

Northern Ireland Screen Commission
Annual Report and Financial Statements
for the year ended 31 March 2019

Company Information

Directors at 31 March 2019

Dame Rotha Johnston
Elaine Sperber
Adeline Dinsmore
Jennifer Johnston
Michael Kuhn
Fiona MacMillan
Ian Parsley
Greg Maguire

Secretary

Richard Williams

Company Number

NI 031997

Organisation Status

Northern Ireland Screen was classified by ONS as a Non-Departmental Public Body in January 2012 as per the Public Sector Classification Guide and the National Accounts Classification Decisions reports on the ONS website.

Registered Office

Alfred House
21 Alfred Street
Belfast
BT2 8ED

Auditor

Comptroller and Auditor General
Northern Ireland Audit Office

Bankers

Danske Bank
First Floor
Donegall Square West
Belfast
BT1 6JS

Contents

	Page
<u>Performance Report:</u>	
Strategic Report	3-9
<u>Accountability Report:</u>	
<i>Corporate Governance Report</i>	
Directors' Report	10-11
Statement of Directors' and Accounting Officer's Responsibilities	12
Governance Statement	13-24
<u>Remuneration Report and Staff Report</u>	
<u>Assembly Accountability and Audit Report</u>	
The Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly	32-34
Statement of Comprehensive Net Expenditure	37
Statement of Financial Position	38
Statement of Cash Flows	39
Statement of Changes in Taxpayers' Equity	40
Notes to the Financial Statements	41-59
Appendix 1	60

**Performance Report
for the year ended 31 March 2019**

Performance Report:

**Strategic Report
For the year ended 31 March 2019**

Overview

History and statutory background

Northern Ireland Screen Commission (trading as Northern Ireland Screen) was established on 28 April 1997 as a direct result of recommendations made in the Edmund Review, which was commissioned by the Department of Education for Northern Ireland (DENI) and the Department of Economic Development (DED). It assumed the previous responsibilities of the Northern Ireland Film Council.

At the Statement of Financial Position date, the Department for the Economy (DfE) is the Government Sponsor Department for Northern Ireland Screen. The primary funders are DfE, the Department for Communities (DfC), the British Film Institute (BFI) as a conduit for the Department of Culture, Media and Sport, and the Arts Council of Northern Ireland, as a Lottery distributor. The framework for these governance and funding arrangements are contained in the Management Statement and Financial Memorandum dated 16 October 2018.

Northern Ireland Screen is a company limited by guarantee, currently governed by a Board of 8 Directors with 5 vacancies and employing 27 staff (DfE has instigated the recruitment process to renew and replenish the Board). The organisation is the government-sponsored lead body in Northern Ireland for the film, television and digital content industry.

This report covers the first year of Northern Ireland Screen's *Opening Doors Strategy 2 2018-2022* ("ODS 2").

Review of business with Key Performance Indicators

Northern Ireland Screen are committed to maximising the economic, cultural and educational value of the screen industry for the benefit of Northern Ireland. This goal is pursued through our mission to accelerate the development of a dynamic and sustainable screen industry and culture in Northern Ireland.

Northern Ireland Screen has 3 overarching objectives:

1. That Northern Ireland will have the strongest screen industry outside of London in the UK and Ireland within 10 years (from 2014);
2. That this industry will be supported by vibrant and diverse cultural voices that are recognised and celebrated equally at home and abroad; and
3. That the sector will be underpinned by the most successful screen and digital technologies education provision in Europe ensuring that the education is within reach and of value to the most socially disadvantaged.

**Performance Report
for the year ended 31 March 2019**

Developing the screen industry and its cultural sector has an almost unrivalled fit with the *Programme for Government* with the creative and cultural mix of the sector impacting on multiple priorities simultaneously. While the Opening Doors Strategy was devised before the present Programme for Government, the screen sector makes a significant contribution to 8 out of the 12 outcomes set out in the Programme for Government.

Creating opportunities across the full range of the screen industries is the central theme of Northern Ireland Screen's economic strategy and is the most effective means of ensuring that opportunities in the screen industries are open to the widest possible range of people.

The Education, Exhibition, Cultural and Economic work supported is inextricably linked. A healthy eco-system across all of these areas is the key to a sustainable and thriving screen industry in Northern Ireland.

Our strategy is now at the end of the first year of ODS 2 and has delivered significant economic, cultural and educational successes to date. Our commitment to develop a diversified screen industry through the support of a range of sectors is working, with significant projects supported in Large-Scale Production, Animation, Independent Film, Television Drama, Factual and Entertainment Television, Gaming, Irish Language and Ulster-Scots.

The statement of financial position shows a movement in Total Taxpayers' Equity from a deficit of £661,731 to a deficit of £719,781. This deficit is wholly attributable to the increase in pension liabilities. The pension liabilities relate to the defined benefit scheme which is managed by the Pension Fund Committee of NILGOSC and the Directors of Northern Ireland Screen do not have any control in the management of this Fund. The liability does not present a real risk to the organisation's position as a going concern. Therefore, the future financing of any Northern Ireland Screen liabilities is expected to be met by DfE.

Performance Analysis

Opening Doors 2 highlights from Year 1:

1. In 2018-19, £12.3m has been awarded from the Screen Fund budget. The £12.3m was split across the sectors: Large-Scale: £3.9m, Animation: £1.4m, TV Drama: £2.7m, Fact/Ent: £1.3m, Independent Film: £1.7m, Feature Doc: £0.3m and Interactive: £1m.
2. *Krypton 2*, a Large-Scale Television Drama Project from Warner Horizon Television, continued to be produced at Belfast Harbour Studios, taking up residence at the studios since they were open in June 2017, and HBO retained Titanic Studios to facilitate the development and production of a Game of Thrones Prequel pilot.
3. Northern Ireland Screen continued to attract high profile productions to film in Northern Ireland including *Krypton 2*, *Dublin Murders*, ITV network dramas including *Marcella Series 3*, *Torvill and Dean*, and *Derry Girls Series 2* for Channel 4.
4. *Derry Girls Season 2*, produced by Hat Trick Productions for Channel 4, continued its huge success: winning Best Comedy at the Broadcast Awards in February and Best Scripted Comedy at the RTS Awards in March. Episode 1 of series 2 consolidated ratings with 3.2m viewers, out-performing the previous series' launch and making it Channel 4's biggest audience for a comedy series since 2007. In

**Performance Report
for the year ended 31 March 2019**

partnership with Channel 4's publicity team, Northern Ireland Screen co-hosted the global premiere of *Derry Girls series 2* in Derry, as well as organising a press junket for NI media on 18 February.

5. Series 5 of *Line of Duty* from World Productions broadcast in March 2019 on BBC One. The first episode of the latest series drew a peak audience of over 8 million viewers, with an average of 7.8 million watching the entire episode.
6. In partnership with HBO and Sky Atlantic, Northern Ireland Screen hosted the European premiere of *Games of Thrones Series 8* at the Waterfront Hall in Belfast on 12 April 2019. The event was a huge success attracting significant national and international media attention.
7. In the Animation sector, a bespoke Famtrip to LA took place in November 2018 with prospective broadcasters/networks including Disney, Amazon, Nickelodeon, Dreamworks, Warner Bros and Cartoon Network. Paper Owl's *Pablo* won Best Pre-school programme at the Broadcast Awards in February 2019. We ran an NI delegation to the Kidscreen Summit in Miami in February 2019 with 7 local companies participating.
8. In the Fact-Ent sector, we organised a bespoke trip to LA in September 2018 for five NI-based companies working on factual-entertainment programming. The trip featured a number of meetings with top US broadcasters including Fox, YouTube, E! Network and Discovery. Stellify's *Flinch* became the first UK produced game show on Netflix when released in April 2019.
9. Within Gaming, BillyGoat Entertainment won the Best UK Game at Gamescom 2018 for *Supermarket Shriek*. Following this Microsoft announced at X018 that BillyGoat's *Supermarket Shriek* would become available on Xbox Game Pass. Hollywood-based company Italic Pig was selected as one of 8 winners for Best in Play at the Game Developers Conference (GDC) 2019 for its project *Infinite Hotel*. Blackstaff Games was also invited to demo its project *Buildings Have Feelings too!* on the Microsoft stand at GDC.
10. The Pixel Mill opened at the Ormeau Baths in November 2018. Ten companies have been accepted onto the digital start up programme and are all based at The Pixel Mill.
11. Independent film: *The Dig* was nominated for the Discovery Award at the 2018 BIFAs, which took place in London in December 2018. *The Dig* was also released across Irish Cinemas in April 2019 via Element Pictures. In January 2019 we announced our new production partnership with Bankside and Screen Ireland, this ran exclusively in Screen International. Chris Kelly's *A Cambodian Spring* was nominated for a BAFTA in the Outstanding Debut category. *A Bump Along the Way* received its UK industry premiere as part of the Northern Ireland Screen talent showcase at BAFTA in April 2019 and opened the Belfast Film Festival.
12. *Aim High 4* was completed with 9 trainees going through the 18-month placement. Currently all 9 are employed full-time within the sector.
13. The Creative Learning Centres in Derry, Belfast and Armagh continued to provide support for schools across Northern Ireland and exceeded their target of delivering 70% of activity in partnership schools with 87% of activity taking place in schools with a high pupil intake from disadvantaged areas.

**Performance Report
for the year ended 31 March 2019**

14. 91 Northern Ireland students participated in the **BFI Film Academy Network Programme** and achieved the NCFE (National Certificate in Further Education) **Preparing to Work in the Film Industry Certification**.
15. The **ScreenWorks** programme, delivered by Into Film, provided young people in Northern Ireland aged 16-19 with the opportunity to experience and explore a range of craft and technical roles within the industry. ScreenWorks attracted over 200 applications from across Northern Ireland. This translated into 140 participants, 123 of which completed their full programmes and received **Certificates of Completion**.
16. In 2018-19 Nerve Belfast delivered the **Foundation Animation Academy** which established an entry route and career for young people aged 16-19 into the local animation industry. The Academy addressed the current skills gap in the local animation sector by providing 50 young people with creative skills and technical training in the key job roles involved in the industry including 2D drawing, rigging, compositing and storyboarding as well as producing, production management and screenwriting.
17. Under the **UTV Archive Partnership**, Northern Ireland Screen and the Public Record Office of NI – supported by ITV and DfC – continued to digitise the historically and culturally significant UTV film and tape archive, safeguarding it for future generations, whilst making it accessible for the public to enjoy today. 899 items from the archive were digitised in 2018/19.

Performance Report
for the year ended 31 March 2019

Key Performance Indicators for the 2018 – 2019 Financial Year

Activity	PI targets 2018-19	Performance Indicators @ 31 March 2019	Year End Position 2018-19
ECONOMIC			
Northern Ireland Screen Fund:	Direct spend output ratio 6:1 €64.7m 2018-22 £300m	Direct spend output ratio 6.9:1 €78.6m 2018 to date €78.6m	
	Accumulated 18-19 18-22 12.9:1 12.9:1	Accumulated 18-19 18-22 8.5:1 8.5:1	
Large-scale production	8:1 6:1	8:6 8:6	
Animation	6:1 6.7:1	6.7:1 6.7:1	
TV Drama	5:1 4:1	8.5:1 8.5:1	
Factual/Entertainment	3:1 2.8:1	3.6:1 3.6:1	
Independent Film	6:1 3.3:1	2:1 2:1	
Gaming/Mobile			
Skills	60% and 40% NI crew & Head of Department on large-scale productions 75% and 65% NI crew & HOD on other productions	69% and 42% NI crew & HOD on large-scale production 82% and 67% NI crew & HOD on other productions	
EDUCATION			
Creative Learning Centres (CLC)	Activity in areas of disadvantage - schools or groups Nerve centre 70% Nerve Belfast 70% Amma Centre 70% 2,110 teachers involved in all CLC programmes	Activity in areas of disadvantage – schools or groups Nerve Centre 88% Nerve Belfast 83% Amma Centre 86% 2,816 teachers involved in all CLC programmes	
School Film Clubs	270 extended schools and maintain membership at 6k	188 schools signed up Membership 2.6k	KPI needs to be reviewed for 2019-20
CULTURAL			
Exhibition: QFT, Belfast Film Festival (BFF), Cinemagic, Cinemobile and Foyle Film Festival	Foyle to deliver 90% Education programme to extended schools. BFF to deliver 40% of screenings to areas of poverty and deprivation	Foyle delivered 90% Education Programme to extended schools. BFF delivered 40% of screenings to areas of poverty and deprivation	
Irish Language Broadcast Fund	55 hours television broadcast to 25,000+ people in N Ireland. Emphasis on developing the linguistic quality	Target exceeded 60 hours of television broadcasted to 34.4k viewers	
Ulster-Scots Broadcast Fund	Support 12 trainees across mixed disciplines Deliver 10 additional hours of Ulster-Scots programming – which should include language programming (max. 20% of USBF budget)	Supporting 13 trainees across mixed disciplines 19.5 additional hours of Ulster-Scots programming which should include language programming (max. 20% of USBF budget)	
OUTREACH			
Digital Film Archive	40 presentations 120 partner events reaching 2,500 people PRONI 500 items digitised Accumulated audience/participants for above DFA activity	35 presentations delivered 122 partner events reaching 2,786 people Exceeded target – 899 items digitised 157 events, reaching approx. 4,852 people	97% completion against 2019-20 targets

**Performance Report
for the year ended 31 March 2019**

Principal risks and uncertainties

The principal risks and uncertainties facing Northern Ireland Screen during the year were identified as follows:

As we entered the first year of Opening Doors Strategy 2 there was a risk that a funding gap could occur. Phase 2 of Opening Doors 18-22 was agreed by a DfE Casework Committee and year one funding was allocated but funds continue on a one-year allocation basis which creates a risk that the strategy may not be deliverable if the full funding is not allocated.

As a development agency working in a dynamic and fast moving industrial sector, Northern Ireland Screen carries constant risk associated with delivering the outcomes outlined in our strategy; ensuring relatively stable demand for the freelance crew base that both supports and benefits from the screen industry in Northern Ireland and for the supply chain companies involved in supporting particularly large-scale production including the 2 main studio complexes; and ensuring an even cashflow profile year to year. This risk was well managed through the year.

The Irish Language Broadcast Fund and Ulster-Scots Broadcast Fund have secured funding to March 2020. Funding beyond that point is subject to the Comprehensive Spending Review at Westminster as this funding comes from the Department of Culture, Media and Sport.

With a new strategy with stretching ambition and targets, the risk of the organisation not achieving against performance targets is constant.

Particularly, it will be difficult to achieve our stated ambitions within Large-Scale Production without expansion of our film studio capacity. We have been working with Belfast Harbour on phase 2 at Harbour Studios to increase the available sound stages and continue to prioritise this infrastructure development.

The Board appointments process has been delayed with members being asked to remain on extended extensions. By the end of the year, the Board was reduced to 8 members.

The EU exit could impact adversely on the industry particularly if free movement of labour from the EU is part of that Exit.

Additional

There are inevitable uncertainties and risks facing Northern Ireland Screen which are described above. We continually review and revise our strategy/target approach through the management of KPI's whilst striving to meet our economic targets.

For details on how Northern Ireland Screen manages risk and uncertainties please see the Governance Statement.

Future Developments

Northern Ireland Screen agreed and finalised budgets with DfE and DfC for 2019-2020 removing any immediate funding risk.

**Performance Report
for the year ended 31 March 2019**

Other

There was no non-financial information, to include social matters, respect for human rights, anti-corruption and anti-bribery matters, that need disclosure in this year's report.

All related party transactions are detailed on page 50, note 15.

Northern Ireland Screen will continue to buy more sustainable and efficient products and services with the aim of achieving the best long-term, overall value for money for society.



**R Williams
11 June 2019**

**Accountability Report
for the year ended 31 March 2019**

Accountability Report

Corporate Governance Report

Directors' Report for the year ended 31 March 2019

The Directors who served during the year are as follows:

Dame Rotha Johnston (Chair)	Elaine Sperber (Vice Chair)
Michael Catto	Fiona MacMillan
Adeline Dinsmore	Ian Parsley
Michael Kuhn	Greg Maguire
Jennifer Johnston	

Personal data related incidents

There are no personal data related incidents to report.

Payments to Suppliers

Northern Ireland Screen is required to comply with the British Standards for achieving good payment performance in Commercial Transactions (BS 7890) and the Late Payment of Commercial Debts (Interest) Act 1998 as amended and supplemented by the Late Payment of Commercial Debt Regulations 2002. DAO (DFP) 04/13 refer.

The percentage of bills paid within these standards in 2018-19 is 98% (2017-18: 98%). The trade payable days at 31 March 2019 is less than 10 days.

Risk

The principal risks and uncertainties facing Northern Ireland Screen during the year are outlined in the Strategic Report. The management of risks and uncertainties is set out in the Governance Statement.

Disclosure of Information to Auditor

The Directors confirm that:

- a) So far as the Directors are aware, there is no relevant audit information of which the company's auditor is unaware; and
- b) They have taken all necessary steps as Directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s.418 of the Companies Act 2006.

**Accountability Report
for the year ended 31 March 2019**

Pension arrangements

The company operated NILGOSC (Northern Ireland Local Government Officers' Superannuation Committee) from 1 April 2013. NILGOSC is a final salary contracted out occupational pension scheme. The pension costs charged in the financial statements represent the contributions payable by the company during the year. Northern Ireland Screen's share of the scheme recorded net pension liabilities at 31 March 2019 was £818,000 (2017-18- £728,000).

Complaints Handling

Northern Ireland Screen operates a complaints handling procedure in order that a person or organisation can express dissatisfaction about an aspect of the service received from the organisation. Further details are available on the website.

In dealing with complaints, Northern Ireland Screen seeks to restore relationships as far as possible. It makes every effort to make it easy to voice concerns through handling complaints quickly and without undue fuss or bureaucracy. Complaints are handled confidentially, with fairness and objectivity, and the outcome is made known to the complainant. All complaints or comments received, and actions taken are monitored and retained including the speed with which they are actioned. Complaints are analysed to identify problem areas where action may be required in order to provide a better quality of service, and suggestions on how to improve services are welcomed.

Going concern

The financial statements of Northern Ireland Screen are produced on the Going Concern Basis in accordance with applicable accounting standards in a form directed by the Department for the Economy with the consent of the Department of Finance.

As of 31 March 2019, Northern Ireland Screen had a negative statement of financial position, where the liabilities were greater than the assets by £719,781. These and other liabilities will be met by future grant in aid, received from and approved annually by DfE.

DfE funding for 2019-20 has now been approved. Therefore, the future financing of any Northern Ireland Screen liabilities is expected to be met by DfE. In this context, the financial statements have been prepared on a going concern basis.

Conflicts of interest

Directors declare any interest in successful applications to Northern Ireland Screen and commercial relationships with Northern Ireland Screen (see note 15).

Auditor's remuneration

See note 4 in the accounts for details of auditor's remuneration.



Richard Williams
11 June 2019

Statement of Directors' and Accounting Officer's Responsibilities

The Department for the Economy has directed Northern Ireland Screen Commission to prepare for each financial year a Statement of Accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Northern Ireland Screen Commission, of its net expenditure, statement of financial position, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- Observe the Accounts Direction issued by the Department for the Economy, including the 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 as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements; and
- Prepare the financial statements on the going concern basis.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Accounting Officer of the Department for the Economy has designated the Chief Executive as the Accounting Officer of Northern Ireland Screen. The responsibilities of an Accounting Officer include responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding Northern Ireland Screen's assets, as set out in Managing Public Money Northern Ireland issued by the Department of Finance.

Governance Statement for the year ended 31 March 2019

Scope of Responsibility

The Accounting Officer of Northern Ireland Screen has responsibility for maintaining a sound system of internal control that supports the achievement of the policies, aims and objectives of Northern Ireland Screen, whilst safeguarding the public funds and the assets of Northern Ireland Screen, for which he is personally responsible, in accordance with the responsibilities assigned to him by the Board of Northern Ireland Screen and in Managing Public Money Northern Ireland.

Northern Ireland Screen's Management Statement and Financial Memorandum with DfE were updated in October 2018. They set out the relationship between DfE and Northern Ireland Screen and define the financial and administrative framework within which Northern Ireland Screen operates. Northern Ireland Screen's Financial Memorandum which should be read in conjunction with the Management Statement sets out the framework for the management and control of the finance of Northern Ireland Screen.

Compliance with Corporate Governance Best Practice

The publication, in April 2013, of "Corporate Governance in Central Government Departments: Code of Good Practice NI" and its requirement for an effective Board which provides leadership for the business, helping it to operate in a business-like manner, advising on strategic and operational issues affecting the performance of the organisation and its function to scrutinise and challenge organisational policies and performance, whilst not mandated for Non-Departmental Public Bodies (NDPBs), has been adopted in large part by Northern Ireland Screen with a view to identifying what measures can be taken to enhance current governance arrangements.

Northern Ireland Screen's compliance with "Corporate Governance in Central Government Departments: Code of Good Practice NI" was the subject of an internal audit review in 2013. The review examined Northern Ireland Screen's compliance with sections 2, 3, 4 and 5 of the Code which were deemed the most relevant to an NDPB. Findings have since been actioned through the appointment of a co-opted member to the Audit and Risk Committee.

Governance Framework

The Accounting Officer of Northern Ireland Screen is responsible for ensuring that audit and risk management systems and internal controls are in place, and Northern Ireland Screen complies with all statutory and legal obligations. The Accounting Officer has responsibility to ensure that Northern Ireland Screen's Board and its Executive members adhere to the Management Statement and Financial Memorandum agreed between DfE and Northern Ireland Screen.

The Board, in its role of supporting the Accounting Officer, has corporate responsibility for ensuring that Northern Ireland Screen fulfils the aims and objectives set by DfE as approved by its Minister and for promoting the efficient, economic and effective use of staff and other resources.

**Governance Statement (cont.)
for the year ended 31 March 2019**

Governance and sponsorship responsibility for Northern Ireland Screen transferred to DfE in the new Government structures. Northern Ireland Screen will continue to have a service provision relationship within the Department for Communities in relation to aspects of Northern Ireland Screen's activities that fall within DfC's policy responsibilities. However, the governance in relation to this funding is channelled through DfE.

The Board advises on five main areas:

- **Strategic Clarity:** guidance and advice on strategic and operational issues affecting the organisation's performance ensuring that decisions are based on a collective understanding of policy issues and that the organisation and its executive are challenged on the outcomes;
- **Commercial Sense:** responsible for ensuring sound financial management and overseeing the allocation of financial and human resources to achieve organisational objectives;
- **Talented People:** ensuring that the organisation has the capability to deliver and to plan to meet current and future needs;
- **Results Focus:** the Board has responsibility to agree the operational plan including the strategic aims and objectives as well as monitoring and steering performance against the plan; and
- **Management Information:** guidance and advice on the quality of information available to ensure clear and consistent information is available to drive organisational improvements.

The Board also has overall responsibility for ensuring a robust risk management process is established and maintained.

Board Membership

Northern Ireland Screen is currently governed by a Board of eight non-executive directors:

Dame Rotha Johnston - Chair
Fiona MacMillan
Michael Kuhn
Ian Parsley

Elaine Sperber - Vice Chair
Greg Maguire
Adeline Dinsmore
Jennifer Johnston

**Governance Statement (cont.)
for the year ended 31 March 2019**

Board Attendance in 2018-19:

	5.6.18	12.9.18	4.12.18	12.3.19
Dame Rotha Johnston (Chair)	✓	✓	✓	✓
Elaine Sperber (Vice Chair)	✓	✓	✓	✓
Michael Catto	✓	✓	✓	Stepped down
Adeline Dinsmore	X	✓	✓	X
Jennifer Johnston	✓	✓	X	✓
Michael Kuhn	✓	X	✓	✓
Fiona MacMillan	✓	X	✓	✓
Greg Maguire	✓	X	✓	X
Ian Parsley	X	X	X	X

The Board of Northern Ireland Screen is required to review its effectiveness annually. The latest review was completed in May 2019 with no issues to report.

In each year, the Chair of Northern Ireland Screen undertakes individual Board member appraisals, the results of which are submitted to Northern Ireland Screen's sponsor department, DfE.

Board members are required to complete Conflicts of Interest declarations annually and a Register of Interests is updated annually.

The quality of data is considered by Board members to be substantial. Papers distributed to the Board in advance of meetings include:

- Agenda;
- Minutes from previous meeting;
- Management accounts for period;
- CEO's Report to the Board;
- Corporate Risk Register;
- Performance Indicator Report for period; and
- Miscellaneous reports as required by the Board.

Board members have sufficient opportunity to challenge the quality of papers issued to them.

Committees of the Board

Northern Ireland Screen's Board may determine that certain aspects of its powers and responsibilities will be exercised by Committees. The composition, terms of reference and reporting requirements of the Committees will be determined by the Board. The Board receives updates from each Committee Chair at the quarterly Board meetings.

**Governance Statement (cont.)
for the year ended 31 March 2019**

Committees do not have decision making powers except in the case of the Lottery Heads of Department Committee, the Investment Committee, the Irish Language Broadcast Fund and Ulster-Scots Broadcast Fund Investment Committees.

Audit and Risk Committee

The Board of Northern Ireland Screen has established an Audit and Risk Committee to support them in their responsibilities for issues of risk control and governance. The Committee consists of 3 non-executive Board members, 1 observer and 1 co-opted member in the current year and is tasked with reviewing the comprehensiveness of assurances in meeting the Board and Accounting Officer's assurance needs and reviewing the reliability and integrity of these assurances. The Committee Chair, following each meeting, reports to the Accounting Officer and Board summarising the business undertaken by the Committee and offers views and advice from the Committee on issues which they consider the Accounting Officer and Board should be taking action.

The Audit and Risk Committee prepares an annual report to support the preparation of the Governance Statement. The report details the membership of the Committee and their attendance at meetings throughout the year. It also lists members' declared conflicts of interest.

An overview of Committee business in the year covering the discharge of the Committee responsibilities, their remit on risk management and corporate governance and key actions is also included.

The Audit and Risk Committee will advise the Board and Accounting Officer on:

- Strategic processes for risk, control and governance and the governance statement;
- Assurances relating to the management of risk and corporate governance requirements for the organisation;
- The effectiveness of the internal control system in the annual report;
- Annual financial statements in advance of submission to the Board, with particular focus on changes in accounting policy, major areas of judgement, significant audit adjustments, going concern assumption, and compliance with accounting standards;
- Report to those Charged with Governance and management's response;
- Approval of Audit Strategy as submitted by NIAO;
- Scope and effectiveness of internal audit's work including planning and operation of the work and the Internal Audit Annual Report;
- Appointment of internal audit;
- Systems and procedures to promote efficiency, economy and effectiveness;

**Governance Statement (cont.)
for the year ended 31 March 2019**

- VfM and other reports;
- DAOs from the department; and
- Anti-fraud policies, whistle-blowing processes, and arrangements for special investigations.

Audit and Risk Committee Attendance in 2018-19:

	29.5.18	4.9.18	27.11.18	5.3.19
Fiona MacMillan (Chair)	✓	✓	✓	✓
Adeline Dinsmore	X	✓	✓	X
Jennifer Johnston			✓ (first mtg)	✓
Sinead McCartan (Co-opted)	✓	X	X	X
Dame Rotha Johnston (Observer)	✓	X	✓	✓

Strategic Resources Committee

The Board has established a Strategic Resources Committee as a Committee of the Board to support them in their responsibilities to ensure proper use of public money, to ensure Northern Ireland Screen remains solvent and to ensure effective financial management. The Committee consists of 3 non-executive Board members including the Chair of the Board.

The Strategic Resources Committee will, within the context of the Management Statement and Financial Memorandum (MSFM):

- Review annual financial statements in advance of submission to the Board;
- Review and recommend acceptance of the Annual Budget and Operating Plan and Financial Strategy;
- Review financial operating information including quarterly management accounts;
- Exercise a challenge function to the budget and planning assumptions;
- Review financial policies and procedures;
- Recommend to the Board on estates, leasing, and insurance issues;
- Review policies relating to human resource issues;
- Review changes in staff structure including redundancy, promotions, additional posts;
- Review of performance appraisal and staff development;

**Governance Statement (cont.)
for the year ended 31 March 2019**

- Seek assurances that the organisation adheres to all public sector purchasing and procurement requirements; and
- Review performance of the organisation including reporting against Key Performance Indicators.

The Strategic Resources Committee will meet 4 times a year (additional meetings may be convened by the Chair as deemed necessary) and all meetings will normally be attended by both the Accounting Officer and Director of Finance and Corporate Services.

The Strategic Resources Committee will also periodically review its own effectiveness and report the results of that review to the Board.

Strategic Resources Committee attendance in 2018-19:

	29.5.18	4.9.18	22.10.18	27.11.18	16.1.19	5.3.19
Dame Rotha Johnston (Chair)	✓	✓	✓	✓	✓	✓
Fiona MacMillan	✓	✓	✓	✓	✓	✓

Northern Ireland Screen has established a number of Investment Committees for its Screen Fund, Ulster-Scots Broadcast Fund and Irish Language Broadcast Fund. All of these Committees will:

- Oversee the investments made by the relevant fund and ensure that at all times the investment decisions are made in line with the guidelines for each fund;
- Ensure that appropriate procedures and associated monitoring and reporting measures are in place to allow the Committee to report effectively to the Board and to support the work of staff associated with each Fund;
- Advise on how to maximise the effectiveness of each fund in delivering against its objectives as stated in the fund guidelines;
- Act as the advisory panel to the Board with regard to all matters relating to each fund; and
- Make decisions on awards up to the maximum as detailed in each fund's Operating Manual.

These Committees have all functioned effectively throughout the year to March 2019 and have reported on their activities to the Board of Northern Ireland Screen at each quarterly Board meeting.

**Governance Statement (cont.)
for the year ended 31 March 2019**

Investment Committee Attendance 2018-19:

	Michael Kuhn	Mike Catto	Greg Maguire	Elaine Sperber	Dame Rotha Johnston
17.4.18	✓	✓		✓	✓
15.5.18	✓	✓		✓	✓
18.6.18	✓	✓		✓	✓
17.7.18	✓	✓		✓	✓
28.8.18	✓	✓		✓	✓
7.9.18	✓	✓		✓	✓
28.9.18	✓	✓	✓ (first mtg)	x	✓
17.12.18	✓	✓	✓	✓	✓
29.1.19	✓	Stepped down	✓	✓	✓

The Management Team of Northern Ireland Screen

The Chief Executive may delegate the day to day administration of his responsibilities to the Senior Management Team (SMT) in Northern Ireland Screen; this core team is comprised of specialists from within the industry.

The SMT will take responsibility for delivering objectives and managing the day-to-day performance of specified teams within Northern Ireland Screen. SMT members may deputise for the Chief Executive as and when appropriate. The SMT also assist in the development of Northern Ireland Screen's policy and strategy and they report regularly to the Board through the Chief Executive at regular Board meetings.

Business Planning

The Accounting Officer's responsibilities include ensuring that Northern Ireland Screen produces a 4-year strategy and an annual business plan within the timescales set by DfE. The organisation consults with DfE on the preparation of its corporate strategy.

The strategy relevant to this period was developed and launched in April 2018. The strategy sets out Northern Ireland Screen's key objectives and associated performance indicators and targets relating to the period of the strategy. Performance against this strategy is independently reviewed – most recently in May 2017 covering the first 2 years of the strategy. A forecast of expenditure and income for the strategy period is included.

Phase 2 Opening Doors Strategy 2018-22 was approved by a DfE Casework Committee in December 2017, having been independently appraised by MorrowGilchrist and Oxford Economics in October 2017.

The annual Business Plan is also prepared in consultation with DfE and is submitted to DfE for approval each year. The annual plan includes key targets and milestones for the year and is linked to budget information to facilitate resource allocation by DfE, DfC and other funders.

**Governance Statement (cont.)
for the year ended 31 March 2019**

Quarterly performance indicator reports are now submitted to DfE and are discussed at departmental accountability meetings and at all Northern Ireland Screen Board meetings.

The 4-year strategy and annual Business Plan are available on Northern Ireland Screen's website.

Business cases and post project evaluations are completed.

Risk Management

Risk at Northern Ireland Screen is primarily handled by ensuring that those responsible, whether staff or Board members, are suitably qualified and experienced. This is critical in the management of investments in film and television production and development, where experience is the only tool that differentiates between viable and non-viable projects.

Financial decisions are structured so as to separate responsibility as far as is possible in a relatively small organisation with a long established structure of Investment Committees assessing proposed decisions laid out by appropriately qualified and experienced staff.

A system of risk management is maintained to inform the Board's decisions and all reputational risks to the organisation are drawn to the attention of the Chair and are properly managed.

Northern Ireland Screen's Risk Register outlines the key corporate risks facing Northern Ireland Screen as identified by its Senior Management Team. The Risk Register details management's assessment of the key risks by rating associated controls and actions required to minimise the risk occurring. The updated Risk Register is presented to the Audit and Risk Committee and to the Board at each meeting on a quarterly basis. Key risks identified at 31 March 2019 were:

- As we entered the first year of Opening Doors Strategy 2 there was a risk that a funding gap could occur. Phase 2 of Opening Doors 18-22 was agreed by a DfE Casework Committee and year one funding was allocated but funds continue on a one-year allocation basis which creates a risk that the strategy may not be deliverable if the full funding is not allocated;
- As a development agency working in a dynamic and fast moving industrial sector, Northern Ireland Screen carries constant risk associated with delivering the outcomes outlined in our strategy; ensuring relatively stable demand for the freelance crew base that both supports and benefits from the screen industry in Northern Ireland and for the supply chain companies involved in supporting particularly large scale production including the 2 main studio complexes; and ensuring an even cashflow profile year to year. This risk was well managed through the year;
- The Irish Language Broadcast Fund and Ulster-Scots Broadcast Fund have secured funding to March 2020. Funding beyond that point is subject to the Comprehensive Spending Review at Westminster as this funding comes from the Department of Culture, Media and Sport;

**Governance Statement (cont.)
for the year ended 31 March 2019**

- With a new strategy with stretching ambition and targets, the risk of the organisation not achieving against performance targets is constant;
- Particularly, it will be difficult to achieve our stated ambitions within Large-Scale Production without expansion of our film studio capacity. We have been working with Belfast Harbour on phase 2 at Harbour Studios to increase the available sound stages and continue to prioritise this infrastructure development;
- The Board appointments process has been delayed with members being asked to remain on extended extensions. By the end of the year, the Board was reduced to 8 members, and;
- The EU exit could impact adversely on the industry particularly if free movement of labour from the EU is part of that Exit.

The Accounting Officer of Northern Ireland Screen acknowledges, through the completion of the Bi-Annual Assurance Statement, responsibility for maintaining a sound system of internal governance which supports the achievement of Northern Ireland Screen's and DfE's policies, aims and objectives, whilst safeguarding the public funds and organisational assets for which he is personally responsible.

The Board Assurance Statement is completed by the CEO, Accounting Officer for Northern Ireland Screen, and submitted to DfE for review and comment. This document is designed to evidence the CEO's responsibility to manage risk to a reasonable level but is not designed to eliminate all risk to achieve policies, aims and objectives; therefore, it can only provide reasonable and not absolute assurance of effectiveness.

The risk management process is integrated with normal management processes and informs the annual business planning cycle so as to link risk management and internal governance firmly with Northern Ireland Screen's ability to fulfil its business objectives. An internal audit review of risk management resulted in a satisfactory rating for the organisation in 2018.

Responsibility for overseeing and monitoring all risk has been delegated to the Accounting Officer. Through the management team he ensures that all staff and Board members have received training and guidance on risk.

Fraud Risk and Information Risk

To safeguard public resources and to raise staff awareness against the risk of fraud, Northern Ireland Screen has a Fraud Prevention policy and Fraud Response plan which are regularly reviewed and updated.

In 2018-19 there were no incidents of actual or suspected fraud.

**Governance Statement (cont.)
for the year ended 31 March 2019**

Staff are aware of, and have received relevant training in respect of fraud, whistle-blowing and the requirements of the Bribery Act 2010. Refresher training in Fraud Risk was carried out in May 2019. All potential or alleged frauds will be reported to DfE and other appropriate bodies. A Fraud Risk Analysis is submitted to DfE annually.

For grant awards made by Northern Ireland Screen, there is an adequate system of grant sampling and verification of grant payments in place to detect fraud.

Appropriate arrangements are in place within Northern Ireland Screen to ensure that all data, including personal/sensitive data is held and used securely and whistle-blowers are protected. Northern Ireland Screen implemented GDPR European data legislation which was enforced in May 2018.

Governance and Accountability within Northern Ireland Screen

The greatest level of assurance that Northern Ireland Screen's governance processes are working effectively will be obtained through a fully embedded risk management process. The regular review and reporting of risks and governance activity provides a second level of assurance. Reviews by internal and external audit provide an independent assurance that the processes are working effectively. Control mechanisms are in place to ensure that the risk to information is minimal.

The main procedures in place to monitor the effectiveness of the governance system are as follows:

- Regular meetings with the officials from DfE to consider both operational and strategic issues and matters relating to the system of internal governance;
- Bi-Annual Assurance Reports and an annual Fraud Risk Analysis;
- Northern Ireland Screen's Risk Management policy explains the organisation's underlying approach to risk management, and outlines the roles and responsibilities of the Board, Audit and Risk Committee, Strategic Resources Committee, the senior management team and Internal and External Audit;
- Following best practice with regard to the procurement of goods and services;
- Regular reports by administrative staff on progress against principal financial targets and the projected financial outcome for the year, and progress reports by staff responsible for major funds;
- Detailed progress reports to the Audit and Risk Committee, the Strategic Resources Committee and the Board of Northern Ireland Screen at their regular meetings and the inclusion of performance measures and results against targets in the annual operating plan;
- Reports from the internal auditors to the Audit and Risk Committee on the system of internal governance for the year;

**Governance Statement (cont.)
for the year ended 31 March 2019**

- Report to those charged with governance by Comptroller and Auditor General (C&AG) on material issues relating to the financial statements, and provision of an opinion on whether the financial statements give a true and fair view of the affairs of the company; and
- Periodic reviews of the Risk Register by the Chief Executive, Director of Finance and Corporate Services, the Board, Audit and Risk Committee and internal auditors of Northern Ireland Screen. The principal risks to the achievement of the objectives of Northern Ireland Screen are identified and recorded in the risk register, together with the controls in place and any further controls required to manage the risk effectively, efficiently and economically. Reports on emerging issues and strategies to deal with any associated risks are made to the Department for the Economy, Invest Northern Ireland, the Audit and Risk Committee and the Board at their regular meetings.

Sources of Assurance

Internal Audit is responsible for providing opinions regarding the adequacy and effectiveness of Northern Ireland Screen's system of internal governance. It adopts a classification system for the assurance achieved in each audit. This classification is based on guidelines issued by the Department of Finance on 26 July 2016, reference DAO (DOF) 07/16.

At the end of each financial year an Internal Audit Assurance Statement is issued to the Audit and Risk Committee of Northern Ireland Screen based on the systems audit work performed during the year. The following reviews were completed in the year:

<u>Internal Audit Review</u>	<u>Rating</u>
• Review of GDPR	Satisfactory
• Review of Information Security	Satisfactory
• Review of Screen Fund	Satisfactory

The Internal Audit Annual Report shows an overall satisfactory level of assurance at the year end.

Northern Ireland Screen was classified by ONS as an NDPB in January 2012 as per the Public Sector Classification Guide and the National Accounts Classification Decisions reports on the ONS website. The Head of the Northern Ireland Audit Office (NIAO), the Comptroller and Auditor General (C&AG) has the legal authority to subject Northern Ireland Screen to a public sector audit by the C&AG.

Review of effectiveness of the System of Internal Governance

The Accounting Officer has responsibility for reviewing the effectiveness of the system of internal governance. The review of the effectiveness of the system of internal governance is informed by the work of the internal auditors. The comments made by the external auditors in their management letter and other reports also inform this review. The senior management team and senior staff have responsibility for the development and maintenance of the internal governance framework. A plan to address any weaknesses and ensure continuous improvement of the system is in place. This is overseen by the Audit and Risk Committee, Strategic Resources Committee and prescribed by the internal auditor.

**Governance Statement (cont.)
for the year ended 31 March 2019**

The redrafted MSFM was adopted by Northern Ireland Screen's Board at its December 2018 meeting and subsequently updated and agreed by the Board in May 2019.

However, it should be emphasised that Northern Ireland Screen's area of work will always carry a higher than average risk profile. Northern Ireland Screen is in continuous discussion with relevant Government departments regarding the relatively complex funding and governance arrangements under which it operates.

Internal Governance Divergences 2018-19

Update on prior year control issues which continue to be considered as control issues

None

Identification of new control issues in current year

None

Going concern

The financial statements of Northern Ireland Screen are produced on the Going Concern Basis in accordance with applicable accounting standards in a form directed by the Department for Economy with the consent of the Department of Finance.

As of 31 March 2019, Northern Ireland Screen had a negative statement of financial position, where the liabilities were greater than the assets by £719,781. These and other liabilities will be met by future grant in aid, received from and approved annually by DfE.

DfE funding for 2019-20 has now been approved. Therefore, the future financing of any Northern Ireland Screen liabilities is expected to be met by DfE. In this context, the financial statements have been prepared on a going concern basis.

The company's funding position is outlined in further detail in the Strategic Report on page 3.

As Accounting Officer of Northern Ireland Screen, I am content that the public funds and organisational assets for which I am responsible are safeguarded and have been managed with propriety. The controls in place within the organisation support the achievement of Northern Ireland Screen's and the DfE Minister's policies, aims and objectives.



R Williams
11 June 2019

Remuneration and Staff Report

NI Screen Board currently consists of a Chair, a Vice-Chair and 6 members. The terms of office have been varied in the past between 3 and 5 years to facilitate the retention of a sufficient level of experience. General Board members do not receive remuneration and are expected to attend Board and Committee meetings totalling approximately 16 days per annum.

There are 5 immediate vacancies and the whole Board will be required to be reconstituted by December 2019. A Board competition was undertaken in March 2018 with appointable candidates identified but the lack of Ministers precluded the candidates from being ratified by the Department in the normal fashion. The process was halted and the following extensions were made by the Permanent Secretary: -

- Chair: Rotha Johnston's second term extended for 6 months from 1/1/19 to 30/6/19;
- Member: Jennifer Johnston's second term extended for 6 months from 1/1/19 to 30/6/19;
- Member: Fiona MacMillan's second term extended for 6 months from 1/1/19 to 30/6/19;
- Member: Ian Parsley's second term extended for 6 months from 1/1/19 to 30/6/19;

The Department is reviewing how to address the pressing issue of reconstituting the Board.

The following sections provide details of the remuneration and pension interests of the Accounting Officer/Chief Executive and Board.

The Directors who served during the year are noted on page 10.

The Chief Executive is appointed by Northern Ireland Screen's Board of Directors and reports to the Board.

Formal grading methodologies such as Job Evaluation and Grading Support (JEGS) and Job Evaluation for Senior Posts (JESP) are employed to ensure that the post is correctly loaded and graded. The grading of the post is reviewed before the appointment of a new Chief Executive and periodically as determined by DfE or Northern Ireland Screen. Northern Ireland Screen liaises closely with DfE throughout this process. DfE provide advice and guidance as and when required. Northern Ireland Screen obtains DfE approval regarding the proposed remuneration and terms and conditions prior to publication of the advertisement for the position.

The Chief Executive, and Accounting Officer, Richard Williams, receives a salary for his employment and contributions to the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) defined benefit scheme.

Remuneration and Staff Report (cont.)

Details of remuneration paid and pension contributions made (which are subject to audit) are set out below:

	2018-19	Employer	Employer	Total	2017-18	Employer	Total
	Salary	contribution	contribution		Salary	contribution	
	(including	to NILGOSC	to defined		(including	to NILGOSC	
	pension	scheme	contribution		pension	scheme	
	contributions)		scheme		contributions)		
	£000	£000	£000	£000	£000	£000	£000
Richard Williams <i>Chief Executive</i>	75-80	10-15	-	90-95	70-75	10-15	85-90
Dame Rotha Johnston <i>Chair</i>	10-15	-	-	10-15	10-15	-	10-15
Elaine Sperber <i>Vice Chair</i>	0-5 (0-5 full year equivalent)	-	-	0-5	0-5 (0-5 full year equivalent)	-	0-5

In addition, the following expenses were paid out: Michael Kuhn £524 and Elaine Sperber £1,521 (2017-18: Laurence McKeown £805, Michael Kuhn £403 and Elaine Sperber £150).

Salary

'Salary' includes gross salary, overtime, reserved rights to London weighting or London allowances, recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation and any gratia payments.

Staff costs (subject to audit)

	Permanently employed staff	Others	2019	2018
	£	£	£	£
Administrative expenses:				
Salaries	881,888	-	881,888	788,018
Social security costs	82,894	-	82,894	76,554
Other pension costs	155,822	-	155,822	256,594
Voluntary Exit Scheme	240,799	-	240,799	-
	1,361,403	-	1,361,403	1,121,166
Programme expenses:				
Salaries	172,263	703,448	875,711	651,259
Social security costs	17,297	59,013	76,310	49,884
Other pension costs	30,881	10,979	41,860	34,022
	220,441	773,440	993,881	735,165

Remuneration and Staff Report (cont.)

Average number of persons employed (subject to audit)

During the year Northern Ireland Screen employed an average of 27 full-time equivalent staff (2017-18: 28), of which 19 were female and 8 were male (2017-18: 20 female, 8 male). Northern Ireland Screen also employed 87 production trainees (2017-18: 54), of which 42 were female and 45 were male (2017-18: 29 female, 25 male).

Sickness absence

The sickness absence rate for the year was 4.70% (2018: 2.02%), an increase on the previous year of 2.68%.

Benefits in kind

The monetary value of benefits in kind covers any benefit provided by the employer and treated by HM Revenue and Customs as a taxable emolument. No benefits in kind were payable in 2017-18 or 2018-19.

Bonuses

There were no bonuses accrued in 2017-18 or 2018-19.

Fair pay disclosure (subject to audit)

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

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

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

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

The ratio is calculated as follows:

Midpoint in highest paid director's pay band

Median remuneration of Northern Ireland Screen's staff

The banded remuneration of the highest-paid employee/Accounting Officer in the financial year 2018-19 was £75-80k (2017-18 £70-75k). This was 2.55 times (2017-18 2.71 times) the median remuneration of the workforce, which was £30,148 (2017-18 £27,544).

Remuneration and Staff Report (cont.)

Northern Ireland Screen Pensions (subject to audit)

The company operated the NILGOSC pension scheme at the end of the year effective from 1 April 2013. This is a funded scheme which provides benefits on a "Career Average Revalued Earnings" basis at a normal retirement age of 65. Benefits accrue at the rate of 1/49th of pensionable salary for each year of service. In addition, a tax-free lump sum may be payable on retirement. Members pay contributions of between 5.8% and 10.5% of pensionable earnings.

The NILGOSC scheme is a multi-employer defined benefit scheme which provides members of participating employers with the benefits related to pay and services at rates which are defined under statutory regulations. To finance these benefits assets are accumulated in the scheme and are held separately from the assets of the employers. The scheme is funded by employers participating in the NILGOSC scheme who pay contributions at rates determined by an independent professionally qualified actuary on the basis of regular valuations using the project unit method.

	2018-19	2017-18
	£	£
Employer's Contribution	186,703	154,450

Pension Benefits (subject to audit)

	Accrued pension at pension age as at 31 March 2019 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31 March 2018	CETV at 31 March 2019	Real increase in CETV
	£000	£000	£000	£000	£000
Richard Williams <i>Chief Executive</i>	15-20 and no lump sum	0-2.5 and no lump sum	210	237	14
Rotha Johnston <i>Chair</i>	-	-	-	-	-
Elaine Sperber <i>(Vice Chair)</i>	-	-	-	-	-

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

Remuneration and Staff Report (cont.)

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

Real increase in CETV

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

Exit Packages (subject to audit)

No directors of Northern Ireland Screen received any compensation for loss of office during the current or prior year.

There were 4 payments and 1 accrual under the Voluntary Exit Scheme (VES) totalling £240,799 in 2018-19, (£0 2017-18, £7,329 2016-17, £50,266 2015-16)

Off-payroll payments and other matters

There were no off-payroll payments in the year to 31 March 2019 (2017-18: none) or any other employee matters that required disclosure.

There were no disclosures required under:

- Health and safety at work;
- Trade union relationships;
- Human capital management such as career management and employability, pay policy etc.

According to our Equal Opportunity Statement of Policy, Northern Ireland Screen will provide equal opportunity for all job applicants and workers. All recruitment, promotion, training and receipt of any other benefit will be based upon an individual's ability and job performance and will exclude any consideration of an applicant's/worker's religious beliefs, political opinion, gender, sexual orientation, marital or civil partnership status, race, age, disability, having or not having dependants, trade union membership or non-membership or being a part time worker.

Remuneration and Staff Report (cont.)

Northern Ireland Screen will not directly or indirectly discriminate on the grounds of religious belief or political opinion.

Northern Ireland Screen will continue to promote more sustainable and efficient products and services with the aim of achieving the best long-term, overall value for money for society.



Richard Williams
11 June 2019

Assembly Accountability and Audit Report: (these sections are subject to audit)

There were no remote contingent liabilities as at 31 March 2019 (2017-18: none).

There were no fees and charges during 2018-19 (2017-18: none).

Regularity of expenditure

All expenditure during 2018-19 has been in line with Managing Public Money NI (MPMNI).

Losses and special payments

There were no losses 2018-19 (2017-18: none) and four special payments and one accrual made under the VES scheme during the year ended 31 March 2019 totalling £240,799 (Special payment- Voluntary Exit Scheme: £0 2017-18, £7,329 2016-17, £50,266 2015-16).

NORTHERN IRELAND SCREEN COMMISSION

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

Opinion on financial statements

I certify that I have audited the financial statements of the Northern Ireland Screen Commission for the year ended 31 March 2019 under the Companies (Public Sector Audit) Order (Northern Ireland) 2013. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union. I have also audited the information in the Accountability Report and 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 the Northern Ireland Screen Commission's affairs as at 31 March 2019 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been prepared in accordance with the Companies Act 2006.

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 the Northern Ireland Screen Commission 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 directors and Accounting Officer are responsible for the other information included in the annual report. The other information comprises the information included in the annual report other than the financial statements, the parts of the Accountability Report and 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 Accountability Report and the Remuneration and Staff Report to be audited have been properly prepared in accordance with the Government Financial Reporting Manual; and
- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities of the directors and Accounting Officer for the financial statements

As explained more fully in the Statement of Directors' and Accounting Officer Responsibilities, the directors and the Accounting Officer 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 audit, certify and report on the financial statements in accordance with the Companies (Public Sector Audit) Order (Northern Ireland) 2013.

My objectives are 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 (UK) 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. 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 Accountability Report and the Remuneration and Staff Report to be audited are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with the Department of Finance's guidance.

Report

I have no observations to make on these financial statements.


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


19 August 2019

NORTHERN IRELAND SCREEN COMMISSION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2019

Contents

	Page
Statement of Comprehensive Net Expenditure	37
Statement of Financial Position	38
Statement of Cash Flows	39
Statement of Changes in Taxpayers' Equity	40
Notes to the Financial Statements	41-59

**Statement of comprehensive net expenditure
 for the year ended 31st March 2019**

	Note	2019 £	2018 £
Expenditure			
Staff costs	6	(1,496,403)	(1,121,166)
Depreciation	6	(41,488)	(18,507)
Other expenditure	6	(2,551,977)	(345,335)
Programme expenses	7	<u>(18,182,164)</u>	<u>(17,503,063)</u>
		(22,272,032)	(18,988,071)
Income			
Income from activities	5	19,947,061	18,798,815
Other income	5	<u>2,204,921</u>	<u>42,000</u>
		22,151,982	18,840,815
Net expenditure		<u>(120,050)</u>	<u>(147,256)</u>
Other Comprehensive Net Expenditure			
Actuarial Gain/(Loss)	18	<u>62,000</u>	<u>116,000</u>
Total Comprehensive Net Expenditure		<u>(58,050)</u>	<u>(31,256)</u>

The notes on pages 41 to 59 form part of these financial statements.

**Statement of financial position
as at 31st March 2019**

	Note	2019 £	2018 £
Non-current assets			
Property, plant and equipment	9	89,138	65,979
Current assets			
Trade and other receivables	10	168,728	63,910
Cash and cash equivalents	11	<u>198,631</u>	<u>568,155</u>
Total current assets		367,359	632,065
Total assets		<u>456,497</u>	<u>698,044</u>
Current liabilities			
Trade and other payables	12	<u>(358,278)</u>	<u>(631,775)</u>
Non-current assets plus net Current Assets		<u>98,219</u>	<u>66,269</u>
Non-current liabilities			
Pension liabilities	18	<u>(818,000)</u>	<u>(728,000)</u>
Assets less liabilities		<u>(719,781)</u>	<u>(661,731)</u>
Taxpayers' equity		<u>(719,781)</u>	<u>(661,731)</u>
General fund			
Total taxpayers' equity		<u>(719,781)</u>	<u>(661,731)</u>

These financial statements have been prepared in accordance with the Government Financial Reporting Manual 2018-19 (FReM).

It is the view of the Board that an exemption from the audit requirements of Part 16 of the Companies Act 2006 is available under Section 482 of that Act, since the company meets the Department of Finance's definition of a non-profit making company and is subject to a public-sector audit under the Companies (Public Sector Audit) (Northern Ireland) Order 2013, being an order issued under Article 5(3) of the Audit and Accountability (Northern Ireland) Order 2003. The Board therefore claims this exemption.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of accounts.

The financial statements on pages 37 to 59 were approved by the Board on 11 June 2019 and were signed on its behalf by:

(Signed) 
ROTHA JOHNSTON, CHAIRWOMAN

(Signed) 
FIONA MACMILLAN, BOARD

Date 11th June 2019

Date 11th June 2019

The notes on pages 41 to 59 form part of these financial statements

**Statement of cash flows
for the year ended 31st March 2019**

	Note	2019 £	2018 £
Cash flows from operating activities			
Net expenditure		(120,050)	(147,256)
Adjustments for non-cash transactions:			
Depreciation	9	41,488	18,507
Adjustment to depreciation opening balance	9	(147)	(300)
Adjustment for pension funding	18	<u>152,000</u>	<u>147,000</u>
Operating surplus before working capital changes		73,291	17,951
Decrease/(increase) in trade and other receivables	10	(104,818)	75,456
Increase/(decrease) in trade and other payables	12	<u>(273,497)</u>	<u>(2,751,864)</u>
Net cash inflow/(outflow) from operating activities		(305,024)	(2,658,457)
Cash flows from investing activities			
Purchase of property, plant and equipment	9	<u>(64,500)</u>	<u>(18,558)</u>
Net cash outflow from investing activities		(64,500)	(18,558)
Increase/(decrease) in cash and cash equivalents		(369,524)	(2,677,015)
Cash and cash equivalents at beginning of the year	11	<u>568,155</u>	<u>3,245,170</u>
Cash and cash equivalents at end of the year	11	<u>198,631</u>	<u>568,155</u>

The notes on pages 41 to 59 form part of these financial statements.

Statement of changes in taxpayers' equity

	Note	General fund £
Balance at 1st April 2017		
Changes in reserves for 2017-18		(630,475)
Net expenditure for the year		(137,256)
Auditor's Remuneration		(10,000)
Actuarial gain	18	<u>116,000</u>
Total recognised changes for the year		<u>(31,256)</u>
Balance at 31st March 2018		<u>(661,731)</u>
Changes in reserves for 2018-19		
Net expenditure for the year		(110,050)
Auditor's Remuneration		(10,000)
Actuarial gain	18	<u>62,000</u>
Total recognised changes for the year		<u>(58,050)</u>
Balance at 31st March 2019		<u>(719,781)</u>

The notes on pages 41 to 59 form part of these financial statements.

**Notes to the financial statements
for the year ended 31st March 2019**

1 Statement of accounting policies

The financial statements are prepared in accordance with the Government Financial Reporting Manual 2018-19 (FReM) as directed by the Department for the Economy (DfE), except that there is a departure from the requirement to recognise grant-in-aid on a cash basis. This departure is detailed in note 3. The accounting policies contained in the FReM apply International Financial Reporting Standards as adapted or interpreted for the public-sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of Northern Ireland Screen for the purpose of giving a true and fair view has been selected. The particular policies adopted by Northern Ireland Screen are described below. They have been adopted consistently in dealing with items that are considered material to the financial statements.

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Property, plant and equipment

Property, plant and equipment are valued at depreciated historical cost, as the assets have short useful lives with low values and therefore no revaluation is deemed necessary.

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Computer equipment	33 1/3% reducing balance
TV and video equipment	25% reducing balance
Fixtures and fittings	25% reducing balance
Office equipment	25% reducing balance
Vehicles	33 1/3% straight line

1.3 Programme Expenditure

Expenditure on film production is recognised on the basis of applications for payment or invoices received in the year, from funded projects. Recoupment of expenditure and any profit participation depends on the successful outcome of the production. The recoupment must be reinvested in the fund within 12 months of the date received or repaid to the funder. Northern Ireland Screen does not retain ownership of the recoupment.

Expenditure incurred but not claimed by projects at the end of the year would be difficult to estimate and to recognise as a liability at the year end. If this expenditure was recognised as a liability in the accounts, there would also be a need to recognise an equivalent amount of income under the existing Letter of Offer against this expenditure. Moving to a strict accruals basis would not change the position of the accounts materially at the year end.

**Notes to the financial statements
for the year ended 31st March 2019**

1.4 Pensions

The company was part of the NILGOSC (Northern Ireland Local Government Officers' Superannuation Committee) effective from 1 April 2013. NILGOSC is a final salary contracted out occupational pension scheme. The pension costs charged in the financial statements represent the contributions payable by the company during the year. The pension costs are assessed in accordance with the advice of an independent qualified actuary using the market led approach. The last full actuarial valuation of the scheme occurred on 1 April 2016. The latest actuarial valuations of the scheme were at 31 March 2019.

Pension scheme assets are measured using the market value. Pension scheme liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high quality corporate bond of equivalent term to the liability. Actuarial gains and losses are recognised in Other Comprehensive Net Expenditure.

1.5 Incoming resources

Grants towards revenue expenditure are released to the statement of comprehensive income as the related expenditure is incurred.

Grant income towards capital assets is recognised in the year it is received.

In selecting this accounting policy, the Directors have departed from the requirements of the FReM in order to achieve a true and fair view. The rationale for the selection of the accounting policy and the effect on the financial statements are detailed in note 3.

Other income represents the total invoice value, excluding value added tax, of rental income arising during the year.

1.6 Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against income on a straight-line basis over the period of the lease.

1.7 Impending application of newly issued accounting standards not yet effective

There were no new standards adopted in the year having a material impact.

Under IAS 8 there is a requirement to disclose those standards issued but not yet adopted. Management has reviewed the new accounting policies that have been issued but not yet effective, nor adopted early for these financial statements. Management consider that these are unlikely to have a significant impact on the financial statements in the period of the initial application.

**Notes to the financial statements
for the year ended 31st March 2019**

1.8 Critical accounting judgments and estimates

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying Northern Ireland Screen's accounting policies. Management continually evaluate their estimates, assumptions and judgements based on available information and experience. As the use of estimates is inherent in financial reporting, actual results could differ from these estimates. Key accounting estimates include accrued expenses and pension liability.

1.9 Operating segments

IFRS 8 Operating Segments requires an entity to report financial and descriptive information about its reportable segments, which are operating segments or accumulations of operating segments. These are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in addressing performance. Due to the size and nature of Northern Ireland Screen, it is managed as a single segment, with all staff contributing to the organisation's overall performance. As such, performance is not disaggregated for evaluation by the chief operating decision maker and so performance has not been disaggregated by operating segment in these financial statements.

2 Financial instruments

As the cash requirements of Northern Ireland Screen are met through grants provided by a range of funders including DfC, DfE, Invest NI, BFI, Arts Council and others, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with Northern Ireland Screen's expected purchase and usage requirements and the organisation is therefore exposed to little credit, liquidity or market risk.

**Notes to the financial statements
for the year ended 31st March 2019**

3 Incoming resources

Grants for revenue purposes are credited to deferred income and released to the statement of comprehensive net income/expenditure as the related expenditure is incurred. In selecting this accounting policy, the directors have departed from the accounting policy prescribed in the FReM that grants-in-aid should be accounted for as a financing transaction rather than an income transaction and that grants-in-aid should be accounted for on a cash basis. The directors consider the departure necessary to achieve a true and fair view and have followed the requirements of IAS 20 Government Grants.

Grants are generally drawn down in advance to ensure prompt settlement of anticipated claims and expenditure. The expenditure may therefore not be incurred in the same accounting period that the funds are received. The directors consider that recognising income on a cash basis would result in the recognition of a surplus in the period of receipt, and a deficit when the related expenditure is incurred, which would not give a true and fair view of the underlying activities and performance for those periods.

4 Net expenditure for the year is stated after charging:

	2019	2018
	£	£
Depreciation of property, plant and equipment	41,488	18,507
Payments under operating leases	1,366	5,518
Fees payable to the company's auditor for the audit of the company's annual accounts	10,000	10,000
Northern Ireland Screen has accrued £500 for additional audit work to be carried out by Moore Stephens for a BFI year end project	<u>500</u>	<u>-</u>

Note

Northern Ireland Screen Audit is carried out by Moore Stephens on behalf of the Northern Ireland Audit Office (NIAO)

**Notes to the financial statements
for the year ended 31st March 2019**

5 Income and Other income

Funding Income	2019 £	2018 £
Invest NI	-	10,538,071
Department for Communities	1,826,000	1,921,092
Department for the Economy	12,737,442	1,067,558
DCMS – BFI	4,268,684	4,278,104
British Film Institute (BFI)	208,746	223,610
Arts Council	295,170	410,952
Various funding Income	<u>611,019</u>	<u>359,428</u>
	<u>19,947,061</u>	<u>18,798,815</u>
	2019 £	2018 £
Other Income		
Pension Interest	52,000	42,000
Exceptional Income	<u>2,152,921</u>	<u>-</u>
	<u>2,204,921</u>	<u>42,000</u>

Exceptional Income relates to project funds of £2.2m which was returned from a prior year project. Northern Ireland Screen returned the funds to Invest NI.

6 Administrative expenses

	2019 £	2018 £
Staff costs	<u>1,496,403</u>	<u>1,121,166</u>
Premises expenses	102,555	113,489
Office overheads	125,633	97,049
Pension – interest cost	69,000	57,000
Staff and Board expenses	101,868	<u>77,797</u>
Exceptional Expense	<u>2,152,921</u>	<u>-</u>
	<u>2,551,977</u>	<u>345,335</u>
Depreciation	<u>41,488</u>	<u>18,507</u>

Exceptional Expense relates to project funds of £2.2m which was returned from a prior year project. Northern Ireland Screen returned the funds to Invest NI.

**Notes to the financial statements
for the year ended 31st March 2019**

7 Programme expenses

	2019	2018
	£	£
Northern Ireland Screen Fund	9,891,590	9,509,652
Ulster-Scots Broadcast Fund	1,198,684	1,207,139
Skills development	1,122,040	789,800
Irish Language Broadcast Fund	2,865,000	2,865,985
Creative Learning Centres	750,025	750,025
Lottery Film Funding Programme	273,345	393,072
Third party organisations	444,920	270,000
Film clubs	288,747	302,252
Development Activity	215,569	237,602
Production legal fees	164,857	96,793
Marketing and information	458,225	399,556
Education and digital archive	77,874	408,309
British Film Institute – Unlocking film	108,521	109,564
British Film Institute Academy	184,780	28,000
PRONI	137,987	-
Project Funding	-	135,314
	<u>18,182,164</u>	<u>17,503,063</u>

8 Staff costs

	Permanently employed staff	Others	2019	2018
	£	£	£	£
Administrative expenses:				
Salaries	881,888	-	881,888	788,018
Social security costs	82,894	-	82,894	76,554
Other pension costs	155,822	-	155,822	256,594
Voluntary Exit Scheme	<u>240,799</u>	-	<u>240,799</u>	-
	<u>1,361,403</u>	-	<u>1,361,403</u>	<u>1,121,166</u>
Programme expenses:				
Salaries	172,263	703,448	875,711	651,259
Social security costs	17,297	59,013	76,310	49,884
Other pension costs	<u>30,881</u>	<u>10,979</u>	<u>41,860</u>	<u>34,022</u>
	<u>220,441</u>	<u>773,440</u>	<u>993,881</u>	<u>735,165</u>

During the year Northern Ireland Screen employed an average of 27 full-time equivalent staff (2017-18: 28).

Notes to the financial statements
for the year ended 31st March 2019

9 Property, plant and equipment

	Production Vehicle	Fixtures and fittings	Office equipment	Computer/T V equipment	Total
	£	£	£	£	£
Cost					
At 1 st April 2018	18,558	73,966	40,067	96,757	229,348
Adjustment of opening balance	17	130	-	-	147
Additions in Year	-	-	-	64,500	64,500
Disposals	-	-	-	-	-
At 31 st Mar 2019	<u>18,575</u>	<u>74,096</u>	<u>40,067</u>	<u>161,257</u>	<u>293,995</u>
Depreciation					
At 1 st April 2018	-	43,560	39,726	80,083	163,369
Disposals	-	-	-	-	-
Charge for year	<u>6,186</u>	<u>7,777</u>	<u>37</u>	<u>27,488</u>	<u>41,488</u>
At 31 st Mar 2019	<u>6,186</u>	<u>51,337</u>	<u>39,763</u>	<u>107,571</u>	<u>204,857</u>
Net book values At 31 st Mar 2019	<u>12,389</u>	<u>22,759</u>	<u>304</u>	<u>53,686</u>	<u>89,138</u>
At 31 st Mar 2018	<u>18,558</u>	<u>30,406</u>	<u>341</u>	<u>16,674</u>	<u>65,979</u>
	Production Vehicle	Fixtures and fittings	Office equipment	Computer/TV equipment	Total
	£	£	£	£	£
Cost					
At 1 st April 2017	-	73,423	40,453	96,614	210,490
Adjustment of opening balance	-	543	(386)	143	300
Additions in Year	18,558	-	-	-	18,558
Disposals	-	-	-	-	-
At 31 st Mar 2018	<u>18,558</u>	<u>73,966</u>	<u>40,067</u>	<u>96,757</u>	<u>229,348</u>
Depreciation					
At 1 st April 2017	-	33,425	39,612	71,825	144,862
Disposals	-	-	-	-	-
Charge for year	-	<u>10,135</u>	<u>114</u>	<u>8,258</u>	<u>18,507</u>
At 31 st Mar 2018	-	<u>43,560</u>	<u>39,726</u>	<u>80,083</u>	<u>163,369</u>
Net book values At 31 st Mar 2018	<u>18,558</u>	<u>30,406</u>	<u>341</u>	<u>16,674</u>	<u>65,979</u>
At 31 st Mar 2017	-	<u>39,998</u>	<u>841</u>	<u>24,789</u>	<u>65,628</u>

**Notes to the financial statements
for the year ended 31st March 2019**

10 Trade and other receivables

	2019	2018
	£	£
Trade receivables	117,545	30,774
VAT receivable	15,558	-
Grants receivable	-	18,555
Prepayments	<u>35,625</u>	<u>14,581</u>
	<u>168,728</u>	<u>63,910</u>

There are no Grants Receivable in the year 2018-19. Grant receivable for 2017-18 includes money spent in the financial year which was outstanding from DfE of £18,555 at 31st March 2018.

11 Cash and cash equivalents

	2019	2018
	£	£
At 1 st April 2018	568,155	3,245,170
Net change in cash and cash equivalent balances	<u>(369,524)</u>	<u>(2,677,015)</u>
At 31 st March 2019	<u>198,631</u>	<u>568,155</u>
	2019	2018
	£	£
Represented by:		
Cash at bank and in hand	<u>198,631</u>	<u>568,155</u>

Northern Ireland Screen is responsible for distributing Lottery funds under the Lottery Film Funding Programme. Cash and cash equivalents includes a balance of funds held by the company for distribution under this programme. As at 31st March 2019 the balance held was £68,355 (2017-18: £92,193). The Lottery Film Funding Programme is summarised in note 13.

Cash balances include £62,777 (2017-18: £331,462) in relation to the Ulster-Scots Broadcast Fund which will be spent in 2019-20. Cash balances represent deposits held in commercial banks.

**Notes to the financial statements
for the year ended 31st March 2019**

12 Trade and other payables

	2019	2018
	£	£
Trade creditors	17,777	100,681
Accruals and deferred income – non-Lottery funds	272,146	438,901
Deferred Income – Lottery funds	<u>68,355</u>	<u>92,193</u>
	<u>358,278</u>	<u>631,775</u>

Accruals and deferred income include monies received from the Ulster-Scots Broadcast Fund £62,777; (2017-18: £331,461), BFI £18,953; (2017-18: £48,275) and Lottery funds £68,355; (2017-18: £92,193). These monies have been treated as deferred income as the relevant event which would allow them to be treated as income has not yet occurred. In most cases the 'relevant event' is the payment of funding to one of the projects supported by the Commission.

13 National Lottery Film Funding Programme

Northern Ireland Screen is responsible for distributing Lottery funds under the Lottery Film Funding Programme. A summary of these funds is below.

	2019	2018
	£	£
Funds held at start of year	92,193	73,335
Lottery funds received during the year	271,332	429,810
Awards paid	(270,170)	(385,952)
Administration costs	<u>(25,000)</u>	<u>(25,000)</u>
Funds held at end of year	<u>68,355</u>	<u>92,193</u>

14 Commitments under operating leases

At 31st March 2019 the company had one outstanding commitment under non-cancellable operating leases:

	2019		2018	
	Land and Buildings	Other	Land and Buildings	Other
	£	£	£	£
Expiring:				
Within one year	-	1,366	-	-
	-	<u>4,402</u>	-	-
Between one and five years	-	<u>5,768</u>	-	-

**Notes to the financial statements
for the year ended 31st March 2019**

15 Related party transactions

Directors and key management declare any interest in successful applications to the Commission and commercial relationships with the Commission.

The following payments were made by Northern Ireland Screen to related party organisations.

Organisation	Name	Relationship to Recipient organisation	£
Humain	Greg Maguire	CEO & Company Director	£45,105
Italic Pig	Greg Maguire	Company Director	£122,683
Into Film	Jennifer Johnston	Employee	£241,880
Zodiak Kids	Elaine Sperber	Executive Producer	£406,563

The above directors and key management were excluded from decision making in applications made from organisations where a related party relationship existed.

Northern Ireland Screen is a Non-Departmental Public Body (NDPB) sponsored by the Department for the Economy (DfE). DfE is regarded as a related party. During the year, Northern Ireland Screen Commission had various material transactions with the Department (see note 5).

16 Film award payments

The company made the following film award payments during the year:

	2019 £	2018 £
Lottery	270,170	385,952
Irish Language Broadcast Fund	2,458,668	2,423,831
Ulster-Scots Broadcast Fund	1,127,366	1,144,481
Northern Ireland Screen Fund	<u>9,891,590</u>	<u>9,509,652</u>
	<u>13,747,794</u>	<u>13,463,916</u>

Notes to the financial statements
for the year ended 31st March 2019

17 Production awards contracted

	Unpaid contracts as at 1 st April 2018 £	Contracts awarded in year £	Less De- committed within year £	Contract payments in year £	Unpaid contracts as at 31 st March 19 £
Lottery to 2014	1,922	-	-	(1,922)	-
Lottery 2014-2017	45,218	3,177	(680)	(10,915)	36,800
Lottery 2017-2018	130,229	282,460	(17,000)	(257,333)	138,356
Northern Ireland Screen Fund	1,884,106	12,344,407	(120,808)	(9,891,590)	4,216,115
Ulster-Scots Broadcast Fund	880,174	881,813	-	(1,127,366)	634,621
Irish Language Broadcast Fund	<u>1,114,159</u>	<u>2,569,697</u>	<u>(129,338)</u>	<u>(2,458,668)</u>	<u>1,095,850</u>
	<u>4,055,808</u>	<u>16,081,554</u>	<u>(267,826)</u>	<u>(13,747,794)</u>	<u>6,121,742</u>

Northern Ireland Screen is responsible for distributing Lottery funds under the Lottery Film Funding Programme. The programme is summarised in note 13. The Irish Language Broadcast Fund and the Ulster-Scots Broadcast Fund are funded during the year by the Department for Culture, Media and Sport (DCMS) through BFI.

18 Pension costs

NILGOSC (Northern Ireland Local Government Officers' Superannuation Committee) was introduced at the end of the 2014 year effective from 1 April 2013. NILGOSC is a final salary contracted out occupational pension scheme. Northern Ireland Screen makes employer contributions to NILGOSC which is a funded scheme of the defined benefit type. The fund is invested in suitable investments, managed by the Committee. For 2018-19 the contribution rates were 19% for employers and ranging between 5.5% and 10.5% for employees.

Results under IAS 19 can change dramatically depending on market conditions. The defined benefit obligation is linked to yields on AA-rated corporate bonds, while a significant proportion of the assets of the scheme are invested in equities. Changing markets in conjunction with discount rate volatility will lead to volatility in the funded status of the employer's balance sheet and in Other Comprehensive Income (OCI). It will also lead to volatility in the IAS 19 pension expense in the Statement of Comprehensive Net Expenditure.

**Notes to the financial statements
for the year ended 31st March 2019**

18 Pension costs (cont)

The disclosures below relate to the funded liabilities within the Northern Ireland Local Government Officers' Pension Fund ("the Fund") which is part of the Local Government Pension Scheme (Northern Ireland) (the "LGPS"). The funded nature of the LGPS requires the employer and its employees to pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets. The Fund Administering Authority, Northern Ireland Local Government Officers' Superannuation Committee is responsible for the governance of the Fund.

The pension charge represents contributions from the Commission amounting to £375k for NILGOSC (2017-18 - £315k).

The employer's regular contributions to the Fund for the accounting period ending 31 March 2020 are estimated to be £187k (2018-19 - £154k).

Additional contributions may also become due in respect of any employer discretions to enhance members' benefits in the Fund over the next accounting period.

Key Assumptions

The latest actuarial valuation of NI Screen's liabilities took place as at 1 April 2016. Liabilities have been estimated by the independent, qualified actuary on an actuarial basis using the projected unit credit method. The principal assumptions used by the actuary in updating the latest valuation of the employer's position for IAS 19 purposes were:

	31 March 2019 % p.a	31 March 2018 % p.a	31 March 2017 % p.a
Discount rate	2.5	2.6	2.5
RPI Inflation	3.2	3.1	3.1
CPI Inflation	2.1	2.0	2.0
Pension increases	2.1	2.0	2.0
Pension accounts revaluation rate	2.1	2.0	2.0
Salary increases	3.6	3.5	3.5

Mortality assumptions

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allows for expected future mortality improvements. Samples of life expectancy at age 65 resulting from these mortality assumptions are shown below.

**Notes to the financial statements
for the year ended 31st March 2019**

18 Pension costs (cont)

Post retirement mortality (retirement in normal health)	31 March 2019	31 March 2018
Males		
Member aged 65 at accounting date	22.6	23.3
Member aged 45 at accounting date	24.3	25.5
Females		
Member aged 65 at accounting date	24.9	25.9
Member aged 45 at accounting date	26.7	28.2

Commutation

Each member was assumed to surrender pension on retirement, such that the total cash received (including any accrued lump sum from pre-2009 service) is 75% of the permitted maximum.

Asset allocation

The approximate split of assets for the Fund as a whole (based on data supplied by the Fund Administering Authority) is shown in the table below. The assets allocated to the employer in the Fund are notional and the assets are assumed to be invested in line with the investments of the Fund set out below for the purposes of calculating the return to be applied to those notional assets. The Fund is large and largely liquid and as a consequence there will be no significant restriction on realising assets if a large payment is required to be paid (e.g. bulk transfer value payment).

The Administering Authority does not invest in the property of assets related to it. It is possible, however, that assets may be invested in shares relating to some of the private sector employees participating in the Fund if it forms part of their balance investment strategy.

	Value at 31 March 2019			Value at
	Quoted %	Unquoted %	Total %	31 March 2018
Equities	59.5	-	59.5	71.4
Property	-	11.2	11.2	10.0
Government bonds	16.5	-	16.5	5.2
Corporate bonds	7.0	-	7.0	7.2
Cash	2.7	-	2.7	4.5
Other*	0.1	3.0	3.1	1.7
Total	85.8%	14.2%	100%	100%

* Other holdings may include hedge funds, currency holdings, asset allocation futures and other financial instruments. It is assumed that these will get a return in line with equities.

Notes to the financial statements
for the year ended 31st March 2019

18 Pension costs (cont)

Reconciliation of funded status to Statement of Financial Position

	Value as at 31 March 2019 £M	Value as at 31 March 2018 £M
Fair value of assets	2.304	1.874
Present value of funded defined benefit obligation	3.122	2.602
Funded status	(0.818)	(0.728)
Unrecognised asset	-	-
Asset/(liability) recognised on the statement of financial position	(0.818)	(0.728)

The split of the defined benefit obligation at the last valuation date between the various categories of members was as follows:

Active members	98%
Deferred pensioners	2%
Pensioners	0%

Breakdown of amounts recognised in profit and loss / Surplus or Deficit on the Provision of Services and Other Comprehensive Income (OCI)

	Year ending 31 March 2019 (£M)	Year ending 31 March 2018 (£M)
Operating cost		
Current service cost ⁽¹⁾	0.338	0.300
Past service cost (incl. curtailments)	0.020	-
Settlement cost	-	-
Financing cost		
Net interest on net defined benefit liability/(asset)	0.017	0.015
Pension expense recognised in profit and loss	0.375	0.315
Remeasurements in OCI		
Return on plan assets (in excess of)/below that recognised in net interest	(0.091)	(0.044)
Actuarial (gains)/losses due to changes in financial assumptions	0.172	(0.073)
Actuarial (gains)/losses due to changes in demographic assumptions	(0.143)	-
Actuarial (gains)/losses due to liability experience	-	0.001

Notes to the financial statements
for the year ended 31st March 2019

Total amount recognised in OCI	(0.062)	(0.116)
Total amount recognised	0.313	0.199

⁽¹⁾ The current service cost includes an allowance for the administration expenses of £4,000 (2017-18 £3,000).

Changes to the present value of defined benefit obligation during the accounting period

	Year ending 31 March 2019 (£M)	Year ending 31 March 2018 (£M)
Opening defined benefit obligation	2.602	2.260
Current service cost	0.338	0.300
Interest expense on defined benefit obligation	0.069	0.057
Contributions by participants	0.070	0.062
Actuarial losses/(gains) due to changes in financial assumptions	0.172	(0.073)
Actuarial gains due to changes in demographic assumptions	(0.143)	-
Actuarial losses due to liability experience	-	0.001
Net benefits paid out [#]	(0.006)	(0.005)
Past service cost (inc curtailments)	0.020	-
Net increase in liabilities from disposals/acquisitions	-	-
Settlements	-	-
Closing defined benefit obligation	3.122	2.602

[#] Consists of net cash-flow out of the Fund in respect of the employer, excluding contributions and any death in service lump sums paid, and including an approximate allowance for the expected cost of death in service lump sums. Also includes an allowance for fund administration expenses of £4,000.

Notes to the financial statements
for the year ended 31st March 2019

18 Pension costs (cont)

Changes to the fair value of assets during the accounting period

	Year ending 31 March 2019 (£M)	Year ending 31 March 2018 (£M)
Opening fair value of assets	1.874	1.563
Interest income on assets	0.052	0.042
Re-measurement of gains/(losses) on assets	0.091	0.044
Contributions paid by the employer	0.223	0.168
Contributions paid by participants	0.070	0.062
Net benefits paid out #	(0.006)	(0.005)
Net increase in assets from disposals/acquisitions	-	-
Settlements	-	-
Closing fair value of assets	2.304	1.874

Consists of net cash-flow out of the Fund in respect of the employer, excluding contributions and any death in service lump sums paid, and including an approximate allowance for the expected cost of death in service lump sums. Also includes an allowance for fund administration expenses of £4,000.

Actual return on assets

	Year ending 31 March 2019 (£M)	Year ending 31 March 2018 (£M)
Interest income on assets	0.052	0.042
Remeasurement gain/(loss) on assets	0.091	0.044
Actual return on assets	0.143	0.086

Sensitivity analysis

The results shown in this report are sensitive to the assumptions used.

The approximate impact of changing key assumptions on the present value of the funded defined benefit obligation as at 31 March 2019 and the projected service cost for the year ending 31 March 2020 is set out below.

In each case, only the assumption mentioned is altered; all other assumptions remain the same and are summarised above. For inflation, for example, we have assumed this will not only change the salary inflation figure and will affect pension increases only.

We have not included sensitivity of unfunded benefits on materiality grounds.

Notes to the financial statements
for the year ended 31st March 2019

18 Pension costs (cont)

Funded LGPS benefits

Discount rate assumption

Adjustment to discount rate	+0.1% p.a.	Base figure	-0.1% p.a.
Present value of total obligation (£M)	3.032	3.122	3.214
% change in present value of total obligation	-2.9%	-	3.0%
Projected service cost (£M)	0.343	0.355	0.368
Approximate % change in projected service cost	-3.5%	-	3.6%

Rate of general increase in salaries

Adjustment to salary increase rate	+0.1% p.a.	Base figure	-0.1% p.a.
Present value of total obligation (£M)	3.161	3.122	3.083
% change in present value of total obligation	1.3%	-	-1.2%
Projected service cost (£M)	0.355	0.355	0.355
Approximate % change in projected service cost	0.0%	-	0.0%

Rate of increase to pensions in payment and deferred pensions assumption, and rate of revaluation of pension accounts

Adjustment to pension increase rate	+0.1% p.a.	Base figure	-0.1% p.a.
Present value of total obligation (£M)	3.175	3.122	3.070
% change in present value of total obligation	1.7%	-	-1.7%
Projected service cost (£M)	0.368	0.355	0.343
Approximate % change in projected service cost	3.6%	-	-3.5%

Post retirement mortality assumption

Adjustment to mortality age rating assumption ⁽¹⁾	-1 year	Base figure	+1 year
Present value of total obligation (£M)	3.219	3.122	3.026
% change in present value of total obligation	3.1%	-	-3.1%
Projected service cost (£M)	0.368	0.355	0.342
Approximate % change in projected service cost	3.8%	-	-3.7%

⁽¹⁾ A rating of +1 year means that members are assumed to follow the mortality pattern of the base table for an individual that is 1 year older than them.

**Notes to the financial statements
for the year ended 31st March 2019**

18 Pension costs (cont)

We provide an estimate of the changes to the estimated surplus or deficit on the profit and loss/provision of services in future periods, based on the assumptions as at 31 March 2019 set out above.

Analysis of amount charged to profit and loss/surplus or deficit on the provision of services next year

	Year ending 31 March 2020 (£M)
Current service cost	0.355
Net interest on the net defined benefit liability	0.018
Total estimated pension expense	0.373

Allowance for administration expenses included in Current Service Cost (£M)	0.004
Estimated pensionable payroll over the period ending 31 March 2020 (£M)	1.029

Active members as at 31 March 2016

	Number	Total Pay (£M)
Total	25	0.805

Pensioner and deferred pensioner members as at 31 March 2016

	Number	Total pension (£M)
Deferred members	5	0.002
Pensioners and dependants	-	-

Funded cash-flow data provided

	Months Provided	Amount Provided (£M)	Amount Used (£M)
Employer – Normal contributions	10	0.157	-
Employer – Additional capital contributions	12	0.015	-
Employer – Early retirement strain on fund payments	11	0.019	-
Total contributions by the Employer			0.223
Employee – Normal contributions	10	0.058	-
Employee – Added years contributions	10	-	-
Total contributions by participants			0.070
Transfers in	-	-	-
Other income	-	-	-
Transfers out	-	-	-
Retirement lump sums	-	-	-

**Notes to the financial statements
for the year ended 31st March 2019**

Other outgoings	-	-	-
Death in service lump sums *	-	-	-
Benefits paid (i.e. pension paid)	-	-	-
Net benefits paid out **			0.006
* We have calculated the expected death in service lump sums over the year to be (£M)			0.002
** The 'Net benefits paid out' figure includes an allowance for expenses of (£M)			0.004

Capital cost

	Amount (£M)
The capital cost of early retirement occurring in the accounting period is	0.019

Annualised pensionable payroll over the accounting period

Description	Amount (£M)*
Period ending 31 March 2019	0.993
Period ending 31 March 2018	0.885

* These figures have been derived from the contributions paid over the relevant accounting period.

Actuarial note:

The asset/(liability) recognised on the balance sheet is the difference between the assets notionally allocated to the employer and the present value of funded defined benefit obligations (i.e. the liabilities) associated to the Employer's staff members.

19 Capital commitments

At 31 March 2019 authorised future capital expenditure amounted to £Nil (2018: £Nil). The company has no capital commitments at 31 March 2019 (2018: £Nil)

20 Events after the reporting date

There were no events after the reporting date which would require adjustment to the financial statements.

21 Date of authorisation for issue

The Accounting Officer authorised the issue of these financial statements on ~~July~~ 2019.

19 August 2019

**Appendix to the financial statements
for the year ended 31st March 2019**

APPENDIX 1:

If the accounting policy prescribed by the FReM were applied, the financial statements would be restated as follows:

	2019	2018
	£	£
Income	22,250,061	16,049,385
Net expenditure	2,181,326	(2,896,688)
	2019	2018
	£	£
Accruals	190,417	59,162