

**ANNUAL REPORT  
AND ACCOUNTS  
2017-2018**



**National Museums Northern Ireland Annual Report and Accounts  
For the year ended 31 March 2018**

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

by the Department for Communities

on

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## **THE TRUSTEES' ANNUAL REPORT**

National Museums and Galleries of Northern Ireland has 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 It repealed previous legislation affecting the Ulster Museum and the Ulster Folk and Transport Museum.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; and
- 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; and
- partnerships with academic and higher education institutions.

Beneficiaries include the people of Northern Ireland, people from outside the area who visit the museum and online 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 2017 -18 National Museums NI worked towards the achievement of 20 key performance indicators and associated targets as set out in the Annual Business Plan under four themes designed to drive public benefit for our audiences:

**Visitor** - Through creative programmes we achieved 818,000 visitors against an opening target of 730,000 Exhibitions such as the Game of Thrones Tapestry attracted 90,000 visitors alone with Poppies Weeping Window also achieving 113,237 visitors. National Museums NI Education Programme reached 103,000 visitors through formal and informal programmes achieving a 99% satisfaction rating from teachers. Overall we have achieved a 99% satisfaction rate with the evaluation of our exhibitions continuing to be very high at 92%.

**Financial** - This financial year has seen self-generated income grow at 23%. We secured capital investment of £1.8m allowing us to carry out a range of estate improvements and the acquisition of site equipment and specimens, which are important to continue to grow and enhance our collections.

**Internal Processes** - we continue to strive to deliver best practice in governance and accountability including payment processing, procurement, improving systems and controls and achieving unqualified accounts. During this year we developed the National Museums NI Corporate Plan 2018-21 and realigned the organisation to better achieve the objectives contained within it. This includes developing more refined key performance indicators, refining the business plan and embedding risk management across the organisation.

**Learning and Growth** - During 2017-18 National Museums NI developed a Culture Development Programme which seeks to improve performance and learning, leadership, communications and engagement in the furtherance of our strategic objectives.

## **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 2017-18 and we delivered formal and informal learning programmes for 103,000 visitors which included:

- 5,397 school visitors to our sites who came from the most marginalised communities across NI;
- 25,887 participants in STEM/STEAM programmes;
- early intervention parental engagement programme for 40 schools from areas of social and economic deprivation;
- 2,119 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;

- 1,993 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, for Together Building United Communities (TBUC), 6 schools and with 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 8,201 visitors with access needs and their carers;
- access for 646 job seekers;
- access for 1,171 pupils from special schools; and
- 6,549 visitors on bespoke programmes from the most deprived areas.

We delivered 216 outreach initiatives for 9,866 participants over the course of the year. In conjunction with Victoria Square Belfast we took the museum to the wider public over the summer offering a wide range of activities from storytelling to guess the object. Footfall during this period was estimated at 1 million and the associated public relations activity reached approximately 850,000 people.

### **Our Economic Impact**

As detailed in the Tourism NI Strategic Framework "A prospectus for change", Northern Ireland has a future filled with exciting tourism possibilities, one of which is the appeal of its cultural and heritage offer. During 2017-18 we welcomed nearly 820,000 visitors to our sites, largely the domestic market and increasingly out of state visitors c245,000.

In 2017-18 we focussed on establishing organisational strategies and plans in order to create a strong foundation on which to build and strengthen our role and purpose in this sector. We have undertaken extensive research into our audiences and our visitor experience offerings as well as benchmarking across the sector.

This has shown us that:

- 1 in 10 people here have visited our museums in the last year
- 4 in 10 people here have not visited museums in the last 5 years
- 3 in 10 people here have never visited our museums

Retail sales have achieved over £1.3m during this year (2017: £1m). Our retail purchasing policy is to support local businesses, particularly artisan products which are very popular with visitors. Both of our hospitality partners Yellow Door and Eurest choose produce of local provenance.

Whilst employing a substantial workforce directly National Museums also sub-contracts its catering franchise who employs on average 60 people per annum.



**NATIONAL MUSEUMS AND GALLERIES OF NORTHERN IRELAND  
ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

**Key Performance Indicators**

The key performance indicators and year-end achievements for the 2017-18 year are listed below:

	<b>Actual 2017-18</b>	<b>Target 2017-18</b>	<b>Actual 2016-17</b>
<b>COLLECTIONS</b>			
Additional number of collections-related images available online	3,479	3,000	2,897
Additional number of collections with computerised inventory control	10,075	10,000	14,862
<b>LEARNING, ACCESS and PARTNERSHIPS</b>			
Number of participants in organised learning visits	102,889	95,000	111,387
Number of participants in STEM programmes	25,887	11,000	15,922
Number of school visitors from areas of multiple deprivation	5,397	7,000	7,125
Number of volunteers engaged in museum activities	160	120	106
Number of loans	55	50	41
<b>VISITORS</b>			
Total number of visitors	817,892	730,000	745,712
Number of nmni.com visitors	774,287	784,500	778,769
<b>FUNDING, FINANCE and RESOURCES</b>			
Self-generated income (non DfC)	£3.594m	£3.315m	£2.923m
Payments processed within 10 days	93%	90%	85%
Savings Delivery Plan targets	£937,000	£937,000	£737,000

## **KPI variance explanation**

### **Visitors**

A key KPI for National Museums NI is target visitor numbers which exceeded target in 2017-18 by nearly 11%. This was due to targeted programmes of activities, the Poppies Weeping Window Exhibition and the Game of Thrones Tapestry.

### **Collections**

These key performance Indicators were exceeded across collections due to the diligence of staff in achieving these targets and ensuring an improvement upon last year's performance.

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

The number of participants in organised learning visits has decreased since 2016/17 across all areas including formal education visits, Live Well, Treasure House and specific social inclusion programmes.

Outreach engagements are linked to the number of initiatives we undertake and whilst the number of events grew the number of attendees were fewer in certain programmes bringing the overall total down.

The number of volunteers has been grown primarily through Poppies Weeping Window.

### **Number of Loans**

The number of loans were achieved due to a concerted effort to attract more offerings.

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

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

## **Audiences**

National Museums NI plays a vital role at the heart of our society, making a difference to the lives of many individuals as well as positively contributing to the development of a vibrant society. The collections are at the centre of everything we do and we are committed to working in partnership with people, local communities and organisations that share our aspirations to ensure the widest possible audience has access to our national collections. Our public programme has a central role in ensuring this access for all our audiences, from home and overseas, and in highly engaging ways. We delivered a diverse and engaging range of exhibitions and events across all our sites this year.

Highlights at the Ulster Museum included *Conflicting Images*, a major exhibition based on National Museums NI's historic photographic collections, looking at the role photography played during 'The Troubles', and how photography itself changed and developed during these years of conflict. The enduring popularity of the work of Sir John Lavery was celebrated in *Artist as Thief*. The exhibition explores the work of the Belfast born painter and how Lavery was influenced by the 'Old Masters'. Game of Thrones season 7 hit our screens in July. To immortalise this global TV phenomenon, a giant, 80-metre long, Bayeux-style tapestry went on display at the Ulster Museum. The tapestry, and *Warp & Weft*, an exhibition which sets the history of the linen production in Ireland, showed the power of engaging with contemporary issues that strongly connect with our collections and how this helps to diversify and grow audiences.

The Victoria Square Museum experience was a hugely successful summer outreach and engagement campaign in partnership with Victoria Square. In addition to objects and images, almost 60 interactive crafts and skills workshop zones were hosted by our staff. The footfall through the centre, and therefore exposure to our collections and branding, was just over 1 million people throughout the month of August.

The Poppies: *Weeping Window* sculpture opened in October as part of a tour from 14-18 NOW, the UK's arts programme for the First World War centenary. The sculpture drew over 80% more visitors to the museum, many of whom had never been before. The supporting programme "Participate in Poppies" demonstrated the critical role National Museums NI can play in helping to explore some of the challenges in our society and help deal with the legacy of our past.

In January, a masterpiece of the Dutch Golden Age, *The Cornfield*, by Jacob van Ruisdael went on display in the *Life and Light Dutch and Italian Painting* exhibition. In February *A Taste of Prehistory* event was sold out.

Organised in partnership with the NI Science Festival and hosted by acclaimed broadcaster and scientist Professor Alice Roberts, this was a culinary experience inspired by ingredients found in Ireland in Prehistoric times.

To coincide with the 20<sup>th</sup> anniversary of the Good Friday Agreement, the Ulster Museum opened a new exhibition, *The Troubles and Beyond*, exploring politics and conflict and the impact of both on everyday life, people and communities. The project was as a result of collaboration with other museums, universities, community groups and members of the public and has had an overwhelmingly positive response from visitors and commentators on how the gallery provides a new platform for discussion and dialogue on our shared past – offering opportunities for people to respond and contribute their own stories.

