



explore/engage/enjoy

## **Annual Report and Accounts 2016-2017**



**National Museums Northern Ireland Annual Report and Accounts  
For the year ended 31 March 2017**

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

3 November 2017

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This publication is also available on our website at [www.nmni.com](http://www.nmni.com).

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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 NI. This operating name has been adopted and shortened to National Museums NI throughout the Annual Report and Accounts.

### **Portfolio**

National Museums NI 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 NI 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 It repealed previous legislation affecting the Ulster Museum and the Ulster Folk and Transport Museum.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 NI 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 of National Museums NI 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**

National Museums NI'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. During 2016-17 NMNI worked towards the achievement of 15 key performance indicators and 30 objectives as set out in the Annual Business Plan under five themes designed to drive public benefit for our audiences:

- **Infrastructure, Investment and Resources** - managing all resources effectively and efficiently to ensure delivery of collections access, community engagement, digital engagement and social responsibility. During 2016-17 we commenced implementation of an organisational development programme to support the delivery of the Corporate Plan. We have collaborated with Tourism NI and the Fermanagh and Omagh District Council to commission a feasibility study for the Ulster American Folk Park. The objectives of which are to drive future strategic investment in our capital assets which will ultimately increase levels of public engagement, enhance learning opportunities and ultimately influence better outcomes and improve the life chances of our people.
- **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. During 2016-17 objectives in this area included the development and delivery of relevant and engaging public programmes to attract visitors; outreach activity to engage non-visitors; partnership activity to broaden reach and targeted awareness building activity.
- **Collections Access and Engagement** - ensuring that as many of the national collections as possible are available for the public benefit. During 2016-17 objectives in this area focused on getting collections out and about in communities; delivering engaging exhibition programming to broaden and deepen engagement and public benefit; developing collaborative partnerships; delivering the loans programme and undertaking collections care in line with our statutory duties.
- **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 NI. During 2016-17 objectives in this area included: increasing access to collections through digital means to connect with a broader range of audiences and promoting digital equality in our society through interventions that help remove traditional barriers to visiting museums.
- **Social Responsibility** - supporting employability skills development, charitable activity, and community development and helping to tackle biodiversity and sustainability. During 2016-17 objectives in this area included delivery of year 4 of the horizons programme to help improve employability and encourage economic activity; social inclusion and developing our contributions towards biodiversity.

## **Achievements and Performance**

### **Our Social Impact**

Museums play a vital role in our community by contributing to the development of a vibrant society. Arts and cultural organisations play an increasingly important role in engaging with people to promote participation,

health and wellbeing; raise aspirations; promote equality, tackle poverty and social exclusion; build skills and increase employability; increase educational attainment; while teaching us how to learn to live together. This has been a strong focus of our work during 2016-17 and we delivered formal and informal learning programmes for 111,387 visitors which included:

- 7,125 school visitors to our sites who came from the most marginalised communities across NI;
- 15,922 participants in STEM/STEAM programmes;
- early intervention parental engagement programme for 40 schools from areas of social and economic deprivation;
- 2,428 older people who participated in the Treasure House programme with Clanmil Housing;
- a "Craft in Mind" project with a Primary school in an area of multiple deprivation, helping parents support their child's learning;
- a new Live Well project in conjunction with Tyne and Wear Museums & Archives to deliver projects with nine older peoples groups;
- the ongoing partnership with the Leonard Cheshire Foundation for people with acquired brain injuries at UAFF; and
- learning and outreach initiatives with Urban Villages (26 groups), Together Building United Communities – TBUC - (6 schools) and the Education Authority (40 schools).

In order to reach more of society and drive public benefit for wider audiences we further facilitated access to our museums through:

- free entry for 9,455 visitors with access needs and their carers;
- access for 735 job seekers;
- free entry for 175 school groups from the most deprived areas of NI; and
- free access for 1,940 families from the most deprived areas of NI.

We increased our reach beyond the museums and took some of our collections out through our 'Out and About' programme and delivered initiatives across NI in partnership with Libraries NI.

### **Our Economic Impact**

The Arts and Cultural Sectors are playing an increasingly more important role in contributing to the economy in Northern Ireland and in particular the tourism sector. During 2016-17 we welcomed over 700,000 visitors largely the domestic market and increasingly out of state visitors c200,000 to our sites.

In the most recent DfC Statistics the Ulster Museum was the most popular museum to visit in Northern Ireland with over one fifth of adults (21%) having done so within that year. Another of the three national museums, the Ulster Folk and Transport Museum, was the second most visited museum among adults in Northern Ireland with 15% having done so. Eight per cent of adults had visited the other national museum, the Ulster American Folk Park, making this the fifth most cited museum or science centre to visit in Northern Ireland among adults.

We employed 260 full time equivalents with a further 60 through our catering franchise.

During 2016-17 our skills development programme included working with 106 volunteers who engaged in museum activities deriving not only personal social benefits but providing positive engagement with our audiences. We provided 19 work experience placements, delivered year 4 of the "*Museum 2 Work*" programme and delivered 3 World Host Training programmes for unemployed people.



## Key Performance Indicators

The key performance indicators and year-end achievements for the 2016-17 year are listed below:

	<b>Actual 2016-17</b>	<b>Target 2016-17</b>	<b>Actual 2015-16</b>
<b>COLLECTIONS</b>			
% of collections held in acceptable, good or excellent conditions	99%	99%	99%
Additional number of collections-related images available online	2,897	2,000	4,379
Additional number of collections with computerised inventory control	14,862	15,000	17,773
<b>LEARNING, ACCESS and PARTNERSHIPS</b>			
Number of participants in organised learning visits	111,387	85,000	109,161
Number of participants in STEM programmes	15,922	11,000	14,515
Number of school visitors from areas of multiple deprivation	7,125	7,000	7,952
Number of specific initiatives targeted in areas of multiple deprivation	12	8	8
Number of outreach engagement initiatives with non- traditional audiences	44	30	37
Number of volunteers engaged in museum activities	106	30	101
Number of loans	41	50	51
<b>VISITORS</b>			
Total number of visitors	745,712	680,000	798,067
Number of nmni.com visitors	778,769	727,700	942,696
<b>FUNDING, FINANCE and RESOURCES</b>			
Self-generated income (non DfC) as % of total operating income	18.9%	18%	20.6%
Payments processed within 10 days	85%	90%	94%
Savings Delivery Plan targets	£737,000	£737,000	£1.743m

## **KPI variance explanation**

### **Visitors**

A key KPI for National Museums NI are target visitor numbers which exceeded target in 2016-17 by nearly 10%. This was due to targeted programmes of activities and the 40<sup>th</sup> Anniversary of the Ulster American Folk Park.

### **Collections**

Key performance Indicators were exceeded across collections due to the diligence of staff in achieving these targets. Not achieved was the "Additional number of collections with computerised inventory control". This was due to competing priorities in this area of work.

### **Learning, Access and Partnerships**

The number of specific initiatives targeted in areas of multiple deprivation was beyond target as we were able to deliver programmes in the five Urban Village areas thanks to funding achieved in-year. Likewise Together Building United Communities funding allowed us to work with 127 children from the Lisburn area. We secured £600k Big Lottery Funding for a new health and wellbeing project for older people and we also secured funding to enable us to run our Mindful Museum project.

Outreach engagements are linked to the number of initiatives we undertake and hence they grew because of the growth and development of the above programmes and our reach into marginalised communities was developed through increased socially engaged activity across our sites.

The number of volunteers grew beyond target due to the success of recruiting groups such as the University of the Third Age whose members provide a reading scheme to support parents with young children in developing their literacy skills and enhancing their children's enjoyment of learning.

### **Number of Loans**

The number of loans were not achieved due to a reduction in requests.

### **Funding, Finance and Resources**

The processing within 30 day target was achieved and we are working towards paying invoices within 10 days.

## **Audiences**

Our audience development strategy aims to highlight the role of museums to as diverse an audience as possible, from all sections of society with a particular emphasis on hard to reach audiences. We are committed to working in partnership with people, local communities and organisations that share our aspirations so we ensure our museums deliver public benefit for all our communities.

Highlights at the Ulster Museum included an eclectic art exhibition programme. This included a modern art exhibition, *Bare Life*, which examined 20<sup>th</sup> Century British artists' responses to the human figure; *Light & Life*, an exhibition featuring Dutch and Italian Old Masters; *Gerard Dillon: Painter, Dreamer, Clown* to mark a century since the artist's birth and the internationally renowned *BP Portrait Award 2015* exhibition which ran until June. The ever popular 135<sup>th</sup> Annual Exhibition of the Royal Ulster Academy opened in October and ran until January 2017. The most famous series of prints depicting human conflict by Goya – one of Spain's most important artists – went on display in November. The *Francisco Goya: The Disasters of War* exhibition was a powerful exhibition which received very positive feedback from visitors. Michelangelo, Rembrandt and Picasso featured alongside contemporary artists in an extraordinary exhibition which opened in March 2017. *Lines of thought: Drawing from Michelangelo to now* is one of the largest ever UK touring shows from the British Museum's Prints and Drawings department. A unique history exhibition which marked the 1916 centenary and explored the Easter Rising and the Battle of the Somme continued throughout 2016. This exhibition was developed in collaboration with 'Living Legacies 1914-18'.

In February, the LaTeLaB3 event, part of the Northern Ireland Science Festival, welcomed in the region of 1,500 people to the museum. Aimed at 18-25 year olds, this hugely popular event was a mix of chemistry cocktails, music, lightshows, fire juggling and science experiments.

Over July and August, National Museums NI marked the Battle of the Somme with various events at the three museums. 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 at the Ulster Folk and Transport Museum this year included the Easter and May Day celebrations. The Horse Ploughing and Country Skills welcomed over 1,000 visitors this year – the event's highest visitors ever.

The Transport Museum welcomed the largest gathering of pre-war MGs to the 2016 Cultra Hill climb in June. The event also offered the opportunity to unveil the museum's recently restored Berkeley sports car which went on display during the event alongside the touring MGs.

2016 marked the Ulster American Folk Park's 40th anniversary. A full programme of events was delivered throughout this celebration year. An American Civil War buggy which belonged to a priest from Co Armagh went on display in the museum in January. The Ulster American Folk Park also opened a new exhibition of drawings of American presidents with Ulster connections. The exhibition, *From Here to the White House*, featured eleven drawings by Belfast artist Frank McKelvey.

Around 6,500 people attended the 25<sup>th</sup> annual Bluegrass Festival in September. Costumed guides re-enacted Thanksgiving from the 1800s at the museum in November, marking this important day in the American calendar.

### **Social and Community**

2016-17 saw the organisation deliver increased public benefit across the region, through a range of programmes designed to provide greater access to our collections:

- 111,387 learning and activity sessions
- 60,653 formal learning visitors - 13% over target
- 50,734 informal learning visitors - 61% over target

The growth in planned numbers was due to securing an additional £125,000. For example *"Careers in Motion"*, a partnership programme with communities and post-primary schools in the Lisburn and Castlereagh area, which sought to connect local communities with the heritage assets of museums funded by *"Together Building a United Community"* (TBUC) and *"Urban Villages"* from the Department for Communities.

We proactively targeted schools in the 20 most socially and economically deprived areas of Northern Ireland:

- 7,125 children were from schools in the 20 most deprived areas
- 13,050 children were from Extended Schools (designated as in need of additional support)

We were delighted to work in partnership with the Education Authority which funded 40 schools to take part in a Parental Engagement programme. Tackling the cyclical nature of educational under-achievement has been identified as a policy priority by government, and our early intervention programme has proved popular.

Our formal learning programme continues to draw in a wide range of schools. We maintain a strong support base among primary schools and many of them flocked to the Ulster American Folk Park to see a new drama, developed in partnership with Cahoots Children's Theatre, and based on the local children's classic *"Under the Hawthorn Tree"*.

At the Ulster Museum, in partnership with the CCEA, we hosted *"True Colours"*, an exhibition of the best examination art work by school students with 5,074 GCSE and A-level students from across Northern Ireland.

Post-primary history programmes included one based on the *"Decade of Centenaries"* as well as more contemporary topics such as *"68, An Opportunity Missed"*. Courses on museum collections were delivered for teachers and relationships with the teacher training colleges were maintained by each site.

Digital learning was further developed during the year and an exciting partnership with Google has led to the delivery of Google Expeditions to our sites being made available on their global learning platform, placing National Museums NI beside internationally recognised heritage attractions. Schools from across Northern Ireland were introduced to the expeditions in a roll out of the project this year. A virtual tour of the Road and Rail Gallery and the emigration story of Thomas Mellon are already available, and a virtual tour of the Ulster Museum is being developed.

15,922 STEM places were delivered across our sites reflecting the popularity of our programming and the demand for creative and innovative ways of engaging with STEM. “*Careers in Motion*” provided a cross-community experience for 127 young people at the Ulster Folk and Transport Museum where they explored some of the technological achievements of local innovators and inventors. The programme developed participants’ self-esteem and confidence and increased their knowledge of career opportunities in Science, Technology, Engineering and Maths in Northern Ireland.

In September we commenced the “*Live Well*” project. It was developed with the support of the BIG Lottery Fund’s Accelerating Ideas programme, building on the success of the previous Live and Learn programme, to test the proposition that the health and wellbeing of older people can be improved through active engagement with museum collections and programmes.

As part of National Museums NI’s social and community activity we offer a range of free entry initiatives. These reflect our commitment to mitigating barriers, such as financial barriers, to participation in the life of the museum and were delivered during 2016/17 as follows:

- 1,940 complimentary family passes were given to people from areas of deprivation
- 9,455 visitors with access needs had free entry at UFTM and UAFP
- 735 unemployed people benefited from free entry
- 2,428 museum or outreach visits were enjoyed by older people

### **Volunteer Programme**

106 volunteers contributed their time and talents to ensure that the museums were better placed to meet the needs and expectations of both internal and external audiences. The life of our museums has been enriched by volunteers who have created wonderful gardens at exhibit buildings, grown plants which are used to demonstrate the reality of life for settlers in the New World, demonstrated craft skills and enthused our visitors with their skills in traditional crafts. National Museums NI will continue to develop its volunteering programme in 2017-18 to support the needs of the organisation but also as part of our commitment to ensuring the widest possible involvement in the life of our museums.

### **Collections Management and Care**

Delivery of the Collections Care and Conservation Plan 2015-2020 remains a strong focus of our work. This plan ensures our continued museum accreditation. Disaster recovery is an integral part of that plan and testing has been carried out to mitigate against the impacts of such an incidence.

There is continued focus on provision of improved storage with rehousing projects for areas of the collection and re-organisation of storage areas to improve capacity at Off Site Stores. A programme of cleaning, conservation and condition checking was carried out on selected exhibit buildings at UFTM and UAFP.

Partnerships have continued with the BBC and the British Film Institute (BFI) and as a result NMNI film has been digitised and is now available on the BFI Player.

### **Collections Acquisitions and Development**

The amount of capital funding for the purchase of objects during 2016-17 was £162,429.

The majority of the funding was spent on specimens relating to Fine and Applied Art including: Paddy McCann (born County Armagh, 1963) *Plough Handle*, 2015, a work which deals with ideas of ‘place’ and the recent past in Northern Ireland, and Willie Doherty (born Derry, 1959) *Segura*, 2010, a video installation made in the Murcia region of southern Spain, in which nature is portrayed as a potent, almost overpowering force. Irish artists are further represented by significant additions to the Applied Art Collection including a porcelain piece, *Bruised Bust*, 2016, by Ursula Burke and *Enignum Low Table*, 2014, by Joseph Walsh. The costume collection has continued to grow with new purchases from Burberry and seminal Northern Irish designer JW Anderson.

Major donations include two historic local portraits gifted by Nelson Bell. One by Joseph Wilson (working 1766-1793), entitled *Portrait of Miss Cherry Crawford*, 1789. The sitter was an important local figure and the only woman to be admitted to the Brotherhood of the United Irishmen. The other by Charles Grey, entitled *Portrait of Andrew Nicholl*, 1838. In addition, a gift from the Friends of the Ulster Museum of an etching by

Augustus John (1878-1961) *William Butler Yeats*, 1907. The important gift of Gladys Macabe's *Funeral of a victim*, 1969 now marks the earliest representation of the Troubles in the Fine Art Collection.

The Decade of Centenaries 1912-22 continues to inform collecting priorities and the capital funding allocation also enabled the acquisition of two remarkable collections of photographic negatives taken by George Hackney from North Belfast during the First World War. These depict his experiences as a soldier from training to the front line and also the time he spent back home in Belfast during the war.

