

Annual Report

2013/2014

This document may be made available in alternative formats on request.
Please contact the Communications Department for further details.

While every effort has been made to ensure accuracy in this publication, the Northern Ireland Tourist Board can accept no liability whatsoever for any errors, inaccuracies or omissions, or for any matter in any way arising out of the publication information. Where errors are brought to our attention, future publications will be amended accordingly.

© Northern Ireland Tourist Board, 59 North Street, Belfast, BT1 1NB.
Telephone: +44 (0) 28 9023 1221 Textphone: +44 (0) 28 9044 1522
Fax: +44 (0) 28 9024 0960 Email: info@nitb.com

ISBN-978-1-86193-983-8

NITB **Annual Report** **and Accounts** **for the year ended** **31 March 2014.**

Laid before the Northern Ireland Assembly
under Part II Articles 8 and 9 of the Tourism
(Northern Ireland) Order 1992
3 December 2014

© Crown Copyright 2014

The text in this document (excluding the royal arms and agency logos) may be reproduced free of charge in any format or medium providing that it is reproduced accurately and not used in a misleading context. The material must be acknowledged as crown copyright and the title of the document specified.

Any enquiries relating to the copyright in this document should be addressed to the Office of Public Sector Information, Information Policy team, Kew, Richmond, Surrey, TW9 4DU.
E-mail: licensing@opsi.gov.uk.

Contents

Section 1 - Annual Report

Chairman's Introduction	3
Chief Executive's Message	5
Key Achievements	7
Board Members	12
Strategic Report	16
Sustainability Report	18
Directors' Report	20
Remuneration Report	22

Section 2 - Financial Accounts

Statement of the Board's and Chief Executive's Responsibilities	32
Governance Statement	33
Certificate of Comptroller and Auditor General	42
Statement of Comprehensive Net Expenditure	44
Other Comprehensive Net Expenditure	45
Statement of Financial Position	46
Statement of Cash Flows	47
Statement of Changes in Taxpayers' Equity	48
Notes to the Accounts	49

Strong Performance
Global events are creating stand out for the Northern Ireland brand.

The G8 summit, the World Police and Fire Games and the UK City of Culture delivered a huge profile for tourism.



Howard Hastings
Chairman, NITB

Chairman's Introduction

The Northern Ireland Tourist Board is proud of the strong performance delivered during the last 12 months, and as Chairman I am particularly pleased at what has been achieved in my fifth and final year in the role.

The key aims of NITB were advanced very significantly this year as we extended and took forward the excellent achievements of the previous year's ni2012 Our Time, Our Place campaign.

The highlights of the year lifted Northern Ireland tourism still further and built upon the preceding period of planning, hard work and investment – all aimed at transforming our tourism landscape.

The G8 Summit delivered an unprecedented and sunlit showcase for Northern Ireland as the world's most powerful leaders descended into Fermanagh. The World Police and Fire Games sent 7,000 athletes and their friends and families away as happy ambassadors for everything that Northern Ireland can offer. And Derry~Londonderry's year as the first UK City of Culture was also a complete and unmitigated success.

In following through with the hosting of these three global-level events we again generated a great deal of international attention for Northern Ireland and advanced the tourism momentum, demonstrating to the world that as a destination and a brand we have moved confidently on.

I believe we are now firmly repositioned as a welcoming and exciting place with much to offer tourists, and well on course towards achieving the overarching Programme for Government target of making tourism worth £1 billion to our economy, attracting 4.5 million visitors and creating an additional 10,000 jobs by 2020.

In almost equal measure, my five years as Chairman of the Northern Ireland Tourist Board have been challenging, exciting and hugely rewarding.

As I approach the end of my period of office I would like to record my gratitude for the support of the Minister, my colleagues on the Board and the entire staff of NITB. The hard work throughout the whole of this period – and in particular during this very busy and very positive year for tourism in Northern Ireland – I have appreciated greatly.

Howard Hastings
Chairman
Northern Ireland Tourist Board

Building the tourism product

Quality tourism assets
champion and promote
the Northern Ireland
experience.

£15.6 million awarded
to 22 capital projects
under NITB's Tourism
Development Scheme.



Alan Clarke
Chief Executive, NITB

Chief Executive's Message

By providing a strong strategic direction and delivering a range of high quality services in line with best international practice, NITB continued to develop and support the transformation of Northern Ireland tourism in 2013/2014.

There was an increase of 2% in overnight trips by all visitors for holiday purposes in the 12-month period to March 2014 and the tourist spend was up significantly for the year.

A total of 4.1 million overnight trips generated spending of £735million – up 4% in the previous 12 months and up 10% in the first quarter of 2014.

It was also encouraging that the number of external visitors continued to rise. The key GB market also continued to show growth with a 13% increase in visits when compared to 2012.

There were also high rates for hotel room occupancy, with record room occupancy rates of 70% in Derry~Londonderry during January to November 2013, and the number of hotel rooms sold up by 1% to 1.8 million. I welcome, too, the boost to business tourism with numbers up by 20% overall.

During the year NITB stood steadfast in its role, which is to build the value of tourism to the local economy while passionately championing and promoting the Northern Ireland experience. We made strong progress in all areas of our strategic objectives and in unlocking the potential of tourism.

Among the key accomplishments was securing and administering £15.6 million for 22 capital projects under our Tourism Development Scheme, including the launch of the Visit Belfast Welcome Centre, which has transformed the delivery of the information provided to visitors.

As the result of this year's progress there is no doubt we can look forward with continued optimism. The legacy of this year and the previous one, the most significant two-year period in tourism's recent history, will continue to pay dividends in the years ahead.

I anticipate another very positive year in 2014-15 when the potential of tourism can be further realised.

As my retirement nears let me take the opportunity to offer my warm appreciation to NITB staff for their efforts and hard work over these years. I also thank our current Chairman, NITB Board Members and their predecessors for their direction and support in building tourism into a mainstream sector of the economy.

Alan Clarke
Chief Executive
Northern Ireland Tourist Board

Developing a quality Visitor experience
Investment in people, projects and events raise quality standards and increase opportunities for visitor spend.

10,000 people trained through WorldHost customer service skills programme.

Key Achievements

The success of the ni2012 Our Time Our Place initiative and NITB's ongoing efforts to steer and maximise the legacy benefits continued strongly into 2013/14.

The momentum generated by that tipping point year for tourism kept up its forward trajectory as Derry~Londonderry became the inaugural UK City of Culture, Fermanagh hosted the G8 Summit of world leaders and Belfast staged the 2013 World Police and Fire Games.

Transforming Derry~Londonderry

The UK City of Culture programme featured more than 200 cultural events, topped at high points with five major NITB funded events. These were the Return of Colmcille pageant, the biggest ever all-Ireland Fleadh Cheoil, the first Walled City Tattoo, the first Turner Prize Exhibition held outside England and the Lumiere light festival.

NITB funding of £750,000 helped drive thousands of additional visitors into the city to boost the tourism economy. Hotels in the North West experienced record room occupancy rates of 70% during January to November 2013, for instance, up by five percentage points on the same period in 2012.

Coupled with major investment by NITB and others in the Walled City Signature Project, the overwhelming success of the UK City of Culture programme transformed the city's tourism landscape, creating an impact and legacy that should benefit Derry~Londonderry's image, confidence and economy for years to come.

Alongside a range of other marketing and promotional activity, our support for the UK City of Culture year included a programme of media visits, which drew hundreds of national and international journalists and generated a large amount of positive publicity.

We also supported industry development in the city through a series of accommodation roadshows and funded the delivery of WorldHost training to over 3,500 people in hospitality, tourism, leisure and retail businesses, enabling them to showcase the best of Northern Ireland.

NITB has invested over £14 million in tourism projects in the city, and in 2013/2014 we continued to administer this investment in the refurbishments of its historic buildings. The Walled City Built Heritage Programme enabled the historic Guildhall to be refurbished for the UK City of Culture celebrations and in October we also launched the Walled City Lighting Strategy, a creative lighting solution that enhances its night time visual appeal and key cultural, heritage and tourism assets including the City Walls. NITB provided £1.4 million for the project.

During the lead-up and preparations for the two other major events taking place in 2013, the World Police and Fire Games and G8 Summit, NITB was also integral to their promotion, marketing and development.

Global Showcases

The G8 Summit and resulting international coverage delivered an unprecedented showcase for Northern Ireland's and Fermanagh's wares. Meanwhile, the World Police and Fire Games sent 7,000 athletes and their friends and families home as ambassadors for everything we can offer, at the same time as generating an estimated £20 million for the economy.

The major events of 2013 again focused world attention on Northern Ireland, re-enforcing our brand, building our reputation for successfully delivering internationally-rated events, and showing that we have moved confidently on from the achievements and the large-scale investment associated with ni2012 Our Time Our Place.

They also spearheaded our activity over the year, which generated an increase of 2% in overnight trips by all visitors for holiday purposes in the 12-month period to March 2014 and a significant increase in the tourist spend. A total of 4.1 million overnight trips generated spending of £735 million – 4% more than in the previous 12 months and up 10% in the first quarter of 2014.

It was also encouraging that the number of external visitors continued to rise. The key GB market also continued to show growth with a 13% increase in visits when compared to 2012.

There was a boost to business tourism too, with numbers up by 20% overall.

Unlocking the Potential

A key aim of our 2011–2015 Corporate Plan is to unlock the potential of the tourism industry, and one of the ways we do this is by actively building relationships with key strategic partners and stakeholders.

In this respect, one of the year's important initiatives was Valuing Tourism, a campaign to persuade government, agencies, local councils and the industry to commit to valuing key tourism principles. We hosted six Board Member led breakfast meetings in the campaign and through these received 35 stakeholder commitments of support.

Also in government, several meetings during the year have created a deeper understanding of tourism issues and forged a stronger link between the Assembly and NITB. Our continued engagement with the All Party Tourism Group at Stormont reflects the importance of tourism in the economy.

In 2013/2014 we secured 29 corporate speaker platforms and delivered a total of 68 corporate events, which included the annual Northern Ireland Tourism Awards, a major Meet the Buyer event held in Derry~Londonderry and our industry wide Tourism Conference.

To keep ahead of the latest developments in tourism NITB runs regular intelligence exchanges to provide opportunities for intelligence sharing. At these exchanges we listen to the industry and stakeholders to understand what issues affect them. We examine trends and exchange information on the issues that affect tourism. During the year 4 Tourism Intelligence Exchanges were held. 85% of attendees were satisfied with intelligence exchanges. NITB also conducted tri-lateral intelligence exchanges with Fáilte Ireland and Tourism Ireland.

Through an extensive research and insights calendar, NITB also continued to drive the tourism development agenda and work to understand and address the barriers to growth and competitiveness faced by our tourism industry. Major pieces of research this year included the Visitor Attitude Survey, a stakeholder survey, a staff attitude survey, evaluation of the Tourism Events Fund, leisure and industry barometers and Titanic and Giant's Causeway visitor surveys.

In addition, we produced six papers in our Intelligent Perspective Series (Tourism Overview, Coasts and Lakes, Unique Outdoors, Living Legends, Creative Vibe and Naturally NI), and six further publications in our Intelligent Vision Series (Ageing Population, Visitors from the East, Access to NI, Keeping Up with the Millennials and Sustainable Tourism). The reports have been downloaded 3,097 times from the NITB website.

Almost 80% of our stakeholders are satisfied with our insights and intelligence reports, while 85% of attendees are satisfied with our knowledge exchanges.

A further key relationship continued with the national and international media. During the last 12 months positive media coverage generated by our Corporate Communications team and Marketing and Events Division successfully promoted tourism, NITB, and Northern Ireland heavily.

With the effect of the three major events of 2013 factored in, the Corporate Communications Team significantly exceeded its targets by generating a weighted PR value of £2.68 million for its activity during the year.

Building the Tourism Product

In 2013/14 the Tourism Development Scheme (TDS) continued to offer an excellent funding mechanism for capital projects that improve visitor attractions, activity tourism products, public realm and visitor information and tourist information centres in the nine key destination areas across Northern Ireland.

During the year NITB managed 22 live projects under this highly successful scheme. Key among these projects was the Visit Belfast Welcome Centre, opened and launched in December 2013 with assistance of £700,000 under TDS.

The state-of-the-art gateway facility has transformed the delivery of visitor information, driven heavily by the Northern Ireland brand. Both tourists and locals benefit from the modern facility, which allows the cost effective handling of substantially more enquiries, while encouraging visitors to stay longer and discover more of Belfast and the attractions beyond. The centre will also play a significant part in attracting business tourism and showcasing the city's growing conference capabilities and expertise.

That capability was also boosted still further with TDS funding support for the £18.5 million extension to the Belfast Waterfront. The two-storey extension will double the size of the conferencing space at the venue and enable Belfast to compete internationally as a leading convention destination. It is anticipated the project will attract 50,000 conference delegates to Belfast annually, doubling the current figure and it aims to host an average of six national large association conferences per annum by 2020. Business tourism is a high

yield sector and has been identified as a key growth area for the economy over the next ten years. Our funding for this project will ensure the city's conference facilities are a competitive alternative to the rest of the UK and Europe.

This year's projects under TDS have levered almost £16 million in capital funding. These include three projects – the SS Nomadic (£8.5 million) in Belfast, Aras Colmcille (£1.2 million) in Derry~Londonderry, and the Westbay Promenade in Portrush (£835,000) – which alone are leveraging funding of £10.5 million.

Developing a Quality Visitor Experience

NITB continued to invest in developing people, projects and events that result in an improved visitor experience and increased opportunities for visitors to spend in 2013/2014.

In the past few years events have played a significant role in shaping and delivering these objectives and in giving visitors quality experiences. This year's major events again offered those opportunities and also enabled Northern Ireland to generate a great deal of attention around the world.

With a total of almost 600,000 people present during the highpoints of the UK City of Culture celebrations alone, the five major events in the programme were particularly successful. The most attended Fleadh Cheoil ever saw almost 400,000 people flood into the city. The Lumiere light festival drew more than 96,000 visitors and the Turner Prize was attended by well over 50,000 people. More than 40,000 turned out for the Return of Colmcille pageant and almost 14,000 went to the first Walled City Tattoo.

The massive publicity surrounding the G8 Summit in June 2013 ensured that Northern Ireland remained firmly in the global spotlight, and with 7,000 competitors and their families and friends arriving, the World Police and Fire Games staged during August was also a fantastic success.

Preliminary findings from a World Police and Fire Games survey found that 90% of attendees were satisfied with the event, while 99% had their expectation exceeded. In addition, 99% of attendees thought that such events improved Northern Ireland's reputation as a holiday destination.

NITB's Tourism Events Fund is the main events support mechanism available to the industry. In 2013/2014 the fund successfully supported 44 separate events, with events all over Northern Ireland benefitting. These ranged from the Happy Days Enniskillen International Beckett Festival to the International North West 200 in County Antrim, the Georgian Day in Armagh, the Festival of Flight in Newcastle and the 22nd Bluegrass Music Festival in Omagh.

