

COMPANY REGISTRATION NUMBER: 00606312

**Light Aircraft Association Limited**  
**Financial Statements**  
**31 December 2016**

**COLLETT HULANCE LLP**  
Chartered Certified Accountants & statutory auditor  
40 Kimbolton Road  
Bedford  
MK40 2NR

# **Light Aircraft Association Limited**

## **Financial Statements**

**Year ended 31 December 2016**

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# Light Aircraft Association Limited

## Officers and Professional Advisers

<b>The board of directors</b>	Mr J Brady Mr B Davies Mr J McKenna Mr W Lee Mr S Slater Mr S Hutt Mr M B Z de Ferranti Mr T Hardy Mr D J Lamb Mr D Mole
<b>Company secretary</b>	Mr D J Lamb
<b>Registered office</b>	Turweston Aerodrome Nr Brackley Northamptonshire NN13 5YD
<b>Auditor</b>	Collett Hulance LLP Chartered Certified Accountants & statutory auditor 40 Kimbolton Road Bedford MK40 2NR
<b>Bankers</b>	National Westminster Bank Plc 20 Dean Street London W1A 1SX

# Light Aircraft Association Limited

## Directors' Report

Year ended 31 December 2016

The directors present their report and the financial statements of the company for the year ended 31 December 2016.

### Directors

The directors who served the company during the year were as follows:

Mr J Brady	
Mr B Davies	
Mr J McKenna	
Mr W Lee	
Mr S Slater	
Mr S Hutt	
Mr M B Z de Ferranti	
Mr T Hardy	(Appointed 29 July 2016)
Mr D J Lamb	(Appointed 22 October 2016)
Mr D Mole	(Appointed 22 October 2016)
Mr J Hopkins	(Retired 1 June 2016)
The Lord Rotherwick	(Retired 22 January 2016)
Mr J Tannock	(Retired 12 August 2016)

### Chairman's statement

During 2016 the association has continued to achieve a very satisfactory and stable financial performance with turnover increasing slightly to £1,276,857 with a commensurate increase in cost of sales. In line with last year tight control was maintained on administrative expenditure with a further reduction of £27,054 on the previous year. A number of key activities, including the reconfiguration of our office facilities and additional engineering resources were deferred until 2017. Although this reduced costs in 2016 there will be a significant increase in overheads in subsequent years, along with limited opportunities for income growth. Sufficient financial reserves have been built up which should protect our members from any significant increase in the cost of membership, at least in the short term. This was the 70th year of the association so a number of additional celebratory activities took place, including an expanded Rally that resulted in some additional costs but this was contained within budgeted expenditure.

Association membership was stable at 7,643 at the end of the year and the number of Permits to Fly increased slightly to 2,726. New permit issues were down by approximately 8%, indicating that the period of strong growth in the LAA fleet is coming to an end.

In April 2016 the LAA obtained CAA approval for Sporting and Recreational Bodies under BCAR Chapter A8-26. This very significant milestone strengthens the technical status of our engineering activities and has required a number of years of effort by our engineering team involving a review and redraft of our engineering procedures and the creation of a new Quality Management function within the unit. In line with our policy of improving the opportunities available to our members who operate under an LAA Permit to Fly the LAA finally obtained CAA approval to permit suitably equipped aircraft to operate at night and under instrument flight rules (Night/IFR). This was the culmination of nearly ten years of cooperation between the CAA, our engineers and a small group of member volunteers.

A number of long-serving directors retired during the year. These directors have made a major contribution to the creation of a financially stable and successful association. On behalf of the board and all LAA members I would like to express our thanks for the unstinting hard work undertaken by these member volunteers.

# Light Aircraft Association Limited

## Directors' Report *(continued)*

Year ended 31 December 2016

### Directors' responsibilities statement

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

### Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

### Small company provisions


This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

# Light Aircraft Association Limited

## Directors' Report *(continued)*

Year ended 31 December 2016

This report was approved by the board of directors on ~~26.5.17~~ 26.5.17 and signed on behalf of the board by:



Mr B Davies  
Chairman



Mr D J Lamb  
Company Secretary

Registered office:  
Turweston Aerodrome  
Nr Brackley  
Northamptonshire  
NN13 5YD

# Light Aircraft Association Limited

## Independent Auditor's Report to the Members of Light Aircraft Association Limited

Year ended 31 December 2016

We have audited the financial statements of Light Aircraft Association Limited for the year ended 31 December 2016 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# Light Aircraft Association Limited

## Independent Auditor's Report to the Members of Light Aircraft Association Limited *(continued)*

Year ended 31 December 2016

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; and
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.



Lynden Philip Richardson FCCA (Senior Statutory Auditor)

For and on behalf of  
Collett Hulance LLP  
Chartered Certified Accountants & statutory auditor

40 Kimbolton Road  
Bedford  
MK40 2NR

5th June 2017



# Light Aircraft Association Limited

## Statement of Comprehensive Income

Year ended 31 December 2016

	Note	2016 £	2015 £
<b>Turnover</b>		<b>1,276,857</b>	1,251,782
Cost of sales		<u>235,817</u>	<u>227,530</u>
<b>Gross profit</b>		<b>1,041,040</b>	1,024,252
Administrative expenses		<u>863,524</u>	<u>888,987</u>
<b>Operating profit</b>		<b>177,516</b>	135,265
Other interest receivable and similar income		<u>8,323</u>	<u>8,046</u>
<b>Profit before taxation</b>	<b>6</b>	<b>185,839</b>	143,311
Tax on profit		<u>—</u>	<u>(415)</u>
<b>Profit for the financial year and total comprehensive income</b>		<b><u>185,839</u></b>	<b><u>143,726</u></b>

All the activities of the company are from continuing operations.

The notes on pages 10 to 14 form part of these financial statements.

# Light Aircraft Association Limited

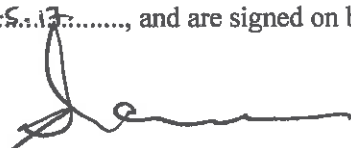
## Statement of Financial Position

31 December 2016

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Tangible assets	7	36,517	38,849
<b>Current assets</b>			
Stocks	8	4,400	4,400
Debtors	9	22,930	26,478
Investments	10	772,474	644,969
Cash at bank and in hand		504,186	430,918
		<u>1,303,990</u>	<u>1,106,765</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>269,023</u>	<u>259,969</u>
<b>Net current assets</b>		<u>1,034,967</u>	<u>846,796</u>
<b>Total assets less current liabilities</b>		<u>1,071,484</u>	<u>885,645</u>
<b>Net assets</b>		<u>1,071,484</u>	<u>885,645</u>
<b>Capital and reserves</b>			
Called up share capital		100	100
Other reserves		152,953	151,185
Profit and loss account		918,431	734,360
<b>Members funds</b>		<u>1,071,484</u>	<u>885,645</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 21.5.17, and are signed on behalf of the board by:



Mr B Davies  
Chairman

Company registration number: 00606312

The notes on pages 10 to 14 form part of these financial statements.

# Light Aircraft Association Limited

## Statement of Changes in Equity

Year ended 31 December 2016

	Called up share capital	Other reserves	Profit and loss account	Total
	£	£	£	£
<b>At 1 January 2015</b>	100	149,289	592,530	741,919
Profit for the year			143,726	143,726
Other comprehensive income for the year:				
Transfers between reserves	—	1,896	(1,896)	—
<b>Total comprehensive income for the year</b>	—	1,896	141,830	143,726
<b>At 31 December 2015</b>	100	151,185	734,360	885,645
Profit for the year			185,839	185,839
Other comprehensive income for the year:				
Transfers between reserves	—	1,768	(1,768)	—
<b>Total comprehensive income for the year</b>	—	1,768	184,071	185,839
<b>At 31 December 2016</b>	100	152,953	918,431	1,071,484

The notes on pages 10 to 14 form part of these financial statements.

# Light Aircraft Association Limited

## Notes to the Financial Statements

Year ended 31 December 2016

### 1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Turweston Aerodrome, Nr Brackley, Northamptonshire, NN13 5YD.

### 2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### 3. Accounting policies

#### Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 14.

#### Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### Turnover

Turnover represents subscriptions receivable and income generated from the activities of the company, including the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Income on annual subscriptions is recognised from the date on which they fall due.

#### Deferred taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

# Light Aircraft Association Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

### 3. Accounting policies *(continued)*

#### Deferred taxation *(continued)*

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

#### Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

#### Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Office Equipment	-	15% residual balance / 33% straight line
Other Equipment	-	15% reducing balance / 25% straight line
Motor Vehicles	-	25% reducing balance

It is the company policy to write off additions of less than £500 to the profit and loss account in the year of acquisition.

#### Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

# Light Aircraft Association Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

### 3. Accounting policies *(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 (including share capital) 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 profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument.

#### Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

### 4. Auditor's remuneration

	2016	2015
	£	£
Fees payable for the audit of the financial statements	<u>4,080</u>	<u>4,120</u>

### 5. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to 12 (2015: 13).

### 6. Profit before taxation

Profit before taxation is stated after charging:

	2016	2015
	£	£
Depreciation of tangible assets	<u>9,790</u>	<u>9,153</u>

# Light Aircraft Association Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2016

#### 7. Tangible assets

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 January 2016	83,462	14,225	18,500	116,187
Additions	538	6,920	–	7,458
<b>At 31 December 2016</b>	<u>84,000</u>	<u>21,145</u>	<u>18,500</u>	<u>123,645</u>
<b>Depreciation</b>				
At 1 January 2016	57,034	6,102	14,202	77,338
Charge for the year	6,108	2,607	1,075	9,790
<b>At 31 December 2016</b>	<u>63,142</u>	<u>8,709</u>	<u>15,277</u>	<u>87,128</u>
<b>Carrying amount</b>				
<b>At 31 December 2016</b>	<u>20,858</u>	<u>12,436</u>	<u>3,223</u>	<u>36,517</u>
At 31 December 2015	<u>26,428</u>	<u>8,123</u>	<u>4,298</u>	<u>38,849</u>

#### 8. Stocks

	2016 £	2015 £
Raw materials and consumables	<u>4,400</u>	<u>4,400</u>

#### 9. Debtors

	2016 £	2015 £
Trade debtors	13,540	11,486
Other debtors	9,390	14,992
	<u>22,930</u>	<u>26,478</u>

#### 10. Investments

	2016 £	2015 £
Bank deposits	<u>772,474</u>	<u>644,969</u>

#### 11. Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	6,449	14,039
Social security and other taxes	14,003	13,338
Other creditors	248,571	232,592
	<u>269,023</u>	<u>259,969</u>

# Light Aircraft Association Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

### 12. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2016	2015
	£	£
Later than 1 year and not later than 5 years	<u>196,695</u>	<u>182,260</u>

### 13. Related party transactions

The company was controlled by its members throughout the year. There is no ultimate controlling party.

During the year the company received donations on behalf of the Light Aircraft Association Educational Trust (LAAET) amounting to £703 (2015 £605). LAAET is a charity set up by the company and its main objective is to advance the education of the public in the area of aviation, particularly the design and construction of aircraft systems and the operation of aircraft. In addition, the company made a donation to LAAET of £nil (2015 £21,200).

LAA also received donations on behalf of LAAET in respect of the Isaac Armstrong fund amounting to £6,754 (2015 £1,914).

As at 31 December 2016, the company owed LAAET £10 (2015 £10) which is included within the accruals figure in creditors.

Two of the directors of the company are also trustees of the charity.

### 14. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 January 2015.

No transitional adjustments were required in equity or profit or loss for the year.



# **Light Aircraft Association Limited**

## **Management Information**

**Year ended 31 December 2016**

**The following pages do not form part of the financial statements.**

# Light Aircraft Association Limited

## Detailed Income Statement

Year ended 31 December 2016

	2016	2015
	£	£
<b>Turnover</b>	<b>1,276,857</b>	<b>1,251,782</b>
<b>Cost of sales</b>		
Opening stock	4,400	5,273
Purchases	12,498	11,762
Engineering expenses	16,558	16,870
Magazine expenses	132,212	144,505
Promotional events	12,289	8,809
Advertising and marketing	21,826	19,585
Rally costs	40,434	25,126
	<u>240,217</u>	<u>231,930</u>
Closing stock	4,400	4,400
	<u>235,817</u>	<u>227,530</u>
<b>Gross profit</b>	<b>1,041,040</b>	<b>1,024,252</b>
<b>Overheads</b>		
Administrative expenses	863,524	888,987
	<u>177,516</u>	<u>135,265</u>
<b>Operating profit</b>	<b>177,516</b>	<b>135,265</b>
Other interest receivable and similar income	8,323	8,046
	<u>185,839</u>	<u>143,311</u>
<b>Profit before taxation</b>	<b>185,839</b>	<b>143,311</b>

**Light Aircraft Association Limited**  
**Notes to the Detailed Income Statement**  
**Year ended 31 December 2016**

	2016	2015
	£	£
<b>Administrative expenses</b>		
Directors salaries	66,202	65,972
Directors pension contributions	3,020	3,177
Salaries, National Insurance and pension costs	446,817	443,563
Recruitment costs	175	14,750
Contract staff costs	56,107	62,073
Rent and room hire	45,173	42,713
Buildings insurance	3,709	3,444
Repairs, renewals and maintenance	1,771	420
Premises expenses	13,428	15,874
Motor and transport costs	2,763	3,988
Telephone and internet charges	5,881	3,371
Liability insurance	87,573	84,591
Board and volunteer expenses	5,965	6,468
Staff expenses	17,438	15,349
Postage and carriage	13,355	14,500
Printing and stationery	15,731	19,373
Staff training	948	1,605
Computer software and support	23,951	10,352
NC expenses	-	904
Fees, subscriptions and donations	14,435	35,410
AGM/EGM expenses	669	881
Entertaining	193	180
Legal and professional fees (allowable)	3,795	5,076
Irrecoverable VAT	9,014	11,983
Accountancy fees	1,020	1,031
Auditors remuneration	4,080	4,120
Depreciation of tangible assets	9,790	9,153
(Gain)/loss on disposal of tangible assets	-	(1,937)
Bank charges and interest	10,521	10,603
	<u>863,524</u>	<u>888,987</u>
<b>Other interest receivable and similar income</b>		
Interest on cash and cash equivalents	<u>8,323</u>	<u>8,046</u>