

CHARITY NUMBER: 1058111
COMPANY NUMBER: 03203724

VULCAN RESTORATION TRUST
(COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2009

VULCAN RESTORATION TRUST (COMPANY LIMITED BY GUARANTEE)
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VULCAN RESTORATION TRUST (COMPANY LIMITED BY GUARANTEE)
REFERENCE AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2009

COMPANY INFORMATION

Charity Registration Number: 1058111

Company Registration Number: 03203724

Charity Address and Registered Office: 39 Breakspears Drive
St Paul's Cray
Orpington
Kent
BR5 2RX

Company Secretary: Richard Clarkson

TRUSTEES AND DIRECTORS

The trustees of the charity are its directors for the purpose of company law. The trustees serving during the year and since the year end are set out below:

Mr Keith Harvey (Interim Chair and Treasurer)
Mr Richard Clarkson (Secretary)
Mr David Griffiths
Mr Paul Hartrup
Mr Matt Lawrence
Mr Kevin Packard (resigned 25 April 2009)
Mr Andy Vass

PROFESSIONAL ADVISERS

Independent Examiner: Paul Treby, FCA
9 Martins Paddock
West Cranmore
Shepton Mallet
Somerset
BA4 4QY

Bankers: National Westminster Bank plc
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VULCAN RESTORATION TRUST (COMPANY LIMITED BY GUARANTEE)
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2009

The trustees present their report and unaudited financial statements for the year ended 31 December 2009. The trustees' report also represents the directors' report which is required to be prepared under Section 419(2) of the Companies Act 2006.

The reference and administrative information set out on pages 1 and 1(a) form part of this report.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The company was constituted by the Memorandum and Articles of Association on the 24 May 1996. It was registered as a charity on the 18 September 1996.

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

The trustees of the charity are a self appointed body. Service on the board is for three years. Retiring trustees can be re-elected. The charity does not employ any staff. The charity maintains a Conflicts of Interest register. Copies of the register can be obtained by sending a stamped addressed envelope to the charity's registered office.

The board of directors met formally on four occasions. The board is responsible for the overall management of the charity, takes policy decisions and ratifies all decisions made by its Engineering and Stock & Events sub-committees. As the charity does not employ any staff, the board is also responsible for the day-to-day running of the charity.

The Charity Commission's Review Visit Report received by the charity in February 2004 recommended amongst other things that the charity produce a new strategic plan. This was done in 2005 with the *Vulcan Restoration Trust - Strategic Plan 2006-10* being formally adopted by the board in October 2005. The first of four annual Action Plans was agreed by the board in January 2006. This first plan has, so far, not been fully implemented. The Board reviewed progress early in 2009 but it did not prove possible to fully implement the plan by the end of the year. Although the Board is happy that the charity delivers satisfactorily against its aims and objectives on a day-to-day basis, it is conscious that a more strategic approach is required if the charity is to fulfil its potential long-term. The Board will, therefore, further review progress in 2010.

A key objective of the Action Plan is to improve the charity's governance, including a revised organisational structure for the board and its committees. The board was reduced in size in 2007 with the aim of it taking on a more strategic role and for management of the charity's operational functions to be delegated to its sub-committees. The former Events Committee was reconstituted as the Stock & Events Committee in 2009, with responsibility for the charity's sales and publicity stand, the trading stock and the organisation of all charity events. The day-to-day management of the charity's engineering and aircraft maintenance functions continued to be dealt with by the Engineering Committee. Membership of both committees increased in 2009. The Board, however, wants to see the committees continue to expand so it can delegate more of its operational responsibilities and concentrate more fully on the long-term development of the charity.

Kevin Packard resigned as a trustee and as the chair of the charity at the 2009 Annual General Meeting. Kevin had served as a trustee since the charity was formed in 1996, having been a committee member of the charity's predecessor body, the Vulcan Memorial Flight Supporters' Club, since its formation in 1990. He had been the charity's chair since 2001 and has contributed to many areas of the charity's work, including organising the Prize Draw for a number of years. In recognition of his contribution, the charity offered him the honorary position of Vice-President and was delighted when he accepted. Kevin remains a member of the Engineering and Stock & Events Committees, and the charity welcomes and is grateful for his continued contribution and support.

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FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

On 15 March the charity unveiled a memorial bench to Alan Painter, one of its former pilots who had taxied XL426 on numerous occasions and who had appeared twice as its guest speaker at charity meetings. The bench was unveiled on the first anniversary of Alan's passing in the presence of many of his family and friends. The funds for the bench were provided for in Alan's will and his partner, Priscilla, has agreed that it be situated alongside XL426. The charity will construct a permanent base for the bench in 2010.

