

Northern Ireland Museums Council

Financial statements for the year ended 31 March 2013

Registered No: NI 27735

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Directors and advisors

Directors

Mr J Glendinning (Chairman)
Ms N Cunningham (Vice-Chair)
Councillor F Agnew (resigned 26th Sept 2012)
Mr P Barr
Councillor R Burgess (appointed 26th Sept 2012)
Mr M Collins (resigned 26th Sept 2012)
Dr R Coulter (appointed 26th Sept 2012)
Prof E Crooke (appointed 26th Sept 2012)
Ms R Doherty (appointed 26th Sept 2012)
Professor T Fraser (resigned 28th Aug 2012)
Professor P Gray (resigned 26th Sept 2012)
Mr C Harkness
Mr R Hegarty
Councillor S Huggett (appointed 26th Sept 2012)
Mr M King (resigned 26th Sept 2012)
Mr B Mackey (resigned 26th Sept 2012)
Mr C McGuicken (resigned 26th Sept 2012)
Councillor O Mercer (appointed 8th Oct 2012)
Mr R Morton
Councillor G Mullan (resigned 26th Sept 2012)

Audit Committee

Mr P Barr
Mr C Harkness
Mr J Glendinning

Grant Committee

Councillor R Burgess
Ms R Doherty
Mr R Hegarty
Councillor O Mercer
Mr R Morton

Planning Committee

Councillor R Burgess
Dr R Coulter
Prof E Crooke
Mr J Glendinning
Councillor S Huggett

Staffing Committee

Ms N Cunningham
Mr C Harkness
Councillor O Mercer

Secretary

Mr C Bailey

Registered Office

6 Crescent Gardens
Belfast
BT7 1NS

Accounting Officer

Mr C Bailey

Principal Office

6 Crescent Gardens
Belfast
BT7 1NS

Directors and advisors (continued)

Professional Advisors

Auditors

Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU

Bankers

Bank of Ireland
364 Lisburn Road
Belfast
BT9 6GL

Solicitors

Pinsent Masons
Arnott House
12 - 16 Bridge Street
Belfast
BT1 1LS

Chairman's statement

The year under review has been a particularly challenging one for NIMC and the local museum sector, given that both, it would seem, are on the cusp of notable change.

As you will appreciate from the following report, the Council has operated in 2012-13 with reduced financial resources and thus we dispersed fewer grants this year, and in line with the requirements of the Managing Public Money NI expended its reserves. The Department initiated a review of its arm's length bodies, of which NIMC is but one, and at the conclusion of the review's first stage it was concluded that NIMC's functions are still required. The second stage, which it is anticipated will be completed by mid-2013, will examine the future options for delivering our functions. And yet against this fluid backdrop considerable progress was made during the year on the delivery of the second phase of the Collections Skills Initiative, the completion of the quinquennial Mapping Trends, the training provided and the enhancement of service provision through the new web site.

For the museum sector generally, 2012-13 saw the introduction of the revised Museum Accreditation Standard and our staff have been diligent in assisting the sector to prepare their applications to the new scheme. In addition, in preparation for the anticipated reorganisation of local government in Northern Ireland in 2015, NIMC issued a report on the impact such change will have on the sector and made nine salient recommendations concerning museums and this change process. These have been welcomed unreservedly by the local councils, with whom we will continue to engage and assist in the coming years.

This time last year I reported to the Council as 'Acting Chairman', later in the year I was honoured to be elected as Chairman of the Council at the Annual General Meeting in September. At that meeting there was a significant change in the membership of the Board as those who had completed their term of office stood down, to be replaced with new members representing the local councils, the universities and local museum curators. I extend my thanks to Fraser Agnew, Tom Fraser, Peter Gray, Mike King, Brian Mackey, Craig McGuicken and Gerry Mullan, who have now left the Council having brought their considerable experience, wisdom and insight to the Board table over the last three years. We welcome in their place Robert Burgess, Riann Coulter, Elizabeth Crooke, Roisin Doherty, Stephen Huggett and Olive Mercer.

It is, however, with deep regret that I must record that we were very saddened by the sudden death of Michael Collins in October last year. Michael joined the Board in 2009, as a representative of the independent and voluntary museums, and gave us invaluable service having served on virtually all of the Council's Committees and brought his enthusiasm and broad knowledge to bear on the ambition of NIMC and the issues it faces. Our sympathies are with his family.

There were various changes across the Council's staff during 2012-13, with the resignation of Briony Crozier who had been the Assistant Director since 2005, and with Karen Magowan continuing her maternity leave. In March 2013 the NIMC Development Officer, Heather McGuicken, also announced that she wished to leave to take up a new and challenging post of museum manager with the North Down Borough Council. Heather has been with NIMC for nearly 14 years. Heather is highly regarded and respected across the sector, particularly for her guidance to museums regarding the Museum Accreditation Scheme. We wish her well for the next stage of her career. Needless to say, the Council will be seeking to recruit new staff to ensure that we continue to provide the much-demanded support, leadership and advocacy to local museums to the highest possible standard.

Chairman's statement (continued)

Finally I would like to pay tribute to our Director, Chris Bailey, who has continued to guide the Council through a very difficult year despite a decreased budget and staff and a new board and Chairman. All the NIMC members, staff and Board are, I know, very appreciative of all the hard work and expertise that Chris gives with enthusiasm to the Council.



Mr Johnny Glendinning
Chairman

Report of the Directors for the year ended 31 March 2013

The Directors of the Northern Ireland Museums Council, for the purposes of the Companies Act 2006, submit their annual report and the audited financial statements for the year ended 31 March 2013.

Northern Ireland Museums Council

The Northern Ireland Museums Council was established in 1993 to support the local museums of Northern Ireland in maintaining and improving their standards of collections care and public service, and to promote a coherent framework of museum provision.

The Council is funded, in the main, by the Department of Culture, Arts and Leisure, and as such contributes to that Department's Mission - "to deliver economic growth and to enhance the quality of life in Northern Ireland by unlocking full potential of the culture, arts and leisure sectors". A key objective within its Corporate Plan is that the Northern Ireland Museums Policy is implemented through the NIMC Business Plan.

The vision of the Northern Ireland Museums Policy is for a coordinated and sustainable museum sector that develops, preserves and interprets its collections to the highest possible standards; delivers quality services that inspire, educate and engage local, national and international visitors and users; harnesses its strengths and diversity to support economic, social and cultural development in Northern Ireland and a shared and better future.

The policy states that "fulfilling this vision will require a concerted effort, not just by museums, their staff and governing bodies, but also by central and local government", with the associated work set out as a series of goals corralled under four strategic priorities:

- Developing Audiences;
- Education and Learning;
- Collections Development, Care, Management and Use; and
- Infrastructure, Investment and Resources.

NIMC's Corporate and Business Plans adopt the same structure as the Northern Ireland Museums Policy, thus there is a direct correlation between the policy goals, NIMC's corporate objectives and the actions taken in pursuit of the goals and objectives.

2012-2013 Performance

Collections Care, Management and Use

Grant Programmes

The Accredited Museum Grant Programme is open to museums which are recognised under the Museum Accreditation Scheme through which they may seek grant support for projects aimed at enhancing the standards of collections care and management and improving public access to museum collections by way of advancing the goals of the Northern Ireland Museums Policy. The following grants were made during 2012-13:

Report of the Directors for the year ended 31 March 2013 (continued)

Ballycastle Museum	Glass and Ceramics Conservation Project – Phase I	£1,868.75
Carrickfergus Museum	Conservation of Archival Material	£1,170.00
Coleraine Museum	Hugh Thompson Book Conservation Project	£2,210.00
Craigavon Museum Service	Conservation of Paper Items	£350.00
Down County Museum	Conservation of Artworks on Paper	£1,170.00
Down County Museum	Reframing of Art Collection	£1,794.00
Downpatrick and Co Down Railway	Restoration of Ulster Railway Carriage	£510.39
Larne Museum	Smiley Bible Conservation Project	£552.50
Limavady Museum	Newtown Estate Maps	£799.50
Lisburn Museum	Exhibition Display Cases	£3,101.00
Newry and Mourne Museum	Conservation of Deputy Lieutenant's Uniform	£617.50
Newry and Mourne Museum	Conservation of Photographs and Documents	£1,670.00
North Down Museum	Care of Collections Project	£2,925.00
	Total	£18,738.64

Acquisition Fund

This Fund is a vital means of helping local museums develop their collections through providing grant assistance towards the acquisition of objects. In so doing the Fund ensures that valued aspects of the common heritage are preserved in perpetuity. During the course of the year, the following grants made:

Mid-Antrim Museum	Carved stones from Ballymena Castle	£1,000
Fermanagh County Museum	William Scott Print	£1,000
	Total	£2,000

Developing Audiences

Raising the profile of Museums

NIMC redesigned and launched a new web site in August 2012 which has a strong focus on the promotion of the exhibitions, activities and events at the 37 Accredited local museums across Northern Ireland. The Council also provided various social media platforms, including Facebook and Twitter for use by the sector. These aspects have resulted in a three-fold increase in the traffic to the sites and a similar increase in the number of unique visitors.

The new web site also carries salient information about the Council and how it operates, and may be accessed at www.nimc.co.uk

Volunteering

NIMC plays a key role in promoting volunteering opportunities through its web site, which also carries advice and guidance on all aspect of volunteering in museums. The Council's Museum Mapping 2012 survey indicated that the number of volunteers at museums increased significantly, rising from 170 in 2006 to 315 in 2012, representing an 85% increase.

Report of the Directors for the year ended 31 March 2013 (continued)

Education and Learning

Access to Education

The launch of the new web site allowed NIMC to develop and promote a publically accessible database of all local museum education programmes related to delivering aspects of the four Key Stages of the curriculum. This information is available at www.nimc.co.uk/schools-and-learning/

Training

The training NIMC provides is a fundamental component in ensuring that the staff and volunteers at museums have the appropriate skills to enable them to care for the collections and provide high quality public services. During 2012-13 the Council presented eight training courses:

- Documentation - Policies, Plans and Procedures;
- Developing a Forward Plan;
- Developing a Collections Care and Conservation Plan;
- Object Handling;
- Collections Care and Conservation Plan Workshop follow up day;
- Museum Mentors;
- Evaluating for Success; and
- Showcase Dressing.

In addition one site visit was organised, to the stores of the National Museums of Ireland, outside Dublin.

In all 80 individuals benefitted from the training presented and there was a 90% satisfaction rating for the training programme.

Collections Skills Initiative Northern Ireland

The Collections Skills Initiative was established as a partnership between NIMC and the National Museums Northern Ireland in 2010. It is funded primarily by the Heritage Lottery Fund which offers bursary placements to 12 individuals seeking a career in the sector. The year-long programme comprises a series of formal learning workshops, focused upon collections care and management, and on-the-job training through a placement at a host museum.

The first phase of the scheme concluded in December 2011 and of the 12 participants 10 are now employed in the sector.

In June 2012 NIMC received confirmation that further funding had been secured, which allowed a second phase of the programme to be initiated. A further 12 trainees were recruited, who will complete their collections management training and museum placements in September 2013.

Following discussions with our various partners, the Council made another application to the Heritage Lottery Fund to run a complementary bursary programme focusing on community engagement in museums.

Report of the Directors for the year ended 31 March 2013 (continued)

Infrastructure and Resources

Accreditation Standard

NIMC administers the UK-wide Museum Accreditation Scheme for local museums in Northern Ireland. The standard was revised in 2011. To qualify for recognition under the standard museums must demonstrate specific levels of achievement in museum management, collections management, visitor facilities and user services. The Council aims to assist all local museums to acquire the revised standard and pursues this through the provision of administrative support, site visits, training courses and one-to-one sessions.

During 2012-13 assistance was provided to five new museums which were successful in achieving 'eligible' status under the scheme, thus allowing them to proceed with the applications to achieve full recognition. One museum was removed from the scheme due to closure and five of the 37 local museums were assessed and granted full Accredited status. The majority of local museums will be assessed during 2013-14.

Advice and Information

The 'on demand' information and guidance service provided by the Council continued to be heavily used during 2012-13, with guidance on the development of new facilities being to the fore amongst enquirers.

Research

During the course of the year NIMC completed and published *Museum Mapping 2012*, which is a quinquennial survey of all local museums in Northern Ireland. The associated report is available through the Council's web site at <http://www.nimc.co.uk/research-and-publications/>

Among the most notable key findings are:

- the continued rise in the number of professional staff and volunteers working in the sector;
- the 47% rise in attendances at local museums which took place from 2006 to 2011; and
- the significant progress made by local museums in enhancing their standards in collections care and management.

Local Government Reorganisation

In November 2012 NIMC published a paper concerning the impact of the proposed reform and reorganisation of local government upon museums. While at first sight such fundamental change appears daunting, the Council feels that it will open up notable opportunities for local museums to play a stronger and more influential role in delivering services in response to the needs, aspirations and concerns of citizens. *The Future of Northern Ireland's Local Museum Services* is available through the web site at <http://www.nimc.co.uk/research-and-publications/>

During the coming year NIMC will be closely engaged with local government concerning the preparation and change processes.

Report of the Directors for the year ended 31 March 2013 (continued)

Governance and Accountability

In line with the requirement and guidance provided, the Northern Ireland Museums Council has reported in full concerning the governance of the company during 2012-13 through the Governance Statement which follows. This statement replaces the Statement of Internal Control which was presented in previous years, and provides a detailed assessment of the principal activities and issues which arose during the course of the year.

A schedule of those who have served on the Board of Director of the Northern Ireland Museums Council, together with the changes which occurred in Board membership. The Board of Directors met on a quarterly basis during 2012-13, copies of the minutes of the meetings of the Board are published at www.nimc.co.uk/about-us/governance/.

As a membership organisation, NIMC is responsive to the sector, providing leadership and advocacy in order to advance its interests. It liaises with the membership during the course of each year and the Board of Directors reported to the Council's membership at the Annual General Meeting held in September 2012. Details of the membership are provided in a separate section which follows.

Statement of Directors' Responsibilities

The Directors have overall responsibility for ensuring that NIMC has appropriate system of controls, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- NIMC is operating efficiently and effectively;
- it maintains a Fraud Prevention Policy and Response Plan;
- its assets are safeguarded against unauthorised use or disposition;
- proper records are maintained and financial information used by the Council or used for publication is reliable; and
- that NIMC complies with relevant laws and regulations.

Company and charity law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs and of the surplus or deficit for that period. In preparing those statements, the Directors have:

- selected suitable accounting policies and then applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures, disclosed and explained in the financial statements; and
- prepared the financial statements on the going concern basis.

In preparing the annual report and financial statements of the Northern Ireland Museums Council, the Directors have adopted the provisions of the Accounting and Reporting by Charities: Statement of Recommended Practice revised 2005 ("SORP 2005").

Report of the Directors for the year ended 31 March 2013 (continued)

Financial Review

It is the view of the Board of Directors that the Northern Ireland Museums Council operated prudently and effectively within the parameters of the financial resources which were available to it. The Board formally monitors the financial position of the Council at least on a quarterly basis, at its scheduled meetings, the Minutes of which are published on the Council's web site.

NIMC now operates without cash reserves and both DCAL and the Heritage Lottery Fund, as the current major funders of the Council are aware of this position.

Mindful of the requirements of Managing Public Money NI, the Council now operates on the basis of drawing down cash resources from its funders as and when they are required, and in principle (concerning funding from the Heritage Lottery Fund) not in advance of need. A consequence of this is that at the year end the Council is showing a deficit.

Plan for the Future

The Board of Directors of the Northern Ireland Museums Council has agreed the key components of its planned activity for 2013-14, which aim to advance the goals of the Northern Ireland Museums Policy and address the identified Statutory and Public Policy Obligations and Departmental Priorities. These include:

- The delivery of initiatives in support of local museums concerning Collections Development, Care and Management; Education and Learning; Developing Audiences; and, Infrastructure, Investment and Resources;
- Providing the necessary guidance and support to local museums regarding the revised Museum Accreditation Scheme;
- Delivering support to local museums through two grant programmes – the Accredited Museum Grant Programme and the Acquisition Fund; and
- The delivery of the Collections Skills Initiative Northern Ireland.

