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Registered no: NI 2888

Council of the Northern Ireland War Memorial

(A company limited by guarantee)

Annual report

for the year ended 31 January 2008

DEPARTMENT OF ENTERPRISE
TRADE & INVESTMENT
COMPANIES REGISTRY

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Council of the Northern Ireland War Memorial

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Annual report for the year ended 31 January 2008

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Reference and administrative details

Council members

Lt Col C T Hogg MBE UD JP DL (Chairman)
Mrs J Andrew-Steer
Dr B E Barton
Col W R H Charley OBE JP DL
Mrs B M Corry
FLT LT AJ Crowther
Major J Guthrie TD
Col J Hughes CBE TD DL
Capt J Knox MBE

Capt J Angus McConnell JP
Lt Cdr E M Magill
Capt A S P Orr VRD DL
Major H J F Potter MBE DL
Cdr D Rankin VRD MBE RD*
Chief Officer P Shaw RD
Col J M Steele CB OBE TD DL
Cdr H B White VRD
Mr TH McCallum
Mr N Spence ACIS DMS FIHA

Trustees/Directors

Lt Col C T Hogg MBE UD JP DL (Chairman)
FLT LT AJ Crowther
Major J Guthrie TD
Capt J Angus McConnell JP
Major H J F Potter MBE DL
Cdr D Rankin VRD MBE RD*
Chief Officer P Shaw RD
Col J M Steele CB OBE TD DL
Cdr H B White VRD
Mr N Spence ACIS (appointed 10 May 2007)

Secretary

Mr J F Pim ACMA

Registered and principal office

21 Talbot Street
Belfast
BT1 2LD

Solicitors

C & J Black
13 Linenhall Street
Belfast
BT2 8AA

Bankers

Northern Bank Limited
Victoria Street
Belfast
BT1 2DW

Registered auditors

PricewaterhouseCoopers LLP
Waterfont Plaza
8 Laganbank Road
Belfast
BT1 3LR

HM Revenue and Customs Charity Reference Number

XN47431

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Trustees' report for the year ended 31 January 2008

The trustees, who are also the directors of the charity for the purposes of the Companies (Northern Ireland) Order 1986, present their annual report and the audited financial statements for the year ended 31 January 2008. The financial statements comply with the current statutory requirements, the governing documents, applicable Accounting Standards in the United Kingdom and the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Reference and administrative details

Details of the registered office, trustees, council members, independent advisers and other relevant information are given on page 1.

Structure, Governance and Management

Governing Document

The Council of the Northern Ireland War Memorial is a company limited by guarantee governed by its Memorandum and Articles of Association. The Council appoints the Board of Directors who act as Trustees and are responsible to the Council for the day-to-day management of the charity.

Trustees

The trustees are shown on page 1. The liability of the members is limited to an amount not exceeding £1.

Appointment of trustees

The trustees are appointed by the Council members at the Annual General Meeting. Each year one third of the trustees resign by rotation, though they may stand for re-election.

Trustee induction and training

The Secretary ensures that appropriate induction and training is given to all trustees. Each new trustee is provided with a pack of information about the history of the Council of the Northern Ireland War Memorial and their responsibilities, a tour of the museum and an opportunity to meet all staff.

Organisation

The trustees have overall responsibility for the charity. The full Council which meets twice a year appoints the trustees to administer the charity and manage its day to day operations.

Risk Management and internal control

The Board of Directors is responsible for ensuring that an effective system of internal financial control is maintained and operated by the Council.

The system of internal financial control is based on a framework of regular management information; administrative procedures; and a system of delegation and accountability.

The Board of Directors have assessed the major risks to which the Council of the Northern Ireland War Memorial is exposed, in particular those related to the operations and finances of the Council, and are satisfied that systems are in place to mitigate any exposure to the major risks.

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Trustees' report for the year ended 31 January 2008 (continued)

Objectives and activities of the Council

The objectives of the Council are 'to erect and maintain as an enduring War Memorial for Northern Ireland a building or buildings which will worthily commemorate the men and women of Northern Ireland who fell in the two world wars 1914 - 1918 and 1939 - 1945. To provide and maintain therein accommodation, amenities and services for the British Legion and other charitable bodies which are established and organised for the advancement, relief and benefit of such service and ex-service community. To provide and maintain in at least one building therein accommodation to be known as The Hall of Friendship to commemorate the association of the Armed Forces of the United States of America with Northern Ireland in the 1939 - 1945 War'.

The principal activities of the Council continue to be those of holding properties and other investments.

Achievements and performance

The Council's accounts have been prepared in accordance with Statement of Recommended Practice (SORP) issued in March 2005.

The Council has engaged a number of investment managers to manage its portfolio to pursue a policy of optimising capital growth.

The Statements of Financial Activities for the Council are set out on page 7.

Financial Review

The Council's key financial objective is to ensure financial stability and continued solvency year on year so it can achieve its aims and objectives.

The charity disposed of the War Memorial Building in Waring Street and purchased a new building in Talbot Street during the year.

The Council considers the results to be satisfactory and do not envisage any material change in the nature of the council's activities in the year to January 2009.

Reserves Policy

The Council has established a policy whereby the uninvested funds not committed or invested in tangible fixed assets (the free reserves) held by the Council should be in excess of one years resources expended. At this level, the Council members are of the view that they would be able to continue the current activities of the charity in the event of a significant drop in funding. The actual free reserves at 31 January 2008 were £4,779,258 (total reserves less taxed assets and fixed asset investments), which is £4,397,846 greater of the resources expended in the 2008 financial year. The council members are currently engaged in consultation with their legal advisors regarding the causes which can be supported by these reserves. The reserves policy is reviewed annually by the Council.

Statement of disclosure of information to auditors

So far as each of the trustees at the date of approval of these financial statements is aware:

- there is no relevant audit information of which the Council's auditors are unaware; and
- they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the Council's auditors are aware of that information.

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Trustees' report for the year ended 31 January 2008 (continued)

Statement of trustees' responsibilities

The trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The trustees are responsible for preparing the financial statements for each financial year which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charity and of the net incoming resources of the charity for that period. In preparing those financial statements, the directors are required to:

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

The trustees confirm that they have complied with the above requirements in preparing the financial statements.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies (Northern Ireland) Order 1986, the Statement of Recommended Practice 'Accounting and Reporting by Charities 2005' and the governing document. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board



J F Pim ACMA

Secretary

Date:

May 9th 2008

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Independent auditors' report to the members of Council of the Northern Ireland War Memorial

We have audited the financial statements of the Council of the Northern Ireland War Memorial for the year ended 31 January 2008 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of trustees and auditors

The responsibilities of the trustees (who are also the directors of the Council of the Northern Ireland War Memorial for the purposes of company law) for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the charitable company's members as a body in accordance with Article 243 of the Companies (Northern Ireland) Order 1986 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies (Northern Ireland) Order 1986. We also report to you whether in our opinion the information given in the Trustees' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

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Independent auditors' report to the members of Council of the Northern Ireland War Memorial (continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 January 2008 and of its outgoing resources including its income and expenditure and application of resources for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies (Northern Ireland) Order 1986, the Statement of Recommended Practice 'Accounting and Reporting by Charities 2005' and the governing document; and
- the information given in the Trustees' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Belfast
Date: 15 May 2008

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Statement of financial activities Activities (incorporating summary income and expenditure account) for the year ended 31 January 2008

	Notes	2008 £	2007 £
Incoming resources/ Income			
Incoming resources from generated funds			
Voluntary income		104	424
Activities for generating funds:			
Property income	4	41,824	50,613
Investment income	5	118,324	15,083
Other incoming resources		-	596
Total incoming resources		160,252	66,716
Resources expended/ Expenditure			
Cost of generating funds:			
Property related expenses	6	50,645	59,866
Exceptional item – cost on disposal of property	6	231,527	-
Charitable activities:			
Operation of Museum	6	95,520	36,349
Governance	6	3,720	15,608
Total resources expended		381,412	111,823
Net outgoing resources before revaluation and investment asset gains/losses			
		(221,160)	(45,107)
Revaluation of investment property	9	-	5,450,025
(Losses)/gains on investment assets	10	(10,375)	13,042
Net movement in funds		(231,535)	5,417,960
Total fund brought forward		7,754,202	2,336,242
Total funds carried forward	13	7,522,667	7,754,202

All amounts above relate to the unrestricted continuing operations of the charity.

The charity has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no material difference between the net movement in funds stated above and their historical cost equivalent.

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Balance sheet at 31 January 2008

	Notes	2008 £	2007 £
Fixed assets			
Tangible assets	9	2,496,200	7,446,846
Investments	10	247,209	257,584
		2,743,409	7,704,430
Current assets			
Debtors	11	45,841	13,994
Cash at bank and in hand		4,878,228	56,981
		4,924,069	70,975
Creditors: amounts falling due within one year	12	(144,811)	(21,203)
Net current assets		4,779,258	49,772
Net assets		7,522,667	7,754,202
Funds			
Unrestricted funds			
General reserve	13	7,522,667	1,049,010
Revaluation reserve	13	-	6,705,192
Total funds		7,522,667	7,754,202

The financial statements on pages 7 to 15 were approved by the council on *May 9th 2008* and were signed on its behalf by:



Lt Col C T Hogg MBE UD JP DL
Chairman



Capt J Angus McConnell JP
Trustee

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Notes to the financial statements for the year ended 31 January 2008

1 Accounting policies

These financial statements are prepared on the going concern basis under the historical cost convention and in accordance with applicable accounting standards, the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" published in March 2005, applicable accounting standards and the Companies (Northern Ireland) Order 1986.

The company has availed itself of paragraph 3(3) of Schedule 4 of the Companies (Northern Ireland) Order 1986 and adapted the Companies (Northern Ireland) Order 1986 formats to reflect the special nature of the society's activities.

Cash-flow statement

The Council is exempt from the requirement to publish a cash-flow statement under FRS 1.

Fixed assets, depreciation and impairment

The cost of tangible fixed assets is their purchase cost together with any incidental costs of acquisition. Depreciation is calculated so as to write off the cost of tangible fixed assets over the expected useful economic lives of the assets concerned:

Leasehold and freehold buildings	-	2%	straight line
Furnishings and equipment	-	20%	straight line

Where the recoverable amount of a fixed asset is found to be below its net book value, the asset is written down to the recoverable figure and the loss on impairment is recognised in the SOFA.

Investments

Investments are stated in the balance sheet at their market value as at the balance sheet date. Any gain or loss on revaluation is taken to the statement of financial activities.

Incoming resources

All incoming resources are included in the statement of financial activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. The specific bases used are as follows:-

Voluntary income

Voluntary income is included in full in the Statement of Financial Activities when received.

Activities for generating funds

Rental receipts are included in full in the Statement of Financial Activities on the accruals basis.

Other income

Other income, which excludes value added tax, is accounted for on the accruals basis.

Investment income

Investment income includes bank interest and dividends receivable which are credited to the Statement of Financial Activities in the year in which they are receivable.

Notes to the financial statements for the year ended 31 January 2008 (continued)

1 Accounting policies (continued)

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

Cost of generating funds - Property related expenses

Property related expenses comprise those costs incurred in the running of the War Memorial Building and are accounted for on an accruals basis.

Charitable activities

Charitable expenditure comprises those costs incurred by the Council in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to supply them. Support costs are allocated to their relevant activity based on the income received.

Governance costs

Governance costs include those incurred in the Governance of its assets which are associated with constitutional and statutory requirements.

Irrecoverable VAT

Any irrecoverable VAT is charged to the statement of financial activities, or capitalised as part of the cost of the related asset, where appropriate.

Fund accounting

The Council has one type of fund for which it is responsible. A definition of the fund is as follows:

Unrestricted funds

Funds which are expendable at the discretion of the charity in furtherance of the purposes of the Council. In addition to expenditure on activities such funds may be held in order to finance capital investment and working capital.

2 Trustees' emoluments and expenses

The Trustees received no emoluments during the year (2007: £nil).

During the year £772 (2007: £226) was reimbursed to one (2007: one) trustee in respect of travelling and sundry expenses incurred.

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Notes to the financial statements for the year ended 31 January 2008 (continued)

3 Employee information

	2008 £	2007 £
Staff costs		
Wages and salaries	17,081	15,465
	Number	Number
Average monthly number of persons employed by the company (excluding trustees and council members) during the year by activity		
Administration	2	2

No employee received remuneration of more than £60,000 (2006: nil).

Indemnity insurance of £1,127 (2006: £901) for trustees' liability has been purchased by the Council.

4 Property income

	2008 £	2007 £
Office rents	20,552	27,743
Service charges	16,229	15,690
Car park rents	5,043	7,180
	41,824	50,613

5 Investment income

	2008 £	2007 £
Listed unit trusts	287	258
Unlisted investments	7,406	7,776
Bank deposit interest	110,631	7,049
	118,324	15,083

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Notes to the financial statements for the year ended 31 January 2008 (continued)

6 Resources expended

	2008 £	2007 £
Cost of generating funds: Property related expenses		
Commissionaires and security men	17,081	15,465
Repairs and maintenance	7,585	6,673
Cleaners	4,813	7,954
Agents' commission and letting fees	1,153	2,504
Heat and light	2,963	4,423
Insurance	10,957	6,107
Lift maintenance	753	2,076
Professional fees	5,340	14,664
	50,645	59,866
Cost of generating funds: Exceptional item – costs on disposal of property		
Repairs and maintenance	10,000	-
Professional fees	34,657	-
Termination of tenant lease	35,024	-
Costs on disposal of property	151,846	-
	231,527	-
Charitable activities: Operation of Museum		
Legal and professional fees	48,407	28,742
Postage	8	26
Council members expenses	772	226
Secretarial expenses	1,785	1,488
Stationery	690	15
Heat and light	157	119
Depreciation	20,513	-
Rates (including water rates)	-	3,657
Telephone	900	238
Bank charges	12,146	59
Miscellaneous	9,015	1,779
Insurance	1,127	-
	95,520	36,349
Charitable activities: Governance		
Legal and professional fees	882	12,905
Audit	2,838	2,703
	3,720	15,608
	381,412	111,823

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Notes to the financial statements for the year ended 31 January 2008 (continued)

7 Net (outgoing)/ incoming resources

	2008 £	2007 £
Net (outgoing)/ incoming resources is stated after charging:		
Depreciation	20,513	-
Auditors' remuneration for:		
Audit services	1,816	1,730
Accountancy services	1,022	973

8 Taxation

The company is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

The Council is not registered for VAT and accordingly, all its expenditure is recorded inclusive of any VAT incurred.

9 Tangible assets

	Land & buildings £	Furnishings & equipment £	Assets under construction £	Total £
Cost or valuation				
At 1 February 2007	7,300,025	15,714	146,821	7,462,560
Additions	2,339,028	30,864	-	2,369,892
Disposals	(7,300,025)	(15,714)		(7,315,739)
Transfer	146,821	-	(146,821)	-
At 31 January 2008	2,485,849	30,864	-	2,516,713
Accumulated depreciation				
At 1 February 2007	-	15,714	-	15,714
Charge for the year	19,529	984	-	20,513
Disposals	-	(15,714)		(15,714)
At 31 January 2008	19,529	984	-	20,513
Net book value				
At 31 January 2008	2,466,320	29,880	-	2,496,200
At 31 January 2007	7,300,025	-	146,821	7,446,846

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Notes to the financial statements for the year ended 31 January 2008 (continued)

10 Investments

	Cost		Valuation	
	2008	2007	2008	2007
	£	£	£	£
Listed				
Unit trusts	35,000	35,000	67,952	68,805
Unlisted				
18,515 shares of NI Central Investment Fund for charities	20,000	20,000	179,257	188,779
Total	55,000	55,000	247,209	257,584
			2008	2007
			£	£
Balance at 1 February 2007			257,584	244,542
Revaluation			(10,375)	13,042
Balance at 31 January 2008			247,209	257,584

The investments included above are invested in investment assets in the UK.

11 Debtors

	2008	2007
	£	£
Other debtors: rental and service charge income	18,710	13,847
Prepayments and accrued income	27,131	147
	45,841	13,994

12 Creditors: amounts falling due within one year

	2008	2007
	£	£
Other creditor: service charge creditor	774	10,539
Accruals and deferred income	144,037	10,664
	144,811	21,203

13 Unrestricted funds

	General reserve	Revaluation reserve	Total
	£	£	£
Balance at 1 February 2007	1,049,010	6,705,192	7,754,202
Disposal of revalued property	6,705,192	(6,705,192)	-
Outgoing resources	(231,535)	-	(231,535)
Balance at 31 January 2008	7,522,667	-	7,522,667

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Notes to the financial statements for the year ended 31 January 2008 (continued)

14 Liability of members

The Council of the Northern Ireland War Memorial is a company limited by guarantee. The liability of the members is limited to an amount not exceeding £1. Number of members at 31 January 2008 was 19 (2007 - 21).

15 Capital commitment

	2008	2007
	£	£
Capital expenditure		
Contracted for but not provided in financial statements	43,626	819,000

16 Contingent liability

The Council of the Northern Ireland War Memorial has one contingent liability at 31 January 2008 (2007: Two):-

- A maximum of £90,000 payable to the British Legion from the 10th year of their lease agreement for the Talbot Street property, reduced by an agreed amount in each subsequent year up to and including the 19th year, if the lease agreement is broken by either party.

17 Ultimate controlling party

There is no ultimate controlling party.