

CHARITY NUMBER: 1058111  
COMPANY NUMBER: 3203724

**VULCAN RESTORATION TRUST**  
**(COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2008**

**VULCAN RESTORATION TRUST (COMPANY LIMITED BY GUARANTEE)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

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**VULCAN RESTORATION TRUST (COMPANY LIMITED BY GUARANTEE)**  
**REFERENCE AND ADMINISTRATIVE INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

**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

**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 Kevin Packard (Chair)  
Mr Richard Clarkson (Secretary)  
Mr Keith Harvey (Treasurer)  
Mr David Griffiths  
Mr Paul Hartrup  
Mr Colin King (resigned 19 April 2008)  
Mr Matt Lawrence  
Mr Andy Vass

**PROFESSIONAL ADVISERS**

**Accountant:** 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 2008**

The trustees present their report and unaudited financial statements for the year ended 31 December 2008. The trustees' report also represents the directors' report which is required to be prepared under Section 234 of the Companies Act.

The reference 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 Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2005).

### **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 Charity Commission's Review Visit Report received by the charity in February 2004 recommended amongst other things that the charity produce a new strategic plan. This was done in 2005 with the *Vulcan Restoration Trust - Strategic Plan 2006-10* being formally adopted by the board in October 2005. The first of four annual Action Plans was agreed by the board in January 2006. This first plan has, so far, not been fully implemented and the board intends reviewing progress early in 2009 with a view to ensuring its full implementation before the end of the year.

A key objective of the Action Plan was to improve the charity's governance, including a revised organisational structure for the board and its committees. The board was reduced in size in 2007 with the aim of it taking on a more strategic role and for management of the charity's operational functions to be delegated to its sub-committees. However it did not prove possible in 2008 to recruit sufficient volunteers to fill places on the sub-committees, the result being that the board continued to be directly responsible for many of the charity's operational functions. The exception to this was engineering and aircraft maintenance; the day-to-day management of these functions continuing to be dealt with by the Engineering Committee.

Colin King resigned as a trustee at the 2008 Annual General Meeting. Colin had served as a trustee since the charity was formed in 1996 having previously been a committee member of the charity's predecessor body, the Vulcan Memorial Flight Supporters' Club, since the early 1990s. He had been the charity's Stock Manager for many years, a role which included running the mail order service and organising the charity's attendance at air displays. In recognition of his contribution, the charity offered him the honorary position of Vice-President and was delighted when he accepted. The charity would also like to place on record its thanks to Colin's wife, Jackie, for all her help. Both Colin and Jackie intend to remain involved as volunteers and the charity looks forward to their continued support.

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**STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)**

It was with great sadness that the charity learned of the death of Squadron Leader Alan Painter on 15 March and of Ernie Lawrence on 5 December. One of the charity's *cadre* of pilots, Alan Painter had been a regular at XL426's controls since he first taxied the aircraft in 2003 (he had flown XL426 during his RAF service). Alan also appeared as guest speaker at charity meetings on two occasions. His charm and professionalism won him many friends and the summer 2008 issue of the charity's magazine *Vulcan News* contained a full tribute to him and was dedicated to his memory. In his will Alan provided funds for a memorial bench which his partner, Priscilla, has agreed should be situated alongside XL426. The bench was delivered to the charity at the end of the year and will be unveiled in 2009.

Ernie Lawrence was one of the 'founding fathers' of the charity's Engineering Team. A man of boundless enthusiasm and energy, Ernie was the driving force behind the two re-paints the charity has carried out on XL426 since it took over ownership of the aircraft in 1993. He was also a supreme champion for the charity, never missing an opportunity to promote its work and drum-up support for it. Ernie's funeral on was attended by many of his Engineering Team colleagues, together with trustees and Vice-Presidents, and a full tribute to him was included in the winter 2008-09 issue of *Vulcan News*, which was also dedicated to his memory.

Both Alan and Ernie are greatly missed by all that knew them.

The charity was also saddened to learn of the death of Group Captain John Slessor CVO DL early in 2008. XL426 was John's personal aircraft during his time as Officer Commanding 83 Squadron at RAF Scampton from 1963-65. John had been an Honorary Member of the charity since the mid 1990s.

None of the trustees/directors received any remuneration or benefits from the charity. The charity does not have policies or processes for recruiting or inducting new trustees. The board had intended to review both these areas following the implementation of the changes to its organisational structure in 2007. However, the need to focus effort and resource into other areas has prevented this from happening. The board is aware of the need to recruit new volunteers, especially into areas such as fund raising and events organisation, and the board will seek to address this issue in 2009.

**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 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 headline objectives for the year (as defined in its Annual Plan 2006 – carried forward into 2007-08) were as follows:

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**OBJECTIVES AND ACTIVITIES (CONTINUED)**

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

The charity's income is generated by membership fees, entrance fees, appeals, donations, fund-raising draws and public displays. The charity's main objectives for the year were to continue the *Return to Power* engineering programme to return XL426 to full ground running condition, to continue implementing the recommendations of the Charity Commission Review Visit Report, to raise the charity's profile in the South Essex area, to re-design its web site including the introduction of an on-line shop, and to continue to improve its financial position.

**Preservation and Protection of Avro Vulcan Aircraft**

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

The charity's Engineering Committee continued to set the formal programme of maintenance on XL426 and met to review progress. Matt Lawrence continued as Chief Engineer, with specific responsibility for airframe, engines and avionics, supported by Paul Hartrup, who was responsible for engineering administration. Due to work commitments, Ian Tovell and Martin White were unable to continue as members of the Engineering Committee but both remained members of the Engineering Team. The size of the Engineering Team remained approximately constant throughout the course of the year, the departure of some previously regular volunteers being offset by new recruits to the Team.

Following the taxi-run at its Open Day in August 2006 the charity agreed to withdraw XL426 from taxiing service so that a programme of engineering work could be carried out to ensure the aircraft's long-term survivability. The charity estimates that £54,000 will be needed to complete the work and launched an appeal called *426 Return to Power* to raise the necessary funds at the beginning of 2007. No time scale has been set to complete the work. By the end of the year, the appeal had raised a total of £11,825 (total £7,649 at the end of 2007).

Engineering work associated with the *Return to Power* programme concentrated on a number of areas. These included the continuing renovation or replacement of areas of the aircraft's skin that have become corroded. The early part of the year saw the completed restoration and re-fitting of the second of the front undercarriage bay doors that had been removed from the aircraft in 2007. The skills and knowledge gained by Engineering Team members attending National Aviation Heritage Skills Initiative courses (see below) has

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**OBJECTIVES AND ACTIVITIES (CONTINUED)**

**Preservation and Protection of Avro Vulcan Aircraft (Continued)**

continued to be particularly useful as this element of the *Return to Power* programme. Work on restoring the jet pipe end caps removed from the aircraft and those donated by the Vulcan to the Sky Trust at Bruntingthorpe continued during the course of the year, as did work on the jet pipe tunnels and counterpoise plate.

No.3 elevon was removed from XL426 in May and taken to the charity's workshop for inspection prior to the start of its renovation. The *Return to Power* programme will see all eight of the aircraft's elevons (plus the rudder) undergoing overhaul and repair. The difficulty of working on such a large component within the tight confines of the charity's workshop was soon apparent and so the charity designed and built a bespoke jig on which each elevon can be mounted. The jig was completed in November meaning that work on the elevon can now proceed.

Work was ongoing throughout the year overhauling the aircraft's wheels and Powered Flying Control Units (PFCUs). The aim is to have all the charity's wheels sets and PFCU units (including spares) fully serviceable by the time the *Return to Power* programme is complete. Work also continued on the refurbishment of the Navigator Radar and Air Electronics Officer seats and various electronic 'black boxes' removed from the cockpit. Although not essential in order for the aircraft to taxi again, such work is time-consuming and can only be done if the aircraft is not taxiing regularly. The renovation of the cockpit periscope, begun in 2007, was completed and the periscope re-fitted to the aircraft.

The revised programme of engine running first implemented in 2007 continued in 2008. The revised programme takes account of the additional engineering resource that must be allocated to ensure progress with the *Return to Power* programme work. On 11 October XL426 was taxied under its own power for the first time since the start of the *Return to Power* programme. Following a full power engine test, the aircraft was taxied successfully at low speed from the airport's northern apron back to the charity's hardstanding.

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

The charity continued its ongoing programme of inspection of XL426's airframe for signs of corrosion. Where found, corrosion was removed in accordance with the Vulcan's Structural Repair Manual and the affected areas treated with chemicals. The surface of the aircraft was washed during the year and treated with corrosion inhibiting fluids. The charity continued to run heaters and dehumidifiers in certain areas of the aircraft to inhibit corrosion. New wheel covers were purchased (using funds provided by the VRT 200 Club) and the canopy cover has continued to be used to prevent water ingress into the cockpit.

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

The charity continued to acquire spare parts and additional ground equipment whenever possible to assist its operation. In February the charity took delivery of two part-lived Olympus engines from the Vulcan to the Sky Trust (VTTST). These were part of an

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## **OBJECTIVES AND ACTIVITIES (CONTINUED)**

### **Preservation and Protection of Avro Vulcan Aircraft (Continued)**

exchange agreement that had already seen the charity provide VTTST with a nose wheel leg which was then subsequently restored to airworthy condition for use on Vulcan XH558. The exchange agreement in due course will also see VTTST provide the charity with a renovated but non-airworthy nose wheel leg. The VRT 200 Club provided funds to fit castors to the engine stands to enable them to be moved with greater ease within the charity's workshop.

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

The charity would like to thank all the members of its Engineering Team for their sterling work and dedication in 2008.

### **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 27 April, 29 June, 3 August and 21 September. XL426 was also displayed by the charity as a static exhibit as part of the London Southend Airport Open Weekend in May. An estimated 1500 people attended the four 'Visit the Vulcan' days. Attendance at the Airport Open Weekend was severely affected by poor weather, the second day being cancelled due to high winds and rain. The charity also provided the commentary at the London Southend Airport Open Weekend.

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

### **Education and Information**

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

The charity published two issues of its magazine *Vulcan News*. Due to the charity's financial position, it was not possible to produce three issues as has been the case every year since 1996. Given the continuing decline in the charity's membership income, the board will review early in 2009 if sufficient funds are likely to be available to continue producing three issues each year or if production should be reduced to two. *Vulcan News* was distributed free to its members, with back issues sold to the public at events and via the charity's new on-line shop. Each issue featured a colour cover and centrespread; the cost of the colour centrespread in each issue being sponsored by individual charity members.

Four 'Enthusiasts Events' meetings, including the charity's Annual General Meeting, were held in 2008. These were open to charity members as well as guests and interested members of the public. Wing Commander Peter West MBE was guest speaker at the April meeting where he talked about the role of the Vulcan crew members from his perspective as an Air Electronics Officer. At the June meeting Wing Commander W A 'Robby' Robinson recounted his life and times as Chief Test Pilot at A V Roe & Co., whilst at the October meeting, Wing Commander Adrian Sumner gave a talk about his many and varied

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## **OBJECTIVES AND ACTIVITIES (CONTINUED)**

### **Education and Information (continued)**

experiences as a Vulcan pilot. The charity's special guest at its Christmas meeting was Bruce Dickinson, airline pilot and singer with the world famous rock band *Iron Maiden*. His appearance attracted a great deal of interest, with all tickets to the event being sold out well in advance.

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 90% complete, with the original slides and photographs beginning to be passed to Air Britain in accordance with Alan's wishes.

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

## **ACHIEVEMENTS AND PERFORMANCE**

### **Structure, Governance and Management**

The charity continued to implement the recommendations of the Charity Commission Review Report by implementing its Strategic Plan for the period 2006-10 and its Action Plan for 2006 (carried forward into 2007-08). The targets and objectives set in the Action Plan were only partially met, although the charity is happy that progress continues to be made towards achieving the overall objectives of its Strategic Plan whilst it continues to fulfil its charitable objectives. The charity is aware that its organisational structure must be strengthened in terms of both its financial and human resource if it is to continue to develop, as well as continuing to meet its existing operational targets and commitments.

### **Preservation and Protection of Avro Vulcan Aircraft**

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

The charity's current Engineering Team will need to be expanded if the *Return to Power* programme is to be completed within a reasonable timescale and if an improved maintenance schedule is to be put in place in the long-term. Additional volunteers continued to join the Team in 2008 and the charity will continue to look at ways of attracting more volunteers in future, both for the Engineering Team and in other areas of its work.

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

### **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 number of events held was double the number held the previous year and demonstrated the charity's desire to increase public access to XL426 as well as

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## **ACHIEVEMENTS AND PERFORMANCE (CONTINUED)**

### **Demonstration and Display of Avro Vulcan Aircraft (continued)**

raising its 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. XL426 was also on static display at the London Southend Airport Open Weekend on 25 May.

### **Education and Information**

The long-planned upgrade to the charity's website ([www.avrovulcan.com](http://www.avrovulcan.com)) was carried out in 2008. An initial upgrade saw the new website go 'live' in the spring with a further upgrade, featuring improved functionality for easier updating and addition of new material, following in the autumn. The new website has been well received by members and the public alike. It features news of the charity's activities, including regular engineering reports, as well as historical information about XL426 and the Vulcan. The charity's aim is to make the website a prime source of information about the Vulcan and it will continue to expand the content of the website on an ongoing basis.

The charity gave 10 talks (compared with six in 2007) to interested community groups and societies about the role of the Avro Vulcan in the Cold War and the work of the charity at Southend Airport. Talks to groups in South Essex are given under the banner of the 'Modern History on your Doorstep' programme, which aims to increase the awareness of people living in South Essex of their local and modern history, and for which the charity received a grant from Groundwork East of England in 2006. The charity, together with Hugh Prior, also gave a talk as part of the *British Bombers Day* at the Imperial War Museum, Duxford, on 2 February.

Groups and societies (including school and scout groups) visited XL426 on a number of occasions.

### **Membership**

Marion Bune, very ably assisted by her husband Rob, continued as the charity's Membership Secretary in 2008. Membership subscriptions, although reduced, remained one of the charity's largest sources of income. The percentage renewal rate of 81% was slightly down on that of the previous year (82%). The number of new members joining was higher at 53 (2007: 48) and the charity ended the year with 706 members, 66 down on the previous year. This is the seventh year in succession that membership of the charity has fallen.

### **Publicity**

Charity member, Phil Whalley, continued his work raising the charity's profile in the local media and national aviation press. Details of the charity's Visit the Vulcan Days appeared in the Southend-on-Sea edition of the *What's On and Where* guide as well as the local media and local event websites, with reports of the charity's events and activities appearing regularly in local newspapers.

A two-page feature of the *Return to Power* programme, together with information about the 'Visit the Vulcan' days appeared in the Air Events supplement of the April edition of *Aviation News*.

For the first time, the charity produced a full colour tri-fold leaflet to publicise its work and activities. The leaflet incorporated a membership form plus details of the 'Visit the Vulcan' days, the Enthusiasts Events and the charity's talks programme, and was distributed to the public at charity events. A new leaflet will be produced for 2009 and the charity will look to widen its distribution further. The charity would like to thank Matt Chester for all his efforts designing the leaflet.

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**ACHIEVEMENTS AND PERFORMANCE (CONTINUED)**

**Publicity (continued)**

The charity's sales and display stand was destroyed in the bad weather at the London Southend Airport Open Weekend on 26 May. The charity had intended replacing the stand with a new design that would be less commercially focussed and which would allow the charity to better promote its preservation work and its educational objectives. Following the loss of the stand, work to find a suitable replacement was given a higher priority and, by the year's end, the charity was able to select a replacement design for purchase in 2009.

As a consequence of the charity's policy of concentrating its efforts on raising its profile in South Essex, the charity's stand only attended one air displays (the RAF Waddington International Air Show) in 2008. This was done using an 'interim' stand following the loss of the charity's stand in May (see above). The loss of the stand did restrict the charity from being represented at more local, community-based events in 2008 as had been intended, although it did attend the Canvey Island Transport Show in October. Providing the purchase of a new stand goes ahead, the charity will seek to attend a greater number of local events in 2009.

VRT Enterprises Limited did not add any new branded souvenirs to its range in 2008, instead concentrating on selling existing stock at the 'Visit the Vulcan' Days. Finances permitting, it is intended to introduce a number of new branded items in 2009. The board has not set a target date for the replacement of the charity's old logo on its publicity and other materials.

**Fund-raising**

The charity's annual Prize Draw remained an important source of income producing a profit of £1,423 (2007: £1,937). The drop in profit was disappointing as the profit on 2007 draw had reversed the downward trend of previous years'. The charity would like to thank Bill Burnett of Cambridge Business Travel for donating the first prize of an aerobatic flight in a Yak-52. Raffles and/or tombolas were held at each Enthusiasts Event (plus an auction at the Christmas meeting) and provided very valuable sources of extra income.

The reduction in income from membership subscriptions is of concern to the charity as this income is important in ensuring the charity can cover its fixed costs. With these concerns in mind, the charity launched the *Helping Hands* scheme which asks charity members to make a monthly donation by standing order. This income is not 'ring fenced' and can be used by the charity as it sees fit. At the end of 2008, income from the *Helping Hands* scheme was in excess of £240 giving an annual income of more than £2600.

A seat on board XL426 for the taxi-run on 11 October was auctioned via an on-line internet auction site together with five photographers 'passes' for the event. The charity will continue to explore the possibilities of raising funds from such 'red letter day' activities as they represent a potential additional source of 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 £898 (2007: £904) for the 2008 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 2008, £13,325 was held in the 200 Club account (compared with £9,405 at the end of 2007). Expenditure in support of the charity's activities in 2008 totalled £760 (2007: £575).

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## **ACHIEVEMENTS AND PERFORMANCE (CONTINUED)**

### **VRT Enterprises Limited**

The charity is connected with VRT Enterprises Limited (Registered Company No: 3300759) by virtue of the fact that it has common directors. All of the profits of VRT Enterprises Limited are transferred to the trust under Gift Aid.

VRT Enterprises Limited carried out the sale of aviation goods and memorabilia via the on-line shop and via charity's stand at air displays and other events. It also operated bar and catering services at charity events. VRT Enterprises Limited provided refreshments and ran a licensed bar at each of the charity's Enthusiasts Events. A full buffet was laid on at the December event, and hot meals were provided at the other three. The charity would like to pay particular thanks to Anne Gardiner, Jackie King, Sarah Gardiner and the other members of the Catering and Bar Team for all their efforts in 2008.

### **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 £50,626 (2007: £43,813). There were unrealised losses on investments of £1,105 (2007 losses: £1,225). Total resources expended for the year were £48,832 (2007: £42,468).

The net movement in funds was £689 (2007: £120).

The net assets of the charity as at 31 December 2008 were £39,020 (2007: £38,331). 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 £1,663 (2007: £2,614).

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 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.

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**PLANS FOR FUTURE PERIODS (continued)**

**Exit Plan**

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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

- select suitable accounting policies and then apply them consistently;
- 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**  
**(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

	Note	2008 Unrestricted Funds £	2007 Unrestricted Funds £
<b>INCOMING RESOURCES (INCOME)</b>			
Incoming Resources from			
Generated Funds:			
Voluntary Income	2	35,658	34,050
Activities for Generating Funds:			
Fund Raising Income		13,279	8,193
Investment Income	3	409	394
Gift Aid Receipt from Trading Subsidiary		898	904
Other Incoming Resources		382	272
		<hr/>	<hr/>
Total Incoming Resources		50,626	43,813
		<hr/>	<hr/>
<b>RESOURCES EXPENDED (EXPENDITURE)</b>			
Cost of Generating Funds:			
Fund-raising Expenses		1,708	1,636
Charitable Activities	4	47,124	40,832
		<hr/>	<hr/>
Total Resources Expended		48,832	42,468
		<hr/>	<hr/>
<b>NET INCOMING/(OUTGOING) RESOURCES (INCOME/(EXPENDITURE))</b>			
	5	1,794	1,345
Unrealised (Losses)/Gains on Investment Assets		(1,105)	(1,225)
		<hr/>	<hr/>
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		689	120
<b>FUND BALANCES BROUGHT FORWARD</b>		38,331	38,211
		<hr/>	<hr/>
<b>FUND BALANCES CARRIED FORWARD</b>		39,020	38,331
		<hr/> <hr/>	<hr/> <hr/>

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 2008**

	Note	2008		2007	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible Assets	8		1,663		2,614
Investments	9		515		1,620
			<hr/>		<hr/>
			2,178		4,234
<b>CURRENT ASSETS</b>					
Debtors	10	12,919		11,851	
Cash at Bank		23,923		22,300	
		<hr/>		<hr/>	
		36,842		34,151	
<b>CREDITORS: Amounts Falling Due Within</b>					
One Year:	11	-		(54)	
		<hr/>		<hr/>	
<b>NET CURRENT ASSETS</b>			36,842		34,097
			<hr/>		<hr/>
<b>NET ASSETS</b>			39,020		38,331
			<hr/> <hr/>		<hr/> <hr/>
<b>FUNDS</b>					
Unrestricted Funds	12		39,020		38,331
			<hr/> <hr/>		<hr/> <hr/>

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 January 2007).

**VULCAN RESTORATION TRUST (COMPANY LIMITED BY GUARANTEE)**  
**BALANCE SHEET AS AT 31 DECEMBER 2008**

Approved by the board of trustees on  
behalf by:

and signed on their

.....  
K PACKARD  
Chairman

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 2008**

## 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), Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2005), the Charities Act 1993, the Financial Reporting Standard for Smaller Entities (effective January 2007) 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.

### **Financial Instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

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 2008 (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**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Return to Power Appeal	4,781	7,649
Donations	8,934	6,817
Gift Aid	8,003	4,427
Subscriptions	13,940	15,157
	<hr/>	<hr/>
	35,658	34,050
	<hr/> <hr/>	<hr/> <hr/>

**3. INVESTMENT INCOME**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Dividends on UK Listed Securities	143	138
Interest Receivable and Similar Income	266	256
	<hr/>	<hr/>
	409	394
	<hr/> <hr/>	<hr/> <hr/>

**4. ANALYSIS OF TOTAL RESOURCES EXPENDED**

	<b>£</b>
Charitable Expenditure:	
To preserve and protect Avro Vulcan	31,640
Advancement and Education	15,484
	<hr/>
	47,124
	<hr/> <hr/>

**5. NET OUTGOING RESOURCES**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Net Incoming Resources is stated after charging:-		
Depreciation of Tangible Fixed Assets	951	951
Dispersal Pan Rental	2,644	2,644
	<hr/> <hr/>	<hr/> <hr/>

**VULCAN RESTORATION TRUST (COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)**

**6. TAX STATUS**

The company, being a registered charity, is exempt from any taxation with the exemption 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 (2007: None). Five directors were reimbursed travel expenses totalling £5,627 during the year (2007: Three directors, total £3,009).

**8. TANGIBLE FIXED ASSETS**

	<b>Vulcan XL426 £</b>	<b>Plant &amp; Equipment £</b>	<b>Total £</b>
<b>COST</b>			
As at 1 January 2008 and 31 December 2008	8,500	5,504	14,004
	-----	-----	-----
<b>DEPRECIATION</b>			
As at 1 January 2008	5,950	4,489	10,439
Charge for the Year	850	101	951
	-----	-----	-----
As at 31 December 2008	6,800	4,590	11,390
	-----	-----	-----
<b>NET BOOK VALUE</b>			
As at 31 December 2008	850	813	1,663
	=====	=====	=====
As at 31 December 2007	1,700	914	2,614
	=====	=====	=====

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

**9. FIXED ASSET INVESTMENTS**

	<b>2008 £</b>	<b>2007 £</b>
UK Listed Securities	515	1,620
	=====	=====

The historic cost of UK listed securities at 31 December 2008 was £Nil (2007:£Nil).

**10. DEBTORS**

	<b>2008 £</b>	<b>2007 £</b>
Tax Reclaims Due	5,085	3,870
Amounts Due from Group Undertakings (see note 14)	6,008	6,014
Prepayments	1,826	1,967
	-----	-----
	12,919	11,851
	=====	=====

**VULCAN RESTORATION TRUST (COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)**

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2008 £	2007 £
Trade Creditors	-	54
	-	54

**12. ANALYSIS OF FUNDS**

	Balance Brought Forward £	Incoming Resources £	Resources Expended £	Unrealised Gains/ (Losses) £	Balance Carried Forward £
<b>Unrestricted Fund</b>					
General Reserve	35,717	50,626	(47,881)	(1,105)	37,357
 <b>Designated Fund</b>					
Tangible Fixed Assets Fund	2,614	-	(951)	-	1,663
	38,331	50,626	(48,832)	(1,105)	39,020
	38,331	50,626	(48,832)	(1,105)	39,020

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 706 members (2007: 772) of the company.

**14. 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 year ended 31 December 2008 was turnover of £7,857 (2007: £8,795 and a profit of £898 (2007: profit, £904). The reserves of VRT Enterprises at 31 December 2008 were £11,721 (2007: £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 £6,008 (2007: £6,014) was due to the charity in respect of Gift Aid from VRT Enterprises Limited and the outstanding loan.

**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 2008**

You are responsible for the preparation of the financial statements for the year ended 31 December 2008 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: