

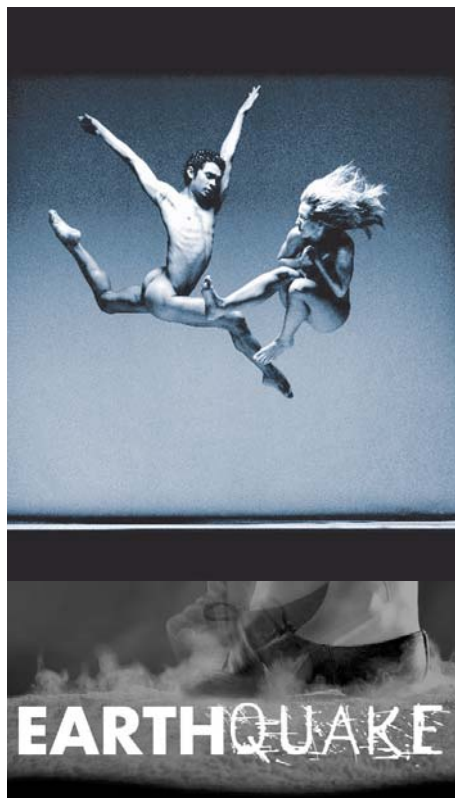


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CHAIRMAN'S PREFACE

Consolidation was the key word for the Arts Council last year.

When I became Chairman of the Arts Council in 1998, my greatest challenge was to put aside the years of endemic under-funding and convince government of the need to provide realistic support for the arts.

Artists, no less than other sectors of our community, are well aware of the various great pressures which are put upon the public purse - in health, education, economic development, urban and rural regeneration, for example. The days when artists were liable to the accusation of living in an ivory tower are long gone. Those in the arts have themselves an investment in all the services provided in our society. And they have a role to play in every aspect of our society's well-being.

Our Annual Reports document the deep involvement of artists and arts organizations in schools, in hospitals and other care environments, in areas of social and economic deprivation, whether in towns and cities or among our rural communities. These are not accidental involvements - they have developed because the arts and artists emerge from those very same communities and places. The arts have become so often the means by which communities themselves express their needs of whatever kind - and one of the mechanisms for that expression is the skill and creativity of artists from within those environments.

It was clear to me in 1998 that there were very real benefits for the whole economy to be gleaned from such an increase in investment. There still are. The Council can contribute to the objectives of social and political reconstruction by creating conditions of confidence for the development of tourism and of inward investment. The cultural/creative economy has the potential to build and to sustain prosperity.

We have known for some time that the arts sustain community morale and increase cross-community participation, yet they continue to be under-funded in Northern Ireland when compared with other parts of the United Kingdom. Local authorities spend less than their counterparts in Great Britain, so Government grant-in-aid carries greater importance.

Over the year, the Council made great efforts to maximise the impact of the funding available. National Lottery funds are more immediately accessible, integrated with the funds voted by Government, and the Council structure has been altered significantly to enhance ease of application and more effective customer care. The Arts Council has absorbed considerable costs in its own operating expenditure. Indeed, the Council's staff consistently seeks to effect economies.

But such measures can only go so far in the face of chronic, long-term under-funding. Northern Ireland needs at least to be treated equally on per capita terms with our colleagues and fellow artists in Great Britain.

Northern Ireland's hard-pressed artists and companies are particularly dependent on the money given by Government to the Arts Council. They diligently seek income from all sources, including box office, but a less well-off population, a scarcity of major corporate headquarters from which large commercial sponsorship comes, no wealthy private philanthropists and absence of any large local authority, all mitigate against arts interests.

I urge everyone with an interest in the arts to build upon the solid achievements of the last year. The systems to match the strategy are in place. I for one look forward to the resources which will make our plans a reality.



Professor Brian Walker
Chairman

CHIEF EXECUTIVE'S INTRODUCTION

It is not a novelty now to highlight the changes which the Arts Council has undergone since the strategy review, published as *Opening Up The Arts* in 2000. Successive Annual Reports have documented the radical re-visioning of the arts in Northern Ireland as detailed in our five-year strategy, *The Arts: inspiring the imagination, building the future* and the thorough overhaul of funding streams in pursuit of that strategy. You will be able to read in this Report of how many funding initiatives have developed since their introduction and the several new directions the Council has taken over the last year.

2002-2003 was, as our Chairman has said, a year marked by consolidation. And a major part of that was the significant change which took place in the structure of the Council itself. Any organisation which is keen to develop new strategies needs to shift its perspectives internally as well as externally to meet the demands made upon it by its customers. This is particularly true when flexibility and the cross-fertilisation of ideas increasingly reflect the practice of the arts themselves.

Consequently, the Council has moved its expertise into areas of arts development which are much freer in interpretation than was traditionally the case. A glance at our organisational chart (Appendix A) will give a clear idea of the systems now laid down internally to assist our work externally.

In stepping aside from the rigid demarcation of funding along lines of strict 'art form' categories - which frequently no longer describe the kind of art being produced - the Arts Council took a huge step in both matching our funding more adequately to the needs of the sector and in identifying those areas of arts development which most urgently meet our own needs in putting a vigorous case to Government for additional funding.

Urgency is not an overstatement. It was only by careful management of the Council's meagre budgets that, of 16 requests from organisations which had not been in receipt of revenue funding, no fewer than six were brought within Council's revenue funding. These included Altnaveigh House Trust in Newry, Maydown Youth Training Project on the Waterside in Derry City and Creative Exchange in Belfast. But the fact is that the level of funding from Government again inhibited the Council's capacity to respond to new clients.

In its annual revenue allocations, the Arts Council was able to allocate more than £5.7 million to 113 arts organisations throughout Northern Ireland, and this was with a total annual budget for the Arts Council from the Department of Culture, Arts & Leisure pegged initially at £7.4 million.

The distribution of funding followed the strategic directions laid down in the Council's plan, with the guiding principle of the allocations balanced in favour of artists and the processes of creative production.

The arts take place in a wide variety of places and spaces. It is true that the creation and then maintenance of venues adequate to the performance and nurturing of arts practice can be extremely

expensive, appearing to account for large tranches of public funding. And it is right that a society should have arts buildings - be they galleries, theatres, studios, training centres - adequate to the needs and ambitions of its people.

But it is equally true that artists themselves are at the core of our creative life as a society and the maintenance and development of systems of support to allow that creativity to flourish places a huge burden on the sums available to an Arts Council. Nevertheless, Council decided that the needs of artists individually or collectively should guide the destination of our available funding last year.

The strategic areas highlighted for additional support include: independent theatre companies; arts & disability; arts and young people; community based production (for example, circus); the maintenance of the Support for the Individual Artist Programme and of artists' centres as components within that programme.

The most significant groups to benefit from this year's allocations were independent theatre companies, such as Kabosh, Tinderbox, Replay, Prime Cut and Big Telly. This sector increased its revenue by almost 18 per cent.

Also prioritised were: the maintenance of grants to community arts organizations which had significantly increased in 2001/02; uplifts for arts and disability organizations; uplifts for strategically significant clients in the youth arts sector (for example, Young at Art, the Ulster Youth Orchestra, the Ulster Youth Choir and the Ulster Association of Youth Drama).

The umbrella bodies Voluntary Arts Network and Dance Northern Ireland were also substantially supported.

The Council extended its commitment to areas of prime development, such as crafts and architecture and the built environment. These categories themselves highlight the determination of the Council to make good its responsibilities in areas of activities which might appear to fall outside its traditional remit, but which are now firmly installed at the heart of arts strategy.

The policy document, *Architecture & the Built Environment*, sets out objectives, recommendations to Government and actions for the Arts Council itself and is a significant model for inter-disciplinary and cross-interest policy development which has an impact and reach greater than the Arts Council's necessarily small funding intervention could secure.

The Council's commitment to architecture as art was reinforced by the appointment of a staff member with responsibility for Architecture and Public Art. Other key appointments during the year which help illustrate the new systems put in place include a new Business Support post, a Youth Arts post (accompanied by a re-configuring of services, new and relevant clients) and a new Social Inclusion post within community arts.

But strategic initiatives can indeed also be effected by the direction of funding. Last year saw the Council reduce by ten per cent the support given to Local Authority-operated venues. This signalled the Council's intention, over five years, to reduce significantly its outlay to such bodies and to encourage local authorities to shoulder more of the burden of core funding such venues. A range of measures (including financial incentives and the encouragement of partnership-working among authorities) will be put in place to encourage such greater involvement. Having helped build many of

the new venues around Northern Ireland, through the National Lottery, the Council has realised that an emphasis needs urgently to be placed upon the practice of the arts, to balance the emphasis placed hitherto upon its infrastructure around Northern Ireland.

The Arts Council is well on the way to being an organisation for developing the arts in Northern Ireland, as well as funding the arts. The scale of the last year's achievements may not be visible in the immediate term but they go directly to the key matters which Government wishes to see addressed as a matter of priority within our sector.

It is a sound basis on which to build an exciting, confident and sustainable future.



Roisín McDonough
Chief Executive

Note on Lottery figures

This Annual Report contains references to Lottery funded projects and initiatives. The Arts Council of Northern Ireland receives Lottery proceeds and distributes these on behalf of the arts in Northern Ireland. A separate Annual Report and Accounts was prepared for Lottery distribution activities and was audited by the Comptroller and Auditor General. The accounts contained in this report refer only to the non-Lottery funded activities of the Arts Council. A copy of the Annual Report and Accounts on Lottery distribution activities can be obtained from the Arts Council of Northern Ireland and can be viewed at www.artscouncil-ni.org. For information, an edited copy of the Chief Executive's note to the Lottery Annual Report is attached as Appendix C.

OBJECTIVE ONE

Increase opportunities for artists working to the highest standards and in innovative ways

This was the second year of the Support for the Individual Artist Programme (SIAP), a range of funding schemes forming the foundation of Council's response to the challenge of innovative artists.

After an internal review of the pilot programme in year one, informed by a consultation exercise with individual artists selected on a random basis, a number of minor changes were made to improve the working of the programme. For example, applications to the **Travel Awards Scheme** originally had to be received no later than six weeks prior to travel, but this was reduced to four weeks so that the Council could respond more quickly to artists' needs.

No fewer than 449 artists applied under SIAP schemes. As in the pilot year, the **General Arts Awards** continued to be the most popular of the 13 schemes available under this programme. This provides a wide-ranging support system for artists of all disciplines, flexible in the type of project which can be funded, yet with a reasonable upper limit of £3,000 for each award. Under General Arts Awards, the eligible costs for material/equipment were increased from £1,000 to £3,000 and costs for 'professional services' were also admitted, to a limit of £1,000.

A determined focus on the Crafts and Literature art forms, designated as priority areas for the Council, produced immediate results. Twenty-three applications were received under the category of Crafts and, of these, 15 received a total of £30,285. In Literature, 26 applications were received and 12 applicants received a total of £25,700. By far the largest number of applications came from Visual Artists. Of the 103 applications, 48 applicants received a total of £77,430.

The **Major Individual Awards** scheme was fashioned to encourage artists who have progressed well past the initial stages of their career development, who have a proven record of success and who have achieved national and international recognition of their work. Three awards of £10,000 each were made to Michael McCrory (Crafts), Christina Reid (Literature) and Simon McWilliams (Visual Arts).

Two new schemes responding to the need to raise critical awareness of arts events at a personal level received a disappointing number of applications despite wide dissemination of information through the internet, direct mailing and public advertisement. In the **Young Critics Awards** only three awards from a total of four applications were made, while in the **Arts Criticism** scheme five awards were made from a total of 12 applications.

As usual, the progress of the programme and the viability of individual schemes are subject to annual review.





OBJECTIVE TWO

Strengthen the arts infrastructure

Architecture & Public Art

The Council's remit for the support of quality of design in the built environment was made more tangible with the publication in January of *Architecture and the Built Environment: Policies, Strategies and Actions*. This sets out the case for good design and the Council's plans to raise awareness, promote critical debate and community participation, and make recommendations to Government. Appropriately, it was launched in the former St Patrick's School in Donegall Street, Belfast - a fine example of a stylistically and historically significant building which has recently been restored, fit for new purposes. In April, the Council reinforced its commitment by announcing sponsorship of a prestigious new Civic Trust Special Award for Northern Ireland, which will be given to the scheme which best demonstrates contemporary excellence in design in the public realm.

The Arts Council implemented its earlier decision to prioritise capital development in Belfast, a decision largely informed by the significant spend - some £18m to date - of capital resources in areas outside the city. Consequently, an additional £1m was allocated towards the development of a City Centre Arts Centre, to be a major transformational project located in Cathedral Quarter. It will cater for medium-scale theatre and visual arts, as well as educational provision. In January 2002, £3m was allocated by the Council to the city centre development. The total commitment towards the estimated £22m project is now £4m.