None of the trustees/directors received any remuneration or benefits from the charity. The charity does not have policies or processes for recruiting or inducting new trustees. The board had intended to review both these areas following the implementation of the changes to its organisational structure in 2008. However, the need to focus effort and resource into other areas has prevented this from happening. The board is aware of the need to recruit new volunteers, especially into areas such as fund raising, and the board will seek to address this issue in 2010.

The charity is a full member of the British Aviation Preservation Council (BAPC) and is an associate member of the Bomber Command Association.

Public Benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities.

OBJECTIVES AND ACTIVITIES

The charitable objectives of the charity which represent its principal activity 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.

During the year the charity carried out maintenance and preservation work on former Royal Air Force Avro Vulcan B2 XL426 (G-VJET) at London Southend Airport, Essex, along with its associated ground equipment and buildings, held four public open days, gave educational talks about the aircraft to the public, organised meetings for members' and interested members of the public and attended various public events.

The charity's income is generated by membership fees, entrance fees, appeals, donations, fund-raising draws and public displays. The charity's main headline objectives for the year (as defined in its Annual Plan 2006 – carried forward into 2007-09) were as follows:

- (a) Improved governance: including revised organisational structure; new planning process; and trustee recruitment.
- (b) Improvement of engineering function: including relocation of the workshop and stores building to a new site (planning permission permitting); production of maintenance and cost plans; and development of a new policies and procedures manual.
- (c) Improved performance: including implementation of internet trading; forging of greater links with the local community; and review of the charity's membership package.

VULCAN RESTORATION TRUST (COMPANY LIMITED BY GUARANTEE)
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FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)

OBJECTIVES AND ACTIVITIES (CONTINUED)

- (d) Improved knowledge management: including management of documentation and archive materials.

The charity's income is generated by membership fees, entrance fees, appeals, donations, fund-raising draws and public displays. The charity's main objectives for the year were to continue the *Return to Power* engineering programme to return XL426 to full ground running condition, to develop and implement new Health & Safety procedures covering all areas of the charity's work, to continue implementing the recommendations of the Charity Commission Review Visit Report, to continue raising the charity's profile in the South Essex area, and to continue to improve its financial position.

Preservation and Protection of Avro Vulcan Aircraft

XL426 is listed by the BAPC in its National Aviation Heritage Register as a 'benchmark' example of the type and is one of only three Vulcans in the world capable of being taxied under its own power. XL426, and its associated ground equipment, is owned by the charity.

The charity's Engineering Committee continued to set the formal programme of maintenance on XL426 and met to review progress. Matt Lawrence continued as Chief Engineer, with specific responsibility for airframe, engines and avionics, supported by Paul Hartrup, who was responsible for engineering administration. The size of the Engineering Team increased during the year following the recruitment of new volunteers.

Following the taxi-run at its Open Day in August 2006 the charity agreed to withdraw XL426 from taxiing service so that a programme of engineering work could be carried out to ensure the aircraft's long-term survivability. The charity estimates that £54,000 will be needed to complete the work and launched an appeal called *426 Return to Power* to raise the necessary funds at the beginning of 2007. No time scale has been set to complete the work. By the end of the year, the appeal had raised a total of £13,314 (total £11,825 at the end of 2008).

Engineering work associated with the *Return to Power* programme concentrated on a number of areas. These included the continuing renovation or replacement of areas of the aircraft's skin that have become corroded. The skills and knowledge gained by Engineering Team members attending National Aviation Heritage Skills Initiative courses (see below) has continued to be particularly useful as this element of the *Return to Power* programme. Work on restoring the jet pipe end caps removed from the aircraft and those donated by the Vulcan to the Sky Trust at Bruntingthorpe continued during the course of the year, as did work the jet pipe tunnels and counterpoise plate. Work also began on renovating Nos. 3 and 4 PFCU bays, this made possible by the removal of the PFCUs and No.4 elevon.

The charity took delivery of two part-dismantled elevons from the Vulcan to the Sky Trust that it no longer required following the restoration of Vulcan XH558 to flying condition. A subsequent assessment of the parts available from the two elevons resulted in the decision to suspend work on No.3 elevon (removed from XL426 in May 2008) and concentrate work on and the repair and restoration of No.4 elevon. The work on this elevon will act very much as a 'template' for restoration of the others. New skins were manufactured to go on the underside of No.4 elevon, whilst the charity will contract out the job of constructing new channel sections as it does not have the necessary tooling to carry out this work in house.

Work continued throughout the year on the overhaul of the aircraft's wheels and Powered Flying Control Units (PFCUs). The aim is to have all the charity's wheels sets and PFCU units (including spares) fully serviceable by the time the *Return to Power* programme is complete. Work also continued on the refurbishment of the Navigator Radar and Air Electronics Officer (AEO) seats, with work on the AEO seat being almost complete at the

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OBJECTIVES AND ACTIVITIES (CONTINUED)

Preservation and Protection of Avro Vulcan Aircraft (Continued)

year's end. Work also continued on the various electronic 'black boxes' removed from the cockpit. This work is time consuming and can only be done during a period in which the aircraft is not taxiing regularly.

Minor corrosion of the Intake Guide Vanes of all four of XL426's engines was removed in the autumn, with the affected areas being treated prior to repainting the vanes. In June the charity was copied in on a letter from Rolls Royce to the Health and Safety Executive (HSE) regarding the possibility of corrosion affecting the Olympus engine's Low Pressure and High Pressure Compressors and the possible effect this could have on the safe operation of the Vulcan's engines. The HSE and Rochford District Council contacted the charity seeking assurance that XL426's engines were safe and, as a result, the charity suspended full power engine running pending the results of a boroscope examination of its four fitted and two spare engines. The examination was carried out towards the end of the year and a full report is currently being prepared.

The charity's ongoing programme of regular checks, coupled with numerous works of maintenance and repair on XL426 and its associated ground equipment (additional to that set out in the *Return to Power* programme) continued. The aircraft's electrical systems, including the flying control surfaces and the airborne auxiliary power plant (AAPP), were run weekly and faults rectified as and when they occurred.

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 surface of the aircraft was washed during the year and treated with corrosion inhibiting fluids. The charity continued to run heaters and dehumidifiers in certain areas of the aircraft to inhibit corrosion and the canopy cover continued to be used to prevent water ingress into the cockpit.

Work was ongoing throughout the year servicing and maintaining the charity's items of ground equipment, including its two air tugs, giraffe steps, ladders and servicing platforms. The bodywork of the charity's ground power unit was restored and re-painted. Maintenance of the charity's aircraft hardstanding was restricted to removal of weeds and filling cracks where necessary.

The charity continued to acquire spare parts and additional ground equipment whenever possible to assist its operation. A Low Pressure Air Start (LPAS) unit and Mk2 Hydraulic Rig were purchased using funds provided by the VRT 200 Club. Two diesel road compressors were also donated to the charity by a local company. One of these was returned to full working order and the increased capacity it provides has enabled the Engineering Team to greatly speed up de-corroding work on the aircraft's airframe.

The charity was represented at meetings of the BAPC during 2009. VRT trustee, Paul Hartrup, was elected a member of the BAPC Executive Committee during the year. Members of the charity's Engineering Team continued to attend the training courses held at the Imperial War Museum, Duxford, as part of the National Aviation Heritage Skills Initiative. This is a joint programme run by the BAPC and the Imperial War Museum, and is funded by the Heritage Lottery Fund.

The charity would like to thank all the members of its Engineering Team for their sterling work and dedication in 2009.

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OBJECTIVES AND ACTIVITIES (CONTINUED)

Demonstration and Display of Avro Vulcan Aircraft

The charity fulfilled its charitable objective to demonstrate and display Vulcan aircraft by holding four 'Visit the Vulcan' public open days on 19 April, 21 June, 9 August and 27 September. XL426 was also displayed by the charity as a static exhibit as part of the London Southend Airport Open Weekend in May. An estimated 1200 people attended the four 'Visit the Vulcan' days. The charity also provided the commentary at the London Southend Airport Open Weekend.

The charity continued to deliver its general induction course and airside safety training course (a London Southend Airport requirement) where appropriate to all new volunteers working for the charity. These will form part of an overall programme of training that the charity will develop in due course.

Education and Information

The charity continued to fulfil its educational objectives by giving talks and guided tours of XL426 to interested groups and societies, maintaining a website containing information about the Vulcan (www.avrovulcan.com), displaying and distributing information about the Vulcan to the public (including publishing its own magazine) and organising meetings for its members and interested members of the public.

