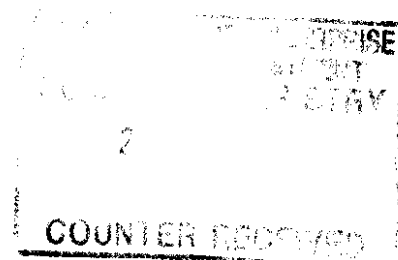
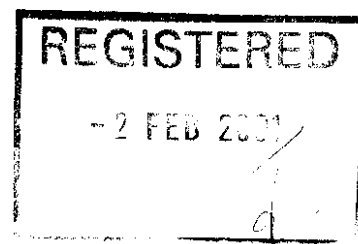


NORTHERN IRELAND MUSEUMS COUNCIL

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2000**

Co Reg No. NI 27735



McCLURE WATTERS
Chartered Accountants
Registered Auditors

NORTHERN IRELAND MUSEUMS COUNCIL

COMPANY INFORMATION

Directors	Professor T Fraser	Chairman
	Councillor M McCamphill	(resigned 23.06.99)
	Dr B Turner	(resigned 11.02.00)
	Professor R Buchanan	
	Dr M Crozier	
	Mrs S Frawley	
	Dr M Houlihan	
	Mr B Mackey	
	Ms R Marshall	
	Ms G Moreno	
	Councillor B Watson	
	Mr I Wilson	
	Mrs H Lanigan Wood	
	Mr J Young	

Dr J Bardon	(appointed 14.09.99)
Mr W Blair	(appointed 07.03.00)

Secretary	A Walsh
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Company number	NI 27735
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Registered office	66 Donegall Pass Belfast BT7 1BU
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Auditors	McClure Watters Thomas House 14-16 James Street South Belfast N Ireland BT2 7GA
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Bankers	Bank of Ireland 364 Lisburn Road Belfast BT9 6GL
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Solicitors	L'Estrange & Brett Arnott House 12-16 Bridge Street Belfast BT1 1LS
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NORTHERN IRELAND MUSEUMS COUNCIL

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FOREWORD TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000

The directors present their report and financial statements for the Council for the year ended 31 March 2000.

History, statutory background and review of the business

The Northern Ireland Museums Council was established by order of the Minister for the Department of Education on 1 April 1993.

Since that date the principal activity of the Council has continued to be the support of regional and local museums in Northern Ireland and the maintenance and improvement of their standards of collections' care and service to the public and also the promotion of a coherent framework of museum provision.

There have been no significant changes in the activities of the Council and none are anticipated in the foreseeable future.

Results

The results for the financial year are fully set out in the income and expenditure account on page 5.

The deficit for the year amounted to £10,040 which has been transferred to reserves.

Post balance sheet events

No significant events have occurred since the date of the balance sheet which affect the Council or which materially affect the financial statements of the Council.

Accounting policies

The financial statements have been prepared in accordance with statements of standard accounting practice issued by UK accountancy bodies in a form directed by the Department of Culture, Arts and Leisure, as approved by the Department of Finance and Personnel.

Fixed assets

Full details of all movements in fixed assets during the year are set out in the notes to the financial statements.

Corporate status

The company is a private company limited by guarantee and does not have a share capital. The liability of each member is limited to an amount not exceeding one pound. The company has been recognised as a charity by the Inland Revenue (No: XO 1107/93).

Employment policies

The Council's policy is to employ all its employees including disabled and non disabled persons on the same basis. The Council also fully embraces Fair Employment and Equal Opportunities legislation.

Charitable donations

The Council made no charitable donations during the year.

Better payment practice code

The Council's policy is to fully comply with the CBI better payment practice code.

FOREWORD TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000

Directors

The directors who served during the year are listed on the company information page.

Statement of Directors' and Chief Executive's responsibilities

The Directors are required to prepare a statement of accounts in the form and on the basis directed by the Department of Culture, Arts and Leisure with the approval of the Department of Finance and Personnel. The accounts are prepared on an accruals basis and must give a true and fair view of the Northern Ireland Museums Council's state of affairs at the year end and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts the Directors are required to:

- observe the accounts direction issued by the Department of Culture, Arts and Leisure 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 have been followed and disclose and explain any material departures in the financial statements;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the entity will continue in operation.

The Accounting Officer for the Department of Culture, Arts and Leisure has designated the Chief Executive as the Accounting Officer of the Northern Ireland Museums Council. His relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of the public finances and for keeping of proper records, are set out in the Non-Departmental Public Bodies' Accounting Officer Memorandum, issued by the Department of Finance and Personnel.

NORTHERN IRELAND MUSEUMS COUNCIL

FOREWORD TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000

Statement on internal financial control

As Accounting Officer, I acknowledge my responsibility for ensuring that an effective system of internal control is maintained and operated by the Northern Ireland Museums Council.

The system can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded and that material errors or irregularities are either prevented or would be detected within a timely period.

The system of internal financial control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting systems with an annual budget which is reviewed and agreed by the Board;
- regular reviews by the Board of periodic and annual financial reports which indicate the financial performance against the forecasts;
- setting targets to measure financial and other performance;
- clearly defined capital investment control guidelines;
- as appropriate, formal project management disciplines;

Because of the size of the Northern Ireland Museums Council it is not considered necessary or appropriate to operate an internal audit function.

My review of the effectiveness of the system of internal financial control is informed by the work of the Board which has responsibility for the development and maintenance of the financial control framework, and comments made by the external auditors.

Auditors

A resolution proposing that McClure Watters, Chartered Accountants, be re-appointed as auditors of the company will be put to the members at the Annual General Meeting.

BY ORDER OF THE BOARD



ACCOUNTING OFFICER

REGISTERED OFFICE

66 Donegall Pass
Belfast
BT7 1BU

Date: 13 June 2000.

NORTHERN IRELAND MUSEUMS COUNCIL

AUDITORS' REPORT TO THE MEMBERS OF NORTHERN IRELAND MUSEUMS COUNCIL

We have audited the financial statements on pages 5 to 14 which have been prepared under the modified historical cost convention and the accounting policies set out on page 10.

Respective responsibilities of directors and auditors

As described on page 2 the Council's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Council as at 31 March 2000 and of its deficit for the year then ended and have been properly prepared in accordance with the provisions of the Companies (Northern Ireland) Order 1986 and with the directions made there under by the Secretary of State. The expenditure and income have been applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.



McClure Watters

Chartered Accountants
Registered Auditor

Thomas House
14-16 James Street South
Belfast
N Ireland
BT2 7GA

Date: 13/6/00

NORTHERN IRELAND MUSEUMS COUNCIL

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2000

	Notes	2000 £	1999 £
Gross income	2	210,799	202,092
Operating expenses		(79,612)	(71,049)
Administrative expenses		(144,387)	(117,158)
Operating (loss)/profit	3	<u>(13,200)</u>	<u>13,885</u>
Other interest receivable and similar income	4	<u>3,160</u>	<u>2,923</u>
(Deficit)/surplus transferred to reserves		<u>(10,040)</u>	<u>16,808</u>

The income and expenditure account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the income and expenditure account.

The notes on pages 10 - 14 form part of the financial statements

NORTHERN IRELAND MUSEUMS COUNCIL

BALANCE SHEET AS AT 31 MARCH 2000

	Notes	2000 £	£	1999 £	£
Fixed assets					
Tangible assets	7		15,390		19,677
Current assets					
Debtors	8	2,895		7,886	
Cash at bank and in hand		60,759		69,179	
		<u>63,654</u>		<u>77,065</u>	
Creditors: amounts falling due within one year	9	<u>(25,441)</u>		<u>(27,013)</u>	
Net current assets			38,213		50,052
Total assets less current liabilities			<u>53,603</u>		<u>69,729</u>
Accruals and deferred income	10		(5,955)		(12,041)
			<u>47,648</u>		<u>57,688</u>
Capital and reserves					
Income and expenditure account	11		<u>47,648</u>		<u>57,688</u>

The financial statements were approved by the board on 13-6-2000.

Accounting officer: *Alex Wolff*

Chairman: *Thomas G. Jones*

The notes on pages 10 - 14 form part of the financial statements

NORTHERN IRELAND MUSEUMS COUNCIL

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2000

	2000 £	1999 £
Net cash (outflow)/inflow from operating activities (note 1)	(4,302)	15,998
Returns on investments and servicing of finance (note 2)	3,160	2,923
Capital expenditure and financial investments (note 2)	(2,860)	46
Net cash outflow before management of liquid resources and financing	(4,002)	18,967
Financing (note 2)	-	-
(Decrease)/increase in cash in the year	(4,002)	18,967

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2000

1 Reconciliation of operating (deficit)/surplus to net cash (outflow)/inflow from operating activities	2000	1999
	£	£
Operating (deficit)/surplus	(13,200)	13,885
Depreciation of tangible assets	11,565	8,155
Capital grant released	(6,086)	(6,086)
Decrease in debtors	4,991	550
Decrease in creditors within one year	(1,572)	(506)
Net cash (outflow)/inflow from operating activities	(4,302)	15,998

2 Gross Cash Flows		
Returns on investments and servicing of finance		
Interest received	3,160	2,923
Capital expenditure and financial investments		
Payments to acquire tangible assets	(2,860)	(17,054)
Receipts from capital grants	-	17,100
	(2,860)	46

NORTHERN IRELAND MUSEUMS COUNCIL

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2000

3	Analysis of net funds	1 April 1999	Cash flow	Other non- 31 March 2000 cash changes
		£	£	£
	Net cash:			
	Cash at bank and in hand	69,179	(8,420)	-
		<u>69,179</u>	<u>(8,420)</u>	<u>-</u>
	Net funds	<u>69,179</u>	<u>(8,420)</u>	<u>-</u>

4	Reconciliation of net cash flow to movement in net debt	2000 £	1999 £
	(Decrease)/increase in cash in the year	(8,420)	18,967
	Cash inflow from increase in debt	-	-
		<u>(8,420)</u>	<u>18,967</u>
	Movement in net funds in the year	69,179	50,212
	Opening net funds	<u>60,759</u>	<u>69,179</u>
	Closing net funds	<u>60,759</u>	<u>69,179</u>

NORTHERN IRELAND MUSEUMS COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the modified historical cost convention. The principal accounting policies are set out below:

1.2 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	33% per annum
Office equipment and furniture	15% per annum

1.3 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.4 Government grants

Grants of a revenue nature are credited to income in the year in which they are received. Grants relating to specific depreciating assets are credited to a Deferred Creditor account and are released to revenue over the expected useful life of the relevant assets. Grants received for non-depreciating assets are credited direct to reserves.

1.5 Cost of capital

The accounts include provision for a notional interest cost of capital employed by the Council during the year, at 6% of the average capital employed. The credit entry corresponding to the notional cost of capital is shown as a reversing entry below the results for the year.

2 Income	2000 £	1999 £
Grants - DCAL	180,000	162,000
Membership fees	5,275	4,887
Sundry and other income	23,775	33,166
Bank interest receivable	1,749	2,039
	<u>210,799</u>	<u>202,092</u>
3 Surplus of income over expenditure for the year	2000 £	1999 £
Operating (deficit)/surplus is stated after charging:		
Depreciation of tangible assets	11,565	8,155
Operating lease rentals	5,059	6,323
Auditors' remuneration	1,273	900
	<u></u>	<u></u>

NORTHERN IRELAND MUSEUMS COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000

4	Other interest receivable and similar income	2000 £	1999 £
	Notional credit cost of capital	3,160	2,923

5 Taxation

There is no liability to corporation tax due to the charitable status of the entity.

6 Directors and employees

Number of employees

The average monthly number of employees during the year was:

	2000 Number	1999 Number
Administration	4	3

Employment costs

	2000 £	1999 £
Wages and salaries	69,543	55,544
Social security costs	6,690	6,066
Other pension costs	9,873	9,542
	86,106	71,152

There were no emoluments paid to directors during the year (1999 - Nil). The emoluments of the Chief Executive including pension costs were £37,986 (1999 - £37,907).

Pension costs

The Council's employees are members of the Principal Civil Service Pension Scheme (Northern Ireland). The scheme is non contributory and its assets are held separately from the Council and administered by the Department of Finance & Personnel Superannuation Branch. Contributions are made to the scheme under rules set out by the Government Actuary, and benefits are determined by members' earnings and years of service. An actuarial valuation of the scheme was carried out as at 31 March 1997, at which date contribution rates were established based on individual members' rates of pay. There were no exceptional contributions and no unfunded pension payments included in the pension costs for the year.

NORTHERN IRELAND MUSEUMS COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000

7 Tangible fixed assets

	Computer equipment	Office equipment and furniture	Total
	£	£	£
Cost			
At 1 April 1999	21,580	16,465	38,045
Additions	4,418	2,860	7,278
At 31 March 2000	25,998	19,325	45,323
Depreciation			
At 1 April 1999	10,211	8,157	18,368
Charge for the year	8,666	2,899	11,565
At 31 March 2000	18,877	11,056	29,933
Net book value			
At 31 March 2000	7,121	8,269	15,390
At 31 March 1999	11,369	8,308	19,677

8 Debtors	2000 £	1999 £
Other debtors	2,895	7,886

9 Creditors: amounts falling due within one year	2000 £	1999 £
Trade creditors	5,021	-
Other creditors	20,420	27,013
	25,441	27,013

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000

10 Accruals and deferred income

	Government grants £
Balance at 1 April 1999	12,041
Amortisation in the year	(6,086)
Balance at 31 March 2000	<u>5,955</u>

11 Statement of movements on income and expenditure account

	Income and expenditure account £
Balance at 1 April 1999	57,688
Retained deficit for the year	(10,040)
Balance at 31 March 2000	<u>47,648</u>

12 Notional cost of capital

The notional cost of capital is calculated as £3160 and is included in administration expenses.

The credit entry corresponding to the notional cost of capital is shown as a reversing entry under "other interest receivable and similar income".

13 Related party transactions

Northern Ireland Museums Council is a Non-Departmental Public Body (NDPB) sponsored by Department of Culture, Arts and Leisure (DCAL).

DCAL is regarded as a related party. During the year Northern Ireland Museums Council received a grant totalling £180,000 from DCAL and had various other transactions with other entities for which DCAL is regarded as the parent department.

Substantially all of the grants awarded by the Council during the year are distributed to entities which are members of the Museums Council.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000

14 Financial performance targets

The Council has agreed with the Department of Culture, Arts and Leisure two financial performance targets for the year ended 31 March 2000. The targets and related performances are as follows:

Target	The Council will raise funds from other sources of at least 5% of its base grant-in-aid funding.
Performance	During the year the Council raised funds from other sources totalling £30,799 which represents 17.8% of its base grant-in-aid funding of £172,600.
Target	The Council will provide 38.2% of its base grant for Project Grant Aid activities.
Performance	£55,360 was provided for Project Grant Aid which meets the set target.

APPENDIX 1**NORTHERN IRELAND MUSEUMS COUNCIL - ACCOUNTS DIRECTION****ACCOUNTS DIRECTION GIVEN BY THE DEPARTMENT OF EDUCATION WITH THE APPROVAL OF DFP, IN ACCORDANCE WITH THE MANAGEMENT STATEMENT**

- 1 The Northern Ireland Museums Council shall prepare accounts for the financial year ended 31 March 2000 and subsequent financial years comprising:
 - (a) a foreword;
 - (b) an income and expenditure account;
 - (c) a balance sheet;
 - (d) a cash flow statement; and
 - (e) a statement of total recognised gains and lossesincluding such notes as may be necessary for the purposes referred to in the following paragraphs.
- 2 The accounts shall give a true and fair view of the income and expenditure and cash flows for the financial year, and the state of affairs as at the end of the financial year.
- 3 Subject to this requirement, the accounts shall be prepared in accordance with:
 - (a) generally accepted accounting practices in the United Kingdom (UK GAAP);
 - (b) the disclosure and accounting requirements contained in "The Fees and Charges Guide" (in particular those relating to the need for appropriate segmental information for services or forms of service provided) and in other guidance which the DFP may issue from time to time in respect of accounts which are required to give a true and fair view;
 - (c) the accounting and disclosure requirements given in "Government Accounting Northern Ireland" and in "Executive NDPBs: Annual Reports and Accounts Guidance", as amended or augmented from time to time, insofar as these are appropriate to the Northern Ireland Museums Council and are in force for the financial year for which the statement of accounts is to be prepared.
- 4 Clarification of the application of the accounting and disclosure requirements of the Companies (Northern Ireland) Order 1986 and accounting standards is given in Schedule 1 attached. Additional disclosure requirements are set out in Schedule 2 attached.
- 5 The income and expenditure account and balance sheet shall be prepared under the historical cost convention modified by the inclusion of:
 - (a) fixed assets at their value to the business by reference to current costs; and
 - (b) stocks at the lower of net current replacement cost (or historical cost if this is not materially different) and net realisable value.

Schedule 1

APPLICATION OF THE ACCOUNTING AND DISCLOSURE REQUIREMENTS OF THE COMPANIES (NORTHERN IRELAND) ORDER 1986 AND ACCOUNTING STANDARDS

Companies (Northern Ireland) Order 1986

- 1 The disclosure exemptions permitted by the Companies (Northern Ireland) Order 1986 shall not apply to the Northern Ireland Museums Council unless specifically approved by DFP.
- 2 The Companies (Northern Ireland) Order 1986 requires certain information to be disclosed in the Directors' Report. To the extent that it is appropriate, the information relating to the Northern Ireland Museums Council shall be contained in the foreword.
- 3 When preparing its income and expenditure account, the Northern Ireland Museums Council shall have regard to the profit and loss account format 2 prescribed in Schedule 4 to the companies (Northern Ireland) Order 1986.
- 4 When preparing its balance sheet, the Northern Ireland Museums Council shall have regard to the balance sheet format 1 prescribed in Schedule 4 to the Companies (Northern Ireland) Order 1986. The balance sheet totals shall be struck at "Total assets less current liabilities".
- 5 The Northern Ireland Museums Council is not required to provide the additional information required by paragraph 33(3) of Schedule 4 to the Companies (Northern Ireland) Order 1986.
- 6 The foreword and balance sheet shall be signed by the Accounting Officer and dated.

Accounting standards

- 7 The Northern Ireland Museums Council is not required to include a note showing historical cost profits and losses as described in FRS 3.
- 8 The Northern Ireland Museums Council shall not adopt the Financial Reporting Standard for Smaller Entities (effective March 2000) unless specifically approved by DFP.

Schedule 2

ADDITIONAL DISCLOSURE REQUIREMENTS

- 1 The foreword shall, inter alia:
 - (a) state that the accounts have been prepared in a form directed by the Department with the consent of DFP;
 - (b) include a brief history of the Northern Ireland Museums Council and its statutory background.
- 2 The notes to the accounts shall include details of the key corporate financial targets set by the Department together with the performance achieved.

NORTHERN IRELAND MUSEUMS COUNCIL



DETAILED INCOME AND EXPENDITURE ACCOUNT - SCHEDULE A FOR THE YEAR ENDED 31 MARCH 2000

	2000		1999	
	£	£	£	£
Income				
Department of Culture, Arts and Leisure grant	180,000		162,000	
Membership fees	5,275		4,887	
Gulbenkian Foundation	1,000		-	
Sundry donations	22,775		33,166	
Bank interest received	1,749		2,039	
		210,799		202,092
Operating expenses - Sch B	79,612		71,049	
Administrative expenses - Sch B	144,387		117,158	
		(223,999)		(188,207)
Operating (deficit)/surplus		(13,200)		13,885
Other interest receivable and similar income				
Notional credit cost of capital		3,160		2,923
(Deficit)/Surplus transferred to reserves		(10,040)		16,808

NORTHERN IRELAND MUSEUMS COUNCIL



OPERATING AND ADMINISTRATIVE EXPENSES - SCHEDULE B FOR THE YEAR ENDED 31 MARCH 2000

	2000 £	1999 £
Operating expenses		
Grants awarded	50,097	50,797
Projects	21,255	14,929
Training programmes	4,860	1,923
Museums Documentation Association	3,400	3,400
	<u>79,612</u>	<u>71,049</u>
Administrative expenses		
Wages and salaries	69,543	55,544
Employer's NI contributions	6,690	6,066
Temporary staff	-	2,600
Staff pension costs	9,873	9,542
Recruitment expenses	11,010	8,921
Staff training	1,956	595
Rents	5,059	6,323
Insurance	789	372
Telephone	3,151	1,568
Repairs and maintenance	510	1,249
Service charge	1,505	1,427
Printing and stationery	6,933	1,789
Marketing	246	176
Books and journals	1,638	1,681
Postage	2,118	1,673
Computer running costs	959	-
Travelling expenses	10,376	9,027
Hospitality	-	466
Legal and professional fees	212	490
Accountancy service	646	359
Audit fees	1,273	900
Bank charges	323	567
Sundry expenses	-	180
Membership fees	938	651
Grant amortisation	(6,086)	(6,086)
Depreciation	11,565	8,155
Cost of capital	3,160	2,923
	<u>144,387</u>	<u>117,158</u>