



explore/engage/enjoy

**Annual Report and Accounts
2014-2015**

**National Museums Northern Ireland Annual Report and Accounts
For the year ended 31 March 2015**

Laid before the Northern Ireland Assembly
under Article 10 (2) (c) and 11 of the Museums and Galleries (Northern Ireland) Order 1998
by the Department for Communities (formerly the Department of Culture, Arts and Leisure)

on

18 November 2016

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This publication is also available on our website at www.nmni.com.

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FOREWORD

2014-15 was another demanding year for National Museums Northern Ireland. Challenging Savings Delivery Plans meant National Museums had to continue its push to improve efficiencies by driving down costs, increasing operating efficiencies and reducing payroll. The organisation continued to face financial challenges during the year, however all savings delivery plans were achieved in full and budgets managed effectively. Emphasis on fundraising and developing self-generated income continued to be major priorities along with innovation and hard work resulting in strong outcomes.

National Museums rose to the challenge and a coordinated approach meant we exceeded visitor number targets by 16% with over 770,000 visitors; maintained exceptional visitor satisfaction of 98%; attracted over 633,000 visits to the website; reached over 262,000 social media connections; worked with over 126,000 learning visitors and welcomed over 215,000 tourism visitors.

Dynamic and varied public programmes continued to be extremely important as a way of engaging visitors, making collections relevant to wider audiences, attracting new visitors, encouraging repeat visits and generating income.

Highlights at the Ulster Museum this year included:

The opening of the new 'Modern History: The Making of Modern Ulster' exhibition, in November, following major development of the modern history galleries to enable the display of many before-unseen objects and to tell the stories about our shared past and how it has shaped our present.

A major exhibition of troubles related work, 'Art of the Troubles' which was a new, thought-provoking exhibition, displaying artworks, some for the first time, by people affected and involved during our turbulent, recent past (April-September 2014). The exhibition attracted over 56,000 visitors.

Public Programming to bring science to life for a whole new audience with the 'Elements' exhibition based on the elements in the Periodic Table included participation in the first NI Science Festival with LaTe LaB - the Ulster Museum's first major late-night event which attracted 959 visitors.

Other exhibitions at the Ulster Museum included: 'Answer the Call: First World War Posters'; 'Fashion Parisians' and 'Age of Liberty' costume and fashion exhibitions; 'Order and Revolution', British and Irish Art; 'Evolution Amidst Revolution' an exhibition on the architectural history of the Ulster Museum; 'New Art, New Nature'; 'Highlights of the Modern Art Collection'; 'Fuseli' drawings; and the 'Royal Ulster Academy' Annual Exhibition.

During 2014-15, the Ulster Folk & Transport Museum attracted almost 38,000 visitors through a dynamic events programme which included the 50th Anniversary Celebrations on May Day which attracted over 2,500 visitors, the Cultra Hillclimb in June which is the world's oldest active speed hillclimb; Native and Traditional Breeds weekend which attracted almost 3,000 visitors and Christmas events which brought over 4,600 visitors to the museum. In addition to events, a new exhibition opened in June 2014 celebrating the cultural significance of Irish Dance in society and history.

The Ulster American Folk Park attracted over 33,000 visitors through its events programme. Highlights included the 23rd Bluegrass music festival which attracted over 9,800 visitors; American Independence Day celebrations which attracted over 3,300 visitors and the Halloween Festival which sold out with over 5,600 visitors.

Armagh County Museum continued to be at the centre of cultural life of the city with the Photographic Competition; Art Club exhibition and 'Native, Visitor or Invader?' exhibition. Work continued throughout 2014-15 for the Transfer of Armagh County Museum to Armagh City, Banbridge and Craigavon Borough Council.

National Museums has a long standing commitment to tackling inequality, poverty and social exclusion and during 2014-15 we delivered a variety of initiatives as part of our Community Engagement Strategy. This work was delivered in partnership with almost 70 groups and organisations. These programmes were designed to: improve health and wellbeing for older people, people with acquired brain injuries and the socially vulnerable; improve literacy and provide parental support and early intervention for childhood learning; break down barriers and engage with non-traditional audiences; increase access to and engagement with collections; and enhance employability through work experience and training.


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All of these achievements would not have been possible without the dedication, innovation and enthusiasm of our staff. I would therefore like to thank all our staff for their hard work and commitment throughout the year. Thanks also go to all of our partners for their continued and valued support.

We would also like to acknowledge the contributions of both Mr T Cooke and Dr J McGreevy. Mr Cooke resigned in November 2014 after eleven years' service and Dr McGreevy retired in May 2015 having spent most of his working career with National Museums Northern Ireland.

We would like to thank the staff of Armagh county Museum for their long service and commitment to National Museums Northern Ireland and wish them continued success for the future with the new council.

Finally, we would also like to thank our sponsor department the Department of Culture Arts and Leisure (DCAL) for their continued support and direction during this year. The additional funding for capital maintenance programmes in particular was critical to our continued delivery and protection of the assets we hold in our care.



Mr M McCoy
Chairman of the Board of Trustees



Mrs K Thomson
Chief Executive

THE TRUSTEES' AND CHIEF EXECUTIVE'S REPORT

In 2005-06, National Museums and Galleries of Northern Ireland adopted the operating name of National Museums Northern Ireland. The operating name has been used throughout the Annual Report and Accounts.

Our Portfolio

National Museums Northern Ireland comprises:

- Ulster Museum
- Ulster Folk & Transport Museum
- Ulster American Folk Park
- Armagh County Museum

Our Role

Comprising Northern Ireland's foremost cultural, educational and tourism destinations, National Museums Northern Ireland presents a comprehensive picture of a people, their creativity, their innovation and environment.

The Museums and Galleries (Northern Ireland) Order 1998 sets out the constitution and responsibilities of the Board of Trustees. The Board is required to:

- care for, preserve and add to the collections
- ensure that the collections are available to the public through exhibitions, effective interpretation and availability for research and study
- promote the awareness, appreciation and understanding of:
 - art, history and science,
 - the way of life and traditions of people,
 - the migration and settlement of people,

with particular reference to the heritage of Northern Ireland.

The Trustees have complied with the duty in section 11 of the Charities Act 2011 to have due regard to guidance published by the Charity Commission.

Our Responsibility

As a Non-Departmental Public Body (NDPB) accountable to the Northern Ireland Assembly through the Department of Culture, Arts and Leisure, National Museums Northern Ireland has a public duty to meet the highest standards of Corporate Governance. As a group of national museums, the organisation aspires to quality and excellence in the care and development of its collections and to ensuring the widest possible access to them. National Museums Northern Ireland is committed to the priorities as set out in legislation on equality, disability discrimination, health and safety, child and vulnerable adult protection, data protection and freedom of information.

National Museums Northern Ireland makes a key contribution to the achievement of the goals set out in the Programme for Government, the priorities outlined in Building on Progress and the Department of Culture Arts and Leisure's (DCAL) Corporate Strategy by:

- providing an excellent environment to enhance understanding of, and respect for, our culture, history and heritage
- working to improve public access to assets in public ownership

- delivering high quality learning programmes to tens of thousands of children and adults in partnership with schools, colleges and universities
- playing a vital role in tourism as a key partner with the Northern Ireland Tourist Board and Tourism Ireland Limited
- contributing to a positive international image of Northern Ireland
- playing a significant role in increasing cultural participation for a wide cross-section of Northern Ireland society
- contributing to Cultural Capital through its care and development of the national collections including its sites.

The organisation contributes to making Northern Ireland a more competitive region. It also helps to build equality and community cohesion and aims to provide better public services.

Constitution

The Museums and Galleries (Northern Ireland) Order 1998 established a Board of Trustees for National Museums Northern Ireland and provided that all property, rights and liabilities of the Trustees of the Ulster Museum and the Trustees of the Ulster Folk & Transport Museum would transfer to this Board. It repealed previous legislation affecting the Ulster Museum and the Ulster Folk & Transport Museum. The Trustees of the Ulster Museum and the Trustees of the Ulster Folk & Transport Museum were thereby abolished.

The Order requires the Trustees to care for, preserve and add to the objects in its collections, for the purposes of exhibiting to the public and making objects available in connection with study or research, and generally to promote awareness, appreciation and understanding of art, history, science, culture and the migration and settlement of people.

National Museums Northern Ireland assumed responsibility for the Ulster American Folk Park from October 1998.

Under Article 10(2) of The Museums and Galleries (Northern Ireland) Order 1998, the group is required to prepare a statement of accounts for each financial year in the form and on the basis determined by DCAL with the approval of the Department of Finance and Personnel (DFP). The financial statements for National Museums Northern Ireland are required to be audited by the Comptroller and Auditor General for Northern Ireland.

Under Article 11 of The Museums and Galleries (Northern Ireland) Order 1998, the Board is required to prepare an Annual Report for DCAL, and for this to be laid before the Northern Ireland Assembly.

Principal Address

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

Board of Trustees

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

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

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

Bankers

Danske Bank Limited
98 - 100 High Street
Holywood
BT18 9HW

External Auditors

Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU

Internal Auditors

KPMG
Chartered Accountants
Stokes House
College Square East
Belfast
BT1 6DH

Solicitors

C & J Black Solicitors
Linenhall House
13 Linenhall Street
Belfast
BT2 8AA

Charity Number

NIC103729

Structure, governance and management

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

Appointment is by open competition with Trustees initially appointed for a term of up to five years. Trustees can additionally serve subsequent terms of up to a maximum of ten years subject to the approval of the Office of the Commissioner for Public Appointments for Northern Ireland (CPANI).

There were three sub-committees of the Board of Trustees for the year, as follows:

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

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

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

Members of the Executive Team are as follows:

Chief Executive and Accounting Officer: Mrs J Helliker (acting since 18 May 2015)

Director of Collections & Interpretation: Dr J McGreevy

Director of People & Performance: Mrs J Helliker (up to 17 May 2015)

Director of Finance: Mr P Sheridan (acting since 13 June 2013)

Director of Marketing, Communications & Trading: Mrs G McLean

Director of Learning & Partnership: Mr P Gilmore

Mr T Cooke, the Director and Chief Executive of National Museums Northern Ireland, resigned on 25 November 2014. In the interim Dr J McGreevy took over the Accounting Officer duties. Dr McGreevy was formally appointed as Acting Chief Executive on 29 January 2015.

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

Register of Interests

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

Related party transactions are shown in note 20 of the accounts.

Accounts Direction

The accounts have been prepared in accordance with the accounting and disclosure requirements of the Companies Act 2006, the accounting standards adopted by the Accounting Standards Board and disclosure requirements issued by DFP. The accounts have been prepared in the form and on the basis determined by DCAL with the approval of DFP.

Results and Appropriations

Funds have increased by £3,279,427 from £76,144,891 to £79,424,318 in the year. The increase relates to £1,365,277 of net incoming resources, and a gain on revaluation of £1,914,150.

Total incoming resources for the year amounted to £18,444,942 (2014: £17,371,614) of which DCAL provided grant-in-aid funding of £14,835,507 (2014: £14,465,314). Total resources expended amounted to £17,079,665 (2014: £17,553,913).

National Museums Northern Ireland's key financial target for the 2014-15 financial year was to operate within the levels of grant received and receivable, and other operating income generated in the year. This target was achieved.

The policy on reserves is included in note 1, Accounting Policies, to the accounts.

Market Value of Land and Buildings

A full valuation of land and buildings was provided by Land and Property Services at 31 March 2015. The net book value of land and buildings at 31 March 2015 was £62,037,778 (2014: £59,426,495), details in note 10 of the accounts, page 46.

Charitable donations

There were no charitable donations made by National Museums Northern Ireland in the year.

Disabled Persons

As an equal opportunities employer, National Museums Northern Ireland does not discriminate against staff or applicants for posts on any grounds, including disability. Care is taken to ensure the needs of disabled applicants are considered in the recruitment and promotion processes. National Museums Northern Ireland also considers and introduces reasonable adjustments to support the employment of people with disabilities and to support the continuing employment of staff who have a disability.

Employee Engagement

National Museums Northern Ireland is committed to developing an organisation that is highly skilled and motivated in contributing to the care of the national collections and providing an excellent service to the public.

A broad range of in-house training for staff has been facilitated this year, supported where appropriate by participation in external courses, eLearning and further education. A broad spectrum of compliance, health and safety, systems and policy training needs have been addressed, as well as a variety of collections specific needs and those relating to professional standards. Knowledge sharing between colleagues has been commonplace, with staff regularly holding cross-directorate awareness raising sessions and seminars. Our Cultural Heritage Vocational Qualification programme is also now in its sixth cycle.

We continue to work in partnership with the Northern Ireland Museums Council, following two successful cycles of the 'Collections Skills Initiative' funded by the Heritage Lottery Fund. Our new programme, the 'Community Engagement Initiative' continues into the next financial year and is providing paid placements and training for ten Community Engagement professionals of the future. National Museums Northern Ireland staff have designed and delivered the vast majority of the training programme.

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

Our internal Programme Boards have continued to meet to develop cross-directorate communications and project working and support the work of the Executive Team.

Managing Attendance

In order to assist in the effective and efficient management of our business, National Museums Northern Ireland monitors the attendance of all staff. The actual sickness absence rate for 2014-15 was 4.8% (2013-14: 3.9%), as a percentage of working time lost. The effectiveness of the Attendance Management policy was formally reviewed and an updated version of the policy issued. The operation of the employee assistance programme is monitored on an on-going basis.

Organisational Development

2014-15 saw the delivery of year 3 of National Museums' Corporate Social Responsibility programme 'Horizons'. Horizons focuses on raising aspirations and creating opportunities through employability programmes and volunteering, tackling environmental issues (with a keen focus on enhancing bio-diversity), employee engagement initiatives and Charity of the Year work. 'Museums 2 Work', National Museums' own paid placement and training programme had its second cycle in 2014-15 and World Host accredited training has been delivered by staff to 78 unemployed people to date aspiring to work in tourism, cultural heritage or hospitality. 23% of World Host participants have since moved into jobs. In recognition of its Corporate Social Responsibility successes, National Museums has been shortlisted for the 'Employability Champion' and 'Business and Biodiversity' categories of the Northern Ireland Impact Awards 2015.

Payments to creditors

National Museums Northern Ireland is committed to prompt payment for goods and services and makes every effort to pay suppliers within 30 days of receipt of invoice. In the year ended 31 March 2015 National Museums Northern Ireland paid 97% (2014: 98%) of invoices within 30 days of the date of receipt of invoice.

Personal data related incidents

National Museums Northern Ireland has given consideration to the requirement to report personal data related incidents. It is content that there were no such incidents in the year ended 31 March 2015.

Disclosure of Audit Information

So far as the Accounting Officer is aware, there is no relevant audit information of which the Board's auditors are unaware. The Accounting Officer has taken all necessary steps to make herself aware of any relevant audit information and to establish that the Board's auditors are aware of that information.

Performance Overview

The mission and strategic aims of National Museums Northern Ireland are delivered through the organisation's Corporate Strategy and a series of annual Business Plans.

The Trustees have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission in defining the strategic direction of the Museum.

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Key Performance Indicators (KPIs) were set for the 2014-15 year which focused on the level and quality of public engagement and on business performance. The key operational targets and year-end achievements are listed below:

	Actual 2014-15	Target 2014-15	Actual 2013-14
COLLECTIONS			
<ul style="list-style-type: none"> • % of collections held in acceptable, good or excellent conditions 	99%	99%	99%
<ul style="list-style-type: none"> • Additional number of collections-related images available online 	3,071	2,500	2,860
<ul style="list-style-type: none"> • Additional number of collections with computerised inventory control 	22,521	20,000	29,362
LEARNING, ACCESS & PARTNERSHIPS			
<ul style="list-style-type: none"> • Number of participants in organised learning visits 	126,630	80,000	119,461
<ul style="list-style-type: none"> • Number of participants in STEM programmes 	10,521	10,000	12,307
<ul style="list-style-type: none"> • Number of school visitors from areas of multiple deprivation 	7,753	7,000	12,012
<ul style="list-style-type: none"> • Number of specific initiatives targeted in areas of multiple deprivation 	16	10	56
<ul style="list-style-type: none"> • Number of outreach engagement initiatives 	48	40	252
<ul style="list-style-type: none"> • Number of volunteers engaged in museum activities 	50	30	282
VISITOR EXPERIENCE			
<ul style="list-style-type: none"> • Total number of visitors 	770,425	665,000	728,249
PROFILE & COMMUNICATIONS			
<ul style="list-style-type: none"> • Number of nmni.com visitors 	894,838	699,000	610,061
FUNDING, FINANCE & RESOURCES			
<ul style="list-style-type: none"> • Self-generated income (non DCAL) as % of total operating income 	19.14%	17.86%	16.86%
<ul style="list-style-type: none"> • Payments processed within 10 days 	88%	90%	94%
<ul style="list-style-type: none"> • Savings Delivery Plan targets 	£3.321m	£3.321m	£2.614m

Risk Management

As required by National Museums Northern Ireland's Risk Management Strategy, a formal risk management framework is in place that reflects the major business risks. All risks are reviewed as an integral part of the operational planning and management process. The Executive Directors and Senior Management Team identify the organisation's objectives and key risks and document these in the form of a National Museums Northern Ireland Corporate Risk Register. This assists the Board of Trustees to implement risk management actions identifying the types of risks faced, prioritising them in terms of potential impact and the likelihood of occurrence and identifying ways of managing the risks. During the year the Director reports significant changes and developments in the risk profile to the Audit and Risk Assurance Committee and the Board of Trustees. The Audit and Risk Assurance Committee reviews and updates the framework on a regular basis to ensure that it remains current.

Achievements

With over 770,000 visitors during 2014-15, National Museums Northern Ireland plays a central role at the heart of our society in delivering world-class museum services to the local population and to overseas visitors. During the year we continued to promote our museums to existing audiences, while focusing on developing new audiences, highlighting the role of museums to all sections of society, reinforcing our commitment to promoting equality, tackling poverty and social exclusion.

Visitors enjoyed a diverse programme of events and exhibitions across all our sites this year. Some highlights at the Ulster Museum included the major exhibition Art of the Troubles which opened in April and featured the work of 50 artists and their responses to this intense period in Northern Ireland's history. Answer the Call: First World War Posters opened in May and featured original posters encouraging enlistment as well as 'home front' activities. Visitors got a glimpse into the opulent world of 1900s fashion with two fashion exhibitions in June entitled Costumes Parisiens and The Age of Liberty.

The New Art, New Nature exhibition featuring the recent 'Untitled'; a large-scale abstract oil painting secured with funding from the Art Fund, and 'Waiting for the Corncrake' – 30 watercolours on paper donated by the William McKeown Foundation, opened in October. In November the fascinating story of Ulster over the last 500 years was revealed in a major new permanent exhibition Modern History. The exhibition showcases almost 400 objects, some 150 of which have not previously been on display.

A special programme of events and exhibitions was launched at Easter at the Ulster Folk & Transport Museum, to mark the 50th anniversary of the Folk Museum. A spectacular festival of music, dance, poetry and traditional crafts took place in May as part of the Folk Museum's celebrations.

In June a new exhibition opened at the Folk Museum. A Step in Time: The Story of Irish Dance explores in a unique way the distinctiveness of this dance form, its development from the 1800s, and its phenomenal growth in popularity in recent years. In October a family photograph album containing never before seen images of Titanic during her launch and departure from Belfast and stunning photographs of the Olympic went on display in the TITANICa exhibition in the Transport Museum.

Other popular events included the 'Cultra Hill Climb' and the new 'Ships, Planes, Trains & Automobiles' event in June which was very well attended. Favourite events such as 'Native and Traditional Breeds Weekend', 'Model Railway Day' in November and the 'Spirit of Christmas Past' events continued to drive visitor numbers throughout the year.

A varied and eclectic mix of events populated the public programme at the Ulster American Folk Park. Activity included the popular 'Old, New, Borrowed & Blue' event featuring weddings celebrated on both sides of the Atlantic in May. 'Foodfest', a new event celebrating ethnic diversity to mark Community Relations Week, took place in June. Family favourites including the 'American Independence Celebrations' in July and the international 'Bluegrass Music Festival' at the end of August continued to entertain visitors to the museum.

A 'Rocky Mountain Rendezvous' event was held in September as part of the 'Three World's Meet' programme featuring tribal members from the Wind River Shoshone and living history interpreters from the American Mountain Men. The 'Hallowe'en Festival' was another sell-out success whilst the 'American Thanksgiving' holiday was celebrated with a unique event held in late November.

Armagh County Museum delivered a varied programme of events and exhibitions including an Easter 'Family Fun' event, the 'Photographic Competition' and exhibition in April, the ever popular Armagh Art Club Summer Exhibition in June. A new exhibition opened at Armagh County Museum in September. Entitled Native, Visitor or Invader? it showcased some of Northern Ireland's native species and migrant visitors and highlighted the threats they face from some non-native 'invaders'.

During the year we were acknowledged by awards across multiple sectors including PR, biodiversity and tourism. National Museums with our PR agency, JPR, was shortlisted for the CIPR Pride Awards for the Art of the Troubles campaign.

Glenarm Estate in County Antrim was selected as the Northern Irish entry in Ireland's BioBlitz 2014 and went on to win the event for the second consecutive year. This was facilitated by CEDaR, part of National Museums Northern Ireland, in partnership with Northern Ireland Environment Agency.

The Ulster American Folk Park won a CIE Tours International Award of Excellence by achieving a satisfaction of over 90% from CIE customers during 2014. The museum was one of only six businesses from Northern Ireland which achieved this fantastic accolade.

Capital Funding

Buildings and Estates

During 2014-15, National Museums Northern Ireland continued its programme of Capital Maintenance across all of its sites as follows:

At the Ulster Folk & Transport Museum, Dalchoolin Gallery (Land Sea & Sky) a major programme of electrical rewiring was undertaken, together with the upgrade of intruder, fire alarm systems, boiler replacement and gallery lighting. Other outstanding maintenance issues were also addressed during the gallery closure, which included the installation of public WiFi, upgrade of controls and total internal redecoration. Major issues within the Archive Audio store were finally addressed with the installation of a new air conditioning plant, a fire compression system and an early warning fire alarm system. Other more minor capital works were also procured at the Folk Museum site which included the upgrade of the electrical systems within the exhibit buildings, general thatching repairs and timber treatment works.

The Ulster American Folk Park also benefited from the successful completion of the electrical rewiring and upgrade of the intruder/fire alarm systems at the Mellon Information Centre. This was part of a major refurbishment which also saw the total refurbishment of the shop, café and gallery space. The existing sewage plant at the Ulster American Folk Park was totally replaced which will allow for the museums future expansion. A number of other minor capital projects were also completed with the programme of thatch repairs to many of the exhibit buildings being the most visible.

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

The programme of electrical fixed wire tests and energy monitoring also continued across all National Museums Northern Ireland sites and the results will form part of the capital programme for the 2015-16 year.

Collection Acquisitions

A total of £143,564 was spent on specimen acquisitions during the year. This comprised an initial allocation of £35,000 which was augmented by successful in-year monitoring bids supported by DCAL.

Most of the initial allocation was spent on additions to the Art collection including Colin Davidson's 2012 portrait of Seamus Heaney (the last known portrait of the poet) and Love by Dan Shippersides. Development of the contemporary costume collection continued and included pieces by Marni, Bella Freud, and Ralph Lauren ('Denim and Supply' range). A glass sculpture, Moon Shadow 2, 2014 by Róisín de Buitléar was also purchased.

