

Tourism NI Annual Report

for the Year Ended 31 March 2018





TQ
Heritage Helpers
titanic-foundation.org

Lighthouse

Regulator
The Great Light is a preserved, working lighthouse, the only one of its kind in the world. It is a testament to the ingenuity and craftsmanship of the 19th century. The lighthouse is a masterpiece of engineering, and its restoration is a testament to the dedication and hard work of the Titanic Foundation.

Since this lighthouse is preserved, telling the story of the Titanic, its restoration, and service to protect ships from our jagged and hazardous coastline.

What if you have made a good lighthouse?
The Great Light is a preserved, working lighthouse, the only one of its kind in the world. It is a testament to the ingenuity and craftsmanship of the 19th century. The lighthouse is a masterpiece of engineering, and its restoration is a testament to the dedication and hard work of the Titanic Foundation.

Heritage Restoration
The Great Light is a preserved, working lighthouse, the only one of its kind in the world. It is a testament to the ingenuity and craftsmanship of the 19th century. The lighthouse is a masterpiece of engineering, and its restoration is a testament to the dedication and hard work of the Titanic Foundation.

Training and Protection
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for the Year Ended 31 March 2018

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Overview

Purpose of Overview

The purpose of the Overview is to give the reader sufficient information to understand Tourism Northern Ireland, its purpose, the key risks to the achievement of its objectives and how it has performed during the year.





Terence Brannigan
Chairman

Chairman's Introduction

I am delighted to introduce Tourism Northern Ireland's annual report for 2017/18, which reflects another excellent year for the tourism industry.

There was generally a highly positive performance across all sectors, with growth reported across all Northern Ireland's main markets. I am particularly pleased to note the rise in spend by visitors across 2017 with revenue for the full year totalling £926 million. This equates to overnight visitors spending on average £2.5 million per day.

Northern Ireland's hotels, guesthouses, attractions and activity providers all enjoyed an excellent year, with Titanic Belfast recording its busiest year to date in welcoming a record of over 800,000 visitors through the doors. Firmly on the global tourism map, over 85% of Titanic Belfast's visitors now come from outside Northern Ireland and one in five people are now visiting Ireland because of it.

A wonderful boost during the year was the announcement of Belfast and the Causeway Coast being declared the number one region in the world to visit in Lonely Planet's Best in Travel 2018. This well-deserved accolade for our industry provides a great hook for Tourism NI and our colleagues in Tourism Ireland to market and promote Belfast, the Causeway Coast and Northern Ireland around the world.

Tourism has experienced steady growth in the past number of years, and despite economic and political challenges at home and elsewhere, it remains a key sector for economic development and job creation in Northern Ireland and is making a huge impact in society. Indeed, the sector is now one of the largest, locally owned, internationally traded sectors of our economy, with tourism-related businesses currently employing some 61,000 people.

For the forthcoming year, industry sentiment is strong, with the majority of operators across all sectors holding an optimistic outlook and anticipating continued growth in all main markets.

On the back of 2017/18, there is reasonable confidence that the ambitious target set by the Department for the Economy's draft Tourism Strategy, to increase the value of annual spend by 'out of state' visitors to £1 billion by 2025, can be achieved.

As the Tourism NI Chairman, and with my colleagues on the Board, I will be doing everything in my power to ensure that the long-term upward trend in tourism continues.

Terence Brannigan
Chairman
Tourism NI





John McGrillen
Chief Executive

Chief Executive's Message

It is my pleasure to report that Northern Ireland's tourism economy experienced an excellent 2017/18, continuing the strong performances of recent years.

A combination of influences and actions contributed to the very positive tourism picture, including increased marketing activity by Tourism NI in the Republic of Ireland, favourable exchange rates, an increase in business trips and high-profile events like the Irish Open and the Women's Rugby World Cup, which contributed to a record-breaking 4.9 million trips taken in 2017, an increase of 6%.

In that time period Northern Ireland enjoyed overall growth in visitors from Great Britain, Europe and North America; there were more staycations from Northern Ireland residents and visitors from the Republic of Ireland continued to be motivated by value for money, spending £90 million, an increase of 29%.

Perceptions of Northern Ireland as a holiday destination also improved demonstrably in the Republic of Ireland during the year. However, ambitious targets set out in our Republic of Ireland Taskforce report launched during the year outline a strategy to increase revenue from this market further.

Tourism NI worked very closely with the industry in 2017/18 to develop strategies that contributed to unlocking the growth potential of all our key markets. Consequently, the tourism economy continued to mature, develop and grow. Now encompassing attractions, accommodation, activities, food and beverage, retail, transport, and all manner of supporting services, the tourism sector is firmly fixed as one of the most important for Northern Ireland's economy and employment.

There is belief right across the industry that yet more growth is possible in the years ahead. This will mean capitalising on established experiences such as Titanic Belfast and the Causeway Coastal Route, developing a stand-out, overarching brand for Northern Ireland and investing in the right technology to give us a competitive edge in the international marketplace.

As an organisation, Tourism NI remains deeply committed to working in partnership with destinations, attractions, accommodation suppliers and all other businesses and stakeholders in the tourism sector. We will continue to work at every level to ensure the industry remains vibrant, competitive and meets the needs of our visitors.

John McGrillen
Chief Executive
Tourism NI



Statutory Background & Business Activities

Tourism Northern Ireland is a Non-Departmental Public Body sponsored by the Department for the Economy. The organisation was originally set up as the Northern Ireland Tourist Board (NITB) in 1948 and operates under the Tourism (Northern Ireland) Order 1992. It was renamed Tourism NI in January 2015.

Tourism NI's principal functions are to encourage tourism, to encourage the provision and improvement of tourist facilities and amenities and to certify 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 enhancing the visitor experience.

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

We work closely with a wide range of organisations in a variety of sectors, utilising the strengths and expertise of others to drive tourism forward and achieve our goals.

Tourism NI comprises five divisions:

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

In addition to our head office in Belfast, Tourism NI operates a Dublin office. The Marketing Division is based in both cities.

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

Key Issues & Risks Facing the Entity

Section 2.5 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 2018 were categorised as follows:

- Finance
- Operation
- Reputation
- Compliance
- Policy.

Further information can be found in Section 2.5 of the Governance Statement.

Going Concern

The Statement of Financial Position as at 31 March 2018 shows net liabilities of £11.1 million (2016/17 £4.6 million), reflecting liabilities due in future years, in particular the pension liability of £8.3 million (2016/17 £7.6 million).

It is considered appropriate to adopt a going concern basis for the preparation of the financial statements as the Department for the Economy, sponsor department of Tourism NI, is supply financed. There is no reason to believe that the Department's future sponsorship and future Assembly approval will not be forthcoming to meet Tourism NI's liabilities as they fall due.

Performance Analysis

Targets and Achievements

Every year Tourism NI sets out its key objectives within an Operating Plan containing targets for the organisation's various Divisions and Units. Performance against targets is measured continuously through formal quarter-end reports reviewed by the Senior Management Team, the Tourism NI Board, and our parent department, the Department for the Economy.

Operating Plan objectives for the 2017/18 financial year were encapsulated under six key Strategic Themes, all allied to our mission 'to provide strategic leadership and work collaboratively to accelerate growth in Tourism', with the vision that 'Northern Ireland is an internationally competitive and inspiring visitor destination'.

The Tourism NI Risk Register is aligned to the objectives in the TNI Corporate Plan and Operating Plan. Risks are initially identified by the Board & Senior Management Team (SMT) and the Risk Register is reviewed and updated at monthly SMT meetings. Each quarter, a formal review of the Risk Register is conducted by SMT and reported to the Tourism NI and DfE Audit Committees.

Performance and Activities

Painting a very positive picture for tourism, Northern Ireland Statistics and Research Agency statistics show that 4.9 million trips were taken in Northern Ireland in the period January to December 2017, the most recent period for which annual figures are available.

Northern Ireland welcomed more visitors, who stayed longer and spent more and, apart from Great Britain (GB), which delivered a nominal increase in trips, there was strong growth in all main market areas.

Visitor spend reached an unprecedented £926 million for this time period, up 9% compared with the same period in the previous year. Some £2.5 million was spent on average each day during January to December 2017 by those taking overnight trips in Northern Ireland.

Great Britain and Other Overseas

GB and Other Overseas performance was mixed during January to December 2017, with GB trips and spend showing nominal growth (+1% for each). Other Overseas trips and spend were up by 5% and 9% respectively compared with 2016.

The increase in Other Overseas trips can largely be attributed to the long haul markets (Australia/New Zealand and Elsewhere) which were up by 18% on 2016, with stronger increases in spend.

Mainland Europe delivered marginal growth (+1%) in trips as increases from Spain and Other European countries were largely wiped out by declines in key markets such as Germany, Netherlands and Italy, with French trips remaining flat. Visitors from Mainland Europe did however spend more, perhaps availing of the increased value for money offered by the weak pound.

The 3% increase in North American trips is solely due to Canadians taking more NI trips (+14%) as USA trips remained flat compared with 2016 (due to declines in those visiting friends/relatives), possibly impacted by reduced air access directly into NI.

Republic of Ireland

CSO figures suggest NI realised growth of 6% in overnight trips from the ROI market during January to December 2017, with significant increases in spend. Growth in trips was solely due to the higher spending holiday visitors, which were up by almost half on 2016, to a record breaking 237,000.

Overall, ROI visitors spent on average £16 more per night than they did during January to December 2016. The positive performance from January to December 2017 follows on from very successful TNI spring and autumn 2017 promotional campaigns. This is also likely to have been helped by favourable exchange rates and the fact that more ROI residents stayed in paid, serviced accommodation (e.g. Hotels/B&Bs/guesthouses) compared with January to December 2016.

Domestic

NI residents took an estimated 2.2m overnight trips in NI during January to December 2017 (209,000 or 11% more compared with January to December 2016).

Growth was driven by large increases in holiday trips, as well as those visiting friends/relatives. A record number of 1.5m domestic holiday trips were taken in NI, up by almost one fifth on 2016. Domestic nights increased significantly due to NI residents taking more domestic trips and staying longer.

NI residents spent over £32m more than they did during 2016 due to the additional number of trips taken, as well as a slight increase in their average spend per trip.

Accommodation

Supporting the positive TNI performance figures, hotels, guesthouses, B&Bs and guest accommodation saw a 5% increase in bed spaces sold between January to December 2017. 2017 was a record year for hotel demand in terms of both occupancy levels and sales with over 300,000 hotel guests

Performance Analysis

accommodated every month, on average, during the year. Q1 2018 NISRA accommodation statistics indicate growth in both room and bed sales compared to the same period in 2017, with hotels achieving unprecedented sales for this time period.

Strategic Leadership

Tourism NI showed strong strategic leadership throughout 2017/18 by engaging in a range of development activities with key partners.

At the start of the financial year the Senior Management Team met with its counterparts in Tourism Ireland and Fáilte Ireland. This was the first meeting of the three organisations' management teams since 2002. The CEOs from each organisation agreed to meet eight times per annum to discuss collective challenges and the opportunities for collaborative working, more cost-effective procurement and better service delivery.

In December 2017, the Republic of Ireland Taskforce reported its finding to key stakeholders from the tourism industry. Commissioned by Tourism NI, the Taskforce had been charged with unlocking the potential for tourism growth from Northern Ireland's closest export market. The report outlined a strategy to increase revenue from the Republic of Ireland market to £140 million by 2025. Following the launch, work began on its implementation.

During the year, a significant amount of work was completed on a 'proposition of scale' proposal for Northern Ireland. This is a brand concept initiative to join, articulate and communicate the core experience of Northern Ireland to the international visitor over and above its individual attractions. Presentations to the directors of the 11 council areas, engagement with tour operators and industry representatives active in international markets, as well as a presentation to Tourism Ireland's Central Marketing Group took place. A Proposition of Scale Programme Manager was also appointed and took up post.

In January 2018, Tourism NI, the Department for Communities' Historic Environment Division and the Heritage Lottery Fund launched a £400,000 fund as part of the European Year of Cultural Heritage. It called for new and innovative tourism-focused projects to unlock the potential of Northern Ireland's heritage assets. There was a strong response to the funding call, with expressions of interest for 70 project ideas.

Also in January 2018, and in a highly important development for the industry, work by Tourism NI's Policy and Insights Team led to the Northern Ireland Tourism Alliance (NITA) becoming incorporated as a company limited by guarantee. The establishment of this independent body provides a single voice for tourism going forward and has been regarded as a

watershed moment for the industry. NITA's role is to:

- push tourism higher up the Government agenda
- lobby to create a favourable operating environment for all those involved in tourism delivery
- champion and help shape the future growth of tourism
- encourage wider awareness of the economic value of tourism
- facilitate ease and speed of communication between the industry and Government / key influencers
- address major strategic issues which will include everything from the UK's exit from the European Union and the ongoing uncertainty of the economic climate to the industry's overall competitiveness
- develop research and evidence-based positions on the value of tourism to NI and key issues affecting the industry.

