

Council of the Northern Ireland War Memorial

(A company limited by guarantee)

Annual Report

for the year ended 31 January 2010

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Council of the Northern Ireland War Memorial

(A company limited by guarantee)

Annual report for the year ended 31 January 2010

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Council of the Northern Ireland War Memorial

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Reference and administrative details

Council members

Colonel J Hughes CBE TD DL (Patron)
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
Cdr T I Chrishop
Mrs B M Corry
Mr E Cromie
Flt Lt A J Crowther
Mr R Doherty
Lt Col CW Duncan
Major J Guthrie TD
Lt Cdr E M Magill
Mr T H McCallum

Major S McConkey
Capt J Angus McConnell JP
Capt A S P Orr VRD DL
Brig I N Osborne OBE
Mr J F Prinn ACWA
Major H J F Potter MBE DL
Cdr D Rankin MBE RD
Lt Coln E M shanks RD
Col A H Reid OBE TD DL
Chief Officer P Shaw RD
Mr N Spence BA ACIS DMS FIIA
Col J M Steele CB OBE TD DL FRSA
Lt Col D W F Twigg MBE JP
Mrs C Walker
Cdr H B White VRD

Directors/Trustees

Lt Col C T Hogg MBE UD JP DL (Chairman)
Flt Lt A J Crowther
Major J Guthrie TD (resigned June 2009)
Capt J Angus McConnell JP (resigned June 2009)
Major H J F Potter MBE DL
Cdr D Rankin VRD MBE RD (resigned December 2009)
Chief Officer P Shaw RD DL
Col J M Steele CB OBE TD DL
Cdr H B White VRD
Mr N Spence BA ACIS DMS FIIA
Mr I A Wilson
Miss C E Headon
Lt Col Mr C W Duncan

Secretary

Mr J F Pim ACMA (resigned 30/9/09)
Mr D Rankin (appointed 11/12/09)

Registered and principal office

21 Talbot Street
Belfast
BT1 2LD

Bankers

Northern Bank Limited
Donegall Square West
Belfast
BT1 6JS

HM Revenue and Customs Charity Reference Number

XN47431

Solicitors

C & J Black
13 Linenhall Street
Belfast
BT2 8AA

Statutory auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Waterfont Plaza
8 Laganbank Road
Belfast BT1 3LR

Investment Advisers

Cunningham Coates
Barclays Wealth

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Trustees' report for the year ended 31 January 2010

The trustees who are also the directors of the charity for the purposes of the Companies Act 2006 present their annual report and the audited financial statements for the year ended 31 January 2010. 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 gallery and an opportunity to meet all staff.

Organisation

The trustees have overall responsibility for the charity. The 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 has 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 is satisfied that systems are in place to mitigate any exposure to the major risks.

Public benefit

The Trustees believe that the charitable company provides a public benefit in the preservation of memory of the men and women from Northern Ireland who fought during the World Wars. This is achieved through helping to provide a capital resource which in many cases is very significant in maintaining the amenities and services for the advancement, relief and benefit of present and former members of the armed forces. The Trustees are fully aware of the guidelines coming from the Charity Commission for Northern Ireland. They believe they are operating entirely within those guidelines which have been released so far and look forward with confidence to the development of the Council's work in the province.

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Trustees' report for the year ended 31 January 2010 (continued)

Objectives and activities of the Council

The objectives of the Council are to provide 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 died in the two World Wars 1914 – 1918 and 1939 – 1945 to provide and maintain therein accommodation amenities and services for the Royal British Legion and other charitable bodies which are established and organised for the advancement relief and benefit of present and former members of the armed forces 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

Legal opinion has been sought on the actions which the trustees can take in the furtherance of these objectives

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 two independent investment managers to administer its portfolio in accordance with a policy of medium risk in optimising capital growth

An education and outreach officer has been appointed resulting in many visits from schools and community groups

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 continuing solvency year on year so that it can achieve its objectives

The Council considers the results to be satisfactory and does not envisage any material change in the nature of the Council's activities in the year to January 2011

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 year's 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 2010 were £563,423 (total reserves less fixed assets) which is £328,139 greater of the resources expended in the 2010 financial year. The reserves policy is reviewed annually by the Council.

Plans for Future Periods

The Board of Trustees will continue to plan for the delivery of consistent high quality standards in relation to providing and maintaining an enduring War Memorial. Collectively they will ensure that those charged with governance or management of the Council will be made aware of their responsibilities. The charity will demonstrate that it is using its resources to deliver charitable activity and therefore public benefit in the best possible way in these uncertain economic times.

