

Northern Ireland Screen Commission
Annual Report and Financial Statements
for the year ended 31 March 2020

Company Information

Directors at 31 March 2020	Dame Rotha Johnston Elaine Sperber Adeline Dinsmore Sheila Fleming Michael Kuhn Fionnuala Deane Richard Hanna Greg Maguire Susan Picken Mark Huffam Brenda Romero Roise Ni Bhaoill Michael Fanning
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 (NIAO)
Bankers	Danske Bank First Floor Donegall Square West Belfast BT1 6JS

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**Strategic Report
for the year ended 31 March 2020**

Performance Report:

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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 is contained in the Management Statement and Financial Memorandum dated 23 May 2019.

Northern Ireland Screen is a company limited by guarantee, currently governed by a Board of 13 Directors and employing 31 staff. The organisation is the government-sponsored lead body in Northern Ireland for the film, television and digital content industry.

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

Review of business with Key Performance Indicators

Northern Ireland Screen is 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.

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.

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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 second year of ODS 2 and was delivering significant economic, cultural and educational benefits until the year end coincided with the Lockdown in response to COVID19. Our commitment to develop a diversified screen industry through the support of a range of sectors was 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 challenge is to retain as much as possible of the developmental value of this success through and out the other end of Lockdown.

Going Concern

The Statement of Financial Position shows a movement in Total Taxpayers' Equity from a deficit of £719,781 to a deficit of £881,778. 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

Total income and expenditure for the year was £20m which was a £2m decrease from prior year. On the balance sheet there was a significant increase in the Pension liability by £209k.

The global pandemic throws up enormous challenges for the screen industry across the world and, like everywhere, the end of 19-20 was bleak for the Northern Ireland screen industry. ***The Northman*** and ***Line of Duty***, along with all other live action productions shut down for an indefinite period.

However, it is worth remembering that the financial year began with Season 8 of ***Game of Thrones*** broadcasting to its highest audiences ever worldwide, ***Line of Duty*** capturing BBC1's biggest audience of the year to date and ***Derry Girls*** returning to Channel 4 as its most successful comedy in 10 years. This is the high-water mark that indicates we are progressing towards our ambition to have the strongest screen industry outside London.

There were plenty more high-profile positive indicators across the year:

1. It was announced that Chris Baugh's ***Boys from County Hell*** would premiere in Tribeca;
2. Jimmy Nesbitt fronted drama ***Bloodlands*** wrapped in March and will deliver;
3. Michael Patrick and Oisin Kearney's ***My Left Nut*** attracting good reviews for BBC3;

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4. **Ordinary Love** releasing in the USA with Liam Neeson and Lesley Manville receiving great media coverage following premieres at the Toronto and London Film Festivals;
5. The Tohill brothers were signed on to direct a remake of the Texas Chainsaw Massacre;
6. New Regency's **The Northman** completed prep based at Belfast Harbour Studios and negotiations on reletting Titanic Studios for another studio film production ahead of the end of HBO's lease were well advanced;
7. Following a successful tender to which Northern Ireland Screen was a party, **Mastermind** was produced in Belfast at Blackstaff Studios;
8. **Lost Lives** premiered at London Film Festival too and was scheduled for a special screening at Hot Docs in Toronto;
9. Belfast Film Festival successfully launched **Docs Ireland** as a new all Ireland documentary market and festival;
10. New Talent film **A Bump Along the Way** premiered successfully in Toronto and Galway;
11. Dog Ears began production on their and our first animated feature **Puffin Rock**¹. Also our first co-production with China;
12. Aisling Productions' music documentary **Lomax in Éirinn** won Spirit of the Festival at the 40th Celtic Media Festival;
13. Paper Owls' **Sol**, the first Irish language/Welsh/Scots Gaidhlig feature animation started production;
14. Italic Pig commenced production on **Paleo Pines**, Northern Ireland's first 7 figure budget video game financed by the Irregular Corporation;
15. Belfast Harbour announced its planning application to more than double the size of Belfast Harbour Studios;
16. Hypixel Studios, the videogame developer behind upcoming title **Hytale** run by Aaron 'Noxy' Donaghey and Sean McCafferty, announced its headquarters in Derry~Londonderry as part of its acquisition by US-based developer and publisher Riot Games.

¹ Puffin Rock was the first project to be impacted by COVID-19 as the animation studio in China was forced to close. However, the studio has now begun the process of re-opening.

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Key Performance Indicators for the 2019 – 2020 Financial Year

NOTE: Delivery to date against KPIs was strong to the end of 2019-20, the second year of the Opening Doors Strategy 2 2018-22. However, the cessation of physical production across the globe at the end of March means that the outlook for 20/21 is very different – it is unlikely that KPIs for 21/22 and, therefore the full 4-year strategy, are very unlikely to be met in full

Activity	PI targets 2019-20	Performance Indicators @ 31 March 2020	Year End Position 2019-20
ECONOMIC			
Northern Ireland Screen Fund:	Direct spend output ratio 6:1 2018-22 £300m (Rephase £282m)	Direct spend output ratio 7.8:1 £155m	
Large-scale production	12.9:1 (Re-Phase 16:1)	12.3:1	
Animation	6:1 (Re-Phase 7.5:1)	7.4:1	
TV Drama	6.7:1 (Re-Phase 7:1)	6.7:1	
Factual/Entertainment	4:1 (Re-Phase 7:1)	7.3:1	
Independent Film	2.8:1 (Re-Phase 2.8:1)	3.4:1	
Gaming/Mobile	3.3:1 (Re-Phase 4.5:1)	3.3:1	
Skills	60% and 40% NI crew & Head of Department on large-scale productions 75% and 65% NI crew & HOD on other productions	66% and 40% NI crew & HOD on large-scale production 86% and 69% 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 73% Nerve Belfast 73% Amma Centre 79% 2,723 teachers involved in all CLC programmes	
School Film Clubs	270 extended schools and maintain membership at 2k	148 schools signed up Membership 2.5k	
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 exceeded 40% of screenings to areas of poverty and deprivation	
Irish Language Broadcast Fund	55 hours television broadcast to 25,000+ people in N Ireland. Broadcast 100% of all programmes funded by ILBF Support 15 trainees across mixed disciplines	Target exceeded 60 hours of television. All programmes funded by the ILBF are broadcast. Supporting/supported 16 trainees across mixed disciplines, with 3 trainees securing employment in the local sector.	
Ulster-Scots Broadcast Fund	Recruit 1 USBF Trainee for Year 3 of the scheme Broadcast 90% of programming within 9 months of delivery Reach a significant Northern Ireland audience, primarily but not exclusively through broadcast television, with an average per programme audience target of 40,000 people in Northern Ireland	One Year 3 trainee recruited and currently on placement 11 programmes have been delivered all of which have been broadcast. NVTV continues to broadcast content across the year. Audience figures have been received for 10 of the 11 projects broadcast. Average across 10 programmes is 38,335.	
OUTREACH			
Digital Film Archive	40 presentations 120 partner events reaching 2,500 people PRONI 500 items digitised Accumulated audience/participants for above DFA activity, 10 UTV-focused outreach events per annum	56 presentations delivered 122 partner events reaching 2,875 people Exceeded target – 515 items digitised 178 events, reaching approx. 4,400 people, 16 events delivered	

**Strategic Report
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Principal risks and uncertainties

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

The Lockdown associated with COVID19 presents enormous challenges with the majority of the industrial, educational and cultural activities severely disrupted. However, we are fortunate that games and animation retain a feasible production model through lockdown and there are already signs that much production will resume across the UK soon.

Air connectivity to London and further afield and the culture around the re-adoption of air travel is a very significant disrupting element to our activity. Without regular, widely adopted air travel many of our Sectors will be extremely challenged.

DfE and DfC have understandably begun a process of identifying savings and redirecting resources to areas with greatest need in light of COVID-19. Given that the allocation of funding continues to be segmented into single year allocations, there is a risk that full funding for the year may not be allocated, meaning that the strategy would not be deliverable in its entirety. Added to this, there are now many points of inherent weakness in our ecosystem, including; ensuring the continuing availability and commitment of freelance crew, and ensuring that longer term projects are not unnecessarily delayed, which should both be addressed, under a wider platform for recovery post COVID-19.

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 albeit that at the year-end much was thrown into uncertainty.

The Irish Language Broadcast Fund and Ulster-Scots Broadcast Fund have secured funding to March 2021. 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. There is the added risk and opportunity in the intention presented by the Northern Ireland Executive within New Decade New Approach to consider expanding these two funds.

Notwithstanding the effects of COVID-19, 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 to encourage the continuation without delay of the planned expansion, however this may be challenged by reprioritising and reduced funding that may be the result of COVID-19.

The EU exit could impact adversely on the industry. As the agency providing leadership for the screen industry in Northern Ireland we are concerned that the practical implications of Brexit at a Sector level for Northern Ireland remain unclear.

**Strategic Report
for the year ended 31 March 2020**

Additional

While COVID-19 lockdown is impacting greatly, Northern Ireland Screen continues to pursue its strategic goals.

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

Future Developments

Northern Ireland Screen continues to liaise with DfE and DfC on finalising budgets for 2020-2022 in the new COVID-19 world. There remains the risk that the funding per the strategy may not materialise.

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 46, 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.



Richard Williams
9th June 2020

**Accountability Report
for the year ended 31 March 2020**

Accountability Report

Corporate Governance Report

Directors' Report for the year ended 31 March 2020

The Directors who served during the year are as follows:

Dame Rotha Johnston (Chair)	Elaine Sperber (Vice Chair)	Michael Kuhn
Adeline Dinsmore	Greg Maguire	Mark Huffam
Fionnuala Deane	Brenda Romero	Patrick Barr (resigned on 21.2.20)
Roise Ni Bhaoill	Richard Hanna	Sheila Fleming
Susan Picken	Michael Fanning	
Fiona MacMillan, Jennifer Johnston and Ian Parsley (terms ended on 30.6.19)		

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 2019-20 is 82% (2018-19: 98%). The trade payable days at 31 March 2020 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 2020**

Pension arrangements

The company operated the NILGOSC (Northern Ireland Local Government Officers' Superannuation Committee) pension scheme 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 2020 was £1,026,999 (2018-19- £818,000).

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 2020, Northern Ireland Screen had a negative Statement of Financial Position, where the liabilities were greater than the assets by £881,778. These and other liabilities will be met by future grant in aid, received from and approved annually by DfE.

DfE funding for 2020-21 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
9 June 2020

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 2020

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 May 2019. 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 2020**

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 thirteen non-executive directors:

Dame Rotha Johnston - Chair
Michael Kuhn
Greg Maguire
Fionnuala Deane
Roise Ni Bhaoill
Sheila Fleming
Michael Fanning

Elaine Sperber - Vice Chair
Adeline Dinsmore
Mark Huffam
Brenda Romero
Richard Hanna
Susan Picken

**Governance Statement (cont.)
for the year ended 31 March 2020**

Board Attendance in 2019-20:

	11.6.19	10.9.19	3.12.19	10.3.20
Dame Rotha Johnston (Chair)	✓	✓	✓	✓
Elaine Sperber (Vice Chair)	x	✓	✓	✓
Fiona MacMillan	✓	Term ended		
Jennifer Johnston	✓	Term ended		
Ian Parsley	✓	Term ended		
Adeline Dinsmore	✓	✓	✓	x
Michael Kuhn	✓	✓	✓	x
Greg Maguire	✓	x	x	x
Mark Huffam	Appointed	x	x	x
Fionnuala Deane	Appointed	✓	✓	✓
Brenda Romero	Appointed	x	x	x
Patrick Barr	Appointed	✓	✓	Stepped down
Roise Ni Bhaoill	Appointed	✓	✓	✓
Richard Hanna	Appointed	✓	✓	✓
Sheila Fleming	Appointed	x	✓	✓
Susan Picken	Appointed	✓	✓	✓
Michael Fanning	Appointed	✓	✓	✓

The Board of Northern Ireland Screen is required to review its effectiveness annually. The latest review was completed in May 2020 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.

Governance Statement (cont.) for the year ended 31 March 2020

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.

Committees do not have decision making powers except in the case of the 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;

**Governance Statement (cont.)
for the year ended 31 March 2020**

- 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;
- 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 2019-20:

	4.6.19	5.9.19	26.11.19	3.3.20
Fiona MacMillan (Chair)	✓	Term ended		
Adeline Dinsmore	✓	✓	x	x
Jennifer Johnston	x	Term ended		
Sinead McCartan (Co-opted)	x	Term ended		
Sheila Fleming (Chair)		✓ (1 st mtg)	✓	✓
Patrick Barr		✓ (1 st mtg)	x	Stepped down
Susan Picken		✓ (1 st mtg)	✓	✓
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 up to 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;

**Governance Statement (cont.)
 for the year ended 31 March 2020**

- 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;
- 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 2019-20:

	11.6.19	5.9.19	19.11.19	3.3.20
Dame Rotha Johnston (Chair)	✓	✓	✓	✓
Fiona MacMillan	✓	Term ended		
Sheila Fleming		✓ (1 st mtg)	✓	✓
Michael Fanning		✓ (1 st mtg)	✓	✓

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

**Governance Statement (cont.)
for the year ended 31 March 2020**

- 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 2020 and have reported on their activities to the Board of Northern Ireland Screen at each quarterly Board meeting.

Investment Committee Attendance 2019-20:

	Michael Kuhn	Elaine Sperber	Greg Maguire	Michael Fanning	Dame Rotha Johnston
23.5.19	✓	✓	✓		✓
20.6.19	✓	✓	✓		✓
24.9.19	✓	x	✓		✓
14.11.19	✓	x	✓	✓ (1 st mtg)	x
21.1.20	✓	✓	x	✓	✓

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 Chief Executive Officer is also the Accounting Officer.

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 2020 covering all of ODS1 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 2020**

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 2020 were:

- The Coronavirus pandemic presents a wide range of risks to Northern Ireland Screen both in relation to the internal running of the organisation and, more critically, in relation to ongoing activity and particularly production activity in Northern Ireland;
- As we entered the second 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 and two 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;

**Governance Statement (cont.)
for the year ended 31 March 2020**

- The Irish Language Broadcast Fund and Ulster-Scots Broadcast Fund have secured funding to March 2021. 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 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 2019-20 there were no incidents of actual or suspected fraud.

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.

**Governance Statement (cont.)
for the year ended 31 March 2020**

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;
- Report to those charged with governance by NIAO on material issues relating to the financial statements, and provision of an opinion by the Comptroller and Auditor General 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

**Governance Statement (cont.)
for the year ended 31 March 2020**

associated risks are made to the Department for the Economy, 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 ILBF and USBF Funds	Satisfactory
• Review of Payroll and Operations costs	Satisfactory
• Review of Human Resources	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.

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.

**Governance Statement (cont.)
for the year ended 31 March 2020**

Internal Governance Divergences 2019-20

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 the Economy with the consent of the Department of Finance.

As of 31 March 2020 Northern Ireland Screen had a negative statement of financial position, where the liabilities were greater than the assets by £881,778. These and other liabilities will be met by future grant in aid, received from and approved annually by DfE.

DfE funding for 2020-21 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.



Richard Williams
9 June 2020

Remuneration Report

The Northern Ireland Screen Board currently consists of a Chair, a Vice-Chair and 11 members. Nine Board members were appointed on 1 July 2019, bringing the total to 14, but Patrick Barr resigned on 21 February 2020 due to a conflict with his new position as a Director of the Northern Ireland Audit Office (NIAO). The terms of office have been varied 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.

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 9.

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.

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

	Salary (including pension contributions)	Employer contribution to NILGOSC scheme	Total	2018-19		
				Salary (including pension contributions)	Employer contribution to NILGOSC scheme	Total
	£000	£000	£000	£000	£000	£000
Richard Williams <i>Chief Executive</i>	75-80	15-20	95-100	75-80	10-15	90-95
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 £528, Fionnuala Dean £574 and Elaine Sperber £496 (2018-19: Michael Kuhn £524 and Elaine Sperber £1,521).

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.

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 2018-19 or 2019-20.

Bonuses

There were no bonuses accrued in 2018-19 or 2019-20.

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 2019-20 was £75-80k (2018-19 £75-80k). This was 2.52 times (2018-19 2.55 times) the median remuneration of the workforce, which was £30,526 (2018-19 £30,148).

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.

	2019-20	2018-19
	£	£
Employer's Contribution	204,499	186,703

Pension Benefits (subject to audit)

	Accrued pension at pension age as at 31 March 2020 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31 March 2019	CETV at 31 March 2020	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	237	264	16
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 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 was one payment under VES totalling £63,418 in 2019-20, this payment had been accrued in the prior year. Four payments and one accrual under the Voluntary Exit Scheme (VES) totalling £240,799 in 2018-19, (£0 2017-18, £7,329 2016-17, £50,266 2015-16).

Staff Report

Staff costs (subject to audit)

	Permanently employed staff £	Others £	2020 £	2019 £
Administrative expenses:				
Salaries	875,773	-	875,773	881,888
Social security costs	89,562	-	89,561	82,894
Other pension costs	173,096	-	173,096	155,822
Voluntary Exit Scheme	-	-	-	<u>240,799</u>
	1,138,431	-	1,138,431	1,361,403
Programme expenses:				
Salaries	160,956	1,041,733	1,202,689	875,711
Social security costs	15,685	78,764	94,449	76,310
Other pension costs	<u>30,515</u>	<u>22,225</u>	<u>52,740</u>	<u>41,860</u>
	207,156	1,142,722	1,349,878	993,881

Average number of persons employed (subject to audit)

During the year Northern Ireland Screen employed an average of 31 full-time equivalent staff (2018-19: 27), of which 23 were female and 8 were male (2018-18: 19 female, 8 male). Northern Ireland Screen also employed 165 production trainees (2018-19: 87), of which 100 were female and 65 were male (2018-19: 42 female, 45 male).

Sickness absence

The sickness absence rate for the year was 3.81% (2019: 4.70%), a decrease on the previous year of 0.89%.

Off-payroll payments and other matters

There was one off-payroll payment of £12,000 in the year to 31 March 2020 (2018-19: none) and one off-payroll return of £10,000 during the year due to overpayment of sick pay.

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.

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.

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

There were no remote contingent liabilities as at 31 March 2020 (2018-19: none).

There were no fees and charges during 2019-20 (2018-19: none).

Regularity of expenditure.

All expenditure during 2019-20 has been in line with Managing Public Money NI (MPMNI).

Losses and special payments.

There were no losses 2019-20 (2018-19: none) and one special payment, a salary payment of £12,000.



Richard Williams
9 June 2020

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 2020 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 adapted or interpreted for the public-sector context. 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 2020 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with the International Financial Reporting Standards as adapted or interpreted for the public sector context and Department for the Economy directions issued thereunder; 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.

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs(UK) require me to report to you where:

- the Northern Ireland Screen Commission's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the Northern Ireland Screen Commission have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Northern Ireland Screen Commission's ability to continue to adopt the going concern basis.

Other Information

The Directors and the 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 Accountability 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.

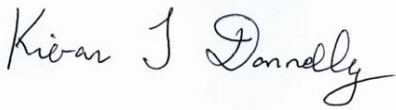
Matters on which I report by exception

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.



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

04 September 2020

NORTHERN IRELAND SCREEN COMMISSION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2020

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**Statement of Comprehensive Net Expenditure
for the year ended 31st March 2020**

	Note	2020 £	2019 £
Expenditure			
Staff costs	6	(1,138,430)	(1,496,403)
Depreciation	6	(27,865)	(41,488)
Other expenditure	6	(572,579)	(2,551,977)
Programme expenses	7	<u>(18,744,750)</u>	<u>(18,182,164)</u>
		(20,483,624)	(22,272,032)
Income			
Income from activities	5	20,282,627	19,947,061
Other income	5	<u>61,000</u>	<u>2,204,921</u>
		20,343,627	22,151,982
Net expenditure		<u>(139,997)</u>	<u>(120,050)</u>
Other Comprehensive Net Expenditure			
Actuarial Gain/(Loss)	18	<u>-22,000</u>	<u>62,000</u>
Total Comprehensive Net Expenditure		<u>(161,997)</u>	<u>(58,050)</u>

The notes on pages 39 to 55 form part of these financial statements.

**Statement of Financial Position
 as at 31st March 2020**

	Note	2020	2019
		£	£
Non-current assets			
Property, plant and equipment	9	138,045	89,138
Current assets			
Trade and other receivables	10	232,370	168,728
Cash and cash equivalents	11	<u>163,143</u>	<u>198,631</u>
Total current assets		395,513	367,359
Total assets		<u>533,558</u>	<u>456,497</u>
Current liabilities			
Trade and other payables	12	<u>(388,337)</u>	<u>(358,278)</u>
Non-current assets plus net Current Assets		<u>145,221</u>	<u>98,219</u>
Non-current liabilities			
Pension liabilities	18	<u>(1,026,999)</u>	<u>(818,000)</u>
Assets less liabilities		<u>(881,778)</u>	<u>(719,781)</u>
Taxpayers' equity		<u>(881,778)</u>	<u>(719,781)</u>
General fund			
Total taxpayers' equity		<u>(881,778)</u>	<u>(719,781)</u>

These financial statements have been prepared in accordance with the Government Financial Reporting Manual 2019-20 (FRM).

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 34 to 37 were approved by the Board on 9 June 2020 and were signed on its behalf by:

(Signed) 

 RUTHA JOHNSTON, CHAIRWOMAN

(Signed) 

 SHEILA FLEMING, BOARD

Date 9th June 2020

Date 9th June 2020

**Statement of Cash Flows
for the year ended 31st March 2020**

	Note	2020 £	2019 £
Cash flows from operating activities			
Net expenditure		(139,997)	(120,050)
Adjustments for non-cash transactions:			
Depreciation	9	27,865	41,488
Adjustment to depreciation opening balance	9	-	(147)
Adjustment for pension funding	18	<u>186,999</u>	<u>152,000</u>
Operating surplus before working capital changes		<u>74,867</u>	73,291
Decrease/(increase) in trade and other receivables	10	<u>(63,642)</u>	(104,818)
Increase/(decrease) in trade and other payables	12	<u>30,059</u>	<u>(273,497)</u>
Net cash inflow/(outflow) from operating activities		41,284	(305,024)
Cash flows from investing activities			
Purchase of property, plant and equipment	9	<u>(76,772)</u>	<u>(64,500)</u>
Net cash outflow from investing activities		<u>(76,772)</u>	<u>(64,500)</u>
Increase/(decrease) in cash and cash equivalents		(35,488)	(369,524)
Cash and cash equivalents at beginning of the year	11	<u>198,631</u>	<u>568,155</u>
Cash and cash equivalents at end of the year	11	<u>163,143</u>	<u>198,631</u>

The notes on pages 39 to 55 form part of these financial statements.

Statement of Changes in Taxpayers' Equity

	Note	General fund £
Balance at 1st April 2018		(661,731)
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>
Changes in reserves for 2019-20		
Net expenditure for the year		(129,997)
Auditor's Remuneration		(10,000)
Actuarial loss	18	<u>(22,000)</u>
Total recognised changes for the year		<u>(161,997)</u>
Balance at 31st March 2020		<u>(881,778)</u>

The notes on pages 39 to 55 form part of these financial statements.

1 Statement of accounting policies

The financial statements are prepared in accordance with the Government Financial Reporting Manual 2019-20 (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.

1.4 Pensions

The company was part of the NILGOSC (Northern Ireland Local Government Officers' Superannuation Committee) pension scheme, 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 2020.

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 net expenditure 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.

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, 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.

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:

	2020 £	2019 £
Depreciation of property, plant and equipment	27,865	41,488
Payments under operating leases	1,366	1,366
Fees payable to the company's auditor for the audit of the company's annual accounts	10,000	10,000
Additional audit work carried out by Moore N.I. for a BFI year end project	—	500

Note

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

5 Income and Other income

Funding Income	2020 £	2019 £
Department for Communities	1,946,000	1,826,000
Department for the Economy	13,174,906	12,737,442
DCMS – BFI	3,989,595	4,268,684
British Film Institute (BFI)	157,337	208,746
Arts Council	316,416	295,170
Various funding Income	<u>698,373</u>	<u>611,019</u>
	<u>20,282,627</u>	<u>19,947,061</u>
	2020	2019
Other Income	£	£
Pension Interest	61,000	52,000
Exceptional Income	—	<u>2,152,921</u>
	<u>20,343,627</u>	<u>2,204,921</u>

*Exceptional expense incurred in previous year; £2.1 m adjustment that relates to project funds returned to Invest NI for a prior year project.

6 Administrative expenses

	2020 £	2019 £
Staff costs	<u>1,138,430</u>	<u>1,496,403</u>
Premises expenses	120,085	102,555
Office overheads	114,572	125,633
Pension – interest cost	248,000	69,000
Staff and Board expenses	89,922	101,868
Exceptional Expense	—	<u>2,152,921</u>
	<u>572,579</u>	<u>2,551,977</u>
Depreciation	<u>27,865</u>	<u>41,488</u>

*Exceptional expense incurred in previous year; £2.1 m adjustment that relates to project funds returned to Invest NI for a prior year project.

7 Programme expenses

	2020	2019
	£	£
Northern Ireland Screen Fund	10,438,123	9,891,590
Ulster-Scots Broadcast Fund	892,590	1,198,684
Skills development	1,352,287	1,122,040
Irish Language Broadcast Fund	2,892,001	2,865,000
Creative Learning Centres	821,520	750,025
Lottery Film Funding Programme	294,344	273,345
Third party organisations	387,967	444,920
Film clubs	273,600	288,747
Development Activity	185,773	215,569
Production legal fees	160,000	164,857
Marketing and information	450,278	458,225
Education and digital archive	149,610	77,874
British Film Institute – Unlocking film	-	108,521
British Film Institute Academy	147,800	184,780
PRONI	130,598	137,987
BAI	2,659	-
Screenworks	165,600	-
	<u>18,744,750</u>	<u>18,182,164</u>

8 Staff costs

	Permanently employed staff	Others	2020	2019
	£	£	£	£
Administrative expenses:				
Salaries	875,773	-	875,773	881,888
Social security costs	89,562	-	89,561	82,894
Other pension costs	173,096	-	173,096	155,822
Voluntary Exit Scheme	-	-	-	<u>240,799</u>
	<u>1,138,430</u>	-	<u>1,138,430</u>	<u>1,361,403</u>
Programme expenses:				
Salaries	160,956	1,041,733	1,202,689	875,711
Social security costs	15,685	78,764	94,449	76,310
Other pension costs	<u>30,515</u>	<u>22,225</u>	<u>52,740</u>	<u>41,860</u>
	<u>207,156</u>	<u>1,142,722</u>	<u>1,349,878</u>	<u>993,881</u>

During the year Northern Ireland Screen employed an average of 31 full-time equivalent staff (2018-19: 27).

9 Property, plant and equipment

	Production Vehicle £	Fixtures and fittings £	Office equipment £	Computer/T V equipment £	Total £
Cost					
At 1 st April 2019	18,575	74,096	40,067	161,257	293,995
Additions in Year	-	45,000	-	31,772	76,772
Disposals	-	-	-	-	-
At 31 st Mar 2020	<u>18,575</u>	<u>119,096</u>	<u>40,067</u>	<u>193,029</u>	<u>370,767</u>
Depreciation					
At 1 st April 2019	6,186	51,337	39,763	107,571	204,857
Disposals	-	-	-	-	-
Charge for year	<u>4,130</u>	<u>5,890</u>	<u>112</u>	<u>17,733</u>	<u>27,865</u>
At 31 st Mar 2020	<u>10,316</u>	<u>57,227</u>	<u>39,875</u>	<u>125,304</u>	<u>232,722</u>
Net book values At 31 st Mar 2020	<u>8,259</u>	<u>61,869</u>	<u>192</u>	<u>67,725</u>	<u>138,045</u>
At 31 st Mar 2019	<u>12,389</u>	<u>22,759</u>	<u>304</u>	<u>53,686</u>	<u>89,138</u>
	Production Vehicle £	Fixtures and fittings £	Office equipment £	Computer/TV 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>

10 Trade and other receivables

	2020	2019
	£	£
Trade receivables	135,449	117,545
VAT receivable	-	15,558
Grants receivable	80,491	-
Prepayments	<u>16,430</u>	<u>35,625</u>
	<u>232,370</u>	<u>168,728</u>

Grants receivable for 2019-20 includes money spent in the financial year which was outstanding from Skillset of £18,000 and BBC of £62,491 at 31st March 2020. There were no Grants Receivable in the year 2018-19.

11 Cash and cash equivalents

	2020	2019
	£	£
At 1 st April 2019	198,631	568,155
Net change in cash and cash equivalent balances	<u>(35,488)</u>	<u>(369,524)</u>
At 31 st March 2020	<u>163,143</u>	<u>198,631</u>
	2020	2019
	£	£
Represented by:		
Cash at bank and in hand	<u>163,143</u>	<u>198,631</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 2020 the balance held was £29,677 (2018-19: £68,355). The Lottery Film Funding Programme is summarised in note 13.

Cash balances include £100,187 (2018-19: £62,777) in relation to the Ulster-Scots Broadcast Fund which will be spent in 2020-21. Cash balances represent deposits held in commercial banks.

12 Trade and other payables

	2020	2019
	£	£
Trade creditors	41,212	17,777
Accruals and deferred income – non-Lottery funds	302,686	272,146
Deferred Income – Lottery funds	29,677	68,355
VAT Liability	<u>14,762</u>	-
	<u>388,337</u>	<u>358,278</u>

Accruals and deferred income include monies received from the Ulster-Scots Broadcast Fund £100,182; (2018-19: £62,777), BFI £11,515: (2018-19: £18,953) and Lottery funds £29,677; (2018-19: £68,355) and BAI £65,580 and University of Ulster £15,000. 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.

	2020	2019
	£	£
Funds held at start of year	68,355	92,193
Lottery funds received during the year	277,739	271,332
Awards paid	(291,416)	(270,170)
Administration costs	<u>(25,000)</u>	<u>(25,000)</u>
Funds held at end of year	<u>29,678</u>	<u>68,355</u>

14 Commitments under operating leases

At 31st March 2020 the company had two outstanding commitments under non-cancellable operating leases:

	2020		2019	
	Land and Buildings	Other	Land and Buildings	Other
	£	£	£	£
Expiring:				
Within one year	-	101,366	-	1,366
Between one and five years	-	<u>3,036</u>	-	<u>4,402</u>
	-	<u>104,402</u>	-	<u>5,768</u>

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	£
Dog Ears	Fionnuala Deane	Managing Director	30,194
Puffin Rock	Fionnuala Deane	Director	45,250
Draugr Productions Ltd	Mark Huffam	Producer (The Northman)	950,000
Below the Radar Ltd	Michael Fanning	Managing Director	660,400
Humain	Greg Maguire	Managing Director	27,485
Italic Pig	Greg Maguire	Managing Director	156,900
Into Film	Jennifer Johnston	Managing Director	285,300
Zodiak Kids	Elaine Sperber	Managing Director	272,500
		Total	£2,428,029

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:

	2020 £	2019 £
Lottery	291,416	270,170
Irish Language Broadcast Fund	2,488,462	2,458,668
Ulster-Scots Broadcast Fund	854,946	1,127,366
Northern Ireland Screen Fund	<u>10,438,123</u>	<u>9,891,590</u>
	<u>14,072,947</u>	<u>13,747,794</u>

17 Production awards contracted

	Unpaid contracts as at 1 st April 2019 £	Contracts awarded in year £	Less De-committed within year £	Contract payments in year £	Unpaid contracts as at 31 st March 20 £
Lottery 2014-2017	36,800	6,250	-	(28,100)	14,950
Lottery 2017-2020	138,356	268,100	(24,375)	(263,316)	118,765
Northern Ireland Screen Fund	4,216,115	11,546,866	(980)	(10,268,272)	5,493,729
Ulster-Scots Broadcast Fund	634,621	700,000	-	(854,946)	479,675
Irish Language Broadcast Fund	<u>1,095,850</u>	<u>2,702,587</u>	<u>(115,704)</u>	<u>(2,488,462)</u>	<u>1,194,271</u>
	<u>6,121,742</u>	<u>15,223,803</u>	<u>(141,059)</u>	<u>(13,903,096)</u>	<u>7,301,390</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) pension scheme 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 2019-20 the contribution rates were 20% 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.

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 £203k for NILGOSC (2018-19 - £375k).

The employer's regular contributions to the Fund for the accounting period ending 31 March 2020 are estimated to be £203k (2018-19 - £187k).

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 2020. 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 2020 % p.a	31 March 2019 % p.a	31 March 2018 % p.a
Discount rate	2.3	2.5	2.6
RPI Inflation	3.2	3.2	3.1
CPI Inflation	1.8	2.1	2.0
Pension increases	1.8	2.1	2.0
Pension accounts revaluation rate	1.8	2.1	2.0
Salary increases	3.3	3.6	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.

Post retirement mortality (retirement in normal health)	31 March 2020	31 March 2019
Males		
Member aged 65 at accounting date	21.8	22.6
Member aged 45 at accounting date	23.2	24.3
Females		
Member aged 65 at accounting date	25.0	24.9
Member aged 45 at accounting date	26.4	26.7

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 2020			Value at
	Quoted %	Unquoted %	Total %	31 March 2019
Equities	42.6	-	42.6	59.5
Property	-	10	10	11.2
Government bonds	26.1	-	26.1	16.5
Corporate bonds	12.6	-	12.6	7
Cash	4.7	-	4.7	2.7
Other*	0.6	3.4	4	3.1
Total	86.6%	13.4%	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.

Reconciliation of funded status to Statement of Financial Position

	Value as at 31 March 2020 £M	Value as at 31 March 2019 £M
Fair value of assets	2.418	2.304
Present value of funded defined benefit obligation	3.445	3.122
Funded status	(1.027)	(0.818)
Unrecognised asset	-	-
Asset/(liability) recognised on the statement of financial position	(1.027)	(0.818)

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

Active members	84%
Deferred pensioners	10%
Pensioners	6%

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 2020 (£M)	Year ending 31 March 2019 (£M)
Operating cost		
Current service cost ⁽¹⁾	0.388	0.338
Past service cost (incl. curtailments)	-	0.020
Settlement cost	-	-
Financing cost		
Net interest on net defined benefit liability/(asset)	0.018	0.017
Pension expense recognised in profit and loss	0.406	0.375
Remeasurements in OCI		
Return on plan assets (in excess of)/below that recognised in net interest	0.222	(0.091)
Actuarial (gains)/losses due to changes in financial assumptions	(0.106)	0.172
Actuarial (gains)/losses due to changes in demographic assumptions	(0.109)	(0.143)
Actuarial (gains)/losses due to liability experience	0.015	-
Total amount recognised in OCI	0.022	(0.062)
Total amount recognised	0.428	0.313

⁽¹⁾ The current service cost includes an allowance for the administration expenses of £5,000 (2018-19 £4,000).

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

	Year ending 31 March 2020 (£M)	Year ending 31 March 2019 (£M)
Opening defined benefit obligation	3.122	2.602
Current service cost	0.388	0.338
Interest expense on defined benefit obligation	0.079	0.069
Contributions by participants	0.071	0.070
Actuarial losses/(gains) due to changes in financial assumptions	(0.106)	0.172
Actuarial gains due to changes in demographic assumptions	(0.109)	(0.143)
Actuarial losses due to liability experience	0.015	-
Net benefits paid out #	(0.015)	(0.006)
Past service cost (inc curtailments)	-	0.020
Net increase in liabilities from disposals/acquisitions	-	-
Settlements	-	-
Closing defined benefit obligation	3.445	3.122

Consists of net cashflow 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 £5,000 (2018-19 - £4,000).

Changes to the fair value of assets during the accounting period

	Year ending 31 March 2020 (£M)	Year ending 31 March 2019 (£M)
Opening fair value of assets	2.304	1.874
Interest income on assets	0.061	0.052
Re-measurement of gains/(losses) on assets	(0.222)	0.091
Contributions paid by the employer	0.219	0.223
Contributions paid by participants	0.071	0.070
Net benefits paid out #	(0.015)	(0.006)
Net increase in assets from disposals/acquisitions	-	-
Settlements	-	-
Closing fair value of assets	2.418	2.304

Consists of net cashflow 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 £5,000 (2018-19 £4,000).

Actual return on assets

	Year ending 31 March 2020 (£M)	Year ending 31 March 2019 (£M)
Interest income on assets	0.061	0.052
Remeasurement gain/(loss) on assets	(0.222)	0.091
Actual return on assets	(0.161)	0.143

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 2020 and the projected service cost for the year ending 31 March 2021 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.

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)	3.342	3.445	3.548
% change in present value of total obligation	-3.0%	-	3.0%
Projected service cost (£M)	0.353	0.368	0.383
Approximate % change in projected service cost	-4.0%	-	4.2%

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)	3.466	3.445	3.424
% change in present value of total obligation	0.6%	-	-0.6%
Projected service cost (£M)	0.368	0.368	0.368
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)	3.528	3.445	3.359
% change in present value of total obligation	2.4%	-	-2.5%
Projected service cost (£M)	0.383	0.368	0.353
Approximate % change in projected service cost	4.2%	-	-4.0%

Post retirement mortality assumption

Adjustment to mortality age rating assumption⁽¹⁾	-1 year	Base figure	+1 year
Present value of total obligation (£M)	3.552	3.445	3.338
% change in present value of total obligation	3.1%	-	-3.1%
Projected service cost (£M)	0.382	0.368	0.354
Approximate % change in projected service cost	3.8%	-	-3.8%

⁽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.

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 2020 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 2021 (£M)
Current service cost	0.368
Net interest on the net defined benefit liability	0.021
Total estimated pension expense	0.389

Allowance for administration expenses included in Current Service Cost (£M)	0.005
Estimated pensionable payroll over the period ending 31 March 2021 (£M)	1.055

Active members as at 31 March 2019

	Number	Total Pay (£M)
Total	25	0.871

Pensioner and deferred pensioner members as at 31 March 2019

	Number	Total pension (£M)
Deferred members	12	0.019
Pensioners and dependants	3	0.006

Funded cash-flow data provided

	Months Provided	Amount Provided (£M)	Amount Used (£M)
Employer – Normal contributions	10	0.170	-
Employer – Additional capital contributions	12	0.015	-
Employer – Early retirement strain on fund payments	11	-	-
Total contributions by the Employer			0.219
Employee – Normal contributions	10	0.059	-
Employee – Added years contributions	10	-	-
Total contributions by participants			0.071
Transfers in	-	-	-
Other income	-	-	-
Transfers out	-	-	-
Retirement lump sums	-	0.007	-
Other outgoings	-	-	-
Death in service lump sums *	-	-	-
Benefits paid (i.e. pension paid)	-	0.002	-
Net benefits paid out **			0.015

* We have calculated the expected death in service lump sums over the year to be (£M) 0.001

** The 'Net benefits paid out' figure includes an allowance for expenses of (£M) 0.005

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 2020	1.022
Period ending 31 March 2019	0.993

* 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 2020 authorised future capital expenditure amounted to £Nil (2019: £Nil). The company has no capital commitments at 31 March 2020 (2019: £Nil).

20 Contingent Liabilities

There were no contingent liabilities at 31st March 2020 (31 March 2019 none).

21 Events after the reporting date

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

Date of authorisation for issue

The Accounting Officer authorised the issue of these financial statements on 9th June 2020.

APPENDIX 1:

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

	2020	2019
	£	£
Income	20,274,006	22,250,061
Net expenditure	(148,618)	2,181,326
	2020	2019
	£	£
Accruals	110,409	190,417