LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED
(LIMITED BY GUARANTEE)

COMPANY REGISTRATION NUMBER 01555021 (England and Wales)

CHARITY COMMISSION REGISTERED NO. 511418

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2018

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COMPANIES HOUSE

Dexter & Sharpe
Chartered Certified Accountants
The Old Vicarage
Church Close
Boston
Lincolnshire
PE21 6NA

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LEGAL AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 JANUARY 2018

Status

The organisation is a charitable company limited by guarantee, incorporated on 6 April 1981 and registered as a charity on 20 May 1981.

Charity Commission Registered Number	511418
Company Registered Number	01555021 (England and Wales)

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

Council of Management

R. C. Bainborough	(Chairman)
J. S. Ball	(Vice Chairman)
R. P. Chapman	(Treasurer)
T. J. Allett	(Journal Editor)
Mrs J. Bainborough	
Mrs P Bull	

Registered Office

4 Wavell Drive
Lincoln
LN3 4PL

Bankers

HSBC plc
221 High Street
Lincoln
NL3 4LU

Accountants and Independent Examiner

Mrs Nicola Lenton FCCA
Dexter & Sharpe
Chartered Certified Accountants
The Old Vicarage
Church Close
Boston
Lincolnshire
PE21 6NA

REPORT OF THE COUNCIL OF MANAGEMENT FOR THE YEAR ENDED 31 JANUARY 2018

The Council of Management present their annual report with the financial statements of the Association for the year ended 31 January 2018.

Structure, Governance and Management

Governing document

The Association is a company limited by guarantee governed by its Memorandum and Articles of Association dated 6 April 1981. The members voted on 22 April 2000 in the 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 5,000 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 the 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 T J Allett and Mrs J Bainborough retire by rotation. Being eligible, they have offered 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 relevant Government departments. 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 24 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

This year subscriptions have increased by just £100. Subscription fees are now managed by Warners Group Publications.

Donations have increased by £13,709 with two large donations being received during the year. The annual draw took place again this year and it made £6,135 (2017 - £6,823) after taking out the relevant expenses. The member's day was cancelled this year as a result of inclement weather. There were still some large costs involved and a small number of member's day fees were reimbursed.

No income tax was recovered from HM Revenue & Customs through Gift Aid for the second year running. Investment income increased to £6,874 after receiving interest on the term deposit that is due to mature in December 2018 (2017 £128).

The bi-annual journal remains a professional production of high quality and interesting information and photographs and continues to expand. It is greatly appreciated by the members and a wonderful tribute to those who served.

Achievements and Performance continued

The sales company has continued to provide items of technical and historical interest at events and by post through the sales brochures, together with trade sales. The donation being made to Lincolnshire's Lancaster Association this year was £Nil due to insufficient profits (2017 - £4,340).

During the year there were donations to the BBMF of £15,939 (2017 - £3,501) and a small donation of £96 to Pollington Airfield for a memorial plaque (2017 - £Nil). Reserves have increased by £9,538.

We look forward to a profitable 2018/19.

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 £400,000, 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 for small companies under Part 15 of the Companies Act 2006 and the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2005).

Signed on behalf of the Council of Management

.....

R. C. Bainborough
Chairman

Approved by the Council on 27 March 2018

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES FOR THE YEAR ENDED 31 JANUARY 2018

I report on the accounts of the company for the year ended 31 January 2018 set out on pages 5 to 11.

Respective responsibilities of Council of Management and examiner
The trustees (who are also the directors for the purpose of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year (under section 144(2) of the Charities Act 2011 (the Charities Act)) and that an independent examination is required.

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 accounts under section 145 of the Charities Act;
- follow the procedures laid down in the General Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act); and
- state whether particular matters have come to my attention.

Basis of the 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 accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, 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 Sections 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of Sections 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 accounts to be reached.