In addition to the £2m ring-fenced for audience circulation and disability access at the Grand Opera House in Belfast, Council administered (on behalf of the Department of Culture, Arts & Leisure) a grant of £1.45m towards the purchase of a portion of the adjacent site.

Among the capital projects funded by the National Lottery through the Arts Council, the Flowerfield Arts Centre in Portstewart neared completion during the year. The new building, designed by Consarc Design Group, provides substantial additional facilities in a clean, modern design which respects its setting and the original period Flowerfield House.

Civic space continues to be enhanced - and often defined - by new public art projects, several of which received Arts Council support. These included Vivien Burnside's giant navigational compasses, *Dividers*, in Clarendon Dock, Belfast, and the public art and sculpture trail in and around the Lagan Valley Island complex in Lisburn, which includes various works such as a witty artist's easel in bronze by Brian Connolly.

Visual Arts & Crafts

The seven dedicated gallery spaces which receive support through the Annual Support for Organizations Programme (ASOP) presented full and varied programmes. Shows of new work by Phil Collins and a major retrospective of the work of Alistair McLennan were significant successes for Ormeau Baths Gallery in Belfast. In Portadown, the Millennium Court Arts Centre experienced a significant change in administration, but is expected to continue developing a high quality programme of visual and verbal arts in this area of long-term under-provision.

After 25 years of exciting and experimental presentation of visual art, the Orchard Gallery in Derry City closed its doors for the last time to be replaced by Orchard Agency and an innovative non-gallery based approach to visual arts programming. Belfast Print Workshop's move from Stranmillis to the new city centre Cotton Court building represented a major development and challenge for the organization. The new location should provide enhanced opportunities for public access and increased profile for the workshop and its artists.

A Lottery special initiative on Crafts, Applied Arts and Design was launched in May and received a steady flow of applications. A wide range of projects received support, including the Ulster Museum's *Art of Gold - Goldsmith in Residence*, Rathlin Island Co-operative's craft skills development programme and a major international textiles biennale at Ormeau Baths Gallery.

The Public Eye, a selection of 90 paintings from the Arts Council's Collection, opened to acclaim in the City Arts Centre in Edinburgh in January. It was the first time that a large-scale exhibition from the Collection was shown outside Northern Ireland. Artists included were Louis le Brocqy, Daniel O'Neill, Colin Middleton and William Scott, Basil Blackshaw, Joseph McWilliams and Felim Egan.

Literature

In literature, a number of organizations funded through the ASOP programme produced important work, or underwent significant development. Blackstaff Press, for instance, received funding to produce *New Soundings*, a book-length collection of new writing echoing the influential *Soundings* (1972). *Fortnight*, the long-running cultural magazine, gained a new editor and a new focus. Further, through new Lottery funding to the John Hewitt Summer School and the Aspects Festival in Bangor, the Arts Council was able to strengthen the literary festival sector, and Lottery funding also enabled Black Mountain Press to produce well-received anthologies of new poetry and prose.

Traditional Arts

The traditional arts continue to flourish in Northern Ireland, with greater numbers than ever performing, participating, learning, and appreciating. The main schools of traditional music, including the Andersonstown Traditional and Contemporary Music School, the Armagh Pipers' Club, and the Northern Ireland Piping and Drumming School, received enhanced support from the Arts Council and saw increased enrolments and activities. Numerous smaller education programmes around Northern Ireland received support through the *Awards For All* scheme.

Among the year's many highlights were the 25th anniversary of the Francis McPeake School of Music and the fifth anniversary of the *Open House* traditional music festival in Belfast.

The Arts Council supported the publication of two important resources for widening appreciation of strands of traditional music identified with the Protestant community: Gary Hastings's *With Fife and Drum: Music Memories, and Customs of an Irish Tradition* (Blackstaff Press) and Fintan Vallely's *John Kennedy: Together in Time* (Loughshore Traditions Group). Both works feature accompanying CDs and transcripts of rarely-heard tunes that come from the heart of northern tradition.

Drama & Dance

Theatre companies continued to produce high-calibre work, in both new and classical genres. One of the newest theatre companies to emerge in 2002 was Ransom Productions, which produced the critically-acclaimed *Hurricane*, based on the life and times of snooker champion Alex 'Hurricane' Higgins, to audiences throughout Northern Ireland and Great Britain. Its author and performer, Richard Dormer, also won the Stewart Parker Trust New Writing Award 2002.

The Arts Council announced a major strategic development when it awarded the University of Ulster a Lottery Special Initiative grant to assist the development and implementation of a third-level course in dance. Dance Northern Ireland, the umbrella organization for the sector, promotes and facilitates dance through its Earthquake Festival of International Dance, which aims to raise the profile of dance in Northern Ireland, encourage community participation and establish the event on the international calendar.

Music & Opera

In April, Moving on Music hosted Belfast's first audio-visual weekend entitled *Visionic* with great success. Other Moving on Music concerts this year were also highly praised, in particular, the performance by Sun Ra Arkestra and David Holmes at the Art College. Opera provision continued to flourish, with Opera Theatre Company, Welsh National Opera and Castleward Opera giving audiences the opportunity to witness some truly excellent performances, many of which resulted from cross-border collaborations and youth education workshops. The Sonorities festival presented a series of innovative concerts and workshops, with some notable performances from Rolf Hind (piano), Trio Medieval and Colin Currie. Colin, the first ever percussion finalist in the BBC Young Musician of the Year competition, brought the festival to a close with a thrilling performance that included the premiere of one of his own pieces entitled *Mind over Matter*.

OBJECTIVE THREE

Engage with community arts to increase opportunities for creative participation, to develop new audiences and to expand the range of contexts in which artists work

Community Arts Internet Project

The Community Arts and the Internet project, set up by the Arts Council through a working party, is based on the premise that the availability of increased communication has very important implications for communities which are geographically or socially isolated. Essentially involving research, the project is defining the parameters and capacity of new technology to support community arts work.

Artist in the Community Scheme

The Artist in the Community scheme allows four artists to work in a community context for up to six months, dividing their time between their own work and workshop facilitation.

As a direct result of this scheme, Sticky Fingers, an organization which works in rural areas with pre-school children, has seen a very substantial increase in demand for its services and the Arts Council

has established a relationship with the Amalgamated Transport & General Workers' Union representing bus employees.

Social Inclusion

In January, the Council appointed its second Community Arts Officer with a specialist remit for social inclusion. The responsibilities of the post - to create new partnerships to help remove barriers preventing people participating in the arts - reflected the Council's commitment to the community arts sector. It also helped acknowledge that this is an ever growing and diverse sector which, in co-operation with the Arts Council, tackles strategic issues of access and participation.

The Arts Council tackles social exclusion by working with diverse minority ethnic communities to develop their weak arts infrastructure and nurture their own arts and cultural heritage. The next step is to share that cultural identity with other communities moving towards an inter-cultural society and social cohesion. The Arts Council is also addressing *NewTSN* by developing the arts in interface areas in inner cities, with communities suffering from the highest levels of deprivation, using the arts as a tool for social change. Promoting good relations is an overarching theme within each of the Council's specific objectives, covering many Section 75 groupings.

The grant aid offered this year to organizations working in community arts totalled more than £3.25 million. This emphasises the increased demand for community arts work. The quality of work continues to rise and many more artists are engaging with their communities in mutually beneficial ways. However, the key issue which faces community arts is sustainability as projects face the possible withdrawal of European funding under particular schemes.

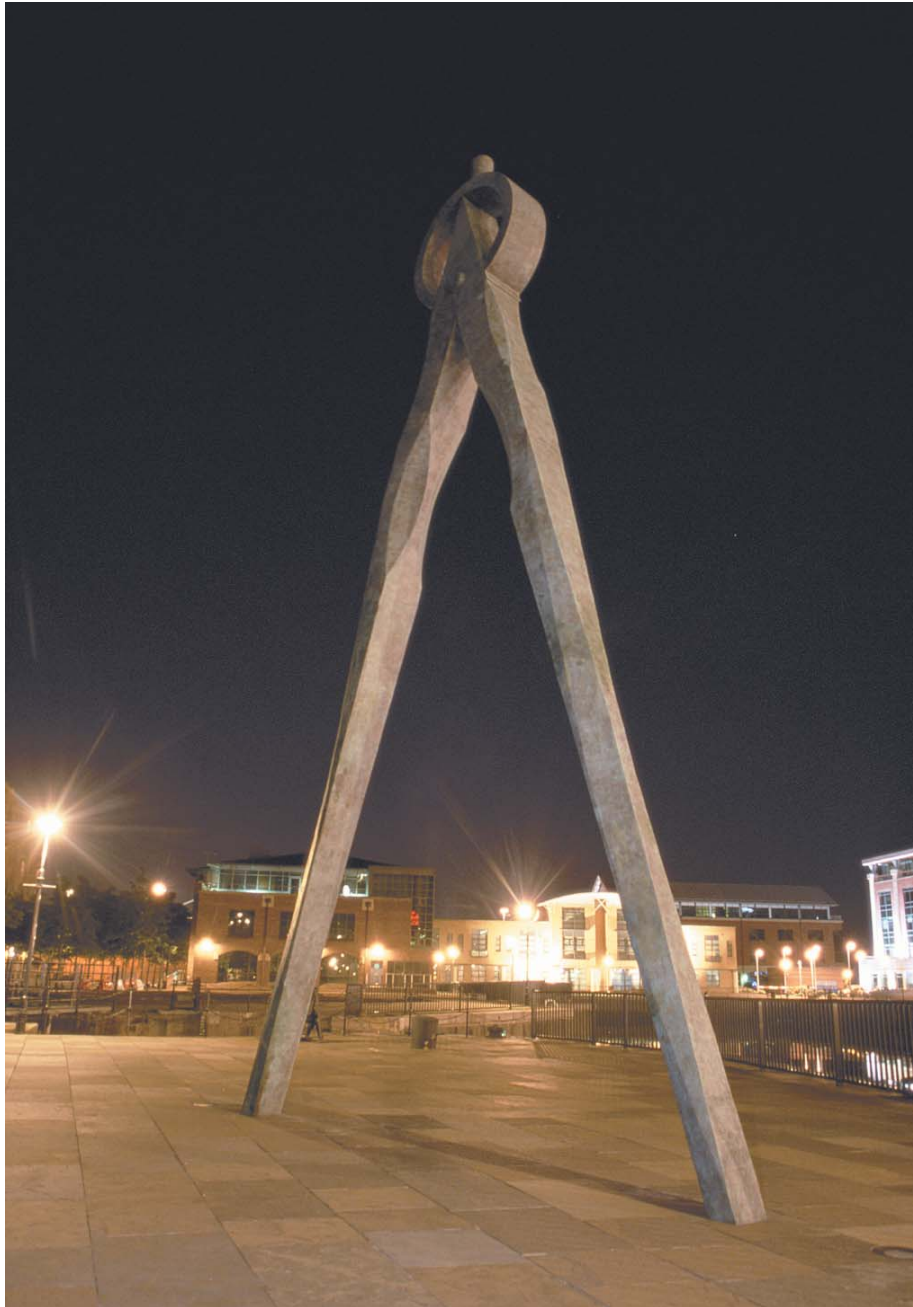
OBJECTIVE FOUR

Engage with voluntary arts to increase opportunities for creative participation, to develop new audiences and expand the range of contexts in which artists work

The Arts Council has declared its intention to "Engage with voluntary arts to increase opportunities for creative participation, to develop new audiences and expand the range of contexts in which artists work." This key strategic objective signals a sea change in how the Council views the sector. The period under review has seen a number of positive sectoral developments involving Arts Council support. *Awards for All* has been a particularly appropriate funding source for voluntary arts organisations to enable project development at a local level.

The piece of research referred to in our last annual report manifested itself as *Facts, Figures, Futures - Voluntary Arts: The State of the Sector*. The process behind this Arts Lottery funded initiative involved a thorough methodology; established a unique baseline for the sector and has provided a firm basis for strategic development.





OBJECTIVE FIVE

Increase the quality of access for disabled people to the Arts Council of Northern Ireland

The Council again increased support to the core arts and disability organizations, as it had done even during long periods of standstill funding from Government. Such funding has helped promote greater stability and consolidation and contributed to confidence-building in the sector.

Working in partnership with our clients is key to success. The arts and disability organizations are individually well defined within the sector, with little duplication in the types of service and support they offer. The Arts Council recognises the significant contribution they make in delivering our strategic objectives.

Key strategic issues of access and participation were addressed in a joint partnership of the Arts & Disability Accessibility Group and Arts Council staff. Widening Access, an evening of dance, theatre, cabaret and visual art, was held in the Island Arts Centre, Lisburn, and later in the year the Arts Council published Towards Inclusion, a disability equality training manual designed for trainers and also to raise awareness of disability and its importance to the delivery of the arts. The manual was used to support a series of disability equality workshops for venue managers and local government staff.

Arts & Disability Awards Ireland

This scheme attracts quality applications from all over Ireland. It is a funding partnership between the Arts Councils in Ireland and is administered by the Arts & Disability Forum, the umbrella organization for the sector. The Awards are designed to challenge and inspire disabled artists to reach their potential through innovative and experimental projects.

Awards were made to 23 artists over the year. They came from a wide spectrum of art forms including animation, creative writing, music, sculpture and painting. The list included Steven Noonan, an animator from Draperstown, and Maurice Orr, a painter from Ballymena who (in what could fairly be described as a meteoric year) was also awarded the Arts Council's prestigious Banff Residency in the Leighton Studios in Canada.

European Year of People with Disabilities

This has been an important time for the arts and disability sector in Northern Ireland, with legislation in train to support the creation of improved access and services for disabled people. In January, the European Year of People with Disabilities was launched in Belfast and, significantly, the event became an opportunity to highlight the creative strength of a sector which constitutes more than 20 per cent of the population of Northern Ireland.

The Arts Council has developed close links with Government through the European Year and it is anticipated that there will be an appropriate response to the challenge of EYPD in the future.

OBJECTIVE SIX

Enhance children's and young people's access to creative expression through the arts, in contexts of their own choosing, and increase opportunities for participation as they grow and develop

Youth Arts

In September, the Arts Council re-designated the post with responsibility for children and young people from that of Education and Training Officer to Arts Development Officer (Youth Arts). The remit of the new post reinforces the Council's intention to address arts provision for children and young people from the ages of three to 24, 'in contexts of their own choosing'. The new post will build on the successful work accomplished in the formal education sector and expand this to include post-16 colleges and non-formal education in youth clubs and community and voluntary groups. The post is also to address arts provision for children and young people in areas of the public sector where it is currently under-developed.

Unlocking Creativity - Creative Youth Partnerships

The Arts Council agreed with the five Education & Library Boards, and with the support of the Department of Culture, Arts & Leisure and the Department of Education, to develop a strategic, regional initiative - Creative Youth Partnerships. Following consultation which involved artists, arts organizations and statutory and voluntary organizations with responsibility for children and young people, the partnership established a consortium of regional representatives through which the initiative could be developed. The Creative Youth Partnerships scheme will be supported by £500,000 of the Arts Council's National Lottery funds, £750,000 from DCAL, £300,000 from DE and £250,000 from the Education & Library Boards. The scheme aims to increase opportunities for children and young people to participate in the arts and to provide support to artists and arts organizations working in the Youth Arts sector in both formal and non-formal environments.

Early Years Arts

In recent years, the youth arts sector has seen an increase in the number of artists, arts organizations and programmes dedicated to meeting a demand for improved arts provision for children aged from three to nine. Following the successful impact of Early Years Arts projects in 2001-02 - an Arts Council initiative which DCAL supported with £100,000 - the Council wanted to use similar funding to reinforce and provide core support to key Early Years Arts organizations as part of the Annual Support for Organizations Programme. Early Years Arts is to be a growing area of expansion within Youth Arts and is contributing significantly to the expansion of current audiences with positive implications for sustained audience development.

Artists in Schools Directory

This web-based directory, listing details on 192 artists across all art forms, involved 184 schools and 18,415 children and young people participating in the scheme. A Primary Schools' Tour programme has run parallel to the directory programme offering performances by ensembles and Youth Arts organizations to 40 schools.

Education Residencies

Five awards of £10,000 were received by schools in each of the five Education & Library Boards to support artists' fees for six-month residencies. Most awards were made to consortia (12 schools in total) and included a range of high, primary and special schools in both urban and rural areas. Projects included combining digital and traditional media, moving image, pop culture and advertising, textiles and script-writing.

Youth Arts Clusters

Following the *Generation 2000 Conference*, a Youth Arts Cluster Group was formed. The key driver behind the formation of this group was recognition by the community, voluntary and statutory sectors of the benefits to be derived from the use of arts in working with, and communicating to, children and young people. In order to maximise the ability to derive these benefits, it was recognised as essential that a cohesive approach to the provision of youth arts be established between the voluntary, community and statutory sectors.

In order to ascertain how best to achieve this cohesion, the Youth Arts Cluster Group commissioned Nick Randell Associates "to make recommendations, in the form of an action plan for youth arts development to assist the Youth Arts Cluster Group meet its objectives".

The main recommendation arising from the resulting *Towards Positive Partnerships* report was the formation of an independent Youth Arts Development Unit with the aim of "increasing access to arts activity outside of formal education for children and young people under 25 years, by promoting and supporting the development of youth arts policy, practice, partnerships and provision throughout Northern Ireland."

The report identified four key areas of focus for the proposed unit: training; advocacy; advice & support; and information & networking.

A review of developments within the Youth Arts arena since the publication of Randell, made apparent the lack of available funding to support the core costs of an independent Youth Arts Unit. Funding is more likely to be made available for programme-specific tasks with targeted outcomes linked to the strategic objectives of funders.

A further development was an agreement between the Council and the Education & Library Boards to create five Creative Art Co-ordinator posts. These posts will promote arts within the formal and non-formal sectors, acting as a conduit for youth art providers to access children and young people, and develop creative practices. This model, agreed in July, goes some way to developing an information source and preliminary networks as recommended by Randell.

OBJECTIVE SEVEN

Increase audiences for the arts

Collaborative Arts Marketing On-Line

The Arts Council this year took steps towards implementing innovative programmes of support designed to develop new audiences. It appointed Roger Tomlinson Consultancy to update the 1998 Feasibility Study into the establishment of a collaborative arts marketing initiative for Belfast, and to develop recommendations for Lottery Special Initiative funding for a computerized ticketing system. Tomlinson's report recommends the establishment of an on-line box office network whereby each venue will have its own ticketing system all connected together to the internet. This means that not only can the public buy tickets on-line but also make ticket purchases from Tourist Information Centres and other outlets, with obvious benefits for effective marketing, accessibility for the public, and a higher profile for the arts.

Tomlinson also recommends the establishment of an Audience Development Agency which would manage the ticketing system, provide training for venues on marketing and box office, and undertake market research into arts audiences.

The Council will commission a full economic appraisal and business plan based on the Tomlinson Report to be completed during 2003/04.

Corporate Services

Restructuring

The Council completed the review of its structure year and introduced a revised structure with effect from 1st September 2002 (see Appendix A). The objective behind restructuring was to increase the efficiency and effectiveness of the Council's operations. The progress of the revised structure will be kept under review.

Skills & Training

As part of its commitment to staff, the Council increased spending on training to £13,676 in the year (from £10,252 in 2001-02). A new Training and Development policy was developed and personal development plans drawn up for every member of staff. The new policy and these plans will guide Council spending in this area for the next year and a budget of £40,000 has been created for 2003-04. The Council is committed to the Investors in People initiative and is pursuing full accreditation which is expected in 2005.

A full list of staff employed by the Council during the year is included at Appendix B.

Administrative Expenditure

At the beginning of the year, the Council agreed the administrative budget for the Council. This totalled £1,294,614. The net administrative expenditure was £1,185,671, thereby surpassing the target by £108,943. This means that the Council used just over 12 per cent of total DCAL funding in the year for administrative purposes.





ICT Developments

The Council has shown its commitment to the development of its IT infrastructure. An Assistant IT Officer position was created in March, to enable the Council to move ahead with its plans to meet the Government's target that all public services will be available electronically by 2005. The Council developed its internal ICT systems so that all its schemes were administrated electronically by the end of the year. During the year, the Council has worked closely with DCAL and our colleagues in other non-departmental public bodies to begin the process of developing an e-business strategy which will benefit the Council and its key stakeholders.

Art.ie information service

Usage of www.art.ie, the island of Ireland arts and entertainment website, which was developed in partnership with the Arts Council/An Chomhairle Ealaíon, continued to grow at a striking rate. An additional member of staff was recruited in March on a full-time basis to help manage the site. Importantly, the work of re-branding and re-designing both the website and the bi-monthly listings booklet got under way with a view to a re-launch.

Art.ie website information

Oct 2002:	263,700 hits - 60,922 page impressions
Nov 2002:	249,801 hits - 51,895 page impressions
Dec 2002:	238,992 hits - 51,897 page impressions
Jan 2003:	268,149 hits - 72,072 page impressions
Feb 2003:	247,569 hits - 62,072 page impressions
Mar 2003:	282,202 hits - 84,105 page impressions

Publications

New publications of note this year included the policy document, *Architecture and the Built Environment*, and the arts and disability handbook, *Towards Inclusion*.

Equality

Since approval of the Arts Council Equality Scheme in June 2001, the Council has remained committed to implementing the scheme's requirements, actively entering into meeting these duties. It has conducted equality impact assessments on the following programmes: Access to the Arts; Annual Support for Organizations; Capital Programmes - Buildings, and the Architecture Policy.

Furthermore, the following policies have been screened: Council internal restructuring; the Architecture Policy; the Community Arts Internet Project; the Craft Policy, and Musical Instruments for Bands.

All staff have been trained in meeting Equality Scheme Duties. The Equality Steering Committee, chaired by the Chief Executive, met during the year to review compliance with the Equality Scheme. The Council also held extensive consultations with Section 75 groups and will continue to deliver on its Equality Scheme duties so that equality of opportunity and outcome is provided for all sections of society in Northern Ireland.

EXPENDITURE SCHEDULES

Art Expenditure Schedules 2002-03

COMMUNITY ARTS

	£
Old Museum arts centre	194,000
Crescent Arts Centre	95,000
The Playhouse	85,000
Cultúrlann McAdam O Fiaich	75,000
Belfast Community Circus	58,500
Community Arts Forum	56,908
The Nerve Centre	55,000
The Beat Initiative	50,000
Féile an Phobail	45,000
Northern Visions	45,000
Wheelworks	29,000
Belfast Exposed Community Photography Group	20,000
Play Resource Warehouse	20,000
Sole Purpose Productions	17,000
JustUs Theatre Company	16,000
Kids in Control	15,000
Prison Arts Foundation	13,000
Belfast Youth and Community Group	12,500
Eden Place Arts Centre	10,800
Belfast Community Theatre	10,000
Streetwise Community Circus	9,000
Best Cellars Music Collective Ltd	8,000
	939,708

DRAMA & DANCE

	£
Grand Opera House	1,908,400
Lyric Theatre	525,000
Derry Theatre Trust	190,000
Replay Productions Ltd	115,500
Tinderbox Theatre Company	80,000
Prime Cut Productions	70,000
DubbelJoint Productions	68,750
Big Telly Theatre Company	65,000
Kabosh	52,500
Compantas Amharclainne Aisling Ghéar	50,000
Ardhowen Theatre (Fermanagh District Council)	45,900
Armagh City & District Council The Market Place	45,900

Riverside Theatre	45,900
Ulster Association of Youth Drama	38,000
Dance Northern Ireland	30,000
Centre Stage	22,000
Cookstown District Council (The Burnavon Arts)	18,000
Belfast Theatre Co.	11,000
Maydown Youth Training Project Ltd (The Waterside)	10,000
Association of Ulster Drama Festivals (AUDF)	9,500
The Stewart Parker Trust	7,000
Echo Echo Dance Theatre Company	5,000
Release of prior year provision	(1,601)
	3,411,749

EDUCATION

	£
Tyrone Guthrie Centre	62,000
Primary Schools (Tours)	2,590
Arts and Young People	1,050
Release of prior year provision	(148)
	65,492

HEALTH, DISABILITY & VOLUNTARY ARTS

	£
The Belfast Festival at Queen's	145,000
Open Arts	30,000
Young At Art	28,000
Arts & Disability Forum	26,196
Drake Music Project Northern Ireland	24,000
Voluntary Arts Network	19,483
ADAPT NI	17,000
The Cathedral Quarter Arts Festival	12,000
Lisburn Borough Council	11,700
Dungannon Disability Arts Studio	10,000
Clotworthy Arts Centre	9,000
New Belfast Community Arts Initiative	8,000
Down District Council	7,200
Ards Arts Committee	5,400
Flowerfield Arts Centre	5,400
Castlereagh Borough Council	4,000
Amber Community Dev. Agency	2,000
Release of prior year provision	(1,973)
	362,406

LITERARY ARTS**£**

Blackstaff Press	58,300
Verbal Arts Centre	30,050
Lagan Press	30,000
The Gallery Press	16,000
Fortnight Publications	12,100
The Summer Palace Press	11,925
Poetry Ireland	10,000
Queen's University English Society	7,000
Ireland Literature Exchange Ltd	6,110
<i>An tUltach</i>	6,000
<i>Books Ireland</i>	6,000
Irish Writers' Centre	6,000
CLÉ	5,000
<i>The Irish Review</i>	3,000
	207,485

MUSIC**£**

Ulster Orchestra Society	1,344,000
Castleward Opera	150,000
Moving on Music	45,000
Opera Theatre Company	45,000
Ulster Youth Orchestra	22,500
Sonorities Festival of Contemporary Music	20,000
Belfast Music Society	15,000
Classical Music Society	15,000
The Contemporary Music Centre, Ireland	14,000
Ulster Youth Choir	10,000
Release of prior year provision	(103)
	1,680,397

TRADITIONAL ARTS**£**

Irish Traditional Music Archive	15,000
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VISUAL ARTS**£**

Ormeau Baths Gallery	250,000
Belfast Print Workshop	50,000
Queen Street Studios	20,000
Seacourt Print Workshop	20,000





Context Gallery	16,000
Flax Arts Studios	16,000
Catalyst Arts	15,000
Orchard Gallery	15,000
Photoworks North/Source Magazine	15,000
Circa Art Magazine	12,000
Fenderesky Gallery at the Crescent Arts Centre	8,000
Golden Thread Gallery	6,000
East Belfast Arts Collective	5,000
Orchid Studios	3,000
Paragon Studios	3,000
Array Studios	2,500
Creative Exchange	2,500
Release of prior year provision	(875)
	458,125

STRATEGY

	£
Year of the Artist	21,056
Widening Access	36,582
Development Partnerships with Local Authorities	24,048
Infodesk/British Council	25,959
Arts & Business	30,000
Visiting Arts Office of GB&NI	3,200
Cultural Diversity Initiative	14,000
Joint Initiative with CRC	6,000
Arts Research	37,086
Community Arts Forum Strategy	9,050
Business Plan - Youth Arts Unit	12,337
<i>Impact of the Arts Research</i>	30,172
Theatre Impact Study	34,828
	284,318

SUPPORT FOR THE INDIVIDUAL ARTIST

	£
The George Campbell Memorial Trust	1,000
The British School at Rome Fellowship	8,000
The Chair of Poetry	6,000
The Skidmore Jazz Studentship	1,789
The Banff Residency in the Leighton Studios	5,500
MacDowell Colony Residency	4,494
University Residencies	19,950

Major Individual Awards

<i>Simon McWilliams</i>	10,000
<i>Michael McCrory</i>	10,000
<i>Christina Reid</i>	10,000

International Self-Arranged Residencies

<i>Jeanette Parkes</i>	725
<i>Chris Wilson</i>	3,747
<i>Susan Hunter</i>	2,889
<i>Janet Preston</i>	1,970
<i>Tom Bevan</i>	2,000
<i>Ivan Frew</i>	1,150

The Arts & Disability Awards Ireland

22,725

Professional Training Scheme

<i>Steve Burch</i>	1,500
<i>Norma O'Brien</i>	1,900

Arts Criticism Awards

<i>Una Bradley</i>	500
<i>Peter Millar</i>	500
<i>Helen Toland</i>	500
<i>Niall Richardson</i>	500
<i>Brian Cian O'Neill</i>	500

Young Critics Awards

<i>Clara Dawson</i>	250
<i>Stephen Bleakney</i>	250
<i>Orlaith Graham Wood</i>	250

Artists in Education Scheme

50,000

Young Artist Scheme

<i>David McGrory</i>	3,000
<i>Joanne Quigley</i>	3,000
<i>Patrick Sanders</i>	1,310

Artist in the Community Scheme

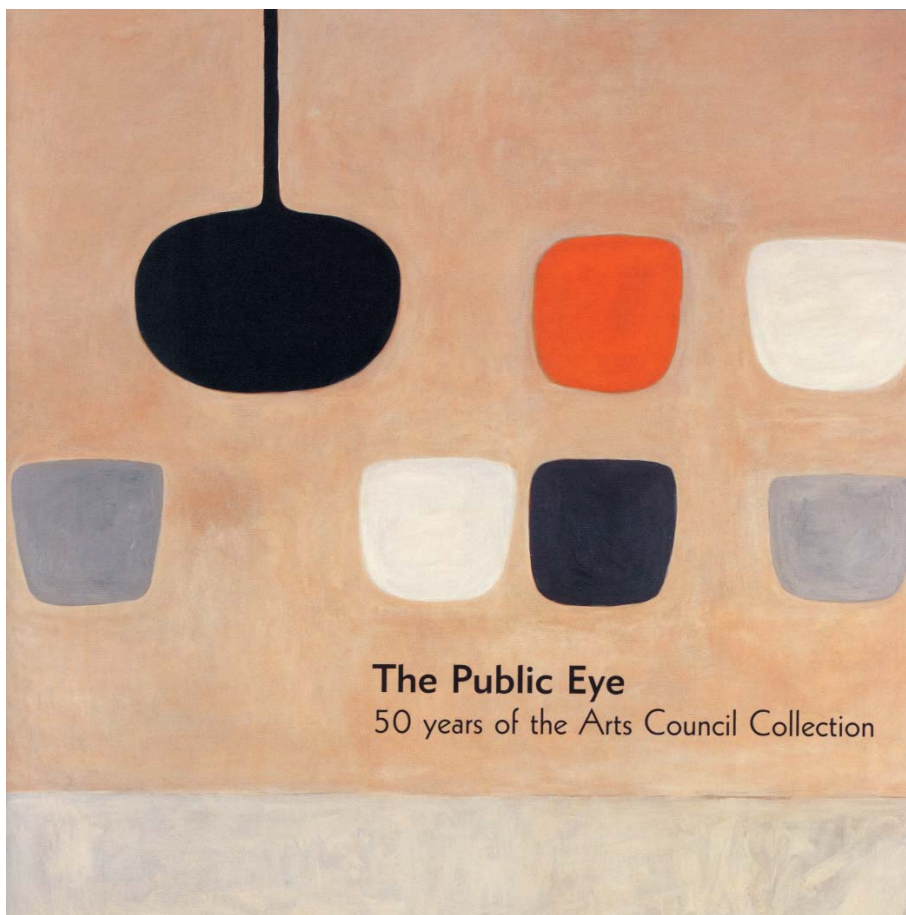
<i>Down Community Arts</i>	10,000
<i>Nerve Centre</i>	10,000
<i>John Coffey</i>	10,000
<i>Sticky Fingers Early Years</i>	10,000

Travel Awards

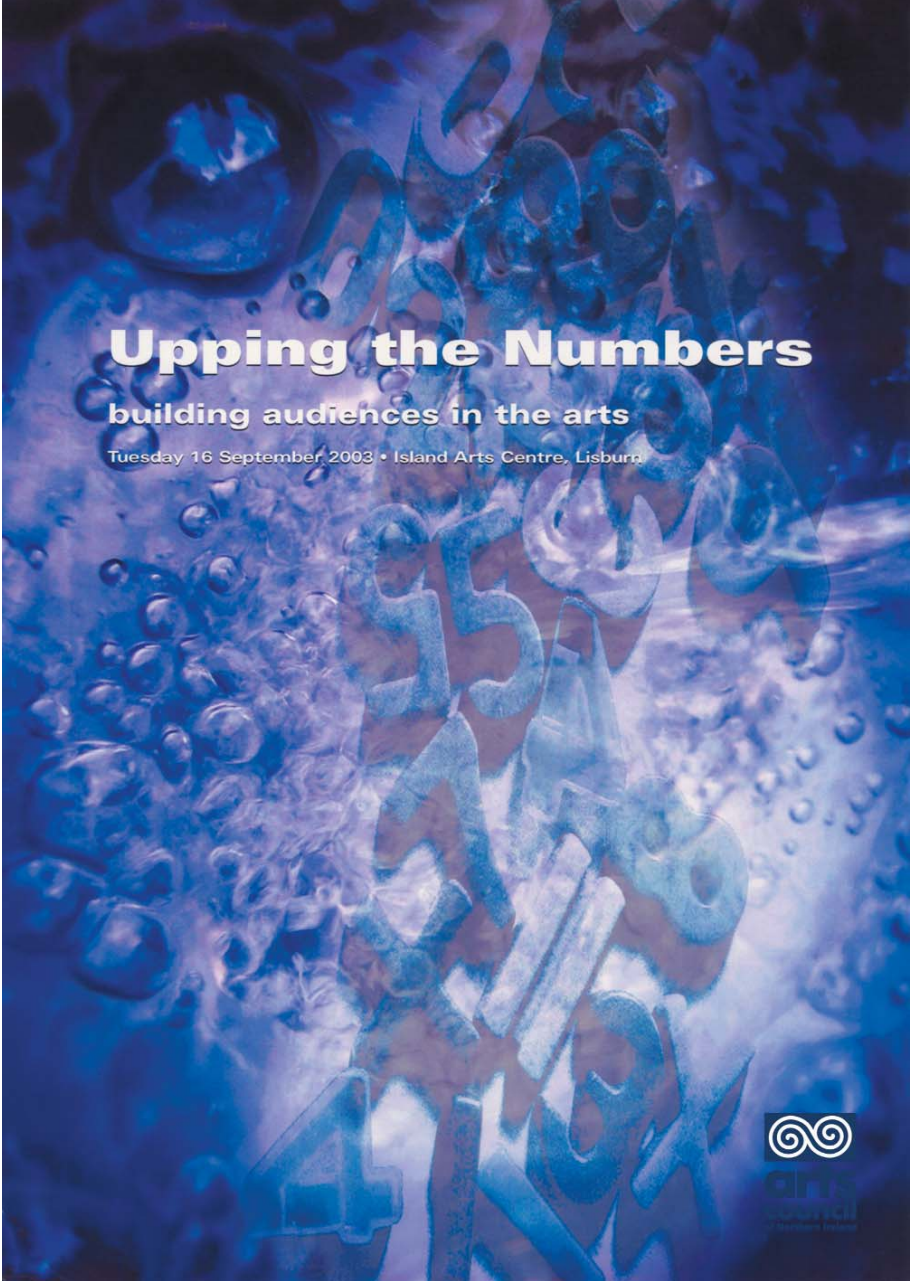
<i>Liz Weir</i>	600
<i>Ray Duncan</i>	300
<i>Rachel O'Neill</i>	600
<i>David Woods</i>	650
<i>Richard Croxford</i>	250
<i>Ben Sands</i>	600
<i>Joanna Williams</i>	500
<i>Fil Campbell</i>	600

<i>Tom McFarland</i>	600
<i>Dan Shippides</i>	250
<i>Maurice May</i>	250
<i>John Molden</i>	500
<i>Suzanna Shaw wai Chan</i>	200
<i>Thomas Sands</i>	600
<i>Christopher Murphy</i>	400
<i>Carolyn Dobbin</i>	200
<i>Sandra Johnston</i>	250
<i>Fintan Brady</i>	500
<i>Audrey Concannon</i>	500
<i>Jude Collins</i>	600
<i>Sam Fleming</i>	600
<i>Sharon Ferguson</i>	800
<i>Dessie Reilly</i>	200
<i>Martin McClure</i>	500
<i>Deirdre McCrory</i>	200
<i>Allan Hughes</i>	250
<i>Zona Crilly</i>	200
<i>Karen Gibson</i>	200
<i>Stephen Hackett</i>	500
<i>Joshua Courtney Schultz</i>	500
<i>Joanne Vance</i>	650
<i>Leslie Rich</i>	600
<i>Jackie Rainey</i>	300
<i>Robert Bottom</i>	300
<i>Gerry Gleason</i>	250
<i>William Teare</i>	600
<i>Elaine Agnew</i>	250
<i>Roberta Bingham</i>	100
<i>Jack Packenham</i>	250
<i>Rebecca Hunter</i>	400
<i>Ricardo Climent</i>	300
<i>Alessandro Negrini</i>	750
<i>Len Graham</i>	300
<i>Padraigin Ni Uallachain</i>	300
<i>Melissa Hamilton</i>	429
<i>Caroline Crawley</i>	429
<i>Stephen Don</i>	250
<i>Brian Mullen</i>	250
<i>Dan Gordon</i>	800
<i>James McFetridge</i>	800
<i>Ima Pico Cardenas</i>	300
<i>Sonya Whitefield</i>	250

<i>Gerard McCartney</i>	250
<i>Antoine Rivoire</i>	540
<i>Simon Sheldon</i>	540
<i>Brian White</i>	600
<i>Ewan Gordon</i>	600
<i>Kenneth Mathieson</i>	600
General Art Awards	
<i>Cara Murphy</i>	1,000
<i>Sinead McDermott</i>	750
<i>Celine Traynor</i>	3,000
<i>Jacquie Brachi</i>	1,635
<i>Harry Savage</i>	800
<i>Peter Boardman</i>	1,295
<i>Alan Cargo</i>	1,500
<i>Eleanor Wheeler</i>	3,000
<i>Jeremy Suffern</i>	3,000
<i>Randolph Repass</i>	1,745
<i>Steven Davis</i>	3,000
<i>Marcella Robinson</i>	1,100
<i>Edmond Bennett</i>	3,000
<i>Gary Hughes</i>	2,400
<i>Michael Joseph Harte</i>	1,500
<i>Alan Niblock</i>	3,000
<i>Sonia Butterworth</i>	1,000
<i>Neill Martin</i>	1,500
<i>Grant Goldie</i>	3,000
<i>Patricia Craig</i>	3,000
<i>William Kelly</i>	2,000
<i>Mary Montague</i>	1,500
<i>Medbh McGuckian</i>	3,000
<i>John McGuckian</i>	2,000
<i>Carol Freebairn</i>	1,500
<i>Mairtin Crawford</i>	1,320
<i>James Meredith</i>	1,600
<i>Gary Shaw</i>	1,500
<i>Alan Robert Breadon</i>	970
<i>Kevin Killen</i>	1,370
<i>Conor McFeely</i>	1,000
<i>Neal Johnston</i>	500
<i>Margaret Arthur</i>	1,000
<i>Margaret McGuire</i>	1,000
<i>Jim McKeivitt</i>	1,000
<i>Susan Whitla</i>	1,000
<i>Robin Carson</i>	1,500



The Public Eye
50 years of the Arts Council Collection



Upping the Numbers

building audiences in the arts

Tuesday 16 September 2003 • Island Arts Centre, Lisburn



<i>Helen Elizabeth Sharp</i>	1,850
<i>Audrey Concannon</i>	3,000
<i>Cian Donnelly</i>	720
<i>Aileen Kelly</i>	1,500
<i>Louise Farrant</i>	1,000
<i>Francis Corry</i>	1,500
<i>Peter Richards</i>	2,000
<i>Darragh Casey</i>	2,500
<i>Alessandro Negrini</i>	3,000
<i>Rachael O'Neill</i>	500
<i>Lisa Malone</i>	1,800
<i>Clive Murphy</i>	1,000
<i>Amanda McKittrick</i>	2,390
<i>Joanna Laurens</i>	3,000
<i>Jon Haynes</i>	2,100
<i>Stephen Batts</i>	3,000
<i>Ursula Burns</i>	3,000
<i>Dave Kane</i>	3,000
<i>Peter Rosser</i>	2,000
<i>Linley P. Hamilton</i>	3,000
<i>Paul Wilson</i>	1,500
<i>Suzanne Char.Savage</i>	1,500
<i>Patricia Byrne</i>	1,750
<i>Joseph Ruane</i>	2,550
<i>Brian McAvera</i>	3,000
<i>Peter Balance</i>	3,000
<i>Ursula Laeubli</i>	3,000
<i>Seliena Coyle</i>	1,500
<i>Clare McCarroll</i>	3,000
<i>Diane McCormick</i>	3,000
<i>Richard Kirk</i>	3,000
<i>Karl Harron</i>	1,100
<i>Clare McComish</i>	960
<i>Sam Burnside</i>	1,280
<i>Jennifer Cornell</i>	1,000
<i>John Brown</i>	1,500
<i>Joanne Claire Baker</i>	3,000
<i>Daragh Carville</i>	3,000
<i>Leslie Nicholl</i>	1,720
<i>Stephen McNally</i>	2,900
<i>Michael Crone</i>	3,000
<i>Barbara Freeman</i>	1,500
<i>Corrina Askin</i>	3,000
<i>Tony Donnelly</i>	700

<i>Ned Jackson Smyth</i>	1,800
<i>Mary McIntyre</i>	2,000
<i>William McKeown</i>	2,000
<i>Catherine Davidson</i>	950
<i>Sam Fleming</i>	1,000
<i>Aisling O'Beirn</i>	3,000
<i>Jennifer Trouton</i>	500
<i>Ann Henderson</i>	2,980
<i>Fiona Joyce</i>	3,000
<i>Lucy Turner</i>	805
<i>Edward Rafferty</i>	730
<i>Jill McKeown</i>	1,375
<i>Nicola Robinson</i>	690
<i>Brendan Megarity</i>	500
<i>Darren Murray</i>	1,690
<i>Cherie Driver</i>	1,850
<i>Duncan Ross</i>	3,000
<i>Michuko Okuyama</i>	576
<i>Una Walker</i>	3,000
<i>Sharon Kelly</i>	1,700
<i>Seamus Harahan</i>	3,000
<i>Ursula Burke</i>	3,000
<i>John Quinn</i>	1,500
<i>Jonathan Burgess</i>	3,000
<i>Lurach Bredin</i>	1,425
<i>John Mathews</i>	3,000
<i>Ciaran O Doherty</i>	2,323
PS1 Studio	28,772
Profile/Advertising	16,244
Release of prior year provision	(2,698)
	490,554

OTHER ARTFORMS

	£
Visiting Opera	185,000
Opera Development	25,100
Primary Schools Tours	19,415
Conference/FLGA	20,024
Resource Pack	19,282
Architecture Policy & Award	10,000
BBC Blast Project	6,062
Talks On	6,000
Douglas/Camerata Residency	5,000
Big Telly Theatre Company	4,990

Servicing the Collection	3,578
Edenbrooke Primary School	3,000
Instrumental Maintenance	2,203
Lyric Theatre	1,330
Arts and Young People	35
DFP Collection Expenditure	297
Release of prior year provision	(1,799)
	309,517

CULTURAL TRADITIONS

	£
The Armagh Rhymers Workers Co-op	65,000
Cultúrlann McAdam O Fiaich	25,000
The Francis McPeake School of Music	23,000
The Nerve Centre	23,000
Andersonstown Traditional & Contemporary Music School	20,000
NI Piping & Drumming School	20,000
Armagh Pipers Club	15,000
Mid-Armagh Community Network	15,000
Altnaveigh House Trust	12,000
Belfast & District Set Dancing	12,000
Kids' Own Publishing	10,000
Pushkin Prizes Trust	10,000
Release of prior year provision	(4,200)
	245,800

	£
Imagine Belfast	300,000





FOREWORD

History and Statutory Background

The Council, presently known as the Arts Council of Northern Ireland, is the statutory body through which public funding for the arts in Northern Ireland is channelled. It was established by the Arts Council (Northern Ireland) Order 1995 and came into existence on 1 September 1995. The Council took over the assets and liabilities of the Arts Council of Northern Ireland 1994 Limited which was a company limited by guarantee established in 1994 as an interim body between the previous Arts Council (established in 1943) and the new statutory body.

The Arts Council dates from 1943 when it was set up as the Council for the Encouragement of Music and the Arts in Northern Ireland. Initially funds were provided by the Pilgrim Trust and matched by the Ministry of Education for Northern Ireland. At the present time the Arts Council is funded via grant-in-aid by the Department of Culture, Arts and Leisure. The affairs of the Council are managed by a Council consisting of fifteen members. The current Council members are listed below. The Chief Executive is the principal executive officer of the Council and is supported by a professional staff responsible for subject and functional areas of the Council's programme.

Principal functions related to grant-in-aid activities

The Arts Council of Northern Ireland is charged with four statutory functions under the Arts Council (Northern Ireland) Order 1995. These are:

- (a) to develop and improve the knowledge, appreciation and practice of the arts;
- (b) to increase public access to, and participation in, the arts;
- (c) to advise the Department of Culture, Arts and Leisure and other government departments, district councils and other bodies on matters relating to the arts; and,
- (d) such other functions as are conferred on the Council by any other statutory provision.

The Council performed its functions during the year ending on 31 March 2003 by making grants to organisations engaged in the arts either on a revenue or on a project basis; by granting awards and bursaries to individuals engaged in the arts; by organising tours of performing and creative artists; by organising and participating in the Forum for Local Government and the Arts; and by advising the Department of Culture, Arts and Leisure and various other public and private bodies on a range of issues relating to the arts. The Council is also one of the distributing bodies of the National Lottery. Its Lottery distributing activities are reported upon separately under the National Lottery Etc. Act 1993.

Financial results

At the end of the year the Council realised a deficit of £35,142. Its Capital and Reserves on the Balance Sheet decreased from £516,297 to £475,214.

Review of grant-in-aid activities

The annual round of distribution of grant aid for 2002-2003 involved a re-alignment and a re-balancing of allocations incrementally in favour of artists and creative production. In this latter respect, the allocations included a 10% uplift to the annual funding of theatre companies.

In terms of artists, the Council approved a maintenance of funding levels for the Support for the Individual Artist Programme, slightly reprofiling the separate schemes in the programme after an internal and external review process. In particular, a new scheme entitled Artists in the Community reasserted the importance of bringing professional artists into close contact with community groups.

The strategic emphasis on Community Arts as set out in the Council's five year arts plan *Inspiring the Imagination, Building the Future*, was further strengthened and consolidated by increased financial support to several major Community Arts clients, including Feile an Phobail, Belfast Community Circus School and The Playhouse in Derry.

Several research projects initiated by the Arts Council were published during this financial year. *Towards Inclusion – a Widening Access Initiative* was published in March 2003 in association with a series of six disability awareness workshops throughout Northern Ireland. In the field of theatre, a Needs Analysis for Professional Independent Theatre and North-South Touring Review were completed. The Council's Architecture Working Party issued a comprehensive policy document entitled *Architecture and the Built Environment*.

In order to improve efficiency and promote effectiveness in the delivery of grant-in-aid activities, the Arts Council undertook a process of restructuring during the year. In September 2002 the organisation implemented the new structure.

Fixed assets

The movement on fixed assets is reported upon in note 6(a). Assets to the value of £19,339 were purchased during the year.

Future developments in grant-in-aid activities

With the announcement of additional funding from the Department of Culture Arts and Leisure over a three-year planning period, the Arts Council approved a series of priorities in February 2003. Paramount to these priorities was the Council's own perception of its role in arts funding. As it moves inexorably towards becoming a "development agency", attention has been focused on a series of new projects initiated by the Arts Council and in most cases delivered by the arts sector in Northern Ireland.

Several new research programmes will be initiated, especially a number of Social and Economic Impact Studies into major clients and the subsidised theatre sector.

Under the Support for the Individual Artist Programme, new funding schemes concentrating on international profiling of the arts from Northern Ireland will be established.

Council members of the Arts Council of Northern Ireland

The Council of the Arts Council of Northern Ireland for the year ended 31 March 2003 is shown below. All members were appointed on 1 March 2000 for a three year term, which was renewed for a further three months commencing 1 March 2003, unless stated otherwise. Those marked with an asterisk had served a previous term which commenced on 1 September 1996.

Prof. Brian Walker (Chairman)	(from 1 August 1998 for three years, extended to 30 June 2003)
Rosemary Kelly (Chairman)	Appointed 1 July 2003
Mrs Maureen Armstrong	
Mr David Boyd	To 28 February 2003.
Cllr Martin Bradley *	
Dr Maurina Crozier	
Mr Ronnie Dunn OBE	
Dr Tess Maginness *	
Mr David Hyndman	
Ms Judith Jordan	Resigned 27 January 2003.
Mr James Kerr	
Prof. Brian McClelland	
Ms Gerri Moriarty	
Ms Eilis O Baoill (Vice-Chairman)	
Mr Aidan Shortt *	
Mrs Margaret Yeomans	To 28 February 2003.

The appointment of Council members is approved by the Minister of Culture, Arts and Leisure. The Chair and members of the Council have individual and collective responsibility to the Head of the Department of Culture, Arts and Leisure:

- to provide effective leadership for the Council, in particular in defining and developing its strategic direction and in setting challenging objectives;
- to act in a way that promotes high standards of public finance, including the promotion of regularity, propriety and value for money;
- to ensure that the Council's activities are conducted in an efficient and effective manner;
- to ensure that strategies are developed for meeting the Council's overall objectives in accordance with the policies and priorities established by the Minister;
- to monitor the Council's performance to ensure that it fully meets its aims, objectives and performance targets;
- to ensure that the Council's control, regulation and monitoring of its activities as well as those of any other bodies which it may sponsor or support, ensure value for money within a framework of best practice, regularity and propriety;
- to participate in the corporate planning process; and,
- to appoint a Chief Executive.





Accounts and appointment of auditors

The accounts of the Arts Council of Northern Ireland are prepared in a form directed by the Department of Culture, Arts and Leisure with the consent of the Department of Finance and Personnel in accordance with Article 8 of the Arts Council (Northern Ireland) Order 1995. The accounts direction is reproduced as an appendix to these accounts.

