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**Annual Report and Accounts  
2015-2016**



**National Museums Northern Ireland Annual Report and Accounts  
For the year ended 31 March 2016**

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 for Communities

on

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## **THE TRUSTEES' ANNUAL 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.

### **Portfolio**

National Museums Northern Ireland comprises:

- Ulster Museum
- Ulster Folk and Transport Museum
- Ulster American Folk Park

### **Objectives and activities**

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 It repealed previous legislation affecting the Ulster Museum and the Ulster Folk and Transport Museum. The Trustees of the Ulster Museum and the Trustees of the Ulster Folk and Transport Museum were thereby abolished. National Museums Northern Ireland assumed responsibility for the Ulster American Folk Park from October 1998.

The Order requires the Trustees 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.

In setting the objectives and planning the activities for the year the Trustees have given careful consideration to the Charity Commission for Northern Ireland's guidance on public benefit to ensure that the activities have helped to achieve the charity's purposes and provide a benefit to the beneficiaries.

The requirements of the Order meets the following charitable purposes as defined by the Charities Commission:

- The advancement of the arts, culture, heritage and science
- The advancement of education

### **Public Benefit Statement**

The direct public benefit is that:

People, individually and collectively, better understand the art, history, science and culture of Northern Ireland and its significance and relevance in a wider national and global context. This is evidenced through the data we hold in relation to:

- visitor numbers and usage of our sites

- the demographic profile of visitors
- on line visitation
- details of outreach visits where we take collections into local communities
- specific learning programmes for formal learners, lifelong learners and communities
- the diversity and scale of our exhibitions and public programming
- evaluations, feedback and customer satisfaction rating of our programmes and exhibitions
- the extent of public access to our stores
- partnerships with academic and higher education institutions.

Beneficiaries include the people of Northern Ireland, people from outside the area who visit the museum and on line users of NMNI.com.

### **Delivery of Objectives**

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.

National Museums Northern Ireland's aim is to enhance access and engagement to ensure we reach the broadest possible audience and provide them with opportunities to interact with and benefit from our collections.

We seek to deliver public benefit through the implementation of five strategic areas of work which are set out in our annual Business Plan.

In 2015-16 these five areas included:

- Collections Access and Engagement - ensuring that as many of the national collections as possible are available for the public benefit. Aims and objectives in this area include ensuring we work collaboratively with our communities, museums and cultural organisations to use collections to inspire a sense of place, relevance and wonder and providing the widest possible access to collections for all sections of the community.
- Community Engagement and Partnership - developing our engagement with existing and new visitors focusing on non-traditional audiences to deliver as wide a public benefit as possible. Aims and objectives in this area include understanding what makes museums more relevant and appealing for non-traditional audiences and connecting non-traditional audiences with collections in a relevant and meaningful way through community engagement initiatives comprising onsite and outreach activities.
- Digital Engagement - offering more collections content and images online and optimising the opportunities afforded by e-communications and social media engagement to increase the reach of the public benefits of engaging with National Museums Northern Ireland. Aims and objectives in this area include: increasing access to collections through digital means to connect with a broader range of audiences and promote digital equality in our society through interventions that help remove traditional barriers to visiting museums.
- Social Responsibility - supporting employability skills development, charitable activity, community development and helping to tackle biodiversity and sustainability. Aims and objectives in this area include creating equality of opportunity in engagement with our sites, collections knowledge and staff skills and maximising our impact as an employer and as a caretaker for the National Museum sites that we hold in trust for all communities within Northern Ireland.
- Infrastructure, Investment and Resources - managing all resources effectively and efficiently to ensure delivery of the four strategic themes outlined above. We also seek to ensure that through strategic investment in our capital assets we aim to increase levels of public engagement with museums, enhance learning opportunities and ultimately influence better outcomes and improve the life chances of our people.

The objectives in these areas were set for delivery within 2015-16 with progress reported quarterly. Future Annual Business Plans will be developed to extend the objectives.

Volunteers have been critical to delivery with 101 volunteers contributing to National Museums Northern Ireland's activity during 2015-16. Volunteers have enhanced the visitor experience and public benefit in a wide range of ways spanning the sites. This has included support in the form of gardening, collections research and conservation to make more collections available; interpretation to make collections more meaningful and relevant to visitors; costumed activities to make the museums more accessible and behind the scenes to extend reach. National Museums Northern Ireland has also provided opportunities for volunteers to enhance their own development and employability.

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.

Successful delivery of objectives set out in the Business Plan was achieved across the five strategic areas. Moving forward there is a need to review methods of measuring meaningful outcomes in line with the new Programme for Government and for measuring the longer term impacts of access and engagement on health and wellbeing and wider public benefit. Longer term measurement will examine the impact of cultural participation on people's lives and the extent to which National Museums are reducing barriers to participation with new or under-represented audiences.

## **Achievements and Performance**

### **Our Social Impact**

Our museums play a vital role at the heart of society making a difference to the lives of many individuals as well as positively contributing to the development of a vibrant society. It is proven that cultural organisations such as ours play an increasingly important role in engaging with people to promote participation and raise aspirations; to tackle social exclusion, poverty and disadvantage; to build skills and increase employability; increase educational attainment; while teaching us how to learn to live together. In essence, museums have a profound effect on people's lives – they enhance wellbeing, create better places and inspire people and ideas.

Ensuring that we target our resources in the most effective manner and reaching those communities that are the most marginalised has been a strong focus of efforts in 2015-16. We were successful in this regard, not least because of the extent of our network, partnerships and relationships with local communities. In total we worked with 68 community partners providing unique opportunities for audiences ranging from older people and ethnic minorities to young families and those with disabilities. We also:

- Supported career development for people through our Horizons Employability Programme and increased access to our sites through free entry for nearly 1,000 people in receipt of Job Seekers allowance.
- Delivered specially tailored, free of charge, programmes to over 4,100 older people through our Live and Learn and also our Treasure House projects.
- 95% of participants have reported an enhanced quality of life and greater social interaction as a result of their involvement in Live and Learn.
- Continued to deliver our partnership with the Leonard Cheshire Foundation to provide meaningful and enjoyable placements at the Ulster American Folk Park for people with acquired brain injuries.
- Delivered over 16 outreach initiatives in 2015-16 in the heart of communities.

To ensure that we have the correct skills in place to deliver the highest quality of interaction with local communities, we developed the "Community Engagement Initiative". This 18 month long training programme, delivered in partnership with the Northern Ireland Museum Council, developed key community engagement skills for six of our staff. Through this training they were equipped to meet the challenges and demands which come from increasing engagement between our collections and local communities. It also ensured that many of those people least likely to visit museums were facilitated to fully participate in museums up and down the country.

### **Our Economic Impact**

We are important contributors to the regional economy. Our total income is £16m per annum and we directly employ over 400 people with a further 60 through our catering franchise. In addition we help to sustain and



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enhance the broader tourism economy by welcoming around 200,000 out of state visitors to our sites every year. We are also relevant to business through the provision of quality spaces for corporate hospitality and events; supporting the wider importance of culture in attracting inward investment and high-quality jobs; and promoting local producers and artisans through our catering and retail offerings. Moreover, museums are a critical part of the civic infrastructure; they are a significant contributor to what makes a place attractive to live in, work in and visit and create a local environment which helps attract and retain workers. Through exercising our soft power we help build and improve the international reputation of, and trust in, Northern Ireland through our collections, international touring and engagement with our culture.

Despite a reduction in funding income, National Museums Northern Ireland has achieved all its key performance targets through its strengths in programme development, quality management, financial management and the ability to upscale resources at short notice and to create awareness of museum activities and programmes.

**Key Performance Indicators**

The key operational targets and year-end achievements for the 2015-16 year are listed below:

	<b>Actual 2015-16</b>	<b>Target 2015-16</b>	<b>Actual 2014-15</b>
<b>COLLECTIONS</b>			
<ul style="list-style-type: none"> <li>• % of collections held in acceptable, good or excellent conditions</li> </ul>	99%	99%	99%
<ul style="list-style-type: none"> <li>• Additional number of collections-related images available online</li> </ul>	4,379	2,000	3,071
<ul style="list-style-type: none"> <li>• Additional number of collections with computerised inventory control</li> </ul>	17,773	15,000	22,521
<b>LEARNING, ACCESS and PARTNERSHIPS</b>			
<ul style="list-style-type: none"> <li>• Number of participants in organised learning visits</li> </ul>	109,161	80,000	126,630
<ul style="list-style-type: none"> <li>• Number of participants in STEM programmes</li> </ul>	14,515	10,000	10,521
<ul style="list-style-type: none"> <li>• Number of school visitors from areas of multiple deprivation</li> </ul>	7,952	7,000	7,753
<ul style="list-style-type: none"> <li>• Number of specific initiatives targeted in areas of multiple deprivation</li> </ul>	8	5	16
<ul style="list-style-type: none"> <li>• Number of outreach engagement initiatives</li> </ul>	37	27	48
<ul style="list-style-type: none"> <li>• Number of volunteers engaged in museum activities</li> </ul>	101	30	50
<b>VISITOR EXPERIENCE</b>			
<ul style="list-style-type: none"> <li>• Total number of visitors</li> </ul>	798,067	665,000	770,425

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	<b>Actual 2015-16</b>	<b>Target 2015-16</b>	<b>Actual 2014-15</b>
<b>PROFILE and COMMUNICATIONS</b>			
<ul style="list-style-type: none"> <li>Number of nmni.com visitors</li> </ul>	942,696	738,000	894,838
<b>FUNDING, FINANCE and RESOURCES</b>			
<ul style="list-style-type: none"> <li>Self-generated income (non DCAL) as % of total operating income</li> </ul>	20.6%	17.5%	19.14%
<ul style="list-style-type: none"> <li>Payments processed within 10 days</li> </ul>	94%	90%	88%
<ul style="list-style-type: none"> <li>Savings Delivery Plan targets</li> </ul>	£1.743m	£1.742m	£3.321m

**KPI variance explanation**

**Visitor numbers**

Generally, visitor numbers can fluctuate considerably depending on the weather and programming which can make them very difficult to predict accurately. Visitors in 2015-16 were ahead of target as a result of the following factors:

- We generally had a good year in weather terms, also the case in 2014-15.
- We achieved contra advertising by a partner in year.
- There was strong public programming and PR coverage included:
  - Silent Testimony exhibition by Colin Davidson attracted 60,139 visitors,
  - The RUA controversy had a positive impact on the visitors to the exhibition
  - Rembrandt, with 28,456 visitors made a strong impact.
  - The BP Portrait Award attracted 8,856 visitors in its first few weeks up to the end of March.
- New events contributed significantly to the higher numbers, these included LateLab at the UM with 1,089 visitors. The new format for the Christmas event at the Ulster Folk & Transport Museum resulted in much higher visitor numbers for December than forecasted.
- Finally, additional funding for Social Inclusion programmes received in-year made a significant contribution to higher visitor numbers.

There were, two Easters within the 2015/16 financial year which boosted visitor numbers at the start and end of the year. The Ulster Museum had its strongest March performance on record; 41% ahead of 2015 and almost 10% ahead of March 2010 (five months after the museum re-opened following refurbishment). At the Ulster Folk & Transport Museum the museum welcomed 22,267 visitors during March 2016, which was again the highest footfall on record. This was 107% higher than the target of 10,750 and 90% higher than March 2015. The mild weather, especially on St Patrick's Day, and an early Easter, all contributed to the exceptionally high visitor numbers. The Ulster American Folk Park also experienced a strong performance during March 2016 with 12,160 visitors (the third highest footfall on record) against a target of 6,500. March visitors were 87% ahead of target and 49% higher than March 2015. NMNI had limited previous data to assist forecasting for the early Easter in March and given the unpredictable weather at this time of the year (snow at Easter in previous years) it is very difficult to forecast accurately.

**Learning visitors**

Education visitors reached 109,161 against a target of 80,000. This consisted of 56,742 formal learning visitors and 52,419 informal learning visitors. This was a result of:

- Additional funding secured in-year from both internal and external sources which contributed to higher informal learning visitors.
- The Strategic Investment Board, Together Building a United Community, Urban Villages funding, was secured for additional social inclusion projects in the final quarter.
- The NI Science Festival played a key part in exceeding the visitor number target, with the Ulster Museum as the biggest contributor to the festival with 20 events.

### ***Digital Reach***

Digital engagement includes websites and social media. Much of the projected activity which makes up the KPI is related to visitor numbers and programming. Consequently, the factors which impacted on visitor numbers also impacted on the digital engagement.

### ***Collections Images***

This high number was achieved due to the nature of the collections being uploaded such as large numbers of collections images related to one collections area.

### **Audiences**

National Museums Northern Ireland plays a central role at the heart of our society making a difference to the lives of many individuals as well as positively contributing to the development of a vibrant society. We strive to provide a better understanding and appreciation of the art, history, science and culture of Northern Ireland. We continue to deliver world-class museum services to the local population and to overseas visitors.

Almost 800,000 people visited our museums this year; 25% of which were from outside Northern Ireland. In line with our audience development strategy for 2015-16, we focused effort on developing new audiences, especially those facing poverty and social exclusion, using the rich resources of the museums to raise aspirations and ultimately improve life chances. We remain committed to enriching the lives of individuals, contributing to strong and resilient communities and helping create a fair and just society, with almost a quarter of all visitors coming from hard to reach communities across Northern Ireland during this year.

The rapid increase and growth of the online environment and enhanced accessibility has driven more people online than ever before, providing National Museums Northern Ireland with increased opportunities to effectively reach its target audiences through our website and associated digital means such as social media and e-marketing platforms. During 2015-16, we achieved a total digital reach of over 942,500. Our website and social media channels were key communications tools promoting the museum programmes, making an invaluable contribution to our public engagement strategy by increasing engagement with all sections of society.

Visitors enjoyed a diverse programme of events and exhibitions across all our sites this year. Some highlights at the Ulster Museum included an exhibition for families which uncovered the fascinating folklore of Vikings and dragons. *A Viking's Guide to Deadly Dragons* ran from May until September and was based on the 'How to Train Your Dragon' book series by Cressida Cowell. A powerful exhibition entitled *Silent Testimony* received critical acclaim when it opened in June. The exhibition explored the theme of suffering and loss through the Troubles and featured eighteen large-scale portraits by internationally renowned artist Colin Davidson.

A spectacular painting by one of the world's most celebrated artists went on display in January. The Ulster Museum was the first venue on the National Gallery Masterpiece Tour which featured Rembrandt's *Self Portrait at the Age of 63*. The Rembrandt painting took centre stage in an exhibition which also showcased some of the Ulster Museum's own collection of old master Dutch paintings from the seventeenth century. In February, the LaTeLaB2 event welcomed over 1,000 people to the museum. This was one of several events taking place at the Ulster Museum as part of the Northern Ireland Science Festival. Aimed at 18-25 year olds, and drawn from our Elements science exhibition currently on display, this hugely popular event was a mix of chemistry cocktails, music, lightshows, fire juggling and science experiments.

In March the internationally renowned *BP Portrait Award 2015* exhibition, on loan from the National Portrait Gallery, London, opened at the museum. Set within the context of world events of 1916, the *Remembering 1916: Your Stories* exhibition also opened in March. This exhibition, developed in collaboration with 'Living Legacies 1914-18', explored the Easter Rising and the Battle of the Somme as distinct events, while encouraging visitors to make new connections and appreciate the impact of the First World War on wider society.

*A Step in Time: The Story of Irish Dance* continued to appeal to visitors at the Ulster Folk and Transport Museum. This exquisite exhibition explores in a unique way the distinctiveness of this dance form, its development and its phenomenal growth in popularity in recent years. Major events this year included the Easter and May Day celebrations. The 'Mingling with the Moilies Day' event, in partnership with The Irish Moiled Cattle Society, celebrated The Irish Moiled cattle, the only surviving domestic livestock native to Northern Ireland.

Other popular events included the legendary 'Cultra Hill Climb' in June which offered visitors a full schedule of festivities to honour motoring history. Favourite events such as 'Native and Traditional Breeds Weekend', 'Model Railway Day' in November and extended Christmas events continued to drive visitor numbers throughout the year.

A varied and eclectic mix of events populated the public programme at the Ulster American Folk Park. Activity included the popular 'Rare Breeds' event in May which gave visitors of all ages the chance to see minority breeds of cattle, sheep, pigs and poultry over the bank holiday weekend. Family favourites including the 'American Independence Celebrations' in July and the 'Bluegrass Music Festival' at the start of September continued to entertain visitors to the museum. The 'Hallowe'en Festival' was another sell-out success while the 'Thanksgiving Day' was celebrated with a unique event held in late November, complete with succotash and pumpkin pie.

In January, the Ulster American Folk Park launched its 40th anniversary year by exhibiting an exceptional object - an American Civil War buggy. The buggy belonged to Father Arthur Michael McGinnis, originally from Co Armagh, who was the Roman Catholic priest in the small town of Gettysburg in 1863, the year of the Battle of Gettysburg.

During the year we were acknowledged by awards for PR and skills development. National Museums with our PR agency, JPR, received a Silver Award for the Cultra Hillclimb campaign in the CIPR Pride Awards. National Museums was also successful in the VQ (Vocational Qualification) awards run by the Department for Employment and Learning winning 'Northern Ireland VQ Employer of the Year 2015'.

### **Social and Community**

2015-16 saw the organisation respond to the needs of the Northern Ireland community with a range of initiatives designed to increase engagement with our collections, to attract a much broader audience base and to provide the widest possible variety of learning opportunities for all of our citizens. The social impact of our work was demonstrated in a range of ways and in quantitative terms, all of the Key Performance Indicators in relation to community engagement and partnership were exceeded. Numbers of participants in organised learning programmes, the extent of our public engagement with science and the scale of our activity in areas of multiple deprivation and with communities from these areas all surpassed expectations.

109,161 learning places were provided by our learning teams across the sites and our emphasis on reaching non-traditional audiences ensured that 7,952 school visitors from areas of multiple deprivation took part in learning programmes. We also provided 20 schools from the top 20% of areas of multiple deprivation with free entry to our sites in recognition of the financial burdens schools and communities face. Hence a total of 14,234 pupils came from Extended Schools – those schools that have been recognised as being in need of intervention and support by the Education Authority. In total we provided 56,742 curriculum related learning places that complement the work of schools and provide experiential learning for children in the unique setting of our museums.

In recognition of the major role played in the success of the inaugural Northern Ireland Science Festival in 2015 the 2016 Festival was launched at the Ulster Museum and a wide variety of fascinating science activities, which drew on the wide diversity of our collections, delighted a huge audience. The 20 fascinating science learning events included "What's a millipede?"; "Nuclear Power" and "How dinosaurs lived and looked". In year, 14,515 STEM learning places were delivered and we continue to build our public engagement with science through a wide range of learning programmes across our sites.

Informal learning programmes, designed to encourage learning in new and diverse areas were also successfully created and delivered by our excellent staff, whether working in learning teams, as demonstrators in our highly successful Discovery Areas, or as project staff on our many learning and partnership initiatives. 52,419 visitors took part in these programmes which reflected all aspects of our collections assets – including "Connecting History" programmes based on our highly successful Modern History Gallery at the Ulster Museum and the annual CCEA True Colours Exhibition of GCSE and A Level art which attracted in excess of 5,000 visitors in January. We developed new resources for Discovery Farm and provided adult classes across a range of subjects as well as programmes for some of our very youngest preschool visitors and their families. 2016 saw the conclusion of the hugely successful Live and Learn programme which in its six years, funded by £1.2m of Big Lottery money, provided opportunities for cultural engagement for some of our most isolated and vulnerable older people. Live and Learn delivered direct benefits for over 20,000 older people as well as a series of longer term outcomes, such as the development of a strong community engagement skills base

amongst our staff. The project ended in September 2015 and this last period saw the delivery of a series of focused projects which were evaluated in terms of their health and wellbeing outcomes for participants. We hosted a "Health and Wellbeing" seminar to coincide with the end of Live and Learn, bringing together museum and health care professionals from across the UK. Leading on from this programme we have now secured resources for the development of a new health and wellbeing initiative which will be known as "Live Well". This project seeks to deliver health outcomes through cultural engagement and has secured £600,000 from Big Lottery. It will be undertaken in partnership with Tyne and Wear Archives and Museums and its outcomes will be formally researched and evaluated by a UK university.

Museums have a valuable contribution to make to the health and wellbeing of all our citizens and we have therefore sought to further develop the range of programmes we offer in this area. "Treasure House" is our ongoing partnership project with Clanmill Housing which supports vulnerable older people to enjoy museum engagements. The "Mindful Museum" is a bespoke initiative for people with a range of problems in partnership with mental health services in Omagh. Our "Leonard Cheshire" project provides 10 people each year with acquired brain injuries a range of therapeutic activities on our UAFP site. The "Craft in Mind" project at the UFTM site has shown very positive results for a group of parents and grandparents from Nettlefield Primary School who have been engaged in a one year programme using traditional crafts and skills to promote positive mental health and emotional wellbeing. These examples and all of our work in the health and wellbeing area are based on a long standing experience of working with disadvantaged and marginalised people at all of our sites.

Tackling poverty and social exclusion have become embedded in our community engagement and partnership programmes as well as being an integral part of our Business and Corporate planning. Delivery of 2,025 free family tickets for people we have been engaging with from areas of deprivation, targeting of 8 specific museum programmes in these areas and undertaking 37 specific outreach activities is part of this commitment. 4,105 older people also took part in free programmes on sites and we provided 994 job seekers and 7,563 visitors with access needs with free admission. To further embed such activity a senior manager has been given the lead role in developing the NMNI social inclusion programme.

The Social Inclusion Programme Manager led a major initiative in partnership with the Urban Villages initiative in the final quarter of 2015-16, building the strong record we have established in relation to tackling poverty and social exclusion. Working across some of the most marginalised communities we helped to build community capacity and to improve good relations in places where there has been a history of community tension.

We successfully delivered a Heritage Lottery funded, Community Engagement Initiative training programme to equip staff with the necessary skills in working with local communities. One of the longer term outcomes of this work has been the development of a Community database which now records details of the 558 voluntary and community groups we have worked with over the last three years. One of our CEI trainees was instrumental in the delivery of learning projects for 53 summer schemes which were provided on our sites, free of charge. All schemes and their participants were drawn from areas of deprivation and 1,869 children and 651 of their parents, toured our sites or engaged in Deadly Dragons workshops as well as taking part in digital learning using tablets. We also partnered with the Lyric Theatre to host their summer scheme at the Ulster Museum.

During 2015-16 the Residential Centre at the Ulster American Folk Park, which was run by the Education Authority closed and this impacted on the number of learning visitors to the site.

National Museums Northern Ireland has been diligent in ensuring that the resources it receives are used to benefit the public through the provision of the widest possible range of learning and engagement opportunities. We have successfully continued to attract our traditional audiences but have also effectively engaged with those people who are amongst the least likely to visit our sites. We have been committed to delivering the highest quality of experiences for all of our audiences and have been dedicated in our efforts to deliver meaningful outcomes through all of our community engagements and partnerships. The success of our endeavours in 2015-16 can be measured both in the quantum of the work undertaken and in the extent to which we have made an impact on the lives of people and communities.

### **Volunteer Programme**

Volunteers make a significant and diverse contribution to the success of National Museums Northern Ireland. They support us in many areas of the organisation, in roles ranging from curatorial, to visitor services and education. Over the last year National Museums Northern Ireland has increased its focus on volunteers which

has resulted in a doubling of the compliment - 101 (2014/15 - 50). National Museums Northern Ireland will aim to expand the volunteer programme in the next financial year.

### **Collections Management and Care**

Progress continues 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).

As part of National Museums Northern Ireland's Accreditation Return 2015 two new policies were developed that relate to Collections Management and Care: Collections Information and Access Policy; and, Collections Care and Conservation Policy. Both policies are aligned to the Publicly Available Specification (PAS) 197:2009 Code of Practice for Cultural Collections Management developed by the British Standards Institute and The Collections Trust. These policies provide the best practice framework within which National Museums manages and cares for the collections.

This year has seen the completion of a project to improve the environmental monitoring and control systems at the Ulster American Folk Park with the continued upgrading of the systems at the Ulster Museum and Ulster Folk and Transport Museum. The introduction of a Collections Hazards programme was a welcome development.

The number of collections-related images available via the internet was increased and the related KPI target exceeded. New content includes material relating to National Museum's annual temporary exhibition programme and related to Decade of Centenaries. Collections focused digitisation activities have supported public programming, and extended virtual access to collections through a series of collections highlight tours and blogs.

### **Collections Development**

Collections Development is a broad term that includes the acquisition of objects for the collections. Acquisitions include purchases and donations, gifts and bequests. The Collections Development Policy (previously known as the Acquisition and Disposal Policy) provides the best practice framework for acquiring material for the collections.

The capital funding allocation for the purchase of objects, as part of National Museums' collections development programme, during 2014-2015 was £18,000. An additional sum of £4,000 was secured from the Esme Mitchell Trust which contributed towards the acquisition of a painting and a group of Treasure Trove items.

The majority of the funding was spent on specimens relating to Fine and Applied Art including *I overslept Until the Evening*, 2014 by Makiko Kudo. The acquisition of *Aura of Crisis*, 1998 by Mary McIntyre has made a significant contribution towards NMNI's growing collection of 'Troubles art'. The development of the contemporary costume collection continued and included pieces by designers Simone Rocha and Marques Almeida, as well as items representing current high street fashion from Top Shop and Nike.