During the year NITB received 112 applicants for our new events scheme, a 30% increase on the previous year, which led to 14 international events being supported and the issue of 68 sponsorship letters of offer for national events for 2014/15.

In February 2013 Northern Ireland secured the Grande Partenza or 'Big Start' of the Giro d'Italia, one of professional cycling's great Grand Tour events. NITB organised and hosted the subsequent press launch and secured global media coverage for the announcement.

Following this, 12 Giro committees were established and a number of key work streams were initiated to support the build-up, business and community engagement, and the actual hosting of the event. These included a schools programme, a legacy plan, industry activation and building dressing and branding schemes. Throughout the year NITB's planning and support for the biggest sporting event ever hosted in Northern Ireland moved forward with increasing intensity.

Developing Industry Capability

In 2013/2014 NITB continued to emphasise the capabilities and skills of the tourism industry, which remain central to making sure that visitors can take away a memorable experience of Northern Ireland.

A total of 4,844 people were trained through the WorldHost customer service skills programme during the year and in December we reached the milestone of 10,000 having been trained. WorldHost training improves the standards of customer service across the hospitality, passenger transport, and leisure and tourism sectors. Participants are taught skills that allow them to act as an ambassador for their local area. It was thought that a critical mass number of 8,500 would make a significant and lasting difference to customer service standards and perceptions in Northern Ireland, so exceeding the target so strongly was particularly welcome.

Throughout the year NITB delivered an extensive industry development programme across Northern Ireland, hosting 28 different events for over 2,000 delegates, and with satisfaction rates of 97%.

NITB is committed to raising quality standards throughout the industry and our Quality and Standards Team works with local tourism providers to implement several quality assurance grading schemes. The schemes and the promotion of the star ratings tourism operators achieve helps visitors distinguish between the choices and experiences on offer and the quality they can expect during their stay.

During the year NITB conducted 655 statutory quality inspections and our new quality grading scheme for visitor attractions drew a total of 40 attractions into the scheme. Satisfaction with the quality and standards service averaged 98%.

Promoting the Destination

NITB delivers compelling, award-winning marketing communications programmes that increase the value of the visitor economy and promotes Northern Ireland directly to our best prospect customers at home and in Republic of Ireland.

Digital platforms continue to grow in importance and this year www.discovernorthernireland.com attracted a high level of traffic with 3.3 million visitors and a returning rate of 40%. However, a new design blueprint and concept for the site was also completed and signed off by the project and marketing team to take the site to a new level.

There were 357,456 visits to nitb.com, and over 90% increase on last year, with 312,962 of these being new visitors, a 125% increase on last year.

Significant NITB social engagement activity has resulted in total annual social media engagements of 1.4 million and our social media audience has now grown to 191,000 across all platforms. We now have over 18,000 NITB Twitter followers and our social media campaign evaluations indicate the NITB is returning an annual return on investment of £24 for every £1 spent in the Republic of Ireland market, and £20 for every £1 in Northern Ireland.

Our leisure press promotions also performed well, generating a weighted PR value of £6.26 million in the Republic of Ireland and £3.5 million in Northern Ireland.

Familiarisation trips by overseas and Great Britain journalist generated a weighted PR value almost £27.5 million as a result of 222 media trips visiting Northern Ireland consisting of 535 journalists and 173 support staff eg camera crew. There were 99 press releases issued.

To further promote Northern Ireland we organised two successful Great Days Out shows, which in Northern Ireland attracted 670 group travel organisers and 68 exhibitors,

and in the Republic of Ireland drew 300 attendees from Active Retirement Ireland and other community groups and 60 exhibitors.

In total, 462 tour operators were also attracted to NITB events during the year.

NITB provides direct support to business, conference and cruise tourism through a service level agreement with Visit Belfast. During the year Visit Belfast delivered 28,415 conference delegates, 62,409 bed nights and a £37.7 million benefit to the economy – all increases on the previous year.

Being an Excellent Organisation

By delivering quality services, by committing to excellence across every activity, and through embedding business improvement within the organisation, NITB continued its drive to remain a first-class organisation in 2013/2014.

With over 2,400 certified businesses in Britain and Ireland taking part, the Green Tourism Business Scheme is the largest sustainable tourism certification in the world. NITB was pleased to be awarded Silver Accreditation under the scheme in October 2013. The award recognises our commitment to sustainability, excellent recycling systems, staff participation in clean ups and conservation work, as well as the promotion of local food and crafts, and involvement with iconic built heritage restoration projects such as the Guildhall in Londonderry and SS Nomadic in Belfast.

The overall volume of Assembly Questions and Ministerial cases for NITB has remained the same as the previous year at 740, however our performance has improved from 79% to being 83% on time with the Department of Enterprise, Trade and Investment.

Enhancing staff skills remains a priority and during the year we undertook 3242 hours of learning and development across the staff at NITB.

Board Members

Board Members as at 31 March 2014



Howard Hastings
Chairman
Appointed January 2009
Chairman from 1st March 2009

Howard Hastings is currently the Managing Director of Hastings Hotels. He is also a Director of Merrion Hotel Ltd (ROI), a Board Member of Tourism Ireland and a Board Member of Food NI. During the 1990s he was Chairman of the Institute of Directors in Northern Ireland and Founding Chairman of the Northern Ireland Hotels Federation. Howard has also been a past Chairman of Rockport Preparatory School, a member of Castlereagh College governing body and a Board Member of Business in the Community and the Bank of Ireland Advisory Board. His previous public appointments include the Training and Employment Agency, Investors in People, New Deal Task Force and the Tourism and Hospitality Training Council. In 2011 he was awarded an Honorary Doctorate by the University of Ulster.



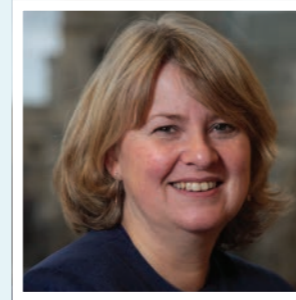
Martyn Todd
Appointed January 2009
Resigned December 2013

Martyn Todd retired from the post of Director of Recreation and Community Services with Down District Council in September 2009. There he was responsible for a budget of £6 million and a department of around 100 people, managing a range of recreational amenities which attract visitors to the Down District area. In September 2009 he was appointed as an Independent Board Member for the Northern Ireland Environment Agency. From 2002 - 2007 he was Business Improvement Manager with Invest NI, helping the management teams of client companies to become more effective. Prior to this he spent six years as a Senior Executive with LEDU leading the Management Development Team. In 2000 he was awarded an MBE for co-ordinating the voluntary project that involved 1,000 young people in erecting the Strangford Stone, the tallest megalith in Ireland.



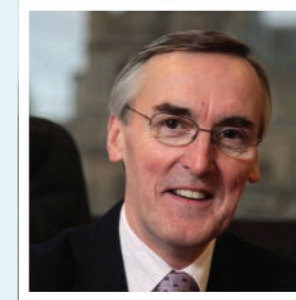
Clive Gordon
Appointed January 2009
Resigned December 2013

Clive Gordon is currently an Associate Consultant with TTC International. He was formerly Managing Director of the Environment and Development Company (1989-2008), a Director of Development for Center Parcs (1984-89) and an Assistant Director for Nottinghamshire County Council (1974-85). From 2001-2006, Clive held senior positions at the National Museums of Science and Industry (incorporating the Science Museum in London and Swindon, the National Railway Museum in York, and the National Media Museum in Bradford). He was Vice Chairman of the Tourism Society from 1996-1999. From 1992-2002 he was Chairman of the Environment Committee of the Institute of Hospitality. From 1999-2002 he was a member of the Communication in the Food Chain Task Force for the Office of Science and Technology Foresight Programme.



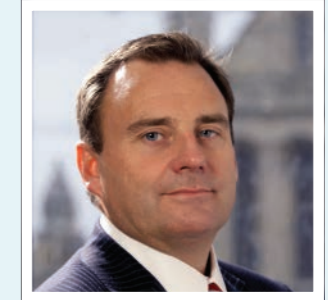
Sally Montgomery
Appointed August 2008
Concluded term June 2013

With 20 years' experience in the museum and science centre sector, with a degree and PHD in Zoology, Sally specialises in start development of science centres and science education projects. She spent ten years at the Ulster Museum, firstly as a Science Educator and then Head of Education before being seconded as Project Director for the Museum's Millennium bid to develop a Science Centre. Sally led the development of W5 from conception to completion and became the founding Chief Executive in 2001 to 2012. Sally has held a number of Board and advisory positions including being on the Northern Ireland Advisory Committee for OfCom and she is currently a Director of Titanic Foundation Ltd and member of the Regional Advisory Committee of the National Trust. She now assists projects in Malta, Poland and Northern Ireland.



Donald Price
Appointed January 2009

Donald Price was Chief Executive of the Northern Bank from 1998 until his retirement in June 2008. Prior to this he held a number of senior management positions in Northern Ireland and overseas. From 1995-1998 he was Managing Director (MD) of Belfast Telegraph Newspapers and for three years previous to that he was MD with Northern Ireland Railways Company Ltd. He worked for BP for over 18 years in a variety of commercial management roles in Europe, Asia and Africa. He also currently holds the position of non-executive director to the Board of Northern Ireland Water.



Thompson Keating
Appointed August 2008
Concluded term June 2013

Thompson Keating is the Director of Corporate Services of the South Eastern Regional College. Prior to this he was Deputy Director at North Down and Ards Institute. He is currently a Director of the North Down Local Strategic Partnership, a Director of the North Down Business Village and a member of the Construction Industry Training Board. He has also been Head of Estates and Risk Management at North Down and Ards Institute as well as Estates Manager and Building Supervisor at Queens University, Belfast.



Alistair McGowan
Appointed January 2009

Alistair McGowan is the Chief Executive Officer of the RUC Athletics Association with responsibility for the development and maintenance of sport, recreation and business services for 10,000 members. In 2007 he led the team which secured the World Police and Fire Games (WPFG) for Belfast in 2013. At present Alistair is on secondment to the WPFG as Director of Marketing, Communications and Commercials. Previously he was Director of the Rural College / Derrynoid Centre, Draperstown; he has also been Chairman of Sperrins Tourism and a Foundation Governor of Sperrin Integrated College. Alistair was Deputy Director of the Northern Ireland Growth Challenge with responsibility for the operation of the organisation and has held various roles with Northern Ireland Electricity, including three years with NIE International, managing a number of technical assistance, training and emergency repair projects in various parts of the world.



Duncan McCausland
Appointed February 2012

Duncan McCausland is a recently retired Assistant Chief Constable of the Police Service of Northern Ireland. He is a Deputy Lieutenant for Co. Down and a Committee Member of the Prince's Trust Council for Northern Ireland. He sits on the Board of the Nomadic Trust and also was appointed to the Ministerial-led NI Prisons Reform Oversight Group. He is a Board Member of the MLK Development Corporation as well as the Strategic Investment Board and chairs the panel that oversees the Licence Trade Responsible Retail Code.



Katy Best
Appointed February 2012

Katy Best is the Commercial and Marketing Director at Belfast City Airport and is responsible for all revenue streams, marketing, communications and tourism related activity at the airport. Katy has over 10 year's experience within tourism-related businesses in Belfast, London and Sydney. She is currently serving as a Non-Executive Director of The MAC, Tall Ships 2015 Ltd and is a Council Member of NI Connections. Katy was previously a Council Member of the NI Chamber of Commerce and has held a post on the Tourism Ireland Central Marketing Partnership Committee.



Colette Goldrick
Appointed July 2013

Colette Goldrick has recently been appointed Northern Ireland's first full-time Director of the Association of the British Pharmaceutical Industry, the membership organisation which represents the UK interests of the research-based pharmaceutical industry. Prior to this she held a number of very senior positions in the Pfizer organisation, the international pharmaceutical company, including spells as UK Corporate Affairs Director and latterly Head of Public Affairs and Policy, Europe. In 2011/12 she was an accredited Facilitator with the NI Countryside Agri-Rural Partnership.



Michael McQuillan
Appointed July 2013

Michael McQuillan is Managing Director of McQuillan Associates - a business growth consultancy supporting the SME sector in Northern Ireland. He is UK Council Member and Chairman of the Northern Ireland Employers Forum for People 1st. Mr McQuillan is also a Visiting Professor at the Ulster Business School. MrMcQuillan has been involved in several businesses in Northern Ireland, notably, as co-founder and Managing Director of The Streat Café Chain and The Streat Franchising Ltd.

Strategic Report

Statutory Background, Business Activities and Performance

The Northern Ireland Tourist Board (NITB) was set up in 1948 and operates under the Tourism (Northern Ireland) Order 1992. The Board is a “Non-Departmental Public Body” (NDPB) sponsored by the Department of Enterprise, Trade and Investment (DETI).

The Board’s principal functions are to encourage tourism, to encourage the provision and improvement of tourist facilities and amenities, and the certification of tourism accommodation.

We invest in relationships with our key strategic partners and stakeholders and offer funding mechanisms for capital projects to improve visitor attractions and activities with the aim of ultimately enhancing the visitor experience.

We also develop visitor information and have invested in the use of digital and social media. We support the industry through the development of skills and capabilities including the WorldHost programme, and devise marketing campaigns to promote Northern Ireland to the best prospective customers.

A key element of success in achieving our goals, is through working closely with a wide range of organisations in a variety of sectors. We utilise the strengths and expertise of others in their relevant fields to drive tourism forward.

In addition to our head office in Belfast NITB also operates a Dublin office.

NITB structure

NITB is comprised of five divisions:

- Marketing;
- Events and Business Support;
- Product Development;
- Corporate Development; and
- Organisational Development

The Marketing Division is based in both Belfast and Dublin. Commentary on performance of the tourism sector and NITB activities is included in the Chief Executive’s Message. It highlights the main trends and factors which have influenced the development of tourism in the year and going forward.

Financial Performance

Preparation of Financial Statements

Under Article 8 of the Tourism (Northern Ireland) Order 1992, the Board is required to prepare a statement of accounts for each financial year in the form directed by the Department of Enterprise Trade and Investment with the approval of the Department of Finance and Personnel. The accounts are prepared on an accruals basis and show a true and fair view of the state of affairs of the Northern Ireland Tourist Board and of the net expenditure, cash flows and changes in taxpayers’ equity for the financial year.

Results for the Year

The Statement of Comprehensive Net Expenditure notes a deficit for the 2013/14 financial year of £21.4 million. This deficit has dramatically reduced from 2012/13 financial statements after an exceptional expenditure item of £18.0 million was written off in respect of the Titanic project.

The total expenditure for the year was £39.1 million which includes £14.6 million from Department of Enterprise, Trade and Investment (DETI) which is passed directly to Tourism Ireland Limited.

