

COMPANY NUMBER : 1555021 England and Wales
CHARITY NUMBER : 511418

LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31ST JANUARY 2012

IAN W SMITH

CHARTERED ACCOUNTANT

TUESDAY



A34 "A1KMY6LV" #15
30/10/2012
COMPANIES HOUSE

LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED

REPORT OF THE COUNCIL OF MANAGEMENT

FOR THE YEAR ENDED 31ST JANUARY 2012

The Council of Management present their annual report with the financial statements of the Association for the year ended 31st January 2012

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 (resigned 24th September 2011)	Membership Secretary
R C Bainborough	
J S Ball	
D A McCarthy	
A R Allen (resigned 24th May 2011)	
Mrs Y Masters (resigned 24th September 2011)	BBMF Public Relations Officer
Mrs J Bainborough	
R Stephenson (appointed 7th January 2012)	

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 between 5400 and 6000 active members each of whom agree to contribute an amount not exceeding £1 in the event of the Association being wound up. This figure is not precise due to computer problems and the updating of renewals.

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 Allett, Bainborough and Ball retire by rotation. Being eligible, they have offered themselves for re-election. Mr R Stephenson who was appointed during the year under Article 35 also retires and being eligible offers himself for re-election.

LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED

REPORT OF THE COUNCIL OF MANAGEMENT

FOR THE YEAR ENDED 31ST JANUARY 2012 (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 any situation arising if the Lancaster ceases to fly, so that appropriate action can be taken as necessary following a decision by the RAF. Donations from specific sources and raffle income have been designated initially for use by or payments for 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 2012 while subscriptions received were again slightly down donations increased due to Gift Aid from LLA (Sales) Ltd of £9600 and a bequest of £10005. Raffle income also increased as did the amount members contributed towards the rising administration cost of the Members Day. Income tax was not recovered from HM Revenue & Customs through Gift Aid in the year but there are amounts to come. Considerably greater investment income now reflects interest from the lump sum invested in a bank "charities term deposit account". Interest rates however remain low. Waddington Air Show successfully promoted the Association to the general public as usual and Members Day with the BBMF at RAF Coningsby escaped problems with the weather this year as did the BBMF dinner.

The biannual Journal remains a professional production of high quality and interesting information and photographs and continues to expand. The BBMF Year Book was also sent to members.

The sales company has continued to provide for purchase items of technical and historical interest achieving an increased level of turnover from members and the public. The LLA (Sales) Ltd trailer was again used by the BBMF at events during the year. While its sale of purchased goods was down the fall was matched by greater postal and Association event sales. The overall increase being Year Book sales. Work is continuing to completely update the computer equipment and software for both companies to aid administration and sales. Training has continued in the year. Unfortunately there are still major problems with the database. The website is operating to provide an expanding and developing source of up-to-date information.

During the year essential expenditure was found to be necessary on repairs to 49 Canwick Road. This amounted to over £3350 but returned the premises to its desired condition.

Following last year's high level of charitable expenditure in completing the exhaust shrouds for the Lancaster funds have been accumulated this year. Expenditure incurred included restoration of Tall Boy and Grand Slam bombs at Coningsby and painting a replica Spitfire there, as well as usual ongoing costs. However, £44337 has been retained.

LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED

REPORT OF THE COUNCIL OF MANAGEMENT

FOR THE YEAR ENDED 31ST JANUARY 2012 (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 almost £350,000, 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 be 'C Cole', written over a horizontal line.

C Cole - Secretary

Approved by the Council 21st April 2012

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 2012, 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

21st April 2012

LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED
STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE
ACCOUNT) FOR THE YEAR ENDED 31ST JANUARY 2012

	Unrestricted Funds	
	2012	2011
	£	£
Incoming Resources		
Subscriptions	42485	43769
Donations	49541	31695
Income tax refunded under Gift Aid, including interest	-	2576
Raffle	10386	9624
Members Day administration contributions	6982	6115
Miscellaneous income	50	-
	<u>109444</u>	<u>93779</u>
Investment Income - Bank Interest	6906	511
Total incoming resources	<u>116350</u>	<u>94290</u>
Resources Expended		
Journal including distribution	15099	14516
Other printing	4105	6059
Postage and distribution	7032	7014
Stationery	1801	750
Computer overheads	7523	6068
Raffle expenditure	1641	866
Advertising and display	233	167
Members Day, RAF Coningsby	3708	4304
Donations		
Battle of Britain Memorial Flight	20122	43441
RAF Benevolent Fund	500	500
Rates and water	393	385
Light and heat	1422	1443
Repairs, renewals and maintenance - property	3440	702
Insurance	1037	865
Telephone	213	185
Accountant's remuneration	950	930
Miscellaneous expenses	112	136
Depreciation	<u>2682</u>	<u>3361</u>
Total resources expended	<u>72013</u>	<u>91692</u>
Net incoming resources		
for the year	44337	2598
Total funds brought forward	<u>377641</u>	<u>375043</u>
Total funds carried forward	<u>421978</u>	<u>377641</u>
Trading activities - subsidiary company		
(Loss) Profit (note 4 to financial statements)	<u>(2)</u>	<u>3710</u>

LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED
BALANCE SHEET - 31ST JANUARY 2012

	2012 £	2011 £
Fixed Assets		
Tangible assets (note 3)	73287	74476
Investment - shares in subsidiary company (note 4)	2	2
	<u>73289</u>	<u>74478</u>
Current Assets		
Debtors Amount due from subsidiary company	7301	6422
Prepayments and accrued income	803	788
Bank Current account	20132	19909
Deposit accounts	36245	57903
Reserve account	296873	240000
	<u>361354</u>	<u>325022</u>
Creditors: amounts falling due within one year		
Accruals	12665	21859
	<u>348689</u>	<u>303163</u>
Net Current Assets		
	<u>421978</u>	<u>377641</u>
Net Assets		
Unrestricted income funds:		
General	408495	361139
Designated	13483	16502
	<u>421978</u>	<u>377641</u>
Total Funds		

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 2012 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 21st April 2012

LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31ST JANUARY 2012

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 payments for the BBMF.

LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31ST JANUARY 2012

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 2011	34642	35316	36528	106486
Additions	-	1493	-	1493
At 31st January 2012	34642	36809	36528	107979
Depreciation				
At 1st February 2011	-	32010	-	32010
Charge for the year	-	2682	-	2682
At 31st January 2012	-	34692	-	34692
Net Book Value				
At 31st January 2012	34642	2117	36528	73287
At 31st January 2011	34642	3306	36528	74476

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 1st February 2011	Incoming Resources	Resources Expended	Fund at 31st January 2012
	£	£	£	£
General fund	361139	101909	(54553)	408495
Designated fund	16502	14441	(17460)	13483
	377641	116350	(72013)	421978

There are no restricted funds.

LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31ST JANUARY 2012

6	Commitments	2012	2011
	Capital Commitments	£	£
	At 31st January 2012 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 2012 is £27010 (2011 - £21480)

7 Post Balance Sheet Events

The Association's basic subscription has increased from £8 to £12 with effect from 1st February 2012. A bequest from the residuary funds of an estate has been made to the Association. An interim amount of £90,000 has been received.

For the new sales season the BBMF sales team is going to operate independently of LLA (Sales) Ltd and to this end the Association has donated the trailer and their ordered stock to the Flight. This will enable the BBMF to meet certain expenditure directly.

LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS - 31ST JANUARY 2012
L.L.A. (SALES) LTD - Detailed Profit and Loss Account
for the year ended 31st January 2012

	2012		2011	
	£	£	£	£
Sales		70435		58035
Cost of sales and stock write-down				
Stocks 1st February 2011	17812		15743	
Purchases	44636		40301	
	<u>62448</u>		<u>56044</u>	
Less Stocks 31st January 2012	<u>15478</u>		<u>17812</u>	
		<u>46970</u>		<u>38232</u>
Gross Profit		23465		19803
Miscellaneous income		<u>1642</u>		<u>-</u>
		25107		19803
Selling and Distribution Costs				
Printing and stationery	2326		2844	
Postage and packing	3731		3252	
Card processing charges	407		279	
Paypal and Ebay charges	295		100	
Advertising and display	-		368	
	<u>6759</u>		<u>6843</u>	
Administrative Expenses				
Insurance	1037		865	
Accountant's remuneration	950		930	
Sundry expenses	20		15	
Gift Aid	9600		-	
Depreciation	7345		6454	
	<u>18952</u>		<u>8264</u>	
		25711		15107
Operating (Loss) Profit		<u>(604)</u>		<u>4696</u>
Bank Interest Received		-		-
(Loss) Profit on ordinary activities before taxation		<u>(604)</u>		<u>4696</u>
Taxation		602		(986)
(Loss) Profit for financial year		<u>(2)</u>		<u>3710</u>
Retained Profit at 1st February 2011		<u>33043</u>		<u>29333</u>
Retained Profit at 31st January 2012		<u>33041</u>		<u>33043</u>

LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS - 31ST JANUARY 2012
L.L.A. (SALES) LTD - Balance Sheet as at
31st January 2012

	2012 £	2011 £
Fixed Assets		
Tangible assets	17437	19519
Current Assets		
Stocks	15478	17812
Debtors	1553	14905
Cash at bank	9433	8762
	26464	41479
Creditors: amounts falling due within one year		
Amount owed to holding company	7301	6422
Trade creditors	-	15790
Other creditors	-	1682
Accruals	965	865
	8266	24759
Net Current Assets	18198	16720
Total Assets Less Current Liabilities	35635	36239
Provisions for Liabilities and Charges		
Deferred taxation	(2592)	(3194)
Net Assets	33043	33045
Capital and Reserves		
Called up share capital	2	2
Profit and loss account	33041	33043
Shareholder's Funds	33043	33045