Items declared treasure by a coroner and valued by the Treasure Valuation Committee in the British Museum continued to be an important dimension to the acquisition programme. Three treasure cases were confirmed over 2015-2016 which resulted in the acquisition of an Anglo-Saxon fish-shaped gold belt buckle mount from Ballyalton, County Down; a 17th century gold posey ring from Grange of Ballywalter, County Antrim; and, a 14th century hoard of four silver Scottish groats from Coolnacran, County Down. In addition, a collection of Early Christian/Medieval metalwork from the drainage dredgings of the River Blackwater in Counties Armagh and Tyrone was secured and enhances previous acquisitions from the same geographical area.

The acquisition programme as part of the Heritage Lottery Fund (HLF) funded Collecting the Troubles and Beyond project commenced. NMNI secured a collection of paintings and drawings produced by a prisoner in Long Kesh/Maze prison which depicted daily life in the prison. This collection represents some of the earliest artistic responses to the Troubles.

Objects acquired by donation (includes gifts, bequests and Acceptance of Lieu) cover the areas of art and history with a collective estimated value of £524,450. The history objects relate to the Troubles, First World War, maritime history and archaeology. The art works include *Cyclades* by Ben Nicholson, *Red Conservatory*

by John Walker, *Head of Julia* by Frank Auerbach, photographs by Peter Richards from Memorial Series 2002 and costume by Lorcan Mullany for Belville Sassoon.

## **Estate**

During 2015-16, National Museums continued its programme of capital maintenance across all sites. Although funding was not secured until late in the year, a number of significant projects were completed on time and within budget. These are as follows:

At the Ulster Folk and Transport Museum, a major programme of electrical switchboard replacement together with the upgrade of intruder, fire alarm systems, was carried out to a number of buildings throughout the estates.

The Ulster Museum and our main offsite storage facility security systems were upgraded together with essential electrical and mechanical repairs. The Ulster American Folk Park also benefited from the upgrade of the intruder and fire alarm systems in storage and workshop areas plus additional security measures to the main entrance and exits. The fire alarm systems in our other two rented storage facilities were also upgraded and now allow for offsite monitoring.

In the rural area of the Ulster Folk and Transport Museum, a new dry stone wall was erected and a programme of minor capital repairs was carried out to many of the exhibit buildings, including general thatching repairs, timber treatment and lime washing. At the Ulster American Folk Park, a number of minor capital projects were completed including a programme of thatching repairs and painting to many of the exhibit buildings.

A further programme of light replacement with new LED fittings was also carried out at the Administration buildings at both the Ulster Folk and Transport Museum and the Ulster American Folk Park and at the off-site storage facility which will assist the museum in reducing its electrical energy consumption in the future.

New gas supplies were installed to both Dalchoolin Gallery and the Road and Rail Gallery with the anticipation of replacing the heating system in the Road and Rail Gallery in the 2016-17 year.

Enabling works to our vacant site in Landseer Street was completed and a planning application was submitted for a temporary car park on this site.

## **Fundraising and Membership**

The National Museums Northern Ireland membership scheme has continued to attract record numbers of applications 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 and Transport Museum and the Ulster American Folk Park. Members also benefit from a discount in our cafes and shops, fast track entry on busy event days and regular updates and discounted tickets for specific events and exhibitions. Complimentary joint membership is sent to every couple who choose a National Museums Northern Ireland site for their wedding.

In the 2015-16 financial year, the scheme generated income of £44,660 from 749 new and renewing active members. A high proportion of Gift Aid was derived from membership subscriptions, contributing an additional £7,865 in 2015-16. The membership scheme is prominently promoted at all sites and on the website.

National Museums Northern Ireland is in a strong position to garner support for our work from a wide range of high net worth individuals. As such it has developed a Patrons Programme in support of the arts at the Ulster Museum which will offer exclusivity and confer a range of privileges for those involved. A brochure and joining form is available which sets out the different levels of contribution to the initiative over a three year commitment.

## **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.

A comprehensive range of in-house training for staff has been facilitated this year, supported where appropriate by participation in external courses, eLearning and further education. A broad spectrum of compliance, health and safety, systems and policy training needs have been addressed, as well as a variety of

collections specific needs and those relating to professional standards. Knowledge sharing between colleagues has been commonplace, with staff regularly holding cross-directorate awareness raising sessions and seminars. Since becoming an accredited Centre in 2009 we have also delivered seven Vocational Qualification programmes in-house; five focussed on Cultural Heritage and two on Management Principles. In June 2015 National Museums was awarded the Northern Ireland Vocational Qualification Employer of the Year by the former Department for Employment and Learning.

In year we have again worked in partnership with the Northern Ireland Museums Council, following two successful cycles of the 'Collections Skills Initiative' funded by the Heritage Lottery Fund. Our 'Community Engagement Initiative' provided paid placements and training for ten Community Engagement professionals of the future. National Museums Northern Ireland staff designed and delivered the vast majority of the training programme.

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

### **Organisational Development**

2015-16 saw the delivery of year four of National Museums' Corporate Social Responsibility programme 'Horizons'. Horizons focuses on raising aspirations and creating opportunities through employability programmes and volunteering, tackling environmental issues, employee engagement initiatives and Charity of the Year work. 'Museums 2 Work', National Museums' own paid placement and training programme had its third cycle in 2015-16 (and has since commenced its fourth) and World Host accredited training has been delivered to 99 unemployed people to date who aspire to work in tourism, cultural heritage or hospitality.

### **Financial Review**

#### **Financial Objective**

National Museums Northern Ireland's financial objective is to achieve a sustainable financial position at the year end.

#### **Going Concern**

The Board of Trustees is satisfied that the organisation is a going concern on the basis that it has a reasonable expectation that it will continue in operation for the foreseeable future. The financial statements are therefore prepared on the going concern basis.

#### **Financial Results**

In the financial year to 31 March 2016, National Museums Northern Ireland had net expenditure of £1.3m a movement of £2.6m from the previous year (2014/15: net income of £1.3m). However, this was after accounting for the transfer of the Armagh County Museum to Armagh, Banbridge and Armagh Council at a cost of £0.7m.

The total income for the year was £15.9m, a decrease of £2.5m from 2014/15 due in large part to the reduction of Grant-in-aid from our funding Department.

Expenditure was slightly above 2014/15 levels at £17.2m compared to £17.1m in the prior year. Within expenditure, staff costs have decreased by £0.5m compared to the prior year. This reflects the ongoing reduction in the staffing complement as part of the Savings Delivery Plans and posts within the structure not being filled in the year. Operations and visitor services expenses remain the largest component of the organisational spend, accounting for 53% (£9m) of the total spend. This is reflective of the organisation's commitment to preserving frontline services to the public.

Depreciation has remained consistent with 2014/15. The LPS review of our estate as at 31 March 2016 did not result in any impairments in the year.



## **NATIONAL MUSEUMS AND GALLERIES OF NORTHERN IRELAND ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016**

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The organisation still has significant reliance on Grant-in-aid for its principal funding source, largely from recurrent grants. In 2015/16, DCAL provided 77% of the total income through allocated recurrent and capital grants (2014/15: 80%).

### **Reserves**

National Museums Northern Ireland has accumulated reserves of £81m (£79m in 2014/15). The policy on reserves is included in note 1, Accounting Policies, to the accounts. Restricted reserves total £16m (£15m in 2014/15) and unrestricted reserves total £65m (£64m in 2014/15). Revaluation reserves totalling £35m (£32m in 2014/15) have accumulated through revaluations on land and buildings. Within unrestricted reserves, National Museums has one designated fund, the Board reserve fund totalling £0.14m (£0.062m in 2014/15). The fund must be used for purposes that are for the public benefit and related to either the advancement of education, the advancement of the arts, culture, heritage or science or a combination of both. The reserves total at 31 March 2016 after taking out designated and restricted reserves was £65m (£64m in 2014/15)

The organisation has cash balances of £2.7m at the year end. Cash reserves were built up to facilitate payment of the invoices relating to the 2015/16 year but were received after the ledgers were closed.

### **Liquidity**

The cash balance of £2.7m represents a Key Performance Indicator of 62 days, which is above the target of 20-40 days. Taking the repayment of the general and payroll accruals into account the adjusted balance is £1.4m, and represents 33 days cash requirement which is in line with the target.

The Current Ratio for the organisation was 1.2 (2014/15: 1.4), this was due in a large part to the reduction of our stock and debtors.

### **Write Offs**

During the year the organisation wrote off £3,484 which related to shop stock.

### **Payment Performance**

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires organisations, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods and services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95%.

During the accounting period 1 April 2015 to 31 March 2016, National Museums Northern Ireland paid 99% of its invoices within 30 days (2014/15: 97%). The organisation incurred no interest charges in respect of late payment for this period.

The Northern Ireland Executive is committed to paying suppliers as quickly as possible, within 10 working days. During the accounting period 1 April 2015 to 31 March 2016, National Museums Northern Ireland paid 94% of its invoices within 10 days (88% in 2014/15).

### **Land and Buildings**

Land and buildings were subject to a full valuation by Land and Property Services (LPS) on 31 March 2015. That full valuation was updated using valuations supplied by LPS to provide the valuations as at 31 March 2016. This has resulted in a net upward revaluation of £1.5m on those assets.

### **Estate**

National Museums Northern Ireland's estate as at 31 March 2016 consists of land valued at £16.5m and buildings valued at £47.4m.

### **Financial**

Net assets at 31 March 2016 were £81.1m (2014/15: £79.9m).

## **Principal Risks and Uncertainties**

National Museums Northern Ireland's system of internal control, including financial, operational and risk management, which is designed to protect the organisation's assets and reputation, has been undergoing continuous review and improvement over the recent years and this continued during the year ended 31 March 2016.

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

- Securing appropriate levels of Government funding in the future
- Achieving income generation targets
- Maintaining public support for museums
- Capacity and resilience of the organisation
- The ability to care for and manage the collections
- Investment in the estate infrastructure

The Audit and Risk Assurance Committee, chaired by an independent non-executive, is responsible for providing assurance to the Board of Trustees that effective risk management, governance and control arrangements are in place. 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 as an integral part of the operational planning and risk management process. The Senior Management Team identify the organisation's objectives and key risks and document these in the form of a 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 Accounting Officer reports significant changes and developments in the risk profile to the Audit and Risk Assurance Committee and the Board of Trustees. The Audit and Risk Assurance Committee reviews and updates the framework on a regular basis to ensure that it remains current.

Following a risk management workshop with Trustees and senior management in April 2016 new risks were identified which relate to the forthcoming financial period. These risks are:

- Not establishing a clear and dynamic vision and strategy for the future
- Not storing and documenting the national collections according to sectoral standards
- Not interpreting and providing appropriate access to the national collections
- The lack of specialist knowledge and expertise
- The business model being not effective
- Visitors to the Ulster American Folk Park continuing to decline
- Not maximising opportunities for partnerships and collaborations
- Not listening to and engaging effectively with existing and new audiences and stakeholders

## **Charitable donations**

There were no charitable donations made by National Museums Northern Ireland in the year. However, staff have supported Autism NI and Macmillan. Following a successful two year partnership with Autism NI between 2013 and 2015, a staff vote was held in the summer of 2015 and Macmillan were chosen as our next Charity of the Year (running from October 2015 to September 2017). During the first six months of this partnership staff have already helped raise £8,530.84 for the charity through a variety of initiatives. Macmillan merchandise is on sale at our retail outlets, volunteers have collected at Christmas events, staff have contributed their time and skills for raffles and cake sales across our sites, we have had face painting at the Changing Faces day at the Ulster Museum, Christmas jumper day donations, a £ for Lb staff weight loss club and a 10K and 5K Cultra Challenge. The Charity Committee continue to work closely with Macmillan on a calendar of fundraising and awareness raising activities and some staff have also signed up for individual sponsored physical challenges in 2016/17.

## **Plans for Future Periods**

National Museums Northern Ireland preserves, protects and promotes the regions cultural assets, knowledge and collective memory. We engage and work in partnership with the public to share stories, care for and present a vast range of objects bringing important cultural, educational, social and scientific ideas to life. We believe we unite the past, present and future; enhance health and well-being; make places more attractive to live in, work and visit; and create positive economic impact. We inspire present and future generations of

pioneers, designers, makers and community leaders. Our museums are loved and trusted public institutions; they provide joy, prompt reflection, and foster curiosity about the world around us.

We simultaneously serve local, regional, national and international audiences, as well as online audiences through our digital channels. As a collection and knowledge-based institution, we serve our society now and in the future.

National Museums Northern Ireland improves people's lives by stimulating inspiration, learning and enjoyment. As well as fulfilling statutory roles in relation to our collections and our sites, National Museums Northern Ireland contributes to the key pillars of the Programme for Government. Going into the next Programme for Government period, we are keen to ensure our museums realise their full potential for society – we are more than our buildings and collections, we are an integral part of the fabric of our society. We have a two-way relationship with communities, drawing on a wide range of skills, knowledge, experience and networks. We are outward looking, determined to build more relationships with partners. We are keen to engage with elected representatives, audiences and wider stakeholders to build and extend the role, purpose and relevance of our museums to deliver greater societal outcomes and impacts in the future.

