
Annual Report

2015/2016

Northern Ireland
Tourist Board
trading as

Tourism NI Annual Report & Accounts

for the year ended
31 March 2016

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

25 November 2016

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Tourism is now widely recognised as a key economic driver with yet further potential for growth

2.3 million GB and overseas visitors came to Northern Ireland



Terence Brannigan
Chairman

Chairman's Introduction

Tourism NI's mission is to build the value of tourism to the local economy, and in 2015/16 this was accomplished to strong effect.

Record levels of visitors helped to boost the economy by a total of £760 million, continuing the positive performances of the tourism sector in recent years.

It was a year in which Tourism NI continued to build the destination by investing £18 million in nine capital projects, which will help drive an additional 500,000 visitors to Northern Ireland next year.

During the last 12 months Northern Ireland also hosted the Irish Open, the Gran Fondo, the opening stages of the Tall Ships Race and the Sports Personality of the Year event. The Year of Food and Drink launched to excellent effect and we also saw several new visitor attractions open. Alongside these, the international visibility of our top golfers, the growing popularity of our screen tourism sector, and many other excellent tourism products continued to attract visitors.

The GB and overseas markets performed particularly well. A 10% increase in visitors from these markets from January to December realised growth in nights (+10%) and spend (+8%), generating £484 million for the economy. In all, 2.3 million GB and overseas visitors came to Northern Ireland in this period, 176,000 more than 2014, the highest number on record.

There were less positive results closer to home in the Republic of Ireland and domestic markets, in the context of a challenging environment which included the strength of sterling against the euro and a more favourable VAT rate in the Republic of Ireland.

Despite this, the overall 2015/16 figures are very welcome and I believe we are only beginning to fulfil Northern Ireland's true potential within the global tourism landscape. As Northern Ireland's biggest export sector and one of its recent success stories, tourism is now widely recognised as a key economic driver with yet further potential for growth.

To ensure we build upon the great work of last year, the Board shall continue to do its best to promote Northern Ireland far and wide, to ensure that the tourism industry keeps moving forward, and that we continue to present an attractive, globally competitive and successful destination.

Terence Brannigan
Chairman
Tourism NI

With top class hotels, a remarkable food and drink offering and a host of visitor experiences, the appeal to our core markets was strong

There were 17.5 million visits to local visitor attractions and hotel room occupancy reached 67%



John McGrillen
Chief Executive

Chief Executive's Message

Tourism's performance in Northern Ireland remained positive during 2015/16 as the momentum created over the last few years continued to build.

The year was a vibrant one for the tourism industry, with visitor numbers hitting an all-time high. In all, 4.5 million overnight trips were taken in Northern Ireland by external visitors and local residents, while the expenditure associated with these trips was also up on 2014/15.

It was particularly encouraging that during the first three quarters of the year overnight trips from GB and overseas visitors increased by 5% on the same period in 2014/15.

There were 17.5 million visits to local visitor attractions and Northern Ireland's hotel room occupancy reached 67%, an increase of 2% on 2014. In total, 1.9 million hotel room nights were sold in 2015, the highest on record.

Some visitors came for the Irish Open at Royal County Down, others for the first stage of the 2015 Tall Ships Race, still more for the Gran Fondo and many came as fans of the hit TV series 'Game of Thrones' to see the beautiful real-world film locations.

Through the year Northern Ireland continued to develop and capitalise on its product offering. From the Gobbins to Titanic Belfast, the Causeway, the Walled City, the Mournes, the Fermanagh lakelands, top class hotels, a remarkable food and drink offering and a host of visitor experiences, the appeal to our core markets was strong.

I am confident that the achievements of 2015/16, building on those of recent years, will provide further impetus for 2016/17 as we seek to grow the sector further. In particular, I look forward to the important work on a new Tourism Strategy and a new Northern Ireland brand that was carried out during 2015/16 bearing fruit next year in terms of setting the industry on a course to deliver growth in the next decade.

We are well on the way to achieving the target of becoming a £1 billion industry by 2020. However, this is not a given.

With the wide number of organisations and individuals who support our work to assist the industry, Tourism NI is therefore determined to put more effort into helping the 7,000 local tourism businesses to become more innovative, productive and profitable in all key markets going forward.

John McGrillen
Chief Executive
Tourism NI

Tourism NI continued its drive to raise awareness of the importance of tourism to the economy and to actively build and consolidate relationships with key strategic partners

An investment of over £18 million was made across nine new capital projects

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) (now known as the Department for the Economy (DfE)). It was renamed Tourism Northern Ireland in January 2015.

Tourism NI'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 achieving our goals is 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 Tourism NI also operates a Dublin office.

Tourism NI Structure

Tourism NI comprises five divisions:

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

The Marketing Division is based in both Belfast and Dublin.

Commentary on performance of the tourism sector and Tourism NI activities is detailed in the next section. It highlights the main trends and factors which have influenced the development of tourism in the year and going forward.

Statement of Performance & Activities

Tourism NI sets out its objectives in its annual Operating Plan, which contains key targets assigned to respective Divisions and Units within the organisation. Operating Plan Objectives are aligned to our 5-year Corporate Plan (2011 – 2015). Performance against targets is measured on an ongoing basis, with formal quarter-end reports being reviewed by the Senior Management Team, the Tourism NI Board, and our parent department.

Under the Operating Plan for 2015/16 Tourism NI translated its corporate strategy into five specific themes, alongside a series of objectives and performance measures, the key aim of which was to unlock the potential of the tourism industry.

Unlock the potential

During the year Tourism NI continued its drive to raise awareness of the importance of tourism to the economy and to actively build and consolidate relationships with key strategic partners to deliver mutual benefit.

This included working closely with DETI on the development of a new Northern Ireland Tourism Strategy, which will set out the ambitions and direction of travel for the sector over the next decade. As part of this work, over 300 industry stakeholders were consulted through a series of engagement meetings and six regional workshops at the start of 2016. Work on the development of the strategy will continue into 2016/17.

In 2015/16 the organisation rose to the challenge of implementing the changes proposed by the Hunter Review. By the year end most of the 33 review recommendations were completed and the remainder well on track for delivery. (See section 2.2 of Governance Statement for further information.)

As part of these changes the Product Development Division was realigned to become more client focused. This resulted in over 400 direct client engagements and interventions in support of tourism development across Northern Ireland.

Strong relationships were built with all of the new district councils, including the co-funding of local tourism strategies, of which five were complete or underway by the end of the year. Agreements with all of the councils were also put in place, and this will further enhance partnership working at a regional level into the future.

Key tourism networks were established. These are designed to improve partnership working amongst the industry at a local level, as well as to support Tourism Ireland in the overseas marketplace through the provision of new quality tourism products and experiences. Most significantly, over 20 new screen tourism experiences are now available and actively being promoted by Tourism Ireland globally.

Build the destination

By funding the development of quality tourism assets that are aligned to visitor needs, Tourism NI continued to build the destination in 2015/16 and to enable visitors to experience Northern Ireland's unique offerings.

Through the Product Development Division, an investment of over £18 million was made across nine new capital projects during the year. It is anticipated that this will help drive an additional 500,000 visitors to Northern Ireland next year.

These projects included the completion of the Titanic Walkways and the Best of East Cycle Trail in Belfast, the Trassey Track in the Mourne, the Railway Preservation Society Museum in Whitehead and the restoration of HMS Caroline, a significant addition to Belfast's maritime heritage infrastructure. This World War I light battle cruiser has been converted into a museum and was opened in time for the centenary of the Battle of Jutland in June 2016.

Other capital investments which came to fruition in 2015/16 included the restored Gobbins Cliff Path in County Antrim, a unique coastal attraction which opened in the summer of 2015. This facility creates further improvements to the visitor

experience in the Causeway Coast and Glens region. Tourism NI provided funding of £176,000 to the project.

Further projects completed and opened during the year included the Heritage Gateway to Fermanagh, and both the Apprentice Boys of Derry Siege Museum, which opened in October, and the Museum of Free Derry, due to open its doors in the autumn of 2016.

Advancements were also made on a range of new products and attractions, such as the new Seamus Heaney Centre for Poetry in the Nobel laureate's home village of Bellaghy. The centre is expected to attract up to 50,000 leisure visitors each year.

In addition to leisure visitors, the successful delivery of the Waterfront redevelopment project in Belfast will provide a significant boost from business visitors and act as a catalyst for growth in the hotel and hospitality sector.

Business tourism has been identified as a key growth area for the economy over the next ten years and the Tourism NI funding for the £18.5 million project has ensured the city's conference facilities are a competitive alternative to the rest of the UK and Europe. It is anticipated the project will double the current number of business visitors to the city, attracting 50,000 conference delegates annually.

Develop a quality visitor experience

Tourism NI supports the development of a high quality tourism industry through delivering quality programmes which are based on visitor needs. This means supporting and investing in events, people and projects that aim to enhance visitor experiences and increase opportunities for leisure and business visitors to spend money in the economy.

The Irish Open was successfully delivered in 2015, with another sell-out event attracting 106,906 attendees. Of these, 30% were out of state, with the average person staying 1.85 days. The return on investment is estimated at 2:1 with over 18,000 bed nights generated.

Following the huge success of the 2014 Giro d'Italia, Tourism NI secured a significant legacy in the shape of three Gran Fondo events, and the first of these took place in June 2015. It was a huge success, as was the excellent Tall Ships Titanic Maritime Festival, which attracted hundreds of thousands of visitors in July 2015. The staging of the BBC Sports Personality of the Year for the first time in Belfast in December 2015 allowed 10 million homes in Great Britain to view the new Northern Ireland.

Three global events were secured in 2015/16 for future years, including the biggest golf tournament in the world, the Open Championship, which will be hosted by Royal Portrush in 2019. Northern Ireland will also host the Irish Open and the Women's Rugby World Cup in 2017, to be played both in Dublin and Belfast, with the final being held at Belfast's Kingspan Stadium.

A record number of applications were received and offers made under the Tourism Events Fund in 2015/16. Highlights from the development and support programmes put in place to support international events include a record estimated return on investment rate, the creation of a new full-time job in one of the events, shared learnings, and a number of the events securing increases in private sponsorship income.

During the year Tourism NI was the lead body in the coordination of the 2016 Northern Ireland Year of Food and Drink initiative, which aims to raise the profile of local produce among local residents, visitors and global markets by developing branding, marketing and promotional activities.

A budget of £750,000 was secured to enable Tourism NI to work with the sector in delivering a Year of Food and Drink initiative. To support the initiative Tourism NI coordinated a series of dedicated industry and event roadshows across Northern Ireland, produced toolkits, brand guidelines and templates to support the industry, and supplemented our annual Tourism Events Fund with an additional scheme

specifically for food and drink experiences at events. A total of £300,000 of funding was designated within this scheme. The initiative has been widely adopted by industry and government partners, and Tourism NI activity sparked significant PR and social media coverage in the first quarter of 2016.

In addition to events, Tourism NI delivered a comprehensive development programme across key priority areas in 2015/16, including screen tourism, visitor attractions and golf. This programme engaged a total of 1,214 industry representatives and resulted in a 97% satisfaction rate. A total of 78% of those taking part were also committed to applying the various programme learnings to their business operations post event.

Other initiatives were those delivered with key partners, including the highly successful Digital DNA Tourism Conference and subsequent follow-up regional workshops to assist businesses in applying technology to their businesses.

Quality and standards are an important aspect of Tourism NI's work in developing excellent visitor experiences. The Quality and Standards Team works with local providers to implement several quality assurance grading schemes that promote the use of star ratings to help visitors distinguish between the choices and experiences on offer and the quality they can expect during their stay.

As part of this work, in 2015/16 Tourism NI undertook 704 statutory certification visits, with over 322 new ventures being certified in the period, many of which were due to a proactive campaign to target premises that were illegally operating without certification. In all, 552 premises were graded under the accommodation scheme. A further 63 businesses were graded under the visitor experience scheme, with another 12 committed with visits pending.

Continued developments have taken place on the systems and processes that sit behind the running of the certification

and grading schemes to ensure a seamless and professional service is delivered from an industry perspective.

Investment in systems, processes and training, coupled with the professionalism of staff has helped achieve a 95% satisfaction rating from the client base.

Tourism NI hosted a delegation of 120 Chinese tour operators in March 2016, the single biggest 'fam trip' ever. The number of tour operators recruited to take part significantly exceeded targets and should drive visitor numbers from the Chinese market.

During the year a sales plan for the Republic of Ireland to further develop tour operator business to Northern Ireland was developed for implementation in the forthcoming financial year.

Promote the destination

Tourism NI delivers a compelling marketing communications programme annually, designed to inform and inspire local residents and people from the Republic of Ireland to visit Northern Ireland.

Spring and autumn campaign evaluations showed a positive return on investment of £25:£1. This is viewed against a significant reduction in campaign expenditure and a challenging exchange rate.

Marketing Division campaign activity generated 188,000 directly attributable visits from the Republic of Ireland market, yielding a revenue of £15.4 million. Whilst the rate of return is impressive, the absolute level of economic impact was reduced, however, by the effect of budget cuts.

The Consumer Barometer undertaken in the Republic of Ireland market in January 2016 confirmed that the euro exchange rate was a major barrier to visiting Northern Ireland. It also identified that convenience and cost were key considerations for Republic of Ireland residents when choosing their short break destination, and that cost and

distance to travel were the main factors for not choosing Northern Ireland. Tourism NI will take action in 2016/17 to address these perceptions when communicating with this market.

During the year Tourism NI marketing activity generated £6.7 million of PR coverage in the Republic of Ireland, which was over double the target. This was achieved through securing significant broadcast coverage with RTE.

Marketing support for the Irish Open resulted in a quarter of attendees coming from the Republic of Ireland market. The evaluation of the event showed a positive tourism impact of £3.5 million and a return of £2.10 for every £1 invested by Tourism NI.

However, overall, the number of golf visitors fell short of growth targets, and the decline came from the domestic market as exchange rates attracted nomadic golfers to the Republic of Ireland courses. An action plan was initiated to bring Northern Ireland back on track to deliver the Northern Ireland Golf Strategy by 2020.

Tourism NI organised and hosted 577 media journalists to Northern Ireland during the year, resulting in £40.9 million of positive PR for Northern Ireland in partnership with Tourism Ireland, 56% ahead of target.

Extending our reputation with visitors, our social media engagements and traffic to discovernorthernireland.com also significantly exceeded targets in 2015/16. Tourism NI's digital platforms continue to grow in significance, and the success has been achieved through both careful targeting of digital advertising and content partnerships. In addition, there were approximately 250,000 commercial referrals to the Northern Ireland tourism industry through email marketing.

Within the Corporate Development Division a range of corporate, consumer and industry PR planning activity resulted in the engagement of the industry and launch of 2016 Year of Food and Drink and the delivery of a successful communications strategy for the Irish Open.

This activity included a programme of corporate events such as the annual Northern Ireland Tourism Awards, a major Meet the Buyer event and an industry-wide Tourism Conference. A total of 80 corporate speaking platforms were also secured to disseminate the key tourism messages.

Other work completed included support to the incoming Chairman, CEO and Board members, as well as the successful negotiation with Tennent's NI to come on board as title sponsor of the Northern Ireland Tourism Awards and the appointment of a call-off list of new event management companies.

During the year Tourism NI expanded the remit of the Corporate Communications Unit to develop consumer PR, internal communications and corporate social and digital media.

Be an excellent organisation

Tourism NI is committed to implementing an organisational development programme that ensures excellence, delivery of quality services and business improvement are embedded in all aspects of the organisation.

The business case to move office location to Linum Chambers, Bedford St, alongside Invest NI in Belfast, was granted DFP approval in November 2015. Work on the fit out of the building progressed in Q4 and the move took place on 31 May 2016.

During the year Tourism NI continued to improve internal systems and operating methods, and this included the successful roll out of a leadership and development programme to all staff. Feedback on the programme was very positive across the board and evaluations rated highly.

A staff survey was also conducted towards the end of Q4, with high participation levels from staff (83%). Provisional results indicated that staff engagement with Tourism NI objectives is 86% (up from 84% year-on-year), and this exceeds the UK Civil Service Benchmark of 79%.

During the year Tourism NI was pleased to maintain its four-star Recognised for Excellence Award, following an EFQM Assessment in November 2015.

The organisation had nine staff leave their posts through the VES Scheme. The transition was managed by reallocating and distributing work tasks.

A Performance Summary

In the period January to December 2015 there were a total of 4.5 million overnight trips in Northern Ireland. This figure includes trips from external visitors and domestic trips taken by local residents.

The number of overnight trips showed no change on 2014. However, expenditure associated with these trips was £760 million, up 1% on the same period in 2014, and business and visiting family and friends (VFR) trips increased overall, +23% and +2% respectively. Holiday trips declined (-6%).

Overnight trips to Northern Ireland by external visitors were 2.3 million. This is the highest number on record and a 5% increase on 2014.

Spend associated with these trips also grew by 5% to £541 million. This translates to Northern Ireland welcoming 176,000 more GB and overseas visitors compared to 2014. These visitors spent an additional £38 million. The top five places of origin for external visitors were England, Republic of Ireland, Scotland, United States of America and Germany.

There were 17.5 million visits to local visitor attractions in 2015. This showed no change from the previous year. The most popular visitor attractions in Northern Ireland were the Giant's Causeway (0.851 million visits) and Titanic Belfast (0.622 million visits).

Hotel room occupancy was 67% during 2015. This was an increase of 2% from 2014. In total 1.9 million hotel room nights were sold in 2015.

In 2015, 67 cruise ships docked at Northern Ireland ports. This is a similar number to 2014. These ships had up to 123,000 passengers and crew on board.

Great Britain

Holiday trips grew by 18%, GB business trips grew by 10% and VFR grew by 9%.

Overseas

Overseas markets performed well, realising a 9% growth in overall trips, with Northern Ireland likely benefitting from the increase in overseas visits to the Republic of Ireland coming across the border. Overseas holiday trips increased by 4%.

Republic of Ireland

Total trips declined (-18%) as did nights (-24%) and spend (-16%); however, there was a significant growth in Republic of Ireland business trips (+84%), albeit from a small base.

Republic of Ireland residents took more trips to mainland Europe, and fewer trips to all other main markets, in 2015. Reduced levels of marketing from Tourism NI may have impacted, and it is also likely that visitors from the Republic of Ireland chose to stay in the Eurozone due to exchange rates. More Republic of Ireland visitors came to Northern Ireland in the first quarter of 2015 but the impact of the weak euro deepened in Q2 and Q3. Declines appear to have slowed in Q4.

Domestic

Despite a strong start to the year (+2% January–June) the growth in overnight trips from the domestic market declined by 4%. However, domestic business trips grew by 43%.

Financial Performance

Preparation of Financial Statements

Under Article 8 of the Tourism (Northern Ireland) Order 1992, the Northern Ireland Tourist Board trading as Tourism NI 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 (now known as the Department of Finance). 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 trading as Tourism Northern Ireland 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 2015/16 financial year of £21.0m. This is compared to a deficit for the 2014/15 financial year of £26.1m.

The total expenditure for the year was £49.0m which includes £11.8m from the Department of Enterprise, Trade and Investment (DETI) (now known as the Department for the Economy (DfE)) which is passed directly to Tourism Ireland Limited.

The total income for the year was £26.2m which, as detailed before, includes £11.8m from DETI which is passed directly to Tourism Ireland Limited. A further £27.5m was received as financing and credited to Income and Expenditure reserves in accordance with government account regulations.

Key Issues & Risks Facing the Entity

Section 2.6 of the Governance Statement outlines Tourism NI's approach to Risk Management, identifying and reporting on risks and management of risks.

Risks being managed as at 31 March 2016 were categorised as follows:

- External
- Operational
- Financial / compliance
- Reputational

Explanation of the Adoption of Going Concern Basis

The Statement of Financial Position shows a negative position at 31 March 2016. The Northern Ireland Tourist Board trading as Tourism NI is satisfied that the organisation is a going concern on the basis that there is no reason to believe the department's future sponsorship and future parliamentary approval will not be forthcoming to meet Tourism NI's liabilities as they fall due.

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

Sustainability Report

Tourism NI's Corporate Responsibility Programme is built around three key strands:

- People - our Health and Wellbeing activities focus on developing and promoting a healthy workplace;
- Planet - our Environmental activities aim to help Tourism NI be a sustainable organisation;
- Place - we aim to have a positive impact on our community through support, volunteering and fundraising.

In 2015/16 the key results from our CR Programme included the following:

1. People – Health & Wellbeing Activities

In 2015/16 Tourism NI's Health and Wellbeing strand of our CR programme has focused on promoting staff awareness of health issues, with a view to improving the overall health and motivation of our people. Health and Wellbeing initiatives included visits from the Action Cancer Big Bus, which provided a health screening and advice service; and Tourism NI hosted a Diabetes UK health seminar and screening service for staff.

Tourism NI also took part in the £ for lb 12-week weight loss challenge along with other organisations from across Northern Ireland. This programme aims to kick-start lifestyle improvements that will improve long-term health and wellbeing through healthy nutrition and regular exercise.

We promote sustainable travel options as part of our Workplace Travel Plan which has been developed in conjunction with the Department for Regional Development as part of their 'Travelwise' initiative to encourage the use of sustainable transport. Our Travel Plan has helped Tourism NI to focus on promoting travel initiatives that benefit staff health and to make cost savings.

2. Planet – Environmental Activities

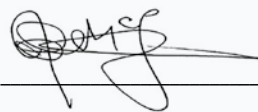
In 2015/16 Tourism NI provided funding to Keep Northern Ireland Beautiful (KNIB) to support the development and promotion of their 'Live Here, Love Here' civic pride campaign. The objectives of the initiative include the reduction of coastal litter in the long term, and the development of a Northern Ireland-wide civic pride promotional campaign which addresses the endemic causes behind littering and other negative environmental behaviour. Tourism NI has supported KNIB in this initiative as it is recognised that a green, clean, pleasant environment will ultimately be appealing and of benefit to tourists coming to Northern Ireland.

We continue to maintain our Sustainable Visitor Charter to provide information and tips to visitors on how to travel around Northern Ireland sustainably, and we have promoted our Green Guide to help encourage and support tourism and hospitality businesses to 'go green' (www.tourismni.com/greentourism).

3. Place – Volunteering, Fundraising & Community Engagement Activities

In 2015/16 Tourism NI supported Guide Dogs NI as our official charity partner, raising over £5,000 for this worthy cause through staff fundraising activities. Through our partnership with Keep Northern Ireland Beautiful, Tourism NI supports the mobilisation of a coastal volunteer network and a small grants scheme which community organisations can apply to for funding of local environmental improvement works. Tourism NI hosted three university placement students in various units throughout the organisation in 2015/16, imparting valuable knowledge, experience and career skills in the process, with the aim of helping to build the tourism leaders of tomorrow.

Signed:



Accounting Officer

29 September 2016

Board Members



Chairman
Terence Brannigan

Appointed April 2015

Terence Brannigan is the current Chairman of the Maze Long Kesh Development Corporation (MLKDC). MLKDC is responsible for the regeneration and development of the site at Maze Long Kesh which, at 347 acres, is twice the size of Titanic Quarter and four times the size of Canary Wharf. He is a Board member of Co-operation Ireland, a Visiting Professor attached to the Business Institute, Ulster Business School at the University of Ulster, a former Chairman of the CBI in Northern Ireland and was the founder and CEO of resource™, one of Northern Ireland's largest private sector employers.



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 years' experience within tourism-related businesses in Belfast, London and Sydney. She is currently serving as a Non-Executive Director of the MAC and is a Council member of NI Connections. Katy was previously on the board of Tall Ships 2015 Ltd, a Council member of the NI Chamber of Commerce and has held a post on the Tourism Ireland Central Marketing Partnership Committee. Katy also attends meetings of the VisitBritain Board on Tourism NI's behalf, as an observer.



Angelina Fusco

Appointed July 2014

Angelina Fusco is an Associate CIPD Training Consultant. She is MD of Angelina Fusco Training & Consultancy and an associate trainer with Channel56, a communications and media company based in Belfast. She advises businesses, groups and individuals how to effectively manage their media profile and how to prepare to deal with the media in a 'crisis'. Angelina has a wide range of broadcasting experience working for BBC NI for more than 30 years – half of that time as head of the local television news brand, BBC Newline, providing coverage of all breaking news stories and live programmes on special events. She played a lead role in the introduction of new digital technologies and social media to the Belfast newsroom. Angelina is also a member of the NI Committee of the Heritage Lottery Fund and is a director of a social enterprise, Kith & Kin Financial Solutions.



Colette Goldrick

Appointed July 2013

Colette Goldrick is 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.



Terry McCartney

Appointed July 2014

Terry McCartney is the owner and manager of the award-winning Belmore Court & Motel in Enniskillen and is responsible for the day to day leadership and management of the 60-bedroom, four star guest accommodation. He was a lecturer in Hospitality and Computers at the South West College in Fermanagh and prior to that he held positions as a Field Sales Executive for Finlay Hydrascreens and Promotion and Sales Executive for Dillon Bass. In 2011, Terry held the position of Sheriff of County Fermanagh. He is also a rugby referee and an amateur photographer.



Michael McQuillan

Appointed July 2013

Michael McQuillan is Director of the Business Institute and the SME Centre at Ulster University. Michael has been involved in business and academia for more than 20 years. He has established and grown several businesses in Northern Ireland, notably as co-founder and Managing Director of 'the street' café chain and 'the street' Franchising Ltd. He has been strategically involved in economic development and the skills agenda for Northern Ireland and was appointed as a Visiting Professor to Ulster University Business School in 2010. He is a UK council member of People 1st.



Colin Neill

Appointed January 2015

Colin Neill joined Hospitality Ulster (the industry body of Northern Ireland's hospitality industry) as Chief Executive in August 2008, representing an industry that sustains 60,000 jobs and contributes c. £1bn annually to the Northern Ireland economy. Colin holds an MBA from the Ulster University, and is a member of the Institute of Directors and the Northern Ireland Assembly and Business Trust.



Michele Shirlow

Appointed January 2015

Michele is the driver behind Food NI, the membership organisation designed to connect the supply chain through a positive promotional message about Northern Ireland's food and drink. Now together with Taste of Ulster the campaign provides a united promotional voice for the industry and is Tourism NI's partner in promoting food. Starting seven years ago with six companies, Food NI now represents 450 members who work collectively to ensure the success of 2016 Year of Food and Drink.



Geoff Wilson

Appointed March 2015

Geoff Wilson is a board member of the Chartered Institute of Marketing in Ireland and runs his own sports consultancy, focusing on strategic planning, marketing, fan engagement, and commercial and communications programmes for major sports organisations across the world. Previously Head of Marketing and Communications (Irish FA), he was responsible for public relations, public affairs, commercial programmes, brand development, communication to fans and CRM. Geoff has also been involved in government-funded projects promoting sport nutrition and tackling mental health issues to sports clubs, coaches and schools, and educating schools on enterprise and business awareness through football. He holds a UEFA A Licence coaching badge and has gained knowledge of football administration across the globe with FIFA.

Accountability Report

Corporate Governance Report

Directors' Report

The Directors present their report and financial statements for the year ended 31 March 2016. The net expenditure for the year is £22,836,073 (2014/15 - £25,206,318).

Directors

The Directors are the Board Members as listed in Section 2.1 of the Governance Statement. Please see previous section on Board Members for further detail.

Prompt Payment Policy

Tourism NI 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 Tourism NI paid its bills found that 99% (2014/15 - 99%) 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 Tourism NI achieved 98% of bills paid within 10 days (2014/15 - 95%).

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, Tourism Northern Ireland, Linum Chambers, Floors 10-12, Bedford Square, Bedford Street, Belfast, BT2 7ES.

Personal Data-Related Incidents

There were no reported personal data-related incidents in 2015/16 or 2014/15.

Complaints Handling

Tourism NI 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 other tourist amenities including visitor attractions, or specifically about the organisation.

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 to inform the complainant of our intended action to resolve the matter.

If a complaint is made in writing where possible Tourism NI 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. Contact will be made within 15 working days from issue of the acknowledgement, and the complainant will either be advised of the outcome and what we intend to do or advised of the anticipated timescale for completing the investigation.

There were no complaints made about the services provided by Tourism NI in 2015/16 or 2014/15.

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

Charitable and Political Donations

No charitable or political donations have been made by Tourism NI in 2015/16 (2014/15 - nil).

Auditors

The Comptroller and Auditor General is the external auditor for Tourism NI. During the year £nil payments (2014/15 - £1,232) were made 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.

Statement of the Board and Accounting Officer'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 Tourism NI 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 a going concern basis, unless it is inappropriate to presume that Tourism NI will continue in operation.

The Accounting Officer of the Department of Enterprise, Trade and Investment has designated the Chief Executive as Accounting Officer of Tourism NI. 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 Tourism NI's assets, as set out in Managing Public Money Northern Ireland, issued by the Department of Finance and Personnel.

Tourism NI
Floors 10-12, Linum Chambers
Bedford Square
Bedford Street
BELFAST
BT2 7ES

Governance Statement

1. INTRODUCTION

The purpose of this Statement is to attest the continuing effectiveness of the governance arrangements of Tourism Northern Ireland (Tourism NI) 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 Tourism NI's Management Statement and Financial Memorandum (MSFM) agreed between Tourism NI and the Department of Enterprise, Trade and Investment (DETI) (now known as the Department for the Economy (DfE)) 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 (NDPB) of the Department of Enterprise, Trade and Investment (DETI), Tourism NI 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). Tourism NI has complied with the principles of good practice in the Code.

In compliance with the Code, Tourism NI has established and maintained key organisational structures which support the delivery of corporate governance.

Organisational Structures

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

- Tourism NI Board;
- Audit and Risk Assurance Committee; and
- weekly Senior Management Team meetings.

2.1 TOURISM NI BOARD

The Northern Ireland Tourist Board trading as Tourism Northern Ireland operates under the Tourism (Northern Ireland) Order 1992. Tourism NI'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 Tourism NI 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 Tourism NI. To this end, and in pursuit of its wider corporate responsibilities, the Board:

- establishes the overall strategic direction of Tourism NI 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 Tourism NI or on the attainability of its targets, and determines 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 Tourism NI; is informed in a timely manner about any concerns relating to the activities of Tourism NI; 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 Tourism NI; and
- appoints a Chief Executive of Tourism NI 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 2015/16, the Tourism NI Board met a total of 10 times. Details of the attendance of members during the year are shown overleaf.

There were two special meetings of the Board to discuss HMS Caroline, on 19 January 2016 and 1 March 2016. These were called at relatively short notice and had lower attendance than usual although a quorum was present for each.

Board Member	Number of Meetings Attended	Out of a Possible
Terence Brannigan	10	10
Katy Best	9	10
Angelina Fusco	8*	10
Colette Goldrick	9	10
Michael McQuillan	9	10
Terry McCartney	7	10
Colin Neill	9	10
Michele Shirlow	9	10
Geoff Wilson	9	10

*It should be noted that Angelina Fusco had declared an interest in HMS Caroline relating to her membership of the Heritage Lottery Fund's NI committee and as a result did not participate in these meetings.

The Board focused on the strategic objectives of Tourism NI and monitored performance against these targets. The Board received management information reports including Financial and Risk Management to discharge its duties.

The Board, in discharging its responsibilities, delegates the day to day management of Tourism NI to the Senior Management Team (SMT), which consists of a Chief Executive, and six 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.

There has been significant change to the SMT during the financial year. I took up office as Chief Executive and Accounting Officer in July 2015 and there were further

changes to the Management Team with the departures of the Director for Events and Business Support in May 2015, the Director for Corporate Development and the Chief Operating Officer in February 2016. An interim Director of Finance was appointed in March 2016 taking over the financial responsibilities from the Chief Operating Officer.

The Board held an away day in June 2015 in Belfast City Airport which included a strategic workshop and was a visioning day to consider the groundwork for the new operating plan for 2016/17 and to confirm the themes for the forthcoming Tourism Strategy.

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.tourismni.com. Conflicts of interest are also declared at the beginning of all Board and Audit and Risk Assurance Committee meetings and Members will excuse themselves from the relevant discussion. Thirteen conflicts of interest were identified in Board meetings during the year. A number of these were recurring items (HMS Caroline, Year of Food and Drink and Waterfront Hall). On all occasions, if the discussion was decision making the Members would be excused. There were two occasions when a conflict was declared in the Audit and Risk Assurance Committee. Both occasions were discussion only so both Members stayed in attendance.

Tourism NI has a 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 2015/16 year the Board considered the following key issues:

- Development and approval of the annual Operating Plan and budget allocation against organisational priorities and resulting pressures;
- Quarterly review of performance – Operating Plan, management accounts and risk management;
- Review of Tourism NI and Tourism Structures including future Tourism NI Office Accommodation and Review of Accommodation Policy;
- Strategic Development – Achieving International Standout;
- Year of Food and Drink 2016;
- NI Brand Update, a joint action plan with Invest NI;
- ROI / NI Marketing Strategy and ROI Recovery Taskforce;
- Capital Projects including Belfast Waterfront Hall, Museum of Free Derry, the Siege Museum, Londonderry, HMS Caroline and the Railway Preservation Society of Ireland;
- NI Direct and Tourism Online Platforms;
- 2014/15 Financial Statements and Northern Ireland Audit Office (NIAO) Report to those Charged with Governance 2014/15;
- Screen Tourism;
- Tourism NI Future Structures.

During the year, the Board visited the Gobbins Cliff Path and toured the Waterfront Conference and Exhibition Centre whilst under construction.

The Board held working dinners in April and June 2015. It also hosted dinners with invited tourism stakeholders in

Derry~Londonderry in September 2015 and in Armagh in March 2016. The Board also hosted a working dinner with the Board of Tourism Ireland in Belfast in March 2016.

2.2 INDEPENDENT REVIEW OF TOURISM NI AND WIDER TOURISM STRUCTURES

On 14 November 2013, the Minister for Enterprise, Trade and Investment announced a review of Tourism NI (formerly the Northern Ireland Tourist Board) and wider tourism structures. The review was independent and was led by a retired Permanent Secretary of the Department of Finance and Personnel.

A report was produced in July 2014 containing some 33 recommendations. During the course of the 2015/16 Financial year the majority of the recommendations have been implemented with the remainder on course to be completed during the 2016/17 Financial year.

The full report and recommendations are available on the DETI website at www.economy-ni.gov.uk.

2.3 THE TOURISM NI AUDIT AND RISK ASSURANCE COMMITTEE

The work of the Board is supported and advised by an Audit and Risk Assurance Committee. The Committee includes four non-executive members. The Chief Executive, Director of Finance (and previously the 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's 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 Audit and Risk Assurance Committee was chaired by Colin Neill.

During the year 2015/16, 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	Number of Meetings Attended	Out of a Possible
Katy Best	3	4
Colette Goldrick	3	4
Colin Neill	3	4
Angelina Fusco	4	4

There were regular meetings between the Chair and both the NIAO and head of IAS during the year.

The Chair and the Finance Manager attended the Departmental Audit and Risk Assurance Committee on one occasion in 2015/16.

In June 2016, the Committee undertook a self-assessment review based on the National Audit Office Self-Assessment Checklist (Jan 2012). The review covered five principles of Review of the Audit Committee: 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 Committee identified scheduled induction and refresher training as an area that could be enhanced.

The Audit and Risk Assurance Committee Members attended training during the year. This had been identified as a

requirement from the previous self-assessment.

The Tourism NI Audit and Risk Assurance Committee Reports

Matters considered by the Committee included the following:

- NIAO Report to those Charged with Governance 2014/15;
- Review, discussion and closure of the Governance Action Plan;
- 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 2015/16;
- Review and discussion of all outstanding Internal Audit Recommendations;
- Audit and Risk Assurance Committee self-assessment.

The Board is also supported by three subcommittees: a Marketing Committee, a Strategic Partnership Committee and a Casework Committee. The Committees meet on an ad hoc basis with a responsibility of reviewing and recommending for Board approval issues aligned with their specific Terms of Reference.

2.4 THE SENIOR MANAGEMENT TEAM

During the year, the Senior Management Team comprised the Chief Executive, Chief Operating Officer and the five Directors. Following the Chief Operating Officer's departure, an interim Director of Finance was appointed.

The SMT 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 and 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 Tourism NI 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.

Tourism NI's annual operating plan is set in the context of the 5-year Corporate Plan and the Programme for Government. The 2015/16 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

Tourism NI 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 Tourism NI has in place a Corporate Risk Register that is reviewed by the 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 taking account of any new risks identified by the SMT and with any new information on existing risks. The following new risks were identified during 2015/16:

- HMS Caroline;
- 2016 Year of Food and Drink; and
- New Technology Platform.

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 Tourism NI 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 meeting with the Board Chairman, the Chief Executive, the Director of Finance (formerly 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 Director of Finance (and previously 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 2015/16 financial year.

2.9 INTERNAL AUDIT

The Internal Audit function for Tourism NI is undertaken by the 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 Tourism NI 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 six reviews scheduled for 2015/16, one received a Substantial Opinion, three were Satisfactory and one was deferred into 2016/17. All recommendations were accepted by Management and have been or are in the process of being implemented. There was one Limited Opinion remaining, outstanding from 2014/15, which has since been reviewed. IAS has determined that sufficient progress has been made to lift the Limited Opinion on this process and to issue a Satisfactory Opinion.

Internal Audit Review	Opinion
Payroll	Substantial
Advertising & Marketing	Satisfactory
Events	Satisfactory
IT Platform Project	Satisfactory
Strategic Partnership Grant Fund	Deferred
FAM Trips	Satisfactory

Due to issues identified in prior years, Senior Management developed a Governance Action Plan. This Action Plan has been reviewed and discussed at all Board and Audit and Risk Assurance Committee Meetings since its inception. As this plan neared completion, it was reviewed by IAS receiving a Satisfactory Opinion. The Plan was successfully completed during 2015/16.

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 Tourism NI with a report on their activity. This report includes their independent opinion on the adequacy and effectiveness of Tourism NI's risk management, control and governance processes.

The overall audit opinion for 2015/16 is Satisfactory.

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 2015/16 and the Report to those charged with Governance (RTTCWG) for 2014/15 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 have been implemented or are currently being progressed.

2.11 QUALITY OF DATA USED BY TOURISM NI BOARD

The Tourism NI 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. Tourism NI 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 the Board to discharge its duties with regard to its assurance needs, its decision making and its accountability obligations.

2.12 MINISTERIAL DIRECTIONS

There were no Ministerial Directions received in 2015/16; however, there was one Departmental Direction issued in respect of 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 Director of Finance has responsibility at SMT level for the proper management of the organisation's finances. Responsibility is delegated for the management of finances to Directors through the allocation of budgets. The Director of Finance 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

Tourism NI 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. Tourism NI has implemented a range of policies and procedures that are designed to ensure probity, business integrity and minimise the likelihood and impact of incidents of fraud arising. The Director of Finance (and previously 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 were no Priority 1 recommendations issued by the Internal Audit Service in 2015/16. There were two Priority 1 issues raised in 2014/15; both have now been implemented.

3.2 OTHER GOVERNANCE ISSUES

There have been no significant other governance issues identified in 2015/16.

There were two cases of fraud during the 2015/16 year. These are outlined below.

There was one case of attempted fraud through a phishing attempt for a payment. There was no loss as the payment transfer was identified as fraudulent. No action was taken.

There was one case of suspected fraud relating to grant payments to Belfast City Council. This is being investigated by the PSNI and is too early to determine if any action should be taken.

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 Tourism NI 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 Sections 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 Tourism Northern Ireland'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 within Tourism NI.

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

Remuneration & Staff Report

Remuneration Policy

Chairman and Board Members

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 the Department of Enterprise, Trade and Investment (DETI) (now known as the Department for the Economy (DfE)). Increases are calculated in line with the recommendations of the Senior Salaries Review Board. There are no arrangements in place for the payment of a bonus. Neither the Chairman nor any Board Member receives pension contributions from Tourism NI or DETI. Tourism NI reimburses the Chairman and Board Members for any incidental expenses incurred for carrying out their duties relevant to the organisation.

Remuneration (including salary) and Pension Entitlements - Board Members

	2015/16			2014/15		
	Salary	Benefits in Kind	Total	Salary	Benefits in Kind	Total
	£000	£000	£000	£000	£000	£000
Terrence Brannigan* Chairperson	25-30	-	25-30	-	-	-
Katy Best Board Member	5-10	-	5-10	0-5	-	0-5
Colette Goldrick Board Member	5-10	-	5-10	5-10	-	5-10
Michael McQuillan Board Member	5-10	-	5-10	5-10	-	5-10
Angelina Fusco Board Member	5-10	-	5-10	0-5	-	0-5
Terry McCartney Board Member	5-10	-	5-10	0-5	-	0-5
Michele Shirlow Board Member	5-10	-	5-10	0-5	-	0-5
Geoff Wilson Board Member	5-10	-	5-10	0-5	-	0-5
Colin Neill Board Member	5-10	-	5-10	0-5	-	0-5
Howard Hastings* Former Chairperson	-	-	-	20-25	-	20-25
Alistair McGowan* Former Board Member	-	-	-	0-5	-	0-5
Donald Price* Former Board Member	-	-	-	0-5	-	0-5
Duncan McCausland* Former Board Member	-	-	-	0-5	-	0-5

* Terrence Brannigan was appointed on 1 April 2015

* Howard Hastings resigned on 31 March 2015

* Alistair McGowan resigned on 31 December 2014

* Donald Price resigned on 31 December 2014

* Duncan McCausland resigned on 31 January 2015

Tourism NI Board Members do not have any pension entitlements.

Chief Executive and Senior Management Team

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 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.

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.

Directors are normally placed on the bottom point of a 6-point scale on appointment. 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.

Service Contracts

The Chief Executive and the Senior Management Team appointments are made in accordance with Tourism NI'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 Tourism NI's Staff Handbook.

Remuneration (including salary) and Pension Entitlements – Senior Management Team

	2015/16				2014/15			
	Salary	Benefits in Kind	Pension Benefits	Total	Salary	Benefits in Kind	Pension Benefits	Total
	£000	(to nearest £100)	(to nearest £1000)	£000	£000	(to nearest £100)	(to nearest £1000)	£000
John McGrillen* Chief Executive	70-75 (95-100 FYE)	-	25	95-100	-	-	-	-
Alan Clarke* Former Chief Executive	-	-	-	-	45-50 (85-90 FYE)	-	34	80-85
David Thomson* Interim Chief Executive	10-15 (85-90 FYE)	-	-	10-15	35-40 (85-90 FYE)	-	-	35-40
Kathryn Thomson* Chief Operating Officer	60-65 (65-70 FYE)	-	19	75-80	65-70	-	14	80-85
Louise Kearney Director of HR	50-55	-	16	65-70	50-55	-	14	65-70
Laura McCorry Director of Corporate Development	50-55	-	17	65-70	40-50 (50-55 FYE)	-	9	50-55
Stephen Finlay* Director of Corporate Development	40-45 (45-50 FYE)	-	25	65-70	10-15 (45-50 FYE)	-	16	25-30
Susie McCullough* Director of Business Support and Events	5-10 (50-55 FYE)	-	3	5-10	50-55	-	11	60-65
Naomi Waite Director of Marketing	45-50	-	16	60-65	45-50	-	12	60-65
Jill McKee* Acting Director of Finance	0-5 (45-50 FYE)	-	6	5-10	-	-	-	-
Aine Kearney Director of Product Development	35-40 (45-50 FYE)	-	12	50-55	45-50	-	13	60-65

* John McGrillen was appointed on 1 July 2015

* Alan Clarke retired on 30 September 2014

* David Thomson was appointed interim Chief Executive on 15 September 2014 and resigned on 27 May 2015

* Kathryn Thomson resigned on 29 February 2016

* Stephen Finlay resigned on 1 February 2016

* Susie McCullough resigned on 31 May 2015

* Jill McKee was appointed Acting Director of Finance on 14 March 2016

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 increases or decreases due to a transfer of pension rights.

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 Tourism NI and thus recorded in these accounts.

Bonuses

During the year 2015/16 there were no bonuses paid (2014/15- 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 HM Revenue and Customs as a taxable emolument. Neither Members of the Board nor senior management received any benefits in kind during 2015/16 (2014/15 - £nil).

Pension Entitlements

	Accrued Pension as at 31 March 2016	Real Increase in Pension	Accrued Lump Sum	Real Increase in Lump Sum	CETV as at 31 March 2016	CETV as at 31 March 2015	Real Increase in CETV
	£000	£000	£000	£000	£000	£000	£000
John McGrillen Chief Executive	0-5	0-2.5	-	0-5	17	-	12
Kathryn Thomson Chief Operating Officer	10-15	0-2.5	20-25	0-5	196	179	12
Louise Kearney Director of HR	5-10	0-2.5	0-5	<0	94	79	10
Laura McCorry Director of Corporate Development	5-10	0-2.5	0-5	0-5	56	46	5
Stephen Finlay Director of Corporate Development	5-10	0-2.5	5-10	0-5	70	54	2
Susie McCullough Director of Business Support and Events	15-20	0-2.5	30-35	0-5	217	214	1
Naomi Waite Director of Marketing	0-5	0-2.5	-	0-5	26	16	6
Jill McKee Acting Director of Finance	0-5	0-2.5	-	0-5	16	15	-
Aine Kearney Director of Product Development	0-5	0-2.5	-	0-5	20	14	3

Note: The real increase figure shows adjustment for inflation. The CETV real increase also shows an adjustment for changes in market investment factors.

Tourism NI Board Members do not have any pension entitlements.

Pensions

Tourism NI participates in the Northern Ireland Local Government Officers Superannuation Committee (NILGOSC) pension scheme for senior staff, which is also available to all employees. From 1 April 2015, the scheme changed to become a career average revalued earnings scheme which means that all active members will 'bank' pension savings each year into their pension accounts. The amount of pension banked each year from 1 April 2015 will equal 1/49th of the member's pensionable pay.

All current active members were moved to the new scheme on 1 April 2015 and will therefore have a pension at retirement composed of two elements: a final salary pension (on either 1/80th accrual and/ or 1/60th accrual) and a career average revalued earnings pension. The final salary pension will be calculated on the final pay at retirement (less overtime and additional hours' payments). This is known as the 'final salary link'. Those members who were within 10 years of retirement at 1 April 2012 have a protection called the 'statutory underpin'. This means that if they would have been better off under the old final salary scheme an additional amount of pension will be paid into their pension account at retirement or on reaching their old normal pension age (usually age 65).

From 1 April 2015, the death grant of an active member changes from being three times pensionable pay to be three times Assumed Pensionable Pay (APP). If the active member under the 2015 scheme also has deferred benefits or a pension in payment, then only the highest death grant is payable and not the sum of all death grants. Survivors' pensions continue to be payable to eligible parties. These benefits are generally calculated on a fraction of the deceased member's pensionable pay times the period of membership in the scheme plus an enhancement to take account of each year that could have been worked from the date of death to the deceased member's NPA. 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. An actuarial valuation of the scheme is carried out every three years and the results of this valuation determine employers' contribution rates for the next three years. The valuation for the three years ended 31 March 2013 set the employers' contribution rates at 20% for each of the next three years. Tiered employee contribution rates were introduced from 1 April 2009 and the employee contribution rates for 2015/16 are outlined as follows:

Pensionable Pay	Employee Contribution Rate 2015/16
Up to £14,000	5.5%
£14,001 to £21,300	5.8%
£21,301 to £35,600	6.5%
£35,601 to £43,000	6.8%
£43,001 to £85,000	8.5%
More than £85,000	10.5%

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. Pension age is 65 for members; however, from 1 April 2015 normal retirement age will no longer be age 65, it will be the same as the state pension age. State pension ages have been increasing and the relevant state pension age can be found at: www.gov.uk/calculating-state-pension. This means that your new normal retirement age for benefits built up under the 2015 scheme could be older than age 65. Further details about the NILGOSC pension arrangements can be found at the NILGOSC website (www.nilgosc.org.uk).

The inflation rate used in 2015/16 calculations is 1.2%.

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 in accordance with the Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting in Lifetime Allowance Tax which may be due when pension benefits are taken.

The Real Increase in the Value of the CETV

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

Compensation for Loss of Office

During 2015/16 there was no compensation paid for loss of office (2014/15 - £nil).

There were no early retirees in 2015/16 (2014/15 - nil).

Payments to Past Directors

No payments were made in 2015/16 to past Directors (2014/15 - £nil).

Fair Pay Disclosures (Audited)

Tourism NI 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 2015/16 was £95,000 - £100,000 (2014/15 was £85,000 to £90,000). This remuneration was 3.3 times (2014/15 - 3.1) the median remuneration of the workforce, which was £29,783 (2014/15 - £28,498).

	2015/16	2014/15
Remuneration of Highest Paid Director	£95k-£100k	£85k-£90k
Remuneration of Lowest Paid Employee	£15k-£20k	£15k-£20k
Median Employee Remuneration	£29,783	£28,498
Ratio	3:3	3:1

The calculation is based on the gross salary of full-time equivalent staff as at 31 March 2016 on an annualised basis. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

Staff Report

Analysis of Staff Costs

	2015/16	2014/15
	£	£
Wages and salaries		
Permanent	4,009,239	4,582,480
Others	322,942	248,536
Social security costs		
Permanent	294,488	333,427
Others	22,450	15,146
Pension contributions		
Permanent	709,689	764,107
Others	27,954	11,147
Staff costs charged to Net Expenditure Account	5,386,762	5,954,843

Other costs are made up of temporary and agency staff costs.

Pensions

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 2015/16 additional information has been included in note 15 and the valuation at 31 March 2016 has been included in the Statement of Financial Position. The latest full actuarial valuation of the scheme was at 31 March 2013.

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 NILGOSC Committee.

For both 2015/16 and 2014/15, the contribution rates were 20% for the employer and between 5.5% and 10.5% for the employee.

The total employer contribution paid under the scheme in 2015/16 was £721,086 (2014/15 - £764,107).

The total employer contribution made for the Defined Contribution Scheme provided by Zurich for ROI employees in 2015/16 was £16,556 (2014/15 - £11,147). For both 2015/16 and 2014/15, the contribution rates were 16% for the employer and 6% for the employee.

During 2015/16 no member of staff was granted ill-health retirement (2014/15 - 1).

There were no early retirees in 2015/16 (2014/15 - nil).

Average Number of Persons Employed

The following section is subject to audit.

	2015/16		2014/15	
	Permanent	Other	Permanent	Other
Business Support & Events	30	2	28	2
Product Development	25	4	27	5
Corporate Development	17	1	18	0
Senior Management Team and Board	17	0	17	1
Organisational Development	12	4	15	4
Marketing	36	0	40	2
Totals	137	11	145	14

Staff Composition (Gender Analysis) as at 31 March 2016

A breakdown of staff in Tourism NI is included below.

	2015/16			2014/15		
	Male	Female	Total	Male	Female	Total
Board Members	5	4	9	4	4	8
Senior Management Team	1	5	6	2	6	8
Employees	30	94	124	38	105	143
Total	36	103	139	44	115	159

Sickness Absence Data

During the year 2015/16 Tourism NI recorded a staff sickness absenteeism rate of 3.6% or 8.9 days (2014/15 – 5.3% or 12.8 days).

Employee Policies

Tourism NI 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.

Tourism NI 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 Tourism NI 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 Tourism NI.

Equality Policy

Tourism NI 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.

Tourism NI's Equality Policy is developed in accordance with Section 75 and Schedule 9 of the Northern Ireland Act 1998. It is available on www.tourismni.com.

Expenditure on Consultancy

In 2015/16 there was £nil expenditure on consultancy (2014/15 - £nil).

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

There were no off-payroll payments made in 2015/16 (2014/15 - nil).

Compensation and Exit Packages for all Staff

The following section is subject to audit.

Exit Package Cost Band	Number of Compulsory Redundancies		Number of Other Departures Agreed		Total Number of Exit Packages by Cost Band	
	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15
<£10,000	-	-	-	-	-	-
£10,000 - £25,000	-	-	4	-	4	-
£25,000 - £50,000	-	-	5	-	5	-
Total number of exit packages	-	-	9	-	9	-
Total Resource Cost	-	-	£252,100	-	£252,100	-

There were no early retirees in 2015/16 (2014/15 – nil).

Redundancy and other departure costs have been paid in accordance with the provisions of the NICS Voluntary Exit Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where the NDPB has agreed early retirements, the additional costs are met by the NDPB and not by the NILGOSC pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

Assembly Accountability and Audit Report

Regularity of Expenditure

Tourism NI's Accounting Officer has overarching responsibility for the propriety and regularity of the public finances and for keeping proper records and for safeguarding the assets of Tourism NI.

In 2015/16, Tourism NI has £nil irregular spend to report (2014/15 - £nil).

Fees & Charges

The following section is subject to audit.

Certification of Tourist Accommodation	2015/16 £	2014/15 £
Income	75,130	73,740
Cost	(70,212)	(80,632)
Surplus/(Deficit)	4,918	(6,892)

The financial objective of the certification of tourist accommodation is to recover the full cost of providing this service. This objective was met in 2015/16.

Grading of Tourist Accommodation	2015/16 £	2014/15 £
Income	54,979	78,819
Cost	(124,461)	(142,677)
Surplus/(Deficit)	(69,482)	(63,858)

The financial objective of the grading of tourist accommodation is to subsidise the cost of providing this service. This objective was met in 2015/16.

Remote Long-Term Liabilities

The following section is subject to audit.

Tourism NI has no remote long-term liabilities to report in 2015/16 (2014/15 - £nil).

Long-Term Expenditure Trends

In the long term, Tourism NI plans to spend resources on the marketing and promotion of Northern Ireland as a tourist destination to the Northern Ireland and Republic of Ireland markets.

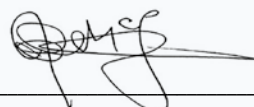
Losses & Special Payments

The following section is subject to audit.

2015/16 Losses £000	2015/16 Number of Cases over £250k	2015/16 Number of Cases under £250k
1	0	6
2014/15 Losses £000	2014/15 Number of Cases over £250k	2014/15 Number of Cases under £250k
369	1	3

There were no special payments made in 2015/16: (2014/15 - nil).

Signed:



Accounting Officer

29 September 2016

NORTHERN IRELAND TOURIST BOARD (trading as TOURISM NI)

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 2016 under the Tourism (Northern Ireland) Order 1992. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, 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 and Staff Report and the Assembly Accountability and Audit Report that is described in that report as having been audited.

Respective Responsibilities of the Accounting Officer and Auditor

As explained more fully in the Statement of Accounting Officer'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, certify and report on the financial statements in accordance with the Tourism (Northern Ireland) Order 1992. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to 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 apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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

Opinion on Regularity

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

Opinion on Financial Statements

In my opinion:

- the financial statements give a true and fair view of the state of Northern Ireland Tourist Board's affairs as at 31 March 2016 and of the net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Tourism (Northern Ireland) Order 1992 and Department for the Economy (formerly Department of Enterprise, Trade and Investment) directions issued thereunder.

Opinion on Other Matters

In my opinion:

- the parts of the Remuneration and Staff Report and the Assembly Accountability and Audit Report to be audited have been properly prepared in accordance with the Department for the Economy directions made under the Tourism (Northern Ireland) Order 1992; and
- the information given in the Performance Report and Accountability 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 parts of the Remuneration and Staff Report and the Assembly Accountability and Audit 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's (formerly Department of Finance and Personnel) 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
BT71EU

4 October 2016

Financial Accounts

for the year ended
31 March 2016

Statement of Comprehensive Net Expenditure

for the year ended 31 March 2016

		2015/16	2014/15
EXPENDITURE	Note	£	£
Staff Costs	3	(5,386,762)	(5,954,843)
Other Expenditure	4	(15,366,925)	(14,323,805)
Depreciation	8	(378,476)	(600,932)
Amortisation	9	(86,532)	(45,794)
Selective Financial Assistance – Grants	5	(15,835,143)	(9,306,226)
Notional Costs		(81,526)	(84,502)
Tourism Ireland Ltd – Request for Resources A	6	(11,765,000)	(14,096,534)
		(48,900,364)	(44,412,636)
INCOME			
EU Income	6.1	14,025,445	4,931,235
Other Operating Income	7	359,568	273,707
DETI*	6	11,765,000	14,096,534
		26,150,013	19,301,476
Net Expenditure		(22,750,351)	(25,111,160)
Interest Receivable		13,440	7,925
Pension Interest Income/(Charge)		(178,000)	(186,000)
Corporation Tax		(2,688)	(1,585)
Credit in Respect of Notional Charges		81,526	84,502
Net Expenditure After Interest and Tax		(22,836,073)	(25,206,318)

* Department of Enterprise, Trade and Investment (DETI) (now known as the Department for the Economy (DfE))

The notes on pages 50 to 68 form part of these accounts.

Other Comprehensive Net Expenditure

for the year ended 31 March 2016

	Note	2015/16 £	2014/15 £
Items that will not be reclassified to net operating costs:			
Pension Actuarial Gain / (Loss)	15	1,884,000	(935,000)
Net Gain / (Loss) on Revaluation of PPE	8 & 9	(6,153)	13,492
Total Comprehensive Expenditure for the Year Ended 31 March 2016		(20,958,226)	(26,127,826)

The notes on pages 50 to 68 form part of these accounts.

Statement of Financial Position

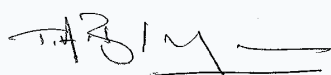
as at 31 March 2016

	Note	2015/16 £	2014/15 £
NON-CURRENT ASSETS			
Property, Plant and Equipment	8	412,737	1,077,671
Intangible Assets	9	24,653	49,307
TOTAL NON-CURRENT ASSETS		437,390	1,126,978
CURRENT ASSETS			
Trade and Other Receivables	11	6,633,882	1,457,437
Cash and Cash Equivalents	12	202,470	3,093,679
TOTAL CURRENT ASSETS		6,836,352	4,551,116
TOTAL ASSETS		7,273,742	5,678,094
CURRENT LIABILITIES			
Trade Payables and Other Current Liabilities	13	(6,200,141)	(9,284,839)
TOTAL CURRENT LIABILITIES		(6,200,141)	(9,284,839)
NON-CURRENT ASSETS PLUS NET CURRENT LIABILITIES		1,073,601	(3,606,745)
NON-CURRENT LIABILITIES			
Provisions	14	(20,000)	-
Pension Liabilities	15	(4,279,000)	(5,951,000)
TOTAL NON-CURRENT LIABILITIES		(4,299,000)	(5,951,000)
TOTAL ASSETS LESS LIABILITIES		(3,225,399)	(9,557,745)
TAXPAYERS' EQUITY			
General Reserve		(3,470,817)	(9,809,316)
Revaluation Reserve		245,418	251,571
TOTAL TAXPAYERS' EQUITY		(3,225,399)	(9,557,745)

The notes on pages 50 to 68 form part of these accounts.

The financial statements on pages 44 to 49 were approved by the Board on 29 September 2016 and were signed on its behalf by

Chairman



Chief Executive



Statement of Cash Flows

for the year ended 31 March 2016

	Note	2015/16 £	2014/15 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Deficit after Interest and Tax		(22,836,073)	(25,206,318)
ADJUSTMENTS FOR NON CASH TRANSACTIONS:			
Amortisation	9	86,532	45,794
Depreciation	8	378,476	600,932
Pension Interest Charge		178,000	186,000
Non Cash Actuarial Pension Charges		34,000	100,000
Profit on disposal of Fixed Asset		(97)	-
(Increase)/Decrease in Trade and Other Receivables	11	(5,176,445)	4,700,920
Increase/(Decrease) in Trade Payables	13	(3,084,699)	(2,489,523)
Use of Provisions Increase/(Decrease)	14	20,000	-
NET CASH OUTFLOW FROM OPERATING ACTIVITIES		(30,400,306)	(22,062,195)
CASH FLOWS FROM INVESTING ACTIVITIES			
ADJUSTMENT FOR NON CASH TRANSACTION			
Profit on disposal of Fixed Asset		97	-
Purchase of Intangible Assets	9	-	(61,582)
Purchase of Property, Plant and Equipment	8	-	(222,540)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		97	(284,122)
CASH FLOWS FROM FINANCING ACTIVITIES			
Government Grant from Sponsoring Department		27,509,000	24,800,000
NET FINANCING		27,509,000	24,800,000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS IN THE YEAR	12	(2,891,209)	2,453,683
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	12	3,093,679	639,996
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	12	202,470	3,093,679

The notes on pages 50 to 68 form part of these accounts.

Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2016

	Note	General Reserve £	Revaluation Reserve £	Total Reserves £
BALANCE AT 31 MARCH 2014		(8,467,998)	238,078	(8,229,920)

CHANGES IN TAXPAYERS' EQUITY 2014/15

Net Gain on Revaluation of Property, Plant and Equipment		-	13,493	13,493
Actuarial Gain/(Loss)		(935,000)	-	(935,000)
Comprehensive Expenditure for the Year		(25,206,318)	-	(25,206,318)
TOTAL RECOGNISED INCOME AND EXPENSE FOR 2014/15		(26,141,318)	13,493	(26,127,825)

Grant in Aid from DETI		24,800,000	-	24,800,000
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BALANCE AT 31 MARCH 2015		(9,809,316)	251,571	(9,557,745)
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CHANGES IN TAXPAYERS' EQUITY 2015/16

Net Gain on Revaluation of Property, Plant and Equipment		-	(6,153)	(6,153)
Opening Balance Adjustment - Fixed Assets		(218,428)	-	(218,428)
Actuarial Gain/(Loss)		1,884,000	-	1,884,000
Comprehensive Expenditure for the Year		(22,836,073)	-	(22,836,073)
TOTAL RECOGNISED INCOME AND EXPENSE FOR 2015/16		(21,170,501)	(6,153)	(21,176,654)

Grant in Aid from DETI		27,509,000	-	27,509,000
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BALANCE AT 31 MARCH 2016		(3,470,817)	245,418	(3,225,399)
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The notes on pages 50 to 68 form part of these accounts.

Notes to the Accounts

for the year ended 31 March 2016

1. Statement of Accounting Policies

Basis of Preparation

These financial statements have been prepared in accordance with the 2015/16 Government Financial Reporting Manual (FRM) issued by the Department of Finance (formerly known as 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 Tourism NI for the purpose of giving a true and fair view has been selected. The particular policies adopted by Tourism NI 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, and intangible assets.

Financing

The Department for the Economy (DfE) (formerly known as the Department of Enterprise, Trade and Investment) is the parent department of Tourism NI. DfE provides Tourism NI with its Grant-in-Aid during the year to enable Tourism NI 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 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 & 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 Licences 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 4 years

Leasehold Fixtures and Fittings Over the lease term

Computer Equipment/ Software 3 to 5 years

Computer Licences Over the licence period

- (v) All Works of Art held by Tourism NI are included in the Statement of Financial Position – 12 Paintings and 1 Print. The paintings have been composed by Irish artists of the 19th and 20th centuries and depict scenes of Northern Ireland. All Works of Art are regularly valued but not depreciated.

- (vi) Tourism NI 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-minimis threshold for any prepayments is set at £500.

Events

Where Tourism NI has entered into an agreement to support an event, and payment(s) are made prior to the event taking place, the expenditure is recognised in the year of payment.

Provisions

Tourism NI 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 Tourism NI 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, Tourism NI has 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 the 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 2015/16, Tourism NI contributed 20% of Pensionable Pay to the scheme, whilst staff contributed between 5.5% and 10.5% 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 Zurich Life Assurance Plc and the advisors to the Scheme are Towers Watson (Ireland) Limited, trading as Willis Towers Watson. Tourism NI 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

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

Selective Financial Assistance Scheme

Under the Scheme, Tourism NI 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 Tourism NI's Statement of Financial Position when Tourism NI 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. Tourism NI'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 Tourism NI, 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 Internal Audit Services of the Department of Enterprise, Trade and Investment (DETI) (now known as the Department for the Economy (DfE)) are included. The 2015/16 notional charge was £81,526 (2014/15 – £84,502).

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 considers that these are unlikely to have a significant impact on the accounts in the period of initial application.

2. Statement of Operating Costs by Operating Segment

2015/16	Gross Expenditure £	Income £	Net Expenditure £
Business Support and Events	10,020,118	150,192	9,869,926
Product Development	17,946,451	12,262,824	5,683,627
Organisational Development	2,722,990	163,440	2,559,550
Corporate Development	1,440,367	-	1,440,367
Marketing	5,104,600	1,821,997	3,282,603
TOTAL	37,234,526	14,398,453	22,836,073

2014/15	Gross Expenditure £	Income £	Net Expenditure £
Business Support and Events	6,991,933	273,707	6,718,226
Product Development	11,430,752	3,155,496	8,275,256
Organisational Development	3,210,158	162,925	3,047,233
Corporate Development	1,671,360	-	1,671,360
Marketing	7,114,982	1,620,739	5,494,243
TOTAL	30,419,185	5,212,867	25,206,318

Business Support & Events Division comprises the following Units – Industry Development, Events and Quality and Standards. The Director of the Division reports to the Chief Executive.

Product Development Division comprises the following Units – Armagh, Banbridge & Craigavon; Newry, Mourne & Down; North Down & Ards, Derry~Londonderry & Strabane; Fermanagh & Omagh; Lisburn & Castlereagh; Belfast, Mid Ulster; Causeway Coast & Glens; Mid & East Antrim, Antrim & Newtownabbey, Markets and Product Experiences Development and the Funding Team. The Director of the Division reports to the Chief Executive.

Organisational Development Division comprises the following Units – HR and Central Services and Computer Services. The Director of the Division reports to the Chief Executive. Finance Unit costs are included in this segment with the Director of Finance reporting directly to the Chief Executive.

Corporate Development Division comprises the following Units – Corporate Communications, Research and Evaluation, Business Planning and Improvements and Policy and Insights. The Director of the Division reports to the Chief Executive.

Marketing Division comprises the following Units – Visitor Information, Business To Business, Destination Marketing and PR, Republic of Ireland, Social and Digital Media and Golf Sales and Marketing. The Director of the Division reports to the Chief Executive.

3. Staff and Pension Costs

	2015/16 £	2014/15 £
Wages and Salaries	4,332,181	4,831,016
Social Security Costs	316,938	348,573
Other Pension Costs	737,643	775,254
Subtotal	5,386,762	5,954,843
Less Recoveries in Respect of Outward Secondments	-	-
Total net costs	5,386,762	5,954,843
Of which:		
Charged to Administration	5,386,762	5,954,843
Charged to Programme	-	-

A breakdown of the above costs into permanent staff and others can be found in the Staff Report within the Accountability Report.

4. Other Expenditure

	2015/16 £	2014/15 £
Marketing, Advertising and Promotions	4,899,590	7,578,802
Events	8,178,509	4,757,410
Press and Public Relations	332,913	229,646
Publications	141,600	164,688
Information Services	638,308	274,855
Staff Development (Training and Recruitment)	208,317	124,442
Premises Costs	248,716	258,882
Operating Leases	341,986	312,000
Printing, Postage, Stationery and Storage	57,672	8,976
Catering and General Office Expenses	102,076	197,278
Hospitality	15,235	14,823
Travel and Subsistence:		
Board Members	4,282	8,777
Other Employees	105,302	118,261
Legal Fees	77,491	31,276
Professional Fees	195,346	153,774
Auditors Remuneration - Audit	28,500	35,005
Voluntary Exit Scheme	255,260	-
Office Move	242,870	-
Exchange Rate (Gain)/Loss	(707,910)	54,862
Bad Debt Written Off	959	48
Non Cash Items:		
Profit on Disposal	(97)	-
Total Other Expenditure	15,366,925	14,323,805

The 2015/16 figures reflect minor classification improvements.

Marketing, Advertising & Promotions

Marketing expenditure includes £1.5m for Marketing Campaigns in the ROI (including expenditure designated for Year of Food and Drink) and a further £1m which includes Digital and Social Media support for the campaigns, PR support and evaluations. The remainder of the funding is to support the Tourism Industry including development workshops and development of tourism experiences and for supporting Business Tourism in Northern Ireland. There is also funding for Visitor Servicing.

Events

Events expenditure includes £5.7m of expenditure towards a number of global events, which have either been hosted in Northern Ireland or will be in the near future. It also includes £2.1m for the Tourism Events Funding Programme, which supports both national and international events held in Northern Ireland and is administered through an application process. The remainder of the expenditure is for Year of Food and Drink and some administration costs.

During the year Tourism NI purchases of non-audit services from the Northern Ireland Audit Office were £nil (2014/15 - National Fraud Initiative £1,232).

5. Selective Financial Assistance

	2015/16 £	2014/15 £
Tourism Development Scheme (TDS) – General	15,579,746	9,132,017
Signature Projects	(4,616)	141,698
Other	260,013	32,511
Total	15,835,143	9,306,226

£13,000,457 of grant expenditure has been part funded by the EU under the European Regional Development Fund (2014/15-£3,448,870).

TDS capital expenditure in 2015/16 was mainly for the Waterfront Hall. Other projects which received funding include HMS Caroline, the Railway Preservation Society Museum and the Museum of Free Derry.

6. Grants

6.1 Grants from the European Union

Support for Tourism NI from Europe comes from the European Sustainable Competitiveness Programme 2007–2013 – Priority 2 Sustainable Competitiveness and Innovation.

European Regional Development Funds

In addition to the activities reported in these accounts, during the year Tourism NI was responsible for the administration of grant aid falling under certain measures of the European Regional Development Fund (ERDF). 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. In 2015/16, £1.025m of total EU Income relates to EU-funded expenditure claimed in prior years.

6.2 Grant from the Department of Enterprise, Trade and Investment

Tourism NI as a Non-Departmental Public Body has in the year 2015/16 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 Tourism NI 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, Tourism NI received grants from DETI, on behalf of Tourism Ireland Limited, of £11,765,000 (2014/15 - £14,096,534). These amounts were remitted to Tourism Ireland Limited before the year end.

7. Other Operating Income

	2015/16 £	2014/15 £
Statutory Certification Fees and Grading	129,479	153,059
WorldHost, Promotions and Exhibitions	29,783	120,648
Contributions from Third Parties	200,306	-
Other Income	359,568	273,707

8. Property, Plant and Equipment

	Leasehold Improvements £	Furniture and Equipment £	Motor Vehicles £	Computers £	Paintings £	Total £
COST OR VALUATION						
At 1 April 2015	562,705	262,792	12,835	1,956,250	219,700	3,014,282
Opening Balance Adjustment	-	-	-	(420,457)	-	(420,457)
Additions at Cost	-	-	-	-	-	-
Indexation	(17,130)	-	-	12,172	-	(4,958)
Disposals / Write-off	-	-	(12,835)	-	-	(12,835)
At 31 March 2016	545,575	262,792	-	1,547,965	219,700	2,576,032
DEPRECIATION						
At 1 April 2015	383,691	261,804	12,835	1,278,281	-	1,936,611
Opening Balance Adjustment	-	-	-	(140,152)	-	(140,152)
Charge for Period	85,416	495	-	292,565	-	378,476
Indexation	(10,185)	-	-	11,380	-	1,195
Disposals	-	-	(12,835)	-	-	(12,835)
At 31 March 2016	458,922	262,299	-	1,442,074	-	2,163,295
Net Book Value at 31 March 2016	86,653	493	-	105,891	219,700	412,737
Net Book Value at 31 March 2015	179,014	988	-	677,969	219,700	1,077,671

Note: all Tourism NI Plant, Property and Equipment assets are owned. Opening balance adjustment relates to incorrect capitalisation and classification in prior year.

	Leasehold Improvements £	Furniture and Equipment £	Motor Vehicles £	Computers £	Paintings £	Total £
COST OR VALUATION						
At 1 April 2014	541,361	262,562	12,835	1,505,358	219,700	2,541,816
Additions at Cost	-	-	-	497,710	-	497,710
Indexation	21,344	230	-	9,645	-	31,219
Disposals / Write-off	-	-	-	(56,463)	-	(56,463)
At 31 March 2015	562,705	262,792	12,835	1,956,250	219,700	3,014,282
DEPRECIATION						
At 1 April 2014	276,321	256,744	12,835	828,516	-	1,374,416
Charge for Period	94,100	4,836	-	501,996	-	600,932
Indexation	13,270	224	-	4,232	-	17,726
Disposals	-	-	-	(56,463)	-	(56,463)
At 31 March 2015	383,691	261,804	12,835	1,278,281	-	1,936,611
Net Book Value at 31 March 2015	179,014	988	-	677,969	219,700	1,077,671
Net Book Value at 31 March 2014	265,040	5,818	-	676,842	219,700	1,167,400

Note: all Tourism NI Plant, Property and Equipment assets are owned.

9. Intangible Fixed Assets

Intangible assets comprise software licences.

	£
COST OR VALUATION	
At 1 April 2015	271,339
Opening Balance Adjustment	185,633
Acquisitions	-
Disposals	-
Transfers	-
Write-off	-
At 31 March 2016	456,972
AMORTISATION	
At 1 April 2015	222,032
Opening Balance Adjustment	123,755
Charge For Period	86,532
Disposals	-
Transfers	-
Write-off	-
At 31 March 2016	432,319
Net Book Value at 31 March 2016	24,653

Note: all Tourism NI Intangible assets are owned. Opening balance adjustment relates to incorrect capitalisation and classification in prior year.

	£
COST OR VALUATION	
At 1 April 2014	209,757
Acquisitions	61,582
Disposals	-
Transfers	-
Write-off	-
At 31 March 2015	271,339
AMORTISATION	
At 1 April 2014	176,238
Charged in the Year	45,794
Disposals	-
Transfers	-
Write-off	-
At 31 March 2015	222,032
Net Book Value at 31 March 2015	49,307
Net Book Value at 31 March 2014	33,519

10. Financial Instruments

As the cash requirements of Tourism NI 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 Tourism NI's expected purchase and usage requirements and Tourism NI is therefore exposed to little credit, liquidity or market risk.

11. Trade and Other Receivables

Amounts Falling Due Within One Year	2015/16 £	2014/15 £
Trade Receivables	2,689	13,166
Prepayments and Accrued Income	324,806	151,080
Other Receivables	17,223	4,305
EU Receivables	-	1,288,886
Total	344,718	1,457,437
Amounts Falling Due After More Than One Year		
EU Receivables	6,289,164	-
Total Receivables at 31 March	6,633,882	1,457,437

Inter-Government Balances Amounts Falling Due Within One Year	2015/16 £	2014/15 £
Balances with Other Central Government Bodies	199,048	47,278
Balances with Local Authorities	-	1,500
Subtotal: Intra-government Balances	199,048	48,778
Balances with Bodies External to Government	145,670	1,408,659
Total	344,718	1,457,437
Amounts Falling Due After More Than One Year		
Balances With Bodies External to Government	6,289,164	-
Total Receivables At 31 March	6,633,882	1,457,437

12. Cash and Cash Equivalents

	2015/16 £	2014/15 £
Balance at 1 April 2015	3,093,679	639,996
Net Change in Cash and Cash Equivalent Balances	(2,891,209)	2,453,683
Balance at 31 March 2016	202,470	3,093,679
The Following Balances at 31 March Were Held at: Commercial Banks and Cash in Hand	202,470	3,093,679
Balance at 31 March 2016	202,470	3,093,679

13. Trade Payables and Other Current Liabilities

Amounts Falling Due Within One Year	2015/16 £	2014/15 £
Accruals	5,075,001	8,922,557
Trade Payables	1,094,290	303,343
Deferred Income	27,672	52,534
Corporation Tax	2,688	1,585
VAT Payable	490	4,820
Total	6,200,141	9,284,839

Intra-Government Balances Amounts Falling Due Within One Year	2015/16 £	2014/15 £
Balances with Other Central Government Bodies	278,870	508,844
Balances with Local Authorities	2,414,643	6,483,271
Balances with Public Corporations and Trading Funds	86,230	-
Subtotal: Intra-government Balances	2,779,743	6,992,115
Balances with Bodies External to Government	3,420,398	2,292,724
Total Payables at 31 March	6,200,141	9,284,839

14. Provisions for Liabilities and Charges

	Legal £
Balance at 1 April 2015	-
Provided in Year	20,000
Balance at 31 March 2016	20,000

The above pension relates to outstanding legal proceedings between Tourism NI and a former employee.

15. Pension Commitments

a) NILGOSC Pension Scheme

Tourism NI participates in the Northern Ireland Local Government Officers' Superannuation Committee Scheme (the NILGOSC scheme) for the majority of its employees. From 1 April 2015, the scheme changed to become a career average revalued earnings scheme which means that all active members will 'bank' pension savings each year into their pension accounts. The amount of pension banked each year from 1 April 2015 will equal 1/49th of the member's pensionable pay.

All current active members will be moved to the new scheme on 1 April 2015 and will therefore have a pension at retirement composed of two elements: a final salary pension (on either 1/80th accrual and/ or 1/60th accrual) and a career average revalued earnings pension. The final salary pension will be calculated on the final pay at retirement (less overtime and additional hours payments). This is known as the 'final salary link'. Those members who were within 10 years of retirement at 1 April 2012 have a protection called the statutory underpin. This means that if they would have been better off under the old final salary scheme an additional amount of pension will be paid into their pension account at retirement or on reaching their old normal pension age (usually age 65).

As at 31 March Actuarial Assumptions Used	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Rate of Increase in Pensions	1.8%	1.8%	2.4%	2.8%	2.5%
Rate of Increase in Salaries	3.3%	3.3%	3.9%	5.2%	4.8%
Discount Rate	3.5%	3.2%	4.3%	4.5%	4.8%
RPI Inflation	2.9%	2.9%	3.4%	3.7%	3.3%

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 10.5% of pensionable pay.

Under IAS 19 Tourism NI is required to account for its 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 Tourism NI's assets and liabilities the fund's actuaries have rolled forward and updated the values calculated at the latest valuation (March 2016). 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.

Mortality Assumptions

Actuarial Assumptions for Average Future Life Expectancy at the Age of 65	Males 31 March 2016	Males 31 March 2015	Females 31 March 2016	Females 31 March 2015
Current Lifetime (aged 65 at accounting date)	22.3 years	22.2 years	24.8 years	24.7 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.

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 March 2016 and the projected service cost for the year ended 31 March 2017 is set out below.

Funded LGPS Benefits

Discount rate assumption

Adjustment to Discount Rate	+0.1% p.a.	-0.1% p.a.
Present Value of Total Obligation (£M's)	26.689	27.784
% Change in Present Value of Total Obligation	-2.0%	2.0%
Projected Service Cost (£M's)	0.755	0.808
Approximate % Change in Projected Service Cost	-3.3%	3.4%

Rate of general increase in salaries

Adjustment to Salary Increase Rate	+0.1% p.a.	-0.1% p.a.
Present Value of Total Obligation (£M's)	27.393	27.071
% Change in Present Value of Total Obligation	0.6%	-0.6%
Projected Service Cost (£M's)	0.781	0.781
Approximate % Change in Projected Service Cost	0.0%	0.0%

Rate of increase to pensions in payment and deferred pensions assumption

Adjustment to Pension Increase Rate	+0.1% p.a.	-0.1% p.a.
Present Value of Total Obligation (£M's)	27.620	26.848
% Change in Present Value of Total Obligation	1.4%	-1.4%
Projected Service Cost (£M's)	0.808	0.755
Approximate % Change in Projected Service Cost	3.4%	-3.3%

Post-Retirement Mortality Assumption

Adjustment to Mortality Age Rating Assumption*	-1 year	+1 year
Present Value of Total Obligation (£M's)	27.934	26.528
% Change in Present Value of Total Obligation	2.6%	-2.6%
Projected Service Cost (£M's)	0.808	0.754
Approximate % Change in Projected Service Cost	3.5%	-3.5%

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

c) Asset Valuations

Assets	Assets at 31 March 2016	Assets at 31 March 2015
	%	%
Equities	71.9	73.0
Government Bonds	5.7	5.7
Corporate Bonds	6.4	6.5
Property	13.2	12.6
Cash	2.3	2.0
Other*	0.5	0.2

Employers who report under IAS 19 are no longer required to recognise an expected return on assets; therefore, assumptions are no longer disclosed.

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

Statement of Financial Position

The following amounts at 31 March 2016, 2015, 2014, 2013 and 2012 were measured in accordance with the requirements of IAS 19.

	31 March 2016	31 March 2015	31 March 2014	Restated 31 March 2013	31 March 2012
	£000	£000	£000	£000	£000
Fair Value of Scheme Assets	23,646	22,764	19,853	19,415	16,313
Present Value of Defined Benefit Obligations	(27,925)	(28,715)	(24,583)	(24,109)	(20,390)
Net Pension Liability	(4,279)	(5,951)	(4,730)	(4,694)	(4,077)

d) Amounts Charged to Expenditure

Analysis of Amount Charged to Net Expenditure Statement in Respect of Defined Benefit Scheme	2015/16	2014/15
	£000	£000
Current Service Cost	(832)	(900)
Curtailments and Settlements	-	-
Past Service Cost	(3)	(43)
Employer Contributions	740	782
Contributions in Respect of Unfunded Benefits	61	61
Total	(34)	(100)

Analysis of Amounts Charged to Other Finance Costs	2015/16	2014/15
	£000	£000
Interest on Net Defined Benefit Liability/(Asset) (Funded)	(155)	(155)
Interest on Net Defined Benefit Liability/(Asset) (Unfunded)	(23)	(31)
Total	(178)	(186)

Analysis of Amounts in the Statement of Taxpayers' Equity	2015/16	2014/15
	£000	£000
Actuarial Gains/(Losses)	1,884	(935)
Total	1,884	(935)

Movement in Deficit During the Year	2015/16	2014/15
	£000	£000
Deficit in Scheme at the Beginning of the Year	(5,951)	(4,730)

Movement in the Year	2015/16	2014/15
	£000	£000
Current Service Cost	(832)	(900)
Employer Contributions	740	782
Contributions in Respect of Unfunded Benefits	61	61
Past Service Cost	(3)	(43)
Net Return on Assets	(178)	(186)
Actuarial Gain/(Losses)	1,884	(935)
Deficit in Scheme at the End of the Year	(4,279)	(5,951)

e) Employers' Contribution Rates

The liabilities show the underlying commitment that Tourism NI has in the long term to pay retirement benefits. The total pension liability is £27.9 million (2014/15 - £28.7 million) and results in a net overall deficit balance of £4.28 million (2014/15 £5.95 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 2015/16, employers participating in the scheme maintained contributions at 20%.

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 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
	£000	£000	£000	£000	£000
Experience Gain (Loss) on Assets	(82)	1,760	(807)	2,062	(991)
Fair Value of Scheme Assets	23,646	22,764	19,853	19,415	16,313
Experience Gain (Losses) on Liabilities	201	108	(402)	17	(193)
Present Value of Benefit Obligation / Liabilities	(27,925)	(28,715)	(24,583)	(24,109)	(20,390)
Actuarial Gain (Loss) on Assets	(82)	1,760	(807)	2,062	(991)
Actuarial Gain (Loss) on Obligation / Liability	1,966	(2,695)	1,030	(2,555)	(699)
Net Actuarial Gain (Loss) Charged to Statement of Taxpayers' Equity	1,884	(935)	223	(493)	(1,690)
Fair Value of Scheme Assets	23,646	22,764	19,853	19,415	16,313
Present Value of Defined Benefit Obligations	(27,925)	(28,715)	(24,583)	(24,109)	(20,390)
Net Pension Liability	(4,279)	(5,951)	(4,730)	(4,694)	(4,077)

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 Zurich Life Assurance Plc and the advisers to the scheme are Towers Watson (Ireland) Limited, trading as Willis Towers Watson. Tourism NI contributed 16% of salary during the year whilst the staff member will continue to contribute 6%.

The total contribution payable to Zurich Life Assurance Plc by Tourism NI for 2015/16 was £16,556 (2014/15 - £11,147).

16. 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.

	2015/16	2014/15
	£	£
Not Later Than One Year	328,144	312,000
Later Than One Year and Not Later Than Five Years	930,424	78,000
Later Than Five Years	107,778	-
Total	1,366,346	390,000

There are no finance leases.

17. Capital Commitments

There was no capital commitment in 2015/16 (2014/15 - £nil).

18. Other Financial Commitments

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

	2015/16	2014/15
	£	£
Not Later Than One Year	4,864,985	2,769,013
Later Than One Year and Not Later Than Five Years	3,585,170	4,089,197
Later Than Five Years	-	-
Present Value of Obligations	8,450,155	6,858,210

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

Tourism NI 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 Tourism NI has continued to carry out the administrative role.

19. Contingent Liabilities

Tourism NI has not entered into any guarantees or indemnities or provided any letters of comfort.

20. Related Party Transactions

Tourism NI is a Non-Departmental Public Body (NDPB) sponsored by the Department of Enterprise, Trade and Investment (DETI). DETI also sponsors 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 Tourism NI had various material transactions with DETI and other entities for which the Department is regarded as the parent Department.

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

Terence Brannigan

Chairman

Chairman of Maze Long Kesh Development Ltd – services paid £198 (2014/15 – £nil).

Katy Best

Board Member

Board Member of Metropolitan Arts Centre (MAC) – £44,000 grant and £49 services paid (2014/15 – £nil).

Board Member of Tall Ships 2015 – £nil (2014/15 – grant of £200,000 to Belfast City Council for Tall Ships).

Colin Neill

Board Member

Chief Executive Pubs of Ulster (Hospitality Ulster) – £nil (2014/15 – grant £15,000, sponsorship £750).

Michele Shirlow

Board Member

Chief Executive Food NI – grant £216,000 and services paid £4,900 (2014/15 – grant £60,000).

Terry McCartney

Board Member

Director Northern Ireland Hotels Association – £39,900 sponsorship, £200 services receipted (2014/15 – sponsorship £17,000, services paid £30,020).

Michael McQuillan

Board Member

Council Member of People 1st UK – £261 services paid (2014/15 – £nil).

21. Events After the Reporting Date

On 9 May 2016, the Department of Enterprise, Trade and Investment (DETI) was restructured and renamed the Department for the Economy (DfE).

On 31 May 2016, Tourism NI moved premises to Floors 10-12 in Linum Chambers, Bedford Street.

On 23 June 2016, the UK voted to leave the European Union.

All three events have no financial effect on the financial statement for 2015/16.

Date of Authorisation for Issue

The Accounting Officer authorised the issue of these financial statements on 4 October 2016.

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