



explore/engage/enjoy

**Annual Report and Accounts
2013-2014**

**National Museums Northern Ireland Annual Report and Accounts
For the year ended 31 March 2014**

Laid before the Northern Ireland Assembly
under Article 10 (2) (c) and 11 of the Museums and Galleries (Northern Ireland) Order 1998

by the Department of Culture, Arts and Leisure

on

30 October 2014

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This publication is also available on our website at www.nmni.com.

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FOREWORD

2013-14 was a demanding year for National Museums Northern Ireland. Challenging Savings Delivery Plans meant National Museums had to continue its push to improve efficiencies by driving down costs, increasing operating efficiencies and reducing payroll. The organisation continued to face financial challenges during the year, however all savings delivery plans were achieved in full and budgets managed effectively. Emphasis on fundraising and developing self-generated income continued to be major priorities along with innovation and hard work resulting in strong outcomes.

National Museums rose to the challenge and a coordinated approach meant we exceeded visitor number targets by 19% with over 728,000 visitors; maintained exceptional visitor satisfaction of 97%; attracted over 610,000 visits to the website; reached over 200,000 social media connections; worked with almost 120,000 learning visitors and welcomed over 190,000 tourism visitors.

Dynamic and varied public programmes continued to be extremely important as a way of engaging visitors, making collections relevant to wider audiences, attracting new visitors and encouraging repeat visits.

Highlights this year included a major exhibition of work by the internationally acclaimed modern painter, William Scott, which opened at the Ulster Museum in October and ran until February 2014. The exhibition was the culmination of yearlong celebrations held across the UK and in the USA to mark the centenary of the renowned artist's birth. The exhibition covered all periods of Scott's career from the early 1930s to the 1980s. It was particularly special to hold this exhibition at the Ulster Museum given Scott's strong links to Northern Ireland, spending his childhood in Enniskillen and teenage years at the Belfast School of Art. The exhibition was developed in collaboration with Tate St Ives and The Hepworth Wakefield, with the support of the William Scott Foundation.

A new science exhibition 'Elements' opened in March 2014 based on the elements in the Periodic Table. This exhibition allows visitors to discover some of the amazing facts and stories behind elements. The exhibition was sponsored by energy supplier Power NI and parent company Viridian Group and public programmes are being sponsored for a two year period by Friends of the Ulster Museum.

'Curious Beasts' also opened in March 2014, showcasing five centuries of beautiful and unusual imagery from the animal world. The exhibition included almost 90 artworks exploring our enduring curiosity about animals. The Ulster Museum was one of only three UK venues to host the exhibition which was organised by Compton Verney, in partnership with the British Museum. The exhibition was accompanied by a series of events including a special lecture series, print-making workshops with local artists and group collages based on the exhibition imagery.

Other exhibitions at the Ulster Museum included the Government Art Collection; International Art; the extension of the popular RUA exhibition; Reflections costume exhibition; Lavery's Gift to Belfast and Lavery's World.

During 2013-14, the Ulster Folk & Transport Museum attracted over 30,000 visitors through a dynamic events programme which included the Cultra Hillclimb which is the world's oldest active speed hillclimb. The event was held in June 2013 in association with the Thoroughbred Sports Car Club and featured a Ladies Class, "Fast Ladies" - inspired by the growing number of women drivers and organisers taking part in this ever popular event.

In January 2014, the Ulster Folk & Transport Museum played host to BBC Stargazing Live and a suitably clear and chilly night helped to attract over 4,000 visitors to the museum. With over twenty free activities taking place in the cottages, churches and schoolrooms throughout the evening there was something for everyone. Visitors had the chance to explore all the night sky has to offer with telescopes trained on the moon, Jupiter and distant stars as well as visiting the inflatable planetarium or joining the 'star walk' around the museum.

The Ulster American Folk Park also attracted over 30,000 visitors through its events programme. Highlights included the 22nd Bluegrass music festival which attracted over 9,500 visitors and American Independence Day celebration which attracted over 5,000 visitors.

Armagh County Museum continued to be at the centre of cultural life of the city with the Photographic Competition and Art Club exhibitions.

National Museums has a long standing commitment to tackling inequality, poverty and social exclusion and during 2013-14 we delivered a major Social Inclusion Programme (SIP) across our sites. It targeted people and groups from the most deprived areas of Northern Ireland with initiatives including:

- Partnership and Lifelong Learning opportunities for older people, minority ethnic communities and other groups from socio economically deprived backgrounds;

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- Formal education programmes (day visits, residential programmes and summer schemes) for schools and community organisations;
- Outreach programmes aimed at breaking down barriers and encouraging non-traditional museum users to visit our sites;
- Specific parental engagement and early intervention programmes for Nursery and Primary schools in the Achieving Belfast initiative, aimed at empowering parents to find ways of supporting their children's learning.

The SIP programme provided in excess of 14,000 people from areas of multiple deprivation with cultural experiences and opportunities. We worked with more than 16,000 children from schools in need of support and intervention, 10,000 of which were from the most deprived areas of Northern Ireland. We provided bespoke programmes, free transport and outreach with our Social Inclusion funding and worked in half of the schools in the top 10% of the most deprived areas of our community.

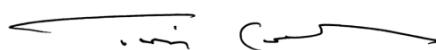
As part of SIP, National Museums also delivered a new 'Horizons' programme to help reduce economic inactivity through skills, training and job creation which included targeted partnership activity to attract those living in areas of social deprivation. Initiatives included adult craft classes, a volunteer programme, work experience placements for unemployed 16-24 year olds, an employability training programme called 'Museums 2 Work' for unemployed people, placements and apprenticeships. Over 400 people participated in Horizons 2013-14. National Museums also recruited 10 trainees to the 'Community Engagement Initiative', which will run until September 2015. The training programme, designed by NMNI staff, includes an innovative module on community engagement developed in partnership with the University of Leicester.

We would like to thank our previous chairman, Dan Harvey, who completed his term of office in December 2013, having given more than 13 years of service to National Museums. We are indebted to Dan for his leadership, contribution and commitment throughout a period which has seen many challenges, organisational restructuring and major capital development. We also saw the departure of a number of long-serving Trustees who supported and guided the organisation. We would like to thank the newly appointed Board of Trustees for their governance and enthusiasm.

We would also like to thank our sponsor department DCAL for their continued support and direction during this year. The additional funding for the Social Inclusion Programme in particular allowed National Museums to reach wider audiences than ever before. In addition thanks must go to all staff across National Museums for their commitment, enthusiasm and innovation which resulted in another highly successful year.



M McCoy
Chairman of the Board of Trustees



Tim Cooke
Director & Chief Executive

THE TRUSTEES' AND THE DIRECTOR & CHIEF EXECUTIVE'S REPORT

In 2005-06, National Museums and Galleries of Northern Ireland adopted the operating name of National Museums Northern Ireland. The operating name has been used throughout the Annual Report and Accounts.

Our Portfolio

National Museums Northern Ireland comprises:

- Ulster Museum
- Ulster Folk & Transport Museum
- Ulster American Folk Park
- Armagh County Museum

Our Role

Comprising Northern Ireland's foremost cultural, educational and tourism destinations, National Museums Northern Ireland presents a comprehensive picture of a people, their creativity, their innovation and environment.

The Museums and Galleries (Northern Ireland) Order 1998 sets out the constitution and responsibilities of the Board of Trustees. The Board is required to:

- care for, preserve and add to the collections
- ensure that the collections are available to the public through exhibitions, effective interpretation and availability for research and study
- promote the awareness, appreciation and understanding of:
 - art, history and science,
 - the way of life and traditions of people,
 - the migration and settlement of people,

with particular reference to the heritage of Northern Ireland.

Our Responsibility

As a Non-Departmental Public Body (NDPB) accountable to the Northern Ireland Assembly through the Department of Culture, Arts and Leisure, National Museums Northern Ireland has a public duty to meet the highest standards of Corporate Governance. As a group of national museums, the organisation aspires to quality and excellence in the care and development of its collections and to ensuring the widest possible access to them. National Museums Northern Ireland is committed to the priorities as set out in legislation on equality, disability discrimination, health and safety, child and vulnerable adult protection, data protection and freedom of information.

National Museums Northern Ireland makes a key contribution to the achievement of the goals set out in the Programme for Government, the priorities outlined in Building on Progress and DCAL's Corporate Strategy by:

- providing an excellent environment to enhance understanding of, and respect for, our culture, history and heritage
- working to improve public access to assets in public ownership
- delivering high quality learning programmes to tens of thousands of children and adults in partnership with schools, colleges and universities
- playing a vital role in tourism as a key partner with the Northern Ireland Tourist Board and Tourism Ireland Limited
- contributing to a positive international image of Northern Ireland

- playing a significant role in increasing cultural participation for a wide cross-section of Northern Ireland society
- contributing to Cultural Capital through its care and development of the national collections including its sites.

The organisation contributes to making Northern Ireland a more competitive region. It also helps to build equality and community cohesion and aims to provide better public services.

Constitution

The Museums and Galleries (Northern Ireland) Order 1998 established a Board of Trustees for National Museums Northern Ireland and provided that all property, rights and liabilities of the Trustees of the Ulster Museum and the Trustees of the Ulster Folk & Transport Museum would transfer to this Board. It repealed previous legislation affecting the Ulster Museum and the Ulster Folk & Transport Museum. The Trustees of the Ulster Museum and the Trustees of the Ulster Folk & Transport Museum were thereby abolished.

The Order requires the Trustees to care for, preserve and add to the objects in its collections, for the purposes of exhibiting to the public and making objects available in connection with study or research, and generally to promote awareness, appreciation and understanding of art, history, science, culture and the migration and settlement of people.

National Museums Northern Ireland assumed responsibility for the Ulster American Folk Park from October 1998.

Under Article 10(2) of The Museums and Galleries (Northern Ireland) Order 1998, the group is required to prepare a statement of accounts for each financial year in the form and on the basis determined by DCAL with the approval of the Department of Finance and Personnel (DFP). The financial statements for National Museums Northern Ireland are required to be audited by the Comptroller and Auditor General for Northern Ireland.

Under Article 11 of The Museums and Galleries (Northern Ireland) Order 1998, the Board is required to prepare an Annual Report for DCAL, and for this to be laid before the Northern Ireland Assembly.

Principal Address

National Museums Northern Ireland, Cultra, Holywood, Co Down, Northern Ireland, BT18 0EU.

Board of Trustees

The current Chairman, Mr M McCoy, was appointed on 1 January 2014 for a period of four years to 31 December 2017.

The preceding Chairman, Mr D Harvey retired on 31 December 2013.

Board Members are as follows:

Mr P Carvill CB (retired 31 December 2013)
Dr B Scott (retired 31 December 2013)
Dr J R Browne McMinn OBE (retired 30 June 2013)
Mr J D W Moore (retired 30 June 2013)
Ms M A Peoples (retired 30 June 2013)
Mr J N Bodger (retired 30 June 2013)

The Minister of Culture, Arts and Leisure appointed the following Trustees to the Board for a term of four years:

Professor K Fleming (appointed 1 May 2013)
Mrs D Harshaw (appointed 1 May 2013)

Dr R Kelly OBE (appointed 1 May 2013)
Mr M McCoy (appointed 1 May 2013)
Mr A McFarland (appointed 1 May 2013)
Mrs A Moor (appointed 1 May 2013)
Mr J Rice (appointed 1 May 2013)
Professor M Catto (appointed 1 January 2014)
Professor G Earls (appointed 1 January 2014)
Mrs H Francey (appointed 1 January 2014)
Dr L Litvack (appointed 1 January 2014)
Dr G McIlroy (appointed 1 January 2014)
Mrs C Molloy (appointed 1 January 2014)
Dr M Ward (appointed 1 January 2014)

Bankers

Danske Bank Limited
98 - 100 High Street
Holywood
BT18 9HW

External Auditors

Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU

Internal Auditors

KPMG
Chartered Accountants
Stokes House
College Square East
Belfast
BT1 6DH

Solicitors

C & J Black Solicitors
Linenhall House
13 Linenhall Street
Belfast
BT2 8AA

Charity Number

XR29838

Structure, governance and management

National Museums Northern Ireland is governed by a Board of up to 15 Trustees who are appointed by the Minister of Culture, Arts and Leisure.

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Appointment is by open competition with Trustees initially appointed for a term of up to five years. Trustees can additionally serve subsequent terms of up to a maximum of ten years subject to the approval of the Office of the Commissioner for Public Appointments for Northern Ireland (CPANI).

There were four sub-committees of the Board of Trustees for the year, as follows:

- Audit Committee
- General Purposes and Finance Committee
- Remuneration Committee
- Capital Development Programme Committee

All Trustees attend 'On Board' training in respect of their responsibilities for corporate governance and accountability of the organisation.

The Chair of the Board of Trustees carries out an annual review of the Board's effectiveness.

A Trustees' Register of Interests is held and available for inspection at the Principal Address.

Responsibility and delegated authority for the management and direction of National Museums Northern Ireland rests with the Executive Team, under the leadership of the Director & Chief Executive, who is appointed by the Board of Trustees.

Members of the Executive Team are as follows:

Director & Chief Executive and Accounting Officer: Tim Cooke

Director of Collections & Interpretation: Dr Jim McGreevy

Director of People & Performance: Jude Helliker

Director of Finance: Paul Sheridan (acting since 13 June 2013)

Director of Marketing, Communications & Trading: Gillian McLean

Director of Learning & Partnership: Paddy Gilmore

Register of Interests

As outlined in Note 20 there were no company directorships or significant interests held by Board members which may conflict with their management responsibilities. A Register of Interests is maintained for Board members and the Executive Team.

Accounts Direction

The accounts have been prepared in accordance with the accounting and disclosure requirements of the Companies Act 2006, the accounting standards adopted by the Accounting Standards Board and disclosure requirements issued by DFP. The accounts have been prepared in the form and on the basis determined by DCAL with the approval of DFP.

Results and Appropriations

Funds have increased by £1,823,967 from £74,320,924 to £76,144,891 in the year. Of the net increase, £182,299 relates to the net outgoing resources, which is offset by a gain on revaluation of £2,006,266.

Total incoming resources for the year amounted to £17,371,614 (2013: £23,568,404) of which DCAL provided grant-in-aid funding of £14,465,314 (2013: £16,840,324). Total resources expended amounted to £17,553,913 (2013: £19,316,666).

National Museums Northern Ireland's key financial target for the 2013-14 financial year was to operate within the levels of grant received and receivable, and other operating income generated in the year. This target was achieved.

The policy on reserves is included in note 1, Accounting Policies, to the accounts.

Market Value of Land and Buildings

The last full valuation of land and buildings was provided by Land and Property Services at 31 March 2010. An interim valuation was provided by Land and Property Services at 31 March 2014. The net book value of land and buildings at 31 March 2014 was £59,426,495 (2013: £57,535,178).

Charitable donations

There were no charitable donations made by National Museums Northern Ireland in the year.

Disabled Persons

As an equal opportunities employer, National Museums Northern Ireland does not discriminate against staff or applicants for posts on any grounds, including disability. Care is taken to ensure the needs of disabled applicants are considered in the recruitment and promotion processes. National Museums Northern Ireland also considers and introduces reasonable adjustments to support the employment of people with disabilities and to support the continuing employment of staff who have a disability.

Employee Engagement

National Museums Northern Ireland is committed to developing an organisation that is highly skilled and motivated in contributing to the care of the national collections and providing an excellent service to the public.

Managers from across the organisation have continued to share skills and knowledge via courses and seminars to raise collections awareness, as well as having supported our Cultural Heritage Vocational Qualification (VQ) programme, now on its fourth cycle. In-house training has been facilitated where possible, complimented by staff attendance at relevant external training interventions. We have addressed not only a broad spectrum of compliance and health and safety requirements, essential systems and policy training, but also a wide variety of collections, learning and professional standards training needs.

Following two successful cycles of the 'Collections Skills Initiative', funded by the Heritage Lottery Fund, we continue to work in partnership with the Northern Ireland Museums Council to enhance sectoral knowledge and have designed a 'Community Engagement Initiative' which will provide paid placements and training. The training programme involves several NMNI staff and aims to share and build on best practice in community engagement in Northern Ireland.

Our commitment to the promotion of good industrial relations was demonstrated through formal and informal partnership working with our trade union, Northern Ireland Public Service Alliance (NIPSA), and the continued investment in a full-time seconded section secretary.

Our internal Programme Boards have continued to meet to develop cross-directorate communications and project working and support the work of the Executive Team.

Managing Attendance

In order to assist in the effective and efficient management of our business, National Museums Northern Ireland monitors the attendance of all staff. The actual sickness absence rate for 2013-14 was 3.9% (2012-13: 5.3%), as a percentage of working time lost. The effectiveness of the Attendance Management policy was

formally reviewed over the course of the year and the operation of the employee assistance programme is monitored on an on-going basis.

Organisational Development

2013-14 saw the delivery of year 2 of National Museums' Corporate Social Responsibility programme 'Horizons'. Horizons focuses on raising aspirations and creating opportunities through employability programmes and volunteering, tackling environmental issues (with a keen focus on enhancing bio-diversity), employee engagement initiatives and Charity of the Year work. Highlights of the year included the design and delivery of 'Museums 2 Work', a paid placement and training programme for seven unemployed people, as well as World Host training for over 50 unemployed people aspiring to work in tourism, cultural heritage or hospitality. National Museums has also been shortlisted for the 'Business and Biodiversity' category of the Northern Ireland Impact Awards 2014.

Payments to creditors

National Museums Northern Ireland is committed to prompt payment for goods and services and makes every effort to pay suppliers within 30 days of receipt of invoice. In the year ended 31 March 2014 National Museums Northern Ireland paid 98% (2013: 99%) of invoices within 30 days of the date of receipt of invoice.

Personal data related incidents

Hard copy material collated in response to a Freedom of Information request was lost due to the failure of the courier to comply with delivery instructions. This material included a small amount of personal data relating to the individual who had made the Freedom of Information Request.

Disclosure of Audit Information

So far as the Accounting Officer is aware, there is no relevant audit information of which the Board's auditors are unaware. The Accounting Officer has taken all necessary steps to make himself aware of any relevant audit information and to establish that the Board's auditors are aware of that information.

Performance Overview

The mission and strategic aims of National Museums Northern Ireland are delivered through the organisation's Corporate Strategy and a series of annual Business Plans.

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Key Performance Indicators (KPIs) were set for the 2013-14 year which focused on the level and quality of public engagement and on business performance. The key operational targets and year-end achievements are listed below:

	Actual 2013-14	Target 2013-14	Actual 2012-13
COLLECTIONS			
<ul style="list-style-type: none"> • % of collections held in acceptable, good or excellent conditions 	99%	99%	99%
<ul style="list-style-type: none"> • Number of collections-related images available online 	27,907	27,500	25,047
<ul style="list-style-type: none"> • Additional number of collections with computerised inventory control 	29,362	25,000	30,424
LEARNING, ACCESS & PARTNERSHIPS			
<ul style="list-style-type: none"> • Number of participants in organised learning visits 	119,461	85,000	127,517
<ul style="list-style-type: none"> • Number of participants in STEM programmes 	12,307	10,000	n/a
<ul style="list-style-type: none"> • Number of school visitors from areas of multiple deprivation 	12,012	7,000	n/a
<ul style="list-style-type: none"> • Number of specific initiatives targeted in areas of multiple deprivation 	56	20	n/a
<ul style="list-style-type: none"> • Number of outreach engagement initiatives 	252	100	n/a
<ul style="list-style-type: none"> • Number of volunteers engaged in museum activities 	282	30	n/a
VISITOR EXPERIENCE			
<ul style="list-style-type: none"> • Total number of visitors 	728,249	610,000	904,086
PROFILE & COMMUNICATIONS			
<ul style="list-style-type: none"> • Number of nmni.com visitors 	610,061	560,000	755,125
FUNDING, FINANCE & RESOURCES			
<ul style="list-style-type: none"> • Self-generated income (non DCAL) as % of total operating income 	16.86%	15%	19%
<ul style="list-style-type: none"> • Payments processed within 10 days 	94%	90%	92%
<ul style="list-style-type: none"> • Savings Delivery Plan targets 	£2.614m	£2.614m	n/a

Risk Management

As required by National Museums Northern Ireland's Risk Management Strategy, a formal risk management framework is in place that reflects the major business risks. All risks are reviewed annually as an integral part of the operational planning process. The Executive Directors and Senior Management Team identify the organisation's objectives and key risks and document these in the form of a National Museums Northern Ireland Corporate Risk Register. This assists the Board of Trustees to implement risk management actions identifying the types of risks faced, prioritising them in terms of potential impact and the likelihood of occurrence and identifying ways of managing the risks. During the year the Director reports significant changes and developments in the risk profile to the Audit Committee and the Board of Trustees. The Audit Committee reviews and updates the framework on a regular basis to ensure that it remains current.

Achievements

With over 720,000 visitors during 2013-14, National Museums Northern Ireland continues to play a major role at the heart of our community in delivering world-class museum services to the local population and to overseas visitors. This year we have continued to promote our museums to existing audiences whilst focusing effort on developing new audiences, highlighting the role of museums to all sections of society with a particular emphasis on hard to reach audiences.

Visitors enjoyed a diverse and wide-ranging programme of events and exhibitions across all our sites this year. Some highlights at the Ulster Museum included the opening of our new costume gallery with a stunning new exhibition 'Reflections' showcasing fashion from the 1700s to present day. A major exhibition of work by the internationally acclaimed modern painter, William Scott, opened in October. The most extensive William Scott exhibition yet, it covered all periods of Scott's career from the early 1930s to the 1980s. The exhibition at the Ulster Museum was the culmination of yearlong celebrations held across the UK and in the USA to mark the centenary of the renowned artist's birth.

In partnership with the British Museum, the 'Curious Beasts' exhibition showcasing five centuries of beautiful and unusual imagery from the animal world, opened in February. In March a major, new science exhibition based on the periodic table entitled 'Elements' opened. The first of its kind in the UK, this large scale exhibition features over 90 elements relating them to history, the universe and contemporary living.

The redevelopment of the popular rural area at the Ulster Folk & Transport Museum was launched in June. 'Discovery Farm' included an engaging new programme of historic working farm activities providing a unique visitor experience of daily life on the farms of 100 years ago. Other popular events included the Cultra Hill Climb which celebrated the theme of women in motorsport and experienced a substantial rise in demand by participants. Favourite events such as Donkey Day, Native and Traditional Breeds Weekend and the Spirit of Christmas Past continued to drive visitor numbers throughout the year.

Three new exhibit buildings opened at the Ulster American Folk Park. Murray's Drapery and W.G. O'Doherty's Pub Grocers opened their doors at Easter enabling visitors to step back in time into the world of 1900s retailing. In June an original brick frontier building from Tennessee, the Rogan House, opened to the public. An exciting event programme included everything from the American Independence Celebrations in July to the famous Bluegrass Music Festival at the end of August. The Hallowe'en Festival was another sell-out success whilst the American Thanksgiving holiday was celebrated in November.

Armagh County Museum delivered a programme of family fun days at Hallowe'en and Christmas. The ever popular Armagh Art Club Summer exhibition took place in June. A new exhibition, drawing on the extensive collections of international objects from National Museums Northern Ireland, opened in September. Entitled 'Rites of Passage: Beliefs and Customs from around the World' the exhibition explored how births, marriages and deaths were marked by special customs and ceremonies across the globe.

During the year we were acknowledged by awards across multiple sectors including business, marketing and tourism. The Ulster Museum was awarded Best Visitor Attraction 2013 at the NI4Kids Awards.

In September the Ulster Folk & Transport Museum was a joint winner in the Best Tourism Activity Provider category at the Bangor Business Awards.

At the Northern Ireland Chamber of Commerce Awards 2013 in October, National Museums Northern Ireland were highly commended in the Marketing Campaign of the Year award for the Ulster Museum.

