

**Council of the Northern Ireland War Memorial
(Incorporated)**

(A company limited by guarantee)

**Annual Report and Financial Statements
for the year ended 31 January 2017**



Council of the Northern Ireland War Memorial (Incorporated)

(A company limited by guarantee)

Annual report and financial statements for the year ended 31 January 2017

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Reference and administrative details

Council members

Major H J F Potter MBE DL (Patron)
Colonel J M Steele CB OBE TD DL (Vice Chairman)
Commander H B White VRD
Lieutenant Colonel C T Hogg MBE UD JP DL
Mrs J Andrew-Steer
Lieutenant Colonel M Barnes OBE TD
Mr K Beattie
Lieutenant Colonel C Bennett UD
Colonel W R H Charley OBE JP DL
Commander T I Chrishop
Flight Lieutenant Dr J S A Collins DL
Mrs B M Corry
Mr E Cromie
Flight Lieutenant A J Crowther
Mr J Davies MBE
Lieutenant Colonel AM Donaldson MBE DL
Lieutenant Colonel CW Duncan UD

Colonel S M Elder MBE TD JP DL
Major J Guthrie TD
Colonel IG Henderson OBE TD
Captain H Mackintosh MBE TD
First Officer V Millington RD
Mr I Montgomery (appointed 8th December 2016)
Captain JD McCahon
Mr T Parkhill
Mr J F Pim ACWA
Mr L Quigg
Commander D Rankin MBE RD
Colonel A H Reid OBE TD DL
Lieutenant Commander E M Shanks RD
Chief Officer P Shaw RD DL
Mr N Spence BA ACIS DMS FIIA
Lieutenant Colonel D W F Twigg MBE JP
Mrs C Walker
Mr G Warner (appointed 8th December 2016)

Directors/Trustees

Mr I A Wilson (Chairman)
Colonel J M Steele CB OBE TD DL (Vice Chairman)
Lieutenant Colonel C T Hogg MBE UD JP DL
Dr B E Barton
Flight Lieutenant A J Crowther

Mr R Doherty
Lieutenant Colonel C W Duncan UD
Lieutenant Commander E M Shanks RD
Chief Officer P Shaw RD DL
Commander H B White VRD (resigned 2nd June 2016)

Company secretary

Flight Lieutenant A J Crowther

Registered and principal office

21 Talbot Street
Belfast
BT1 2LD

Bankers

Danske Bank
Donegall Square West
Belfast
BT1 6JS

Charity Commission Reference Number

103635

HM Revenue and Customs Charity Reference Number

XN 47431

Solicitors

C & J Black
13 Linenhall Street
Belfast
BT2 8AA

Independent auditors

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

Investment advisers

Quilter Cheviot
Barclays Wealth

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Trustees' report for the year ended 31 January 2017

The Trustees (who are also Directors of the company) submit their annual report and the audited consolidated financial statements of the Council of the Northern Ireland War Memorial (Incorporated) and its subsidiary for the year ended 31 January 2017. This report constitutes the Trustees' Report required under the Companies Act 2006. The Trustees have adopted the provisions of the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland ((FRS 102) effective 1 January 2015 – (Charities SORP (FRS 102))), in preparing the annual report and financial statements of the charity.

Reference and administrative details

Details of the registered office, Trustees, Council Members, independent advisers and other relevant information are given on page 1.

The charity registration number is 103635 and the company registration number is NI 2888.

Structure, governance and management

Governing document

The Council of the Northern Ireland War Memorial (Incorporated) is a company limited by guarantee governed by its Memorandum and Articles of Association. The Council appoints the Board of Trustees who are responsible to the Council for the day-to-day management of the charity. All decisions are made by the Board of Trustees.

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 Chairman 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 (Incorporated) 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 at least once a year, appoints the Trustees to administer the charity and manage its day to day operations.

Risk management and internal control

The Board of Trustees 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 Trustees has assessed the major risks to which the Council of the Northern Ireland War Memorial (Incorporated) 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.

Reference and administrative details

The Trustees of the group who were in office during the year and up to the date of signing the financial statements are shown on page 1. The liability of the members is limited to an amount not exceeding £1.

