

The ARTS COUNCIL of NORTHERN IRELAND
Annual Report and Accounts
For the year ended 31 MARCH 2025

*Laid before the Northern Ireland Assembly
Under Article 8 (2) (c) and Article 9 of the
Arts Council (Northern Ireland) Order 1995
by the Department for Communities
on*

17 December 2025

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Performance Report

The Performance Report focuses on matters relevant to all users of financial statements. Its purpose is to provide information on the Arts Council of Northern Ireland, its main objectives and strategies and the principal risks it faces. It has two sections: an 'Overview' and a 'Performance Analysis.'

Performance Overview

The purpose of the Overview section of the Performance Report is to give the lay user a brief summary, which provides sufficient information to understand the Arts Council, its purposes, the key risks to the achievement of its objectives and how it has performed during the year. It consists of the Chair's Foreword, Chief Executive's Introduction, the Purpose and Activities of the Arts Council, Key Issues and Risks which could affect the Arts Council in delivering its objectives, an explanation of going concern as it affects the Arts Council and a Performance Summary.

Chair's Foreword

We opened the year with the launch at The MAC in Belfast of the Arts Council's new strategic plan. 'Championing the Arts, 2024–34' is the first ten-year strategy produced by this Arts Council, and it follows the most exhaustive public consultation in our recent history. The strategy establishes our goals and ambitions for the coming decade and outlines the future direction for the organisation, detailing our new Mission, Vision and Values. It charts six outcomes and 10 priorities that will help us to achieve our longer-term vision, which is of a society where all people can experience a thriving arts sector that is recognised and valued as essential to creativity, well-being and social and economic prosperity.

The arts budget continues to present significant challenges to the sector and to the Arts Council's ability to meet the needs of artists, arts organisations and their audiences. The Department's baseline revenue grant to the Arts Council remained at standstill in 2024–25, at £9.708m. However, the allocation of additional in-year funding, raising the final resource budget allocation to £12.245m, alleviated some of the immediate pressure on funding.

The annual survey of our core arts organisations revealed the impact during the previous year, 2023–24, of falling income and rising costs, with arts activity declining by 22 percent. Rising rent, rates, salaries and wider operating costs are set against a backdrop of limited available public funding and, while many organisations successfully secured investment from other public sector sources and trusts and foundations in the UK and the Republic of Ireland, this has not been enough to offset rising costs. We will not know the full implications for the sector in 2024–25 until we receive the findings of the next survey. The first priority of the Arts Council's new 10-year strategy is to strengthen the investment environment and create the conditions for a more financially stable arts sector.

One of several ways we are setting about enhancing the support we provide to artists is by building opportunities for greater international creative and cultural exchange. To

Arts Council of Northern Ireland

highlight one such example this year, we worked in partnership with the Chinese Consulate General in Belfast to stage a celebration of Chinese culture at Translink's newly-opened Belfast Grand Central Station. The event, which marked Chinese New Year, introduced the celebrated Guizhou Acrobatic Troupe to surprised, and delighted, local commuters. Such collaborations continue to contribute to bilateral cultural relations, and we look forward in the very near future to realising the new exchange possibilities that this will present to our artists.



Liam Hannaway

Chair from 1 February 2021 to 30 September 2025

Arts Council of Northern Ireland

Date: 4 December 2025



Nora Douds

Chair from 1 October 2025

Arts Council of Northern Ireland

Date: 4 December 2025

Chief Executive's Introduction

This year the Arts Council invested Exchequer funding of £10.2 million through our Annual Funding Programme. Combined with additional funding from our National Lottery resource, which brought the total investment up to £13.2 million, this programme represents the most significant annual allocation of funding for the arts in Northern Ireland, and supports the core and running costs of 88 organisations that maintain the balance of Northern Ireland's arts infrastructure. We were grateful to the Minister for Communities for securing an additional £500,000 for this programme through the June monitoring round, which enabled us to award a modest uplift from general standstill funding for 17 hard-pressed organisations dealing with inescapable pressures from their core costs.

Musicians received a significant financial boost of £823,000 thanks to capital funding from the Department for Communities, allocated through the Arts Council's Musical Instruments Scheme. The Minister for Communities confirmed additional in-year funding for this scheme, which enabled the award of grants to 75 bands, 13 professional and non-professional performing groups, and 31 professional musicians. This important scheme supports the work and careers of musicians, bands and groups, with grants to buy or replace instruments.

The Annual Funding Survey of our core clients, conducted in 2024–25, revealed a picture of a financially fragile arts sector. Income for the arts from all sources continued to drop in the previous year, 2023–24, with the sharpest reduction being in earned income, which fell by 6.32 percent. Whilst the overall size of the workforce remained the same, there was a marked increase in the number of people employed in freelance and part-time positions, coupled with increasing reliance on volunteers to help deliver projects.

It has been more than a decade since the Arts Council of Northern Ireland and the Arts Council Ireland published their joint report on the living and working conditions of artists across the island. This year, the Arts Council of Northern Ireland updated that original study with the publication of 'The Working and Living Conditions of Artists in Northern Ireland'. The new study, which examined responses from a wide range of artists across various demographics, career stages, and artistic disciplines, found loss of public investment for the arts, the short-term and long-term impact of the pandemic and the cost-of-living crisis to be among the challenges which have shaped the arts sector over the last 10 years. Worryingly, more than half of those surveyed indicated that they have or would consider leaving Northern Ireland in search of better career prospects, suggesting a very serious issue which needs to be addressed regarding retaining artists, our younger artists in particular.

Artists from Northern Ireland continued to achieve notable success in 2024–25. Cahoots NI gave local audiences the long-anticipated opportunity at the Belfast International Arts Festival to enjoy their runaway 2023 Broadway success, 'The Vanishing Elephant'. Maiden Voyage Dance became a foundational partner in Luail, the first national, all-island contemporary dance company, which will transform dance across the island, for practitioners and audiences. New works by Northern Ireland's leading theatre, dance and arts organisations featured at the Edinburgh Fringe Festival

as part of a 'Spotlight' initiative delivered by Theatre and Dance NI, in collaboration with Belfast International Arts Festival, and supported by the British Council Northern Ireland and the Arts Council.

Marking our joint support for the development of artistic talent from Northern Ireland on the world stage, the Arts Council and British Council Northern Ireland renewed our existing twelve-year commitment with the signing of a new Memorandum of Understanding. We are committed to working closely together to create a more prosperous, connected and globally-recognised Northern Ireland creative and cultural sector.

The Arts Council places considerable emphasis on promoting accessibility and inclusion, as is reflected in our Strategic Plan for 2024–34. In our Strategy we reiterate our commitment to working with the Arts Councils in the UK and the Republic of Ireland to develop the 'All In' access scheme, which will support venues to improve access to arts and cultural events for d/Deaf, neurodiverse and disabled audiences. This year the Arts Councils announced an important next stage in the development of All In, with the appointment of disability-led charity, Attitude is Everything, as the standards supplier for the scheme. Attitude is Everything will develop a set of sector-wide standards for theatres, galleries, museums, libraries and other creative organisations. The All In scheme is scheduled to open in 2025–26.

We said goodbye this year to a number of significant personages associated with the arts in Northern Ireland, including the novelist and playwright Jennifer Johnston; pianist, producer, arranger and composer Brian Connor; Irish language activist Gearóid Ó Cairealláin; and poets Tom Morgan and Gerald Dawe. This year we also sadly lost Michael Longley, one of the great Northern Ireland poets of the last century.



Roisin McDonough
Chief Executive
Arts Council of Northern Ireland

Date: 4 December 2025

Purpose and Activities of the Arts Council of Northern Ireland

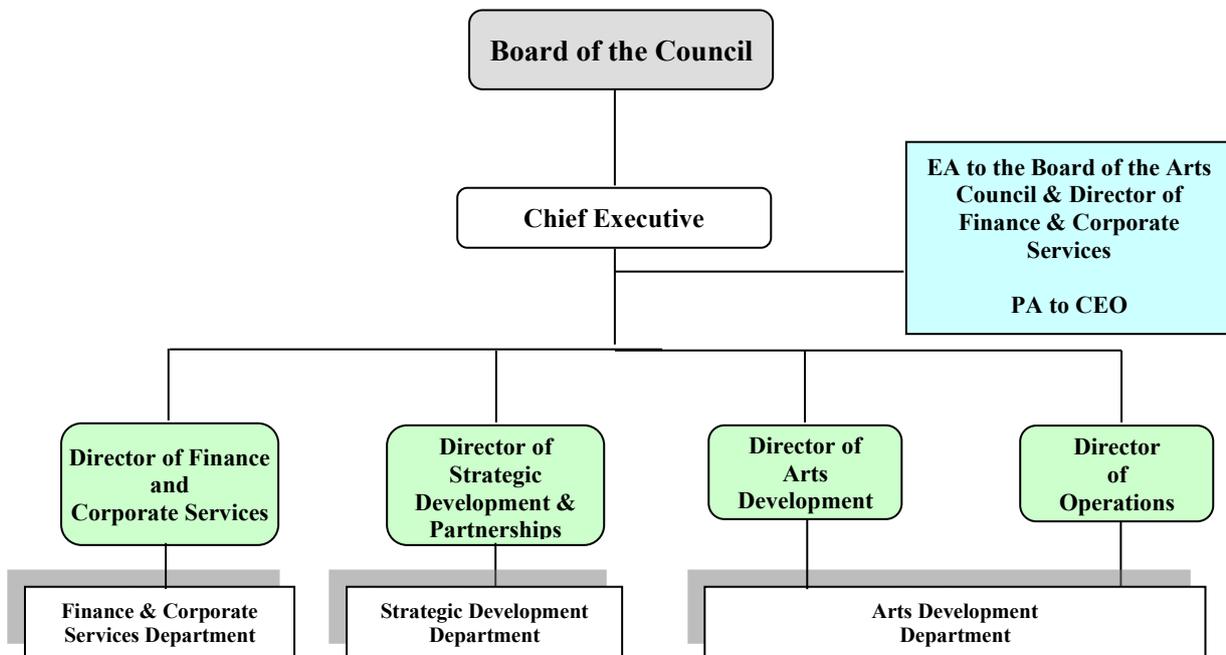
Business model and environment

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 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 origins of the Arts Council date from 1943 when the Council for the Encouragement of Music and the Arts in Northern Ireland was set up. 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 for Communities.

Organisational Structure

The affairs of the Arts Council are managed by a Board consisting of the members listed in the Directors Report. The Arts Council has five executive directors: the Chief Executive, the Director of Finance and Corporate Services, the Director of Strategic Development and Partnerships, the Director of Arts Development, and the Director of Operations. The Chief Executive, Roisin McDonough is the Principal Executive Officer of the Arts Council and is supported by a professional staff responsible for subject and functional areas of the Arts Council's programme.



Principal Functions Related to Grant-in-Aid Activities

The Arts Council is charged with four statutory functions under the Arts Council (Northern Ireland) Order 1995. These objectives 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 for Communities 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 Arts Council by any other statutory provision.

Review of Grant-in-aid Activities

During the year 2024–25, the Arts Council's Expenditure on the Arts totalled £11,907,751 (2023–24: £11,662,146). This represents an increase of £0.246 m. on the previous year (2023–24: decrease of £0.022 m). This includes in-year capital grants to arts organisations of £1.079m a decrease of £0.139m (2023–24: decrease of £0.364m) on the prior year. Regularly funded organisations were awarded £10.161m (2023–24: £9.8m).

Long-term Expenditure Trends

The opening Exchequer resource funding for 2024–25 was £9.708m. a decrease of £0.008m from the previous year.

Closing Expenditure on the Arts in Financial Year 2024–25 was higher at £11.908m. than the opening allocation of £9.708m because of increased in year funding for expenditure on the Arts.

Objectives and Strategies

The Arts Council's vision is to 'place the arts at the heart of our social, economic and creative life.'

In 2024–25, the Arts Council published its 10-year Strategic Plan, 'Championing the Arts' 2024–34. The main themes of the framework, which also informed the Arts Council's Business Plan for 2024–27, are:

- A more financially stable arts sector
- A sector that develops, looks after its people and is more inclusive
- A sector that is better supported to develop through experimentation and innovation
- A sector that contributed to social and economic benefits and cares about the environment
- More people from all backgrounds can enjoy arts experiences
- A sector that is more valued across society and government

Key Issues and Risks that could affect the delivery of our Objectives

The Board manages risk by ensuring that the procedures which are in place to verify risk management are regularly reviewed and reported. The Audit and Risk Committee receive and review quarterly risk reports prepared by senior management. These reports are in turn considered at the subsequent Board meeting. Risk management is fully incorporated into organisation and business planning.

The principal risks considered in the risk register are:

- Exchequer funding 2024–25: Exchequer funding cut in real terms and late notification of budget which resulted in a delay issuing grants to organisations (Annual Funding Programme 2024–25) and budget uncertainty.
- High Court ruling that may apply to the Arts Council, challenging staff decision making for Exchequer funding; and
- Loss of frontline services from structural underfunding of the Arts if future funding secured for arts organisations is inadequate.

The Board considers how these risks are managed, the residual risk and action plans as appropriate.

Going Concern Basis

The financial statements of the Arts Council are produced on the 'Going Concern Basis.' This was formally considered by the Board. The Arts Council is not aware of any reason to adopt a different basis.

The Arts Council has a projected pension surplus of £4.54 m. as of 31 March 2025, however in the accounts this has been reduced to zero, due to the asset ceiling calculation in accordance with IAS 19. The Head of Governance Support Unit at our sponsor Department confirmed in 2010 that in the event of closure of the Arts Council the Department would guarantee the funding for any pension liabilities.

New Decade New Approach Agreement (NDNA) committed the NI Executive to carrying out a review of Arm's Length Bodies (ALBs) with a view to their rationalisation, and consideration as to their efficiency and effectiveness. The Department has advised the trade unions that the Arts Council is one of nine DfC ALBs within the scope of the NDNA review process. However, the review team has not yet contacted the Arts Council.

A Performance Summary 2024–25

In 2024–25 the Arts Council published its 10-year Strategic Plan, 'Championing the Arts', 2024–34. The performance summary is reviewed under the six themes underpinning the Strategic Plan and accompanying Business Plan for 2024–27.

Mission: To develop and champion the arts in Northern Ireland through investment and advocacy.

Vision: A society where all people can experience a thriving arts sector that is recognised as essential to creativity, wellbeing and social and economic prosperity.

A more financially stable arts sector

The Arts Council's Annual Funding Programme is the most significant allocation of public funding for the arts in Northern Ireland each year. The aim of the programme is to support Northern Ireland's arts infrastructure by investing in organisations in all art forms and practices for their core and programming costs to best meet our strategic outcomes. Through the Annual Funding Programme in 2024–25, the Arts Council invested in 88 organisations with awards totalling £13.2m, comprising £8.1m Exchequer and £5.1m National Lottery funds.

The Annual Funding Survey of core funded arts organisations provides a means for the Arts Council to measure the impact of our investment. In addition, in 2024–25 we conducted the first study in a decade into 'The Working and Living Conditions of Artists in Northern Ireland'. Both surveys provide insight that supports the Arts Council's ability to inform the Department and other stakeholders about the support, investment and developmental needs of the arts sector.

A sector that develops, looks after its people and is more inclusive

The Arts Council has a longstanding commitment to promote equality and has developed specific programmes which respond to the needs of marginalised groups, including older people, young people at risk, people and artists living in or servicing rural communities, as well as minority ethnic artists and their representation in public life.

We continued to implement our Equality Scheme, which is a statement of our commitment to fulfilling our Section 75 duties. The Equality Monitoring Working Group is chaired by the Chief Executive and ensures that equality and diversity is embedded across the organisation.

The Arts Council's Disability Action Plan outlines our commitment to promoting positive attitudes towards people with disabilities and encourages participation in all aspects of the arts. The Disability Action Plan aims to ensure that people with a disability have the same opportunities to access investment in the arts, including the employment of disabled people in the arts sector. The plan builds on measures already taken by the Arts Council to promote inclusion and access, including funding the core costs of several Arts and Disability organisations, supporting artists through the D/deaf and Disabled Artists Support Fund and ensuring equality of access to the Arts through the Arts & Disability Equality Charter.

The Arts Council maintains a Memorandum of Understanding with the University of Atypical, which provides guidance and support on behalf of the Arts Council with applications to Arts Council funding programmes from D/deaf, disabled and neurodivergent artists; and funding which enables UoA to deliver the D/deaf and Disabled Artists Support Fund.

A sector that is better supported to develop through experimentation and innovation

The Arts Council continued to share intelligence with the sector about international opportunities through our participation in Arts Infopoint UK initiative, and we support cultural exchange and touring through our participation in the Four Nations International Fund; the Cultural Bridges programme, which promotes and strengthens artistic and cultural exchange between the UK and Germany; and the joint Franco-UK artists' residency programme, 'Magnetic'.

We signed a new Memorandum of Understanding with the British Council Northern Ireland, re-confirming our joint commitment to supporting international opportunities for artists from Northern Ireland.

A sector that contributes to social and economic benefits and cares about the environment

The Arts Council is fully committed to achieving net zero carbon emissions by 2050. Through our policies and strategy work, we promote the highest standards in environmental responsibility. Our work in promoting and supporting positive environmental practices, which is in part informed by the 2023–24 Climate Change Survey of our main funded clients, will be greatly enhanced by the Northern Ireland Assembly climate change legislation and targets for emissions cuts. This will provide a clearly-defined policy framework in which the Arts Council could operate to mitigate and adapt to climate change through its grant programmes.

More people from all backgrounds can enjoy arts experiences

Arts Council funding supports the outreach, educational and community engagement efforts of arts organisations to increase audiences and participation engagement with underrepresented groups, including younger people from deprived areas, those living in rural areas and areas outside of Belfast, and people not currently engaged in arts activities.