NICOLA LENTON FCCA
Independent Examiner
Dexter & Sharpe
Chartered Certified Accountants
The Old Vicarage
Church Close
Boston
Lincolnshire
PE21 6NA

27 March 2018

LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JANUARY 2018

	Notes	Unrestricted Funds 2018 £	2017 £
Income and endowments from:			
Donations and legacies		**34,826**	21,117
Charitable activities	3	**66,033**	67,545
Investments	4	**6,874**	128
TOTAL INCOME		**107,733**	88,790
EXPENDITURE			
Raising funds	5	**30,735**	32,886
Charitable activities	6	**35,420**	18,283
Other	7	**32,040**	27,064
TOTAL EXPENDITURE		**98,195**	78,233
NET INCOME		**9,538**	10,557
RECONCILIATION OF FUNDS			
Total funds brought forward		**708,882**	698,325
Total funds carried forward		**718,420**	708,882

The notes on pages 7 to 10 form part of these financial statements

LINCOLNSHIRE'S LANCASTER ASSOCIATION LIMITED

BALANCE SHEET
AS AT 31 JANUARY 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed Assets					
Tangible Assets	8		**306,049**		302,888
Investment – shares in subsidiary company	9		**2**		2
			306,051		302,890
Current Assets					
Debtors: Amount due from subsidiary company		**28,455**		33,420	
Prepayments and accrued income		**3,760**		7,289	
Cash at Bank: Current account		**9,649**		10,269	
Deposit accounts		**83,334**		65,863	
Reserve account		**298,173**		291,324	
		423,371		408,165	
Creditors: Amounts falling due within one year		**11,002**		2,173	
Net Current Assets			**412,369**		405,992
Total Assets less Current Liabilities			**718,420**		708,882
Unrestricted income funds	10				
General			**707,703**		691,893
Designated			**10,717**		16,989
			718,420		708,882

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 January 2018.

The Council of Management have not required the charitable company to obtain an audit of its financial statements for the year ended 31 January 2018 in accordance with Section 476 of the Companies Act 2006.

The Council of Management acknowledge their responsibilities for:

(a) ensuring that the charitable company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006; and

(b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each 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 charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and in accordance with FRS102 SORP.

The financial statements were approved by the Council of Management on 27 March 2018 and were signed on its behalf by:

R. C. Bainborough	J. S. Ball	R. P. Chapman
Chairman	Vice Chairman	Treasurer

The notes on pages 7 to 10 form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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.

Incoming Resources

Subscriptions and donations, with the exception of donations from L.L.A. (Sales) Ltd, are included in income on receipt. Tax repayments by HM Revenue & Customs under members Gift Aid declarations and from legacies are included when receivable.

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.

Resources Expended

Expenditure is recognised when a liability is incurred.

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% or 20%.

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.

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. CHARITABLE ACTIVITES

	2018	2017
	£	£
Subscriptions	49,209	49,109
Members Day administration contributions	8,632	9,628
Annual Draw	8,192	8,808
	66,033	67,545

4. INVESTMENTS

	2018	2017
	£	£
Income tax refunded under Gift Aid	-	-
Interest received	6,874	128
	6,874	128

5. RAISING FUNDS

	2018	2017
	£	£
Journal including distribution	20,512	17,724
Other printing	1,975	5,202
Postage and distribution	5,497	5,606
Stationery	682	2,384
Advertising and display	831	764
Airshow expense	1,238	1,206
	30,735	32,886

6. CHARTIABLE ACTIVITIES

		2018	2017
		£	£
Members Day, RAF Coningsby		4,983	6,277
Annual Draw		14,402	1,985
Donations:	Battle of Britain Memorial Flight	15,939	3,501
	Spitfire refurbishment	-	6,520
	Other	96	-
		35,420	18,283

7. OTHER

	2018	2017
	£	£
Computer overheads	805	1,050
Rates and water	1,686	2,105
Light and heat	3,030	1,563
Repairs, renewals and maintenance	2,397	3,686
Insurance	1,788	1,710
Telephone	974	802
Accountant's remuneration	1,194	1,134
Professional fees	1,355	-
Administration fees	11,693	6,313
Motor expenses	1,531	1,915
Miscellaneous expenses	227	1,486
Depreciation	5,339	5,257
Bank charges and interest	21	43
	32,040	27,064

8. TANGIBLE FIXED ASSETS

	Freehold Property	Fixtures fittings & equipment	Motor Vehicles	Shackleton & Vulcan Aircraft	Total
	£	£	£	£	£
Cost					
At 1 February 2017	242,840	40,372	23,283	46,377	352,872
Additions	-	8,500	-	-	8,500
At 31 January 2018	242,840	48,872	23,283	46,377	361,372
Depreciation					
At 1 February 2017	-	39,797	10,187	-	49,984
Charge for the year	-	2,065	3,274	-	5,339
At 31 January 2018	-	41,862	13,461	-	55,323
Net Book Value					
At 31 January 2018	242,840	7,010	9,822	46,377	306,049
At 31 January 2017	242,840	575	13,096	46,377	302,888

9. 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 24 May 1995 and principally operates in the United Kingdom. The results of the company are as follows on pages 12 and 13.

10. ANALYSIS OF CHARITABLE FUNDS

Analysis of unrestricted fund movements

	Balance at 1 February 2017	Incoming Resources	Resources Expended	Fund at 31 January 2018
	£	£	£	£
General fund	691,893	96,331	80,521	707,703
Designated fund	16,989	11,402	17,674	10,717
	708,882	107,733	98,195	718,420

There are no restricted funds.

11. COMMITMENTS

Capital Commitments

At 31 January 2018 capital expenditure commitments were as follows:

	2018	2017
	£	£
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 as at 31 January 2018 is nil (2017 – nil).

12. POST BALANCE SHEET EVENTS

There have been no post balance sheet events which materially affect the Association's affairs.

DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JANUARY 2018

	Notes	Unrestricted Funds 2018 £	2017 £
Incoming Resources			
Subscriptions		**49,209**	49,109
Donations		**34,826**	21,117
Members Day administration contributions		**8,632**	9,628
Annual Draw		**8,192**	8,808
		100,859	88,662
Investment Income – Bank Interest		**6,874**	128
Total incoming resources		**107,733**	88,790
Resources Expended			
Journal including distribution		**20,512**	17,724
Other printing		**1,975**	5,202
Postage and distribution		**5,497**	5,606
Stationery		**682**	2,384
Computer overheads		**805**	1,050
Advertising and display		**831**	764
Airshow expenses		**1,238**	1,206
Members Day, RAF Coningsby		**4,983**	6,277
Annual Draw		**14,402**	1,985
Donations:			
Battle of Britain Memorial Flight		**15,939**	3,501
Spitfire refurbishment		**-**	6,520
Other		**96**	-
Rates and water		**1,686**	2,105
Light and heat		**3,030**	1,563
Repairs, renewals and maintenance – property		**2,397**	3,686
Insurance		**1,788**	1,710
Telephone		**974**	802
Accountant's remuneration		**1,194**	1,134
Professional fees		**1,355**	-
Administration fees		**11,693**	6,313
Motor expenses		**1,531**	1,915
Miscellaneous expenses		**227**	1,486
Depreciation		**5,339**	5,257
Bank charges and interest		**21**	43
Total Resources Expended		**98,195**	78,233
Net incoming resources for the year		**9,538**	10,557
Total funds brought forward		**708,882**	698,325
Total funds carried forward		**718,420**	708,882

This page is for information purposes and does not form part of the statutory accounts.

L.L.A. (SALES) LTD – DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JANUARY 2018

	2018		2017	
	£	£	£	£
Sales		**19,112**		38,794
Cost of sales				
Opening Stock	**52,420**		43,895	
Purchases	**7,675**		29,710	
	60,095		73,605	
Closing Stock	**(37,896)**		(52,420)	
		22,199		21,185
GROSS PROFIT		**(3,087)**		17,609
Expenditure				
Insurance	**1,788**		1,710	
Postage and packing	**698**		4,025	
Printing and stationery	**369**		2,136	
Advertising	**-**		-	
Motor Expenses	**-**		1,932	
Repairs and maintenance	**-**		780	
Donation	**-**		4,340	
Sundry expenses	**304**		538	
Accountancy	**840**		942	
Professional fees	**420**		-	
Depreciation of tangible fixed assets	**429**		606	
		4,848		17,009
		(7,935)		600
Finance Costs				
Paypal and E-bay Charges	**479**		576	
Card processing charges	**593**		626	
		1,072		1,202
NET (LOSS) PROFIT		**(9,007)**		(602)

This page is for information purposes and does not form part of the statutory accounts.

L.L.A. (SALES) LTD – BALANCE SHEET
AS AT 31 JANUARY 2018

	2018		2017	
	£	£	£	£
FIXED ASSETS				
Tangible Assets		175		604
CURRENT ASSETS				
Stocks	37,896		52,420	
Debtors	1,819		1,710	
Cash at bank	1,546		829	
	41,261		54,959	
CREDITORS				
Amounts falling due within one year	29,301		34,421	
NET CURRENT ASSETS		11,960		20,538
TOTAL ASSETS LESS CURRENT LIABILITIES		12,135		21,142
CAPITAL AND RESERVES				
Called up share capital		2		2
Profit and loss account		12,133		21,140
SHAREHOLDERS' FUNDS		12,135		21,142

This page is for information purposes and does not form part of the statutory accounts.