There is a continuing acquisition programme as part of the Heritage Lottery Fund (HLF) funded Collecting the Troubles and Beyond project. £25,845 was provided through this programme in 2016-17. In April 2016, the museum acquired a collection of c.220 prints from the Belfast photojournalist Martin Nangle which place the conflict in Belfast within its social, economic, spatial and cultural contexts, as well as providing a direct and moving representation of the impact and aftermath of the Troubles. Since then we have continued to strengthen our contemporary photography collection and have made significant new acquisitions. The first was c.350 darkroom prints by Frankie Quinn relating to his 'Peace Line' project as well as other work undertaken from 1970s-90s. This is complemented by a second collection of c.70 darkroom prints by Bill Kirk also dating from 1970s-90s and the camera equipment he used.

### **Estate**

During 2016-17 we continued the programme of capital upgrade across the estate. A significant project which was completed was the heating plant in the Road & Rail Gallery which was replaced with a natural gas fired heating system. This has now been linked to the museums existing business management system which will allow the museum to monitor its energy usage and environmental conditions in the galleries. Similarly the heating system in the Ship Gallery at the Ulster American Folk Park was replaced and environmental control added.

The Ulster Museum has benefited from phase one of its CCTV security system upgrade. In addition to providing increased monitoring of the galleries with a reduced number of cameras, it will help reduce revenue maintenance costs.

A programme of minor capital upgrade works was carried out to many of the exhibit buildings at both the Ulster Folk and Transport Museum and the Ulster American Folk Park, including general thatching repairs, timber treatment, lime washing and painting.

### **Grants and Membership**

Grants across a range of areas and sources enables us to develop and deliver a series of new initiatives during 2016-17, the following are an example.

- £600,000 over 3 years from the Big Lottery Fund enabled us to launch our Live Well project
- Together Building a United Community £50,000 for Careers in Motion
- Urban Villages gave us £70,000 for a programme in each of their urban villages
- The Education Authority contributed £20,000 for early years and parental support activities
- With community partners, we secured two awards, totalling £20,000, from Awards for All

Additional support was sought from the Heritage Lottery Fund, the European Union Peace IV programme and UK based trusts and it is expected that some of this will materialise in 2017-18.

Membership has grown this year from 749 to 958 generating £57,000 in income plus Gift Aid.

### **Organisational Development**

National Museums NI 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.

In September 2016 we were awarded the Princess Royal Training Award for our Vocational Qualification Programme recognising its positive impact on staff and the wider organisation.

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.

During this period we embarked on a major restructuring exercise to ensure that the organisation is in a strong position to deliver on the Corporate Plan and Business Plan. Our people are key to effective delivery of our services – they unlock the potential of our collections and connect them to our audiences. Personal interaction with our staff, from the welcome to the goodbye, makes what we offer distinctive and memorable.

We will continue to focus on ensuring that structurally and culturally the organisation is aligned to our strategy, fit for purpose, underpinned by a shared vision and values, with greater team working across the organisation. We want our people to be skilled and empowered to deliver greater innovation, creativity and flexibility in how we do our business and how we facilitate learning and knowledge transfer.

## **Financial Review**

### **Financial Objective**

National Museums NI'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 a going concern basis.

### **Financial Results**

In the financial year to 31 March 2017, National Museums NI had net expenditure of £658k (2016-17: net expenditure of £1,525m). However, 2015-16 included the transfer of the Armagh County Museum to Armagh, Banbridge and Armagh Council at a cost of £696k.

The total income for the year was £16.5m, an increase of £593k from 2015-16 mainly due to the new funding for the Voluntary Exit Scheme of £902k and a reduction in donated assets of £328k.

Expenditure was slightly below 2015-16 levels at £17.1m compared to £17.4m in the prior year. This reduction of £300k is the net effect of the additional costs in 2015-16 relating to the cost for the transfer of Armagh County Museum, £696k, and the adjustment for the cost of employee benefits of £246k compared to the VES costs of £744k.

Depreciation has remained consistent with 2015-16. The LPS review of our estate as at 31 March 2017 did not result in any impairments in the year.

The organisation still has significant reliance on Grant-in-aid for its principal funding source, largely from recurrent grants. In 2016-17, DfC provided 81.1% of the total income through allocated recurrent and capital grants (2015-16: 77%).

### **Reserves**

National Museums NI has accumulated reserves of £82m (2015-16: £81m). The policy on reserves is included in note 1, Accounting Policies, to the accounts. Restricted reserves total £17m (2015-16: £16m) and unrestricted reserves total £29m (2015-16: £30m). Revaluation reserves totalling £36m (£35m in 2015-16) have accumulated through revaluations on land and buildings. Within unrestricted reserves, National Museums NI has one designated fund, the Board reserve fund totalling £144k (2015-16: £141k). 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 2017 after taking out designated and restricted reserves was £65m (2015-16: £65m).

The organisation has cash balances of £2.3m at the year end. Cash reserves were built up to facilitate payment of invoices relating to the 2016-17 year but received after March 2017.

### **Liquidity**

In 2016/17, £12.4m (75.2%) of National Museums NI gross income derived from revenue Grant-in-Aid from the Department for Communities. The remaining operating expenditure was financed from self-generated income which tends to be more volatile in nature compared to Grant-in-Aid. National Museums NI is therefore exposed to some liquidity risk.

Any new on-going capital programme is dependent upon the successful generation of grants and donations and the receipt of these funds.

### **Write Offs**

During the year the organisation wrote off £2,083 relating to shop stock and £15,169 of unpaid debts.

### **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 2016 to 31 March 2017, National Museums NI paid 97% of its invoices within 30 days (2015/16: 99%). 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 2016 to 31 March 2017, National Museums NI paid 85% of its invoices within 10 days (94% in 2015/16).

### **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 2017. This has resulted in a net upward revaluation of £1.4m on those assets.

### **Estate**

National Museums NI's estate as at 31 March 2017 consists of land valued at £16.6m and buildings valued at £47.7m.

### **Financial**

Net assets at 31 March 2017 were £81.6m (2015/16: £80.8m).

### **Principal Risks and Uncertainties**

National Museums NI'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 2017.

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 NI'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 in relation to the 2016-17 year. These risks were as follows:

- 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 NI in the year. However, staff have continued to support their nominated charity, Macmillan. During the year staff have helped raise £4,174 through a number of events including Superhero Day at the Ulster Museum, a 'Bake off' and a Xmas jumper day. Macmillan merchandise is on sale at our retail outlets. The charity committee continue to work closely with Macmillan on a calendar of fundraising and awareness raising activities

### **Plans for Future Periods**

During 2016-17 National Museums NI developed a new Strategic Plan for 2016-21 which is aligned to the draft Programme for Government (PfG). An outcomes based PfG affords us the opportunity to both develop existing and build new partnerships that will create greater social and economic impact. Given the diversity of activities and the scale of the operations we deliver, we would intend to contribute positively to many of the outcomes outlined in the draft PfG.

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.

### **Structure, governance and management**

As a Non-Departmental Public Body (NDPB) accountable to the Northern Ireland Assembly through the Department for Communities (DfC), National Museums NI 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. The financial statements for National Museums NI 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.



## **NATIONAL MUSEUMS AND GALLERIES OF NORTHERN IRELAND ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017**

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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 (FReM) and the disclosure requirements issued by the Department of Finance.

National Museums NI 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.

Responsibility and delegated authority for the management of National Museums NI 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
- Director of Collections: Mr William Blair
- Director of Marketing, Communications and Trading: Mrs G McLean
- Director of Learning and Partnership: Mr P Gilmore

### **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 NI.

#### **Charity Number**

NIC103729

#### **Principal Address**

National Museums NI, 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 NI 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 2017.

### **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.

### **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 NI 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: 22 September 2017



Mrs K Thomson  
Chief Executive  
Date: 22 September 2017

## **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 attends 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 by the Chairman 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 NI 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 NI. 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 NI (which has been subject to audit) are detailed in the following table:

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

	2016-17				2015-16			
	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)	85-90	-	34,000	115-120	5-10 (80-85 full year equivalent)	-	3,000	5-10
<b>Mrs G McLean</b> Director of Marketing, Communications and Trading	60-65	-	-2,000	60-65	60-65	-	49,000	110-115
<b>Mr P Gilmore</b> Director of Learning and Partnership	60-65	-	11,000	70-75	60-65	-	13,000	75-80
<b>Mr P Sheridan</b> Acting Director of Finance (to 4 November 2016)	35-40 (55-60 full year equivalent)	-	14,000	45-50	55-60	-	24,000	80-85
<b>Miss S McCartan</b> Acting Director of Collections and Interpretation (to 28 February 2017)	60-65 (65-70 full year equivalent)	-	27,000	85-90	55-60 (60-65 full year equivalent)	-	49,000	100-105
<b>Mr William Blair</b> Director of Collections (from 1 <sup>st</sup> March 2017)	5-10 (65-70 full year equivalent)	-	2,000	5-10	n/a	n/a	n/a	n/a
<b>Mrs J Helliker</b> Director of People & Performance (until 29 February 2016)	-	-	-	-	75-80 (80-85 full year equivalent)	-	29,000	100-105
<b>Dr J McGreevy</b> Director of Collections & Interpretation (until 25 June 2015)	-	-	-	-	20-25 (65-70 full year equivalent)	-	23,000	40-45

**Salary**

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

**Benefits in kind**

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument. There were no benefits in kind provided during the financial year (2015-16: £nil).