The charity published two issues of its magazine *Vulcan News*. The continuing decline in the charity's membership meant it was no longer financially viable to produce three issues of the magazine, as had been done every year from 1996 to 2007, and the Board took the difficult decision to reduce publication to two issues per year. The charity remained committed to improving the quality of its magazine and the savings resulting from the reduction in the number of issues were partially offset by switching production of *Vulcan News* to full colour, beginning with the winter 2009 issue. The opportunity was also taken to refresh the style and presentation of the magazine. *Vulcan News* was distributed free to charity members, with back issues sold to the public at events and via the charity's on-line shop.

The charity is conscious of the need to maintain frequent communication with its members and so began publishing *Vulcan News Update*, a newsletter circulated to charity members between each issue of *Vulcan News*. Three issues of *Vulcan News Update* were published in 2009. This represents an overall cost saving to the charity, as the cost of producing three newsletters and two colour magazines is still less than that of three part-colour magazines. The cost saving was further increased in 2009 as each issue of *Vulcan News Update* were printed free-of-charge courtesy of charity member, Julius Bannister. The charity would like to express its gratitude to Julius for his generosity.

Issues of the VRT e-newsletter were circulated on a regular basis, bringing up-to-the-minute news and announcements to charity members and interested members of the public. The e-newsletter is free and can be subscribed to via a link on the charity's website.

Three 'Enthusiasts Events' meetings, including the charity's Annual General Meeting, were held in 2009. A fourth event planned for July had to be cancelled as it was not possible to book a guest speaker for the day. The three events that took place were open to charity members as well as guests and the public. Wing Commander Peter West MBE made a very welcome return as guest speaker at the April meeting where he talked about the Vulcan's role with 27 Squadron as a specialised Maritime Radar Reconnaissance aircraft. There was no guest speaker at the October event, all present instead being given a tour of the charity's workshop facilities at Southend Airport before venturing airside to experience an engine run by XL426. The charity's special guest at its Christmas meeting was Jonathan Whaley, who spoke about his career in film and air display flying.

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OBJECTIVES AND ACTIVITIES (CONTINUED)

Education and Information (continued)

The charity continued to maintain and add to its collection of Vulcan photographs, slides and other memorabilia. The charity's secretary continued the lengthy task of transferring onto electronic media the extensive collection of Vulcan images owned by member Alan Todd. By the end of the year this work was estimated to be 95% complete, with the original slides and photographs beginning to be passed to Air Britain in accordance with Alan's wishes.

Many of the stock items sold by VRT Enterprises Limited are educational in nature, including books, videos, DVDs, flown philatelic covers (with informational inserts about the Vulcan's history), posters and postcards.

ACHIEVEMENTS AND PERFORMANCE

Structure, Governance and Management

The charity continued to implement the recommendations of the Charity Commission Review Report by implementing its Strategic Plan for the period 2006-10 and its Action Plan for 2006 (carried forward into 2007-09). The targets and objectives set in the Action Plan were only partially met, although the charity is happy that progress continues to be made towards achieving the overall objectives of its Strategic Plan whilst it continues to fulfil its charitable objectives. The charity is aware that its organisational structure must be strengthened in terms of both its financial and human resource if it is to continue to develop, as well as continuing to meet its existing operational targets and commitments.

New Health & Safety procedures and policies covering all areas of the charity's work were developed during the year and agreed in principle by the Board in November. The new procedures and policies will be published and implemented once detailed work on them has been completed in 2010.

Preservation and Protection of Avro Vulcan Aircraft

The charity succeeded in maintaining Avro Vulcan XL426 as one of only three of the type capable of being taxied. As the aircraft gets older there is a need to improve maintenance to ensure serviceability. The formulation and implementation of the *Return to Power* programme provides the charity with the opportunity to ensure the long-term preservation of XL426 in full ground running condition for many years to come.

The charity's current Engineering Team will need to be expanded if the *Return to Power* programme is to be completed within a reasonable timescale and if an improved maintenance schedule is to be put in place in the long-term. Additional volunteers continued to join the Team in 2009 and the charity will continue to look at ways of attracting more volunteers in future, both for the Engineering Team and in other areas of its work.

The project to relocate the charity's workshop and stores to a site next to its aircraft hardstanding had been put 'on hold' during 2007. In the medium- to long-term the charity must relocate as part of the airport's plans to build a new terminal close to the site of the charity's existing building. Although not affected by the first stage of the development work, which began in earnest at the airport in 2009, the charity's workshop facility and XL426 will almost certainly have to relocate as the airport implements successive stages of its development plan.

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ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Demonstration and Display of Avro Vulcan Aircraft

The charity's four 'Visit the Vulcan' days were very successful from an organisational and financial point of view. The events reflect the charity's desire to provide frequent public access to XL426, bearing in mind that the aircraft is located airside at an operational airport and that the charity is staffed solely by volunteers, and to ensure it maintains a high public profile in the South Essex area. Space for visitor parking was restricted due to the development works at the airport, although in the event the space available proved just sufficient.

London Southend Airport did not levy a facility charge for the events and the charity made every effort to reduce the overhead costs for each day. XL426 was also on static display at the London Southend Airport Open Weekend on 24 and 25 May.

Education and Information

Following the upgrade to its website (www.avrovulcan.com) in 2008, the charity continued to expand its content in 2009. The website features news and reports of the charity's activities, including regular engineering reports, as well as historical information about XL426 and the Vulcan. The charity's aim is to make the website a prime source of information about the Vulcan and will continue to expand the content of the website on an ongoing basis.

The charity gave four talks (compared with 10 in 2008) to interested community groups and societies about the role of the Avro Vulcan in the Cold War and the work of the charity at Southend Airport. Talks to groups in South Essex are given under the banner of the 'Modern History on your Doorstep' programme, which aims to increase the awareness of people living in South Essex of their local and modern history, and for which the charity received a grant from Groundwork East of England in 2006.

Groups and societies visited XL426 on a number of occasions during the year.

Membership

Following her and her husband's decision to move from Stevenage to a new home one in the Malvern area, Marion Bune stepped down as the charity's Membership Secretary in April. The charity would like to place on record its very grateful thanks to Marion and her husband Rob (who has diligently supported her in her in the role) for all their sterling efforts over the past three years. The charity looks forward to seeing them at future events. Engineering Team member Steve Barnes kindly volunteered to take over as Membership Secretary and the transfer of duties from Marion to Steve took place immediately after the Annual General Meeting. A new post office box address for membership enquiries and renewals was set up and the old Stevenage box closed down (although the charity did arrange for post to be redirected to the new box for a period of six months).

The charity ended the year with 639 members, 67 down on the previous year. 43 new members joined in 2009 (2008: 53). This is the eighth year in succession that membership of the charity has fallen. Membership subscriptions, however, continue to be a vital source of income and the charity would like to thank all its members for their support during 2009.

The charity produced a new all-colour membership card for the first time in 2009.

Publicity

Charity member Phil Whalley continued his work raising the charity's profile in the local media and national aviation press. Details of the charity's Visit the Vulcan Days appeared in

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ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Publicity (continued)

the local press and national aviation magazines, as well as local events guides and websites.

Reports of the charity's events and activities appeared regularly in local newspapers and specialist magazines. The July issue of *Classic and Sports Car* magazine carried an article about XL426 which was linked to the appearance of vehicles from the South Eastern and Vintage Classic Vehicle Club at the charity's Visit the Vulcan Day on 19 April. The autumn edition of *This England* magazine carried a small piece about the charity, as did the October issue of the French aviation journal *Air Fan*.

As in 2008 the charity produced a full colour tri-fold leaflet to publicise its work and activities, which was distributed at public events. The charity will look to widen distribution of the leaflet in 2010. An A4 size poster was also produced which was distributed to national aviation museums, local museums and libraries and tourist offices in Essex and East Anglia. The charity would like to thank Matt Chester for all his efforts designing the leaflet and the poster.

Following the destruction of its previous display stand in 2008, a new stand was purchased at the beginning of the year using funds provided by the VRT 200 Club. The stand's covers feature the charity's logo and have been finished in the charity's corporate colours, blue and white. New collapsible tables and table covers were also purchased to ensure the stand and its contents are easy transport and set up, and project a professional image. The charity will explore how best the stand can be used to better promote its preservation and educational work through new display boards and other visual media.

The charity purchased a second hand display trailer to replace its caravan which was disposed of in 2009. The trailer was used at the Visit the Vulcan Days to show film of a taxi-run and of recent work carried out on XL426 as part of the *Return to Power* programme. If finances permit, the charity will refurbish the trailer in 2010 and explore how it can best be used to promote its work at events.

The charity continued its policy of concentrating its efforts on raising its profile in South Essex and, as a consequence, only attended one air display outside its local area (the RAF Waddington International Air Show) in 2009. The charity's stand attended the *Military and Flying Machines* show at Damyns Hall Aerodrome, Essex, on 8 and 9 August, and the Canvey Island Transport Show on 11 October. The charity will seek to attend a greater number of local events in 2010.

Fund-raising

The charity's annual Prize Draw remained an important source of income producing a profit of £1,232 (2008: £1,423). The charity would like to thank its vice-president Graham Cash and his family for their help organising the Prize Draw. Raffles and/or tombolas were held at each Enthusiasts Event (plus an auction at the Christmas meeting) and provided very valuable sources of extra income. The *Helping Hands* scheme, introduced in 2008, continued and provided charity members with the opportunity to make a monthly donation by standing order. This income is not 'ring fenced' and can be used by the charity as it sees fit. At the end of 2009, monthly income from the *Helping Hands* scheme was £224, slightly down on the previous year, giving an annual income of more than £2680.

VRT Enterprises Limited (Company Limited by Guarantee) is set up to operate the trading activities of the charity. The charity controls the operations of this company as the trustees of the charity are members of VRT Enterprises. VRT Enterprises reported a trading profit of £2,334 (2008: £898) for the 2009 financial year.

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ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Fund-raising (continued)

VRT Enterprises Limited added three new branded souvenirs to its range in 2009; a new polo shirt and baseball cap were introduced in the spring, along with a new VRT sticker and car sticker. A limited edition VRT fleece was also produced for Christmas. The on-line shop, opened just before Christmas 2008, continued to operate and provided a valuable source of income throughout the year.

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 2009, £13,381 was held in the 200 Club account (compared with £13,325 at the end of 2008). Expenditure in support of the charity's activities in 2009 totalled £2,800 (2008: £760).

The charity benefited from the fund-raising efforts of two rock bands in 2009. *Dupe* (featuring VRT trustee Dave Griffiths on keyboards) performed a 'Concert for the Vulcan' at Chelsfield Village Hall, Kent on 30 May. The concert and its accompanying raffle raised over £1000 for the charity. On 19 October, Swindon-based *Vulcan* performed a benefit concert at The Boathouse in Salisbury, Wiltshire, raising over £250. The charity would like to thank both *Dupe* and *Vulcan*, and all those involved in organising the concerts, for their support.

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.

VRT Enterprises Limited carried out the sale of aviation goods and memorabilia via the on-line shop and via charity's stand at air displays and other events. It also operated bar and catering services at charity events. VRT Enterprises Limited provided refreshments and ran a licensed bar at each of the charity's Enthusiasts Events. A full buffet was laid on at the December event, and hot meals were provided at the other three. The charity would like to pay particular thanks to Anne Gardiner, Jackie King, Sarah Gardiner, Graham Cash and the other members of the Catering and Bar Team for all their efforts in 2009.

Risk Management

The directors continued to take steps to identify the major strategic and operational risks the charity faces and procedures have been put in place to mitigate these risks. The directors regularly review risk.

FINANCIAL REVIEW

Incoming resources for the year amounted to £48,708 (2008: £50,626). There were unrealised profits on investments of £324 (2008 losses: £1,105). Total resources expended for the year were £48,834 (2008: £48,832).

The net movement in funds was £198 (2008: £689).

The net assets of the charity as at 31 December 2009 were £39,218 (2008: £39,020). 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 display trailer. The net book value of these assets as at 31 December was £691 (2008: £1,663).

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FINANCIAL REVIEW (CONTINUED)

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

The trustees 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.

PLANS FOR FUTURE PERIODS**Strategic Plan 2006-10**

The *Vulcan Restoration Trust – Strategic Plan 2006-10* sets out three high-level aims for the charity over the four-year period, namely; extending public awareness of the charity and its role in aircraft preservation, improving the charity's planning framework and the resources available to it, and developing the ways and means to measure the charity's effectiveness. The plan also identifies five priority areas for improvement: governance, performance (in relation to membership support, the use of technology and merchandising), the engineering function, and management of knowledge and resources.

Exit Plan

In response to a request from the London Southend Airport Company, the charity has drawn-up an 'Exit Plan' to take into account its liabilities and contingencies should it ever be required to remove XL426 from the airport. The charity would like to stress that this plan has been produced solely to satisfy the airport that XL426's presence at Southend does not represent a potential liability for the airport company. The airport has no immediate intention to request that the aircraft be removed. The plan is reviewed annually.

STATEMENT OF TRUSTEES' 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 then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue its activities.