Under the Arts Council (Northern Ireland) Order 1995 the Comptroller and Auditor General examines and certifies the statement of accounts submitted to him by the Council.

Policy on disabled persons

The Arts Council of Northern Ireland is committed to equality of opportunity between persons of different religious belief, political opinion, gender, marital status, disability, ethnic origin or sexual orientation. The Council has implemented equality legislation and codes of practice to ensure that procedures and policies are fair and lawful. The Council actively encourages this within its client/partner network. The Council particularly supports equality of opportunity in training and employment for disabled people.

Employee consultation

On matters of policy and procedure which affect the employees of the Arts Council, the Council normally consults with the recognised trade union of which the staff are members. This trade union is also a member of the Whitley Council which negotiates on the terms and conditions of members with the Northern Ireland Department of Finance and Personnel.

Payment of Suppliers

The Arts Council is committed to the prompt payment of bills for goods and services in accordance with the Confederation of British Industry's Prompt Payment Code. Unless otherwise stated in the contract, payment is due within 30 days of receipt of the goods or services, or presentation of a valid invoice or similar demand, whichever is later.

A review conducted at the end of the year to measure how promptly the Arts Council paid its bills found that 95% of the bills were paid within this standard. The comparative figure for 2001-02 was 88%.

Political and Charitable Donations

The Arts Council of Northern Ireland made no political or charitable donations during the year.

Post Balance Sheet Events

There have been no post balance sheet events which would affect the reader's understanding of the financial statements on pages 55 to 74.

Roisín McDonough
Accounting Officer

10 December 2003

STATEMENT OF THE ARTS COUNCIL OF NORTHERN IRELAND'S AND CHIEF EXECUTIVE'S RESPONSIBILITIES

Under Section 8 of The Arts Council (Northern Ireland) Order 1995 the Arts Council of Northern Ireland is required to prepare a statement of accounts for each financial year in the form and on the basis determined 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 show a true and fair view of the 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 accounts the Arts Council of Northern Ireland is required to:

- observe the accounts direction issued by the Department of Culture, Arts and Leisure including 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 Arts Council of Northern Ireland will continue in operation.

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

STATEMENT ON INTERNAL CONTROL

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of Council policies, aims and objectives, set by the Council in consultation with our sponsoring Department, whilst safeguarding the public funds and Council assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Government Accounting.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it can, therefore, only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of Council policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. To support the achievement of the Council's objectives, the Council carried out an exercise to formally identify the significant risks that may affect the achievement of those objectives and have identified the most appropriate control strategy for each of the significant risks. An integral part of this exercise included the allocation of responsibility for the management of the identified risks, to the most appropriate staff. The risk framework was developed and in place by 31 March 2003 in line with Department of Finance and Personnel (DFP) guidance. The framework will be used as a risk management tool during 2003-04 and beyond.

The identification and impact of risk has already begun to be incorporated into the corporate planning and decision making processes of the Council. Consequently the Council ensures that there are procedures in place for verifying that internal control and aspects of risk management are regularly reviewed and reported on. The Council currently receives periodic reports concerning internal control and steps are being taken to manage risks in significant areas of responsibility and monitor progress on key projects.

In addition to the actions mentioned above, in the coming year the Council plans to:

- review and update the risk framework and other records of risk;
- ensure that the Council's Audit Committee reviews the risk framework at each of its meetings;
- set up a system of key performance and risk indicators; and
- arrange for reports from the various Directorates of the Council on internal control activities.

The Council has an Internal Audit Unit, provided by PricewaterhouseCoopers, which operates to standards defined in the Government Internal Audit Manual. They submit regular reports which include the Head of Internal Audit's independent opinion on the adequacy and effectiveness of the Council's system of internal control together with recommendations for improvement.

During the year progress has been made in the improvement of the Council's grant monitoring procedures. However, further improvements are required. I have been assured by my executive

managers that the procedures being developed for the monitoring and management of grants will ensure that all grants receive sufficient and consistent scrutiny in line with policy and financial directions.

My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive director within the Council who has responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports.

Roisín McDonough
Accounting Officer for the Council

10 December 2003

Towards Inclusion – A Widening Access Initiative



architecture
and the built environment
policies, strategies and actions



The Certificate of the Comptroller and Auditor General to the House of Commons

I certify that I have audited the financial statements on pages 55 to 74 under the Arts Council (Northern Ireland) Order 1995. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets (up to 31 March 2000) and the accounting policies set out on pages 61 and 62.

Respective Responsibilities of the Trustees, Chief Executive and Auditor

As described on page 48 the Council and the Chief Executive are responsible for the preparation of the financial statements in accordance with the Arts Council (Northern Ireland) Order 1995 and the Department of Culture Arts and Leisure directions made thereunder and for ensuring the regularity of transactions. The Council and Chief Executive are also responsible for the preparation of the other contents of the Annual Report. My responsibilities as independent auditor are established by statute and guided by the Auditing Practices Board and the auditing profession's ethical guidance.

I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Arts Council (Northern Ireland) Order 1995 and the Department of Culture, Arts and Leisure directions made thereunder, and whether in all material respects the expenditure and income have been applied to the purposes intended by the Northern Ireland Assembly and Parliament and the financial transactions conform to the authorities which govern them. I also report if, in my opinion, the Foreword is not consistent with the financial statements, if the Council has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements.

I review whether the statement on page 49 reflects the Council's compliance with the Department of Finance and Personnel's guidance "Corporate Governance: Statement on Internal Control". I report if it does not meet the requirements specified by the Department of Finance and Personnel, or if the statement is misleading or inconsistent with other financial information I am aware of from my audit of the financial statements.

Basis of audit opinion

I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Council and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Council's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance

that the financial statements are free from material misstatement, whether caused by error or by fraud or other irregularity and that, in all material respects the expenditure and income have been applied to the purposes intended by the Northern Ireland Assembly and Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I have also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion:

- the financial statements give a true and fair view of the state of affairs of the Arts Council of Northern Ireland at 31 March 2003 and of the deficit, total recognised gains and losses and cash flows for the year then ended and have been properly prepared in accordance with the Arts Council (Northern Ireland) Order 1995 and directions made thereunder by the Department of Culture Arts and Leisure; and
- in all material respects, the expenditure and income have been applied to the purposes intended by the Northern Ireland Assembly and Parliament and the financial transactions conform to the authorities which govern them.

J M DOWDALL
Comptroller and Auditor General

22 December 2003

Northern Ireland Audit Office
106 University Street
BELFAST
BT7 1EU

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2003

		2003	2002
INCOME	Notes	£	£
Department of Culture, Arts and Leisure	2(a)	9,576,000	8,446,063
Other Income	2(c)	466,119	583,965
		<u>10,042,119</u>	<u>9,030,028</u>
 EXPENDITURE			
Staff Costs	3	747,670	819,134
Depreciation	6(a)	25,280	24,896
Expenditure on the Arts	4	8,770,551	7,564,659
Other Operating Costs	5(a)	533,760	584,775
		<u>10,077,261</u>	<u>8,993,464</u>
 (Deficit)/Surplus for year before notional costs		<u>(35,142)</u>	<u>36,564</u>
 Notional Cost of Capital	1(f)	29,745	30,087
 (Deficit)/Surplus for year after notional costs		(64,887)	6,477
 Adjustment for Notional Cost of Capital		29,745	30,087
 Amount transferred to Income and Expenditure Reserve		<u>(35,142)</u>	<u>36,564</u>

The notes on pages 61 to 74 form part of these accounts.

All amounts above relate to continuing operations of the Council.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	Notes	2003 £	2002 £
Surplus/(deficit) for the financial year		(35,142)	36,564
Re-living of fixed assets		-	5,436
Total recognised gains and losses relating to the year		<u>(35,142)</u>	<u>42,000</u>

The notes on pages 61 to 74 form part of these accounts.

BALANCE SHEET AS AT 31 MARCH 2003

		2003	2002
	Notes	£	£
FIXED ASSETS			
Tangible	6(a)	<u>151,231</u>	<u>157,172</u>
CURRENT ASSETS			
Debtors	7	343,539	193,886
Cash at bank and in hand		<u>749,341</u>	<u>565,687</u>
		<u>1,092,880</u>	<u>759,573</u>
CREDITORS amounts falling due within one year	8	<u>768,897</u>	<u>400,448</u>
NET CURRENT ASSETS		<u>323,983</u>	<u>359,125</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>475,214</u>	<u>516,297</u>
DEFERRED INCOME			
Deferred Purchases and Commissions Account	6(c)	39,995	39,995
RESERVES			
Income and Expenditure Reserve	9	283,988	319,130
Grant Reserve	10	<u>151,231</u>	<u>157,172</u>
		<u>475,214</u>	<u>516,297</u>

The notes on pages 61 to 74 form part of these accounts.

Roisín McDonough
Accounting Officer

10 December 2003

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2003

	Notes	2003 £	2002 £
Net cash inflow/(outflow) from continuing operating activities	12(a)	183,654	(252,723)
Capital Expenditure			
Purchase of tangible fixed assets		<u>(19,339)</u>	<u>(12,599)</u>
Net cash inflow/(outflow)		164,315	(265,322)
Grants received	12(b)	<u>19,339</u>	<u>12,599</u>
Increase/(decrease) in cash in the year	12(c)	<u><u>183,654</u></u>	<u><u>(252,723)</u></u>

The notes on pages 61 to 74 form part of these accounts.





NOTES TO THE ACCOUNTS

1. Accounting Policies

(a) Basis of Accounting

These financial statements have been prepared in accordance with the historical cost convention. However, the assets had previously been revalued as at 31 March 2000.

Without limiting the information given, the financial statements meet the accounting and disclosure requirements of the Companies (Northern Ireland) Order 1986, Accounting Standards issued or adopted by the Accounting Standards Board and disclosure requirements issued by the Department of Finance and Personnel in so far as those requirements are appropriate.

(b) Tangible Fixed Assets

The minimum level for capitalisation as an individual or grouped fixed asset is £1,000. Items below the threshold of £1,000 are written off to the Income and Expenditure Account. Depreciation has been provided using the straight line method so as to write each asset off over its estimated useful life. Depreciation is charged in the year in which the asset is acquired; no depreciation is charged in the year in which the asset is disposed.

The rates of depreciation in use are as follows:

Furniture, Fixtures & Fittings	10%
MacNeice House - Tenant's Works	20%, 16 $\frac{2}{3}$ %, 14 $\frac{1}{4}$ % & 10%
Theatrical, film, art & music equipment	3 $\frac{1}{3}$ %
Computer equipment	14 $\frac{1}{4}$ %, 20% & 33 $\frac{1}{3}$ %

The donated heritage asset is not depreciated.

(c) Works of Art and Partnership Purchase of Pictures

Works of Art are no longer capitalised and recorded in the Balance Sheet for the reasons stated in Note 6(b) below. Purchases of Works of Art are charged to the Income and Expenditure Account in the year of expenditure. The Council considers its Art Collection to be a non-operational heritage asset.

(d) Government Grants

Grants of a revenue nature are credited to income in the year in which they are receivable. Grants used to purchase fixed assets are transferred to the Grant Reserve Account and credited annually to the Income and Expenditure Account over the estimated useful life of the assets.

Grants received for the purchase of Works of Art are credited to the Purchases and Commissions Provision and released to the Income and Expenditure Account in the year of expenditure.

(e) Payment of Grants

Grants awarded to arts organisations and individuals are charged to the Income and Expenditure account in the year to which they relate. Any amounts of unpaid grant at 31 March each year are included as creditors in the balance sheet.

(f) Notional Cost of Capital

From the 1996-97 year, these financial statements make provision for the notional cost of capital employed by the Council. The Income and Expenditure Account includes the notional cost of capital employed by the Council calculated as 6% of the average capital employed over the financial year.

(g) Pension Costs

The pension cost in respect of employees is charged to the Income and Expenditure Account so as to recognise the cost of pensions in the year in which they are incurred.

2. Income**(a) The Department of Culture, Arts and Leisure (DCAL) provided the following funding during the year :**

	2003	2002
	£	£
Basic Revenue Grant	9,576,000	8,446,063

The DCAL provided a total of £9,710,000 grant in the period. An amount of £105,338 deferred from 2001-02 was taken into account in the year. A total of £220,000 was deferred to 2003-04. A sum of £19,339 was used for the purpose of purchasing fixed assets and was transferred directly to the Deferred Capital Grant Account. The remaining balance of £9,576,000 was used to fund the revenue activities of the Council during the period.

(b) Grant-in-Aid Carry-Over

Paragraphs 2.9 and 2.10 of the Financial Memorandum require the Council to contain the amount of grant-in-aid carried forward into the new financial year within prescribed limits. Any unspent receipts may be carried forward with the agreement of DCAL.