Major events at the Ulster Folk & Transport Museum this year included the Easter and May Day celebrations. This year's Cultra Hillclimb in June was themed 'Fast and Furious Fords' and marked 60 years of Crosslé racing cars and 50 years of the Formula Ford racing category. Held in partnership with the Donkey Breed Society, the museum's ever popular annual Donkey Day celebrated donkeys, highlighting the role they have played in Ulster's rural history.

The Transport Museum marked the 50<sup>th</sup> anniversary of Ulsterbus with an exhibition and rally. Entitled *Barricades to Bus Passes – 50 Years of Ulsterbus*, the exhibition was part of National Museums NI's 'Collecting the Troubles and Beyond' initiative.

The Ulster American Folk Park celebrated American Independence in July with a major event with historical re-enactments transporting visitors back in time to the 1770s.

Nominated for 'Bluegrass Event of the Year' by this year's prestigious International Bluegrass Music Association Awards, the Bluegrass Music Festival saw 7,000 visitors enjoy sixteen world-class bands across three days of the event.

Costumed guides re-enacted Thanksgiving from the 1800s at the museum in November, marking this important day in the American calendar. Visitors were offered a variety of day and evening Days of Christmas Past tours to experience the charm of a traditional Christmas at the Folk Park this year.

## **Social and Community**

2017-18 saw the organisation deliver increased public benefit across the region, through a range of programmes designed to provide greater access to our collections:

- 102,889 learning and activity sessions; and
- 55,178 formal learning visitors.

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

- 5,397 children were from schools in the 20 most deprived areas; and
- 11,691 children were from Extended Schools (designated as in need of additional support)

## **Volunteer Programme**

160 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. During the year a number of groups of volunteers made key contribution to the organisation – Poppies Ambassadors (66 people providing 3600 hours of support), the Irish Garden Plants Society, University of the Third Age and Leonard Cheshire Disability. Citizen scientists supported the work of the Centre for Data and Environmental recording and the specialist textile skills of many volunteers enabled us to deliver the Game of Thrones Tapestry exhibition.

## **Collections Management and Care**

There has been a renewed focus on storage and proposals for improving the suitability of collections storage have been developed. These have included submission of a business case for the development of an additional off site store as well as proposals for bringing storage at the Ulster Museum back into use for the

museums art collections and repurposing of UFTM Folk Galleries as storage. Delivery of these projects will continue into 2018/19.

We have continued to deliver the Collections Care and Conservation Plan 2015-2020. Key developments have included the installation of conservation heating into houses in the rural areas at UFTM and pest treatments at the Ulster Museum as part of our Integrated Pest Management Programme. We have continued to expand and strengthen programmes of housekeeping and cleaning of exhibit buildings at UAFFP. A deep clean of a range of buildings has also been completed at UFTM and UAFFP.

In partnership with the British Library we are embarking upon the Unlocking our Sound Heritage project to safeguard and make accessible our sound archive.

### **Collections Acquisitions and Development**

The amount of capital funding for the purchase of objects during 2017-18 was £171,790. This has enabled purchases across the subject disciplines of Art, History and Natural Sciences and for all three National Museums NI sites.

There has been one major purchase for the Fine Art collection: *Mirror-Untitled, September 2015*, framed c-type print mounted on aluminium, by Hannah Starkey (Born 1971), an internationally renowned contemporary photographer. Her work adds to NMNI's growing and important collection of contemporary photography. Through the Acceptance in Lieu scheme NMNI has greatly enhanced its Old Master collection with the acquisition of *The Cornfield* by Jacob van Ruisdael (1628/29-c.1682) from the Trustees of the Alfred Beit Collection. Additions to the Applied Art collection were selected at Collect, the International Art Fair for Contemporary Objects, and include international purchases from Korea and Japan and a significant purchase from jeweller Wendy Ramshaw CBE. Support for local artists has also continued with a purchase from the Belfast-based ceramicist Derek Wilson. The development of the Ulster Museum's unique costume collection has remained a key priority, with new purchases including a Dior t-shirt, a Chanel coat and a dress by Northern Irish designer JW Anderson.

The single purchase for the Natural Sciences collection was a polished slab of 'Tiger Iron', an unusually decorative form of Banded Ironstone, from the Ord Ranges, near Port Hedland in the Pilbara region of Western Australia. This will be displayed in the Origins gallery at the Ulster Museum.

Acquisitions for the History collections have spanned all NMNI sites and date from the Viking period to the present day. Archaeological acquisitions include a Viking coin hoard from Carnacavill and silver arm-ring from Walshestown. For the Transport Museum a ship model of the *Result* was acquired, and is currently on display in an exhibition to mark the 125<sup>th</sup> anniversary of this unique schooner. Contemporary collecting has refreshed and enriched the Folk Museum collections, for example with the acquisition of an Isabel Marant coat that references a quilt in the historic textile collections. A single but significant acquisition was made for the collections at the Ulster American Folk Park; an 1893-94 Brooklyn fire station duty log book, which includes the names of Irish immigrants working in the fire service.

External funding has enabled a number of additional acquisitions. The Friends of the Ulster Museum supported the purchase of a medieval penannular brooch from Clonfeile and a carved wooden newel post by Rosamund Praeger, from the Danske Bank headquarters in Belfast. A grant of £35,000 from the Heritage Lottery Fund (HLF) was secured to purchase the Ballyclog Bell, a very significant find as the exact place of discovery is known, suggesting that the bell was buried or lost at an important church site near Stewartstown in County Tyrone. There is a continuing acquisition programme as part of the HLF-funded 'Collecting the Troubles and Beyond project'. £84,698 was provided through this programme in 2017-18, and many of the items collected are now on display in the new The Troubles and Beyond gallery at the Ulster Museum. Troubles art remains a particular focus, with acquisitions by artists Donovan Wylie and Locky Morris, as does photography, with acquisitions by photographers Frankie Quinn and Annalee O'Carroll. The international scope of collections development for this project is illustrated by the acquisition of an American helicopter pilot's helmet from the Vietnam War.

The single disposal from the collections was the Sir Samuel Kelly lifeboat, the ownership of which was transferred to Ards and North Down Borough Council.

## **Estate**

2017-18 was another busy year in relation to NMNI's continued programme of capital upgrade works across its estate. A significant programme on electrical services was completed throughout the rural area of the Ulster Folk Museum. This included the installation of both fire & security systems into the majority of our exhibit buildings, which linked back to our main security kiosk and off site monitoring. An electrical supply along with conservation heating was also installed which will add additional environmental control and protection to the exhibits.

A new public lift was installed within the Parochial Hall to improve disabled access to the hall for residents occupying Cluan Place South.

Road maintenance and repairs to an existing landslip at the Cultra Manor were also completed on the Ulster Folk and Transport Museum site.

The Ulster Museum benefited from the final phase of upgrade works in relation to its CCTV security system. In addition to providing increased monitoring this will allow offsite monitoring by NMNI staff. The heating system at the Ulster Museum was also upgraded with all 4 main gas boilers being replaced together with the main control system.

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.

Across the estate, a further phase of NMNI fixed wire tests was undertaken and remedial repairs completed.

## **Grants and Membership**

A number of grants across a range of areas and sources enables us to develop and deliver a series of new initiatives during 2017-18, the following are an example.

- £600,000 over 3 years from the Big Lottery Fund, enable us to deliver our Live Well project;
- £10,000 contributed for early years and parental support activities; and
- 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 2018-19.

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.

At close of the 16/17 reporting period National Museums NI outlined our focus to ensure structurally and culturally that the organisation is aligned to our strategy; fit for purpose; underpinned by a shared vision and values; with greater team working across the organisation. The 17/18 year has been a time of transition, which has seen increased alignment in these areas, via our shared Mission, Vision, Values and brand: "here for good."

With each area of work designed to underpin our priorities now and in the future, the out-workings of our focus on structure and culture in 17/18 include:

- Shared Mission, Vision, Value;
- Job design and recruitment to new/ existing posts;
- Staff Conference; and
- Culture Development Programme
  - o Leadership
  - o Performance Management & Organisational Learning
  - o Engagement & Communications

During 17/18 we have advised on and facilitated a range of training and development opportunities: compliance, best practice and professional/ personal development. Our people have participated in formal and informal development opportunities with sector and/ or departmental specific bodies: British Museum; Association of Cultural Enterprises (ACE); Association of Leading Visitor Attractions (ALVA); Oxford Cultural Leaders; Museums Association (MA); People 1<sup>st</sup>; Costume Society; Chartered Institute of Personnel & Development (CIPD). This participation has extended networks and the reach of our reputation and brand. Our people have also undertaken skills and knowledge interventions to develop functions and specialisms. Capitalising on the 16/17 Princess Royal Training Award, we have also continued with our in-house Vocational Qualification Programme.

