



Arts Council of Northern Ireland

ANNUAL REPORT & ACCOUNTS

FOR THE YEAR ENDED

31 MARCH 2013



INVESTOR IN PEOPLE

Awarding funds from
 The National Lottery®

www.artscouncil-ni.org

**The Arts Council of Northern Ireland
Annual Report and Accounts
For the year ended 31 March 2013**

*Laid before the Northern Ireland Assembly under
Article 8 (2) (c) and Article 9 of the
Arts Council (Northern Ireland) Order 1995
by the Department of Culture, Arts and Leisure*

04 July 2013

© Crown Copyright 2013

The text in this document (excluding the Royal Arms and Agency logos) may be reproduced free of charge in any format or medium providing that it is reproduced accurately and not used in a misleading context. The material must be acknowledged as Crown copyright and the title of the document specified.

Any enquiries relating to the copyright in this document should be addressed to The Information Policy team, OPSI, Kew, Richmond, Surrey, TW9 4DU. Tel: 02088 763444 or e-mail: licensing@opsi.gov.uk

CONTENTS	Page
Chairman's Foreword	6
Chief Executive's Introduction	9
Annual Report:	
Directors' Report	11
Management Commentary	17
Remuneration Report	23
Statement of Council's and Accounting Officer's Responsibilities	30
Governance Statement	31
Certificate and Report of the Comptroller and Auditor General	41
Statement of Comprehensive Net Expenditure	44
Statement of Financial Position	45
Statement of Cash Flows	46
Statement of Changes in Equity	47
Notes to Accounts	48

CHAIRMAN'S FOREWORD

The commitment of public money to the arts is a profound statement of their central significance in the life of the community. That such commitment endures in times of economic difficulty is a clear recognition that the arts are an intrinsic and essential part of our lives as individuals. They are not a fair-weather friend. It is right that this should be so. From the dawn of time, self-expression has been a fundamental signature of human existence. And public investment in the arts confirms that this truth is still valid.

The Arts Council is animated by two underlying principles. The first is the primacy and centrality of the artist whose talent, creativity and imagination are the wellsprings of the richness that the arts offer. The second is the fact that the arts are for everybody. All who contribute to the public funding of the arts – and everybody in Northern Ireland does – should be able to have access to the arts. Everybody has a cultural life. One of the challenges for a body such as the Arts Council of Northern Ireland and for those who receive public funding is to make that simple statement of underlying truth a reality in the lives of people throughout Northern Ireland.

In making funds available to the arts, public policy asserts their relevance and emphasises the need to make them available for all to enjoy. The approach of the Arts Council has always reflected, indeed developed, this thinking. This statement of accounts relates to the Exchequer funding provided to the Arts Council by the Department of Culture, Arts and Leisure. But this cannot be wholly detached from the other key strand of funding which comes through the National Lottery. They are accounted for separately but together they provide the Arts Council with the capacity to make important interventions in the life of artists and communities throughout Northern Ireland.

Northern Ireland's social and economic landscape is changing, as are the characteristics of the people who live here. And the arts community is taking positive steps to respond. This year, for example, the Arts Council introduced a new strategy and investment package to encourage greater engagement with minority ethnic communities living in Northern Ireland. The Intercultural Arts Strategy reinforces the commitment of the arts sector to recognising the richness of the diversity of cultural and artistic traditions that now contribute to the mosaic that is the modern Northern Ireland. It serves, also, to promote interchange and reciprocal appreciation between all who live and engage in the arts here so that each can benefit by exposure to the artistic output of the other. This leadership role by the Arts Council helps to discharge our duty in relation to developing good relations, makes a real impact on people's lives and realises government priorities in a tangible way.

Throughout the year we continued to develop the set of programmes that contribute to the goal of ensuring that the arts are available to all and to developing the capacity to enjoy and participate in them. Celebration of Age Week provided a showcase of exhibitions, workshops and performances by participants on the programme, culminating in a stimulating and uplifting conference that included an address by Dame Joan Bakewell, broadcaster, writer and champion of the rights of older people in society.

The unifying factor across these initiatives and every other programme and scheme run by the Arts Council, is the figure of the artist. That presence permeates our thinking and all aspects of our investment; any society which does not invest properly in its artists is impoverished as a result. This year the Arts Council in partnership with the British Council introduced a new grants programme to support early-stage international development opportunities for artists. In providing international opportunities for artists, musicians, performers and writers, the 'International Development Fund for Artists' enhances Northern Ireland's international artistic development, reputation and standing. Another new initiative introduced this year by the Arts Council sets out to raise the public profile of local writers. 'One City One Book 2012' built a programme of library talks, reading groups and workshops around Glenn Patterson's new novel, *The Mill For Grinding Old People Young*, and encouraged the public to appreciate and applaud local literature. We look forward in 2013 to expanding this successful pilot initiative beyond Belfast.

These are but a few examples of the areas where public funding can make a difference in the arts. In addition, it supports a range of arts organisations whose work touches the lives of people everywhere in Northern Ireland and helps to make those lives more fulfilled, more complete and more enriched. Combining the twin focus of supporting artistic creativity and of reaching out to people and to communities so that the arts can be accessible to all will continue to be our driving force.

With that in mind, and recognising the changing face of Northern Ireland, the new social, cultural and economic challenges, as well as the opportunities ahead, the Arts Council is developing a new strategic plan for the development of the arts over the next five years. This plan, guided by these principles, will shape the course of the arts over the period 2013-18. Widespread consultation is underway and the new plan should be introduced early in the new financial year.

I end on a sad note. David Irvine, one of our most valued and longest-serving board members, died in December following a lengthy illness. David was a

keen musician and enjoyed a long association with the arts, notably as Chair of Moving on Music. He was a true friend to the arts and his wisdom, warmth and engagement will be greatly missed by his friends and colleagues at the Arts Council.

A handwritten signature in black ink, appearing to read 'Bob Collins', with a horizontal line underneath.

Bob Collins
Chair

CHIEF EXECUTIVE'S INTRODUCTION

This has been a most remarkable year for the arts. Never have the arts had such a high profile in Northern Ireland, with the culmination of the Legacy Trust and Cultural Olympiad programmes, the London 2012 Festival, the opening of The MAC in Belfast, the celebration of the fiftieth anniversary of the Belfast Festival at Queen's, 'Game of Thrones' filming in the Belfast Paint Hall and the start of the year-long celebration of Derry~Londonderry UK City of Culture 2013.

The Arts Council, with our partners across the UK, recognised the unique opportunity presented to us by the London 2012 Games. Within Northern Ireland it created an opportunity to offer the public a way of joining in the global celebrations. We were able to engage our diverse communities and young people in the arts, showcase our artists on a world stage and bring some of the world's finest to local audiences. Over its four-year lifespan, the Cultural Olympiad touched the lives of an unprecedented number of people in Northern Ireland, with 40,000 participating and 850,000 attending the various creative events. The culmination of the Cultural Olympiad, The London 2012 Festival, placed the arts firmly centre stage and brought the London Games to vivid life for audiences across Northern Ireland.

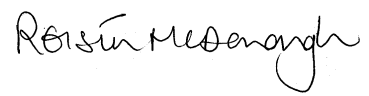
Throughout the year, the Northern Ireland Tourist Board, with whom the Arts Council has a Memorandum of Understanding, promoted Northern Ireland internationally through 'Our Time Our Place 2012', with arts and culture forming one of the cornerstones of that campaign. The celebrations featured the BBC Proms, MTV European Music Awards, Peace One Day concert at the new event space at the historic Ebrington Square, and Land of Giants, the largest outdoor arts event ever seen in Northern Ireland.

This year also marked the centenary of the Titanic's fateful voyage, and the event was highlighted by a series of major cultural events, including the Titanic Belfast Festival 2012, a commemorative drama to open the new MAC and an epic performance of a new 'Requiem for the Lost Souls of the Titanic'.

Another moment of historic significance was recorded at the new Lyric Theatre, when Her Majesty Queen Elizabeth met with the First and deputy First Ministers, the President of Ireland and representatives from the arts. The choice of venue acknowledged the importance of the arts, and of arts venues as shared spaces, to the process of peace and reconciliation.

Attention now moves to Derry~Londonderry and the inaugural UK City of Culture 2013. With a high-profile and far-reaching programme of events that

includes Fleadh Cheoil na hÉireann and the Turner Prize, the arts are transforming the perception of the region.

A handwritten signature in black ink that reads "Roisín McDonough". The script is cursive and fluid, with the first name and last name clearly legible.

Roisín McDonough

Chief Executive

2nd July 2013

ANNUAL REPORT

Background Information

Statutory Background

The Council, presently known as the Arts Council of Northern Ireland (ACNI), is the statutory body through which public funding for the arts in Northern Ireland is channelled. It was established by the Arts Council (Northern Ireland) Order 1995 and came into existence on 1 September 1995. The Council took over the assets and liabilities of the Arts Council of Northern Ireland Limited which was a company limited by guarantee established in 1994 as an interim body between the previous Arts Council (established in 1943) and the new statutory body.

The Arts Council dates from 1943 when it was set up as the Council for the Encouragement of Music and the Arts in Northern Ireland. Initially funds were provided by the Pilgrim Trust and matched by the Ministry of Education for Northern Ireland. At the present time the Arts Council is funded via grant-in-aid by the Department of Culture, Arts and Leisure. The affairs of the Council are managed by a Board consisting of twelve members (eleven from December 2012 to 31 March 2013). The current Board members are listed below. The Chief Executive, Roisin McDonough is the Principal Executive Officer of the Council and is supported by a professional staff responsible for subject and functional areas of the Council's programme.

Principal Functions Related to Grant-in-aid Activities

The Arts Council of Northern Ireland is charged with four statutory functions under the Arts Council (Northern Ireland) Order 1995. These are:

- (a) to develop and improve the knowledge, appreciation and practice of the arts;
- (b) to increase public access to, and participation in, the arts;
- (c) to advise the Department of Culture, Arts and Leisure and other government departments, district councils and other bodies on matters relating to the arts; and,
- (d) such other functions as are conferred on the Council by any other statutory provision.

Board Members of the Arts Council of Northern Ireland and members of its Lottery Grants and Grants and Finance and Capital Committees

The Council performed its functions during the year ending on 31 March 2013 by making grants to organisations engaged in the arts either on a revenue or on a project basis; by granting awards and bursaries to individuals engaged in the arts; by organising tours of performing and creative artists; by organising and participating in the Forum for Local Government and the Arts; and by advising the Department of Culture, Arts and Leisure and various other public and private bodies on a range of issues relating to the arts. The Council is also one of the distributing bodies of the National Lottery. Lottery distributing activities are reported upon separately under the National Lottery Etc. Act 1993. Appointments to the Board are made by the Minister of Culture, Arts and Leisure. The Chair and members of the Board have individual and collective responsibility to the Minister as Head of Department:

The Board of the Arts Council of Northern Ireland for the year ended 31 March 2013 is shown below.

Board: 1 April 2012 to 31 March 2013

Mr Bob Collins (Chairman)
Mr Damien Coyle (Vice-Chairman)
Mr David Alderdice
Ms Anna Carragher
Mr David Irvine Until 17 December 2012 (Deceased)
Ms Noelle McAlinden
Ms Katherine McCloskey
Prof Ian Montgomery
Mr Paul Mullan
Prof Paul Seawright
Mr Brian Sore
Ms Janine Walker

The members of the Audit and Risk Committee until 31 March 2013 were:

Mr David Irvine (Chairman) Until 17 December 2012 (Deceased)
Ms Anna Carragher New Chair from 27 March 2013
Ms Katherine McCloskey
Mr Paul Mullan
Ms Janine Walker

In the absence of a Chairman another Board member deputised until the new Chair was appointed on 27 March 2013.