In line with its statutory obligations under Section 75 of the Northern Ireland Act 1998, NIMC has Equality Scheme and Disability Action Plan, agreed by the Equality Commission, which will set out how the Council will meet its associated duties.

Personnel matters

The NIMC Staff Committee oversees the personnel matters of the Council. Employees have been consulted on matters of concern to them by means of regular staff meetings and have been kept informed on specific matters directly by management. The Council has adopted procedures for the annual evaluation of staff performance and appraisal and for the upward feedback for senior management and Directors.

The Council operates a number of detailed policies in relation to personnel matters including:

- Equal Opportunities;
- Health and Safety;
- Harassment in the Workplace;
- Grievance; and
- Whistleblowing.

In accordance with the Equal Opportunities policy, NIMC has long established fair employment practices in the areas of recruitment, selection, retention and training of staff.

At the end of 2012-13 the Council employed five staff to carry out its business.

Report of the Directors for the year ended 31 March 2012 (continued)

Auditors


So far as the Directors are aware, there is no relevant audit information of which the Northern Ireland Museum Council's auditors are unaware and we have taken all the steps that we ought to have taken as Directors in order to make ourselves aware of any relevant audit information and to establish that the Council's auditors are aware of that information.

Consequent to The Companies (Public Sector Audit) Order (Northern Ireland) 2008, the Council's accounts are audited through the Northern Ireland Audit Office by the Comptroller and Auditor General.

By order of the Board


C Bailey
Accounting Officer

5 July 2013


J Glendinning
Chairman

5 July 2013

Remuneration Report

Remuneration Policy

The remuneration of all staff within NIMC is set with reference to the Northern Ireland Civil Service Payscale. The Minister for Finance approved a restructured SCS pay settlement broadly in line with the Senior Salaries Review Board report which he commissioned in 2010. The commitment to a Pay and Grading Review for SCS was the second phase of the equal pay settlement approved by the Executive.

Service contracts

Civil service appointments are made in accordance with the Civil Service Commissioners' Recruitment Code, which requires appointment to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made.

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commissioners can be found at www.nicscommissioners.org.

Salary and pension entitlements

The following sections provide details of the remuneration and pension interests of the senior management of NIMC.

Senior Management Remuneration (audited)

	2012-13			2011-12		
	Salary £'000	Bonus payments £000	Benefits in kind £000	Salary £'000	Bonus payments £000	Benefits in kind £000
C Bailey Chief Executive	50-55	0	0	50-55	0	0
Band of Highest paid Officer's Total Remuneration	50-55			50-55		
Median Total	£27,835			£27,069		
Ratio	1.89			1.88		

Salary

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

Bonuses

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year which they become payable to the individual. There were bonuses totalling £163.46 paid to four staff during the financial year.

Remuneration Report (continued)

Benefits in kind

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

Pension benefits (audited)

	Accrued pension at age 60 as at 31/3/13 and related lump sum	Real increase in pension sum at age 60 and related lump sum	CETV at 31/3/13	CETV at 31/3/12	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
C Bailey Chief Executive	10 - 15 40 - 45	0 - 2.5 0 - 2.5	289	266	7

Staff pensions

The Principal Civil Service Pension Schemes (NI) ("PCSPS (NI)") of which senior management are members, is an unfunded, multi-employer, defined benefit schemes, but NIMC is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out at 31 March 2010 and details of this valuation are available in the PCSPS (NI) resource accounts.

For 2012/13, employer's contributions of £12,029 were payable to the PCSPS (NI) in relation to senior staff, (2011/12 - £12,029) at one of four rates in the range 18% to 25% of pensionable pay, based on salary bands. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred and they reflect past experience of the scheme.

Northern Ireland Civil Service (NICS) Pension arrangements

Pension benefits are provided through the Northern Ireland Civil Service pension arrangements which are administered by Civil Service Pensions (CSP). Staff in post prior to 30 July 2007 may be in one of three statutory based 'final salary' defined benefit arrangements (classic, premium, and classic plus). These arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. From April 2011 pensions payable under classic, premium, and classic plus are increased annually in line with changes in the Consumer Prices Index (CPI). Prior to 2011, pensions were increased inline with changes in the Retail Prices Index (RPI). New entrants joining on or after 1 October 2002 and before 30 July 2007 could choose between membership of premium or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account). New entrants joining on or after 30 July 2007 are eligible for membership of the nuvos arrangement or they can opt for a partnership pension account. Nuvos is an 'Career Average Revalued Earnings' (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current rate is 2.3%. CARE pension benefits are increased annually in line with increases in the CPI. For 2012, public service pensions will be increased by 2.2% with effect from 8 April 2013.

Remuneration Report (continued)

Employee contributions are determined by the level of pensionable earnings. The current rates are as follows:

Members of classic:

Annual pensionable earnings (full-time equivalent basis)	Contribution rate before tax relief for 1 April 2012 to 31 March 2013	New 2013 contribution rate before tax relief
Up to £15,000	1.50%	1.50%
£15,001-£21,000	2.10%	2.70%
£21,001-£30,000	2.70%	3.88%
£30,001-£50,000	3.10%	4.67%
£50,001-£60,000	3.50%	5.46%
Over £60,000	3.90%	6.25%

Members of premium, nuvos and classic plus:

Annual pensionable earnings (full-time equivalent basis)	Contribution rate before tax relief for 1 April 2012 to 31 March 2013	New 2013 contribution rate before tax relief
Up to £15,000	3.50%	3.50%
£15,001-£21,000	4.10%	4.70%
£21,001-£30,000	4.70%	5.88%
£30,001-£50,000	5.10%	6.67%
£50,001-£60,000	5.50%	7.46%
Over £60,000	5.90%	8.25%

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

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

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. Pension age is 60 for members of **classic**, **premium**, and **classic plus** and 65 for members of **nuvos**. Further details about the CSP arrangements can be found at the website www.dfpni.gov.uk/civilservicepensions-ni.

Remuneration Report (continued)

Cash Equivalent Transfer Values

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

The real increase in the value of the CETV

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

Compensation for loss of office

There were no amounts payable in relation to compensation for loss of office.

Governance Statement for the year ended 31 March 2013

Introduction

As Accounting Officer for the Northern Ireland Museums Council, it is my responsibility to ensure that a sound system of internal governance is maintained that supports the Council in pursuing its overall aims and objectives. These are set out in its Corporate and Business Plan, the content of which is predicated upon the Northern Ireland Executive's Programme for Government, most particularly the Northern Ireland Museums Policy, and upon various other priorities of the Department of Culture, Arts and Leisure

Remit

The Northern Ireland Museums Council was established in 1993 by order of the then Minister for Education and is constituted as a company limited by guarantee (without share capital) and has charitable status. As such it operates under the Companies Act 2006 and associated subsequent legislation. The Council is not a Statutory Agency and does not carry out its functions on behalf of the Crown. However, for policy and administrative purposes, NIMC is classified as an executive non-departmental body (NDPB) of the Department of Culture, Arts and Leisure, through which it receives most of its funding.

Government has approved the Council's overall aim of supporting local museums in Northern Ireland in maintaining and improving their standards of collections care and services to the public and to promote a coherent framework of museum provision.

Governance Framework

The Northern Ireland Museums Council is governed by a Board of Directors comprising between seven and fifteen members. Board members serve on a voluntary basis and are normally appointed for a period of three years. Directors are drawn from various constituencies as follows:

- The Minister for Culture, Arts and Leisure has the right to nominate three Directors
- District Councils that operate an Accredited museum have the right to nominate three Directors
- The Northern Ireland Regional Museum Curators Group has the right to nominate three Directors
- The Independent and service museums have the right to nominate two Directors
- Queen's University and the University of Ulster have the right to nominate one Director
- National Museums Northern Ireland may nominate one Director
- Other Directors may be co-opted.

The Board reports to the NIMC membership at the Annual General Meeting, which is held in September each year.

The Role of the Board and Governance Framework

The Board has the corporate responsibility for ensuring that the Northern Ireland Museums Council effectively and efficiently fulfils its aims and objectives while being mindful of its statutory authority and obligations. To this end, the Board:

- Sets the strategic direction of the Council through the production of a Corporate Plan, the associated Business Plans and budgets, and key performance indicators. This process provides an opportunity for agreeing, with the Minister and the Department, the policy and resources framework within which the Council will discharge its duties,
- Monitor the performance of the Council as it pursues its aims and objectives
- Observe the highest standards of propriety, particularly in relation to corporate governance and the stewardship of public funds.

Governance Statement for the year ended 31 March 2013 (continued)

- Operate 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
- Ensure full compliance with the Code of Practice on Access to Government Information
- Take account of the views and opinions of the NIMC membership in devising the work of the Council
- Take account of any guidance issued by the Department when reaching its decisions
- Establish a committee structure, including an Audit Committee, to assist in carrying out the work of the Council
- Appoint and monitor the performance of the Council's Chief Executive, who also serves as Accounting Officer

In carrying out these functions the Board usually meets four times a year, during March, June, September and December. The venue for these meetings alternates between the NIMC Belfast office and a place, usually a museum, outside Belfast. However from time to time additional meetings of the Board are held to deal with extra-ordinary business.

Board members do not receive remuneration for their service to the Northern Ireland Museums Council.

A system of internal control is maintained which includes the formulation of policies and procedures relating to: fraud prevention, whistleblowing and the requirements of the Bribery Act 2010; financial planning, performance and procurement; the freedom of information and data management; and, risk management, business planning and performance. These, and other associated matters, are scrutinised by the NIMC Board at each of its meetings and are the focus of discussions at quarterly accountability meetings held with the Department of Culture, Arts and Leisure.

In addition, NIMC retains the services of a contracted company to provide internal audit services, with external audit being undertaken by the Northern Ireland Audit Office.

The aim of the system of internal control is to manage the risks to a reasonable level, rather than seek to eliminate all of the risks NIMC faces in undertaking its remit and duties.

The Work of the Board and its Committees

Mindful of its statutory obligations, the Board delegates the operation and monitoring of the governance framework to management, together with the day to day operation of the Council. However, it reserves particular matters for decision by the Board, including issues of corporate strategy; key strategic objectives and targets; major decisions involving the use of financial and other resources; and personnel issues including key appointments and standards of conduct. At each of its meetings the Board receives a report on the management and operation of the Council from the staff.

The Board may decide to delegate, where it has power to do so, responsibility for specified matters to Committees of the Board or individual members. The decisions and recommendations of Committees are recorded and presented to a meeting of the full Board for ratification or note.

Currently the NIMC Board has four Committees, each having a *Terms of Reference* agreed by the Board;

- Audit Committee – deals with the strategic processes of audit, risk, control and governance
 - Grant Committee – assesses the requests for grant assistance. (Decisions on the allocation of the Council's Acquisition Fund is delegated to the Chairman)
 - Planning Committee – focuses upon the corporate planning and business planning processes
 - Staff Committee – monitors the staff appraisal process and deals with strategic human resource matters
-

Governance Statement for the year ended 31 March 2013 (continued)

The Board

During 2012-13 the NIMC Board met on five occasions, with the Committees meeting at intervals between the Board meetings.

In 2012 most of the Board had completed their three-year term of office and thus stood down, with new members representing the nominating bodies taking their positions on the Board from the AGM held on 26th September 2012 (for details see *Directors and Advisors* section). The table below provides an overview of members' attendance at meetings of the Board and its Committees during the year under review, with the number of attendances being set against the total number of meetings which the member could have attended.

	Board	Audit Committee	Grant Committee	Staff Committee
Fraser Agnew	2/2			
Jonathan Bardon				1/1
Patrick Barr	3/5	4/4		
Robert Burgess	3/3		1/1	
Michael Collins	1/2	2/2		
Riann Coulter	2/3			
Noreen Cunningham	4/5			2/2
Elizabeth Crooke	2/3			
Roisin Doherty	2/3		1/1	
Johnny Glendinning	5/5	1/2		1/1
Peter Gray	1/2			
Clifford Harness	5/5	3/3		2/2
Roddy Hegarty	5/5		1/1	
Stephen Huggett	3/3			
Mike King	1/2			
Craig McGuicken	2/2			
Brian Mackey	1/2			
Olive Mercer	2/3		1/1	
Robin Morton	3/5		1/1	
Gerry Mullan	1/2			1/1

In November 2012 the new NIMC Board attended an induction programme, together with training in Corporate Governance and allied matters delivered by Public Accountability Training Ltd.

As standing agenda items for every meeting the Board receives written reports from the Chief Executive on the performance against the business plan targets, the financial performance, and governance compliance. The minutes of the meetings of the Board are made public through the Council's web site www.nimc.co.uk. Notable points from the Board reports include the noting of the changes to the Museum Accreditation Scheme, the continued monitoring of the Departmental Review of Arm's Length Bodies, the agreement of recommendations concerning the impact of local government reform and the review and alteration of the NIMC Business Plan 2012-13 during the course of the year. The Minister of Culture, Arts and Leisure did not approve the Council's Business Plan during 2012-13.

The NIMC Board did not receive any Ministerial direction during 2012-13.

Governance Statement for the year ended 31 March 2013 (continued)

The Committees

At each of its quarterly meetings the Audit Committee reviews the register of risks, progress on addressing any recommendations of the internal and external auditors, and assesses performance in relation to an assurance template required by the Department of Culture, Arts and Leisure. Additionally it scrutinises reports and proposals on the development of good governance practice.

All Audit Committee meetings are attended by representatives of the Council's internal and external auditors, and Departmental officials are also invited to attend. Highlights of the Committee reports included the review and adoption of Council's procedures relating to fraud, procurement and gifts and hospitality, the active management of risks through the close scrutiny of the Risk Register at each Committee meeting, they noted satisfactory progress made in addressing the recommendations of auditors, the consideration and agreement of an Internal Audit Plan for 2012-15, the initiation of a review of the Council's Memorandum and Articles of Association, and the conclusion that the Committee's performance was satisfactory following an assessment of effectiveness exercise.

The Staff Committee met on two occasions to examine matters of strategic import relating to staff departure and recruitment, and to assess staff appraisal and performance.

The timing of the change in the composition of the Board coincided with the period when the Planning Committee normally would meet to agree the Corporate and Business Plans, consequently these matters were dealt with by the Board directly in December 2012.

The Grant Committee met in March 2013 and considered the applications received from museums for support through the Accredited Museum Grant Programme for 2013-14.

Independent Assurance

In June 2012 the Northern Ireland Audit Office provided NIMC with its Report to those Charged with Governance. It made two recommendations – on the retention of cash balances (priority 1) and the disclosure of grants awarded and paid (priority 2).

PricewaterhouseCoopers provides an internal audit service to the Council. In its Internal Audit Review 2012, 11 recommendations (5 at priority 2 and 6 at priority 3) were made. In presenting the Follow-up Review 2012-13, they concluded that all 11 recommendations had been fully implemented.

The NIMC Audit Committee received a report at each of its meetings on the progress made in addressing all recommendations made. The priority 1 recommendation of the NIAO was addressed within the specified timeframe, with its other recommendation being addressed with the publication of the NIMC 2012-13 Financial Statements and Annual Report.

In March 2013 the NIMC Audit Committee considered the Internal Audit Annual Report 2012-13 received from PricewaterhouseCoopers, which concluded that provided a revised assurance rating of 'substantial'.

An Internal Audit Review team from within the Department of Culture, Arts and Leisure undertook a review of the quality of the Council's internal audit services during July 2012. This concluded that the arrangements were compliant with Government Internal Audit Standards, and made nine recommendations for improvement (7 at priority 2 and 2 at priority 3). At the end of the year under review, eight of the recommendations had been addressed, with one to be dealt with within any future contract for internal audit services.

Governance Statement for the year ended 31 March 2013 (continued)

Operation and Performance

Governance

In light of the current business context, the Audit Committee initiated a review of the Council's Memorandum and Articles of Association. It concluded that the Memorandum and Articles of Association were fit for purpose but required alteration to ensure that they remained up to date, given the changes in the museum landscape and in the associated legislation that have occurred since they were drawn up. The Council's solicitor was instructed to review the documents accordingly.

Business Planning

During 2012-13 NIMC delivered a Business Plan that was structured around the four pillars of the Northern Ireland Museums Policy - Collections Development, Care, Management and Use; Developing Audiences; Education and Learning; and, Infrastructure, Investment and Resources.

The Plan contained 31 actions. All but three of the associated targets were met by the end of the year being reported upon. The three aspects not fully delivered relate to the number of museums being recognised under the Accreditation Scheme (due to a deferment in the timetable), the pilot quality assurance scheme relating to museum education programmes (due to staff departure), and the target of paying 90% of invoices within 10 days (83% achieved). Details of the achievements made during 2012-13 are set out in the Report of the Directors above.

Risk Management

A register of risks was drawn up in relation to the Business Plan 2012-13. NIMC identifies and evaluates risks to its business through its Audit Committee. The Committee received a quarterly risk assessment at each of its meetings, which identified the risk, how it was being manifest and managed, and an action plan for addressing the identified threat. Significant risks are escalated to the Board as and when it is deemed necessary.

Significant risks identified and addressed during 2012-13 included:

- The Department of Culture, Arts and Leisure continued the review of its arm's length bodies. Upon completion of stage 1 of this process, the Minister informed the NIMC Chairman that her Department had concluded that there is a continuing need for the functions of NIMC and that stage 2 of the review would consider if the arm's length body model was the most effective means of delivering the functions or if another model might be appropriate. NIMC provided the Department with information relevant to the review.
- A 'going-concern' risk emerged in relation to the resources available to NIMC for the delivery of its Business Plan concerning the use of the Council's reserves, which is detailed under the Financial Planning section below.

Financial Planning

As indicated in the accounts which follow, at the outset of 2012-13 NIMC held a significant level of reserves, which were the subject of the recommendation on retained cash balances made by the NIAO in its Report to those Charged with Governance (see Independent Assurance section above). DCAL, in its sponsorship role, drew the attention to the Board that such retention was in breach of Managing Public Money NI. The Council allocated the cash balance on the understanding that its expenditure would comprise the DCAL subvention and the reserves held. The Department informed NIMC that this was incorrect and that the resource available would be the Departmental subvention less the reserves held. Consequently, the Board adjusted the level of grant assistance allocated to museums to ensure that

Governance Statement for the year ended 31 March 2013 (continued)

it operated within the stipulated resource ceiling and against a resource allocation of £264,000 from the Department for 2012-13, NIMC drew down £152,143 from the Department, with the cash held from the previous year substituting for the reduction in DCAL cash allocation.

Economic Appraisal and Procurement

The Council maintains particular procedures regarding economic appraisals and procurement. No issues concerning procurement occurred during the year. An economic appraisal was completed by way of informing negotiations concerning the lease of the Council's offices, the outcome of which was that a lower rental was secured.

Fraud

In September 2012 the Audit Committee reviewed the Council's policy and procedures relating to fraud prevention in light of the requirements of the Bribery Act 2010. In an analysis for fraud risk, general payments and those relating to grant assistance were identified as the highest risk elements. NIMC reviewed its procedures in relation to such payments during the year. No fraud investigations were initiated or on-going during 2012-13.

Health and Safety

The NIMC Board reviewed and amended the Council's Health and Safety policy and procedures in June 2012 in light of the findings of a commissioned health and safety audit. No significant health and safety issues occurred during 2012-13.

Conflicts of Interest

The Council maintains a register of interests of its Board of Directors. With the change to the membership of the Board a new register was drawn up in December 2012. Declarations of interest are made and recorded at each meeting of the Board and its Committees, and as a consequence the Board is content that no associated issues arose during the year.

Gifts and Hospitality

NIMC adopted a policy relating to Gifts and Hospitality in 2010. This is reviewed every two years and accordingly the Audit Committee, in September 2012, evaluated the policy and the associated procedures to ensure compliance with latest guidance available. No associated matters arose during 2012-13.

Data Management

In compliance with the requirements of the Data Protection Act 1998, NIMC maintains an associated policy and procedures. No issues concerning data loss occurred during the year.

Review of Effectiveness

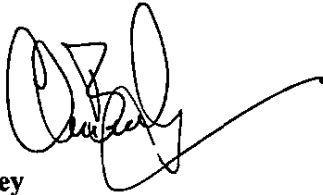
The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the staff that have responsibility for the development and maintenance of the governance environment, the reports and recommendations of internal audit, comments made by the external auditors and other review agencies. In March 2013 the NIMC undertook a self-assessment of its drawing upon the Unlocking your Board's full potential – Board Evaluation Questionnaire, issued by the National Audit Office. This examined the Board's understanding of its remit and role, performance

management, relationships with key stakeholders, propriety and fraud, project management, risk management and audit. It concluded that performance and effectiveness were satisfactory and that it was compliant with the principles of good practice of Corporate Governance Code.

The Board reviewed the quality of information and data made available to it and concluded that it was accurate and of a distinct and consistently high calibre.

Conclusion

The information provided above gives an understanding of the internal control structure and stewardship of our organisation, gives a sense of the risks and vulnerabilities encountered during the year and how these have been addressed, and from which I conclude that the systems of internal control operated by the Northern Ireland Museums Council are satisfactory.

A handwritten signature in black ink, appearing to be 'C Bailey', with a long horizontal stroke extending to the right.

C Bailey
Accounting Officer

5 July 2013

Membership of the Northern Ireland Museums Council at 31 March 2013

The Northern Ireland Museums Council is a membership organisation. There are three categories of member, Museum Member, Supporting Member, and Associate Member. At 31 March 2013 the Council had 97 members (compared with 95 in 2011-12). Membership on behalf of many museums is held by their parent authority. The name of the museum is shown in brackets, where appropriate.

Museum Members

This class of membership is open to museums in Northern Ireland, which are recognised under the Museum Accreditation Scheme. Museum Members are entitled to advice, information, training and grant-aid.

- Armagh Public Library
- Ballymena Borough Council (Mid-Antrim Museum)
- Ballymoney Borough Council (Ballymoney Museum)
- Banbridge District Council (F. E. McWilliam Gallery and Studio)
- Carrickfergus Borough Council (Andrew Jackson & US Rangers Museum and Carrickfergus Museum)
- Coleraine Borough Council (Coleraine Museum)
- Craigavon Borough Council (Craigavon Museum and Barn Museum)
- Derry City Council (Tower Museum)
- Down District Council (Down County Museum)
- Downpatrick and Co Down Railway
- Fermanagh District Council (Fermanagh County Museum)
- Flame: The Gasworks Museum of Ireland
- Inniskillings Museum
- Larne Borough Council (Larne Museum)
- Limavady Borough Council (Green Lane Museum)
- Lisburn City Council (Irish Linen Centre & Lisburn Museum)
- Moyle District Council (Ballycastle Museum)
- Newry & Mourne District Council (Newry and Mourne Museum)
- Newtownabbey Borough Council (Sentry Hill Museum)
- North Down Borough Council (North Down Museum)
- Police Museum
- Railway Preservation Society of Ireland
- Royal Irish Fusiliers Museum
- Royal Irish Regiment Museum
- Royal Ulster Rifles Museum
- Strabane District Council (Strabane Museum Service)
- The National Trust (NI) (Ards House, The Argory, Castle Ward, Florence Court, Hezlett House, Mount Stewart, Springhill)
- The Naughton Gallery at Queen's
- The Somme Association (Somme Heritage Centre)

Supporting Members

This type of membership is open to district councils in Northern Ireland that operate unregistered museums and to those that do not operate museum services. Membership of this category entitles councils to advice, information, training and assistance with feasibility and development studies.

- Belfast City Council
 - Dungannon and South Tyrone Borough Council
-

Membership of the Northern Ireland Museums Council at 31 March 2013 (continued)

Associate Members

Membership is open to the national and centrally funded Accredited museums of Northern Ireland, other museums and any agency, commercial company, individual or other body wishing to subscribe. Membership provides access to advice, information and training.

- An Creagan Visitor Centre, Co. Tyrone
 - Anna Barclay Design
 - Apprentice Boys Memorial Hall
 - BBC NI Community Archive
 - Bloody Sunday Trust – Museum of Free Derry
 - Coalisland Heritage Trust
 - Community Relations Council
 - Dan Winter's House, Loughgall
 - Department of Environment - Northern Ireland Environment Agency
 - Edenderry Community Museum Project
 - Headhunter's Barbershop and Railway Museum
 - Healing Through Remembering
 - Irish Professional Conservators & Restorers Association
 - Lagan Legacy
 - Milford House Museum
 - Monaghan County Museum
 - Mr Adam Bell
 - Mr Charles Watts
 - Mr Ian Wilson
 - Mr James Baxter
 - Mr Kerill Winters
 - Mr Lexie Scott
 - Mr Peter Stark
 - Mr Sean Madden
 - Ms Anna Liesching
 - Ms April McGrory
 - Ms Ashleigh Kirkpatrick
 - Ms Charlotte McReynolds
 - Ms Clare Plascow
 - Ms Corrie Tubman
 - Ms Deborah McAdam
 - Ms Donna Gilligan
 - Ms Esperanca Mendonca
 - Ms Fiona Byrne
 - Ms Gemma Reid
 - Ms Hannah Crowdy
 - Ms Helen Lanigan Wood
 - Ms Kathryn Anderson
 - Ms Laura Cyldesdale
 - Ms Nicola Farrell
-

Membership of the Northern Ireland Museums Council at 31 March 2013 (continued)

Associate Members (continued)

- Ms Rachel Radcliffe
- Ms Rosita Quinn
- Ms Sarah Bolan
- Ms Sarah O'Farrell
- Ms Triona White Hamilton
- Ms Victoria Bolton
- National Museums of Northern Ireland (Ulster Museum, Ulster Folk & Transport Museum, Ulster American Folk Park, Armagh County Museum)
- Northern Ireland War Memorial
- Patton Heritage
- Professor T G Fraser
- Public Record Office of Northern Ireland
- Roslea Heritage Centre, Co. Fermanagh
- Sheelin Lace Museum, Co. Fermanagh
- Ulster Aviation Society
- University of Ulster, Faculty of Humanities, Coleraine

NORTHERN IRELAND MUSEUMS COUNCIL

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE MEMBERS OF NORTHERN IRELAND MUSEUMS COUNCIL

I certify that I have audited the financial statements of the Northern Ireland Museums Council for the year ended 31 March 2013 under the Companies (Public Sector Audit) Order (Northern Ireland) 2013. These comprise the Statement of Financial Activities, the Balance Sheet and the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the directors and auditor

As explained more fully in the Statement of Directors' Responsibilities, the directors' are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to examine, certify and report on the financial statements in accordance with the Companies (Public Sector Audit) Order (Northern Ireland) 2013. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Financial Reporting Council's Ethical Standards for Auditors.


Scope of the audit of the financial statements

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

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

Opinion on Regularity

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



Opinion on financial statements

In my opinion the financial statements:

- give a true and fair view of the state of the Northern Ireland Museum Council's affairs as at 31 March 2013 and of its incoming and outgoing resources and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Government Financial Reporting Manual; and
- the information given in the Report to the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

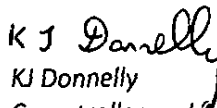
Matters on which I report by exception

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

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

Report

I have no observations to make on these financial statements.


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

11 July 2013

Statement of Financial Activities

	Note	Restricted	Unrestricted	2013	2012
		£	£	£	£
<u>Incoming resources</u>					
Incoming resources from generating funds:					
Voluntary income:					
Grants received	2	133,702	152,143	285,845	435,666
Memberships	2	-	12,065	12,065	10,740
Investment income		-	-	-	3,763
		133,702	164,208	297,910	450,169
Incoming resources from charitable activities:					
Training and room hire	3	-	4,280	4,280	8,485
Other incoming resources	4	-	644	644	612
Total incoming resources		133,702	169,132	302,834	459,266
<u>Resources expended</u>					
Charitable activities	5	135,011	254,332	389,343	540,071
Governance costs	6,7	-	24,596	24,596	24,579
Total resources expended		135,011	278,928	413,939	564,650
Net (outgoing)/incoming resources		(1,309)	(109,796)	(111,105)	(105,384)
Total funds brought forward	14	-	97,075	97,075	202,459
Transfers between funds	14	-	-	-	-
Total funds carried forward	14	(1,309)	(12,721)	(14,030)	97,075

Balance sheet

	Note	2013	2012
		£	£
Fixed assets			
Tangible fixed assets	11	<u>787</u>	<u>703</u>
Current assets			
Debtors	12	7,883	18,199
Cash at bank and in hand		<u>50,809</u>	<u>97,516</u>
		58,692	115,715
Creditors: amounts falling due within one year	13	<u>(73,509)</u>	<u>(19,343)</u>
Net current assets		<u>(14,817)</u>	<u>96,372</u>
Net assets		<u>(14,030)</u>	<u>97,075</u>
Funds employed			
Unrestricted funds	14	(14,030)	97,075
Restricted funds		<u>-</u>	<u>-</u>
Charity funds		<u>(14,030)</u>	<u>97,075</u>

It is the view of the Board that an exemption from the audit requirements of Part 16 of the Companies Act 2006 is available under section 482 of that Act, since the company meets the Department of Finance and Personnel's definition of a non-profit making company and is subject to a public sector audit under the Companies (Public Sector Audit)(Northern Ireland) Order 2013, being an order issued under Article 5(3) of the Audit and Accountability (Northern Ireland) Order 2003. The Board therefore claims this exemption.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of accounts.

These financial statements have been approved by the Board of Directors and signed on its behalf by:



J Glendinning
Chairman

5 July 2013

Company registration: NI27735

Cash flow statement

	Note	2013 £	2012 £
Net cash (outflow)/inflow from continuing operating activities (reconciliation to operating profit below)		<u>(46,228)</u>	<u>(113,805)</u>
Returns on investments and servicing of finance			
Interest received		<u>-</u>	<u>3,763</u>
Taxation			
UK corporation paid		<u>-</u>	<u>-</u>
Capital expenditure and financial investment			
Acquisition of tangible fixed assets		<u>(479)</u>	<u>(126)</u>
(Decrease)/increase in cash	15	<u>(46,707)</u>	<u>(110,168)</u>

Reconciliation of operating loss to net cash inflow from continuing operating activities

	2013 £	2012 £
Operating (deficit)	(111,105)	(105,384)
Depreciation on tangible fixed assets	395	1,042
(Increase)/decrease in trade debtors	3,399	(5,095)
(Increase)/decrease in prepayments and accrued income	6,917	(7,052)
Increase/(decrease) in creditors	10,887	4,606
Bank interest received	-	(3,763)
Increase/(decrease) in accruals and deferred income	<u>43,279</u>	<u>1,841</u>
Net cash (outflow)/inflow from continuing operating activities	<u>(46,228)</u>	<u>(113,805)</u>

Notes to the financial statements

1. Principal accounting policies

Accounting basis and standards

The financial statements are prepared under the historical cost convention, as modified by the revaluation of fixed assets, and in accordance with applicable accounting standards, including the Statement of Recommended Practice ("SORP"), "Accounting and Reporting by Charities" revised in 2005.

Going Concern

On 18 May 2010 the Northern Ireland Museums Council was advised by the Minister of Culture, Arts and Leisure that its funding would continue to March 2015, subject to budget cover being provided by the Executive.

These accounts have been prepared on a going concern basis as, in the opinion of the Directors, the Northern Ireland Museums Council will continue to operate until at least 2015.

At the request of the Board of Directors, the financial statements also meet the disclosure requirements issued by the Department of Finance and Personnel in so far as those requirements are appropriate.

A summary of the more important accounting policies, which have been applied consistently, is set out below.

Tangible fixed assets

Tangible fixed assets are stated at valuation. Depreciation is calculated so as to write off the valuation of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

	%
Computer equipment	33
Office equipment and furniture	15

The costs of all fixed assets of the company are restated annually to reflect their current value using the relevant price indices at the year end (where material). Any revaluation surplus or loss, net of the corresponding adjustment to accumulated depreciation, is credited to the revaluation reserve. However, due to the immaterial nature of the amounts involved no revaluation has been recognised.

The Northern Ireland Museums Council has a fixed asset capitalisation threshold of £250.

The tangible fixed assets in respect of office equipment and furniture will be reviewed in the 2013-14 financial year and split into two separate categories for office equipment and furniture. The office equipment category will continue to be depreciated at 15% on a straight line basis over the expected useful economic life of the assets. The furniture category will be depreciated at a new rate of 10% on a straight line basis over the expected useful economic life of the assets.

Notes to the financial statements (continued)

1. Principal accounting policies (continued)

Incoming resources

Incoming resources relate to activities in the UK, and this is stated inclusive of value added tax. Incoming resources are included in the Statement of Financial Activities.

Voluntary income

Voluntary income includes donations, grants that provide core funding and gifts in kind. Voluntary income is recognised in the accounts when the Council is legally entitled to the income and the amount can be quantified with reasonable accuracy. Such income is only deferred when the donor specifies that the grant or donation must only be used in future accounting periods or where the income is repayable to the donor if it is not used for the purposes provided. Grant income from DCAL is normally recognised in the year of receipt.

Income from charitable activities

Training and room hire income included in this category provides funding to support the Council's activities and is recognised when the Council is legally entitled to the income and the amount can be quantified with reasonable accuracy. Such income is only deferred when training or room hire income is received in advance of the event to which they relate.

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

Resources expended

Resources expended are accounted for on an accruals basis and are included in the Statement of Financial Activities for the period to which they relate.

Costs of charitable activities include expenditure associated with the projects undertaken by the Council in the furtherance of its charitable objectives.

Governance costs include those incurred in the governance of the Council and are primarily associated with constitutional, statutory requirements and strategic matters such as audit and accountancy, board expenses and printing financial statements. The salary and related overhead costs pertaining to the Chief Executive and Finance staff are apportioned between Charitable activities and Governance costs at a rate of 95% and 5% respectively.

Notes to the financial statements (continued)

1. Principal accounting policies (continued)

Funds

The Council receives various types of funding which require separate disclosure. These are as follows:

- a) unrestricted funds: funds which may be expended at the discretion of management in furtherance of the objects of the Council; and
- b) restricted funds: funds which are earmarked by the donor for specific purposes.

Designated funds

Within unrestricted funds the Council may designate a part of its reserves for particular purposes. Designated funds relate to incoming resources in the current and previous years, which are allocated to fund specific activities in future accounting periods.

Pension scheme arrangements

Past and present staff of the Northern Ireland Museums Council are members of the Principal Civil Service Pensions Schemes (NI) (PCSPS(NI)), as set out in Note 9. The defined benefit scheme is unfunded and is non-contributory, except in respect of dependants' benefits. All contributions are charged to the Statement of Financial Activities ("SOFA") as incurred.

Operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term.

Reserves

Northern Ireland Museums Council previously had a policy of maintaining sufficient reserves to enable it to withstand year on year fluctuates in income or expenditure. In 2011/12 the Council moved to reduce its cash reserves to nil, with the exception of clearly identified Lottery funding. In order to facilitate this requirement Northern Ireland Museums Council has been running a planned operating deficit in 2011/12 and 2012/13. At the 2012/13 financial year end the Northern Ireland Museums Council now has a small deficit on reserves. This deficit position will be managed year on year within a balanced funding formula.

Northern Ireland Museums Council receives various types of funding which require separate disclosure. These are differentiated between restricted and unrestricted reserves. Unrestricted reserves represent retained amounts available for discretionary spend on the Council's objectives and are further sub-divided between General Funds and Designated Funds. Restricted reserves represent retained amounts available for specific projects.

Notes to the financial statements (continued)

2. Incoming resources – voluntary income

	Restricted £	Unrestricted £	2013 £	2012 £
<u>Grants received</u>				
DCAL	-	152,143	152,143	257,868
Heritage Lottery Fund	133,702	-	133,702	177,798
	133,702	152,143	285,845	435,666
<u>Memberships</u>				
Memberships	-	12,065	12,065	10,740
	133,702	164,208	297,910	446,406

3. Incoming resources – training and room hire

	Restricted £	Unrestricted £	2013 £	2012 £
Training income	-	4,280	4,280	8,470
Room hire	-	-	-	15
	-	4,280	4,280	8,485

4. Other incoming resources

Other operating income consists of:

	Restricted £	Unrestricted £	2013 £	2012 £
Other operating income				
Other DCAL funding	-	644	644	-
Reimbursement of travel expenses	-	-	-	612
	-	644	644	612

Notes to the financial statements (continued)

5. Analysis of cost of charitable activities

	Restricted	Unrestricted	2013	2012
	£	£	£	£
Grants awarded	915	18,739	19,654	129,468
Acquisition fund	-	2,000	2,000	-
Bursaries	84,000	-	84,000	126,000
Training	11,286	3,644	14,930	11,606
Wages and salaries	27,442	105,046	132,488	145,582
Employer's N.I. contributions	2,752	8,781	11,533	12,070
Staff pension costs	-	21,941	21,941	25,812
Staff training	-	-	-	1,795
Temporary staff and recruitment costs	1,215	16,185	17,400	5,880
Rent and rates	-	44,699	44,699	44,813
Light and heat	-	3,186	3,186	2,389
Insurance	-	1,888	1,888	1,702
Telephone and communications	-	4,120	4,120	4,059
Computer and software costs	-	4,039	4,039	-
Cleaning	-	961	961	1,218
Repairs and maintenance	-	3,890	3,890	1,450
Printing and stationery	-	1,530	1,530	6,475
Books and journals	-	60	60	79
Postage	-	763	763	521
Travel and subsistence expenses	6,880	4,004	10,884	10,843
Bank charges	-	446	446	576
Sundry expenses	521	245	766	4,692
Legal and professional fees	-	3,900	3,900	85
Membership fees	-	1,860	1,860	1,854
Depreciation	-	395	395	1,042
Bad debts	-	70	70	60
Promotion and brand development	-	1,940	1,940	-
	<u>135,011</u>	<u>254,332</u>	<u>389,343</u>	<u>540,071</u>

Notes to the financial statements (continued)

6. Allocation of support costs

The charity allocates its support costs as shown in the table below. Support costs are allocated on a basis consistent with the use of the resources:

	Allocated to costs of charitable expenditure £	Allocated to governance £	Total £
General management	-	4,529	4,529
Finance	-	20,067	20,067
	<u>-</u>	<u>24,596</u>	<u>24,596</u>

7. Governance costs

	Restricted £	Unrestricted £	2013 £	2012 £
Staff costs	-	4,111	4,111	4,088
Board member expense	-	1,970	1,970	542
Audit, internal audit and accountancy fees	-	18,515	18,515	19,949
	<u>-</u>	<u>24,596</u>	<u>24,596</u>	<u>24,579</u>

8. Operating result

	2013 £	2012 £
The operating result is stated after charging:		
Operating lease rentals – land and buildings	43,800	44,813
Depreciation owned assets	395	1,042
Auditor's remuneration: in respect of external audit services	7,000	6,250

Notes to the financial statements (continued)

9. Employee information

The average monthly number of employees during the year was:

	2013 Number	2012 Number
Administration	<u>6</u>	<u>6</u>

Staff costs for the above persons:

	2013 £	2012 £
Salaries and wages	136,599	149,393
Social security costs	11,533	12,070
Other pension costs – employer contributions	21,941	25,812
Total	<u>170,073</u>	<u>187,275</u>

The Chief Executive was the only employee whose remuneration, as defined for taxation purposes, amounted to over £60,000 in the year. This information is disclosed in the remuneration report and includes salary and employer pension contributions.

No remuneration was paid to the Directors of the company. The total of Directors' expenses paid by the company during the year was £21.

The Principal Civil Service Pension Schemes (NI) ("PCSPS (NI)") of which most of the Council's employees are members, are unfunded, multi-employer, defined benefit schemes, but NIMC is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out at 31 March 2010 and details of this valuation are available in the PCSPS (NI) resource accounts.

For 2012-13, employers' contributions of £21,941 were payable to the PCSPS (NI) (2011-12: £25,812) at one of four rates in the range 18% to 25%. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. However HM Treasury has instructed the scheme to cease further work on the March 2010 valuation. A new valuation scheme based on data as at 31 March 2012 is currently being undertaken by the Actuary to review employer contribution rates for the introduction of a new career average earning scheme from April 2015. From 2013-14, the rates will remain in the range 18% to 25%. The contribution rates are set to meet the cost of the benefits accruing during 2012-13 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees could opt to open a partnership pension account which is a stakeholder pension with an employer contribution. Employer's contributions were paid to one or more of a panel of four appointed stakeholder pension providers. Employer contributions are age related and range from 3% to 12.5% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of 0.8% of pensionable pay, were payable to PCSPS (NI) to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

Contributions due to the partnership pension providers at the balance sheet date were £nil. Contributions prepaid at that date were £nil.

Notes to the financial statements (continued)

10. Taxation

Northern Ireland Museums Council is recognised as a charity by HM Revenue and Customs under reference XR 38795. Its activities are therefore exempt from taxation.

11. Tangible fixed assets

	Computer equipment £	Office equipment and furniture £	Total £
Valuation			
At 1 April 2012	9,400	18,261	27,661
Additions	479	-	479
Disposals	-	-	-
At 31 March 2013	9,879	18,261	28,140
Depreciation			
At 1 April 2012	9,395	17,563	26,958
Charge for the year	163	232	395
Disposals	-	-	-
At 31 March 2013	9,558	17,795	27,353
Net book value			
At 31 March 2013	321	466	787
At 31 March 2012	5	698	703

12. Debtors

	Restricted £	Unrestricted £	2013 £	2012 £
Trade debtors	-	584	584	5,175
Prepayments	-	6,107	6,107	13,024
Other debtors	1,192	-	1,192	-
	1,192	6,691	7,883	18,199

13. Creditors: amounts falling due within one year

	Restricted £	Unrestricted £	2013 £	2012 £
Trade creditors	-	5,779	5,779	4,606
Other creditors	6,638	3,076	9,714	-
Deferred income	39,307	660	39,967	-
Accruals	-	18,049	18,049	14,737
	45,945	27,564	73,509	19,343

Notes to the financial statements (continued)

14 Analysis of the movements between funds

	At 1 April 2012 £	Income £	Expenditure £	Transfers £	At 31 March 2013 £
Unrestricted funds					
Designated funds	94,946	-	-	(94,946)	-
General funds	2,129	169,132	(278,928)	94,946	(12,721)
Total unrestricted funds	<u>97,075</u>	<u>169,132</u>	<u>(278,928)</u>	<u>-</u>	<u>(12,721)</u>
Restricted funds	<u>-</u>	<u>133,702</u>	<u>(135,011)</u>	<u>-</u>	<u>(1,309)</u>
Total funds	<u>97,075</u>	<u>302,834</u>	<u>(413,939)</u>	<u>-</u>	<u>(14,030)</u>

The general funds represent the free funds of the Charity which are not designated for a particular purpose.

The designated funds opening balance related to monies received from DCAL in 2011/12 as a grant which had not been expended at 31 March 2012 and was used to fund particular projects in the 2012/13 year.

15 Analysis of changes in net cash

	1 April 2012 £	Cash flow £	31 March 2013 £
Cash at bank and in hand	<u>97,516</u>	<u>(46,707)</u>	<u>50,809</u>

16 Financial commitments

At 31 March 2013 the Charity had annual commitments under non-cancellable operating leases as follows:

	2013 £	2012 £
Land and buildings		
Expiring in less than five years	<u>31,267</u>	<u>44,813</u>

Notes to the financial statements (continued)

17 Financial instruments

NIMC does not have financial instruments which would require disclosure in the notes to the financial statements.

18 Guarantor

Northern Ireland Museums Council is a company limited by guarantee and it does not have share capital. The liability of the member is limited to £1 in the event of the company being wound up.

19 Ultimate controlling party

The Board of Directors of the Northern Ireland Museums Council Limited is the ultimate controlling party of the company.

20 Related party transactions

Northern Ireland Museums Council is a Non-Departmental Public Body of the Department of Culture, Arts and Leisure from whom it receives funding. The Department of Culture, Arts and Leisure is regarded as a related party. During the year, Northern Ireland Museums Council had no material transactions with the Department of Culture, Arts and Leisure other than the receipt of payments in respect of funded programmes.

There were a number of transactions with other Government Departments and other central Government bodies. In addition grants were awarded to a range of bodies who are represented on the Council's Board. These can be summarised as follows:

Accredited Museum Grant Programme

Grant Applicant	Project	Amount Awarded	Declared interest of Board member	Associated Organisation
Down County Museum	Conservation of artworks on paper	£1,170.00	Mike King	Down County Museum
Down County Museum	Reframing of Art Collection	£1,794.00	Mike King	Down County Museum
Lisburn Museum	Exhibition display cases	£3,101.00	Brian Mackey	Lisburn City Council
Newry and Mourne Museum	Conservation of Deputy Lieutenant's Uniform	£617.50	Noreen Cunningham	Newry and Mourne Museum
Newry and Mourne Museum	Conservation of Photographs and Documents	£1,670.00	Noreen Cunningham	Newry and Mourne Museum
Downpatrick and County Down railway	Restoration of Ulster Railway carriage	£510.39	Michael Collins	Downpatrick and County Down railway
Limavady Museum	Newtown Estate Maps	£799.50	G M Mullan	Limavady Borough Council

Notes to the financial statements (continued)

21 Losses and special payments

	2013 £	2012 £
Bad debt written off in current year	130	60
Bad debt recovered	(60)	-
	<u>70</u>	<u>60</u>

The Council sought to recover the bad debt of £130 initially and subsequently on advice has now written these debts off. During the year the Council recovered £60 in relation debts which it had previously written off.

22 Additional Disclosures to comply with FReM

FReM requires non-departmental public bodies to regard grant-in-aid received as contributions from controlling parties giving rise to a financial interest in the residual interest of the body and hence accounted for as financing i.e. by crediting them to the income and expenditure reserve.

In addition FReM requires grant-in-aid to be accounted for on a cash basis.

If NIMC were to comply with FReM the result of this compliance would be as follows:

Statement of Financial Activities prepared under FReM

	Note	2013 £	2012 £
Incoming resources			
Incoming resources from generating funds	2	145,767	192,301
Incoming resources from charitable activities	3	4,280	8,485
Other incoming resources	4	644	612
Total incoming resources		<u>150,691</u>	<u>201,398</u>
Resources expended			
Charitable activities	5	389,343	540,071
Governance costs	6,7	24,596	24,579
Total resources expended		<u>413,939</u>	<u>564,650</u>
Amount transferred to reserves		<u>(263,248)</u>	<u>(363,252)</u>

Analysis of Reserves prepared under FReM

	2013 £	2012 £
Balance at 1 April	97,075	202,459
Grant in aid received in year	152,143	257,868
Net operating cost for year	<u>(263,248)</u>	<u>(363,252)</u>
Balance at 31 March	<u>(14,030)</u>	<u>97,075</u>

Notes to the financial statements (continued)

23 Events after the Balance Sheet date

No events occurred between the balance sheet date and the date on which these financial statements were authorised for issue that require disclosure or adjustment.

The Accounting Officer authorised the issue of these financial statements on 11 July 2013.