Resources will be managed in a cost effective manner. Expenditure will be strictly monitored and controlled without compromising quality of service. Management structures will be kept under review and monitored to ensure that good governance prevails and exposure of the charity to risk is minimised.

Trustees' report for the year ended 31 January 2010 (continued)

Statement of trustees' responsibilities

The Trustees (who are also directors for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources including the income and expenditure of the charitable company for that period. In preparing these financial statements the Trustees are required to

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK 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 charitable company will continue in business

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware

- there is no relevant audit information of which the charitable company's auditor is unaware and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

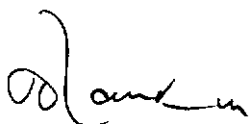
Small companies' exemption

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

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



D Rankin
Company secretary
Date

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

We have audited the financial statements of Council of the Northern Ireland War Memorial for the year ended 31 January 2010 which comprise the Statement of Financial Activities (incorporating income and expenditure) Balance Sheet and the related notes. The financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of trustees and auditors

The trustees (who are also the directors of the company for the purposes of company law) responsibilities 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) and for being satisfied that the financial statements give a true and fair view 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 company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept adequate accounting records, if the company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Trustees' Annual Report, the Chairman's Statement and all of the other information listed on the contents page. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to other information.

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 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 of the state of the company's affairs as at 31 January 2010 and of its incoming resources and application of resources including its income and expenditure for the year then ended
- the financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- the financial statements have been properly prepared in accordance with the Companies Act 2006 and
- the information given in the Trustees' Annual Report is consistent with the financial statements



Martin Pitt (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and statutory Auditors
Belfast

11 June 2010

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Statement of financial activities (incorporating summary income and expenditure account) for the year ended 31 January 2010

	Notes	(Unrestricted funds) 2010 £	Unrestricted funds 2009 (as restated) £
Incoming resources/ Income			
Incoming resources from generated funds			
Voluntary income		936	406
Activities for generating funds			
Property income	4	45 364	41 378
Investment income	5	154 257	249 132
Total incoming resources		200 557	290 916
Resources expended/ Expenditure			
Cost of generating funds			
Property related expenses	6	19 923	15 663
Costs of managing investments for income generation and capital maintenance	6	28 611	8 304
Charitable activities			
Operation of gallery	6	183 184	174 565
Governance – audit and accounting	6	3 566	3 550
Total resources expended		235,284	202 082
Net (outgoing)/incoming resources before revaluation and investment asset gains/losses			
		(34 727)	88 834
Unrealised gains/(losses) on investment assets	10	643 650	(123 838)
Realised gains/(losses) on investment assets		82 530	(6 729)
Net movement of funds		691 453	(41 733)
Total funds brought forward		7 480 934	7 522 667
Total funds carried forward	13	8 172 387	7 480 934

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

The charity has material 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 as at 31 January 2010

	Notes	2010 £	2009 (as restated) £
Fixed assets			
Tangible assets	9	2 455 828	2 482 781
Investments	10	5 153 136	2 441 842
		7 608 964	4 924 623
Current assets			
Debtors	11	8 768	31 499
Cash at bank and in hand		568 656	2 553 557
		577 424	2 585 056
Creditors amounts falling due within one year	12	(14 001)	(28 745)
Net current assets		563 423	2 556 311
Net assets		8 172 387	7 480 934
Funds			
Unrestricted funds	13	8 172 387	7 480 934

The financial statements on pages 7 to 15 were approved by the board on 8 June 2010 and were signed on its behalf by


Lt Col C T Hogg MBE UD JP DL
Chairman


N Spence
Trustee

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Notes to the financial statements for the year ended 31 January 2010

1 Accounting policies

These financial statements have been prepared on the going concern basis under the historical cost convention as modified by the revaluation of investments and in accordance with the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities published in March 2005 the Companies Act 2006 and applicable accounting standards in the United Kingdom

The company has availed itself of and adapted the Companies Act 2006 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

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation

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 The principal annual rates used are as follows

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

Fixed assets 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 Investment income is included in the profit and loss account on an accruals basis

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

Property income

Property 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 2010 (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 and costs of managing investments 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 (2009: £nil).

During the year £510 (2009: £4,357) was reimbursed to one (2009: one) trustee in respect of travelling and sundry expenses incurred.

Notes to the financial statements for the year ended 31 January 2010 (continued)

3 Employee information

	2010	2009
	£	£
Staff costs		
Wages and salaries	39 200	28 523
Social security costs	2 742	1 758
	41 942	30 281
	Number	Number
The average monthly number of persons employed by the company (excluding trustees and council members) during the year by activity was		
Administration	3	3

No employee received remuneration of more than £60 000 (2009 £60 000)

Indemnity insurance of £1 302 (2009 £697) for trustees' liability has been purchased by the Council

4 Property income

	2010	2009
	£	£
Office rents	26 204	28 250
Service charges	15 635	9 128
Car park rents	3 525	4 000
	45 364	41 378

5 Investment income

	2010	2009
	£	(as restated) £
Listed unit trusts	150 758	19 332
Unlisted investments	3 333	8 147
Bank interest	166	221 653
	154 257	249 132

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Notes to the financial statements for the year ended 31 January 2010 (continued)

6 Resources expended

	2010 £	2009 £
Cost of generating funds Property related expenses		
Repairs and maintenance	945	187
Cleaners	2 597	1 850
Agents commission and letting fees	2 875	4 761
Heat and light	6 708	1 868
Insurance	5 188	5 843
Professional fees	1 610	1 154
	19 923	15 663
Cost of generating funds costs of managing investment for income generation and capital maintenance		
Management fee	28 611	8 304
Charitable activities Operation of Gallery		
Wages and salaries (note 3)	41 942	30 281
Service charge	15 747	11 536
Donation	4 950	13 000
Legal and professional fees	21 906	19 818
Postage	436	438
Council members expenses	510	4 357
Secretarial expenses	585	1 813
Stationery	1 211	2 794
Heat and light		222
Depreciation	74 818	65 517
Telephone	521	995
Bank charges	163	233
Miscellaneous	11 545	14 648
Marketing	8 850	8 375
Repairs and maintenance		538
	183 184	174 565
Charitable activities Governance		
Legal and professional fees		588
Audit	3 566	2 962
	3 566	3 550
	235 284	202 082

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Notes to the financial statements for the year ended 31 January 2010 (continued)

7 Net outgoing resources

	2010 £	2009 £
Net outgoing resources is stated after charging		
Depreciation	74 818	65 517
Auditors' remuneration for		
Fees payable to the company's auditor for the audit of the accounts	2 066	1 927
Fees payable to the company's auditor for other services	1 500	1 035

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 and buildings £	Furnishings and equipment £	Total £
Cost or valuation			
At 1 February 2009	2 490 256	78 555	2 568 811
Additions	1 507	46 359	47 866
At 31 January 2010	2 491 763	124 914	2 616 677
Accumulated depreciation			
At 1 February 2009	69 335	16 695	86 030
Charge for the year	49 836	24 983	74 819
At 31 January 2010	119 171	41 678	160 849
Net book value			
At 31 January 2010	2 372 592	83,236	2 455 828
At 31 January 2009	2 420 921	61 860	2 482 781

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Notes to the financial statements for the year ended 31 January 2010 (continued)

10 Investments

	£
Market value brought forward	2 441 842
Additions at cost	5 449 922
Disposals at carrying value	(3 382 278)
Unrealised gain on investment assets	643 650
Market value as at 31 January 2010	5 153 136
Historical cost at 31 January 2010	4 420 454

11 Debtors

	2010 £	2009 (as restated) £
Other debtors	7 048	9 851
Prepayments and accrued income	1 720	21 648
	8 768	31 499

12 Creditors amounts falling due within one year

	2010 £	2009 £
Bank overdraft		6 884
Other creditors		4 377
Accruals and deferred income	14 001	17 484
	14 001	28 745

13 Unrestricted funds

	2010 £	2009 (as restated) £
(Deficit)/surplus for the year	(34 727)	71 214
Profit/ (loss) on revaluation of investments	643 650	(123 838)
Profit/ (loss) on revaluation realised on investments	82 530	(6 729)
Net movement in year	691 453	(59 353)
Opening shareholders funds as previously stated	7 480 934	7 522 667
Prior year adjustment		17 620
Closing shareholders funds	8 172,387	7 480 934

Prior year adjustment

In 2009 dividend income of £17 620 was not included within the income and expenditure account

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Notes to the financial statements for the year ended 31 January 2010 (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 2010 was 28 (2009: 27).

15 Capital commitment

	2010	2009
	£	£
Capital expenditure		
Contracted for but not provided in financial statements		25 000

16 Contingent liability

The Council of the Northern Ireland War Memorial has one contingent liability at 31 January 2010 (2009: One).

- 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.