The members of the Lottery and Grants Committee until 31 March 2013 were:

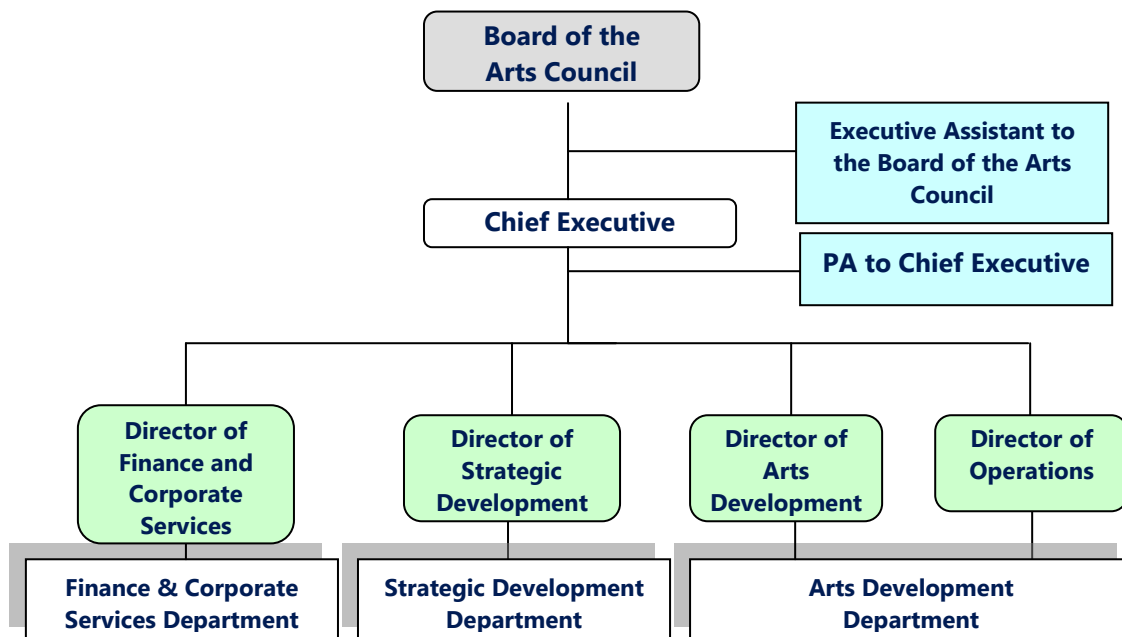
Mr Damien Coyle (Chairman)
Ms Katherine McCloskey
Mr Paul Mullan
Prof Paul Seawright
Ms Janine Walker

The members of the Finance and Capital Committee until 31 March 2013 were:

Mr Brian Sore (Chairman)
Mr Damien Coyle
Prof Ian Montgomery

Several members of the Board of the Arts Council and members of key management staff are also involved with other arts organisations in Northern Ireland either directly or indirectly as a result of a family relationship, a close friendship or business relationship. All individuals make an annual declaration of their interests and do not take part in discussions and decisions to make grant awards to those organisations with which they have a declared interest. A list of awards made to the organisations concerned and details of who made the declaration of interest is detailed in Note 19. All of the transactions relating to the organisations were conducted at arm's length by the Council.

Organisational Structure



Accounts and Appointment of Auditors

The Accounts of the Arts Council of Northern Ireland are prepared in a form directed by the Department of Culture, Arts and Leisure with the consent of the Department of Finance and Personnel in accordance with Article 8 of the Arts Council (Northern Ireland) Order 1995.

The financial statements are audited by the Comptroller and Auditor General (C&AG) in accordance with the Arts Council (Northern Ireland) Order 1995. He is Head of the Northern Ireland Audit Office and he and his staff are wholly independent of the Arts Council of Northern Ireland. He reports his findings to the Northern Ireland Assembly.

The fee for the audit of these financial statements is £13,000 (2011-12: £12,000).

This cost is included in other expenditure Note 4(b) in the financial statements.

So far as the Accounting Officer is aware, there is no relevant audit information of which the Council's auditors are unaware.

The Accounting Officer has taken all steps that she ought to have taken to make herself aware of any relevant audit information and to establish that the Council's auditors are aware of that information.

Policy on Disabled Persons and Equality of Opportunity

The Arts Council of Northern Ireland is committed to equality of opportunity between persons of different religious belief, political opinion, gender, marital status, disability, ethnic origin, age, dependants, sexual orientation or trade union membership. The Council has implemented equality legislation and codes of practice to ensure that procedures and policies are fair and lawful. The Council actively encourages this within its client/partner network.

Pension Fund

All assets, liabilities and operating costs of the Council's pension scheme are recorded in the accounts of the ACNI Exchequer entity. The salary charges to Lottery in-year include a recharge of employer pension costs of £119,273 (2011-12: £142,836).

The market value of the Council's share of the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) pension scheme's assets (excluding Additional Voluntary Contributions) at 31 March 2013 was £10.012m (31 March 2012: £8.611m) and the present value of the Council's share of the scheme liabilities was £13.765m (31 March 2012: £11.676m). The Council's share of the Scheme recorded net pension liabilities at 31 March 2013 was £3.753m (31 March 2012: £3.065m).

Employee Consultation

On matters of policy and procedure which affect the employees of the Arts Council, the Council normally consults with the recognised trade union of which the staff are members. This trade union is also a member of the Whitley Council which negotiates on the terms and conditions of members with the Northern Ireland Department of Finance and Personnel.

Payment of Suppliers

The Arts Council is committed to the prompt payment of bills for goods and services in accordance with the Confederation of British Industry's Prompt Payment Code. The target for payment of bills is 10 days from receipt of goods or services, or presentation of a valid invoice or similar demand, whichever is later. A review conducted at the end of the year to measure how promptly the Arts Council paid its bills found that 95% of the bills were paid within this standard. The comparative figure for 2011-12 was 97%. The target for this is 95%. A review of payment of bills in 30 days from receipt of goods or services found that 100% of the bills were paid within 30 days.

Overall for the year the average number of days taken to pay invoices was 6 days.

Political and Charitable Donations

The Arts Council of Northern Ireland made no political or charitable donations during the year.

Sustainability Report

The Council is committed to ensuring that sustainable development becomes an integral part of our business. We are committed to ensure that future generations enjoy the opportunity to visit arts venues in well-designed buildings.

Our sustainable actions include:

- Sustainable development: Sustainable development is a guiding principle of the Architecture and Build policy published by DCAL in 2006. Consistent with this policy our Capital programmes complied with the Government's Achieving Excellence in Construction Initiative which promoted design quality and sustainability in construction, while achieving best value of money.
- Reducing our waste and increasing recycling levels
- Reducing our contribution to climate change in terms of energy consumption and related CO₂ emissions

Management Commentary

Nature of Business

The Arts Council of Northern Ireland is the statutory body through which public funding for the arts in Northern Ireland is channelled.

The objectives of the Council are:

(a) to develop and improve the knowledge, appreciation and practice of the arts;

(b) to increase public access to, and participation in, the arts; and,

(c) to advise the Department of Culture, Arts and Leisure and other government departments, district councils and other bodies on matters relating to the arts.

(d) such other functions as are conferred on the Council by any other statutory provision.

Financial Results

The Arts Council's key financial target is to operate within the allocated Budget for the year. At the end of the year the Council realised total net expenditure of £14,679,664 (2011-12: restated £18,704,260). The taxpayer equity at the year-end is in deficit of £2,947,465 (2011-12: restated £357,254).

Review of Grant-in-aid Activities

During the year 2012-13, the Arts Council's Expenditure on the Arts totalled £13,381,472 (2011-12: £17,929,995). This represents a decrease of £4.6m on the previous year (2011-12: decrease of £8.7m). Excluding in-year capital grants to arts organisations, the decrease falls to £1.4m (2011-12: £0.1m) on the prior year. Regularly funded organisations were awarded £10.30m (2011-12: £10.85m) – a commendable achievement given the difficult funding environment.

The Arts Council's vision is to 'place the arts at the heart of our social, economic and creative life'.

In *Creative Connections*, the Council's five-year development plan for the arts, 2007-2012, the Arts Council identifies four main themes covering what it believes needs to be done to achieve this vision – promoting the value of the

arts; strengthening the arts; increasing audiences and improving organisational performance.

Promoting the value of the Arts

In summary, this theme describes the Council's objectives to place the arts at the heart of society. To achieve this aim it will:

- improve recognition of the contribution artists and arts organisations make to society;
- influence government regarding the contribution the arts make to the achievement of a range of policy objectives;
- gain broad acceptance of the need for increased funding for the arts in Northern Ireland; and,
- achieve international recognition.

The Arts Council introduced a new grants programme to support early stage international development opportunities for artists and arts organisations based in Northern Ireland. The Artists' International Development Fund is a £50,000 annual programme jointly funded by the Arts Council and the British Council that will run initially for a three-year period. Grants are available from £1,000 to £5,000 to enhance Northern Ireland's international artistic development, reputation and standing.

For a second year, the Arts Council in collaboration with the Northern Ireland Executive in Brussels, ran the 'Brussels Platform', giving the opportunity for artists representing all art forms to showcase their work at a series of monthly events at the capital of the European Union. Highlights included local actors and playwrights Dan Gordon and Maggie Cronin performing their plays, 'The Boat Factory' and 'Greenstick Boy', respectively.

Also for a second year, the Arts Council maintained a title sponsorship of the Origin First Irish Festival of Theatre 2012, which is considered a gateway to North America for contemporary Irish and Northern Irish playwrights. Arts Council support opened the door to a number of local theatre companies to perform at the Festival.

The Arts Council produced 121 news releases promoting Arts Council and client activities, contributing to 1,721 newspaper clippings, equating to 566,233 column cm dedicated to the local arts. News releases covered the full range of funded activity.

In collaboration with the Platform for Intercultural Europe, the Arts Council brought the 6th Practice Exchange conference, 'Navigating the Journey from Conflict to Interculturalism' to Belfast, where international delegates joined

local delegates, practitioners and politicians, to explore the role of the arts in bearing witness to the Northern Ireland Troubles.

The Arts Council continued to host information sessions during the year for artists and arts organisations on accessing EU funding and opportunities. In addition, the Council established an EU Funding for the Arts Forum, which aims to support arts and cultural organisations interested in developing EU partnerships, projects and funding applications.

Strengthening the Arts

In summary, this theme describes the Council's objectives for supporting artists, arts organisations and the physical infrastructure. To achieve this aim it will:

- improve the well-being of individual artists;
- strengthen and develop arts organisations; and,
- strengthen and develop the arts infrastructure.

The Arts Council awarded £10.3 million to 36 core arts organisations to cover their year-round running and programming costs. For the first time, organisations have been able to apply in advance for up to three years of funding, following changes introduced to the Annual Funding Programme. The move from one-year to three-year funding for the arts is a response to the wider economic climate as it introduces a greater degree of stability and enables local venues, galleries, theatre companies, community arts and other front line arts organisations to plan ahead with greater confidence.

The Arts Council introduced the global concept of 'One City One Book' to Belfast, with Belfast author Glenn Patterson's new novel, 'The Mill for Grinding Old People Young' the first choice to celebrate local writing. A programme of readings and events supported this literary promotion.

The MAC opened its doors to the public in Belfast city centre. This world-class arts centre is the last in a series of capital infrastructure projects for Belfast (Grand Opera House, Crescent Arts Centre, Lyric Theatre, Culturlann).

The inaugural Happy Days Enniskillen International Beckett Festival, the first of its kind, celebrating the work and influence of writer Samuel Beckett, took place with Arts Council support. The festival proved a great critical and popular success, playing host over a five-day period to a diverse mix of Beckett-inspired theatre, visual art, music and comedy.

Work on the development of a new five-year strategic plan for the arts approached completion. The plan, guided by the principle that the arts are for

everyone, will shape the course of the arts over the period 2013-18. Wide-ranging public consultations concluded in April 2013 and a submission to the Minister is being prepared for July 2013.

Increasing Audiences

This theme describes the Council's objectives for encouraging people to engage with the arts. To grow audiences and increase participation it will:

- expand the range of opportunities for people to enjoy the arts;
- expand the range of opportunities for people to take part in the arts; and,
- encourage more young people to experience the arts.

Just as the Arts Council introduced interest-free loans in 2011-12 for the purchase of local art through the 'Own Art' scheme, in 2012-13 it opened 'Take it away', an interest-free loan scheme to make it easier for people in Northern Ireland to pursue their musical ambitions by buying a new musical instrument.

Responding to the changing social and cultural profile of Northern Ireland, the Arts Council launched the first Intercultural Arts strategy for Northern Ireland.

The Arts Council invested £45,000 in a third round of its highly successful Start Up programme, providing seed funding to groups that had not previously engaged in arts activities. A total of 9 projects were funded, ranging from £500 to £5,000.

Improving organisational performance

To achieve this aim the Council will:

- become a more client-focused organisation;
- develop its structures and processes to achieve our business objectives;
- develop its people in line with our business strategy; and,
- strengthen governance and accountability within the Arts Council of Northern Ireland.

Following an organisational review, a new staffing structure was approved by Council for implementation at the start of the new financial year, 2013-14.

The Council's Internal Communications Strategy and Action Plan, developed on the basis of extensive staff consultation, continues to be implemented by the staff team also responsible for progressing Investors in People action points.

In line with the Digital Media Strategy, which recognises the growing importance of engaging with the public and media via digital and social media channels, a full-time member of staff has been appointed to oversee and monitor the Arts Council's online activity, including the cohesive development of a redesigned website in tandem with new e-newsletter, Twitter and Facebook pages.

A radical overhaul of the Arts Council's website has been undertaken, involving redesign and modernisation to enhance accessibility and functionality. In response to monitored user statistics, the site refocuses attention on those sections identified as most useful from the client perspective. The website is due for launch early in the new financial year 2013/14.

Staff training continued throughout the year. In addition to meeting individual training requirements, all staff received training on Social Media, Freedom of Information and Data Protection.

Non-Current Assets

The movement on non-current assets is reported upon in note 6 and 7. Assets to the value of £233,597 (2011-12: restated £308,633) were purchased during the year. Assets totalling £641,049 with a zero net book value and no longer in use were removed from the register. Non-Operational Heritage Assets of £2,843,204 were gifted during the year to National Museums of Northern Ireland and other Museums.

Future Grant-in-aid Activities

In 2013-14 the Arts Council's baseline will be cut by £0.593m. The Council will have to make its decisions on funding in this context and has advised the majority of clients that they will have a 3% cut on their standstill baseline for 2012-13 for the following two years.

Principal Risks

The Board manages risk by ensuring that procedures are in place to verify risk management and these are regularly reviewed and reported. The Audit and Risk Committee receive and review quarterly risk reports prepared by senior management. These reports are reported at the subsequent Board meeting. Risk management is fully incorporated into organisational and business planning.

The principal risks considered in the risk register are:

- Impact of the economic downturn;

- Government Funding environment and impact on frontline services;
- Fraud, and,
- Ensuring an appropriate five year strategy (currently in draft)

The Board considers how these risks are managed, the residual risk and action plans as appropriate.

Sickness Absence

The number of sick days reported in 2012-13 was 470 (2011-12: 606). This equates to an average lost working days per employee of 8.2 days (2011-12: 10.4 days), in comparison to the Northern Ireland Civil Service Target of 10 days.

Personal Data

There were no reported personal data related incidents during the year.

Going Concern Basis

The Accounts of the Arts Council are produced on the Going Concern Basis. The Council is not aware of any reason to adopt a different basis.

Events after Reporting Period

There have been no events after the reporting period which would affect the reader's understanding of the financial statements on pages 44 to 77.



Roisín McDonough

Accounting Officer

2nd July 2013

Remuneration Report

Remuneration Policy

The Arts Council Remuneration Committee is a Committee of the Board of the Arts Council. The Committee is authorised by the Board to undertake any activity within its terms of reference. Its membership is made up of 4 Board members as follows:

Mr Damien Coyle (Chairman) From 27 March 2013
Mr Bob Collins
Ms Katherine McCloskey
Mr Brian Sore

Within the Arts Council, the Chief Executive is employed at a Senior Civil Service grade. The remuneration of senior civil servants is set by the Minister of Finance and Personnel following independent advice from the Review Body on Senior Salaries. Further information about the work of the review body can be found at <http://www.ome.uk.com>. The pay award for staff in the Northern Ireland Senior Civil Service (SCS) is normally comprised of two elements; a base pay uplift and a non-consolidated bonus. Both elements are based on performance. There was no senior civil service pay award in 2012-13. The Minister approved a freeze on senior pay in respect of 2010-11, 2011-12 and 2012-13 pay awards, in line with the Executive's decision in Budget 2011-15 to mirror the UK Coalition Government's commitment to impose pay restraint.

The Remuneration Committee is responsible for assessing the Chief Executive's performance and making recommendations on achievement to DCAL. The Chief Executive has a staff appraisal with the Chairman on the basis of objectives set the previous year in consultation with DCAL. The appraisal meeting also includes discussion of objectives for the incoming year. These are further discussed by the Chairman with DCAL. Subsequent proposed objectives approved by the Remuneration Committee are discussed and agreed with the Chief Executive as appropriate for the year. The pay system in place for senior civil servants in the Northern Ireland Civil Service is currently under review.

All other executive directors within the Arts Council are employed at Grade 7. The Arts Council's Management Statement directs that all senior staff positions above Deputy Principal are approved by DCAL. Staff are appointed on Northern Ireland Civil Service pay scales.

All staff costs are incurred by the Arts Council of Northern Ireland and an appropriate amount is recharged to the Lottery Distribution Account. The apportionment is made at full economic cost and calculated on the basis of the proportion of activity funded by Lottery.

Service Contracts

Appointments in the Arts Council are made with reference to the Equality Commission's Advice and Guidance. Policy relating to notice periods and termination payments are contained in individual terms and conditions of employment. Unless otherwise stated below, the employees covered by this report hold appointments, which are open-ended until they reach retirement age. The Chief Executive (Roisin McDonough) was appointed on 16th October 2000. This position is permanent within the definition above as are the executive director positions.

Salary

'Salary' includes gross salary and performance pay or bonuses, to the extent that they are subject to UK taxation. This report is based on payments made by the Arts Council of Northern Ireland before any recharge of costs is made to the Lottery fund.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the Inland Revenue as a taxable emolument. No benefits in kind were paid to any employee noted below.

Board Members' Honoraria

No emoluments were paid to members of the Board of the Arts Council except for Honoraria to the Chairman and Vice Chairman.

The rate of honoraria for the Chairman is £10,000 per annum with effect from 1 July 2007 and the Vice Chairman is £3,500 per annum with effect from 1 December 2007. The total cost of honoraria paid in 2012-13 was £13,848 (2011-12: £12,250) as shown in wages and salaries. This includes £348 of employer's National Insurance Contributions. The amounts received by the Chairman and Vice-Chairman are detailed below:

	Chairman	Vice-Chairman
	£	£
B Collins	10,348	
D Coyle		3,500

Of the total cost of honoraria £5,955 (2011-12: £5,145) was apportioned to the Lottery Distribution Account. No emoluments were paid to other Board members in respect of Lottery activities. The Council does not pay any pension contributions on behalf of the Chairman and Vice-Chairman. These individuals are not included, therefore, in the following pension note.

Bonuses

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. The bonuses reported in 2012-13 relate to performance in 2012-13 and the comparative bonuses reported for 2011-12 relate to the performance in 2011-12.

**Salary, Bonus, Benefit-in-kind and Pension Entitlements
- Senior Staff (Audited Information)**

	2012-13			2011-12		
	Salary £'000	Bonus £'000	Benefit in kind £'000	Salary £'000	Bonus £'000	Benefit in kind £'000
Officials						
R McDonough (Chief Executive)	75-80	-	-	75-80	-	-
N McKinney (Director of Arts Development)	50-55	-	-	50-55	-	-
G Troughton (Director of Finance and Corporate Services)	45-50	-	-	40-45	-	-
N Livingston (Director of Strategic Development)	50-55	-	-	50-55	-	-
L McDowell (Director of Operations)	50-55	-	-	45-50	-	-
Band of Highest Paid Director's Total Remuneration		75-80			75-80	
Median Total Remuneration		27,728			29,234	
Ratio		2.8			2.7	

Median Remuneration

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The median remuneration of the staff is the total remuneration of the staff member(s) lying in the middle of the linear distribution of the total staff, excluding the highest paid director. This is based on annualised, full-time equivalent (FTE) remuneration as at the reporting period date.

Total remuneration includes salary, performance pay and bonuses. It does not include employer pension contributions and the cash equivalent transfer value of pensions. Total remuneration is calculated on an annualised basis to remove any fluctuations caused by employee turnover, which do not reflect changes in pay policy.

The FTE measurement of staff is specified to ensure a level of comparability that would otherwise be distorted, if a member of staff represented a whole unit, irrespective of the hours worked.

The ratio is calculated as follows:

$$\frac{\text{Midpoint in highest paid director's pay band}}{\text{Median remuneration of Council's staff}}$$

Arts Council Pensions

The pension benefits of all staff are provided through the Northern Ireland Local Government Officers' Superannuation Committee. This is a funded scheme which provides benefits on a "final salary" basis at a normal retirement age of 65. Benefits accrue at the rate of 1/60th of pensionable salary for each year of service (1/80th before 1 April 2009). In addition, a tax free lump sum may be payable on retirement. Members pay contributions of between 5.5% and 7.5% of pensionable earnings. Pensions increase in payment in line with the Retail Prices Index. On death, pensions are payable to the surviving spouse at a rate of half the member's pension. On death in service, the scheme pays a lump sum benefit of three times pensionable pay and also provides a service enhancement on computing the spouse's pension. Medical retirement is possible in the event of serious ill-health. In this case pensions are brought into payment early.

During the year the Arts Council made contributions for 65 (2011-12: 64) employees (not all 65 were employed throughout the year). The NILGOSC scheme is a "multi employer", defined benefit scheme, which provides members of participating employers with the benefits related to pay and services at rates which are defined under statutory regulations. To finance these benefits, assets are accumulated in the scheme and are held separately from the assets of the employers. The scheme is funded by employers participating in the NILGOSC scheme who pay contributions at rates determined by an independent professionally qualified actuary on the basis of regular valuations using the projected unit method. During the year ended 31 March 2013 the Arts Council contributed 19% (2011-12: 18%) of gross salary.

	2012-13	2011-12
	£	£
Employer's Contribution	307,040	302,509

Pension Entitlements (Audited Information)

	ACCRUED PENSION AT AGED 65 AS AT 31/03/13 AND RELATED LUMP SUM £'000	REAL INCREASE IN PENSION AT AGE 65 AND RELATED LUMP SUM £'000	CETV AT 31/03/13 £'000	CETV AT 31/03/12 £'000	REAL INCREASE IN CETV £'000
R McDonough	25-30 plus lump sum of 70-75	0-2.5 plus lump sum of (0-2.5)	659	645	0
N McKinney	15-20 Plus lump sum of 40-45	0-2.5 plus lump sum of 0-2.5	310	283	21
G Troughton	5-10 plus lump sum of 0-5	0-2.5 plus lump sum of 0-2.5	82	68	13
N Livingston	20-25 plus lump sum of 50-55	0-2.5 plus lump sum of 0-2.5	429	390	30
L McDowell	20-25 plus lump sum of 50-55	0-2.5 plus lump sum of 0-2.5	429	392	31

**The actuarial factors used to calculate CETVs were changed in 2011-12. The CETVs at 31/03/12 and 31/03/13 have both been calculated using the new factors, for consistency.*

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Exit Packages

No executive directors of the Arts Council received any compensation for loss of office during the year.



Roisín McDonough
Accounting Officer

2nd July 2013

Statement of the Council's and Accounting Officer's Responsibilities

Under Section 8 of The Arts Council (Northern Ireland) Order 1995 the Arts Council of Northern Ireland is required to prepare a statement of accounts for each financial year in the form and on the basis determined by the Department of Culture, Arts and Leisure with the approval of the Department of Finance and Personnel. The accounts are prepared on an accruals basis and must show a true and fair view of the Council's state of affairs at the year end and of its income and expenditure, total changes in taxpayers' equity and cash flows for the financial year.

In preparing accounts the Arts Council of Northern Ireland is required to:

- observe the accounts direction issued by the Department of Culture, Arts and Leisure including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis;
- observe the current version of the Government Financial Reporting Manual (FReM).
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed, and disclose and explain any material departures in the financial statements; and,
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the body will continue in operation.

The Accounting Officer for the Department of Culture, Arts and Leisure has designated the Chief Executive of the Arts Council of Northern Ireland as the Accounting Officer for the Arts Council of Northern Ireland. Her relevant responsibilities as Accounting Officer, including her responsibility for the propriety and regularity of the public finances for which she is answerable and for the keeping of proper records, are set out in the Non-Departmental Public Bodies' Accounting Officer Memorandum, which is issued by the Department of Finance and Personnel and published in Managing Public Money Northern Ireland.

ARTS COUNCIL OF NORTHERN IRELAND

Governance Statement

Scope of Responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Arts Council of Northern Ireland's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money Northern Ireland. This responsibility is supported by the functions of the Council; Board; Committees (particularly the Audit and Risk Committee); internal and external audit; the Arts Council's risk register as well as accountability meetings with the Department of Culture, Arts and Leisure (DCAL).

I also combine my Accounting Officer role with my responsibilities to the Department including any Ministerial directions. There were no Ministerial directions in 2012-13 financial year.

Compliance with Corporate Governance Code

The Arts Council of Northern Ireland is in compliance with the principles of good practice in Corporate Governance in government departments issued by DFP. Although this code does not apply to NDPBs because of their different structures, it does contain guidance on best practice, which is followed by ACNI. There are no departures in the 2012-13 financial year from the application of these principles.