Tourism NI provided start-up funding for NITA, alongside Tourism Ireland and other funding from local authorities. Tourism NI's level of financial support totals £45,000 over three years.

At a regional level, extensive discussions between Tourism NI and the Department of Environment, Agriculture and Rural Affairs led to an agreement that technical assistance of up to £50,000 would be made available for applications under the Rural Development Programme (2014–2020) Strategic Tourism Development Fund. Spearheaded by DAERA, this £10 million fund allows councils to apply for major tourism projects with a maximum grant of up to £500,000. By December 2017, following an initial call for expressions of interest, five projects were proceeding to full business case. Work continued throughout the year to allocate the remaining funding of approximately £7.5 million.

Other strategic leadership initiatives designed to unlock the potential of the industry included the engagement of the Strategic Investment Board to develop a food and drink legacy plan for Northern Ireland. This is aimed at building upon the momentum of the still evident and continuing benefits from the Year of Food and Drink 2016.

A Business Case for £80m investment (as part of the £100m Tourism Growth Fund) in strategically significant tourism infrastructure products (new or refreshed) with international appeal and necessary EC approvals was also developed.

A stakeholder engagement strategy was agreed to achieve maximum investment, unity of purpose and champion tourism across government to inform policies and secure adequate investment.

Performance Analysis

And lastly an Insights and Intelligence Service (IIS) to serve government and the sector in terms of research and market intelligence was established.

Outstanding Experiences

Throughout the year, a significant amount of pre-development work on a pipeline of projects that will enhance the tourism experience across Northern Ireland took place. These projects included the proposed redevelopment of the Ulster American Folk Park, Titanic and maritime projects in Belfast, Carrickfergus Castle, the Dark Hedges site and a regional literature offer. A Mourne Gateway Project and a Belfast Cultural Hub are also being progressed. Tourism NI supported their promoters at various stages of pre-development through providing advice or financial support, or both.

Major Events

Participation and spectating opportunities at major events are vital to providing outstanding visitor experiences in Northern Ireland. In 2017/18, Tourism NI successfully delivered the Tourism Events Fund, supporting 13 international events and sponsoring 40 national events. The year's busy programme yielded record attendances and many positive results and returns.

Several of the Tourism NI-supported international events took place successfully in the summer period, including the Giro Gran Fondo, Belfast Titanic Maritime Festival, Super Cup NI, the Ulster Grand Prix and Féile an Phobail. However, in August, the UEFA Women's Under 19 European Football Championships and the Women's Rugby World Cup delivered exceptionally large numbers of out of state visitors staying multiple days in Northern Ireland and experiencing the destination outside the event itself. The tournament broke records on and off the field and was described by World Rugby Chairman Bill Beaumont as "special and ground-breaking". The positive tourism impact was evident through the full occupancy of all accommodation provision within a 30–45-minute radius of Belfast across the weekend of the tournament. Tourism NI was presented with a commemorative plate for its contribution to the record-breaking tournament.

The BBC Proms in the Park event at Castle Coole in County Fermanagh in September was shared live with millions of viewers and listeners on television, radio and digital platforms, while 10 further Tourism NI-supported events took place across the final quarter of the year including the Home of St Patrick International Festival, the Legenderry Food Festival, The NI Science Festival and The Derry International Music Festival.

During the year, a review of Tourism NI's Events Strategy was undertaken. This will ensure future events appeal to key visitor segments in out of state markets.

Quality and Standards

The Quality & Standards team supports the development of a quality visitor experience by providing development advice and certification on Tourism NI's quality assurance grading schemes to both new and existing businesses. During the year, the number of tourism accommodation businesses opening in Northern Ireland continued to grow, with 369 new applications received from April – November 2017. While this placed additional pressure on the team, by year end it was on target to deliver its statutory inspection delivery schedule.

Industry Development

Tourism NI successfully delivered a comprehensive series of training courses, masterclasses, business insights, road shows and workshops throughout the year to help the industry maximise tourism growth in 2017/18. These included Tourism NI's annual conference, held in the Killyhevlin Hotel in Enniskillen, followed by the Northern Ireland Tourism Awards hosted in Enniskillen Castle.

Northern Ireland's biggest annual industry engagement platform, Meet the Buyer, took place in the Belfast Waterfront in March 2017. Appointment-matching software used successfully in 2017 will be used for future events to ensure sales meetings accurately match specific business profiles. A travel trade masterclass launched the opening of the 2018 registration period and received an unprecedented response, with 121 tourism companies, 178 Northern Ireland representatives and 139 individual desks making it the biggest Meet the Buyer event to date.

Among other important industry development work in 2017/18, Tourism NI again partnered with Digital DNA to deliver three workshops to build the capability of the industry from a digital perspective and a 'China Ready' programme was successfully piloted. It will be rolled out in 2018 to key businesses servicing visitors from Chinese markets.

To ensure that the Seamus Heaney HomePlace can cater for the needs of international visitors, Tourism NI supported Mid Ulster Council in running a tour guide training programme to create a pool of language guides that will be able to bring the HomePlace story to life.

Performance Analysis

Delivering Excellence

Tourism NI's commitment to delivering excellence in 2017/18 continued to be characterised by maintaining good corporate governance, ensuring a highly-engaged workforce, organisational efficiency and effective deployment of all staff resources. The organisational culture and all working practices are underpinned by the Investors in People Standard the European Foundation for Quality Management (EFQM) framework and the Customer Service Excellence (CSE) Standard, which was attained in 2017/18 by the TNI Business Support and Events Division.

During the year, Tourism NI faced a number of challenges, including a reduction in the budget available to the organisation and the absence of an Executive. However, these were successfully navigated through close working with our parent department, the Department for the Economy.

In August, a new internal communications strategy was rolled out to all staff and a programme of activity set in place to cascade corporate information to staff and encourage better sharing of information between colleagues. This included a core brief which issues from the Chief Executive to staff following each Board meeting.

A Staff Engagement Group was also convened to input to the internal communications strategy, monitor its implementation, help embed the corporate values and develop a staff reward and recognition scheme. All staff were comprehensively briefed on Tourism NI budgets, the Tourism Strategy, Corporate and Operating Plans, pay and structures together with details of a programme to support the induction of new staff.

Resourcing

In January 2018, consultants were appointed to support the development of a Tourism NI Change Programme Roadmap. This will underpin delivery of the Tourism Strategy 2030 and ensure that the right people, processes and technologies are in place and align the organisation with its strategic and operational goals.

At the start of the financial year a new Chief Digital Officer took up post to lead Tourism NI's digital strategy. This is a shared investment with Invest NI. Other key management appointments made during the year included a Business Solutions Manager, a Business Planning and Improvement Manager, a Golf Marketing Manager and a Strategy, Policy and Insights Manager.

During the year, work also started on the scoping of a new Customer Relationship Management system to support the management of Tourism NI's core customer base and the service provision to them.

Corporate Governance

In terms of improving corporate governance within Tourism NI, a draft Corporate Plan was finalised and made ready for presentation to the Department for the Economy. The format of the Operating Plan was redeveloped in line with forthcoming new strategic themes.

The Senior Management Team held a facilitated session to draft the new Risk Register for the organisation, providing a clear and coherent approach to the identification and management of risk and our commitment to excellent corporate governance.

Investing in Enterprise

Tourism NI invests in the creation of new tourism attractions and the development and enhancement of existing facilities and experiences that have the potential to be major demand generators.

Following capital investment by Tourism NI, five new tourism projects were opened early in 2017, including the Museum of Free Derry and Whitehead Railway Museum. The Titanic Walkway, linking Titanic Belfast, HMS Caroline and the Thompson Dock, was also opened to the public by the year end.

Game of Thrones

Screen tourism and products related to the HBO Game of Thrones TV series continued to be important for the Northern Ireland tourism industry throughout 2017/18. Tourism NI progressed a large amount of work in this area.

This included the launch of a 'Journey of Doors' passport that encourages fans to visit the 10 Game of Thrones doors across Northern Ireland and collect a unique stamp at each of the locations. The doors, originally seen as a short-term promotion, have themselves become an established attraction.

By November 2017, some 56,000 visitors had been to see the Game of Thrones Bayeux-style tapestry exhibition at the Ulster Museum. As a result, discussions took place between Tourism NI, Tourism Ireland and National Museums Northern Ireland as to how the tapestry could be used to best effect in the future.

The potential for Game of Thrones legacy products remains strong and a significant number of meetings also took place with new providers intent on developing Game of Thrones experiences. They included Giant Tours Ireland, Cutting Edge Helicopter Tours, Belfast Cookery School and the food designer from the series. Tourism NI also met with landowners of filming sets and Linen Mill Studios to explore an opportunity to develop the site as a visitor experience when filming for the TV series finishes in 2018. In parallel, meetings took place with HBO to discuss potential legacy projects.

Performance Analysis

Golf

The possibilities for golf to contribute to the tourism economy is well recognised, and in 2017/18 Tourism NI increased its resources and activity directed at delivering the Northern Ireland Golf Tourism Strategy.

The Dubai Duty Free Irish Open took place in Portstewart Golf Club in July 2017. Over 92,000 spectators attended throughout the tournament week, creating a vibrant atmosphere across the North Coast. The event was one of the best Tourism NI has ever been involved with in terms of its impact locally, the international coverage generated and the enhancement of Northern Ireland's reputation as a golfing and leisure destination among international journalists and tour operators. The delivery partnership between all the key stakeholders, including the European Tour, Causeway Coast and Glens Borough Council and PSNI was outstanding and excellent preparation for delivery of The Open Championship in 2019.

Preparations regarding the staging of The Open continued throughout 2017/18 and an integrated marketing and communications strategy to maximise the potential of this major event for Northern Ireland was developed in tandem with Genesis Advertising and Jago Communications. The strategy started in January 2018 and will run to March 2020.

The Golf team's wide range of activity during the year included attendance at numerous international, UK and Irish trade events. Other developments included the re-instatement of the Golf Tourism Advisory Group, a body which brings together a range of influential stakeholders from the island of Ireland; the hosting of the Club Leadership Summit at Titanic Belfast in December, the first time it had been hosted outside Great Britain; and the development of a Nordic Golf Pass to secure more visitors from Northern Ireland's second biggest golf market.

Golf events taking place throughout 2017 included the NI Open, the inaugural Belfast Parkland tournament and the second International Kings Cup, which sees the best amateurs from both the US and Ireland compete in a matchplay tournament in memory of golfing great, Arnold Palmer.

Business Tourism

Working with both Visit Belfast and Visit Derry, Tourism NI's Business Solutions unit promoted Northern Ireland as a meetings, incentives, conferences and events and exhibitions (MICE) sector across a busy programme of familiarisation trips, workshops, conferences and events during the year.

The Routes Europe Conference in April 2017 at Belfast Waterfront was one of the most successful ever held in Northern Ireland in terms of visitor numbers and spend.

Delivered in partnership with Invest NI, Visit Belfast and the three local airports, it promoted Belfast and Northern Ireland as both a tourism and business destination to over 100 airlines across Europe.

January 2018 saw the Business Solutions team hosting a site inspection ahead of the Hosts Global Forum, which was secured for Belfast for June 2018. This major business tourism event will see over 120 qualified buyers from some of the world's largest agencies and their corporate clients arrive in Belfast for three days. Collectively, the buyers have annual travel budgets of over \$2bn and present an unparalleled opportunity to promote Belfast and Northern Ireland as a business tourism destination.

During the year, Tourism NI supported a number of local businesses in promoting Northern Ireland's world-class business and conference facilities at B2B workshop and networking events. This included seven firms which travelled to an 'Ireland Meets the North of England' event and a further 10 that attended 'Ireland Meets the West End'.

The team also continued to work closely with colleagues in Fáilte Ireland on several initiatives, including a new Meet in Ireland web platform, a significant tool to promote the island of Ireland as a MICE destination.

May 2017 was one of the busiest months for the programme of travel trade familiarisation trips, with 33 participants arriving from Australia, New Zealand, USA and China. Tourism NI also attended the IMEX Business Tourism Tradeshow in Frankfurt alongside Belfast Waterfront, Visit Belfast, Lough Erne Golf Resort and Bespoke NI.

