevant to the objects of the Association.

The objects and activities were focused upon during the year.

The Council of Management remain volunteers and the value of their work is considerable and impossible to quantify financially.

Achievements and performance

In the year ended 31st January 2011 while subscriptions received were again slightly down donations increased by over 10% returning to the 2008/09 figure. Although the raffle income was below the exceptional amount of last year, members contributed significantly towards the increasing cost of the Members Day. Income tax is now being recovered from HM Revenue & Customs again through Gift Aid and there are further amounts to come. In spite of increased funds investment income now reflects the fall in interest rates and the timing of payments.

Waddington Air Show successfully promoted the Association to the general public, however, the Members Open Day with the Battle of Britain Memorial Flight at RAF Coningsby suffered due to the weather with numbers down and flying not possible. The BBMF dinner was also postponed due to the weather.

The biannual Journal remains a professional production of quality and interesting information and photographs and continues to expand.

The sales company has continued to provide for purchase items of technical and historical interest maintaining a steady level of turnover from members and the public. The new trailer was used by the BBMF at events during the year producing increased sales. Again there is no Gift Aid due to cash flow requirements.

Work is continuing to completely update the computer equipment and software for both companies to aid administration and sales. Training has taken place in the year. The new website is operating and will be an expanding and developing source of up-to-date information.

The Association is completing payment towards the exhaust shrouds for the Lancaster, which have proved more difficult to produce and fit than expected. A final £20395 has been invoiced. Donations towards the Spitfire rebuild, which has been on going for several years, have been made in the year in the sum of £12481. Further donations have been made from raffle proceeds. Consequently a relatively small surplus of £2598 remains and this is added to funds to meet objectives in the future.

LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED

REPORT OF THE COUNCIL OF MANAGEMENT

FOR THE YEAR ENDED 31ST JANUARY 2011 (continued)

Policy on Reserves

An objective of the Association is to accumulate as large a fund as possible while meeting overheads, the preservation of its property and aircraft, the production of the Journal and the making of donations to BBMF as required. The Council of Management are confident that a significant fall in income, which it considers to be unlikely, will not prevent the Association meeting its costs and commitments. While unrestricted funds not invested in fixed assets are over £300,000, the Council consider that the nature of the Association and continuous financial monitoring will ensure that the need to deplete reserves will not arise.

The above report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and the Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2005).

Signed on the behalf of the Council of Management

A handwritten signature in black ink, appearing to read 'C Cole', with a stylized flourish at the end.

C Cole - Secretary

Approved by the Council 24th March 2011

LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED

I report on the financial statements of the company for the year ended 31st January 2011, which are set out on pages 5 to 11

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements. The trustees consider that an audit is not required for this year under section 43(2) of the Charities Act 1993 (the 1993 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to

- examine the financial statements under section 43 of the 1993 Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 43(7)(b) of the 1993 Act, and
- to state whether particular matters have come to my attention

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention

(1) which gives me reasonable cause to believe that in any material respect the requirements

- to keep accounting records in accordance with section 386 of the Companies Act 2006, and
- to prepare financial statements which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice Accounting and Reporting by Charities

have not been met or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached



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

24th March 2011

LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED
STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE
ACCOUNT) FOR THE YEAR ENDED 31ST JANUARY 2011

	Unrestricted Funds	
	2011	2010
	£	£
Incoming Resources		
Subscriptions	43769	44169
Donations	31695	28506
Income tax refunded under Gift Aid, including interest	2576	-
Raffle	9624	11040
Members Day administration contributions	6115	-
	<u>93779</u>	<u>83715</u>
Investment Income - Bank Interest	511	11342
Total incoming resources	<u>94290</u>	<u>95057</u>
Resources Expended		
Journal including distribution	14516	12915
Other printing	6059	3313
Postage and distribution	7014	6940
Stationery	750	1614
Computer overheads	6068	-
Raffle expenditure	866	1820
Advertising and display	167	226
Members Day, RAF Coningsby	4304	2850
Donations		
Battle of Britain Memorial Flight	43441	10825
RAF Benevolent Fund	500	500
Bomber Command Memorial Appeal	-	5000
Rates and water	385	409
Light and heat	1443	1191
Repairs, renewals and maintenance - property	702	-
Insurance	865	498
Telephone	185	166
Accountant's remuneration	930	800
Miscellaneous expenses	136	135
Depreciation	3361	3636
Total resources expended	<u>91692</u>	<u>52838</u>
Net incoming resources		
for the year	2598	42219
Total funds brought forward	<u>375043</u>	<u>332824</u>
Total funds carried forward	<u>377641</u>	<u>375043</u>
Trading activities - subsidiary company		
Profit (note 4 to financial statements)	<u>3710</u>	<u>4886</u>

LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED
BALANCE SHEET - 31ST JANUARY 2011

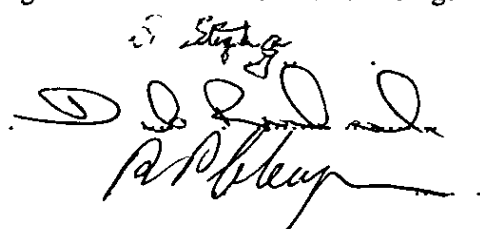
	2011 £	2010 £
Fixed Assets		
Tangible assets (note 3)	74476	76653
Investment - shares in subsidiary company (note 4)	2	2
	<u>74478</u>	<u>76655</u>
Current Assets		
Debtors Amount due from subsidiary company	6422	17722
Prepayments and accrued income	788	503
Bank Current account	19909	13957
Deposit accounts	57903	47463
Reserve account	240000	220000
	<u>325022</u>	<u>299645</u>
Creditors: amounts falling due within one year		
Accruals	21859	1257
Net Current Assets	<u>303163</u>	<u>298388</u>
Net Assets	<u>377641</u>	<u>375043</u>
Unrestricted income funds:		
General	361139	355303
Designated	16502	19740
Total Funds	<u>377641</u>	<u>375043</u>