At the start of June 2016 the NI Assembly published a top line Programme for Government (PfG) for consultation. It details the key outcomes that government will seek to deliver during the period from 2016 to 2021. The detail of this PfG is currently being developed alongside:

- the Comprehensive Spending Review (CSR) which will allocate revenue and capital budgets to Departments and Agencies aligned to the PfG outcomes and targets
- the next Investment Strategy NI (ISNI) which will outline key capital development priorities for the next 10 years
- a Social Strategy for Northern Ireland

Of the 14 shared outcomes in the draft PfG, NMNI is strongly positioned to make a significant contribution to four key outcomes:

- Outcome 5 – we are an innovative, creative society, where people can fulfil their potential
- Outcome 9 – we are a shared society that respects diversity
- Outcome 10 – we are a confident, welcoming, outward-looking society
- Outcome 12 – we have created a place where people want to live and work, to visit and invest

Although we are operating in an increasingly challenging financial climate we have ambitious intentions to transform our facilities and services to ensure that the National Collections are cared for more effectively and shared with an increased number of people. We want to be more engaging, more relevant and ensure that our overall impact continues to grow. Our priorities for the future are:

### **1. To look after and add to our collections**

Effectively managing the National Collections is our core statutory responsibility. Future plans in this area will cover how we will develop the collections, conservation and preservation priorities, improving documentation and digital access and strengthening knowledge and research.

### **2. To create more inspiring visitor experiences**

We have a responsibility to provide unique experiences to inspire people of all ages and backgrounds and boost creativity and innovation. This includes our exhibitions, events and public programming across all of our sites, all of which supports increasing access to collections. We will develop a series of objectives in this area with a particular focus on:

- Developing exhibitions and themes that reflect society, are relevant and thought provoking, stretch thinking and encourage participation, engagement and two-way dialogue – in particular we will support working towards greater mutual respect and understanding and building good relations between communities
- Improving cultural participation and quality of life by providing facilities that support culture, arts and spaces for recreation
- Striving for excellence in customer service and a showcase of the NI brand as a key tourism offering
- Building NI's international reputation and awareness of our collections through touring
- Collecting and developing exhibitions through greater and new collaboration, co-curation, community engagement and connection with people and their stories

### **3. To connect with more people**

We want to transform lives by connecting with more people. In particular we want to focus on growing non-traditional audiences and reaching those who don't yet visit our sites thereby increasing access to and engagement with our collections. We will develop a series of objectives in this area with a particular focus on:

- Extending formal learning programmes targeting deprived areas
- Extending community engagement programmes with an emphasis on tackling poverty and deprivation
- Developing early years programming to help give children the best start in life and support parents in their role – providing creative spaces for families to be together
- Increase outreach programmes through taking collections and exhibitions into communities and non-museum venues
- Improving employability prospects through greater use of apprenticeships and skills development programmes
- Providing increased access and opportunities for volunteering to develop skills, improve career prospects and self-fulfilment

### **4. Open up and share our spaces**

Our sites are public assets and we want to share our spaces better and see wider, fuller and more varied use of the land and buildings that we have. We will develop a series of objectives in this area with a particular focus on:

- Developing our sites to deliver greater local benefit – being better connected to and a hub for the communities in which we are located
- Diversifying how our spaces are used to increase usage of our assets e.g third party events and activities
- Supporting local artists and traditional craftspeople

### **5. Build museum services of the future**

Apart from the redevelopment of the Ulster Museum which re-opened in 2009, there has been no major development (£5m+) on any of the sites in recent history. There is now a need to redevelop across the estate to achieve the following overall objectives:

- Continue to meet our statutory responsibilities
- Substantially increase access to collections and support key Departmental priorities particularly in terms of community cohesion and tackling poverty and social exclusion
- Improve the quality of the visitor experience
- Strengthen the commercial infrastructure to facilitate growth of self-generated income
- Ensure that the infrastructure and visitor experience is fit for purpose, internationally competitive and relevant for future generations

Critically it is recognised that proposals for each of the sites require to be developed in a broad strategic context and in partnerships where mutual benefit can be derived and match funding secured.

With specific reference to the draft Programme for Government, we can deliver the following outcomes:

- create positive memories and well-being for satisfied visitors
- provide confidence for parents through family learning programmes
- provide a safe and supportive environment for the socially vulnerable
- generate self-confidence for the unemployed through skills programmes
- provide shared spaces for engagement, reflection and fostering mutual respect
- Encourage creativity and foster innovation through our cultural and scientific assets
- Building NI's reputation on the international stage and increasing cultural links with the wider world
- Be an inspiring part of the tourism offering and generating local pride
- Supporting opportunities for play, recreation and creativity

All of our activity is supported by grant-in-aid via the DfC. In 2016-17 our grant in aid allocation is £10.7m. We continue to face significant financial, managerial and statutory challenges resulting from previous cost-cutting, downsizing, restructuring exercises and five years of Savings Delivery Plans which total in excess of £0.7m and have depleted organisational capacity.

In the coming year the Board of Trustees and Management of National Museums Northern Ireland will implement a Voluntary Exit Scheme and develop and implement a new business model with a view to ensuring the organisation's ability to deliver savings and the priorities set out above.

## **Structure, governance and management**

As a Non-Departmental Public Body (NDPB) accountable to the Northern Ireland Assembly through the Department for Communities (DfC), formerly the Department of Culture, Arts and Leisure, National Museums Northern Ireland has a public duty to meet the highest standards of Corporate Governance.

Under Article 10(2) of The Museums and Galleries (Northern Ireland) Order 1998, the organisation is required to prepare a statement of accounts for each financial year in the form and on the basis determined by DfC with the approval of the Department of Finance (formerly Department of Finance and Personnel). 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 DfC, and lay this before the Northern Ireland Assembly.

The Annual Report and Accounts has been prepared in accordance with the accounting policies set out in Note 1 to the accounts, and complies with the Charities SORP (FRS102), HM Treasury Financial Reporting Manual (FRM) and the disclosure requirements issued by the Department of Finance.

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

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 three sub-committees of the Board of Trustees during the year, as follows:

- Audit and Risk Assurance Committee,
- General Purposes and Finance Committee and
- Remuneration Committee.

Following their appointment, all Trustees attend 'Essential Skills for Board Members' training provided by CIPFA in respect of their responsibilities for corporate governance and accountability of the organisation. Following appointments, training was delivered on 27 May 2014 and 2 September 2014.

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

At the year- end members of the Executive Team were as follows:

- Chief Executive and Accounting Officer: Mrs K Thomson (from March 2016)
- Director of Collections and Interpretation: Miss S McCartan (acting from May 2015)
- Director of Finance: Mr P Sheridan (acting since June 2013)
- Director of Marketing, Communications and Trading: Mrs G McLean
- Director of Learning and Partnership: Mr P Gilmore

Dr McGreevy resigned as Acting Chief Executive on 16 May 2015 to take up his substantive post of Director of Collections before his retirement in June 2015 and Mrs J Helliker, previously Director of People and Performance, was appointed Acting Chief Executive on 18 May 2015. Mrs J Helliker resigned on 29 February 2016 and Mrs K Thomson was appointed Chief Executive on 1 March 2016.

## **Reference and administrative details**

### **Name of the charity**

The charity is registered under the name National Museums and Galleries of Northern Ireland. The charity operates under the name National Museums Northern Ireland.

### **Charity Number**

NIC103729

### **Principal Address**

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

### **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 and J Black Solicitors  
Linenhall House  
13 Linenhall Street  
Belfast  
BT2 8AA

### **Board of Trustees**

The Chairman, Mr M McCoy, was appointed on 1 January 2014 for a period of four years to 31 December 2017. During the year the Board of Trustees comprised the following:

Mr M McCoy (Chairman)  
Professor K Fleming  
Mrs D Harshaw  
Dr R Kelly OBE  
Mr A McFarland  
Mrs A Moor  
Mr J Rice  
Professor M Catto  
Professor G Earls

Mrs H Francey  
Dr L Litvack  
Dr G McIlroy  
Mrs C Molloy  
Dr M Ward

### **Register of Interests**

A Register of Interests is maintained for Board members and the Executive Team and is available for inspection at the Principal Address.

Related party transactions are shown in note 18 of the accounts.

### **Personal data related incidents**

National Museums Northern Ireland has given consideration to the requirement to report personal data related incidents. It is content that there were no such incidents in the year ended 31 March 2016.

### **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 herself aware of any relevant audit information and to establish that the Board's auditors are aware of that information.

### **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 would transfer from National Museums Northern Ireland to local government. The transfer took place on 1 April 2015. The value of fixed assets transferred was £689,980.

### **Change of Funding Department**

In May 2016, as part of the restructuring of the Northern Ireland Civil Service, the number of Departments reduced. As a result, the National Museums Northern Ireland funding Department changed from the Department of Culture Arts and Leisure to the Department for Communities.

### **Important events since the end of the financial year**

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



Mr M McCoy  
Chairman of the Board of Trustees  
Date: 23 September 2016



Mrs K Thomson  
Chief Executive  
Date: 23 September 2016

## **REMUNERATION AND STAFF 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 Chief Executive and reviews the 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 during the year was as follows:

Dr R Kelly (Chairman)  
Mr M McCoy  
Mr A McFarland  
Mrs A Moor

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

The Remuneration Committee met once to confirm the review of the Chief Executive's performance and to approve the associated pay award.

### **Policy on the remuneration of senior managers**

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

The 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 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 in the following table:



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**Senior Management Remuneration (Subject to Audit)**

	2015-16				2014-15			
	Salary £'000	Bonus £'000	Pension Benefits <sup>1</sup> (to nearest £1000)	Total (£'000)	Salary £'000	Bonus £'000	Pension Benefits (to nearest £1000)	Total (£'000)
<b>Mrs K Thomson</b> Chief Executive (from 1 March 2016)	5-10 (80-85 full year equivalent)	-	3,000	5-10	-	-	-	-
<b>Mrs J Helliker</b> Director of People and Performance until 29 February 2016; Acting Chief Executive 18 May 2015 to 29 February 2016	75-80*	-	29,000	100-105	65-70	-	12,000	80-85
<b>Dr J McGreevy</b> Director of Collections and Interpretation until 25 June 2015; Acting Chief Executive 29 January 2015 to 16 May 2015	20-25**	-	23,000	40-45	70-75	-	83,000	155-160
<b>Mrs G McLean</b> Director of Marketing, Communications and Trading	60-65	-	49,000	110-115	60-65	-	14,000	75-80
<b>Mr P Gilmore</b> Director of Learning and Partnership	60-65	-	13,000	75-80	60-65	-	11,000	70-75
<b>Mr P Sheridan</b> Acting Director of Finance (from 13 June 2013)	55-60	-	24,000	80-85	50-55	-	22,000	75-80
<b>Miss S McCartan</b> Acting Director of Collections and Interpretation (from 18 May 2015)	55-60 (60-65 full year equivalent)	-	49,000	100-105	-	-	-	-
<b>Mr T Cooke</b> Director & Chief Executive (to 25 February 2015)	-	-	-	-	100-105 (105-110 full year equivalent)	-	28,000	125-130

**Salary**

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

<sup>1</sup> 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.

\* Mrs J Helliker received £5-10k (£65-70k full year equivalent) in her post as Director of People & Performance and she received £65-70k (£80-85k full year equivalent) in her post as Acting Chief Executive.

\*\* Dr J McGreevy received £10-15k (£65-70k full year equivalent) in his post as Director of Collections and Interpretation and he received £10-15k (£80-£85k full year equivalent) in his post as Acting Chief Executive.

### **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.

### **Bonuses**

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. There were no bonuses paid in the 2015-16 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 following table and information is subject to audit:

	<b>2015-16</b>	<b>2014-15</b>
Band of Highest Paid Director's Total Remuneration	£80,000-85,000	£100,000-£105,000
Median Total Remuneration	£22,291	£24,208
Remuneration Ratio	3.70	4.23

The banded remuneration of the highest-paid director in National Museums Northern Ireland in the financial year 2015-16 was £80,000-£85,000 (2014-15, £100,000-£105,000). This variance was due to the fact that a new CEO was appointed at a lower pay scale than in the previous year. This was 3.7 times (2014-15, 4.23) the median remuneration of the workforce, which was £22,291 (2014-15, £24,208).

In 2015-16 and 2014-15 no employees received remuneration in excess of the highest-paid director. Remuneration ranged from £16,300 to £82,500 (2014-15, £16,300 to £102,500).

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 2016 except for an honorarium to the Chairman amounting to £10,000.