Promoting Northern Ireland

Promoting Northern Ireland as a destination at home and in the Republic of Ireland is one of Tourism NI's key roles. In a busy year, a series of compelling marketing and communications initiatives was devised and implemented and great progress was made in deepening collaboration to secure industry involvement in campaigns in the Republic of Ireland.

Destination Marketing

The Marketing Division worked with colleagues across the organisation to deliver the spring and autumn destination marketing campaigns, targeting best-prospect segments in Northern Ireland and the Republic of Ireland. TV, radio, press and heavyweight digital advertising across search, social, display and video on demand was supported by a bespoke section on the Discover Northern Ireland website and PR activity such as targeted familiarisation trips, competitions and editorial. The Northern Ireland Hotels Federation worked alongside these campaigns to recruit offers and administer a

Performance Analysis

co-operative marketing fund. The autumn 2017 campaign in the Republic of Ireland proved highly successful, with a return on investment of £72:1.

Social and Digital

The Social and Digital Media Team worked on a range of projects that played an integral role in marketing campaigns to attract visitors. These included creating digital content specifically aimed at the key target segments identified in the Republic of Ireland Taskforce report and a project encouraging Northern Ireland-based social influencers to submit user-generated content which was curated and used as part of promotional activity.

The remaining elements of Tourism NI's Technology Platform Project came to completion at the beginning of the financial year with the DiscoverNorthernIreland.com mobile responsive website going live. Industry feedback has been positive and traffic to the site to date has been encouraging.

The team also worked with Tourism Ireland and National Museums Northern Ireland to deliver a campaign in support of Season 7 of Game of Thrones and a digital activation in Q4 to leverage the accolade Belfast and the Causeway Coast received from Lonely Planet.

Visitor Information

The Visitor Information team continued to make accurate and timely information available to visitors where and when they needed it. As part of this work the first meeting of the Visitor Information Plan Steering Group took place in Q4 and a training programme to address skills gaps identified in mystery shopper reports was delivered across the Visitor Information Centre Network, with a specific focus on upselling sales skills and merchandising. The development of a product manager interface, which will allow the industry to update their listings on the Discover Northern Ireland website and upload offers at a time of their choosing went live in April 2018 and has been rolled out to the industry.

Corporate Communications

A wide range of activity in national and international media outlets was completed by the Corporate Communications and NI PR team during the year. This included securing corporate speaking platforms to disseminate key tourism messages, providing speeches and briefing documents to senior staff, issuing stakeholder press releases, securing print and broadcast coverage for a wide variety of Tourism NI initiatives and events, as well as building relationships with the media.

At the start of the year, and following a procurement exercise led by the Central Procurement Directorate, the

team appointed Weber Shandwick to support corporate communications and stakeholder engagement activity. Jago Communications was appointed to support consumer PR activity domestically and in the Republic of Ireland.

In December 2017, the team arranged a highly successful suite of media training for the Senior Management Team and relevant staff who are experts in their field, increasing the pool of media-trained Tourism NI spokespersons.

In partnership with Tourism Ireland, the team hosted journalists, bloggers and vloggers in a comprehensive programme of familiarisation trips in 2017/18. At year end, substantial work had been completed in partnership with Tourism Ireland and Fáilte Ireland to determine improved methods of evaluation for international media coverage across both traditional and online channels.

Investing in Skills

With some employers reporting skills shortages, skills gaps and concerns about finding skilled staff in the future, Tourism NI's Operating Plan put a priority on progressing the skills agenda in 2017/18.

During the year, it was agreed to establish a joint working group made up of key players from the industry and the Department for the Economy to take the Skills Action Plan forward. Representatives from the Department for Communities, Department of Education, councils and the Careers Service were also invited to become involved.

With Belfast City Council and hoteliers due to open new premises in 2018, Tourism NI also supported the delivery of a very successful Hotel Employment Academy initiative which offers practical experience and training in the skills needed for specific posts in the hospitality industry. Initially developed as a pilot, it is likely this programme will be rolled out to other hotel developers in the future.

In March 2018, almost 60 industry representatives attended a 'Food for Thought' session, a Year of Food and Drink legacy event which explored the key skills challenges facing the sector. The session looked at initiatives which other regions of the UK have implemented to address similar challenges and helped participants scope out potential solutions for Northern Ireland going forward.

A number of new business support pilots were also rolled out, including the Business of Tourism development programme in partnership with Ulster University and a new Tourism Sales and Marketing Skills Programme for SMEs. Feedback from each of these programmes has been exceptionally positive, with businesses reporting immediate benefits from the practical nature of the programmes.

Performance Analysis

The Sales and Marketing Skills programme was delivered in the first instance within a cluster network along the Causeway Coastal Route with a focus on building on the Lonely Planet accolade for the region announced in October 2017. The purpose of the programme is to drive growth in the level of international business undertaken by local tourism companies. The participants also received one-to-one mentoring to help address their specific business and skills issues.

Financial Performance (Including Long-term Expenditure Trends)

Preparation of Financial Statements

Under Article 8 of the Tourism (Northern Ireland) Order 1992, 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 for the Economy with the approval of 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 NI 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 net expenditure for the year of £23.4 million compared to £22.1 million for the 2016-17 financial year.

Total expenditure was £23.5 million, which was an increase of £1.4 million from 2016/17 (£22.1 million). This reflects the ever changing priorities within tourism. The digital agenda increased its prominence during the 2017/18 year, receiving additional support. Investment in the experience brand was started in 2017/18 and a number of major conferences coming to Northern Ireland also received support.

Related income was £0.3 million (2016-17 £0.2 million). This increased from the prior year as the number of accommodation providers receiving statutory inspections rose in the year. This excludes funding received from the Department for the Economy in respect of Tourism Ireland of £12.6 million (2016-17 £12.3 million) which was directly paid over to Tourism Ireland when received.

Long-term Expenditure Trends

Looking to the future, Tourism NI plans to spend its resources on the marketing and promotion of Northern Ireland as a tourist destination to the Northern Ireland and Republic of Ireland markets, for both leisure and business tourism, to support the development of the Tourism Industry and to continue to develop tourism products to attract visitors.

Information Including Social Matters, Respect for Human Rights, Anti-corruption and Anti-bribery Matters

Rural Needs

The Rural Needs (NI) Act 2016 introduced a new statutory duty on Northern Ireland departments, district councils and other specified public bodies to have due regard to rural needs when developing, adopting, implementing or revising policies, strategies and plans and when designing and delivering public services. The Act became operational for government Departments and district councils from 1 June 2017 and covers two main duties.

The first is a duty to have due regard to rural needs (referred to as the 'due regard duty') and the second relates to monitoring and reporting on how the due regard duty has been exercised. The latter duty requires that public authorities publish this information in their annual reports, and provide a copy of this information to the Department of Agriculture, Environment and Rural Affairs (DAERA) on an annual basis. The Department has due regard to rural needs when undertaking new or revised policies/activities by subjecting them to rural needs impact assessments, in accordance with guidance issued by DAERA. Between 1 June 2017 and 31 March 2018 the following policies were subject to a rural needs impact assessment.

Anti-corruption and Anti-bribery

Tourism NI adheres to and promotes good practice guidance on anti-corruption and anti-bribery matters through a range of measures including anti-fraud and whistleblowing arrangements.

During the year the Northern Ireland Audit Office (NIAO) issued a good practice guide on managing the risk of bribery and corruption. This guidance was issued to all staff.

Tourism NI's Gifts and Hospitality guidance is also a key control in place to mitigate against corruption and bribery. This guidance outlines the types of instances in which it is, and is not, appropriate for staff to accept or offer gifts and hospitality as part of their official duties. Registers of gifts and hospitality are monitored and published on an annual basis on Tourism NI's website.

Sustainability Report

Tourism NI's Corporate Social Responsibility (CSR) Programme is Built Around Three Key Strands:

- **People** - Our Health & 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 2017/18 the key results from our CSR Programme included the following.

People – Health & Wellbeing Activities

In 2017/18 Tourism NI's Health and Wellbeing strand of our CSR 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 yoga sessions, staff participating in a Diabetes UK health seminar and screening service for staff as well as staff regularly donating blood.

We have continued to promote sustainable travel options as part of our Workplace Travel Plan which has been developed in conjunction with Department for Infrastructure 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.

Planet – Environmental Activities

We continue to maintain our Sustainable Visitor Charter to provide information and tips to visitors on how to travel around NI sustainably, and we have promoted our Green Guide to help encourage and support tourism and hospitality businesses to 'go green' (<https://tourismni.com/Grow-Your-Business/sustainable-tourism/>).

Place – Volunteering, Fundraising & Community Engagement Activities

In 2017/18 Tourism NI continued to support Guide Dogs NI as our official charity partner. In total Tourism NI staff have managed to raise almost £7,000 for this worthy cause through staff fundraising activities. As a result of our fundraising success Tourism NI has had the honour of naming a guide dog puppy in training.

Tourism NI hosted eight University Placement Students in various units throughout the organisation in 2017/18, 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
20 September 2018

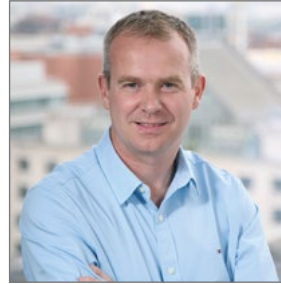
Board Members



Terence Brannigan Chairman

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 Ulster University, 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.



Geoff Wilson

Appointed March 2015

Geoff runs his own marketing and communications consultancy business, with a focus primarily on sport. 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 works with the likes of FIFA, UEFA, FIBA and other global sports organisations in a wide range of areas from strategic planning, marketing and communications, digital, fans engagement, public affairs and knowledge sharing/exchange programmes. In addition, Geoff consults with a number of sports tech companies in the CRM, eSports, wearable and fans engagement space. Geoff is a part-time lecturer in marketing at Queen's University Belfast and is Chair of Netball Northern Ireland.

Board Members



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 £1 billion annually to the Northern Ireland economy. Colin holds an MBA from Ulster University, and is a member of the Institute of Directors and the Northern Ireland Assembly and Business Trust. Since the end of the financial year Colin has been appointed to the Northern Ireland Tourism Alliance Board.



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 director of Northern Ireland Hotels Federation from 2004 to October 2017. 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.

Board Members



Angelina Fusco

Appointed July 2014

Angelina Fusco is an independent media and journalism training consultant in Northern Ireland, helping individuals, businesses and organisations communicate more effectively across traditional and digital platforms. She spent more than 30 years in BBC Northern Ireland and held a variety of roles. For 15 years she was Head of the TV BBC Newsline production team providing coverage of all breaking news stories and live programmes on special events. She played a lead role in the introduction of social and digital technologies to the Belfast newsroom and was a trainer at the BBC's prestigious College of Journalism in London. Angelina was awarded an Ochberg Fellowship on Journalism & Trauma from the Dart Centre in New York and is a member of the Northern Ireland Committee of the Heritage Lottery Fund. Angelina was a Board Member for Visit Belfast between October 2017 and June 2018.



Michele Shirlow

Appointed January 2015

Michele Shirlow is CEO of Food NI, the membership organisation dedicated to enhancing the reputation of food and drink from Northern Ireland. Alongside Taste of Ulster the campaign provides a united promotional voice for the industry and is Tourism NI's partner in promoting food. Food NI represents over 450 member companies and supported the delivery of the very successful first ever Year of Food and Drink in 2016 which enhanced visitor attitudes towards Northern Ireland food and drink by 23%.

Board Members



Michael McQuillan

Appointed July 2013

Michael McQuillan is Director of the Business Institute and Centre for SME Development at Ulster University Business School. Prior to joining Ulster University Business School in 2014, he established and managed several businesses. Most notably, as co-founder of The Streat, he developed the award-winning café business to a network of more than 90 outlets before acquisition in 2010. Through McQuillan Associates he consulted and mentored more than 250 SMEs across Northern Ireland from 2010 to 2014. He is a non-executive director of Shnuggle Ltd. He has had a long involvement with the Northern Ireland skills development agenda, and was appointed to Visiting Professor (UUBS) in 2010. Michael is a Senior Fellow of the Higher Education Academy. Since the end of the financial year Michael has taken up position as Chief Executive Officer at Enterprise NI.



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 15 years' experience within tourism-related businesses in Belfast, London and Sydney. She is a Council member of NI Connections. Katy has previously served as a non-executive director of the MAC and Tall Ships 2015 Ltd, as 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. Katy's term ended on 30th September 2017.

Accountability Report

Corporate Governance Report

The purpose of this report is to explain the composition and organisation of Tourism NI's governance structures and how they support the achievement of its objectives.

Directors' Report

The Directors present their report and financial statements for the year ended 31 March 2018. The net expenditure after interest and tax for the year is £23,405,259 (2016/17 - £22,074,093).

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. The Senior Management Team are listed in the Remuneration and Staff Report. For the year ended 31 March 2018, John McGrillen was in position of Chief Executive Officer.

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 100% (2016/17 - 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 99% of bills paid within 10 days (2016/17 - 98%).

Register of Interests

The Chairman, Board Members and Senior Management 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, Bedford Square, Bedford Street, Belfast, BT2 7ES.

Personal Data Related Incidents

There were no reported Personal Data Related Incidents in 2017/18 or 2016/17.

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 Tourism NI services.

In relation to complaints about Tourism NI Services, 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 then 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 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 six complaints made about the services provided by TNI in 2017/18 (one in 2016/17). Five of the six complaints made to TNI in this period were in relation to the newly developed Discover NI website, and the majority of these complaints were about functionality. All complaints were satisfactorily resolved.

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 2017/18 (2016/17 - nil).

Auditors

The Comptroller and Auditor General is the external auditor for Tourism NI. No payments were made during 2017/18 (2016/17 - £1,261) to the Northern Ireland Audit Office in respect of non-audit work.

Statement of the Board and Accounting Officer's Responsibilities

Under Article 8 of the Tourism (Northern Ireland) Order 1992, the Department for the Economy (with approval from the Department of Finance) has directed Tourism NI to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction.

The accounts are prepared on an accruals basis and 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 (FReM) and in particular to:

- observe the Accounts Direction issued by the Department for the Economy, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that Tourism NI will continue in operation
- confirm that the annual report and accounts as a whole is fair, balanced and understandable and that he or she takes personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

The Accounting Officer of the Department for the Economy 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.

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.

Tourism NI
 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
- **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 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 DfE, 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.

Organisation and Structures

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

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

2.1 Tourism NI Board

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 up to 8 non-executive Board Members, who are appointed by the Minister for the Economy, in accordance with the Code for Public Appointments for Northern Ireland. There were two vacancies during the year. 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 8 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 determine the steps needed to deal with such changes
- ensures that any statutory or administrative requirements for the use of public funds are complied with; that the Board operates within the limits of its statutory authority and any delegated authority agreed with the Department, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, the Board takes into account guidance issued by the Department of Finance and the Department
- ensures that the Board receives and reviews regular financial information concerning the management of Tourism NI is

Governance Statement

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
- 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 2017/18, the Tourism NI Board met a total of 8 times. Details of the attendance of members during the year are shown below:

Board Member	Number of Meetings Attended	Out of a Possible
Terence Brannigan*	7	8
Katy Best**	4	4
Angelina Fusco	7	8
Michael McQuillan	8	8
Terry McCartney	7	8
Colin Neill	7	8
Michele Shirlow	8	8
Geoff Wilson	8	8

*Terence Brannigan had to send apologies for the November Board Meeting. Michael McQuillan acted as chair for that meeting.

**Katy Best's term ended in September 2017.

In addition to the scheduled Board meetings, the Board held a two day workshop in January 2018 to discuss and agree priorities for the Tourism Strategy, to help shape Tourism NI's Operating Plan, discuss resource pressures, and to consider a stakeholder engagement plan.

The Board focussed 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 6 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.

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. 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. Four conflicts of interest were declared in Board meetings during the year. These related to HMS Caroline, Visit Belfast, Moto-Sports and Hospitality Ulster. On each occasion where the discussion involved decision making the members involved excused themselves. Four conflicts of interest were declared in the Audit and Risk Assurance Committee meetings. As no decisions were required and the proceedings involved discussion only, the Members remained 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 by HR and is available to all staff and members of the Board.

Key Issues Considered by the Board

During the 2017/18 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
- 2016/17 Annual Report and Accounts and Northern Ireland Audit Office (NIAO) Report to Those Charged with Governance
- Annual Report of Audit & Risk Assurance Committee, and Audit Committee Self-Assessment Report
- Strategic Partnership Grant Fund
- Visitor Information Plan and review
- Tourism NI Digital Strategy and work programme
- Experience Brand
- World Host Training

Governance Statement

- Meet the Buyer workshop
- Culture and Heritage Framework
- Collaboration with VisitBelfast and VisitBritain
- ROI Market Recovery Taskforce
- Declines in marketing campaign budgets
- Stakeholder Engagement Plan
- Tourism Growth Fund
- Tourism Ireland Market Reviews
- Tourism NI Design Contract
- Tourism Conference and Awards
- Corporate Communications and PR Evaluation report
- Dilapidation work on Tourism NI's previous premises
- Board Effectiveness Self-Assessment
- Tourism NI Sponsorship Policy
- Draft 2018/19 Operating Plan
- The 148th Open at Royal Portrush
- Tourism NI Draft Disability Action Plan
- Business Solutions Activity
- DAERA "Yellow Frames" project
- Skills Agenda.

The Board hosted dinners in June 2017, September 2017, November 2017 and January 2018 with groups of invited tourism stakeholders and the new DfE Permanent Secretary.

2.2 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 4 non-executive members and 1 independent member. The Chief Executive, Director of Finance, Director of HR and Organisational Development, Finance Manager, Internal Audit Service (IAS) and External Audit (NIAO) and a representative from DfE are invited to attend all meetings. The Committee supports the Board and the Accounting Officer by reviewing the comprehensiveness, reliability and integrity of assurances in meeting the Board and Accounting Officer's responsibilities. This includes the Risk Management Framework and Internal Control Environment. The Committee reviews the Annual Report and Financial Statements before submission to the Board to ensure a true and fair view of the financial position is presented.

The Audit and Risk Assurance Committee was chaired by Colin Neill. The Committee had two vacancies during the year. Michael McQuillan agreed to attend until the appointment of additional Board Members.

During 2017/18, the Audit and Risk Assurance Committee met a total of 4 times. Details of the attendance of members during the year is shown below.

Audit Member	Meetings Attended	Out of a Possible
Colin Neill	4	4
Katy Best*	1	2
Angelina Fusco	4	4
Brian McClure (Independent)	4	4
Michael McQuillan	1	1

* Katy Best's term ended in September 2017.

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

In June 2017, 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 & Understanding, Skills, Scope of Work and Communication. The assessment concluded that the Audit and Risk Assurance Committee is effective at supporting the Board. A full review of the Audit Committee Terms of Reference was carried out. No significant issues were highlighted during the assessment.

The Audit and Risk Assurance Committee Members attended training during the year.

The Tourism NI Audit and Risk Assurance Committee Reports

Matters considered by the Committee included the following:

- NIAO Report to those Charged with Governance 2016/17
- NIAO Audit Strategy 2017/18
- review and discussion of the Quarterly Risk Management reports
- approval of the Internal Audit Plan 2017/18 and review of all Internal Audit reports completed during the year, including the Annual Report and Opinion 2016/17
- review and discussion of all outstanding Internal Audit Recommendations

Governance Statement

- Audit and Risk Assurance Committee self-assessment
- outstanding backpay and pay scale differential
- organisational restructure.

The Board is also supported by three sub committees, 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.

The Casework Committee has conducted all reviews and approval of funding cases by correspondence during the year. The Strategic Partnerships Committee met on four occasions during the year. The Marketing Committee met once.

2.3 The Senior Management Team

During the year, the Senior Management Team 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 review the budget, financial performance and to monitor risk and progress on key projects
- fortnightly to discuss ongoing operational issues and to review and approve business cases and funding for projects.

2.4 Business Planning

The Annual Operating 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 4-year Corporate Plan and the Programme for Government. The 2017/18 Operating Plan was approved by the Board, and the Department for the Economy (DfE). Formal reporting to the Board and DfE 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.

2.5 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 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 updated on a regular basis taking account of any new risks identified by the SMT and with any new information on existing risks.

The Risk Register is presented to the Board and Audit and Risk Assurance Committee in order to monitor and review any significant risks that could prevent TNI achieving its 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 DfE through their Audit and Risk Assurance Committee and through to Oversight and Liaison Committee meetings.

Governance Statement

The below risks were categorised as “high” on the Risk Register

Risk	Impact	Mitigating Action
Failure to deliver strategic objectives within current budget allocation	The impact of this risk would be that Tourism NI cannot deliver on its objectives or PFG targets	Tourism NI is working closely with DfE to ensure that appropriate and relevant bids for additional budget are submitted in a timely manner and are evidence based
Failure to secure buy-in to NI Tourism Strategy	The impact of this risk is that the Tourism industry will not have a coherent strategy to focus activity. The risk is that other organisations develop independent strategies which do not work together to the same end	Tourism NI is working with DfE and other organisations with an interest in the Tourism Industry to ensure that all organisations are moving in the same direction and to minimise the risk of independent tourism strategies
Failure to develop an internationally appealing Experience Brand for NI	The impact of this risk is that Northern Ireland does not have a stand out and appealing brand to market alongside those of our closest competitor	A framework is in place to deliver on an experience brand. Market testing of various concepts is underway and Tourism NI will continue to work with DfE with regard to resourcing such a concept
TNI structure and people resource not fit for purpose to deliver against PFG	The impact of this risk is that Tourism NI fails to retain and develop existing staff, recruit new staff and deliver the organisation’s objectives	A Learning and Development plan is in place to aid retention and development of staff. Posts are reviewed when they become vacant to ensure that the organisation is progressing towards a structure that is fit for purpose

The risk relating to the Governance objectives was amended to include the new General Data Protection Regulations. This is being managed by the Chief Digital Officer.

2.6 Annual Assurance Statements

As Accounting Officer, I have to provide Annual Assurance Statements to DfE regarding the system of Internal Controls. This is supported by regular Accountability Meetings with senior DfE Officials which monitors organisational progress against plans and targets. This is also supplemented by meeting with the Board Chairman the Chief Executive, and DfE Officials after every Board meeting.

As part of the Assurance process for DfE, 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.

2.7 Data Security

As Accounting Officer, I have overall responsibility for ensuring that information used for operational and reporting purposes is handled appropriately and that risks are assessed and mitigated to an acceptable level. This responsibility is

discharged through the Chief Digital 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 DfE on information governance on an annual basis. There have been no data losses during the 2017/18 financial year.

2.8 Internal Audit

The Internal Audit function for Tourism NI is undertaken by Internal Audit Service (IAS), Department for the Economy. 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.

Governance Statement

Five audits were scheduled for 2017/18, and one audit was brought forward from 2016/17. Three were completed, all with Satisfactory opinions and three were finalised during the early stages of Q1 of 2018/19. Of these, two had a Satisfactory opinion and one was given a Limited opinion. All recommendations accepted by Management are in the process of being implemented or they have already been implemented.

A summary of the Internal Audit activity completed as at 31 March 2018 is included in the table below:

	Satisfactory	Limited	TBC
Final Report	3	0	0
Draft Report	2	1	0
Fieldwork	0	0	0

There was no fieldwork outstanding at 31 March 2018.

A Limited opinion was given to the Strategic Partnership Grant Fund Review as a result of weaknesses in the controls framework around the scheme. Management is working to address these with the hope of having the Limited opinion lifted in 2018/19. Further detail of this can be found in Section 3.1.

In 2016/17, a Limited opinion had been given to the Regulatory Inspections Review as a result of not meeting statutory inspection targets in line with the Tourism (Northern Ireland) Order 1992. A significant amount of work was carried out to catch up with the targets during the year. A follow up audit performed in Q4 of 2017/18, resulted in this Limited opinion being lifted.

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 the Tourism NI's risk management, control and governance processes.

The overall audit opinion for 2017/18 was "satisfactory".

2.9 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 2017/18 and the Report to those charged with Governance (RTTCWG) for 2016/17 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.

2.10 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 DfE'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.

2.11 Ministerial Directions

There were no Ministerial or Departmental Directions received in 2017/18.

2.12 Financial Management

The organisational financial management arrangements conform to the requirements of Managing Public Money and other directions issued by the Department for the Economy. 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 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.

The Northern Ireland Assembly was dissolved as from 26 January 2017 for an election which took place on 2 March, on which date Ministers also ceased to hold office. An Executive was not formed following the election. As a consequence, the Northern Ireland Budget Act was progressed through Westminster, receiving Royal Assent on 16 November 2017, followed by the Northern Ireland Budget (Anticipation and Adjustments) Act 2018 which received Royal Assent on 28 March

Governance Statement

2018. The authorisations, appropriations and limits in these Acts provide the authority for the 2017/18 financial year and a vote on account for the early months of the 2018/19 financial year as if they were Acts of the Northern Ireland Assembly.