History-related purchases included a Neolithic stone axe similar in style to those in the Malone Hoard on display in the Ulster Museum, an embroidered velvet Irish dance dress in the 'Festival' style, the RTE Raidió na Gaeltachta archive 2002-2012 from the Derrybeg Studio, County Donegal, and eight posters depicting 20th century railway transport in Ulster.

Items declared treasure by the coroner and valued by the Treasure Valuation Committee at the British Museum continued to be an important dimension to the acquisition programme. Four cases occurred during the year which resulted in the acquisition of a Viking gold ingot from Brickland, County Down; a Medieval silver ring-brooch from Legananny, County Down; a Viking silver arm ring or 'ring money' from Inishargy, near Kircubbin, County Down; and two Viking silver ingots from Poobles, County Antrim.

In-year monitoring bids enabled the purchase of four photographs by Willie Doherty (one from the series Remains, 2013 and three from the Damage, 2014 series) and a glass sculpture, Waterford Sconce 2011, by Dale Chihuly, the only publicly-held example of his work in Ireland.

Fundraising & Membership

The National Museums membership scheme has proved to be consistently popular with many users taking up family membership. The scheme increases visitation levels at each site and offers unlimited free entry to both the Ulster Folk & Transport Museum and the Ulster American Folk Park. Members also benefit from a discount in National Museums cafes and shops, fast track entry on busy event days and regular updates including advance notice of exhibitions and events at the Ulster Museum.

In the 2014-15 financial year, the scheme generated income of £32,500 from 600 new and renewing active members. This is a record number of members for the scheme. A high proportion Gift Aid their membership which contributed to the total Gift Aid claim of £18,155 in 2014-15. The membership scheme is prominently promoted at all sites, and in October 2014 the functionality to purchase and renew membership was added to our website which is proving increasingly popular.

Collections Management and Care

There has been further progress in regard to collections management issues raised in reports by the Northern Ireland Audit Office and the Public Accounts Committee (HC 1130 Session 2005-6 and HC 109 Session 2006-7, respectively).

The majority of the collections continue to be maintained in acceptable conditions or better. This year has seen a focus on upgrading environmental monitoring systems at the Ulster Museum and Ulster Folk and Transport Museum and improving monitoring and control systems at the Ulster American Folk Park. Reorganisation of collections within the existing stores has also been carried out to deliver improvements.

The number of collections-related images available via the internet was increased and the related KPI target exceeded. New content includes works from the Arts Council of Northern Ireland collection, additional images from the renowned R.J. Welch photographic collection and the remarkable Hackney/Maultsaid collection of First World War images. Digitisation activities have supported public programming, and collections highlight tours have been further developed.

Information and Communication Technology (ICT)

During 2014-15, NMNI continued its programme of infrastructure refreshment, including areas of the core infrastructure in the data centre. The remaining Personal Computers were either replaced or upgraded to Windows 7. A number of core applications were upgraded during the period.

National Museums Northern Ireland started the implementation and migration of email to Office365, which will bring significant benefits and efficiencies to National Museums.

A number of improvements were made to the local area networks across all National Museum sites to strengthen the security of the ICT environment. There was further development of guest Internet access across National Museums.

During the year the ICT department provided eight work experience opportunities for students across the EU, as part of the European Leonardo programme.

As part of the PC refreshment programme old equipment was donated to a registered charity through involvement in the Business in the Community programme. This equipment will be used to develop the ICT skills of those from socially deprived backgrounds.

Learning and Partnership (Social & Community issues)

2014-15 was a successful year for the Learning and Partnership Directorate in many respects, not least in the delivery of all of the Key Performance measures which contributed to the overall delivery of the National Museums Northern Ireland Business Plan. The social impact of our work and the benefit to local people and communities was demonstrated in a range of ways.

Building on an established programme across our sites which seeks to tackle poverty and inequality we further developed our Social Inclusion Programme. This saw us deliver 16 separate projects in areas of multiple deprivation and work with local communities on 48 separate initiatives. Partnership is at the core of our approach and we collaborated with 68 different organisations to deliver highly imaginative and engaging programmes which helped people, many of whom would have not traditionally visited museums, to benefit from and enjoy the resources which we hold on their behalf.

We published "Positive Change for People and Communities" a document which showcased examples of the learning and community engagement activities of the organisation and which reflected some of the ways in which we stimulate inspiration, learning, creativity and enjoyment.

The organisation's efforts were rewarded by the presentation, in June 2014 by Minister Caral Ni Chuilin, of two awards at the DCAL Learning Forum's Claire's Awards. We won the award for Best Collaboration Project for our partnership with the Lyric Theatre on a bi-lingual project and we were also presented with the overall award for DCAL's Best Learning Project for Weekends at the Museum, a project with Belfast Education and Library Board Parent Support Programme, which engaged parents with their children's learning in the creative environment of the museum.

126,630 learning places were provided by our teams across the sites and 7,753 children from schools in areas of deprivation took part in programmes that enhanced their skills and built self-esteem. Early intervention is critical if we are to help break the cycle of poverty so we worked with young families and very young children delivering programmes that stimulate learning. Our Early Years Intervention Programme, The Berkeley Bear Experience, saw a total of 1,849 children and parents from nurseries and P1 classes in the top ten per cent of areas of social and economic deprivation across Northern Ireland take part in an innovative programme which targeted children who are underachieving in literacy and numeracy. Thirty summer schools and community groups benefited from free entry and programming and we developed a scheme which saw us distribute 2,500 free family tickets to encourage independent visitation to our sites. In addition to this we provided free entry for 20 schools in recognition of the pressure that they are under financially and of the need to ensure that their pupils are not further disadvantaged.

The National Museums Northern Ireland STEM programme again delivered in excess of 10,500 learning places for schools and a further 22,000 places for general visitors. This was mainly thanks to an excellent programme which capitalised on the hugely popular Elements Exhibition and creative events which saw us attract new audiences to the Ulster Museum. National Museums Northern Ireland was also the largest single contributor of events to the inaugural Northern Ireland Science Festival and embraced the opportunity to showcase the myriad ways in which we deliver the crucially important STEM agenda.

2014-15 saw us enter the final year of the Live and Learn project which has made such a significant contribution to the development of lifelong learning, volunteering, intergenerational practice and our engagement with older people. To date over 20,000 older people, many of whom are vulnerable and socially isolated, have been part of the life of our museums and have contributed to their vitality and energy. The Treasure House project has been similarly successful and has provided people from Clanmill Housing with a

unique opportunity to participate meaningfully in learning and creative programmes. Participants have reported that their quality of life has improved through their engagement with new creative and cultural activities and that they have also experienced greater social inclusion through group activities, new friendships and wider social networks provided by this programme.

Our programmes and activities reflect Governmental priorities in relation to tackling poverty and improving the lives of people and hence we have endeavoured to share our spaces, our skills, resources and expertise with the widest possible number of people and organisations. We have sought to put ourselves at the heart of the community through delivering active learning and enjoyment. The quantum of our engagements and the quality of the outcomes achieved indicates the extent to which we have achieved this ambition.

Review of Public Administration

In November 2005, the Secretary of State determined, through the Review of Public Administration (RPA), that responsibility for the operation of Armagh County Museum will transfer from National Museums Northern Ireland to local government. The transfer took place on 1 April 2015.

Plans for Future Periods

National Museums Northern Ireland continues to play a major role at the heart of our community in delivering world-class museum services to visitors from home and from overseas. We play a significant role in the re-positioning of Northern Ireland on the global stage and we believe that investment in our cultural infrastructure is vital to the long term development of museums and the economic, social, health and educational contribution they make.

As well as fulfilling statutory roles in relation to our collections and our sites, National Museums Northern Ireland contributes to the key pillars of the Programme for Government in relation to economic growth and recovery. We support Foreign Direct Investment initiatives and are a major deliverer of tourism product across Northern Ireland. This, in turn enhances Northern Ireland's reputation globally, enriching the lifestyle offering for overseas investors, providing employment and benefiting local business and economy.

Museums make a unique contribution to the lives of people and can be a key tool in the efforts to improve life chances, raise aspirations, tackle poverty and disadvantage, improve health and wellbeing and ultimately build a strong and shared community.

Building upon the success of recent years, we will continue to focus our engagement with people living in areas of multiple deprivation. We will use our programming to make a real and unique contribution in supporting the Northern Ireland Executive's focus on improving opportunities for those living in areas of cyclical disadvantage. We are continuing with the Key Performance Indicators on outreach and targeted activity which were introduced in 2012-13.

In the coming year, building upon these achievements, we will deliver the five strategies developed last year:

- The Collections Access & Engagement Strategy - ensuring that as many of the national collections as possible are available to the public.
- The Community Engagement & Partnership Strategy - developing our engagement with people living in areas of multiple deprivation.
- The Digital Engagement Strategy - offering more collections content and images online and optimising the opportunities afforded by e-communications and social media engagement.
- The Social Responsibility Strategy - supporting employability skills development, charitable activity, community development and helping to tackle biodiversity and sustainability.
- The Infrastructure, Investment & Resources Strategy – managing all resources effectively and efficiently and developing master plans for each of the museum sites.

Across our sites we will continue to deliver a broad range of activity involving exhibitions, events, learning and social inclusion programmes.

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As in previous years, our capital investment programme is projected to be at a low level and will be focused on essential maintenance.

We will continue to explore partnerships and offer a range of learning and development opportunities designed to offer innovative returns on this investment. These will support the efforts to provide new skills opportunities within our community and to improve employability prospects.

We will continue to offer unique learning engagements for schools and other users, supporting curriculum activity, the STEM/STEAM agenda and wider programmes which encourage social inclusion, involvement and community understanding thereby helping to tackle inequalities and promote health and wellbeing.

We will continue to foster museum partnerships between Northern Ireland and the Republic of Ireland, across the UK and with international partners in planning exhibitions, pursuing research and delivering public programming.

We will support the programme around the Decade of Centenaries and the wider efforts to cultivate broad and objective historical understanding, with contributions from our collections, curatorial expertise and specialist sites.

All of our activity is supported by grant-in-aid via the DCAL. In 2015-16 our grant in aid income is £11.140 million. This is a welcome and substantial investment of public money and we are committed to doing our best to lever value through efficient spending and positive social outcomes. However, we still face significant financial and managerial challenges. The combined impact of the implementation of our previous reform and modernisation programme involving major restructuring, a voluntary early retirement scheme, and considerable downsizing – combined with a fourth year of Savings Delivery Plans which total in excess of £7 million - has depleted organisational capacity. The funding reduction of 11.2% in 2015-16 equates to a Grant-In-Aid funding reduction of £1.429 million. This raises significant concerns for the Board of Trustees about the impact on the organisation's current operations. In the coming year the Board of Trustees and Management of National Museums Northern Ireland will review the current business model with a view to ensuring the organisation's ability to deliver such savings.

Tackling our budgetary pressures will require a mixture of reducing costs and maximising income. In recent years we have made good progress in generating more of our own income and this part of the organisation will have even greater importance. With this in mind, we will undertake a review of the organisation's commercial activity and appraise new models for optimising income through the creation of a trading company.

The main proportion of our expenditure is in payroll and in an effort to deliver the required savings we are hoping to avail of the NICS funded Voluntary Exit Scheme (VES). This will operate in tandem with an organisational review to ensure that we reinvest in curatorial expertise and continue to deliver a quality service to the public.

We will explore the potential for enhancing our capital budget allocation to both develop our cultural infrastructure and deal with important essential maintenance of the estate, enabling resource efficiencies in the short term.

We aim to protect free admission to the Ulster Museum to support delivery of the key Departmental objectives of Promoting Equality and Tackling Poverty and Social Exclusion (PETPSE) and contributing to the growth of the economy and building a united community. We will continue to develop a charging strategy which encourages increased voluntary donations from members of the public, fees for maps and cloakroom deposits and admission fees for special exhibitions as appropriate. In this way, all sections of our community can continue to have free access to the museum and we can encourage repeat visitation.

