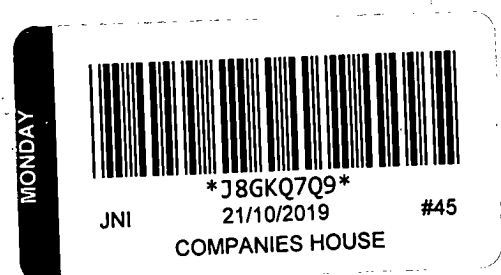


**Council of the Northern Ireland War Memorial
(Incorporated)**

(A company limited by guarantee)

**Annual Report and Financial Statements
for the year ended 31 January 2019**



Council of the Northern Ireland War Memorial (Incorporated)

(A company limited by guarantee)

Annual report and financial statements for the year ended 31 January 2019

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Reference and administrative details

Council members

Colonel J M Steele CB OBE TD DL (Patron appointed 6th September 2018)
Major H J F Potter MBE DL (Retired 17th February 2019)
Mr C Bailey
Lieutenant Colonel M Barnes OBE TD
Mr K Beattie
Lieutenant Colonel C Bennett UD
Mr M Burns (appointed 6th September 2018)
Colonel W R H Charley OBE JP DL
Mrs C Charley
Commander T I Chrishop
Flight Lieutenant Dr J S A Collins DL
Mrs L Corken
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

Lieutenant Colonel C T Hogg MBE UD JP DL
Mr N Hogg
Captain H Mackintosh MBE TD
Commander R Milligan (appointed 21st March 2019)
First Officer V Millington RD (resigned 18th October 2018)
Mr I Montgomery
Captain JD McCahon
Major S McConkey
Mr T Parkhill
Mr J F Pim ACWA
Mr L Quigg
Commander D Rankin MBE RD (resigned 14th March 2019)
Colonel A H Reid OBE TD DL
Wing Commander TE Scott (appointed 6th September 2018)
Lieutenant Commander E M Shanks RD
Chief Officer P Shaw RD DL
Mr N Spence BA ACIS DMS FIA
Lieutenant Colonel D W F Twigg MBE JP
Mrs C Walker
Mr G Warner
Commander H B White VRD

Directors/Trustees

Mr I A Wilson (Chairman)
Colonel J M Steele CB OBE TD DL (Vice Chairman resigned 6th September 2018)
Lieutenant Colonel C T Hogg MBE UD JP DL
Dr B E Barton
Flight Lieutenant A J Crowther

Mr E Cromie
Mr R Doherty
Lieutenant Colonel C W Duncan UD
Lieutenant Commander E M Shanks RD
Chief Officer P Shaw RD DL

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

HMRC 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
Julius Baer

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Trustees' report for the year ended 31 January 2019

The Trustees (who are also Directors of the company) submit their annual report and the audited financial statements of the Council of the Northern Ireland War Memorial (Incorporated) for the year ended 31 January 2019. 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 2.

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 charity who were in office during the year and up to the date of signing the financial statements are shown on page 2. 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 2019 (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

Acknowledgement of the Council of the Northern Ireland War Memorial (Incorporated) public benefit role was confirmed with the award of registration with the Charity Commission for Northern Ireland in September 2015.

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 providing a capital educational resource in the form of a museum gallery open to all members of the public. The charitable company offers grant funding to primary schools towards the travel costs of classes visiting the gallery.

The building and its offices within, maintained by the charity, are significant in supporting the amenities and services for the advancement, relief and benefit of present and former members of the armed forces. The Trustees believe they are operating entirely within the guidelines issued by the Charity Commission for Northern Ireland 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. The Trustees are pleased with the performance of the Charity in meeting its objectives for the year ended 31 January 2019.

The key targets of the museum aligned to its objectives were exceeded during the year ended 31 January 2019.

Visitor numbers to the gallery amounted to 11,276 against a target of 10,800. 2,972 primary school children took part in the 2-3 hour education and outreach programme, in comparison to a goal of 1,900. The Council provided accommodation, amenities and services to 7 ex-service charitable bodies.

The Trustees' key aim is to continue to ensure the organisation is self-financing to meet its objectives. As the majority of the Charity's income is generated from investments, the Trustees engaged three 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 investments generated income of £232,578 (2018: £265,122) in the year.

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Trustees' report for the year ended 31 January 2019 (continued)

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

The Statements of Financial Activities are set out on page 10 and 11.

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 31 January 2019.

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 company in the event of a significant drop in funding. The actual free reserves at 31 January 2019 were £1,392,423 (2018: £705,118) (see note 19). The reserves policy is reviewed annually by the Trustees.

Donations

The Council made charitable donations amounting to £nil (2018: £nil) 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 (2018: £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.

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 2019 (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 of the incoming resources and application of resources. 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 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.

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.

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 T A Wilson
Chairman

Date: 13th June 2019

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

Report on the audit of the financial statements

Opinion

In our opinion, Council of the Northern Ireland War Memorial's financial statements (the "financial statements"):

- give a true and fair view of the state of the charitable company's affairs as at 31 January 2019 and of its incoming resources and resources expended, including its income and expenditure, and cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 January 2019; statement of financial activities (incorporating summary income and expenditure account), statement of cash flows for the year then ended; the accounting policies; and the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the charitable company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the charity, its operations and other organisations on which it depends and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Trustees' Report

Under the Charities (Accounts and Reports) Regulations (Northern Ireland) 2015 we are required to report to you if, in our opinion the information contained in the financial statements is inconsistent in any material respect with the Trustees' Report. We have no exceptions to report arising from this responsibility.

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(A company limited by guarantee)

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

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities set out on page 6, the trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

We are eligible to act and have been appointed as auditors under section 65(2) of the Charities Act (Northern Ireland) 2008 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

Use of this report

This report, including the opinions, has been prepared for and only for the charity'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 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.

Other required reporting

Companies Act 2006 exception reporting

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 or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Charities (Accounts and Reports) Regulations (Northern Ireland) 2015 exception reporting

Under the Charities (Accounts and Reports) Regulations (Northern Ireland) 2015 we are required to report to you if, in our opinion:

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have no exceptions to report arising from this responsibility.

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(A company limited by guarantee)

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

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; and take advantage of the small companies exemption from preparing a Strategic Report. We have no exceptions to report arising from this responsibility.



Martin Cowie (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Belfast
Date 13 16 / 19

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Statement of Financial Activities (incorporating summary income and expenditure account) for the year ended 31 January 2019

	Note	2019 £	2018 £
Incoming resources/ income			
Incoming resources from generated funds			
Voluntary income		3,824	3,647
Activities for generating funds:			
Property income	5	41,461	46,279
Investment income	6	232,578	265,122
Total incoming resources		277,863	315,048
Resources expended			
Cost of generating funds:			
Property related expenses	7	25,223	23,427
Costs of managing investments for income generation and capital maintenance	7	42,803	55,377
Charitable activities:			
Operation of gallery	7	272,329	253,120
Total resources expended		340,355	331,924
Net outgoing resources before other gains and losses		(62,492)	(16,876)
Unrealised (losses)/gains on investment assets	12	(149,877)	477,718
Realised gains on investment assets		29,168	59,074
Net movement in funds		(183,201)	519,916
Fund balances brought forward at 1 February		10,603,388	10,083,472
Fund balances carried forward at 31 January	17	10,420,187	10,603,388

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(A company limited by guarantee)

Statement of Financial Activities (incorporating summary income and expenditure account) for the year ended 31 January 2019 (continued)

	2019 £	2018 £
Gross charitable income	251,952	290,773
Charitable expenditure	(340,355)	(331,924)
Net outgoing resources before interest receivable and payable	(88,403)	(41,151)
Interest receivable	25,911	24,275
Net outgoing resources before other gains and losses	(62,492)	(16,876)
Unrealised (losses)/gains on investment assets	(149,877)	477,718
Realised gains on investment assets	29,168	59,074
Net movement in funds	(183,201)	519,916

The 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.

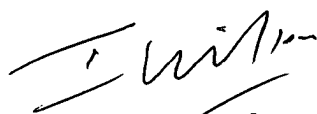
Council of the Northern Ireland War Memorial (Incorporated) 12


(A company limited by guarantee)

Company balance sheet as at 31 January 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	10	1,930,268	1,976,562
Investments	12	7,097,496	7,921,708
		9,027,764	9,898,270
Current assets			
Debtors: amounts falling due within one year	13	38,574	36,367
Debtors: amounts falling due after one year	14	453,805	453,805
Cash at bank and in hand		914,847	230,260
		1,407,226	720,432
Creditors: amounts falling due within one year	15	(14,803)	(15,314)
Net current assets		1,392,423	705,118
Total assets less current liabilities		10,420,187	10,603,388
Net assets		10,420,187	10,603,388
Funds			
Unrestricted funds			
General funds	17	9,466,382	10,149,583
Designated funds	17	953,805	453,805
Total funds		10,420,187	10,603,388

The financial statements on pages 10 to 25 were approved by the board on 13th June 2019 and were signed on its behalf by:


Mr I A Wilson
Chairman


Lt Col G W Duncan UD
Trustee

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Statement of cash flows for the year ended 31 January 2019

	2019 £	2018 £
Cash flows from operating activities		
Net movement in funds	(183,201)	519,916
<i>Adjustments for</i>		
Depreciation of property	52,791	52,397
Interest received	(25,911)	(24,275)
Unrealised loss/(gain) on revaluation of investments	149,877	(477,718)
Realised gain on disposal of investments	(29,168)	(59,074)
Dividends on investments	(206,667)	(240,847)
<i>Changes in</i>		
Trade and other debtors	(2,207)	(9,232)
Trade and other creditors	(511)	(2,926)
Cash used in operating activities	(244,997)	(241,759)
Cash flows from investing activities		
Purchase of tangible assets	(6,497)	(382)
Interest received	7,697	6,066
Dividends received	206,667	240,847
Translation differences on foreign currency cash investments	(11,191)	-
Payments to acquire investments	(6,985,179)	(1,202,550)
Receipts from sales of investments	7,699,873	1,194,623
Cash generated from investing activities	911,370	238,604
Cash flows from financing activities		
Interest received	18,214	18,209
Net cash generated from financing activities	18,214	18,209
Net increase in cash and cash equivalents	684,587	15,054
Cash and cash equivalents at beginning of year	230,260	215,206
Cash and cash equivalents at end of year	914,847	230,260
Cash and cash equivalents consists of		
Cash at bank and in hand	914,847	230,260

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Notes to the financial statements for the year ended 31 January 2019

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 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.

These financial statements contain information about the charity as an individual charity and do not contain consolidated financial information as the parent undertaking of a group. The charity is exempt under section 6 of the Charities Act (Northern Ireland) 2008 from the requirement to prepare consolidated financial statements as the Group does not have combined gross annual income in excess of the threshold has prescribed under the Act.

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.

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.

Council of the Northern Ireland War Memorial (Incorporated) 15

(A company limited by guarantee)

Notes to the financial statements for the year ended 31 January 2019 (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.

Designated funds

Designated funds are accounts set aside from unrestricted funds which have been 'earmarked' to finance investment property.

Council of the Northern Ireland War Memorial (Incorporated) 16

(A company limited by guarantee)

Notes to the financial statements for the year ended 31 January 2019 (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 probably 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'.

depreciated.

h) Fixed asset investments

Fixed asset investments are stated at market value.

Council of the Northern Ireland War Memorial (Incorporated) 17

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Notes to the financial statements for the year ended 31 January 2019 (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.

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 (2018: £nil).

During the year £438 (2018: £77) was reimbursed to one (2018: one) Trustee in respect of travelling and sundry expenses incurred.

Council of the Northern Ireland War Memorial (Incorporated) 18

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Notes to the financial statements for the year ended 31 January 2019 (continued)

4 Employee information

	2019	2018
	£	£
Staff costs:		
Wages and salaries	121,301	104,266
Social security costs	6,239	6,419
	127,540	110,685

	Number	Number
The average monthly number of persons employed by the company (excluding Trustees and council members) during the year by activity was:		
Administration	7	6

No employee received remuneration of more than £60,000 (2018: £60,000).

Indemnity insurance of £638 (2018: £627) 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:

	2019	2018
	£	£
Key management compensation	61,771	55,347

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 2019 (continued)

5 Property income

	2019	2018
	£	£
Office rents	13,032	20,134
Service charges	27,429	25,145
Car park rents	1,000	1,000
	41,461	46,279

6 Investment income

	2019	2018
	£	£
Listed unit trusts and listed securities	206,667	240,847
Bank interest	25,911	24,275
	232,578	265,122

7 Resources expended

	2019	2018
	£	£
Cost of generating funds: Property related expenses		
Repairs and maintenance	1,210	1,469
Cleaners	7,302	7,228
Agents' commission and letting fees	3,000	3,000
Heat and light	7,779	5,903
Insurance	5,314	4,614
Water, service charges & other levies	618	1,213
	25,223	23,427
Cost of generating funds: costs of managing investment for income generation and capital maintenance		
Management fee	42,803	55,377

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 2019 (continued)

7 Resources expended (continued)

	2019 £	2018 £
Charitable activities: Operation of Gallery		
Staff costs (note 4)	127,540	110,685
Pension costs	1,987	457
Service charge	11,175	14,118
Legal and professional fees	1,276	1,308
Postage	562	558
Council members expenses	438	78
Stationery	524	1,112
Depreciation	52,791	52,397
Telephone	407	345
Bank charges	97	125
Miscellaneous	246	251
Museum costs	31,663	33,356
Marketing	10,476	10,798
Travel	2,438	2,164
Computer expenses	4,929	4,259
Entertaining	135	332
Grants	15,630	13,281
Repairs and maintenance	6,415	3,896
Governance		
Professional fees	3,600	3,600
	272,329	253,120

8 Net outgoing resources

	2019 £	2018 £
Net outgoing resources is stated after charging:		
Staff costs (note 4)	127,540	110,685
Depreciation	52,791	52,397
Auditors' remuneration for:		
- Fees payable to the company's auditors for the audit of the financial statements	3,600	3,600

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

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Notes to the financial statements for the year ended 31 January 2019 (continued)

10 Tangible assets

	Land and buildings £	Furnishings and equipment £	Total £
Cost			
At 1 February 2018	2,491,763	166,631	2,658,394
Additions	-	6,497	6,497
At 31 January 2019	2,491,763	173,128	2,664,891
Accumulated depreciation			
At 1 February 2018	517,851	163,981	681,832
Charge for the year	49,835	2,956	52,791
At 31 January 2019	567,686	166,937	734,623
Net book amount			
At 31 January 2019	1,924,077	6,191	1,930,268
At 31 January 2018	1,973,912	2,650	1,976,562

11 Heritage assets

A heritage asset is defined as a tangible or intangible asset with historical, cultural and educational qualities that is held and maintained principally for its contribution to knowledge and culture.

The museum receives low value donations from the public regarding the First and Second World Wars. These items, mainly comprised of ephemera and social history artefacts are used for educational and research purposes.

FRS102 requires such assets to be reported in the balance sheet where information is available on cost or value. Reliable cost information is not available and conventional valuation approaches lack sufficient reliability, with the cost of providing such information unaffordable, unmanageable and deemed to outweigh the benefits to the users, considering the nature of items donated. Accordingly these items are not capitalised on the balance sheet.

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 2019 (continued)

12 Investments

	Interest in subsidiary undertaking £	Quoted investments £	Total £
Market value brought forward	1	7,921,708	7,921,709
Additions at cost	-	6,985,179	6,985,179
Disposals at carrying value	-	(7,659,514)	(7,659,514)
Unrealised loss on investment assets	-	(149,877)	(149,877)
Market value as at 31 January 2019	1	7,097,496	7,097,497
Historical cost at 31 January 2019	1	6,944,743	6,944,744

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 £231 and had a profit for the year of £53.

	2019 £	2018 £
Turnover	46,212	43,574
Expenditure	(28,007)	(25,346)
Interest	<u>(18,152)</u>	<u>(18,152)</u>
Profit for the year	53	76
Assets	492,764	491,284
Liabilities	<u>(492,533)</u>	<u>(491,106)</u>
Funds	231	178

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

13 Debtors: amounts falling due within one year

	2019 £	2018 £
Other debtors	673	339
Amounts owed by group undertakings	34,952	32,912
Prepayments and accrued income	2,949	3,116
	38,574	36,367

Council of the Northern Ireland War Memorial (Incorporated) 23

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Notes to the financial statements for the year ended 31 January 2019 (continued)

14 Debtors: amounts falling due after one year

	2019 £	2018 £
Amounts owed by group undertakings	453,805	453,805

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.

15 Creditors: amounts falling due within one year

	2018 £	2018 £
Trade creditors	3,174	8,573
Other creditors	399	294
Accruals and deferred income	11,230	2,694
Amounts owed to group undertakings	-	3,753
	14,803	15,314

16 Analysis of net assets between funds

	Tangible fixed assets £	Investments £	Other net assets £	Net assets at year-end £
Unrestricted funds				
General funds	1,930,268	7,097,496	438,618	9,466,382
Designated funds	-	-	953,805	953,805
	1,930,268	7,097,496	1,392,423	10,420,187

The designated funds relate to amounts earmarked to finance investment property.

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Notes to the financial statements for the year ended 31 January 2019 (continued)

17 Movement in funds

Company	Balance as at 1 February 2018 £	Incoming resources £	Investment losses £	Outgoing resources £	Transfers £	Balance as at 31 January 2019 £
Unrestricted funds						
General funds	10,149,583	277,863	(120,709)	(340,355)	(500,000)	9,466,382
Designated funds - capital development project	453,805	-	-	-	500,000	953,805
Total funds	10,603,388	277,863	(120,709)	(340,355)	-	10,420,187

The capital development project relates to funds earmarked to finance investment property. An additional £500,000 was allocated to this fund during year-end January 2019. The trustees are considering purchasing other investment property in the Cathedral Quarter Area. The figure earmarked was based on the value of their previous acquisition plus uplift in current market values.

18 Financial instruments

Company	2019 £	2018 £
Financial assets held at amortised cost		
Cash at bank and in hand	914,847	230,260
Other debtors	673	339
Amounts owed by group undertakings	488,757	486,717
Investments	7,097,496	7,921,708
	8,501,773	8,639,024
Financial liabilities measured at amortised cost		
Trade creditors	3,174	8,573
Other creditors	399	294
Amounts owed by group undertakings	-	3,753
Accruals	11,230	2,694
	14,803	15,314

19 Free reserves

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

	2019 £	2018 £
Total unrestricted reserves	10,420,187	10,603,388
Tangible assets	(1,930,268)	(1,976,562)
Investments	(7,097,496)	(7,921,708)
Total free reserves	1,392,423	705,118

Council of the Northern Ireland War Memorial (Incorporated) 25

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Notes to the financial statements for the year ended 31 January 2019 (continued)

20 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 2019 was 39 (2018: 37).

21 Ultimate controlling party

There is no ultimate controlling party.

22 Related party transactions

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

Related party	Nature of transactions	2019	2019	2018	2018
		Transaction value	Balance owed by/(to)	Transaction value	Balance owed by/(to)
		£	£	£	£
Trustee expenses	Expenses	438	-	77	-
NIWM Holdings Limited	Net of payments and expenses	2,040	488,757	9,060	486,717