In the absence of a budget for 2018/19 determined by an Executive, Section 59 of the Northern Ireland Act 1998 and Section 7 of the Government Resources and Accounts Act (Northern Ireland) 2001 provide for the Permanent Secretary of the Department of Finance to issue cash to departments from the NI Consolidated Fund, which will then be passed on to respective NDPBs. These powers are an interim measure designed to ensure that services can be maintained until such times as a budget is agreed and a Budget Act passed.

2.13 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 incidence of fraud arising. The Director of Finance 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.

2.14 General Data Protections Regulations

The new General Data Protection Regulations came into force on 25th May 2018.

Tourism NI have put in place measures that maintain compliance with all relevant data protection legislation and continues to proactively monitor the evolving legislative requirements, updating compliance management policies and processes as required. The Tourism NI Data Protection Officer reports on information governance matters to the Chief Executive, Board and SMT on a monthly or as required basis.

3 GOVERNANCE ISSUES ARISING DURING THE YEAR

3.1 Internal Audit Issues

There was one Limited opinion issued in 2017/18 in relation to the Strategic Partnership Grant Fund. The weaknesses identified include publication of the scheme, maintenance of records of approaches to the scheme, transparency of selection and acceptance criteria and sufficient monitoring of projects. All accepted recommendations are being implemented by management and it is anticipated that this will be reviewed by Internal Audit in 2018/19.

There was one Limited opinion issued in 2016/17 in relation to Regulatory Inspections. All recommendations were implemented during the course of 2017/18 and the Limited opinion has since been lifted.

3.2 Other Governance Issues

HMRC Compliance Review

During the year, Tourism NI was subject to an HMRC compliance check on Acquisition Tax and the Reverse Charge. This check reviewed historic financial records and resulted in a VAT liability which had resulted from the incorrect treatment of payments to a small number of Non-UK suppliers. The most significant was in relation to the payment of an international event. The overall liability, including interest, was £0.4 million. Tourism NI paid the outstanding liability during the year and has strengthened controls to ensure all VAT due is captured.

Northern Ireland Staff Pay Award

Tourism NI has been working to obtain approval to pay Northern Ireland staff increases in salaries since 2014/15. These had been withheld due to queries about Tourism NI pay scales and pension contributions. During the first quarter of 2018/19, approval was granted from the Department of Finance to process the pay increases from 2014/15 to 2016/17. Work is still ongoing to resolve the pay scale issue.

ROI Staff Pay Award

Tourism NI is currently implementing pay rises for its staff in the ROI office in Dublin, which were paid in August 2018. When requesting approval it came to light that prior pay rises, dating back to 2013 and beyond, had not received full approval. Tourism NI is in the process of obtaining retrospective approval for these payments. The current pay increases have been processed with correct approvals.

Governance Statement

Attempted Frauds

There were ten cases of attempted fraud during the 2017/18 year. These were all phishing emails and all were identified as fraudulent with no loss suffered.

Staff were reminded to remain vigilant at all times and to report any suspicious activity as soon as possible.

Tourism Ireland

Tourism NI received funding from DfE in respect of Tourism Ireland which is directly paid over to Tourism Ireland as soon as it is received. Tourism NI is not accountable for this funding nor any related controls around its expenditure. The Department for the Economy has confirmed that accountability for this funding solely rests with it. Due to the absence of the Northern Ireland Assembly, the North South Ministerial Council (NSMC) was not able to meet and as a result the corporate plan, business plan and budget for all North South bodies have not been approved for 2017 and 2018. While arrangements have been made with the Department of Finance to ensure legality of payments in the absence of business plans, expenditure will be irregular until the NSMC approves Business Plans. This expenditure will be retrospectively regularised when the plans and budgets are approved by the NSMC.

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 Section 3, 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 Report

The Remuneration and Staff report sets out Tourism NI's remuneration policy for our Board Members and Senior Management Team (SMT), reports on how that policy has been implemented and details the amounts awarded to Board Members and SMT. It also provides details on remuneration and staff that the Northern Ireland Assembly and others see as key to accountability.

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 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 DfE. Tourism NI reimburses the Chairman and Board Members for any incidental expenses incurred for carrying out their duties relevant to the organisation.

Remuneration and Pension Entitlements (Audited)

Remuneration (including salary) and Pension Entitlements – Board Members

a) Remuneration Report

	2017/18			2016/17		
	Salary £'000	Benefits in Kind £'000	Total £'000	Salary £'000	Benefits in Kind £'000	Total £'000
Terrence Branigan Chairperson	25-30	-	25-30	25-30	-	25-30
Katy Best* Board Member	0-5	-	0-5	5-10	-	5-10
Colette Goldrock* Board Member	-	-	-	0-5	-	0-5
Michael McQuillan Board Member	5-10	-	5-10	5-10	-	5-10
Angelina Fusco Board Member	5-10	-	5-10	5-10	-	5-10
Terry McCartney Board Member	5-10	-	5-10	5-10	-	5-10
Michele Shirlow Board Member	5-10	-	5-10	5-10	-	5-10
Geoff Wilson Board Member	5-10	-	5-10	5-10	-	5-10
Colin Neill Board Member	5-10	-	5-10	5-10	-	5-10

*Katy Best's term concluded on 30th September 2017

*Colette Goldrick resigned on 30th June 2016

Tourism NI Board Members do not have any pension entitlements.

Remuneration & Staff Report

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 a pay band minima and maxima in line with pay arrangements in place for SCS staff. The effective date for pay award is 1 April each year.

Members of the Senior Management Team are paid in line with the Northern Ireland Civil Service pay agreement. 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 5 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 1st 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.

Normal Pension Age is linked to the State Pension Age for benefits built up from April 2015 (but with a minimum of age 65) and is the age at which the pension that has been built up can be paid in full. If taken before the Normal Pension Age then it will normally be reduced as it has been paid earlier. If it is taken after the Normal Pension Age then it is increased because it is being paid later.

If payment was made into the Scheme before 1 April 2015 the final salary benefits maintain their protected Normal Pension Age – which for most people is 65. However, all pension benefits drawn on normal retirement must be taken at the same date i.e. final salary benefits (built up before 1 April 2015) cannot be drawn at age 65 separately from the benefits in the pension account (built up from 1 April 2015) at the Normal Pension Age.

Remuneration & Staff Report

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

	2017/2018				2016/17			
	Salary	Benefits in Kind to Nearest £100	Pension Benefit to Nearest £1,000	Total	Salary	Benefits in Kind to Nearest £100	Pension Benefit to Nearest £1,000	Total
	£'000			£'000	£'000			£'000
John McGrillen Chief Executive	95-100	-	4	100-105	95-100	-	841	935-940
Louise Kearney Director of HR	50-55	-	12	65-70	50-55	-	16	65-70
Laura McCorry* Director of Product Development	5-10 (50-55 FTE)	-	2	10-15	50-55	-	15	65-70
Rosemarie McHugh* Director of Product Development	45-50	-	17	60-65	-	-	-	-
Naomi Waite Director of Marketing	45-50	-	14	60-65	45-50	-	15	60-65
Jill McKee Acting Director of Finance	25-30 (45-50 FTE)	-	14	40-45	45-50	-	15	60-65
Una Foy* Acting Director of Finance	20-25 (45-50 FTE)	-	7	25-30	15-20 (45-50 FTE)	-	21	35-40
Aine Kearney Director of Business Support & Events	45-50	-	14	60-65	45-50	-	15	60-65

*Laura McCorry left Tourism NI on 2nd May 2017

*Rosemarie McHugh was appointed Director of Product Development on 3rd May 2017

*Una Foy was appointed maternity cover for Acting Director of Finance on 3rd November until 15th September 2017

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

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 2017/18 there were no bonuses paid (2016/17 - £nil) to the Chief Executive and Senior Management Team.

Benefits in Kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the HM Revenue and Customs as a taxable emolument. Neither Members of the Board nor senior management received any benefits in kind during 2017/18 (2016/17 - £nil).

Remuneration & Staff Report

Pension Entitlements

	Accrued Pension at Pension Age as at 31/03/2018 and Related Lump Sum £'000	Accrued Lump Sum £'000	Real Increase in Pension £'000	Real Increase in Pension and Related Lump Sum at Pension £'000	CETV as at 31/03/2018 £'000	CETV as at 31/03/2017 £'000	Real Increase in CETV £'000
John McGrillen Chief Executive	40-45	75-80	0-2.5	<0	759	715	12
Louise Kearney Director of HR	5-10	0-5	0-2.5	<0	122	106	8
Laura McCorry* Director of Product Development	5-10	0-5	0-2.5	<0	67	66	1
Rosemarie McHugh Director of Product Development	0-5	0-5	0-2.5	0-5	28	18	9
Naomi Waite Director of Marketing	0-5	0-5	0-2.5	0-5	47	36	6
Jill McKee Acting Director of Finance	0-5	0-5	0-2.5	0-5	34	26	5
Una Foy Acting Director of Finance	0-5	0-5	0-2.5	0-5	27	14	14
Aine Kearney Director of Business Support & Events	0-5	0-5	0-2.5	0-5	39	29	4

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 Local Government Pension Scheme (LGPS) 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 grants 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,

Remuneration & Staff Report

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 members' 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 members' 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 2016 set the employers' contribution rates at 18%, 19% and 20% from 1 April 2017 and the following two years. Tiered employee contribution rates were introduced from 1 April 2009 and the employee contribution rates for 2017/18 are outlined below.

Pensionable Pay	Employee Contribution Rate 2017/18
Up to £14,100	5.5%
£14,101 to £21,500	5.8%
£21,501 to £35,900	6.5%
£35,901 to £43,400	6.8%
£43,401 to £85,800	8.5%
More than £85,800	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/calculator-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 LGPS pension arrangements can be found at the website www.nilgosc.org.uk

The inflation rate used in 2017/18 calculations is 3.0%.

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 LGPS 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 2015 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.

However, the real increase calculation uses common actuarial factors at the start and end of the period so that it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer.

Compensation for Loss of Office and Early Retirement

The following is subject to audit. No member of the senior management team received compensation for loss of office and no member of senior management retired early in either the current or previous year.

Payments to Past Directors

The following is subject to audit. No payments were made in 2017/18 to past Directors (2016/17 - £nil).

Fair Pay Disclosures (Audited)

The following is subject to audit. 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.

Remuneration & Staff Report

The banded remuneration of the highest paid Director during the financial year 2017/18 was £95,000 - £100,000 (2016/17 - £95,000 - £100,000). This remuneration was 3.3 times (2016/17 – 3.4) the median remuneration of the workforce, which was £29,317 (2016/17 - £28,498).

	2017/18 £	2016/17 £
Remuneration of Highest Paid Director	95-100	95-100
Remuneration of Lowest Paid Employee	15-20	15-20
Median Employee Remuneration	29,317	28,498
Ratio	3.3	3.4

The calculation is based on the gross salary of full-time equivalent staff as at 31 March 2018 on an annualised basis. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

b) Staff Report

Analysis of Staff Costs

The following section is subject to audit.

	2017/18 £	2016/17 £
Wages and Salaries		
Permanent	4,005,707	3,994,966
Others	589,870	544,212
Social Security Costs		
Permanent	351,996	365,122
Others	35,363	37,765
Pension Contributions		
Permanent	1,055,717	720,770
Others	49,562	55,361
Seconded Costs Reimbursed	(48,929)	(42,008)
Staff Costs Charged to Net Expenditure Account	6,039,286	5,676,188

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

2017/18 additional information has been included in note 14 and the valuation at 31 March 2018 has been included in the Statement of Financial Position. The latest full actuarial valuation of the scheme was at 31 March 2016.

Pension Benefits are provided through the Local Government Pension Scheme (LGPS). This scheme is a defined benefits fund and is invested in suitable investments, managed by the Northern Ireland Local Government Officers' Superannuation Scheme Committee (NILGOSC).

The employer contribution rate for 2017/18 was reduced to 18% (2016/17 – 20%), and between 5.5% and 10.5% for the employee.

The total employer contribution paid under the scheme in 2017/18 was £733,261 (2016/17 - £754,792).

The total employer contribution made for the Defined Contribution Scheme provided by Zurich for ROI employees in 2017/18 was £24,581 (2016/17 - £21,339). For both 2017/18 and 2016/17, the contribution rates were 16% for the employer and 6% for the employee.

During 2017/18 there was one early retiree, however there was no financial impact to Tourism NI (2016/17 – nil).

There were no other early retirees in 2017/18 (2016/17 – 2).

Average Number of Persons Employed:

The following section is subject to audit.

The average number of whole-time equivalent persons employed during the year was as follows:

	2017/18 No.		2016/17 No.	
	Permanent	Other	Permanent	Other
Business Support & Events	26	5	27	4
Product Development	25	2	27	2
Corporate Development	15	1	13	3
Senior Management Team and Board	13	1	14	0
Organisational Development	14	6	13	8
Marketing	30	4	31	8
Total	123	19	125	25

There were 7 ROI staff members as at 31 March 2018.

Remuneration & Staff Report

Staff Composition (Gender Analysis) as at 31 March 2018

A breakdown of staff in Tourism NI is included below.

	2017/18 No.			2016/17 No.		
	Male	Female	Total	Male	Female	Total
Board Members	5	2	7	5	3	8
Senior Management Team*	1	5	6	1	6	7
Employees	30	100	130	36	100	136
Total	36	107	143	42	109	151

*Includes one member from Senior Management Team who is a senior civil service staff (or equivalent) as defined with Grade 5 or above.

Sickness Absence Data

During the year 2017/18 Tourism NI recorded a staff sickness absenteeism rate of 5.3% or 13.07 days per employee (2016/17 – 6.0% or 14.9 days).

Other Employee Matters

Employee Policies

Tourism NI aims to act as a good employer in all matters relating to its responsibilities and obligations for health & 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 is committed to the development of its staff and to policies that enable them to best contribute to the performance and long term effectiveness of the organisation. In particular, active involvement and communication with employees is conducted both directly and through the recognised Trade Union (NIPSA) in all relevant matters. The organisation is also committed to the continuing development of its staff and to maximising their contribution to the continuous improvement of service delivery.

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.

The Learning and Development function supports the development of all staff by providing internal and external training to develop skills and expertise. Tourism NI ensures that all learning interventions are aligned to the business strategy and organisational values.

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 2017/18 there was £5,920 expenditure on consultancy (2016/17 - £nil).

Off-payroll Engagements (Greater Than £58,200)

There were no off-payroll payments made in 2017/18 (2016/17 - nil).

Remuneration & Staff Report

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	
	17/18	16/17	17/18	16/17	17/18	16/17
<£10,000	-	-	-	-	-	-
£10,000 - £25,000	-	-	-	-	-	-
£25,000 - £50,000	-	-	-	-	-	-
Total number of exit packages	-	-	-	-	-	-
Total Resource Cost	-	-	-	-	-	-

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 Local Government Pension Scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

Assembly Accountability and Audit Report

The Assembly Accountability and Audit Report brings together the key Assembly accountability documents within the annual report and accounts.

Regularity of Expenditure

The following is subject to audit.

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 2017/18, Tourism NI has £5,920 irregular spend to report, (2016/17 - £nil).

Tourism NI engaged with a Consultant through a Direct Award Contract (DAC) during 2017/18. All required approvals were received for to engage a Consultant and all approvals were received to put in place a DAC, however an additional approval was required to engage a Consultant via a DAC.

During the year Tourism NI also ascertained that staff in the ROI office had received pay increases that had not been subject to the correct approval processes. These payments were made prior to 2013. Tourism NI is in the process of seeking retrospective approval from DoF. Should retrospective approval not be received then this expenditure will be irregular.

Fees & Charges

The following section is subject to audit.

Certification of Tourist Accommodation	2017/18 £	2016/17 £
Income	119,742	80,342
Cost	(116,632)	(83,788)
Surplus/(Deficit)	3,110	(3,446)

The financial objective of the certification of tourist accommodation is to recover the full cost of providing this service. This objective was met in 2017/18 with a profit being generated.

Grading of Tourist Accommodation	2017/18 £	2016/17 £
Income	64,825	62,151
Cost	(65,239)	(85,844)
Surplus/(Deficit)	(414)	(23,693)

The financial objective of the grading of tourist accommodation is to subsidise the cost of providing this service. This objective was met in 2017/18.

Remote Contingent Liabilities

The following section is subject to audit.

Tourism NI has no remote long term liabilities to report in 2017/18 (2016/17 - £nil).

Tourism NI is currently working to resolve the issue which exists where Tourism NI's payscales are higher than NICS payscales. A number of options for resolution are being considered with DfE. Depending on which option is preferred, a future liability may arise. There is no way to quantify this at this time.

Losses and Special Payments

The following section is subject to audit.

	2017/18 Losses £'000	2017/18 Number of Cases over £250k	2017/18 Number of Cases under £250k	2016/17 Losses £'000	2016/17 Number of Cases over £250k	2016/17 Number of Cases under £250k
Total	29	0	4	1	0	4

There were 2 special payments made in 2017/18 (2016/17 – nil).

Signed:



John McGrillen
Chief Executive
Tourism NI
Accounting Officer

20 September 2018

Assembly Accountability and Audit Report

Northern Ireland Tourist Board (Trading as Tourism NI) The Certificate & Report of the Comptroller & Auditor General to the Northern Ireland Assembly

Opinion on Financial Statements

I certify that I have audited the financial statements of the Northern Ireland Tourist Board for the year ended 31 March 2018 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 the report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of the Northern Ireland Tourist Board's affairs as at 31 March 2018 and of the Northern Ireland Tourist Board's net expenditure for the year then ended
- have been properly prepared in accordance with the Tourism (Northern Ireland) Order 1992 and the Department for the Economy directions issued thereunder.

Opinion on Regularity

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

Basis of Opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate. My staff and I are independent of the Northern Ireland Tourist Board in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2016, and have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

Other Information

The Board and Accounting Officer are responsible for the other information included in the annual report. The other information comprises the information included in the annual report other than the financial statements, the parts of the Accountability Report described in the report as having been audited, and my audit certificate. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on Other Matters

In my opinion:

- the parts of the 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
- 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.

Responsibilities of the Board and Accounting Officer for the Financial Statements

As explained more fully in the Statement of the Board and Accounting Officer Responsibilities, the Board and the Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Auditor's Responsibilities for the Audit of the Financial Statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Tourism (Northern Ireland) Order 1992.

I am required to obtain evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.

Assembly Accountability and Audit Report

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

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

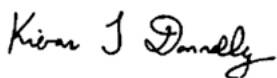
Matters on Which I Report by Exception

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

- adequate accounting records have not been kept, or
- the financial statements and the parts of the 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 the Department of Finance's guidance.

Report

I have no observations to make on these financial statements.



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

28 September 2018

Northern Ireland Tourist Board Trading as
Tourism NI

Financial Accounts
for the Year Ended 31 March 2018



Statement of Comprehensive Net Expenditure

for the Year Ended 31 March 2018

	Note	2017/18 £	2016/17 £
Income from Sale of Goods and Services	6	246,808	172,134
Other Operating Income		37,200	-
Total Operating Income		284,008	172,134
Staff Costs	3	(6,039,286)	(5,676,188)
Purchase of Goods and Services	3	(9,104,964)	(8,447,414)
Depreciation and Impairment Charges	3	(148,732)	(235,543)
Provision Expense	13	121,000	(430,000)
Selective Financial Assistance - Grants	4	(2,270,061)	(1,962,106)
Other Operating Expenditure	3	(6,059,931)	(5,362,015)
Total Operating Expenditure		(23,501,974)	(22,113,266)
Tourism Ireland			
Paid to Tourism Ireland	5	(12,638,770)	(12,260,993)
Grant Received from DfE	5	12,638,770	12,260,993
		-	-
Net Operating Expenditure		(23,217,966)	(21,941,132)
Finance Income		2,134	3,799
Finance Expense		(189,427)	(136,760)
Net Expenditure for the Year		(23,405,259)	(22,074,093)

The notes on pages 49 to 64 form part of these accounts.

The above figures have been reclassified in line with the Department of Finance's 'Simplifying and Streamlining' project.

Other Comprehensive Net Expenditure

	Note	2017/18 £	2016/17 £
Items which will not be Reclassified to Net Operating Expenditure:			
Net (Gain)/Loss on Revaluation of Property, Plant and Equipment	7 & 8	(14,088)	(16,380)
Actuarial Gain/(Loss) on Pension Scheme Liabilities	14	(175,000)	(3,208,000)
Comprehensive Expenditure for the Year		(23,594,347)	(25,298,473)

The notes on pages 49 to 64 form part of these accounts.

The above figures have been reclassified in line with the Department of Finance's 'Simplifying and Streamlining' project.

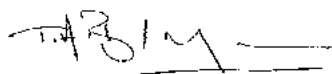
Statement of Financial Position

as at 31 March 2018

	Note	2017/18 £	2016/17 £
Non-Current Assets			
Property, Plant & Equipment	7	630,197	655,402
Intangible Assets	8	-	-
Total Non-Current Assets		630,197	655,402
Current Assets			
Trade and Other Receivables	10	458,777	8,055,158
Cash and Cash Equivalents	11	2,826,425	790,181
Total Current Assets		3,285,202	8,845,339
Total Assets		3,915,399	9,500,741
Current Liabilities			
Trade and Other Payables	12	(6,385,442)	(5,982,613)
Provisions	13	(329,000)	(450,000)
Total Current Liabilities		(6,714,442)	(6,432,613)
Total Assets less Current Liabilities		(2,799,043)	3,068,128
Non-Current Liabilities			
Pension Liabilities	14	(8,331,000)	(7,632,000)
Total Non-Current Liabilities		(8,331,000)	(7,632,000)
Total Assets less Total Liabilities		(11,130,043)	(4,563,872)
Taxpayers' Equity and Other Reserves			
General Fund		(11,373,169)	(4,792,910)
Revaluation Reserve		243,126	229,038
Total Equity		(11,130,043)	(4,563,872)

The notes on pages 49 to 64 form part of these accounts.

The financial statements on pages 44 to 48 were approved by the Board on 20 September 2018 and were signed on its behalf by:



Chairman

Date: 20 September 2018



Chief Executive

Date: 20 September 2018

Statement of Cash Flows

for the Year Ended 31 March 2018

	Note	2017/18 £	2016/17 £
Cash Flow from Operating Activities			
Net Deficit after Interest and Tax		(23,405,259)	(22,074,093)
Adjustment for Non Cash Transactions			
Amortisation	8	-	126,007
Depreciation	7	148,732	109,536
Pension Interest Charge	14d	189,000	136,000
Non Cash Actuarial Pension Charges		335,000	9,000
Loss/(Profit) on Disposal of Fixed Asset		-	63,021
(Increase)/Decrease in Trade and Other Receivables	10	7,596,381	(1,421,276)
Increase/(Decrease) in Trade Payables	12	307,033	(217,528)
Increase/(Decrease) in Provision	13	(121,000)	430,000
Net Cash Outflow from Operating Activities		(14,950,113)	(22,839,333)
Cash Flows from Investing Activities			
Adjustment for Non Cash Transactions			
Purchase of Property, Plant and Equipment	7	(13,643)	(532,956)
Net Cash Outflow from Investing Activities		(13,643)	(532,956)
Cash Flows from Financing Activities			
Government Grant from Sponsoring Department		17,000,000	23,960,000
Net Financing		17,000,000	23,960,000
Net Increase/(Decrease) in Cash and Cash Equivalents in the Year	11	2,036,244	587,711
Cash and Cash Equivalents at the Beginning of the Year	11	790,181	202,470
Cash and Cash Equivalents at the End of the Year	11	2,826,425	790,181

The notes on pages 49 to 64 form part of these accounts.

Statement of Changes in Taxpayers' Equity for the Year Ended 31 March 2018

	Note	General Fund £	Revaluation Reserve £	Taxpayers' Equity £
Balance at 31 March 2016		(3,470,817)	245,418	(3,225,399)
Changes in Taxpayers' Equity 2016/17				
Net Gain/(Loss) on Revaluation of Property, Plant & Equipment		-	(16,380)	(16,380)
Actuarial Gain/(Loss)	14	(3,208,000)	-	(3,208,000)
Auditor's Remuneration	3	(28,500)	-	(28,500)
Comprehensive Net Expenditure for the Year		(22,045,593)	-	(22,045,593)
Grant in Aid from DfE		23,960,000	-	23,960,000
Total Recognised Income and Expense for 2016/17		(1,322,093)	(16,380)	(1,338,473)
Balance at 31 March 2017		(4,792,910)	229,038	(4,563,872)
Changes in Taxpayers' Equity 2017/18				
Net Gain/(Loss) on Revaluation of Property, Plant & Equipment		-	14,088	14,088
Actuarial Gain/(Loss)	14	(175,000)	-	(175,000)
Auditor's Remuneration	3	(29,261)	-	(29,261)
Comprehensive Net Expenditure for the Year		(23,375,998)	-	(23,375,998)
Grant in Aid from DfE		17,000,000	-	17,000,000
Total Recognised Income and Expense for 2017/18		(6,580,259)	14,088	(6,566,171)
Balance at 31 March 2018		(11,373,169)	243,126	(11,130,043)

The notes on pages 49 to 64 form part of these accounts.

Notes to the Accounts

for the Year Ended 31 March 2018

1. STATEMENT OF ACCOUNTING POLICIES

Basis of Preparation

These financial statements have been prepared in accordance with the 2017/18 Government Financial Reporting Manual (FRM) issued by the Department of Finance. 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.

Some reclassifications have been processed in the comparative figures in particular as a result of Department of Finance's 'Simplifying and Streamlining Accounts' project. Management has the opinion that these reclassifications give a more consistent view between the current year figures and comparative information.

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.

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

- (i) 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 de minimis level for capitalisation of all categories of Property, Plant and Equipment is £1,000. TNI policy is to "group" assets by category ie. when the total cost of all individual items purchased together, exceed the de minimis level, they are capitalised.

- (ii) Intangible Assets – Computer Licences for internal recording and reporting systems are capitalised as Intangible Assets. The de minimis level for capitalisation of an Intangible Asset is £1,000.

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

- (iii) 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
- (iv) 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 century and depict scenes of Northern Ireland. All Works of Art are regularly valued but not depreciated.
- (v) 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. A full year of depreciation is provided on assets in the year of their purchase unless it is deemed prudent not to do so.

Cash and Cash Equivalents

Cash and cash equivalents comprises cash and demand deposits with commercial banks. As at each reporting date, the carrying value of cash and cash equivalents approximates their fair value due to their short term nature.

Trade Receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. Provision is made when there is objective evidence that Tourism NI will not be able to recover balances in full. Balances can only be written off when non-recovery is considered certain and after the appropriate approvals have been granted.

Trade Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Notes to the Accounts

for the Year Ended 31 March 2018

Prepayments

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

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.

Contingent Liabilities

In addition to contingent liabilities disclosed in accordance with IAS 37, Tourism NI discloses for Assembly reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to the Assembly in accordance with the requirements of Managing Public Money Northern Ireland.

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to the Assembly separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to the Assembly.

Accounting Estimates

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

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

Leased Assets

Operating lease payments are charged to the Net Expenditure Account on a straight-line basis over the term of the lease.

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.

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.

Financing

The Department for the Economy (DfE) 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 the promotion and exhibiting at trade events.

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.

Notes to the Accounts

for the Year Ended 31 March 2018

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".

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.

Pension Costs

Past and present employees in Northern Ireland are covered by the provisions of the Local Government Pension Scheme. In the year 2017/18, Tourism NI contributed 18% of Pensionable Pay to the scheme, whilst staff contributed between 5.5% and 10.5% of Pensionable Pay. Further information on the pension scheme can be found at note 14.

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%. Tourism NI are aware that there they may be a potential liability in the future.

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 for the Economy (DfE) are included. The 2017/18 notional charge was £73,240 (2016/17 - £74,899).

Adoption of New and Revised Standards

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

Notes to the Accounts

for the Year Ended 31 March 2018

2. STATEMENT OF NET EXPENDITURE BY OPERATING SEGMENT

2017/18	Gross Expenditure £	Income £	Net Expenditure £
Business Support & Events	6,066,774	210,959	5,855,815
Product Development	3,236,406	14,450	3,221,956
Organisational Development	8,210,807	37,200	8,173,607
Corporate Development	660,789	-	660,789
Marketing	5,400,438	21,399	5,379,039
TOTAL	23,575,214	284,008	23,291,206
Reconciliation to SoCNE			
Interest Receivable	-	-	(2,134)
Pension Interest (Income)/Charge	-	-	189,000
Corporation Tax	-	-	427
Credit in Respect of Notional Charges	-	-	(73,240)
			23,405,259
2016/17	Gross Expenditure £	Income £	Net Expenditure £
Business Support & Events	5,193,123	169,294	5,023,829
Product Development	2,501,197	-	2,501,197
Organisational Development	7,759,560	-	7,759,560
Corporate Development	828,455	-	828,455
Marketing	5,905,830	2,840	5,902,990
TOTAL	22,188,165	172,134	22,016,031
Reconciliation to SoCNE			
Interest Receivable	-	-	(3,799)
Pension Interest (Income)/Charge	-	-	136,000
Corporation Tax	-	-	760
Credit in Respect of Notional Charges	-	-	(74,899)
			22,074,093

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

Product Development Division comprises of the following Units – Regional Managers, who cover Northern Ireland's Council Areas, Markets and Product Experiences Development and the Capital Funding Team. The Director of the Division reports to the Chief Executive.

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

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

Notes to the Accounts

for the Year Ended 31 March 2018

3. EXPENDITURE

	2017/18 £	2016/17 £
Staff Costs		
Wages and Salaries	4,595,577	4,539,178
Social Security Costs	387,359	402,887
Other Pension Costs	1,105,279	776,131
Recoveries in Respect of Outward Secondments	(48,929)	(42,008)
Total Staff Costs	6,039,286	5,676,188
Purchase of Goods and Services		
Marketing, Advertising and Promotions	7,220,502	6,606,988
Premises Cost	441,629	358,682
Printing and Stationery	56,979	73,133
Legal Fees	79,107	46,681
Professional Fees	151,587	183,256
Catering and General Office Expenses	126,458	129,959
Staff Development (Training and Recruitment)	64,492	96,168
Publications	141,600	144,770
Press and Public Relations	422,410	406,628
Hospitality	32,723	21,298
Rentals under Operating Leases	367,477	379,851
Non-Cash Items		
Notional Charges	73,240	74,899
Reversal of Notional Charges	(73,240)	(74,899)
Total Purchase of Goods and Services	9,104,964	8,447,414

	2017/18 £	2016/17 £
Other Operating Expenditure		
Events	5,381,297	4,282,327
Licensing and Information Services	1,226,700	842,220
Travel and Subsistence – Board Members	7,213	7,296
Travel and Subsistence – Other Employees	138,477	120,257
Gain/(Loss) on Exchange Rate	(724,250)	16,843
Non-cash items		
Profit/(Loss) on Disposal of Property, Plant and Equipment	-	63,021
Auditor's Remuneration and Expenses	29,261	28,999
Depreciation and Impairment Charges	148,732	235,543
Bad Debts Written Off	1,233	1,052
Provision Provided for in Year	121,000	(430,000)
Total Other Operating Expenditure	6,329,663	5,167,558

The above figures have been reclassified in line with Department of Finance's 'Simplifying and Streamlining Accounts' project.

Staff Costs

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

Marketing, Advertising & Promotions

Marketing expenditure includes approximately £2.7m in respect of Marketing Campaigns and PR in ROI and NI. A further £1.0m was spent on Digital & 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.

Notes to the Accounts

for the Year Ended 31 March 2018

Events

Events expenditure includes £4.9m of expenditure towards a number of global events, which have either been hosted in Northern Ireland or will be in the near future and the Tourism Events Funding (TEF) Programme, which supports both national and international events held in Northern Ireland and is administered through an application process.

Auditor's Remuneration – Non-Audit Services

The external audit fee included in expenditure above is £28,500 in 2017/18 (£28,500 in 2016/17). During the year Tourism NI purchases of non-audit services from the Northern Ireland Audit Office were £nil (2016/17 - £1,261). The services in the 2016/17 year were in relation to the National Fraud Initiative.

4. SELECTIVE FINANCIAL ASSISTANCE

	2017/18 £	2016/17 £
Tourism Development Scheme (TDS) - General	2,156,000	1,783,870
Other	114,061	178,236
Total	2,270,061	1,962,106

Around 66% of TDS Capital Expenditure in 2017/18 related to the HMS Caroline project. Other projects which received funding include Titanic Walkways and the Railway Museum.

5. GRANTS

5.1 Grants from European Union

European Regional Development Funds

During the year, Tourism NI received the final payment in relation to the European Regional Development Fund (ERDF) which closed in 2015. This related to retention monies and was released when DfE finalised their accounts.

Investment in Growth and Jobs Programme for Northern Ireland 2014-2020

Tourism NI has received a small amount of funding under the Investment in Growth and Jobs Programme. This was to finalise the projects that were funded under the ERDF scheme.

5.2 Grant from the Department for the Economy

Tourism NI as a Non Departmental Public Body has in the year 2017/18 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 DfE, on behalf of Tourism Ireland Limited to the value of £12,638,770 (2016/17 - £12,260,993). The total of this grant was paid to Tourism Ireland Limited in its entirety.

6. OTHER OPERATING INCOME

	2017/18 £	2016/17 £
Statutory Certification Fees & Grading	202,522	154,209
World Host, Promotions, Exhibitions	7,374	16,825
Other Income	36,912	1,100
Other Operating Income	246,808	172,134

Notes to the Accounts

for the Year Ended 31 March 2018

7. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements £	Furniture & Equipment £	Computers £	Paintings £	Total £
Cost or Valuation					
At 1 April 2017	543,753	4,946	468,332	220,400	1,237,431
Additions at Cost/Valuation	-	-	109,439	-	109,439
Indexation	20,082	-	3,469	-	23,551
Transfers	-	-	-	-	-
Disposals / Write-off	-	-	-	-	-
At 31 March 2018	563,835	4,946	581,240	220,440	1,370,421
Depreciation					
At 1 April 2017	108,751	4,946	468,332	-	582,029
Charge for Period	108,750	-	39,982	-	148,732
Indexation	8,196	-	1,267	-	9,463
Transfers	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 March 2018	225,697	4,946	509,581	-	740,224
Net Book Value					
At 31 March 2018	338,138	-	71,659	220,400	630,197
At 31 March 2017	435,002	-	-	220,400	655,402

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

It is anticipated that all Paintings will transfer to National Museums Northern Ireland (NMNI) during 2018/19 at NIL profit or loss.

Notes to the Accounts

for the Year Ended 31 March 2018

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Leasehold Improvements £	Furniture & Equipment £	Motor Vehicles £	Computers £	Paintings £	Total £
Cost or Valuation						
At 1 April 2016	545,575	262,792	-	1,547,965	219,700	2,576,032
Additions at Cost/ Valuation	532,956	-	-	-	-	532,956
Donated	-	-	-	-	1,000	1,000
Indexation	10,797	-	-	394	-	11,191
Transfers*	-	-	-	(829,915)	-	(829,915)
Disposals / Write-off	(545,575)	(257,846)	-	(250,112)	(300)	(1,053,833)
At 31 March 2017	543,753	4,946	-	468,332	220,440	1,237,431
Depreciation						
At 1 April 2016	458,922	262,299	-	1,442,074	-	2,163,295
Charge for Period	106,591	495	-	2,450	-	109,536
Indexation	2,160	-	-	394	-	2,554
Transfers*	-	-	-	(726,474)	-	(726,474)
Disposals	(458,922)	(257,848)	-	(250,112)	-	(966,882)
At 31 March 2017	108,751	4,946	-	468,332	-	582,029
Net Book Value						
At 31 March 2017	435,002	-	-	-	220,400	655,402
At 31 March 2016	86,653	493	-	105,891	219,700	412,737

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

*Transfers consist of computer software being transferred from computer hardware category, to correctly classify as Intangible Fixed Assets.

Notes to the Accounts

for the Year Ended 31 March 2018

8. INTANGIBLE FIXED ASSETS

Intangible assets comprise software licences.

	£
Cost or Valuation	
At 1 April 2017	1,113,010
Opening Balance Adj	-
Acquisitions	-
Disposals	-
Transfers	-
Write off	-
At 31 March 2018	1,113,010
Amortisation	
At 1 April 2017	1,113,010
Opening Balance Adj	-
Charge for Period	-
Disposals	-
Transfers	-
Write-off	-
At 31 March 2018	1,113,010
NBV at 31 March 2018	-
NBV at 31 March 2017	-

	£
Cost or Valuation	
At 1 April 2016	456,972
Opening Balance Adj	(17,634)
Acquisitions	-
Disposals	(156,243)
Transfers	829,915
Write off	-
At 31 March 2017	1,113,010
Amortisation	
At 1 April 2016	432,319
Opening Balance Adj	(15,547)
Charge for Period	126,007
Disposals	(156,243)
Transfers	726,474
Write-off	-
At 31 March 2017	1,113,010
NBV at 31 March 2017	-
NBV 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.

9. FINANCIAL INSTRUMENTS

As the cash requirements of Tourism NI are met through Grant-In-Aid provided by DfE, 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.