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**Pensions of Senior Management (Subject to Audit)**

	Accrued pension at pension age as at 31/3/16 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/16	CETV at 31/3/15	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
<b>Mrs K Thomson</b> Chief Executive (from 1 March 2016)	0-5	0-2.5	2	-	1
<b>Mrs J Helliker</b> Director of People and Performance until 29 February 2; Acting Chief Executive 18 May 2015 to 29 February 2016	25-30	0-2.5	361	351	-6
<b>Dr J McGreevy</b> Director of Collections and Interpretation until 25 June 2015; Acting Chief Executive 29 January 2015 to 16 May 2015	25-30 plus lump sum of 80-85	0-2.5 plus lump sum of 2.5-5	644	617	22
<b>Mrs G McLean</b> Director of Marketing, Communications and Trading	15-20	2.5-5	202	160	25
<b>Mr P Gilmore</b> Director of Learning and Partnership	10-15 plus lump sum of 35-40	0-2.5 plus lump sum of 0-2.5	251	222	12
<b>Mr P Sheridan</b> Acting Director of Finance (from 13 June 2013)	5-10	0-2.5	74	56	9
<b>Miss S McCartan</b> Acting Director of Collections and Interpretation (from 18 May 2015)	20-25 plus lump sum of 60-65	0-2.5 plus lump sum of 5-7.5	380	318	38

**Northern Ireland Civil Service (NICS) Pension Arrangements**

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 the Assembly 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.

A new pension scheme, alpha, was introduced for new entrants from 1 April 2015. The majority of existing members of the NICS pension arrangements have also moved to alpha from that date. Members who on 1 April 2012 were within 10 years of their normal pension age did not move to alpha and those who were within 13.5 years and 10 years of their normal pension age were given a choice between moving to alpha on 1 April 2015 or at a later date determined by their age. Alpha is also a 'Career Average Revalued Earning' (CARE) arrangement in which members accrue pension benefits at a percentage rate if annual pensionable earnings throughout the period of scheme membership. The current rate is 2.32%. CARE pension benefits are increased annually in line with increases in the CPI.

Increases to public service pensions are the responsibility of HM Treasury. Pensions are reviewed each year in line with the cost of living. Increases are applied from April and are determined by the CPI figure for the preceding September. The CPI in September 2015 was negative (-0.1%) and HM Treasury has announced

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that there will be no increase to public service pensions from April 2016. Therefore public service pensions will remain at their current level.

Employee contribution rates for all members for the period covering 1 April 2016 - 31 March 2017 are as follows:

<b>Annualised Rate of Pensionable Earning (Salary Bands)</b>		<b>Contribution rates – Classic members or classic members who have moved to alpha</b>	<b>Contribution rates – All other members</b>
<b>From</b>	<b>To</b>	<b>From 01 April 2016 to 31 March 2017</b>	<b>From 01 April 2016 to 31 March 2017</b>
£0	£15,000.99	3%	4.6%
£15,001.00	£21,210.99	4.6%	4.6%
£21,221.00	£48,471.99	5.45%	5.45%
£47,472.00	£150,000.99	7.35%	7.35%
£150,001.00 and above		8.05%	8.05%

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 14.7% (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 0.5% 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. The normal pension age in alpha will be linked to the member's State Pension Age but cannot be before age 65. Further details about the CSP arrangements can be found at the website <https://www.finance-ni.gov.uk/topics/working-northern-ireland-civil-service-pensions-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 NICS pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

**Real increase in CETV**

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

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start and end of the period. The actuarial factors used to calculate CETVs changed during the 2015-16 year and, consequently, CETV figures increased even without any further pension accrual. However, the real increase calculation uses common actuarial factors at the start and end of the period so that it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer.

## Staff report

### Total Staff Cost (Subject to Audit)

Staff Cost	2016	2015
Salaries and wages (includes temporary non-payroll staff)	7,957,880	8,471,055
National insurance	492,089	544,395
Pension costs	1,555,017	1,469,081
<b>Total</b>	<b>10,004,986</b>	<b>10,484,531</b>

### Costs apportioned by activity (Subject to Audit)

Activity area	2016	2015
Fundraising & Development	166,897	166,282
Trading	462,283	493,630
Curatorial, Collections & Collections Services	2,946,071	3,338,196
Exhibitions and Events	73,189	89,628
Learning and Partnership	1,575,532	1,608,596
Operations and Visitor Services	4,781,014	4,788,199
<b>Total</b>	<b>10,004,986</b>	<b>10,484,531</b>

### The average number of full time equivalent employees analysed by category of staff (Subject to Audit)

Contract type	2016	2015
Permanent contract	246	256
Temporary agency contract	19	21
Fixed term funded contract	11	11
<b>Total</b>	<b>276</b>	<b>288</b>

The employees are made up of 143 male and 133 female.

Further information on staff costs is contained in note 6.

### Sickness Absence

National Museums Northern Ireland employed 276 staff (expressed as full-time equivalents), of whom 159 were operations and visitor services staff. Staff absenteeism for the period 1 April 2015 to 31 March 2016 was 7% (2014-15, 4.8%), which equates to an average per FTE of 15.53 days. The reason for this increase is attributable to staff on long term sickness with short term sickness rates remaining relatively static. In response to this increase in long term sickness absence a Health and Wellbeing Programme is being developed for 2016-17.

### Staff Policies

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.

National Museums Northern Ireland is committed to the priorities as set out in legislation on equality,

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disability discrimination, health and safety, child and vulnerable adult protection, data protection and freedom of information.

**Reporting of Civil Service and other compensation schemes – exit packages (Subject to Audit)**

Exit package Cost Band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
£10,000-£25,000	3	0	0	0	3	0
Total number of exit packages	3	0	0	0	3	0
Total resource cost (£)	50,445	0	0	0	50,445	0

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme (Northern Ireland), a statutory scheme made under the Superannuation (Northern Ireland) Order 1972. Exit costs are accounted for in full in the year of departure. Ill-health retirement costs are met by the pension scheme and are not included in the table.



Mrs K Thomson  
Chief Executive  
Date: 23 September 2016

**STATEMENT OF TRUSTEES' AND CHIEF EXECUTIVE'S RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2016**

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 for Communities with the approval of the Department of Finance. 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 the Department for Communities, 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 the Department for Communities has designated the Chief Executive as the Accounting Officer for National Museums Northern Ireland. The relevant responsibilities of an Accounting Officer, including the responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping of proper records and for safeguarding National Museums Northern Ireland's assets, are set out in the Managing Public Money NI, issued by the Department of Finance.

## **GOVERNANCE STATEMENT for the year ended 31 March 2016**

### **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 NI agreed by the Minister, 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 for Communities (DfC).

I meet formally on a quarterly basis with DfC 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 DfC Museums Branch attends the Audit and Risk Assurance Committee meetings.

### **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. 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 Accounting Officer is designated by the DfC Accounting Officer and has responsibility for the day to day management of National Museums Northern Ireland and is supported by the Board of Trustees.

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of National Museums Northern Ireland's policies, aims and objectives, to evaluate the likelihood of those risks being realised and their 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 2016 and up to the date of approval of the annual report and accounts and accords with Department of Finance (DoF) guidance.

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

As part of their induction, all Trustees have attended training in respect of their responsibilities for corporate governance and accountability of the organisation.

In order to manage any conflicts or potential conflicts of interest the Chairman asks those present at the start of each meeting if they are conflicted with any of the agenda items. Using this process, three actual or perceived conflicts were reported, one related to a Trustee's business relationship to a related third party, one was the new Chief Executive's public appointment as a Director of the Strategic Investment Board Ltd, and the other to a Director's spouse being employed by a supplier.

In 2015-16, the Internal Auditors reviewed National Museums Northern Ireland's governance arrangements. The review focused on the areas of the role of the Governance Working Group, evidence of Board Effectiveness evaluation and self-assessment evidence of review and approval of Board Operating Framework and the extent to which revised governance arrangements have been appropriately reflected within the operational procedures and fully embedded across the organisation. The assurance rating received was



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satisfactory. The review found two areas for improvement, the self-assessment of effectiveness by sub-committees to the Board of Trustees and the performance and approval of assessment of Board members.

**4. Board Membership and Attendance**

During the year the following served as Trustees:

	<b>Attendance at Board meetings 2015-16 (max 5)</b>
Mr M McCoy, Chairman	<b>5</b>
Professor K Fleming	<b>4</b>
Mrs D Harshaw	<b>3</b>
Dr R Kelly OBE	<b>5</b>
Mr A McFarland	<b>5</b>
Mrs A Moor	<b>4</b>
Mr J Rice	<b>3</b>
Professor M Catto	<b>5</b>
Professor G Earls	<b>4</b>
Mrs H Francey	<b>5</b>
Dr L Litvack	<b>3</b>
Dr G McIlroy	<b>5</b>
Mrs C Molloy	<b>5</b>
Dr M Ward	<b>4</b>

The Board of Trustees meets at least four times a year. The Board of Trustees receive reports at each meeting covering key performance indicators, business plan performance, market update, financial performance, capital programme activity, loans (to and from the organisation) agreed and minutes from each of the sub-committees. The Board has assessed its effectiveness and has identified areas where it can improve. These areas include knowledge of the organisation's service provision, inclusion in the development of key performance indicators and strategy.

**5. Audit and Risk Assurance Committee**

The Audit and Risk Assurance Committee (ARAC) 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 audit recommendations, and to review and endorse the Annual Report and Accounts to the Board of Trustees to approve.

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 are two other committees of the Board of Trustees:

- The General Purposes and Finance Committee met four times during the year to review the financial plan, current financial report, issues from Human Resources and Organisational Development, market update and loans for approval.
- The Remuneration Committee met once to review the performance of the Chief Executive and to approve the associated pay award.

During the year the following Trustees attended meetings of the Committees as follows:

	<b>Attendance at ARAC meetings (max 4)</b>	<b>Attendance at General Purposes and Finance Committee meetings (max 5)</b>	<b>Attendance at Remuneration Committee meetings (max 1)</b>
Mrs A Moor**, Chairman of ARAC	4	2	1
Dr L Litvack	3		
Professor K Fleming	3		
Mr J Rice	2		
Professor G Earls	3		
Mrs H Francey	3		
Dr G McIlroy****	4	4	
Mr M McCoy***, Chairman of Board	4	3	1
Dr R Kelly OBE*, Chairman of General Purposes & Finance Committee (including Remuneration)	1	4	1
Professor M Catto		3	
Mrs D Harshaw		3	
Mr A McFarland		4	1
Mrs C Molloy		4	
Dr M Ward		4	

\* Ex Officio at ARAC

\*\* Ex Officio at G P & F

\*\*\*Ex Officio attendee

\*\*\*\* Co-opted

The Executive Team has responsibility and delegated authority for the management and direction of National Museums Northern Ireland, under the leadership of the Chief Executive.

## 7. Business Planning and Risk Management

### *Business Plan*

A detailed annual Business Plan for 2015-16 was submitted to DfC on 18 December 2014. The Business Plan was approved by the Board of Trustees on 12 December 2014. The Minister approved the 2015/16 Business

Plan on 20 May 2015 on condition that the organisation developed "an acceptable target relating to increasing access to NMNI collections'. The Business Plan was subsequently fully approved by the Minister on 2 October 2015.

The Business Plan for 2016-17 was approved by the Minister on 15 July 2016.

#### *Risk Management*

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

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. This framework was revised and was approved by the Board of Trustees on 11 December 2015. As part of the embedding process of the framework, a risk management workshop involving the Board of Trustees and the Executive Team was held on 8 April 2016. The object of the workshop was to review the key corporate risks alongside the new Chief Executive and to review and agree the organisation's risk appetite.

Each risk is allocated a risk rating based on an evaluation of its impact and likelihood in two stages:

1. Assessment of inherent risk before any controls are identified
2. Assessment of residual risk taking account of current risk response and controls and the required action plan.

The residual 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 key risks are escalated and included within the Corporate Risk Register. The Corporate Risk Register identifies risks and agreed actions and allocates responsibility for those to a risk owner. The Register is reviewed regularly by the Executive Team and quarterly by the Audit and Risk Assurance Committee and by DfC and reported to the Board of Trustees and each meeting.

In addition to the Corporate Risk Register, internal project boards have developed project risk registers with project Senior Responsible Owners responsible for risk management. The Executive 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. 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 following key strategic risks relating to business objectives were identified:

- Securing appropriate levels of Government funding in the future
- Achieving income generation targets
- Maintaining public support for museums
- Capacity and resilience of the organisation
- The ability to care for and manage the collections
- Investment in the estate infrastructure

Following a risk management workshop with Trustees and senior management in April 2016 new risks were identified which relate to the forthcoming financial period. These risks are:

- Not establishing a clear and dynamic vision and strategy for the future
- Not storing and documenting the national collections according to sectoral standards
- Not interpreting and providing appropriate access to the national collections
- The lack of specialist knowledge and expertise
- The business model being not effective
- Visitors to the Ulster American Folk Park continuing to decline
- Not maximising opportunities for partnerships and collaborations
- Not listening to and engaging effectively with existing and new audiences and stakeholders

## **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, the Staff Code of Conduct and the Whistle-Blowing Policy.

During 2015/16 three separate incidents of theft at the Ulster Museum shop were reported in accordance with the Anti-fraud Policy.

Internal investigations were carried out in relation to the incidents and appropriate action taken. It was found that in each of these incidents none were attributable to any weakness in procedures.

The Anti-Fraud Policy and Fraud Response Plan were reviewed taking into account Internal Audit recommendations and other general guidance and approved at the Board of Trustees' meeting on 21 March 2016.

There were no personal data related incidents during the year.

## **9. Governance and Accountability within National Museums Northern Ireland**

National Museums Northern Ireland complies with the Management Statement and Financial Memorandum with DfC and relevant guidance from the DoF. Updated versions of the documents were signed by the Acting Chief Executive and Accounting Officer in April 2015 and by the Department in May 2015.

In the 2015/16 financial year, the Governance Working Group established in 2014/15 by the Board of National Museums Northern Ireland, completed its work. The Group had been created to undertake (but not limit itself to) the following tasks:

- Review and update Standing Orders
- Review and update the Terms of Reference of Audit and Risk Committee (ARAC) including the development of the role of the Chairman document
- Review and update the Terms of Reference of General Purposes and Finance Committee (GP and F)
- Review and update the Terms of Reference of Remuneration Committee (RC)
- The creation the Template Terms of Reference for any future Working Groups
- The creation and agreement of specific Terms of Reference for any future Working Groups
- Identify any relevant National Museums Northern Ireland strategies and policies, and review to ensure alignment with corporate objectives (completed 2015).

These agreed documents set out the regulatory and accounting framework along with details of the delegations of responsibility and accountabilities.

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

In general, reports to Board Members are provided in advance of meetings although, in exceptional circumstances, some are tabled. All reports undergo a rigorous review process with the Board and its Committees highlighting any areas for improvement. Despite these areas for improvement, the Board are content with the quality of the papers they receive.

## **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 of Trustees and Audit and Risk Assurance 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 and the Board of Trustees contracts out its internal audit services. The appointed firm of Internal Auditors operates to Public Sector Internal Audit Standards. The Annual Audit Plan

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2015-16 was approved by the Audit and Risk Assurance Committee in June 2015. The Committee considered reports on the following systems during 2015-16:

<b>AUDIT ASSIGNMENTS</b>	<b>LEVEL OF ASSURANCE PROVIDED</b>
• Cash and Bank	Satisfactory Assurance
• Income and Debtors	Substantial Assurance
• Payroll	Substantial Assurance
• Financial Planning and Budgetary Control	Substantial Assurance
• Procurement	Substantial Assurance
• Business Continuity/Disaster Recovery	Satisfactory Assurance
• Fixed Assets	Satisfactory Assurance
• Health and Safety	Satisfactory Assurance
• Complaints Handling	Satisfactory Assurance
• Maintenance of Collections	Satisfactory Assurance – limited in respect of storage arrangements at UFTM
• Gifts and Hospitality	Satisfactory Assurance
• Corporate Governance	Satisfactory Assurance

During the 2015-16 year the Internal Auditors identified two Priority 1 issues. These issues were:

- Health and Safety - Failure to maintain evidence that legionnaires tests are reviewed and actions are taken. This issue was cleared in year.
- Maintenance of Collections - Storage Arrangements at Ulster Folk and Transport Museum. This issue is still outstanding. The issue of collections storage is one that National Museums Northern Ireland takes very seriously and we are currently in the process of developing interim/phased solutions for new collections storage at the Ulster Folk and Transport Museum and indications of these required improvements have been submitted to the Department for Communities (DFC). But National Museums Northern Ireland does not have a core capital budget and our ability to deal with these storage issues will be dependent on securing that funding from DFC.

The Internal Audit Annual Statement of Internal Control 2015-16 concludes *‘that on the basis of the programme of work performed during the year, National Museums Northern Ireland has established procedures that are adequate to meet management’s control objectives in the systems audited and consequently we can provide a SATISFACTORY level of assurance over the control environment at the organisation, EXCEPT FOR the adequacy of Collections Storage Arrangements currently in place at UFTM.’*

*Northern Ireland Audit Office (NIAO)*

The statutory audit of National Museums Northern Ireland was undertaken by the NIAO’s Comptroller and Auditor General (C and 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 considered by the Audit and Risk Assurance Committee and presented to by the Board of Trustees in March 2016.

**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 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 and Risk Assurance 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 Northern Ireland 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***

Dr J McGreevy resigned as Acting Chief Executive on 16 May 2015 to take up his substantive post of Director of Collections before his retirement and Mrs J Helliker was appointed Acting Chief Executive on 18 May 2015. Mrs J Helliker resigned as Acting Chief Executive on 29 February 2016. I took up the position of Chief Executive of National Museums Northern Ireland on 1 March 2016.

The laying of the 2014/15 Annual Report and Accounts was delayed due to reviews undertaken by both National Museums NI and the former Department of Culture, Arts and Leisure into circumstances surrounding the resignation of the Chief Executive (Tim Cooke) in November 2014. In addition the report which the Comptroller and Auditor General has prepared on this matter was subject to a process of third party clearance.

There were no governance divergences reported in the 2015/16 financial year.

## **13. Conclusion**

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



Mrs K Thomson  
Chief Executive  
Date: 23 September 2016

## **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 2016 under the Museums and Galleries (Northern Ireland) Order 1998. These financial statements comprise: the Statement of Financial Activities, the Balance Sheet, 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 and Staff 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 Trustees' and the Chief Executive's Responsibilities, the Trustees and the 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 examine, 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 Financial Reporting Council's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to 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 Trustees' 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 expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

### **Opinion on Regularity**

In my opinion, in all material respects the expenditure and income 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 Museum Northern Ireland's affairs as at 31 March 2016 and of the expenditure and income 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 Department for Communities (formerly Department of Culture, Arts and Leisure) directions issued thereunder.

### **Opinion on other matters**

In my opinion:

- the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Department for Communities directions made under the Museums and Galleries (Northern Ireland) Order 1998; and

- the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**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 annual 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 (formerly the Department of Finance and Personnel) guidance.

**Report**

I have prepared a report at pages 56 and 57 on issues arising from the resignation of the National Museums Northern Ireland's former Chief Executive in November 2014.



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

31 October 2016



NATIONAL MUSEUMS AND GALLERIES OF NORTHERN IRELAND

STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2016

	Note	Restricted	Unrestricted	Total 2016 £	Restricted	Unrestricted	Total 2015 £
<b>Income from:</b>							
<i>Donations and Legacies</i>							
Donations	2	-	108,667	108,667	8,099	86,203	94,302
Gifts in kind	2	529,008	-	529,008	60,532	-	60,532
<i>Charitable activities</i>							
Grant-in-aid	3	811,557	11,370,614	12,182,171	2,837,000	11,998,507	14,835,507
VER funding	15	130,386	-	130,386	212,141	-	212,141
Admissions		-	1,160,735	1,160,735	-	1,000,838	1,000,838
Other grants	3	513,846	-	513,846	994,742	-	994,742
<i>Other trading activities</i>							
Sponsorships	4	21,082	-	21,082	26,047	-	26,047
Trading	4	-	1,199,902	1,199,902	-	1,088,032	1,088,032
Investment income		-	86	86	-	345	345
Other income	5	-	26,506	26,506	100,000	32,456	132,456
<b>Total income</b>		<b>2,005,879</b>	<b>13,866,510</b>	<b>15,872,389</b>	<b>4,238,561</b>	<b>14,206,381</b>	<b>18,444,942</b>
<b>Expenditure on:</b>							
<i>Raising funds</i>							
Fundraising	6	-	86,372	86,372	-	101,141	101,141
Trading	6	-	966,278	966,278	-	1,049,866	1,049,866
<i>Charitable activities</i>							
Curatorial, Collections & Collections Services	6	232,080	4,279,782	4,511,862	600,020	3,696,243	4,296,263
Exhibitions and Events	6	11,912	303,788	315,700	28,447	428,325	456,772
Learning and Partnership	6	199,659	1,879,715	2,079,374	17,647	2,040,362	2,058,009
Operations and Visitor Services	6	284,085	8,907,414	9,191,499	287,739	8,829,875	9,117,614
	6	<b>727,736</b>	<b>16,423,349</b>	<b>17,151,085</b>	<b>933,853</b>	<b>16,145,812</b>	<b>17,079,665</b>
<b>Net income/(expenditure)</b>	7	<b>1,278,143</b>	<b>(2,556,839)</b>	<b>(1,278,696)</b>	<b>3,304,708</b>	<b>(1,939,431)</b>	<b>1,365,277</b>
<b>Transfers between funds</b>		<b>(845,355)</b>	<b>845,355</b>	<b>-</b>	<b>(2,524,629)</b>	<b>2,524,629</b>	<b>-</b>
<b>Other recognised gains/(losses)</b>							
Gains/(losses) on revaluation of fixed assets	8	5	2,946,629	2,946,634	13	1,914,137	1,914,150
<b>Net movement in funds</b>		<b>432,793</b>	<b>1,235,145</b>	<b>1,667,938</b>	<b>780,092</b>	<b>2,499,335</b>	<b>3,279,427</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		<b>15,727,603</b>	<b>63,696,715</b>	<b>79,424,318</b>	<b>14,947,511</b>	<b>61,197,380</b>	<b>76,144,891</b>
<b>Total funds carried forward</b>		<b>16,160,396</b>	<b>64,931,860</b>	<b>81,092,256</b>	<b>15,727,603</b>	<b>63,696,715</b>	<b>79,424,318</b>

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 42 to 55 form part of these accounts.

NATIONAL MUSEUMS NORTHERN IRELAND

**BALANCE SHEET  
FOR THE YEAR ENDED 31 MARCH 2016**

	Notes	2016 £	2015 £
<b>Fixed Assets</b>			
Tangible assets	8	74,172,850	72,818,943
Heritage assets	8	<u>6,567,966</u>	<u>6,007,593</u>
		80,740,816	78,826,536
<b>Current Assets</b>			
Stock	9	296,244	326,901
Debtors	10	525,232	669,946
Cash at bank and in hand	11	<u>2,734,097</u>	<u>2,792,439</u>
		3,555,573	3,789,286
<b>Current Liabilities</b>			
Creditors - amounts falling due within one year	12	<u>(2,888,265)</u>	<u>(2,745,250)</u>
Net current assets		<u>667,308</u>	<u>1,044,036</u>
Total assets less current liabilities		81,408,124	79,870,572
Provision for liabilities and charges	13	<u>(315,868)</u>	<u>(446,254)</u>
<b>Total net assets</b>		<u><u>81,092,256</u></u>	<u><u>79,424,318</u></u>
<b>Represented by:</b>			
Restricted funds	14	16,160,396	15,727,603
Unrestricted funds	14	30,076,681	31,306,663
Revaluation Reserve	14	<u>34,855,179</u>	<u>32,390,052</u>
		<u><u>81,092,256</u></u>	<u><u>79,424,318</u></u>

The notes on pages 42 to 55 form part of these accounts.

The accounts on pages 39 to 55 were approved by the Board of Trustees of National Museums Northern Ireland on 23 September 2016 and are signed on its behalf.



M McCoy  
Chairman of The Board of Trustees



K Thomson  
Chief Executive

NATIONAL MUSEUMS AND GALLERIES OF NORTHERN IRELAND

CASHFLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2016

	note	2016 £	2015 £
<b>Cash flows from operating activities:</b>			
<b>Net cash provided by (used in) operating activities</b>	<b>17</b>	<u>1,932,404</u>	<u>2,864,385</u>
<b>Cash flows from investing activities:</b>			
Interest Received		86	345
Proceeds from the sale of property, plant and equipment		15,021	-
Purchase of property, plant and equipment		<u>(2,005,853)</u>	<u>(2,334,428)</u>
<b>Net cash provided by (used in) investing activities</b>		<u>(1,990,746)</u>	<u>(2,334,083)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		(58,342)	530,302
<b>Cash and cash equivalents at at 1 April 2015</b>	<b>17</b>	<u>2,792,439</u>	<u>2,262,137</u>
<b>Cash and cash equivalents at 31 March 2016</b>	<b>17</b>	<u><u>2,734,097</u></u>	<u><u>2,792,439</u></u>

Further detail to this cash flow statement is reported in Note 17.

The notes on pages 42 to 55 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 in so far as those requirements are appropriate. They also comply with the Charities SORP (FRS 102), issued January 2015.

The charity is a public benefit entity.

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 for Communities's other Arms Length Bodies, National Museums Northern Ireland was advised by the Minister of its indicative budget for the period ending 31 March 2017. 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 2017 and there are no indications that Executive funding will cease after that period.

### **Incoming resources**

Grant income from the DfC 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 cost to the third party.

Admissions income, trading income and donations are accounted for on an accruals basis.

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, Marketing and governance 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 2016**

**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 the 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 13. 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

Land and buildings are professionally revalued every year. With the exception of permanent exhibitions, the cost of all other fixed assets 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.