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

For the financial year ended 31st January 2011 the company was entitled to exemption from audit under section 477 Companies Act 2006, and no notice has been deposited under section 476

The Council of Management acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

Signed on behalf of the Council of Management



S Stephenson MBE - Chairman

D C Richardson - Vice Chairman

R P Chapman - Treasurer

Approved by the Council 24th March 2011

LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31ST JANUARY 2011

1 Accounting Policies

a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2005) and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

b) Consolidation

The company is a parent company subject to the small companies regime. The company and its subsidiary comprise a small group. The company has therefore taken advantage of the option provided by section 398 of the Companies Act 2006 not to prepare group financial statements.

c) Incoming resources

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) Volunteers

There are no employees of the Association. The value of services provided by volunteers is not incorporated into these financial statements. The detail of the contribution made by volunteers can be found in the Annual Report.

e) Resources expended

Expenditure is recognised when a liability is incurred.

f) Tangible fixed assets

Depreciation is provided, after taking account of any grants receivable, 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 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.

g) Funds structure

The Association has only unrestricted income funds. The designated fund arises from the annual raffle and specific donations and is initially for use by or payment to the BBMF.

LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31ST JANUARY 2011

2 Legal 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.

3 Tangible Fixed Assets	Freehold property	Fixtures Fittings & Equipment	Shackleton & Vulcan Aircraft	Total
Cost	£	£	£	£
At 1st February 2010	34642	34132	36528	105302
Additions	-	1184	-	1184
At 31st January 2011	34642	35316	36528	106486
Depreciation				
At 1st February 2010	-	28649	-	28649
Charge for the year	-	3361	-	3361
At 31st January 2011	-	32010	-	32010
Net Book Value				
At 31st January 2011	34642	3306	36528	74476
At 31st January 2010	34642	5483	36528	76653

4 Investment

The Association's investment in its trading 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 10 and 11.

5 Analysis of charitable funds

Analysis of unrestricted fund movements

	Balance at 31st January 2010	Incoming Resources	Resources Expended	Fund at 31st January 2011
	£	£	£	£
General fund	355303	81793	(75957)	361139
Designated fund	19740	12497	(15735)	16502
	375043	94290	(91692)	377641

There are no restricted funds.

LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31ST JANUARY 2011

6	Commitments	2011	2010
	Capital Commitments	£	£
	At 31st January 2011 capital expenditure commitments were as follows		
	Contracted but not provided for in the financial statements	-	-
	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 financial statements at 31st January 2011 is £21480 (2010 - £5845)		
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 FINANCIAL STATEMENTS - 31ST JANUARY 2011
L.L.A. (SALES) LTD - Detailed Profit and Loss Account
for the year ended 31st January 2011

	2011		2010	
	£	£	£	£
Sales		58035		57886
Cost of sales and stock write-down				
Stocks 1st February 2010	15743		22287	
Purchases	40301		35799	
	<u>56044</u>		<u>58086</u>	
Less Stocks 31st January 2011	<u>17812</u>		<u>15743</u>	
		<u>38232</u>		<u>42343</u>
Gross Profit		19803		15543
 Selling and Distribution Costs				
Printing and stationery	2844		2473	
Postage and packing	3252		2737	
Card processing charges	279		371	
Paypal charges	100		-	
Advertising and display	368		306	
	<u>6843</u>		<u>5887</u>	
 Administrative Expenses				
Insurance	865		508	
Accountant's remuneration	930		800	
Sundry expenses	15		70	
Gift Aid	-		-	
Depreciation	6454		2093	
	<u>8264</u>		<u>3471</u>	
		15107		9358
 Operating Profit		<u>4696</u>		<u>6185</u>
 Bank Interest Received		-		-
 Profit on ordinary activities before taxation		<u>4696</u>		<u>6185</u>
 Taxation		(986)		(1299)
 Profit for financial year		<u>3710</u>		<u>4886</u>
Retained Profit at 1st February 2010		<u>29333</u>		<u>24447</u>
 Retained Profit at 31st January 2011		<u>33043</u>		<u>29333</u>

LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS - 31ST JANUARY 2011
L.L.A. (SALES) LTD - Balance Sheet as at
31st January 2011

	2011 £	2010 £
Fixed Assets		
Tangible assets	19519	22059
	_____	_____
Current Assets		
Stocks	17812	15743
Debtors	14905	426
Cash at bank	8762	13505
	41479	29674
	_____	_____
Creditors: amounts falling due within one year		
Amount owed to holding company	6422	17722
Trade creditors	15790	-
Other creditors	1682	1683
Accruals	865	785
	24759	20190
	_____	_____
Net Current Assets	16720	9484
	_____	_____
Total Assets Less Current Liabilities	36239	31543
Provisions for Liabilities and Charges		
Deferred taxation	(3194)	(2208)
	_____	_____
Net Assets	33045	29335
	_____	_____
Capital and Reserves		
Called up share capital	2	2
Profit and loss account	33043	29333
	_____	_____
Shareholder's Funds	33045	29335
	_____	_____