COMPANY NUMBER : 1555021 England and Wales
CHARITY NUMBER : 511418

LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31ST JANUARY 2014

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COMPANIES HOUSE

IAN W SMITH

CHARTERED ACCOUNTANT

LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED
REPORT OF THE COUNCIL OF MANAGEMENT
FOR THE YEAR ENDED 31ST JANUARY 2014

The Council of Management present their annual report with the financial statements of the Association for the year ended 31st January 2014.

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:

R. C. Bainborough	Chairman (appointed 13th April 2013)
J. S. Ball	Vice Chairman (appointed 13th April 2013)
R. P. Chapman	Treasurer
T. J. Allett	Journal Editor
R. B. Stephenson	Membership Secretary
Mrs J. Bainborough	
C. A. Acey (appointed 23rd March 2013)	
Mrs K. Dando (appointed 23rd March 2013)	
Mrs S. Hewitt (appointed 22nd June 2013)	
S. Stephenson MBE (resigned 21st February 2013)	
D. C. Richardson (resigned 20th April 2013)	
C. Cole (resigned 20th April 2013)	
D. A. McCarthy (resigned 20th April)	

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 approximately 4500 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 Chapman and Bainborough retire by rotation. Being eligible, they have offered themselves for re-election. Mr Acey, Mrs Dando and Mrs Hewitt who were appointed during the year and Mr B. J. Divers who was appointed subsequently, all under Article 35, also retire and being eligible offer themselves for re-election.

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 2013 the membership subscriptions were increased for only the second time since 1981. This is resulted in a one third increase in the total subscriptions for the year although a number of members have yet to revise their standing order instructions and there are the usual late payers. There was however a net accumulated reduction in members shown by the updating of the records.
This has continued in the year ended 31st January 2014 resulting in a reduction in income from subscriptions. Excluding the prior year exceptional bequest and reduced Gift Aid from LLA (Sales) Ltd donations have fallen by £4870 reflecting the increase in annual subscription.
There was again no raffle in the year. Contributions towards the Members Day were slightly down.
Income tax was recovered from HM Revenue & Customs through Gift Aid during the year, and further claims are to follow to catch up. Investment income now reflects interest from the lump sum invested in a bank "charities term deposit account". Interest rates however remain low and there is a small overall reduction. Waddington Air Show promoted the Association to the general public and was a successful sales outlet. Members Day with the BBMF at RAF Coningsby and the BBMF dinner were enjoyed by those attending.
The biannual Journal remains a professional production of high quality and interesting information and photographs and continues to expand. A bumper Dambusters anniversary edition was produced in the year.
The sales company has continued to provide for purchase items of technical and historical interest at events and by post through the sales brochures, together with trade sales. The reduction in sales has been due to the BBMF now being responsible for their own sales using the donated trailer and initial stock and the BBMF Year Book is no longer being produced and sold by the company.
However, while sales have continued to fall the level of gross profit has increased.
Work is continuing to completely update the computer equipment and software for both companies to aid administration and sales. The membership database is more accurate following much hard work and despite the subscription changes. The website is operating to provide an expanding and developing source of up-to-date information.
Donations to the BBMF during the year included £16680 towards the repainting of Spitfire MK356.
Reserves have increased by £24,999.

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 £490,000, 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



.....

C Cole - Secretary

Approved by the Council: 26th April 2014

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 2014, 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 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity is required by company law to prepare accrued accounts and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England & Wales.

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 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 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

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

26th April 2014

LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME & EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31ST JANUARY 2014

	Unrestricted Funds	
	2014	**2013**
	£	**£**
Incoming Resources		
Subscriptions	51277	56783
Donations	23826	156779
Income tax refunded under Gift Aid, including interest	4295	-
Members Day administration contributions	7098	7356
	86496	220918
Investment Income - Bank Interest	8138	8247
Total incoming resources	94634	229165
Resources Expended		
Journal including distribution	22240	15635
Other printing	4337	4840
BBMF Year Book 2012	-	6000
Postage and distribution	9664	7154
Stationery	887	1431
Computer overheads	30	130
Raffle expenditure	-	20
Advertising and display	158	218
Members Day, RAF Coningsby	5059	5604
Donations:		
Battle of Britain Memorial Flight	20276	44578
Bomber Command and 617 Squadron Tributes and Memorials	-	20175
RAF Benevolent Fund	500	500
Other	541	-
Rates and water	437	439
Light and heat	1698	1591
Repairs, renewals and maintenance - property	41	212
Insurance	933	765
Telephone	308	307
Accountant's remuneration	950	950
Miscellaneous expenses	487	538
Depreciation	1089	1075
Total resources expended	69635	112162
Net incoming resources for the year	24999	117003
Total funds brought forward	538981	421978
Total funds carried forward	563980	538981
Trading activities - subsidiary company (Loss) (note 4 to financial statements)	(483)	(11683)

LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED
BALANCE SHEET - 31ST JANUARY 2014

		2014	2013
		£	£
Fixed Assets			
Tangible assets (note 3)		73227	72212
Investment - shares in subsidiary company (note 4)		2	2
		73229	72214
Current Assets			
Debtors:	Amount due from subsidiary company	3250	7274
	Prepayments and accrued income	5073	728
Bank:	Current account	3556	1185
	Deposit accounts	44322	54142
	Reserve account	438146	405045
		494347	468374
Creditors:	amounts falling due within one year		
Accruals		3596	1607
Net Current Assets		490751	466767
Net Assets		563980	538981
Unrestricted income funds:			
General		557734	531375
Designated		6246	7606
Total Funds		563980	538981

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 2014 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

..... R C Bainborough - Chairman

..... J S Ball - Vice Chairman

..... R P Chapman - Treasurer

Approved by the Council 26th April 2014

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 and from legacies 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 raffle income and specific donations and is initially for use by or payments for the BBMF.

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 2013	34642	36809	36528	107979
Additions	-	2104	-	2104
At 31st January 2014	34642	38913	36528	110083
Depreciation				
At 1st February 2013	-	35767	-	35767
Charge for the year	-	1089	-	1089
At 31st January 2014	-	36856	-	36856
Net Book Value				
At 31st January 2013	34642	2057	36528	73227
At 31st January 2014	34642	1042	36528	72212

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 2013	Incoming Resources	Resources Expended	Fund at 31st January 2014
	£	£	£	£
General fund	531375	92398	(66039)	557734
Designated fund	7606	2236	(3596)	6246
	538981	94634	(69635)	563980

There are no restricted funds

6	**Commitments**	**2014**	**2013**
	Capital Commitments	**£**	**£**
	At 31st January 2014 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 2014 is nil (2013 - 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 FINANCIAL STATEMENTS - 31ST JANUARY 2014
L.L.A. (SALES) LTD - Detailed Profit and Loss Account
for the year ended 31st January 2014

	2014		2013	
	£	£	£	£
Sales		24989		29598
Cost of sales and stock write-down				
Stocks 1st February 2013	10557		15478	
Purchases	15017		14583	
	25574		30061	
Less Stocks 31st January 2014	11074		10557	
		14500		19504
Gross Profit		10489		10094
Miscellaneous income		-		-
		10489		10094
Selling and Distribution Costs				
Printing and stationery	1946		2084	
Postage and packing	2985		2912	
Card processing charges	439		398	
Paypal and Ebay charges	19		81	
Repairs and maintenance	268		79	
	5657		5554	
Administrative Expenses				
Insurance	934		765	
Accountant's remuneration	950		950	
Sundry expenses	21		20	
Gift Aid	3250		7500	
Depreciation	243		9497	
	5398		18732	
		11055		24286
Operating (Loss)		(566)		(14192)
Bank Interest Received		-		-
(Loss) on ordinary activities before taxation		(566)		(14192)
Taxation		83		2509
(Loss) for financial year		(483)		(11683)
Retained Profit at 1st February 2013		21358		33041
Retained Profit at 31st January 2014		20875		21358

LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS - 31ST JANUARY 2014
L.L.A. (SALES) LTD - Balance Sheet as at
31st January 2014

	2014 £	2013 £
Fixed Assets		
Tangible assets	197	440
Current Assets		
Stocks	11074	10557
Debtors	874	726
Cash at bank	12852	17764
	24800	29047
Creditors: amounts falling due within one year		
Amount owed to holding company	3250	7274
Accruals	870	770
	4120	8044
Net Current Assets	20680	21003
Total Assets Less Current Liabilities	20877	21443
Provisions for Liabilities and Charges		
Deferred taxation	-	(83)
Net Assets	20877	21360
Capital and Reserves		
Called up share capital	2	2
Profit and loss account	20875	21358
Shareholder's Funds	20877	21360