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 2006. 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)
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Approved by the trustees on

and signed on their behalf by

..... Richard Clarkson
Secretary

VULCAN RESTORATION TRUST (COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	2009 Unrestricted Funds £	2008 Unrestricted Funds £
INCOMING RESOURCES (INCOME)			
Incoming Resources from			
Generated Funds:			
Voluntary Income	2	33,090	35,658
Activities for Generating Funds:			
Fund Raising Income		13,193	13,279
Investment Income	3	46	409
Gift Aid Receipt from Trading Subsidiary		2,334	898
Other Incoming Resources		45	382
		-----	-----
Total Incoming Resources		48,708	50,626
		-----	-----
RESOURCES EXPENDED (EXPENDITURE)			
Cost of Generating Funds:			
Fund-raising Expenses		3,530	1,708
Charitable Activities	4	45,304	47,124
		-----	-----
Total Resources Expended		48,834	48,832
		-----	-----
NET (OUTGOING)/INCOMING RESOURCES ((EXPENDITURE)/INCOME)			
	5	(126)	1,794
Unrealised Gains/(Losses) on Investment Assets		324	(1,105)
		-----	-----
NET MOVEMENT IN FUNDS FOR THE YEAR		198	689
FUND BALANCES BROUGHT FORWARD		39,020	38,331
		-----	-----
FUND BALANCES CARRIED FORWARD		39,218	39,020
		=====	=====

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derives from continuing activities.

The notes on pages 5 to 8 form an integral part of these financial statements.

VULCAN RESTORATION TRUST (COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET AS AT 31 DECEMBER 2009

	Note	2009		2008	
		£	£	£	£
FIXED ASSETS					
Tangible Assets	8		691		1,663
Investments	9		839		515
			<hr/>		<hr/>
			1,530		2,178
CURRENT ASSETS					
Debtors	10	13,998		12,919	
Cash at Bank		23,690		23,923	
		<hr/>		<hr/>	
NET CURRENT ASSETS			37,688		36,842
			<hr/>		<hr/>
NET ASSETS			39,218		39,020
			<hr/> <hr/>		<hr/> <hr/>
FUNDS					
Unrestricted Funds	11		39,218		39,020
			<hr/> <hr/>		<hr/> <hr/>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 386 of the Act, and
- (ii) 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 surplus or deficit for the financial year in accordance with the requirements of sections 394 and 395, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

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

Approved by the board of trustees on
 behalf by:

and signed on their

.....
 K HARVEY
 Chairman

Company Registration Number: 03203724

The notes on pages 5 to 8 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 2009

1. ACCOUNTING POLICIES

Accounting Convention

The financial statements have been prepared in accordance with the historical cost convention (as modified for the revaluation of fixed asset investments) and in accordance with the Charities Act 1993, Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2005), the Financial Reporting Standard for Smaller Entities (effective April 2008) and the Companies Act 2006. The principal accounting policies which have been adopted on a consistent basis within that convention are set out below.

Incoming Resources

Income is recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty.

Donations are recognised on a receivable basis. 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

Resources expended are accounted for in the period in which they are incurred. The irrecoverable element of VAT is included with the item of expense to which it relates.

Where an item of expenditure falls directly within one cost category it is attributed to that category only. Where expenditure involves more than one category, it is apportioned on a reasonable and justifiable basis.

Tangible Fixed Assets and Depreciation

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

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

Listed Investments

Investments are included in the balance sheet at their market value at the balance sheet date. Realised and unrealised gains and losses on investments are included in the Statement of Financial Activities in the year in which they arise. Investment income is credited to income on an accruals basis.

Financial Instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the statement of financial activities. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

VULCAN RESTORATION TRUST (COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)

1. ACCOUNTING POLICIES

Unrestricted Funds

These are funds which can be used in accordance with the charitable objects at the discretion of the trustees and which have not been designated for other purposes.

Designated Funds

Designated funds are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects. The aim and use of each designated fund is set out in the notes to the financial statements.

2. VOLUNTARY INCOME

	2009	2008
	£	£
Return to Power Appeal	1,489	4,781
Donations	11,707	8,934
Gift Aid	6,910	8,003
Subscriptions	12,984	13,940
	<hr/>	<hr/>
	33,090	35,658
	<hr/> <hr/>	<hr/> <hr/>

3. INVESTMENT INCOME

	2009	2008
	£	£
Dividends on UK Listed Securities	38	143
Interest Receivable and Similar Income	7	266
	<hr/>	<hr/>
	45	409
	<hr/> <hr/>	<hr/> <hr/>

4. ANALYSIS OF TOTAL RESOURCES EXPENDED

	£
Charitable Expenditure:	
To preserve and protect Avro Vulcan	30,300
Advancement and Education	15,004
	<hr/>
	45,304
	<hr/> <hr/>

5. NET OUTGOING RESOURCES

	2009	2008
	£	£
Net Incoming Resources is stated after charging:-		
Depreciation of Tangible Fixed Assets	972	851
Dispersal Pan Rental	2,587	2,644
	<hr/> <hr/>	<hr/> <hr/>

VULCAN RESTORATION TRUST (COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)

6. TAX STATUS

The company, being a registered charity, is exempt from any taxation with the exception of value added tax.

7. DIRECTORS

None of the directors who are the trustees received any remuneration or benefits from the company during the year (2008: None). Six directors were reimbursed travel expenses totalling £7,929 during the year (2008: Five directors, total £5,627).

8. TANGIBLE FIXED ASSETS

	Vulcan XL426 £	Plant & Equipment £	Total £
COST			
As at 1 January 2009 and 31 December 2009	8,500	5,504	14,004
	-----	-----	-----
DEPRECIATION			
As at 1 January 2009	7,650	4,691	12,341
Charge for the Year	850	122	972
	-----	-----	-----
As at 31 December 2009	8,500	4,813	13,313
	-----	-----	-----
NET BOOK VALUE			
As at 31 December 2009	-	691	691
	=====	=====	=====
As at 31 December 2008	850	813	1,663
	=====	=====	=====

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

9. FIXED ASSET INVESTMENTS

	2009 £	2008 £
UK Listed Securities	839	515
	=====	=====

The historic cost of UK listed securities at 31 December 2009 was £Nil (2008:£Nil).

10. DEBTORS

	2009 £	2008 £
Tax Reclaims Due	5,140	5,085
Amounts Due from Group Undertakings (see note 13)	7,445	6,008
Prepayments	1,413	1,826
	-----	-----
	13,998	12,919
	=====	=====

VULCAN RESTORATION TRUST (COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)

11. ANALYSIS OF FUNDS

	Balance Brought Forward £	Incoming Resources £	Resources Expended £	Unrealised Gains/ (Losses) £	Balance Carried Forward £
Unrestricted Fund					
General Reserve	37,357	48,708	(47,862)	324	38,527
Designated Fund					
Tangible Fixed Assets Fund	1,663	-	(972)	-	691
	-----	-----	-----	-----	-----
	39,020	48,708	(48,834)	324	39,218
	=====	=====	=====	=====	=====

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.

12. 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 639 members (2008: 706) of the company.

13. SUBSIDIARY UNDERTAKING

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

The results for the year ended 31 December 2009 was turnover of £8,828 (2008: £7,857) and a profit of £2,334 (2008: profit, £898). The reserves of VRT Enterprises Limited at 31 December 2009 were £11,721 (2008: £11,721).

The accounts for VRT Enterprises Limited have not been consolidated with the charity as the gross income of the group is below the relevant threshold under the Charities Act 1993.

Also at the balance sheet date an amount of £7,444 (2008: £6,008) was due to the charity in respect of Gift Aid from VRT Enterprises Limited and the outstanding loan.

**THE FOLLOWING PAGES DO NOT FORM PART OF
THE STATUTORY FINANCIAL STATEMENTS**

INDEPENDENT EXAMINER'S REPORT ON THE UNAUDITED ACCOUNTS OF
VULCAN RESTORATION TRUST (COMPANY LIMITED BY GUARANTEE)
FOR THE YEAR ENDED 31 DECEMBER 2009

I report on the Financial Statements of the Company for the year ended 31 December 2009, which are set out on pages 4 to 8.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND EXAMINER

The directors are responsible for the preparation of the financial statements. The directors 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 Company is not subject to an 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 Company 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 the seeking of explanations from you as directors 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 financial statements 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:

- which gives me reasonable cause to believe that, in any material respect, the requirements:
 - (a) to keep accounting records in accordance with section 386 of the Companies Act 2006;
 - and
 - (b) to prepare financial statements which accord with the accounting records, to comply with the accounting requirements of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities (revised 2005) have not been met; or
- to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

INDEPENDENT EXAMINER'S REPORT ON THE UNAUDITED ACCOUNTS OF
VULCAN RESTORATION TRUST (COMPANY LIMITED BY GUARANTEE)
FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)

.....
PAUL TREBY, FCA

9 Martins Paddock
West Cranmore
Shepton Mallet
Somerset
BA4 4QY

Dated: