

H.W.FISHER & COMPANY
CHARTERED ACCOUNTANTS

WAR MEMORIALS TRUST
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2006



War Memorials Trust

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WAR MEMORIALS TRUST

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England

Diana Graves
General Sir Brian Kenny GCB CBE
Sara Jones CBE
The Earl Nelson

Northern Ireland

The Lord Molyneux of Killead KBE PC

Scotland

Rear Admiral Roger Lockwood

Wales

Maj-Gen the Reverend R M Llewellyn CB OBE
Simon Weston OBE

President

Winston S Churchill

Trustees

J G Cluff, Chair of Trustees
Colin Amery
Roger Bardell
Winston S Churchill
The Lord Cope of Berkeley
Jane Furlong
Meg Hillier
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Charity number

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WAR MEMORIALS TRUST

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WAR MEMORIALS TRUST

TRUSTEES' REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2006

The Trustees present their report and accounts for the period 1 January 2006 to 31 December 2006.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, the Charities Act 1993 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

Objects and Principal Activities

War Memorials Trust works to protect and conserve all war memorials within the UK. The charity promotes the importance of war memorials ensuring they become an understood and cherished part of our local and national heritage. War Memorials Trust does this by providing financial assistance for conservation projects, advisory and advocacy services and by acting as the key referral point for war memorial issues.

Structure, Governance and Management

War Memorials Trust is governed by a Trust Deed, dated 7 May 1997. The charity's Board of Trustees is responsible for deciding the strategy of the Trust and ensuring this strategy is working towards achieving the Trust's aims and objectives.

In 2006 the charity implemented the results of a strategic review undertaken at the end of 2005. The review included a proposal to simplify the structure of honorary roles within the charity. Instead of Area Patrons and Vice Presidents the two roles were combined into Area Vice Patrons. Current and future holders of these positions are supporters of the Trust's work who on occasion represent the Trust or support its work in their area. A new Area Vice Patron was recruited at the end of the year. Rear Admiral Roger Lockwood, based in Edinburgh, became a Patron for Scotland filling a long standing vacancy.

In December, two Trustees, The Hon Tim Lewin and Lady Caroline Dalmeny resigned. It is likely new Trustees will be recruited in 2007. War Memorials Trust uses a combination of invitation and advertisements to recruit new Trustees depending on the requirements identified by the Board. Trustees are appointed by the current Board. New Trustees receive a welcome pack containing relevant information and are invited to spend time in the office to learn about the charity as part of the induction process.

Trustees delegate day to day running of the charity to staff. Trustees are briefed regularly and hold quarterly meetings to oversee the strategic direction of the charity. The Trust Manager, Frances Moreton, is responsible for the management and administration of the charity and fundraising. The Conservation Officer, Pedro Gaspar, oversees the grant programmes and conservation work of the Trust. In May a new Administrator, Nancy Treves, was recruited to deal with the growing workload. The Administrator's role is equally split between conservation and administration work. A part-time Accounts Manager handles the financial accounts. In addition the charity benefited from the commitment of volunteers who generously provide their time and expertise to assist in the office.

WAR MEMORIALS TRUST

TRUSTEES' REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2006

Strategic Achievements and Performance

War Memorials Trust Board of Trustees sought to ensure that in 2006 the charity continued to be the focal point for war memorial conservation issues, providing expert advice and assisting conservation projects through its grant schemes.

Trustees began 2006 identifying six strategic key performance indicators. These indicators were regularly reviewed through the year to ensure the charity was making progress. These are discussed below:

Indicator 1: Increase membership numbers: This was achieved through a variety of methods including the introduction of joint membership, advertisements and mailings.

Indicator 2: Raise the income level of the charity in comparison with 2005: This was achieved through the rising membership numbers, increased funding applications and identification of new sources of income.

Indicator 3: Raise awareness amongst new groups: This was achieved through mailings, advertisements and contacting new groups or organisations. For example, following a donation for the Small Grants Scheme in Northern Ireland all councils in the area were approached leading to the first two grants to war memorials in the region.

Indicator 4: Increase the impact of the Small Grants Scheme: The increased grant awards meant amounts allocated grew significantly ensuring a greater impact of the scheme on the conservation of war memorials nationwide.

Indicator 5: To improve the openness of the charity's governance: Publication of the Strategic Review summary online and its distribution at the AGM, along with a regular Trustees feature in the Bulletin and the revision of the honorary positions were identified as successes.

Indicator 6: Maintaining and improving the Trust's vital partnership with English Heritage:

Continued collaboration on the Grant Scheme (administered by War Memorials Trust for English Heritage), the recruitment of a new member of staff to assist with the additional workload, cooperation on a Contractors Seminar, joint mailings and the production of a leaflet 'Advice on maintenance of war memorials' clearly demonstrated the success of War Memorials Trust relationship with English Heritage.

Looking ahead the charity is continuing to follow the five year strategic review plan identified at the end of 2005. The Trust will maintain its focus on the conservation and protection of war memorials as its key activity. It will seek to increase the impact of the Small Grants Scheme on war memorial conservation in the UK. War Memorials Trust's tenth anniversary in 2007 will be an opportunity to focus on raising awareness of its work and its need for financial support. War Memorials Trust also intends to develop the educational activity of the Trust both alone and in collaboration with other organisations when appropriate. The charity will also be looking to develop its work with its Regional Volunteers to assist the charity in protecting and conserving war memorials across the UK.

WAR MEMORIALS TRUST

TRUSTEES' REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2006

Review of Activities

Conservation

War Memorials Trust continued to provide a unique service to anyone needing assistance with a war memorial issue. This service is provided to anyone at no cost. It is a vital part of the charity's work although it can be difficult to quantify financially. By the end of 2006 War Memorials Trust total casework since 2000 stood at 1961 cases (2005: 1751). Through 2006 the Trust has dealt with 832 enquiries and 210 new cases (2005: 812 and 230).

The Grants for War Memorials scheme, funded by English Heritage and The Wolfson Foundation, retained its budget at £100,000, for the financial year 2006/7, to assist with conservation and repair work on freestanding war memorials in England (The financial year for this scheme is 2006/7 as the funding is given by English Heritage whose financial year starts in April). The scheme continued to receive a large number of applications. In 2006/7 47 grants were offered totalling £100,225. However, following the rejection of offers by some applicants or cancellations due to non compliance with the grant conditions 44 grants were actually allocated to the value of £93,082 (2005/6: 39 grants received £81,803 – down on the amount stated in last year's report for the year 2005/6 as a number of applicants subsequently declined offers which could not then be reallocated). It is worth noting that the amount spent through the scheme is dependent upon the cost of projects applied for, as grants are given up to 50% rate of eligible costs, up to a maximum grant of £10,000. Grant awards are decided by a Grants Panel consisting of heritage specialists and representatives of the funding partners. The administration of the scheme is undertaken by War Memorials Trust.

War Memorials Trust Small Grants Scheme was supported by a number of funders including The Eranda Foundation, The Mercer's Company, The Drapers' Company and The Dulverton Trust. Total grant spend in 2006 was £35,474 which was given to 52 projects (2005: 72 projects received £17,865). Details of grant awards are in Appendix 1 on page 8. The significant rise in grant spend was due to the changes in the scheme implemented in January. The maximum grant rose from £250 to £1,500 whilst grants became a standard 50% of eligible costs. This increased the amount War Memorials Trust could contribute whilst making the scheme more equitable. The changes also saw clarification of what type of work could be supported and the removal of some forms of funding (such as support for new war memorials) which had previously been available. This decision was made in recognition of War Memorials Trust core activity, conservation of war memorials. Small Grants Scheme offers are made by the Conservation Officer on the basis of applications received and financial resources available. Trustees reviewed grants activity regularly and a more detailed assessment of the grant scheme finances can be found in the financial review.

War Memorials Trust also allocated the £2,000 2006 David Graves Memorial Grant to a project at St Luke's Junior School, Brighton to restore a war memorial wall painting by Lawrence Preston in honour of 44 old boys killed during World War 1. In addition a second grant was awarded to replace the initial 2003 allocation (as that offer had expired). This was for the repair of 4 war memorial seats in Cropton, North Yorkshire. The David Graves Memorial Grant is a five year programme set up in 2002 using funds donated by Daily Telegraph readers following the publication of an article about the Trust by journalist David Graves. Sadly, just a few days after publication Mr Graves died and the charity established the grant scheme in his memory. The grant cannot be applied for but is identified by the Conservation Officer and approved by Trustees in association with Area Vice Patron Diana Graves, Mr Graves' widow.

WAR MEMORIALS TRUST

TRUSTEES' REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2006

Administration

On 31 December 2006 the charity had 1597 members (2005:1359), representing a significant increase in supporter numbers. This was achieved through the introduction of a joint membership category, for two adults at the same address, advertisements and mail outs to potential supporters. In 2006 membership renewal rates were at 81% (2005: 84%).

During the year a new supporter database was designed and built by the Trust Manager. The database is designed to improve War Memorials Trust record keeping and provide greater flexibility in dealing with supporters and donors. It will improve the efficiency of Trust activities as well as consolidating information held by the Trust. Data transfer from the old database to the new was undertaken in 2006 and continued into 2007.

War Memorials Trust Regional Volunteers continued to play an important role for the charity undertaking activities around the country in support of the Trust's work. There were over 100 Regional Volunteers operating as the Trust's 'eyes and ears' during the year. The charity continued to publish its bi-monthly newsletter for volunteers and again hosted its annual meeting for volunteers in September providing an opportunity for staff and volunteers to meet and discuss relevant issues. Regional Volunteers played an important role in promoting events to mark the Somme Day as well as providing valuable information to the Conservation Officer by monitoring war memorials and reporting on those 'at risk'. The opportunities for Regional Volunteers to help include monitoring the condition of war memorials, preparing reports for the statutory listing of war memorials, managing events, undertaking talks about the Trust, representing the charity at rededication or unveiling ceremonies and promoting the Trust's work.

War Memorials Trust Bulletin continues to provide information on a range of war memorial issues. It is a valuable tool to thank supporters, to promote our fundraising work as well as an opportunity to report on our conservation successes. Edited by the Conservation Officer, who is assisted in its preparation by office volunteers, the publication is highly regarded and an invaluable source of information on war memorials.

War Memorials Trust continued to develop its PR strategy. The charity responded to a number of enquiries on a variety of subjects from both local and national media. Coverage of the charity was particularly strong around Somme Day and Remembrance Day with staff interviewed by a number of television and radio stations and journalists from newspapers and other publications. Regional Volunteers have also been successful in obtaining local coverage of different events and activities.

Fundraising

In 2006 War Memorials Trust introduced a Fundraising Committee, as a result of the Strategic review, to work with the Trust Manager on fundraising initiatives. The committee, consisting of three Trustees, met regularly to discuss issues and identify new funding opportunities. The charity's fundraising target was to ensure it had sufficient funding to undertake its activities.

Through the year the Trust has continued to make applications to charitable trusts for funding. These applications were focussed on different elements of the charity's work and included, for the first time, appeals for funds for the Small Grants Scheme which could be restricted for use in particular areas or counties. This opened the way for the charity to apply to new funders and increase the sum available for distribution to conservation projects.

WAR MEMORIALS TRUST

TRUSTEES' REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2006

Particular thanks for their generous gifts go to The Dulverton Trust, The Eranda Foundation, Esme Fairbairn Foundation, Clore Duffield Foundation, British American Tobacco, Awards for All, Belsize Charitable Trust No 1, The Leathersellers' Company Charitable Trust, Mr Derek Boorman, The Westminster Foundation, The Sir James Knott Trust, The Drapers' Company, P F Charitable Trust, The Mercers' Company, The Jordan Charitable Foundation, The Tim Rice Charitable Trust, The Jane Hodge Foundation, The Esme Mitchell Trust, The Misses Barrie Charitable Trust, Mr Tim Sanderson, The Alice Ellen Cooper Dean Charitable Foundation, The Rufford Maurice Laing Foundation, The Headley Trust, The Hartnett Charitable Trust, The Lambert Charitable Trust, Mrs C S Heber Percy, Gale Family Charity Trust and The Marjorie and Geoffrey Jones Charitable Trust.

War Memorials Trust received two significant legacies during the year. These demonstrated the importance of this area of fundraising and the charity continues to promote legacy giving whenever possible. Tax-efficient giving is also an important fundraising tool for the Trust. Gift Aid continues to be a valuable revenue stream, in 2006 66% of subscription payments were gift aided (2005: 62%).

On Remembrance Sunday War Memorials Trust broadcast a BBC Radio 4 appeal. Presented by Winston S Churchill, the transmission generated over £8,000 in donations as well as raising awareness of the charity and its work amongst a wide audience. It was a wonderful opportunity for the Trust which supported the appeal with a postcard campaign.

War Memorials Trust carried out a significant number of mailings through the year seeking to raise both funds and awareness of the charity. Individuals and organisations were contacted and the initiatives generated new members, interest and additional conservation cases.

As part of a joint fundraising venture with the Animals in War Memorial Fund, War Memorials Trust was involved with HipArt 2006. A dinner followed an auction held during a private viewing at Sotheby's. War Memorials Trust administered the finances for the event. The charity distributed 50% to the Animals in War Memorial Fund from the £31,000 raised.

Two runners, Henry Burgess and Adrian Higgins, participated on behalf of the charity in the London Marathon raising over £2,000 between them. The Trust greatly appreciated their efforts and would like to thank them.

War Memorials Trust merchandise performed well with Christmas card sales strong. The continuing high sales of A Century of Remembrance, donated to the Trust by author Derek Boorman, generated vital income for the charity and the Trust extends its thanks to Mr Boorman for his generosity.

Events

War Memorials Trust was involved in a number of important and varied events in 2006. The annual Somme Day ceremony marked the 90th anniversary of that Battle and the Trust was delighted that William Stone, veteran of the First World War, was present to lay a wreath with War Memorials Trust President, Winston S Churchill. Alongside the Trust's service at the Cenotaph wreaths were laid on war memorials across the country by members of the National Association of Flower Arrangement Societies. NAFAS, in conjunction with War Memorials Trust, encouraged its clubs to get involved in commemorating the event. War Memorials Trust Regional Volunteers were available to work with clubs and this generated local media coverage of wreath-laying ceremonies.

WAR MEMORIALS TRUST

TRUSTEES' REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2006

War Memorials Trust AGM was held on 17 July 2006 in Portcullis House, Westminster. Countess Mountbatten of Burma, Patron, joined Area Vice Patrons, Trustees, staff and around 60 members. Following reports from the Chair and Treasurer a lively question and answer sessions covered a variety of topics. The AGM was preceded by a walk, led by a qualified Blue Badge guide, amongst the war memorials of Westminster and along the Embankment. It was greatly enjoyed by those who participated.

In addition Regional Volunteers managed a number of events across the country. These assisted in raising the profile of the charity and generating interest from the public. Displays included county fairs, museums and military gatherings. Display boards and material were utilised and Bulletins and leaflets distributed to interested members of the public.

Review of Financial Activities

In 2006 War Memorials Trust recorded a surplus of £116,311 compared with a deficit of £51,936 in 2005. In view of the nature of the charity this does not represent 'Profit and Loss' in the commercial sense but rather income is acquired to enable the conservation and educational aims and objectives to be fulfilled.

During 2006 Trustees aimed to ensure the charity continued to generate income sufficient to fulfil its objectives. Several of the Trust's strategic performance indicators fed into this as discussed earlier. Key funding sources for the year were two legacies (discussed below), donations from charitable trusts and individuals and one-off events such as HipArt and the BBC Radio 4 broadcast. It is important for the Trust to sustain regular funding sources such as membership subscriptions as a balance to more irregular funding streams such as one-off events. The success of Small Grants Scheme financing was very important for the charity as securing funding of this grant scheme ensures the charity is fulfilling its objective of protecting war memorials through its conservation grant awards.

Two significant legacies were received by the Trust totalling over £70,000 in cash and shares. These were referred to last year and we are now able to show them in this report. One of these legacies included shares left to the charity which Trustees have decided to retain as an investment for the Trust.

Small Grants Scheme spend reached record levels in 2006, fully funded by voluntary donations raised by the Trust. War Memorials Trust aims to spend all money in the Small Grants Scheme by year end. However, significant funds have been carried into 2007 due to exceptional circumstances. Firstly, £25,000 was received from two donors in November 2006 which could not be fully spent by the end of the year and thus, as intended, is carried into the Small Grants Scheme account for 2007. Secondly, some funds are restricted to particular areas or counties and War Memorials Trust either had no or an insufficient number of applications to be able to award the money from these funds. War Memorials Trust is unable, due to its size and scope, to pro-actively identify conservation work but rather relies on reports of war memorials 'at risk' or applications for grants. Therefore if no applications are received for a particular area any funding for use in that area must be carried over into the next year.

WAR MEMORIALS TRUST

TRUSTEES' REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2006

Investment Policy

During 2006 War Memorials Trust was left shares in a legacy. These are the first investments held by the charity. Trustees have decided to retain these shares and benefit from the dividends received. This policy is regularly reviewed to ensure it is appropriate for the Trust and will be developed as required.

Reserves Policy

The charity has a reserves policy, which is to achieve sufficient unrestricted funds to meet six month's operational costs including salaries. The required amount is £86,000. Trustees have identified this policy to cope with irregular funding, manage designated funds and to ensure the charity can meet its grant commitments. At the end of 2006 War Memorials Trust is in surplus of this figure because of a successful funding year and the presence of some restricted funding.

Risk Policy

The major risks to which the charity is exposed have been reviewed by the Trustees and systems have been established to mitigate those risks. The Trust Manager has day to day responsibility for managing risk. An annual review of risk management involving staff is undertaken in the autumn and findings presented to Trustees at the December meeting. Trustees evaluate any changes in risk and act accordingly.

Auditors

H W Fisher & Company were re-appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

On behalf of the board of Trustees



Trustee

Dated: 10/5/07

WAR MEMORIALS TRUST

TRUSTEES' REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2006

Appendix 1: Small Grants Scheme Grants 2006

Name	County	Grant Value	Name	County	Grant Value
England			Monks Risborough	Buckinghamshire	£1,500.00
Ash	Surrey	£380.00	New Britannic	Kent	£250.00
Ash	Kent	£260.00	Paulton	The City of Bristol	£325.00
Assington	Suffolk	£221.75	Poplar & Stepney Sick Asylum	Greater London	£790.00
Aston	Oxfordshire	£220.00	Queen Street	North Yorkshire	£1,500.00
Bailiff Bridge	West Yorkshire	£1,500.00	Shackerstone & Odstone	Warwickshire	£650.00
Bailiff Bridge	West Yorkshire	£1,500.00	Sherborne St John	Hampshire	£900.00
Barnstaple	Devon	£1,500.00	Tedburn St Mary	Devon	£40.00
Bergh Apton	Norfolk	£218.00	Underriver Church Clock	Kent	£750.00
Birtley	Northumberland	£100.00	Warden - Lnt F J G Leadbitter	Northumberland	£180.00
Brinsworth and Canklow	South Yorkshire	£340.00	Wark	Northumberland	£180.00
Captain Lacy Day	Hampshire	£340.00	West Moors	Dorset	£1,250.00
Dobwalls	Cornwall	£770.00	Weymouth	Dorset	£100.00
Farnborough	Kent	£1,250.00	Winchmore Hill	Buckinghamshire	£830.00
Featherstone	West Yorkshire	£500.00	Northern Ireland		
Ford	Devon	£115.00	Dromore	County Down	£1,500.00
Fulbrook	Oxfordshire	£1,500.00	Knockagh	Carrickfergus	£1,500.00
Great Dalby	Leicestershire	£240.00	Scotland		
Great Glen	Leicestershire	£200.00	Kilbowie	West Dumbartonshire	£475.00
Hanborough	Oxfordshire	£1,000.00	Leslie	Fife	£1,000.00
Hemsby	Norfolk	£335.00	Wales		
Hollingbourne	Kent	£800.00	Cardiff High School	Cardiff	£325.00
Inkermann			Gladestry & Colva	Powys	£500.00
Crimea	Somerset	£110.00	Llansamlet	Swansea	£460.00
Knebworth	Hertfordshire	£175.00	Newport	Newport	£1,500.00
Longdown	Devon	£60.00	St Athan	The Vale of Glamorgan	£1,260.00
Manningford Bruce	Wiltshire	£315.00	Treharris	Caerphilly	£1,500.00
Marshwood	Dorset	£220.00			
Milton School	Kent	£540.00			
Minster Lovell	Oxfordshire	£1,500.00			

WAR MEMORIALS TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Law applicable to charities in England and Wales requires the Trustees to prepare accounts for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year.

In preparing accounts giving a true and fair view, the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping accounting records that disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and which enable them to ensure that the accounts comply with the Charities Act 1993 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

WAR MEMORIALS TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WAR MEMORIALS TRUST

We have audited the accounts of War Memorials Trust for the year ended 31 December 2006 set out on pages 11 to 20. These accounts have been prepared under the accounting policies set out on page 13.

This report is made solely to the charity's trustees, as a body, in accordance with Section 43 of, and regulations made under Section 44 of, the Charities Act 1993. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditors

As described on page 9, the Trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees' Report is not consistent with the accounts, if the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read other information contained in the Trustees' Report, and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

Basis of opinion

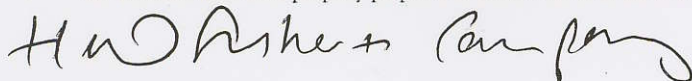
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant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

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

Opinion

In our opinion:

- the accounts give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the charity's affairs as at 31 December 2006 and of its incoming resources and application of resources in the year then ended; and
- the accounts have been properly prepared in accordance with the Charities Act 1993.



H.W. Fisher & Company

Chartered Accountants

Registered Auditor

Acre House

11-15 William Road

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Dated: 15/5/07

WAR MEMORIALS TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2006

	Notes	Unrestricted funds £	Restricted funds £	Total 2006 £	Total 2005 £
<u>Incoming resources from generated funds</u>					
Voluntary income	2	221,754	69,774	291,528	120,845
Investment income	3	4,542	-	4,542	5,327
		<u>226,296</u>	<u>69,774</u>	<u>296,070</u>	<u>126,172</u>
Incoming resources from charitable activities.	4	-	30,940	30,940	61,189
Total incoming resources		<u>226,296</u>	<u>100,714</u>	<u>327,010</u>	<u>187,361</u>
<u>Resources expended</u>					
5					
Costs of generating funds					
Fundraising and Publicity		16,758	-	16,758	26,592
		<u>105,253</u>	<u>91,373</u>	<u>196,626</u>	<u>199,320</u>
Charitable activities					
Education and conservation		105,253	91,373	196,626	199,320
Governance costs	8	3,954	-	3,954	13,385
Total resources expended		<u>125,965</u>	<u>91,373</u>	<u>217,338</u>	<u>239,297</u>
Net incoming/(outgoing) resources before transfers		100,331	9,341	109,672	(51,936)
Gross transfers between funds	11	(5,028)	5,028	-	-
Net incoming/(outgoing) resources		95,303	14,369	109,672	(51,936)
Other recognised gains and losses					
Gains on investment assets		6,639	-	6,639	-
Net movement in funds		<u>101,942</u>	<u>14,369</u>	<u>116,311</u>	<u>(51,936)</u>
Fund balances at 1 January 2006		91,022	28,914	119,936	171,872
Fund balances at 31 December 2006		<u>192,964</u>	<u>43,283</u>	<u>236,247</u>	<u>119,936</u>

WAR MEMORIALS TRUST

BALANCE SHEET AS AT 31 DECEMBER 2006

	Notes	2006 £	£	2005 £	£
Fixed assets					
Tangible assets	12		11,202		4,321
Investments	13		45,417		-
			<u>56,619</u>		<u>4,321</u>
Current assets					
Debtors	14	3,679		7,197	
Cash at bank and in hand		209,061		135,439	
		<u>212,740</u>		<u>142,636</u>	
Creditors: amounts falling due within one year	15	(33,112)		(27,021)	
Net current assets			<u>179,628</u>		<u>115,615</u>
Total assets less current liabilities			<u><u>236,247</u></u>		<u><u>119,936</u></u>
Income funds					
Restricted funds	16		43,283		28,914
Unrestricted funds			<u>192,964</u>		<u>91,022</u>
			<u><u>236,247</u></u>		<u><u>119,936</u></u>

The accounts were approved by the Trustees on 10/5/07



Roger Bardell
Trustee

WAR MEMORIALS TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2006

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention.

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Charities Act 1993.

1.2 Incoming resources

Income has been recognised gross on the basis of entitlement, certainty and measurement.

Donations, legacies and other forms of voluntary income are recognised as incoming resources when receivable, except insofar as they are incapable of financial measurement.

Grants are recognised in full in the Statement of Financial activities in the year in which they are receivable or any requirement imposed on the grant is fulfilled.

Investment income is recognised on a receivable basis

1.3 Resources expended

Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

Grants payable are charged in the year when the offer is conveyed to the recipient.

Expenditure relating to education and conservation are those elements of expenditure directly incurred in performing these activities.

Support costs are those incurred directly in support of expenditure on the objects of the charity.

Governance are costs of running the charity itself as well as the statutory audit and compliance.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	25% Reducing Balance
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1.5 Investments

Fixed asset investments are stated at market value.

1.6 Accumulated funds

Unrestricted funds are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purpose and uses of the restricted funds are set out in the notes to the accounts.

WAR MEMORIALS TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2006 £	Total 2005 £
Donations and gifts	221,754	69,774	291,528	120,845
Donations and gifts				
Unrestricted funds:				
Donations and legacies			203,352	79,508
Membership fees			18,402	14,277
			221,754	93,785
Restricted funds:				
Donations and legacies			69,774	27,060
			69,774	27,060

3 Investment income

	2006 £	2005 £
Dividends and interest receivable	4,542	5,327

4 Incoming resources from charitable activities.

	2006 £	2005 £
Education and Conservation	30,940	61,189

WAR MEMORIALS TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

5 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Grant funding £	Total 2006 £	Total 2005 £
Costs of generating funds						
Fundraising and Publicity	6,828	-	9,930	-	16,758	26,592
Charitable activities						
<u>Education and conservation</u>						
Activities undertaken directly	43,715	-	32,272	-	75,987	115,812
Grant funding of activities	-	-	-	35,280	35,280	20,627
Support costs	30,946	3,733	50,680	-	85,359	62,881
Total	74,661	3,733	82,952	35,280	196,626	199,320
Governance costs	341	-	3,613	-	3,954	13,385
	81,830	3,733	96,495	35,280	217,338	239,297

Management and administration costs includes payments to the auditors of £3,000 (2005- £3,000) for audit fees and £339 (2005- £482) for other services.

6 Grants payable

	Total 2006 £	Total 2005 £
Education and Conservation	35,280	20,627

War Memorials Trust awarded 53 grants to institutions of under £1,000 during the year as part of its Small Grants Scheme, and two grants of £2,000 to institutions from the David Graves Memorial Fund.

7 Support costs

	2006 £	2005 £
Administration costs	50,680	43,744
Staff costs	30,946	18,189
Depreciation	3,733	948
	85,359	62,881

WAR MEMORIALS TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

8 Governance costs

	2006 £	2005 £
Other governance costs comprise:		
Audit	3,339	3,482
Honorarium	-	1,500
AGM	-	2,099
Other costs	274	-
	<u>3,613</u>	<u>7,081</u>

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year, but one of them was reimbursed a total of £124 (2005: £1,300) travelling expenses.

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2006 Number	2005 Number
Fundraisers, conservation and administration	<u>3</u>	<u>2</u>

Employment costs

	2006 £	2005 £
Wages and salaries	67,156	52,507
Social security costs	6,917	5,292
Other pension costs	7,757	10,765
	<u>81,830</u>	<u>68,564</u>

There were no employees whose annual emoluments were £60,000 or more.

11 Transfers

The transfers from unrestricted to restricted funds represent cost in excess of donations received for the restricted funds.

WAR MEMORIALS TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

12 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 January 2006	9,377
Additions	10,614
At 31 December 2006	19,991
Depreciation	
At 1 January 2006	5,056
Charge for the year	3,733
At 31 December 2006	8,789
Net book value	
At 31 December 2006	11,202
At 31 December 2005	4,321

13 Fixed asset investments

	£
Market value at 1 January 2006	-
Acquisitions at cost	38,778
Change in value in the year	6,639
Market value at 31 December 2006	45,417
Historical cost:	
At 31 December 2006	38,778

14 Debtors

	2006 £	2005 £
Other debtors	801	96
Prepayments and accrued income	2,878	7,101
	3,679	7,197

WAR MEMORIALS TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

15 Creditors: amounts falling due within one year

	2006	2005
	£	£
Taxes and social security costs	-	1,888
Other creditors	30,037	21,699
Accruals	3,075	3,434
	<hr/>	<hr/>
	33,112	27,021
	<hr/>	<hr/>

WAR MEMORIALS TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

16 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2006	Movement in funds			Balance at 31 December 2006
		Incoming resources	Resources expended	Transfers	
	£	£	£	£	£
Small Grants Scheme	6,256	38,171	(23,740)	-	20,687
Small Grants Scheme Local	800	17,650	(7,270)	-	11,180
David Graves Memorial	6,000	-	(4,000)	-	2,000
Anniversary Appeal	11,368	295	(3,142)	-	8,521
Conservation Officer	-	36,168	(41,289)	5,121	-
Volunteer Programme	3,627	-	(3,627)	-	-
Poplar War Memorial	250	-	(250)	-	-
Darwen War Memorial	20	-	(20)	-	-
Art Competition Fund	93	-	-	(93)	-
Education Fund	500	-	-	-	500
South Africa Appeal	-	1,180	(785)	-	395
Administrator Fund	-	7,250	(7,250)	-	-
	<u>28,914</u>	<u>100,714</u>	<u>(91,373)</u>	<u>5,028</u>	<u>43,283</u>

The Small Grants Scheme Fund represents monies received towards the costs of providing small grants of up to £1,500 for the protection and conservation of war memorials.

War Memorials Trust raises some Small Grants Scheme Funds from Trusts and Donors who wish their donations to be used in specific parts of the UK. Therefore Small Grants Scheme Local reflects funds restricted for use in particular areas within the Small Grants Scheme.

The David Graves Memorial Fund is towards the provision of one large grant (over £2,000) each financial year.

The Anniversary Appeal represents money collected via Direct Mail relating to War Memorials Trust appeal during the 60th anniversary year at the end of World War II.

The Conservation Officer Fund represents monies received towards the cost of employing a Conservation Officer.

The Volunteer Programme is funds raised to be used to support volunteers involved with War Memorials Trust.

The Poplar War Memorial Fund is to be spent on restoring the war memorial in Poplar.

The Art Competition Fund represents monies received towards the purchase of prizes for an art competition. One competition has already been held and War Memorials Trust is planning to hold another such competition at some later date, at which time the remaining balance will be spent.

WAR MEMORIALS TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

The Darwen War Memorial Fund is to be spent on restoring the Darwen War Memorial.

The Education Fund represents monies collected towards a new initiative to provide education packs for schools.

The South Africa Appeal represents monies collected for the restoration and preservation of Boer War Memorials in South Africa. These funds have now been paid over to The Commonwealth War Graves Commission.

The Administrator fund represents monies received towards the cost of employing an Administrator.

17 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 December 2006 are represented by:			
Tangible fixed assets	11,202	-	11,202
Investments	45,417	-	45,417
Current assets	169,457	43,283	212,740
Creditors: amounts falling due within one year	(33,112)	-	(33,112)
	<u>192,964</u>	<u>43,283</u>	<u>236,247</u>
Unrealised gains included above:			
On investments	6,639	-	6,639
	<u>6,639</u>	<u>-</u>	<u>6,639</u>
Reconciliation of movements in unrealised gains			
Net gains on revaluations in year	6,639	-	6,639
	<u>6,639</u>	<u>-</u>	<u>6,639</u>
Unrealised gains at 31 December 2006	<u>6,639</u>	<u>-</u>	<u>6,639</u>

18 Commitments under operating leases

At 31 December 2006 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2006	2005
	£	£
Expiry date:		
Between two and five years	<u>11,513</u>	<u>11,513</u>