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 as reliable cost information was 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 a Collections Development Policy in place. This policy provides further information on the nature of heritage assets held. It is available online at [www.nmni.com](http://www.nmni.com).

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2016**

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**Policy on management and preservation of heritage assets**

Three policies outline NMNI's intent towards the development, management, care, conservation of and access to the collections – the Collections Development Policy; the Collections Care and Conservation Policy; and the Collections Information and Access Policy. These policies were developed as part of NMNI's successful application renewal for Museum Accreditation in 2015, approved by the Board of Trustees in March 2015 and will be reviewed on or before March 2020. In addition, a NMNI Collections Documentation Plan exists which outlines the tasks required to progress the management of the collections in alignment with the minimum industry standard known as SPECTRUM.

**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 Reform and Modernisation fund represents the provision for the voluntary early retirement scheme. This is a deficit fund which will be funded by future call downs from the Department.

The balance on the Restricted General Fund available at 31 March 2016 was £607,240. 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 - for 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.

The Art Fund - the 2010 Art Fund Prize fund, to be used on a curatorial programme.

Curatorial Projects fund - funds to be used on specific curatorial projects.

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.

**Unrestricted Funds continued**

Deferred government grant - this fund together with 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.

**Unrestricted Designated Fund**

Board Reserve fund - donation monies set aside to fund future projects approved by the Trustees, in the furtherance of our general objectives.

**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.

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2016

2. DONATIONS AND LEGACIES

	2016 £	2015 £
<b>Donations:</b>		
Gift Aid	30,689	18,155
Other donations	<u>77,978</u>	<u>76,147</u>
	<u>108,667</u>	<u>94,302</u>
<b>Gifts in kind:</b>		
Donated assets	524,450	54,585
Donated services	<u>4,558</u>	<u>5,947</u>
	<u>529,008</u>	<u>60,532</u>

The income from donations of £108,667 was all unrestricted (2015: total donations of £94,302 of which £8,099 was restricted). Gift in kind income of £529,008 is restricted (2015: £60,532 was restricted) and includes donations to the collections of £524,450. In addition to above, is the contribution made by volunteers. Volunteers make a significant and diverse contribution to the success of National Museums Northern Ireland. They support us in many areas of the organisation, in roles ranging from assisting curatorial staff, to assisting with visitor services and education staff. Over the last year National Museums Northern Ireland has increased its focus on volunteers which has resulted in a doubling of the complement - 101 (2014/15 - 50).

3. INCOME FROM CHARITABLE ACTIVITIES

Grant-in-aid from the Department for Communities (previously the Department of Culture, Arts and Leisure)

	2016 £	2015 £
Resource grant-in-aid	11,370,614	11,998,507
Capital grant	<u>811,557</u>	<u>2,837,000</u>
<b>Total received</b>	<u>12,182,171</u>	<u>14,835,507</u>

Other grants

	2016 £	2015 £
<b>Capital grants:</b>		
Northern Ireland Environment Agency	43,721	-
Heritage Lottery Fund	12,500	341,588
Esmee Mitchell	4,000	-
Other	<u>14,500</u>	<u>-</u>
Total capital grants	<u>74,721</u>	<u>341,588</u>

Revenue grants:

Big Lottery Fund Grant	198,617	254,444
Northern Ireland Environment Agency	195,031	352,065
Queens University Belfast	30,631	-
Heritage Lottery Fund	5,170	12,686
Belfast Education and Library Board	-	14,267
Friends of the Ulster Museum	-	10,241
The Art Fund	-	7,125
Other	<u>9,676</u>	<u>2,326</u>
Total revenue grants	<u>439,125</u>	<u>653,154</u>
	<u>513,846</u>	<u>994,742</u>

With the exception of resource grant-in-aid 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 £141,744 for the Live and Learn project and a grant of £56,873 for the Treasure House project. In respect of the Live and Learn project, there were unspent funds of £4,557 at 31 March 2016.



NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2016

4. INCOME FROM OTHER TRADING ACTIVITIES

	2016 £	2015 £
<b>Sponsorships</b>	<u>21,082</u>	<u>26,047</u>
<b>Trading:</b>		
Shop	677,688	618,511
Hire of facilities	175,626	150,376
Consultancy fees	6,492	2,411
Photographic sales	35,226	43,901
Events income	92,124	91,677
Franchise income	<u>212,746</u>	<u>181,156</u>
	<u>1,199,902</u>	<u>1,088,032</u>

Sponsorship income relates to specific programmes and events and is restricted. Trading income is unrestricted.

5. OTHER INCOME

	2016 £	2015 £
Other	<u>26,506</u>	<u>132,456</u>

Other income is unrestricted with the exception of The Art Fund award of £100,000 which was included in 2014-15.

6. EXPENDITURE

	Staff costs £	Other Direct costs £	Indirect costs £	Depreciation £	2016 Total £	2015 Total £ restated
Fundraising	65,998	2,164	7,096	11,114	86,372	101,141
Trading	462,283	355,634	22,853	125,508	966,278	1,049,866
Curatorial, Collections & Collections Services	2,946,071	1,045,843	68,760	451,188	4,511,862	4,296,263
Exhibitions and Events	73,189	145,830	31,282	65,399	315,700	456,772
Learning and Partnership	1,575,532	218,718	22,291	262,833	2,079,374	2,058,009
Operations and Visitor Services	<u>4,881,913</u>	<u>2,814,705</u>	<u>181,668</u>	<u>1,313,213</u>	<u>9,191,499</u>	<u>9,117,614</u>
	<u>10,004,986</u>	<u>4,582,894</u>	<u>333,950</u>	<u>2,229,255</u>	<u>17,151,085</u>	<u>17,079,665</u>

Armagh County Museum transferred to Armagh City, Banbridge and Craigavon Borough Council on 1st April 2015. The value of the transfer of £695,894 is included in other direct costs within Curatorial, Collections & Collection Services.

Fundraising was restated for 2015 to transfer £105,190 of estate management costs to Operations and Visitor Services in line with the Museum's current charitable activities.

Expenditure on charitable activities was £17,151,085 (2015: £17,079,665) of which £727,736 was unrestricted (2015: £933,853).

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2016

6. EXPENDITURE (continued)

Staff costs

	2016 £	2015 £
Salaries and wages (includes temporary non-payroll staff)	7,957,880	8,471,055
National insurance	492,089	544,395
Pension costs	1,555,017	1,469,081
	<u>10,004,986</u>	<u>10,484,531</u>

Included in the above costs are amounts of £364,591 (2014-15: £391,903) paid in respect of employment agency staff. Staff costs of £30,000 (2014-15: £68,605) 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 Northern Ireland Civil Service pension schemes are 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 2012. This valuation is then reviewed by the Scheme Actuary and updated to reflect current conditions and rolled forward to the reporting date of the DFP Superannuation and Other Allowances Resource Accounts as at 31 March 2016.

For 2015-16, employer's contributions of £1,555,017 (2014-15: £1,469,081) were payable to the NICS pension schemes at one of four rates in the range 20.8% to 26.3% of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. A new scheme funding valuation based on data as at 31 March 2012 was completed by the Actuary during 2014-15. This valuation was used to determine employer contribution rates for the introduction of a new career average earning scheme, alpha, from April 2015. From 2016-17, the rates will remain in the range 20.8% to 26.3%. The contribution rates are set to meet the cost of the benefits accruing during 2015-16 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 £6,352 (2014-15: £5,467) 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 14.7% (2014-15: 3% to 12.5%) of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £236, 0.5% (2014-15: £355, 0.8%) of pensionable pay, were payable to the NICS pension schemes 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 £777.

No person (2014-15: 3 persons) retired early on ill-health grounds: the total additional pension liabilities in the year amounted to nil (2014-15: £9,943).

No emoluments were paid to members of the Board of Trustees for the year ended 31 March 2016 except for an honorarium paid to the Chairman amounting to £10,000 (2014-15: £10,000). Travel expenses of £7,060 were reimbursed to nine Trustees.

The following number of senior employees comprising the Director and Chief Executive and two other member of the senior management team (2014-15: 5) received emoluments as defined for taxation purposes falling within the ranges below:

	2016 £	2015 £
£60,000 - £70,000	2	3
£70,001 - £80,000	1	1
£80,001 - £90,000	-	-
£90,001 - £100,000	-	-
£100,001 - £110,000	-	1

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2016

6. EXPENDITURE (continued)

Support costs

	Fundraising	Trading	Curatorial, collections & collections services	Exhibitions and Events	Learning and Partnership	Operations and Visitor Services	2016	2015
	£	£	£	£	£	£	£	£
Finance/CEO office/ Human Resources	13,032	18,605	295,370	14,714	82,468	834,521	1,258,710	1,328,555
Marketing	12,763	272,674	32,367	89,757	35,034	57,893	500,488	715,294
Governance	506	722	11,463	571	3,201	32,387	48,850	51,315
	<u>26,301</u>	<u>292,001</u>	<u>339,200</u>	<u>105,042</u>	<u>120,703</u>	<u>924,801</u>	<u>1,808,048</u>	<u>2,095,164</u>

The support costs in 2014-15 have been restated to reflect a change in the nature of costs disclosed as Governance costs.

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

	2016 No.	2015 No.
Curatorial, Collections & Collection Services	56	65
Exhibitions and Events	3	5
Learning and Partnership	17	18
Operations and Visitor Services	159	156
Marketing	9	8
Trading	3	5
Fundraising	2	2
Human Resources and Organisational Development	7	8
Finance and Development	15	17
Chief Executive's Office	5	4
	<u>276</u>	<u>288</u>

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

Staff on permanent contract	246	256
Staff on temporary agency contract	19	21
Staff on fixed term funded contract	11	11
	<u>276</u>	<u>288</u>

The staff numbers in 2014-15 have been restated as a result of a more accurate methodology for calculating full time equivalent.

Governance costs

	2016 £	2015 £
Audit and accountancy fees	48,850	44,748
Legal and professional fees	-	6,567
	<u>48,850</u>	<u>51,315</u>

7. NET INCOMING RESOURCES

	2016 £	2015 £
Net incoming resources is stated after charging:		
Auditors' remuneration:		
in respect of audit services	15,000	9,400
in respect of internal audit and other services	33,850	35,348
Depreciation	2,229,255	2,258,986
Insurance	106,004	99,963
Rent and rates	1,013,969	1,040,361
Heat and light	654,588	712,609

NATIONAL MUSEUMS AND GALLERIES OF NORTHERN IRELAND

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2016

8. TANGIBLE FIXED ASSETS

	Land and Buildings £	Permanent Exhibitions £	Fixtures and Equipment £	Motor Vehicles £	Sub Total £	Heritage Assets £	Total £
<b>Cost</b>							
At 1 April 2015	63,588,429	11,516,569	9,082,805	256,041	84,443,844	6,007,593	<b>90,451,437</b>
Additions	1,198,385	5,000	124,143	-	1,327,528	560,373	<b>1,887,901</b>
Disposals	(728,506)	(127,487)	(429,079)	-	(1,285,072)	-	<b>(1,285,072)</b>
Revaluation	1,424,673	47	54,548	875	1,480,143	-	<b>1,480,143</b>
At 31 March 2016	<u>65,482,981</u>	<u>11,394,129</u>	<u>8,832,417</u>	<u>256,916</u>	<u>85,966,443</u>	<u>6,567,966</u>	<b>92,534,409</b>
<b>Accumulated depreciation</b>							
At 1 April 2015	1,550,651	2,044,530	7,790,860	238,860	11,624,901	-	<b>11,624,901</b>
Charge for year	1,614,420	284,085	321,380	9,370	2,229,255	-	<b>2,229,255</b>
Disposals	(44,184)	(127,487)	(422,402)	-	(594,073)	-	<b>(594,073)</b>
Revaluation	(1,506,467)	42	39,181	754	(1,466,490)	-	<b>(1,466,490)</b>
At 31 March 2016	<u>1,614,420</u>	<u>2,201,170</u>	<u>7,729,019</u>	<u>248,984</u>	<u>11,793,593</u>	<u>-</u>	<b>11,793,593</b>
<b>Net book value</b>							
At 31 March 2016	<u><b>63,868,561</b></u>	<u><b>9,192,959</b></u>	<u><b>1,103,398</b></u>	<u><b>7,932</b></u>	<u><b>74,172,850</b></u>	<u><b>6,567,966</b></u>	<u><b>80,740,816</b></u>
At 31 March 2015	<u><b>62,037,778</b></u>	<u><b>9,472,039</b></u>	<u><b>1,291,945</b></u>	<u><b>17,181</b></u>	<u><b>72,818,943</b></u>	<u><b>6,007,593</b></u>	<u><b>78,826,536</b></u>

Land and buildings at net book value comprise:

	2016 £	2015 £
Long leaseholds	<u>63,868,561</u>	<u>62,037,778</u>

Land and Buildings were revalued by Land and Property Services at 31 March 2016 using an index based valuation. A full valuation by Land and Property Services was carried out at 31 March 2015.

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

Property	Value	Basis of Valuation
Ulster Museum	24,885,768	Land at existing use value and buildings at depreciated replacement cost
Ulster Folk and Transport Museum	30,498,089	Land at existing use value and buildings at depreciated replacement cost
Ulster American Folk Park	4,626,968	Land at existing use value and buildings at depreciated replacement cost
Residential Centre	1,387,736	Land at existing use value and buildings at depreciated replacement cost
Land at Landseer Street	475,000	Market value
Land at Malone Buildings	400,000	Market value
Store	<u>1,595,000</u>	Market value
	<u><b>63,868,561</b></u>	

All other assets of National Museums Northern Ireland were revalued in line with appropriate indices at 31 March 2016.

NATIONAL MUSEUMS AND GALLERIES OF NORTHERN IRELAND

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2016

8. 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 £
2011-12	9,893	-	9,893
2012-13	299,130	2,778,749	3,077,879
2013-14	30,020	22,705	52,725
2014-15	143,564	54,585	198,149
2015-16	35,923	524,450	560,373
	<u>518,530</u>	<u>3,380,489</u>	<u>3,899,019</u>

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

9. STOCK

	2016 £	2015 £
Shop goods for resale	213,969	239,981
Academic publications for resale	36,183	38,169
Maintenance materials and consumables	28,048	32,226
Farm stock	18,044	16,525
	<u>296,244</u>	<u>326,901</u>

10. DEBTORS

	2016 £	2015 £
Trade debtors	197,964	58,293
Prepayments and accrued income	259,980	359,010
Other debtors	67,288	252,643
	<u>525,232</u>	<u>669,946</u>

11. CASH AT BANK AND IN HAND

	2016 £	2015 £
Cash at bank and in hand	<u>2,734,097</u>	<u>2,792,439</u>

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2016

12. CREDITORS (amounts falling due within one year)

	2016 £	2015 £
Trade creditors	1,329	7,834
Other taxes and social security	141,014	153,588
Accruals	2,518,724	2,458,120
Deferred income	199,378	74,720
Sundry creditors	27,820	50,988
	<u>2,888,265</u>	<u>2,745,250</u>

Movement on deferred income:

	Contract / grant	Sponsor- ship	Event deposit	Advance admin charge	Total
	£	£	£	£	£
Balance as at 1 April 2015	65,775	5,000	195	3,750	74,720
Amounts released from previous years	(45,742)	-	(195)	(3,750)	(49,687)
Incoming resources deferred in the current year	164,577	5,000	1,018	3,750	174,345
Balance as at 31 March 2016	<u>184,610</u>	<u>10,000</u>	<u>1,018</u>	<u>3,750</u>	<u>199,378</u>

Deferred income will be matched and released as and when the contractual obligations have been discharged.

13. 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 £130,386 for 2015-16.

	2016 £	2015 £
<b>VOLUNTARY EARLY RETIREMENT SCHEME</b>		
At 1 April	446,254	658,395
Expenditure against provision	<u>(130,386)</u>	<u>(212,141)</u>
At 31 March	<u>315,868</u>	<u>446,254</u>

NATIONAL MUSEUMS AND GALLERIES OF NORTHERN IRELAND

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2016

14. STATEMENT OF FUNDS

	At 1 April 2015 £	Income £	Expenditure £	Revaluation £	Transfers £	At 31 March 2016 £
<b>Restricted Funds</b>						
Collection acquisition fund	6,007,593	560,373	-	-	-	6,567,966
Deferred government grant	-	845,355	-	-	(845,355)	-
Exhibition fund	9,472,039	5,000	(284,085)	5	-	9,192,959
Reform and Modernisation fund	(446,254)	130,386	-	-	-	(315,868)
The Art Fund	100,000	-	-	-	-	100,000
Curatorial Projects Fund	8,099	-	-	-	-	8,099
General fund	586,126	464,765	(443,651)	-	-	607,240
	<u>15,727,603</u>	<u>2,005,879</u>	<u>(727,736)</u>	<u>5</u>	<u>(845,355)</u>	<u>16,160,396</u>
<b>Unrestricted Funds</b>						
<b>Designated fund:</b>						
Board Reserve fund	62,000	-	-	-	78,983	140,983
<b>Undesignated funds:</b>						
Capital reserve	5,356,004	-	(425,847)	-	(10,000)	4,920,157
Revaluation reserve	32,390,052	-	126,460	2,946,629	(607,962)	34,855,179
Deferred government grant	25,600,848	-	(1,645,783)	-	773,337	24,728,402
General fund	287,811	13,866,510	(14,478,179)	-	610,997	287,139
	<u>63,696,715</u>	<u>13,866,510</u>	<u>(16,423,349)</u>	<u>2,946,629</u>	<u>845,355</u>	<u>64,931,860</u>
<b>Total Funds</b>	<b><u>79,424,318</u></b>	<b><u>15,872,389</u></b>	<b><u>(17,151,085)</u></b>	<b><u>2,946,634</u></b>	<b><u>-</u></b>	<b><u>81,092,256</u></b>

The transfer of £845,355 from Restricted Funds: Deferred government grant represents the acquisition of assets during the year which have no restrictions on use.

The value of the fixed assets for Armagh County Museum has been transferred out of the Revaluation Reserve (£607,962), Deferred Government Grant (£72,018) and Capital Reserve (£10,000) and adjusted through General Reserve. There was a transfer from the General Fund of £78,983 to increase the Board Reserve Fund.

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2016

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted £	Unrestricted £	2016 Total £
Tangible Fixed Assets	15,760,925	64,979,891	80,740,816
Current Assets	2,379,003	1,176,570	3,555,573
Liabilities	<u>(1,979,532)</u>	<u>(1,224,601)</u>	<u>(3,204,133)</u>
Total Net Assets	<u>16,160,396</u>	<u>64,931,860</u>	<u>81,092,256</u>

16. FINANCIAL COMMITMENTS

At 31 March 2016 there were no annual commitments under non-cancellable operating leases.

17. NOTES TO CASHFLOW

Reconciliation of net income to net cash  
inflow from operating activities

Net income/(expenditure) for the reporting period as per the statement of financial activities	(1,278,696)	1,365,277
<b>Adjustments for:</b>		
Depreciation	2,229,255	2,258,986
Transfer of Armagh County Museum	695,894	-
(Profit)/loss on disposal of fixed assets	(14,001)	-
Decrease/(increase) in stock	24,743	29,681
Decrease/(increase) in debtors	144,714	(83,449)
Increase/(decrease) in creditors	260,967	(491,624)
(Decrease) in provision	(130,386)	(214,141)
Deposit interest receivable	<u>(86)</u>	<u>(345)</u>
Net cash provided by (used in) operating activities	<u>1,932,404</u>	<u>2,864,385</u>

Analysis of cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	2,734,097	2,792,439

18. RELATED PARTY TRANSACTIONS

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

The Department for Communities (DfC) is regarded as a related party. The Chairman of the Board of Trustees is related through marriage to the Permanent Secretary of DfC. During the year, National Museums Northern Ireland had no material transactions with the DfC other than the receipt of grant-in-aid.

A close family member of the Acting Director of Finance is employed by KPMG, Chartered Accountants. During the year £33,850 was paid to KPMG in respect of internal audit services.

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.

19. CAPITAL COMMITMENTS

National Museums Northern Ireland has no capital commitments at either 31 March 2016 or at 31 March 2015.

20. LOSSES AND SPECIAL PAYMENTS

There were losses written off totalling £3,484 in respect of damaged shop stock.



**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2016**

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**21. FINANCIAL INSTRUMENTS**

National Museums Northern Ireland's resources are met through grant-in-aid funding received from the Department for Communities and also through grant funding from other sources and from income generated through admissions, trading activities and donations. The Museum does not hold any complex financial instruments. The only financial instruments included in the accounts are receivables and payables, cash and short term investments. Trade receivables are recognised at fair value less a provision for impairment (bad debt). The provision is made when the Museum is of the view that the debt may not be collectable in full, or in part, in accordance with the terms. The organisation has no borrowings and relies primarily on departmental grants for its cash requirements. 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.

**22. EVENTS AFTER THE REPORTING DATE**

The financial statements were authorised for issue by the Accounting Officer and the Board of Trustees on the date shown on the Audit Certificate.

## **C&AG's Report – National Museums Northern Ireland Annual Report and Accounts (2015-16)**

On 3 November 2014, evidence supporting an allegation that a copy of the signature of a director (the Director of People and Performance) of National Museums Northern Ireland ('National Museums') had been used without her knowledge to complete a Fulbright Commission<sup>1</sup> application for the then Chief Executive, Mr Tim Cooke, was presented to other National Museums directors.

Mr Cooke told me that the director in question was not in the office on the afternoon of the deadline for submission of the application. He openly asked for a copy of her signature and there was no attempt to hide the purpose for this unusual request. It was, in his view, a presumptive and expedient response to a misunderstood deadline. He assumed that his colleague would not have objected to the request and it was always his intention to make his colleague aware of the matter and seek their support at the earliest opportunity – and to withdraw the application if required.

However, on 4 November 2014, the director commenced a preliminary investigation into the allegation (in line with the approach taken under National Museums' Fraud Response Plan although the Fraud Response Plan was not formally invoked). This included consultation with the senior members of National Museums' Fraud Investigation Oversight Group. Mr Cooke met with the director to discuss this on 14 November 2014. Mr Cooke told us that he was unaware that he was the subject of any investigation but had been "open, transparent and offered on three occasions to withdraw the application".

The Chairman of National Museums was notified on 20 November 2014, and immediately informed National Museum's then sponsoring Department, the Department of Culture, Arts and Leisure (DCAL).<sup>2</sup> National Museums told us that the Chairman met with Mr Cooke on Friday 21 November 2014 and read him notice of precautionary suspension. Mr Cooke told us that the notice of precautionary suspension was withdrawn at that meeting and that following the offer of a compromise agreement he offered to resign. NMNI's Chairman told us that after the notice of preliminary suspension, Mr Cooke offered to resign forthwith, and the Chairman agreed to accept this at the meeting. Mr Cooke was paid three months' salary in lieu of notice with effect from his resignation date of Tuesday 25 November 2014.

Mr Cooke told me that the application was "expeditiously and voluntarily withdrawn" from the Fulbright Commission and that "there was no financial loss to the organisation, no intended loss and no question that there could ever have been a loss." In his view, this was not an issue of fraud, but a case of procedural irregularity.

DCAL subsequently carried out its own investigation which had two specific objectives, namely (a) to determine whether the initial investigation conducted by National Museums was carried out appropriately and (b) to determine whether there was any evidence that there may have been other instances where similar activity had been committed or attempted by Mr Cooke in other areas of activity. The DCAL investigation concluded that (a) appropriate evidence was collected during the National Museums initial investigation and (b) the investigation did not identify any evidence of other instances of similar activity having been attempted or perpetrated in any of the other areas reviewed.

Mr Cooke told us that he has not seen the report compiled by DCAL.

The investigation did however identify a number of weaknesses in National Museums procedures and made a number of recommendations including:

- any allegation of fraud/irregularity relating to the Chief Executive of an organisation should be immediately brought to the attention of the organisation's Board and the sponsor Department; and
- investigations should not be undertaken by any individual connected to the circumstances around the allegation.

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<sup>1</sup> The US-UK Fulbright Commission is a transatlantic awards programme offered to 50 UK and 50 US citizens annually to study, lecture research or focus on professional development at leading institutions in the US and UK respectively. Fulbright requires applications to be signed by an officer from the applicant's "company".

<sup>2</sup> On 9 May 2016, responsibility for National Museums Northern Ireland transferred from the Department of Culture, Arts and Leisure to the Department for Communities.

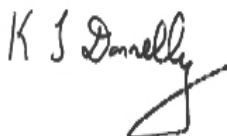
**National Museums and Galleries of Northern Ireland  
Annual Report and Accounts for the year ended 31 March 2016**

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The Chairman of National Museums commissioned a further investigation carried out by National Museums' internal auditors, to review the whistle-blowing procedures in National Museums, how they operated in relation to this particular incident and whether there were any lessons to be learned for the future. The National Museums' Board has accepted the findings and all of the recommendations from both investigations.

It is concerning and disappointing that a situation such as this arose in relation to an Accounting Officer. The role of Accounting Officer carries with it personal responsibilities in relation to regularity and propriety and an Accounting Officer's conduct should be beyond reproach. In my view, Mr Cooke fell short of this high standard. It is also important that, as was the case in this situation, all arms length bodies have whistle-blowing policies and procedures in place to ensure that any matters involving senior personnel are dealt with appropriately. Such procedures should be set out by the Department for Communities and training provided so that Board members and senior staff in arms' length bodies are clear on how to apply expected procedures in future.

This report has also been included in the National Museums' 2014-15 financial statements.



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