

CHARITY NUMBER: 1058111
COMPANY NUMBER: 03203724

VULCAN RESTORATION TRUST
(COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2011

VULCAN RESTORATION TRUST (COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

CONTENTS	PAGE
Reference and Administrative Information	1
Trustees' Annual Report	2
Statement of Financial Activities	3
Balance Sheet	4
Notes to the Financial Statements	5 - 8

THE FOLLOWING PAGE DOES NOT FORM PART OF THE STATUTORY FINANCIAL STATEMENTS

Independent Examiner's Report	Appendix 1
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VULCAN RESTORATION TRUST (COMPANY LIMITED BY GUARANTEE)
REFERENCE AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2011

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 Andy Vass

PROFESSIONAL ADVISERS

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

Bankers: National Westminster Bank plc
Southend-on-Sea Branch
PO Box 98
132 High Street
Southend-on-Sea
Essex
SS1 1BA

VULCAN RESTORATION TRUST (COMPANY LIMITED BY GUARANTEE)
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2011

The trustees present their report and unaudited financial statements for the year ended 31 December 2011. 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 six 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 Stock & Events Committee remained responsible 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. The board wants to see the sub-committees continue to expand so it can delegate more of its operational responsibilities and concentrate more fully on strategic development of the charity. How this can be done will be considered as part of the process of agreeing a new Strategic Plan.

During 2011 the charity intended formally reviewing progress against the *Vulcan Restoration Trust - Strategic Plan 2006-10* as part of its task of agreeing a new five-year Strategic Plan. However the high workload during the year, particularly the preparations for, and the carrying out of, the move to a new workshop during the year (see below) did not allow sufficient time for this. The charity intends agreeing a new Plan in either 2012 or 2013. The board remains happy that the charity delivers satisfactorily against its aims and objectives on a day-to-day basis, but is aware that a more strategic approach is required if the charity is to fulfill its potential long-term.

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 has intended reviewing both these areas for some time but the need to direct 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 as part of the new strategic planning process.

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

VULCAN RESTORATION TRUST (COMPANY LIMITED BY GUARANTEE)
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2011 (CONTINUED)

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

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. Due to the ongoing development work at London Southend Airport, charity had to vacate its workshop and stores building at the end of September. The charity began to rent a new facility away from the airport, which it fitted out prior to completing the move of its engineering and stores facilities to the new site at the beginning of October.

The charity's income is generated by membership fees, entrance fees, appeals, donations, fund-raising draws, auctions and public displays. The charity's main objectives for the year continued and built upon those of the previous year and 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 in 2005; to continue raising the charity's profile in the South Essex area; and to continue to improve its financial position. The board continued to liaise closely with London Southend Airport on matters relating to the airport development work and the effect of these on the charity's activities.

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, whilst a restructuring of lead engineers saw Andy Wagstaffe take lead responsibility for buildings and infrastructure, Paul Hartrup continue to be responsible for engineering administration and Martin White (in addition to his engineering responsibilities) taking the lead in liaising with London Southend Airport on the security and airside access arrangements which will come into force in 2012. New volunteers continued to join the Engineering Team during the year.

VULCAN RESTORATION TRUST (COMPANY LIMITED BY GUARANTEE)
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2011 (CONTINUED)

OBJECTIVES AND ACTIVITIES (CONTINUED)

Preservation and Protection of Avro Vulcan Aircraft (Continued)

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, at the beginning of 2007, launched an appeal called *426 Return to Power* to raise the necessary funds. By the end of 2011, it had raised a total of £18,375 (total £16,925 at the end of 2010). The charity continued to receive some very considerable 'in kind' support for *426 Return to Power* in 2011 (which hopefully will continue) but accepts it is unlikely it will be able to raise the full funding target for some considerable time. No time scale was set to complete the programme but the charity had become aware that the work could not be allowed to continue without setting a target date for completion. With this in mind, a shortened work programme was adopted in 2011 which will result in a time scale for completion being formally adopted in 2012.