The total income for the year was £17.6 million which includes £14.6 million from DETI and was passed directly to Tourism Ireland Limited. A further £22.0 million was received as financing and credited to income and expenditure reserves in accordance with government account regulations.

Going Concern

NITB is satisfied that the organisation is a going concern on the basis that there is no reason to believe that the department’s future sponsorship and future parliamentary approval will not be forthcoming to meet NITB liabilities as they fall due.

It has accordingly been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

Looking Forward

2014/15 will be another exciting year in tourism with the Grande Partenza or “Big Start” of the Giro d’Italia coming to Northern Ireland. This will be the biggest sporting event ever hosted in Northern Ireland and is a huge opportunity to showcase the best of our tourism offering.

NITB is also working closely on the Belfast Waterfront Conference and Exhibition Centre which will enable Northern Ireland to compete on the world stage as an international convention destination, offering a major boost to the business tourism sector.

In a wider context the reform of local government scheduled for 1 April 2015 will see a change to all local authorities and therefore to NITB’s working relationships with these bodies.

Furthermore, a review of NITB was announced by the DETI Minister in November 2013. This is currently under consultation and should be finalised in autumn 2014.

Performance Against Targets

NITB’s performance against the 2013/14 Operating Plan has been outlined in great detail in the Key Achievement section of the Chief Executive’s Message (page 5).

Notable achievements include promoting the UK City of Culture 2013. NITB provided funding of £750,000 to help attract thousands of additional visitors to the city and invested over £14 million in tourism projects in Derry~Londonderry.

In June 2013, Northern Ireland hosted the G8 Summit and the World Police and Fire Games in August 2013. Overnight trips increased by 2% and resulted in an increase in visitor spend by some 4%. The key GB market also increased in visits by 13%.

There was a 30% increase in the number of applicants to the new events scheme which led to 14 international events being held.

Risks and Uncertainties

Section 2.6 of the Governance Statement outlines NITB’s approach to risk management, identifying and reporting on risks and management of risks.

Risks being managed as at 31 March 2014 were categorised as follows:

- External
- Operational
- Financial / compliance
- Reputational

Sustainability Report

NITB's Corporate Social Responsibility (CSR) Programme was first initiated in 2013 under our Project Excellence initiative with the objective of gaining recognition for NITB as an 'excellent organisation', in terms of our people, processes and culture.

In 2012 we achieved the Investors in People Silver award and the EFQM four-star Recognised for Excellence (R4E) Award, and following on from this we went further and established our first CSR programme to provide a platform for our staff to drive change and improvements within our organisation. Through the ongoing delivery of our CSR Programme we have identified an opportunity to improve as an organisation, to change the attitude and motivation of our staff and to also spread benefits derived from our CSR initiatives to be of benefit to the wider tourism industry and local communities.

Our CSR Programme in 2013/14 was delivered in partnership with Business in the Community (BITC). BITC provided guidance and support in developing a tailored CSR plan around our strengths, and provided support in helping us to mobilise the key asset available to us – our people.

NITB's CSR Programme is built around three key strands:

- **People** – Our Health and Wellbeing team focus on developing and promoting a healthy workplace;
- **Planet** – Our Eco team aim to provide support for NITB to be a sustainable organisation;
- **Place** – Our Place team aim to have a positive impact on our community through support, volunteering and fundraising.

In 2013/14 the key results from our CSR Programme included the following.

1. Eco Activities

Through our CSR programme we achieved silver accreditation in the Green Tourism Award in October 2013. This was a substantial piece of work that has enabled us to provide leadership on the sustainability agenda to the NI tourism industry.

The Green Tourism scheme provides a structured approach for organisations in the tourist sector who want to develop their sustainable business practices. It is one of the world's most highly rated green certification schemes. With around 2,000 members in the UK and Ireland, Green Tourism is also the largest scheme of its kind in Europe, with many members reporting significant savings on energy costs and waste bills thanks to the advice and support available.

Achieving the Green Tourism Silver award brought with it associated benefits, including:

- **Sustainable transport options** - the development of more sustainable travel choices for staff, including installing secure bicycle storage onsite, encouraging staff to consider public transport options, and working with Travelwise to develop an understanding of staff travel habits and incentive programmes to encourage positive change.
- **Energy and waste saving measures** - NITB is now actively monitoring energy consumption and waste levels within our offices, and has taken active measures to cut energy costs and reduce the volume of waste produced. A comprehensive energy audit was undertaken and measures were put in place to cut electricity and heating costs. Recycling systems have been put in place to reduce the volume of waste going to landfill. A staff awareness programme was also delivered to help change attitudes and promote responsibility for waste and energy use.

As part of our Green Tourism accreditation we developed a Sustainable Visitor Charter to provide information and tips to visitors on how to travel around Northern Ireland sustainably. We also promoted 'Car-free days out in NI' on our visitor website at www.discovernorthernireland.com/ecotourism

We have also developed a Green Guide to help encourage and support tourism and hospitality businesses to 'go green'. Over 60 tourism providers attended our Green Tourism Masterclass in February on how to implement sustainable practices into their businesses.

2. Place Activities

Through our volunteering and charity activities NITB raised £6,000 over two years up to March 2014 for our charity partner Marie Curie. Activities included staff raffles, cake sales, and staff-participation in Marie Curie led fund raising events. Staff also took part in environmental volunteering, including clean-up events at some of our most popular visitor attractions, including National Trust properties and beaches. In partnership with Keep Northern Ireland Beautiful (formally 'TIDY NI') we hosted a 'Big Spring Clean' event in Derry~Londonderry after the annual Halloween Carnival.

3. Health and Wellbeing Activities

The Health and Wellbeing strand of our CSR programme focused on promoting staff awareness of their own health issues with a view to improving overall health and motivation.

Throughout the year staff awareness activities on key events were promoted, such as National Stress Day and Bike to Work Week. Health check sessions were undertaken within NITB offices

in partnership with Health Works NI at the end of April 2013. Hosting these sessions within the office made it convenient for staff to attend and helped to raise the importance of monitoring and dealing with issues such as high-blood pressure, weight, stress, and cholesterol. 81 staff attended the health check sessions and very positive feedback on this type of support was provided.

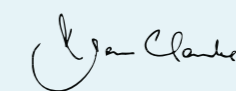
Equality Policy

NITB is committed to upholding equality of opportunity and regard to the desirability of promoting good relations across persons of different religious belief, political opinion or racial group.

NITB's Equality Policy is developed in accordance with Section 75 and Schedule 9 of the Northern Ireland Act 1998. It is available on www.nitb.com. In the year 2013/14, three policies were subjected to equality screening and the outcome was notified to all relevant individuals and organisations.

A breakdown of staff in NITB is included below.

	2013/14			2012/13		
	Male	Female	Total	Male	Female	Total
Board Members	5	2	7	7	2	9
Senior Management Team	2	6	8	2	5	7
Employees	41	117	158	41	115	156
Total	48	125	173	50	122	172



Alan Clarke
Accounting Officer
25 September 2014

Directors' Report

for the year ended 31 March 2014

The directors present their report and financial statements for the year ended 31 March 2014.

The net expenditure for the year is £21,625,774 (2012/13, £44,633,220)

Directors

The Directors are the Board Members as listed in Section 2.1 of the Governance Statement.

Pension Liabilities

IAS 19 now requires employers participating in a defined benefit pension scheme to account for their share of assets and liabilities in the scheme. In preparing the accounts for 2013/14 additional information has been included in note 16 and the actuarial valuation at 31 March 2014 has been included in the Statement of Financial Position.

Prompt Payment Policy

The NITB is committed to the prompt payment of bills for goods and services received in accordance with the Government's Better Payments Practice Payment Code.

Unless otherwise stated in the contract, payment is due within 30 days of the receipt of the goods, or services, or presentation of a valid invoice or similar demand, whichever is later. Regular reviews conducted to measure how promptly NITB paid its bills found that 99% (2012/13 – 95%) of bills were paid within this standard.

In December 2008 the Government and Institute of Credit Management launched the new Prompt Payment Code setting a target of paying invoices within 10 days. Under this initiative NITB achieved 95% of bills paid within 10 days (2012/13 – 92%).

Employee Policies

NITB aims to act as a good employer in all matters relating to its responsibilities and obligations for health and safety at work, ensuring that the way business is conducted does not harm the health and safety of staff, visitors, suppliers or third parties and making sure all legal requirements are met.

NITB gives full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitude and abilities, for the continuing employment of, and for arranging appropriate training for, employees of NITB that have become disabled persons during the period when they were employed by the organisation, and otherwise for the training, career development and promotion of disabled persons employed by NITB.

Register of Interests

The Chairman, Board Members and Executive Team are required to register all interests, direct or indirect, which members of the public might reasonably think could influence their judgement. The register of interests is available for public inspection by contacting the Communications Team, Northern Ireland Tourist Board, St Anne's Court, 59 North Street, Belfast, BT1 1NB.

Complaints Handling

NITB aims to provide a professional, high quality service to our customers and stakeholders and we welcome any comments or feedback which will help us to improve our service.

Our comments and feedback procedures are broken down into three key areas: making a complaint about tourist accommodation premises; or tourist amenities, including visitor attractions; or specifically about the Board.

If a complaint is made in person or by phone we will discuss the complaint and try to resolve the matter at that time. If necessary, a written record will be made in order to investigate the complaint further. A letter will be sent within 15 working days informing the complainant of our intended action to resolve the matter.

If a complaint is made in writing, where possible NITB will respond within five working days from receipt. Alternatively, an acknowledgement will be issued advising that the complaint has been received and is currently being investigated. Contacted will be made within 15 working days from issue of the acknowledgement, and will either be advised of the outcome and what we intend to do or advised of the anticipated timescale for completing the investigation.

During the reporting period 2013 – 14 NITB received 141 complaints.

Further information on the monitoring of complaints may be sought by request at info@nitb.com

Off-Payroll Payments (greater than £58,200)

There were no off-payroll payments made in 2013/14 (£nil: 2012/13).

Charitable and Political Donations

No charitable or political donations have been made by the Northern Ireland Tourist Board in 2013/14 (£nil: 2012/13).

Sickness Absence Data

During the year 2013/14 NITB recorded a staff sickness absenteeism rate of 3.3% (8 days) (4.3% (10 days) in 2012/13).

Personal Data Related Incidents

There were no reported Personal Data Related Incidents in 2013/14.

Post Balance Sheet Events

There have been no significant events since the year end which would affect the accounts.

Auditors

The Comptroller and Auditor General is the external auditor for NITB. There were no payments made in the year to the Northern Ireland Audit Office in respect of non-audit work.

As Accounting Officer, I can confirm that there is no relevant audit information of which the auditors are unaware. I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the auditors are informed of it.



Alan Clarke
Accounting Officer
25 September 2014

Remuneration Report

1. Remuneration Policy

The Chairman and Board Members are appointed in accordance with the Code of Practice of the Office of the Commissioner for Public Appointments for Northern Ireland. The Chairman and Board Members are appointed for a fixed period of up to three years. Thereafter they may be re-appointed in accordance with the Code of Practice.

The remuneration of the Chairman and Board is set by Department of Enterprise Trade and Investment (DETI). Increases are calculated in line with the recommendations of the Senior Salaries Review Body. There are no arrangements in place for the payment of a bonus. Neither the Chairman nor any Board Member receives pension contribution from the NITB or DETI. NITB reimburses the Chairman and Board Members for any incidental expenses incurred for carrying out their duties relevant to the organisation.

The Chief Executive and the Senior Management Team appointments are made in accordance with NITB's recruitment and selection policy. The policy requires appointments to be made on merit and on the basis of fair and open competition.

The Chief Executive and Senior Management Team hold permanent appointments. The normal retiring age is 65, although staff may retire at any time after age 60 with no diminution of earned pension benefits. Policy relating to notice periods is contained in NITB's Staff Handbook.

1.1 Performance pay

The Chief Executive's remuneration package contains a provision for a performance related bonus, in accordance with the Senior Civil Service code, to be determined according to the achievement of targets and performance indicators, which are set by the Board on an annual basis. Performance against these targets is assessed each year by the Chairman who makes a recommendation on the amount of bonus to be paid.

The other members of the Senior Management Team are paid on the same arrangements which apply to the Northern Ireland Civil Service. Their performance against previously agreed targets is assessed annually by the Chief Executive. Pay increases are entirely performance-based. There are no arrangements for the payment of performance based non-consolidated bonuses.

1.2 Progression

Progression for the Chief Executive is in accordance with the Senior Civil Service (SCS) Pay Strategy 2008, which is consistent with Cabinet Office guidelines. The Chief Executive's remuneration is subject to a pay band minima and maxima in line with pay arrangements in place for SCS staff. The effective date for pay award is 1 April each year.

Directors are normally placed on the bottom point of a six-point scale on appointment (seven points for the Chief Operating Officer). Thereafter, there is annual incremental progression, based on performance, until the maximum of the scale is reached. A common incremental date of 1 August is used for all directors.

1.3 Service Contracts

Senior appointments are made in line with the organisation's recruitment and selection procedure which requires appointments to be made on merit and on the basis of fair and open competition. Appointments are open-ended until officers reach retirement.

1.4 Pensions

The NITB participates in the Northern Ireland Local Government Officers Superannuation Committee (NILGOSC) pension scheme for senior staff, which is also available to all employees. This is a statutory scheme that benefits on a final salary basis at a normal retirement age of 65. The pension costs are assessed in accordance with the advice of independent qualified actuaries using the market led approach. The latest actuarial valuations of the scheme were at 31 March 2014.

Benefits accrue at the rate of 1/60th of pensionable salary for each year of service (1/80th before 1 April 2009). In addition, a tax free lump sum may be payable on retirement. Pensions increase in line with the Consumer Prices Index (previously the Retail Prices Index). On death, pensions are payable to the surviving spouse at a rate of half the member's pension. On death in service, the scheme pays a lump sum benefit of three times pensionable pay and also provides a service enhancement on commuting the spouse's pension. Medical retirement is possible in event of serious ill-health. In this case pensions are brought into payment early.

The scheme is funded by contributions made by both employees and employers. During 2013/14 the employer contribution rate was 20% (19% in 2012/13) of pensionable remuneration. Tiered employee contribution rates were introduced from 1 April 2009 and the employee contribution rates for 2013/14 are outlined below.

Pensionable Pay	Employee Contribution Rate
to £13,700	5.5%
£13,701 to £16,100	5.8%
£16,101 to £20,800	5.9%
£20,801 to £34,700	6.5%
£34,701 to £46,500	6.8%
£46,501 to £87,100	7.2%
More than £87,100	7.5%

2. Salary and Pension Entitlement - Audited

The following tables provide details of the remuneration and pension entitlements of the Chief Executive, Senior Management Team and NITB Board Members.

