

VULCAN RESTORATION TRUST

A COMPANY LIMITED BY GUARANTEE

**ANNUAL REPORT AND FINANCIAL
STATEMENTS**

**FOR THE YEAR ENDED
31 DECEMBER 2016**

P KITTLE FAIA FFA/FIPA FFTA FCIE
Public Accountant

VULCAN RESTORATION TRUST

TRUSTEES AND DIRECTORS Richard Clarkson - Secretary
 Paul Hartrup
 Matt Lawrence
 Peter Rainey
 Peter Archer – appointed 1 May 2017

REGISTERED OFFICE 39 Breakspears Drive
 St Paul's Cray
 Orpington
 Kent
 BR5 2RX

**REGISTERED NUMBER
 (ENGLAND & WALES)** 03203724

**CHARITY REGISTRATION
 NUMBER** 1058111

BANKERS National Westminster Bank Plc
 PO Box 98
 132 High Street
 Southend-On-Sea
 Essex
 SS1 1BA

INDEPENDENT EXAMINER P Kittle FAIA FFA/FIPA FFTA FCIE
 Public Accountant
 37 Fraser Close
 Chelmsford
 Essex CM2 0TD

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VULCAN RESTORATION TRUST**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31 DECEMBER 2016**

The trustees present their report and unaudited financial statements for the year ended 31 December 2016. 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 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 Events Committee remained responsible for the charity's sales and publicity stand, its trading stock and the organisation of the charity's open days and other events. The day-to-day management of the charity's engineering functions continued to be dealt with by the Engineering Committee.

The board is 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. An increase in the number of volunteers to take on the charity's day-to-day functions is necessary if the board is to take a more strategic focus and carry out its review of the charity's progress against its previous strategic plan, something which is long overdue, and agree a new plan.

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 but does provide potential new trustees with relevant information about the charity and their responsibilities as a trustee/director. The board intends reviewing its trustee recruitment policy in due course. 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.

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

VULCAN RESTORATION TRUST**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31 DECEMBER 2016****(Continued)****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, auctions and public displays. The charity's main objectives for the year were: to continue its engineering programme to return XL426 to full ground running condition; 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 in matters relating to the airport's ongoing development and the effect of this on the on the charity's activities, in particular access to XL426 for both its own volunteers and members of the public at open days and other events.

Preservation and Protection of Avro Vulcan Aircraft

XL426 is listed by the BAPC in its National Aviation Heritage Register as a 'significant' 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 supported by a team of Lead Engineers.

The charity's ongoing programme of regular checks, coupled with numerous works of maintenance and repair on XL426 and its associated ground equipment continued. Works to the aircraft's fuel pumps and hydraulic system formed a large part of the engineering programme in 2016. XL426's airframe continued to be monitored for signs of corrosion. Where found, the charity removed corrosion in accordance with the Vulcan's Structural Repair Manual and treated the affected areas treated with chemicals. The surface of the aircraft was washed during the year and treated with corrosion inhibiting fluids. Where necessary, re-painting was carried out on areas where the existing paint had deteriorated. The charity is also carrying out an ongoing programme to re-instate in full the various stenciling makings on XL426's fuselage, some of which have been lost during previous painting works. The charity continued to run heaters and dehumidifiers in certain areas of the aircraft to inhibit corrosion and the canopy cover (refurbished during the year) continued to be used to prevent water ingress into the cockpit.

XL426's Navigator Radar seat, removed for refurbishment work in 2015, was re-installed in 2016 so completing the programme to restore all three of the aircraft's rear seats. Work to restore the counterpoise plate, situated under the aircraft's starboard wing, was begun and is scheduled to be completed in 2017.

VULCAN RESTORATION TRUSTREPORT OF THE TRUSTEESFOR THE YEAR ENDED 31 DECEMBER 2016(Continued)

Work was ongoing throughout the year servicing and maintaining the charity's items of ground equipment, including its air tugs, giraffe steps, ladders, and servicing platforms. The aircraft's cherry picker and tow bar were the subjects of full restorations in 2016 and the seats in the air tug were re-upholstered. The charity continued to maintain its workshop building, its four containers (an additional container was acquired by the charity free-of-charge in 2016) situated at London Southend Airport and its aircraft hardstanding. The hardstanding was extended during the year to accommodate the additional container and to provide an area of cover for the engineering team's compressors.

The charity was represented at meetings of the BAPC during 2016 and hosted a meeting of the BAPC Council and members in February. VRT trustee, Paul Hartrup, 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 2016.

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 24 April, 19 June, 21 August and 25 September. To meet London Southend Airport requirements, the public area at all the charity's open days must be enclosed within a minimum six-foot high fence which is put up and taken down either side of each open day. The charity expanded the attractions for visitors at its *Visit the Vulcan* days in 2016, with aircraft cockpit sections and historic vehicles attending a number of events. Following closure of the Lancaster Café adjacent to the display area, the charity also arranged for a selection of catering stalls to attend each event. The charity estimates that approximately 1800 people attended its four *Visit the Vulcan* days in 2016. There was a notable decrease in attendance at the events as the year wore on, something which the charity will seek to address in 2017.

As in previous years, the charity received requests to visit XL426 from interested small groups and individuals, including former Vulcan air and ground crew, and these were accommodated wherever possible.

Due to airport security arrangements and their associated costs, it was not possible to hold any exclusive visit days for members (XL426 had previously been opened exclusively for charity members the day before each *Visit the Vulcan* day.) The charity will look at the possibility of organising a members-only event or event in 2017.

The charity would like to place on record its thanks to all its volunteers for their ongoing support organising and running the charity's various events in 2016.

Education and Information

The charity continued to fulfill its educational objectives by giving talks and guided tours of XL426 to interested groups and societies, displaying and distributing information about the Vulcan to the public and organising meetings for its members and interested members of the public.

After a two-year hiatus, the charity re-started publication of its magazine, *Vulcan News*, with two editions being published; the first in July and the second in December. A new A5 format has been adopted for the magazine, replacing the previous A4 format, in order to reduce postage costs. The change in format was generally well received. The intention is to continue publishing two editions of *Vulcan News* each year. A single *Vulcan News Update* newsletter was published in 2016.

VULCAN RESTORATION TRUST**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31 DECEMBER 2016****(Continued)**

The charity continued to operate its website www.avrovulcan.com and its Facebook page. Conscious that its website was in need of improvement, the charity engaged a web development and digital communications consultancy to design a new site that will be compatible with desktop and mobile devices and which will incorporate a new, on-line membership database which will generate automatic renewal reminders to those members for which the charity has a current email address. This will help achieve further savings on postage costs. The new website will go 'live' in 2017. The charity's Facebook page continued to provide up-to-the-minute news of the charity's engineering work, events and other activities, and played an important role in attracting visitors and new members.

Two Enthusiasts Event meetings were held in 2016. Guest speaker once again at the April event, which also incorporated the charity's Annual General Meeting, was Rod Dean who spoke on 'Flying and Displaying Vintage Jet Aircraft'. The Christmas Enthusiasts' Event & Buffet featured Bill Ramsey who presented his talk 'The Last Vulcan Captain'.

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 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 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.

To comply with the airside access arrangements at London Southend Airport, all the charity's volunteers regularly working airside must carry an airside pass, issued by the airport. The charity sought college and employer references for all new volunteers, with each new volunteer also having to obtain a clean Criminal Records Bureau clearance.

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

The charity published a new Volunteer Handbook in November which was circulated to all its volunteers. The handbook will be updated continually and revised versions published from time to time. 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.

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 charity's engineering programme of maintenance and restoration aims to ensure the long-term preservation of XL426 in full ground running condition for many years to come.

VULCAN RESTORATION TRUST**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31 DECEMBER 2016****(Continued)**

2016 represented the last full year for XL426 at its dispersal pan location on the airport's eastern perimeter. In early 2017 London Southend Airport notified the charity that it would be necessary to relocate XL426 to another site on the airport as the area occupied by the dispersal pan was required for extra airport car parking. Following very positive discussions with the airport, XL426 relocated to the vacant Hangar 6 in May. The airport contributed practically and financially to the relocation. The charity's lease, which also includes the majority of the adjacent Hangar 5, is for five-years initially with a six-month 'break clause' whereby the airport would give notice to relocate the aircraft to another site on the airport. (The charity does not anticipate that the 'break clause' will be enforced during the initial five years.)

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.

Education and Information

The charity continued to maintain its website (www.avrovulcan.com) and Facebook page featuring news and reports of the charity's activities, including engineering reports and historical information about XL426 and the Vulcan. At the close of the year, the charity engaged a digital design and marketing company to design a new website to be launched in 2017.

Eight talks (compared with three in 2015) 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.

Membership

The charity ended the year with 639 members, 49 up on the figure at the end of 2015. This is an encouraging sign and follows the stand-still totals of the previous two years, which in turn, bucked the trend of previous year-on-year falls. 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.

The charity's Secretary Richard Clarkson continued temporary charge of membership administration prior to handing over the role to Sue Lawrence.

Publicity

Pam and Joe Marsden continued in their role as the charity's joint Press Officers although they regrettably resigned from the post at the year's end. Both will continue to help at *Visit the Vulcan Days* and other events wherever possible. Media releases were issued to publicise the charity's *Visit the Vulcan Days* and other activities. Details of the charity's events appeared in the local press and national aviation magazines, as well as local events guides and websites.

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.

The charity continued its policy of concentrating its efforts on raising its profile in South Essex and, as a consequence, did not attend any events outside its local area in 2016.

VULCAN RESTORATION TRUST**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31 DECEMBER 2016****(Continued)****Fund-raising**

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 2016, £14,112 was held in the 200 Club account (compared with £17,531 at the end of 2015). The 200 Club made a number of purchases for the charity in 2016 including a new set of tires for the charity's air tug (£3,360) and items of ground equipment (£900). It also covered the cost of repairs to XL426's canopy cover (£480) and the cost for moving the additional shipping container acquired by the charity to the aircraft pan (£540).

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 2016, monthly income from the *Helping Hands* scheme was on average £161, giving an annual income of more than £1,933. The income from the scheme has declined over the past two years as contributors have left or reduced their donations. The charity will look at re-launching the scheme in 2017-18 with the aim of increasing the amount of donations received.

Having not run a Prize Draw in 2015, the charity ran a draw in 2016 which realised an overall profit of £1,265.

The charity also continued to receive donations by text via the *Just Giving* scheme operated by the Vodafone Foundation.

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 £1,837 (2015: £1,868) for the 2016 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, internet auction sites and via the charity's stand at air displays and other events.

VRT Enterprises Limited also ran a licensed bar and catering at the charity's Annual General Meeting and Christmas Enthusiast's Event & Buffet.

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 £28,388 (2015: £37,555). There were unrealised (loss) profits on investments of £NIL (2015: £(NIL)). Total resources expended for the year were £41,080 (2015: £26,857).

The net movement in funds was (£12,692) (2015: £10,698).

VULCAN RESTORATION TRUST**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31 DECEMBER 2016****(Continued)**

The net assets of the charity as at 31 December 2016 were £28,442 (2015: £41,134). 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 two trailers. The net book value of these assets as at 31 December was £4,035 (2015: £3,947).

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.

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 25 August 2017 and signed on their behalf by



Richard Clarkson
Secretary

INDEPENDENT EXAMINER'S REPORT TO**THE TRUSTEES OF VULCAN RESTORATION TRUST**

This report on the accounts of the trustees for the year ended 31 December 2016, which are set out on pages 10 to 17, is in respect of an examination carried out under Section 145 of the Charities Act 2011.

Respective responsibilities of the trustees and examiner

As the members of the trustees you are responsible for the preparation of the accounts; you consider that the audit requirement of section 144 of the Charities Act 2011 (The 2011 Act) does not apply.

It is my responsibility to:

- Examine the accounts under section 145 of the Charities Act.
- To follow the procedures laid down in the General Directions given by the Charity Commissioners (under section 145(5)9(b) of the Charities Act); and
- To state whether in particular matters have come to my attention.


Basis of independent examiner's report

My examination was carried out in accordance with General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in, any material respect, the requirements;
 - to keep accounting records in accordance with Section 130 of the Charities Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



P Kittle FAIA FFA/FIPA FFTA FCIE
Public Accountant
37 Fraser Close
Chelmsford
Essex CM2 0TD

Date: 4 September 2017

VULCAN RESTORATION TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	Total 2015 £
INCOMING RESOURCES			
Incoming Resources from Generated Funds			
Voluntary Income	2	16,246	23,887
Activities for Generating Funds			
Fund Raising Income		10,295	11,792
Income from Investments	3	10	8
Donation receipt from trading subsidiary		1,837	1,868
TOTAL INCOMING RESOURCES		<u>28,388</u>	<u>37,555</u>
RESOURCES EXPENDED			
Cost of generating funds:			
Fund Raising Expenses		1	558
Charitable Activities	4	41,080	26,299
TOTAL RESOURCES EXPENDED		<u>41,080</u>	<u>26,857</u>
NET INCOMING/(OUTGOING) RESOURCES		(12,692)	10,698
NET MOVEMENT IN FUNDS FOR THE YEAR		<u>(12,692)</u>	<u>10,698</u>
Balances brought forward			
At 1 January 2015		41,134	30,436
BALANCES CARRIED FORWARD			
At 31 December 2016		<u>£ 28,442</u>	<u>£ 41,134</u>

The notes on pages 13 to 17 form part of these accounts

VULCAN RESTORATION TRUSTBALANCE SHEET - 31 DECEMBER 2016

	Notes	<u>2016</u>		<u>2015</u>	
		£	£	£	£
FIXED ASSETS					
Tangible Assets	8		4,035		3,947
Investments	9		399		399
			<u>4,434</u>		<u>4,346</u>
CURRENT ASSETS					
Debtors	10	5,452		5,783	
Cash at bank and in hand		19,024		31,455	
		<u>24,476</u>		<u>37,238</u>	
CURRENT LIABILITIES					
Creditors within one year	11	(468)		(450)	
		<u> </u>		<u> </u>	
NET CURRENT ASSETS			24,008		36,788
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>28,442</u>		<u>41,134</u>
FUNDS					
Unrestricted	12		28,442		41,134
			<u>28,442</u>		<u>41,134</u>

The director's statement required by Sections 475(2) and (3) are shown on the following page which forms part of this Balance Sheet.

VULCAN RESTORATION TRUST

BALANCE SHEET - 31 DECEMBER 2016

**DIRECTOR'S STATEMENTS REQUIRED BY SECTIONS 475(2) AND (3)
FOR THE YEAR ENDED 31 DECEMBER 2016**

In approving these financial statements as director of the company I hereby confirm:

- (a) that for the year stated above the company was entitled to the exemption conferred by Section 477 of the Companies Act 2006;
- (b) that no notice has been deposited at the registered office of the company pursuant to Section 476 requesting that an audit be conducted for the year ended 31 December 2016; and
- (c) that I acknowledge my responsibilities for:
 - (1) ensuring that the company keeps accounting records which comply with Section 386; and
 - (2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the year then ended in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

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

The financial statements were approved by the Board on 25 August 2017 and signed on its behalf by:



**R Clarkson
Director**

VULCAN RESTORATION TRUST**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2016****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 £400 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.

VULCAN RESTORATION TRUST**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2016****(Continued)****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 outstanding liability.

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 statement.

VULCAN RESTORATION TRUST**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2016****(continued)**

	Total	
	2016	2015
	£	£
2 VOLUNTARY INCOME		
Donations	4,823	7,398
Gift aid	3,203	3,014
Subscriptions	8,220	13,475
	<u>16,246</u>	<u>23,887</u>
3 INVESTMENT INCOME		
Interest Receivable & similar Income	10	8
	<u>10</u>	<u>8</u>
4 ANALYSIS OF TOTAL RESOURCES EXPENDED		
Charitable Expenditure		
To preserve & protect Avro Vulcan	32,107	25,581
Advancement and Education	2,574	718
Website	6,399	-
	<u>41,080</u>	<u>26,299</u>
5 NET OUTGOING RESOURCES		
Net Incoming Resources is stated after charging		
Depreciation of Tangible Fixed Assets	712	697
Dispersal Pan Rental	3,660	3,102

6 TAX STATUS

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

7 DIRECTORS

One Director was reimbursed travel expenses 2016: £1,225 (2015: No Directors)

VULCAN RESTORATION TRUST**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2016****(continued)****8 TANGIBLE FIXED ASSETS**

COST	Vulcan XL426 £	Plant & Equip £	Total £
At 1 January 2015	8,500	10,177	18,677
Additions	-	1,800	1,800
Disposals	-	(1,000)	(1,000)
At 31 December 2016	8,500	10,977	19,477
DEPRECIATION			
At 1 January 2015	8,500	6,230	14,730
Charge for the year	-	712	712
At 31 December 2016	8,500	6,942	15,442
NET BOOK VALUE			
At 31 December 2016			
At 1 January 2015	-	3,947	3,947

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

	2016 £	2015 £
9 FIXED ASSET INVESTMENTS		
UK Listed Securities	399	399
10 DEBTORS		
Tax Reclaims Due	2,700	3,000
Amounts due from Group Undertakings	1,837	1,868
Prepayments	915	915
	5,452	5,783
11 CREDITORS		
Accruals	468	450
	468	450

VULCAN RESTORATION TRUST**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2016****(continued)**

12 ANALYSIS OF FUNDS	Balance Brought Forward £	Incoming Resources £	Resources Expended £	Balance Carried Forward £
Unrestricted Fund				
General Reserve	37,187	26,588	40,368	23,407
Designated Fund				
Tangible Fixed Assets Fund	3,947	1,800	712	5,035
	<u>41,134</u>	<u>28,388</u>	<u>41,080</u>	<u>28,442</u>

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.

13 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 (2015: 590) of the company.

14 SUBSIDIARY UNDERTAKING

The results for the year ended 31 December 2016 was turnover £6,913 (2015: £8,845) and a profit of £1,837 (2015: £1,868). The reserves of VRT Enterprises Limited at 31 December 2016 were £11,721 (2015: £11,721).

Also at the balance sheet date an amount of £1,837 (2015: £1,868) was due to the charity in respect of a donation from VRT Enterprises Limited.

15 TRUSTEES REIMBURSED EXPENSES	2016 £	2015 £
R Clarkson	1,225	-
	<u>1,225</u>	<u>-</u>

The Trustee made an unrelated donation of the equivalent amount