Maximising our income supports the delivery of our education programmes which include initiatives designed to promote equality and tackle poverty and social exclusion. This includes the popular discovery zones which are key drivers of family visitors at the Ulster Museum.

Providing access to collections remains a key objective of the organisation, to which end, collections care, exhibitions and their associated programming and digital activity continue to have a high profile in our plans for this year.

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National Museums Northern Ireland will continue to support the objectives of the Programme for Government, DCAL and the work of our tourism, learning, community and business partners. Our Trustees and staff remain committed to providing a high-quality service to the public. We will endeavour to continue to play our role as a major contributor to the economic, social and cultural betterment of our society.

The specific objectives outlined in the 2015-16 Business Plan support the Northern Ireland Museums Policy and DCAL's priorities to promote equality and tackle poverty and social exclusion. They are designed to maintain effective engagement with as many people as possible and to offer new opportunities to explore the knowledge, understanding and inspiration to be found in our diverse and treasured collections.

Important events since the end of the financial year

Mr T Cooke, the Director and Chief Executive of National Museums Northern Ireland, resigned on 25 November 2014. In the interim Dr J McGreevy took over the Accounting Officer duties. Dr McGreevy was formally appointed as Acting Chief Executive on 29 January 2015.

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

Armagh County Museum transferred to local government on 1 April 2015.

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



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



Mrs K Thomson
Chief Executive
Date: 23 September 2016

REMUNERATION REPORT

Remuneration Committee

The Board has established a Remuneration Committee to support them in undertaking their responsibilities for overseeing the performance and remuneration of the Museums' senior staff. In particular, it oversees approval of the Senior Civil Service Pay Strategy as it applies to the Chief Executive and reviews the Chief Executive's approvals of the Senior Civil Service Pay Strategy as it applies to other Directors employed under SCS terms and conditions.

Membership of the Committee

The membership of the Remuneration Committee is as follows:

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

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

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

Policy on the remuneration of senior managers

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

The Chief Executive is responsible for monitoring and reviewing the performance of the Executive Team of National Museums Northern Ireland in accordance with the SCS Pay Strategy (for those Directors employed under SCS terms) and in accordance with the Northern Ireland Civil Service Pay Strategy for other Directors.

Policy on duration of contracts, notice periods and termination payments

Senior staff, including the Chief Executive, are permanent employees of National Museums Northern Ireland. The notice period for senior staff is three months. Termination payments are in accordance with contractual terms and those of the Principal Civil Service Pension Scheme (NI).

Salary and pension entitlements

The salary and pension entitlements of the Directors of National Museums Northern Ireland (which has been subject to audit) are detailed below:

Senior Management Remuneration (Subject to Audit)

	2014-15				2013-14			
	Salary £'000	Bonus £'000	Pension Benefits ¹ (to nearest £1000)	Total (£'000)	Salary £'000	Bonus £'000	Pension Benefits (to nearest £1000)	Total (£'000)
Mr T Cooke Director & Chief Executive (to 25 February 2015)	100-105 (105-110 full year equivalent)	-	28,000	125-130	105-110	-	56,000 ²	165-170
Mrs J Helliker Director of People & Performance	65-70	-	12,000	80-85	65-70	-	44,000	110-115
Dr J McGreevy Director of Collections & Interpretation	70-75	-	83,000	155-160	60-65	-	-	60-65
Mrs G McLean Director of Marketing, Communications & Trading	60-65	-	14,000	75-80	60-65	-	30,000	90-95
Mr P Gilmore Director of Learning & Partnership	60-65	-	11,000	70-75	60-65	-	14,000	75-80
Mr P Sheridan Acting Director of Finance (from 13 June 2013)	50-55	-	22,000	75-80	40-45 (50-55 full year equivalent)	-	15,000	55-60
Band of Highest Paid Director's Total Remuneration (£'000s)	100-105				105-110			
Median Total Remuneration	24,208				22,291			
Ratio	4.23				4.82			

Salary

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

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument. There were no benefits in kind provided during the financial year.

¹ The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.

² The value of pension benefits reported in the Annual Report and Account 2013-14 was £30,000. Civil Service Pensions has advised that this did not include added pension and has subsequently been restated.

Bonuses

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the previous year in which they become payable to the individual. There were no bonuses paid in the 2014-15 year.

Pay Multiples

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

The banded remuneration of the highest-paid director in National Museums Northern Ireland in the financial year 2014-15 was £100,000-£105,000 (2013-14, £105,000-£110,000). This was 4.23 times (2013-14, 4.82) the median remuneration of the workforce, which was £24,208 (2013-14, £22,291).

In 2014-15 and 2013-14 no employees received remuneration in excess of the highest-paid director. Remuneration ranged from £16,300 to £102,500 (2013-14, £16,300 to £107,500).

Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

Board Members

No emoluments were paid to members of the Board of Trustees for the year ended 31 March 2015 except for an honorarium to the Chairman amounting to £10,000.

Pensions of Senior Management (Subject to Audit)

	Accrued pension at pension age as at 31/3/15 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/15	CETV at 31/3/14	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
Mr T Cooke Director & Chief Executive (to 25 February 2015)	20-25	0-2.5	421	387	26
Mrs J Helliker Director of People & Performance	20-25	0-2.5	345	319	7
Dr J McGreevy Director of Collections & Interpretation	25-30 plus lump sum of 80-85	2.5-5 plus lump sum of 10-15	609	502	81
Mrs G McLean Director of Marketing, Communications & Trading	10-15	0-2.5	157	140	6
Mr P Gilmore Director of Learning & Partnership	10-15 plus lump sum of 30-35	0-2.5 plus lump sum of 0-2.5	218	197	9
Mr P Sheridan Acting Director of Finance (from 13 June 2013)	5-10	0-2.5	55	41	7

Northern Ireland Civil Service (NICS) Pension Arrangements

Pension benefits are provided through the Northern Ireland Civil Service pension arrangements which are administered by Civil Service Pensions (CSP). Staff in post prior to 30 July 2007 may be in one of three statutory based 'final salary' defined benefit arrangements (classic, premium, and classic plus). These arrangements are unfunded with the cost of benefits met by monies voted by the Assembly each year. From April 2011 pensions payable under classic, premium, and classic plus are increased annually in line with changes in the Consumer Prices Index (CPI). Prior to 2011, pensions were increased in line with changes in the Retail Prices Index (RPI). New entrants joining on or after 1 October 2002 and before 30 July 2007 could choose between membership of premium or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account). New entrants joining on or after 30 July 2007 are eligible for membership of the nuvos arrangement or they can opt for a partnership pension account. Nuvos is a 'Career Average Revalued Earnings' (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current rate is 2.3%. CARE pension benefits are increased annually in line with increases in the CPI.

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

For 2015, public service pensions will be increased by 1.2% for pensions which began before 6 April 2014. Pensions which began after 6 April 2014 will be increased proportionately.

Employee contribution rates for all members for the period covering 1 April 2015 - 31 March 2016 are as follows:

Pay band – assessed each pay period		Contribution rates – Classic members	Contribution rates – Classic plus, premium, nuvos and alpha
From	To	From 01 April 2015 to 31 March 2016	From 01 April 2015 to 31 March 2016
£0	£15,000.99	3%	4.6%
£15,001.00	£21,000.99	4.6%	4.6%
£21,001.00	£47,000.99	5.45%	5.45%
£47,001.00	£150,000.99	7.35%	7.35%
£150,001.00 and above		8.05%	8.05%

Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per classic.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. Pension age is 60 for members of classic, premium, and classic plus and 65 for members of nuvos. The normal pension age in alpha will be linked to the member's State Pension Age but cannot be before age 65. Further details about the CSP arrangements can be found at the website www.dfni.gov.uk/civilservicepensions-ni

Cash Equivalent Transfer Values

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

Real increase in CETV

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

After the end of the financial year, Dr J McGreevy resigned from his post of Acting Chief Executive on 16 May 2015. He was replaced by Mrs J Helliker who then resigned on 29th February 2016. Mrs K Thomson was appointed Chief Executive on 1 March 2016.



Mrs K Thomson
Chief Executive
Date: 23 September 2016

**STATEMENT OF TRUSTEES' AND CHIEF EXECUTIVE'S RESPONSIBILITIES FOR THE
YEAR ENDED 31 MARCH 2015**

Under Article 10(2) of the Museums and Galleries (NI) Order 1998 the Museum is required to prepare a statement of accounts for each financial year in the form and on the basis determined by the Department of Culture, Arts and Leisure (DCAL) with the approval of the Department of Finance and Personnel (DFP). The accounts are prepared on an accruals basis and must give a true and fair view of National Museums Northern Ireland's state of affairs at the year end and of its financial activities and cash flows for the financial year.

In preparing the accounts the Trustees are required to:

- observe the accounts direction issued by DCAL, including relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed and disclose and explain any material departures in the financial statements;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that National Museums Northern Ireland will continue in operation.

The Accounting Officer for DCAL has designated the Acting Chief Executive as the Accounting Officer for National Museums Northern Ireland. Her relevant responsibilities as Accounting Officer, including the responsibility for the propriety and regularity of the public finances, for which she is answerable, and for keeping of proper records and for safeguarding National Museums Northern Ireland's assets, are set out in the Non-Departmental Public Bodies' Accounting Officer Memorandum, issued by DFP.

GOVERNANCE STATEMENT for the year ended 31 March 2015

1. Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives of National Museums Northern Ireland agreed by the Minister of Culture, Arts and Leisure (DCAL), whilst safeguarding the public funds and Museums' assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money Northern Ireland.

National Museums Northern Ireland is a Non-Departmental Public Body established under the Museums and Galleries (Northern Ireland) Order 1998 and sponsored by DCAL.

The Executive Directors of National Museums Northern Ireland meet formally on a quarterly basis with DCAL Museums Branch. At these meetings National Museums Northern Ireland is assessed against its delivery of the Ministerial priorities as agreed in the Corporate Plan and Museums Policy as well as the review of the management of risk within National Museums Northern Ireland. A representative from DCAL Museums Branch attends the Audit and Risk Assurance Committee meetings at which risk management is addressed.

2. Compliance with Corporate Governance Code

National Museums Northern Ireland in so far as it is relevant for a Non Departmental Public Body, complies with the Corporate Governance Code.

3. Governance Framework

National Museums Northern Ireland is governed by a Board of up to 15 Trustees and sub committees that report to the Board. The Trustees are appointed by the Minister of Culture, Arts and Leisure. The Board has ultimate responsibility for directing the affairs of National Museums Northern Ireland and for fulfilling the functions set out in the Museums and Galleries (Northern Ireland) Order 1998.

The Accounting Officer is designated by the DCAL Accounting Officer and has responsibility for the day to day management of National Museums Northern Ireland and is supported by the Board.

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of National Museums Northern Ireland's policies, aims and objectives, to evaluate the likelihood of those risks being realised and their impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in National Museums Northern Ireland for the year ended 31 March 2015 and up to the date of approval of the annual report and accounts, and accords with Department of Finance and Personnel guidance.

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

The Board meets at least four times a year. The Board receives reports on a regular basis covering key performance indicators, business plan performance, market update, financial performance, capital programme activity, loans agreed and minutes from each of the sub-committees.

All Trustees attended training in respect of their responsibilities for corporate governance and accountability of the organisation. During the year training was delivered on 27 May 2014 and 2 September 2014.

In order to manage any conflicts or potential conflicts of interest the Chairman asks those present at the start of each Board and Committee meeting if they are conflicted with any of the agenda items. In the year 2014-15 there have not been any conflicts.

In 2013-14 the Internal Auditors reviewed National Museums' governance arrangements. The review concluded that whilst the organisation was in compliance with the 'Corporate Governance in Central Government Departments: Code of good practice NI (2013) there was further work to be undertaken. During

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2014-15 the Board commenced a review of governance arrangements in accordance with the 2013 guidance. Terms of reference for Board committees have been revised and updated and a new Board Operating Framework was approved by the Board in June 2015. The remaining recommendation outstanding is a review of Board Standing Orders which has now taken place and is due for approval by the Board of Trustees at its Annual Meeting in September 2015.

