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Registration number: 00606312

Light Aircraft Association Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2019

Light Aircraft Association Limited

Contents

Company Information	1
Directors' Report	2 to 3
Statement of Directors' Responsibilities	4
Independent Auditor's Report	5 to 7
Profit and Loss Account	8
Balance Sheet	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11 to 15
Detailed Profit and Loss Account	16 to 17

Light Aircraft Association Limited

Company Information

Chairman	Mr T Hardy
Directors	Mr T Hardy Mr D Mole Mr M B Z de Ferranti Mr W N W Garton-Jones Mr S Slater Mr D J Millin Mr E M Smith
Company secretary	Mr D Mole
Registered office	Turweston Aerodrome Nr Brackley Northamptonshire NN13 5YD
Auditors	Just Audit & Assurance Ltd 4 South Bar Street Banbury Oxfordshire OX16 9AA

Light Aircraft Association Limited

Directors' Report for the Year Ended 31 December 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Directors of the company

The directors who held office during the year were as follows:

Mr T Hardy - Chairman

Mr D Mole - Company secretary and director

Mr M B Z de Ferranti

Mr W N W Garton-Jones

Mr J C McKenna (resigned 10 May 2019)

Mr G J Newby (resigned 4 June 2019)

Mr S Slater

Mr D J Millin

Mr E M Smith

Principal activity

The principal activity of the company is that of a membership organisation.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Small companies provision statement

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Light Aircraft Association Limited

Directors' Report for the Year Ended 31 December 2019

Chairman's Statement

During 2019 the Association achieved a stable financial performance, in line with agreed strategy. The recorded turnover remained similar to the 2018 levels at £1,308,724 in comparison with £1,312,580 in 2018. Costs were £1,072,252 in 2019 in comparison £975,542 in 2018. This moved us from a pre-tax surplus of £62,859 in 2018 to a planned deficit of £17,306 or 1.61% of turnover.

The Association has, at £1,365,534, more than adequate reserves to protect our members from any short term challenges. We therefore agreed to generate planned short-term deficits in coming years to increase engineering staffing levels, both to improve the level of service to members and to provide longer-term succession planning. This represents an important investment in our future.

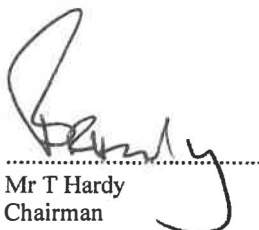
The 2019 accounts reflect the mid-year recruitment of one senior and two more junior engineers to support the LAA team. As well as our core engineering oversight role, we have also invested in other areas including the development of social media programmes, the creation of training videos now rolled out on a dedicated LAA YouTube channel, as well as increasing the breadth of member training activities at LAA HQ.

We are continuing our work with the CAA to improve the scope and utility of the LAA aircraft fleet, including starting the transition of the Russian YAK fleet from CAA to LAA Permit status and the future expansion into the oversight of homebuilt helicopters. We are seeking approval to enable the use of LAA Permit aircraft for remunerated ab-initio training and have played a significant role in developing a strategy for the national oversight of factory-built sport aircraft up to 600kg. This has the potential to transform recreational flying in the UK by enabling former microlight designs to operate at more realistic loads and allowing a wider range of more modern, fuel- and environmentally efficient light aircraft to enter the GA market.

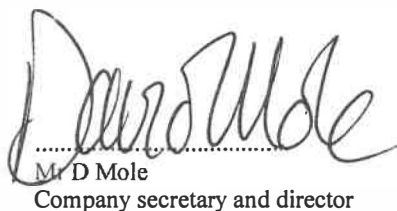
Much of 2019 was spent in discussion with the British Microlight Aircraft Association, to explore a potential merger between the two Associations. Together we demonstrated that we could have created a viable future single organisation and a powerful voice for sport flying. However a lack of positive response from the BMAA council led to our regretfully suspending merger discussions in March 2020. The LAA board anticipates continued collaboration between the two associations and remains ready to enter into further discussions as and when an appropriate BMAA position has been established.

Although outside the timescale of these accounts, we cannot ignore the effects of the COVID virus on the wider environment and on sport flying in early 2020. The suspension of general aviation for several weeks had a significant short-term effect on LAA revenues, but our financial reserves and past investment in remote Cloud-based IT systems have meant that the LAA has been able to serve its members via a home-working in an almost seamless manner. With the resumption of flying, the majority of revenues are set to recover. On behalf of the board and all LAA members I would like to express our thanks to all those who have contributed to that.

Approved by the Board on 29th May 2020 and signed on its behalf by:



.....
Mr T Hardy
Chairman



.....
Mr D Mole
Company secretary and director

Light Aircraft Association Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual 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 of 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 apply them consistently;
- make judgements 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.

Light Aircraft Association Limited

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

Opinion

We have audited the financial statements of Light Aircraft Association Limited (the 'company') for the year ended 31 December 2019, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Light Aircraft Association Limited

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 4], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Light Aircraft Association Limited

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



.....
Jonathan Russell F.C.A. (Senior Statutory Auditor)
For and on behalf of Just Audit & Assurance Ltd, Statutory Auditor

4 South Bar Street
Banbury
Oxfordshire
OX16 9AA

29 May 2020

Light Aircraft Association Limited

Profit and Loss Account for the Year Ended 31 December 2019

	Note	2019 £	2018 £
Turnover		1,308,724	1,312,580
Cost of sales		<u>(285,974)</u>	<u>(272,825)</u>
Gross profit		1,022,750	1,039,755
Administrative expenses		<u>(1,072,252)</u>	<u>(975,542)</u>
Operating (loss)/profit		<u>(49,502)</u>	<u>64,213</u>
Income from other fixed asset investments		24,524	344
Other interest receivable and similar income		7,672	6,837
Amounts written off investments		<u>-</u>	<u>(8,535)</u>
		<u>32,196</u>	<u>(1,354)</u>
(Loss)/profit before tax	5	<u>(17,306)</u>	<u>62,859</u>
(Loss)/profit for the financial year		<u>(17,306)</u>	<u>62,859</u>

The above results were derived from continuing operations.

Light Aircraft Association Limited


(Registration number: 00606312)
Balance Sheet as at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	6	33,456	41,479
Current assets			
Stocks	7	6,429	6,017
Debtors	8	26,379	36,087
Investments	9	994,281	972,086
Cash at bank and in hand		634,516	634,382
		<u>1,661,605</u>	<u>1,648,572</u>
Creditors: Amounts falling due within one year	10	<u>(329,527)</u>	<u>(283,731)</u>
Net current assets		<u>1,332,078</u>	<u>1,364,841</u>
Net assets		<u>1,365,534</u>	<u>1,406,320</u>
Capital and reserves			
Called up share capital	11	100	100
Other reserves		260,897	284,377
Profit and loss account		<u>1,104,537</u>	<u>1,121,843</u>
Total equity		<u>1,365,534</u>	<u>1,406,320</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised by the Board on 29 May 2020 and signed on its behalf by:


.....
Mr T Hardy
Chairman


.....
M D Mole
Company secretary and director

Light Aircraft Association Limited

Statement of Changes in Equity for the Year Ended 31 December 2019

	Share capital £	Other reserves £	Profit and loss account £	Total £
At 1 January 2019	100	284,377	1,121,843	1,406,320
Loss for the year	-	-	(17,306)	(17,306)
Other reserves - donations received	-	2,228	-	2,228
Other reserves - funds used	-	(25,708)	-	(25,708)
Total comprehensive income	-	(23,480)	(17,306)	(40,786)
At 31 December 2019	<u>100</u>	<u>260,897</u>	<u>1,104,537</u>	<u>1,365,534</u>
	Share capital £	Other reserves £	Profit and loss account £	Total £
At 1 January 2018	100	235,624	1,058,984	1,294,708
Profit for the year	-	-	62,859	62,859
Other comprehensive income: Movement in year	-	48,753	-	48,753
Total comprehensive income	-	48,753	62,859	111,612
At 31 December 2018	<u>100</u>	<u>284,377</u>	<u>1,121,843</u>	<u>1,406,320</u>

A breakdown of Other reserves can be found in Note 14

Light Aircraft Association Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

1 General information

The address of its registered office is:
Turweston Aerodrome
Nr Brackley
Northamptonshire
NN13 5YD

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Office equipment	15% reducing balance / 33% straight line
Other equipment	15% reducing balance / 25% straight line
Motor vehicles	25% reducing balance

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Light Aircraft Association Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff numbers

The average number of persons employed by the company (not including unpaid directors) during the year, was 15 (2018 - 14).

4 Auditors' remuneration

	2019 £	2018 £
Audit of the financial statements	<u>4,750</u>	<u>4,650</u>

5 Loss/profit before tax

Arrived at after charging/(crediting)

	2019 £	2018 £
Depreciation expense	<u>14,616</u>	<u>17,493</u>

Light Aircraft Association Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

6 Tangible assets

	Furniture, fittings and equipment £	Motor vehicles £	Other property, plant and equipment £	Total £
Cost or valuation				
At 1 January 2019	85,732	18,329	36,359	140,420
Additions	8,345	-	350	8,695
Disposals	(9,383)	-	-	(9,383)
At 31 December 2019	<u>84,694</u>	<u>18,329</u>	<u>36,709</u>	<u>139,732</u>
Depreciation				
At 1 January 2019	72,710	4,582	21,648	98,940
Charge for the year	6,206	3,437	4,973	14,616
Eliminated on disposal	(7,280)	-	-	(7,280)
At 31 December 2019	<u>71,636</u>	<u>8,019</u>	<u>26,621</u>	<u>106,276</u>
Carrying amount				
At 31 December 2019	<u>13,058</u>	<u>10,310</u>	<u>10,088</u>	<u>33,456</u>
At 31 December 2018	<u>13,021</u>	<u>13,747</u>	<u>14,711</u>	<u>41,479</u>

7 Stocks

	2019 £	2018 £
Other inventories	<u>6,429</u>	<u>6,017</u>

8 Debtors

	2019 £	2018 £
Trade debtors	7,634	14,214
Prepayments	10,188	14,771
Other debtors	8,557	7,102
	<u>26,379</u>	<u>36,087</u>

9 Current asset investments

	2019 £	2018 £
Other investments	<u>994,281</u>	<u>972,086</u>

Light Aircraft Association Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

10 Creditors

Creditors: amounts falling due within one year

	2019	2018
	£	£
Due within one year		
Trade creditors	25,783	23,028
Taxation and social security	17,725	15,327
Accruals and deferred income	20,077	10,744
Other creditors	265,942	234,632
	329,527	283,731

11 Share capital

Allotted, called up and fully paid shares

	2019		2018	
	No.	£	No.	£
Ordinary shares of £0.01 each	10,000	100.00	10,000	100.00

12 Operating leases

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

	2018	2018
	£	£
< 1 year	52,456	52,456
1 - 5 years	52,458	104,914
	104,914	157,370

13 Related party transactions

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

Directors' remuneration

The directors' remuneration for the year was as follows:

	2019	2018
	£	£
Remuneration	65,453	63,961
Contributions paid to money purchase schemes	3,168	3,106
	68,621	67,067

Light Aircraft Association Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

14 Other reserves

Fund	At 01/01/2019	Donations received in year	Funds used	At 31/12/2019
	£	£	£	£
HQ & Buildings Fund	144,307	-	-	144,307
Trophy Fund	9,479	-	-	9,479
Armstrong Isaac Fund	80,591	2,228	(7,708)	75,111
I Brewster Legacy Fund	50,000	-	(18,000)	32,000
	<u>284,377</u>	<u>2,228</u>	<u>(25,708)</u>	<u>260,897</u>

Description of Funds

HQ & Buildings Fund

Funds raised 2005-2008 including 'Buy a Brick' and other schemes to contribute to new LAA HQ building.

Trophy Fund

Funds allocated for maintenance and preparation of Club awards and Trophies.

Armstrong Isaac Fund

Funds initially allocated for pilot training scholarships, today used to fund up to five bursaries per annum. In 2017 £48,611 held on behalf of fund was transferred back to reserved account and £33,188 was received on closure of LAA ET.

Ian Brewster

Legacy of Dr Ian Brewster. No restriction on use.

Light Aircraft Association Limited

Detailed Profit and Loss Account for the Year Ended 31 December 2019

	2019 £	2018 £
Turnover		
Membership income	459,242	492,313
Rally income	50,463	47,774
Permit renewal income	637,471	615,137
Publication income	111,988	114,258
Other income	49,560	43,098
	<u>1,308,724</u>	<u>1,312,580</u>
Cost of sales		
Opening stock	6,017	5,600
Purchases	12,212	10,755
Engineering expenses	19,767	19,085
Magazine expenses	157,771	147,908
Promotional events	14,424	13,839
Course expenses	17,464	16,394
Advertising and marketing	28,072	32,145
NPPL expenditure	337	436
Rally costs	36,047	32,680
Inspector reviews	292	-
Closing stock	(6,429)	(6,017)
Cost of sales	<u>(285,974)</u>	<u>(272,825)</u>
Gross profit	<u>1,022,750</u>	<u>1,039,755</u>
Administrative expenses		
Wages and salaries (excluding directors)	567,058	506,134
Directors remuneration	65,453	63,961
Directors NIC (Employers)	7,552	7,410
Directors pensions (Defined contribution)	3,168	3,106
Contract staff costs	37,755	35,754
Staff training	7,631	1,716
Board and volunteer expenses	7,327	7,178
Rent and room hire	64,677	64,198
Buildings insurance	3,816	3,612
Liability insurance	85,587	85,595
Repairs and maintenance	5,728	1,737
Premises expenses	38,791	38,529
Telephone and internet	8,919	8,239
Staff expenses	13,776	10,689
Computer software and maintenance costs	25,773	17,500
Printing, postage and stationery	34,533	31,649
Trade subscriptions	23,025	23,920
Sundry expenses	1,408	1,241

This page does not form part of the statutory financial statements.

Light Aircraft Association Limited

Detailed Profit and Loss Account for the Year Ended 31 December 2019

	2019	2018
	£	£
BMAA/LAA merger expenses	1,190	-
Motor expenses	1,690	1,467
Advocacy meetings and events	6,425	5,381
Auditor's remuneration - The audit of the company's annual accounts	4,750	4,650
Management fees	905	3,147
Legal and professional fees	5,554	3,080
Bad debts written off	-	660
Bank charges	18,348	14,296
Depreciation of plant and machinery (owned)	14,616	17,493
Irrecoverable VAT	14,695	12,282
(Profit)/loss on disposal of tangible fixed assets	2,102	918
	<u>(1,072,252)</u>	<u>(975,542)</u>
Operating (loss)/profit	<u>(49,502)</u>	<u>64,213</u>
Income from other fixed asset investments	24,524	344
Other interest receivable and similar income	7,672	6,837
Reduction in value of investments	-	(8,535)
	<u>32,196</u>	<u>(1,354)</u>
(Loss)/profit before tax	<u><u>(17,306)</u></u>	<u><u>62,859</u></u>