2.1 Remuneration (including salary) and Pension Entitlements

	2013/14					2012/13				
	Salary	Bonus	Benefits in Kind	Pension Benefits	Total	Salary	Bonus	Benefits in Kind	Pension Benefits	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Alan Clarke Chief Executive	85-90	-	-	39	125-130	80-85	-	-	3	85-90
Kathryn Thomson Chief Operating Officer	65-70	-	-	11	80-85	65-70	-	-	24	90-95
Louise Kearney Director of HR	50-55	-	-	11	65-70	50-55	-	-	14	65-70
Laura McCorry Director of Corporate Development	50-55	-	-	14	65-70	50-55	-	-	14	65-70
Stephen Finlay Director of Corporate Development	35-40 (FTE 45-50)	-	-	15	55-60	-	-	-	2	0-5
Susie McCullough Director of Business Support and Events	50-55	-	-	7	60-65	50-55	-	-	16	70-75
Naomi Waite Director of Marketing	45-50	-	-	12	60-65	45-50	-	-	0	45-50
Ross Fothergill Director of Business Development	20-25 (FTE 45-50)	-	-	11	60-65	45-50	-	-	0	45-50
Aine Kearney Director of Product Development	45-50	-	-	5	55-60	45-50	-	-	13	60-65

	2013/14					2012/13				
	Salary	Bonus	Benefits in Kind	Pension Benefits	Total	Salary	Bonus	Benefits in Kind	Pension Benefits	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Howard Hastings Chairperson	20-25	-	-	-	20-25	20-25	-	-	-	20-25
Clive Gordon Board Member	0-5	-	-	-	0-5	0-5	-	-	-	0-5
Thompson Keating Board Member	0-5	-	-	-	0-5	0-5	-	-	-	0-5
Alistair McGowan Board Member	0-5	-	-	-	0-5	0-5	-	-	-	0-5
Sally Montgomery Board Member	0-5	-	-	-	0-5	0-5	-	-	-	0-5
Donald Price Board Member	0-5	-	-	-	0-5	0-5	-	-	-	0-5
Martyn Todd Board Member	0-5	-	-	-	0-5	0-5	-	-	-	0-5
Katy Best Board Member	0-5	-	-	-	0-5	0-5	-	-	-	0-5
Duncan McCausland Board Member	0-5	-	-	-	0-5	0-5	-	-	-	0-5
Colette Goldrick Board Member	0-5	-	-	-	0-5	-	-	-	-	-
Michael McQuillan Board Member	0-5	-	-	-	0-5	-	-	-	-	-

Note: 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.

NITB Board Members do not have any pension entitlements.

2.2 Pension Entitlements

	Accrued Pension at 65 as at 31 March 2014	Real increase in Pension	Accrued lump sum	Real increase in Lump sum	CETV at 31 Mar 2014	CETV at 31 Mar 2013	Real increase in CETV
Senior Management Team	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
Alan Clarke Chief Executive	40-45	0-2.5	100-105	0-2.5	871	819	30
Kathryn Thomson Chief Operating Officer	10-15	0-2.5	20-25	<0	162	146	12
Louise Kearney Director of HR	5-10	0-2.5	0-5	<0	66	54	10
Laura McCorry Director of Corporate Development	0-5	0-2.5	0-5	<0	40	32	7
Stephen Finlay Director of Corporate Development	0-5	0-2.5	0-5	0-2.5	44	35	9
Susie McCullough Director of Business Support and Events	10-15	0-2.5	30-35	<0	198	183	10
Naomi Waite Director of Marketing	0-5	0-2.5	0-5	0-2.5	8	0	8
Aine Kearney Director of Product Development	0-5	0-2.5	0-5	0-2.5	6	0	6
Ross Fothergill Director of Business Development	0-5	0-2.5	0-5	0-2.5	11	8	3

Note: The real increase figure shows adjustment for inflation. The CETV real increase also shows an adjustment for changes in market investment factors. NITB Board Members do not have any pension entitlements.

Salary

'Salary' includes gross salary; overtime; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation and any ex-gratia payments. This report is based on payments made by NITB and thus recorded in these accounts.

Bonuses

Bonuses are based on performance levels attained and are made as part of the appraisal process. During the year 2013/14 there were no bonuses paid (2012/13 – £nil) to the Chief Executive and Senior Management Team.

Benefits in Kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the HM Revenue and Customs as a taxable emolument. No senior officials received any benefits in kind during 2013/14 (2012/13 – £nil).

Compensation for Loss of Office

During 2013/14 there was no compensation paid for loss of office (2012/13 – £nil).

Cash Equivalent Transfer Value (CETV)

A 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 a 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 figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NILGOSC 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 within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are drawn.

The actuarial factors that are used in the CETV calculation were changed during 2010, due to changes in demographic assumptions and the move from the Retail Prices Index to the Consumer Prices Index as the measure used to uprate public sector pensions.

In the Budget 2011, the government decided that the appropriate discount rate should be based on long-term expectations of Gross Domestic Product (GDP) growth. In light of this change, HM Treasury are seeking advice from the Government Actuary's Department as to whether the discount rate used for CETV's should also change. Therefore, while this review takes place, it should be noted that the figures reported may change subject to actuarial advice. Indeed, there have been changes to the factors used to calculate CETV's from 1 January 2012. The change in factors may reduce the CETV and this will explain if a negative real increase in CETV is noted.

The inflation rate used in this year's calculations is 2.7%

The Real Increase in the Value of the CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of 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 used common market valuation factors for the period.

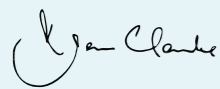
3. Median Earnings of the Organisation's Workforce

NITB is required to disclose the relationship between the remuneration of the highest paid director and the median remuneration of the organisation's workforce.

The banded remuneration of the highest paid director during the financial year 2013/14 was £85,000 to £90,000. This remuneration was 3.1 times (2012/13 – 2.9) the median remuneration of the workforce, which was £28,498 (2012/13 – £28,721).

	2013/14	2012/13
	£000	£000
Remuneration of Highest Paid Director	85-90	80-85
Median Employee Remuneration	28,498	28,721
Ratio	3.1	2.9

The calculation is based on gross salary. It does not include employer pension contributions and the cash equivalent transfer value of pensions.



Alan Clarke
Accounting Officer
25 September 2014

Financial Accounts

for the year ended
31 March 2014

Statement of the Board's and Chief Executive's Responsibilities

Under Article 8 of the Tourism (Northern Ireland) Order 1992, the Board is required to prepare a statement of accounts for each financial year in the form directed by the Department of Enterprise, Trade and Investment with the approval of the Department of Finance and Personnel. The accounts are prepared on an accruals basis and show a true and fair view of the state of affairs of the Northern Ireland Tourist Board at the year end, and of the comprehensive net expenditure, changes in taxpayers' equity and cash flows for the financial year.

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

- Observe the accounts direction issued by the Department of Enterprise, Trade and Investment, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements;
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Board will continue in operation.

The Accounting Officer for the Department of Enterprise, Trade and Investment has designated the Chief Executive of the Northern Ireland Tourist Board as the Accounting Officer for the Board. As Accounting Officer, the Chief Executive has responsibility for the propriety and regularity of the public finances for which he is answerable, for the keeping of proper records and for safeguarding The Northern Ireland Tourist Board's assets, as set out in Managing Public Money Northern Ireland, issued by the Department of Finance and Personnel.

Northern Ireland Tourist Board
St Anne's Court
59 North Street
BELFAST BT1 1NB

NITB Governance Statement

1. Introduction

The purpose of this statement is to attest the continuing effectiveness of the governance arrangements of the Northern Ireland Tourist Board (NITB) that support the achievement of our organisational policies, aims and objectives.

Corporate governance refers to the system by which the organisation is directed and controlled. The effectiveness of direction and control of an organisation can be linked to:

- **Governance** - how well an organisation plans, sets, communicates and monitors progress against its corporate objectives;
- **Risk management** - how the organisation identifies, considers and manages the risks to the achievement of its objectives; and
- **Business controls** - how the organisation's Board assures itself and its stakeholders that it is in control of the business and the associated risks.

2. Governance Framework

As Accounting Officer, I am personally responsible for the overall accountability arrangements of the organisation which include: maintaining a sound system of corporate governance; an effective system of internal controls; assessing the organisational capacity to handle and manage risk; and maintaining propriety and regularity of public finances, in accordance with the responsibilities assigned to me in Managing Public Money Northern Ireland (MPMNI).

I am also responsible for ensuring compliance with the requirements of NITB's Management Statement and Financial Memorandum agreed between NITB and the Department of Enterprise, Trade and Investment and ensuring compliance with other government directives and guidance on good practice in corporate governance.

Compliance with Corporate Governance Code

As a Non Departmental Public Body of the Department of Enterprise, Trade and Investment, NITB has been expected to adopt the practices set out in HM Treasury's Corporate Governance In Central Government Departments: Code of Good Practice (NI) 2013 (the Code). NITB has complied with the principles of good practice in the Code.

In compliance with the code, NITB has established and maintained key organisational structures which support the delivery of corporate governance.

Organisation and Structures

The key organisational structures which support the delivery of corporate governance are the

- NITB Board;
- Audit Committee; and
- Weekly Senior Management Team meetings.

2.1 The NITB Board

The Northern Ireland Tourist Board operates under the Tourism (Northern Ireland) Order 1992. NITB's principal functions are to encourage tourism; to encourage the provision and improvement of tourist facilities and amenities; and the certification of tourism accommodation.

The Board consists of a Chairman and eight non-executive Board Members, who are appointed by the Minister for Enterprise, Trade and Investment, in accordance with the Code for Public Appointments for Northern Ireland. The Board takes an objective long-term view of the business, providing strategic oversight and scrutiny to assist the Accounting Officer in meeting his corporate governance responsibilities. The performance of Board Members is formally assessed by the Chairman on an annual basis. The Board meets a minimum of eight times per year.

The Board has corporate responsibility for ensuring that NITB fulfils the aims and objectives set by the Department and approved by the Minister, and for promoting the efficient, economic and effective use of staff and other resources by NITB. To this end, and in pursuit of its wider corporate responsibilities, the Board:

- Establishes the overall strategic direction of NITB within the policy and resources framework determined by the Department;
- Ensures that the Department is kept informed of any changes which are likely to impact on the strategic direction of NITB or on the attainability of its targets, and determine the steps needed to deal with such changes;
- Ensures that any statutory or administrative requirements for the use of public funds are complied with; that the Board operates within the limits of its statutory authority and any delegated authority agreed with the Department, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, the Board takes into account guidance issued by DFP and the Department;
- Ensures that the Board receives and reviews regular financial information concerning the management of NITB; is informed in a timely manner about any concerns relating to the activities of NITB; and provides positive assurance to the Department that appropriate action has been taken on such concerns;
- Demonstrates and ensures high standards of corporate governance are observed at all times. This includes using the independent Audit and Risk Assurance Committee to help the Board address key financial and other risks facing NITB; and
- Appoints a Chief Executive of NITB subject to the approval of the Department and, in consultation with the Department, sets performance objectives and remuneration terms linked to these objectives for the Chief Executive which give due weight to the proper management and use of public monies.

Board Performance and Effectiveness

During the 2013/14, the NITB Board met a total of eight times. Details of the attendance of members during the year are shown below:

Board Member	Meetings Attended	Out of a Possible
Katy Best ¹	5	8
Clive Gordon ²	6	6
Howard Hastings	8	8
Thompson Keating ³	0	2
Duncan Mc Causland	8	8
Colette Goldrick ⁴	5	6
Alistair McGowan	7	8
Michael McQuillan ⁵	6	6
Sally Montgomery ⁶	2	2
Donald Price	7	8
Martyn Todd ⁷	5	6

As at 31 March 2014, there were two Board vacancies. These were subsequently filled after the year end, effective from 1 July 2014, by Angelina Fusco and Terry McCartney.

1. Katy Best went on maternity leave in December 2013
2. Clive Gordon resigned, effective from 31 December 2013
3. Thompson Keating completed his term on the Board on 30 June 2013. His non attendance at Board Meetings was due to ill health
4. Colette Goldrick was appointed effective from 1 July 2013
5. Michael McQuillan was appointed effective from 1 July 2013
6. Sally Montgomery completed her term on the Board on 30 June 2013
7. Martyn Todd resigned, effective from 31 December 2013

The Board focussed on the strategic objectives of NITB and monitored performance against these targets. The Board received management information, including financial and risk management reports to discharge its duties.

The Board, in discharging its responsibilities, delegates the day to day management of the NITB to the Senior Management Team (SMT), which consists of a Chief Executive, a Chief Operating Officer and five Executive Directors.

The SMT is responsible for implementing the strategy of the organisation and formulating robust policies and strategies in pursuance of corporate aims and objectives.

In 2010 the Board commissioned an independent review of its effectiveness. A number of actions were taken based on recommendations made. Since then, on an annual basis the Board has convened a strategic away day which includes a review of its own performance and setting of its own objectives for the following year. However, given the changes to the Board in 2013/14 and up-coming changes in 2014/15, an away day was postponed.

Conflicts of Interest

All interests of both Board Members and SMT are recorded on a Register of Interests. This is updated as any new appointments occur to ensure that any conflict is recognised immediately. This Register of Interests is published on www.NITB.com. Conflicts of interest are also declared at the beginning of all Board and Audit and Risk Assurance Committee Meetings and the member or members will excuse themselves from the relevant discussion. On two occasions, conflicts were identified in Board meetings and on both occasions the member concerned was excused from the meeting while the conflicting item was discussed.

During 2013/14 NITB introduced a new policy for directorship on external boards to provide greater clarity for Board Members and staff members alike about the process for accepting invitations to sit on external boards.

The process for dealing with conflicts of interest is held centrally and is available to all staff.

Key Issues Considered by the Board

During the 2013/14 year the Board considered the following key issues:

- Development and approval of the annual Operating Plan and budget allocation against organisational priorities;
- Quarterly review of performance – Operating Plan, management accounts and risk management;
- Independent review of NITB and wider tourism structures as announced by the Minister;
- Governance Action Plan as a result of the 2012/13 Internal Audit Limited Opinion;
- Northern Ireland Audit Office (NIAO) Report to those Charged with Governance 2012/13;
- Government advertising restrictions, particularly with regard to the Republic of Ireland marketing strategy;
- Campaigning for Tourism;
- NITBs Events Strategy and approval of key events;
- UK City of Culture and Walled City Projects including the Museum of Free Derry and the Apprentice Boys Memorial Hall; and
- Waterfront Conference and Exhibition Centre project.

During the year the Board also met with key stakeholders and received presentations from:

- Belfast City Council;
- Northern Ireland Environment Agency;
- Titanic Foundation Limited; and
- Derry City Council.

At the invitation of Larne Borough Council, the Board also took a trip to view the Gobbins Cliff Path project.

Learning Journey

In June 2013, members of the Board along with relevant members of the Senior Management Team and representatives from some key partner organisations undertook a learning journey to examine best practice and to experience first-hand the approach to destination marketing in a competitor destination. The north east of England was selected from a number of UK destinations as the area has been transformed from an industrial heartland into a vibrant region which has a lot to offer the visitor, therefore there is much Northern Ireland can learn from its success.

The members spent three days in Newcastle, Gateshead and Durham with three core objectives:

- To understand how competitors respond to contemporary issues and opportunities in tourism;
- To apply lessons of good practice, success and innovation to Northern Ireland; and
- To develop knowledge partnerships.

Key learnings were identified which can be applied to the development of our own destination, including:

- Encouraging visionaries;
- The importance of being different and offering more;
- Sustained investment in infrastructure;
- Always putting the visitor first;
- Keeping priorities focussed;
- Developing a 'big picture' perspective;
- Keeping learning from the competitive set; and
- Being proud but not complacent.

The learning journey facilitated a shared experience of knowledge, established networks and contacts, enhanced understanding of markets, of funding and of project delivery and increased awareness of a relevant competitor set.

2.2 Independent Review of NITB and Wider Tourism Structures

In November 2013, the Minister for Enterprise, Trade and Investment announced a review of NITB and wider tourism structures. The review was independent and was led by a retired Permanent Secretary of the Department of Finance and Personnel. The methodology was agreed in December 2013 which included consultation with key stakeholders, SMT and staff. The Board had the opportunity to ask questions and received an update at the January 2014 Board meeting.

The review was scheduled to be completed in March 2014 however due to other commitments, was finalised in June 2014. During the process, the views of some 90 representatives from 54 organisations were sought. There were 10 key recommendations from 33 in total. The review was presented for public consultation in July 2014, and was due to conclude in autumn 2014.

2.3 The NITB Audit Committee

The work of the Board is supported and advised by an Audit and Risk Assurance Committee. The Committee includes four non-executive members and during the course of 2013/14 met four times. The Chief Executive, Chief Operating Officer, HR and Organisational Development Director, Finance Manager, Internal Audit (IAS) and External Audit (NIAO) and a representative from DETI are all invited to attend all meetings. The Committee supports the Board and the Accounting Officer by reviewing the comprehensiveness, reliability and integrity of assurances in meeting the Board and Accounting Officer's responsibilities. This includes the risk management framework and internal control environment. The Committee reviews the Annual Report and financial statements before submission to the Board to ensure a true and fair view of the financial position is presented.

The Board is also supported by a Policy Committee consisting of three Board Members. The Policy Committee meets on an ad hoc basis with responsibility for reviewing and recommending for Board approval NITB's policies and procedures.

The Audit and Risk Assurance Committee was chaired by Thompson Keating until April 2013 when Duncan McCausland took over the role.

During the 2013/14, the Audit and Risk Assurance Committee met a total of four times. Details of the attendance of members during the year is shown below.

Audit Member	Meetings Attended	Out of a Possible
Duncan McCausland	4	4
Alistair McGowan	4	4
Katy Best ⁸	2	4
Colette Goldrick ⁹	2	3

Howard Hastings, although not a member of the Audit and Risk Assurance Committee attended all meetings in 2013/14.

In addition, the Chair of the Audit and Risk Assurance Committee met with the SMT on two occasions during the year to review progress on the Governance Action Plan. There were also regular meetings between the Chair and both the NIAO and head of IAS during the year.

The Chair and the Chief Operating Officer both attended the Departmental Audit and Risk Assurance Committee on two occasions during the year.

In March 2014, the Committee undertook a self-assessment review based on the National Audit Office Self-Assessment Checklist (Jan 2012).

8. Katy Best went on maternity leave in December 2013
9. Colette Goldrick was appointed effective 1 July 2013

The review covered five principles of review of the Audit Committee and included, membership, independence, objectivity and understanding, skills, scope of work, and communication. The assessment concluded that the Audit and Risk Assurance Committee is effective at supporting the Board. The area identified for further development was the provision of additional training. Consideration will be given to developing a training plan to address the members' training needs.

The NITB Audit and Risk Assurance Committee Reports

Matters considered by the Committee included the following:

- NIAO Report to those Charged with Governance 2012/13;
- Review and discussion of the Governance Action Plan with additional meetings held between the Chairman and SMT;
- The Debt Collection Policy was extended to cover all NITB debtors;
- Review and discussion of the quarterly risk management reports;
- Approval of the Internal Audit Plan and review of all internal audit reports completed during the year, including the Annual Report and Opinion 2012/13;
- Review and discussion of all outstanding internal audit recommendations; and
- Internal Audit Internal Quality Assessment Report.

2.4 The Senior Management Team

The Senior Management Team includes the Chief Executive, Chief Operating Officer and the five Directors. It meets as follows:

- Quarterly to formally review the operating plan, budget and risk management and for oversight/review of progress on key projects;
- Monthly to formally review the budget, financial performance and to monitor risk and progress on key projects; and
- Weekly to discuss ongoing operational issues and to review and approve business cases and funding for projects.

2.5 Business Planning

The annual operational plan is a key reference tool for setting organisational aims and objectives. It provides the framework to ensure that NITB makes best use of available financial, staff, and technological resources and that budgets are aligned to the plan following a robust budget challenge process. The budget process challenges managers to demonstrate efficiency and value for money in the provision of services to meet the needs of our stakeholders.

NITB's annual operating plan is set in the context of the five-year Corporate Plan and the Programme for Government. The 2013/14 annual plan was approved by the Board, DETI and the Minister. Formal reporting to the Board and DETI is on a quarterly basis against operating plan objectives and budget.

The Board and the SMT regularly review and monitor performance against business objectives and challenge managers at all levels to ensure business targets and objectives are achieved.

2.6 Risk Management

NITB aims to manage risk at a reasonable level to achieve its policies, aims and objectives. As Accounting Officer, it is my responsibility to ensure that an appropriate risk management process is in place within the organisation to assist with the decision making process. We do not aim to eliminate all risk, but we do aim to mitigate and manage risks through risk management strategies and policies.

Risk management is fully incorporated into the corporate planning and decision making processes and NITB has in place a Corporate Risk Register that is reviewed by SMT on a monthly basis. The appropriate action plans are put in place to manage and mitigate risks to ensure objectives and targets are achieved.

The risk register is formally updated on a quarterly basis with any new risks identified by the director team and with any new information on existing risks. No new risks were identified during 2013/14. Existing risks were escalated or de-escalated as additional information about each became available.

The register is presented to the Board and Audit and Risk Assurance Committee in order to monitor and review any significant risks to achieving our strategic goals. The Audit and Risk Assurance Committee has responsibility for ensuring an appropriate risk management process is embedded throughout the organisation and that appropriate training is given to support this. Risks are proactively managed at business unit level.

The NITB risk register is reported to DETI through their Audit and Risk Assurance Committee.

2.7 Annual Assurance Statements

As Accounting Officer, I have to provide annual assurance statements to DETI regarding the system of internal controls. This is supported by regular accountability meetings with senior DETI officials, which monitor organisational progress against plans and targets. This is also supplemented by meetings between the Board Chairman the Chief Executive, the Chief Operating Officer and DETI officials after every Board meeting.

As part of the assurance process for DETI, I have delegated responsibility to Directors and other senior managers to provide me with mid-year and annual assurance statements in respect of their compliance with corporate governance arrangements, within their respective areas of responsibility.

2.8 Data Security

As Accounting Officer, I have overall responsibility for ensuring that information used for operational and reporting purposes is handled appropriately and that risks are assessed and mitigated to an acceptable level. This responsibility is discharged through the Chief Operating Officer, who is the Senior Information Risk Officer (SIRO) who provides focus for the management of information risk at SMT and Board level and has responsibility for the overall information risk policy and for advising the Accounting Officer on the information risk aspects of the governance arrangements. The SIRO is supported in this role by the IT Manager who has day to day responsibility for information management and security; the integrity of electronic information; and contingency and business continuity arrangements. A letter of assurance is provided to DETI on information governance on an annual basis. There have been no data losses during the 2013/14 financial year.

2.9 Internal Audit

The internal audit function for NITB is undertaken by Internal Audit Service (IAS), Department of Enterprise, Trade and Investment. Internal audit services are delivered in accordance with public sector internal audit standards. The work of IAS is informed by an analysis of the risks to which the NITB is exposed. The annual Audit Plan is based on this risk analysis and is designed to provide regular internal audit reviews and assessment on our systems, processes and procedures.

Of the reviews scheduled for 2013/14, all those completed to date have received 'Satisfactory Opinions'. The review of procurement was outstanding at the year end. A draft report with a Satisfactory Opinion was issued in June 2014. No significant issues were identified. This was finalised with a Satisfactory Opinion in September 2014.

During 2013/14, seven internal audit reviews that had commenced in 2012/13 were completed, most notably the Walled City audit and the procurement follow-up audit. These both issued a Limited Opinion and as a result Senior Management developed a Governance Action Plan to address the issues raised in both reports. This action plan has been reviewed and discussed at all Board and Audit and Risk Assurance Committee Meetings since its inception. It has also been submitted and reviewed by DETI.

The Audit and Risk Assurance Committee provides scrutiny and oversight of the internal audit plans and subsequent reports and ensures that 'management responses' to recommendations are implemented. All internal audit recommendations are held centrally and their progress closely monitored and challenged. Annually, IAS provides NITB with a report on their activity. This report includes their independent opinion on the adequacy and effectiveness of the NITB's risk management, control and governance processes.

The overall audit opinion for 2013/14 is "Satisfactory" which reflects the significant progress made by NITB over the past year in strengthening the control environment in which it operates.

2.10 External Audit

The external audit of our statutory financial statements is undertaken by the Northern Ireland Audit Office (NIAO), in accordance with auditing standards issued by the Auditing Practice Board; the Financial Reporting Manual (FRM); and other government guidance. This independent scrutiny of the financial statements against government audit standards provides me with additional assurance in respect of financial regularity.

The External Audit Strategy for 2013/14 and the Report to those Charged with Governance (RTTCWG) for 2012/13 have been presented to the Audit and Risk Assurance Committee. As Accounting Officer, I can confirm that all recommendations included within the RTTCWG have been accepted and are currently being progressed, or have been implemented.

2.11 Quality of Data used by NITB Board

The NITB Board uses information based on a number of data sources. In relation to performance targets, the Board draws assurance from the fact that a number of the data sources used are also utilised for the publication of official or national statistics. NITB also commissioned independent economic appraisals for capital investment decisions and for the evaluation of key activities such as events. Data relating to finance and HR is derived from systems that are subject to regular scrutiny by DETI's Internal Audit Service. Information received by the Board allows it to discharge its duties with regard to assurance needs, decision making and accountability obligations.

2.12 Ministerial Directions

There were no Ministerial Directions received in 2013/14, however there were two Departmental Directions issued. These were in respect of Titanic Walkways and HMS Caroline.

2.13 Financial Management

The organisational financial management arrangements conform to the requirements of Managing Public Money and other directions issued by the Department of Enterprise, Trade and Investment (DETI). The Chief Operating Officer has responsibility at SMT level for the proper management of the organisation's finances. The Chief Operating Officer delegates responsibility for the management of finances to Directors through the allocation of budgets. The Chief Operating Officer is supported in this role by the Finance and Procurement Manager, who is responsible for providing detailed financial procedures, guidance and financial advice for managers, as well as maintaining effective systems of budgetary control and financial reporting.

2.14 Fraud Policy

NITB promotes an anti-fraud culture which requires all staff to act with honesty and integrity at all times and to take appropriate steps to safeguard public assets. NITB has implemented a range of policies and procedures that are designed to ensure probity, business integrity and minimise the likelihood and impact of incidence of fraud arising. The Chief Operating Officer is responsible for managing the Fraud Policy and the Fraud Response Plan. All reported suspected and actual frauds are fully investigated and robust actions are taken where fraud can be proven.

3. Governance Issues Arising During the Year

3.1 Internal Audit Issues

There was one Priority 1 issue raised by Internal Audit Service in 2013/14, which is currently being addressed. A Governance Action Plan was developed and implemented to address issues that had been raised previously and IAS have been involved in the monitoring of its progress through the Audit and Risk Assurance Committee.

Of the issues raised in 2012/13, the following progress has been made:

- **Procurement** – following an Internal Audit Limited Opinion on procurement practices in May 2012, which was retained after the follow up review, NITB developed a Governance Action Plan to implement and embed new procedures and controls in line with audit recommendations. There are a number of areas of expenditure unique to NITB's business objectives which have required significant liaison with DETI and Central Procurement Directorate to achieve greater clarity and to develop appropriate processes that meet NITB's needs. A number of these were approved during the 2013/14 financial year and significant training has been undertaken in NITB to ensure the processes are fully adopted throughout the organisation.

The Limited Opinion was lifted in June 2014 following a further audit of procurement processes which reviewed the progress made, driven by the Governance Action Plan, and concluded that significant improvement had been made around the procurement process;

- **Walled City Signature Project** – IAS provided limited assurance on this project due to issues raised, which related primarily to non-compliance with established internal controls in administering financial assistance and a suspected fraudulent grant claim. Internal Audit led a subsequent investigation and a final report was issued in June 2013. The result of the investigation was that internal controls were not followed and disciplinary action was taken. This matter has now been resolved. The Limited Opinion was lifted in May 2014 following a wider audit of the Tourism Development Scheme, which reviewed the more robust internal controls that are in place.

3.2 Other Governance Issues

There have been no significant other governance issues raised identified in 2013/14.

Of the issues raised in 2012/13, the following progress has been made:

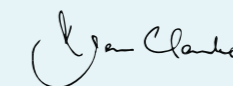
- **Suspected fraud** – in 2012/13 there was a suspected fraudulent capital grant claim which was reported in accordance with the Fraud Policy. IAS and management investigated the issue in accordance with the Fraud Response Plan. The investigation concluded that no internal fraud had occurred.

4. Conclusion

As Accounting Officer, I also have responsibility for reviewing the effectiveness of the governance arrangements. This review is informed by Executive Directors within NITB who have responsibility for the development and maintenance of the governance framework and the work of internal and external auditors and their comments and recommendations. I have advised the Audit and Risk Assurance Committee of my review of the governance arrangements and my plans for continuous improvement of the governance arrangements.

Beyond those specific issues listed in Section 3.1 and 3.2, I can confirm that there have been no other governance issues identified during the year that are considered significant in relation to the Northern Ireland Tourist Board's overall ability to achieve its corporate aims and objectives and that the governance arrangements, as detailed above, provide assurances of the effectiveness of the systems of corporate governance in place.

NITB continues to review and strengthen its governance and internal controls arrangements in line with government guidance, audit recommendations and best practice.



Alan Clarke
Accounting Officer
25 September 2014

The Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly

Northern Ireland Tourist Board

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 the Northern Ireland Tourist Board for the year ended 31 March 2014 under the Tourism (Northern Ireland) Order 1992. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity 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 Board, Chief Executive and Auditor

As explained more fully in the Statement of the Board's and Chief Executive's Responsibilities, the Accounting Officer is 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, examine, certify and report on the financial statements in accordance with the Tourism (Northern Ireland) Order 1992. 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 the Northern Ireland Tourist Board's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Northern Ireland Tourist Board; 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 materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of me performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported 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.

The Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly

Opinion on Regularity

In my opinion, in all material respects the expenditure and income have been applied to the purposes intended by the Northern Ireland 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 the Northern Ireland tourist Board's affairs as at 31 March 2014 and of the net expenditure, cash flows and changes in taxpayers' equity for the year then ended; and
- The financial statements have been properly prepared in accordance the Tourism (Northern Ireland) Order 1992 and Department of Enterprise, Trade and Investment 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 Department of Enterprise, Trade and investment directions made under the Tourism (Northern Ireland) Order 1992; and
- The information given in the Strategy Report and Directors' 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 no observations to make on these financial statements.



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

30 September 2014

NITB Statement of Comprehensive Net Expenditure

for the year ended 31 March 2014

EXPENDITURE	Notes	2013/14 £	Restated 2012/13 £
Staff Costs	4	6,072,860	5,564,116
Other Expenditure	5	14,594,429	18,589,016
Depreciation	9	368,225	232,781
Amortisation	10	26,604	29,071
Selective Financial Assistance – Grants	6	3,315,628	5,860,996
Titanic Foundation Limited		3,847	5,211
Notional Costs		85,107	86,303
Tourism Ireland Ltd – Request for Resources A	7	14,635,000	15,224,000
		39,101,700	45,591,494
INCOME			
EU Income		2,571,282	3,018,507
Other Operating Income	8	370,966	407,028
GCVF EU Income		-	400,000
Tourism Ireland Ltd – Request for Resources A	7	14,635,000	15,224,000
		17,577,248	19,049,535
Net Expenditure before Exceptional item		(21,524,452)	(26,541,959)
Exceptional item: EU Debtor written off (bad debts)	22	-	(18,019,656)
Net Expenditure		(21,524,452)	(44,561,615)
Interest Receivable		8,211	18,865
Pension Interest Income/(charge)		(193,000)	(173,000)
Corporation Tax		(1,640)	(3,773)
Credit in Respect of Notional Charges		85,107	86,303
Net Expenditure After Interest and Tax		(21,625,774)	(44,633,220)

Other Comprehensive Net Expenditure

EXPENDITURE	Note	2013/14 £	2012/13 £
Items that will not be reclassified to net operating costs:			
Pension Actuarial gain / (loss)		223,000	(493,000)
Total Comprehensive Expenditure for the year ended 31 March 2014		21,402,774	45,126,220

NITB Statement of Financial Position

as at 31 March 2014

	Notes	2013 £	Restated 2012/13 £
NON-CURRENT ASSETS			
Property, Plant and Equipment	9	1,167,400	815,807
Intangible Assets	10	33,519	60,123
TOTAL NON-CURRENT ASSETS		1,200,919	875,930
CURRENT ASSETS			
Trade Receivables and Other Current Assets	12	6,158,356	5,034,653
Cash and Cash Equivalents	13	639,996	3,549,166
TOTAL CURRENT ASSETS		6,798,352	8,583,819
TOTAL ASSETS		7,999,271	9,459,749
CURRENT LIABILITIES			
Trade Payables and Other Current Liabilities	14	(11,499,191)	(13,379,413)
TOTAL CURRENT LIABILITIES		(11,499,191)	(13,379,413)
NON-CURRENT ASSETS PLUS NET CURRENT LIABILITIES		(3,499,920)	(3,919,664)
NON-CURRENT LIABILITIES			
Provisions	15	-	(170,000)
Pension Liabilities	16	(4,730,000)	(4,694,000)
TOTAL NON-CURRENT LIABILITIES		(4,730,000)	(4,864,000)
ASSETS LESS LIABILITIES		(8,229,920)	(8,783,664)
TAX PAYERS' EQUITY			
General Reserve		(8,467,998)	(9,047,224)
Revaluation Reserve		238,078	263,560
		(8,229,920)	(8,783,664)

The notes on pages 47 to 76 form part of these accounts.

The financial statements on pages 42 to 46 were approved by the Board on 25 September 2014 and were signed on its behalf by:

Chairman *Howard Hastings*

Chief Executive *John Clark*

Statement of Cash Flows

for the year ended 31 March 2014

	Notes	2013-14 £	Restated 2012-13 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Deficit After Interest and Tax		(21,625,774)	(44,633,220)
ADJUSTMENTS FOR NON CASH TRANSACTIONS:			
Amortisation	10	26,604	29,071
Depreciation	9	368,225	232,781
Loss on Disposals		-	219
Pension Interest Income		193,000	173,000
Non Cash Actuarial Pension Charges		66,000	(49,000)
(Increase)/Decrease in Trade and Other Receivables	12	(1,123,703)	27,061,996
Adjustment to GCVF Ltd		-	890,346
(Increase)/Decrease in Inventories		-	721
Increase/(Decrease) in Trade Payables	14	(2,114,281)	(34,282)
Use of Provisions Increase/(Decrease)	15	(170,000)	(138,528)
NET CASH OUTFLOW FROM OPERATING ACTIVITIES		(24,379,929)	(16,466,896)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Intangible Assets	10	-	(86,519)
Purchase of Property, Plant and Equipment	9	(511,241)	(239,125)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(511,241)	(325,644)
CASH FLOWS FROM FINANCING ACTIVITIES			
Government Grant in Aid and Revenue Grant		21,982,000	20,320,000
Monies returned to DETI		-	(37,678)
NET FINANCING		21,982,000	20,282,322
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS IN THE YEAR	13	(2,909,170)	3,489,782
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	13	3,549,166	59,384
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	13	639,996	3,549,166

Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2014

	Notes	General Reserve £	Revaluation Reserve £	Total Reserves £
BALANCE AT 31 MARCH 2012		14,906,328	241,530	15,147,858
RESTATED CHANGES IN TAXPAYER'S EQUITY 2012/13				
Net Gain on Revaluation of Property, Plant and Equipment		-	22,030	22,030
Adjustment for GCVF Ltd		890,346	-	890,346
Monies Returned to DETI		(37,678)	-	(37,678)
Actuarial Gain/(Loss)		(493,000)	-	(493,000)
Retained Deficit		(44,633,220)	-	(44,633,220)
TOTAL RECOGNISED INCOME AND EXPENSE FOR 2012/13		(44,273,552)	22,030	(44,251,522)
Government Grant in Aid and Revenue Grant		20,320,000	-	20,320,000
BALANCE AT 31 MARCH 2013		(9,047,224)	263,560	(8,783,664)
CHANGES IN TAXPAYER'S EQUITY 2013/14				
Net Gain on Revaluation of Property, Plant and Equipment		-	(25,482)	(25,482)
Actuarial Gain/(Loss)		223,000	-	223,000
Retained Deficit		(21,625,774)	-	(21,625,774)
TOTAL RECOGNISED INCOME AND EXPENSE FOR 2013/14		(21,402,774)	(25,482)	(21,428,256)
Government Grant in Aid and Revenue Grant		21,982,000	-	21,982,000
BALANCE AT 31 MARCH 2014		(8,467,998)	238,078	(8,229,920)

Notes to the Accounts

for the year ended 31 March 2014

1. Statement of Accounting Policies

Basis of Preparation

These financial statements have been prepared in accordance with the 2013/14 Government Financial Reporting Manual (FRM) issued by the Department of Finance and Personnel. The accounting policies contained in the FRM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FRM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the NITB for the purpose of giving a true and fair view has been selected. The particular policies adopted by the NITB are described below. They have been applied consistently in dealing with the items that are considered material to the accounts.

Accounting Convention

The accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets and inventories.

Financing

The Department of Enterprise, Trade and Investment is the parent department of NITB. DETI provides NITB with its grant-in-aid during the year to enable NITB to discharge its duties, powers and functions under the agreed operating plan and budget. Grant-in-aid is credited to reserves.

Income from Activities

Income from activities represents the invoiced amount of goods sold or services provided (net of VAT) and includes fees collected from statutory inspection activities, non-statutory star grading of accommodation, the sale of WorldHost training materials and income attributable to the promotion and exhibiting at trade events.

Property, Plant and Equipment, Intangible Assets, Depreciation and Amortisation

- (i) Property, plant and equipment and intangible asset additions are fully funded by the Department of Enterprise, Trade and Investment.
- (ii) All property, plant and equipment have been valued on net current replacement costs as a proxy guide to fair value with the exception of paintings, which have been valued by John Ross & Co., Auctioneers and Valuers.

Indices supplied by the Office for National Statistics are used to calculate the net current replacement cost.

The minimum levels of capitalisation of all categories of property, plant and equipment is £1,000.

- (iii) Intangible fixed assets – computer licenses for internal recording and reporting systems are capitalised as intangible assets. The minimum level of capitalisation of an intangible asset is £1,000.

They are amortised over a period of three to five years on a straight line basis.

- (iv) Depreciation and amortisation is provided on property, plant and equipment and intangible assets at rates calculated to write off the cost of each asset evenly over its expected useful life as follows:

Furniture and Equipment 10 years

Motor Vehicles Four years

Leasehold Fixtures and Fittings Over the lease term

Computer Equipment Three to five years

Computer Software Over the licence period

- (v) All works of art held by NITB are included in the Statement of Financial Position – 12 paintings and one print. The paintings have been composed by Irish artists of the 19th and 20th century and depict scenes of Northern Ireland. All works of art are regularly valued but not depreciated.

- (vi) NITB assesses at each year end date whether there is any objective evidence that a financial asset or group of financial assets classified as available-for-sale or loans and receivables is impaired. Generally a full year of depreciation is provided on assets in the year of their purchase unless it is deemed prudent not to do so.

Prepayments

The de-minimus threshold for any prepayments is set at £500.

Provisions

NITB makes provisions for liabilities and charges where, at the year end date, a legal or constructive liability exists (that is a present obligation from past events exists), where the transfer of economic benefits is probable and a reasonable estimate can be made.

EU Income

All EU receipts relating to core expenditure are treated as accruing resources in support of expenditure incurred, that is, budgeted receipts or income surrenderable but retained.

Contingent Liabilities

The amounts recognised by NITB as a provision are the best estimate of expenditure required to settle the present obligation at the Statement of Financial Position date. In reaching the best estimate, NITB have taken into account the risks and uncertainties that surround the underlying events.

Accounting Estimates

The use of reasonable estimates is an essential part of the preparation of financial statements and does not undermine their reliability. Changes in accounting estimates result from new information or new developments and, accordingly, are not corrections of errors. The effect of a change in an accounting estimate, shall be recognised by including it in net expenditure account in:

- a) The period of the change, if the change affects that period; or
- b) The period of the change and future periods, if the change affects both.

Leased Assets

Operating lease payments are charged to the net expenditure account on a straight-line basis over the term of the lease.

Pension Costs

Past and present employees in Northern Ireland are covered by the provisions of the NILGOSC. In the year 2013/14, NITB contributed 20% of pensionable pay to the scheme, whilst staff contributed between 5.5% and 7.5% of pensionable pay.

For those staff employed in the Republic of Ireland from 1 January 2007, a trust based defined contribution scheme has been available for staff to join. The contributions are managed by Eagle Star and the advisers to the scheme are Watson Wyatt (Ireland) Limited. NITB contributed 16% of salary during the year whilst the staff members will continue to contribute 6%.

Foreign Currencies

Assets and liabilities denominated in foreign currencies have been translated into sterling values at the rate of exchange ruling at the date of the Statement of Financial Position. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All exchange differences are taken to the net expenditure account.

Irrecoverable Value Added Tax

The Board is subject to a very limited recovery of VAT on inputs calculated in accordance with a formula agreed with HM Revenue and Customs. Expenditure is charged in the accounts inclusive of VAT. The VAT recoverable is credited to other operating accounts.

Selective Financial Assistance Scheme

Under the scheme, the Board is able to provide selective financial assistance in the form of grants, loans or investments in tourism-related projects. Grants paid and payable on expenditure incurred in the year by grant recipients are charged to the net expenditure account under the heading 'Selective Financial Assistance - Grants'.

Financial Instruments

Financial assets and liabilities are recognised in NITB's Statement of Financial Position when NITB becomes a party to the contractual provision of the instrument.

Financial Assets

Financial assets are classified into the following specified categories: at 'fair value through profit or loss' (FVTPL); held-to-maturity investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. NITB's financial assets comprise trade and other receivables and cash and cash equivalents and are classified as loans and receivables and are held at cost, which approximates to fair value because of their short maturities.

Financial Liabilities

Financial liabilities of NITB, including trade and other payables, are measured at cost which approximates to fair value because of their short maturities.

Notional Costs

In order to disclose the full cost of activities, notional costs for the provision of the services received from DETI's Internal Audit Services are included. The 2013/14 notional charge was £85,107 (2012/13 £86,303).

Adoption of New and Revised Standards

Management has reviewed new accounting standards that have been issued but are not yet effective, nor adopted early for these accounts. Management consider that these are unlikely to have a significant impact on the accounts in the period of initial application.

2. Change in Accounting Policy

Application of IAS 19R – Employee Benefits

Up to 31 March 2013, the Board applied IAS 19 – Employee Benefits to the Financial Statements. A revised statement, IAS 19R, was issued by the IASB on 19 June 2011, with implementation to come into effect for financial years commencing on or after 1 January 2013.

The Board has implemented this new standard for the 2013/14 financial statements in line with the Government Financial Reporting Manual.

This year's disclosures have been calculated under the revised IAS 19 (IAS 19R), including restating the 2013 results where shown.

The key changes are:

- The expected rate of return is replaced by the discount rate and is combined with the interest cost, resulting in a net interest cost;
- Interest on service cost is now part of service cost and moves from financing charges to staff costs;
- Investment related expenses are recognised as part of the asset gain/loss in the other comprehensive income (effectively being accounted for in revenue reserves).

The effect on the financial statements for 2012/13 year are shown below.

	2012/13 (without adopting new policy) restated	Impact of adopting new policy	2012/13 (after adopting new policy)
	£	£	£
Statement of Comprehensive Net Expenditure			
Staff Costs	5,544,116	20,000	5,564,116
Pension Interest Charge	46,000	127,000	173,000

	2012/13 (without adopting new policy) restated	Impact of adopting new policy	2012/13 (after adopting new policy)
	£	£	£
Statement of Financial Position			
Taxpayers' Equity			
General Reserve	(9,047,224)	(147,000)	(9,047,224)
		147,000	

3. Analysis of Net Expenditure by Segment

	Gross Expenditure	Income	Net Expenditure
2013/14	£	£	£
Business Support and Events	4,520,113	370,458	4,149,655
Product Development	5,742,137	-	5,742,137
Organisational Development	2,972,233	73,507	2,898,726
Corporate Development	1,825,900	-	1,825,900
Marketing	9,507,638	2,498,282	7,009,356
TOTAL	24,568,021	2,942,247	21,625,774

	Gross Expenditure	Income	Net Expenditure
2012/13	£	£	£
Business Development	3,278,690	356,919	2,921,771
Product Development	7,293,141	400,000	6,893,141
Organisational Development	20,985,044	48,414	20,936,630
Corporate Development	2,671,674	-	2,671,674
Marketing and Events	14,230,206	3,020,202	11,210,004
TOTAL	48,458,755	3,825,535	44,633,220

Business Support and Events Division comprises of the following units – Events, NI 2012-14, Quality and Standards, Industry Development, Tourism Innovation Fund. The Director of the division reports to the Chief Executive (2012/13 - Visitor Information, Quality and Standards, Industry Development, Innovation Fund and Marketing Culture, Heritage and Activities).

Product Development Division comprises of the following units – Strangford, Armagh and The Mournes, Greater Belfast, Derry~Londonderry and Fermanagh, Causeway Sperrins and Lough Neagh, Marketing Culture, Heritage and Activities,

Funding and Monitoring and Financial Assistance. The Director of the Division reports to the Chief Executive (2012/13 - Titanic and Belfast, Walled City, St Patrick's and Mournes, The Causeway, Funding and Monitoring and Financial Assistance).

Organisational Development Division comprises of the following units – HR and Central Services and Computer Services. The Director of the division reports to the Chief Operating Officer. Finance Unit costs are included in this segment with the manager of the unit reporting directly to the Chief Operating Officer. SMT and Board Member costs are also included in this division (2012/13 – no changes).

Corporate Development Division comprises of the following units – Research and Evaluation, Business Planning and Improvements, Policy and Insights and Communications. The Director of the Division reports to the Chief Operating Officer (2012/13 - Research and Evaluation, Planning and Performance, Equality, Policy and Environment and Communications).

Marketing Division comprises of the following units – Visitor Information, Technology Platform, Business To Business, Destination PR, Republic of Ireland and Social and Digital Media. The Director of the Division reports to the Chief Executive (2012/13 - Events, Destination PR, Business Tourism and Republic of Ireland).

As a result of a restructure at the beginning of the financial year, a breakdown of divisions has been provided for comparative purposes.

4. Staff and Pension Costs

a) Staff costs comprise:

		2013-14	Restated 2012-13
		£	£
Wages and Salaries	Permanent	4,349,011	4,027,911
	Others	544,051	529,579
Social Security Costs	Permanent	336,990	318,074
	Others	37,233	36,839
Pension Contributions	NILGOSC Scheme	793,366	616,551
	Eagle Star	12,209	35,162
Staff Costs Charged to Net Expenditure Account		6,072,860	5,564,116

b) Average number of persons employed:

	2013/14 No		2012/13 No	
	Permanent	Other	Permanent	Other
Business Support and Events	28	3	33	6
Product Development	29	4	24	4
Corporate Development	20	2	20	2
Senior Management Team and Board	20	1	17	-
Organisational Development	16	4	15	6
Marketing	35	4	29	7
	148	18	138	25

c) Pensions:

Pension benefits are provided through the Northern Ireland Local Government Officers' Superannuation Scheme (NILGOSC). This scheme is a defined benefits fund and is invested in suitable investments, managed by the Committee. The latest full actuarial valuation of the scheme was at 31 March 2014.

For 2013/14 the contribution rates were 20% for the employer and between 5.5% and 7.5% for the employee (2012/13 19% and between 5.5% and 7.5%). The employer's rate for 2013/14 increased to 20% at 1 April 2013.

The total employer contribution paid under the scheme in 2013/14 was £727,422 (2012/13 £657,460).

The total employer contribution made for the Defined Contribution Scheme provided by Eagle Star for ROI employees in 2013/14 was £12,209 (2012/13 £35,162).

d) Compensation and Exit Packages for all Staff 2012/13:

EXIT PACKAGE COST BAND	Number of Compulsory Redundancies		Number of other Departures Agreed		Total Number of Exit Packages by Cost Band
	13/14	12/13	13/14	12/13	13/14
< £10,000	-	-	-	-	-
£10,000 - £25,000	-	-	-	2	-
£25,000 - £50,000	-	-	-	1	-
> £50,000	-	-	-	1	-
Total Number of Exit Packages	-	-	-	4	-
Total Resource Cost	-	-	-	171,891	-

Redundancy and other departure costs have been paid in accordance with the provisions of the Northern Ireland Local Government Superannuation Scheme, a scheme made under the Local Government Superannuation Act 1950. Exit costs are accounted for in full in the year of departure. Where the department has agreed early retirements, the additional costs are met by the Northern Ireland Tourist Board and not by the Northern Ireland Local Government Superannuation Scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

5. Other Expenditure

	2013/14 £	2012/13 £
Premises Costs	336,828	300,261
Operating Leases	312,000	312,000
Travel and Subsistence		
- Board Members	14,651	4,090
- Other Employees	136,570	122,864
Printing and Stationery	11,689	18,849
Provision for Legal Cases	(62,065)	(87,585)
Redundancy Costs	(6,495)	181,176
Professional Fees	121,103	130,410
Auditors Remuneration - Audit	32,500	30,415
Catering and General Office Expenses	224,477	184,634
Exchange Rate (Gain)/Loss	7,545	125,197
Staff Development (Training and Recruitment)	82,903	91,895
Publications	221,034	356,981
Press and Public Relations	334,244	805,897
Hospitality	19,692	9,469
Marketing, Advertising and Promotions	10,037,465	9,732,068
Events	2,518,689	5,809,434
Information Services	252,460	423,590
Finance Admin Unallocated	-	(1,100)
Bad Debt Written Off	(861)	38,252
Non Cash Items: Loss on disposal	-	219
	14,594,429	18,589,016

6. Selective Financial Assistance

	2013/14 £	2012/13 £
Tourism Development Scheme – General	2,761,824	2,633,851
Signature Projects – (excluding Titanic)	167,891	3,189,579
Events	-	-
Other	385,913	37,566
	3,315,628	5,860,996

Note: 2012/13 figures have been restated in line with a reclassification of figures in 2013/14.

7. Grants

7.1 Grants from European Union

Support for NITB from Europe comes from the European Sustainable Competitiveness Programme 2007–2013 – Priority 1 Sustainable Competitiveness and Innovation.

7.2 Grant from the Department of Enterprise, Trade and Investment

NITB as a Non Departmental Public Body has in the year 2013/14 credited the grants and grants-in-aid for revenue purposes as contributions from controlling parties as giving rise to a financial interest in the residual interest of NITB and hence has accounted for them as financing. As a result of this treatment the General Reserve has been credited and not the Statement of Comprehensive Net Expenditure.

During the year, NITB received grants from DETI, on behalf of Tourism Ireland Limited to £14,635,000 (2012/13 £15,224,000). These amounts were remitted to Tourism Ireland Limited before the year end.

7.3 European Regional Development Funds

In addition to the activities reported in these accounts, during the year NITB was responsible for the administration of grant aid falling under certain measures of the European Regional Development Fund (ERDF) and the International Fund for Ireland (IFI). The extent of this administration did not extend to the physical control and disbursement of the funds, which role was reserved to DETI. The funding from these measures is made available in agreed budgets for drawdown over fixed terms normally in excess of one year.

8. Other Operating Income

Income is attributable to the following activities:

	2013/14 £	2012/13 £
Statutory Certification Fees	159,962	99,771
Promotions and Exhibitions	210,496	258,843
TIDInet	508	48,414
Other Income	370,966	407,028

9. Property, Plant and Equipment

	Leasehold Improvements £	Furniture and Equipment £	Motor Vehicles £	Computers £	Paintings £	Total £
COST OR VALUATION						
At 1 April 2013	550,577	273,877	12,835	875,826	219,700	1,932,815
Additions at Cost	-	-	-	745,300	-	745,300
Donated	-	-	-	-	-	-
Indexation	(9,216)	(11,315)	-	(27,529)	-	(48,060)
Gifted	-	-	-	-	-	-
Disposals / Write-off	-	-	-	(88,239)	-	(88,239)
At 31 March 2014	541,361	262,562	12,835	1,505,358	219,700	2,541,816
DEPRECIATION						
At 1 April 2013	186,626	247,039	12,835	670,508	-	1,117,008
Charge for Period	91,100	19,468	-	257,657	-	368,225
Indexation	(1,405)	(9,763)	-	(11,410)	-	(22,578)
Disposals	-	-	-	(88,239)	-	(88,239)
At 31 March 2014	276,321	256,744	12,835	828,516	-	1,374,416
Net Book Value At 31 March 2014	265,040	5,818	-	676,842	219,700	1,167,400
Net Book Value At 31 March 2013	363,951	26,838	-	205,318	219,700	815,807

Note: All NITB plant, property and equipment assets are owned.

	Leasehold Improvements £	Furniture and Equipment £	Motor Vehicles £	Computers £	Paintings £	Total £
COST OR VALUATION						
At 1 April 2012	525,261	271,351	12,835	629,074	219,700	1,658,221
Additions at Cost	13,461	-	-	225,664	-	239,125
Donated	-	-	-	-	-	-
Indexation	11,855	4,714	-	21,885	-	38,454
Gifted	-	-	-	-	-	-
Disposals / Write-off	-	(2,188)	-	(797)	-	(2,985)
At 31 March 2013	550,577	273,877	12,835	875,826	219,700	1,932,815
DEPRECIATION						
At 1 April 2012	90,197	224,214	12,835	543,323	-	870,569
Charge for Period	93,893	21,132	-	117,756	-	232,781
Indexation	2,536	3,662	-	10,226	-	16,424
Disposals	-	(1,969)	-	(797)	-	(2,766)
At 31 March 2013	186,626	247,039	12,835	670,508	-	1,117,008
Net Book Value At 31 March 2013	363,951	26,838	-	205,318	219,700	815,807
Net Book Value At 31 March 2012	435,064	47,137	-	85,751	219,700	787,652

Note: All NITB plant, property and equipment assets are owned.

10. Intangible Fixed Assets

Intangible assets comprise software licences.

	£
Cost or Valuation	
At 1 April 2013	209,757
Acquisitions	-
Disposals	-
Transfers	-
Write Off	-
At 31 March 2014	209,757
Amortisation	
At 1 April 2013	149,634
Charged in the Year	26,604
Disposals	-
Transfers	-
Write Off	-
At 31 March 2014	176,238
NBV at 31 March 2014	33,519

Note: All NITB Intangible assets are owned.

	£
Cost or Valuation	
At 1 April 2012	123,238
Acquisitions	86,519
Disposals	-
Transfers	-
Write Off	-
At 31 March 2013	209,757
Amortisation	
At 1 April 2012	120,563
Charged in the Year	29,071
Disposals	-
Transfers	-
Write Off	-
At 31 March 2013	149,634
NBV at 31 March 2013	60,123
NBV at 31 March 2012	2,675

11. Financial Instruments

As the cash requirements of NITB are met through grant-in-aid provided by DETI, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with NITB's expected purchase and usage requirements and NITB is therefore exposed to little credit, liquidity or market risk.

12. Trade Receivables and Other Current Assets

	2013/14 £	2012/13 £
Amounts falling due within one year		
Trade Receivables	20,141	47,645
Less: Provision for Doubtful Debts	-	-
	20,141	47,645
QA Receivables	8,310	16,522
Less: Provision for Doubtful Debts	-	(2,382)
	8,310	14,140
EU Receivables	5,968,435	4,821,211
Sundry Debtors	695	548
Prepayments	151,788	149,612
VAT Receivable	8,646	1,497
Other Receivables	341	-
	6,129,905	4,972,868
	6,158,356	5,034,653

Inter-Government Balances: Amounts Falling Due Within One Year:

	2013/14	2012/13
Balances with Other Central Government Bodies	10,812	27,000
Balances with Local Authorities	330	10,745
Balances with NHS Bodies	-	-
Balances with Public Corporations and Trading Funds	-	-
Subtotal: Intra-government Balances	11,142	37,745
Balances with Bodies External to Government	6,147,214	4,996,908
Total Receivables At 31 March	6,158,356	5,034,653

13. Cash and Cash Equivalents

	2013/14 £	2012/13 £
Balance at 1 April 2013	3,549,166	59,384
Net Change in Cash and Cash Equivalents Balance	(2,909,170)	3,489,782
Balance at 31 March 2014	639,996	3,549,166

The following balances at 31 March were held at:

	2013/14 £	2012/13 £
Commercial Banks and Cash in Hand	639,996	3,549,166
Balance at 31 March 2014	639,996	3,549,166

14. Trade Payables and other Current Liabilities

Amounts Falling Due Within One Year	2013/14 £	Restated 2012/13 £
Corporation Tax	1,640	3,773
Trade Payables	2,409,514	598,190
Other Payables	-	50
TDS, Signature Projects and IDF W-I-P and Retentions	5,947,983	6,376,450
Accruals	3,126,576	6,380,983
Deferred Income	13,478	19,967
	11,449,191	13,379,413

Inter-Government Balances:
Amounts Falling Due Within One Year:

Balances with Other Central Government Bodies	1,025,026	23,604
Balances with Local Authorities	4,407,207	5,609,653
Balances with NHS Bodies	-	-
Balances with Public Corporations and Trading Funds	-	-
Subtotal: Intra-government Balances	5,432,233	5,633,257
Balances with Bodies External to Government	6,066,958	7,746,156
Total Payables at 31 March	11,499,191	13,379,413

15. Provisions for Liabilities and Charges

2013/14	Legal £
Balance at 1 April 2013	170,000
Provision Provided in Year	-
Provision Utilised in Year	-
Provision Not Required Written Back	(170,000)
Balance at 31 March 2014	170,000

2013/14	Legal £
Balance at 1 April 2012	308,528
Provision Provided in Year	-
Provision Utilised in Year	-
Provision Not Required Written Back	(138,528)
Balance at 31 March 2013	170,000

The legal provision was in relation to fees that were potentially due in respect of an ongoing legal matter. The matter was resolved prior to certification with final legal fees being due of £59,006 therefore the provision has been written back and replaced by a creditor of £59,006, which has subsequently been settled.

16. Pension Commitments

a) NILGOSC Pension Scheme

Northern Ireland Tourist Board participates in the Northern Ireland Local Government Officer's Superannuation Committee Scheme (The NILGOSC scheme) for the majority of its employees. Pension benefits are provided through the NILGOSC scheme, which is a statutory scheme that benefits on a final salary basis at a normal retirement age of 65.

Prior to 1 April 2009 benefits accrued at the rate of 1/80th of pensionable salary for each year of service. In addition a lump sum equivalent to 3/80ths of pensionable salary for each year of service, prior to 1 April 2009, is payable on retirement. From 1 April 2009 the scheme changed and benefits from this date accrue at the rate of 1/60th of pensionable pay for each year of service.