We continued to work with the sector through Thrive to capture, analyse and use survey and research data to strengthen the sector's marketing and audience development efforts. We also continue to raise awareness and promote the Arts Councils funding programmes amongst Local authorities and grassroots organisations.

We promote and support the development of the UK-wide access scheme, All In, to ensure D/deaf, disabled and neurodiverse audiences are able to participate fully.

A sector that is more valued across society and government

The Arts Council submitted a detailed response to the public consultation on the NI Executive's draft Programme for Government, 2024–27. Key recommendations included:

- Embed Arts, Culture and Creativity as part of the mechanisms to help deliver this priority.
- Incorporate arts-based educational interventions into the SEN curriculum to promote cognitive and emotional development.
- The Programme for Government should expand the Safer Communities priority to include a holistic approach that incorporates initiatives aimed at strengthening social bonds, rebuilding trust, and providing constructive outlets for young people and marginalized communities. Artists and arts organisations have a proven track record in contributing to safer and more cohesive communities.

The Arts Council delivers a programme of research and evaluation which provides insight and intelligence about the sector and about the contribution that it makes to Northern Ireland society, culture and economy.

The research programme aims to:

- Build evidence-based knowledge and understanding of the role and impact of the arts on people's lives;
- Identify patterns of engagement and factors affecting engagement in the arts; and
- Help create more diverse, equal and confident communities by addressing inequalities as they relate to race, disability and gender.

In 2024–25 the Arts Council published the following reports, available on the Arts Council website:

- Equality, Diversity & Inclusion Policy Action Plan (April 2024)
- Working and Living Conditions of Artists in Northern Ireland (July 2024)
- Annual Funding Survey, 2023/24 (September 2024)
- Response to NI Executive's draft Programme for Government (October 2024)

The information gathered through our research programme contributed to the Arts Council's development of appropriate policy responses as well as to strengthening our ability to provide the Department and other stakeholders with market intelligence. In addition to regular meetings and briefings with government officials, the Senior Management Team represented the Arts Council in front of the Committee for Communities.

The Corporate Communications team continued to champion the value of the arts through traditional and social media channels. For a third year, it delivered an integrated promotional campaign in December to raise the profile of the arts and encourage the public to attend Arts Council-funded theatres, galleries, venues and craft shops.

Performance Analysis

The purpose of the 'Performance Analysis' section is to provide a detailed performance summary of how the Arts Council measures its performance and a more detailed integrated performance analysis and long-term income analysis.

Key Performance Indicators, Risk and Uncertainty

The Arts Council has two main financial Key Performance Indicators: Resource out-turn and Capital out-turn. After additional in-year funding, the resource budget allocation increased to £12.245m; the Arts Council spent £12.227m which represents a resource out-turn of 99.9%, which is above the key performance target indicator of 98.0%.

The Arts Council is not allowed to over-spend but equally it is expected to spend its budget allocation. This is managed on a monthly basis by having month-end budget meetings and reporting on our expected year-end outturn to the Department in our monthly Resource Consumption. In this way, we can manage under-spends and over-spends in various budget lines and deliver an acceptable year-end outcome.

The Arts Council closing capital budget was £1.271m; the Arts Council spent £1.253m which represents a capital out-turn of 98.6%, which is above the key performance target indicator of 97.0%.

Governance and Accountability	
Key Performance Indicator (KPI)	Outcome
At least 98.0% of resource programme spend by year-end.	Resource out-turn 99.9%. KPI met
At least 97.0% of capital programme spend by year-end.	Capital out-turn 98.6%. KPI met.

Financial Results

The Arts Council's key financial target is to operate within the allocated budget for the year. At the end of the year, the Arts Council realised total net expenditure of £13,449,352 (2023–24: £13,190,102). The taxpayer equity at the year-end has a surplus of £1,552,637 (2023–24: surplus £184,879) which includes a pension reserve of nil (2023–24: nil).

Social and community issues

The Arts Council supports generous charitable giving by staff through payroll giving.

Non-Current Assets

The movement on non-current assets is reported upon in Notes 4 and 5 of the accounts. Assets to the value of £10,480 (2023–24: £90,143) were added during the year, the 2023–24 & 2024–25 value excludes the capitalisation of leasing office premises on adoption of IFRS 16.

Interest rate and currency risk

The Arts Council has no borrowing, relying primarily on Departmental grants for its cash requirements and is therefore not exposed to liquidity risks. It has also no material deposits. Therefore, the Arts Council is not exposed to material interest rate risk and as all significant assets and liabilities are determined in sterling it is not exposed to material currency risk.

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. The target for payment of bills is 10 days from receipt of 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 98% of the bills were paid within this standard. The comparative figure for 2023–24 was 99%. A review of payment of bills in 30 days from receipt of goods or services found that 100% of the bills were paid within 30 days (2023–24: 100%).

Overall, for the year, the average number of days taken to pay invoices was 2.5 days (2023–24: 5 days).

Pension Fund (Audited Information)

All assets, liabilities and operating costs of the Arts Council's pension scheme are recorded in the accounts of the Arts Council Exchequer entity. The salary charges to Lottery in-year include a recharge of employer pension costs of £164,412 (2023–24: £161,109).

The fair value of scheme assets was £19.356 m (31 March 2024: £18.909 m) and the present value of the Arts Council's share of the scheme liabilities was £14.816 m (31 March 2024: £17.047 m). The Arts Council's share of the Scheme's recorded net pension assets at 31 March 2025 was £0.00 m due to the asset ceiling being applied (31 March 2024: £0.00 m due to the asset ceiling being applied).

The accounting policy for pensions is disclosed in Note 1.15 in the accounts.

Accounts and Appointment of Auditors

The Accounts of the Arts Council are prepared in a form directed by the Department for Communities with the consent of the Department of Finance in accordance with Article 8 of the Arts Council (Northern Ireland) Order 1995.

The financial statements are audited by the Comptroller and Auditor General (C&AG) in accordance with the Arts Council (Northern Ireland) Order 1995. She is Head of the Northern Ireland Audit Office and she and her staff are wholly independent of the Arts Council. She reports her findings to the Northern Ireland Assembly.

The fee for the audit of these financial statements is £45,000 (2023–24: £34,000). This cost is included in Note 2(a) Operating Expenditure in the financial statements. The Arts Council purchased non-audit services of £1,382 from its auditor (the Northern Ireland Audit Office) during the year, in relation to the National Fraud Initiative 2024 – 25 exercise.

Complaints Handling

The Arts Council has a Service Charter, which outlines the standard of service the public should expect. The Arts Council operates a Service Complaints Procedure to handle general complaints about our service.

Complaints can be made informally by telephone or formally in writing to the Complaints Administrator. There are different procedures depending on whether the complaint is:

- About a direct Arts Council service,
- About a third-party organisation or individual funded by the Arts Council; or
- An anonymous complaint.

Further information on complaints can be found on the Arts Council website at <https://artscouncil-ni.org/contact/make-a-complaint>

Three reports were provided to the Board on the number of complaints received and the outcome in the 2024–25 financial year (4 in the 2023–24 financial year).

There were 7 direct complaints received in the 2024–25 financial year (there had also been 7 in the 2023–24 financial year).

Respect for Human Rights

It is the policy of the Arts Council that, during the course of their employment, no employee receives less favourable treatment or is discriminated against on the grounds of their sex including gender reassignment, pregnancy or maternity leave, marital or civil partnership status, sexual orientation, race or ethnic origin, religious belief, political opinion, national identity, age, or disability.

Anti-corruption, Anti-fraud, and Anti-bribery Matters

The Arts Council has a number of policies in place, designed to minimise the risk of fraud. These are Anti-Fraud and Anti-Bribery Policy, Conflicts of Interest Policy, Whistleblowing Policy, Gifts and Hospitality Policy and Code of Conduct for Staff. Staff received training on Fraud Awareness, Bribery and Corruption during the course of the year.

During 2024–25, there were no incidents of fraud relating to the Arts Council grant recipients (0 in the 2023–24 financial year).

Sustainability Report

The Arts Council is fully committed to being part of the journey to achieve net zero carbon emissions by 2050, ongoing plans and activities include:

- Identifying alternative office accommodation in line with the principles set out in the Government Estate Strategy (smaller, better, and greener). The evolution of hybrid working provides an opportunity to improve the office efficiency ratio, m²/FTE, and reduce CO₂ emissions resulting from the daily commute,
- Reducing waste and increasing recycling levels,
- Reducing carbon footprint in terms of energy consumption,
- Reducing paper consumption through e-filing of transaction records, duplex printing, and where appropriate n-printing (multiple impressions on A4-size paper),
- Participating in the Government’s “Cycle to work” scheme,
- Suppressing the need for business travel through greater use of video/teleconferencing,
- Asking client organisations via ACNI’s Stability and Renewal Programme to demonstrate how they align to minimising negative environmental impacts and promoting positive ones,’
- Publishing a survey of the core arts sector establishing how best to promote, support and sustain positive environmental practices. The survey was published on our website in July 2023 and is available at [Climate Change Survey 2022 | Arts Council NI \(artscouncil-ni.org\)](https://www.artscouncil-ni.org/Climate-Change-Survey-2022)

Arts Council is currently implementing a Climate Crisis Plan presented to its Board that sets out steps it proposes to tackle the climate crisis, in summary these are:

1. Strengthening its strategic commitment to addressing climate crisis by mainstreaming actions across three primary areas: waste reduction, travel reduction and energy consumption,

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2. Developing internal ACNI strategy to make environmental responsibility integral to all its policies,
3. Using its place as the leading development and funding Agency of the Arts in Northern Ireland to promote awareness amongst funded organisations of the need for positive environmental change within the sector,
4. Conducting a baseline audit sector wide to develop and improve understanding of environmental impact management and how the Arts could be a vehicle to communicate climate awareness to its audience.



Roisín McDonough
Accounting Officer
Arts Council of Northern Ireland

Date: 4 December 2025

Accountability Report

The Accountability Report has three sections: a Corporate Governance Report; a Remuneration and Staff report and an Assembly Accountability and Audit Report.

Corporate Governance Report

The purpose of the Corporate Governance Report is to explain the composition and organisation of the Arts Council's governance structures and how they support the achievement of its objectives. The Corporate Governance Report includes the Directors' Report, the Statement of the Accounting Officer's Responsibilities, and the Governance Statement.

Directors' Report

Board Members of the Arts Council and members of its Audit and Risk, Grants, Acquisitions and Finance and Capital Committees

The Arts Council performed its functions during the year ending on 31 March 2025 by making grants to organisations engaged in the arts either on an annual or 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 for Communities and various other public and private bodies on a range of issues relating to the arts. The Arts Council is also one of the distributing bodies of National Lottery funding. Lottery distributing activities are reported upon separately under the National Lottery Etc. Act 1993.

Appointments to the Board are made by the Minister for Communities. The Chair and members of the Board have individual and collective responsibility to the Minister as Head of Department.

The Chief Executive of the Arts Council of Northern Ireland is Roisin McDonough.

The Arts Council is vested in and administered by a body corporate known as the Board of the Arts Council, consisting of a Chair, Vice-Chair and seven members (as at 31 March 2025) appointed by the Department for Communities Minister, as set out in the Arts Council (Northern Ireland) Order 1995. The Board of the Arts Council for the year ended 31 March 2025 is shown below:

Board Membership from 1 April 2024 to 31 March 2025

Mr Liam Hannaway (Chair)
Mr William Leathem (Vice-Chair)
Mrs Lynne Best
Mr Paul Boyle (*resigned 23 August 2024*)
Mr Paul Brolly
Mr Joe Dougan
Mr Ray Hall

Mr Sean Kelly
Mrs Laura McCorry (*resigned 27 June 2025*), and
Dr Gearóid Trimble.

Committee Membership

Details of the structure and roles for each committee are given in the Governance Statement starting on page 22.

The members of the Audit and Risk Committee for the year ended 31 March 2025 were:

Mr William Leathem (Chair)
Mr Ray Hall
Dr Gearóid Trimble
Mr Paul Boyle (*resigned 23 August 2024*), and
Mrs Lynne Best (*from 5 September 2024*)

The members of the Grants Committee for the year ended 31 March 2025 were:

Mrs Laura McCorry (Chair) (*resigned 27 June 2025*)
Mrs Lynne Best
Mr Joe Dougan
Mr Sean Kelly and
Mr Ray Hall (*from 5 September 2024*)

The members of the Finance and Capital Committee for the year ended 31 March 2025 were:

Mr Paul Boyle (Chair) (*resigned 23 August 2024*)
Mr Sean Kelly (Chair) (*from 5 September 2024*)
Mr Paul Brolly and
Mrs Laura McCorry (*resigned 27 June 2025*).

Board Appointments after the Financial Year End

The following appointments were made to the Board after 31 March 2025:

Mrs Nora Douds (Chair) (*appointed 01 October 2025*)
Mr Michael Cameron (*appointed 01 September 2025*)
Mr Dee Crooks (*appointed 01 September 2025*)
Mr Paul Grocott (*appointed 01 September 2025*)
Mrs Margaret Henry (*appointed 01 September 2025*)
Mr Darren Milligan (*appointed 01 September 2025*)

Several members of the Board of the Arts Council and members of key management staff are also involved with other arts organisations in Northern Ireland either directly or indirectly because of a family relationship, a close friendship or business relationship. All 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 in Note 13. The Register of Interests is also online on the Arts Council website, [ACNI-BOARD-Declaration-of-Interests-2025-26_2025-05-02-103525_hfwn.docx](#) All transactions relating to the organisations were conducted at arm's length by the Arts Council.

Personal Data

There was a total of four personal data incidents recorded during the year. Three of which were minor incidents, not deemed significant enough to report to the Information Commissioners office (ICO). One personal data breach was reported to the ICO in March 2025. The ICO closed the case with an advice note.

Statement of the Accounting Officer's Responsibilities

Under Section 8 of The Arts Council (Northern Ireland) Order 1995 the Arts Council is required to prepare a statement of accounts for each financial year in the form and on the basis set out in the Accounts Direction determined by the Department for Communities with the approval of the Department of Finance. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Arts Council and of its income and expenditure, Statement of Financial Position, and cash flows for the financial year.

In preparing the annual accounts the Accounting Officer is required to comply with the requirements of the *Government Financial Reporting Manual* and in particular to:

- Observe the Accounts Direction issued by the Department for Communities including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the *Government Financial Reporting Manual* have been followed, and disclose and explain any material departures in the financial statements;
- Prepare the financial statements on a going concern basis; and
- Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgments required for determining that it is fair, balanced and understandable.

The Accounting Officer of the Department for Communities has designated the Chief Executive of the Arts Council as Accounting Officer of the Arts Council. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Arts Council's assets are set out in *Managing Public Money Northern Ireland*.

As the Accounting Officer, I have taken all steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the Arts Council's auditors are aware of that information. As far as I am aware, there is no relevant audit information of which the auditors are unaware.

Governance Statement

Scope of Responsibility

As Accounting Officer, I have responsibility for ensuring the Arts Council's business is conducted in accordance with the law and proper standards, and that public money is properly accounted for, and used economically, efficiently, and effectively. In discharging this overall responsibility, I am responsible for ensuring the existence of a robust framework of governance and accountability designed to instil a sound system of internal control, manage risk and support the achievements of the Arts Council's objectives whilst safeguarding public funds and departmental assets in accordance with the responsibilities assigned to me in Managing Public Money Northern Ireland. I am also personally responsible for ensuring compliance with the requirement of the Arts Council's Partnership Agreement.

This responsibility is supported by the functions of the Arts Council; Board; Committees (particularly the Audit and Risk Committee); internal and external audit; the Arts Council's risk register as well as accountability meetings with the Department for Communities.

I also combine my Accounting Officer role with my responsibilities to the Department including any Ministerial directions. There were no Ministerial directions in the 2024 - 25 financial year.

Corporate Governance Code

The Arts Council complies with the principles of good practice detailed in Corporate Governance in Central Government Departments: Code of Good Practice (NI) 2013 issued by Department of Finance and Personnel (now Department of Finance (DoF)) under cover of their letter DAO (DFP) 06/13.

The Board reviewed and discussed the six principles of the code at its annual effectiveness meeting on 10 and 11 October 2024 and is content that the Arts Council has adopted the practices set out in the code wherever they were relevant, practical, and consistent with business needs.

Two principles were less relevant to the Arts Council:

- (a) Board composition because the Department for Communities Minister makes appointments to the Board. However, the Board has the authority to co-opt to its committees where it deems a skill or experience is required.
- (b) Arm's Length Bodies (ALBs). This principle has negligible relevance as it was directed towards Departments and their governance arrangements with ALB Boards.

There were no departures in the 2024–25 financial year from the application of relevant principles.

Conflicts of Interest

The Corporate Governance in Central Government Departments: Code of Good Practice (NI) 2013 requires the Board to publish how it identified any conflicts of interest and potential conflicts and how these have been managed. The Arts Council has a conflict of interest policy, which applies to Board and Staff. The policy is reviewed annually, most recently at the Board effectiveness meeting on 10 and 11 October 2024. The Arts Council is not aware of any non-compliance with the management of interests sections of the Code.

Several members of the Board 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. All Board members and staff 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 in Note 13. The note lists Board members and senior staff. A full list of conflicts of interest are published on the Arts Council website. All the transactions relating to organisations were conducted at arm's length by the Arts Council.

The Purpose of the Governance Framework

The governance framework comprises the systems and processes, and culture and values, by which the Arts Council is directed and controlled and the activities through which it accounts to and engages with all stakeholders. It enables the Arts Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate and value for money services and facilities.

The system of internal control is a significant part of that framework and designed to manage risk to a reasonable level rather than to eliminate all 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 on-going process designed to identify and prioritise the risks to the achievement of departmental policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively, and economically.

The governance framework has been in place in the Arts Council for the year ended 31 March 2025 and up to the date of approval of the annual report and accounts and accords with Department of Finance guidance.

The Governance Framework

The key elements of the systems and processes that comprise the Arts Council's governance arrangements are:

1. Identifying and communicating the Arts Council's vision of its purpose and intended outcomes;
2. Reviewing the Arts Council's vision and its implications for the Arts Council's governance arrangements;
3. Measuring the quality of service, ensuring delivery in accordance with the Arts Council's objectives and ensuring that they represent the best use of resources;
4. Defining and documenting the roles and responsibilities of the Executive, Non-Executive, Scrutiny and Officer functions, with clear delegation arrangements and protocols for effective communication;
5. Developing, communicating, and embedding Codes of Conduct, defining the standards of behaviour for members and staff;
6. Reviewing and updating the Partnership Agreement, Scheme of Delegation and supporting procedure notes/manuals, which clearly define how decisions are taken and the processes and controls required to manage risks;
7. Undertaking the core functions of an Audit and Risk Management Committee;
8. Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful;
9. Implementing procedures for whistleblowing and for receiving and investigating complaints from internal and external sources;
10. Identifying the development needs of members and senior officers in relation to their strategic roles, supported by training; and
11. Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability, and encouraging open consultation;
12. Implementing recommendations arising from Governance Reviews commissioned by the Department for Communities where those recommendations applied to the Arts Council.

The Arts Council has a Board Code of Conduct Policy, which was updated and approved by the Board in October 2024 and is reviewed annually. This was reviewed at the Board's annual effectiveness session on 10 and 11 October 2024.

Board

I am supported by the Board of the Arts Council. The Chair and members of the Board have individual and collective responsibility to the Minister as Head of Department to:

- Provide effective leadership for the Arts Council, in particular in defining and developing its strategic direction and in setting challenging objectives;
- Act in a way that promotes high standards of public finance, including the promotion of regularity, propriety, and value for money;
- Ensure that the Arts Council's activities are conducted in an efficient and effective manner;

Arts Council of Northern Ireland

- Ensure that strategies are developed for meeting the Arts Council's overall objectives in accordance with the policies and priorities established by the Minister;
- Monitor the Arts Council's performance to ensure that it fully meets its aims, objectives, and performance targets;
- Ensure that the Arts 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;
- Participate in the corporate planning process; and
- Appoint a Chief Executive.

The Board held nine meetings during the year to determine policy for the Arts Council and make decisions in line with that policy. I attended all nine Board meetings. The Director of Finance and Corporate Services attended eight Board meetings. The Director of Strategic Development and Partnerships attended eight Board meetings. The Director of Operations attended nine Board meetings, and the Director of Arts Development also attended eight Board meetings.

The annual Board effectiveness session was on 10 and 11 October 2024.

The Board has a rolling work-plan and achieved its objectives, which were set out during the year. The overall average attendance rate of members was 81%, which is a testament to the commitment and dedication of the Board.

2024–25 Meeting Attendance

	Board Members						Total		
	Board			Committee			Act	Max	%
	Act	Max	%	Act	Max	%			
Liam Hannaway (Chair)	9	9	100	n/a	n/a	n/a	9	9	100
William Leathem (Vice Chair)	7	9	78	4	4	100	11	13	85
Lynne Best	5	9	56	4	5	80	9	14	64
Paul Boyle <i>(resigned 23 August 2024)</i>	2	2	100	2	2	100	4	4	100
Paul Brolly	7	9	78	6	6	100	13	15	87
Joe Dougan	6	9	67	4	7	57	10	16	63
Ray Hall	7	9	78	4	4	100	11	13	85
Sean Kelly	8	9	89	9	9	100	17	18	94
Laura McCorry <i>(resigned 27 June 2025)</i>	7	9	78	8	9	89	15	18	83
Gearoid Trimble	8	9	89	4	6	67	12	15	80

	Chief Executive & Directors						Total		
	Board			Committee			Act	Max	%
	Act	Max	%	Act	Max	%			
Chief Executive	9	9	100	9	15	60	18	24	75
Director of Finance & Corporate Services	8	9	89	8	8	100	16	17	94
Director of Arts Development	8	9	89	1	2	50	9	11	82
Director of Strategic Development & Partnerships	8	9	89	n/a	n/a	n/a	8	9	89
Director of Operations	9	9	100	13	13	100	22	22	100

Members of the Board have delegated some of their tasks to four sub-committees, which oversee the activities of management and provide support:

- Audit and Risk;
- Finance and Capital;
- Remuneration; and
- Grants.

Audit and Risk Committee

The membership of the Audit and Risk Committee during the year is outlined on page 20. The Committee met four times during the year. I attended three of the meetings, the Director of Finance and Corporate Services attended all four meetings, and the Director of Operations attended all four meetings. The Audit and Risk Committee has a rolling work-plan and measures its performance by the achievement of its objectives.

It is considered good practice that the accounting officer and Board should be supported by an Audit and Risk committee comprising of at least three members (Audit and Risk assurance Handbook (NI) April 2018, Chapter 3 refers). The Audit and Risk Committee had three or more members during the year.

Its terms of reference include supporting the Board and Accounting Officer by reviewing the comprehensiveness of assurances in meeting the Board and Accounting Officer's assurance needs, and by reviewing the reliability and integrity of these assurances; the activities of the internal and external auditors and overseeing the risk culture of the Arts Council; and also reviewing its own effectiveness, constitution and terms of references and reporting the results of that review to the Board.

The Audit and Risk Assurance Committee Handbook (NI), issued under cover of DAO (DFP) 03/18 (and the HMT version issued April 2025), sets out five principles to be followed. These principles are:

- Principle 1: Membership, independence, objectivity and understanding;
- Principle 2: Skills;
- Principle 3: The role of the Audit and Risk Assurance Committee;
- Principle 4: Scope of work; and
- Principle 5: Communication and reporting.

The Board has formally considered these and confirmed it complied with the principles.

The Committee makes regular reports to the Board. Board Members are satisfied that the Committee is providing them with assurance.

Other Committees

The membership of the Finance and Capital Committee during the year is outlined on page 20. This Committee met four times during the year. I attended three meetings. The Director of Finance and Corporate Services attended all four meetings. The Director of Operations attended all four meetings. Its terms of reference cover the proposal to the Board for the annual budget of the Arts Council; ensuring comprehensive financial advice is provided to the Board; reviewing the detailed information relating to the financial resources including the Statement of Comprehensive Net Expenditure, Statement of Financial Position and Statement of Cash Flow; monitoring financial expenditure against targets set throughout the year; making recommendations as necessary; reviewing the programmes, policies and procedures relating to the payment of capital grants and where appropriate, to propose changes to the above for Board approval; and to advise on policy and the strategic deployment of capital resources.

The membership of the Grants Committee during the year is outlined on page 20. This Committee met five times during the year. I attended three out of five meetings. The Director of Operations attended all five meetings. Its terms of reference include reviewing the programmes, policies and procedures relating to the payment of Exchequer and Lottery grants, and where appropriate, proposing changes to the above for approval by the Board and taking decisions on grant aid within delegated financial limits set by the Board. The Board has delegated its grant-decision-making for grants under £25,000 to staff. However, following a High Court ruling by Madam Justice McBride¹ against the Charities Commission for Northern Ireland all Exchequer grant decisions are either approved by the Grants Committee acting for the Board or by the Board. All decisions made by the Grants committee are reported to the Board.

The Remuneration & Staffing Committee (page 36) comprises of three members however, with no matters requiring discussion, the committee did not meet during the financial year.

Business Planning

The 3-year Business Plan (2024–27) sets out the Arts Council of Northern Ireland's key objectives for each financial year. It translates our draft strategy (2024–2034) into specific, time-bound actions that respond to the immediate needs of the sector and lay the groundwork for long-term change.

The plan is structured around the outcomes identified in our draft strategy, with specific objectives and indicators of achievement to help us track progress. Each one-year plan is designed to move us forward in a coherent and focused way, ensuring that our work remains aligned with our values, and the evolving needs of the arts in Northern Ireland.

A number of objectives and supporting strategic activities aligned to the outcomes and priorities of our 10-year draft strategy have been drawn together as part of the plan.

The draft business plan is submitted to the Department as early as possible, but no later than 31 January each year. The Arts Council's plans are submitted to the Department for approval and include measures of performance and annual targets in respect of each of those measures and the proposed annual efficiency. Progress against targets is reported quarterly to the Board and bi-annually to the Department's governance and accountability meetings.

ACNI's draft strategy follows an outcome-based approach. This means that we have focused first on what we would like to see achieved for the arts sector and then used this to inform what we do. We have derived a set of outcomes for the art sector, and a set of outcomes that the sector then delivers as a result for society. The outcomes overlap and are reliant on one another. They are used to frame our business plan.

¹ The background to this case is that in May 2019 Madam Justice McBride held, in *McKee & Others v Charity Commission for Northern Ireland and Department for Communities* [2019] NICH 6, that the Commission can only make decisions when the organisation meets as a whole body, and such decisions cannot be discharged by employees.

Outcomes for the arts sector		
Outcome 1: A more financially stable arts sector.	Outcome 2: A sector that develops, looks after its people, and is more inclusive.	Outcome 3: A sector that is better supported to develop through experimentation and innovation.
Outcomes for society		
Outcome 4: A sector that contributes to social and economic benefits and cares about the environment.	Outcome 5: More people from all backgrounds can enjoy arts experiences.	Outcome 6: A sector that is more valued across society and government.

The 3-year business plan has 43 overall objectives across three Directorates aligned to the outcomes and priorities of the strategy. 27 are currently “ongoing/on target; 7 have not commenced yet; 1 no action taken this quarter; 8 are completed; and 0 is being planned.

For 2025–26 ACNI are moving away from the 3-year business planning cycle and are working on an annual plan basis.

Risk Management

The Arts Council applies HM Treasury’s Orange Book, Management of Risk – Principles and Concepts (under cover of DAO (DoF) 04/25). The core processes at the heart of the risk management framework are unchanged and involve identifying risks, assessing the risks, designing, and operating risk treatment activities (including controls), monitoring these and reporting on success or otherwise of the risk management. The primary shift was to position risk management as more than a process, but rather as an essential part of good governance, decision-making and performance management at all levels of an organisation.

Comply or Explain: The revised Orange Book required organisations to disclose compliance or to explain their reason for departure to the five main risk principles in the Governance Statement. The Arts Council complies with the five orange book principles, which reflects an increased emphasis on:

- 1) Leadership, culture, values, and behaviours as a part of effective risk management;
- 2) Embedding risk management in decision-making – within planning, policy development, prioritisation, and performance management – not as something separate;
- 3) The need to have an informed view of all risks based on the best information and expertise, including the critical role that functions and professions play in providing expert judgements on risks and their management;
- 4) Structured risk management processes; and

- 5) Learning from experience to continually improve the successful deliver of outcomes.

The identification and impact of risk is incorporated into the corporate planning and decision-making processes of the Arts Council. Consequently, the Arts Council ensures that there are procedures in place for verifying that internal control and aspects of risk management are regularly reviewed and reported on and are supplemented by detailed best practice guidelines on Public Interest Disclosure (whistleblowing) and Fraud Management policies, among others. The Board receives periodic reports concerning internal control and steps are taken to manage risks in significant areas of responsibility and monitor progress on key projects. A system of risk management is maintained to inform the Board's decisions and all reputational risks to the Arts Council are drawn to the attention of the Board and are properly managed. The Risk Register is presented to the Audit and Risk Committee and to the Board on a quarterly basis. Responsibility for risk management has been assigned to appropriate members of the executive team and officers and is reported on routinely to the Chief Executive and Director of Finance and Corporate Services.

On an annual basis, risks are categorised by considering the likelihood of occurrence should no risk-mitigation activity occur, and the impact should the risk happen. The risks where the potential impact is deemed high are detailed in the Arts Council Risk Register. The Risk Register forms part of the annual business plan of the Board, having been previously endorsed by the Audit and Risk Committee. The Senior Management Team assigns to managers (the 'risk owners') the task of putting procedures in place to monitor and, where possible, mitigate the risk.

The Audit and Risk Committee has lead responsibility for the periodic review of the Risk Register. The Arts Council consider the following to be the most significant areas of risk:

- Exchequer funding 2025–26: Baseline exchequer funding cut in real terms.
- McBride Decision: High Court ruling that may apply to the Arts Council, challenging staff decision making for Exchequer funding; and
- Loss of frontline services if inadequate funding is secured for the arts.

The McBride decision increases the workload of the Board as decisions that would normally be made by staff, are approved by the Board instead. Following the McBride ruling; all exchequer grant decisions are made by the Board.

Reduction in Arts funding has resulted in financial pressure on arts organisations. During the financial year two arts organisations required financial assistance provided by in year bids to the Department.

The Audit and Risk Committee also scrutinises management and budgetary information on arts organisations flagged at financial risk. This oversight included the commissioning of three third-party organisation reviews undertaken by Internal Audit and reported to the Audit & Risk committee. This allows scrutiny and challenge of the

organisations' financial capability and provides assurance that public funds are not at risk.

Risk Appetite

The engagement of a broad spectrum of the Council's internal and external stakeholders provides an understanding of the appetite for risk within the organisation. In general, the Council has to be risk averse in its stewardship of public funds and its systems and processes while at the same time encouraging a greater degree of risk in the development and introduction of progressive arts policies and programmes.

Fraud Risk and Information Risk

The Arts Council has a fraud policy that is reviewed on an annual basis. It is given to all new staff at their induction, and staff receive training appropriate to their grade and duties. The Arts Council also has an information risk policy to be followed by all staff, which new staff read as part of their induction. The policy requires all data to be held securely.

The Arts Council maintains a register of related party transactions in order to ensure that opportunities for conflict of interest are avoided. The register is maintained centrally and is updated regularly. It features as a supplementary report in the decision-making process on relevant grants, to ensure the exclusion of parties with a perceived conflict of interest. The NIAO publication "Conflicts of Interest – A Good Practice Guide" March 2015 has been circulated to the Board to assist members recognise actual and perceived conflicts of interest.

All staff have been provided with a copy of the Arts Council Information and IT Security Policy to ensure that they are aware of best practice on how to protect the data and assets held by the organisation. The Council's computer system is hosted on an ITAssist platform. Additionally, to gain access to the Arts Council's computer network, staff are required to acknowledge acceptance of IT policies when they log into their workstations.

Governance & Accountability within the Arts Council

The annual internal audit plan is created on a risk basis and is based on information provided from the following sources:

- Discussions with the Arts Council's senior management;
- Discussions with the Chairman of the Audit and Risk Committee;
- The corporate Risk Register;
- Annual report and financial statements;
- Specific areas requested by the Department for Communities for inclusion;
- Prior internal audit recommendations; and
- Inclusion of core financial areas, which form the basis of the system of internal control.

The Audit and Risk Committee reviewed and approved the internal audit plan. I ensured that there was sufficient flexibility in the plan to allow for changes to be made

during the year to reflect any significant changes in the risk environment and the emergence of new risks.

All reports of the internal auditors were discussed by the Audit and Risk Committee with senior members of staff in attendance, including those whose departments were reported upon by the auditors. This gave me and members of the Committee the opportunity to discuss, in detail, the findings, recommendations and proposed management actions. Directors that had failings identified by the internal auditors were required to devise corrective action and set a completion date for that action in consultation with the internal auditors. I receive regular reports from the auditors notifying me of the progress my directors have achieved in clearing up points raised by both internal and external auditors in previous years.

Sources of Independent Assurance

The Internal Auditors reported that based on the work performed during the year, the Arts Council has established procedures that are adequate to meet management's control objectives in the systems audited. Consequently, the Internal Auditors provided a satisfactory level of assurance over the control environment for 2024–2025.

The Comptroller and Auditor General to the Northern Ireland Assembly certifies the accounts and provides a regularity opinion on whether, in all material respects, the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern the Arts Council. The Comptroller and Auditor General also provides an opinion on the truth and fairness of the attached financial statement for the year ended 31 March 2025, and their supporting notes.

Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed by the work of the internal auditors and senior management within the Arts Council who have 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. As a result of their work during the year, the internal auditors have produced an annual certificate of assurance with regard to the adequacy of the systems and the operation of internal controls within the Arts Council. In addition, I have considered the Report to Those Charged with Governance (RTTCWG) prepared by the external auditors following their audit of the accounts for the year ended 31 March 2025. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board and the Audit and Risk Committee, and a plan to address weaknesses and ensure continuous improvement of the internal control system is in place.

The Audit and Risk Committee reviews its effectiveness and questions the activities of risk owners. Furthermore, our internal audit function reviews the risk-management processes as part of its work and can provide the benefit of its experience of other organisations' risk-management activities.

All policy papers put to the Board for decision contain a discussion of the risks associated with taking the possible courses of actions. The Board also regularly discusses the risks on the risk register with the risk owners. The Board has considered the quality of data used by the Board across all business areas and finds the information provided by management suitable for the purposes of making effective decisions.

Quality of Information

The Board of the Arts Council reviewed the quality of the information made available by the executive for effective decision-making. This was reviewed during the Board effectiveness session on 10 and 11 October 2024 and the Board considered the quality of information was satisfactory.

The Board considers that the accuracy, timing and availability of the financial information and the support given to ensure that the Board and its Committees function effectively is satisfactory. The Board values the reports on art forms, organisational performance and the Council's development programmes for their insights into the challenges and opportunities facing the arts in Northern Ireland. The Board notes the challenge with regard to information, analysis and assessment facing the executive in determining the most beneficial distribution of arts funding in the current financial environment. Looking to the future the Board recognises that the pattern and the nature and extent of information provision on the functioning of the arts in Northern Ireland will change during the planning process, and to support the delivery of the draft ten-year strategic plan.

Internal Governance Divergences – Current and New for 2024–25

Update on prior year control issues, which have been resolved and are no longer considered to be control issues.

Eight prior year issues highlighted in internal audit reports have been resolved and are no longer control issues in 2024–25.

Update on prior year control issues, which are still considered to be control issues

None.

Identification of new issues in the current year and anticipated future issues

Internal Audit identified a few areas where the Arts Council should put procedures in place to strengthen the existing processes and controls to fully meet management's control objectives. Internal Audit's observations and recommendations are graded in line with DAO (DoF) 07/16, which was implemented with immediate effect on sight of the guidance:

Priority 1: Failure to implement the recommendation is likely to result in a major failure of a key organisational objective, significant damage to the reputation of the organisation or the misuse of public funds.

Priority 2: Failure to implement the recommendation could result in the failure of an important organisational objective or could have some impact on a key organisational objective.

Priority 3: Failure to implement the recommendation could lead to an increased risk exposure.

Internal Audit also assign an assurance rating to reviews. Three evaluations are used. One evaluation, Satisfactory, is considered to be "above the line" in terms of governance, risk management and control. The remaining two audit opinions (Limited and Unsatisfactory) are considered to be "below the line."

The Satisfactory and Limited assurance ratings as defined, in line with DAO (DoF) 07/16:

Satisfactory: Overall, there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified, this should not significantly impact on the achievement of system objectives;

Limited: There are significant weaknesses within the governance, risk management and control framework which, if not addressed, could lead to the system objectives not being achieved; and

Unsatisfactory: The system of governance, risk management and control has failed or there is a real and substantial risk that the system will fail to meet its objectives

Six internal audit reviews were issued during the year all with satisfactory assurance ratings. The six reviews were:

- i) Review of Grant Funding arrangements
- ii) Payroll travel, gifts and hospitality
- iii) Management of the Arts collection
- iv) IT systems and security
- v) Procurement and contract management
- vi) Risk management, complaints and raising concerns

Management has agreed a timescale for implementation of the recommendations arising from the reviews.

Of the fourteen new recommendations, two had a priority 2 and the balance of twelve were designated priority 3.

There were no Priority 1 recommendations during the year.

I am pleased to report that overall Internal Audit awarded a satisfactory level of assurance in its assurance statement.

Conclusion

As a result of the above, I believe that the Arts Council's internal control and governance framework provides me with the level of assurance that I require. There is nothing of which I am aware that leads me to believe that our systems for detecting and responding to inefficiency, for preventing conflicts of interest, for preventing and detecting fraud and for minimising losses of grant-in-aid are not adequate. I believe that the Arts Council's governance structure has operated successfully in 2024–25.



Roisín McDonough
Accounting Officer
Arts Council of Northern Ireland

Date: 4 December 2025

Remuneration and Staff Report

The Remuneration Report sets out the remuneration policy for directors. More specifically, it details remuneration (including pension and benefits in kind) of staff key to its operation and where relevant, the link between performance and remuneration. There is a presumption that information on named individuals will be given in all circumstances.

The Staff Report element provides additional information including:

- Number of senior civil service staff by band,
- Staff numbers and costs,
- Average number of persons employed,
- Staff composition by gender,
- Sickness absence data,
- Staff Policies applied during the financial year,
- Consultancy expenditure,
- Off Payroll Disclosures, and
- Exit packages.

Remuneration Report

Remuneration Policy

The Arts Council Remuneration & Staffing Committee is a Committee of the Board of the Arts Council, ACNI follows and applies NICS pay awards for the remuneration of its staff. The Committee is authorised by the Board to undertake any activity within its terms of reference. Its membership during the year was as follows:

Mr William Leathem (Board Vice Chair & Chair of Audit & Risk Committee)

Mr Liam Hannaway (Board Chair)

Mr Paul Boyle (Finance & Capital Committee Chair) (*resigned 23 August 2024*)

Mr Sean Kelly (Finance & Capital Committee Chair) (*from 5 September 2024*)

The pay remit for the Northern Ireland Civil Service, including senior civil servants (SCS), is normally approved by the Minister of Finance. Following approval of the 2024–25 Budget in the Assembly, on 28 May 2024, in which the Finance Minister outlined the overarching approach to public sector pay, the NI public sector pay policy guidance was published on 31 May 2024 in FD (DoF) 07/24

Annual NICS pay awards are made in the context of the wider public sector pay policy, ACNI pay remit for 2024–25 was approved on 28 May 24. Subject to satisfactory testing, the award effective from 1 August 2024, was paid for NICS non-industrial staff, including SCS, in the June 2025 payroll.

The pay of NICS staff is based on a system of pay scales for each grade, including SCS, containing a number of pay points from minimum to maximum, allowing progression towards the maximum based on performance and other eligibility criteria

The Chairman, with the support of the Remuneration & Staffing Committee as appropriate, is responsible for assessing the Chief Executive's performance and making recommendations on achievement to the Department for Communities. The Chief Executive has a staff appraisal meeting with the Chairman on the basis of objectives set the previous year in consultation with the Department. The appraisal meeting also includes discussion of objectives for the incoming year. These are further discussed by the Chairman with the Department. Subsequent proposed objectives approved by the Chair, who may wish to engage with the Remuneration & Staffing Committee as appropriate are discussed and agreed with the Chief Executive as appropriate for the year.

All other executive directors within the Arts Council are employed at Grade 7. The Arts Council's Partnership Agreement directs that approval of the Department is required to re-grade/create posts at Deputy Principal level and above, unless otherwise advised by the Department. Staff are appointed on Northern Ireland Civil Service pay scales.

All staff costs are incurred by the Arts Council and an appropriate amount is recharged to the Lottery Distribution Account. The apportionment is made at full economic cost and calculated on the basis of the proportion of activity funded by Lottery.

Service Contracts

Although ACNI staff are not civil servants, ACNI adopts and applies the Civil Service Recruitment Code and Compensation Scheme. The Civil Service Commissioners (NI) Order 1999 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Code published by the Civil Service Commissioners for Northern Ireland specifies the circumstances when appointments may be made by exception to merit.

Unless otherwise stated, the officials covered by this report hold appointments that are open-ended. Early termination, other than for misconduct, would result in consideration of the individual receiving compensation for loss of office as set out in the Civil Service Compensation Scheme. No payments were made in respect of loss of office for 2024-25 (2023-24: nil).

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

The Chief Executive (Roisin McDonough) was appointed on 16th October 2000. This position is permanent within the definition above as are the executive director positions.

Benefits in Kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument. No benefits in kind were paid to any employee noted below.

Board Members' Honoraria (Audited Information)

No emoluments were paid to members of the Board of the Arts Council except for Honoraria to the Chair and Vice-Chair.

The annual rate of honorarium for the Chair is £11,299 and £3,973 per annum for the Vice-Chair. The actual honoraria paid in 24–25 was £15,583 (23–24: £14,952). There was £336 (23–24: £270) of employer's National Insurance Contributions.

	Chair £	Vice-Chair £
L Hannaway	11,299	
W Leathem		3,973

Of the total cost of honoraria, £8,591 (23–24: £8,391) was apportioned to the Lottery Distribution Account. No emoluments were paid to other Board members in respect of Lottery activities. The Arts Council does not pay any pension contributions on behalf of the Chairman and Vice-Chairman; therefore, they are not included in the following pension note. All Board members are recompensed for their vouched expenses incurred in carrying out their duties.

Bonuses

During the 24–25 year no performance bonus was distributed (23–24: £0). The Special Bonus Scheme has been withdrawn and there is no mechanism to allow bonus payments.

Remuneration and Pension Entitlements - Senior Staff (Audited Information)

Salary

'Salary' includes gross salary and any other allowance, to the extent that they are subject to UK taxation. This report is based on accrued payments made by the Arts Council before any recharge of costs is made to the Lottery fund. This report is based on accrued payments made by the Arts Council and thus recorded in these accounts.

Single total figure of remuneration

Directors	Salary & Allowances (£'000)		Pension Benefits* (to nearest £1,000)		Total (£'000)	
	24-25	23-24	24-25	23-24	24-25	23-24
R McDonough (Chief Executive)	95-100	90-95	41	34	135-140	125-130
N McKinney (Director of Arts Development - Job Share)	30-35 (65-70 FTE)	30-35 (60-65 FTE)	11	10	40-45	40-45
G McKinney (Director of Arts Development – Job Share)	50-55 (60-65 FTE)	35-40 (60-65 FTE)	40	5	90-95	40-45
G Troughton (Director of Finance and Corporate Services)	60-65	55-60	38	13	100-105	70-75
K Greene (Director of Strategic Development) (Resigned 12 July 2024)	15-20 (55-60 FYE)	55-60	16	23	30-35	80-85**
J Stanziola (Director of Strategic Development) (from 1 August 2024)	35-40 (55-60 FYE)	N/A	16	N/A	60-65	N/A
M Lynch (Director of Operations)	60-65	50-55	41	19	95-100	70-75

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

** Amended as figure is calculated from the mid-point of the salary band and the Pension benefits.

Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud

judgment. The Public Service Pensions 44 Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the Alpha scheme for the period from 1 April 2015 to 31 March 2022.

Fair pay disclosure (Audited Information)

Pay Ratios

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in the Arts Council in the financial year 24 - 25 was £95,000 - £100,000 (23 - 24: £90,000 - £95,000). The relationship between the mid-point of the actual and FTE bands and the remuneration of the organisation's workforce is disclosed below.

24 - 25	25th Percentile	Median	75th Percentile
Total Remuneration (£)	33,793	38,283	42,268
Pay Ratio	2.9	2.5	2.3

23 - 24	25th Percentile	Median	75th Percentile
Total Remuneration (£)	31,352	35,712	41,375
Pay Ratio	3.0	2.6	2.2

Total remuneration includes salary, non-consolidated performance-related pay, and benefits-in-kind. It does not include severance payments, employer pension contributions, the cash equivalent transfer value of pensions but includes the accrued uplift amount for awards not yet paid.

The values for the salary component of remuneration for the 25th percentile, median and 75th percentile was £32,293 (2023-24 £31,352), £36,783 (2023-24 £35,712), and £39,796 (2023-24 £41,375) respectively.

In 24–25 no employees (23–24: none) received remuneration in excess of the highest-paid director.

Remuneration, inclusive of accrued backpay, ranged from £27,962 to £97,500 (23–24: £27,147 to £92,500).

Percentage Change in Remuneration

Reporting bodies are also required to disclose the percentage change from the previous financial year in the:

- a) Salary and allowances, and
- b) Performance pay and bonuses of the highest paid director and of their employees as a whole.

The percentage changes in respect of the Arts Council are shown in the following table. It should be noted that the calculation for the highest paid director is based on the mid-point of the band within which their remuneration fell in each year.

Percentage change for	24–25 vs 23–24	23–24 vs 22–23
Average employee salary and allowances	2.9%	6.1%
Highest paid director's banded salary and allowances	5.4%	5.7%

No performance pay or bonuses were payable in these years.

Arts Council Pensions

The pension benefits of all staff are provided through the Northern Ireland Local Government Officers' Superannuation Committee. This is a funded scheme which provides benefits on a "final salary" basis at a normal retirement age of 65. Prior to April 2015, benefits accrue at the rate of 1/60th of pensionable salary for each year of service (1/80th before 1 April 2009). For membership of the Scheme from April 2015 member's pension will be based on member's average earnings while a member of the Scheme. Each year, if members are in the main section of the Scheme 1/49th of pensionable pay is added to the members pension account plus a revaluation amount so that members pension keeps up with the cost of living. In addition, a tax-free lump sum may be payable on retirement. Members pay contributions of between 5.5% and 8.5% of pensionable earnings. Pensions increase in payment in line with the Consumer Price Index. On death, pensions are payable to the surviving spouse at a rate of half the member's pension. On death in service, the scheme pays a lump sum benefit of three times pensionable pay and provides a service enhancement on computing the spouse's pension. Medical retirement is possible in the event of serious ill-health. In this case pensions are brought into payment early.

During the year, the Arts Council made contributions for 46 (23–24: 46) employees (not all 46 were employed throughout the year). 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. During the year ended 31 March 2025 the Arts Council contributed 19.0% of gross salary (23–24: 19.0%).

	24–25	23–24
	£	£
Other Pension Costs	326,659	325,256
Employer Pension Contributions	307,082	285,932

Pension Benefits - Directors (Audited Information)

	Accrued pension at pension age as at 31/03/2025 and related lump sum £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31/03/2025 £'000	CETV at 31/03/2024 £'000	Real movement in CETV £'000
Ms Roisin McDonough Chief Executive	10 – 15 plus lump sum of 0 – 5	0 - 2.5 plus lump sum of 0 - 2.5	196	168	18
Ms Noirin McKinney ¹ Director	0 - 5 plus lump sum of 0 - 5	0 - 2.5 plus lump sum of 0 - 2.5	31	18	11
Mr Geoffrey Troughton Director	20 – 25 plus lump sum of 0 – 5	0 - 2.5 plus lump sum of 0 - 2.5	436	385	40
Ms Karly Greene ² Director	10 – 15 plus lump sum of 0 – 5	0 - 2.5 plus lump sum of 0 - 2.5	113	102	9
Ms Maria Lynch ³ Director	10 – 15 plus lump sum of 0 – 5	0 - 2.5 plus lump sum of 0 - 2.5	211	162	42
Ms Gillian McKinney ⁴ Director	15 – 20 plus lump sum of 10 – 15	0 - 2.5 plus lump sum of 0 - 2.5	334	282	44
Mr Javier Stanziola ⁵ Director	0 – 5 plus lump sum of 0 – 5	0 - 2.5 plus lump sum of 0 - 2.5	14	N/A	11

¹ Ms N McKinney flexibly retired in July 2022. This information relates to her active pension only.

² Ms K Greene, mid-year leaver (12/07/2024).

³ Ms M Lynch, additions due to McCloud Remedy .

⁴ Ms G McKinney, additions due to McCloud Remedy, additional hours at DP post PT, substantive G7 post PT.

⁵ Mr J Stanziola, mid-year joiner (01/05/2024 DP post, Promoted to G7 01/08/2024) earnings for both posts included in disclosures).

Cash Equivalent transfer Values (CETV)

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their current appointment as a director to which disclosure applies.

The CETV figures, and from 2003–04 the other pension details, include the value of any pension benefit in another scheme or arrangement, which the individual has transferred to the NILGOSC pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost.

CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) Regulations 1996 (as amended).

HM Treasury provides the assumptions for discount rates for calculating CETVs payable from the public service pension schemes. On 27 April 2023, HM Treasury published guidance on the basis for setting the discount rates for calculating cash equivalent transfer values payable by public service pension schemes. In their guidance of 27 April 2023, HM Treasury advised that, with immediate effect, the discount rate adopted for calculating CETVs should be in line with the new SCAPE discount rate of 1.7% above CPI inflation, superseding the previous SCAPE discount rate of 2.4% above inflation. All else being the same, a lower SCAPE discount rate leads to higher CETVs. The HM Treasury Guidance of 27 April 2023 can be found at <https://www.gov.uk/government/publications/basis-for-setting-the-discount-rates-for-calculating-cash-equivalent-transfer-values-payable-by-public-service-pension-schemes/basis-for-setting-the-discount-rates-for-calculating-cash-equivalent-transfer-values-payable-by-public-service-pension-schemes>. As at the year-end there have been no further changes to the SCAPE discount rates of 1.7% above CPI inflation since the HM Treasury guidance was published.

The real increase in the value of the CETV

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

McCloud Remedy

Discrimination identified by the courts in the way the 2015 UK public sector pension reforms were legislated for has resulted in changes being made to the Scheme by Department for Communities. Members who meet the statutory eligibility criteria and who have relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period. This is known as the 'McCloud Remedy' and will impact many aspects of the Local Government Pension Scheme.

NILGOSC has been actively working through the implementation of the Remedy and continues to rectify benefits on member files where eligibility and the calculation of additional benefits amounts for members has been fully established. Where possible, NILGOSC has included any adjustment in the accrued pension value and the CETV for 2025. The 2024 pension and CETV values have not been recalculated to reflect the McCloud Remedy as any adjustment is a fluctuating amount until the time pension benefits are taken. For clarity, the CETV growth between 2023–24 and 2024–25 will include any provisional McCloud underpin, where relevant. McCloud provisional underpin adjustments will be included in the annual disclosed CETV values going forward as a matter of standard practice. Further information on the McCloud Remedy is available here - <https://nilgosc.org.uk/employers/administering-the-scheme/mccloud-remedy/>.

Staff Report

1) Analysis of Directors Salaries (Audited Information)

Director's Salary	24-25	23-24
£50,000 - £55,000	-	1
£55,000 - £60,000	2	2
£60,000 - £65,000	3	2
£65,000 - £70,000	1	-
£85,000 - £90,000	-	-
£90,000 - £95,000	-	1
£95,000 - £100,000	1	-
Total Number of Directors	7	6

The Directors' salaries shown above are on a full-time equivalent basis which includes pension allowance.

2) Staff Numbers and Costs

2a) Analysis of Staff Costs (Audited Information)

	Permanently employed staff £	24-25 Others £	24-25 Total £	23-24 £
Wages and salaries	1,605,641	47,037	1,652,678	1,628,712
Social security costs	165,276	3,332	168,608	166,775
Agency costs	-	343,144	343,144	435,723
Other pension costs	319,402	7,257	326,659	325,256
Total gross costs	2,090,319	400,770	2,491,089	2,556,466
Expenditure on the Arts Recovery	-	-	-	-
Total net costs	2,090,319	400,770	2,491,089	2,556,466
Of which				
	Charged to Administration	Charged to Programme	Total	
Core employees	-	2,147,945	2,147,945	
Agency staff	-	343,144	343,144	
Total Net Costs	-	2,491,089	2,491,089	

All of the staff costs were incurred by the Arts Council of Northern Ireland and recharged to the Lottery Distribution Account on the basis of average Lottery caseload from the Arts Development Department and on other appropriate bases from the rest of the Arts Council. Agency costs are incurred as temporary cover for existing vacancies and sickness and where necessary, to provide additional resource to meet demand due to workload.

2b) Pension Costs and Commitments

The Arts Council makes employer contributions to the NILGOSC Scheme, which is a defined benefit funded scheme. Benefits earned up to 31 March 2015 are linked to Final Salary and benefits from 01 April 2015 onwards are based on a Career Average Revalued Earnings Scheme. Past and present employees are covered by the provisions of the NILGOSC Scheme. The funded nature of the Local Government Pension Scheme (Northern Ireland) (the LGPS) requires the Arts Council and its employees to pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets.

The defined benefit obligation is linked to yields on the AA-rated corporate bonds, while a significant proportion of the assets of the scheme are invested in equities. Changing markets in conjunction with discount rate volatility will lead to volatility in the funded status of the pension plan and thus to volatility in the net pension liability on the Arts Council's Statement of Financial Position and Other Comprehensive Expenditure. It will also lead to volatility in the IAS 19 pension expense in the Arts Council Statement of Comprehensive Net Expenditure.

Pension scheme assets are measured using market value. Pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term to the liability.

The increase in the present value of the liabilities of the Arts Council's defined benefit pension scheme arising from employee service in the period is charged to the Statement of Comprehensive Net Expenditure to recognise the cost of pensions over the employees' working lives.

The figures in the accounts have been calculated under the revised IAS 19. The Arts Council is no longer required to recognise an expected return on assets item in the Statement of Comprehensive Net Expenditure (SoCNE). This is now replaced with a net financing charge which is based on the discount rate assumption.

Actuarial gains and losses are recognised in Other Comprehensive Net Expenditure.

The fund is invested in suitable investments, managed by the Committee. For 2024–25 the available contribution rates were 19.0% employer's contribution and ranging between 2.75% and 10.5% for employees (2023–24: 19.0% employer's contribution and ranging between 2.9% and 8.5% for employees).

The total employer pension cost under the Scheme was a debit of £326,659 (2023–24 £325,256). It is not possible to define the Arts Council’s share of the funds, assets/liabilities and as a result, the following disclosures are provided in line with IAS 19.

2c) Chief Executive’s Remuneration (Audited Information)

The mid-point of the banded remuneration received by the Chief Executive, including back-dated pay awards during the year was £97,500 (23–24: £92,500). The Chief Executive is an ordinary member of the Northern Ireland Local Government Officers’ Superannuation Committee (NILGOSC) pension scheme. A total of 54% (23–24: 55%) of the Chief Executive’s employment costs (including employers national insurance contributions and employers pension) have been apportioned to the Lottery Distribution fund to cover time spent on Lottery activities.

3) Staff Engagement

In March 2024, a staff survey was carried out. It sought staff views in the areas of Organisational Culture, Management Effectiveness, Communication and Involvement in Decision-Making, and others. Responses were analysed, and discussed with the Wellbeing Working Group, who considered the main areas of concern. The report was then shared with all staff.

A weekly e-newsletter “The Loop” is issued to all staff; this includes HR updates where needed and signposts to online wellbeing resources.

4) Average number of persons employed (Audited Information)

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

	Permanently Employed Staff	Others	24–25	23–24
Directly employed	39	1	40	39
Other	-	7	7	8
Total	39	8	47	47

All of the staff were employed by the Arts Council and the proportion in relation to the Lottery Distribution Account is on the basis of average Lottery caseload from the Arts Development Department and on other appropriate bases from the rest of the Arts Council.

5) Staff Composition by Gender (Audited Information)

The actual composition of staff employed by the Arts Council on 31 March 25 is as follows:

	Male Directors	Male Employees	Female Directors	Female Employees	Total Employees
2024-25					
Payroll	2	8	4	32	46
Board	-	2	-	-	2
Agency	-	3	-	5	8
Total	2	13	4	37	56
	Male Directors	Male Employees	Female Directors	Female Employees	Total Employees
2023-24					
Payroll	1	8	5	32	46
Board	-	2	-	-	2
Agency	-	3	-	6	9
Total	1	13	5	38	57

Staff composition shows the number of people employed by the Arts Council. Two of the Board Members are classified as 'employed' (Chairman and Vice Chairman) as they are on the Arts Council payroll to facilitate payment of their honoraria.

6) Staff Turnover

Staff turnover percentage for permanently employed staff in the Arts Council is shown below:

Contract Type	Staff Turnover 2025	Staff Turnover 2024
Permanent	4.49%	6.90%

7) Sickness Absence Data

The number of sick days reported in 2024–25 was 552 days FTE (2023–24: 719). This equates to an average lost working days per employee of 12.87 days (2023–24: 18.2 days). 85% of sickness absence throughout the year was long-term sickness and 15% was due to short-term sickness absence.

8) Staff Policies pertaining to disabled persons

Employment, training and advancement of disabled persons

The Arts Council ensures that people with a disability are given opportunities for suitable employment and that they are not discriminated against on the grounds of disability for recruitment, promotion, or training purposes.

Consideration is given to the needs of disabled applicants throughout recruitment and selection processes and reasonable adjustments as defined under the Disability Discrimination Act 1995 will be provided for prospective disabled candidates.

To retain existing employees with a disability or long-term health condition, or employees who have become disabled during the period of employment, ACNI provides a range of reasonable adjustments to facilitate employees, including training and workstation assessments and adaptations, providing flexible working arrangements, and assessing job criteria and duties.

9) Other Employee Matters

Learning & Development

The Arts Council aims to provide opportunities and resources to enable staff development activities consistent with the achievement of personal, professional, and organisational objectives. In keeping with the Arts Council Equal Opportunities Policy, all staff will be given the opportunity to participate in development activities and training interventions appropriate to their individual development needs. Access to training and development will be equitable and fair, and reasonable adjustments will be made in respect of training events for staff with a disability where needed.

	31 March 25 Years	31 March 24 Years
Duration of liabilities (years) (1)	14.3	16.0
	% p.a.	% p.a.
Discount rate	5.8%	4.8%
CPI Inflation	2.5%	2.6%
Pension increases (2)	2.5%	2.6%
Pension accounts revaluation rate (3)	2.5%	2.6%
General Salary increase rate (4)	4.0%	4.1%

In providing access to training, there is also a requirement for the Arts Council to consider the need to balance effective spending of public funds with equal opportunities for all staff. Training and development activities which entail expenditure will be appropriately funded to meet priority learning and development needs.

Training is delivered using a variety of learning delivery channels, for example in-house training, e-learning events and webinars, external courses, coaching or mentoring, seminars, workshops, conferences, and meeting of professional bodies.

Employee Consultation and Trade Union Relationships

On matters of policy and procedure which affect the employees of the Arts Council, the organisation consults with the recognised trade union of which staff are members (NIPSA) through a Joint Consultative and Negotiating Committee also on an ad hoc basis. This trade union is also a member of the Whitley Council which negotiates the terms and conditions of members with the Northern Ireland Department of Finance.

ACNI operates internal communication and consultation arrangements to exchange information, share ideas and raise any concerns. These comprise regular team meetings and regular staff briefings.

Equality, Diversity, and Inclusion

ACNI values and welcomes diversity and is committed to creating a truly inclusive workplace for all. ACNI has an Equal Opportunities policy and is committed to a policy of equality of opportunity in its employment practices and aims to ensure that no actual or potential job applicant or employee is discriminated against, either directly or indirectly, on the grounds of gender, marital status, disability, race, community background or political persuasion, age, dependants, sexual orientation or trade union membership.

ACNI is an Equal Opportunities Employer and all applications for employment are considered strictly on the basis of merit. Panel members must have completed mandatory recruitment and selection training prior to participating on selection panels. This training includes specific learning on equality and diversity, relevant legislation, and adjustments for disabled candidates.

ACNI continues to meet its statutory obligations under the Fair Employment & Treatment (NI) Order 1998, which includes submission of an annual Fair Employment Monitoring Return and a tri-annual Article 55 Review to the Equality Commission for NI (ECNI). To help ensure that we are meeting our equality of opportunity obligations, ACNI monitors the composition of employees and applicants. This monitoring helps to identify if any of our policies, procedures or activities are operating to the detriment of any individual from any particular grouping within our diverse society.

Health and Safety at Work

The Arts Council is committed to providing staff and customers with a working environment that is as safe as possible and free from risk to health. In accordance with this commitment, the Arts Council complies with relevant health and safety legislation, carries out statutory risk assessments and takes appropriate and timely actions as a result of these, holds regular Committee meetings and delivers relevant training.

10) Expenditure on Consultancy

There was no consultancy expenditure in 2024–25 nor in the prior year 2023–24.

11) Off Payroll Disclosures (Audited Information)

Off-payroll engagements are those where individuals, either self-employed or acting through a personal service company, are paid gross by the employer. In line with HM Treasury requirements, the Department of Finance requires disclosure of such engagements earning more than £245 per day that were in place during 2024–25. The Arts Council had no off-payroll engagements commencing, ending, or operating during 2024–25 or 2023–24.

12) Exit Packages (Audited Information)

There were no exit packages in the current financial year nor in the previous financial year.

Redundancy and other departure costs are paid in accordance with the provisions of the Arts Council's Voluntary Exit Scheme. Exit costs are accounted for in full in the year of departure, including recognising liabilities as accruals at the point at which offers were accepted.



Roisín McDonough
Accounting Officer
Arts Council of Northern Ireland

Date: 4 December 2025

Assembly Accountability and Audit Report

The Assembly Parliamentary Accountability and Audit Report bring together the key Assembly accountability documents. It includes:

- Regularity of expenditure,
- Assembly Accountability Disclosure Notes, and
- The Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly.

Assembly Accountability Disclosure Notes (Audited Information)

Losses Statement

A specific bad debt provision of £75,000 was created in 2013–14 to provide for the full amount of a loan of £75,000 (which was converted to a charge in the 2013–14 year) to a client where there is a high risk of non-repayment. Further details are outlined in Note 11 to the Accounts.

Special Payments

There were no losses or special payments in the year ended 31 March 2025 (23–24: £0).

Fees and Charges

Administrative overheads and salaries incurred by Exchequer are apportioned to the Lottery Distribution Fund. The apportionment is made at full economic cost and calculated on appropriate bases.

Regularity of Expenditure

All expenditure incurred by the Arts Council is regular; it is in accordance with the expressed wishes of the sponsoring department and has been approved by the senior management team.

Remote Contingent Liabilities

In addition to liabilities reported within the meaning of IAS37, the Arts Council also reports liabilities for which the likelihood of transfer of economic benefit in settlement is too remote to meet the definition of contingent liability. The Arts Council has no remote contingent liabilities.



Roisín McDonough
Accounting Officer
Arts Council of Northern Ireland

Date: 4 December 2025

THE CERTIFICATE OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY

Opinion on financial statements

I certify that I have audited the financial statements of the Arts Council of Northern Ireland for the year ended 31 March 2025 under the Arts Council (Northern Ireland) Order 1995. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting Standards as interpreted and adapted by the Government Financial Reporting Manual.

I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of the Arts Council of Northern Ireland's Exchequer affairs as at 31 March 2025 and of the Arts Council of Northern Ireland's Exchequer net expenditure for the year then ended; and
- have been properly prepared in accordance with the Arts Council (Northern Ireland) Order 1995 and Department of Communities directions issued thereunder.

Opinion on regularity

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

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate.

My staff and I are independent of the Arts Council of Northern Ireland in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Arts Council of Northern Ireland's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Arts Council of Northern Ireland's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The going concern basis of accounting for the Arts Council of Northern Ireland is adopted in consideration of the requirements set out in the Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the service which they provide will continue in the future.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

Other Information

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

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

Opinion on other matters

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Department of Communities directions made under the Arts Council (Northern Ireland) Order 1995; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Arts Council of Northern Ireland and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report. I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records; or
- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with the Department of Finance's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer Responsibilities, the Accounting Officer is responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- such internal controls are in place as deemed necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- ensuring the annual report, which includes the Remuneration and Staff Report is prepared in accordance with the applicable financial reporting framework; and
- assessing the Arts Council of Northern Ireland's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Arts Council of Northern Ireland will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to examine and certify the financial statements in accordance with the Arts Council (Northern Ireland) Order 1995.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Arts Council of Northern Ireland through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Arts Council (Northern Ireland) Order 1995 and Department of Communities directions issued thereunder;
- making enquires of management and those charged with governance on the Arts Council of Northern Ireland's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of the Arts Council of Northern Ireland's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: grant expenditure and posting of unusual journals;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate; and
- addressing the risk of fraud as a result of management override of controls by:
 - performing analytical procedures to identify unusual or unexpected relationships or movements;
 - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
 - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
 - investigating significant or unusual transactions made outside of the normal course of business.

Arts Council of Northern Ireland

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate. In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.



Dorinnia Carville
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
BELFAST
BT7 1EU
16 December 2025

Financial Statements

Statement of Comprehensive Net Expenditure

Year ended 31 March		2025	2024
	Note	£	£
Other Operating Income	3	1,767,131	1,870,627
Total Operating Income		1,767,131	1,870,627
Staff Costs	2(a)	(2,491,089)	(2,556,466)
Seconded Staff Costs		-	-
Expenditure on the Arts	2(b)	(11,907,751)	(11,662,146)
Depreciation and Impairment Charges	2(a)	(121,254)	(152,251)
Other Operating Expenditure	2(a)	(692,307)	(688,989)
Total Operating Expenditure		(15,212,401)	(15,059,852)
Net Operating Expenditure		(13,445,270)	(13,189,225)
Finance Expense	8.1	(4,082)	(877)
Net Expenditure for the year		(13,449,352)	(13,190,102)
Other Comprehensive Net Expenditure			
Items that will not be reclassified to net operating expenditure		-	-
Net gain / (loss) on revaluation of Property Plant and Equipment	4(a)	6,000	(4,077)
Net gain / (loss) on revaluation of Intangible Assets	5	110	2,990
Actuarial gain / (loss) on Pension Scheme Liabilities		22,000	(246,000)
Comprehensive Net Expenditure for the Year		(13,421,242)	(13,437,189)

The notes on pages 64 to 99 form part of these accounts.

Statement of Financial Position

As at 31 March		2025	2024
	Note	£	£
Non-current Assets			
Property, Plant and Equipment	4(a)	171,181	122,721
Operational Heritage Assets	4(b)	140,000	135,000
Non-operational Heritage Assets	4(b)	1,352,024	1,351,024
Intangible Assets	5	25,233	50,247
Retirement Benefit Obligations	9	-	-
Total Non-current Assets		1,688,438	1,658,992
Current Assets			
Trade and Other Receivables	7	242,701	238,725
Cash and Cash Equivalents	6	647,049	331,100
Total Current Assets		889,750	569,825
Total Assets		2,578,188	2,228,817
Current Liabilities			
Trade and Other Payables	8	(905,545)	(1,978,564)
Lease Liabilities	10	(26,159)	(35,374)
Provisions	11	-	(30,000)
Total Current Liabilities		(931,704)	(2,043,938)
Total Assets less Current Liabilities		1,646,484	184,879
Non-current Liabilities			
Lease Liabilities	10	(93,847)	-
Total Non-current Liabilities		-	-
Total Assets less Total Liabilities		1,552,637	184,879
Taxpayers' Equity and Other Reserves			
General Reserve		1,354,802	(15,347)
Revaluation Reserve		197,835	200,226
Pension Reserve		-	-
Total Equity		1,552,637	184,879

The notes on pages 64 to 99 form part of these accounts.

Arts Council of Northern Ireland

The financial statements on pages 59 to 99 were approved by the Board on 4 December 2025 and were signed on its behalf by:



Roisín McDonough
Accounting Officer
Arts Council of Northern Ireland

Date: 4 December 2025

Statement of Cash Flows

For the year ended 31 March	Note	2025 £	2024 £
Cash Flows from Operating Activities			
Net Operating Expenditure		(13,445,270)	(13,189,225)
Adjustment for Non-cash Transactions			
Depreciation	2(a)	121,254	152,251
(Increase) / Decrease in Trade and Other Receivables	7	(3,975)	(116,493)
Increase / (Decrease) in Trade and Other Payables	8	(1,073,019)	1,023,603
Capital Grants in Kind (Donated)		5,100	-
Increase in Pension Fund Payable Less Actuarial Losses		22,000	33,000
Use of Provisions		(30,000)	-
Net Cash Outflow from Operating Activities		<u>(14,403,910)</u>	<u>(12,096,864)</u>
Purchase of Property, Plant & Equipment		(10,480)	-
Purchase of Non-operational Heritage Assets		-	(60,143)
Purchase of Intangible Assets		-	-
Net Cash Outflow from Investing Activities		<u>(10,480)</u>	<u>(60,143)</u>
Cash Flows from Financing Activities			
Grants from Department for Communities		14,789,000	11,213,000
Repayment of Leasing Liabilities		(58,661)	(125,300)
Net Cash from Financing Activities		<u>14,730,339</u>	<u>11,087,700</u>
Net Increase / (Decrease) in Cash and Cash Equivalents in the Period		315,949	(1,069,307)
Cash and Cash Equivalents at the Beginning of the Period	6	<u>331,100</u>	<u>1,400,407</u>
Cash and Cash Equivalents at the End of the Period	6	<u>647,049</u>	<u>331,100</u>

The notes on pages 64 to 99 form part of these accounts.

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2025

	Pension Reserve £	General Fund £	Revaluation Reserve £	Taxpayers' Equity £
Balance at 31 March 23	279,000	1,928,756	201,313	2,409,069
Grants from Department for Communities	-	11,213,000	-	11,213,000
Comprehensive Net Expenditure for the Year	(33,000)	(13,123,102)	(1,087)	(13,157,189)
Auditors Remuneration	-	(34,000)	-	(34,000)
Actuarial gains and losses	(246,000)	-	-	(246,000)
Balance at 31 March 24	-	(15,347)	200,226	184,879
Grants from Department for Communities	-	14,789,000	-	14,789,000
Comprehensive Net Expenditure for the year	(22,000)	(13,382,352)	6,110	(13,398,242)
Auditors Remuneration	-	(45,000)	-	(45,000)
Actuarial gains and losses	22,000	-	-	22,000
Reserves movement On Disposal of assets	-	8,501	(8,501)	-
Balance at 31 March 25	-	1,354,802	197,835	1,552,637

The notes on pages 64 to 99 form part of these accounts.

Notes to the Arts Council of Northern Ireland's Accounts

1. Statement of Accounting Policies

The financial statements have been prepared in accordance with the 2024–25 Government Financial Reporting Manual (FReM) issued by the Department of Finance. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Arts Council for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Arts Council for the distribution of public funding for the arts in Northern Ireland are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

Accounts are prepared under the direction of the Department for communities in accordance with Article 8 and Article 9 of the Arts Council (Northern Ireland) Order 1995.

The Arts Council has a positive Statement of Financial Position at 31 March 2025 of £1.56m, and the Arts Council has adequate funding to meet its liabilities as they fall due. The accounts have been prepared on a going concern basis.

1.1 Accounting Convention

These accounts have been prepared in accordance with the historical cost convention, modified to account for the revaluation of property, plant and equipment, intangible assets, and heritage assets. All values in the financial statements are expressed in GBP and rounded to the nearest pound.

The accounting policies for all material items are outlined below:

1.2 Property, Plant and Equipment

The minimum level for capitalisation as an individual or grouped non-current asset or bulk purchase of small similar assets is £1,000. Items below the threshold of £1,000 are written off to the Statement of Comprehensive Net Expenditure.

Plant & Machinery comprises one musical instrument, which was valued by Steinway in April 2024. Other property, plant and equipment have been re-valued at 31 March 2025 using the latest available indices published in 'Producer Price Index (PPI)' prepared by the Office for National Statistics. PPI indices are used in asset valuation to adjust for inflation, estimate replacement costs, and forecast future cash flows.

1.3 Heritage Assets

The Arts Council's Art Collection is regarded as a non-operational heritage asset and is capitalised in the Statement of Financial Position.

All non-operational heritage assets are shown at valuation, assets are revalued annually by an experienced internal review panel. Valuations are based on a combination of the panel's knowledge of the NI market, commercial status of the artist and intrinsic worth of the item. Arts Council staff involved in the on-going revaluation are the Director of Arts Development and the Head of Visual Arts, they are qualified to perform valuations through detailed knowledge of the local market and individual artists. Valuation is subject to an established methodology ensuring consistency in recognising developed and emerging talents. Some individual purchased heritage assets may be below the threshold of £1,000 but are capitalised because they are part of the overall addition to the Collection for the year.

The operational heritage asset relates to a violin the Arts Council owns, which was manufactured by Joseph Gagliano between 1780 and 1782. The violin was donated to the Arts Council in 1980. This is classed as an operational heritage asset as it is on loan as an award to an outstanding young violinist from Northern Ireland, through the Ulster Youth Orchestra and is therefore shown in the non-current asset note. The violin was re-valued, on a replacement cost basis, to £140,000 on 22 April 2025, by J & A Beare Ltd, professional valuers in the musical instrument field providing services to the Royal Society of Musicians and the Royal Academy of Music.

Operational and non-operational heritage assets are included with property plant and equipment and are shown at fair value. Operational and non-operational heritage assets are not depreciated as they are considered to have an infinite useful life.

1.4 Intangible Assets

Purchased and internally generated websites and purchased software are capitalised as intangible assets where expenditure of £1,000 or more is incurred. Websites and software have been re-valued at 31 March 2025 using the latest available indices published in 'Producer Price Index' prepared by the Office for National Statistics. PPI indices are used in asset valuation to adjust for inflation, estimate replacement costs, and forecast future cash flows.

1.5 Depreciation

Property, plant and equipment and intangible assets are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives. Depreciation is calculated on a monthly basis from month of acquisition. No depreciation is charged in the month of disposal.

The rates of depreciation in use are as follows:

Furniture & Fittings	5-25 years
Plant & Machinery	25-30 years
Information Technology	3-5 years
Websites	3-5 years
Software	3-5 years
Right-of-Use Assets	Straight line over lease term
Heritage Assets	N/A

There is one asset in Plant & Machinery, which is a Steinway piano. It was not depreciated in the current financial year because its book value is at the lower range of its estimated market value by Steinway and Sons Ltd on 15 April 2024.

Impairment reviews are performed for all non-current assets if and when indications of impairment are identified.

1.6 Operating Income

Government Grants

Grant-in-Aid received used to finance activities and expenditure which support the statutory and other objectives of the entity are treated as financing, and credited to the General Reserve, because they are regarded as contributions from a controlling party which gives rise to a financial interest in the residual interest of NDPBs.

Lottery Recharges

Administrative overheads and salaries are apportioned to the Lottery Distribution fund and comprise administrative costs and salaries incurred by the Arts Council from which the Lottery benefited indirectly. The apportionment is made at full economic cost and calculated on appropriate bases. Recharges of expenses and salaries are shown in other income.

Other Operating Income

All other operating income received is credited to income in the year to which it is receivable.

1.7 Leases

IFRS 16 Leases, as adapted for the public sector was implemented with effect from 01 April 2022, replacing IAS 17 Leases. In line with the FREM mandate, the practical expedient detailed in IFRS 16 (C3) has been applied. On transition a right-of-use asset and corresponding lease liability were recognised on the Statement of Financial Position. The lease liability is measured as the outstanding value of lease payments due, discounted in accordance with HM Treasury published discount rates prevailing on the date of adoption. The right-of-use asset is measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately prior to the date of initial application.

The right-of-use asset is depreciated on a straight-line basis over the remaining lease term. The lease liability is reduced for payments made and increased for interest. Previously under IAS 17 lease payments were expensed as rental charges.

Short-term leases and leases of low-value assets are not recognised as right-of-use assets and lease liabilities, payments in relation to these are expensed in the Statement of Comprehensive Net Expenditure as incurred.

On the Statement of Financial Position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been shown separately.

1.8 Financial Instruments

Risk Management

The Arts Council is not exposed to the same degree of financial risk faced by business entities. This is due to the organisation being essentially a non-trading entity and financed as a Non-Departmental Public Body. It has no powers to borrow or invest in surplus funds and has limited year-end flexibility. It is therefore exposed to little liquidity, currency, or market risks. The Arts Council does not hold any complex financial instruments and there is no impact on the financial risk of the organisation.

1.8.1 Financial Assets

Trade and other receivables

Financial Assets within trade and other receivables are recognised and retained at invoiced cost which is considered to equate to fair value as the contractual obligations are short term. Provisions are made specifically where there is objective evidence of a dispute or inability to pay.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand and current balance with banks which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and have an original maturity of three months or less.

1.8.2 Financial Liabilities

Trade and Other Payables

Financial liabilities within trade and other payables are recognised and retained at invoiced cost which is considered to equate to fair value as all such liabilities are short term in nature.

The Arts Council pays grants in accordance with the terms and conditions inherent in the respective funding agreement, letter of offer or grant scheme. Grants payable are recorded as expenditure in the period that the underlying event or activity giving entitlement to the grant occurs.

1.9 Payment of Grants

Grants awarded to arts organisations and individuals are charged to the Statement of Comprehensive Net Expenditure in the year to which they relate. Any amounts of unpaid grant at 31st March each year are included as liabilities in the Statement of Financial Position.

1.10 Provisions

The Arts Council provides for legal or constructive obligations as a result of a past event which are of uncertain timing or amount at the Statement of Financial Position date on the basis of the best estimate of the expenditure required to settle the obligation.

1.11 Contingent Liabilities

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

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

1.12 Critical Accounting Estimates and Key Judgements

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Arts Council's accounting policies. We continually evaluate our estimates, assumptions and judgements based on available information and experience. As the use of estimates is inherent in financial reporting, actual results could differ from these estimates. The estimates and assumptions which have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below:

- **Depreciation of Property, Plant and Equipment**

Depreciation is provided in the accounts so as to write down the respective assets to their residual values over their expected residual lives and as such the selection of the estimated useful lives and the expected residual values of the assets require the use of estimates and judgements. Details of the estimated useful lives are shown above in Note 1.5.

- **Lottery Overhead Recharge Agreement**

Exchequer has an agreement with the Lottery Distribution Account to recharge it for salary costs and overhead costs incurred in relation to Lottery funded activities. The Lottery recharge agreement for 2024–25 was approved by the Board on 10 May 2024 and was applied retrospectively for the full year, from 1 April 2024 to 31 March 2025.

The Lottery recharge percentage for 2024–25 was deemed to be 54% of Arts Council Exchequer Staff costs including Agency costs, early retirement costs and pension service cost, 54% of honoraria for the Chair and Vice-Chair and 54% of designated overhead costs in the recharge agreement.

The Lottery Recharge Percentage of 54% was calculated by assessing grants over the previous five-year period up to 31 March 24. It was calculated using the number and value of grant applications in Lottery and Exchequer, the number and value of grant awards, the amount of work in processing unsuccessful applications and successful awards and the amount of work in processing grants awards based on the number and value of awards.

Thus, 54% of the work carried out by the Arts Council over the previous five-year period up to 31 March 2024 was deemed to be in relation to Lottery and 46% was deemed to be Exchequer work. Consequently, the recharge percentage used for financial year 2024–25 was 54%.

- **Pension and Other Post Retirement Benefits**

The Arts Council accounts for Pensions and other post-retirement benefits in line with IAS 19. In determining the pension cost and the defined benefit obligation of the pension scheme, a number of assumptions are used by the Actuary. These include the discount rate, salary growth, price inflation, the expected return on the schemes investments and mortality rates. Further details are contained in Note 2(b) of the Staff Report.

- **Bad debt provision**

The Arts Council created a bad debt provision for an outstanding loan which was converted to a charge during the 2013–14 year. The Arts Council assess there is a high risk of not receiving this money. Therefore, the Arts Council has created a provision for the full amount of the charge. Further details are contained in Note 11.

1.13 Value Added Tax

The Arts Council is not registered for Value Added Tax (VAT). All transactions are therefore stated inclusive of VAT.

1.14 Employee Benefits

Under IAS 19 an employing entity should recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for the Service. The Arts Council has recognised annual leave entitlements that have been earned by year end but not yet taken. These are included in current liabilities.

1.15 Pension Costs

Past and present employees are covered by the provisions of the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) Scheme.

In accordance with IAS 19 the Scheme Managers / trustees are required to undertake a sensitivity analysis for each significant actuarial assumption as at the end of the reporting period, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumption that were reasonably possible at that date. This analysis, including details of the methods and assumptions used in preparing the sensitivity analysis, the limitation of these methods, and the reasons for any changes in methods and assumptions used in preparing the sensitivity analysis.

The pension costs are assessed in accordance with the advice of independent qualified actuaries using the market led approach. The date of the previous full actuarial valuation of the scheme was at 31 March 2022, the next full valuation will be undertaken as at 31 March 2025.

Pension scheme assets are measured using market value. Pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term to the liability.

The increase in the present value of the liabilities of the Arts Council's defined benefit pension scheme arising from employee service in the period is charged to the Statement of Comprehensive Net Expenditure to recognise the cost of pensions over the employees' working lives.

A revised version of IAS 19 came into effect for accounting periods commencing on or after 1 January 2013. The figures in the accounts have been calculated under the revised IAS 19. The Arts Council is no longer required to recognise an expected return on assets item in the Statement of Comprehensive Net Expenditure. This is now replaced with a net financing charge which is based on the discount rate assumption.

Actuarial gains and losses are recognised in Other Comprehensive Net Expenditure.

1.16 Early Departure Costs

The Arts Council is required to recognise the actuarial liability for the cost of paying pensions of employees who retire early from the date of their retirement until the pension is no longer due to the individuals or their spouses. Given projected life spans, this liability will be payable over a number of years. The Arts Council makes a provision each year based on the projected liability.

Each year the provision is recalculated and restated, if necessary, with any under or over provision charged or credited to the Statement of Comprehensive Net Expenditure. This is part of the IAS 19 Actuarial valuation, and it is shown in Pensions Costs and Commitments within the Staff Report.

1.17 Reserves

General Reserve

This is the balance arising from recurrent grants provided by the sponsor department (Department for Communities) through grant-in-aid and the net expenditure as reported in the Statement of Comprehensive Net Expenditure for the year.

Revaluation Reserve

The revaluation reserve reflects the unrealised element of the cumulative balance of indexation and revaluation adjustments to assets.

Pension Reserve

This is the estimated funding position of the Arts Council's share of the NILGOSC pension scheme as calculated by the scheme's actuaries.

1.18 Accounting standards, interpretations and amendments to published standards adopted in the year ended 31 March 2025

Additional or revised accounting standards and new (or amendments to) interpretations contained within FReM 2024–25 have been considered. The adoption of these standards has not had a significant impact on the Arts Council's financial position or results.

1.19 Accounting standards, interpretations and amendments to published standards not yet effective

The Arts Council has reviewed new accounting standards that have been issued but are not yet effective, nor adopted early for these accounts.

IFRS 17 Insurance Contracts

IFRS 17 Insurance Contracts will replace IFRS 4 Insurance Contracts and is to be included in the FReM for mandatory implementation from 2025–26. It establishes the principals for recognition, measurement, presentation and disclosure of insurance contracts within the scope of this standard. Arts Council does not issue insurance contracts; therefore this will have no material impact on Arts councils Financial Statements.

Non-investment asset valuations

In December 2023 Treasury released an exposure draft on potential changes to make to valuing and accounting for non-investment assets (e.g. PPE, intangible assets). The following changes to the valuation and accounting of non-investment assets is to be included in the 2025–26 FReM for mandatory implementation.

Reference to assets being held for the 'service potential' and the terms 'specialised/ non-specialised' assets are being removed from the FReM. Non-investment assets are instead described as assets held for their 'operational capacity'. This change has no impact on the valuation basis of non-investment assets, which remains Existing Use Value (EUV).

An adaptation to IAS 16 will be introduced to withdraw the requirement to revalue an asset where its fair value materially differs from its carrying value. Assets are now valued using one of the following processes:

- A quinquennial revaluation supplemented by annual indexation.
- A rolling programme of valuations over a 5-year cycle, with annual indexation applied to assets during the 4 intervening years.
- For non-property assets only, appropriate indices
- In rare circumstances where an index is not available, a quinquennial revaluation supplemented by a desktop revaluation in year 3.

The option to measure intangible assets using the revaluation model is withdrawn. The carrying values of intangible assets at 31 March 2025 will be considered the historical cost at 1 April 2025.

The Arts Council uses Producer Price Indices published by the Office for National Statistics (ONS) in order to apply indexation to the value of non-property assets at year-end. In line with previous years, the December indices have been applied in 2024-25. Ordinarily, an assessment is carried out after the year-end, following the publication of the March indices by ONS, to ascertain that the impact of the movement in the indices between December and March is immaterial. However, in March 2025, ONS issued a statement indicating that they had identified a problem with the chain-linking methods used to calculate these indices, affecting the years from 2008 onwards, and that they would consequently be pausing publication of Producer Price Index data while the issue is rectified. At the time these accounts are being prepared, it has not been possible to ascertain the potential impact of this issue. However, given the value of the non-property assets potentially affected, the Arts Council does not expect an adjustment to indexation to have a material impact on the 2024-25 accounts. It is anticipated that ONS will recommence publication of the Producer Price Indices at some point during the 2025-26 financial year and the indexation of non-property assets will be brought up to date in the 2025-26 accounts.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements will replace IAS 1 Presentation of Financial Statements and is effective for annual reporting periods beginning on or after 1 January 2027 in the private sector. The Public Sector implementation date is not yet confirmed. The impact of IFRS 18 on the Public Sector is still being assessed.

2 Expenditure

2 (a) Operating Expenditure

Year ended 31 March	2025	2024
	£	£
Staff Costs		
Wages and Salaries	1,652,678	1,628,712
Social Security Costs	168,608	166,775
Other Pension Costs	326,659	325,256
Agency Costs	343,144	435,723
Total Staff Costs	2,491,089	2,556,466
Other Operating Costs		
IT costs and equipment	255,996	277,709
Municipal Rates, Water Rates, SDLT	51,610	80,937
Other Premises Costs	34,470	83,608
Legal and Consultancy Fees	49,932	54,094
Expenses and Hospitality	36,499	32,767
Marketing and Communications	81,116	50,898
Other Core Expenses	61,541	28,205
Auditors Remuneration	45,000	34,000
Telephone and Postage	15,941	18,187
Insurances	10,849	11,600
Stationery	1,265	1,718
Training	10,145	8,276
Advertising	8,740	6,990
Premises Move	29,203	-
Non-cash items		
Depreciation	121,254	152,251
Total Other Operating Expenditure	813,561	841,240

A breakdown of the above staff costs into permanent staff and others can be found in the Staff Report on page 46.

The Arts Council purchased non-audit services from its auditor (the Northern Ireland Audit Office) during the year. Included in Legal and Consultancy services is £1,382 in relation to the National Fraud Initiative 2024–25 exercise.

The above costs are gross costs to the Exchequer account and £435,867 (2023–24: £473,429) of these operating costs and £1,331,187 (2023–24: £1,394,812) salary costs have been recharged to the Lottery Distribution account and are shown as Other Operating Income in Note 3 below.

2 (b) Expenditure on the Arts

Year ended 31 March	2025	2024
	£	£
Annual Funding Programme	10,160,511	9,799,905
Capital Programme	1,078,802	1,218,277
In-Year Project Funding	64,048	80,784
Arts Development Fund	20,000	482,338
Strategy	64,770	80,843
SIAP	519,620	-
Total Expenditure on the Arts	<u>11,907,751</u>	<u>11,662,146</u>
Total Staff Costs	2,491,089	2,556,466
Total Other Operating Expenditure	813,561	841,240
Total Expenditure on the Arts	<u>11,907,751</u>	<u>11,662,146</u>
Total Operating Expenditure	<u>15,212,401</u>	<u>15,059,852</u>

3 Other Operating Income

Year ended 31 March	2025	2024
	£	£
National Lottery Recharge – Salaries	1,331,187	1,394,812
National Lottery Recharge – Administration	435,867	473,429
Administrative & Miscellaneous	77	90
Grant Refunded	-	2,296
Total	<u>1,767,131</u>	<u>1,870,627</u>

4 Non-current Assets**4 (a) Property, Plant and Equipment**

2024–25	Buildings	Furniture & Fittings	Plant & Machinery	IT	Total
Cost or Valuation	£	£	£	£	£
At 1 April 2024	327,765	28,169	48,000	71,051	474,985
Additions	139,211	-	-	10,480	149,691
Disposals	(327,765)	(28,169)	-	(35,145)	(391,079)
Revaluation & Indexation	-	-	-	-	-
At 31 March 2025	139,211	-	48,000	46,386	233,597
Depreciation					
At 1 April 2024	251,637	22,698	7,200	70,729	352,264
Charge in year	95,438	371	-	321	96,130
Disposals	(327,765)	(23,068)	-	(35,145)	(385,978)
Revaluation & Indexation	-	-	-	-	-
At 31 March 2025	19,310	-	7,200	35,906	62,416
Carrying Amount					
At 31 March 2025	119,901	-	40,800	10,480	171,181
Carrying Amount At 31 March 2024	76,128	5,471	40,800	322	122,721
Asset Financing					
Leased	119,901	-	-	-	119,901
Owned	-	-	40,800	10,480	51,280
Carrying Amount					
At 31 March 2025	119,901	-	40,800	10,480	171,181

Included under Property, Plant and Equipment are right-of-use assets for office premises with a carrying amount of £119,901 at 31 March 2025, is included in the Property, Plant and Equipment total. The premises lease at Linen Hill House expired on 12 August 2024; a new lease was signed for alternative premises at the Mac during the year. The current lease runs for a term of five years from 22 July 2024 to 21 July 2029.

Property, Plant and Equipment also includes one musical instrument, a Steinway Model D Grand Piano which was externally valued on 15 April 2024, by Steinway & Sons Ltd.

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2023–24	Buildings	Furniture & Fittings	Plant & Machinery	IT	Total
Cost or Valuation	£	£	£	£	£
At 1 April 2023	297,765	26,593	48,000	70,838	443,196
Additions	30,000	-	-	-	30,000
Donations	-	-	-	-	-
Revaluation & Indexation	-	1,576	-	213	1,789
At 31 March 2024	327,765	28,169	48,000	71,051	474,985
Depreciation					
At 1 April 2023	125,646	20,382	7,200	69,319	222,547
Charge in year	125,991	1,059	-	1,228	128,278
Revaluation & Indexation	-	1,255	-	184	1,439
At 31 March 2024	251,637	22,696	7,200	70,731	352,264
Carrying Amount					
At 31 March 2024	76,128	5,473	40,800	320	122,721
Carrying Amount At 31 March 2023	172,119	6,211	40,800	1,519	220,649
Asset Financing					
Leased	76,128	-	-	-	76,128
Owned	-	5,473	40,800	320	46,593
Carrying Amount					
At 31 March 2024	76,128	5,473	40,800	320	122,721

A Right of Use asset for leased premises with a carrying value of £76,128 at 31 March 2024, is included in the Property, Plant and Equipment total. The lease runs for a term of eighteen months from 13 February 2023 to 12 August 2024.

Property, Plant and Equipment also includes one musical instrument, a Steinway Model D Grand Piano which was externally valued on 15 April 2024, by Steinway & Sons Ltd.

4 (b) Heritage Assets

2024–25	Operational Heritage Assets	Non- Operational Heritage Assets	Total
Cost or Valuation	£	£	£
At 1 April 2024	135,000	1,351,024	1,486,024
Additions	-	-	-
Disposals	-	-	-
Revaluation & Indexation	5,000	1,000	6,000
At 31 March 2025	140,000	1,352,024	1,492,024
Depreciation			
At 1 April 2024	-	-	-
Charge in year	-	-	-
Disposals	-	-	-
At 31 March 2025	-	-	-
Carrying Amount At 31 March 2025	140,000	1,352,024	1,492,024
Carrying Amount At 31 March 2024	135,000	1,351,024	1,486,024
Asset Financing			
Leased	-	-	-
Owned	140,000	1,352,024	1,492,024
Carrying Amount At 31 March 2025	140,000	1,352,024	1,492,024

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2023–24	Operational Heritage Assets	Non- Operational Heritage Assets	Total
Cost or Valuation	£	£	£
At 1 April 2023	140,000	1,290,308	1,430,308
Additions	-	60,143	60,143
Revaluation & Indexation	(5,000)	-	(5,000)
At 31 March 2024	135,000	1,351,024	1,485,451
Depreciation			
At 1 April 2023	-	-	-
Charge in year	-	-	-
Revaluation & Indexation	-	-	-
At 31 March 2024	-	-	-
Carrying Amount At 31 March 2024	135,000	1,351,024	1,486,024
Carrying Amount At 31 March 2023	140,000	1,290,308	1,430,308
Asset Financing			
Leased	-	-	-
Owned	135,000	1,351,024	1,486,024
Carrying Amount At 31 March 2024	135,000	1,351,024	1,486,024

The Arts Council's Art Collection is considered to be a non-operational heritage asset. The Arts Council's contemporary collection dates from 2003 and in 2025 it comprises almost 1000 works in all media. The Arts Council's Acquisitions Policy states that:

The Arts Council recognises the importance of purchasing contemporary work as a means of supporting artists, stimulating the art market, and developing a culture in which visual art is appreciated.

Priority is given to artists whose work is challenging and innovative. We look for the work of emerging as well as established artists.

Works in all media are considered, including painting, sculpture, crafts, print, photography, and newer art forms such as digital and video work.

Works are considered against the criteria of:

- Quality, innovation, and the challenging nature of the piece;
 - Evidence of the artist's achievements;
 - The artist's contribution to the arts in Northern Ireland;
 - The relevance of the purchase to the furtherance of the artist's career;
- and

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- The relevance of the purchase to the Arts Council's funding objectives.

The Arts Council will consider accepting gifts to the collection although such work is assessed against the same criteria as works considered for purchase.

The Art Collection Management Handbook deals with the preservation, management, and disposal of artwork, which are referred to as Non-Operational Heritage Assets in the accounts.

Access to the artworks in the collection is through exhibition and loans to galleries, museums, schools, and requests to see works. The records of the individual artworks are maintained on EMu – a collection management system. It is also possible to have online access to EMu, which allows members of the public to see what is in the collection from their own home or school.

With capital funding from the Department for Communities the Arts Council allocated £Nil for the acquisition of artwork for 2024–25 (2023–24: £60,143).

There is one operational heritage asset, a Gagliano violin, which is on loan as an award to an outstanding young violinist from Northern Ireland, who is the current leader of the Ulster Youth Orchestra.

Summary of transactions relating to non-operational heritage assets, for the current accounting period and each of the previous four accounting periods

	2024–25	2023–24	2022–23	2021–22	2020–21
	£	£	£	£	£
B'fwd non-operational heritage assets	1,351,024	1,290,308	1,244,245	1,414,328	1,069,378
Revaluation	1,000	573	-	30,989	2,862
Gifted	-	-	-	-	-
Impairment	-	-	-	-	-
Donation	-	-	-	-	8,800
Cost of additional assets	-	60,143	46,063	71,928	60,288
	1,352,024	1,351,034	1,290,308	1,244,245	1,141,328

Summary of transactions relating to operational heritage assets, for the current accounting period and each of the previous four accounting periods

	2024–25	2023–24	2022–23	2021–22	2020–21
	£	£	£	£	£
B'fwd operational heritage assets	135,000	140,000	130,000	130,000	130,000
Revaluation	5,000	-	10,000	-	-
Gifted	-	-	-	-	-
Impairment	-	(5,000)	-	-	-
Donation	-	-	-	-	-
Cost of additional assets	-	-	-	-	-
	140,000	135,000	140,000	130,000	130,000

5 Intangible assets

2024–25	Websites	Software	Total
	£	£	£
Cost or Valuation			
At 1 April 2024	75,370	43,583	118,953
Disposal	-	(1,884)	(1,884)
Additions	-	-	-
Revaluations	329	-	329
At 31 March 2025	75,699	41,699	117,398
Amortization			
At 1 April 2024	25,123	43,583	68,706
Charge in year	25,124	-	25,124
Disposals		(1,884)	(1,884)
Revaluation	219	-	219
At 31 March 2025	50,466	41,699	95,165
Carrying Amount			
At 31 March 2025	25,233	-	25,233
Carrying Amount			
At 31 March 2024	50,247	-	50,247
Asset Financing			
Leased	-	-	-
Owned	25,233	-	25,233
Carrying Amount			
At 31 March 2025	25,233	-	25,233

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2023–24	Websites	Software	Total
	£	£	£
Cost or Valuation			
At 1 April 2023	71,230	60,533	131,763
Restated at 1 April 2023	-	*(16,950)	(16,950)
Disposal	-	-	-
Additions	-	-	-
Revaluations	4,140	-	4,140
At 31 March 2024	75,370	43,583	118,953
Amortization			
At 1 April 2023	-	60,533	60,533
Restated at 1 April 2023	-	*(16,950)	(16,950)
Transfers	-	-	-
Charge in year	23,973	-	23,973
Revaluation	1,150	-	1,150
At 31 March 2024	25,123	43,583	68,706
Carrying amount			
At 31 March 2024	50,247	-	50,247
Carrying amount			
At 31 March 2023	71,230	-	71,230
Asset Financing			
Leased	-	-	-
Owned	50,247	-	50,247
Carrying amount			
At 31 March 2024	50,247	-	50,247

*Disposal in 22–23 was not shown in the notes.

6 Cash and cash equivalents

	2025	2024
	£	£
Balance at 1 April	331,100	1,400,407
Net change in cash and cash equivalent balances	<u>315,949</u>	<u>(1,069,307)</u>
Balance at 31 March	<u>647,049</u>	<u>331,100</u>
Balances held at 31 March were:		
Commercial banks and cash in hand	<u>647,049</u>	<u>331,100</u>
Balance at 31 March	<u>647,049</u>	<u>331,100</u>

In line with the Partnership Agreement, cash balances accumulated during the year were kept at the minimum level consistent with the efficient operation of the Arts Council.

In line with the Partnership Agreement, the Department makes available in the current financial year (subject to approval by the Assembly of the relevant estimates provision) any such grant-in-aid required to meet any liabilities at year end, such as accruals.

The balance of cash at 31 March 2025 was £647,049 (2023–24: £331,100).

The Arts Council has no borrowings and no financing activities, relying primarily on Exchequer funding for its cash requirements.

7 Trade receivables, financial and other assets

At 31 March	2025	2024
	£	£
Amounts falling due within one year		
Trade Receivables	89,091	88,045
Other Prepayments	71,340	30,969
Accrued Income	<u>82,270</u>	<u>119,711</u>
Total	<u>242,701</u>	<u>238,725</u>

8 Trade payables, financial and other liabilities

At 31 March	2025	2024
	£	£
Amounts falling due within one year		
Trade Payables	38,565	36,957
Grant Payables	554,837	1,583,374
Accruals	312,143	358,233
Lease Liabilities	26,159	35,374
	<u>931,704</u>	<u>2,013,938</u>
Total	931,704	2,013,938

8.1 Reconciliation of liabilities arising from financing activities

	2024	Additions	Cashflow	Non-Cash Changes Lease Liability	Interest Charges	2025
	£		£	£	£	£
Lease Liability	35,374		(35,411)	(37)	37	-
New Lease		139,211	(23,250)	115,961	4,045	120,006
Total	35,374	139,211	(58,661)	115,924	4,082	120,006

9 Retirement Benefit Obligations

At 31 March	2025	2024
	£	£
Amounts falling due after more than one year		
Pension Surplus/Deficit	<u>-</u>	<u>-</u>
Pension Surplus	<u>-</u>	<u>-</u>

Details of the pension scheme are outlined in the Staff Report. The nil pension reserve has remained the same, resulting in a nil pension reserve balance. (2023–24: nil).

The Fund is valued every three years by the Fund's actuary and the last full valuation was carried out as at 31 March 2022 and set the employer rates from 1 April 2023. The next full valuation is due to be undertaken as at 31 March 2025. The Arts Council contribution rates are currently 19.0% for a 3-year period.

Surplus Restriction

The Arts Council had a net pension asset at the accounting date. In accordance with IAS 19, when an entity has a surplus in a defined benefit plan, it shall measure the

net defined asset at the lower of: (a) the surplus in the defined benefit plan; and (b) the asset ceiling. The asset ceiling is the future economic benefits available to the entity in the form of a reduction in future contributions or a cash refund. The asset ceiling has been calculated in accordance with IFRIC 14. At 31 March 2025, the asset ceiling was below the net pension asset, this therefore has resulted in the net pension asset being restricted. ACNI is not currently paying any deficit contributions, therefore there has not been an additional liability calculated. Further information can be found on page 57 in the staff report.

Goodwin judgement – Pension Liability

In June 2020, an Employment Tribunal ruled, in relation to the Teachers' Pension Scheme, that provisions for survivor's benefits of a female member in an opposite sex marriage are less favourable than for a female in a same sex marriage or civil partnership, and that treatment amounts to direct discrimination on grounds of sexual orientation. The chief secretary to the Treasury announced in a written ministerial statement on 20 July 2020 that he believed that changes would be required to other public service pension schemes with similar arrangements. Changes to LGPS (NI) Regulations were made on 24 March 2022 and came into effect on 18 April 2022.

Those changes are yet to be reflected in the data. NILGOSC have carried out a review of the potentially impacted membership and have advised that at a fund level the impact will be immaterial. While the impact will vary depending on the membership profile, it is believed that it is unlikely to be material for any individual employer.

Virgin media judgement – Pension Liability

In June 2023, the High Court handed down a decision (*Virgin Media Ltd v NTL Pension Trustees II Limited*), which was subsequently upheld by the Court of Appeal in July 2024. The ruling potentially has implications for the validity of amendments made by pension schemes, including the LGPS, which were contracted-out on a salary related basis between 6 April 1997 and the abolition of contracting-out in 2016. The ruling related to the requirement on the trustees to obtain the scheme actuary's confirmation that a scheme continued to provide a minimum level of benefits (known as a 'reference scheme test') following certain types of rule amendments. Without this confirmation (sometimes referred to as a section 37 confirmation, by reference to section 37 of the Pension Schemes Act 1993, which sets out that scheme rules can only be altered as prescribed in the relevant regulations), the amendment may be void and ineffective.

At time of writing the government has not yet confirmed that they have been able to locate the actuarial confirmations from the Government Actuary's Department for all LGPS amendments between 1997 and 2016.

There remains uncertainty as the case may be subject to a further appeal of the Department for Work and Pensions could legislate to amend section 37 to allow retrospective actuarial confirmation. In a ministerial statement on 27 February 2025, responding to a question on whether section 37 will be amended, Torsten Bell said

that “No final decisions have been made but we are actively considering our next steps, and will provide an update in due course”.

Given the uncertainty, we have not made any allowance for the possible impact of the ruling as it is currently unclear whether any additional liabilities might arise, and if they were to arise, how they would be reliably measured.

Pension Accounting

The latest actuarial valuation of the Arts Council’s liabilities took place as at 31 March 2025. The calculation of the defined benefit obligation involves projecting future cash-flows from the Fund many years into the future. This means that the assumptions used can have a material impact on the Statement of Financial Position and the charge to the Statement of Comprehensive Net Expenditure. Liabilities have been estimated by the independent qualified actuary on an actuarial basis using the projected unit credit method. The principal assumptions used by the actuary in updating the latest valuation of the Fund for IAS 19 purposes were:

(i) Key IAS 19 / FRS 102 assumptions

- (1) *The duration of the liabilities is the average period between the calculation date and the date at which benefit payments fall due. Durations will be calculated based on the membership data used for the most recent valuation exercise of the Employer’s funded liabilities.*
- (2) *Pension increases on pension in excess of Guaranteed Minimum Pension in payment where appropriate.*
- (3) *The assumption for the revaluation rate of pension accounts is set equal to the assumption for pension increases.*
- (4) *The assumed rate of general salary increases has been set as 1.5% above the CPI inflation assumption which is consistent with the assumptions used at the 2022 Valuation. A promotional salary scale is assumed to apply in addition to this.*

(ii) Mortality Assumption

Mortality assumptions are based on actual mortality experience of members within the Fund based on analysis carried out as part of the 2022 Actuarial Valuation and allow for expected future mortality improvements. Sample life expectancies at age 65 in normal health resulting from these mortality assumptions are shown below.

Post retirement mortality (retirement in normal health)

	31 March 25	31 March 24
Males	Years	Years
Pensioner member aged 65 at accounting date	21.6	21.7
Active member aged 45 at accounting date	22.2	22.7
Females		
Pensioner member aged 65 at accounting date	24.5	24.6
Active member aged 45 at accounting date	25.2	25.6

(iii) Asset Allocation

The approximate split of assets for the Fund as a whole (based on data supplied by the Fund Administering Authority) is shown in the table below. The assets allocated to the Arts Council in the Fund are notional and the assets are assumed to be invested in line with the investments of the Fund set out below for the purposes of calculating the return to be applied to those notional assets. The Fund is large and liquid and as a consequence there will be no significant restriction on realising assets if a large payment is required to be paid (e.g. bulk transfer value payment).

The Administering Authority may invest a small proportion of the Fund's investments in the assets of some of the employers participating in the Fund if it forms part of their balanced investment strategy.

			31 March 25	31 March 24
	Quoted	Unquoted	Total	Total
Equities	41.3%	-	41.3%	43.7%
Property	-	9.5%	9.5%	9.7%
Government bonds	15.7%	-	15.7%	17.4%
Corporate bonds	3.9%	-	3.9%	4.2%
Multi Asset Credit	13.0%	-	13.0%	13.3%
Cash	10.7%	-	10.7%	5.6%
Other	0.1%	5.8%	5.9%	6.1%
Total	84.7%	15.3%	100.0%	100.0%

(iv) Reconciliation of funded status to balance sheet

Value at	31 March 25	31 March 24
	£m	£m
Fair value of assets	19.356	18.909
Present value of funded defined benefit obligation	(14.816)	(17.047)
Funded status	4.540	1.862
Impact of minimum funding requirement/asset ceiling	(4.540)	(1.862)
Asset/(Liability) recognised on the Statement of Financial Position	-	-

The split of the liabilities at the last valuation between the various categories of members is as follows:

Active Members	37%
Deferred Pensioners	17%
Pensioners	46

(v) Amounts recognised in Profit & Loss and Comprehensive Income

Year Ended	31 March 25 £m	31 March 24 £m
Operating Cost		
Current service cost *	0.338	0.340
Financing Cost		
Interest on net defined benefit liability/(asset) before restriction	(0.097)	(0.020)
Interest on unrecognised asset	0.089	-
Pension expense recognised in Statement of Comprehensive Net Expenditure (SoCNE)	0.330	0.320
Re-measurements in Other Comprehensive Expenditure		
Return on plan assets (in excess of) / below that recognised in net interest	0.211	(0.993)
Actuarial losses/(gains) due to change in financial assumptions	(2.729)	(0.555)
Actuarial losses/(gains) due to changes in demographic assumptions	(0.124)	(0.265)
Actuarial (gains)/losses due to liability experience	0.031	0.197
Adjustment loss (gain) due to restriction of surplus	2.589	1.862
Total amount recognised in Other Comprehensive Expenditure	(0.022)	(0.246)
Total Amount recognised in SoCNE and Other Comprehensive Expenditure	0.308	(0.566)

* Allowance for administration expenses included in Current Service Cost £0.008 m.

(vi) Movement in Deficit during the year

Year Ended	31 March 25 £m	31 March 24 £m
Deficit in scheme at beginning of year	0.0	0.279
Movement in the year		
Current service costs	(0.338)	(0.340)
Employer contributions	0.308	0.287
Interest on net defined benefit liability/(asset)	0.008	0.020
Actuarial (loss)/gain	0.022	(0.246)
Asset in Scheme at End of Year	-	-
Deficit in Scheme at End of Year	-	-

(vii) Changes to the present value of the defined benefit obligation

Year Ended	31 March 25	31 March 24
	£m	£m
Opening defined benefit obligation	17.047	17.057
Current Service cost	0.338	0.340
Interest expense on defined benefit obligation	0.805	0.790
Contribution by participants	0.107	0.100
Actuarial losses/(gains) on liabilities -due to change in financial assumptions	(2.729)	(0.555)
Actuarial gains on liabilities - due to changes in demographic assumptions	(0.124)	(0.265)
Actuarial (gains)/losses on liabilities due to liability experience	0.031	0.197
Net benefits paid out	<u>(0.659)</u>	<u>(0.617)</u>
Closing defined benefit obligation	<u>14.816</u>	<u>17.047</u>

(viii) Changes to the fair value of assets

Year Ended	31 March 25	31 March 24
	£m	£m
Opening fair value	18.909	17.336
Interest income on assets	0.902	0.810
Re-measurement gains/(losses) on assets	(0.211)	0.993
Contributions by the employer	0.308	0.287
Contributions by the participants	0.107	0.100
Net benefits paid out	<u>(0.659)</u>	<u>(0.617)</u>
Closing fair value of assets	<u>19.356</u>	<u>18.909</u>

(ix) Actual return on assets

Year Ended	31 March 25	31 March 24
	£m	£m
Interest income on assets	0.902	0.810
Re-measurement gain/(loss) on assets	<u>(0.211)</u>	<u>0.993</u>
Actual return on assets	<u>0.691</u>	<u>1.803</u>

(x) Sensitivity Analysis

The results shown above are sensitive to the assumptions used. The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 March 2025 and the projected service cost for the year ending 31 March 2026 is set out below.

In each case, only the assumption mentioned is altered; all other assumptions remain the same and are summarised in the notes above. The sensitivity of unfunded benefits (where applicable) is not included on materiality grounds.

Discount rate assumption

Adjustment to discount rate	+0.1% p.a.	-0.1% p.a.
Present value of total obligation (£ m)	14.609	15.023
% Change in present value of total obligation	-1.4%	1.4%
Projected service cost (£ m)	0.234	0.253
Approximate % change in projected service cost	-3.9%	4.0%

Rate of general increase in salaries

Adjustment to salary increase rate	+0.1% p.a.	-0.1% p.a.
Present value of total obligation (£ m)	14.846	14.786
% Change in present value of total obligation	0.2%	-0.2%
Projected service cost (£ m)	0.243	0.243
Approximate % change in projected service cost	-	-

Rate of increase to pensions and rate of revaluation of pension accounts

Adjustment to pension increase rate	+0.1% p.a.	-0.1% p.a.
Present value of total obligation (£ m)	14.994	14.638
% Change in present value of total obligation	1.2%	-1.2%
Projected service cost (£ m)	0.253	0.234
Approximate % change in projected service cost	4.0%	-3.9%

Post retirement mortality assumption

Adjustment to mortality age rating assumption *	-1 year	+1 year
Present value of total obligation (£ m)	15.157	14.475
% Change in present value of total obligation	2.3%	-2.3%
Projected service cost (£ m)	0.251	0.234
Approximate % change in projected service cost	3.4%	-3.5%

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

(xi) Estimated pension expense in future periods

The figures below are provided based on the assumption as at 31 March 2025 outlined above. The Arts Council's regular contributions to the Fund for the accounting period ended 31 March 2026 are estimated to be £0.234 m.

Year Ending	31 March 26 £ m
Current service cost	0.243
Interest on the net defined benefit liability	<u>(0.009)</u>
Total estimated pension expense	<u>0.234</u>
Allowance for administration expenses included in Current Service Cost	0.008
Estimated pensionable payroll over the period	1.685

The pension cost shown in next year's accounts might be different to that shown above. Reasons why the pension cost may change include:

- A) Actual increase in payroll being different to that used in the calculations. The difference in payroll will particularly affect the current service cost;
- B) Past service costs may not be zero (this cost is that resulting from benefit augmentations or early retirement of individual members before age 60 or on the grounds of efficiency);
- C) Curtailment / settlement events may occur; and
- D) Actual cash-flows over the next year may differ from those assumed.

(xii) Funded benefits

The following data has been used in evaluating the figures noted above.

Funded membership data summary

	Number	Total Pay £m
Active members	46	1.505
		Total Pension £m
Deferred members	57	0.163
Pensioners and dependants	53	0.480

Funded cash-flow data provided

	Months Provided	Amount Provided £ m	Amount Used £ m
Employer – Normal contributions	11	0.282	-
Employer – Additional capital contributions		-	-
Employer – Early retirement strain on fund payments	11	-	-
Total contributions by the Employer			0.308
Employee – Normal contributions	11	0.097	-
Employee – Added years contributions	11	-	-
Total contributions by participants			0.107
Death in service lump sums *		-	-
Benefits paid (i.e. pension paid)		-	-
Net benefits paid out **			0.659

* Expected death in service lump sums over the year £3k

** The 'Net benefits paid out' figure includes an allowance for expenses of £8k

Annualised pensionable payroll over the accounting period

	Amount £m *
Period ending 31 March 2025	1.621
Period ending 31 March 2024	1.508

* The annualised pensionable payroll has been derived from the contributions paid over the relevant accounting period.

The capital cost of early retirement occurring in the accounting period is £0.

(xiii) Fund Return

The investment return used to roll forward the notional share of assets from the last formal valuation of the fund to the accounting date has been calculated using returns provided by the Fund Administering Authority, where known. Where necessary, index returns appropriate to the mix of assets have been used for any remaining period to obtain an estimate of the total return over the period to the accounting date. To that return, the actuaries have made an allowance for investment management expenses by reducing the provided Fund returns by 0.3% p.a. based on the Fund’s experience.

The overall Fund return over the accounting period has been calculated as 3.7%, This includes an adjustment to reflect the difference between Fund returns and estimated index returns used over the last accounting period, where appropriate.

The actuaries have used known Fund returns for the period ending 31 December 2024 and index returns for the remainder of the accounting period. The index returns between 31 December 2024 and 31 March 2025 have been calculated as -1.3%.

(xiv) Surplus Recognition and Additional Liability

The Arts Council has a net pension asset at the accounting date. The Arts Council shall recognise a surplus in line with accounting guidance, which will result in a calculation of the maximum economic benefit we could recognise in the accounts (referred to as the asset ceiling) in accordance with IFRIC 14. If the Asset Ceiling is below the net pension asset, then the net pension asset is restricted to the net pension asset ceiling.

The Arts council is not paying any deficit contributions therefore there has been no additional liability calculated.

	£m *
Asset Ceiling	0.00
Additional Liability	0.00

The following assumptions have been made:

- 1) The % of pay rate will continue at the % rate shown for the last year. If the % of pay rate includes past service adjustment contributions, these are assumed to cease at the end of the Recovery Period.
- 2) Any contributions certified as £ amounts are assumed to continue at the £ rate shown for the last year, but increasing annually in line with the pay increase assumption used the last valuation of 3.80%p.a. These contributions are assumed to cease at the end of the Recovery Period.

10 Leases

The Arts Council leases office premises, this is reflected on the Statement of Financial Position as right-of-use asset with a corresponding lease liability, this asset is classified with Property, Plant and Equipment, see note 4(a). The Arts Council's previous eighteen-month lease terminated on 12 August 2024. A new Lease was entered into for new premises for a period of five years beginning 22 July 2024 to 21 July 2029. The discount rate used was 4.72%

10.1 Quantitative disclosures around right-of-use assets

Property, Plant and Equipment	Office Premises
	£
As at 1 April 2024	76,128
Additions	139,211
Disposal	(327,765)
Depreciation	(95,438)
Depreciation on Disposals	327,765
Carrying Amount as at 31 March 2025	119,901

The undiscounted maturity analysis of lease liabilities at 31 March 2025 is as follows.

10.2 Quantitative disclosures around lease liabilities

Maturity Analysis

Property, Plant and Equipment	2024–25	2023–24
	£	£
Not later than one year	31,000	35,411
Later than one year and not later than five years	100,750	-
<i>Less interest element</i>	<i>(11,744)</i>	<i>(37)</i>
Present Value of Obligations	120,006	35,374

An amount of £248 relating to short-term and low value leased assets was expensed during the financial year. At 31 March 2025, the total commitment to short-term and low-value leased assets was £ nil.

Total cash outflow in respect of leases in the year was £58,661, interest expense for leasing liabilities £4,082. Details shown in 8.1

11 Provisions**Provisions for Liabilities and Charges**

	2024–25 ROU Asset £	2023–24 ROU Asset £
Balance at 1 April	30,000	-
Provided in the year	-	30,000
Provisions utilised in the year	<u>(30,000)</u>	<u>-</u>
Balance as 31 March	<u>-</u>	<u>30,000</u>

Analysis of expected timing of discounted flows

	2024–25 ROU Asset £	2023–24 ROU Asset £
Less than one year	-	30,000
Greater than one year	<u>-</u>	<u>-</u>
Balance as 31 March	<u>-</u>	<u>30,000</u>

A provision expense has been utilised in the year, in relation to the dilapidation provision provided for and capitalised as part of its Right-of-Use Asset in the previous year, a payment was made to settle this obligation reducing this provision to 0.

12 Other Financial Commitments

The Arts Council gave a loan to a client, An Gaelaras in 2008–09, the repayment of which was dependent on the sale of a building belonging to the client. The loan amount of £75,000 has been carried and included in Other Receivables at Note 7 above. In 2013–14, the loan was converted to a charge to secure the financial assistance advanced to An Gaelaras by the Arts Council. The charge was to subsist for a term of 10 years and was replaced with a charge dated 26 November 2020. Due to the uncertainty in the property market and the fact that the Arts Council will have only second priority, the Arts Council assessed that there was a high risk of non-repayment, therefore, the full value of the loan has been provided for in 2013–14 and is netted off the loan amount in Note 7 above. The amount of this provision will be reassessed annually, and adjustment made, as necessary.

The payments to which the Arts Council is committed during 2024–25 analysed by the period during which the commitment expires are as follows:

At 31 March	2025	2024
	£	£
Not later than one year	-	-
Later than one year and not later than five years	-	-
Later than five years	-	-
	<hr/>	<hr/>
Total	-	-
	<hr/> <hr/>	<hr/> <hr/>

13 Contingent Liability disclosed under IAS 37

Public Sector Pensions – Injury to Feeling Claims

The Arts Council is a name Respondent in a class action affecting employers across the public sector and The Department of Finance (DoF) is managing claims on behalf of the Northern Ireland Civil Service (NICS) Departments. This is an extremely complex case and may have significant implications for the NICS and wider public sector. However the cases are at a very early stage of proceedings and until there is further clarity on potential scope and impact, a reliable estimate of liability cannot be provided.

14 Related-Party Transactions

The Arts Council is a Non-Departmental Public Body sponsored by the Department for Communities. The Department for Communities is regarded as a related party; during the year, the Arts Council had various material transactions with it as referred to in Note 1.17 above and as shown in the Statement of Changes in Taxpayers Equity.

The Arts Council’s National Lottery Distribution Account is also regarded as a related party to the Arts Council Exchequer Account. At 31 March 2025, an amount of £168,294 (2023–24: £207,756) was owed by the National Lottery Distribution Account in respect of salary and other administrative costs incurred. These amounts are included in the Trade Receivables, financial and other assets figure of £242,701 (2023–24: £238,725) shown in Note 7 above. At 31 March 2025, an amount of £44,948 (2023–24: £ 571,691) was owed to the National Lottery Distribution Account in respect of accrued invoices. These amounts are included in the Trade Payables, financial and other assets figure of £931,704 (2023–24: £2,013,938) shown in Note 8 above. Therefore at 31 March 2025 the net amount owed from the National Lottery Distribution account was £123,346.

Several Board members of the Arts Council and staff members are also involved with other arts organisations in Northern Ireland either directly or indirectly because 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 hereafter for all Board members, Directors and Senior staff members. A full list of staff declarations can be found on the Arts Council

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website [ACNI-staff-Declaration-of-Interests-2025-26.docx](#). A full list of Board declarations can be found on the Arts Council Website [ACNI-BOARD-Declaration-of-Interests-2025-26 2025-05-02-103525 hfwn.docx](#).

All of the transactions relating to the organisations were conducted at arm's length by the Arts Council.

Board Members

Name	Nature of Relationship	Organisation Name	Awarded in 2024–25 £	Paid in 2024–25* £	Balance Outstanding at 31 March 25** £
Liam Hannaway	Secretary & Board Member	Youth Action NI	7,678	7,636	-
Paul Brolly	Board Member <i>(Chairmanship ceased 12 September 2024)</i>	Golden Thread Gallery	228,331	212,125	29,138
Joe Dougan	Board Member	Arts & Business Northern Ireland	323,772	335,456	16,189
Ray Hall	Board Member <i>Board Director of the Royal Scottish Pipe Band Association (the parent body of the Royal Scottish Pipe Band Association NI Branch)</i>	The Royal Scottish Pipe Band Association Northern Ireland Branch	999	992	-
Sean Kelly	Director	Cathedral Quarter Arts Festival	101,002	107,252	5,050

* Paid in 2024-25 includes payments relating to awards made in previous years.

** Balance as at 31 March 2025 includes all awards made in 2024-25 and previous years where an outstanding balance remains.

Staff Members

Name	Nature of Relationship	Organisation Name	Awarded in 2024–25 £	Paid in 2024–25* £	Balance Outstanding as at 31 March 25 ** £
Gilly Campbell	Occasional Drama Facilitator at Brassneck Youth And Daughter is a member	Brassneck Youth (part of Brassneck Theatre Company)	40,000	38,000	2,000
Suzanne Lyle	Friend of Landlord	Golden Thread Gallery	228,331	212,125	29,138

* Paid in 2024–25 includes payments relating to awards made in previous years.

** Balance as at 31 March 2025 includes all awards made in 2024–25 and previous years where an outstanding balance remains.

15 Third Party Assets

In 2010, the Arts Council received a bequest of £579,000 upon Trust to administer “The Rosy James Bursary” on behalf of the Rosemary James Trust. The Rosemary James Trust is managed by an independent financial advisor. The objective of the Trust is to provide funding assistance to individual artists/designers and makers to pursue their careers by developing a new body of work. The closing balance at 31 March 2025 was £640,860 consisting of listed securities £637,543 (2023–24: £635,659) and cash at bank £3,318 (2023–24: £12,382). The annual value of the award is up to £15,000.

In 2024–25 one new award was awarded to an individual artist (2023–24: no awards).

Rosy James Portfolio Performance summary 2024–25

At 31 March	2025	2024
	£	£
Cash at bank	3,317	12,382
Listed securities	<u>637,543</u>	<u>635,659</u>
Total	<u>640,860</u>	<u>648,041</u>
Opening Balance	648,041	600,567
Bursary	(14,966)	-
Realised Gains	2,013	6,368
Unrealised Gains / (Losses)	1,851	35,032
Income	12,573	12,440
Charges and rebates	<u>(8,652)</u>	<u>(6,366)</u>
Closing portfolio value	<u>640,860</u>	<u>648,041</u>

16 Events after the Reporting Period

Events after the balance sheet date are those material events, both favourable and adverse, that occur between the end of the reporting period and the date when the accounts are authorised for issue. There have been no events that require adjustment to the accounts.

Date of authorisation for issue

The Accounting Officer authorised the issue of these financial statements on the date of certification by the Comptroller and Auditor General.