Our engagement with 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.

We continue to focus on partnerships with our people and NIPSA via the Cultural Development Programme and its yields as well as by ongoing development of leaders, teams and employee voice. Our organisational development aim now and going forward is to support the business and ensure it and our people are agile, resilient and striving for excellence in our challenging operating environment.

## **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 2018, National Museums NI had net income of £1,347k (2016-17: net expenditure of £658k). A significant donated asset value of £1,088k and a release of a provision of £457k at March 2018 contributed to the net income.

The total income for the year was £17.9m, an increase of £1.5m from 2016-17.

Expenditure was slightly below 2016-17 levels at £17m compared to £17.1m in the prior year.

Depreciation has remained consistent with 2016-17. The LPS review of our estate as at 31 March 2018 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 2017-18 DfC provided 75.7% of the total income (net of in kind donations) through allocated recurrent and capital grants (2016-17: 81.1%).

### **Reserves**

National Museums NI has accumulated reserves of £86m (2016-17: £82m). The policy on reserves is included in note 1, Accounting Policies, to the accounts. Restricted reserves total £18.1m (2016-17: £16.5m) and unrestricted reserves total £29m (2016-17: £29m). Revaluation reserves totalling £39m (£36m in 2016-17) have accumulated through revaluations on land and buildings. Within unrestricted reserves, National Museums NI has two designated funds, the Board reserve funds totalling £690k (2016-17: £144k). 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 2018 after taking out designated and restricted reserves was £67m (2016-17: £65m). The organisation has cash balances of £3.6m at the year end. Cash reserves were built up to facilitate payment of invoices relating to the 2017-18 year but received after March 2018.

## **Liquidity**

In 2017/18, £11.2m (68%) 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 £8,373 relating to shop stock and obsolete assets valued at £9,427.

## **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 2017 to 31 March 2018, National Museums NI paid 100% of its invoices within 30 days (2016-17: 97%). The organisation incurred no interest charges in respect of late payment for this period.

The Northern Ireland Executive is committed to paying suppliers as quickly as possible, within 10 working days. During the accounting period 1 April 2017 to 31 March 2018, National Museums NI paid 93% of its invoices within 10 days (85% in 2016-17).

## **Land and Buildings**

Land and buildings were subject to a full valuation by Land and Property Services (LPS) on 31 March 2018. This has resulted in a net upward revaluation of £2.9m on those assets.

## **Estate**

National Museums NI's estate as at 31 March 2018 consists of land valued at £16.2m and buildings valued at £50m.

## **Financial**

Net assets at 31 March 2018 were £85.8m (2016-17: £81.6m).

## **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 2018.

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; and
- 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.

Two matters are reported on in the Governance Statement - the storage of collections and the administration of pensions.

The storage of collections has been identified as a key risk for National Museums NI and has largely depended on the funding available to source the most pragmatic solution. National Museums NI has carried out extensive scoping, identified a solution and has bid for the funding to take this forward. In May 2018 this funding has been made available from the Department for Communities and National Museums NI will now embark on this 2 year project to address the storage issues including purchase of new stores.

NI Civil Service Pensions are the pension provider for National Museums NI. In order for NI Civil Service Pensions to produce an Annual Benefit Statement for members, the member's record must contain complete and accurate data and be reconciled to the 31 March each year. During 2017 National Museums NI identified control weaknesses in its Pensions Systems which have resulted in incomplete member's data. A project team has been assembled to address the issues and ensure that member's records are brought up to date. National Museums NI are working closely with NI Civil Service Pensions to rectify the situation, ensure that NI Civil Service Pensions systems can accept the data and put in place robust controls to prevent the situation re-occurring.

### **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 £21,072 through a number of events. 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 2017-18 National Museums NI reviewed and updated the Corporate Plan 2018-21 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.

Our Corporate Plan 2018-21 is built around five key priorities which are:

- To care for and develop collections;
- To open up access to our collections;
- To create more engaging visitor experiences;
- To connect with more people; and
- To build the museum infrastructure of the future.

Delivery of these priorities will be supported by five key enablers which include:

- Developing our people as our greatest asset;
- Being visible & valued;
- Being audience focused;
- Growing & diversifying our income; and
- Delivering through stronger partnerships & collaborations.



We are working towards ambitious plan for investment in our Capital Assets across storage and the museum sites.

## **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.

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 Kathryn Thomson
- Director of Collections: Mr William Blair
- Director of Public Engagement Mrs Laura McCorry
- Chief Operating Officer: Mr Colin Catney

## **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**

Ernst and Young  
Chartered Accountants  
22 Bedford Street  
Belfast  
BT2 7DT

### **Solicitors**

Cleaver Fulton Rankin  
50 Bedford Street  
Belfast  
BT2 7DT

### **Board of Trustees**

In the absence of the Minister and in conjunction with the Commissioner for Public Appointments, the Permanent Secretary of the Department for Communities extended the appointment of the Chairman, Mr Miceal McCoy, to the 31<sup>st</sup> December 2018. 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 (resigned 11 May 2018)  
Mr J Rice (resigned 24 April 2018)  
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 2018.

### **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.

### **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: 1 October 2018



Mrs K Thomson  
Chief Executive  
Date: 1 October 2018

## **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 in May 2017 was as follows:

Mrs Hazel Francey (Chairman)  
Dr Rosemary Kelly  
Mr Miceal McCoy  
Mr Alan McFarland  
Mrs Annette Moor

The membership of the Remuneration Committee in November 2017 was as follows:

Dr Leon Litvack (Chairman)  
Mr Miceal McCoy  
Mr Alan McFarland  
Dr George McIlroy  
Mrs Annette 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 twice during the year to confirm the review of the Chief Executive's performance by the Chairman and to agree the objectives for the Executive Directors' performance.

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

The Chairman of the Board of Trustees is responsible for monitoring and reviewing the performance of the 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)**

	2017-18				2016-17			
	Salary £'000	Bonus £'000	Pension Benefits <sup>1</sup> (to nearest £1,000)	Total (£'000)	Salary £'000	Bonus £'000	Pension Benefits (to nearest £1,000)	Total (£'000)
<b>Mrs K Thomson</b> Chief Executive (from 1 March 2016)	85-90	-	33,000	120-125	85-90	-	34,000	115-120
<b>Mr C Catney</b> Chief Operating Officer (from 1 May 2017)	60-65 (70-75 full year equivalent)	-	25,000	95-100	-	-	-	-
<b>Mr W Blair</b> Director of Collections (from 1 March 2017)	65-70	-	26,000	95-100	5-10 (65-70 full year equivalent)	-	-2,000	5-10
<b>Mrs L McCorry</b> Director of Public Engagement (from 1 May 2017)	60-65 (65-70 full year equivalent)	-	25,000	95-100	-	-	-	-
<b>Mrs G McLean</b> Director of Marketing, Communications and Trading (to 30 April 2017)	5-10 (60-65 full year equivalent)	-	4,000	5-10	60-65	-	-2,000	60-65
<b>Mr P Gilmore</b> Director of Learning and Partnership (to 30 April 2017)	5-10 (60-65 full year equivalent)	-	-	5-10	60-65	-	11,000	70-75
<b>Mr P Sheridan</b> Acting Director of Finance (to 4 November 2016)	-	-	-	-	35-40 (55-60 full year equivalent)	-	14,000	45-50
<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

**Salary**

“Salary” includes gross salary; overtime; London weighting or allowances; recruitment and retention allowance; private office allowances; ex-gratia payments; and any other taxable allowances or 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 (2016-17: £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 2017-18 year (2016-17: £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.

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**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:

	2017-18	2016-17
Band of Highest Paid Director's Total Remuneration	£85,000-£90,000	£85,000-£90,000
Median Total Remuneration	£22,514	£22,291
Remuneration Ratio	3.89	3.93

The banded remuneration of the highest-paid director in National Museums NI in the financial year 2017-18 was £85,000 to £90,000 (2016-17: £85,000-£90,000).

In 2017-18 no employees received remuneration in excess of the highest-paid director. Remuneration ranged from £17,315 to £87,500 (2016-17: £16,300 to £87,500).

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 2018 except for an honorarium to the Chairman amounting to £10,000.

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

	Accrued pension at pension age as at 31/3/18 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/18	CETV at 31/3/17	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
<b>Mrs K Thomson</b> Chief Executive	25-30	0-2.5	394	22	14
<b>Mr C Catney</b> Chief Operating Officer (from 1 May 2017)	0-5	0-2.5	18	0	14
<b>Mr W Blair</b> Director of Collections	10-15	0-2.5	115	100	12
<b>Mrs L McCorry</b> Director of Public Engagement	0-5	0-2.5	12	0	7
<b>Mrs G McLean</b> Director of Marketing, Communications and Trading	15-20	0-2.5	209	206	2
<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	276	274	0

**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).

The alpha pension scheme was introduced for new entrants from 1 April 2015. The alpha scheme and all previous scheme arrangements are unfunded with the cost of benefits met by monies voted each year. The

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majority of existing members of the classic, premium, classic plus and nuvos pension arrangements 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 a 'Career Average Revalued Earning' (CARE) arrangement in which members accrue pension benefits at a percentage rate if annual pensionable earnings throughout the period of scheme membership. The rate is 2.32%.

New entrants joining can choose between membership of alpha 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 were eligible for membership of the nuvos arrangement or they could have opted for a partnership pension account. Nuvos is also a 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%.

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). From April 2011 pensions payable under classic, premium, and classic plus are increased annually in line with changes in the cost of living. New entrants joining on or after 1 October 2002 and before 30 July 2007 could choose between membership of premium or joining the partnership pension account.

All pension benefits are reviewed annually in line with changes in 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 2017 was 3% and HM Treasury has announced that public service pensions will be increased accordingly from April 2018.

Employee contribution rates for all members for the period covering 1 April 2018 - 31 March 2019 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 2018 to 31 March 2019</b>	<b>From 01 April 2018 to 31 March 2019</b>
£0	£15,000.99	4.6%	4.6%
£15,001.00	£21,636.99	4.6%	4.6%
£21,637.00	£51,515.99	5.45%	5.45%
£51,516.00	£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. The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NICS pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2015 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	2018	2017
Salaries and wages (includes temporary non-payroll staff)	6,967,161	766,566	7,733,727	7,668,730
Social security costs	602,331	-	602,331	622,835
Pension costs	1,425,806	-	1,425,806	1,456,949
Apprenticeship levy	16,731	-	16,731	-
Other staff costs	329,960		329,960	689,071
	<b>9,341,989</b>	<b>766,566</b>	<b>10,108,555</b>	<b>10,437,585</b>
Less: recovery of outward secondment	(46,907)	-	(46,907)	-
<b>Total</b>	<b>9,295,082</b>	<b>766,566</b>	<b>10,061,648</b>	<b>10,437,585</b>

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 schemes but National Museums Northern Ireland is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31 March 2012. This valuation is then reviewed by the Scheme Actuary and updated to reflect current conditions and rolled forward to the reporting date of the DFP Superannuation and Other Allowances Resource Accounts as at 31 March 2018.

For 2017-18, employer's contributions of £1,425,806 (2016-17: £1,456,949) 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 2018-19, the rates will range from 20.8% to 26.3%, however the salary bands differ. The contribution rates are set to meet the cost of the benefits accruing during 2017-18 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employer contributions of £6,959 (2016-17: £7,040) 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% (2016-17: 8% to 14.75%) of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £246, 0.5% (2016-17: £248, 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 £637 (2016-17: £635).

No persons (2016-17: 1) retired early on ill-health grounds.

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

Activity area	2018	2017
Trading	328,930	371,228
Curatorial and Collection Care	2,645,616	3,020,089
Public Engagement	4,040,398	3,817,467
Education	993,720	1,115,915
Operations	2,052,984	2,112,886
<b>Total</b>	<b>10,061,648</b>	<b>10,437,585</b>

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**The average number of persons employed (Subject to Audit)**

The average number of full time equivalent employees employed during the year analysed by category of staff was as follows:

	<b>2018</b>	<b>2017</b>
Permanent contract	217	228
Temporary agency contract	28	19
Fixed term funded contract	15	13
<b>Total</b>	<b>260</b>	<b>260</b>

The average number of full time equivalent employees analysed by activity was as follows:

	<b>2018</b>	<b>2017 restated</b>
Curatorial and Collection Care	47	52
Public Engagement	119	109
Education	17	17
Operations	48	51
Human Resources and Organisational Development	6	6
Finance and Income Generation	18	21
Chief Executive's Office	5	4
<b>Total</b>	<b>260</b>	<b>260</b>

Further analysis of full time equivalent employees is as follows:

	<b>Male</b>	<b>Female</b>
Senior civil servants	-	1
Directors	2	1
Employees	122	134
<b>Total</b>	<b>124</b>	<b>136</b>

**Number of senior staff with annual salaries over £60,000**

<b>Annual Salary Band</b>	<b>2018 £</b>	<b>2017 £</b>
£60,001 - £65,000	-	3
£65,001 - £70,000	2	-
£70,001 - £75,000	1	-
£75,001 - £80,000	-	-
£80,001 - £85,000	-	-
£85,001 - £90,000	1	1

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 in place until 20 August 2017. This was to meet a temporary requirement during a period of restructuring.

There was no expenditure on consultancy during the year (2016:17 £nil).

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No emoluments were paid to members of the Board of Trustees for the year ended 31 March 2018 except for an honorarium paid to the Chairman amounting to £10,000 (2016-17: £10,000). Travel expenses of £6,488 were reimbursed to six Trustees.

Further information on staff costs is contained in note 6.

**Sickness Absence**

National Museums NI employed 260 staff (expressed as full-time equivalents). Staff absenteeism for the period 1 April 2017 to 31 March 2018 was 5.02% (2016-17: 5.9%), which equates to an average per FTE of 11.14 days (2016-17: 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.

**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, dispute resolutions, health and safety, safeguarding, 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	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
£10,000-£25,000	-	-	1	15	1	15
£25,000-£50,000	-	-	-	10	-	10
£50,000-£100,000	-	-	4	1	4	1
£100,000-£150,000	-	-	-	-	-	-
£150,000-£200,00	-	-	-	-	-	-
Total number of exit packages	-	-	5	26	5	26
Total resource cost (£)	-	-	329,960	689,071	329,960	689,071

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: 1 October 2018

## **STATEMENT OF TRUSTEES' AND CHIEF EXECUTIVE'S RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2018**

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 2018**

### **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 and has responsibility for the day to day management of National Museums NI and is supported and challenged by the Board of Trustees.

The system of internal control is designed to manage risk to a satisfactory 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 2018 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:

- Board Standing Orders;
- Board Operating Framework;
- Terms of reference for Committees;
- The Management Statement and Financial Memorandum;
- The Corporate Plan 2017-18 and Business Plan 2017-18;
- The Performance Management Framework;
- The Risk Management Framework;
- Whistleblowing Policy; and
- Anti-Fraud Policy and Fraud Response Plan.

### **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.

### **Review of Effectiveness**

#### **Accounting Officer**

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. I also 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 as Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the Internal Auditors and the managers within National Museums 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.

## **NATIONAL MUSEUMS AND GALLERIES OF NORTHERN IRELAND ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

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In my role as Accounting Officer, I function with the support of the Board of National Museums NI (“the Board”). This includes highlighting to the Board specific business risks and, where appropriate, the measures that could be employed to manage these risks.

At meetings of the Board the following standing agenda items are addressed:

- Minutes of Previous Meeting;
- Accounting Officer Update;
- Progress Against Budget;
- Progress against business and corporate plan and risks in achieving stated objectives; and
- Risk Management.

The Board operates as a collegiate forum under the leadership of the Chair. It ensures that the appropriate strategic planning processes are in place and that there is effective operational management of their implementation. Day-to-day operational matters are my responsibility and that of senior staff. Each Trustee participates in the high-level corporate decision making process as a member of the Board, contributes to the operation of corporate governance arrangements within the organisation, and supports me in my roles of Chief Executive and Accounting Officer.

As Chief Executive, I am responsible for organising the agenda for monthly Board meetings and ensuring the Chair and Board members are provided with timely information to support full discussion at each meeting. The Board receives written reports from me on key areas and on the status of delivery against business plan objectives. The quality and timeliness of the information and reports has been acceptable to the Board during the year.

I meet formally through Quarterly Accountability Meetings with the Department for Communities Museums 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.

### **The Board**

The Board takes an objective long-term view of the business of the organisation, leading its strategic planning process and supporting and challenging 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; and
- 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.