Return to Power programme engineering activity concentrated on a number of areas. Work on the refurbishment of No.4 elevon (flying control surface) was all but completed during the year, only repainting remaining to be done at the year's end. Refurbishment of an elevon donated by the Vulcan to the Sky Trust – to be re-fitted to XL426 in the No.3 position following the removal of the existing No.3 elevon – was also carried out. Work on this elevon was helped considerably by the knowledge gained by the Engineering Team when refurbishing the No.4 elevon. The No.3 and No.4 elevon balance bays (the areas of the aircraft's wing within which the front of the elevons 'sit') were also renovated prior to the planned re-installation of both elevons in early 2012.

Work to repair Nos. 3 and 4 jet pipe end caps was completed and both units re-fitted to the aircraft. Work also continued on the overhaul of XL426's brake units, this being very kindly carried out by a local company at no cost to the charity. The renovation or replacement of corroded areas of the aircraft's skin, plus renovation work on larger components such as the main undercarriage door fairings and the Counterpoise Plate, also continued.

The ongoing tasks of overhauling the aircraft's wheels, Powered Flying Control Units (PFCUs) and electronic black boxes removed from the cockpit continued. The aim is to have all the wheels sets and PFCU units (including spares) fully serviceable by the time the *Return to Power* programme is complete.

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 regularly 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.

Although the charity had planned to repaint XL426 when the *Return to Power* programme was complete, the deterioration in the condition of the existing paint led the charity to decide to begin repainting the aircraft in 2011. The fin and large areas of the rear fuselage were repainted – however much of the newly-applied paint was affected by moisture and will have to be re-applied in 2012. The charity intends completing the repaint in 2012.

VULCAN RESTORATION TRUST (COMPANY LIMITED BY GUARANTEE)
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2011 (CONTINUED)

OBJECTIVES AND ACTIVITIES (CONTINUED)

Preservation and Protection of Avro Vulcan Aircraft (Continued)

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.

Planning permission to locate two 40 foot shipping containers at the rear of the charity's aircraft hardstanding was received at the end of 2010, with two containers being purchased and brought on site during spring 2011. These will be used to house the charity's avionics shop and on-site aircraft maintenance office, as well as providing storage for grounds maintenance equipment and materials used in connection with the charity's open days (currently in temporary store in the charity's display trailer - see below). Maintenance of the hardstanding itself was restricted to removal of weeds and filling cracks where necessary.

The charity was represented at meetings of the BAPC during 2011. VRT trustee, Paul Hartup, is a member of the BAPC Executive Committee.

The charity would like to thank all the members of its Engineering Team for their ongoing work, support and dedication in 2011.

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 17 April, 19 June, 28 August and 25 September. The September event was promoted as a *25 Years at Southend Open Day*, marking the public celebration of XL426's quarter century at Southend, attracting a larger than usual attendance with record takings for an 'open cockpit' type event. The June event – held on Father's Day – also saw an above average attendance. The charity estimates that approximately 1600 people attended the four *Visit the Vulcan* days.

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. The charity continued to develop its overall programme of training for volunteers.

Education and Information

The charity continued to fulfill 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 and organising meetings for its members and interested members of the public.

The charity did not publish its magazine *Vulcan News* in 2011. In 2009 the charity decided to move from three issues to two issues per year, albeit with production moving to full colour. This achieved savings at the time but with membership continuing to fall, the unit cost of *Vulcan News* rose to a point where the charity was spending almost two thirds of each membership fee on the magazine. The additional financial pressure brought about by workshop and stores move in 2011 meant such a position was clearly no longer sustainable and the charity reluctantly took the decision to suspend publication. The charity intends to re-start publication of *Vulcan News* in a more affordable format in 2012.

To ensure its members received frequent communication, the charity published three issues of its *Vulcan News Update* newsletter in 2011. 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.

VULCAN RESTORATION TRUST (COMPANY LIMITED BY GUARANTEE)
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2011 (CONTINUED)

OBJECTIVES AND ACTIVITIES (CONTINUED)

Education and Information (continued)

Two Enthusiasts Event meetings were held in 2011. Guest speaker at the April event, which also incorporated the charity's Annual General Meeting, was Steve Bridgewater, the editor of *Jets Monthly*, who spoke on '100 Years of Airshows'. The Christmas Enthusiasts' Event & Buffet featured as guest speaker air display pilot Rod Dean who gave a very entertaining talk about his career in the RAF flying the Hawker Hunter. Both events were open to charity members as well as guests and the public.