During the 2014-15 year a review of the Adequacy of Management Information presented to the Board was carried out by the Internal Auditors. This resulted in a satisfactory rating.

The Board conducted its annual self-assessment which was presented to the Board meeting of 19 June 2015.

Of the 18 areas assessed the results were as follows:

- Six areas were assessed as: good practices are in place (or if not in place the Board can explain why it has chosen not to adopt a particular good practice)
- 12 areas were assessed as: some elements of good practice are in place; where good practice is not currently being achieved there are action plans in place to achieve good practice, or; the Board can explain why it has chosen not to adopt a particular good practice and is controlling the risks.

4. Board Membership

During the year the following served as Trustees:

	Attendance at Board Meetings 2014-15 (max 4)
Mr M McCoy, Chairman	4
Professor K Fleming	3
Mrs D Harshaw	3
Dr R Kelly OBE	4
Mr A McFarland	4
Mrs A Moor	4
Mr J Rice	0
Professor M Catto	4
Professor G Earls	3
Mrs H Francey	4
Dr L Litvack	3
Dr G McIlroy	4
Mrs C Molloy	3
Dr M Ward	3

5. Audit and Risk Assurance Committee

Following the review and adoption by the Board of Trustees of its Terms of Reference, the Audit Committee is now referred to as the Audit and Risk Assurance Committee.

The Audit and Risk Assurance Committee met four times during the year to review reports on risk management, the control environment, matters arising from internal and external audits, progress on the implementation of recommendations, and to approve and review the Annual Report and Accounts.

The Committee discharged its oversight responsibilities in accordance with the Terms of Reference and it has the requisite skills (including governance, financial reporting, risk management, auditing, strategic planning and understanding the core functions of the organisation) to discharge its responsibilities effectively.

6. Other Committees and the Executive Team

There are two other committees of the Board of Trustees:

- The General Purposes and Finance Committee met four times during the year to review the four year financial plan, current financial report, issues from Human Resources and Organisational Development, market update and loans for approval. The Terms of Reference for the sub-committee were updated during the year. These were reviewed and adopted by the Board of Trustees.
- The Remuneration Committee met once to confirm the review of the Chief Executive's performance and to approve the associated pay award.

The Executive Team has responsibility and delegated authority for the management and direction of National Museums Northern Ireland, under the leadership of the Chief Executive. Members of the Executive Team are also members of the internal boards – the Public Programming Board and the Organisational Development Board. The role of the Public Programming Board is to review all public programming activities in order to provide access to collections and assist in the achievement of visitor numbers and engagement targets. The role of the Organisational Development Board is to review key business activities in order to assist in the long term flexibility and financial sustainability of National Museums Northern Ireland and the efficient delivery of its services to the public.

7. Business Planning and Risk Management

A detailed annual Business Plan for 2014-15 was submitted to DCAL on 30 January 2014. The Business Plan was revised due to in-year budget reductions and was approved on 16 December 2014.

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

Risk management has been embedded within the organisation through the business planning and project management procedures. These procedures ensure that risks to achieving business plan objectives are identified and are managed in accordance with the Policy Framework for Risk Management.

As part of the risk management process, the Internal Auditors conducted a risk management workshop on 10 September 2014 with the Senior Management Team. This workshop enabled the Senior Team to identify the organisation's key strategic risks and revise the Directorate Risk Registers. The key risks were escalated and included within the Corporate Risk Register. Each risk is allocated a risk rating based on an evaluation of its impact and likelihood in two stages:

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

The residual risk rating is then compared to the risk appetite which establishes an acceptable level of risk for a particular business activity. If the controls are judged to be inadequate to manage risk to within the risk appetite then further action is identified to strengthen these controls.

The Corporate Risk Register identifies risks and agreed actions and allocates responsibility for those to a risk owner. The Register is reviewed regularly by the Senior Management Team and quarterly by the Audit and Risk Assurance Committee and by DCAL.

In addition to the Corporate Risk Register, internal capital project boards have developed project risk registers with project Senior Responsible Owners responsible for risk management.

The Senior Management Team are fully involved in the continual review and management of risks and are trained and equipped to manage risk in a way appropriate to their authority and duties. The internal auditors provide advice and guidance on good practice in the management of risk throughout the audit process. Changes in the risk environment during the year have been dealt with by considering the impact of the risks assessed and taking action to manage the risks.

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

- Securing appropriate levels of future government funding
- Achieving income generation targets
- Maintaining public support for museums
- Compliance with governance and accountability requirements
- Retention of knowledge and intellectual capital

The 'Managing the Capital resource' risk was downgraded during the year and it was deemed appropriate to remove it from the Risk Register.

An emerging risk, the capacity and resilience of the organisation, has been identified. It was recognised that given the current financial situation, the possibility to fund savings through the non-replacement of posts will put pressure on the current staffing complement. The current financial model includes the modest reinvestment into priority areas including Collections but this does not mitigate the risk fully. In addition, there is the projected loss of c36 full time equivalents under our 2015-16 Savings Delivery Plans and through the public sector Voluntary Exit scheme (expected to commence in October). The main mitigation for the impact of these risks is the commencement and successful delivery of an organisational review and subsequent restructure.

8. Fraud Risk and Information Risk

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

During 2014-15 five separate incidents were reported in accordance with the anti-fraud policy:

- falsification of records by a member of staff
- theft of a staff phone by person(s) unknown
- theft of two museum exhibition props by a member of staff
- attempted break in at the Ulster Museum by a member of the public
- attempted irregular transaction by the CEO

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

In the case of the fifth incident, following an internal initial investigation, it was found that there had been an attempt to carry out an irregular transaction. The matter was then reported to DCAL. DCAL subsequently carried out its own investigation which had two specific objectives, namely (a) to determine whether the initial investigation conducted by National Museums was carried out appropriately and (b) to determine whether there was any evidence that there may have been other instances where similar activity had been committed or attempted by the CEO in other areas of activity.

The DCAL investigation concluded that (a) appropriate evidence was collected during the National Museums' initial investigation and (b) no evidence was found to indicate that there were any other instances of similar activity having been attempted or perpetrated in any of the other areas reviewed.

The DCAL investigation did however identify a number of weaknesses in National Museums' procedures which need to be addressed and consequently a number of recommendations have been made. The National Museums' Board has accepted the findings and all of the recommendations. Progress against these recommendations will be monitored by the National Museums' Board and the Department.

**NATIONAL MUSEUMS AND GALLERIES OF NORTHERN IRELAND
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The management and control of risks to information is addressed in the organisation’s Data Protection Policy and Procedures. Security and access to information is addressed in the organisation’s ICT Security Policy. Internal audit of IT General Controls and Data Protection was included in National Museums’ internal audit plan for 2014-15 and were given a substantial and a satisfactory assurance rating respectively.

There were no personal data related incidents during the year.

9. Governance & Accountability within National Museums

National Museums Northern Ireland complies with the Management Statement and Financial Memorandum with DCAL and relevant guidance from the Department of Finance and Personnel. These documents set out the regulatory and accounting framework along with details of the delegations of responsibility and accountabilities.

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

In general, reports to Board members are provided in advance of meetings although, in exceptional circumstances, some are tabled. All reports undergo a rigorous review process.

10. Sources of Independent Assurance

National Museums Northern Ireland draws assurance on its system of internal control and governance arrangements from independent sources, in particular:

Internal Audit

The primary objective of internal audit is to provide an independent and objective opinion to the Board and Audit Committee on the adequacy and effectiveness of the system of internal control. The work of internal audit is informed by an analysis of the risks to which National Museums Northern Ireland is exposed.

National Museums Northern Ireland contracts out its internal audit services. The appointed firm of internal auditors operates to Public Sector Internal Audit Standards. The Annual Audit Plan 2014-15 was approved by the Audit and Risk Assurance Committee in December 2014.

The Committee considered reports on the following systems:

AUDIT ASSIGNMENTS	LEVEL OF ASSURANCE PROVIDED
• Cash and Bank	Substantial Assurance
• Income and Debtors	Substantial Assurance
• Nominal Ledger and Budgetary Control	Substantial Assurance
• Payroll	Substantial Assurance
• IT General Controls	Substantial Assurance
• Procurement	Substantial Assurance
• Management of Third Party Contracts	Substantial Assurance
• Safeguarding children & vulnerable adults procedures	Satisfactory Assurance
• Data Protection	Satisfactory Assurance
• Fraud	Satisfactory Assurance
• Adequacy of Management Information presented to Board	Satisfactory Assurance
• Human Resources	Satisfactory Assurance
• Indirect Taxes	N/A
• Review of key aspects of Whistleblowing arrangements	N/A

A satisfactory annual assurance rating over the control environment of the organisation was provided by the internal audit function for the 2014-15 year. Internal Audit also undertook two other non-assurance reviews. A review into Indirect Taxes which was a tax healthcheck and a Review of the Key Aspects of Whistleblowing arrangements, which was a review of a specific application of the National Museums NI Whistleblowing policy.

Northern Ireland Audit Office (NIAO)

The statutory audit of National Museums Northern Ireland was undertaken by the NIAO's Comptroller and Auditor General (C & AG) in accordance with auditing standards issued by the Auditing Practice Board (APB) taking into account the UK Auditing Practice Board's Practice Note 10 (revised); Audit of Financial statements in Public Sector Bodies in the United Kingdom and Practice Note 11 for the audit of Charities. The audit was planned and executed in accordance with the Audit Strategy which was approved by the Audit Committee in March 2015.

11. Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the managers within National Museums Northern Ireland who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board and the Audit and Risk Assurance Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

12. Internal Governance Divergences

Prior Year issues

Maintenance of Collections

On 8 June 2006, the Northern Ireland Audit Office published a report into the management of collections held by National Museums Northern Ireland at its four museum sites (Collections Management in the National Museums and Galleries of Northern Ireland HC 1130, Session 2005-06). The report focused on documentation and storage of the collections.

On 21 June 2006, the Public Accounts Committee held an evidence session on the Northern Ireland Audit Office report and, on 13 December 2006, published its own report and conclusions (Collections Management in the National Museums and Galleries of Northern Ireland, HC 109, Session 2006-07).

National Museums has made significant progress in regard to the majority of the collections management and storage issues raised in these reports, nine of the ten PAC conclusions having been addressed. The outstanding conclusion, relating to The Result, will be considered in the context of a development strategy incorporating options for the display and interpretation of maritime and industrial history collections. The exhibit will be maintained in its current condition subject to funding.

Current year issues

Mr T Cooke, the Director and Chief Executive of National Museums Northern Ireland, resigned on 25 November 2014. In the interim Dr J McGreevy took over the Accounting Officer duties. Dr McGreevy was formally appointed as Acting Chief Executive on 29 January 2015.

Dr McGreevy resigned as Acting Chief Executive on 16 May 2015 to take up his substantive post of Director of Collections before his retirement and Mrs J Helliker was appointed Acting Chief Executive on 18 May 2016.

Other than those previously reported here in, there were no other governance issues reported in the year.

13. Conclusion

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



Mrs K Thomson
Chief Executive
Date: 23 September 2016

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

I certify that I have audited the financial statements of National Museums Northern Ireland for the year ended 31 March 2015 under the Museums and Galleries (Northern Ireland) Order 1998. These comprise the Statement of Financial Activities, the Balance Sheet and the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Trustees, Chief Executive and auditor

As explained more fully in the Statement of the Trustees' and the Director and Chief Executive's Responsibilities, the Trustees and Chief Executive are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Museums and Galleries (Northern Ireland) Order 1998. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to National Museums Northern Ireland's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the incoming and outgoing resources recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on Regularity

In my opinion, in all material respects the incoming and outgoing resources have been applied to the purposes intended by the Assembly and the financial transactions conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of National Museums Northern Ireland's affairs as at 31 March 2015 and of its incoming and outgoing resources and cash flows for the year then ended; and
- the financial statements have been properly prepared in accordance with the Museums and Galleries (Northern Ireland) Order 1998 and Department of Culture, Arts and Leisure directions issued thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Department of Culture Arts and Leisure directions made under the Museums and Galleries (Northern Ireland) Order 1998; and
- the information given in the Management Commentary and the Director and Chief Executive's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with Department of Finance and Personnel's guidance.

Report

I have prepared a report at pages 54 and 55 on issues arising from the resignation of the National Museums Northern Ireland's former Chief Executive in November 2014.



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

Date: 31 October 2016

NATIONAL MUSEUMS AND GALLERIES OF NORTHERN IRELAND

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2015

	Note	Restricted	Unrestricted	2015 £	2014 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income					
Grant-in-aid	2	2,837,000	11,998,507	14,835,507	14,465,314
VER funding	15	212,141	-	212,141	221,526
Donations	3	8,099	86,203	94,302	60,700
Gifts in kind	3	60,532	-	60,532	33,190
Activities for generating funds					
Fundraising & Development	4	26,047	-	26,047	18,370
Trading	4	-	1,088,032	1,088,032	1,037,819
Investment income					
		-	345	345	1,069
Incoming resources from charitable activities					
Admissions		-	1,000,838	1,000,838	848,742
Other grants	5	994,742	-	994,742	671,107
Other incoming resources					
	6	100,000	32,456	132,456	13,777
Total incoming resources					
		4,238,561	14,206,381	18,444,942	17,371,614
Resources expended					
Costs of generating funds					
Fundraising & Development	7	-	205,791	205,791	191,505
Trading	7	-	1,048,751	1,048,751	1,083,922
Charitable activities					
Curatorial, Collections & Collections Services	7	600,020	3,681,964	4,281,984	4,477,571
Exhibitions and Events	7	28,447	427,228	455,675	465,629
Learning and Partnership	7	17,647	2,036,315	2,053,962	2,245,207
Operations and Visitor Services	7	287,739	8,694,448	8,982,187	9,042,084
Governance					
	8	-	51,315	51,315	47,995
Total Resources expended					
	7	933,853	16,145,812	17,079,665	17,553,913
Net incoming/(outgoing) resources					
	9	3,304,708	(1,939,431)	1,365,277	(182,299)
Transfer of funds					
		(2,524,629)	2,524,629	-	-
Unrealised gains on revaluation of fixed assets					
	10	13	1,914,137	1,914,150	2,006,266
Net movement in funds					
		780,092	2,499,335	3,279,427	1,823,967
Fund balances brought forward					
		14,947,511	61,197,380	76,144,891	74,320,924
Fund balances carried forward					
		15,727,603	63,696,715	79,424,318	76,144,891

All amounts included in the above statement relate to the continuing operations of the National Museums Northern Ireland. There are no recognised gains and losses other than those shown above. The notes on pages 38 to 53 form part of these accounts.

NATIONAL MUSEUMS AND GALLERIES OF NORTHERN IRELAND

**BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2015**

	Note	2015 £	2014 £
Fixed Assets			
Tangible assets	10	72,818,943	70,194,755
Heritage assets	10	<u>6,007,593</u>	<u>5,809,444</u>
		78,826,536	76,004,199
Current Assets			
Stock	11	326,901	356,582
Debtors	12	669,946	586,496
Cash at bank and in hand	13	<u>2,792,439</u>	<u>2,262,137</u>
		3,789,286	3,205,215
Current Liabilities			
Creditors - amounts falling due within one year	14	<u>(2,745,250)</u>	<u>(2,404,128)</u>
Net current assets		<u>1,044,036</u>	<u>801,087</u>
Total assets less current liabilities		79,870,572	76,805,286
Provision for liabilities and charges	15	<u>(446,254)</u>	<u>(660,395)</u>
Total net assets		<u><u>79,424,318</u></u>	<u><u>76,144,891</u></u>
Represented by:			
Restricted funds	16	15,727,603	14,947,511
Unrestricted funds	16	<u>63,696,715</u>	<u>61,197,380</u>
		<u><u>79,424,318</u></u>	<u><u>76,144,891</u></u>

The notes on pages 38 to 53 form part of these accounts.

The accounts on pages 35 to 53 were approved by the Board of Trustees of National Museums Northern Ireland on 23 September 2016 and are signed on its behalf.



M McCoy
Chairman of The Board of Trustees



K Thomson
Chief Executive

NATIONAL MUSEUMS AND GALLERIES OF NORTHERN IRELAND

CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2015

	2015 £	2014 £
Net cash inflow from operating activities	<u>2,864,385</u>	<u>1,670,303</u>
Return on investments and servicing of finance	345	1,069
Capital Expenditure	<u>(2,334,428)</u>	<u>(1,680,839)</u>
(Decrease)/increase in cash & cash equivalents	<u>530,302</u>	<u>(9,467)</u>

Further detail to this cash flow statement is reported in Note 19.

The notes on pages 38 to 53 form part of these accounts.

1. ACCOUNTING POLICIES

Basis of Accounting

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

Without limiting the information given, the accounts meet the accounting and disclosure requirements of the Companies Act 2006, the accounting standards issued or adopted by the Accounting Standards Board and disclosure requirements issued by the Department of Finance and Personnel in so far as those requirements are appropriate. They also comply with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" revised in 2005.

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

Going Concern

In keeping with the approach taken across the Department of Culture, Arts and Leisure's other Arms Length Bodies, National Museums Northern Ireland was advised by the Minister of its four year indicative budgets for the period ending 31 March 2015. To live within these allocations the Trustees have prepared a number of Savings Delivery Plans which they believe will enable the organisation to operate within its budget. These accounts have been prepared on a going concern basis as, in the opinion of the Trustees, National Museums Northern Ireland will continue to operate until at least 2015 and there are no indications that Executive funding will cease after that period.

Incoming resources

Grant income from the Department of Culture, Arts and Leisure is shown in the Statement of Financial Activities in the year in which it is received.

Undrawn grant-in-aid is not available to be carried forward from one year to the next.

Other grant income is recognised as and when the conditions for its receipt have been met.

Deferred income will be matched and released as and when the conditions for its application have been met.

Gifts in kind donated, where a third party is bearing the cost are included at the value where this can be quantified.

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

No amounts are included in the accounts for services donated by volunteers.

Resources expended

Resources expended are accounted for on an accruals basis. Expenditure is classified under principal charitable activities, costs of generating funds or governance costs, in order to provide more useful information to the users of the accounts.

Expenditure is classified to be in furtherance of charity objectives when it is directly attributable to the projects undertaken. All other expenditure is allocated either to support costs or costs of generating funds, as appropriate. Support costs comprise the centralised costs of the Chief Executive's Office, Finance, Human Resources and Marketing and are allocated to the charitable activities on a basis consistent with the use of the resources. The non-marketing support costs are allocated according to the number of full time equivalents staff employed in each activity. The basis for allocation of marketing costs differs for staff and for non staff costs; staff costs being allocated according to the time spent on each activity; non staff costs being allocated according to the actual expenditure profile across the activities. Governance costs are the costs incurred to ensure proper standards of public accountability within National Museums Northern Ireland and are made up of internal audit, external audit and costs associated with strategic matters.

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2015**

Provisions

National Museums Northern Ireland launched a voluntary early retirement scheme (VER) during 2005-06 as part of a Reform and Modernisation Programme. The scheme gives retirement benefits to certain qualifying employees in accordance with the rules of Principal Civil Service Pension Scheme (NI). Under this scheme National Museums Northern Ireland bears the costs of these benefits until normal retiring age. As required by Government Accounting rules, National Museums Northern Ireland has made a full provision for the cost of providing these additional benefits through to 2017-18. In addition to the provision made in 2005-06, a further provision to cover the cost of other aspects of the Reform and Modernisation Programme of £1,374,000 was made during 2007-08. Further details on this provision are set out in Note 15. The scheme is funded by allocations made under the 2004 spending review and Budget 2010.

Tangible Assets and Depreciation

Tangible fixed assets are stated at cost or valuation.

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

Buildings	2% - 10%	per annum
Permanent exhibitions	2% - 25%	per annum
Computer equipment	5% - 25%	per annum
Fixtures and equipment	5% - 25%	per annum
Plant and machinery	5% - 25%	per annum
Motor vehicles	10% - 25%	per annum

The museums' land and buildings are professionally revalued every year. With the exception of permanent exhibitions, the cost of all other fixed assets of the museums are restated annually to reflect their current value using the relevant price indices at the year end and to identify any impairment of value. The revaluation surplus or loss, net of the corresponding adjustment to accumulated depreciation, is credited to the revaluation reserve.

The minimum level for capitalising tangible fixed assets is £1,000, although lower valued items may be pooled and capitalised where they constitute a unit or group.

Heritage assets

Additions to the collections acquired since 1 April 2001 have been capitalised and recognised in the Balance Sheet at cost or at value where a donor has gifted the items.

Valuations of gifts are based on the amount paid by the donor or the opinion of the museum specialist staff. Valuations are not updated after initial recognition.

The museum's collections acquired before 1 April 2001 are assets of historical and scientific importance held to advance the museum's educational and cultural objectives. These assets were not capitalised in past accounting periods, reliable cost information is not available and a reliable valuation approach was not considered to be cost effective.

Heritage assets are not depreciated.

Nature & scale of heritage assets

The collections of National Museums Northern Ireland are multidisciplinary, diverse and span all time periods, referencing Northern Ireland within and to the wider world. Historically, they have grown on the site-based framework of the Ulster Museum, the Ulster Folk & Transport Museum, the Ulster American Folk Park and Armagh County Museum. However, since similar collection types can relate to more than one site, they are more appropriately classified within six broad and complementary subject areas. National Museums Northern Ireland will continue to collect within these subject areas and the time periods and geographic areas to which they relate:

1. Art;
2. Emigration;
3. Folk Life and Agriculture;
4. Human History;
5. Natural Sciences;
6. Transport, Industry and Technology.

Policy on acquisition and disposal of heritage assets

National Museums has an Acquisition & Disposal Policy in place. This policy provides further information on the nature of heritage assets held. It is available online at www.nmni.com.

Policy on management and preservation of heritage assets

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

Stocks

Stocks have been valued at the lower of cost and estimated net realisable value.

Reserves Policy

National Museums Northern Ireland forecasts to operate on an annual basis within a balanced funding formula of grant-in-aid, sponsorship and donations, and self-generated income. Annual operating surpluses (or deficits) are kept to a minimum and are transferred to the Unrestricted General Reserve at 31 March each year.

The Charities SORP requires capital grants to be included within the Statement of Financial Activities in the year in which they are receivable. The only expenditure against this is depreciation. Therefore during periods of high capital investment, surpluses will arise on the Statement of Financial Activities.

Also, VER funding is included on the Statement of Financial Activities whereas the costs are set off against the provision in the Balance Sheet. This will create annual increases to the surplus until the provision is fully utilised.

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

The balance on the Restricted General Fund available at 31 March 2015 was £586,126. The Trustees consider that sufficient funds are held in an appropriate form to enable funds to be applied in accordance with any restriction imposed. The balance on the Unrestricted General Fund, together with this policy, is reviewed on an annual basis.

National Museums Northern Ireland receives various types of funding which require separate disclosure. These are differentiated between restricted and unrestricted funds.

Restricted Funds

Restricted funds are those funds which are subject to specific restriction imposed by the donor, by the purpose of an appeal or are received for a specified purpose. They comprise the following:

Collection acquisition fund - this fund represents the value of heritage assets funded by restricted donations and grant-in-aid since April 2001.

Deferred government grant - this fund represents the acquisition of fixed assets which following acquisition have no restriction on use and therefore transfer to the unrestricted funds.

Exhibition fund - this fund represents the net book value of the Museum's permanent exhibitions.

Reform and Modernisation fund - for the provision for the future costs of obligations under the Reform and Modernisation programme. A Voluntary Early Retirement Scheme forms a substantial part of this programme. This deficit fund will reduce annually as government allocations are released.

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

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

General fund - this fund is to enable the Museum to manage its working capital relating to restricted activities.

Unrestricted Funds

Unrestricted funds are those funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Museum. They comprise the following:

Capital reserve - represents fixed assets transferred to National Museums Northern Ireland from the Ulster Folk and Transport Museum when National Museums Northern Ireland was established under the Museums and Galleries (Northern Ireland) Order 1998. This fund is reduced annually by depreciation.

Revaluation reserve - this fund represents the revaluation surplus or loss, net of the corresponding adjustment to accumulated depreciation on the revalued assets.

NATIONAL MUSEUMS AND GALLERIES OF NORTHERN IRELAND

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2015**

Unrestricted Funds continued

Deferred government grant - this fund together with the capital fund and the revaluation reserve represents the net book value of all unrestricted assets, namely land and buildings, fixtures and equipment and motor vehicles.

General fund - this fund is to enable the Museum to manage its working capital relating to unrestricted activities.

Unrestricted Designated Fund

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

Taxation

All income and expenditure is stated exclusive of VAT, which is fully recoverable.

National Museums Northern Ireland has been granted charitable status by the HM Revenue & Customs and is exempt from corporation tax.

NATIONAL MUSEUMS AND GALLERIES OF NORTHERN IRELAND

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2015

2. VOLUNTARY INCOME

Grant-in-aid from the Department of Culture, Arts and Leisure (DCAL)

	2015 £	2014 £
Resource grant-in-aid	11,998,507	12,719,314
Capital grant	2,837,000	1,746,000
Total received	<u>14,835,507</u>	<u>14,465,314</u>

3. DONATIONS AND GIFTS IN KIND

	2015 £	2014 £
Gift Aid	18,155	20,451
Other	76,147	40,249
	<u>94,302</u>	<u>60,700</u>
Gifts in kind:		
Donated asset	54,585	22,705
Donated services	5,947	10,485
	<u>60,532</u>	<u>33,190</u>

4. ACTIVITIES FOR GENERATING FUNDS

	2015 £	2014 £
Fundraising and Development	<u>26,047</u>	<u>18,370</u>
Trading:		
Shop	618,511	631,264
Hire of facilities	150,376	150,700
Consultancy fees	2,411	3,332
Photographic sales	43,901	38,365
Events income	91,677	103,530
Franchise income	181,156	110,628
	<u>1,088,032</u>	<u>1,037,819</u>

NATIONAL MUSEUMS AND GALLERIES OF NORTHERN IRELAND

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2015**

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2015	2014
	£	£
Capital grants:		
Heritage Lottery Fund	341,588	29,912
The Art Fund	-	15,100
	<u>341,588</u>	<u>45,012</u>
Total capital grants	<u>341,588</u>	<u>45,012</u>
Revenue grants:		
Northern Ireland Environment Agency	352,065	338,618
Big Lottery Fund Grant	254,444	218,337
Belfast Education and Library Board	14,267	-
Heritage Lottery Fund	12,686	41,140
Friends of the Ulster Museum	10,241	-
The Art Fund	7,125	-
The Foyle Foundation	-	25,000
Other	2,326	3,000
	<u>653,154</u>	<u>626,095</u>
Total revenue grants	<u>653,154</u>	<u>626,095</u>
Total other grants	<u>994,742</u>	<u>671,107</u>

All of the grants are held in a restricted fund (further detail on restricted funds is given in note 1). The Big Lottery Fund Grant consists of grant of £192,316 for the Live and Learn project and a grant of £62,128 for the Treasure House project. In respect of the Live and Learn project, there were unspent funds of £44,560 at 31 March 2015.

6. OTHER INCOMING RESOURCES

	2015	2014
	£	£
Other	<u>132,456</u>	<u>13,777</u>
	<u>132,456</u>	<u>13,777</u>

During the year the Art Fund award of £100,000 was released from deferred income and a restricted fund has been set up.

NATIONAL MUSEUMS AND GALLERIES OF NORTHERN IRELAND

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2015

7. RESOURCES EXPENDED

	Staff costs £	Other Direct costs £	Indirect costs £	Depreciation £	2015 Total £	2014 Total £
Fundraising & Development	166,282	1,557	16,020	21,932	205,791	191,505
Trading	493,630	337,199	62,906	155,016	1,048,751	1,083,922
Curatorial, Collections & Collections Services	3,338,196	368,414	90,567	484,807	4,281,984	4,477,571
Exhibitions and Events	89,628	171,147	90,776	104,124	455,675	465,629
Learning and Partnership	1,608,596	164,056	34,933	246,377	2,053,962	2,245,207
Operations and Visitor Services	4,788,199	2,768,128	179,130	1,246,730	8,982,187	9,042,084
Governance (note 8)		51,315			51,315	47,995
	<u>10,484,531</u>	<u>3,861,816</u>	<u>474,332</u>	<u>2,258,986</u>	<u>17,079,665</u>	<u>17,553,913</u>

Staff costs

	2015 £	2014 £
Salaries and wages (includes temporary non-payroll staff)	8,471,055	8,582,996
National insurance	544,395	540,016
Pension costs	1,469,081	1,521,548
	<u>10,484,531</u>	<u>10,644,560</u>

Included in the above costs are amounts of £391,903 (2013-14: £343,938) paid in respect of employment agency staff. Staff costs of £68,605 (2013-14: £61,553) relating to two members of staff, have been capitalised and are not included in resources expended.

The staff of National Museums Northern Ireland are members of the Principal Civil Service Pension (PCSP) Scheme (NI).

The PCSPS(NI) is an unfunded multi-employer defined benefit scheme but National Museums Northern Ireland is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31 March 2012. This valuation is then reviewed by the Scheme Actuary and updated to reflect current conditions and rolled forward to the reporting date of the DFP Superannuation and Other Allowances Resource Accounts as at 31 March 2015.

For 2014-15, employer's contributions of £1,469,081 (2013-14: £1,521,548) were payable to the PCSPS(NI) at one of four rates in the range 18% to 25% of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. A new scheme funding valuation based on data as at 31 March 2012 was completed by the Actuary during 2014-15. This valuation was used to determine employer contribution rates for the introduction of a new career average earning scheme from April 2015. From 2015-16, the rates will remain in the range 20.8% to 26.3%. The contribution rates are set to meet the cost of the benefits accruing during 2014-15 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employer contributions of £5,467 (2013-14: £5,069) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3% to 12.5% (2013-14: 3% to 12.5%) of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £355, 0.8% (2013-14: £363, 0.8%) of pensionable pay, were payable to the PCSPS(NI) to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

Contributions due to the partnership pension providers at the balance sheet date were £532.

Three persons (2013-14: 0 persons) retired early on ill-health grounds: the total additional pension liabilities in the year amounted to £9,943 (2013-14: £nil).

No emoluments were paid to members of the Board of Trustees for the year ended 31 March 2015 except for an honorarium paid to the Chairman amounting to £10,000 (2013-14: nil). Travel expenses of £4,457 were reimbursed to seven Trustees.

The following number of senior employees comprising the Director and Chief Executive and four other member of the senior management team (2013-14: 4) received emoluments as defined for taxation purposes falling within the ranges below:

	2015 £	2014 £
£60,000 - £70,000	3	4
£70,001 - £80,000	1	-
£80,001 - £90,000	-	-
£90,001 - £100,000	-	-
£100,001 - £110,000	1	1

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2015

7. RESOURCES EXPENDED (continued)

Support costs

	Fundraising & Development £	Trading £	Curatorial, collections & collections services £	Exhibitions and Events £	Learning and Partnership £	Operations and Visitor Services £	2015 £	2014 £
Finance/CEO office/ Human Resources	13,978	28,871	369,685	28,410	104,784	782,827	1,328,555	1,337,585
Marketing	22,687	328,937	58,115	151,995	50,071	103,489	715,294	805,241
	36,665	357,808	427,800	180,405	154,855	886,316	2,043,849	2,142,826

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

	2015 No.	2014 No.
Curatorial, Collections & Collection Services	65	67
Exhibitions and Events	5	5
Learning and Partnership	18	19
Operations and Visitor Services	138	161
Marketing	9	9
Trading	5	5
Fundraising	2	3
Human Resources and Organisational Development	10	11
Finance and Development	20	20
Chief Executive's Office	2	2
	274	302

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

Staff on permanent contract	241	266
Staff on temporary agency contract	11	11
Staff on fixed term funded contract	22	25
	274	302

8. GOVERNANCE COSTS

	2015 £	2014 £
Audit and accountancy fees	44,748	44,948
Legal and professional fees	6,567	3,047
	51,315	47,995

9. NET INCOMING RESOURCES

	2015 £	2014 £
Net incoming resources is stated after charging:		
Auditors' remuneration:		
in respect of audit services	9,400	21,000
in respect of internal audit and other services	35,348	23,948
Depreciation	2,258,986	2,255,821
Insurance	99,963	97,788
Rent and rates	1,040,361	1,036,363
Heat and light	712,609	777,048

NATIONAL MUSEUMS AND GALLERIES OF NORTHERN IRELAND

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2015

10. TANGIBLE FIXED ASSETS

	Land and Buildings £	Permanent Exhibitions £	Fixtures and Equipment £	Motor Vehicles £	Sub Total £	Heritage Assets £	Total £
Cost							
At 1 April 2014	60,945,366	11,006,047	8,859,998	262,074	81,073,485	5,809,444	86,882,929
Additions	2,262,179	510,395	196,450	-	2,969,024	198,149	3,167,173
Disposals	-	-	(17,084)	(4,250)	(21,334)	-	(21,334)
Revaluation	380,884	127	43,441	(1,783)	422,669	-	422,669
At 31 March 2015	<u>63,588,429</u>	<u>11,516,569</u>	<u>9,082,805</u>	<u>256,041</u>	<u>84,443,844</u>	<u>6,007,593</u>	90,451,437
Accumulated depreciation							
At 1 April 2014	1,518,871	1,756,677	7,367,822	235,360	10,878,730	-	10,878,730
Charge for year	1,550,650	287,739	411,411	9,186	2,258,986	-	2,258,986
Disposals	-	-	(17,084)	(4,250)	(21,334)	-	(21,334)
Revaluation	(1,518,870)	114	28,711	(1,436)	(1,491,481)	-	(1,491,481)
At 31 March 2015	<u>1,550,651</u>	<u>2,044,530</u>	<u>7,790,860</u>	<u>238,860</u>	<u>11,624,901</u>	<u>-</u>	11,624,901
Net book value							
At 31 March 2015	<u>62,037,778</u>	<u>9,472,039</u>	<u>1,291,945</u>	<u>17,181</u>	<u>72,818,943</u>	<u>6,007,593</u>	<u>78,826,536</u>
At 31 March 2014	<u>59,426,495</u>	<u>9,249,370</u>	<u>1,492,176</u>	<u>26,714</u>	<u>70,194,755</u>	<u>5,809,444</u>	<u>76,004,199</u>

Land and buildings at net book value comprise:

	2015 £	2014 £
Long leaseholds	<u>62,037,778</u>	<u>59,426,495</u>

Land and Buildings were revalued by Land and Property Services at 31 March 2015. This was a revaluation inspection which is carried out every five years.

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

Property	Value	Basis of Valuation
Ulster Museum	23,751,576	Land at existing use value and buildings at depreciated replacement cost
Ulster Folk and Transport Museum	29,443,286	Land at existing use value and buildings at depreciated replacement cost
Ulster American Folk Park	4,387,848	Land at existing use value and buildings at depreciated replacement cost
Armagh County Museum	684,322	Land at existing use value and buildings at depreciated replacement cost
Residential Centre	1,300,746	Land at existing use value and buildings at depreciated replacement cost
Land at Landseer Street	475,000	Market value
Land at Malone Buildings	400,000	Market value
Store	<u>1,595,000</u>	Market value
	<u>62,037,778</u>	

All other assets of National Museums Northern Ireland were revalued in line with appropriate indices at 31 March 2015.

NATIONAL MUSEUMS AND GALLERIES OF NORTHERN IRELAND

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2015

10. TANGIBLE FIXED ASSETS (continued)

Heritage assets acquired since 1 April 2001 have been capitalised at original cost or valuation, if donated. FRS 30 requires disclosure of heritage assets in the previous four accounting periods, analysed between those that have been purchased and donated:

	Purchased £	Donated £	Total £
2010-11	427,153	-	427,153
2011-12	9,893	-	9,893
2012-13	299,130	2,778,749	3,077,879
2013-14	30,020	22,705	52,725
2014-15	143,564	54,585	198,149
	<u>909,760</u>	<u>2,856,039</u>	<u>3,765,799</u>

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

11. STOCK

	2015 £	2014 £
Shop goods for resale	239,981	267,390
Academic publications for resale	38,169	12,033
Maintenance materials and consumables	32,226	64,843
Farm stock	16,525	12,316
	<u>326,901</u>	<u>356,582</u>

12. DEBTORS

	2015 £	2014 £
Trade debtors	58,293	178,877
Prepayments and accrued income	359,010	210,523
Other debtors	252,643	197,096
	<u>669,946</u>	<u>586,496</u>

Included in the above figures are balances due from central government bodies of £465,308 (2014: £312,914)

13. CASH AT BANK AND IN HAND

	2015 £	2014 £
Cash at bank and in hand	<u>2,792,439</u>	<u>2,262,137</u>

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2015

14. CREDITORS (amounts falling due within one year)

	2015 £	2014 £
Trade creditors	7,834	543,139
Other taxes and social security	153,588	174,836
Accruals	2,458,120	1,351,998
Deferred income	74,720	286,779
Sundry creditors	50,988	47,376
	<u>2,745,250</u>	<u>2,404,128</u>

Included in the above figures are balances due to central government bodies of £379,091 (2014: £370,301).

Movement on deferred income:

	Contract / grant	Donations/ Prizes	Sponsor- ship	Training fees	Event deposit	Advance admin charge	Total
	£	£	£	£	£	£	£
Balance as at 1 April 2014	153,153	108,099	12,000	9,288	489	3,750	286,779
Amounts released from previous years	(100,473)	(108,099)	(7,000)	(9,288)	(489)	(3,750)	(229,099)
Incoming resources deferred in the current year	13,095	-	-	-	195	3,750	17,040
Balance as at 31 March 2015	<u>65,775</u>	<u>0</u>	<u>5,000</u>	<u>0</u>	<u>195</u>	<u>3,750</u>	<u>74,720</u>

15. PROVISION FOR LIABILITIES AND CHARGES

National Museums Northern Ireland launched a voluntary early retirement scheme in 2005-06 as part of the Reform and Modernisation Programme. The provision represents the future cost of obligations under the scheme to 31 March 2018 and the future cost of obligations relating to the roll out of the Reform and Modernisation Programme. Movements for the year are shown below and are on an accruals basis. Income disclosed in the Statement of Financial Activities refers to cash received from DCAL to fund the scheme and amounts to £212,141 for 2014-15.

	2015 £	2014 £
VOLUNTARY EARLY RETIREMENT SCHEME		
At 1 April	658,395	879,921
Expenditure against provision	<u>(212,141)</u>	<u>(221,526)</u>
At 31 March	446,254	658,395
OTHER PROVISIONS		
Other provisions	<u>-</u>	<u>2,000</u>
TOTAL PROVISION FOR LIABILITIES AND CHARGES	<u>446,254</u>	<u>660,395</u>

NATIONAL MUSEUMS AND GALLERIES OF NORTHERN IRELAND

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2015

16. STATEMENT OF FUNDS

	At 1 April 2014	Income	Expenditure	Revaluation	Transfers	At 31 March 2015
	£	£	£	£	£	£
Restricted Funds						
Collection acquisition fund	5,809,444	198,149	-	-	-	6,007,593
Deferred government grant	-	2,524,629	-	-	(2,524,629)	-
Exhibition fund	9,249,370	510,395	(287,739)	13	-	9,472,039
Reform and Modernisation fund	(600,051)	212,141	-	-	(58,344)	(446,254)
The Art Fund	-	-	-	-	100,000	100,000
Curatorial Projects Fund	-	-	-	-	8,099	8,099
General fund	488,748	793,247	(646,114)	-	(49,755)	586,126
	14,947,511	4,238,561	(933,853)	13	(2,524,629)	15,727,603
Unrestricted Funds						
Designated fund:						
Board Reserve Fund	-	-	-	-	62,000	62,000
Undesignated funds:						
Capital reserve	5,767,853	-	(411,849)	-	-	5,356,004
Revaluation reserve	30,131,113	-	344,802	1,914,137	-	32,390,052
Deferred government grant	24,941,743	-	(1,904,199)	-	2,563,304	25,600,848
General fund	356,671	14,206,381	(14,174,566)	-	(100,675)	287,811
	61,197,380	14,206,381	(16,145,812)	1,914,137	2,524,629	63,696,715
Total Funds	76,144,891	18,444,942	(17,079,665)	1,914,150	-	79,424,318

The transfer of £2,524,629 from Restricted Funds: Deferred government grant represents the acquisition of assets during the year which have no restrictions on use.

New restricted funds were created from the General fund for the Art Fund and the Curatorial Project Fund. A designated fund, the Board Reserve Fund, was created from the General fund. Details on these funds are provided in note 1.

NATIONAL MUSEUMS AND GALLERIES OF NORTHERN IRELAND

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2015

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted £	Unrestricted £	2015 Total £
Tangible Fixed Assets	15,479,631	63,346,905	78,826,536
Current Assets	2,304,757	1,484,529	3,789,286
Liabilities	<u>(1,986,011)</u>	<u>(1,205,493)</u>	<u>(3,191,504)</u>
Total Net Assets	<u>15,798,377</u>	<u>63,625,941</u>	<u>79,424,318</u>

18. FINANCIAL COMMITMENTS

At 31 March 2015 there were no annual commitments under non-cancellable operating leases.

NATIONAL MUSEUMS AND GALLERIES OF NORTHERN IRELAND

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2015

19 NOTES TO THE CASHFLOW

	2015 £	2014 £	
Reconciliation of net incoming resources to net cash inflow from operating activities			
Operating surplus/(deficit)	1,365,277	(182,297)	
Depreciation	2,258,986	2,255,821	
(Profit)/loss on disposal of Fixed Assets	-	(620)	
Decrease/(increase) in stock	29,681	(28,604)	
(increase)/decrease in debtors	(83,449)	640,954	
(Decrease) in creditors	(491,624)	(792,356)	
(Decrease) in provision	(214,141)	(221,526)	
Deposit interest receivable	(345)	(1,069)	
	<u>2,864,385</u>	<u>1,670,303</u>	
Net cash inflow from operating activities			
Returns on investment and servicing of finance			
Interest received	<u>345</u>	<u>1,069</u>	
Capital expenditure			
Payments to acquire tangible fixed assets	<u>(2,334,428)</u>	<u>(1,680,839)</u>	
Reconciliation of net cash flow to movement in net funds			
Increase/(Decrease) in cash for the period	530,302	(9,467)	
Net funds at 1 April 2014	<u>2,262,137</u>	<u>2,271,604</u>	
Net funds at 31 March 2015	<u>2,792,439</u>	<u>2,262,137</u>	
Analysis of movement in net funds			
	March 2015 £	April 2014 £	Movement 2015 £
Cash at bank and in hand	2,792,439	2,262,137	530,302

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2015**

20. RELATED PARTY TRANSACTIONS

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

The Department of Culture, Arts and Leisure is regarded as a related party. The Chairman of the Board of Trustees is related by marriage to the Permanent Secretary of DCAL. During the year, National Museums Northern Ireland had no material transactions with the Department of Culture, Arts and Leisure other than the receipt of grant-in-aid.

A close family member of the Acting Director of Finance is employed by KPMG, Chartered Accountants. During the year £35,348 was paid to KPMG in respect of audit services.

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

21. CAPITAL COMMITMENTS

National Museums Northern Ireland has no capital commitments at 31 March 2015 (2014: £365,588).

22. LOSSES AND SPECIAL PAYMENTS

There were losses written off totalling £2,368 in respect of damaged shop stock.

23. FINANCIAL INSTRUMENTS

National Museums Northern Ireland's resources are met through grant-in-aid funding received from the Department of Culture, Arts and Leisure and also through grant funding from other sources and from income generated through admissions, trading activities and donations. Other than the financial assets and liabilities which are generated by day to day operational activities, National Museums Northern Ireland holds no financial instruments.

Liquidity Risk

National Museums Northern Ireland secure funding for all activities in advance of expenditure being committed. National Museums Northern Ireland is not therefore exposed to material liquidity risks.

Credit Risk

National Museums Northern Ireland have credit policies and procedures in place and currently do not extend material credit facilities. National Museums Northern Ireland is not therefore exposed to any material credit risk.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2015

24. ADDITIONAL DISCLOSURES TO COMPLY WITH FINANCIAL REPORTING MANUAL

Financial Reporting Manual (FReM) requires Non-Departmental Public Bodies to regard grant-in-aid received as contributions from controlling parties giving rise to a financial interest in the residual interest of the body and hence accounted for as financing, ie, by crediting them to the income and expenditure reserve.

The following is a Statement of Financial Activities, prepared under FReM.

Statement of Financial Activities prepared under FReM

	2015 £	2014 £
Incoming Resources		
Incoming resources from generating funds:		
Voluntary income	154,834	93,890
Activities for generating funds:		
Fundraising & development	26,047	18,370
Trading activities	1,088,032	1,037,819
Investment income	345	1,069
Incoming resources from charitable activities	1,995,580	1,519,849
Other incoming resources	132,456	13,777
Total incoming resources	3,397,294	2,684,774
Resources Expended		
Costs of generating funds	1,254,542	1,275,427
Charitable activities	15,773,808	16,230,491
Governance costs	51,315	47,995
Total resources expended	17,079,665	17,553,913
Net deficit for the year	(13,682,371)	(14,869,139)
Unrealised profit/(loss) on revaluation of fixed assets	1,914,150	2,006,266
Amount transferred to reserves	(11,768,221)	(12,862,873)

Analysis of reserves prepared under FReM

	2015 £	2014 £
Balance at 1 April 2014	76,144,891	74,320,924
Grant-in-aid received in year	14,835,507	14,465,314
VER funding received in year	212,141	221,526
Net operating cost for year	(11,768,221)	(12,862,873)
Balance at 31 March 2015	79,424,318	76,144,891

25. EVENTS AFTER THE REPORTING DATE

Armagh County Museum transferred to local government on 1 April 2015.

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

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

C&AG's Report – National Museums Northern Ireland Annual Report and Accounts (2014-15)

On 3 November 2014, evidence supporting an allegation that a copy of the signature of a director (the Director of People and Performance) of National Museums Northern Ireland ('National Museums') had been used without her knowledge to complete a Fulbright Commission¹ application for the then Chief Executive, Mr Tim Cooke, was presented to other National Museums directors.

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

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

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

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

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

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

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

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

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

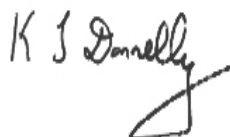
² On 9 May 2016, responsibility for National Museums Northern Ireland transferred from the Department of Culture, Arts and Leisure to the Department for Communities.

National Museums and Galleries of Northern Ireland
Annual Report and Accounts for the year ended 31 March 2015

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

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

This report has also been included in the National Museums' 2015-16 financial statements.



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

31 October 2016



Published by CDS and available from:

CDS
4D Weavers Court
Linfield Road
Belfast
BT12 5GH

Telephone: 028 9034 7500
Email: cds-ni@cds.co.uk

CDS 164518

ISBN 978-1-911003-54-0



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