10. TRADE AND OTHER RECEIVABLES

	2017/18 £	2016/17 £
Amounts falling due within one year:		
Trade Receivables	36,939	18,149
Prepayments and Accrued Income	392,992	171,526
Tourism Ireland Receivable	-	1,535,759
Other Receivables	25,126	40,560
EU Receivables	3,720	6,289,164
	458,777	8,055,158
Total receivables at 31 March	458,777	8,055,158

Notes to the Accounts

for the Year Ended 31 March 2018

11. CASH AND CASH EQUIVALENTS

	2017/18 £	2016/17 £
Balance at 1 April	790,181	202,470
Net Change in Cash and Cash Equivalent Balances	2,036,244	587,711
Balance at 31 March	2,826,425	790,181
The Following Balances at 31 March Were Held at:		
Commercial Banks and Cash in Hand	2,826,425	790,181
Balance at 31 March	2,826,425	790,181

12. TRADE AND OTHER PAYABLES

	2017/18 £	2016/17 £
Amounts Falling Due within One Year:		
Accruals	5,819,903	4,130,224
Tourism Ireland Payable	-	1,535,759
Trade Payables	441,604	273,336
Deferred Income	36,207	35,889
Corporation Tax	427	760
VAT Payable	87,301	6,645
	6,385,442	5,982,613

13. PROVISIONS FOR LIABILITIES AND CHARGES

	Legal £	Other £	Total £
Balance at 1 April 2016	20,000	-	20,000
Provided in the Year	-	430,000	430,000
Balance at 31 March 2017	20,000	430,000	450,000
Balance at 1 April 2017	20,000	430,000	450,000
Provisions Not Required Written Back	-	(121,000)	(121,000)
Balance at 31 March 2018	20,000	309,000	329,000

Analysis of Expected Timing of Provision

	Total £
Not Later Than One Year	329,000
Later Than One Year and Not Later Than Five Years	-
Later Than Five years	-
Balance as at 31 March 2018	329,000

Of the above provision, £20k relates to outstanding legal proceedings between Tourism NI and a former employee and £309k to dilapidations on vacating St Anne's Court premises in June 2016.

Notes to the Accounts

for the Year Ended 31 March 2018

14. PENSION COMMITMENTS

a) Local Government Pension Scheme

The Local Government Pension Scheme (LGPS) Northern Ireland is a funded defined benefit pension scheme, which provides retirement benefits for employees on a career average revalued earnings basis from 1 April 2015. Prior to that date benefits were built up on a "final salary" basis.

From 1 April 2015, a member builds up retirement pension at the rate of 1/49th pensionable pay for each year. Pension benefits in relation to membership between 1 April 2009 and 31 March 2015 were built up at the rate of 1/60th pensionable pay for each year of membership. There's no automatic lump sum provided in respect of membership after 31 March 2009. Pension benefits in relation to any membership before 1 April 2009 were built up at the rate of 1/80th (pension) and 3/80ths (tax-free lump sum) of pensionable pay for each year of membership up to 31 March 2009. At retirement, members may give up some pension for additional lump sum subject to HM Revenue and Customs (HMRC) limits.

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. Rates can be seen in the Remuneration Report.

Under IAS 19, Tourism NI is required to account for their share of assets and liabilities in the scheme. Added years' discretionary benefits awarded to former employees who retired early are also accounted for as a defined benefit scheme, as in accordance with IAS 19. This liability represents the actuarial liability of future costs to LGPS 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 2016. In calculating the Tourism NI's assets and liabilities the fund's actuaries have rolled forward and updated the values calculated at the latest valuation (March 2018). The fund's actuaries had to make a number of assumptions about events and circumstances in the future meaning that the results of actuarial calculations are subject to uncertainties within a range of possible values.

b) Actuarial Assumptions

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

As at 31 March Actuarial Assumptions Used	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014
Rate of Increase in Pensions	2.1%	2.0%	1.8%	1.8%	2.4%
Rate of Increase in Salaries	3.6%	3.5%	3.3%	3.3%	3.9%
Discount Rate	2.6%	2.6%	3.5%	3.2%	4.3%
RPI Inflation	3.2%	3.1%	2.9%	2.9%	3.4%
CPI Inflation	2.1%	2.0%	1.8%	1.8%	2.4%

Mortality Assumptions

Actuarial Assumptions for Average Future Life Expectancy	Males 31 March 2018	Males 31 March 2017	Females 31 March 2018	Females 31 March 2017
Longevity at 65 for Current Pensioners	23.3 years	23.2 years	25.9 years	25.8 years
Longevity at 65 for Future Pensioners	25.5 years	25.4 years	28.2 years	28.1 years

Notes to the Accounts

for the Year Ended 31 March 2018

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 2018 and the projected service cost for the year ended 31 March 2019 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)	36.800	38.354
% Change in Present Value of Total Obligation	-2.0%	2.1%
Projected Service Cost (£M's)	1.102	1.171
Approximate % Change in Projected Service Cost	-3.0%	3.1%

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)	37.769	37.371
% Change in Present Value of Total Obligation	0.5%	-0.5%
Projected Service Cost (£M's)	1.136	1.136
Approximate % Change in Projected Service Cost	0.0%	0.0%

Rate of Increase to Pensions in Payment and Deferred Pensions Assumption, and Rate of Revaluation of Pension Accounts Assumption

Adjustment to Pension Increase Rate	+0.1% p.a.	-0.1% p.a.
Present Value of Total Obligation (£M's)	38.153	36.995
% Change in Present Value of Total Obligation	1.6%	-1.5%
Projected Service Cost (£M's)	1.171	1.102
Approximate % Change in Projected Service Cost	3.1%	-3.0%

Post Retirement Mortality Assumption

Adjustment to Mortality Age Rating Assumption*	-1 year	+1 year
Present Value of Total Obligation (£M's)	38.681	36.463
% Change in Present Value of Total Obligation	3.0%	-2.9%
Projected Service Cost (£M's)	1.177	1.095
Approximate % Change in Projected Service Cost	3.6%	-3.6%

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

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

Assets	Assets at 31 March 2018 %	Assets at 31 March 2017 %
Equities	71.4	74.5
Government Bonds	5.2	5.4
Corporate Bonds	7.2	6.1
Property	10.0	10.5
Cash	4.5	2.6
Other *	1.7	0.9
Total	100.0	100.0

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

Notes to the Accounts

for the Year Ended 31 March 2018

Statement of Financial Position

The following amounts at 31 March 2018, 2017, 2016, 2015 and 2014 were measured in accordance with the requirements of IAS 19:

	31 March 2018 £'000	31 March 2017 £'000	31 March 2016 £'000	31 March 2015 £'000	31 March 2014 £'000
Fair Value of Scheme Assets	29,956	28,218	23,646	22,764	19,853
Present Value of Defined Benefit Obligations	(38,287)	(35,850)	(27,925)	(28,715)	(24,583)
Net Pension Liability	(8,331)	(7,632)	(4,279)	(5,951)	(4,730)

d) Amounts Charged to Expenditure

	2017/18 £'000	2016/17 £'000
Analysis of Amount Charged to Net Expenditure Statement in Respect of Defined Benefit Scheme:		
Current Service Cost	(1,064)	(758)
Curtailments and Settlements	-	-
Past Service Cost	-	-
Employer Contributions	671	690
Contributions in Respect of Unfunded Benefits	58	59
	(335)	(9)
Analysis of Amounts Charged to Other Finance Costs:		
Interest on Net Defined Benefit Liability/(Asset) (Funded)	(171)	(113)
Interest on Net Defined Benefit Liability/(Asset) (Unfunded)	(18)	(23)
	(189)	(136)
Analysis of Amounts in the Statement of Taxpayers' Equity:		
Actuarial Gains/(Losses)	(175)	(3,208)
	(175)	(3,208)
Movement in Deficit During the Year		
Deficit in Scheme at the Beginning of the Year	(7,632)	(4,279)
Movement in the Year:		
Current Service Cost	(1,064)	(758)
Employer Contributions	671	690
Contributions in Respect of Unfunded Benefits	58	59
Past Service Cost	-	-
Net Return on Assets	(189)	(136)
Actuarial Gain/(Losses)	(175)	(3,208)
Deficit in Scheme at the End of the Year	(8,331)	(7,632)

Notes to the Accounts

for the Year Ended 31 March 2018

e) Employer 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 £38.3 million (2016/17 - £35.9 million) and results in a net overall deficit balance of £8.33 million (2016/17 £7.63 million) which is recorded on the Statement of Financial Position.

The deficit on the LGPS 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 2017/18, employers participating in the scheme reduced the contribution rate to 18% (2016/17 – 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 2018 £	31 March 2017 £	31 March 2016 £	31 March 2015 £	31 March 2014 £
Actuarial Gain (loss) on Assets	717	3,402	(82)	1,760	(807)
Actuarial Gain (loss) on Obligation/Liability	(892)	(6,610)	1,966	(2,695)	1,030
Net Actuarial Gain (Loss) Charged to Statement of Taxpayers' Equity	(175)	(3,208)	1,884	(935)	223
Fair Value of Scheme Assets	29,956	28,218	23,646	22,764	19,853
Present Value of Defined Benefit Obligations	(38,287)	(35,850)	(27,925)	(28,715)	(24,583)
Net Pension Liability	(8,331)	(7,632)	(4,279)	(5,951)	(4,730)

g) Republic of Ireland Employees

For those staff employed in the Republic of Ireland from 1st 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 contributions payable to Zurich Life Assurance Plc by Tourism NI for 2017/18 was £24,581 (2016/17 - £21,339).

15. COMMITMENTS UNDER OPERATING LEASES

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

	2017/18 £	2016/17 (restated) £
Not Later Than One Year	329,481	368,887
Later Than One Year and Not Later Than Five Years	599,557	967,509
Later Than Five Years	-	-
	929,038	1,336,397

There are no finance leases.

Notes to the Accounts

for the Year Ended 31 March 2018

16. CAPITAL COMMITMENTS

There was no capital commitment in 2017/18 (2016/17 - £nil).

17. 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:

	2017/18 £	2016/17 £
Not Later Than One Year	999,596	3,945,489
Later Than One Year and Not Later Than Five Years	396,000	3,065,000
Later Than Five Years	-	-
Present Value of Obligations	1,395,596	7,010,489

18. CONTINGENT LIABILITIES

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

19. RELATED PARTY TRANSACTIONS

Tourism NI is a Non-Departmental Public Body (NDPB) sponsored by the Department for the Economy (DfE). DfE and the other bodies it sponsors are regarded as related parties. In addition, Tourism NI has had a small number of transactions with other government departments and other central government bodies.

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 £nil (2016/17 - £218).

Katy Best Board Member

Director of Belfast City Airport, grant paid - £nil (2016/17 - £43,200).

Board Member of Metropolitan Arts Centre (MAC) - grant for year £nil (2016/17 - £25,000 grant payable), and services paid £nil (2016/17 - £156), services received £625 (2016/17 - £125).

Colin Neill Board Member

Chief Executive Pubs of Ulster (Hospitality Ulster) - sponsorship £nil (2016/17 - £475).

Director Northern Ireland Tourism Alliance - grant paid - £15,000 (2016/17 - £nil)

Michele Shirlow Board Member

Chief Executive Food NI - grant for year £72,800 (2016/17 - £239,500) and services paid - £nil (2016/17 - £1,832).

Terry McCartney Board Member

Director Northern Ireland Hotels Federation - sponsorship in year - £414,997 (2016/17 - £475,554 sponsorship). He is a Director for Belmore Court and Tourism NI has received income of £236 in 2017/18.

Michael McQuillan Board Member

Council Member of People 1st UK - services paid £nil (2016/17 - £26,754).

Angelina Fusco Board Member

Board Member of Visit Belfast - grant in year - £74,224 (2016/17 - £416,842) and services invoiced £1,624 (2016/17 - £1,200)

John McGrillen Chief Executive

Board Member of Tourism Ireland Ltd - grant paid £12,638,770 (2016/17 - £12,260,993) services paid £419,097 (2016/17 - £667,076), and income received £4,480 (2016/17 - £nil).

Governor on Board of Belfast Metropolitan College - services paid £1,180 (2016/17 - £1,048), services received £478 (2016/17 - £720).

Notes to the Accounts

for the Year Ended 31 March 2018

21. EVENTS AFTER THE REPORTING DATE

During the first quarter of 2018/19, Tourism NI was given approval by the Department of Finance to process backdated pay awards for its staff in Belfast. This relates to pay progression from 2014/15 to 2016/17. Tourism NI has held accruals for each of the years that this has been outstanding. These will be paid during the 2018/19 financial year.

Date Of Authorisation For Issue

The Accounting Officer authorised the issue of these financial statements on 20 September 2018.



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