**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 2016-17 year (2015-16: £nil).

<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.

### **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>2016-17</b>	<b>2015-16</b>
Band of Highest Paid Director's Total Remuneration	£85,000-90,000	£80,000-85,000
Median Total Remuneration	£22,291	£22,291
Remuneration Ratio	3.93	3.70

The banded remuneration of the highest-paid director in National Museums NI in the financial year 2016-17 was £85,000 to £90,000 (2015-16: £80,000-£85,000).

In 2016-17 no employees received remuneration in excess of the highest-paid director. Remuneration ranged from £16,300 to £87,500 (2015-16: £16,300 to £82,500).

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 2017 except for an honorarium to the Chairman amounting to £10,000.

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

	<b>Accrued pension at pension age as at 31/3/17 and related lump sum</b>	<b>Real increase in pension and related lump sum at pension age</b>	<b>CETV at 31/3/17</b>	<b>CETV at 31/3/16</b>	<b>Real increase in CETV</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Mrs K Thomson</b> Chief Executive	0-5	0-2.5	22	2	14
<b>Mrs G McLean</b> Director of Marketing, Communications and Trading	15-20	0-2.5	206	202	-8
<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	274	251	10
<b>Mr P Sheridan</b> Acting Director of Finance (to 4 November 2016)	5-10	0-2.5	83	73	5
<b>Miss S McCartan</b> Acting Director of Collections and Interpretation (to 28 February 2017)	20-25 plus lump sum of 65-70	0-2.5 plus lump sum of 2.5-5	484	459	26
<b>Mr William Blair</b> Director of Collections (from 1 March 2017)	5-10	0-2.5	100	99	1

**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 cost of living. 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 cost of living.

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 of annual pensionable earnings throughout the period of scheme membership. The rate will be 2.32%. CARE pension benefits are increased annually in line with changes in the cost of living.

Increases to public service pensions are the responsibility of HM Treasury. Pensions are reviewed each year in line with the cost of living. Any applicable increases are applied from April and are determined by the Consumer Prices Index (CPI) figure for the preceding September. The CPI in September 2016 was 1% and HM Treasury has announced that public service pensions will be increased accordingly from April 2017.

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Employee contribution rates for all members for the period covering 1 April 2017 - 31 March 2018 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 2017 to 31 March 2018</b>	<b>From 01 April 2017 to 31 March 2018</b>
£0	£15,000.99	4.6%	4.6%
£15,001.00	£21,422.99	4.6%	4.6%
£21,423.00	£51,005.99	5.45%	5.45%
£51,006.00	£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 8% and 14.75% (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. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

### **Real increase in CETV**

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

Staff Cost	Permanently employed staff	Others	2017	2016 restated
Salaries and wages (includes temporary non-payroll staff)	7,167,695	501,035	7,668,730	8,134,463
National insurance	622,835	-	622,835	510,454
Pension costs	1,456,949	-	1,456,949	1,606,022
Other staff costs	689,071	-	689,071	-
<b>Total</b>	<b>9,936,550</b>	<b>501,035</b>	<b>10,437,585</b>	<b>10,250,939</b>

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

Activity area	2017	2016 restated
Fundraising & Development	75,031	68,564
Trading	419,405	465,741
Curatorial, Collections & Collections Services	3,063,274	3,003,010
Exhibitions and Events	163,879	76,234
Learning and Partnership	1,585,103	1,590,895
Operations and Visitor Services	5,130,893	5,046,495
<b>Total</b>	<b>10,437,585</b>	<b>10,250,939</b>

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

Contract type	2017	2016
Permanent contract	228	246
Temporary agency contract	19	19
Fixed term funded contract	13	11
<b>Total</b>	<b>260</b>	<b>276</b>

Further analysis of full time equivalent employees is as follows:

	Male	Female
Senior civil servants	-	1
Directors	3	2
Employees	124	130
<b>Total</b>	<b>127</b>	<b>133</b>

There was one individual engaged off-payroll during the year in an arrangement costing over £220 per day. The arrangement commenced on 1<sup>st</sup> November 2016 and was still in place at 31<sup>st</sup> March 2017. This was to meet a temporary requirement during a period of restructuring.

There was no expenditure on consultancy during the year (2015:16 £nil).

Further information on staff costs is contained in note 6.

### Sickness Absence

National Museums NI employed 260 staff (expressed as full-time equivalents), of whom 121 were operations and visitor services staff. Staff absenteeism for the period 1 April 2016 to 31 March 2017 was

**NATIONAL MUSEUMS AND GALLERIES OF NORTHERN IRELAND**  
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5.9% (2015-16: 7%), which equates to an average per FTE of 13.13 days. The majority of this sickness absence continues to be attributable to staff on long term sickness with short term sickness rates remaining relatively static. A Health and Wellbeing Programme was developed and rolled out over the course of 2016-17 providing practical support and information to staff.

### Staff Policies

As an equal opportunities employer, National Museums NI 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 NI 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 NI 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.

### 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	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
£10,000-£25,000	-	3	15	-	15	3
£25,000-£50,000	-	-	10	-	10	-
£50,000-£100,000	-	-	1	-	1	-
£100,000-£150,000	-	-	-	-	-	-
£150,000-£200,00	-	-	-	-	-	-
Total number of exit packages	-	3	26	-	26	3
Total resource cost (£)	-	50,445	689,071	-	689,071	50,445

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: 22 September 2017

## **STATEMENT OF TRUSTEES' AND CHIEF EXECUTIVE'S RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2017**

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 NI'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 NI will continue in operation.

The Accounting Officer for the Department for Communities has designated the Chief Executive as the Accounting Officer for National Museums NI. 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 NI'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 2017**

### **1. Scope of responsibility**

As Accounting Officer, I have responsibility for maintaining a sound system of internal governance that supports the achievement of the aims and objectives of the 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 NI is a Non-Departmental Public Body established under the Museums and Galleries (NI) Order 1998 and sponsored by the Department for Communities (DfC).

I meet formally through Quarterly Accountability Meetings with the Department for Communities Museums and Libraries Branch. At these meetings National Museums NI 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 NI. A representative from DfC Museums and Libraries Branch attends the Audit and Risk Assurance Committee meetings.

### **2. Compliance with Corporate Governance Code**

National Museums NI, in so far as it is relevant for a Non Departmental Public Body, complies with the Corporate Governance Code. National Museums has adopted many of the practices set out in this code. In particular compliance with this code is demonstrated within this governance statement in relation to our management of:-

- the control environment
- quality of Board information
- Board effectiveness
- internal audit
- risk

In line with the code of good practice, the Board supports the Chief Executive in leading National Museums NI through strategic direction, monitoring activity, achievement of objectives, and ensuring good governance is in place. The work of the Board is well supported by strong management at Committee level.

### **3. Governance Framework**

National Museums NI is a Non-Departmental Public Body established under the Museums and Galleries (NI) Order 1998 and sponsored by the Department for Communities (DfC).

National Museums NI 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 NI and for fulfilling the functions set out in the Museums and Galleries (NI) Order 1998.

The Accounting Officer is designated by the Department for Communities Accounting Officer and has responsibility for the day to day management of National Museums NI 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 NI'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 NI for the year ended 31 March 2017 and up to the date of approval of the annual report and accounts and accords with Department of Finance (DoF) guidance.

The governance framework also includes a number of additional elements that contribute to the effective governance of the organisation. These comprise:

- The Management Statement and Financial Memorandum;
- The Corporate Plan 2016-19 and Business Plan 2016-17;
- The Performance Management Framework;
- The Risk Management Framework;
- Whistleblowing Policy; and
- Anti-Fraud Policy and Fraud Response Plan.

#### **4. Board Membership and Attendance**

During the year the following served as Trustees:

	<b>Attendance at Board meetings 2016-17 (max 5 – including AGM)</b>
Mr M McCoy, Chairman	<b>5</b>
Professor M Catto	<b>3</b>
Professor G Earls	<b>4</b>
Professor K Fleming	<b>2</b>
Mrs H Francey	<b>4</b>
Mrs D Harshaw	<b>3</b>
Dr R Kelly OBE	<b>4</b>
Dr L Litvack	<b>3</b>
Mr A McFarland	<b>5</b>
Dr G McIlroy	<b>4</b>
Mrs C Molloy	<b>2</b>
Mrs A Moor	<b>5</b>
Mr J Rice	<b>0</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 is content with the quality of the information that it receives.

The Board undertook its Annual Self-Assessment and identified a number of areas for improvement including: the business planning diary, performance reporting, strategy and policy development, completion of the Governance review and dialogue with staff.

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

- \* Ex Officio at ARAC

- \*\* Ex Officio at G P & F
- \*\*\*Ex Officio attendee
- \*\*\*\* Co-opted

In addition to its members, the following officers normally attend the Audit and Risk Committee:

- The Accounting Officer
- The Director of Finance
- Representative(s) from the NI Audit Office as observer(s);
- Observer from the Department for Communities
- Internal Audit

## **7. Business Planning and Risk Management**

### *Business Plan*

The draft annual Business Plan 2016-17 was submitted to the Department (then DCAL) in January 2016 and a revised submission was made on 23<sup>rd</sup> February 2016 receiving Departmental approval in July 2016. The Board of Trustees reviewed the Business Plan in December 2015 and February 2016.

### *Risk Management*

The Risk Management Strategy sets out the process whereby the National Museums NI methodically identifies, assesses and responds to the risks attaching to its activities. It assigns responsibility and accountability for risk management; defines the processes for risk review and reporting; describes a format for the organisation's corporate risk register; and explains the organisation's approach to training in risk management.

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 objective 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, quarterly by the Audit and Risk Assurance Committee and by DfC and is reported on at each meeting of the Board of Trustees.

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 were identified:

- not developing a clear vision and strategy and secure appropriate funding
- lack of the ability to store, care for, manage and interpret the collections
- the absence of appropriate business models to deliver strategy and income generation
- the decline in visitors at the Ulster American Folk Park
- delay in developing partnerships and collaborations to deliver objectives

- not listening to and engaging with existing and new audiences to ensure relevance

In 2016-17 there were no instances where the ARAC determined that risk(s) lay outside the organisation's risk appetite and were thus unacceptable. The Board will continue to keep this matter under review in 2017-18.

## **8. Fraud Risk and Information Risk**

The Audit and Risk Committee has reviewed all instances of suspected fraud and irregularities. Standing agenda items include Gifts and Hospitality Register and the Contracts Register.

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 2016/17 there were no known reported incidents of Fraud recorded in accordance with the Anti-Fraud Policy and two instances of Whistleblowing.

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 updated to reflect "Good Practice Procedures In Fraud Investigations" and further guidance was received from the Department in February 2017 and policy/procedures have been updated to reflect this. The Board of Trustees' approved the updated plan at their meeting in March 2017.

There were no personal data related incidents during the year.

## **9. Governance and Accountability**

National Museums NI complies with the Management Statement and Financial Memorandum with DfC and relevant guidance from the Department of Finance and Personnel.

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 are reviewed thoroughly by the Executive Team, the Board and the appropriate Committees.

The Board takes an objective long-term view of the business of the organisation, leading its strategic planning process and assisting the Chief Executive and Accounting Officer in setting and meeting its corporate aims and objectives.

The key aspects of the Board's role include:

- Setting the strategic direction for the organisation, including its vision, values and strategic objectives;
- Overseeing the implementation of its corporate and business plans, monitoring performance against objectives and supervising its budget;
- Leading and overseeing the process of change and encouraging innovation, to enhance the organisation's capability to deliver;
- Overseeing the strategic management of staff, finance, information and physical resources, including setting training and health and safety priorities;
- Establishing and overseeing the implementation of the corporate governance arrangements including risk management.

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 attend 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, there were no actual or perceived conflicts reported by Trustees. The Acting Director of Finance advised that he would absent himself in the event of any discussion arising in relation to the internal audit tender due to a perceived conflict of interest.

## **10. Sources of Independent Assurance**

National Museums NI 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 NI is exposed.

National Museums NI 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 2016-17 was approved by the Audit and Risk Assurance Committee in June 2016. The Committee considered reports on the following systems during 2016-17:

<b>AUDIT ASSIGNMENTS</b>	<b>LEVEL OF ASSURANCE PROVIDED</b>
Cash and Bank	Satisfactory
Human Resources	Satisfactory
Payroll	Satisfactory
Risk Management	Satisfactory
Safeguarding	Satisfactory
Health and Safety	Limited
Procurement	Satisfactory
Income Generation	Limited
Third Party Contracts	Satisfactory
VES	Satisfactory
Payments to Creditors	Satisfactory
Estates Management	Limited

During the 2016-17 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.
- Estates Management – Failure to develop an Estates Management Strategy.

Management accepted the recommendations and the issues are being addressed fully.

On the basis of the programme of work performed during the year, Internal Audit provided a Satisfactory level of assurance over the control environment at National Museums NI. Internal Audit concluded that the organisation has established procedures that are generally adequate to meet management's control objectives within systems audited. However, in a number of areas (specifically 1) Health and Safety, 2) Maintenance of Estates and 3) Income Generation) limited assurance ratings have been awarded and the organisation should put procedures in place in order to strengthen the existing processes and controls, in order to fully meet management's control objectives.

### *NI Audit Office (NIAO)*

The statutory audit of National Museums NI was undertaken by the NIAO's Comptroller and Auditor General (C&AG) in accordance with auditing standards issued by the Auditing Practice Board (APB) taking into account the UK Auditing Practice Board's Practice Note 10 (revised); Audit of Financial statements in Public Sector Bodies in the United Kingdom and Practice Note 11 for the audit of Charities. The audit was planned and executed in accordance with the Audit Strategy which was considered by the Audit and Risk Assurance Committee and presented to by the Board of Trustees in March 2017.

## **11. Review of Effectiveness**

As Accounting Officer, I have responsibility for the propriety and regularity of the public finances allocated to National Museums NI and for safeguarding public funds and assets, in accordance with the responsibilities assigned to me, 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 NI 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. Financial Management**

Responsibility for ensuring that an effective system of internal financial control is maintained and operated rests with the Accounting Officer. The systems of internal financial control provide reasonable but not absolute assurance that assets are safeguarded, that transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or will be detected within a timely period.

Internal financial control is based on a framework of management information, financial regulations and administrative procedures, which include the segregation of duties, management supervision and a system of delegation and accountability.

National Museums NI has established Financial Policies and Procedures that address areas of risk as well as operational efficiency and effectiveness. These documents act as a reference point detailing all Financial Policies and Procedures that have been approved by the Board of National Museums NI

All staff are briefed on these policies during their induction and at regular staff meetings. Any needs identified are addressed through the National Museums NI annual training and development plan.

## **13. Ministerial Directions**

There were no Ministerial directions issued to the National Museums NI during 2016/17.

## **14. Internal Governance Divergences**

### *Prior Year Issues*

In 2015/16 the Prior Year Issue regarding the maintenance of collections is being addressed in the context of an overall Storage of Collections Strategy with implementation subject to funding from DfC.

### *Current Year issues*

There were no governance divergences reported in the 2016/17 financial year.

## **15. Conclusion**

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



Mrs K Thomson  
Chief Executive  
Date: 22 September 2017

## **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 2017 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 Audit Practices Board's Ethical Standards for Auditors.

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to 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 2017 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 directions issued thereunder.

### **Opinion on other matters**

In my opinion:

- the part of the Remuneration and Staff Report and Accountability disclosures to be audited have 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 which we check for consistency for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which I report by exception**

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

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration and Staff Report and Accountability disclosures 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 guidance.

**Report**

I have no observations to make on these financial statements.



**KJ Donnelly**

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

13 October 2017

STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2017

	Note	Restricted	Unrestricted	2017 £	Restricted	Unrestricted restated	2016 £ restated
<b>Income from:</b>							
<i>Donations and Legacies</i>							
Donations	2	-	92,185	92,185	-	108,667	108,667
Gifts in kind	2	202,181	-	202,181	529,008	-	529,008
<i>Charitable activities</i>							
Grant-in-aid	3	1,158,000	11,238,763	12,396,763	811,557	11,370,614	12,182,171
VE funding	3	902,000	-	902,000	-	-	-
VER funding	13	44,125	-	44,125	130,386	-	130,386
Admissions		-	1,084,643	1,084,643	-	1,160,735	1,160,735
Other grants	3	597,953	-	597,953	513,846	-	513,846
<i>Other trading activities</i>							
Sponsorships	4	46,203	-	46,203	21,082	-	21,082
Trading	4	-	1,086,491	1,086,491	-	1,199,902	1,199,902
Investment income		-	43	43	-	86	86
Other income	5	-	12,992	12,992	-	26,506	26,506
<b>Total income</b>		<b>2,950,462</b>	<b>13,515,117</b>	<b>16,465,579</b>	<b>2,005,879</b>	<b>13,866,510</b>	<b>15,872,389</b>
<b>Expenditure on:</b>							
<i>Raising funds</i>							
Fundraising	6	12,512	81,224	93,736	-	88,938	88,938
Trading	6	10,472	939,515	949,987	-	969,736	969,736
<i>Charitable activities</i>							
Curatorial, Collections & Collections Services	6	540,472	3,380,753	3,921,225	232,080	4,336,721	4,568,801
Exhibitions and Events	6	35,141	583,261	618,402	11,912	306,833	318,745
Learning and Partnership	6	220,181	1,899,472	2,119,653	199,659	1,895,078	2,094,737
Operations and Visitor Services	6	795,542	8,624,731	9,420,273	284,085	9,071,996	9,356,081
		<b>1,614,320</b>	<b>15,508,956</b>	<b>17,123,276</b>	<b>727,736</b>	<b>16,669,302</b>	<b>17,397,038</b>
<b>Net income/(expenditure)</b>	7	<b>1,336,142</b>	<b>(1,993,839)</b>	<b>(657,697)</b>	<b>1,278,143</b>	<b>(2,802,792)</b>	<b>(1,524,649)</b>
<b>Transfers between funds</b>		<b>(993,734)</b>	<b>993,734</b>	<b>-</b>	<b>(845,355)</b>	<b>845,355</b>	<b>-</b>
<b>Other recognised gains/(losses)</b>							
Gains/(losses) on revaluation of fixed assets	8	16	1,407,893	1,407,909	5	2,946,629	2,946,634
<b>Net movement in funds</b>		<b>342,424</b>	<b>407,788</b>	<b>750,212</b>	<b>432,793</b>	<b>989,192</b>	<b>1,421,985</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		<b>16,160,396</b>	<b>64,685,907</b>	<b>80,846,303</b>	<b>15,727,603</b>	<b>63,696,715</b>	<b>79,424,318</b>
<b>Total funds carried forward</b>		<b>16,502,820</b>	<b>65,093,695</b>	<b>81,596,515</b>	<b>16,160,396</b>	<b>64,685,907</b>	<b>80,846,303</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 38 to 51 form part of these accounts.

NATIONAL MUSEUMS NORTHERN IRELAND

**BALANCE SHEET**  
**FOR THE YEAR ENDED 31 MARCH 2017**

	<b>Note</b>	<b>2017 £</b>	<b>2016 £ restated</b>
<b>Fixed assets</b>			
Tangible assets	8	74,326,258	74,172,850
Heritage assets	8	6,927,056	6,567,966
<b>Total fixed assets</b>		<u>81,253,314</u>	<u>80,740,816</u>
<b>Current assets</b>			
Stock	9	302,276	296,244
Debtors	10	790,718	525,232
Cash at bank and in hand	11	2,363,000	2,734,097
<b>Total current assets</b>		<u>3,455,994</u>	<u>3,555,573</u>
<b>Current liabilities</b>			
Creditors - amounts falling due within one year	12	<u>(2,841,050)</u>	<u>(3,134,218)</u>
Net current assets		<u>614,944</u>	<u>421,355</u>
Total assets less current liabilities		81,868,258	81,162,171
Provision for liabilities and charges	13	<u>(271,743)</u>	<u>(315,868)</u>
<b>Total net assets</b>		<u><u>81,596,515</u></u>	<u><u>80,846,303</u></u>
<b>Represented by:</b>			
Restricted funds	14	16,502,820	16,160,396
Unrestricted funds	14	28,811,376	29,830,728
Revaluation reserve	14	<u>36,282,319</u>	<u>34,855,179</u>
<b>Total charity funds</b>		<u><u>81,596,515</u></u>	<u><u>80,846,303</u></u>

The notes on pages 38 to 51 form part of these accounts.

The accounts on pages 35 to 51 were approved by the Board of Trustees of National Museums Northern Ireland on 22 September 2017 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 2017

	note	2017 £	2016 £
<b>Cash flows from operating activities:</b>			
<b>Net cash provided by (used in) operating activities</b>	17	<u>1,668,181</u>	<u>1,932,404</u>
<b>Cash flows from investing activities:</b>			
Interest Received		43	86
Proceeds from the sale of property, plant and equipment		4,782	15,021
Purchase of property, plant and equipment		<u>(1,847,443)</u>	<u>(2,005,853)</u>
<b>Net cash provided by (used in) investing activities</b>		<u>(1,842,618)</u>	<u>(1,990,746)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		(174,437)	(58,342)
<b>Cash and cash equivalents at 1 April 2016</b>	17	<u>2,734,097</u>	<u>2,792,439</u>
<b>Cash and cash equivalents at 31 March 2017</b>	17	<u><u>2,363,000</u></u>	<u><u>2,734,097</u></u>

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

The notes on pages 38 to 51 form part of these accounts.

## 1. ACCOUNTING POLICIES

### **Basis of Accounting**

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

Without limiting the information given, the accounts meet the accounting and disclosure requirements of the Companies Act 2006, the accounting standards issued or adopted by the Accounting Standards Board and disclosure requirements issued by the Department of Finance 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.

There are no material uncertainties related to events or conditions that cast significant doubt on the ability of National Museums NI to continue as a going concern.

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

### **Prior year adjustment**

The accounts have been restated as a result of the introduction of FRS 102, relating to an adjustment for employee benefits. Under FRS 102 charities must recognise a liability for the cost of all employee benefits resulting from their services to the charity during the reporting period unless the staff costs have been capitalised as part of the cost of an asset. Employee benefits include a liability for paid annual leave and paid sick leave where material. This has reduced the general funds brought forward by £245,953.

### **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 2017**
**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. 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).

**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.

**Creditors**

Creditors are made up largely from accruals and deferred income

**Debtors**

Trade receivables are made up by balances due from customers at the year end less any specific doubtful debt provided for.

**Cash at bank and in hand**

Cash is made up by balances held in Danske Bank which are available on demand and petty cash and float balances at our sites.

**Liabilities and provisions**

Liabilities and provisions are recognised as resources expended as soon as there is a legal or constructive obligation committing the Museum to expenditure.

**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 reduce by funding allocations from the general reserve.

The balance on the Restricted General Fund available at 31 March 2017 was £665,751. 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.

Government grant for fixed assets - this fund represents funding from the Department for 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 funding allocations are released.

Voluntary Exit Scheme fund - to fund future obligation under the Voluntary Exit Scheme.

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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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.

Government grant for fixed assets - 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 2017**2. DONATIONS AND LEGACIES**

	<b>2017 £</b>	<b>2016 £</b>
<b>Donations:</b>		
Gift Aid	24,103	30,689
Other donations	68,082	77,978
	<u>92,185</u>	<u>108,667</u>
<b>Gifts in kind:</b>		
Donated assets	196,661	524,450
Donated services	5,520	4,558
	<u>202,181</u>	<u>529,008</u>

The income from donations of £92,185 was all unrestricted (2016: £108,667). Gift in kind income of £202,121 includes donations to the collections of £196,661. 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.

**3. INCOME FROM CHARITABLE ACTIVITIES****Grant-in-aid from the Department for Communities**

	<b>2017 £</b>	<b>2016 £</b>
Resource grant-in-aid	11,238,763	11,370,614
Capital grant	1,158,000	811,557
<b>Total received</b>	<u>12,396,763</u>	<u>12,182,171</u>

**Other funding from the Department for Communities**

Voluntary Exit Scheme	902,000	-
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A Voluntary Exit Scheme with a budget of £902,000 was implemented during 2016-17.

**Other grants**

	<b>2017 £</b>	<b>2016 £</b>
<b>Capital grants:</b>		
Heritage Lottery Fund	25,845	12,500
Friends of the Ulster Museum	5,625	-
Esme Mitchell	1,589	4,000
Northern Ireland Environment Agency	-	43,721
Other	12,256	14,500
Total capital grants	<u>45,315</u>	<u>74,721</u>
<b>Revenue grants:</b>		
Northern Ireland Environment Agency	240,478	195,031
Big Lottery Fund Grant	147,446	198,617
Heritage Lottery Fund	82,655	5,170
Esme Fairbairn	37,944	-
Queens University Belfast	15,316	30,631
Esme Mitchell	4,000	-
Other	24,799	9,676
Total revenue grants	<u>552,638</u>	<u>439,125</u>
	<u>597,953</u>	<u>513,846</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 £163,590 for Healthier Older People through Museums project, a grant of £82,700 for the Treasure House project and a grant of £10,000 for Mindful Museum project. There were unspent funds at 31 March 2017 of £108,933 for Healthier Older People through Museums. In respect of the Live and Learn Project, a Big Lottery Fund project from 2009-10, there was grant funding of £89 during 2016-17 and unspent funds of £4,468.

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2017**4. INCOME FROM OTHER TRADING ACTIVITIES**

	<b>2017 £</b>	<b>2016 £</b>
<b>Sponsorships</b>	<u>46,203</u>	<u>21,082</u>
<b>Trading:</b>		
Shop	635,338	677,688
Hire of facilities	126,036	175,626
Consultancy fees	9,414	6,492
Photographic sales	42,888	35,226
Events income	92,819	92,124
Franchise income	<u>179,996</u>	<u>212,746</u>
	<u>1,086,491</u>	<u>1,199,902</u>

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

**5. OTHER INCOME**

	<b>2017 £</b>	<b>2016 £</b>
Other	<u>12,992</u>	<u>26,506</u>

Other income is unrestricted.

**6. EXPENDITURE**

	<b>Staff costs £</b>	<b>Other Direct costs £</b>	<b>Indirect costs £</b>	<b>Depreciation £</b>	<b>2017 Total £</b>	<b>2016 Total £ restated</b>
Fundraising	75,031	1,406	5,611	11,688	93,736	88,938
Trading	419,405	356,726	35,702	138,154	949,987	969,736
Curatorial, Collections & Collections Services	3,063,274	292,857	117,990	447,104	3,921,225	4,568,801
Exhibitions and Events	163,879	208,991	148,000	97,532	618,402	318,745
Learning and Partnership	1,585,103	230,007	35,690	268,853	2,119,653	2,094,737
Operations and Visitor Services	<u>5,130,893</u>	<u>2,680,670</u>	<u>273,888</u>	<u>1,334,822</u>	<u>9,420,273</u>	<u>9,356,081</u>
	<u>10,437,585</u>	<u>3,770,657</u>	<u>616,881</u>	<u>2,298,153</u>	<u>17,123,276</u>	<u>17,397,038</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 at March 2016.

Expenditure on charitable activities was £17,123,276 (2016: £17,397,038) of which £1,614,320 was restricted (2016: £727,736).

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**6. EXPENDITURE (continued)****Staff costs**

	<b>2017 £</b>	<b>2016 £ restated</b>
Salaries and wages (includes temporary non-payroll staff)	7,668,730	8,134,463
National insurance	622,835	510,454
Pension costs	1,456,949	1,606,022
Other staff costs	689,071	-
	<u>10,437,585</u>	<u>10,250,939</u>

Included in the above costs are amounts of £501,035 (2015-16: £364,591) paid in respect of employment agency staff. Staff costs of £60,000 (2015-16: £30,000) relating to two members of staff, have been capitalised and are not included in resources expended.

Other staff costs relate to a Voluntary Exit Scheme implemented during the year.

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 DoF Superannuation and Other Allowances Resource Accounts as at 31 March 2017.

For 2016-17, employer's contributions of £1,456,949 (2015-16: £1,606,022) 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. For 2017-18, the rates will range from 20.8% to 26.3%. The contribution rates are set to meet the cost of the benefits accruing during 2016-17 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 £7,040 (2015-16: £6,352) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% (2015-16: 3% to 14.7%) of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £248, 0.5% (2015-16: £236, 0.5%) 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 £635 (2015-16: £777).

One person (2015-16: 0 persons) retired early on ill-health grounds: the total additional pension liabilities in the year amounted to £1,894 (2015-16: £nil).

No emoluments were paid to members of the Board of Trustees for the year ended 31 March 2017 except for an honorarium paid to the Chairman amounting to £10,000 (2015-16: £10,000). Travel expenses of £8,916 were reimbursed to nine Trustees (2015-16: £7,060).

The following number of senior employees comprising the Director and Chief Executive and three other member of the senior management team (2015-16: 3) received emoluments as defined for taxation purposes falling within the ranges below:

<b>Annual Salary Band</b>	<b>2017 £</b>	<b>2016 £</b>
£60,001 - £65,000	3	2
£65,001 - £70,000	-	-
£70,001 - £75,000	-	1
£75,001 - £80,000	-	-
£80,001 - £85,000	-	-
£85,001 - £90,000	1	-

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2017**6. EXPENDITURE (continued)****Support costs**

	<b>Fundraising</b>	<b>Trading</b>	<b>Curatorial, collections &amp; collections services</b>	<b>Exhibitions and Events</b>	<b>Learning and Partnership</b>	<b>Operations and Visitor Services</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Finance/CEO office/								
Human Resources	21,260	28,652	471,737	25,224	127,287	1,363,561	2,037,721	1,258,710
Marketing	13,001	244,848	65,787	286,655	29,947	17,030	657,268	500,488
Governance	475	640	10,539	564	2,844	30,463	45,525	48,850
	<b>34,736</b>	<b>274,140</b>	<b>548,063</b>	<b>312,443</b>	<b>160,078</b>	<b>1,411,054</b>	<b>2,740,514</b>	<b>1,808,048</b>

Human resources costs include costs of the voluntary exit scheme which was implemented during the 2016-17 financial year.

**Full time equivalent staff numbers**

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

	<b>2017 No.</b>	<b>2016 No.</b>
Curatorial, Collections & Collection Services	52	56
Exhibitions and Events	3	3
Learning and Partnership	14	17
Operations and Visitor Services	152	159
Marketing	9	9
Trading	3	3
Fundraising	2	2
Human Resources and Organisational Development	6	7
Finance and Development	15	15
Chief Executive's Office	4	5
	<b>260</b>	<b>276</b>

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

Staff on permanent contract	228	246
Staff on temporary agency contract	19	19
Staff on fixed term funded contract	13	11
	<b>260</b>	<b>276</b>

**Governance costs**

	<b>2017 £</b>	<b>2016 £</b>
Audit and accountancy fees	40,954	48,850
Legal and professional fees	4,571	-
	<b>45,525</b>	<b>48,850</b>

**7. NET INCOMING RESOURCES**

	<b>2017 £</b>	<b>2016 £</b>
Net incoming resources is stated after charging:		
Auditors' remuneration:		
in respect of audit services	20,000	15,000
in respect of internal audit and other services	20,954	33,850
Depreciation	2,298,153	2,229,255
Insurance	108,010	106,004
Rent and rates	1,019,017	1,013,969
Heat and light	498,744	654,588

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2017**8. TANGIBLE FIXED ASSETS**

	<b>Land and Buildings £</b>	<b>Permanent Exhibitions £</b>	<b>Fixtures and Equipment £</b>	<b>Motor Vehicles £</b>	<b>Sub Total £</b>	<b>Heritage Assets £</b>	<b>Total £</b>
<b>Cost</b>							
At 1 April 2016	65,482,981	11,394,129	8,832,417	256,916	85,966,443	6,567,966	<b>92,534,409</b>
Additions	820,221	9,050	217,207	-	1,046,478	359,090	<b>1,405,568</b>
Disposals	-	-	(18,823)	-	(18,823)	-	<b>(18,823)</b>
Revaluation	(260,927)	193	216,484	5,479	(38,771)	-	<b>(38,771)</b>
At 31 March 2017	<u>66,042,275</u>	<u>11,403,372</u>	<u>9,247,285</u>	<u>262,395</u>	<u>86,955,327</u>	<u>6,927,056</u>	<b><u>93,882,383</u></b>
<b>Accumulated depreciation</b>							
At 1 April 2016	1,614,420	2,201,170	7,729,019	248,984	11,793,593	-	<b>11,793,593</b>
Charge for year	1,699,472	285,654	306,404	6,623	2,298,153	-	<b>2,298,153</b>
Disposals	-	-	(15,996)	-	(15,996)	-	<b>(15,996)</b>
Revaluation	(1,614,421)	177	162,702	4,861	(1,446,681)	-	<b>(1,446,681)</b>
At 31 March 2017	<u>1,699,471</u>	<u>2,487,001</u>	<u>8,182,129</u>	<u>260,468</u>	<u>12,629,069</u>	<u>-</u>	<b><u>12,629,069</u></b>
<b>Net book value</b>							
<b>At 31 March 2017</b>	<b><u>64,342,804</u></b>	<b><u>8,916,371</u></b>	<b><u>1,065,156</u></b>	<b><u>1,927</u></b>	<b><u>74,326,258</u></b>	<b><u>6,927,056</u></b>	<b><u>81,253,314</u></b>
<b>At 31 March 2016</b>	<b><u>63,868,561</u></b>	<b><u>9,192,959</u></b>	<b><u>1,103,398</u></b>	<b><u>7,932</u></b>	<b><u>74,172,850</u></b>	<b><u>6,567,966</u></b>	<b><u>80,740,816</u></b>

Land and buildings at net book value comprise:

	<b>2017 £</b>	<b>2016 £</b>
Long leaseholds	<u>64,342,804</u>	<u>63,868,561</u>

Land and Buildings were revalued by Land and Property Services at 31 March 2017 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:

<b>Property</b>	<b>Value</b>	<b>Basis of Valuation</b>
Ulster Museum	24,731,839	Land at existing use value and buildings at depreciated replacement cost
Ulster Folk and Transport Museum	30,708,142	Land at existing use value and buildings at depreciated replacement cost
Ulster American Folk Park	4,608,646	Land at existing use value and buildings at depreciated replacement cost
Residential Centre	1,394,177	Land at existing use value and buildings at depreciated replacement cost
Land at Landseer Street	500,000	Market value
Land at Malone Buildings	500,000	Market value
Store	<u>1,900,000</u>	Market value
	<u>64,342,804</u>	

All other assets of National Museums Northern Ireland were revalued in line with appropriate indices at 31 March 2017.



NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2017**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:

	<b>Purchased £</b>	<b>Donated £</b>	<b>Total £</b>
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
2016-17	162,429	196,661	359,090
	<u>671,066</u>	<u>3,577,150</u>	<u>4,248,216</u>

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

**9. STOCK**

	<b>2017 £</b>	<b>2016 £</b>
Shop goods for resale	224,450	213,969
Academic publications for resale	34,124	36,183
Maintenance materials and consumables	32,047	28,048
Farm stock	11,655	18,044
	<u>302,276</u>	<u>296,244</u>

**10. DEBTORS**

	<b>2017 £</b>	<b>2016 £</b>
Trade debtors	290,562	197,964
Prepayments and accrued income	303,094	259,980
Other debtors	197,062	67,288
	<u>790,718</u>	<u>525,232</u>

**11. CASH AT BANK AND IN HAND**

	<b>2017 £</b>	<b>2016 £</b>
Cash at bank and in hand	<u>2,363,000</u>	<u>2,734,097</u>

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2017**12. CREDITORS (amounts falling due within one year)**

	<b>2017 £</b>	<b>2016 £ restated</b>
Trade creditors	259,986	1,329
Other taxes and social security	145,408	141,014
Accruals	2,059,196	2,764,677
Deferred income	343,646	199,378
Sundry creditors	32,814	27,820
	<u>2,841,050</u>	<u>3,134,218</u>

Movement on deferred income:

	<b>Contract / grant</b>	<b>Sponsor- ship</b>	<b>Event deposit</b>	<b>Advance admin charge</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Balance as at 1 April 2016	184,610	10,000	1,018	3,750	199,378
Amounts released from previous years	(114,320)	-	(191)	(3,750)	(118,261)
Incoming resources deferred in the current year	248,779	10,000	0	3,750	262,529
Balance as at 31 March 2017	<u>319,069</u>	<u>20,000</u>	<u>827</u>	<u>3,750</u>	<u>343,646</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 the Department for Communities to fund the scheme and amounts to £44,125 for 2016-17.

	<b>2017 £</b>	<b>2016 £</b>
<b>VOLUNTARY EARLY RETIREMENT SCHEME</b>		
At 1 April	315,868	446,254
Expenditure against provision	<u>(44,125)</u>	<u>(130,386)</u>
At 31 March	<u>271,743</u>	<u>315,868</u>

NATIONAL MUSEUMS AND GALLERIES OF NORTHERN IRELAND

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2017

14. STATEMENT OF FUNDS

	At 1 April 2016 £ restated	Income £	Expenditure £	Revaluation £	Transfers £	At 31 March 2017 £
<b>Restricted Funds</b>						
Collection acquisition fund	6,567,966	319,131	-	-	39,959	6,927,056
Government grant for fixed assets	-	1,033,693	-	-	(1,033,693)	-
Exhibition fund	9,192,959	9,050	(285,654)	16	-	8,916,371
Reform and Modernisation fund	(315,868)	44,125	-	-	-	(271,743)
Voluntary Exit Scheme fund	-	902,000	(744,714)	-	-	157,286
The Art Fund	100,000	-	-	-	-	100,000
Curatorial Projects Fund	8,099	-	-	-	-	8,099
General fund	607,240	642,463	(583,952)	-	-	665,751
	16,160,396	2,950,462	(1,614,320)	16	(993,734)	16,502,820
<b>Unrestricted Funds</b>						
<b>Designated fund:</b>						
Board Reserve fund	140,983	-	-	-	3,119	144,102
<b>Undesignated funds:</b>						
Capital reserve	4,920,157	-	(425,847)	-	-	4,494,310
Revaluation reserve	34,855,179	-	19,247	1,407,893	-	36,282,319
Government grant for fixed assets	24,728,402	-	(1,605,897)	-	1,510,754	24,633,259
General fund	41,186	13,515,117	(13,496,459)	-	(520,139)	(460,295)
	64,685,907	13,515,117	(15,508,956)	1,407,893	993,734	65,093,695
<b>Total Funds</b>	<b>80,846,303</b>	<b>16,465,579</b>	<b>(17,123,276)</b>	<b>1,407,909</b>	<b>-</b>	<b>81,596,515</b>

The transfer of £1,033,693 from Restricted Funds: Deferred government grant represents the acquisition of assets during the year which have no restrictions on use.

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2017**15. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Restricted £	Unrestricted £	2017 Total £
Tangible Fixed Assets	15,843,427	65,409,887	81,253,314
Current Assets	2,169,763	1,286,231	3,455,994
Liabilities	(1,510,370)	(1,602,423)	(3,112,793)
Total Net Assets	<u>16,502,820</u>	<u>65,093,695</u>	<u>81,596,515</u>

**16. FINANCIAL COMMITMENTS**

At 31 March 2017 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	2017 £	2016 £ restated
Net income/(expenditure) for the reporting period as per the statement of financial activities	(657,697)	(1,524,649)
Adjustments for:		
Depreciation	2,298,153	2,229,255
Transfer of Armagh County Museum	-	695,894
(Profit)/loss on disposal of fixed assets	(1,955)	(14,001)
Decrease/(increase) in stock	(6,031)	24,743
Decrease/(increase) in debtors	(265,486)	144,714
Increase/(decrease) in creditors	345,365	506,920
(Decrease) in provision	(44,125)	(130,386)
Deposit interest receivable	(43)	(86)
Net cash provided by (used in) operating activities	<u>1,668,181</u>	<u>1,932,404</u>

**Analysis of cash and cash equivalents**

	2017 £	2016 £
Cash at bank and in hand	2,363,000	2,734,097

**18. RELATED PARTY TRANSACTIONS**

National Museums Northern Ireland is a Non-Departmental Public Body funded by the Department for Communities.

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.

The Chief Executive is a non executive director of Strategic Investment Board. During the year £8,875 was paid to SIB for professional fees in relation to a feasibility study. A close family member of the Acting Director of Finance (up to 4 November 2016) is employed by KPMG, Chartered Accountants. During the year £20,954 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.

**19. CAPITAL COMMITMENTS**

National Museums Northern Ireland had no capital commitments at either 31 March 2017 or at 31 March 2016.

**20. LOSSES AND SPECIAL PAYMENTS**

There were losses written off totalling £2,083 in respect of damaged shop stock. Unpaid debts of £15,169 were written off relating to six debtor accounts.

**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. Post balance sheet events**

There are no post balance sheet events to report.

The annual report and accounts were approved and authorised for issue by the Accounting Officer and Trustees. The authorised date for issue of these accounts is the date on which the accounts are certified by the Comptroller and Auditor General.







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