The charity also held a Members' Day on 23 July. A plan to allow members to see a full-power engine run on XL426 had to be scrapped following the introduction of more stringent Civil Aviation Authority and Department of Transport rules at London Southend Airport. A revised event, allowing members privileged access to XL426, was run instead.

Following the success of the event held in 2010, two further evening talks organised by VRT Enterprises Limited (see below) were held at the Orsett Hall Hotel, Essex, with all profits benefitting the charity. Speakers for the first event in March were Squadron Leader Jeff Hesketh RAF and Jarrod Cotter, editor of *Aeroplane*, whose subject was the Battle of Britain Memorial Flight. Colonel Rich Graham, USAF Ret'd, returned in September to speak about his flying career in the US Air Force, including his experiences flying the SR-71 Blackbird reconnaissance aircraft. All tickets for both events were sold and the charity intends to continue with similar fund raising events in the future. Most of the tickets were sold via the on-line ticketing facility on the charity's website.

The charity continued to maintain and add to its collection of Vulcan photographs, slides and other memorabilia.

Many of the stock items sold by VRT Enterprises Limited (see below) are educational in nature, including books, videos, DVDs, flown philatelic covers containing 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 2007-11). 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 fulfill 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. These aspects will be reviewed as the charity considers its strategic planning going forward.

Health & Safety procedures and policies covering all areas of the charity's work continued to be developed and updated during the year.

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.

VULCAN RESTORATION TRUST (COMPANY LIMITED BY GUARANTEE)
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2011 (CONTINUED)

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Preservation and Protection of Avro Vulcan Aircraft (continued)

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 2011 and the charity is continuing to look at ways of attracting more volunteers in future, both for the Engineering Team and in other areas of its work.

The charity successfully relocated its workshop and stores to a new location within five miles of London Southend Airport in 2011. Considerable work was required to bring the facility up to standard; the interior of the building had to be completely refurbished and painted, lighting and a water supply installed, and new workbenches put in place. The charity would like to place on record its thanks to all the volunteers who carried out this work, which was achieved in a very short amount of time, as well as those who helped with the move of spares and equipment to the new site. New racking was also purchased to house the charity's aircraft spares and to take advantage of the increased roof height at the new location.

As the development of London Southend Airport continues, it is likely that the charity will have to relocate XL426 to a new site on the airport in 2013 or 2014. The charity will continue to work with the airport's management to explore the options for relocating the aircraft.

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.

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.

Education and Information

The charity continued to maintain its website (www.avrovulcan.com) featuring news and reports of the charity's activities, including engineering reports and historical information about XL426 and the Vulcan. The charity will continue to expand the content of the website on an ongoing basis.

Four talks (compared with eight in 2009) were given by the charity to interested community groups and societies about the role of the Avro Vulcan in the Cold War and its work at London Southend Airport.

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

Membership

The charity ended the year with 576 members, 12 down on the previous year. 38 new members joined in 2011 (2010: 38). This is the tenth year in succession that membership of the charity has fallen, although the rate of drop-off was much lower than in previous years. Membership subscriptions continue to be a vital source of income and the charity would like to thank all its members for their support during the year.

VULCAN RESTORATION TRUST (COMPANY LIMITED BY GUARANTEE)
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Publicity

Phil Whalley continued his work as the charity's Media Liaison Officer, ensuring its events were well publicised locally and nationally, and raising the charity's profile in the local media and national aviation press. The June issue of *Jets Monthly* magazine carried a four page article about the charity. Details of the charity's *Visit the Vulcan Days* appeared in 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 charity produced a full colour tri-fold leaflet to publicise its work and activities. Supplies of the leaflet were sent to local and national museums for display and were also distributed by the charity at its own and at public events. Three different A4 size posters were produced, one publicising the *Visit the Vulcan days* and two promoting the fund raising talks at the Orsett Hall Hotel. These were 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 his efforts designing the leaflet and the posters.

The charity also purchased a notice board which was installed in the terminal building as London Southend Airport. Two leaflet dispensers were also purchased and put up alongside the notice board. The take-up of leaflets from the dispensers was very encouraging and this additional source of publicity most likely contributed to the increased attendances at the *Visit the Vulcan days* in 2011.

The Vulcan Restoration Trust Facebook Group continued to expand and provided the charity with a very useful means of promoting its activities and events. A large percentage of the charity's new members made their first contact with the charity via the Facebook Group.

No work was carried out on the display trailer purchased by the charity in 2009. The trailer was used as a temporary store for materials used by the charity in connection with its *Visit the Vulcan* and other events. It is intended to relocate the materials in 2012 at which point the charity will begin refurbishing the trailer.

The charity continued its policy of concentrating its efforts on raising its profile in South Essex and, as a consequence, only attended one event outside its local area (the *RAF Waddington International Air Show* in July) in 2011.

Fund-raising

The *Helping Hands* scheme, introduced in 2008, continued to provide charity members with the opportunity to make monthly donations by standing order. This income is not 'ring fenced' and can be used by the charity as it sees fit. At the end of 2011, monthly income from the *Helping Hands* scheme was on average £216, consistent with that in 2010, giving an annual income of more than £2,610.

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 2011, £12,844 was held in the 200 Club account (compared with £14,535 at the end of 2010). Expenditure in support of the charity's activities in 2011 totaled £4,000 (2010: £1,200), this being the Club's contribution towards the costs of the workshop move and the cost of setting-up the new workshop and stores facility.

The charity did not run a Prize Draw in 2011.

VULCAN RESTORATION TRUST (COMPANY LIMITED BY GUARANTEE)
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2011 (CONTINUED)

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

VRT Enterprises Limited

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 £2,593 (2010: £3,170) for the 2011 financial year.

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 the charity's stand at air displays and other events. The only VRT branded item of memorabilia produced in 2011 was a special event t-shirt for the *25 Years at Southend Open Day* which featured a 25th Anniversary logo. VRT Enterprises Limited also ran a licensed bar and provided refreshments at the charity's Annual General Meeting and Christmas Enthusiast's Event & Buffet. The charity would like to thank the Catering and Bar Team for their efforts in 2011.

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 £38,641 (2010: £42,181). There were unrealised (loss) profits on investments of £(170) (2010: £(270)). Total resources expended for the year were £38,202 (2010: £54,623).

The net movement in funds was £269 (2010: £(12,712)).

The net assets of the charity as at 31 December 2011 were £26,775 (2010: £26,506). The charity's fixed assets comprise an Avro Vulcan B2 aircraft at London Southend Airport and its associated ground equipment and spare parts, four container stores and their fixtures and fittings, and a display trailer. The net book value of these assets as at 31 December was £500 (2010: £588).

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 charity's strategic plan has now expired. The charity will formulate a new plan for the next five years during 2012-13.

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

VULCAN RESTORATION TRUST (COMPANY LIMITED BY GUARANTEE)
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2011 (CONTINUED)

PLANS FOR FUTURE PERIODS (CONTINUED)

Exit Plan (continued)

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.

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 2011

	Note	2011 Unrestricted Funds £	2010 Unrestricted Funds £
INCOMING RESOURCES (INCOME)			
Incoming Resources from			
Generated Funds:			
Voluntary Income	2	28,798	28,030
Activities for Generating Funds:			
Fund Raising Income		7,214	10,947
Investment Income	3	36	34
Gift Aid Receipt from Trading Subsidiary		2,593	3,170
Other Incoming Resources		-	-
		-----	-----
Total Incoming Resources		38,641	42,181
		-----	-----
RESOURCES EXPENDED (EXPENDITURE)			
Cost of Generating Funds:			
Fund-raising Expenses		831	1,555
Charitable Activities	4	37,371	53,068
		-----	-----
Total Resources Expended		38,202	54,623
		-----	-----
NET (OUTGOING) RESOURCES ((EXPENDITURE)/INCOME)			
	5	439	(12,442)
Unrealised (Losses) on Investment Assets		(170)	(270)
		-----	-----
NET MOVEMENT IN FUNDS FOR THE YEAR		269	(12,712)
FUND BALANCES BROUGHT FORWARD		26,506	39,218
		-----	-----
FUND BALANCES CARRIED FORWARD		26,775	26,506
		=====	=====