Capital Funding

Buildings and Estates

During 2013-14, NMNI continued its programme of Capital Maintenance across all its sites as follows:

At the Ulster Folk & Transport Museum, the residential properties at both Cluan Place North and South undertook a major programme of electrical rewiring together with the upgrade of intruder and fire alarm systems. This was also repeated at the Road & Rail Gallery in the Transport Museum where together with the replacement of all gallery lighting with new LED fittings will assist the museum in reducing its electrical energy consumption. Other minor maintenance issues were also addressed during the gallery closure, which included the installation of public WiFi and the upgrade of the existing heating controls. Other more minor capital works were also procured at the Folk Museum site which included the repair of estate roadways specifically at the road leading to the Cultra Manor and at the bridge to Corradreenan Farm.

The Ulster American Folk Park also benefited from the successful completion of the electrical rewiring and upgrade of the intruder/fire alarm systems at the Ship Gallery, Ulster Street and America street. These areas also saw the refurbishment of the existing storage facilities which contain the museums textiles collection. New split chestnut fence materials were also procured to enhance the new world area of the site.

The programme of electrical fixed wire tests also continued across all NMNI sites and the results will form part of the capital programme for the 2014-15 year.

Collection Acquisitions

A total of £14,920 from a capital allocation of £15,000 was spent on the acquisition of specimens as part of collections development during 2013-2014. The majority of this sum was spent on specimens relating to Fine and Applied Art. The acquisition of contemporary costume (£5,190) continued and included pieces by Mary Katrantzou, Alice Temperley, Leoffer Randall, Tony Burch and Emma Cook. Series of Spoons (£3,300) by David Clarke and costume accessories (£795), including necklaces and earrings by Sue Gregor, Sally Grant, Grianne Morton and Grace Girvan, were further additions to the collections. The Specimen Purchase Fund also provided £5,536 towards the acquisition of the painting Untitled 2008 by County Tyrone born artist William McKeown. A successful funding bid to the Art Fund secured the remaining £15,000 to secure the purchase. In recognition of this purchase, the estate of William McKeown kindly donated works on paper by the artist as a gift to National Museums. Finally, The Decorative and Fine Art Society provided funding to purchase Evolve, a silver brooch by Carla Penne McBride (£100).

The acquisition of a fragment of a Roman brooch (£100) found at Poobles, near Aghalee, County Armagh, enhances the evidence of Roman-related activity in Ireland.

In addition to the allocated budget of £15,000 for Specimen Purchase Fund, and as part of the Connecting History project at the Ulster Museum, £12,578 was spent on World War 1-related and early twentieth century historical specimens.

Fundraising & Membership

The National Museums membership scheme has proved to be consistently popular with many users taking up family membership. The scheme increases visitation levels at each site and offers unlimited free entry to both the Ulster Folk & Transport Museum and the Ulster American Folk Park. Members also benefit from regular updates including advance notice of exhibitions and events at the Ulster Museum and Armagh County Museum. We have introduced a fast track entry for members at the Ulster Folk & Transport Museum on busy event days.

In the 2013-14 financial year, the scheme generated income of £27,340 from 540 new and renewing members. This is a record number of members for the scheme. A high proportion Gift Aid their membership

which generates incremental revenue. The scheme is prominently promoted at all sites, materials and features on our website.

NIAO Report

Further progress has been made in regard to collections management issues raised in reports by the Northern Ireland Audit Office and the Public Accounts Committee (HC 1130 Session 2005-6 and HC 109 Session 2006-7, respectively).

The majority of collections continue to be maintained in acceptable conditions or better. Particular focus was given this year to improvements in the storage of domestic and textile collections at the Ulster American Folk Park.

The number of collections-related images available via the internet was increased and the related KPI target exceeded. Digitisation activities were closely aligned to forthcoming exhibition and gallery developments at the Ulster Museum. Online collections highlight tours have also been further developed.

The annual audit check of collections was carried out and again resulted in a high percentage of objects selected for audit being located within the timeframe of the exercise.

Information and Communication Technology (ICT)

2013-14 saw the implementation of the second year of the ICT strategy 'NMNI 2015: ICT Supporting your ambition – realising your vision ...' assisting NMNI realise its corporate and business imperatives over the coming years. The main focus of the 2012-15 strategy is to improve business processes to make use of existing applications; maintain and support infrastructure; and improve governance, supply and request for service processes to make the ICT function more efficient across the organisation.

During the year significant work was completed in the area of governance, with the development of a Service Level Agreement with the business, and the establishment of an ICT user forum.

In February National Museums achieved accreditation in compliance with the Northern Ireland Civil Service for Network NI services. Compliance was achieved in physical, personal and logical security, and policies and procedures.

On the theme of infrastructure there was further investment in replacing some of the core infrastructure in the data centre, and the majority of Personal Computers were replaced, including a wide range of ICT related upgrades at our main collections store.

Improvements were made to the local area network at the Ulster Folk & Transport Museum and guest Internet access was introduced at both the folk and transport galleries at the Folk & Transport Museum site.

During the year the ICT department provided twelve week work experience opportunities for a Spanish and German student, as part of the European Leonardo exchange programme

Learning and Partnership (Social & Community issues)

2013-14 proved to be a highly successful but challenging year for the Learning and Partnership Directorate. The Directorate was effective in exceeding all its' Key Performance Indicators in relation to – outreach initiatives in local communities; learning visits for both schools and lifelong learners; STEM activities which supported the work undertaken in the classroom; provision for school children specifically from areas of multiple deprivation and the number of volunteers supporting the work of National Museums in a range of innovative projects. We faced the challenge of delivering our programme with less resource than in previous years and whilst we were delighted to receive in year funding to develop our work with non-traditional users and marginalised communities the extent of the Social Inclusion programme which we subsequently undertook placed high demands on staff. However, the scale of engagement with local people, local communities and the

many thousands of people who would not have otherwise gotten a chance to participate in a museum programme or activity far outweighed the pressure of delivery.

During the year a total of 119,461 total learning places were provided, 67,588 for school children and a further 51,873 for lifelong learners. We sought to maximise the impact of our investments by strategically focusing on initiatives and areas where National Museum interventions could add value. Hence we provided 19,291 places for children from Extended Schools and 12,102 places for children whose schools were located in the top 25% of Northern Ireland's areas of multiple deprivation. Our STEM programme built on a very strong collections offering, including the Elements Exhibition, to deliver a highly innovative and engaging programme for 12,307 children. We also developed our programming further to offer family audiences the opportunity to engage with science, technology, engineering and maths on our sites.

The NMNI Social Inclusion Programme received funding in July and delivered 13,804 places for people from some of the most disadvantaged areas of Northern Ireland. Many of these people came from the 10 areas listed as the most badly effected by multiple deprivation, on the NISRA list of 890 areas, in the whole of Northern Ireland. In year funding of £306,000 was used across 18 separate initiatives built around tackling inequality, poverty and social exclusion. Our projects help parents engage with their children's learning; delivered early intervention programmes in an effort to break the cycle of deprivation; helped schools who would not have otherwise been able to bring children on a museum visit; reached some of our most marginalised people such as prisoners, asylum seekers and long term unemployed people; worked with community based organisations to build partnerships with their audience base and provided training opportunities for people using the unique assets available across NMNI sites. In addition to this specific programme, many other aspects of our work targeted under-represented, non-traditional or marginalised audiences. These included Live and Learn and the new Treasure House projects, both of which are aimed at tackling poverty and social exclusion amongst older people through engagement with museum resources and programmes.

Partnership programmes are central to the work of the department, allowing us to connect with audiences in a range of unique and innovative ways.

In partnership with the National Portrait Gallery and four other UK wide partners we delivered "National Memory - Local Stories" an initiative which sought to engage young people with the Great War. Working with New Lodge Arts we developed a participative project which saw the work of the young people being displayed in the Ulster Museum and on the National Portrait Gallery website.

In partnership with C2K's virtual learning environment we reached hundreds of schools in every corner of Northern Ireland with museum programmes such as Egyptology and Victorian School Days as well as initiatives for World Book Day in which the Minister for Education participated.

In conclusion the Learning and Partnership Directorate has provided opportunities for engagement and learning for an ever broadening audience base, developed through long term strategic relationships and carefully focused investment. We have catered for very young babies through to vulnerable older people and created opportunities for engagement with our collections, regardless of learning style or ability level.

Review of Public Administration

In November 2005, the Secretary of State determined, through the Review of Public Administration (RPA), that responsibility for the operation of Armagh County Museum will transfer from National Museums Northern Ireland to local government. This has now been delayed until 2015.

Plans for Future Periods

National Museums Northern Ireland plays a vital role at the heart of our society – supporting key objectives of the Programme for Government in ways which enrich the experience of so many of our population and offer opportunities to explore our history and to imagine our future.

As well as fulfilling statutory roles in relation to our collections and our sites, we maintain energetic and creative focus on a dynamic public engagement strategy which across recent years has contributed with real substance to social inclusion, purposeful cultural participation, a broad learning agenda and tourism.

Building upon this success, we will continue to place greater emphasis going forward on developing our engagement with people living in areas of multiple deprivation. We will use our programming to make a real and unique contribution in supporting the Northern Ireland Executive's focus on improving opportunities for those living in areas of cyclical disadvantage. We are continuing with the KPIs on outreach and targeted activity which were introduced last year.

In the coming year, building upon these achievements, we will launch five new strategies:

- A new **Community Engagement Strategy** placing more emphasis on developing our engagement with people living in areas of multiple deprivation. We are using our programming to make a meaningful and unique contribution in supporting the focus on improving opportunities for people living in areas of cyclical disadvantage.
- A new **Collections Engagement Strategy** designed to ensure that as many of the national collections as possible are available to the public. This will include a new initiative to bring art that is currently in storage to a wider range of venues.
- A new **Digital Engagement Strategy** offering more collections content and images online and optimising the opportunities afforded by e-communications and social media engagement.
- A new **Social Responsibility Strategy** with initiatives to support employability skills, charitable activity, community development and helping to tackle biodiversity and sustainability.
- A new **Infrastructure & Investment Strategy** that aims to develop master plans for each of the museum sites, in conjunction with our sponsor department DCAL, with other partners and funders and that receives cross-departmental support.

Across our sites we will deliver a broad range of activity involving exhibitions, events, learning and social inclusion programmes.

At the Ulster Folk & Transport Museum we will mark the 50th anniversary of the Folk Museum with a new Folk Festival, a landmark exhibition on Irish Dance and a programme allowing visitors to explore the impact of the outbreak of the First World War on the local population.

At the Ulster Museum we will deliver the upgrade of the Modern History gallery to enhance the interpretation (which will also put more objects from the collections on public display), a range of art exhibitions and a lively community partnership programme.

At the Ulster American Folk Park we plan a dozen special events including American Independence Day, the Bluegrass Festival, Halloween, Thanksgiving and Christmas festivals.

At Armagh County Museum we will stage the annual Armagh Art Club exhibition and a range of community-based initiatives. We will also continue preparations to transfer Armagh County Museum to the new local authority in 2015.

Capital investment is projected at a relatively low level and will focus on essential maintenance.

We will continue to explore new partnerships and offer a range of learning and development opportunities designed to offer innovative returns on this investment which support the efforts to provide new skills opportunities within our community and to improve employability prospects.

We will continue to offer unique learning engagements for schools and other users, supporting curriculum activity, the STEM/STEAM agenda and wider programmes which encourage social inclusion, involvement and community understanding, helping to tackle inequalities and promote health and wellbeing.

We will continue to foster museum partnerships between Northern Ireland and the Republic of Ireland, across the UK and with international partners in planning exhibitions, pursuing research and delivering public programming.

We will support the programme around the Decade of Centenaries and the wider efforts to cultivate broad and objective historical understanding, with contributions from our collections, curatorial expertise and specialist sites.

We will play a major role in the tourism strategy, offering attractive and purposeful days out to visitors from the Republic, Great Britain and across the globe. We will work in partnership with tourism and other bodies promoting Northern Ireland as a destination.

In recent years we have made great progress in generating more of our own income and this will remain a key focus. We will also continue to develop our digital presence to promote access and engagement with the collections and programmes.

All of our activity is supported by grant-in-aid via the Department of Culture, Arts and Leisure. This year our grant in aid income is £12.578 million. This is a welcome and substantial investment of public money and we are committed to doing our best to lever value through efficient spending and positive social outcome. However, we still face significant financial and managerial challenges. The combined impact of the implementation of our previous reform and modernisation programme involving major restructuring, a voluntary early retirement scheme, and considerable downsizing - and now a fourth year of Savings Delivery Plans totalling almost £7 million, has depleted organisational capacity. During the coming year we will seek to bolster expertise in key knowledge and collections areas and take measures to ensure organisational coherence as we deliver the Year Four element of our savings plans.

The specific objectives outlined in this plan support the Northern Ireland Museums Policy and DCAL's priorities to promote equality and tackle poverty and social exclusion. They are designed to maintain effective engagement with as many people as possible and to offer new opportunities to explore the knowledge, understanding and inspiration to be found in our diverse and treasured collections.

Important events since the end of the financial year

There were no events since the end of the financial year requiring disclosure.



Tim Cooke
Director & Chief Executive

Date 26 September 2014

REMUNERATION REPORT

Remuneration Committee

The Board has established a Remuneration Committee to support them in undertaking their responsibilities for overseeing the performance and remuneration of the Museums' senior staff. In particular, it oversees approval of the Senior Civil Service Pay Strategy as it applies to the Director & Chief Executive and reviews the Director & Chief Executive's approvals of the Senior Civil Service Pay Strategy as it applies to other Directors employed under SCS terms and conditions.

Membership of the Committee

The membership of the Remuneration Committee is as follows:

Mr P Carvill CB (Chair, retired 31 December 2013)
Mr D E Harvey OBE (retired 31 December 2013)
Dr B Scott (retired 31 December 2013)
Dr R Kelly (from 1 May 2013)
Mr M McCoy (Chair, from 1 January 2014)
Mrs A Moor (from 1 January 2014)
Mr A McFarland (from 6 June 2014)

The Director & Chief Executive and the Director of People & Performance attend any meetings which review senior staff remuneration except for discussion concerning their own pay and performance.

Policy on the remuneration of senior managers

The Chairman of the Board of Trustees is responsible for monitoring and reviewing the performance of the Director & Chief Executive in accordance with the SCS Pay Strategy and confirming same to the Remuneration Committee.

The Director & Chief Executive is responsible for monitoring and reviewing the performance of the Executive Team of National Museums Northern Ireland in accordance with the SCS Pay Strategy (for those Directors employed under SCS terms) and in accordance with the Northern Ireland Civil Service Pay Strategy for other Directors.

Policy on duration of contracts, notice periods and termination payments

Senior staff, including the Director & Chief Executive, are permanent employees of National Museums Northern Ireland. The notice period for senior staff is three months. Termination payments are in accordance with contractual terms and those of the Principal Civil Service Pension Scheme (NI).

Salary and pension entitlements

The salary and pension entitlements of the Directors of National Museums Northern Ireland (which has been subject to audit) are detailed below:

Senior Management Remuneration (Subject to Audit)

	2013-14				2012-13			
	Salary £'000	Bonus £'000	Pension Benefits ¹ £	Total (£'000)	Salary £'000	Bonus £'000	Pension Benefits £	Total (£'000)
Mr Tim Cooke Director & Chief Executive	105-110	-	30,000	135-140	105-110	-	53,000	160-165
Mrs Jude Helliker Director of People & Performance	65-70	-	44,000	110-115	65-70	-	31,000	95-100
Dr Jim McGreevy Director of Collections & Interpretation	60-65	-	-	60-65	60-65	-	4,000	65-70
Mrs Gillian McLean Director of Marketing, Communications & Trading	60-65	-	30,000	90-95	55-60	-	6,000	65-70
Mr Paddy Gilmore Director of Learning & Partnership	60-65	-	14,000	75-80	60-65	-	13,000	70-75
Mr Paul Sheridan Acting Director of Finance (from 13 June 2013)	40-45 (50-55 full year equivalent)	-	15,000	55-60	n/a	n/a	n/a	n/a
Band of Highest Paid Director's Total Remuneration (£'000s)	105-110				105-110			
Median Total Remuneration	22,291				22,180			
Ratio	4.82				4.85			

Salary

"Salary" includes gross salary; overtime and any other allowance to the extent that it is subject to UK taxation and any gratia payments.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument. There were no benefits in kind provided during the financial year.

¹ The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.

Bonuses

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the previous year in which they become payable to the individual. There were no bonuses paid in the 2013-14 year.

Pay Multiples

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 banded remuneration of the highest-paid director in National Museums Northern Ireland in the financial year 2013-14 and 2012-13 was £105,000-£110,000. This was 4.82 times (2012-13, 4.85) the median remuneration of the workforce, which was £22,291 (2012-13, £22,180).

In 2013-14 and 2012-13 no employees received remuneration in excess of the highest-paid director. Remuneration ranged from £16,300 to £107,500 (2012-13, £15,849 to £107,500).

Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

Board Members

No emoluments were paid to members of the Board of Trustees for the year ended 31 March 2014 except for an honorarium to the Chairman amounting to £10,000.

Pensions of Senior Management (Subject to Audit)

	Accrued pension at pension age as at 31/3/14 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/14	CETV at 31/3/13	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
Mr Tim Cooke Director & Chief Executive	20-25	0-2.5	367	316	24
Mrs Jude Helliker Director of People & Performance	20-25	0-2.5	319	270	28
Dr Jim McGreevy Director of Collections & Interpretation	20-25 plus lump sum of 65-70	0-2.5 plus lump sum of 0-2.5	502	471	0
Mrs Gillian McLean Director of Marketing, Communications & Trading	10-15	0-2.5	140	113	15
Mr Paddy Gilmore Director of Learning & Partnership	10-15 plus lump sum of 30-35	0-2.5 plus lump sum of 0-2.5	197	172	11
Mr Paul Sheridan Acting Director of Finance (from 13 June 2013)	0-5	0-2.5	41	32	5

Northern Ireland Civil Service (NICS)

Pension benefits are provided through the Northern Ireland Civil Service pension arrangements which are administered by Civil Service Pensions (CSP). Staff in post prior to 30 July 2007 may be in one of three statutory based 'final salary' defined benefit arrangements (classic, premium, and classic plus). These arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. From April 2011 pensions payable under classic, premium, and classic plus are increased annually in line with changes in the Consumer Prices Index (CPI). Prior to 2011, pensions were increased in line with changes in the Retail Prices Index (RPI). New entrants joining on or after 1 October 2002 and before 30 July 2007 could choose between membership of premium or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account). New entrants joining on or after 30 July 2007 are eligible for membership of the nuvos arrangement or they can opt for a partnership pension account. Nuvos is a 'Career Average Revalued Earnings' (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current rate is 2.3%. CARE pension benefits are increased annually in line with increases in the CPI. For 2014, public service pensions will be increased by 2.7% for pensions which began before 8 April 2013. Pensions which began after 8 April 2013 will be increased proportionately.

Employee contributions are determined by the level of pensionable earnings. The employee contribution rates for 2014-15 year are as follows:

Annual pensionable earnings (full-time equivalent basis)	2014 contribution rate before tax relief
Up to £15,000	1.50%
£15,001-£21,000	3.00%
£21,001-£30,000	4.48%
£30,001-£50,000	5.27%
£50,001-£60,000	6.06%
Over £60,000	6.85%

Members of premium, nuvos and classic plus:

Annual pensionable earnings (full-time equivalent basis)	2014 contribution rate before tax relief
Up to £15,000	3.50%
£15,001-£21,000	5.00%
£21,001-£30,000	6.48%
£30,001-£50,000	7.27%
£50,001-£60,000	8.06%
Over £60,000	8.85%

Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per classic.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. Pension age is 60 for members of classic, premium, and classic plus and 65 for members of nuvos. Further details about the CSP arrangements can be found at the website www.dfpni.gov.uk/civilservicepensions-ni

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 CSP 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.



M McCoy
Chairman of the Board of Trustees
Date 26 September 2014



Tim Cooke
Director & Chief Executive
Date 26 September 2014

**STATEMENT OF TRUSTEES' AND THE DIRECTOR & CHIEF EXECUTIVE'S
RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2014**

Under Article 10(2) of the Museums and Galleries (NI) Order 1998 the Museum 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 (DCAL) with the approval of the Department of Finance and Personnel (DFP). The accounts are prepared on an accruals basis and must give a true and fair view of National Museums Northern Ireland's state of affairs at the year end and of its financial activities and cash flows for the financial year.

In preparing the accounts the Trustees are required to:

- observe the accounts direction issued by DCAL, including relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- 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;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that National Museums Northern Ireland will continue in operation.

The Accounting Officer for DCAL has designated the Director & Chief Executive as the Accounting Officer for National Museums Northern Ireland. His relevant responsibilities as Accounting Officer, including the responsibility for the propriety and regularity of the public finances, for which he is answerable, and for keeping of proper records, are set out in the Non-Departmental Public Bodies' Accounting Officer Memorandum, issued by DFP.

GOVERNANCE STATEMENT for the year ended 31 March 2014

1. Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives of National Museums Northern Ireland agreed by the Minister of Culture, Arts and Leisure, whilst safeguarding the public funds and Museums' assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money Northern Ireland.

National Museums Northern Ireland is a Non-Departmental Public Body established under the Museums and Galleries (Northern Ireland) Order 1998 and sponsored by the Department of Culture, Arts & Leisure (DCAL).

The Executive Directors of National Museums Northern Ireland meet formally on a quarterly basis with DCAL Museums Branch. At these meetings National Museums Northern Ireland is assessed against its delivery of the Ministerial priorities as agreed in the Corporate Plan and Museums Policy as well as the review of the management of risk within National Museums Northern Ireland. A representative from DCAL Museums Branch attends the Audit Committee meetings at which risk management is addressed.

2. Compliance with Corporate Governance Code

National Museums Northern Ireland in so far as it is relevant for a Non Departmental Public Body, complies with the Corporate Governance Code.

3. Governance Framework

National Museums Northern Ireland is governed by a Board of up to 15 Trustees and sub committees that report to the Board. The Trustees are appointed by the Minister of Culture, Arts and Leisure. The Board has ultimate responsibility for directing the affairs of National Museums Northern Ireland and for fulfilling the functions set out in the Museums and Galleries (Northern Ireland) Order 1998. The Minister of Culture, Arts and Leisure made seven appointments to the Board of Trustees on 1 May 2013 and a further appointment of seven on 6 January 2014. A new Chair was also appointed on 6 January 2014 (appointed as a Trustee on 1 May 2013). The term of appointment for four Trustees ended on 30 June 2013 with a further two ending on 31 December 2013. The previous Chair's term also ended on 31 December 2013.

The Accounting Officer is designated by the DCAL Accounting Officer and has responsibility for the day to day management of National Museums Northern Ireland and is supported by the Board.

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 ongoing process designed to identify and prioritise the risks to the achievement of National Museums Northern Ireland's 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 National Museums Northern Ireland for the year ended 31 March 2014 and up to the date of approval of the annual report and accounts, and accords with Department of Finance and Personnel guidance.

During 2014-15 a process for reviewing the quality of Committee papers will be developed and presented to the Board for approval and adoption.

The Board is ultimately responsible for the system of internal control, the management of risk and the governance framework. Management is responsible for implementing Board policies on risk and control. The Board has delegated to the Audit Committee responsibility for an assessment of the effectiveness of the system of internal control.

The Board meets generally four times a year. The Board receives reports on a regular basis covering key performance indicators, business plan performance, market update, financial performance, capital programme activity, loans agreed and minutes from each of the sub-committees.

All Trustees attend 'On Board' training in respect of their responsibilities for corporate governance and accountability of the organisation.

**NATIONAL MUSEUMS AND GALLERIES OF NORTHERN IRELAND
ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2014**

In order to manage any conflicts or potential conflicts of interest the Chairman asks those present at the start of each Board and Committee meeting if they are conflicted with any of the agenda items. In the year 2013-14 there have not been any conflicts. As part of the 2013-14 Audit Plan the Internal Auditors reviewed National Museum's governance arrangements. The review concluded that the organisation is in compliance with the Corporate Governance in central government departments: Code of good practice NI and therefore we can conclude that throughout the year the Board operated effectively. But there were a number of recommendations which arose and there is now a need to review the Standing Orders, the Board Operating Framework and the Committee Terms of Reference in the year 2014-15.

4. Board Membership

During the year the following served as Trustees:

	Attendance at Board Meetings 2013-14 (max² 4)
Mr D Harvey (Chair, retired December 2013)	3
Mr P Carvill (Retired December 2013)	2
Dr B Scott (Retired December 2013)	3
Mr N Bodger (Retired June 2013)	1
Dr R McMinn (Retired June 2013)	1
Mr D Moore (Retired June 2013)	1
Ms A Peoples (Retired June 2013)	1
Mr M McCoy (Appointed as Trustee, May 2013. Appointed as Chair, January 2014)	4
Professor K Fleming (Appointed May 2013)	3
Mrs D Harshaw (Appointed May 2013)	4
Ms R Kelly (Appointed May 2013)	3
Mr A McFarland (Appointed May 2013)	4
Mrs A Moor (Appointed May 2013)	4
Mr J Rice (Appointed May 2013)	3
Professor M Catto (Appointed January 2014)	1
Professor G Earls (Appointed January 2014)	1
Mrs H Francey (Appointed January 2014)	1
Dr L Litvack (Appointed January 2014)	1
Dr G McIlroy (Appointed January 2014)	1
Mrs C Molloy (Appointed January 2014)	1
Dr M Ward (Appointed January 2014)	1

² In the case of those Trustees retiring in June the max is 1 and for those retiring in December it is 3. In the case of those Trustees joining in May the max is 4 and for those joining in January the max is 1)

The following Trustees retired in the year:

	Attendance at Board Meetings 2013-14 (max³ 3)
Mr N Bodger (Retired June 2013)	1
Dr R McMinn (Retired June 2013)	1
Mr D Moore (Retired June 2013)	1
Ms A Peoples (Retired June 2013)	1
Mr D Harvey (Chair) (Retired December 2013)	3
Mr P Carvill (Retired December 2013)	2
Dr B Scott (Retired December 2013)	3

5. Audit Committee

The responsibilities of the Audit Committee are detailed in the Terms of Reference set by the Board.

The Audit Committee met four times during the year to review reports on risk management, the control environment, matters arising from internal and external audits, progress on the implementation of recommendations, approve and recommend to the Board policies on Anti-Fraud, Anti- Bribery and Corruption and Risk Management and to review the Annual Report and Accounts.

The Committee discharged its oversight responsibilities in accordance with the Terms of Reference and it has the requisite skills (including governance, financial reporting, risk management, auditing, strategic planning and understanding the core functions of the organisation) to discharge its responsibilities effectively.

6. Other Committees and the Executive Team

There is one other sub-committee of the Board of Trustees:

- The General Purposes and Finance Committee met four times during the year to review the four year financial plan, current financial report, issues from Human Resources and Organisational Development, market update and loans for approval.

The Remuneration Committee, a sub-committee of the General Purposes and Finance Committee, met once to confirm the review of the Chief Executive's performance and to approve the associated pay award.

The Executive Team has responsibility and delegated authority for the management and direction of National Museums Northern Ireland, under the leadership of the Director & Chief Executive. Members of the Executive Team are also members of the internal boards - Public Programming Board, Organisational Development Board and Exhibition and Commissioning Group.

7. Business Planning and Risk Management

A detailed annual Business Plan for 2013-14 was submitted to DCAL on 7 February 2013 and approved on 12 August 2013.

Leadership is given to the risk management process by National Museums Northern Ireland's Board of Trustees and Audit Committee.

³ In the case of those Trustees retiring in June the max is 1 and for those retiring in December it is 3

Risk management has been embedded within the organisation through the business planning and project management procedures. These procedures ensure that risks to achieving business plan objectives are identified and are managed in accordance with the Policy Framework for Risk Management.

As part of the annual business planning process, the Senior Management Team identified the organisation's objectives and revised the Directorate Risk Registers. The key risks were escalated into the Corporate Risk Register. Each risk is allocated a risk rating based on an evaluation of its impact and likelihood in three stages:

1. Assessment of inherent risk before any controls are identified
2. Assessment of residual risk taking account of current risk response and controls
3. Assessment of treated risk taking account of agreed actions

The treated risk rating is then compared to the risk appetite which establishes an acceptable level of risk for a particular business activity. If the controls are judged to be inadequate to manage risk to within the risk appetite then further action is identified to strengthen these controls.

The Corporate Risk Register identifies risk owners, agreed actions and timescales, and allocates responsibility.

The Register is reviewed regularly by the Senior Management Team (the risk register is a standing agenda item at each Senior Management Team meeting). The review process takes account of the validity of the risks currently identified on the register (whether they are still strategic risks), the actions taken to date, the inherent risk score taking account of the updated actions and the actions which are required in the future in order to mitigate the risk. The Register is also reviewed on a quarterly basis by the Audit Committee and by DCAL.

In addition to the Corporate Risk Register, internal capital project boards have developed project risk registers with project SROs responsible for risk management.

The Senior Management Team are fully involved in the continual review and management of risks and are trained and equipped to manage risk in a way appropriate to their authority and duties. In addition to the annual audit review of risk management, the internal auditors provide advice and guidance on good practice in the management of risk throughout the audit process. Changes in the risk environment during the year have been dealt with by considering the impact of the risks assessed and taking action to manage the risks.

During the year the key strategic risks relating to business objectives were identified:

- Securing appropriate levels of government funding 2014-15 and beyond.
- Achieving income generation targets
- Maintaining public support for museums
- Compliance with governance and accountability requirements
- Retention of knowledge and intellectual capital
- Maintaining the capital resource

8. Fraud Risk and Information Risk

The management and control of the risk of fraud is set out in the Anti-Fraud Policy and Fraud Response Plan. Further related guidance is provided in the Anti-Bribery and Corruption Policy and the Staff Code of Conduct containing the Whistle-Blowing Policy.

During 2013 three losses were reported under the anti-fraud policy; the theft of shop goods valued at £90 and the theft of two laptops (reported separately) each valued at £50.

The internal review indicated that the losses were not attributable to any weakness in procedures.

The management and control of risks to information is addressed in the organisation's Data Protection Policy and Procedures. Security and access to information is addressed in the organisation's ICT Security Policy. Internal audit of IT General Controls is included in National Museums internal audit plan.

Hard copy material collated in response to a Freedom of Information request was lost due to the failure of the courier to comply with delivery instructions. This material included a small amount of personal data relating to the individual who had made the Freedom of Information Request. The incident was reported to the Information Commissioner's Office.

9. Governance & Accountability within National Museums

National Museums Northern Ireland complies with the Management Statement and Financial Memorandum with DCAL and relevant guidance from the Department of Finance and Personnel. These documents set out the regulatory and accounting framework along with details of the delegations of responsibility and accountabilities.

The Accounting Officer and the Board obtain assurances from independent providers as appropriate. These include internal audit, NIAO, peer reviews, and Education and Training Inspectorate reviews.

All reports to Board members are provided in advance of meetings and undergo a rigorous review process.

10. Sources of Independent Assurance

National Museums Northern Ireland draws assurance on its system of internal control and governance arrangements from independent sources, in particular:

Internal Audit

The primary objective of internal audit is to provide an independent and objective opinion to the Board and Audit Committee on the adequacy and effectiveness of the system of internal control. The work of internal audit is informed by an analysis of the risks to which National Museums Northern Ireland is exposed.

National Museums Northern Ireland contracts out its internal audit services. The appointed firm of internal auditors operates to standards defined in the Government Internal Audit Manual. A tender competition was finalised for the new internal audit provider in September 2013. The Annual Audit Plan 2013-14 was approved by the Audit Committee in December 2013. The Audit Committee considered reports on the following systems:

AUDIT ASSIGNMENTS	LEVEL OF ASSURANCE PROVIDED
• Cash and Bank	Substantial Assurance
• Payments to Creditors	Substantial Assurance
• Fixed Assets	Substantial Assurance
• Risk Management	Substantial Assurance
• Income and Debtors	Satisfactory Assurance
• Corporate Governance	Satisfactory Assurance
• Payroll	Satisfactory Assurance
• Health and Safety	Satisfactory Assurance
• Procurement	Satisfactory Assurance
• Safeguarding children & vulnerable adults procedures	Satisfactory Assurance

In addition to the core audit areas, the internal auditor undertook a Governance Mapping review of evidence of assurances in place to support the statements contained within the Quarterly Accountability Statement. The findings from this review were reported to the Board in March 2014.

A satisfactory annual assurance rating over the control environment of the organisation was provided by the internal audit function for the 2013-14 year.

Northern Ireland Audit Office (NIAO)

The statutory audit of National Museums Northern Ireland was undertaken by the NIAO's Comptroller and Auditor General (C & AG) in accordance with auditing standards issued by the Auditing Practice Board (APB) taking into account the UK Auditing Practice Board's Practice Note 10 (revised); Audit of Financial statements in Public Sector Bodies in the United Kingdom and Practice Note 11 for the audit of Charities. The audit was planned and executed in accordance with the Audit Strategy which was approved by the Audit Committee in June 2014.

11. Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within National Museums Northern Ireland 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. 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 Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

12. Internal Governance Divergences

Prior Year issues

Maintenance of Collections

On 8 June 2006, the Northern Ireland Audit Office published a report into the management of collections held by National Museums Northern Ireland at its four museum sites (Collections Management in the National Museums and Galleries of Northern Ireland HC 1130, Session 2005-06). The report focused on documentation and storage of the collections.

On 21 June 2006, the Public Accounts Committee held an evidence session on the Northern Ireland Audit Office report and, on 13 December 2006, published its own report and conclusions (Collections Management in the National Museums and Galleries of Northern Ireland, HC 109, Session 2006-07).

National Museums has made significant progress in regard to the majority of the collections management and storage issues raised in these reports, nine of the ten PAC conclusions having been addressed. The outstanding conclusion, relating to The Result, will be considered in the context of a development strategy incorporating options for the display and interpretation of maritime and industrial history collections. The exhibit will be maintained in its current condition subject to funding.

Current year issues

Board structure

For a part of the year National Museums Northern Ireland worked with a reduced number of Trustees. This placed some pressure on the Committee structure and consequently the system of corporate governance. The Board of Trustees made the Department aware of their concerns and they were also reflected in National Museums Northern Ireland Corporate Risk register under the Corporate Governance risk. The full quota of Trustees was reached in January 2014.

13. Ministerial directions

There were no ministerial directions given during the year.

14. Conclusion

As Accounting Officer, I am satisfied that an appropriate system of internal governance is in place within National Museums Northern Ireland



M McCoy
Chairman of the Board of Trustees
Date 26 September 2014

Tim Cooke
Director & Chief Executive
Date 26 September 2014

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 National Museums Northern Ireland for the year ended 31 March 2014 under the Museums and Galleries (Northern Ireland) Order 1998. These comprise the Statement of Financial Activities, the Balance Sheet and the Cash Flow Statement 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 Trustees, Chief Executive and auditor

As explained more fully in the Statement of the Trustees' and the Director and Chief Executive's Responsibilities, the Trustees, and Chief Executive are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Museums and Galleries (Northern Ireland) Order 1998. 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 Auditing Practices Board'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 National Museums Northern Ireland's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the incoming and outgoing resources 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 incoming and outgoing resources have been applied to the purposes intended by the Assembly and the financial transactions 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 National Museums Northern Ireland's affairs as at 31 March 2014 and of its incoming and outgoing resources and cash flows for the year then ended; and
- the financial statements have been properly prepared in accordance with the Museums and Galleries (Northern Ireland) Order 1998 and the 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 the Department of Culture Arts and Leisure directions made under the Museums and Galleries (Northern Ireland) Order 1998; and
- the information given in the Management Commentary and the Director and Chief Executive's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

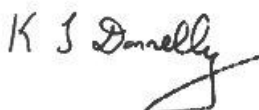
Matters on which I report by exception

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.



KJ Donnelly
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU

21 October 2014

NATIONAL MUSEUMS AND GALLERIES OF NORTHERN IRELAND

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2014

	Note	Restricted	Unrestricted	2014 £	2013 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income					
Grant-in-aid	2	2,052,300	12,413,014	14,465,314	16,840,324
VER funding	15	221,526	-	221,526	249,575
Donations	3	-	60,700	60,700	26,753
Gifts in kind	3	33,190	-	33,190	2,805,043
Activities for generating funds					
Fundraising & Development	4	18,370	-	18,370	18,400
Trading	4	-	1,037,819	1,037,819	1,245,634
Investment income					
		-	1,069	1,069	344
Incoming resources from charitable activities					
Admissions		-	848,742	848,742	1,359,589
Other grants	5	671,107	-	671,107	994,760
Other incoming resources					
	6	-	13,777	13,777	27,982
Total incoming resources					
		<u>2,996,493</u>	<u>14,375,121</u>	<u>17,371,614</u>	<u>23,568,404</u>
Resources expended					
Costs of generating funds					
Fundraising & Development	7	18,554	172,951	191,505	254,408
Trading	7	772	1,083,150	1,083,922	945,408
Charitable activities					
Curatorial, Collections & Collections Services	7	345,263	4,132,308	4,477,571	5,261,117
Exhibitions and Events	7	7,949	457,680	465,629	720,132
Learning and Partnership	7	523,513	1,721,694	2,245,207	1,755,401
Operations and Visitor Services	7	274,876	8,767,208	9,042,084	10,262,057
Governance					
	8	-	47,995	47,995	118,143
Total Resources expended					
	7	<u>1,170,927</u>	<u>16,382,986</u>	<u>17,553,913</u>	<u>19,316,666</u>
Net (outgoing)/incoming resources					
	9	1,825,566	(2,007,865)	(182,299)	4,251,738
Transfer of funds					
		(1,884,606)	1,884,606	-	-
Unrealised gains/(losses) on revaluation of fixed assets					
	10	(172)	2,006,438	2,006,266	(1,214,775)
Net movement in funds					
		(59,212)	1,883,179	1,823,967	3,036,963
Fund balances brought forward					
		<u>15,006,723</u>	<u>59,314,201</u>	<u>74,320,924</u>	<u>71,283,961</u>
Fund balances carried forward					
		<u>14,947,511</u>	<u>61,197,380</u>	<u>76,144,891</u>	<u>74,320,924</u>

All amounts included in the above statement relate to the continuing operations of the National Museums Northern Ireland. There are no recognised gains and losses other than those shown above. The notes on pages 36 to 51 form part of these accounts.

NATIONAL MUSEUMS AND GALLERIES OF NORTHERN IRELAND

**BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2014**

	Note	2014 £	2013 £
Fixed Assets			
Tangible assets	10	70,194,755	68,913,393
Heritage assets	10	<u>5,809,444</u>	<u>5,756,719</u>
		76,004,199	74,670,112
Current Assets			
Stock	11	356,582	327,978
Debtors	12	586,496	1,227,450
Cash at bank and in hand	13	<u>2,262,137</u>	<u>2,271,604</u>
		3,205,215	3,827,032
Current Liabilities			
Creditors - amounts falling due within one year	14	<u>(2,404,128)</u>	<u>(3,294,299)</u>
Net current assets		<u>801,087</u>	<u>532,733</u>
Total assets less current liabilities		76,805,286	75,202,845
Provision for liabilities and charges	15	<u>(660,395)</u>	<u>(881,921)</u>
Total net assets		<u><u>76,144,891</u></u>	<u><u>74,320,924</u></u>
Represented by:			
Restricted funds	16	14,947,511	15,006,723
Unrestricted funds	16	<u>61,197,380</u>	<u>59,314,201</u>
		<u><u>76,144,891</u></u>	<u><u>74,320,924</u></u>

The notes on pages 36 to 51 form part of these accounts.

The accounts on pages 33 to 51 were approved by the Board of Trustees of National Museums Northern Ireland on 26 September 2014 and are signed on its behalf.



M McCoy
Chairman of The Board of Trustees



T Cooke
Director and Chief Executive

NATIONAL MUSEUMS AND GALLERIES OF NORTHERN IRELAND

CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2014

	2014 £	2013 £
Net cash inflow from operating activities	<u>1,670,303</u>	<u>7,003,294</u>
Return on investments and servicing of finance	1,069	344
Capital Expenditure	<u>(1,680,839)</u>	<u>(6,518,562)</u>
(Decrease)/increase in cash & cash equivalents	<u>(9,467)</u>	<u>485,076</u>

Further detail to this cash flow statement is reported in Note 19.

The notes on pages 36 to 51 form part of these accounts.

1. ACCOUNTING POLICIES

Basis of Accounting

These accounts have been prepared in accordance with the historical cost convention as modified by the revaluation of certain assets.

Without limiting the information given, the accounts meet the accounting and disclosure requirements of the Companies Act 2006, the accounting standards issued or adopted by the Accounting Standards Board and disclosure requirements issued by the Department of Finance and Personnel in so far as those requirements are appropriate. They also comply with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" revised in 2005.

The principal policies which have been adopted in the preparation of these accounts are as follows:

Going Concern

In keeping with the approach taken across the Department of Culture, Arts and Leisure's other Arms Length Bodies, National Museums Northern Ireland was advised by the Minister of its four year indicative budgets for the period ending 31 March 2015. To live within these allocations the Trustees have prepared a number of Savings Delivery Plans which they believe will enable the organisation to operate within its budget. These accounts have been prepared on a going concern basis as, in the opinion of the Trustees, National Museums Northern Ireland will continue to operate until at least 2015 and there are no indications that Executive funding will cease after that period.

Incoming resources

All income is accounted for on a receivable basis and is net of Value Added Tax.

Grant income from the Department of Culture, Arts and Leisure is shown in the Statement of Financial Activities in the year in which it is received.

Undrawn grant-in-aid is not available to be carried forward from one year to the next.

Other grant income is recognised as and when the conditions for its receipt have been met.

Deferred income will be matched and released as and when the conditions for its application have been met.

Gifts in kind donated, where a third party is bearing the cost are included at the value where this can be quantified.

No amounts are included in the accounts for services donated by volunteers.

Resources expended

Resources expended are accounted for on an accruals basis. Expenditure is classified under principal charitable activities, costs of generating funds or governance costs, in order to provide more useful information to the users of the accounts.

Expenditure is classified to be in furtherance of charity objectives when it is directly attributable to the projects undertaken. All other expenditure is allocated either to support costs or costs of generating funds, as appropriate. Support costs comprise the centralised costs of the Chief Executive's Office, Finance, Human Resources and Marketing and are allocated to the charitable activities on a basis consistent with the use of the resources. The non-marketing support costs are allocated according to the number of full time equivalents staff employed in each activity. The basis for allocation of marketing costs differs for staff and for non staff costs; staff costs being allocated according to the time spent on each activity; non staff costs being allocated according to the actual expenditure profile across the activities. Governance costs are the costs incurred to ensure proper standards of public accountability within National Museums Northern Ireland and are made up of internal audit, external audit and costs associated with strategic matters.

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2014**

Provisions

National Museums Northern Ireland launched a voluntary early retirement scheme (VER) during 2005-06 as part of a Reform and Modernisation Programme. The scheme gives retirement benefits to certain qualifying employees in accordance with the rules of Principal Civil Service Pension Scheme (NI). Under this scheme National Museums Northern Ireland bears the costs of these benefits until normal retiring age. As required by Government Accounting rules, National Museums Northern Ireland has made a full provision for the cost of providing these additional benefits through to 2017-18. In addition to the provision made in 2005-06, a further provision to cover the cost of other aspects of the Reform and Modernisation Programme of £1,374,000 was made during 2007-08. Further details on this provision are set out in Note 15. The scheme is funded by allocations made under the 2004 spending review and Budget 2010.

Tangible Assets and Depreciation

Tangible fixed assets are stated at cost or valuation.

Depreciation is provided on all tangible fixed assets, other than land, assets under construction and heritage assets, at rates calculated to write off the cost or valuation, less estimated residual value, on a straight line basis for each asset over its expected useful life as follows:

Buildings	2% - 10%	per annum
Permanent exhibitions	2% - 25%	per annum
Computer equipment	5% - 25%	per annum
Fixtures and equipment	5% - 25%	per annum
Plant and machinery	5% - 25%	per annum
Motor vehicles	10% - 25%	per annum

The museums' land and buildings are professionally revalued every year. With the exception of permanent exhibitions, the cost of all other fixed assets of the museums are restated annually to reflect their current value using the relevant price indices at the year end and to identify any impairment of value. The revaluation surplus or loss, net of the corresponding adjustment to accumulated depreciation, is credited to the revaluation reserve.

The minimum level for capitalising tangible fixed assets is £1,000, although lower valued items may be pooled and capitalised where they constitute a unit or group.

Heritage assets

Additions to the collections acquired since 1 April 2001 have been capitalised and recognised in the Balance Sheet at cost or at value where a donor has gifted the items.

Valuations of gifts are based on the amount paid by the donor or the opinion of the museum specialist staff. Valuations are not updated after initial recognition.

The museum's collections acquired before 1 April 2001 are assets of historical and scientific importance held to advance the museum's educational and cultural objectives. These assets were not capitalised in past accounting periods, reliable cost information is not available and a reliable valuation approach was not considered to be cost effective.

Heritage assets are not depreciated.

Nature & scale of heritage assets

The collections of National Museums Northern Ireland are multidisciplinary, diverse and span all time periods, referencing Northern Ireland within and to the wider world. Historically, they have grown on the site-based framework of the Ulster Museum, the Ulster Folk & Transport Museum, the Ulster American Folk Park and Armagh County Museum. However, since similar collection types can relate to more than one site, they are more appropriately classified within six broad and complementary subject areas. National Museums Northern Ireland will continue to collect within these subject areas and the time periods and geographic areas to which they relate:

1. Art;
2. Emigration;
3. Folk Life and Agriculture;
4. Human History;
5. Natural Sciences;
6. Transport, Industry and Technology.

Policy on acquisition and disposal of heritage assets

National Museums has an Acquisition & Disposal Policy in place. This policy provides further information on the nature of heritage assets held. It is available online at www.nmni.com.

Policy on management and preservation of heritage assets

Collections care, conservation and management is managed within the Collections and Interpretation Directorate. The Museum has a rolling programme of conservation, aligned to our exhibition programme, loans requests and other identified priority needs. In relation to Collections Management, the museum has embarked on implementing a Documentation Plan 2007-2014, based on the use of a computer based collections management system 'MIMSY XG' that is compliant with the primary museum documentation procedures set out within the SPECTRUM standard (industry standard for museum documentation).

Stocks

Stocks have been valued at the lower of cost and estimated net realisable value.

Reserves Policy

National Museums Northern Ireland forecasts to operate on an annual basis within a balanced funding formula of grant-in-aid, sponsorship and donations, and self-generated income. Annual operating surpluses (or deficits) are kept to a minimum and are transferred to the Unrestricted General Reserve at 31 March each year.

The Charities SORP requires capital grants to be included within the Statement of Financial Activities in the year in which they are receivable. The only expenditure against this is depreciation. Therefore during periods of high capital investment, surpluses will arise on the Statement of Financial Activities.

Also, VER funding is included on the Statement of Financial Activities whereas the costs are set off against the provision in the Balance Sheet. This will create annual increases to the surplus until the provision is fully utilised.

The balance on the Restricted General Fund available at 31 March 2014 was £488,748. The Trustees consider that sufficient funds are held in an appropriate form to enable funds to be applied in accordance with any restriction imposed. The balance on the Unrestricted General Fund, together with this policy, is reviewed on an annual basis.

National Museums Northern Ireland receives various types of funding which require separate disclosure. These are differentiated between restricted and unrestricted funds.

Restricted Funds

Restricted funds are those funds which are subject to specific restriction imposed by the donor, by the purpose of an appeal or are received for a specified purpose. They comprise the following:

Collection acquisition fund - this fund represents the value of heritage assets funded by restricted donations and grant-in-aid since April 2001.

Deferred government grant - this fund represents the acquisition of fixed assets which following acquisition have no restriction on use and therefore transfer to the unrestricted funds.

Exhibition fund - this fund represents the net book value of the Museum's permanent exhibitions.

Reform and Modernisation fund - the provision for the future costs of obligations under the Reform and Modernisation programme. A Voluntary Early Retirement Scheme forms a substantial part of this programme. This deficit fund will reduce annually as government allocations are released.

General fund - this fund is to enable the Museum to manage its working capital relating to restricted activities.

Unrestricted Funds

Unrestricted funds are those funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Museum. They comprise the following:

Capital reserve - represents fixed assets transferred to National Museums Northern Ireland from the Ulster Folk and Transport Museum when National Museums Northern Ireland was established under the Museums and Galleries (Northern Ireland) Order 1998. This fund is reduced annually by depreciation.

Revaluation reserve - this fund represents the revaluation surplus or loss, net of the corresponding adjustment to accumulated depreciation on the revalued assets.

Deferred government grant - this fund together with the the capital fund and the revaluation reserve represents the net book value of all unrestricted assets, namely land and buildings, fixtures and equipment and motor vehicles.

General fund - this fund is to enable the Museum to manage its working capital relating to unrestricted activities.

Taxation

All income and expenditure is stated exclusive of VAT, which is fully recoverable.

National Museums Northern Ireland has been granted charitable status by the HM Revenue & Customs and is exempt from corporation tax.

NATIONAL MUSEUMS AND GALLERIES OF NORTHERN IRELAND

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2014

2. VOLUNTARY INCOME

Grant-in-aid from the Department of Culture, Arts and Leisure (DCAL)

	2014 £	2013 £
Resource grant-in-aid	12,719,314	13,533,496
Capital grant	1,746,000	3,306,828
	<u>14,465,314</u>	<u>16,840,324</u>
Total received	<u>14,465,314</u>	<u>16,840,324</u>

3. DONATIONS AND GIFTS IN KIND

	2014 £	2013 £
Gift Aid	20,451	4,299
Other	40,249	22,454
	<u>60,700</u>	<u>26,753</u>
Gifts in kind:		
Donated asset	22,705	2,778,749
Donated services	10,485	26,294
	<u>33,190</u>	<u>2,805,043</u>

National Museums Northern Ireland was gifted works from the Arts Council of Northern Ireland collection in 2012-13.

4. ACTIVITIES FOR GENERATING FUNDS

	2014 £	2013 £
Fundraising and Development	<u>18,370</u>	<u>18,400</u>
Trading:		
Shop	631,264	812,006
Hire of facilities	150,700	168,940
Consultancy fees	3,332	3,045
Photographic sales	38,365	82,367
Events income	103,530	85,793
Franchise income	110,628	93,483
	<u>1,037,819</u>	<u>1,245,634</u>

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2014

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2014 £	2013 £
Capital grants:		
Northern Ireland Tourist Board	-	257,508
Heritage Lottery Fund	29,912	47,546
The Art Fund	15,100	-
	<u>45,012</u>	<u>305,054</u>
Total capital grants		
Revenue grants:		
Northern Ireland Environment Agency	338,618	397,742
Big Lottery Fund Grant	218,337	222,005
Heritage Lottery Fund	41,140	53,300
The Foyle Foundation	25,000	
Other	3,000	16,659
	<u>626,095</u>	<u>689,706</u>
Total revenue grants		
Total other grants	<u>671,107</u>	<u>994,760</u>

All of the grants are held in a restricted fund (further detail on restricted funds is given in note 1). The Big Lottery Fund Grant consists of grant of £183,209 for the Live and Learn project and a grant of £35,128 for the Treasure House project. In respect of the Live and Learn project, there were unspent funds of £34,262 at 31 March 2014.

6. OTHER INCOMING RESOURCES

	2014 £	2013 £
Other	<u>13,777</u>	<u>27,982</u>
	<u>13,777</u>	<u>27,982</u>

NATIONAL MUSEUMS AND GALLERIES OF NORTHERN IRELAND

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2014

7. RESOURCES EXPENDED

	Staff costs £	Other Direct costs £	Indirect costs £	Depreciation £	2014 Total £	2013 Total £
Fundraising & Development	152,611	496	18,439	19,959	191,505	254,408
Trading	514,041	341,246	73,160	155,475	1,083,922	945,408
Curatorial, Collections & Collections Services	3,419,768	472,986	93,510	491,307	4,477,571	5,261,117
Exhibitions and Events	94,168	146,869	106,143	118,449	465,629	720,132
Learning and Partnership	1,656,597	289,268	36,720	262,622	2,245,207	1,755,401
Operations and Visitor Services	4,807,375	2,830,101	196,599	1,208,009	9,042,084	10,262,057
Governance (note 8)		47,995			47,995	118,143
	<u>10,644,560</u>	<u>4,128,961</u>	<u>524,571</u>	<u>2,255,821</u>	<u>17,553,913</u>	<u>19,316,666</u>

Staff costs

	2014 £	2013 £
Salaries and wages (includes temporary non-payroll staff)	8,582,996	8,828,055
National insurance	540,016	596,101
Pension costs	<u>1,521,548</u>	<u>1,507,141</u>
	<u>10,644,560</u>	<u>10,931,297</u>

Included in the above costs are amounts of £343,938 (2013: £307,634) paid in respect of employment agency staff. Staff costs of £61,553 (2013: £67,083) relating to two members of staff, have been capitalised and are not included in resources expended.

The staff of National Museums Northern Ireland are members of the Principal Civil Service Pension (PCSP) Scheme (NI).

The PCSPS(NI) is an unfunded multi-employer defined benefit scheme but National Museums Northern Ireland is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31 March 2010 and details of this valuation are available in the PCSPS(NI) resource accounts. The pension scheme liability reported in the DFP Superannuation and Other Allowance Resource Accounts last year was as at 31 March 2010, however, work is ongoing to provide a report on an updated valuation as at 31 March 2012 for the basis of the actuarial valuation rolled forward to the reporting date of the DFP Superannuation and Other Resource Accounts for 2014.

For 2013-14, employer's contributions of £1,521,548 (2012-13: £1,507,141) were payable to the PCSPS(NI) at one of four rates in the range 18% to 25% of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. A new valuation scheme based on data as at 31 March 2012 is currently being undertaken by the Actuary to review employer contribution rates for the introduction of a new career average earning scheme from April 2015. From 2014-15, the rates will remain in the range 18% to 25%. The contribution rates are set to meet the cost of the benefits accruing during 2013-14 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employer contributions of £5,069 (2012-13: £3,750) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3% to 12.5% (2012-13: 3% to 12.5%) of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £363, 0.8% (2012-13: £590, 0.8%) of pensionable pay, were payable to the PCSPS(NI) to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

Contributions due to the partnership pension providers at the balance sheet date were £455.

No persons (2012-13: 3 persons) retired early on ill-health grounds: the total additional pension liabilities in the year amounted to £nil (2012-13: £3,136).

There was no remuneration paid to Trustees during the year (2013-14, nil). Travel expenses of £2,635 were reimbursed to eight Trustees.

The number of employees comprising the Director and Chief Executive and four other member of the senior management team (2012/13: 4) whose emoluments as defined for taxation purposes amounted to £60,000 in the year are as follows:

	2014 £	2013 £
£60,000 - £70,000	4	3
£70,001 - £80,000	-	-
£80,001 - £90,000	-	-
£90,001 - £100,000	-	-
£100,001 - £110,000	1	1

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2014

7. RESOURCES EXPENDED (continued)

Support costs

	Fundraising & Development £	Trading £	Curatorial, collections & collections services £	Exhibitions and Events £	Learning and Partnership £	Operations and Visitor Services £	2014 £	2013 £
Finance/CEO office/ Human Resources	13,376	26,752	347,772	26,752	93,631	829,302	1,337,585	1,476,632
Marketing	26,000	364,018	66,649	173,559	56,367	118,648	805,241	1,027,839
	<u>39,376</u>	<u>390,770</u>	<u>414,421</u>	<u>200,311</u>	<u>149,998</u>	<u>947,950</u>	<u>2,142,826</u>	<u>2,504,471</u>

The average number of full time equivalent employees analysed by division were:

	2014 No.	2013 No.
Curatorial, Collections & Collection Services	67	68
Exhibitions and Events	5	6
Learning and Partnership	19	20
Operations and Visitor Services	161	168
Marketing	9	9
Trading	5	5
Fundraising	3	2
Human Resources and Organisational Development	11	11
Finance and Development	20	21
Chief Executive's Office	2	2
	<u>302</u>	<u>312</u>

The average number of full time equivalent employees analysed by category of staff were:

Staff on permanent contract	266	278
Staff on temporary agency contract	11	10
Staff on fixed term funded contract	25	24
	<u>302</u>	<u>312</u>

8. GOVERNANCE COSTS

	2014 £	2013 £
Audit and accountancy fees	44,948	85,965
Legal and professional fees	3,047	32,178
	<u>47,995</u>	<u>118,143</u>

9. NET INCOMING RESOURCES

	2014 £	2013 £
Net incoming resources is stated after charging:		
Auditors' remuneration:		
in respect of audit services	21,000	19,700
in respect of internal audit and other services	23,948	66,265
Depreciation	2,255,821	2,402,695
Insurance	97,788	93,702
Rent and rates	1,036,363	1,233,097
Heat and light	777,048	827,498

NATIONAL MUSEUMS AND GALLERIES OF NORTHERN IRELAND

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2014

10. TANGIBLE FIXED ASSETS

	Land and Buildings £	Permanent Exhibitions £	Fixtures and Equipment £	Motor Vehicles £	Sub Total £	Heritage Assets £	Total £
Cost							
At 1 April 2013	59,181,080	10,874,583	9,111,758	280,823	79,448,244	5,756,719	85,204,963
Additions	1,232,747	132,912	164,638	-	1,530,297	52,725	1,583,022
Disposals	-	-	(1,592)	-	(1,592)	-	(1,592)
Revaluation	531,539	(1,448)	(414,806)	(18,749)	96,536	-	96,536
At 31 March 2014	<u>60,945,366</u>	<u>11,006,047</u>	<u>8,859,998</u>	<u>262,074</u>	<u>81,073,485</u>	<u>5,809,444</u>	<u>86,882,929</u>
Accumulated depreciation							
At 1 April 2013	1,645,902	1,483,922	7,167,570	237,457	10,534,851	-	10,534,851
Charge for year	1,518,871	274,031	453,238	9,681	2,255,821	-	2,255,821
Disposals	-	-	(2,212)	-	(2,212)	-	(2,212)
Revaluation	(1,645,902)	(1,276)	(250,774)	(11,778)	(1,909,730)	-	(1,909,730)
At 31 March 2014	<u>1,518,871</u>	<u>1,756,677</u>	<u>7,367,822</u>	<u>235,360</u>	<u>10,878,730</u>	<u>-</u>	<u>10,878,730</u>
Net book value							
At 31 March 2014	<u>59,426,495</u>	<u>9,249,370</u>	<u>1,492,176</u>	<u>26,714</u>	<u>70,194,755</u>	<u>5,809,444</u>	<u>76,004,199</u>
At 31 March 2013	<u>57,535,178</u>	<u>9,390,661</u>	<u>1,944,188</u>	<u>43,366</u>	<u>68,913,393</u>	<u>5,756,719</u>	<u>74,670,112</u>

Land and buildings at net book value comprise:

	2014 £	2013 £
Long leaseholds	<u>59,426,495</u>	<u>57,535,178</u>

Land and Buildings were revalued by Land and Property Services at 31 March 2014 using an index based valuation. A full valuation by Land and Property Services was carried out at 31 March 2010.

The valuations and basis of valuation, across all sites were as follows:

Property	Value	Basis of Valuation
Ulster Museum	22,766,905	Land at existing use value and buildings at depreciated replacement cost
Ulster Folk and Transport Museum	28,399,580	Land at existing use value and buildings at depreciated replacement cost
Ulster American Folk Park	3,846,163	Land at existing use value and buildings at depreciated replacement cost
Armagh County Museum	668,572	Land at existing use value and buildings at depreciated replacement cost
Residential Centre	1,225,275	Land at existing use value and buildings at depreciated replacement cost
Land at Landseer Street	475,000	Market value
Land at Malone Buildings	450,000	Market value
Store	<u>1,595,000</u>	Market value
	<u>59,426,495</u>	

All other assets of National Museums Northern Ireland were revalued in line with appropriate indices at 31 March 2014.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2014

10. TANGIBLE FIXED ASSETS (continued)

Heritage assets acquired since 1 April 2001 have been capitalised at original cost or valuation, if donated. FRS 30 requires disclosure of heritage assets in the previous four accounting periods, analysed between those that have been purchased and donated:

	Purchased £	Donated £	Total £
2009-10	489,332	-	489,332
2010-11	427,153	-	427,153
2011-12	9,893	-	9,893
2012-13	299,130	2,778,749	3,077,879
2013-14	30,020	22,705	52,725
	<u>1,255,528</u>	<u>2,801,454</u>	<u>4,056,982</u>

There were no disposals of heritage assets since 1 April 2001.

Purchased heritage assets are substantially funded by DCAL although funding is sometimes received from other organisations for specific heritage assets.

11. STOCK

	2014 £	2013 £
Shop goods for resale	267,390	241,638
Academic publications for resale	12,033	9,942
Maintenance materials and consumables	64,843	61,176
Farm stock	12,316	15,222
	<u>356,582</u>	<u>327,978</u>

12. DEBTORS

	2014 £	2013 £
Trade debtors	178,877	172,317
Prepayments and accrued income	210,523	441,444
Other debtors	197,096	613,689
	<u>586,496</u>	<u>1,227,450</u>

13. CASH AT BANK AND IN HAND

	2014 £	2013 £
Cash at bank and in hand	<u>2,262,137</u>	<u>2,271,604</u>

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2014

14. CREDITORS (amounts falling due within one year)

	2014 £	2013 £
Trade creditors	543,139	903,916
Other taxes and social security	174,836	176,258
Accruals and deferred income	1,351,998	1,877,845
Deferred income	286,779	293,013
Sundry creditors	47,376	43,267
	<u>2,404,128</u>	<u>3,294,299</u>

Movement on deferred income:

	Contract / grant £	Donations £	Sponsorship £	Training fees £	Event deposit £	Advance admin charge £	Total £
Balance as at 1 April	175,649	111,295	-	-	2,319	3,750	293,013
Amounts released from previous years	(60,542)	(3,196)	-	-	(2,319)	(3,750)	(69,807)
Incoming resources deferred in the current year	38,046	-	12,000	9,288	489	3,750	63,573
Balance as at 31 March	<u>153,153</u>	<u>108,099</u>	<u>12,000</u>	<u>9,288</u>	<u>489</u>	<u>3,750</u>	<u>286,779</u>

15. PROVISION FOR LIABILITIES AND CHARGES

National Museums Northern Ireland launched a voluntary early retirement scheme in 2005-06 as part of the Reform and Modernisation Programme. The provision represents the future cost of obligations under the scheme to 31 March 2018 and the future cost of obligations relating to the roll out of the Reform and Modernisation Programme. Movements for the year are shown below and are on an accruals basis. Income disclosed in the Statement of Financial Activities refers to cash received from DCAL to fund the scheme and amounts to £221,526 for 2013-14.

Other provisions includes costs in relation to a single legal claim by a former employee.

	2014 £	2013 £
VOLUNTARY EARLY RETIREMENT SCHEME		
At 1 April	879,921	1,129,496
Expenditure against provision	<u>(221,526)</u>	<u>(249,575)</u>
At 31 March	658,395	879,921
OTHER PROVISIONS		
Other provisions	<u>2,000</u>	<u>2,000</u>
TOTAL PROVISION FOR LIABILITIES AND CHARGES	<u><u>660,395</u></u>	<u><u>881,921</u></u>

NATIONAL MUSEUMS AND GALLERIES OF NORTHERN IRELAND

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2014

16. STATEMENT OF FUNDS

	At 1 April 2013	Income	Expenditure	Revaluation	Transfers	At 31 March 2014
	£	£	£	£	£	£
Restricted Funds						
Collection acquisition fund	5,775,000	52,725	-	-	(18,281)	5,809,444
Deferred government grant	-	1,397,385	-	-	(1,397,385)	-
Exhibition fund	9,445,963	132,912	(274,031)	(172)	(55,302)	9,249,370
Reform and Modernisation fund	(821,577)	221,526	-	-	-	(600,051)
General fund	607,337	1,191,945	(896,896)	-	(413,638)	488,748
	<u>15,006,723</u>	<u>2,996,493</u>	<u>(1,170,927)</u>	<u>(172)</u>	<u>(1,884,606)</u>	<u>14,947,511</u>
Unrestricted Funds						
Capital reserve	6,203,391	-	(435,538)	-	-	5,767,853
Revaluation reserve	27,963,751	-	160,924	2,006,438	-	30,131,113
Deferred government grant	24,764,313	-	(1,707,176)	-	1,884,606	24,941,743
General fund	382,746	14,375,121	(14,401,196)	-	-	356,671
	<u>59,314,201</u>	<u>14,375,121</u>	<u>(16,382,986)</u>	<u>2,006,438</u>	<u>1,884,606</u>	<u>61,197,380</u>
Total Funds	<u>74,320,924</u>	<u>17,371,614</u>	<u>(17,553,913)</u>	<u>2,006,266</u>	<u>-</u>	<u>76,144,891</u>

The transfer of £1,397,385 from Restricted Funds: Deferred government grant represents the acquisition of assets during the year which have no restrictions on use.

With the exception of the General Fund and the Reform and Modernisation fund, the balance of the funds represents the net book value of the fixed assets. The remaining transfer of £487,221 is to restate the balance on the fixed asset funds at net book value.

NATIONAL MUSEUMS AND GALLERIES OF NORTHERN IRELAND

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2014

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted £	Unrestricted £	2014 Total £
Tangible Fixed Assets	15,058,813	60,945,386	76,004,199
Current Assets	1,762,672	1,442,543	3,205,215
Liabilities	<u>(1,873,974)</u>	<u>(1,190,549)</u>	<u>(3,064,523)</u>
Total Net Assets	<u>14,947,511</u>	<u>61,197,380</u>	<u>76,144,891</u>

18. FINANCIAL COMMITMENTS

At 31 March 2014 there were no annual commitments under non-cancellable operating leases.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2014

19 NOTES TO THE CASHFLOW

	2014 £	2013 £
Reconciliation of net incoming resources to net cash inflow from operating activities		
Operating (deficit)/surplus	(182,297)	4,251,738
Depreciation	2,255,821	2,402,695
(Profit)/loss on disposal of Fixed Assets	(620)	1,202
(Increase) in stock	(28,604)	(9,556)
Decrease/(increase) in debtors	640,954	(638,327)
(Decrease)/increase in creditors	(792,356)	1,278,461
(Decrease) in provision	(221,526)	(282,575)
Deposit interest receivable	(1,069)	(344)
	<u>1,670,303</u>	<u>7,003,294</u>

Net cash inflow from operating activities

Returns on investment and servicing of finance

Interest received	<u>1,069</u>	<u>344</u>
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Capital expenditure

Payments to acquire tangible fixed assets	(1,680,839)	(6,518,562)
Receipts on disposal of fixed assets	<u>-</u>	<u>-</u>
Payments to acquire tangible fixed assets	<u>(1,680,839)</u>	<u>(6,518,562)</u>

Reconciliation of net cash flow to movement in net funds

(Decrease)/increase in cash for the period	(9,467)	485,076
Net funds at 1 April 2013	<u>2,271,604</u>	<u>1,786,528</u>
Net funds at 31 March 2014	<u>2,262,137</u>	<u>2,271,604</u>

Analysis of movement in net funds

	March 2014 £	April 2013 £	Movement 2014 £
Cash at bank and in hand	2,262,137	2,271,604	(9,467)

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2014**

20. RELATED PARTY TRANSACTIONS

National Museums Northern Ireland is a Non-Departmental Public Body funded by the Department of Culture, Arts and Leisure for Northern Ireland.

The Department of Culture, Arts and Leisure is regarded as a related party. During the year, National Museums Northern Ireland had no material transactions with the Department of Culture, Arts and Leisure other than the receipt of grant-in-aid.

In addition, National Museums Northern Ireland has had a number of transactions with other Government Departments and other Central Government Bodies. These have been mainly with Central Procurement Directorate and Civil Service Pensions Branch within the Department of Finance and Personnel.

The Centre for Migration studies, based at the Ulster American Folk Park is a project of the Scotch Irish Trust of Ulster, which supports the work of the Ulster-American Folk Park through partnership with the Department of Culture, Arts and Leisure, Libraries NI, Queens University Belfast, the University of Ulster and the Public Record Office of Northern Ireland. David Moore, a member of the Board of Trustees up to 30 June 2013 is also a Trustee of the Scotch Irish Trust. Anne Peoples, a member of the Board of Trustees up to 30 June 2013, is also a member of the Management Committee at the Centre for Migration Studies. During the year, National Museums incurred a rental charge of £24,000 from the Scotch Irish Trust and charged an annual administration fee of £2,000 and an annual telephone charge of £1,750 to the Centre for Migration Studies. Costs incurred by National Museums on behalf of the Centre in relation to postage costs are also recouped from the Centre.

21. CAPITAL COMMITMENTS

National Museums Northern Ireland has capital commitments at 31 March 2014 of £365,588 (2013: £nil), relating to the Ulster Museum modern history galleries upgrade.

22. LOSSES AND SPECIAL PAYMENTS

There were losses written off totalling £2,393 in respect of three debtor accounts and damaged shop stock.

23. FINANCIAL INSTRUMENTS

National Museums Northern Ireland's resources are met through grant-in-aid funding received from the Department of Culture, Arts and Leisure and also through grant funding from other sources and from income generated through admissions, trading activities and donations. Other than the financial assets and liabilities which are generated by day to day operational activities, National Museums Northern Ireland holds no financial instruments.

Liquidity Risk

National Museums Northern Ireland secure funding for all activities in advance of expenditure being committed. National Museums Northern Ireland is not therefore exposed to material liquidity risks.

Credit Risk

National Museums Northern Ireland have credit policies and procedures in place and currently do not extend material credit facilities. National Museums Northern Ireland is not therefore exposed to any material credit risk.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2014

23. ADDITIONAL DISCLOSURES TO COMPLY WITH FINANCIAL REPORTING MANUAL

Financial Reporting Manual (FReM) requires Non-Departmental Public Bodies to regard grant-in-aid received as contributions from controlling parties giving rise to a financial interest in the residual interest of the body and hence accounted for as financing, ie, by crediting them to the income and expenditure reserve.

The following is a Statement of Financial Activities, prepared under FReM.

Statement of Financial Activities prepared under FReM

	2014 £	2013 £
Incoming Resources		
Incoming resources from generating funds:		
Voluntary income	93,890	2,831,797
Activities for generating funds:		
Fundraising & development	18,370	18,400
Trading activities	1,037,819	1,245,634
Investment income	1,069	344
Incoming resources from charitable activities	1,519,849	5,661,176
Other incoming resources	13,777	27,982
Total incoming resources	2,684,774	9,785,333
Resources Expended		
Costs of generating funds	1,275,427	1,199,816
Charitable activities	16,230,491	17,998,707
Governance costs	47,995	118,143
Total resources expended	17,553,913	19,316,666
Net deficit for the year	(14,869,139)	(9,531,333)
Unrealised profit/(loss) on revaluation of fixed assets	2,006,266	(1,214,775)
Amount transferred to reserves	(12,862,873)	(10,746,108)

Analysis of reserves prepared under FReM

	2014 £	2013 £
Balance at 1 April 2013	74,320,924	71,283,961
Grant-in-aid received in year	14,465,314	13,533,496
VER funding received in year	221,526	249,575
Net operating cost for year	(12,862,873)	(10,746,108)
Balance at 31 March 2014	76,144,891	74,320,924

24. EVENTS AFTER THE REPORTING DATE

There were no events after the reporting date which require adjustment to the Financial Statements.

The Accounting Officer authorised these financial statements for issue on 21 October 2014.



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