**Board Membership and Attendance**

During the year the following served as Trustees:

	<b>Attendance at Board meetings 2017-18 (max 7 including the AGM, a Strategy Day and a Planning Day)</b>
Mr M McCoy, Chairman	<b>7</b>
Professor M Catto	<b>6</b>
Professor G Earls	<b>6</b>
Professor K Fleming	<b>5</b>
Mrs H Francey	<b>7</b>
Mrs D Harshaw	<b>4</b>
Dr R Kelly OBE	<b>3</b>
Dr L Litvack	<b>4</b>
Mr A McFarland	<b>7</b>
Dr G McIlroy	<b>6</b>
Mrs C Molloy	<b>6</b>
Mrs A Moor	<b>7</b>
Mr J Rice	<b>3</b>
Dr M Ward	<b>4</b>

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

**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.

**NATIONAL MUSEUMS AND GALLERIES OF NORTHERN IRELAND  
ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

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; and
- Internal Audit;

**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; and
- The Remuneration Committee met twice 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, with changes of membership at AGM 22.09.17 and December Board Meeting 08.12.17)</b>	<b>Attendance at GP&amp;F Committee meetings (max 4, with changes of membership at AGM 22.09.17 and December Board Meeting 08.12.17)</b>	<b>Attendance at Remuneration Committee meetings (max 2, with changes of membership at AGM 22.09.17 and December Board Meeting 08.12.17)</b>
Professor M Catto	n/a	4 of 4	n/a
Professor G Earls	3 of 4	n/a	n/a
Professor K Fleming	0 of 2	1 of 2	n/a
Mrs H Francey	1 of 2	2 of 2	1 of 1
Mrs D Harshaw	1 of 2	2 of 2	n/a
Dr R Kelly OBE	1 of 1	2 of 3	1 of 1
Dr L Litvack	0 of 2	1 of 2	1 of 1
Mr M McCoy, Chairman	4 of 4	4 of 4	2 of 2
Mr A McFarland	n/a	4 of 4	2 of 2
Dr G McIlroy	4 of 4	3 of 3	1 of 1
Mrs C Molloy	2 of 2	2 of 2	n/a
Mrs A Moor	3 of 3	4 of 4	2 of 2
Mr J Rice	3 of 4	n/a	n/a
Dr M Ward	n/a	3 of 4	n/a



## **Business Planning and Risk Management**

### *Business Plan*

The draft annual Business Plan 2017-18 was submitted to the Department in January 2017 and a revised submission was made in March 2017. The Board of Trustees reviewed the Business Plan in March 2017 and June 2017. The Department issued formal approval of the Business Plan on 7 November 2017.

### *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.

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; and
2. Assessment of residual risk taking account of current risk response and controls and the required action plan.

The residual risk is then compared to the risk appetite and if the controls are judged to be inadequate to manage risk within the risk appetite then further action is identified to strengthen these controls.

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

In addition to the Corporate Risk Register, internal project boards have developed project risk registers with project Senior Responsible Owners responsible for risk management. The Executive Team are fully involved in the continual review and management of risks and are trained and equipped to manage risk in a way appropriate to their authority and duties. The Internal Auditors provide advice and guidance on good practice in the management of risk throughout the audit process. Changes in the risk environment during the year have been dealt with by considering the impact of the risks assessed and taking action to manage the risks.

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

- The need to secure appropriate core funding to deliver the vision and strategy for the future;
- The ability to store, care for, manage and interpret the collections;
- The development of appropriate business models to deliver strategy and income generation;
- The need to reverse the decline in visitors at the Ulster American Folk Park;
- The need to develop partnerships and collaborations to deliver objectives;
- The need to listen and engage with existing and new audiences to ensure relevance; and
- The need to secure sufficient and timely strategic capital funding for estate development, maintenance and H&S compliance.

In 2017-18 there were no instances where the Health and Safety Committee 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 2018-19.

It should be further noted that no 'ministerial directions' have been issued to the National Museums NI and there have been no reported lapses of protective security.

Standing agenda items include Gifts and Hospitality Register and the Contracts Register.

**Fraud Risk and Information Risk**

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

During 2017/18 there were no incidents of Fraud in accordance with the Anti-Fraud Policy and no instances of Whistleblowing.

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.

There were no personal data related incidents during the year.

**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 2017-18 was approved by the Audit and Risk Assurance Committee in June 2017. The Committee considered reports on the following systems audits performed in 2017-18:

<b>AUDIT ASSIGNMENTS</b>	<b>LEVEL OF ASSURANCE PROVIDED</b>
IT Systems	Satisfactory
Financial and Procurement Systems	Satisfactory
Collections	Limited

During the 2017-18 year the Internal Auditors identified two Priority 1 issues. These issues were:

- Collections Management - Urgent requirement for new storage facilities; and
- Collections Management - Ethical disposal of items.

In addition to the above the Internal Auditors undertook a follow up review of recommendations made by the previous Internal Audit Service. This identified that out of 19 recommendations, 6 have been fully implemented, 4 partially implemented and 9 not implemented.

In addition two areas of significant concern were identified:

- Collections: the requirement to continue to prioritise the approval of the Business Case submitted to DfC for additional funding for storage facilities for the Collection. The requirement to ensure that, in the interim period, NMNI undertake every possible action to put appropriate remedial arrangements in place to manage the ongoing risk of deterioration of its Collections, including consideration of disposal of items that it is not in a position to store or care for adequately (Review of Collections, final report issued 25 May 2018), and
- Pension matters: the requirement to ensure that NMNI urgently fulfils its obligations in relation to NI Civil Service Pensions, particularly regarding the timely and accurate submission of Annual Benefit

Statements for all relevant NMNI personnel. NMNI should also urgently explore the future systems options available in relation to ensuring an appropriate solution is implemented to support the future operating requirements of NMNI in relation to its HR, Payroll and Pension requirements.

The Internal Audit Annual Statement of Internal Control 2017-18 concludes notwithstanding these significant matters, that NMNI has a framework of controls in place which provides satisfactory assurance regarding the effective and efficient achievement of the NMNI's objectives and the management of key risks.

#### *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 (revised); Audit of Charities in the United Kingdom. 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 2018.

### **Financial Management**

Responsibility for ensuring that an effective system of internal financial control is maintained and operated rests with the Accounting Officer supported and challenged by the Audit and Risk Assurance Committee and the General Purposes and Finance Committee. 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.

### **Internal Governance Divergences**

There are two matters to be reported on the storage of collections; and the administration of pensions.

#### **Storage of Collections**

The storage of collections has been identified as a key risk for National Museums NI and has largely depended on the funding available to source the most pragmatic solution. National Museums NI has carried out extensive scoping, identified a solution and has bid for the funding to take this forward. In May 2018 this funding has been made available from the Department for Communities and National Museums NI will now embark on this 2 year project to address the storage issues including purchase of new stores.

#### **Administration of Pensions**

NI Civil Service Pensions are the pension provider for National Museums NI. In order for NI Civil Service Pensions to produce an Annual Benefit Statement for members, the member's record must contain complete and accurate data and be reconciled to the 31 March each year. During 2017 National Museums NI identified intrinsic control weaknesses in its Pensions Systems which have resulted in incomplete member's data. A project team has been assembled to address the issues and ensure and validate that member's records are brought up to date and are correct. National Museums NI is working closely with the Department for Communities and NI Civil Service Pensions to address the identified issues within an agreed timeframe, ensure that NI Civil Service Pensions systems can accept the data and put in place robust controls to prevent the situation re-occurring.

**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: 1 October 2018

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

### **Opinion on financial statements**

I certify that have audited the financial statements of the National Museums Northern Ireland for the year ended 31 March 2018 under the Museums and Galleries (Northern Ireland) Order 1998. The 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.

In my opinion the financial statements:

- give a true and fair view of the state of National Museums Northern Ireland's affairs as at 31 March 2018 and of its total incoming resources and expenditure of resources for the year then ended; and
- have been properly prepared in accordance with the Museums and Galleries (Northern Ireland) Order 1998 and Department for Communities directions issued thereunder.

### **Opinion on regularity**

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

### **Basis of opinions**

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate. My staff and I are independent of National Museums Northern Ireland in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2016, and have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

### **Other Information**

The Trustees and the Chief Executive are responsible for the other information included in the annual report. The other information comprises the information included in the Trustees' annual report other than the financial statements, the parts of the Remuneration and Staff Report described in the report as having been audited, and my audit certificate and report. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

### **Opinion on other matters**

In my opinion:

- the parts 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.

### **Responsibilities of the Trustees and Chief Executive for the financial statements**

As explained more fully in the Statement of the Trustees' and 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.

### **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to examine, certify and report on the financial statements in accordance with the Museums and Galleries (Northern Ireland) Order 1998.

I am required to obtain 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

### **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 parts 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 the Department of Finance's guidance.

**Report**

I have no observations to make on these financial statements.

A handwritten signature in black ink, appearing to read 'K J Donnelly', with a stylized flourish at the end.

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

15 October 2018

NATIONAL MUSEUMS NORTHERN IRELAND

STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2018

	Note	Restricted	Unrestricted	2018 £	Restricted Restated	Unrestricted Restated	2017 £ Restated
<b>Income from:</b>							
<i>Donations and Legacies</i>							
Donations	2	500,000	94,989	594,989	-	92,185	92,185
Gifts in kind	2	1,093,770	-	1,093,770	202,181	-	202,181
<i>Charitable activities</i>							
Grant-in-aid	3	1,587,900	10,976,305	12,564,205	1,158,000	11,238,763	12,396,763
VES funding	3	187,255	-	187,255	902,000	-	902,000
VER funding	13	16,695	-	16,695	44,125	-	44,125
Admissions		-	1,147,245	1,147,245	-	1,084,643	1,084,643
Other grants	3	889,034	-	889,034	597,953	-	597,953
<i>Other trading activities</i>							
Sponsorships	4	78,327	-	78,327	46,203	-	46,203
Trading	4	-	1,259,116	1,259,116	-	1,086,491	1,086,491
Investment income		-	172	172	-	43	43
Other income	5	-	125,939	125,939	-	12,992	12,992
<b>Total income</b>		<b>4,352,981</b>	<b>13,603,766</b>	<b>17,956,747</b>	<b>2,950,462</b>	<b>13,515,117</b>	<b>16,465,579</b>
<b>Expenditure on:</b>							
<i>Raising funds</i>							
Trading	6	-	891,667	891,667	29,789	622,948	652,737
<i>Charitable activities</i>							
Curatorial and Collection Care	6	516,571	3,037,296	3,553,867	531,906	3,308,301	3,840,207
Public Engagement	6	99,188	5,510,020	5,609,208	342,895	5,191,919	5,534,814
Education	6	300,123	1,181,597	1,481,720	230,534	1,353,830	1,584,364
Operations	6	269,427	5,261,743	5,531,170	479,196	5,031,958	5,511,154
		<b>1,185,309</b>	<b>15,882,323</b>	<b>17,067,632</b>	<b>1,614,320</b>	<b>15,508,956</b>	<b>17,123,276</b>
<b>Net income/(expenditure)</b>	7	<b>3,167,672</b>	<b>(2,278,557)</b>	<b>889,115</b>	<b>1,336,142</b>	<b>(1,993,839)</b>	<b>(657,697)</b>
<b>Exceptional item - release of provisor</b>	13	<b>457,402</b>	<b>-</b>	<b>457,402</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net income/(expenditure) after exceptional item</b>		<b>3,625,074</b>	<b>(2,278,557)</b>	<b>1,346,517</b>	<b>1,336,142</b>	<b>(1,993,839)</b>	<b>(657,697)</b>
<b>Transfers between funds</b>	14	<b>(2,012,414)</b>	<b>2,012,414</b>	<b>-</b>	<b>(993,734)</b>	<b>993,734</b>	<b>-</b>
<b>Other recognised gains/(losses)</b>							
Gains/(losses) on revaluation of fixed assets	8	(3)	2,894,509	2,894,506	16	1,407,893	1,407,909
<b>Net movement in funds</b>		<b>1,612,657</b>	<b>2,628,366</b>	<b>4,241,023</b>	<b>342,424</b>	<b>407,788</b>	<b>750,212</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		<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>
<b>Total funds carried forward</b>		<b>18,115,477</b>	<b>67,722,061</b>	<b>85,837,538</b>	<b>16,502,820</b>	<b>65,093,695</b>	<b>81,596,515</b>

Expenditure on charitable activities is restated for 2016-17 to reflect the new management structure. The new Directorate structure comprises Director of Collections, Director of Public Engagement (includes Exhibition and Events, Learning and Partnership and Visitor Services) and Chief Operating Officer (includes Operations and support costs).

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 41 to 53 form part of these accounts.



NATIONAL MUSEUMS NORTHERN IRELAND

BALANCE SHEET  
FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 £	2017 £
<b>Fixed Assets</b>			
Tangible assets	8	76,182,888	74,326,258
Heritage assets	8	8,186,648	6,927,056
		<u>84,369,536</u>	<u>81,253,314</u>
<b>Current Assets</b>			
Stock	9	309,082	302,276
Debtors	10	732,529	790,718
Cash at bank and in hand	11	3,631,818	2,363,000
		<u>4,673,429</u>	<u>3,455,994</u>
<b>Current Liabilities</b>			
Creditors - amounts falling due within one year	12	<u>(3,177,961)</u>	<u>(2,841,050)</u>
Net current assets		<u>1,495,468</u>	<u>614,944</u>
Total assets less current liabilities		85,865,004	81,868,258
Provision for liabilities and charges	13	<u>(27,466)</u>	<u>(271,743)</u>
<b>Total net assets</b>		<u><u>85,837,538</u></u>	<u><u>81,596,515</u></u>
<b>Represented by:</b>			
Restricted funds	14	18,115,477	16,502,820
Unrestricted funds	14	28,646,850	28,811,376
Revaluation Reserve	14	<u>39,075,211</u>	<u>36,282,319</u>
		<u><u>85,837,538</u></u>	<u><u>81,596,515</u></u>

The notes on pages 41 to 53 form part of these accounts.

The accounts on pages 38 to 53 were approved by the Board of Trustees of National Museums Northern Ireland on 1 October 2018 and are signed on its behalf.



M McCoy  
Chairman of The Board of Trustees



K Thomson  
Chief Executive

NATIONAL MUSEUMS NORTHERN IRELAND

CASH FLOW  
FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 £	2017 £
<b>Cash flows from operating activities:</b>			
<b>Net cash provided by (used in) operating activities</b>	17	<u>3,266,804</u>	<u>1,668,181</u>
<b>Cash flows from investing activities:</b>			
Interest Received		172	43
Proceeds from the sale of property, plant and equipment		623,929	4,782
Purchase of property, plant and equipment		<u>(2,622,087)</u>	<u>(2,044,103)</u>
<b>Net cash provided by (used in) investing activities</b>		<u>(1,997,986)</u>	<u>(2,039,278)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		1,268,818	(371,097)
<b>Cash and cash equivalents at 1 April 2017</b>	17	<u>2,363,000</u>	<u>2,734,097</u>
<b>Cash and cash equivalents at 31 March 2018</b>	17	<u><u>3,631,818</u></u>	<u><u>2,363,000</u></u>

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

The notes on pages 41 to 53 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:

### **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 or costs of generating funds 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 costs of the Chief Executive's Office, Finance, Human Resources and Strategic Research and Planning and governance costs and are allocated to the charitable activities on a basis consistent with the use of the resources. The support costs are allocated according to the number of full time equivalents staff employed in each activity. 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 professional fees associated with governance.

**Provisions**

National Museums Northern Ireland launched a voluntary early retirement scheme (VER) during 2005-06 as part of a Reform and Modernisation Programme. The scheme gives retirement benefits to certain qualifying employees in accordance with the rules of the Principal Civil Service Pension Scheme (NI). Under this scheme National Museums Northern Ireland bears the costs of these benefits until normal retiring age. As required by Government Accounting rules, National Museums Northern Ireland has made a full provision for the cost of providing these additional benefits through to 2017-18. In addition to the provision made in 2005-06, a further provision to cover the cost of other aspects of the Reform and Modernisation Programme of £1,374,000 was made during 2007-08. Further details on this provision are set out in Note 13. The scheme is funded by allocations made under the 2004 spending review and Budget 2010.

**Tangible Assets and Depreciation**

Tangible fixed assets are stated at cost or valuation.

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

Buildings	2% - 5%	per annum
Permanent exhibitions	2% - 20%	per annum
Computer equipment	5% - 20%	per annum
Fixtures and equipment	5% - 20%	per annum
Plant and machinery	5% - 15%	per annum
Motor vehicles	7% - 15%	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 and the Ulster American Folk Park. 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; and
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.

The balance on the Restricted General Fund available at 31 March 2018 was £345,055. 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. The final payment under this scheme was made in April 2018.

Voluntary Exit Scheme fund - to fund the Voluntary Exit Scheme implemented in 2016-17.

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.

O.L. Nelson Legacy fund - donated to the Museum for the specific purpose to purchase prints and drawings.

**Restricted Funds continued**

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

Board Reserve capital fund - proceeds of sale of assets to re-invest in capital projects approved by the Trustees.

**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.

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2018

**2. DONATIONS AND LEGACIES**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Donations:</b>		
Gift Aid	22,520	24,103
Other donations	572,469	68,082
	<u>594,989</u>	<u>92,185</u>
<b>Gifts in kind:</b>		
Donated assets	1,087,802	196,661
Donated services	5,968	5,520
	<u>1,093,770</u>	<u>202,181</u>

The income from donations of £594,989 includes a legacy of £500,000 which is restricted. The other donations of £94,989 are unrestricted (2017: £92,185). Gift in kind income at March 2018 includes donations to the collections of £1,087,802. 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>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Resource grant-in-aid	10,976,305	11,238,763
Capital grant	1,587,900	1,158,000
<b>Total received</b>	<u>12,564,205</u>	<u>12,396,763</u>

Voluntary Exit Scheme	<u>187,255</u>	<u>902,000</u>
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A Voluntary Exit Scheme with a budget of £902,000 was implemented during 2016-17. Further funds of £415,000 were allocated during 2017-18, of which £187,255 were utilised.

Voluntary Early Retirement Scheme	<u>16,695</u>	<u>44,125</u>
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Funding for the Voluntary Early Retirement Scheme relates to the provision detailed in note 13.

<b>Admissions</b>	<u>1,147,245</u>	<u>1,084,643</u>
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**Other grants**

	<b>£</b>	<b>£</b>
<b>Capital grants:</b>		
Heritage Lottery Fund	94,048	25,845
Friends of the Ulster Museum	4,750	5,625
Esme Mitchell	-	1,589
Other	-	12,256
Total capital grants	<u>98,798</u>	<u>45,315</u>

**Revenue grants:**

Northern Ireland Environment Agency	346,404	240,478
Big Lottery Fund Grant	310,430	147,446
Heritage Lottery Fund	63,948	82,655
Esme Fairbairn	20,823	37,944
Queens University Belfast	19,456	15,316
Esme Mitchell	-	4,000
Other	29,175	24,799
Total revenue grants	<u>790,236</u>	<u>552,638</u>
	<u>889,034</u>	<u>597,953</u>

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2018

**3. INCOME FROM CHARITABLE ACTIVITIES (continued)**

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 relates to a grant received in 2017-18 of £224,369 for Healthier Older People through Museums project, a grant received of £99,921 for the Treasure House project and a grant received of £6,875 for the UAFP Wellness Camp Project. There were unspent funds at 31 March 2018 of £125,402 for Healthier Older People through Museums project, of which £16,468 related to 2017-18 and unspent funds of £502 for UAFP Wellness Camp project. There was a reduction in accrued income of £3,765 relating to the Treasure House project. In respect of the Live and Learn Project, a Big Lottery project from 2009-10, there were unspent funds of £4,468.

**4. INCOME FROM OTHER TRADING ACTIVITIES**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Sponsorships</b>	<u>78,327</u>	<u>46,203</u>
<b>Trading:</b>		
Shop	738,349	635,338
Hire of facilities	125,979	126,036
Consultancy fees	15,321	9,414
Photographic sales	41,039	42,888
Events income	147,065	92,819
Franchise income	<u>191,363</u>	<u>179,996</u>
	<u>1,259,116</u>	<u>1,086,491</u>

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

**5. OTHER INCOME**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Other	<u>125,939</u>	<u>12,992</u>

The profit and loss on sale of fixed assets of £114,502 (2017: £1,955) is included in other income. Other income is unrestricted.

**6. EXPENDITURE**

	<b>Staff costs</b>	<b>Other</b>	<b>Indirect</b>	<b>Depreciation</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>Direct costs</b>	<b>costs</b>	<b>£</b>	<b>Total</b>	<b>Total</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trading	328,930	421,399	10,796	130,542	891,667	652,737
Curatorial and Collection Care	2,645,616	393,019	71,973	443,259	3,553,867	3,840,207
Public Engagement	4,040,398	444,984	179,933	943,893	5,609,208	5,534,814
Education	993,720	268,490	25,191	194,319	1,481,720	1,584,364
Operations	<u>2,052,984</u>	<u>2,779,234</u>	<u>71,973</u>	<u>626,979</u>	<u>5,531,170</u>	<u>5,511,154</u>
	<u>10,061,648</u>	<u>4,307,126</u>	<u>359,866</u>	<u>2,338,992</u>	<u>17,067,632</u>	<u>17,123,276</u>

Expenditure on charitable activities was £17,067,632 (2017: £17,123,276) of which £1,185,309 was restricted (2017: £1,614,320).

The charitable activities have been reclassified to reflect the new management structure and the comparatives have been adjusted accordingly.



NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2018

**6. EXPENDITURE (continued)**

**Staff costs**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Salaries and wages (includes temporary non-payroll staff)	7,733,727	7,668,730
Social security costs	602,331	622,835
Pension costs	1,425,806	1,456,949
Apprenticeship levy	16,731	-
Other staff costs	329,960	689,071
	<u>10,108,555</u>	<u>10,437,585</u>
Less: recovery of outward secondment	<u>(46,907)</u>	<u>-</u>
Total net costs	<u><u>10,061,648</u></u>	<u><u>10,437,585</u></u>

Included in the above costs are amounts of £766,566 (2016-17: £501,035) paid in respect of employment agency staff. There were no staff costs capitalised in 2017-18 (2016-17: £60,000).

Further information on staff costs is contained within the Remuneration and Staff Report.

**Support costs**

	<b>Trading</b>	<b>Curatorial and Collection Care</b>	<b>Public Engagement</b>	<b>Education</b>	<b>Operations</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Finance/CEO office/ Human Resources	42,171	299,947	761,252	98,399	533,889	1,735,658	2,037,721
Marketing	-	-	-	-	-	-	657,268
Governance	2,565	10,482	15,720	4,338	16,526	49,631	45,525
	<u>44,736</u>	<u>310,429</u>	<u>776,972</u>	<u>102,737</u>	<u>550,415</u>	<u>1,785,289</u>	<u>2,740,514</u>

Human resources costs include costs of the voluntary exit scheme of £329,960 (2017: £744,714). Due to management restructure during 2017-18 there are no support costs for marketing (2017: £657,268). Marketing costs are now directly allocated to the Public Engagement directorate.

**Governance costs**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Audit and accountancy fees	40,024	40,954
Legal and professional fees	9,607	4,571
	<u>49,631</u>	<u>45,525</u>

**7. NET INCOMING RESOURCES**

Net incoming resources is stated after charging:

Auditors' remuneration:		
in respect of audit services	15,000	20,000
in respect of internal audit	25,024	20,954
in respect of other services	54,200	-
Depreciation	2,338,992	2,298,153
Insurance	109,611	108,010
Rent and rates	1,037,781	1,019,017
Heat and light	579,196	498,744

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2018

**8. TANGIBLE FIXED ASSETS**

	Land and Buildings £	Permanent Exhibitions £	Fixtures and Equipment £	Motor Vehicles £	Sub Total £	Heritage Assets £	Total £
<b>Cost or valuation</b>							
At 1 April 2017	64,342,804	11,403,372	9,247,285	262,395	85,255,856	6,927,056	<b>92,182,912</b>
Additions	1,195,694	367,993	246,856	-	1,810,543	1,259,592	<b>3,070,135</b>
Disposals	(500,000)	-	(33,102)	-	(533,102)	-	<b>(533,102)</b>
Revaluation	1,171,264	(43)	23,550	3,601	1,198,372	-	<b>1,198,372</b>
At 31 March 2018	<u>66,209,762</u>	<u>11,771,322</u>	<u>9,484,589</u>	<u>265,996</u>	<u>87,731,669</u>	<u>8,186,648</u>	<b>95,918,317</b>
<b>Accumulated depreciation</b>							
At 1 April 2017	-	2,487,001	8,182,129	260,468	10,929,598	-	<b>10,929,598</b>
Charge for year	1,716,467	295,800	324,448	2,277	2,338,992	-	<b>2,338,992</b>
Disposals	-	-	(23,675)	-	(23,675)	-	<b>(23,675)</b>
Revaluation	(1,716,467)	(40)	17,122	3,251	(1,696,134)	-	<b>(1,696,134)</b>
At 31 March 2018	<u>-</u>	<u>2,782,761</u>	<u>8,500,024</u>	<u>265,996</u>	<u>11,548,781</u>	<u>-</u>	<b>11,548,781</b>
<b>Net book value</b>							
<b>At 31 March 2018</b>	<u><b>66,209,762</b></u>	<u><b>8,988,561</b></u>	<u><b>984,565</b></u>	<u><b>0</b></u>	<u><b>76,182,888</b></u>	<u><b>8,186,648</b></u>	<u><b>84,369,536</b></u>
<b>At 31 March 2017</b>	<u><b>64,342,804</b></u>	<u><b>8,916,371</b></u>	<u><b>1,065,156</b></u>	<u><b>1,927</b></u>	<u><b>74,326,258</b></u>	<u><b>6,927,056</b></u>	<u><b>81,253,314</b></u>

Land and buildings at net book value comprise:

	2018 £	2017 £
Long leaseholds	<u>66,209,762</u>	<u>64,342,804</u>

A full valuation by Land and Property Services was carried out at 31 March 2018.

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

Property	Value	Basis of Valuation
Ulster Museum	25,788,548	Land at existing use value and buildings at depreciated replacement cost
Ulster Folk and Transport Museum	31,786,595	Land at existing use value and buildings at depreciated replacement cost
Ulster American Folk Park	4,763,826	Land at existing use value and buildings at depreciated replacement cost
Residential Centre	1,470,793	Land at existing use value and buildings at depreciated replacement cost
Land at Landseer Street	500,000	Market value
Store	<u>1,900,000</u>	Market value
	<u><u>66,209,762</u></u>	

All other assets of National Museums Northern Ireland were revalued in line with appropriate indices at 31 March 2018.

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2018

**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>
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
2017-18	171,790	1,087,802	1,259,592
	<u>543,726</u>	<u>1,886,203</u>	<u>2,429,929</u>

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

**9. STOCK**

	<b>2018 £</b>	<b>2017 £</b>
Shop goods for resale	236,565	224,450
Academic publications for resale	29,357	34,124
Maintenance materials and consumables	32,190	32,047
Farm stock	10,970	11,655
	<u>309,082</u>	<u>302,276</u>

**10. DEBTORS**

	<b>2018 £</b>	<b>2017 £</b>
Trade debtors	288,807	290,562
Prepayments and accrued income	243,214	303,094
Other debtors	200,508	197,062
	<u>732,529</u>	<u>790,718</u>

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

	<b>2018 £</b>	<b>2017 £</b>
Cash at bank and in hand	<u>3,631,818</u>	<u>2,363,000</u>

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2018

**12. CREDITORS (amounts falling due within one year)**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Trade creditors	893	259,986
Other taxes and social security	152,463	145,408
Accruals	2,678,484	2,059,196
Deferred income	323,609	343,646
Sundry creditors	22,512	32,814
	<u>3,177,961</u>	<u>2,841,050</u>

Movement on deferred income:

	<b>Contract /</b>	<b>Sponsor-</b>	<b>Event</b>	<b>Advance</b>	<b>Total</b>
	<b>grant</b>	<b>ship</b>	<b>deposit</b>	<b>admin</b>	<b>charge</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Balance as at 1 April 2017	319,069	20,000	827	3,750	343,646
Amounts released from previous years	(56,200)	(10,000)	(644)	(3,750)	(70,594)
Incoming resources deferred in the current year	50,557	-	-	-	50,557
Balance as at 31 March 2018	<u>313,426</u>	<u>10,000</u>	<u>183</u>	<u>-</u>	<u>323,609</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. The balance of £27,466 relates to the final obligation under the scheme. The amount of the provision of £457,402 is no longer required and has been released in 2017-18.

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>VOLUNTARY EARLY RETIREMENT SCHEME</b>		
At 1 April	271,743	315,868
Provision added back	229,820	-
Release in provision - exceptional item in SoFA	(457,402)	-
Expenditure against provision	<u>(16,695)</u>	<u>(44,125)</u>
At 31 March	<u>27,466</u>	<u>271,743</u>

NATIONAL MUSEUMS AND GALLERIES OF NORTHERN IRELAND

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2018

14. STATEMENT OF FUNDS

	At 1 April 2017 £	Income £	Expenditure £	Revaluation £	Transfers £	At 31 March 2018 £
<b>Restricted Funds</b>						
Collection acquisition fund	6,927,056	1,259,592	-	-	-	8,186,648
Government grant for fixed assets	-	1,296,915	-	-	(1,296,915)	-
Exhibition fund	8,916,371	217,993	(295,801)	(3)	150,000	8,988,560
Reform and Modernisation fund	(271,743)	16,695	457,402	-	(229,820)	(27,466)
Voluntary Exit Scheme fund	157,286	187,255	(329,960)	-	-	14,581
The Art Fund	100,000	-	-	-	-	100,000
Curatorial Projects Fund	8,099	-	-	-	-	8,099
O.L. Nelson Legacy	-	500,000	-	-	-	500,000
General fund	665,751	874,531	(559,548)	-	(635,679)	345,055
	<u>16,502,820</u>	<u>4,352,981</u>	<u>(727,907)</u>	<u>(3)</u>	<u>(2,012,414)</u>	<u>18,115,477</u>
<b>Unrestricted Funds</b>						
<b>Designated fund:</b>						
Board Reserve fund	144,102	-	-	-	72,470	216,572
Board Reserve capital fund	-	-	-	-	473,719	473,719
<b>Undesignated funds:</b>						
Capital reserve	4,494,310	-	(425,881)	-	-	4,068,429
Revaluation reserve	36,282,319	-	34,811	2,894,509	(136,428)	39,075,211
Government grant for fixed assets	24,633,259	-	(1,652,121)	-	1,069,550	24,050,688
General fund	(460,295)	13,603,766	(13,839,132)	-	533,103	(162,558)
	<u>65,093,695</u>	<u>13,603,766</u>	<u>(15,882,323)</u>	<u>2,894,509</u>	<u>2,012,414</u>	<u>67,722,061</u>
<b>Total Funds</b>	<b><u>81,596,515</u></b>	<b><u>17,956,747</u></b>	<b><u>(16,610,230)</u></b>	<b><u>2,894,506</u></b>	<b><u>-</u></b>	<b><u>85,837,538</u></b>

The transfer of £1,296,915 from Restricted Funds: Government grant for fixed assets, represents the acquisition of assets during the year which have no restrictions on use.

A Board Reserve capital fund has been created from the sale of a property and the proceeds value has been transferred from the general reserve net of £150,000, which was allocated to the exhibition fund.

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2018

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted £	Unrestricted £	2018 Total £
Tangible Fixed Assets	17,175,209	67,194,327	84,369,536
Current Assets	2,365,169	2,308,260	4,673,429
Liabilities	<u>(1,424,901)</u>	<u>(1,780,526)</u>	<u>(3,205,427)</u>
Total Net Assets	<u>18,115,477</u>	<u>67,722,061</u>	<u>85,837,538</u>

16. FINANCIAL COMMITMENTS

At 31 March 2018 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	2018 £	2017 £
<b>Net income/(expenditure) for the reporting period as per the statement of financial activities</b>	1,346,517	(657,697)
<b>Adjustments for:</b>		
Depreciation	2,338,992	2,298,153
(Profit)/loss on disposal of fixed assets	(114,502)	(1,955)
Decrease/(increase) in stock	(6,806)	(6,031)
Decrease/(increase) in debtors	58,189	(265,486)
Increase/(decrease) in creditors	(111,137)	345,365
(Decrease) in provision	(244,277)	(44,125)
Deposit interest receivable	<u>(172)</u>	<u>(43)</u>
Net cash provided by (used in) operating activities	<u>3,266,804</u>	<u>1,668,181</u>

Analysis of cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	3,631,818	2,363,000

18. RELATED PARTY TRANSACTIONS

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

The Chief Executive is a non executive director of Strategic Investment Board. During the year £34,760 was paid to SIB for professional fees in relation to a feasibility study and in relation to a storage solution for collections. Also SIB paid National Museums NI £1,300 for hire of facilities. The Chief Executive is a non executive director of Visit Belfast. During the year £1,884 was paid to Visit Belfast for membership fees and £1,440 for promotional activity of 'Poppies: Weeping Window'. The Director of Collections is a member of the Irish Museums Association. During the year £350 was paid to the Irish Museums Association for membership and conference fees.

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

19. CAPITAL COMMITMENTS

National Museums Northern Ireland had no capital commitments at either 31 March 2018 or at 31 March 2017.

20. LOSSES AND SPECIAL PAYMENTS

There were losses written off totalling £2,382 in respect of damaged shop stock and £5,991 in respect of obsolete stock. An obsolete asset was written off with a net book value of £9,427.

**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. CONTINGENT LIABILITIES**

There are a number of legal claims or potential claims against National Museums Northern Ireland the outcome of which cannot at present be estimated with certainty.

**23. EVENTS AFTER THE REPORTING DATE**

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













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