Governance Framework

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of departmental policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Arts Council of Northern Ireland for the year ended 31 March 2013 and up to the date of approval of the annual report and accounts, and accords with DFP guidance.

Board Membership

The Arts Council of Northern Ireland (ACNI) is vested in and administered by a body corporate known as the Board of ACNI, consisting of a Chair, Vice-Chair and members appointed by the DCAL Minister, as set out in the Arts Council (Northern Ireland) Order 1995.

I am supported by the Board of ACNI. The Chair and members of the Board have individual and collective responsibility to the Minister as Head of Department:

- to provide effective leadership for the Council, in particular in defining and developing its strategic direction and in setting challenging objectives;
- to act in a way that promotes high standards of public finance, including the promotion of regularity, propriety and value for money;
- to ensure that the Council's activities are conducted in an efficient and effective manner;
- to ensure that strategies are developed for meeting the Council's overall objectives in accordance with the policies and priorities established by the Minister;
- to monitor the Council's performance to ensure that it fully meets its aims, objectives and performance targets;
- to ensure that the Council's control, regulation and monitoring of its activities as well as those of any other bodies which it may sponsor or support, ensure value for money within a framework of best practice, regularity and propriety;
- to participate in the corporate planning process; and,
- to appoint a Chief Executive.

The Board held 13 meetings during the year to determine policy for ACNI and make decisions in line with that policy. These meetings are held in my presence and that of my colleagues in senior management who produce papers and information to assist Board decision making. In February 2013, CIPFA facilitated a meeting of the Board to approve its effectiveness. The Board has assessed its own effectiveness and considers its performance as good. The Board has a rolling work-plan and achieved its objectives, which were set out during the year. All Board meetings held in 2012-13 were quorate. The overall average attendance rate of Members was 76%. No Member attended less than 54% of Board meetings.

Board Members Attendance 2012-13

	Board Meetings			Committee Meetings			Total Meetings		
	Act	Poss*	%	Act	Poss	%	Act	Poss	%
David Alderdice	12	13	92	0	0		12	13	92
Anna Carragher	9	13	69	1	2	50	10	15	67
Bob Collins	13	13	100	1	1	100	14	14	100
Damien Coyle	7	13	54	6	7	86	13	20	65
David Irvine	5	9		3	5		8	14	
Noelle McAlinden	12	13	92	0	0		12	13	92
Katherine McCloskey	10	13	77	7	7	100	17	20	85
Ian Montgomery	9	13	69	0	0		9	13	69
Paul Mullan	11	13	85	5	7	71	16	20	80
Paul Seawright	7	13	54	1	2	50	8	15	53
Brian Sore	12	13	92	5	5	100	17	18	94
Janine Walker	9	13	69	4	6	67	13	19	68

*total Board meetings including annual Board effectiveness session

David Irvine - Member until 17 December 2012 (deceased)

Members of the Board have delegated some of their tasks to four sub-committees – Audit and Risk, Finance and Capital, Remuneration and Lottery and Grants. These committees oversee the activities of management and provide support. The minutes of committee meetings are standing items on the agenda of Board meetings and the committee chairs provide full report on their activities.

Audit and Risk Committee

The Audit and Risk Committee comprises four Members and is chaired by a Member. It met five times during the year and was quorate on each occasion. I attend each meeting along with the Director of Finance and Corporate Services. The Audit and Risk Committee has a rolling work-plan and measures its performance by the achievement of its objectives.

Its terms of reference include supporting the Board and Accounting Officer by reviewing the comprehensiveness of assurances in meeting the Board and Accounting Officer's assurance needs, and by reviewing the reliability and integrity of these assurances; the activities of the internal and external auditors and overseeing the risk culture of ACNI; and also reviewing its own effectiveness, constitution and terms of references and reporting the results of that review to the Board.

During the year the Chairman of the Audit and Risk Committee and the Director of Finance and Corporate Services reviewed its operation in line with the Audit Committee Checklist, produced by the National Audit Office. The Committee reviewed the completed checklist and were satisfied that they were operating in line with its recommendations. It reviewed the letter of appointment of committee members and approved training for new members.

The Committee makes regular reports to the Board. Board Members are satisfied that the Committee is providing them with assurance.

Other Committees

The Finance and Capital Committee comprises three Members and one co-opted Member, and is chaired by a Member. Two of my directors also attend each meeting. This Committee met four times during the year and was quorate on each occasion.

Its terms of reference cover the proposal to the Board for the annual budget of the Council; ensuring comprehensive financial advice is provided to the Board; reviewing the detailed information relating to the financial resources including the Statement of Comprehensive Net Expenditure, Statement of Financial Position and cash flow statements; monitoring financial expenditure against targets set throughout the year making recommendations as necessary; reviewing the programmes, policies and procedures relating to the payment of capital grants and where appropriate, to propose changes to the above for Board approval; and to advise on policy and the strategic deployment of capital resources.

The Remuneration Committee comprises four Members and is chaired by a Member. It met once during the year and was quorate. Its terms of reference include assessing and agreeing targets, standards of performance, goals and objectives in respect of the Chief Executive. In consultation with the Department it sets the remuneration terms related to the performance of the Chief Executive, giving due weight to the proper management and use of public monies. It monitors the performance of the Chief Executive within the terms and conditions of the contract of employment. It agrees the policy for authorising claims for expenses from the Chief Executive and Chairman. It reviews its own performance, constitution and Terms of Reference annually to ensure it is operating at maximum effect and recommend any changes considered necessary to the Board for approval.

During the year the Remuneration Committee reviewed the performance of the Chief Executive and her remuneration terms.

The Lottery and Grants Committee comprises five Members and is chaired by a Member. It met two times during the year and was quorate on each occasion. I attend each meeting along with two other Directors.

Its terms of reference include reviewing the programmes, policies and procedures relating to the payment of Exchequer and Lottery grants, and where appropriate, propose changes to the above for approval by the Board; to take decisions on grant aid within delegated financial limits set by the Board; to advise on policy and strategy relating to arts funding and the strategic allocation of Council's grant resources; to advise on the changing policy environment of Lottery and Exchequer funding; to advise on National Lottery Distribution Fund (NLDF) balance policy matters; to recommend to the Board the Council's bids for Monitoring Round funding.

The Board has delegated its grant-decision-making for grants under £25,000 to staff. All decisions made by staff and committees are reported to the Board. During the year the Lottery and Grants Committee reviewed the progress on capital projects and the award of grants.

Business Planning, Risk Management

Each year of the five year strategic plan, amplified as necessary, forms the basis of the business plan for the forthcoming year. The business plan included key performance indicators, milestones and targets linked to the Programme for Government and Public Service Agreements for the forthcoming year. It is also linked to budgeting information so that resources allocated to achieve specific objectives can readily be identified by the Department. The five-year strategy and annual business plan takes into account the Minister's priorities and is framed in that context.

The draft business plan is submitted to the Department as early as possible, but no later than 31 January each year. The Arts Council's plans are submitted to the Department for approval and include measures of performance and annual targets in respect of each of those measures and the proposed annual efficiency. Progress against targets is reported quarterly to the Board and bi-annually to DCAL's governance and accountability meetings.

The identification and impact of risk is incorporated into the corporate planning and decision making processes of the Arts Council. Consequently the Arts Council ensures that there are procedures in place for verifying that internal control and aspects of risk management are regularly reviewed and reported on and are supplemented by detailed best practice guidelines on Public Interest Disclosure (whistle-blowing) and Fraud Management policies among others. The Board receives periodic reports concerning internal

control and steps are taken to manage risks in significant areas of responsibility and monitor progress on key projects. A system of risk management is maintained to inform the Board's decisions and all reputational risks to the Council are drawn to the attention of the Chairman and are properly managed. The Risk Register is presented to the Audit and Risk Committee at each meeting and to the Board on a quarterly basis. Responsibility for risk management has been assigned to appropriate members of the executive team and officers and is reported on routinely to the Chief Executive and Director of Finance and Corporate Services.

On an annual basis, risks are categorised by considering the likelihood of occurrence should no risk-mitigation activity occur and the impact should the risk happen. The risks where the potential impact is deemed high are detailed in the ACNI risk register. The risk register forms part of the annual business plan of the Board, having been previously endorsed by the Audit Committee. The Senior Management Team assigns to managers (the 'risk owners') the task of putting procedures in place to monitor and, where possible, mitigate the risk.

The Audit and Risk Committee has lead responsibility for the periodic review of the risk register. The Arts Council consider the following to be the most significant areas of risk:

- Impact of economic downturn on arts organisations resulting in a loss of frontline services.
- Reduction in DCAL / National Lottery funding of the arts resulting in a loss of frontline services.
- Fraudulent activity within client organisation resulting in a loss of public funds.
- ACNI has an inappropriate 5-year strategy resulting in a loss of confidence by DCAL in ACNI's ability to contribute to the Programme for Government.

In 2011 DCAL completed an ALB sponsorship risk assessment for ACNI. The overall rating assigned to the Arts Council by that process was Medium/Low.

Fraud Risk and Information Risk

ACNI has a fraud policy that is reviewed on an annual basis. It is given to all new staff at their induction, and they all receive a one-day training session on fraud awareness. ACNI also has an information risk policy to be followed by all staff, which new staff read as part of their induction. The policy requires all data to be held securely. ACNI is compliant with the Security Policy Framework and with the mandatory measures of the Data Handling Review.

The Arts Council maintains a register of related party transactions in order to ensure that opportunities for conflict of interest are avoided. The register is maintained centrally and is updated regularly. It features as a supplementary report in the decision making process on relevant grants, to ensure the exclusion of parties with a perceived conflict of interest.

All staff have been provided with a copy of the Arts Council Information and IT Security Policy to ensure that they are aware of best practice on how to protect the data and assets held by the organisation.

Governance & Accountability within ACNI

The annual internal audit plan is created on a risk basis; KPMG our internal auditors were provided with a copy of the draft risk register for 2012 when preparing their plan. The Audit and Risk Committee reviewed and approved the internal audit plan. I ensured that there was sufficient flexibility in the plan to allow for changes to be made during the year to reflect any significant changes in the risk environment and the emergence of new risks. However, there were none.

All reports of the internal auditors were discussed by the Audit Committee with senior members of staff in attendance, including those whose departments were reported upon by the auditors. This gave me and members of the committee the opportunity to discuss, in detail, the findings, recommendations and proposed management actions. Directors that had failings identified by the internal auditors were required to devise corrective action and set a completion date for that action in consultation with the internal auditors. I receive regular reports from the auditors notifying me of the progress my Department Directors have achieved in clearing up points raised by both internal and external auditors in previous years.

Sources of Independent Assurance

KPMG is the Internal Auditor for ACNI. KPMG issued an internal audit assurance statement to the Audit committee of the Arts Council of Northern Ireland in respect of the year ended 31 March 2013. The internal audit assurance statement stated that on the basis of work performed during the year, KPMG can conclude that ACNI has established procedures that are adequate to meet management's control objectives in the systems audited and consequently KPMG provided a satisfactory level of assurance over the control environment at the organisation.

The Comptroller and Auditor General to the Northern Ireland Assembly certifies the accounts and provides an opinion whether, in all material respects, the expenditure and income have been applied to the purposes

intended by the Assembly and the financial transactions conform to the authorities which govern the Council.

Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed by the work of the internal auditors and senior management within ACNI who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. As a result of their work during the year, the internal auditors have produced an annual certificate of assurance with regard to the adequacy of the systems and the operation of internal controls within ACNI. In addition, I have considered the Report To Those Charged With Governance prepared by the external auditors following their audit of the accounts for the year ended 31 March 2013. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board and the Audit and Risk Committee, and a plan to address weaknesses and ensure continuous improvement of the internal control system is in place.

The Senior Management Team reviews the effectiveness of their work on a quarterly basis. The Audit and Risk Committee also reviews effectiveness at each meeting and questions the activities of risk owners. Furthermore, our internal audit function reviews the risk-management processes as part of its work and can provide the benefit of its experience of other organisations' risk-management activities.

Policy papers put to the Board for decision all contain a discussion of the risks associated with taking the possible courses of actions. The Board also regularly discusses the risks on the risk register with the risk owners. The Board has considered the quality of data used by the Board across all business areas and finds the information provided by management suitable for the purposes of making effective decisions.

Internal Governance Divergences – Current and New for 2012-13

Update on prior year control issues which have been resolved and are no longer considered to be control issues.

Two prior year internal audit reports highlighted issues in relation to procurement and the retention of documentation for capital projects, which have been resolved and are no longer control issues in 2012-13.

Update on prior year control issues, which are considered to be control issues

Internal audit had one prior year issue shown in the end of year review. It is management's view the matter is now closed however management action will not be reviewed by internal audit until later in the financial year. Internal Audit noted instances of related items procured separately within a short time scale from the same supplier. Audit recommendation was that cumulative values of related expenditure should be kept under review. A report on cumulative values of related expenditure was reviewed at an internal procurement group meeting on 15 May 2013.

Identification of new issues in the current year, including issues identified in the mid-year assurance statement, and anticipated future issues

Internal auditors KPMG awarded ACNI a satisfactory level of assurance over its control environment in its assurance statement for 2012-13.

Internal Audit identified a number of areas where Arts Council of Northern Ireland should put procedures in place to strengthen the existing processes and controls in order to fully meet management's control objectives. Overall 35 new recommendations have been identified in the current year, 22 of which have already been addressed and management have agreed a timescale for implementation of the remaining 13 recommendations and one prior year issue. These 14 recommendations consist of two Priority 1 recommendations, nine Priority 2 recommendations and three Priority 3 recommendations. The Priority 1 recommendations concerned:


- (i) ensuring that the information in the Letter of Offer is accurate and complete prior to issue to the clients. This recommendation was allocated to the Director of Operations, and,
- (ii) Equality of opportunity monitoring information held on the grants system. This recommendation was allocated to the Director of Operations and will be addressed by a systems upgrade.

During the year two reports received a limited assurance rating from internal audit. These reports were (i) Grant funding and client management and (ii) Data Protection arrangements. I am pleased to report that recommendations were satisfactorily progressed to allow internal audit to award a satisfactory level of assurance in its assurance statement.

The construction of the MAC was completed in February 2012 and the venue officially opened in April 2012. As a recently opened major venue the Arts Council has sought assurance from the MAC regarding actions to address concerns regarding the governance of financial performance reporting to the Board of the MAC.

Conclusion

As a result of the above, I believe that ACNI's internal control and governance framework provides me with the level of assurance that I require. There is nothing of which I am aware that leads me to believe that our systems for detecting and responding to inefficiency, for preventing conflicts of interest, for preventing and detecting fraud and for minimising losses of grant-in-aid are not adequate. I believe that ACNI's governance structure has operated successfully in 2012-13.



Roisín McDonough
Accounting Officer
2nd July 2013

ARTS COUNCIL OF NORTHERN IRELAND

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY

I certify that I have audited the financial statements of the Arts Council of Northern Ireland for the year ended 31 March 2013 under the Arts Council (Northern Ireland) Order 1995. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Council, Accounting Officer and auditor

As explained more fully in the Statement of Council's and Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to examine, certify and report on the financial statements in accordance with the Arts Council (Northern Ireland) Order 1995. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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 Arts Council of Northern Ireland's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Arts Council of Northern Ireland; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial

statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on Regularity

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Arts Council of Northern Ireland affairs as at 31 March 2013 and of the net expenditure, cash flows and changes in taxpayers' equity for the year then ended; and
- the financial statements have been properly prepared in accordance with the Arts Council (Northern Ireland) Order 1995 and Department of Culture Arts and Leisure directions issued thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Department of Culture Arts and Leisure directions made under the Arts Council (Northern Ireland) Order 1995; and
- the information given in the Chairman's Foreword, Chief Executive's Introduction and the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

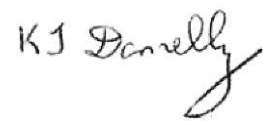
Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- The Governance Statement does not reflect compliance with Department of Finance and Personnel's guidance.

Report

I have no observations to make on these financial statements.

A handwritten signature in black ink, appearing to read 'KJ Donnelly', with a stylized flourish at the end.**KJ Donnelly****Comptroller and Auditor General**

Northern Ireland Audit Office

106 University Street

Belfast

BT7 IEU

2 July 2013

Statement of Comprehensive Net Expenditure for the year ended 31 March 2013

	Note	2012/13 £	2011/12 Restated £
EXPENDITURE			
Staff Costs	3	(2,119,474)	(1,918,936)
Expenditure on the Arts	4(a)	(13,381,472)	(17,929,995)
Depreciation	6&7	(79,742)	(66,129)
Other Expenditure	4(b)	(799,830)	(613,987)
		<u>(16,380,518)</u>	<u>(20,529,047)</u>
INCOME			
Other Income	5(a)	1,700,854	1,824,787
		<u>1,700,854</u>	<u>1,824,787</u>
Net Expenditure		<u>(14,679,664)</u>	<u>(18,704,260)</u>

	Note	2012/13 £	2011/12 Restated £
OTHER COMPREHENSIVE NET EXPENDITURE			
Net Gain on Revaluation	6&7	35,385	33,039
Actuarial (Loss)/Gain	3(b)	(620,000)	(993,000)
Total Comprehensive Expenditure for the year ended 31 March 2013		<u>(15,264,279)</u>	<u>(19,659,221)</u>

The notes on pages 48 to 77 form part of these accounts.

Statement of Financial Position as at 31 March 2013

	Note	31 March 2013 £	31 March 2012 Restated £	31 March 2011 Restated £
Non-current assets				
Property, plant and equipment	6	278,442	239,758	167,473
Operational heritage assets	6	110,000	100,000	100,000
Non- operational heritage assets	6	498,589	3,323,793	3,293,900
Intangible Assets	7	134,989	62,953	-
Total non-current assets		1,022,020	3,726,504	3,561,373
Current assets				
Trade and other receivables	9	380,906	310,848	397,731
Cash and cash equivalents	10	399,915	717,481	710,958
Total current assets		780,821	1,028,329	1,108,689
Total assets		1,802,841	4,754,833	4,670,062
Current liabilities				
Trade payables and other liabilities	11	(997,306)	(1,332,579)	(1,884,154)
Total current liabilities		(997,306)	(1,332,579)	(1,884,154)
Non-current assets plus/less net current assets/liabilities		805,535	3,422,254	2,785,908
Non-current liabilities				
Pension liabilities	12	(3,753,000)	(3,065,000)	(2,073,000)
Total non-current liabilities		(3,753,000)	(3,065,000)	(2,073,000)
Total Assets less Liabilities		(2,947,465)	357,254	712,908
Taxpayer's Equity				
SoCNE reserve		700,534	752,946	148,639
Revaluation reserve		105,001	2,670,308	2,637,269
Pension reserve		(3,753,000)	(3,066,000)	(2,073,000)
		(2,947,465)	357,254	712,908

The financial statements on pages 48 to 77 were approved by the Board on 1 July 2013 and were signed on its behalf by:

Roisin Mc Donough

Chief Executive

2nd July 2013

Statement of Cash Flows for the year ended 31 March 2013

	Note	2012/13 £	2011/12 Restated £
Cash flow from operating activities			
Net Expenditure		(14,679,664)	(18,704,260)
Adjustment for non-cash transactions			
Depreciation	6&7	79,742	66,129
Impairment	9	50,520	282
Decrease/(Increase) in trade and other receivables		(70,058)	86,883
Increase/(Decrease) in trade payables		(348,481)	(565,695)
Use of pension liability	3(b)	68,000	(1,000)
Net cash outflow from operating activities		(14,899,941)	(19,117,661)
Cash flows from investing activities			
Purchase of property, plant and equipment		(61,819)	(86,995)
Purchase of Non-operational Heritage Assets		(68,470)	(140,023)
Intangible Assets		(90,100)	(67,495)
Donated Assets		-	(25,800)
Net cash outflow from investing activities		(220,389)	(320,313)
Cash flows from financing activities			
Grants from DCAL		14,802,764	19,444,497
Net financing		14,802,764	19,444,497
Net increase/(decrease) in cash and cash equivalents in the year			
		(317,566)	6,523
Cash and cash equivalents at the beginning of the year	10	717,481	710,958
Cash and cash equivalents at the end of the year	10	399,915	717,481

The notes on pages 48 to 77 form part of these accounts.

**Statement of Changes in Taxpayers' Equity
for the year ended 31 March 2013**

	Note	Pension Reserve	SoCNE Reserve	Revaluation Reserve	Total Reserves
Balance at 31 March 2011					
		(2,073,000)	148,639	2,634,769	710,408
Changes in accounting policy		-	-	2,500	2,500
Restated Balance at 31 March 2011		(2,073,000)	148,639	2,637,269	712,908
Changes in Taxpayers' Equity 2011-12					
Net Income/(Expenditure)		-	(18,704,260)	-	(18,704,260)
Net gain on Revaluation				33,039	33,039
Actuarial Gain/(Loss)		(993,000)	-	-	(993,000)
Gifted		-	(135,930)	-	(135,930)
Grant from DCAL		-	19,444,497	-	19,444,497
Balance at 31 March 2012 Restated		(3,066,000)	752,946	2,670,308	357,254
Changes in Taxpayers' Equity 2012-13					
Net Income/(Expenditure)		(67,000)	(14,612,664)	-	(14,679,664)
Net gain on Revaluation				35,385	35,385
Actuarial Gain/(Loss)		(620,000)	-	-	(620,000)
Gifted		-	(242,512)	(2,600,692)	(2,843,204)
Grant from DCAL		-	14,802,764	-	14,802,764
Balance at 31 March 2013		(3,753,000)	700,534	105,001	(2,947,465)

The notes on pages 48 to 77 form part of these accounts.

Revaluation reserve in respect of Intangible Assets

2012-13

£

Balance at 1 April 2012

-

Net increase in revaluation during 2012-13

5,765

Balance at 31 March 2013

5,765

NOTES TO THE ACCOUNTS

1. Statement of Accounting Policies

The financial statements have been prepared in accordance with the 2012-13 Government Financial Reporting Manual (FReM) issued by the Department of Finance and Personnel. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

Where FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Council for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Council for the distribution of public funding for the arts in Northern Ireland are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting Convention

These accounts have been prepared in accordance with the historical cost convention, modified for the revaluation of property, plant and equipment, intangible assets and heritage assets.

The accounting policies for all material items are outlined below:

1.2 Property, Plant and Equipment

The minimum level for capitalisation as an individual or grouped non-current asset or bulk purchase of small similar assets is £1,000 with the exception of IT equipment which is £500. Items below the threshold of £1,000 or £500 for IT equipment are written off to the Statement of Comprehensive Net Expenditure account.

Plant & machinery includes 5 Musical Instruments that are independently valued. Other property, plant and equipment have been re-valued at 31 March 2013 using the latest available indices published in 'Price Index Numbers for Current Cost Accounting' prepared by the Office for National Statistics.

1.3 Heritage Assets

The Arts Council's Art Collection is regarded as a non-operational heritage asset and from 2009-10 is capitalised in the Statement of Financial Position.

All Non-Operational Heritage Assets are shown at valuation. The Council believes that its staff are qualified to perform the valuation and to test and analyse valuations as advised by Sotheby's. The ACNI staff involved in the on-going revaluation is Ms. Noírín McKinney, Arts Development Director and Dr. Suzanne Lyle, Collection Curator.

The Operational Heritage Asset relates to a violin the Council possesses manufactured by Joseph Gagliano between 1780 and 1782. The violin was donated to the Council in 1980. This is classed as an operational heritage asset as it is on loan as an award to an outstanding young violinist from Northern Ireland and is therefore shown in the Non-current Asset note. The violin was valued on 5 February 2013, by J & A Beare Ltd, and is shown in the accounts at fair value.

Operational and Non Operational Heritage Assets are included with property plant and equipment and are shown at fair value. Operational and Non Operational Heritage Assets are not depreciated as they are considered to have an infinite useful life.

In 2009-10 the Arts Council received approval from the Department of Culture, Arts and Leisure to gift its historic collection (works purchased from 1943-1999) to accredited museums in Northern Ireland. The Arts Council has completed the gifting process over the past 2 years with over 1,100 works of art totalling £3 million now in museum ownership.

1.4 Intangible Assets

Purchased and internally generated Websites are capitalised as intangible assets where expenditure of £1,000 or more is incurred. Websites have been re-valued at 31 March 2013 using the latest available indices published in 'Price Index Numbers for Current Cost Accounting' prepared by the Office for National Statistics. Impairment reviews are performed if and when indications of impairment are identified.

1.5 Depreciation

Property, plant and equipment and Intangible Assets are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives. During the year the depreciation method was amended and depreciation is calculated on a daily basis from date of purchase. Previously depreciation was calculated on an annual basis.

The rates of depreciation in use are as follows:

Furniture & Fittings	5-25 years
Leasehold Improvements	5-10 years
Plant & Machinery	25-30 years
Information Technology	3-5 years
Websites	3-5 years
Heritage Assets	N/A

1.6 Operating Leases

Rentals payable under operating leases are written off in the Statement of Comprehensive Net Expenditure in the year. The amount charged in the year and the amount of the payments to which the entity is committed at the year-end is disclosed in the note 15 to the accounts.

1.7 Operating Income

Government Grants

Grant-in-Aid received used to finance activities and expenditure which support the statutory and other objectives of the entity are treated as financing, and credited to the SoCNE Reserve, because they are regarded as contributions from a controlling party which gives rise to a financial interest in the residual interest of NDPBs.

Lottery Recharges

Administrative overheads and salaries are apportioned to the Lottery Distribution fund and comprise administrative costs and salaries incurred by the Council from which the Lottery benefited indirectly. The apportionment is made at full economic cost and calculated on appropriate bases. Recharges of expenses and salaries are shown in other income.

Other Operating Income

All other operating income received is credited to income in the year to which it is receivable. In accordance with IAS 20 Accounting for Government Grants and Disclosure of Government Assistance, all donated assets are now recognised as income.

1.8 Payment of Grants

Grants awarded to arts organisations and individuals are charged to the Statement of Comprehensive Net Expenditure in the year to which they relate. Any amounts of unpaid grant at 31st March each year are included as liabilities in the Statement of Financial Position.

1.9 Pension Costs

Past and present employees are covered by the provisions of the Northern Ireland Local Government Officers' Superannuation Committee Scheme (NILGOSC).

The pension costs are assessed in accordance with the advice of independent qualified actuaries using the market led approach. The latest actuarial valuations of the scheme were at 31 March 2013.

Pension scheme assets are measured using the market value. Pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term to the liability.

The increase in the present value of the liabilities of the Council's defined benefit pension scheme arising from employee service in the period is charged to the Statement of Comprehensive Net Expenditure so as to recognise the cost of pensions over the employees' working lives. The expected return on the scheme's assets and the increase during the year in the present value of the scheme's liabilities arising from the passage of time are included in other finance costs. Actuarial gains and losses are recognised in the Statement of Comprehensive Net Expenditure.

1.10 Impending Application of Newly Issued Accounting Standards as yet not effective

The Arts Council provides disclosure in that it has not yet applied a new accounting standard and known or reasonably estimates information relevant to assessing the possible impact that initial application of the new standard will have on the Councils financial statements.

1.11 Operating Segments

The activities of the Arts council are considered to provide a single function; maintaining and developing the Arts in Northern Ireland. In terms of IFRS this is considered to be a single operating segment. It is therefore considered that no further analysis is required to meet the requirements of IFRS 8.

1.12 Reserves

SoCNE Reserve

This is the balance arising from recurrent grants provided by sponsor department DCAL through grant in aid and the net expenditure as reported in the Statement of Comprehensive Net Expenditure for the year.

Revaluation Reserve

The revaluation reserve reflects the unrealised element of the cumulative balance of indexation and revaluation adjustments to assets.

Pension Reserve

This is the balance required by the Council to meet the current pension deficit on its share of the NILGOSC pension scheme.

2. Prior Period Adjustment

A prior year adjustment has been made in relation to non-current assets. ACNI have restated the non-current assets note 1.1 on capitalisation threshold, depreciation and revaluation to be comparable to the policy of the sponsoring Department.

2(a) Reconciliation net expenditure after Prior Period Adjustment at end of reporting period 31 March 2012

	£
Net Expenditure for 2011-12	18,757,516
Prior Period Adjustment	
Depreciation	(29,946)
Impairment	282
Re-classification of Expense to Non-current assets	(23,592)
	<hr/>
Net Expenditure for 2011-12 after PPA	<u>18,704,260</u>

2(b) Reconciliation taxpayers' equity after Prior Period Adjustment at end of reporting period 31 March 2011

	£
Taxpayers' equity at 31 March 2011	(710,408)
Prior Period Adjustment	
Revaluation	<u>(2,500)</u>
Taxpayers' equity at 1 April 2011 after PPA	<u>(712,908)</u>

Reconciliation taxpayers' equity after Prior Period Adjustment at end of reporting period 31 March 2012

	£
Taxpayers' equity at 31 March 2012	(270,959)
Prior Period Adjustment	
Revaluation	(33,039)
Depreciation	(29,946)
Impairment	282
Re-classification of Expense to Non-current assets	<u>(23,592)</u>
Taxpayers' equity at 1 April 2012 after PPA	<u>(357,254)</u>

3(a) Staff costs comprise:

	2012-13		2011-12	
	Permanently employed staff £	Others £	Total £	Restated £
Wages and salaries	1,465,661	274,942	1,740,603	1,682,642
Social security costs	113,754	19,155	132,909	46,693
Agency costs	-	149,803	149,803	50,209
Other pension costs	267,441	39,599	307,040	329,360
Recharge:				
Expenditure on Arts	(32,244)	(178,637)	(210,881)	(189,968)
	1,814,612	304,862	2,119,474	1,918,936

Recharge Expenditure on Arts is the Staff cost reapportioned and also included within the costs declared in Note 4(a) Expenditure on the Arts for specifically funded projects.

3(b) Pension Costs

The Council makes employer contributions to the Northern Ireland Local Government Officers' Superannuation Scheme (NILGOSC) which is a funded scheme of the defined benefit type. The fund is invested in suitable investments, managed by the Committee. For 2012-13 the contribution rates were 19% employers and ranging between 5.5% and 7.5% employees (2011-12: 18% employers and between 5.5% and 7.5% employees).

The total employer pension cost under the Scheme was a debit of £300,169 (2011-12 restated: debit of £329,360). It is now possible to define the Arts Council's share of the funds, assets/liabilities and as a result the following disclosures are provided in line with IAS 19. The latest actuarial valuation of the scheme was carried out at 31 March 2013, results of which are shown below. The financial assumptions used by the actuary were:

	2012-13	2011-12
Inflation/Pension Increase Rate	2.8%	2.5%
Salary Increase Rate	5.1%	4.8%
Expected Return on Assets	4.5%	5.7%
Discount Rate	4.5%	4.8%

The average future life expectancies at age 65 are:

	Males	Females
Current Pensioners	22.9 years	25.7 years
Future Pensioners	24.9 years	27.7 years

The expected return is based on the long-term future expected investment return for each asset class at 31 March 2013 as determined by Hymans Robertson LLP.

The fair value of assets in the scheme and the expected rate of return were:

	Long term return at 31.03.13 %p.a.	Value at 31.3.13 £'000	Long term return at 31.03.12 %p.a.	Value at 31.3.12 £'000	Long term return at 31.03.11 %p.a.	Value at 31.3.11 £'000
Equity	4.5%	7,710	6.2%	6,372	7.5%	6,673
Bonds	4.5%	1,101	4.1%	1,206	4.9%	1,213
Property	4.5%	801	4.4%	689	5.5%	520
Cash	4.5%	400	3.5%	344	4.6%	260
		<u>10,012</u>	5.7%	<u>8,611</u>	6.9%	<u>8,666</u>

(i) **Analysis of Amount shown in the Statement of Financial Position**

	31 March 2013	31 March 2012	31 March 2011	31 March 2010	31 March 2009
	£'000	£,000	£'000	£'000	£'000
Total Market Value of Assets	10,012	8,611	8,666	7,722	5,372
Present Value of Defined Benefit Obligation	(13,765)	(11,676)	(10,739)	(12,426)	(7,432)
Surplus/(Deficit)	(3,753)	(3,065)	(2,073)	(4,704)	(2,060)
Experience Gains/(Losses) on Assets	868	(531)	380	1,904	(2,157)
Experience Gains/(Losses) on liabilities	19	(147)	277	-	-
Actuarial Gains/(Losses) on Employer Assets	868	(531)	380	1,904	(2,157)
Actuarial Gains/(Losses) on Obligation	(1,488)	(462)	1,106	(4,416)	694
Actuarial Gains/(Losses) recognised in Statement in Changes in Reserves	(620)	(993)	1,486	(2,512)	(1,463)

(ii) **Analysis of amounts charged to the Statement of Comprehensive
Net Expenditure in respect of Defined Benefit Scheme**

	2012-13 £'000	2011-12 £'000
Statement of Comprehensive Net Expenditure		
Current Service Cost	299	271
Losses on curtailment	6	-
Past Service Cost	(1)	-
Total Operating Charge	304	271

(iii) Analysis of amount charged to Other Finance Costs

	2012-13 £'000	2011-12 £'000
Expected Return on Pension Scheme Assets	492	594
Interest on Pension Scheme Liabilities	(561)	(588)
Net (Charge)/Return	(69)	6

(iv) Analysis of Amount recognised in comprehensive expenditure in the Statement of Comprehensive Net Expenditure

	2012-13 £'000	2011-12 £'000
Actuarial Gain/(Loss) on Employer Assets	868	(531)
Actuarial (Loss)/Gain on Obligation	(1488)	(462)
Actuarial Gain/(Loss) recognised in the Statement of Comprehensive Net Expenditure	(620)	(993)

(v) Movement in Deficit during the year

	2012-13 £'000	2011-12 £'000
Deficit in Scheme at beginning of year	(3065)	(2,073)
Movement in the year		
Current Service Costs	(299)	(271)
Past Service Costs	1	-
Losses on Curtailments	(6)	-
Contributions	305	266
Net (charge)/return on Assets	(69)	6
Actuarial Gain/(Loss)	(620)	(993)
Deficit in Scheme at End of Year	(3,753)	(3,065)

(vi) Analysis of movement in the present value of the benefit obligation

	2012-13	2011-12
	£'000	£'000
Benefit Obligation at beginning of year	11,676	10,739
Current Service Cost	299	271
Interest on obligation	561	588
Contribution by members	105	98
Actuarial Losses/(Gains)	1488	462
Past Service Costs	(1)	-
Losses on Curtailments	6	-
Benefits Paid	(369)	(482)
Benefit Obligation at end of year	13,765	11,676

(vii) Analysis of the movement in the fair value of the benefit scheme

	2012-13	2011-12
	£'000	£'000
Value of Assets at beginning of year	8,611	8,666
Expected return on Assets	492	594
Contributions by Members	105	98
Contributions by Employers	305	266
Actuarial Gains/(Losses)	868	(531)
Benefits paid	(369)	(482)
Value of Assets at end of year	<u>10,012</u>	<u>8,611</u>

(viii) History of Experience, Gains and Losses

	2013	2012	2011	2010	2009
	£'000	£'000	£'000	£'000	£'000
Difference Between Expected and Actual Return on Scheme Assets	868	(531)	380	1,904	(2,157)
Value of Assets	10,012	8,611	8,666	7,722	5,372
Percentage of Scheme Assets	8.70%	(6.20)%	4.40%	24.70%	(40.20)%
Experience Gains and Losses on Scheme Liabilities	19	(147)	277	-	-
Total Present Value of Liabilities	(13,765)	(11,675)	(10,739)	(12,426)	(7,432)

Percentage of Present Value of Scheme Liabilities	0.15%	(1.30)%	2.60%	N/A	N/A
	2013	2012	2011	2010	2009
	£'000	£'000	£'000	£'000	£'000
Actuarial Gains/ (Losses) on Plan Assets	868	(531)	380	1,904	(2,157)
Actuarial Gains /(Losses) on Obligation	(1488)	(462)	1,106	(4,416)	694
Total Amount Recognised in Net Expenditure account	(620)	(993)	1,486	(2,512)	(1,463)
Total Present Value of Liabilities	(13,765)	(11,675)	(10,739)	(12,426)	(7,432)
Percentage of Present Value of Scheme Assets	(4.5)%	(8.5)%	13.8%	(20.2)%	(19.7)%

The contributions expected to be paid in 2013-14 are £315,000.

3(c) Average number of persons employed:

The average number of whole-time equivalent persons employed during the year was as follows:

	2012-13			2011-12	
	Permanently Employed Staff No.	Others No.	Total No.	Total No.	
Directly employed	48	11	59	56	
Other	-	3	3	1	
Staff engaged on capital projects	-	1	1	1	
Total	48	15	63	58	

All of the staff was employed by the Arts Council of Northern Ireland and the proportion in relation to the Lottery Distribution Account is on the basis of average Lottery caseload from the Arts Development Department and on other appropriate bases from the rest of the Council.

The table below gives the average number of full time equivalent staff working on the Lottery Distribution Account during the year:

	Permanently Employed Staff	Others	Total	2011-12
Lottery Distribution Account				
Directly employed	21	5	26	24

3(d) Board Members' Emoluments

No emoluments were paid to members of the Board of the Arts Council except for Honoraria to the Chairman and Vice Chairman.

The rate of honoraria for the Chairman is £10,000 per annum with effect from 1 July 2007 and the Vice Chairman is £3,500 per annum with effect from 1 December 2007. The total cost of honoraria paid in 2012-13 was £13,848 (2011-12: £12,250) as shown in wages and salaries. This includes £348 of employer's National Insurance Contributions. The amounts received by the Chairman and Vice Chairman are detailed below:

	Chairman	Vice- Chairman
	£	£
B Collins	10,348	
D Coyle		3,500

Of the total cost of honoraria £5,955 (2011-12: £5,145) was apportioned to the Lottery Distribution Account. No emoluments were paid to other Board members in respect of Lottery activities. The Council does not pay any pension contributions on behalf of the Chairman and Vice Chairman. These individuals are not included, therefore, in the following pension note.

3(e) Chief Executive's Remuneration

The remuneration received by the Chief Executive, including back dated pay awards, during the year was £79,408 (2011-12: £74,913). The Chief Executive is an ordinary member of the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) pension scheme. A total of £43,994 (2011-12: £42,784) of the Chief Executive's employment costs (including employers national insurance contributions and employers pension) have been apportioned to the Lottery Distribution fund to cover time spent on Lottery activities.

3(f) Exit Packages

No executive directors or members of staff of the Arts Council received any termination benefits during the year.

3(g) Off Payroll Engagements

There were no off payroll engagements over £58,200 as at 31 January 2012.

	2012-13	2011-12
	£	£
4(a) Expenditure on the Arts		
Annual Support for Organisations		
Community Arts	834,591	830,059
Venues and Festivals	2,854,546	2,035,910
Drama	1,577,302	1,636,160
Dance	-	187,563
Health, Disability & Voluntary Arts	-	364,094
Literary Arts	263,398	467,557
Music	2,893,415	3,001,563
Visual Arts	617,278	1,060,419
Youth	451,517	619,912
Other	954,350	296,200
Traditional Arts	-	293,174
Arts Development	834,723	890,434
SIAP	364,159	315,983
Re-imaging Communities	54,877	610
Other Artform	149,390	822,792
Arts and Older people	142,515	118,703
Legacy Trust	277,367	467,919
City of Culture	-	190,000
Land of Giants	-	34,919
The MAC	-	160,000
Strategy	27,879	74,383
Creative Industries	649,427	460,992
Capital	434,738	3,600,649
Total	13,381,472	17,929,995

	2012-13	2011-12
	£	Restated
4(b) Other Expenditure		£
Rentals under operating leases	209,825	206,220
Other Premises cost	80,151	83,279
Artslink & public affairs	18,703	11,557
Expenses and hospitality		
Artform officers	23,151	21,226
Council and Panel members	9,807	10,188
Administrative staff	13,684	8,335
Other core expenses	21,907	31,816
Insurances	24,459	21,976
Telephone and postage	27,658	23,800
IT Costs and Equipment	108,055	121,506
Legal and consultancy fees	69,755	61,866
Audit Fee	13,000	12,000
Stationery	13,284	12,326
Training	34,343	12,616
Publications and advertising	53,517	24,981
Central advisers	8,215	1,218
Pension Fund Cost	67,000	-
Impairment	50,520	282
Recharge:		
Expenditure on Arts	(47,204)	(51,205)
Total	799,830	613,987

The above costs indicate a pension fund cost of £67,000 arising from the actuarial review of pensions. The corresponding figure for 2011-12 was a release shown in Note 5(a) Other Income.

During the year the Council purchased no non-audit services from its auditor, the Northern Ireland Audit Office or its subcontractors.

Recharge Expenditure on Arts is the Other Expenditure reapportioned and included within the costs declared in Note 4(a) Expenditure on the Arts for specifically funded projects.

Other Expenditure includes travel, subsistence and hospitality costs for staff, Council and Panel members. The total spent in the year on travel, subsistence and hospitality is as follows:

			2012-13	2011-12
	T&S	Hospitality	Total	Total
	£	£	£	£
Expenses & Hospitality				
Artform Officers	22,531	620	23,151	21,226
Council & Panel Members	4,465	5,342	9,807	10,188
Administrative Staff	12,904	780	13,684	8,335
	39,900	6,742	46,642	39,749

The above costs are gross costs to the Exchequer account and £318,783 of these operating cost and salaries costs have been recharged to the Lottery Distribution account and are shown as other income in note 5(a) below. £47,204 of operating costs have been recharged to Expenditure on arts and are included in note 4(a) above.

5(a) Other Income	2012-13	2011-12
	£	Restated
		£
National Lottery Recharge – administration	318,783	263,755
National Lottery Recharge – salaries	866,314	802,647
Grant refunded	700	4,416
Administrative & miscellaneous	27,043	27,676
Interest	-	51
Legacy Trust Income	277,367	467,919
Creative & Cultural Skills Income	16,255	6,000
Arts and Older people	139,515	120,500
Donated Assets	-	25,800
Pension Fund Income	-	6,000
Cultural Olympiad	-	50,000
Land of Giants	-	35,000
Creative Industries Refund	-	15,023
Re-Imaging Communities	54,877	-
Total	1,700,854	1,824,787

The 2011-12 restatement refers to income relating to 'Income from admin charges to ring fenced projects' this is now reclassified as Recharge Expenditure on Arts and included as a credit within the costs declared in Note 4(b) Expenditure on the Arts for specifically funded projects.

5(b) Grant-in-Aid Carry-Over

In line with the Management Statement and Financial Memorandum (MSFM), cash balances accumulated during the course of the year were kept at the minimum level consistent with the efficient operation of the Arts Council.

In line with the MSFM, the Department will make available in the next financial year (subject to approval by the Assembly of the relevant Estimates provision) any such grant-in-aid required to meet any liabilities at year end, such as accruals.

The balance of cash at 31 March 2013 was £399,915 (2011-12: £717,481).

6(a) Property, plant and equipment

<u>2012-13</u>	<u>Leasehold Improve- ments</u>	<u>Furniture & Fittings</u>	<u>Plant & Machinery</u>	<u>Information Technology</u>	<u>Operational Heritage Assets</u>	<u>Non Operational Heritage Assets</u>	<u>Total</u>
	£	£	£	£	£	£	£
<u>Cost or Valuation</u>							
At 1 April 2012							
Restated	271,195	64,607	129,411	412,571	100,000	3,323,793	4,301,577
Additions	-	-	-	75,027	-	68,470	143,497
Revaluations	-	1,241	(1,000)	18,409	10,000	44	28,694
Gifted	-	-	-	-	-	(2,843,204)	(2,843,204)
Transfers	(23,635)	10,003	-	13,632	-	-	-
Impairment	-	-	-	(6)	-	(50,514)	(50,520)
De-recognition	(247,560)	(21,884)	(14,911)	(306,173)	-	-	(590,528)
At 31 March 2013	-	53,967	113,500	213,460	110,000	498,589	989,516
<u>Depreciation</u>							
At 1 April 2012							
Restated	264,995	42,407	14,914	315,710	-	-	638,026
Charge in year	-	2,855	10,462	42,596	-	-	55,913
Revaluation	-	778	(10,462)	8,758	-	-	(926)
Transfers	(17,435)	6,530	-	10,905	-	-	-
De-recognition	(247,560)	(21,884)	(14,914)	(306,170)	-	-	(590,528)
At 31 March 2013	-	30,686	-	71,799	-	-	102,485
<u>Carrying amount</u>							
At 31 March 2013	-	23,281	113,500	141,661	110,000	498,589	887,031
<u>Carrying amount</u>							
At 31 March 2012 Restated	6,200	22,200	114,497	96,861	100,000	3,323,793	3,663,551
<u>Asset Financing</u>							
Owned	-	23,281	113,500	141,661	110,000	498,589	887,031
<u>Carrying amount</u>							
At 31 March 2013	-	23,281	113,500	141,661	110,000	498,589	887,031

Plant & Machinery includes Musical Instruments:

- 3 Steinway Model D Grand Pianos which have been valued on 25 January 2013, by Steinway & Sons Ltd,
- 1 Yamaha Grand Piano which have been valued on 26 January 2013, by Henderson Music,
- 1 Harpsichord which have been valued on 26 January 2013, by C Nobbs, and is shown in the accounts at fair value.

Other property, plant and equipment have been re-valued at 31 March 2013 using the latest available indices published in 'Price Index Numbers for Current Cost Accounting' prepared by the Office for National Statistics.

	<u>Leasehold Improve- ments</u>	<u>Furniture & Fittings</u>	<u>Plant & Machinery</u>	<u>Information Technology</u>	<u>Operational Heritage Assets</u>	<u>Non Operational Heritage Assets</u>	<u>Total</u>
2011-12	£	£	£	£	£	£	£
<u>Cost or Valuation</u>							
At 1 April 2011	271,195	61,931	173,842	337,566	100,000	3,293,900	4,238,434
Additions	-	-	-	101,115	-	140,023	241,138
Donations	-	-	-	-	-	25,800	25,800
Revaluations	-	2,676	(44,431)	199	-	-	(41,556)
Gifted	-	-	-	-	-	(135,930)	(135,930)
De-recognition	-	-	-	(26,309)	-	-	(26,309)
At 31 March 2012 Restated	271,195	64,607	129,411	412,571	100,000	3,323,793	4,301,577
<u>Depreciation</u>							
At 1 April 2011	232,786	36,937	77,014	330,324	-	-	677,061
Charge in year	32,209	2,959	15,116	11,585	-	-	61,869
Revaluation	-	2,511	(77,216)	110	-	-	(74,595)
De-recognition	-	-	-	(26,309)	-	-	(26,309)
At 31 March 2012 Restated	264,995	42,407	14,914	315,710	-	-	638,026
<u>Carrying amount</u>							
At 31 March 2012 Restated	6,200	22,200	114,497	96,861	100,000	3,323,793	3,663,551
<u>Carrying amount</u>							
At 31 March 2011 Restated	38,409	24,994	96,828	7,242	100,000	3,293,900	3,561,373
<u>Asset Financing Restated</u>							
Owned	6,200	22,200	114,497	96,861	100,000	3,323,793	3,663,551
<u>Carrying amount</u>							
At 31 March 2012 Restated	6,200	22,200	114,497	96,861	100,000	3,323,793	3,663,551

6 (b) Non-Operational Heritage Assets

The Arts Council's Art Collection is considered a heritage asset. The Collection tells a story of the visual arts in Northern Ireland; the Collection growing organically, through long periods of turbulence which it often reflects, responded to the preoccupations of the art community and to the changing cultural environment. Starting a collection was deemed by the Council for the Encouragement of Music and the Arts (CEMA) the Arts Council's predecessor, to be one of its highest priorities. At its formation in February 1943, one of CEMA's first actions was to purchase paintings as its 1944-45 annual report explained 'with a view to encouraging local artists and for the purpose of forming a permanent collection of its own, the Council decided to allocate a small sum of money for the purchase of pictures by local artists', the intention being to circulate pictures within the public domain. The Collection had developed in this way over the years. In recent years the collection has been exhibited in schools, hospitals and public buildings as well as museums and galleries throughout Northern Ireland, in circulating exhibitions at home and abroad, at the offices of the Council, and also held in secure storage. In 2009-10 the Arts Council received approval from the Department of Culture, Arts and Leisure to gift its historic collection (works purchased from 1943-1999) to accredited museums in Northern Ireland. The Arts Council has completed the gifting process over the past 2 years with over 1,100 works of art totalling £3million now in museum ownership. During the process of gifting and reconciliation; items valued at £50,514 were written off with DCAL approval pending. The write-offs arose during reconciliation where verification identified administration errors and items lost by loan recipients.

The Arts Council recognises the importance of purchasing contemporary work as a means of supporting artists. Accordingly, the Council, supported by DCAL, allocated an acquisitions fund of £68,470 for 2012-13. In order to qualify artists must have been living in Northern Ireland for 12 months before date of purchase of work and have made a contribution to artistic activities in Northern Ireland. Artists from Northern Ireland who are living elsewhere will also be considered. Artists not from Northern Ireland whose work is of particular relevance to Northern Ireland will be considered in exceptional circumstances. Priority is given to artists whose work is both challenging and innovative. Emerging as well as established artists are eligible. Works in all media are considered, including painting, sculpture, crafts, prints photography, video and emergent art forms. The Council considers accepting gifts to the collection. Such works are assessed against the same criteria as for purchase.

Works are considered against the following criteria – quality, innovation and challenging nature of the work, evidence of the artistic achievement of the artist’s contribution to visual arts in Northern Ireland, relevance of purchase to furtherance both of the artist’s career and to the Council’s Funding objectives.

7. Intangible assets

2012-13	<u>Websites</u>	<u>Total</u>
	£	£
<u>Cost or Valuation</u>		
At 1 April 2012 Restated	67,189	67,189
Additions	90,100	90,100
Revaluations	9,512	9,512
	<hr/>	<hr/>
At 31 March 2013	166,801	166,801
<u>Amortisation</u>		
At 1 April 2012 Restated	4,236	4,236
Charge in year	23,829	23,829
Revaluation	3,747	3,747
	<hr/>	<hr/>
At 31 March 2013	31,812	31,812
<u>Carrying amount</u>		
At 31 March 2013	<hr/>	<hr/>
	134,989	134,989
<u>Carrying amount</u>		
At 31 March 2012 Restated	<hr/>	<hr/>
	62,953	62,953
<u>Asset Financing</u>		
Owned	<hr/>	<hr/>
	134,989	134,989
<u>Carrying amount</u>		
At 31 March 2013	<hr/>	<hr/>
	134,989	134,989

2011-12	<u>Websites</u>	<u>Total</u>
	£	£
<u>Cost or Valuation</u>		
At 1 April 2011 Restated	-	-
Additions	67,495	67,495
Impairment	(306)	(306)
At 31 March 2012 Restated	<u>67,189</u>	<u>67,189</u>
<u>Amortisation</u>		
At 1 April 2012 Restated	-	-
Charge in year	4,260	4,260
Revaluation	(24)	(24)
At 31 March 2012 Restated	<u>4,236</u>	<u>4,236</u>
<u>Carrying amount</u>		
At 31 March 2012 Restated	<u>62,953</u>	<u>62,953</u>
<u>Carrying amount</u>		
At 31 March 2011 Restated	<u>-</u>	<u>-</u>
<u>Asset Financing</u>		
Restated		
Owned	<u>62,953</u>	<u>62,953</u>
<u>Carrying amount</u>		
At 31 March 2012 Restated	<u>62,953</u>	<u>62,953</u>

8. Financial Instruments

As the cash requirements of the Arts Council are met through Grant-in-Aid provided by DCAL, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with the Arts Council's expected purchase and usage requirements and Arts Council is therefore, exposed to minimal credit, liquidity or market risk.

9. Impairment

	2012-13	2011-12
	£	£
Charged direct to the Statement of Comprehensive Net Expenditure	50,520	282
Impairment of PPE charged to Revaluation Reserve	-	-
Impairment of Intangibles charged to Revaluation Reserve	-	-
Total Impairment Charge for the Year	50,520	282

10. Trade receivables and other current assets

	31 March 13	31 March 12	31 March 11
	£	£	£
Amounts falling due within one year:			
Trade receivables	100,287	13,342	19,232
Other receivables	75,000	75,000	76,562
Prepayments and accrued Income	205,619	222,506	301,937
	380,906	310,848	397,731

10.1 Intra Government Balances

	31 March 13	31 March 12	31 March 11
	£	£	£
Amounts falling due within one year:			
Central Government	175,287	89,429	204,158
Local Authorities	-	-	-
Intra Government Receivables	175,287	89,429	204,158
Bodies external to Government	205,619	221,419	193,573
	380,906	310,848	397,731

11. Cash and cash equivalents

	31 March 13	31 March 12	31 March 11
	£	£	£
Balance at 1 April	717,481	710,958	540,438
Net change in cash and cash equivalent balances	(317,566)	6,523	170,520
Balance at 31 March	399,915	717,481	710,958

The following balances at 31 March were held at:

Commercial banks and cash in hand	399,915	717,481	710,958
Short term investments	-	-	-
Balance at 31 March	399,915	717,481	710,958

12. Trade payables and other current liabilities

	31 March 13	31 March 12	31 March 11
	£	£	£
Amounts falling due within one year:			
VAT	-	2,473	-
Other payables	799,649	1,171,708	1,607,030
Accruals and deferred income	197,657	158,398	277,124
	997,306	1,332,579	1,884,154

12.1 Intra Government Balances

	31 March 13	31 March 12	31 March 11
	£	£	£
Central Government	13,000	75,038	114,807
Local authorities	406	32,026	-
Other public bodies	-	12,300	12,000
Intra Government Payables	13,406	119,364	126,807
Bodies external to Government	983,900	1,213,215	1,757,347
	997,306	1,332,579	1,884,154

13. Non- current liabilities

	31 March 13	31 March 12	31 March 11
	£	£	£
Pension deficit	(3,753,000)	(3,065,000)	(2,073,000)

Details of the pension scheme are outlined in Note 3(b) above.

14. Capital Commitments

There was no contracted capital commitments as at 31 March not otherwise included in these financial statements (2011-12: Nil)

15. Commitments under Leases

Operating Leases

Total future minimum lease payments under operating leases are given in the table below for each of the following periods:

	31 March 13	31 March 12	31 March 11
	£	£	£
Obligations under operating leases for the following periods comprise:			
<i>Buildings</i>			
Not later than one year	210,000	210,000	205,625
Later than one year and not later than five years	420,000	630,000	822,500
Later than five years	-	-	-
	<u>630,000</u>	<u>840,000</u>	<u>1,028,125</u>
<i>Other</i>			
Not later than one year	3,385	595	3,493
Later than one year and not later than five years	6,222	1,934	-
Later than five years	-	-	-
	<u>9,607</u>	<u>2,529</u>	<u>3,493</u>

16. Other Financial Commitments

The Arts Council has extended its current An Gaelaras loan for a further period until March 2014.

The loan amount of £75,000 paid to An Gaelaras is included in Other Receivables at Note 9(a) above.

The payments to which the Arts Council are committed during 2012-13 analysed by the period during which the commitment expires are as follows:

	31 March 13	31 March 12	31 March 11
	£	£	£
Not later than one year	75,000	75,000	-
Later than one year and not later than five years	-	-	75,000
Later than five years	-	-	-
	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>

17. Contingent Liability disclosed under IAS 37

The Arts Council of Northern Ireland has the following contingent liability. Under direction from the Department of Culture, Arts and Leisure, the Arts Council changed the pension arrangements for some of its staff in April 2012. This action may be subject to legal challenge and the impact on the Arts Council is unknown at this stage.

The Council are retaining this note because there has been activity within NIPSA that suggests that, following an internal approval process within NIPSA, a legal challenge will follow. In recent months our payroll section provided payroll information to NIPSA member(s) which the Council understands is a precursor to a legal action.

18. Losses and special payments.

During the process of gifting and reconciliation; items valued at £50,514 were written off with DCAL approval pending. The write-offs arose during reconciliation where verification identified administration errors and items lost by loan recipients. The Arts Council provided details to DCAL in April and May 2013 and it is expected that approval will be forthcoming during 2013/14.

19. Related-party transactions

The Arts Council of Northern Ireland is a Non Departmental Public Body sponsored by the Department of Culture, Arts and Leisure (DCAL). DCAL is

regarded as a related party and during the year the Council had various material transactions with DCAL as reconciled in Note 5(b) above.

The Arts Council's National Lottery Distribution Account is also regarded as a related party to The Arts Council of Northern Ireland Exchequer Account. At 31 March 2013 a net amount of £129,350 (2011-12: £54,429 was owed by the National Lottery Distribution Account to this account in respect of salary and other administrative costs incurred. These amounts are included in the Trade and Other Receivables figure of £326,029 (2011-12: £310,848) shown in note 9 above and the Trade Payables and other Current Liabilities balance of £997,306 (2011-12: £1,332,579) in note 11 above.

Several members of the Board of the Arts Council and members of key management staff are also involved with other arts organisations in Northern Ireland either directly or indirectly as a result of a family relationship, a close friendship or business relationship. These individuals make an annual declaration of their interests and do not take part in discussions and decisions to make grant awards to those organisations with which they have a declared interest. A list of awards made to the organisations concerned and details of who made the declaration of interest is detailed below. All of the transactions relating to the organisations were conducted at arm's length by the Council

Forename	Surname	Nature of relationship	Grant Ref	Organisation Name	Grant Amount	Outstanding Balance
Bob	Collins	Former Board member of Ulster Orchestra (May 2011)	ACNI/9467	Ulster Orchestra Society Ltd	£2,031,966	£2,031,966
Anna	Carragher	Former Chair of Grand Opera House Trust until Dec 2011	ACNI/9490	The Grand Opera House Trust	£594,610	£594,610
			ACNI/9514	The Grand Opera House Trust	£23,980	-
Damien	Coyle	Partner is Chair of Flax Art Studios (AFO)	ACNI/9455	Flax Art Studios Ltd	£39,396	£39,396
			ACNI/8987	Flax Art Studios Ltd	£7,400	£740
David	Irvine	Chairman of Moving on Music	ACNI/9708	Moving on Music	£9,000	£9,000

Noelle	McAlinden	Board of Directors Nerve Centre (Ceased Oct 12)	ACNI/9714	The Nerve Centre	£50,000	£50,000
			ACNI/9446	The Nerve Centre	£154,225	£154,225
Paul	Mullan	Trustee of the Old Museum Building which houses Replay Theatre and Kids in Control	ACNI/9712	Replay Theatre Company	£8,500	£8,500
			ACNI/9431	Replay Theatre Company	£148,791	£148,791
			ACNI/9707	Kids in Control	£11,000	£11,000
Brian	Sore	Life member of Royal Town Planning Institute (user and partner of PLACE, funded by ACNI).	ACNI/9365	PLACE	£20,000	£2,000
Janine	Walker	Formerly employed at Arts & Business NI, Mar 13 – Member of NITA.	ACNI/9691	Arts & Business Limited	£25,000	£2,500
			ACNI/9697	Arts & Business Limited	£463,418	£463,418
			ACNI/8692	Northern Ireland Theatre Association (NITA)	£5,000	-
Ken	Bartley	Board Member of Big Global Green running an event at Cathedral Quarter Arts Festival May 13	ACNI/9484	The Cathedral Quarter Arts Festival	£126,100	£126,100
Gilly	Campbell	3rd party claim – Tinderbox Theatre Company.	ACNI/9462	Tinderbox Theatre Company	£213,400	£213,400
			ACNI/9278	Tinderbox Theatre Company	£3,380	£338

Beverly	Coomber	Continue to be friends with the team at Arts & Business NI, and Formerly employed by Arts & Business NI until 25 November 2011.	ACNI/9691	Arts & Business Limited	£25,000	£2,500
			ACNI/9697	Arts & Business Limited	£463,418	£463,418
Julianne	McCormick	Resigned Vice- Chair of ArtsEkta August 2012	ACNI/8547	ArtsEkta	£8,500	£850
Deirdre	Robb	Member of Creative Exchange Studio Group.	ACNI/9464	Creative Exchange	£13,300	£13,300
Rosa	Solinas	Appointed as Chief Executive of Ulster Orchestra in Feb2013, Change of jobs.	ACNI/9467	Ulster Orchestra Society Ltd	£2,031,966	£2,031,966
Damian	Smyth	Published by Lagan Press, which is now incorporated within Verbal Arts Centre	ACNI/9716	Verbal Arts Centre	£52,457	£52,457
			ACNI/9389	Verbal Arts Centre	£255,496	£255,496
			ACNI/8434	Verbal Arts Centre	£9,665	-
Fionnuala	Walsh	Partner on Board of: PLACE	ACNI/9365	PLACE	£20,000	£2,000

Other transactions relation to organisations conducted at arm's length by the Council were:

Forename	Surname	Nature of relationship	Amount
David	Irvine	Employed by Marsh Ltd - insurance broker & risk adviser to ACNI.	£25,952

20. Events after the reporting period

There have been no events after the reporting period outside the ordinary course of business that would materially affect the Arts Council since 31 March 2013.

Date for authorisation for issue

The Accounting Officer authorised these financial statements for issue on 2 July 2013.



This publication is also available at www.artscouncil-ni.org

**Alternative formats of this publication
may be available on request.**

For further information please contact:

**Arts Council of Northern Ireland,
MacNeice House, 77 Malone Road,
Belfast BT9 6AQ.**

T. 028 9038 5200 F. 028 9066 1715

E. info@artscouncil-ni.org W. www.artscouncil-ni.org

Published: August 2013

ISBN: 978-0-903203-32-6