

CHARITY NUMBER: 1058111
COMPANY NUMBER: 3203724

VULCAN RESTORATION TRUST
(COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2005

VULCAN RESTORATION TRUST (COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

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VULCAN RESTORATION TRUST (COMPANY LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2005

COMPANY INFORMATION

Charity Registration Number: 1058111

Company Registration Number: 3203724

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

CONSTITUTION

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.

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 Kevin Packard (Chairman)
Mr Richard Clarkson (Secretary)
Mr Andrew Vass (Treasurer)
Ms Linda Penn (Membership Secretary)
Mr Trevor Bliss
Mr James Fletcher
Mr David Griffiths
Mr Keith Harvey
Mr Paul Hartrup
Mr Colin King
Mr Matt Lawrence
Mr Donald Packard
Mr Geoff Penn
Mr Norman Skinner
Mr Stephen Williams

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.

PROFESSIONAL ADVISERS

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

VULCAN RESTORATION TRUST (COMPANY LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2005

PROFESSIONAL ADVISERS (CONTINUED)

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 2005

The trustees present their report and audited financial statements for the year ended 31 December 2005. The trustees' report also represents the directors' report which is required to be prepared under Section 234 of the Companies Act.

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

The financial statements comply with current statutory requirements, the charity's governing document, and the Statement of Recommended Practice – "Accounting and Reporting by Charities" (SORP 2000).

STRUCTURE, GOVERNANCE AND MANAGEMENT

The board of directors met formally on ten occasions. The board is responsible for the overall management of the charity, takes policy decisions and ratifies all decisions made by its various 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's Social sub-committee was replaced by an Events sub-committee, which first met in October to agree the programme for public and members' events in 2006. The Engineering and Stock & Stand sub-committees continued to meet regularly during the year. In 2005 the board carried out a Strategic Review of the charity's future direction (see below) and future management arrangements and organisational structure will continue to be subject to further review in 2006.

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. At the year's end the board was busy translating the objectives of the Strategic Plan into the first of four annual Action Plans to be agreed in early 2006.

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 and will review both these areas in 2006.

Andy Vass resigned as Treasurer at the year's end after serving 10 years in the role. Keith Harvey will take over as Treasurer from 1 January 2006. Linda Penn also resigned after five year's as the charity's Membership Secretary and it is intended that Marion Bune, a long-time member of the charity, will take over the role on 1 February 2006. The board would like to express its thanks to Linda and Andy for their sterling efforts in their respective roles and it is pleased that Andy will continue to serve as a director.

It was with great sadness that the charity learned of the death of Flight Lieutenant Ken Hyde on 22 August. A former Vulcan Air Electronics Officer, Ken was a long-time supporter of the charity and a crew member on XL426 taxi-runs since the late 1990s. Ken was also a Technical Instructor with Marshall Aerospace working on the Vulcan to the Sky project. He will be greatly missed by his many friends.

VULCAN RESTORATION TRUST (COMPANY LIMITED BY GUARANTEE)
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2005 (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, taxied the aircraft at a public event, gave educational talks about the aircraft to the public, organised members' meetings and attended various air displays and other 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 objectives for the year were to continue to maintain XL426 in full ground running condition, to relocate its workshop and stores building to a new site (planning permission permitting), to continue implementing the recommendations of the Charity Commission Review Visit Report, to increase the number of educational talks given to societies and to improve its financial position.

Preservation and Protection of Avro Vulcan Aircraft

XL426 is listed by the British Aviation Preservation Council 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 monthly to review progress. Specific engineering responsibilities during 2005 were: Matt Lawrence (Chief Engineer, airframe and engines); Paul Hartrup (engineering administration); Martin White (ground equipment); Steve Williams (buildings and infrastructure); and Mark Goodliffe (avionics). Three members of the engineering team successfully passed the airport's Airside Driving course in November.

The charity's revised engine running programme, introduced in 2004, continued throughout 2005 with low power runs being carried out every six weeks and full power runs every six months. All four engines ran without any major difficulty during the year. Taxi-runs were performed for maintenance purposes, as well as for public display (see below). The charity's programme of regular checks, coupled with numerous works of maintenance and repair on XL426 and its associated ground equipment, 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.

Following the taxi-runs on each day of the Airport Open Weekend on 29 – 30 May, three of the aircraft's brake units were removed for overhaul due to suspected leaks. This work was successful and the brake units were re-fitted at the end of the summer.

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 also washed and treated with corrosion inhibiting fluids. The charity continued to run heaters

VULCAN RESTORATION TRUST (COMPANY LIMITED BY GUARANTEE)
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2005 (CONTINUED)

OBJECTIVES AND ACTIVITIES (CONTINUED)

Preservation and Protection of Avro Vulcan Aircraft (Continued)

and dehumidifiers in certain areas of the aircraft to inhibit corrosion. The new canopy cover, ordered in 2004, was delivered and has been successful preventing water ingress into the cockpit. New wheel covers are also on order and will be delivered in 2006.

Work was ongoing throughout the year servicing and maintaining the charity's items of ground equipment, including air tugs, giraffe steps, ladders and servicing platforms. The older of the charity's two air tugs was the subject of some cosmetic work prior to the Airport Open Weekend, this consisting of de-corrosion of affected areas of bodywork followed by a full repaint into a 'Gulf War' sand colour scheme. Repairs to the igniter system of the air starter unit (fitted to the air tug) were also carried out during the year. The charity purchased new starter batteries for its Reliance Mercury air tug, which greatly improved reliability, as well as arranging the repair of one of its power steering rams. 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, including a large quantity of spares for its Houchin ground power unit.

Demonstration and Display of Avro Vulcan Aircraft

The charity fulfilled its charitable objective to demonstrate and display Vulcan aircraft by taxiing XL426 on both days of the Southend Airport Open Weekend in May. An estimated 5000 people saw XL426 taxi over both days of the event and over 400 people took the opportunity to visit XL426's cockpit. The charity also provided the commentary on both days of the event.

The insurance claim made by the charity in respect of the runway damage caused by XL426 at the 2004 Open Day was met in full by the charity's insurers in 2005

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), distributing information about the Vulcan to the public (including publishing its own magazine) and organising meetings for its members.

The charity published three issues of its magazine *Vulcan News*. These were distributed free to its members, with back issues sold to the public at air displays and other events. *Vulcan News* continued to include a mix of historical and contemporary articles – in 2005 it featured articles on the role of the Vulcan's navigators, the possible demise of the Vulcan at Blackpool Airport and the crash of Vulcan XM645 in Malta in 1975, plus news of the charity's activities at Southend Airport and an in-depth update on the Vulcan to the Sky project. A full colour front and back cover was introduced from the summer issue onwards, courtesy of T&C Printers, and the charity hopes to continue this for future issues.

Membership forms, incorporating a history of the Vulcan and Vulcan XL426, were distributed free of charge to the public at air displays and other events. 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.

VULCAN RESTORATION TRUST (COMPANY LIMITED BY GUARANTEE)
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2005 (CONTINUED)

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 75% complete, with the original slides and photographs beginning to be passed to Air Britain in accordance with Alan's wishes.

Five meetings for VRT members (including the charity's annual general meeting) were held during the year. Each meeting featured a guest speaker and the subjects of talks in 2005 were: military buildings of the Cold War, the interpretation of aerial photographs, the Australian Royal Flying Doctor Service, Flying the Sea Vixen and recollections of a trip around the world in the Vulcan. Photographer and journalist, Bob Archer, also made a welcome return to show more aviation slides from his extensive collection. The meetings featured progress reports on engineering work carried out on XL426. The charity (via VRT Enterprises Limited) provided refreshments and ran a licensed bar at each meeting. A full buffet was laid on at the Christmas meeting, and hot meals were provided at two other meetings.

In July the charity's information and publicity units were put up in the Southend Airport terminal as part of a public display commemorating the 60th anniversary of the end of the Second World War.

The email group for VRT Members established in 2003 to convey important news and updates without the delays inherent in postal mail shots, continued to operate in 2005.

ACHIEVEMENTS AND PERFORMANCE

Structure, Governance and Management

The charity continued to implement the recommendations of the Charity Commission Review Report by adopting a Strategic Plan for the period 2006-10, by adopting a Conflicts of Interest policy for directors and by beginning to put in place an Action Plan for 2006.

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. During the year work began to further intensify the planned maintenance programme for the aircraft and ground equipment and to put in place a formal training programme for the charity's engineering volunteers. These work strands will continue in 2006.

The charity's current engineering team is too small to carry out the work required to ensure long-term serviceability and it will be necessary to recruit additional volunteer engineers to put the improve maintenance schedule into practice. Lack of resources (both human and financial) in 2005 meant a number of projects had to be put back. These included the repairs to the aircraft's port airbrakes, refurbishment of the undercarriage bays, cataloguing of the charity's spares and setting-up of the avionics bay. The charity's plan to carry out an intensive 'one-off' airframe survey, the findings of which will shape the pattern of airframe rectification work in future years, did also not come to fruition in 2005 and will be implemented in 2006.

VULCAN RESTORATION TRUST (COMPANY LIMITED BY GUARANTEE)
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2005 (CONTINUED)

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Preservation and Protection of Avro Vulcan Aircraft (Continued)

There was progress with the project to relocate the charity's workshop and stores to a site adjacent to its aircraft hardstanding, albeit not as much as the charity had hoped for at the start of the year. The charity must relocate as part of the airport's plans to build a new terminal close to the site the charity's existing workshop building and, in 2004, it purchased a dismantled Romney Hut building to house its new workshop and stores. During 2005 the charity finished of the huge task of de-corroding and preparing the building's structural components and was also successful obtaining a complete set of drawings for the building, courtesy of Roger Thomas at English Heritage. These will greatly assist the task of erecting the building when the time comes. Contact was also made with the Royal Engineers, who committed to build the concrete base for the new building as part of their field training programme. On the down side, the charity continued to press the airport to submit a planning application to erect the new building, but without success. These efforts will continue in 2006 and the charity is confident of a positive outcome. If planning permission is turned down, the Romney Hut will be sold and the charity will reconsider its options for workshop facilities and storage of spares.

Demonstration and Display of Avro Vulcan Aircraft

XL426 was displayed to the public on two days during the year. The charity took the decision not to hold its own open day because of concerns about the availability of car parking, due to the proposed development works at the airport, and to avoid any possible conflict with the construction of the charity's new workshop and stores.

The charity's aim is to increase the number of occasions on which XL426 can be viewed by the general public. Although the aircraft is accessible to groups or persons on pre-arranged visits, regular opening is restricted due to its location 'live side' at Southend Airport. The charity will continue to look at ways to improve access to XL426 and will review this aspect of its operation regularly.

Education and Information

The charity increased the number of talks about the Vulcan given to groups and societies during 2005. Talks were given to seven societies during 2005, a marked improvement on the solitary talk given the previous year. Groups (including school and scout groups) visited XL426 on a number of occasions. The contents of the charity's website were updated throughout the course of the year and the site will be the subject of a complete redesign in 2006.

Membership

Membership subscriptions remained the charity's largest source of income. The percentage renewal rate of 73% was down on the previous two years (79%). The number of new members joining was 74 (2004: 103) and the charity ended the year with 858 members, 143 down on the previous year. This is the fourth year running that membership of the charity has fallen, with the drop-off in the take-up of new memberships being of particular concern. The charity's website continued to be the source of most new members (28) and the Gift Membership scheme introduced in 2003 continued to be popular with 15 such memberships being purchased during the year.

The board approved an increase in membership subscriptions effective from 1 April. To ease the administrative burden on its Membership Secretary in 2005 and in future years, the charity 'staggered' the despatch of renewal letters across the year rather than asking all members to renew in April as had been done previously.

VULCAN RESTORATION TRUST (COMPANY LIMITED BY GUARANTEE)
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2005 (CONTINUED)

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Publicity

The charity adopted a new logo in the summer of 2005. Its previous logo (in use since 1993) was difficult and expensive to reproduce, which restricted its use for fund-raising purposes e.g. on branded clothing and other items of memorabilia. A small number of souvenirs featuring the new logo were introduced by VRT Enterprises Limited and the range of branded souvenirs will be expanded in 2006. The board did not set a target date for replacement of the old logo on the charity's publicity and other materials. The new logo will be introduced onto items when current stocks run out or when finances permit.

The charity's stand attended eight different air displays during the year, one more than the previous year. One of the taxi-runs at the Airport Open Weekend was filmed by a Canadian television company for its *Greatest Bombers* series, which was screened in the UK later in the year on the Discovery Channel.

Fund-raising

The charity's annual Prize Draw remained an important source of income. The 2005 draw produced a profit of £2,465 (2004: £2,898), with 3,400 £1 tickets being sold (3,787 in 2004). Raffles and/or tombolas were held at each members' meeting (plus an auction at the Christmas meeting) and provided very valuable sources of extra income. A members' only raffle for seat on a taxi-run at the Airport Open Weekend raised over of £700, whilst an 'on-the-day' public auction for a second seat raised over £300. The charity intends holding more such raffles and auctions as a means of raising additional income.

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 £745 (2004: £2,319) for the 2005 financial 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 2005, £6,600 was held in the 200 Club account (compared with £4,222 at the end of 2004). No funds from the 200 Club 'drawn down' to support the charity's work during the year.

The charity benefited from a charity auction held by the Leigh-on-Sea Lions, a visit to XL426 fetching a bid of £55.

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 charity's stand at air displays and other events. It also operated a mail order service for goods and operated bar and catering services at charity events. For economy reasons the company stopped producing illustrated mail order catalogues and instead sent out mail order lists with each issue of *Vulcan News*. These were also available to the public from the charity's stand at air displays and other events.

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.

VULCAN RESTORATION TRUST (COMPANY LIMITED BY GUARANTEE)
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2005 (CONTINUED)

FINANCIAL REVIEW

Incoming resources for the year amounted to £68,747 (2004: £54,345). There were unrealised gains on investments of £162 (2004: £102). Total resources expended for the year were £63,889 (2004: £74,601).

The total of net incoming resources and unrealised gains/losses is the net movement in funds of £5,020 (2004: £(20,154)).

The net assets of the charity as at 31 December 2005 were £41,231 (2004: £36,211). The charity's fixed assets comprise an Avro Vulcan B2 aircraft at London Southend Airport and its associated ground equipment and spare parts, three container stores and their fixtures and fittings, and a caravan. The net book value of these assets as at 31 December was £4,594 (2004: £5,654).

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 began formulating 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 is being 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 will be reviewed annually.

VULCAN RESTORATION TRUST (COMPANY LIMITED BY GUARANTEE)
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2005 (CONTINUED)

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

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

SMALL COMPANY PROVISIONS

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

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
FOR THE YEAR ENDED 31 DECEMBER 2005

	Note	2005 Unrestricted Funds £	2004 Unrestricted Funds £
INCOMING RESOURCES			
Subscriptions		14,434	25,262
Donations		30,992	3,976
Activities for Generating Funds:			
Fund-raising Income		8,405	14,458
Investment Income	2	271	422
Other Incoming Resources		323	206
Gift Aid Receipt from Trading Subsidiary		745	2,319
Gift Aid		13,577	7,702
		<hr/>	<hr/>
Total Incoming Resources		68,747	54,345
		<hr/>	<hr/>
RESOURCES EXPENDED			
Cost of Generating Funds:			
Fund-raising Expenses		5,557	11,648
Charitable Expenditure:			
Dispersal Pan Rent		2,350	2,350
Vulcan Running, Servicing and Restoration		10,316	24,100
Insurance		4,473	5,282
Support Costs		27,928	12,031
Property Costs		5,035	10,362
Newsletter Costs		7,141	7,084
Miscellaneous Expenses		29	647
Depreciation		1,060	1,097
		<hr/>	<hr/>
Total Resources Expended	3	63,889	74,601
		<hr/>	<hr/>
NET INCOMING/(OUTGOING) RESOURCES FOR THE YEAR	4	4,858	(20,256)
Unrealised Gains/(Losses) on Investment Assets		162	102
		<hr/>	<hr/>
		5,020	(20,154)
FUND BALANCES BROUGHT FORWARD		36,211	56,365
		<hr/>	<hr/>
FUND BALANCES CARRIED FORWARD		41,231	36,211
		<hr/> <hr/>	<hr/> <hr/>

VULCAN RESTORATION TRUST (COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET AS AT 31 DECEMBER 2005

	Note	2005		2004	
		£	£	£	£
FIXED ASSETS					
Tangible Assets	7		4,594		5,654
Investments	8		2,485		2,323
			-----		-----
			7,079		7,977
CURRENT ASSETS					
Debtors	9	14,046		17,570	
Cash at Bank		21,556		12,164	
		-----		-----	
		35,602		29,734	
CREDITORS: AMOUNTS FALLING DUE WITHIN					
ONE YEAR:	10	(1,450)		(1,500)	
		-----		-----	
NET CURRENT ASSETS			34,152		28,234
			-----		-----
NET ASSETS			41,231		36,211
			=====		=====
FUNDS					
Unrestricted Funds	11		41,231		36,211
			=====		=====

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 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 profit or loss for the financial year in accordance with the requirements of section 226, 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 VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

VULCAN RESTORATION TRUST (COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET AS AT 31 DECEMBER 2005

Approved by the board of trustees on
behalf by:

and signed on their

.....
K PACKARD
Chairman

The notes on pages 5 to 9 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 2005

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), applicable accounting standards, the Statement of Recommended Practice – “Accounting and Reporting by Charities” (SORP 2000) and the Companies Act 1985. The principal accounting policies which have been adopted on a consistent basis within that convention are set out below.

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

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.

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.

VULCAN RESTORATION TRUST (COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005 (CONTINUED)

1. ACCOUNTING POLICIES (CONTINUED)

Restricted Funds

Restricted funds are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

2. INVESTMENT INCOME	2005	2004
	£	£
Dividends on UK Listed Securities	123	113
Interest Receivable and Similar Income	148	309
	<hr/>	<hr/>
	271	422
	<hr/> <hr/>	<hr/> <hr/>

3. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Other	Depreciation	Total
	Costs		£
	£	£	
Cost of Generating Funds	5,557	-	5,557
Charitable Expenditure:			
Dispersal Pan Rent	2,350	-	2,350
Vulcan Running, Servicing and Restoration	10,316	-	10,316
Insurance	4,473	-	4,473
Support Costs	27,928	-	27,928
Property Costs	5,035	-	5,035
Newsletter Costs	7,141	-	7,141
Miscellaneous Expenses	29	-	29
Depreciation	-	1,060	1,060
	<hr/>	<hr/>	<hr/>
	62,829	1,060	63,889
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

4. NET INCOMING RESOURCES

Net Incoming Resources is stated after charging:-

	2005	2004
	£	£
Depreciation of Tangible Fixed Assets	1,060	1,097
Dispersal Pan Rental	2,350	2,350
	<hr/> <hr/>	<hr/> <hr/>

VULCAN RESTORATION TRUST (COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005 (CONTINUED)

5. TAX STATUS

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

6. DIRECTORS

None of the directors who are the trustees received any remuneration or benefits from the company during the year (2004: None). Six directors were reimbursed travel expenses totalling £20,373 during the year (2004: Five directors, total £6,408).

7. TANGIBLE FIXED ASSETS

	Vulcan XL426 £	Plant & Equipment £	Total £
COST			
As at 1 January 2005 and 31 December 2005	8,500	5,504	14,004
DEPRECIATION			
As at 1 January 2005	4,250	4,100	8,350
Charge for the Year	850	210	1,060
As at 31 December 2005	5,100	4,310	9,410
NET BOOK VALUE			
As at 31 December 2005	3,400	1,194	4,594
As at 31 December 2004	4,250	1,404	5,654

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

8. FIXED ASSET INVESTMENTS

	2005 £	2004 £
UK Listed Securities	2,485	2,323

The historic cost of UK listed securities at 31 December 2005 was £Nil (2004:£Nil).

VULCAN RESTORATION TRUST (COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005 (CONTINUED)

9. DEBTORS		2005	2004	
		£	£	
Tax Reclaims Due		8,156	12,425	
Amounts Due from Group Undertakings (see note 15)		5,890	5,145	
		<hr/>	<hr/>	
		14,046	17,570	
		<hr/>	<hr/>	
10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		2005	2004	
		£	£	
Trade Creditors		1,450	1,500	
		<hr/>	<hr/>	
11. ANALYSIS OF FUNDS				
	Balance Brought Forward (As Previously Stated)	Incoming Resources	Unrealised Gains/ (Losses) and Resources Expended	Balance Carried Forward
	£	£	£	£
Unrestricted Fund				
General Reserve	30,557	68,909	62,829	36,637
Designated Fund				
Tangible Fixed Assets Fund	5,654	-	1,060	4,594
	<hr/>	<hr/>	<hr/>	<hr/>
	36,211	68,909	63,889	41,231
	<hr/>	<hr/>	<hr/>	<hr/>

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

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 858 members (2004:1,001) of the company.

VULCAN RESTORATION TRUST (COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005 (CONTINUED)

13. SUBSIDIARY UNDERTAKING

VRT Enterprises, 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.

The results for the period ended 31 December 2005 was turnover of £16,652 (2004: £19,499) and a profit of £745 (2004: profit, £2,319). The reserves of VRT Enterprises at 31 December 2005 were £11,721 (2004: £11,721).

The accounts for VRT Enterprises 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 £5,890 (2004: £5,145) was due to the charity in respect of Gift Aid from VRT Enterprises Limited.

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

ACCOUNTANT'S REPORT ON THE UNAUDITED ACCOUNTS OF
VULCAN RESTORATION TRUST (COMPANY LIMITED BY GUARANTEE)
FOR THE YEAR ENDED 31 DECEMBER 2005

You are responsible for the preparation of the financial statements for the year ended 31 December 2005 set out on pages 3 to 9 and you consider that the charity is exempt from audit and independent examination. In accordance with your instructions, I have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to me.

.....
PAUL TREBY, FCA

Dated: