



Registered no: NI 2888

Council of the Northern Ireland War Memorial

(A company limited by guarantee)

Annual report

for the year ended 31 January 2007

Council of the Northern Ireland War Memorial

(A company limited by guarantee)

Annual report for the year ended 31 January 2007

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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 *
Wallace Brown - Lord Mayor (resigned 31 May 2006)
Col R J A Calderwood (resigned 26 September 2006)
Mr C W Carson *
Col W R H Charley OBE JP DL *
Mrs B M Corry *
FLt A J 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 RD
Chief Officer P Shaw RD
Col J M Steele CB OBE TD DL
Cdr H B White VRD

* Resigned as director/ trustee during the year.

Directors/ Trustees

Lt Col C T Hogg MBE UD JP DL (Chairman)
FLt A J Crowther
Major J Guthrie TD
Capt J Angus McConnell JP
Major H J F Potter MBE DL
Cdr D Rankin RD
Chief Officer P Shaw RD
Col J M Steele CB OBE TD DL
Cdr H B White VRD

Secretary

Mr J F Pim ACMA

Registered and principal office

War Memorial Building
Waring Street
Belfast
BT1 2EU

Bankers

Northern Bank Limited
Victoria Street
Belfast
BT1 2DW

HM Revenue and Customs Charity Reference Number

XN47431

Solicitors

C & J Black
13 Linenhall Street
Belfast
BT2 8AA

Registered auditors

PricewaterhouseCoopers LLP
Waterfont Plaza
8 Laganbank Road
Belfast
BT1 3LR

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Trustees' report for the year ended 31 January 2007

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 2007. 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 company.

Trustees

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

Appointment of trustees

The directors/ trustees are appointed by the Council members at the Annual General Meeting. Each year one third of the directors/ 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 directors/ 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 are 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 (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. In the accounts, the comparative 2006 figures have been restated as a result of these changes.

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 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 2007.

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 2007 were £49,772 (total reserves less taxed assets and fixed asset investments), which is £62,051 short of the resources expended in the 2007 financial year.

Plans for Future Periods

The Northern Ireland War Memorial is to move to new accommodation in Talbot Street, Belfast in the summer of 2007. The existing premises in Waring Street have been sold. Memorial House in Waring Street has served the needs of Ex-Service organisations well since its opening in 1963. However, half the building is now vacant and the trustees have decided this in the time to downsize and relocate in modern premises.

Post balance sheet event

On 21 February 2007 the War Memorial Building was sold for a consideration of £7,300,025.

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Trustees' report (continued)

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.

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 company and of the profit or loss of the company 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company 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 company and enable them to ensure that the financial statements comply with the Companies (Northern Ireland) Order 1986. 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.

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
10 May 2007

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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 2007 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 Trustee's 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 Trustee's 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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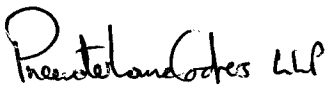
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Independent auditors' report to the members of Council of the Northern Ireland War Memorial (continued)

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 2007 and of its outgoing resources 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; and
- the information given in the Trustees' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Belfast
10 May 2007

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Statement of financial activities for the year ended 31 January 2007

	Notes	2007 £	2006 £
Incoming resources/ Income			
Incoming resources from generated funds			
Voluntary income		424	546
Activities for generating funds:	4	50,613	71,232
Investment income	5	15,083	15,654
Other incoming resources		596	330
Total incoming resources		66,716	87,762
Resources expended/ Expenditure			
Cost of generating funds:			
Property related expenses	6	59,866	52,531
Charitable activities:			
Operation of Museum	6	36,349	20,334
Governance	6	15,608	2,585
Total resources expended		111,823	75,450
Net (outgoing)/ incoming resources before revaluation and investment asset disposals			
		(45,107)	12,312
Revaluation of investment property	9	5,450,025	-
Gains on investment assets	10	13,042	32,073
Gain on disposal of investments at market value		-	1,834
Net movement in funds		5,417,960	46,219
Total fund brought forward		2,336,242	2,290,023
Total funds carried forward	13	7,754,202	2,336,242

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

The company 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 2007

	Notes	2007 £	2006 £
Fixed assets			
Tangible fixed assets	9	7,446,846	1,850,000
Fixed asset investments	10	257,584	244,542
		7,704,430	2,094,542
Current assets			
Debtors: amounts falling due within one year	11	13,994	13,303
Cash at bank and in hand		56,981	244,833
		70,975	258,136
Creditors: amounts falling due within one year	12	(21,203)	(16,436)
Net current assets		49,772	241,700
Net assets		7,754,202	2,336,242
Funds			
Unrestricted funds			
General reserve	13	1,049,010	1,081,075
Revaluation reserve	13	6,705,192	1,255,167
Total funds		7,754,202	2,336,242

The financial statements on pages 6 to 15 were approved by the council on 10 May 2007 and were signed on its behalf by:

Lt Col C T Hogg MBE UD JP DL
Chairman



Capt J Angus McConnell JP
Director

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Notes to the financial statements for the year ended 31 January 2007

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. Compliance with SSAP 19 'Accounting for investment properties' requires departure from the requirements of the Companies (Northern Ireland) Order 1986 relating to depreciation and an explanation of the departure is given in the accounting policy note relating to the investment property set out below.

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.

Change in accounting policy

On adoption of the new Statement of Recommended Practice the comparative year's income and expense categories have been restated in accordance with FRS18. The principle accounting policies are set out below.

Cash-flow statement

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

Fixed assets

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 furnishings and equipment over the expected useful economic lives of the assets concerned. The annual rate and base used for this purpose is 20% reducing balance.

Assets under construction are not depreciated.

Investment property

In accordance with SSAP 19, (i) investment properties are revalued annually and the aggregate surplus or deficit is transferred to the statement of financial activities, and (ii) no depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run. The Council consider that this accounting policy results in the accounts giving a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount, which might otherwise have been shown, cannot be separately identified or quantified.

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.

Taxation

The Council 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.

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1 Accounting policies (continued)

Incoming resources

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 it is receivable.

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 Council 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.

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2 Trustees' emoluments and expenses

The Trustees received no emoluments during the year (2006: £nil).

During the year £226 (2006: £265) was reimbursed to one (2006: one) trustee in respect of travelling and sundry expenses incurred.

3 Employee information

	2007 £	2006 £
Staff costs		
Wages and salaries	15,465	18,846
	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.

No indemnity insurance for trustee's liability has been purchased by the Council.

4 Property income

	2007 £	2006 £
Office rents	27,743	32,418
Dilapidations	-	4,964
Exhibition	-	2,365
Service charges	15,690	24,020
Car park rents	7,180	7,465
	50,613	71,232

5 Investment income

	2007 £	2006 £
Listed unit trusts	258	239
Unlisted investments	7,776	7,406
Bank deposit interest	7,049	8,009
	15,083	15,654

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6 Resources expended

	2007 £	2006 £
Cost of generating funds: Property related expenses		
Commissionaires and security men	15,465	18,846
Repairs and maintenance	6,673	6,602
Cleaners	7,954	9,683
Agents' commission and letting fees	2,504	3,162
Heat and light	4,423	3,413
Insurance	6,107	5,170
Lift maintenance	2,076	3,892
Professional fees	14,664	1,763
	59,866	52,531
Charitable activities: Operation of Museum		
Legal and professional fees	28,742	11,815
Postage	26	58
Council members expenses	226	265
Council members - salary/gratuity	1,488	1,621
Stationery	15	-
Heat and light	119	114
Depreciation	-	3,607
Rates (including water rates)	3,657	104
Telephone	238	304
Bank charges	59	9
Miscellaneous	1,779	2,437
	36,349	20,334
Charitable activities: Governance		
Legal and professional fees	12,905	-
Audit	2,703	2,585
	15,608	2,585
	111,823	75,450

7 Net (outgoing)/ incoming resources

	2007 £	2006 £
Net (outgoing)/ incoming resources is stated after charging:		
Depreciation	-	3,607
Auditors' remuneration for:		
Audit services	1,730	1,645
Accountancy services	973	940

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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 fixed assets

	Investment property £	Furnishings & equipment £	Assets under construction £	Total £
Cost or valuation				
At 1 February 2006	1,850,000	15,714	-	1,865,714
Additions	-	-	146,821	146,821
Revaluations	5,450,025	-	-	5,450,025
At 31 January 2007	7,300,025	15,714	146,821	7,462,560
Aggregate depreciation				
At 1 February 2006	-	15,714	-	15,714
Charge for the year	-	-	-	-
At 31 January 2007	-	15,714	-	15,714
Net book value				
At 31 January 2007	7,300,025	-	146,821	7,446,846
At 31 January 2007	1,850,000	-	-	1,850,000
	Investment property £	Furnishings & equipment £	Assets under construction £	Total £
Cost or valuation at 31 January 2007 is represented by				
Cost	-	15,714	146,821	162,535
Valuation	7,300,025	-	-	7,300,025
	7,300,025	15,714	146,821	7,462,560

The investment property was sold post year end and the valuation reflects the consideration paid. Completion is dependant on vacant possession of the premises.

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9 Tangible fixed assets (continued)

If investment property had not been revalued it would have been included at the following amounts:

	2007 £	2006 £
The net book value of investment property comprises		
Cost	594,833	594,833
Net book value based on cost	594,833	594,833

The surplus on revaluation of £6,705,192 has been included in the balance sheet as part of unrestricted funds.

10 Fixed asset investments

	Cost		Valuation	
	2007 £	2006 £	2007 £	2006 £
Listed				
Unit trusts	35,000	35,000	68,805	63,275
Unlisted				
18,515 shares of NI Central Investment Fund for charities	20,000	20,000	188,779	181,267
Total	55,000	55,000	257,584	244,542

	2007 £	2006 £
Balance at 1 February 2006	244,542	277,298
Disposal of shares at market value	-	(64,829)
Revaluation	13,042	32,073
Balance at 31 January 2007	257,584	244,542

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

11 Debtors

	2007 £	2006 £
Other debtors: rental and service charge income	13,847	12,743
Prepayments and accrued income	147	560
	13,994	13,303

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12 Creditors: amounts falling due within one year

	2007 £	2006 £
Other creditor: service charge creditor	10,539	5,522
Accruals and deferred income	10,664	10,914
	21,203	16,436

13 Unrestricted funds

	General reserve £	Revaluation reserve £	Total £
Balance at 1 February 2006	1,081,075	1,255,167	2,336,242
Revaluation during the year of investment property	-	5,450,025	5,450,025
Outgoing resources	(32,065)	-	(32,065)
Balance at 31 January 2007	1,049,010	6,705,192	7,754,202

14 Post balance sheet event

Details of the post balance sheet events is given in the Report of the Council.

15 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 2007 was 9 (2006 - 21).

16 Capital commitment

	2007 £	2006 £
Capital expenditure		
Contracted for but not provided in financial statements	819,000	-

17 Contingent liability

The Council of the Northern Ireland War Memorial has two contingent liabilities at 31 January 2007 (2006: None):-

- £35,000 payable to the British Legion over three years if they vacate the Waring Street premises by July 2007; and
- A maximum of £90,000 payable to the British Legion from the 10th year of their lease agreement for the Talbot Street, 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.

18 Ultimate controlling party

There is no ultimate controlling party.