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Trustees' report for the year ended 31 January 2017 (continued)

Investment powers and policy

Under the Memorandum and Articles of Association the Trustees have the power to invest in any way the Council wishes. The investment policy of the Council of the Northern Ireland War Memorial (Incorporated) is as follows:

The Council, having regard to the liquidity requirements of operating the charity and to the reserves policy, will operate a policy of delegating the management of its investments to professional investment managers with a mandate to manage the investments to achieve a balance between growth of income and capital, with medium risk.

Public benefit

The Trustees believe that the charitable group 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 charitable company also provides grant funding to primary schools towards the travel costs of classes visiting the gallery. 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.

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 Financial Statements have been prepared in accordance with Statement of Recommended Practice (SORP) issued in March 2005.

Visitor numbers to the gallery amounted to 10,640 against a target of 10,000.

2,758 primary school children took part in the 2-3 hour education and outreach programme.

The Trustees engaged two independent investment managers to administer its portfolio in accordance with a policy of achieving a balance between income and capital growth with medium risk.

The 100% owned subsidiary NIWM Holdings Limited, which maintains the investment property, continues to perform well and is fully let.

The investments generated income of £247,753 (2016: £235,409) in the year.

The Statements of Financial Activities are set out on page 9 and 10.

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Trustees' report for the year ended 31 January 2017(continued)

Financial review

The key financial objective is to ensure financial stability and continuing solvency year on year, so that it can achieve its objectives.

The Trustees' consider the results to be satisfactory and do not envisage any material change in the nature of the activities in the year to January 2018.

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 Trustees are of the view that they would be able to continue the current activities of the group in the event of a significant drop in funding. The actual free reserves at 31 January 2017 were £226,801 (2016: £203,100) (see note 18). The reserves policy is reviewed annually by the Trustees.

Donations

The Council made charitable donations amounting to £nil (2016: £200) during the year, principally for the benefit of local communities in which the council operates. No donations for political purposes were made in the year (2016: £nil).

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.

Exemptions from disclosure

The group has not taken any exemptions other than those described in note 1.

Funds held as custodian Trustee on behalf of others

There are no funds held as custodian Trustee on behalf of others.

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Trustees' report for the year ended 31 January 2017 (continued)

Statement of Trustees' responsibilities

The Trustees (who are also Directors of the Council of the Northern Ireland War Memorial (Incorporated) for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 judgments 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 charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditors

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

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.

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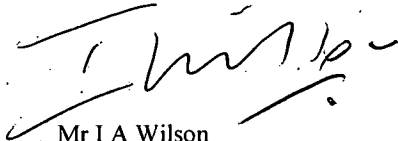
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Trustees' report for the year ended 31 January 2017 (continued)

Independent 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



Mr I A Wilson

Chairman

Date: 22 June 2017

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

Report on the financial statements

Our opinion

In our opinion, Council of the Northern Ireland War Memorial (Incorporated)'s group financial statements and parent charitable company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 January 2017 and of the group's incoming resources and application of resources, including its income and expenditure and of the group's cash flows 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.
-

What we have audited

The financial statements, included within the Annual Report and financial statements (the "Annual Report"), comprise:

- the group and parent charitable company balance sheets as at 31 January 2017;
- the group statement of financial activities and the group summary income and expenditure account for the year then ended;
- the group statement of cash flows for the year then ended;
- the accounting policies; and
- the notes to the financial statements; which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the Trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Trustees' Annual Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

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

Trustees' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Trustees' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the Trustees were not entitled to prepare financial statements in accordance with the small companies' regime; take advantage of the small companies' exemption in preparing the Trustees' Annual Report; and take advantage of the small companies exemption from preparing a Strategic Report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Trustees

As explained more fully in the Statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the charity's members and Trustees 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 these opinions, 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.

What an audit of financial statements involves

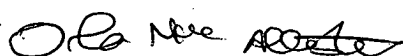
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's and the parent charitable company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Trustees; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Trustees' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Trustees' report, we consider whether those reports include the disclosures required by applicable legal requirements.



Orla MacAllister (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Belfast

Date: 22/6/17

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Consolidated Statement of Financial Activities (incorporating summary income and expenditure account) for the year ended 31 January 2017

| | Note | 2017 £ | 2016 £ |
|---|------|-------------------|------------------|
| Incoming resources/ income | | | |
| Incoming resources from generated funds | | | |
| Voluntary income | | 4,942 | 4,097 |
| Activities for generating funds: | | | |
| Property income | 5 | 71,027 | 41,815 |
| Investment income | 6 | 247,753 | 235,409 |
| Total incoming resources | | 323,722 | 281,321 |
| Resources expended | | | |
| Cost of generating funds: | | | |
| Property related expenses | 7 | 43,910 | 24,678 |
| Costs of managing investments for income generation and capital maintenance | 7 | 42,836 | 42,715 |
| Charitable activities: | | | |
| Operation of gallery | 7 | 271,334 | 265,124 |
| Total resources expended | | 358,080 | 332,517 |
| Net outgoing resources before other gains and losses | | (34,358) | (51,196) |
| Unrealised gains/(losses) on investment assets | 11 | 816,133 | (511,941) |
| Realised gains on investment assets | | 101,844 | 111,438 |
| Net movement in funds | | 883,619 | (451,699) |
| Fund balances brought forward at 1 February | | 9,199,954 | 9,651,653 |
| Fund balances carried forward at 31 January | 15 | 10,083,573 | 9,199,954 |

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Consolidated Statement of Financial Activities (incorporating summary income and expenditure account) for the year ended 31 January 2017 (continued)

| | 2017 £ | 2016 £ |
|--|-----------------|------------------|
| Gross charitable income | 323,419 | 280,757 |
| Charitable expenditure | 358,080 | 332,517 |
| Net outgoing resources before interest receivable and payable | (34,661) | (51,760) |
| Interest receivable | 303 | 564 |
| Interest payable | - | - |
| Net outgoing resources before other gains and losses | (34,358) | (51,196) |
| Unrealised gains/(losses) on investment assets | 816,133 | (511,941) |
| Realised gains on investment assets | 101,844 | 111,438 |
| Net movement in funds | 883,619 | (451,699) |

The consolidated statement of financial activities includes all gains and losses recognised in the year.

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

The charity has elected to take the exemption under section 408 of the Companies Act 2006 not to present the charity statement of financial activities. The net movement in funds of the charity for the year was positive £883,556 (2016: negative £451,737).

The net movement in funds of the group for the year was positive £883,619 (2016: negative £451,699).

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Consolidated balance sheet as at 31 January 2017

| | Note | 2017 £ | 2016 £ |
|---|------|-------------------|------------------|
| Fixed assets | | | |
| Tangible assets | 10 | 2,479,785 | 2,532,762 |
| Investments | 11 | 7,376,987 | 6,464,092 |
| | | 9,856,772 | 8,996,854 |
| Current assets | | | |
| Debtors: amounts falling due within one year | 12 | 6,853 | 6,729 |
| Cash at bank and in hand | | 239,478 | 220,066 |
| | | 246,331 | 226,795 |
| Creditors: amounts falling due within one year | 14 | (19,530) | (23,695) |
| Net current assets | | 226,801 | 203,100 |
| Total assets less current liabilities | | 10,083,573 | 9,199,954 |
| Net assets | | 10,083,573 | 9,199,954 |
| Funds | | | |
| Unrestricted funds | | | |
| General funds | 16 | 9,629,768 | 8,746,162 |
| Designated funds | 16 | 453,805 | 453,792 |
| Total funds | | 10,083,573 | 9,199,954 |

The financial statements on pages 9 to 25 were approved by the board on 22 June 2017 and were signed on its behalf by:


Mr I A Wilson
Chairman


Lt Col C W Duncan UD
Trustee

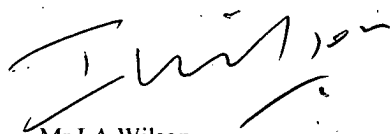
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Company balance sheet as at 31 January 2017

| | Note | 2017 £ | 2016 £ |
|---|------|-------------------|------------------|
| Fixed assets | | | |
| Tangible assets | 10 | 2,028,577 | 2,081,554 |
| Investments | 11 | 7,376,988 | 6,464,093 |
| | | 9,405,565 | 8,545,647 |
| Current assets | | | |
| Debtors: amounts falling due within one year | 12 | 27,136 | 25,648 |
| Debtors: amounts falling due after one year | 13 | 453,805 | 453,792 |
| Cash at bank and in hand | | 215,206 | 198,667 |
| | | 696,147 | 678,107 |
| Creditors: amounts falling due within one year | 14 | (18,240) | (23,838) |
| Net current assets | | 677,907 | 654,269 |
| Total assets less current liabilities | | 10,083,472 | 9,199,916 |
| Net assets | | 10,083,472 | 9,199,916 |
| Funds | | | |
| Unrestricted funds | | | |
| General funds | 16 | 9,629,667 | 8,746,124 |
| Designated funds | 16 | 453,805 | 453,792 |
| Total funds | | 10,083,472 | 9,199,916 |

The financial statements on pages 9 to 25 were approved by the board on 22 June 2017 and were signed on its behalf by:



Mr I A Wilson
Chairman



Lt Col C W Duncan UD
Trustee

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Consolidated statement of cash flows for the year ended 31 January 2017

| | 2017 £ | 2016 £ |
|---|------------------|------------------|
| Cash flows from operating activities | | |
| Net movement in funds | 883,619 | (451,699) |
| <i>Adjustments for</i> | | |
| Depreciation of property | 53,326 | 54,683 |
| Interest received | (371) | (1,161) |
| Revaluation of investments | (917,977) | 400,503 |
| Dividends on investments | (247,382) | (234,248) |
| <i>Changes in</i> | | |
| Trade and other debtors | (3,877) | (4,951) |
| Trade and other creditors | (412) | 18,509 |
| Cash used in operating activities | (233,074) | (218,364) |
| Cash flows from investing activities | | |
| Purchase of tangible assets | (349) | (454,326) |
| Interest received | 303 | 563 |
| Dividends received | 247,382 | 234,248 |
| Payments to acquire investments | (1,891,482) | (2,333,626) |
| Receipts from sales of investments | 1,896,564 | 2,212,161 |
| Cash generated from / (used in) investing activities | 252,418 | (340,980) |
| Cash flows from financing activities | | |
| Interest received | 68 | 598 |
| Net cash generated from financing activities | 68 | 598 |
| Net increase/(decrease) in cash and cash equivalents | 19,412 | (558,746) |
| Cash and cash equivalents at beginning of year | 220,066 | 778,812 |
| Cash and cash equivalents at end of year | 239,478 | 220,066 |
| Cash and cash equivalents consists of | | |
| Cash at bank and in hand | 239,478 | 220,066 |

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Notes to the financial statements for the year ended 31 January 2017

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The group and charity financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland ((FRS 102) effective 1 January 2015 – (Charities SORP (FRS 102)) and the Companies Act 2006.

Council of the Northern Ireland War Memorial (Incorporated) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost and transaction value unless otherwise stated in the relevant accounting policy note(s). The financial statements are prepared on a going concern basis. Taking account of the risk review undertaken by the trustees they do not consider there to be a risk to the going concern status of the company.

b) Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required and noted none was required.

c) Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary NIWM Holdings Limited.

d) Incoming resources

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably. The specific basis used is as follows:

Voluntary income

Voluntary income received by way of donations, gifts and gift aid to the company is included in full in the Statement of Financial Activities when received.

Property income

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

Fundraising income

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

Investment income

Investment income is accounted for on a receivable basis.

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Notes to the financial statements for the year ended 31 January 2017 (continued)

1 Accounting policies (continued)

e) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that 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. Staff costs and overhead expenses are allocated to activities on the basis of time spent on those activities.

Costs of generating funds

These relate to property related expenses incurred in the running of the War Memorial building and costs of managing investments.

Charitable activities

These comprise the costs incurred by the Council in the delivery of its activities and services for its beneficiaries and as such include, primarily, operation of museum and staff costs.

Governance and staff costs

Governance and staff costs include those incurred in the governance of its assets and are associated with constitutional, statutory and strategic requirements.

Irrecoverable Value Added Tax

Any irrecoverable Value Added Tax is charged to the Statement of Financial Activities, or capitalised as part of the cost of the related asset, where appropriate.

f) Fund accounting

The charity has various types of funds for which it is responsible and which require separate disclosure. Definitions of the various types of fund are as follows:

Unrestricted funds

Unrestricted funds are donations and other incoming resources received or generated and which are expendable at the discretion of the charity in furtherance of its objectives.

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Notes to the financial statements for the year ended 31 January 2017 (continued)

1 Accounting policies (continued)

g) Tangible fixed assets

Tangible assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs and borrowing costs capitalised.

Depreciation and residual values

Depreciation is calculated using the straight-line method, to allocate the cost to their residual values over their estimated useful lives as follows. The principal annual rates and bases used are as follows:

| | |
|---------------------------|-------------------|
| Land and buildings | 2% straight line |
| Furnishings and equipment | 20% straight line |

Freehold land is not depreciated.

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Subsequent additions and major components

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the company and the cost can be measured reliably.

The carrying amount of any replaced component is derecognised. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Repairs, maintenance and minor inspection costs are expensed as incurred.

Derecognition

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the Statement of Financial Activities and included in 'Other operating gains and losses'.

Investment properties

Investment property is measured initially at cost, which includes purchase price and any directly attributable expenditure. Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in the Statement of Financial Activities. Investment properties are not depreciated.

h) Fixed asset investments

Fixed asset investments are stated at market value.

Council of the Northern Ireland War Memorial (Incorporated) 17

(A company limited by guarantee)

Notes to the financial statements for the year ended 31 January 2017 (continued)

1 Accounting policies (continued)

i) Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Financial Activities.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Statement of Financial Activities.

j) Financial instruments

The Council of the Northern Ireland War Memorial (Incorporated) only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction price and subsequently measured at their settlement value, unless the arrangement constitutes a financing transaction. Financing transactions are initially measured at the present value of the future receipts discounted at a market rate of interest, and are subsequently carried at amortised cost, using the effective interest rate method.

k) Exemptions under FRS102

The charity has taken advantage of the following exemptions:

- (i) from preparing a Statement of Cash Flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows includes the charity's cash flows; and
- (ii) from preparing a Statement of Financial Activities on the basis that the Consolidated Statement of Financial Activities includes the charity's statement.

Council of the Northern Ireland War Memorial (Incorporated) 18

(A company limited by guarantee)

Notes to the financial statements for the year ended 31 January 2017 (continued)

2 Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements in applying the entity's accounting policies

There are no critical judgements in applying the company's accounting policies.

Critical accounting estimates and assumptions

There are no critical accounting estimates and assumptions.

3 Trustees' emoluments and expenses

The Trustees received no emoluments during the year (2016: £nil).

During the year £64 (2016: £184) was reimbursed to one (2016: one) Trustee in respect of travelling and sundry expenses incurred.

4 Employee information

| | 2017 £ | 2016 £ |
|-----------------------|-----------|-----------|
| Staff costs: | | |
| Wages and salaries | 98,386 | 78,749 |
| Social security costs | 5,146 | 3,216 |
| | 103,532 | 81,965 |

| | Number | Number |
|--|--------|--------|
| The average monthly number of persons employed by the company (excluding Trustees and council members) during the year by activity was: | | |
| Administration | 5 | 5 |

No employee received remuneration of more than £60,000 (2016: £60,000).

Indemnity insurance of £624 (2016: £604) for Trustees' liability has been purchased by the Council.

Key management compensation

Key management includes the Trustees and members of senior management of the charity. The compensation paid or payable to key management for employee services is shown below:

| | 2017 £ | 2016 £ |
|-----------------------------|-----------|-----------|
| Key management compensation | 55,963 | 48,761 |

Council of the Northern Ireland War Memorial (Incorporated) 19

(A company limited by guarantee)

Notes to the financial statements for the year ended 31 January 2017 (continued)

5 Property income

| | 2017 | 2016 |
|-----------------|---------------|---------------|
| | £ | £ |
| Office rents | 51,313 | 31,693 |
| Service charges | 18,714 | 9,122 |
| Car park rents | 1,000 | 1,000 |
| | 71,027 | 41,815 |

6 Investment income

| | 2017 | 2016 |
|--|----------------|----------------|
| | £ | £ |
| Listed unit trusts and listed securities | 247,382 | 234,248 |
| Bank interest | 371 | 1,161 |
| | 247,753 | 235,409 |

7 Resources expended

| | 2017 | 2016 |
|---|---------------|---------------|
| | £ | £ |
| Cost of generating funds: Property related expenses | | |
| Repairs and maintenance | 10,412 | 5,069 |
| Professional fees | 2,463 | 1,002 |
| Cleaners | 7,743 | 4,152 |
| Agents' commission and letting fees | 3,000 | 3,000 |
| Heat and light | 7,540 | 6,403 |
| Insurance | 5,243 | 5,052 |
| Water, service charges & other levies | 7,509 | - |
| | 43,910 | 24,678 |
| Cost of generating funds: costs of managing investment for income generation and capital maintenance | | |
| Management fee | 42,836 | 42,715 |

Council of the Northern Ireland War Memorial (Incorporated) 20

(A company limited by guarantee)

Notes to the financial statements for the year ended 31 January 2017 (continued)

7 Resources expended (continued)

| | 2017 | 2016 |
|--|----------------|----------------|
| | £ | £ |
| Charitable activities: Operation of Gallery | | |
| Staff costs (note 4) | 103,532 | 81,965 |
| Service charge | 5,711 | 3,574 |
| Legal and professional fees | 5,442 | 19 |
| Postage | 839 | 776 |
| Council members expenses | 64 | 184 |
| Stationery | 530 | 1,493 |
| Depreciation | 53,326 | 54,683 |
| Telephone | 796 | 1,669 |
| Bank charges | 105 | 83 |
| Miscellaneous | 184 | 263 |
| Museum costs | 60,172 | 83,951 |
| Marketing | 16,367 | 12,274 |
| Travel | 2,219 | 3,717 |
| Computer expenses | 5,355 | 4,184 |
| Entertaining | 296 | 1,592 |
| Grants | 9,985 | 7,530 |
| Repairs and maintenance | 2,451 | 4,059 |
| Cleaning | - | 108 |
| Governance | | |
| Professional fees | 3,960 | 3,000 |
| | 271,334 | 265,124 |

8 Net outgoing resources

| | 2017 | 2016 |
|--|---------|--------|
| | £ | £ |
| Net outgoing resources is stated after charging: | | |
| Staff costs (note 4) | 103,532 | 81,965 |
| Depreciation | 53,326 | 54,683 |
| Auditors' remuneration for: | | |
| - Fees payable to the company's auditors for the audit of the financial statements | 3,960 | 3,000 |

9 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 Value Added Tax and accordingly, all its expenditure is recorded inclusive of any Value Added Tax incurred.

Council of the Northern Ireland War Memorial (Incorporated) 21
(A company limited by guarantee)

Notes to the financial statements for the year ended 31 January 2017 (continued)

10 Tangible assets

| Group | Investment properties £ | Land and buildings £ | Furnishings and equipment £ | Total £ |
|---------------------------------|--|-------------------------------------|--|--------------------|
| Cost | | | | |
| At 1 February 2016 | 451,208 | 2,491,763 | 165,900 | 3,108,871 |
| Additions | - | - | 349 | 349 |
| At 31 January 2017 | 451,208 | 2,491,763 | 166,249 | 3,109,220 |
| Accumulated depreciation | | | | |
| At 1 February 2016 | - | 418,181 | 157,928 | 576,109 |
| Charge for the year | - | 49,835 | 3,491 | 53,326 |
| At 31 January 2017 | - | 468,016 | 161,419 | 629,435 |
| Net book amount | | | | |
| At 31 January 2017 | 451,208 | 2,023,747 | 4,830 | 2,479,785 |
| At 31 January 2016 | 451,208 | 2,073,582 | 7,972 | 2,532,762 |

| Company | Land and buildings £ | Furnishings and equipment £ | Total £ |
|---------------------------------|-------------------------------------|--|--------------------|
| Cost | | | |
| At 1 February 2016 | 2,491,763 | 165,900 | 2,657,663 |
| Additions | - | 349 | 349 |
| At 31 January 2017 | 2,491,763 | 166,249 | 2,658,012 |
| Accumulated depreciation | | | |
| At 1 February 2016 | 418,181 | 157,928 | 576,109 |
| Charge for the year | 49,835 | 3,491 | 53,326 |
| At 31 January 2017 | 468,016 | 161,419 | 629,435 |
| Net book amount | | | |
| At 31 January 2017 | 2,023,747 | 4,830 | 2,028,577 |
| At 31 January 2016 | 2,073,582 | 7,972 | 2,081,554 |

Council of the Northern Ireland War Memorial (Incorporated) 22

(A company limited by guarantee)

Notes to the financial statements for the year ended 31 January 2017 (continued)

11 Investments

| Group | Quoted investments £ |
|---|----------------------------|
| Market value brought forward | 6,464,092 |
| Additions at cost | 1,891,482 |
| Disposals at carrying value | (1,794,720) |
| Unrealised profit on investment assets | 816,133 |
| Market value as at 31 January 2017 | 7,376,987 |
| Historical cost at 31 January 2017 | 5,130,631 |

The Trustees believe that the carrying value of the investments is supported by their underlying net assets.

| Company | Interest in subsidiary undertaking £ | Quoted investments £ | Total £ |
|---|---|----------------------------|------------------|
| Market value brought forward | 1 | 6,464,092 | 6,464,093 |
| Additions at cost | - | 1,891,482 | 1,891,482 |
| Disposals at carrying value | - | (1,794,720) | (1,794,720) |
| Unrealised profit on investment assets | - | 816,133 | 816,133 |
| Market value as at 31 January 2017 | 1 | 7,376,987 | 7,376,988 |
| Historical cost at 31 January 2017 | 1 | 5,130,631 | 5,130,632 |

The Charity has an investment in its subsidiary NIWM Holdings Limited which is incorporated in Northern Ireland of which it owns 100% of the issued share capital. The net assets of the company are £102 and had a profit for the year of £63.

| | 2017 £ | 2016 £ |
|---------------------|-----------|-----------|
| Turnover | 40,334 | 24,623 |
| Expenditure | (22,119) | (12,472) |
| Interest | (18,152) | (12,113) |
| Profit for the year | 63 | 38 |
| Assets | 482,801 | 478,342 |
| Liabilities | (482,699) | (478,303) |
| Funds | 102 | 39 |

12 Debtors: amounts falling due within one year

| | 2017 Group £ | 2016 Group £ | 2017 Company £ | 2016 Company £ |
|------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Other debtors | 2,015 | 1,632 | 290 | 753 |
| Amounts owed by group undertakings | - | - | 23,852 | 20,901 |
| Prepayments and accrued income | 4,838 | 5,097 | 2,994 | 3,994 |
| | 6,853 | 6,729 | 27,136 | 25,648 |

Council of the Northern Ireland War Memorial (Incorporated) 23
(A company limited by guarantee)

Notes to the financial statements for the year ended 31 January 2017 (continued)

13 Debtors: amounts falling due after one year

| | 2017 Company £ | 2016 Company £ |
|----------------------------|----------------------|----------------------|
| Loan to subsidiary company | 453,805 | 453,792 |

Debtors greater than one year comprise a loan to NIWM Holdings Limited. Interest is charged at an annual rate of 4% but there are no formal repayment terms.

14 Creditors: amounts falling due within one year

| | 2017 Group £ | 2016 Group £ | 2017 Company £ | 2016 Company £ |
|------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Trade creditors | 7,944 | 9,407 | 6,696 | 7,202 |
| Other creditors | 2,804 | 11,931 | 1,200 | 11,557 |
| Accruals and deferred income | 8,782 | 2,357 | 6,591 | 1,326 |
| Amounts owed by group undertakings | - | - | 3,753 | 3,753 |
| | 19,530 | 23,695 | 18,240 | 23,838 |

15 Analysis of net assets between funds

| Group | Tangible fixed assets £ | Investments £ | Other net assets/(liabilities) £ | Net assets at year-end £ |
|---------------------------|-------------------------------|------------------|--|--------------------------------|
| Unrestricted funds | | | | |
| General funds | 2,479,785 | 7,376,987 | (227,004) | 9,629,768 |
| Designated funds | - | - | 453,805 | 453,805 |
| | 2,479,785 | 7,376,987 | 226,801 | 10,083,573 |

| Company | Tangible fixed assets £ | Investments £ | Other net assets £ | Net assets at year-end £ |
|---------------------------|-------------------------------|------------------|--------------------------|--------------------------------|
| Unrestricted funds | | | | |
| General funds | 2,028,577 | 7,376,988 | 224,102 | 9,629,667 |
| Designated funds | - | - | 453,805 | 453,805 |
| | 2,028,577 | 7,376,988 | 677,907 | 10,083,472 |

Council of the Northern Ireland War Memorial (Incorporated) 24

(A company limited by guarantee)

Notes to the financial statements for the year ended 31 January 2017 (continued)

16 Movement in funds

| Group | Balance as at 1 February 2016 £ | Incoming resources £ | Investment gains £ | Outgoing resources £ | Transfers £ | Balance as at 31 January 2017 £ |
|---|--|----------------------------|--------------------------|----------------------------|----------------|--|
| Unrestricted funds | | | | | | |
| General funds | 8,746,162 | 323,722 | 917,977 | (358,080) | (13) | 9,629,768 |
| Designated funds - capital development project | 453,792 | - | - | - | 13 | 453,805 |
| Total funds | 9,199,954 | 323,722 | 917,977 | (358,080) | - | 10,083,573 |

| Company | Balance as at 1 February 2016 £ | Incoming resources £ | Investment gains £ | Outgoing resources £ | Transfers £ | Balance as at 31 January 2017 £ |
|---|--|----------------------------|--------------------------|----------------------------|----------------|--|
| Unrestricted funds | | | | | | |
| General funds | 8,746,124 | 307,240 | 917,977 | (341,661) | (13) | 9,629,667 |
| Designated funds - capital development project | 453,792 | - | - | - | 13 | 453,805 |
| Total funds | 9,199,916 | 307,240 | 917,977 | (341,661) | - | 10,083,472 |

The capital development project relates to funds earmarked to finance investment property.

17 Financial instruments

The group and company have the following financial instruments:

| | 2017 | 2016 |
|---|------------------|------------------|
| Group | £ | £ |
| Financial assets held at amortised cost | | |
| Cash at bank and in hand | 239,478 | 220,066 |
| Other debtors | 2,015 | 1,632 |
| Investments | 7,376,987 | 6,464,092 |
| | 7,618,480 | 6,685,790 |
| Financial liabilities measured at amortised cost | | |
| Trade creditors | 7,944 | 9,407 |
| Other creditors | 2,804 | 11,931 |
| Accruals | 8,782 | 2,357 |
| | 19,530 | 23,695 |

Council of the Northern Ireland War Memorial (Incorporated) 25

(A company limited by guarantee)

Notes to the financial statements for the year ended 31 January 2017 (continued)

17 Financial Instruments (continued)

| | 2017 | 2016 |
|---|------------------|------------------|
| Company | £ | £ |
| Financial assets held at amortised cost | | |
| Cash at bank and in hand | 215,206 | 198,667 |
| Other debtors | 290 | 753 |
| Amounts owed by group undertakings | 23,852 | 20,901 |
| Loan to subsidiary company | 453,805 | 453,792 |
| Investments | 7,376,988 | 6,464,093 |
| | 8,070,141 | 7,138,206 |
| Financial liabilities measured at amortised cost | | |
| Trade creditors | 6,696 | 7,202 |
| Other creditors | 1,200 | 11,557 |
| Amounts owed by group undertakings | 3,753 | 3,753 |
| Accruals | 6,591 | 1,326 |
| | 18,240 | 23,838 |

18 Free reserves

Free reserves as noted in the directors' report on page 4, are calculated as follows:

| | 2017 | 2016 |
|-----------------------------|----------------|----------------|
| | £ | £ |
| Total unrestricted reserves | 10,083,573 | 9,199,954 |
| Tangible assets | (2,479,785) | (2,532,762) |
| Investments | (7,376,987) | (6,464,092) |
| Total free reserves | 226,801 | 203,100 |

19 Liability of members

The Council of the Northern Ireland War Memorial - (Incorporated) 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 2017 was 35 (2016: 33).

20 Ultimate controlling party

There is no ultimate controlling party.

The group has taken exemptions under FRS 102 from disclosing transactions with group companies.

21 Related party transactions

During the year the company entered into the following transactions with related parties:

| | 2017 | 2017 | 2016 | 2016 |
|------------------|-------------------|----------------------|-------------------|----------------------|
| Related party | Transaction value | Balance owed by/(to) | Transaction value | Balance owed by/(to) |
| | £ | £ | £ | £ |
| Trustee expenses | 64 | - | 184 | - |