	Grant-in-Aid	Other Income
(i) Grant-in-aid	£9,576,000	-
(ii) Amount carried forward	£749,341	-
(iii) % carried forward	7.82%	-
(iv) % limit of carry forward	2%	-
(v) £ limit of carry forward	£191,520	-

The amount carried forward exceeded the 2% permitted. The 7.82% carried forward has been calculated on a cash basis. When the figures are calculated on the accruals basis, the amount carried forward is a deficit of £35,142 which represents 0.36% of the total grant-in-aid.

(c) Other Income

	2003	2002
	£	£
Department of Education (Cultural Traditions Grant)	250,000	250,000
National Lottery Recharge	82,036	193,480
Release from Deferred Capital Grant Account	25,280	24,896
Year of the Artist	21,056	34,288
Grant refunded	20,000	-
Development and Arts Conference	17,002	16,985
Education	11,440	8,173
Northern Ireland Tourist Board	10,000	10,000
Youth Council Northern Ireland	10,000	-
BBC Blast Project	6,500	-
Language Project	4,780	12,500
Administrative & Miscellaneous	3,896	4,907
Department of Finance and Personnel	2,362	-
An Chomhairle Ealaíon	895	800
Cultural Income	677	-
Interest	195	2,811
Artslink/Art.ie	-	18,172
Craft Development Unit & Information Day	-	5,753
Landseer Films	-	1,200
	<u>466,119</u>	<u>583,965</u>

3. Staff Costs**(a) Analysis of Staff Costs**

	2003	2002
	£	£
Salaries & Wages	640,304	700,417
Social Security Costs	44,257	51,494
Other Pension Costs	63,109	67,223
Total	<u>747,670</u>	<u>819,134</u>

(b) Average number of persons employed

During the year the Arts Council of Northern Ireland employed an average total of 42.5 full-time and 4.75 part-time employees. The full- and part-time employees were all administrative staff.

(c) Council Members' Emoluments

No emoluments were paid to members of the Arts Council except for Honoraria to the Chairman and Vice Chairman who received £12,399 as detailed below.

	Chair	Vice Chair
	£	£
B Walker	8,399	
E O Baoill		4,000

(d) Chief Executive's Remuneration

The Chief Executive's contract is for a period of five years and 2 years and 5 months had expired at 31 March 2003. The Chief Executive's remuneration during the year was £69,626. The Chief Executive is an ordinary member of the Northern Ireland Local Government Officers Superannuation Committee (NILGOSC) pension scheme.

(e) Pension Commitments

The Arts Council participates in the Northern Ireland Local Government Officers' Superannuation Committee Scheme (NILGOSC) for 52 employees. The NILGOSC scheme is a "multi employer", defined benefit scheme, which provides members of participating employers with the benefits related to pay and services at rates which are defined under statutory regulations. To finance these benefits, assets are accumulated in the scheme and are held separately from the assets of the employers. The scheme is funded by employers participating in the NILGOSC scheme who pay contributions at rates determined by an independent professionally qualified actuary on the basis of regular valuations using the projected unit method. The Arts Council is unable to identify its share of the scheme's underlying assets and liabilities on a consistent and reasonable basis. During the year ended 31 March 2003 male employees contributed 1.5% of gross salary to the scheme and the Arts Council contributed 9.1%. Female employees made no contribution and the Arts Council contributed 10.6% of gross salary. These rates remain unchanged for 2002-03. The results of the most recent valuation, which was conducted as at 31 March 2001, were as follows:

Main assumptions:

Rate of return on investments per annum	3.6%
Rate of general increase in salaries per annum	3.8%
Rate of pension increases per annum	2.3%

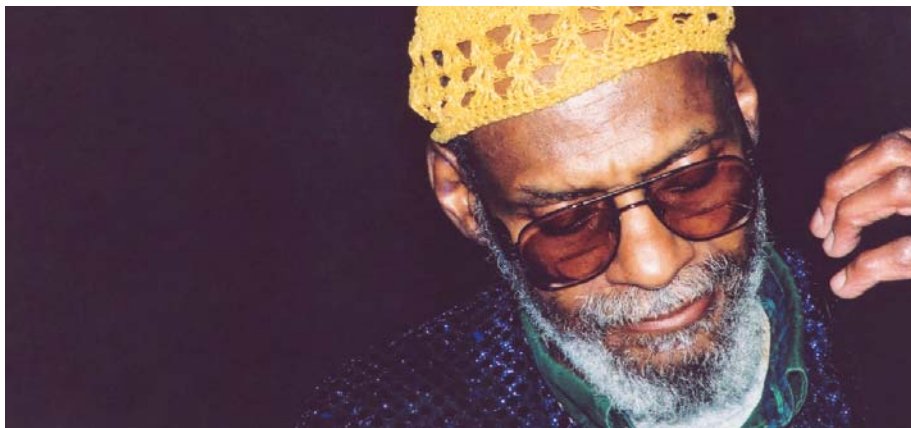
Market value of scheme's assets	£2,293,700,000
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Level of funding being the actuarial value of assets expressed as a percentage of the benefits accrued to members, deferred pensioners and members based on past service, and after allowing for future salary increase	121%
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Contributions for the year based on the rates noted above were as follows:

	2003	2002
	£	£
Employer's	63,109	63,817
Employees	6,555	5,161
Total	69,664	68,978

The real increase in the value of accrued pension at 31 March 2003 for senior employees is shown below. All those listed participate in the NILGOSC scheme. The salary figures shown below include a salary increase arising from the Arts Council's performance appraisal system. The total accrued pension figures were supplied by NILGOSC.





			Real increase in pension at age 60	Total accrued pension at 31/03/03
	Age	Salary £	£	£
R McDonough Chief Executive	51	58,327	1,501	7,007
P Hammond Director of Performing Arts	51	40,756	919	14,537
N McKinney Director of Creative Arts	42	35,766	639	7,365
T Greenfield Lottery Director	40	32,844	533	3,471
W Lyttle Director of Corporate Services	45	40,756	-	7,325

N Livingston, Director of Strategic Development: consent to disclose withheld.

W Lyttle held a private pension until 1 May 2002 when he joined NILGOSC scheme, hence there is no real increase in pension shown for the year.

T Greenfield held the post of Lottery Director until the introduction of a new staffing structure on 1 September 2002. However, the figures above refer to her salary for the entire year.

4. Expenditure on the Arts

	2003	2002
	£	£
ASOP		
Community Arts	939,708	913,544
Drama & Dance	3,411,749	1,876,449
Education	65,492	82,543
Health, Disability & Voluntary Arts	362,406	322,052
Literary Arts	207,485	209,911
Music	1,680,397	1,993,170
Traditional Arts	15,000	22,623
Visual Arts	458,125	702,212
Strategy	284,318	228,028
SIAP	490,554	468,570
Other Artform	309,517	-
Cultural Traditions	245,800	245,557
Imagine Belfast	300,000	500,000
	<u>8,770,551</u>	<u>7,564,659</u>

5. Other Operating Costs

(a)	2003	2002
	£	£
Premises Costs	169,468	135,279
Artslink & Public Affairs	85,603	138,809
Expenses & Hospitality		
Artform Officers	23,261	31,720
Council & Panel Members	15,094	18,859
Administrative Staff	4,860	5,706
Other Core Expenses	18,028	14,296
Insurances	41,333	36,858
Telephone & Postage	33,921	32,810
Temporary Staff	22,786	19,957
Equipment	20,116	22,293
Legal & Consultancy Fees	39,265	76,057
Stationery	14,312	13,961
Training	13,676	10,252
Honoraria	12,399	12,412
Publications & Advertising	12,239	12,207
Central Advisers	4,689	2,319
Equality Costs	2,710	-
Bad Debts Written Off	487	76
Miscellaneous	-	980
Release from Bad Debt provision	(487)	(76)
	<u>533,760</u>	<u>584,775</u>

The above includes travel, subsistence and hospitality costs for staff, Council and Panel members. The total spent in the year on travel, subsistence and hospitality is as follows:

	Travel & Subsistence	Hospitality	Total	2002 Total
	£	£	£	£
Artform Officers	18,292	1,262	19,554	31,720
Council & Panel Members	11,235	3,859	15,094	18,859
Administrative Staff	4,744	116	4,860	5,706
	<u>34,271</u>	<u>5,237</u>	<u>39,508</u>	<u>56,285</u>

The Honoraria payments have been detailed in Note 3 (c). The Legal & Consultancy total of £39,265 includes an external audit fee of £10,000 in respect of the Northern Ireland Audit Office.

(b) Losses

Losses £487

i. Bad debts written off (14 cases) £487

6 (a). Tangible Fixed Assets

	MacNeice House Tenant's Works £	Furniture, Fixtures & Fittings £	Theatrical, Art & Music Equipment £	Computer Equipment £	Total £
Valuation					
At 1 April 2002	90,053	18,480	164,929	31,108	304,570
Additions at cost	7,376	-	-	11,963	19,339
Disposals	-	-	-	-	-
At 31 March 2003	<u>97,429</u>	<u>18,480</u>	<u>164,929</u>	<u>43,071</u>	<u>323,909</u>
Depreciation					
At 1 April 2002	42,769	11,711	73,474	19,444	147,398
Charge for period	10,932	1,515	5,498	7,335	25,280
Disposals	-	-	-	-	-
At 31 March 2003	<u>53,701</u>	<u>13,226</u>	<u>78,972</u>	<u>26,779</u>	<u>172,678</u>
Net book value					
At 31 March 2003	43,728	5,254	85,957	16,292	151,231
Net book value					
At 31 March 2002	47,284	6,769	91,455	11,664	157,172

The Council possesses a violin manufactured by Joseph Gagliano between 1780 and 1782. The violin was donated to the Council in 1980. Due to the problems associated with the valuation of such an asset and to the fact that it may be regarded as a heritage asset, the Council has decided to disclose its existence in this note each year and not to include it in the Fixed Asset tabulation shown above.

6 (b). Art Collection

The Council's Art Collection was disclosed in the Balance Sheet as at 31 March 1996. From 1996-97 the Arts Council was required to value its fixed assets on the basis of modified historic costs. As it would have been impractical to record the Art Collection on this basis, and as the Council regards the Art Collection as a heritage asset, the Art Collection, valued at historic cost, (and its corresponding source of finance i.e. the Capital Reserve Account) was removed from the Balance Sheet. The Arts Council has taken the decision to transfer ownership of the Art Collection to other appropriate public

bodies with the approval of the Department of Culture, Arts and Leisure. However, this has not been done as yet. It is, therefore, appropriate to continue to disclose the Art Collection details in the note below.

During 1999-2000 the Council carried out a valuation of the Art Collection. The valuation was conducted by Council staff with advice from Sotheby's. The Council believes that its staff is qualified to perform the valuation and to test and analyse valuations as advised by Sotheby's. The exercise was repeated for the purpose of updating the valuation in light of changing market circumstances as at 31 March 2002 and the Council placed a valuation on its Collection of £1,327,729. During 2002-03 a full revaluation was not carried out. However, the valuation has been amended in light of known market changes and now stands at £1,395,729. The staff involved in the previous full valuation exercise and in the recent amendment were Ms Noírin McKinney, Arts Development Director and Dr. Suzanne Lyle, Collection Curator. This represents an increase in the valuation of £68,000 or just over 5%. The historic cost of the Art Collection is shown below.

	Works of Art £	Partnership Purchase of Pictures £	Total £
At 1 April 2002	393,653	31,606	425,259
Additions at cost	-	-	-
At 31 March 2003	393,653	31,606	425,259
Capital Reserve Account			£
Balance at 1 April 2002			425,259
Transfer from Deferred Purchases & Commissions Account			-
Balance at 31 March 2003			425,259

6. (c). Deferred Purchases & Commissions Account

The Deferred Purchases & Commissions Account represents the balance of proceeds remaining with the Council from the auction of works of art during 1993-94. The proceeds may only be used by the Council for the purchase of works of art. The movement in the account during the year is detailed below.

Deferred Purchases & Commissions Account	£
Balance at 1 April 2002	39,995
Less: Release for picture purchase in year	-
Balance at 31 March 2003	39,995
Represented by cash at bank	39,995

7. Debtors

	2003	2002
	£	£
Sundry Debtors & Accrued Income	322,888	178,034
Prepayments	<u>20,651</u>	<u>15,852</u>
	343,539	193,886

The Sundry Debtors figure above is stated after making a provision for bad debts of £1,627.

8. Creditors

	2003	2002
	£	£
Grants Payable	443,704	175,238
Other Creditors	92,556	85,922
Deferred Income	<u>232,637</u>	<u>139,288</u>
	768,897	400,448

9. Income and Expenditure Reserve

	£
Balance at 1 April 2002	319,130
Deficit for year	<u>(35,142)</u>
Balance at 31 March 2003	283,988

10. Grant Reserve

	£
Balance at 1 April 2002	157,172
Add Capital grant	19,339
Transfer to Income & Expenditure Account	
- Depreciation on assets	<u>(25,280)</u>
Balance at 31 March 2003	151,231

11. Capital Commitments

There were no capital commitments at 31 March 2003.

12. Notes to the Cash Flow Statement**(a). Reconciliation of operating surplus to net cash outflow from continuing operating activities**

	2003	2002
	£	£
Operating (deficit)/surplus	(64,887)	6,477
Notional Costs	29,745	30,087
Depreciation	(25,280)	(24,896)
Release from Deferred Capital Grant Account	25,280	24,896
(Increase)/decrease in debtors	(149,653)	(73,778)
Increase/(decrease) in creditors	368,449	(215,509)
Net cash inflow/outflow from continuing operating activities	<u>183,654</u>	<u>(252,723)</u>

(b). Grants received

Deferred Capital Grant Account - grants received	<u>£19,339</u>	<u>£12,599</u>
--	----------------	----------------

(c). Reconciliation of net cash flow to movement in net funds

	2003	2002
	£	£
Increase/(decrease) in cash in period	183,654	(252,723)
Net funds at 1 April 2002	<u>565,687</u>	<u>818,410</u>
Net funds at 31 March 2003	<u>749,341</u>	<u>565,687</u>

Analysis of changes in net funds

	2003	2002	Change
Cash at bank and in hand	£749,341	£565,687	£183,654

13. Financial Commitments

At 31 March 2003 the Arts Council of Northern Ireland has annual commitments under operating lease agreements as set out below.

Agreements which expire:

	Land & Buildings	Other	Total	2002 Total
	£	£	£	£
Within one year	-	5,713	5,713	5,630
Between two and five years	-	15,666	15,666	9,742
Over five years	<u>144,657</u>	<u>1,719</u>	<u>146,376</u>	<u>102,043</u>
	144,657	23,098	167,755	117,415

14. Related Party Transactions

The Arts Council of Northern Ireland is a Non Departmental Public Body sponsored by the Department of Culture, Arts and Leisure (DCAL). DCAL is regarded as a related party and during the year the Council had various material transactions with DCAL. The Arts Council's National Lottery Distribution Account is also regarded as a related party to this account. At 31 March 2003 a total of £283,319 was owed by the National Lottery Distribution Account to this account in respect of salary costs incurred. This amount is included in the Sundry Debtors and Accrued Income figure of £322,888 shown in note 7 above.

Several members of the Arts Council and members of key management staff are also involved with other arts organisations in Northern Ireland either directly or indirectly as a result of a family relationship, a close friendship or business relationship. These individuals make an annual declaration of their interests and do not take part in discussions and decisions to make grant awards to those organisations with which they have a declared interest. A list of awards made to the organisations concerned and details of who made the declaration of interest is detailed below. All of the transactions relating to the organisations were conducted at arms length by the Council.

Organisation	Amount	Interested Party
ADAPT N.I.	£17,000	J Jordan
Ards Arts Centre	£5,400	E O Baoill
Arts and Disability Forum	£26,196	A Shortt
Belfast Festival at Queen's	£145,000	T Maginness & B Walker
Catalyst Arts	£15,000	E O Baoill
Circa Art Magazine	£12,000	J Kerr
Classical Music Society	£15,000	J Kerr
Clotworthy Arts Centre	£9,000	M Armstrong
Community Arts Forum	£56,908	D Boyd & D Hyndman
Kabosh Theatre Company	£52,500	E O Baoill
Linen Hall Library	£1,645	M Crozier & B Walker
Millennium Forum	£190,000	M Bradley
New Belfast Community Arts Initiative	£8,000	G Moriarty & N McKinney
Northern Visions	£45,000	D Hyndman
Open Arts	£30,000	A Shortt
Prison Arts Foundation	£13,000	M Armstrong
Queen's University English Society	£7,000	T Maginness & B Walker
The Beat Initiative	£50,000	D Boyd

15. Value Added Tax

The Arts Council is VAT registered. The input VAT on all trading areas is fully recoverable and, therefore, the expenditure in these areas is included in the accounts net of VAT. The expenditure in all other areas includes VAT which is irrecoverable.

16. Key Corporate Financial Target

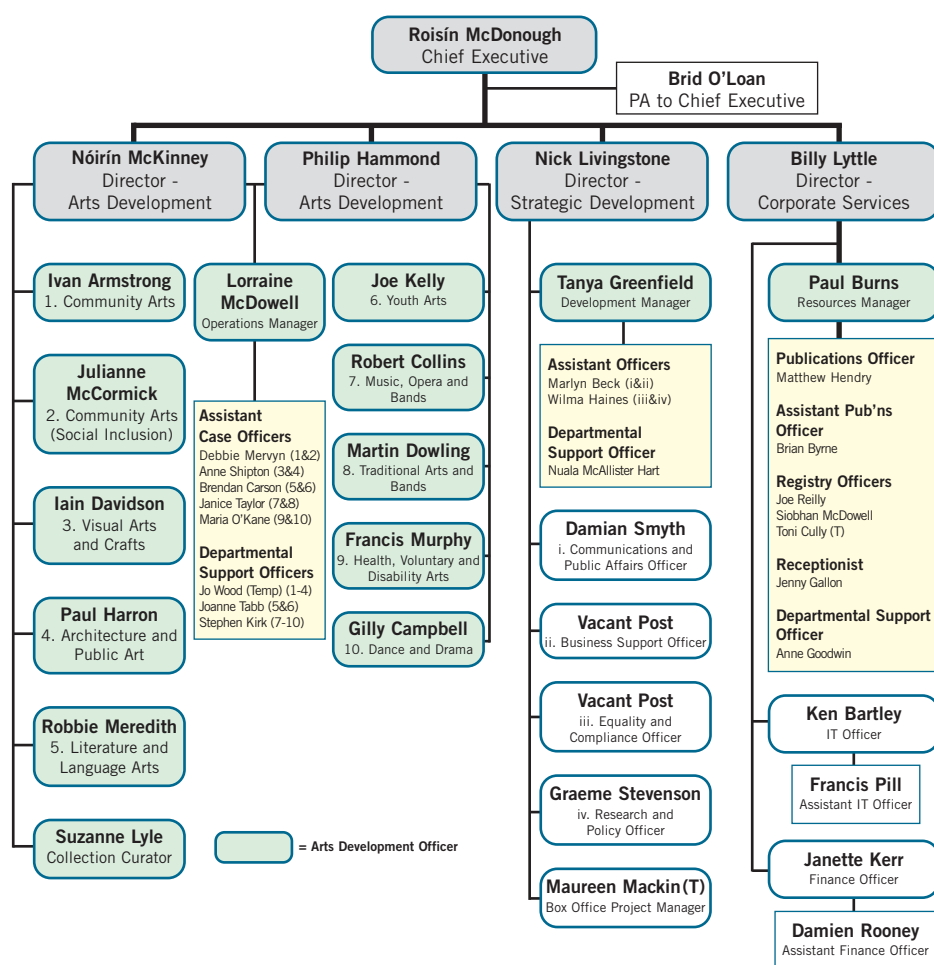
The administrative expenditure budget at the beginning of the year was £1,294,614. The Council's gross administrative expenditure was £1,281,430. Income totalling £95,759 was received in the year which related to activities which were administrative in nature. The net administrative expenditure was, therefore, £1,185,671. The Council maintained its administrative expenditure within its budget and was able to exceed the target by £108,943 or 8.42%.

17. Contingent Liabilities

As at 31 March 2003 the Council had unsettled claims for compensation under employment legislation, the outcome of which is dependent upon a future employment tribunal. The Council is unable to quantify any possible liability at this time.

APPENDIX A

Organisation Chart - September 2003



APPENDIX B

STAFFING

Chief Executive's Department

Roisin McDonough	Chief Executive	
Brid O'Loan	PA to Chief Executive	
Diana Rogers	Secretary to the Council (temp)	from 1 May 02

Arts Development Department

Philip Hammond	Director	
Noirin McKinney	Director	
Lorraine McDowell	Operations Manager	
Arts Development Officers:		
Ivan Armstrong	Community Arts	
Gilly Campbell	Drama & Dance	from 18 September 02
Iain Davidson	Visual Arts & Crafts	
Martin Dowling	Traditional Arts & Bands	
Imelda Foley	Drama & Dance	to 30 September 02
Paul Harron	Architecture & Public Arts	from 6 January 03
Joe Kelly	Youth Arts	
Robbie Meredith	Literature & Language Arts	from 6 January 03
Francis Murphy	Health, Voluntary & Disability Arts	
Julianne McCormick	Community Arts (Social Inclusion)	from 20 January 03
Pam Smith	Music, Opera & Bands	
Suzanne Lyle	Collection Curator	
John Brown	Literary Arts Officer	to 30 June 02
Marianne O'Kane	Visual Arts Officer	to 31 December 02
Patricia Morris	Education & Training Officer	to 31 October 02
Virginia Allan	Lottery Case Officer	to 31 January 03
Belinda Conlan	Lottery Case Officer	to 22 November 02
Toby Dennett	Lottery Case Officer	to 11 September 02
Kerri Logan	Lottery Assistant	to 27 September 02
Brendan Carson	Assistant Case Officer	
Debbie Mervyn	Assistant Case Officer	
Maria O'Kane	Assistant Case Officer	
Anne Shipton	Assistant Case Officer	
Janice Taylor	Assistant Case Officer	
Carole McFarlane	Departmental Support Officer	
Joanne Tabb	Departmental Support Officer	

Corporate Services Department

Billy Lyttle	Director	
Mary O'Mahony	Resources Manager	
Ken Bartley	IT Officer	
Francis Pill	Assistant IT Officer	from 3 March 03
Jannette Kerr	Finance Officer	
Damien Rooney	Assistant Finance Officer	
Matthew Hendry	Publications Officer	
Brian Byrne	Assistant Publications Officer	from 13 May 02
Joe Reilly	Registry Officer	
Siobhan McDowell	Registry P/T	
Jenny Gallon	Receptionist	from 24 February 03
Anne Goodwin	Departmental Support Officer	

Strategic Development Department

Nick Livingston	Director
Tanya Greenfield	Development Manager
Damian Smyth	Communications & Public Affairs Officer
Dominic McCanny	Equality Officer
Ann Stewart Gill	Research & Policy Officer
Punam McGookin	Business Support Officer
Marlyn Beck	Assistant Officer
Wilma Haines	Assistant Officer

APPENDIX C

During the year, the Arts Council received 323 applications seeking £14,490,502. By the end of the period, 186 grants had been made through the six main programmes, disbursing a total of £7,897,239. The Arts Council also committed a further £1m in-principle to the establishment of a City Centre Arts Centre. In addition, through Awards for All the Council made 194 awards totalling £691,323.

Following a five-year moratorium on funding for musical instruments for bands, the Arts Council re-launched a dedicated scheme for the sector and, in the two rounds of funding within the financial year, allocated a total of £1,020,782 to 75 bands. The Arts Council continued to make funds available through the Awards for All programme, granting £691,323 to 194 projects - compared with £539,172 to 152 projects in the previous year.

Due to the excessive demand on resources, the Arts Council suspended three of its programmes in July 2002 - Access, New Work and Audience Development. Final decisions on the three programmes were taken in September 2002 and the total funds awarded at that point were: Access - £2,470,613 to 47 projects; New Work - £836,023 to 25 projects; Audience Development - £1,909,368 to 17 projects.

Following suspension the Arts Council carried out a review with the arts sector of the three programmes. The outcomes of that review and the outcome of the Equality Impact Assessment into the Access programme will be incorporated in the re-launch of the three programmes on 1st April 2003.

On 1st April 2003 the Arts Council formally delegated responsibility for film development, production and distribution funding to the Northern Ireland Film & Television Commission for a pilot three-year period. NIFTC will receive 13 per cent of the Arts Council's annual income over the period. During the year, NIFTC made awards totalling £811,451.

A number of special initiatives were undertaken during the year. In accordance with a specific policy direction to encourage the craft sector, and following extensive consultation with the sector, the Arts Council launched a special initiative for Craft, Applied Arts and Design. This initiative worth £500,000 will award grants aimed at developing four elements of the sector: Exhibition; Infrastructure & Networks; Skills Development; Start-up Support & Residency. The Arts Council also advertised a special initiative in dance offering £250,000 to help establish an under-graduate dance course at a third level institution in Northern Ireland. Under its third initiative the Council awarded two grants totalling £80,000 which would investigate the use of the Internet and web-based technology in the Community Arts sector.



Roisín McDonough
July 2003

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