As part of a general review of public sector pension schemes from 1 April 2009, the government has introduced changes to the contribution rates. Instead of most people paying a standard contribution rate of 6% of their pensionable pay, there are now different contribution rates for different pay bands. The scheme's professionally qualified actuaries recommended the rates for administrative employees between 5.5% and 7.5% of pensionable pay.

Under IAS 19 the NITB is required to account for their share of assets and liabilities in the scheme. Added years discretionary benefits awarded to former employees who retired early are also accounted for as a defined benefit scheme, as in accordance with IAS 19. This liability represents the actuarial liability of future costs to NILGOSC in respect of past employees who retired early. Given projected lifespans this liability will be payable over a number of years.

The latest formal actuarial valuation of the fund was carried out as at 31 March 2013. In calculating the NITB's assets and liabilities the fund's actuaries have rolled forward and updated the values calculated at the latest valuation (March 2014). The fund's actuaries had to make a number of assumptions about events and circumstances in the future meaning that the results of actuarial calculations are subject to uncertainties within a range of possible values.

b) Actuarial Assumptions

The following actuarial assumptions were accepted on the recommendation of the actuary:

As at 31 March Actuarial Assumptions Used	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Rate of Increase in Pensions	2.4%	2.8%	2.5%	2.8%
Rate of Increase in Salaries	3.9%	5.2%	4.8%	5.1%
Discount Rate	4.3%	4.5%	4.8%	5.5%
RPI Inflation	3.4%	3.7%	3.3%	-
CPI Inflation	2.4%	2.8%	2.5%	-

Mortality Assumptions

Actuarial Assumptions for Average Future Life Expectancy at the Age of 65	Males 31 March 2014	Males 31 March 2013	Females 31 March 2014	Females 31 March 2013
Current Lifetime (aged 65 at accounting date)	22.1 years	23.2 years	24.6 years	26.1 years
Future Lifetime (aged 45 at accounting date)	24.3 years	25.2 years	26.9 years	28.1 years

Sensitivity Analysis

IAS 19 valuation results depend critically on the principal assumptions used in the calculations. The discount rate used to value the liabilities is prescribed under IAS 19 and the results are particularly sensitive to the discount rate. A reduction in the net discount rate will increase the liabilities as a higher value is placed on benefits in the future.

Regarding mortality assumptions, if longevity improves at a faster rate than allowed for in the assumptions, then a higher value would be placed on the employer's liabilities.

Further increases in pensionable pay, inflation and hence pension, more than allowed for in the assumptions, will increase the value of the liabilities.

Below we have detailed the sensitivity of the benefit obligations to various key assumptions. We have not included sensitivity of unfunded benefits on materiality grounds.

Funded LGPS benefits

Discount Rate Assumption

	+0.1% p.a.	-0.1% p.a.
Adjustment to Discount Rate	+0.1% p.a.	-0.1% p.a.
Present Value of Total Obligation (£Millions)	23.365	24.331
% Change in Present Value of Total Obligation	-2.0%	2.0%
Projected Service Cost (£Millions)	0.843	0.898
Approximate % Change in Projected Service Cost	-3.1%	3.2%

Rate of Increase to Pensions in Payment and Deferred Pensions Assumption

	+0.1% p.a.	-0.1% p.a.
Adjustment to Pension Increase Rate	+0.1% p.a.	-0.1% p.a.
Present Value of Total Obligation (£Millions)	24.181	23.513
% Change in Present Value of Total Obligation	1.4%	-1.4%
Projected Service Cost (£Millions)	0.885	0.856
Approximate % Change in Projected Service Cost	1.7%	-1.6%

Rate of General Increase in Salaries

	+0.1% p.a.	-0.1% p.a.
Adjustment to Salary Increase Rate	+0.1% p.a.	-0.1% p.a.
Present Value of Total Obligation (£Millions)	23.992	23.695
% Change in Present Value of Total Obligation	0.6%	-0.6%
Projected Service Cost (£Millions)	0.883	0.857
Approximate % Change in Projected Service Cost	1.5%	-1.5%

Post Retirement Mortality Assumption

	-1 year	+1 year
Adjustment to Mortality Age Rating Assumption*	-1 year	+1 year
Present Value of Total Obligation (£Millions)	24.378	23.305
% Change in Present Value of Total Obligation	2.2%	-2.3%
Projected Service Cost (£Millions)	0.897	0.843
Approximate % Change in Projected Service Cost	3.1%	-3.1%

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

c) Asset Valuations

The fair value of the assets held by the pension scheme attributable to the NITB are analysed as follows:

Assets	Long Term Return at 31 March 2014	Assets at 31 March 2014	Long Term Return at 31 March 2013	Assets at 31 March 2013
	%	£'000	%	£'000
Equities	7.6%	14,731	7.8%	14,678
Government Bonds	3.4%	1,171	2.8%	2,116
Corporate Bonds	4.0%	1,211	3.8%	97
Property	6.9%	2,224	7.3%	1,495
Cash	0.9%	516	0.9%	913
Other *	7.6%	-	7.8%	116
Total	6.9%	19,853	6.9%	19,415

* Other may include hedge funds, currency holdings, asset allocation futures and other financial instruments.

Statement of Financial Position

The following amounts at 31 March 2014, 2013, 2012 and 2011 were measured in accordance with the requirements of IAS 19:

	31 March 2014 £'000	Restated 31 March 2013 £'000	31 March 2012 £'000	31 March 2011 £'000
Fair value of scheme assets	19,853	19,415	16,313	15,926
Present value of defined benefit obligations	(24,583)	(24,109)	(20,390)	(18,419)
Net Pension liability	(4,730)	(4,694)	(4,077)	(2,493)

d) Amounts Charged to Expenditure

Analysis of Amount Charged to Net Expenditure Statement in Respect of Defined Benefit Scheme:	2013/14 £'000	Restated 2012/13 £'000
Current Service Cost	853	667
Curtailments and Settlements	-	-
Past Service Cost	27	33
Employer Contributions	(756)	(687)
Contributions in Respect of Unfunded Benefits	(58)	(62)
	66	(49)

Analysis of Amounts Charged to Other Finance Costs:

Interest on Net Defined Benefit Liability/(Asset) (Funded)	(154)	(133)
Interest on Net Defined Benefit Liability/(Asset) (Unfunded)	(39)	(40)
	(193)	(173)

Analysis of Amounts in the Statement of Taxpayers' Equity:

Actuarial Gains/(Losses)	223	(493)
	223	(493)

Movement in Deficit During the Year:

Deficit in Scheme at the Beginning of the Year	(4,694)	(4,077)
--	---------	---------

Movement in the Year:

Current Service Cost	(853)	(667)
Employer Contributions	756	687
Contributions in Respect of Unfunded Benefits	58	62
Past Service Cost	(27)	(33)
Net Return on Assets	(193)	(173)
Actuarial Gain/(Losses)	223	(493)
Deficit in Scheme at the End of the Year	(4,730)	(4,694)

e) Employers Contribution Rates

The liabilities show the underlying commitment that NITB has in the long term to pay retirement benefits. The total pension liability is £24.6 million (2012/13 £24.1 million) and results in a net overall deficit balance of £4.7 million (2012/13 £4.7 million) which is recorded on the Statement of Financial Position.

The deficit on the NILGOSC scheme will be funded over a period of many years through increased employer contributions over the remaining working life of employees as assessed by the scheme actuary.

For 2013/14, employers participating in the scheme increased contributions by 1% from prior year to 20% (2012/13 19%).

f) Scheme Gains and Losses

Actuarial gains and losses represent the extent to which actual outcomes have differed from the assumptions which were used in calculating IAS 19 figures.

For assets the gain/loss is normally the difference between the actual and expected return on assets, and for liabilities the gain/loss normally arises from the change in financial assumptions. These actuarial gains/losses are shown in the table below as experience gains and losses.

	31 March 2014	31 March 2013	31 March 2012	31 March 2011
	£'000	£'000	£'000	£'000
Experience Gain (Loss) on Assets	(807)	2,062	(991)	(168)
Fair Value of Scheme Assets	19,853	19,415	16,313	15,926
Percentage Gain (Loss) on Assets	(4.1%)	11.0%	(6.1%)	(1.1%)
Experience Gain (Losses) on Liabilities	(402)	17	(193)	2,843
Present Value of Benefit Obligation / Liabilities	(24,583)	(24,109)	(20,390)	(18,419)
Percentage Gain (Loss) on Liabilities	1.6%	0.1%	(1.0%)	15.4 %
Actuarial Gain (Loss) on Assets	(807)	2,062	(991)	(168)
Actuarial Gain (Loss) on Obligation / Liability	1,030	(2,555)	(699)	4,550
Net Actuarial Gain (Loss) Charged to Statement of Taxpayers' Equity	223	(493)	(1,690)	4,382
Fair Value of Scheme Assets	19,853	19,415	16,313	15,926
Present Value of Defined Benefit Obligations	(24,583)	(24,109)	(20,390)	(18,419)
Net Pension Liability	(4,730)	(4,694)	(4,077)	(2,493)

Republic of Ireland Employees

For those staff employed in the Republic of Ireland from 1 January 2007, a Trust Based Defined Contribution Scheme has been available for staff to join. The contributions are managed by Eagle Star and the advisers to the Scheme are Watson Wyatt

(Ireland) Limited. NITB contributed 16% of Salary during the year whilst the staff member will continue to contribute 6%.

The total contributions payable to Eagle Star by the Northern Ireland Tourist Board for 2013/14 were £12,209 (2012/13 £35,162)

17. Commitments Under Operating Leases

Total future minimum lease payments under operating leases are given in the table below for each of the following periods. All lease types are buildings, there are no land leases or other leases.

	2013/14 £	2012/13 £
Not Later Than One Year	312,000	312,000
Later Than One Year and Not Later Than Five Years	390,000	702,000
Later Than Five Years	-	-
	702,000	1,014,000

There are no finance leases.

18. Capital Commitments

There was no capital commitment in 2013/14 (2012/13 - £nil). No further capital commitments existed to any other party.

19. Other Financial Commitments

NITB has entered into non-cancellable contracts to provide financial assistance under the Tourism Development Scheme. The payments to which NITB is committed are as follows:

	2013/14 £	2012/13 £
Not Later Than One Year	1,547,174	2,496,003
Later Than One Year and Not Later Than Five Years	18,994,720	227,273
Later Than Five Years	-	-
Present Value of Obligations	20,541,894	2,723,276

NITB receives EU grants and administers programmes that are funded by EU financial assistance. Therefore NITB is bound by the appropriate EU regulations and requirements.

NITB has a potential liability to repay EU grants if the relevant EC regulations and requirements are not met or complied with. At the end of the financial year, the maximum amount of potential liability is not quantifiable but the inherent risks remain as NITB has continued to carry out the administrative role.

20. Losses and Special Payments

Waiver / Write Off	2013/14 Losses £'000	2013/14 Number of Cases over £250k	2013/14 Number of Cases under £250k	2012/13 Losses £'000	2012/13 Number of Cases over £250k	2012/13 Number of Cases under £250k
Administrative Write Offs	2	-	-	61	-	-
Computer Theft	-	-	-	-	-	1
EU Debtor Titanic (See Note 22)	-	-	-	18,019	1	-

21. Related Party Transactions

NITB is a Non-Departmental Public Body sponsored by the Department of Enterprise, Trade and Investment (DETI). DETI also sponsor Invest NI, Health and Safety Executive Northern Ireland and The Consumer Council for Northern Ireland.

DETI is regarded as a related party. During the year NITB had various material transactions with DETI and other entities for which the Department is regarded as the parent Department.

NITB works with many public and private sector organisations including companies in which Board Members of NITB have a beneficial interest. Transactions during the year with such companies, which were conducted at arms length and were subject to normal project and programme rules and tendering procedures, where appropriate, are listed below:

Howard Hastings

Chairman

- Director of Hastings Hotel Group Ltd – Services of £68,632 paid (2012/13 £62,484)
- Board Member of Tourism Ireland from March 2009. Grant of £14,635,000 paid through NITB from DETI (2012/13 £15,224,000). Services of £7,556 (2012/13 £701)
- Board Member of Food NI from January 2013 – services of £60,000 (2012/13 £39,720)
- Director of Moyola Cellars Ltd (Culloden Estate and Spa) – Services of £6,246 paid (2012/13 £11,388)

Katy Best

Board Member

- Director of Belfast City Airport – services of £nil (2012/13 - £12,000)
- Board Member of Metropolitan Arts Centre (MAC) – grant of £70,000 (2012/13 £nil) and services of £634 (2012/13 £2,205)

Clive Gordon

Board Member

- Associate Consultant of TTC – Tourism and Travel Consultants Ltd – services of £5,220 (2012/13 £nil)

Duncan McCausland

Board Member

- Member of Board of Trustees of Nomadic Charitable Trust – grant of £771,889 (2012/13 - £nil)
- Associate for G4S – Services of £12,407 (2012/13 £11,793)
- Associate for PWC – Services of £16,620 (2012/13 £nil)

Michael McQuillan

Board Member

- Council Member People 1st UK – services of £75,240 (2012/13 £123,264)
- Advisory Board Member of University of Ulster (Department of Hospitality and Tourism) – services of £218 (2012/13 £14,200)

Sally Montgomery

Board Member

- Board Member Titanic Foundation – Grant of £6,000 (2012/13 Grant of £41,550)

Donald Price

Board Member

- Non- Executive Director Northern Ireland Water – Services of £67,529 paid (2012/13 £14,353)

Martyn Todd

Board Member

- Independent Board Member N.I.E.A – Grant of £2,360 and services of £500 paid (2012/13 Grant of £16,317 and services of £300)

22. Exceptional Write Off

There are no exceptional write offs in 2013/14. (2012/13 - £18.02 million exceptional write off in relation to The Titanic Signature Project (TSP). Under the major project application rules the expenditure was classed as ineligible for ERDF co- financing. Therefore in advance of an adverse ruling, the TSP application was withdrawn and a number of alternative projects were identified and brought into the programme to replace the Titanic Signature Project.

This has resulted in a £18.02 million exceptional write off being recognised in the 2012/13 financial statements.

23. Fees and Charges

Certification of Tourist Accommodation	2013/14 £	2012/13 £
Income	89,642	79,381
Cost	(77,393)	(169,602)
Surplus/(Deficit)	12,249	(90,221)

24. Events After the Balance Sheet Date

On 14 May 2014 the Chief Executive, Alan Clarke announced his intention to retire.

Board Member, Duncan McCausland announced he would be taking a leave of absence effective from 24 June 2014.

Angelina Fusco and Terry McCartney were appointed as Board Members effective from 1 July 2014.

The financial statements were authorised for issue on 30 September 2014.