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 2011

	Note	2011		2010	
		£	£	£	£
FIXED ASSETS					
Tangible Assets	8		500		588
Investments	9		399		569
			-----		-----
			899		1,157
CURRENT ASSETS					
Debtors	10	7,768		8,308	
Cash at Bank		18,108		17,041	
		-----		-----	
NET CURRENT ASSETS			25,876		25,349
			-----		-----
NET ASSETS			26,775		26,506
			-----		-----
FUNDS					
Unrestricted Funds	11		26,775		26,506
			=====		=====

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 2011

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 2011 (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

	2011 £	2010 £
Return to Power Appeal	1,450	2,992
Donations	10,307	8,975
Gift Aid	5,686	4,690
Subscriptions	11,355	11,373
	<hr/>	<hr/>
	28,798	28,030
	<hr/> <hr/>	<hr/> <hr/>

3. INVESTMENT INCOME

	2011 £	2010 £
Dividends on UK Listed Securities	35	34
Interest Receivable and Similar Income	1	-
	<hr/>	<hr/>
	36	34
	<hr/> <hr/>	<hr/> <hr/>

4. ANALYSIS OF TOTAL RESOURCES EXPENDED

	£
Charitable Expenditure:	
To preserve and protect Avro Vulcan	27,923
Advancement and Education	9,448
	<hr/>
	37,371
	<hr/> <hr/>

5. NET OUTGOING RESOURCES

	2011 £	2010 £
Net Incoming Resources is stated after charging:-		
Depreciation of Tangible Fixed Assets	88	103
Dispersal Pan Rental	3,102	3,987
	<hr/> <hr/>	<hr/> <hr/>

VULCAN RESTORATION TRUST (COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011 (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 (2010: None). Six directors were reimbursed travel expenses totalling £2,854 during the year (2010: Six directors, total £6,223).

8. TANGIBLE FIXED ASSETS

	Vulcan XL426 £	Plant & Equipment £	Total £
COST			
As at 1 January 2011 and 31 December 2011	8,500	5,504	14,004
DEPRECIATION			
As at 1 January 2011	8,500	4,916	13,416
Charge for the Year	-	88	88
As at 31 December 2011	8,500	5,004	13,504
NET BOOK VALUE			
As at 31 December 2011	-	500	500
As at 31 December 2010	-	588	588

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

9. FIXED ASSET INVESTMENTS

	2011 £	2010 £
UK Listed Securities	399	569

The historic cost of UK listed securities at 31 December 2010 was £Nil (2009: £Nil).

10. DEBTORS

	2011 £	2010 £
Tax Reclaims Due	4,400	4,200
Amounts Due from Group Undertakings (see note 13)	2,593	3,170
Prepayments	775	938
	7,768	8,308

VULCAN RESTORATION TRUST (COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011 (CONTINUED)

11. ANALYSIS OF FUNDS

	Balance Brought Forward £	Incoming Resources £	Resources Expended £	Unrealised Gains/ (Losses) £	Balance Carried Forward £
Unrestricted Fund					
General Reserve	25,918	38,641	38,114	(170)	26,275
Designated Fund					
Tangible Fixed Assets Fund	588	-	88	-	500
	-----	-----	-----	-----	-----
	26,506	38,641	38,202	(170)	26,775
	=====	=====	=====	=====	=====

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 576 members (2010: 588) 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 2011 was turnover of £10,485 (2010: £8,980) and a profit of £2,593 (2010: profit, £3,170). The reserves of VRT Enterprises Limited at 31 December 2011 were £11,721 (2010: £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 £2,593 (2010: £3,170) was due to the charity in respect of Gift Aid from VRT Enterprises Limited.

**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 2011

I report on the Financial Statements of the Company for the year ended 31 December 2011, 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 2011 (CONTINUED)

.....
PAUL TREBY, FCA

9 Martins Paddock
West Cranmore
Shepton Mallet
Somerset
BA4 4QY

Dated: