

COMPANY NUMBER: 3203724
CHARITY NUMBER: 1058111

VULCAN RESTORATION TRUST
COMPANY LIMITED BY GUARANTEE
REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2001

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REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001

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VULCAN RESTORATION TRUST
COMPANY LIMITED BY GUARANTEE
DIRECTORS' REPORT

The directors of the company are the trustees of the charity.

The directors present their report and audited financial statements for the year ended 31 December 2001. The financial statements comply with current statutory requirements, the charity's governing document, and the Statement of Recommended Practice – Accounting and Reporting by Charities.

Principal Activity

The company was incorporated as a company limited by guarantee registered in England and Wales (No. 3203724) on 24 May 1996. It was registered as a charity (No. 1058111) on 18 September 1996.

The principal activities of the company which represents its charitable objects are:

1. To preserve and protect Avro Vulcan aircraft and other aircraft which may or have been in the past associated with the Avro Vulcan as historical objects for the benefit of the public and to demonstrate and display such aircraft at public events.
2. The advancement of education of the general public in items of historical interest together with the associated equipment thereto in particular in the field of aviation.

The charity's income is generated by membership fees, appeals, donations, fund-raising draws and public displays. During the year the charity attended various air shows and held social meetings.

Legal and Administrative Information

The company is limited by guarantee of its members to the extent of £1 each.

The governing documents of the charity are the Memorandum and Articles of Association of the company. Other details are as follows:

PRINCIPAL AND REGISTERED OFFICE	39 Breakspears Drive St Paul's Cray Orpington Kent BR5 2RX
AUDITORS	Blueprint Audit Limited The Old Mill Park Road Shepton Mallet Somerset BA4 5BS
ACCOUNTANTS	Tenon Limited The Old Mill Park Road Shepton Mallet Somerset BA4 5BS

VULCAN RESTORATION TRUST
COMPANY LIMITED BY GUARANTEE
DIRECTORS' REPORT (CONTINUED)

Legal and Administrative Information (Continued)

BANKERS

National Westminster Bank Plc
Southend-on-Sea Branch
P O Box 98
132 High Street
Southend-on-Sea
Essex SS1 1BA

Trustees and Organisational Structure

The trustees of the charity are a self appointed body and are also directors of the company. Service on the board is for three years. Retiring trustees can be re-elected.

The board of trustees met formally on 9 occasions. The board is responsible for the overall management of the charity, takes policy decisions and ratifies all decisions made by the Engineering, Social and Stock & Stand sub-committees. The refurbishment by the charity of a former RAF building at Southend Airport for use as a workshop, stores and Visitors' Centre has been managed directly by the board. When this is up and running, the board will review the need for a separate sub-committee to manage the building and Visitors' Centre. The Steering Committee did not meet in 2001 and has now not met since 1999. The board is, however, happy with the charity's continuing development but will review the need to re-form a Steering Committee on a regular basis.

Norman Skinner resigned as chairman of the charity at the Annual General Meeting in April, after serving in this position since the trust was formed (as the Vulcan Memorial Flight Supporters Club) in 1990. Kevin Packard agreed to stand in as acting chairman pending the appointment of a new chair. The board, on behalf of the members, wishes to record its thanks to Norman for all his hard work and efforts as chairman over the past 11 years.

The trustees who served throughout the year were: Norman Skinner (Chairman until April 2001), Kevin Packard (Vice-Chairman and Acting Chairman from April onwards), Richard Clarkson (Secretary), Andrew Vass (Treasurer), Linda Penn (Membership Secretary), Trevor Bailey, Trevor Bliss, Graham Cash, James Fletcher, David Griffiths, Paul Hartrup, Colin King, Dennis Marriott, Donald Packard, Geoff Penn, Nicholas Snow and Stephen Williams.

None of the trustees/directors received any remuneration or benefits from the charity.

Review of Affairs

During 2001 the charity continued to fulfil its object to preserve and protect Avro Vulcan aircraft by maintaining Avro Vulcan B2 XL426 (G-VJET) in full ground running condition at London Southend Airport, Essex. XL426 is one of only three Vulcans in the world capable of being taxied and is listed by the British Aviation Preservation Council in its National Aviation Heritage Register as a 'benchmark' example of type. To fulfill its aim of displaying Vulcan aircraft at public events, an Open Day was held in September and taxi-runs were performed on each day of the Southend Airport Open Weekend in May. The charity managed a charitable fund, the Vulcan Restoration Trust Appeal, to raise funds to restore Avro Vulcan B2 XH558 (G-VLCN) at Bruntingthorpe Airfield, Leicestershire, to airworthy condition so it can fly at air displays and other public events in the United Kingdom. The Appeal, known as the 'Vulcan To The Sky' campaign, raised over £235,000 during the course of the year.

VULCAN RESTORATION TRUST
COMPANY LIMITED BY GUARANTEE
DIRECTORS' REPORT (CONTINUED)

Aircraft and Engineering

The charity continued its policy of running XL426's engines every 28 days, with all four engines running without difficulty during the year. Taxi-runs were performed for maintenance purposes, as well as for public display. The charity's programme of regular checks, coupled with numerous works of maintenance and repair on XL426 and its associated ground equipment, continued in 2001. The overhaul of the aircraft's elevon and rudder powered flying control units (PFCUs) was completed during the year, with the necessary datum checks being carried out satisfactorily. Problems with XL426's main rudder PFCU identified prior to the September Open Day were traced to a faulty bearing. The Vulcan Operating Company at Bruntingthorpe kindly provided a replacement, which allowed the taxi-run to go ahead as planned.

During the course of the year, the charity attempted to resolve the fault encountered with the left-hand windscreen wiper that had caused a taxi-run at the 2000 Airport Open Weekend to be aborted. This has, however, proved more difficult than envisaged, mostly due to the unavailability of spare parts. The charity is continuing its efforts to locate the necessary items and, in the meantime, is restricting the parameters for taxiing XL426 in rainy conditions. A fault with the sequencing system on XL426's brake parachute mechanism meant a parachute could not be deployed on the first taxi-run at the 2001 Airport Open Weekend. A temporary repair was put in place to allow a parachute to be used on the second run, with a full repair subsequently being carried out.

The charity continued its ongoing programme of inspection of XL426's airframe for signs of corrosion. Where found, corrosion was removed in accordance with the Vulcan's Structural Repair Manual and the affected areas treated with chemicals. The repainting of XL426's top surfaces, begun in 2000, was completed in the spring using a paint with a higher polyurethane content than that used for the 1994-96 repaint. This has resulted in a marked improvement in XL426's external appearance. Decals for the lettering, badges and warning symbols were fixed to the aircraft prior to the Airport Open Weekend.

Continuing problems with the aircraft's intercom were solved following a thorough investigation of the combination of headsets being used at the various crew stations. Racal kindly overhauled one of the headsets free of charge and examined the remaining headsets for faults. Repairs to XL426's crew door were carried out in the early part of the year, the right-hand door jack being completely re-built.

The repair and overhaul of the charity's giraffe steps was completed in the summer. The charity acquired a second set of steps (capable of reaching the top of the aircraft's tail) and these will be overhauled in 2002. Work was carried out on the charity's air tug to reposition the palouste air start unit to give better rearward vision. A steel case was then built around the palouste and an electrical control panel installed. The modification installed during 2000, to enable the pilot to control the delivery of palouste air remotely from inside the aircraft, has functioned well throughout the year. The position of the hose outlet on the air tug was changed following problems encountered during the start-up for the second taxi-run at the Open Weekend, when the palouste exhaust burnt a hole through the air hose.

The charity's ultimate aim is still to return XL426 to airworthy condition.

COMPANY LIMITED BY GUARANTEE

DIRECTORS' REPORT (CONTINUED)

Workshop Building and Dispersal Pan

Refurbishment continued throughout the year of the former RAF building on the airport's eastern perimeter. The Board agreed that the target for the opening of the Visitors' Centre in Spring 2002 was unrealistic and set a revised target for opening in the third quarter of 2003. The charity aims to have the workshop and stores up and running by the summer of 2002. During the year, the charity signed a lease on the building for 5 years effective from 15 January 2001.

The building's external walls (plus the window frames) were repainted in the early part of the year, as were the internal walls of the workshop and stores. The floor of the building was also repainted and partitions were put up to separate the stores, workshop and Visitors' Centre areas. In April, the building's main doors were widened and made higher to allow the charity's air tug (and other large items) to enter the building for servicing. During the summer, the charity began building workbenches for the workshop and all but one of these was installed by the year's end. Heavy-duty racking for the stores was purchased during the autumn. The spares kept by the charity in its storage container on the north side of the airport were moved to the building during the course of the year and will be installed once the stores have been fitted-out.

The charity signed a new lease for the Dispersal Pan for 5 years with effect from 3 February 2000. The condition of the dispersal pan's surface has been a source of concern for some time and the Board agreed in 2000 to resurface it. During 2001, the charity drew up a design and specification for a resurfaced pan, which the Board agreed in October, subject to confirmation of cost. The charity intends to resurface the dispersal pan in the spring and summer of 2002.

Membership

Membership subscriptions remained the charity's largest source of income. Renewals matched the record percentage achieved in 2000, with 83% (776 out of 931) of members due to renew doing so. The number of new members was down slightly (165 compared with 199 in 2000) and the charity ended the year with 1125 members, an increase of just 17 over the previous year. The charity's website was the source of most new members (64), followed closely by visitors to the air display stand (52).

Membership fees were kept at the same levels as in 2000. For the first time, the charity introduced 'membership packs' on the air display stand, so new members could receive their souvenir pack straight away upon joining. This has proved popular with new members and has helped reduce the charity's administration costs. By the end of the year, 71% of members had completed a Gift Aid declaration, which will enable the charity to reclaim the tax they have paid on their subscriptions and other donations. During 2001, the charity reclaimed £1671 in respect of tax paid by members who had covenanted their subscriptions during the 1999-00 tax year.

Open Days and Other Events

The charity held a Vulcan Open Day at Southend Airport on 15 September, which included a taxi-run by XL426. The event was held just a few days after the terrorist atrocities in the USA and a minute's silence was held prior to the systems' start-up as a mark of respect to those killed. Attendance at the event was lower than expected, possibly due to the very cold wind that blew throughout the day. A single taxi-run was carried out on both days of the Southend Airport Open Weekend at the request of the airport's management and were watched by over 6,000 people. The charity provided the commentary on both days of the event. Due to the costs involved, the Board agreed not to repeat the Members' Marquee provided at the 1999 and 2000 Open Weekends.

COMPANY LIMITED BY GUARANTEE

DIRECTORS' REPORT (CONTINUED)

Open Days and Other Events (Continued)

Beaufort Air Sea Equipment Limited kindly supplied the charity with display overalls to be worn by the aircraft's ground crew at public events. These were worn for the first time at the Airport Open Weekend. At the September Open Day, commentary on the taxi-run was relayed from inside the aircraft's cockpit for the first time. Technical problems affected the quality of the transmission and the charity will attempt to improve on this at future events.

Five social meetings (including the AGM) were held during the year all of which took place at Hawkwell Village Hall. The charity (via its trading arm VRT Enterprises Limited – see below) provided refreshments and ran a licensed bar at each meeting. A full buffet was laid on at the Christmas social, which attracted many positive comments, and hot meals were provided at three of the meetings. The numbers attending social meetings was at the level of previous years, although attendance at the Christmas social was noticeably down on that of the 2000 meeting.

Education

The charity gave talks about the Vulcan to 6 interested societies during the year and guided tours of XL426 were given to groups (including Air Training Corps squadrons and scout groups) on a number of occasions. A members' visit to RAF Shawbury took place in November, although a visit to RAF Marham was cancelled due to increased security after the terrorist attacks in the USA. This visit has been re-arranged for 2002. The charity continued to maintain and add to its collection of Vulcan photographs and slides. The charity's secretary, Richard Clarkson, took temporary possession of the extensive collection of Vulcan images owned by member Alan Todd. The charity began cataloguing the collection during the year and will transfer the images onto electronic media for future use once this work is complete. The original slides and photographs will be passed to Air Britain for safekeeping, in accordance with Alan's wishes.

The charity published three issues of its magazine Vulcan News, which were distributed free to its members. Back issues were sold to the public at air displays and other events. Vulcan News received a major facelift in 2001 with the transfer of production from PC to Apple Mac. For some time, the charity had wanted to take advantage of the better quality and more extensive desktop publishing features available with Mac-based software, but the Board did not feel it could justify the purchase of an Apple Mac computer. However, following the donation of an Apple Mac by member Brian Logan (as the result of an appeal in Vulcan News), the Board agreed to purchase the additional hardware and software required to redesign the magazine with effect from the Spring 2001 issue. The new format of the magazine has been very well received by members and the public alike.

The charity's website (www.XL426.com) registered 13614 hits during the course of the year and continued to be updated every 2-3 weeks. In January and February, the site was completely re-written using new software, which allowed for better design capability and easier updating, and the overall appearance of the site was changed to allow easier navigation and improved graphics. The charity also operated an information 'hotline' on 01426 942184.

Financial Review

Incoming resources for the year amounted to £318732 (2000: restated, £58171). There were unrealised gains on investments of £305 (2000: losses £319). Total resources expended for the year was £305537 (2000: £32001).

LIMITED BY GUARANTEE

DIRECTORS' REPORT (CONTINUED)

Financial Review (Continued)

The total of net incoming resources and unrealised losses is the net movement in funds of £13500 (2000:restated, £25851).

Included in total funds carried forward is a restricted fund of £37101 (2000: £17600), this relates to the XH558 Appeal. Income for the Appeal during the year was £278593 (2000: £18099) and expenditure £259092 (2000: £499). The income includes tax reclaims of £40813 (2000: £nil) for payments under gift aid to 31 December 2001. The net movement on this fund was £19501 incoming (2000: £17600).

The results for 2000 have been restated to include the results of the VRT 200 Club (see note 5).

The net assets of the charity as at 31 December 2001 were £86887 (2000: restated, £73387). The charity's fixed assets comprise an Avro Vulcan B2 aircraft at London Southend Airport and its associated ground equipment and spare parts, three container stores and their fixtures and fittings, and a caravan. The net book value of these assets as at 31 December was £9084 (2000: £10337).

Under the memorandum and articles of association, the charity has the power to make any investment which the trustees see fit.

The trustees/directors are satisfied with the financial position of the charity and would like to thank the many volunteers, companies and organisations who give their time and services to the charity.

Fund-raising

The annual Prize Draw remained an important source of income for the charity, producing a profit of £2972 in 2001. This was £313 up on the 2000 draw and arrested the decline in profits experienced in recent years. Ticket sales improved; exactly 8000 being sold, compared with 6973 in 2000. The charity offered cash prizes for the first time and provided members with Freepost envelopes for the easy return of cheques and ticket stubs. Raffles and/or tombolas were held at the September Open Day and at each social meeting (plus an auction at the Christmas meeting) and provided very valuable sources of extra income.

VRT Enterprises (Company Limited by Guarantee) was set up to operate the trading activities of the charity. The charity controls the operations of this company as the directors of the charity are members of VRT Enterprises. VRT Enterprises Limited reported a trading loss of £2566 for its 2000-01 financial year and so could not donate any profits to the charity. The Board asked the charity's Stock & Stand Committee to investigate the reasons for the loss, which it attributed to a number of causes, including the purchase of new display equipment for the air display stand. The Stock & Stand Committee put in place a revised system for tracking sales and the level of stock held, which will ensure closer monitoring of sales and profits earned.

The VRT 200 Club (a private club, operating within the charity, with membership restricted to the charity's members) continued to raise funds for the charity. At the end of 2001, £9747 was held in the 200 Club account (compared with £7210 at the end of 2000). The results and balances of the VRT 200 Club are incorporated into the charity accounts. In June, the Board agreed to dedicate funds raised by the Club to the resurfacing of the dispersal pan, setting the Club a target of £12000. As a result of this, the charity did not draw on the 200 Club for any funds during the year. A second prize was introduced to the monthly draw (beginning in June), payable in those months where 200 Club membership totals 300 or more. The results of the VRT 200 Club are included in the company accounts.

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VULCAN RESTORATION TRUST

COMPANY LIMITED BY GUARANTEE

DIRECTORS' REPORT (CONTINUED)

Publicity

The charity's stand attended 9 different air displays during 2001, compared with 11 the previous year. The main stand was used for all of these, with the caravan employed solely for events at Southend Airport. An advert was placed in the Shoreham Airshow programme and the charity's name and contact details appeared in the Aviation Clubs & Societies Guide in FlyPast magazine. Adverts for stock items (paid for by VRT Enterprises Limited) appeared in the RAF Yearbook and the Royal International Air Tattoo and Waddington Airshow programmes.

Vulcan Restoration Trust Appeal

The 'Vulcan To The Sky' campaign to return Vulcan XH558 to airworthy condition gained momentum throughout the year, with extensive media coverage and direct mailings to households across the country helping to raise the campaign's profile. Felicity Irwin DL, an experienced charity fundraiser, managed the fundraising campaign voluntarily on the charity's behalf, with overall management of the Return-to-Flight project carried out by R W Pleming Consulting Limited. The charity was pleased to work closely with the Vulcan 558 Club (the official XH558 supporters club) collecting donations at air displays.

The role of the charity's trustees is to ensure that all sums raised are applied correctly in pursuance of the Appeal's aims (so ensuring public confidence in the campaign) and in pursuance of the charity's own objects and aims. A legal agreement was signed with XH558's owners, C Walton Limited, to this effect. All donations were recorded on computer software designed and provided by the charity. The charity also administers the Appeal's bank account, which is separate from the charity's normal account.

During the spring and early summer, the Vulcan Operating Company, the independent company managing the restoration project, completed the 'Soft Start' stage. This involved removing items and equipment from the aircraft, ready for dispatch to the Original Equipment Manufacturers (OEMs) for servicing once sufficient funds became available to take the project forward. The project has the backing of the UK Civil Aviation Authority and all the Vulcan OEMs (including BAE Systems plc as design authority) either committed, or reconfirmed their support, to the project during the year. The amount raised during 2001 was far in excess of what could be expected for a 'heritage' appeal but the contribution of a major commercial or individual donor or backer was still needed to provide the funds needed to take the project through to completion. To this effect, a business plan that shows the project to be a viable vehicle for a commercial investor was prepared in the autumn for circulation in the city in the early weeks of 2002.

VRT Enterprises Limited

The charity is connected with VRT Enterprises Limited (Registered Company No: 3300759) by virtue of the fact that it has common directors. All of the profits of VRT Enterprises Limited are transferred to the trust under Gift Aid. At the balance sheet date an amount of £4394 (2000: £4394) was due to the charity in respect of a loan to VRT Enterprises Limited, which is included in Other Debtors. Interest at 7% per annum reviewable annually is payable on this loan.

Risk Management

The directors have taken steps to identify the major strategic and operational risks which the charity faces. It is anticipated this work will be completed within the next six months.

DIRECTORS' REPORT (CONTINUED)

Small Company Exemption

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Reserves

	<u>2001</u>	<u>2000</u>
Total Reserves	86887	73387
Less: Fixed Assets	(9084)	(10337)
Less: Restricted Fund	(37101)	(17600)
	<hr/>	<hr/>
Free Reserves	£40702	£45450
	<hr/>	<hr/>

Free Reserves equate to 11 month's unrestricted expenditure (2000: 17 month's unrestricted expenditure) which is considered reasonable.

BY ORDER OF THE BOARD

RICHARD CLARKSON
COMPANY SECRETARY

DATED

VULCAN RESTORATION TRUST

COMPANY LIMITED BY GUARANTEE

STATEMENT OF DIRECTORS' RESPONSIBILITIES

We are required under company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that year. In preparing those financial statements we are required to:-

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

We are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable us to ensure that the financial statements comply with the Companies Act 1985. We are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

VULCAN RESTORATION TRUST (COMPANY LIMITED BY GUARANTEE)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
FOR THE YEAR ENDED 31 DECEMBER 2001

We have audited the financial statements on pages 4 to 12 which have been prepared under the historical cost convention (as modified by the revaluation of fixed asset investments), and the accounting policies set out on pages 7 and 8.

Respective Responsibilities of Directors and Auditors

As described on page 2, the directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Accounting Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and the Charities Act 1993. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the charitable company has not kept proper accounting records and if we have not received all the information and explanations we require for our audit.

We are not required to consider whether the statement in the directors' report concerning the major risks to which the charitable company is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the charitable company's risk management and control procedures.

We read the other information contained in the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

As explained in note 1.b) the results of the subsidiary company, VRT Enterprises Limited, have not been consolidated. The loss for the year ended 30 April 2001 of the subsidiary company was £2566 and its net assets at that date were £11326.

VULCAN RESTORATION TRUST (COMPANY LIMITED BY GUARANTEE)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
FOR THE YEAR ENDED 31 DECEMBER 2001 (CONTINUED)

Opinion (Continued)

Except for the failure to consolidate the results of the subsidiary, in our opinion the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 December 2001 and of the charity's incoming resources and application of those resources for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

The Old Mill
Park Road
Shepton Mallet
Date:

Blueprint Audit Limited
Registered Auditor

VULCAN RESTORATION TRUST
COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2001

	<u>Note</u>	<u>Unrestricted</u> <u>Fund</u>	<u>Restricted</u> <u>Fund</u>	<u>2001</u> <u>Total</u>	<u>2000</u> <u>Total</u> (as restated)
<u>INCOMING RESOURCES</u>					
Subscriptions		23490	-	23490	16014
Donations		5134	278593	283727	23846
Activities for Generating Funds:					
Fund-raising Income		10019	-	10019	10026
Investment Income	2	757	-	757	841
Other Incoming Resources		739	-	739	698
Gift Aid Receipt from Trading Subsidiary		-	-	-	6746
		-----	-----	-----	-----
TOTAL INCOMING RESOURCES		40139	278593	318732	58171
<u>RESOURCES EXPENDED</u>					
Cost of Generating Funds:					
Fund-raising Expenses		6471	38191	44662	7302
Charitable Expenditure:					
Dispersal Pan Rent		2372	-	2372	1076
Vulcan Running, Servicing and Restoration		12975	205377	218352	4206
Insurance		3340	-	3340	3375
Support Costs		4702	15524	20226	4424
Property Costs		4900	-	4900	2250
Newsletter Costs		6678	-	6678	7656
Miscellaneous Expenses		1254	-	1254	388
Management and Administration		2500	-	2500	-
Depreciation		1253	-	1253	1324
		-----	-----	-----	-----
TOTAL RESOURCES EXPENDED	3	46445	259092	305537	32001
		-----	-----	-----	-----
NET (OUTGOING)/INCOMING RESOURCES FOR THE YEAR	4	(6306)	19501	13195	26170
Unrealised Gains/(Losses) on Investment Assets		305	-	305	(319)
		-----	-----	-----	-----
NET MOVEMENT IN FUNDS FOR THE YEAR CARRIED FORWARD		(6001)	19501	13500	25851

VULCAN RESTORATION TRUST
COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2001 (CONTINUED)

	<u>Unrestricted</u> <u>Fund</u>	<u>Restricted</u> <u>Fund</u>	<u>2001</u> <u>Total</u>	<u>2000</u> <u>Total</u> (as restated)
NET MOVEMENT IN FUNDS FOR THE YEAR BROUGHT FORWARD	(6001)	19501	13500	25851
FUND BALANCES BROUGHT FORWARD				
- As Previously Stated	48577	17600	66177	43326
- Prior Year Adjustment	7210	-	7210	4210
	<hr/>	<hr/>	<hr/>	<hr/>
- As Restated	55787	17600	73387	47536
	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCES CARRIED FORWARD	£49786	£37101	£86887	£73387
	<hr/>	<hr/>	<hr/>	<hr/>

The notes on pages 7 to 12 form an integral part of these financial statements.

VULCAN RESTORATION TRUST
COMPANY LIMITED BY GUARANTEE
SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2001

	<u>2001</u>	<u>2000</u> <u>(as restated)</u>
Income of Continuing Operations	318732	58171
Expenditure of Continuing Operations	305537	32001
	<hr/>	<hr/>
Net Income for the Year	£13195	£26170
	<hr/> <hr/>	<hr/> <hr/>

The Summary Income and Expenditure Account is derived from the Statement of Financial Activities on page 4, which together with the notes to the accounts on pages 7 to 12, provides full information on the movement during the year of all funds of the charity.

There were no acquisitions or discontinued operations during the current or preceding year.

The notes on pages 7 to 12 form an integral part of these financial statements.

VULCAN RESTORATION TRUST
COMPANY LIMITED BY GUARANTEE
BALANCE SHEET AS AT 31 DECEMBER 2001

	<u>Note</u>	<u>2001</u>	<u>2000</u> (as restated)
<u>FIXED ASSETS</u>			
Tangible Assets	8	9084	10337
Investments	9	2005	1700
		<hr/>	<hr/>
		11089	12037
<u>CURRENT ASSETS</u>			
Debtors	10	51409	4596
Cash at Bank and In Hand		43333	56754
		<hr/>	<hr/>
		94742	61350
<u>CREDITORS: AMOUNTS FALLING DUE</u>			
<u> WITHIN ONE YEAR:</u>	11	(18944)	-
		<hr/>	<hr/>
<u>NET CURRENT ASSETS</u>		75798	61350
		<hr/>	<hr/>
<u>NET ASSETS</u>		£86887	£73387
		<hr/>	<hr/>
<u>FUNDS</u>			
Unrestricted Fund	12	49786	55787
Restricted Fund	12	37101	17600
		<hr/>	<hr/>
<u>TOTAL FUNDS</u>		£86887	£73387
		<hr/>	<hr/>

Approved by the board of directors on

and signed on their behalf by:

K PACKARD
Director

The notes on pages 7 to 12 form an integral part of these financial statements.

VULCAN RESTORATION TRUST
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001

1. ACCOUNTING POLICIES

a) Accounting Convention

The financial statements have been prepared in accordance with the historical cost convention (as modified for the revaluation of fixed asset investments), applicable accounting standards, the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2000) and the Companies Act 1985. The principal accounting policies which have been adopted on a consistent basis within that convention are set out below.

The charity has not presented a cash flow statement in accordance with exemptions conferred by Financial Reporting Standard Number 1 (Revised 1996).

b) Subsidiary Company

VRT Enterprises Limited is a subsidiary of the company as set out in note 15. The financial year end of VRT Enterprises Limited is 30 April. The directors consider that the additional costs that would be necessary to enable the results of VRT Enterprises Limited to be consolidated at 31 December 2001 are disproportionate to the benefits to be gained. The results for VRT Enterprises for the year ended 30 April 2001 are set out in note 15.

c) Incoming Resources and Resources Expended

Incoming resources are included in the Statement of Financial Activities on the basis of the amounts receivable for the year.

Donations are recognised when they are received. Donations received for the general purposes of the charity are credited to Unrestricted Funds. Donations subject to specific wishes of the donors are carried to relevant Restricted Funds.

Resources expended are included on the basis of the amounts payable for work done and services provided for the year and allocated to expense headings on a direct cost basis. The irrecoverable element of VAT is included with the item of expense to which it relates.

d) Listed Investments

Investments are shown at market value at the balance sheet date. Realised and unrealised gains and losses on investment assets are shown in the Statement of Financial Activities.

e) Tangible Fixed Assets and Depreciation

Depreciation of tangible fixed assets is calculated to write off the cost less any residual value over its estimated useful life:

Vulcan XL426	10% per annum on the straight line basis
Plant and Equipment	15% per annum on the reducing balance basis

Items of expenditure of a capital nature costing more than £500 are capitalised.

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001 (CONTINUED)

1. ACCOUNTING POLICIES (CONTINUED)

f) Unrestricted Funds

These are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

g) Restricted Funds

Funds received for specific restoration projects are treated as restricted funds.

2. <u>INVESTMENT INCOME</u>	<u>2001</u>	<u>2000</u>
Dividends on UK Listed Securities	85	76
Interest Receivable and Similar Income	672	765
	<hr/>	<hr/>
	£757	£841
	<hr/>	<hr/>

3. ANALYSIS OF TOTAL RESOURCES EXPENDED

	<u>Staff</u> <u>Costs</u>	<u>Other</u> <u>Costs</u>	<u>Depreciation</u>	<u>Total</u>
Cost of Generating Funds	-	44662	-	44662
Charitable Expenditure	-	259622	1253	260875
	<hr/>	<hr/>	<hr/>	<hr/>
	£-	£304284	£1253	£305537
	<hr/>	<hr/>	<hr/>	<hr/>

4. NET (OUTGOING)/INCOMING RESOURCES

Net (Outgoing)/Incoming Resources is stated after charging:-

	<u>2001</u>	<u>2000</u>
Depreciation of Tangible Fixed Assets	1253	1324
Dispersal Pan Rental	2372	1076
Auditors' Remuneration	2500	-
	<hr/>	<hr/>

VULCAN RESTORATION TRUST

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001 (CONTINUED)

5. PRIOR YEAR ADJUSTMENT

The results of the Vulcan Restoration Trust 200 Club have now been incorporated with those of the company. As a result the prior year's figures have been restated as follows:-

Fund-raising Income

As previously stated	7026
Prior year adjustment	3000

As restated	£10026
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Cash at Bank and In Hand

As previously stated	49544
Prior year adjustment	7210

As restated	£56754
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6. TAXATION

No liability to UK Corporation Tax arises for the period due to the charitable status of the company.

7. DIRECTORS

None of the directors who are the trustees received any remuneration or benefits from the company (2000: £Nil). No directors received expenses (2000: £Nil).

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001 (CONTINUED)

8. TANGIBLE FIXED ASSETS

	<u>Vulcan XL426</u>	<u>Plant & Equipment</u>	<u>Total</u>
<u>COST</u>			
As at 1 January 2001 and 31 December 2001	8500	5504	14004
	<hr/>	<hr/>	<hr/>
<u>DEPRECIATION</u>			
As at 1 January 2001	850	2817	3667
Charge for the Year	850	403	1253
	<hr/>	<hr/>	<hr/>
As at 31 December 2001	1700	3220	4920
	<hr/>	<hr/>	<hr/>
<u>NET BOOK VALUE</u>			
As at 31 December 2001	£6800	£2284	£9084
	<hr/>	<hr/>	<hr/>
As at 31 December 2000	£7650	£2687	£10337
	<hr/>	<hr/>	<hr/>

All tangible fixed assets are used in direct furtherance of the charity's objectives.

9. <u>FIXED ASSET INVESTMENTS</u>	<u>2001</u>	<u>2000</u>
UK Listed Securities	£2005	£1700
	<hr/>	<hr/>

The historic cost of UK listed securities at 31 December 2001 was £Nil (2000: £Nil).

10. <u>DEBTORS</u>	<u>2001</u>	<u>2000</u>
Tax Reclaims Due	47014	-
Other Debtors (see note 15)	4394	4596
	<hr/>	<hr/>
	£51409	£4596
	<hr/>	<hr/>

VULCAN RESTORATION TRUST

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001 (CONTINUED)

11. CREDITORS: AMOUNTS FALLING DUE WITHIN
ONE YEAR

	<u>2001</u>	<u>2000</u>
Trade Creditors	16444	-
Accruals	2500	-
	<hr/>	<hr/>
	£18944	£-
	<hr/>	<hr/>

12. ANALYSIS OF FUNDS

	<u>Balance</u> <u>at 1 January</u> <u>2001</u> <u>(As previously</u> <u>stated)</u>	<u>Prior</u> <u>Year</u> <u>Adjustment</u>	<u>Incoming</u> <u>Resources</u>	<u>Unrealised</u> <u>Gains/Losses</u> <u>and</u> <u>Resources</u> <u>Expended</u>	<u>Balance</u> <u>at 31 December</u> <u>2001</u>
<u>Unrestricted Funds</u>					
General Reserve	38240	7210	40139	(44887)	40702
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	48577	7210	40139	(46140)	49786
<u>Designated Fund</u>					
Tangible Fixed Assets Fund	10337	-	-	(1253)	9084
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	48577	7210	40139	(46140)	49786
<u>Restricted Fund</u>					
Vulcan Restoration Trust					
Appeal	17600	-	278593	(259092)	37101
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	£66177	£7210	£318732	£(305232)	£86887
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The Tangible Fixed Asset Fund has been set up to assist in identifying those funds that are not free funds and it represents the net book value of tangible fixed assets.

The Vulcan Restoration Trust Appeal is a fund set up for the proceeds of an appeal to raise money specifically for the restoration of Avro Vulcan B2 XH558 (G-VLCN).

VULCAN RESTORATION TRUST

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001 (CONTINUED)

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<u>Tangible</u> <u>Fixed</u> <u>Assets</u>	<u>Investments</u>	<u>Net</u> <u>Current</u> <u>Assets</u>	<u>Total</u>
Restricted Fund	-	-	37101	37101
Unrestricted Fund	9084	2005	38697	49786
	<hr/>	<hr/>	<hr/>	<hr/>
	£9084	£2005	£75798	£86887
	<hr/>	<hr/>	<hr/>	<hr/>

14. COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee of its members to the extent of £1 each. At the balance sheet date there were 1125 members (2000: 1108) of the company.

15. SUBSIDIARY UNDERTAKING

VRT Enterprises, Company Limited by Guarantee, (Registered in England Company No: 3300759) is a subsidiary of the company by virtue of the fact that the directors of the company are the members and directors of VRT Enterprises.

The results for the year ended 30 April 2001 was turnover of £27033 (2000: £21613) and a loss at £2566 (2000: surplus £6746). The reserves of VRT Enterprises at 30 April 2001 were £11326 (2000: £13892).

The accounts for VRT Enterprises have not been consolidated with the charity.

The company received £Nil (2000: £6746) of Covenanted income during the year from VRT Enterprises Limited.

At the balance sheet date an amount of £4394 (2000: £4394) was due to the company in respect of a loan to VRT Enterprises Limited, which is included within Other Debtors. Interest at 7% per annum, reviewed annually, is payable on this loan and it is repayable on demand after one month's notice.