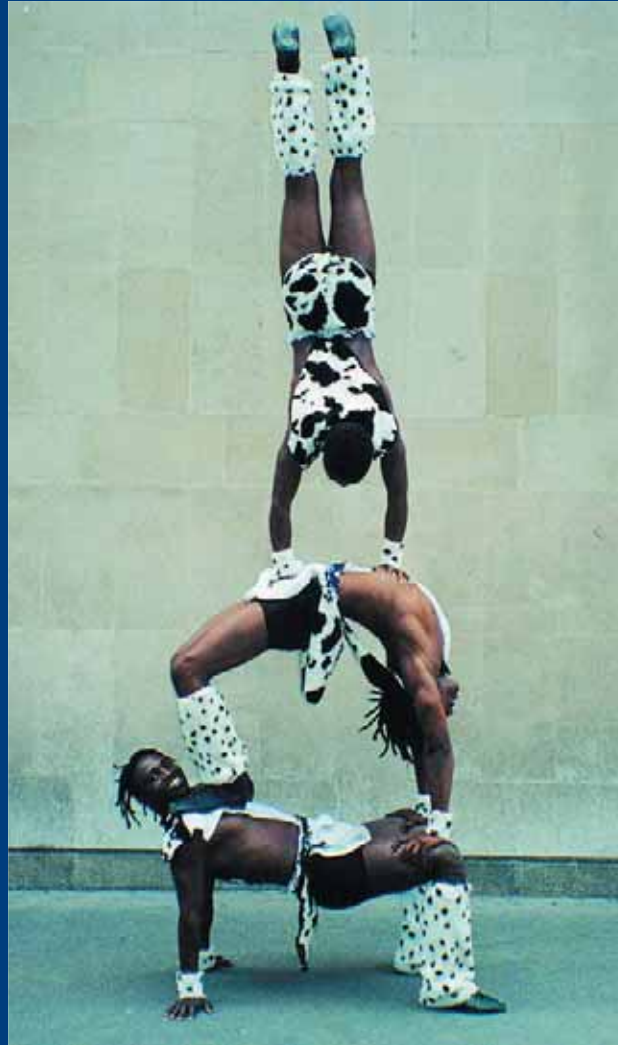
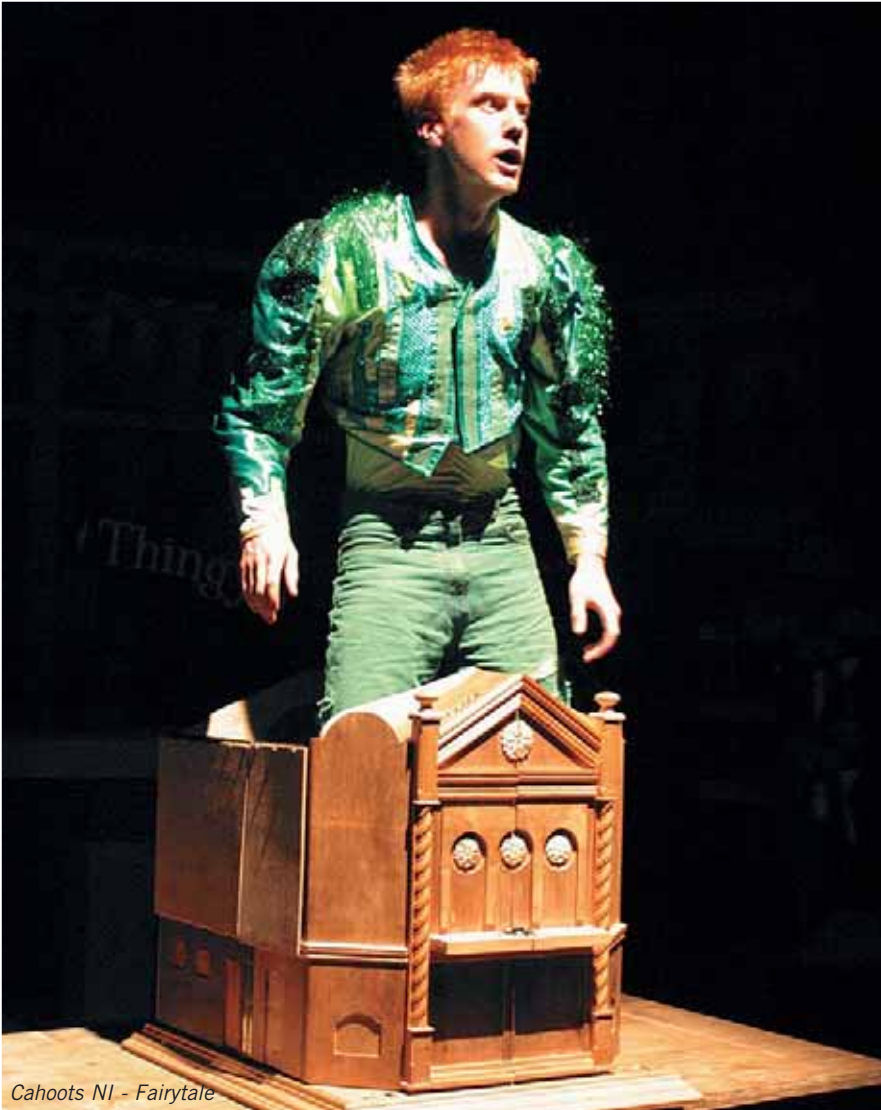






Cathedral Quarter Arts Festival - Black Eagles



Cahoots NI - Fairytale

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Cover: Maiden Voyage - Wanderlust, Kentucky. Jenny Roche & Nicola Curry. Photo Chris Hill

Since the inception of Lottery funding in 1995, the Arts Council has made more than 1,600 Lottery awards, totalling £65m, benefiting the arts right across Northern Ireland.

Introduction

During the year the Arts Council received 487 applications seeking £27,632,208 across its main Lottery programmes and made 182 awards totalling £8,956,138. Under *Awards for All* the Council made a further 188 awards totalling £676,224.

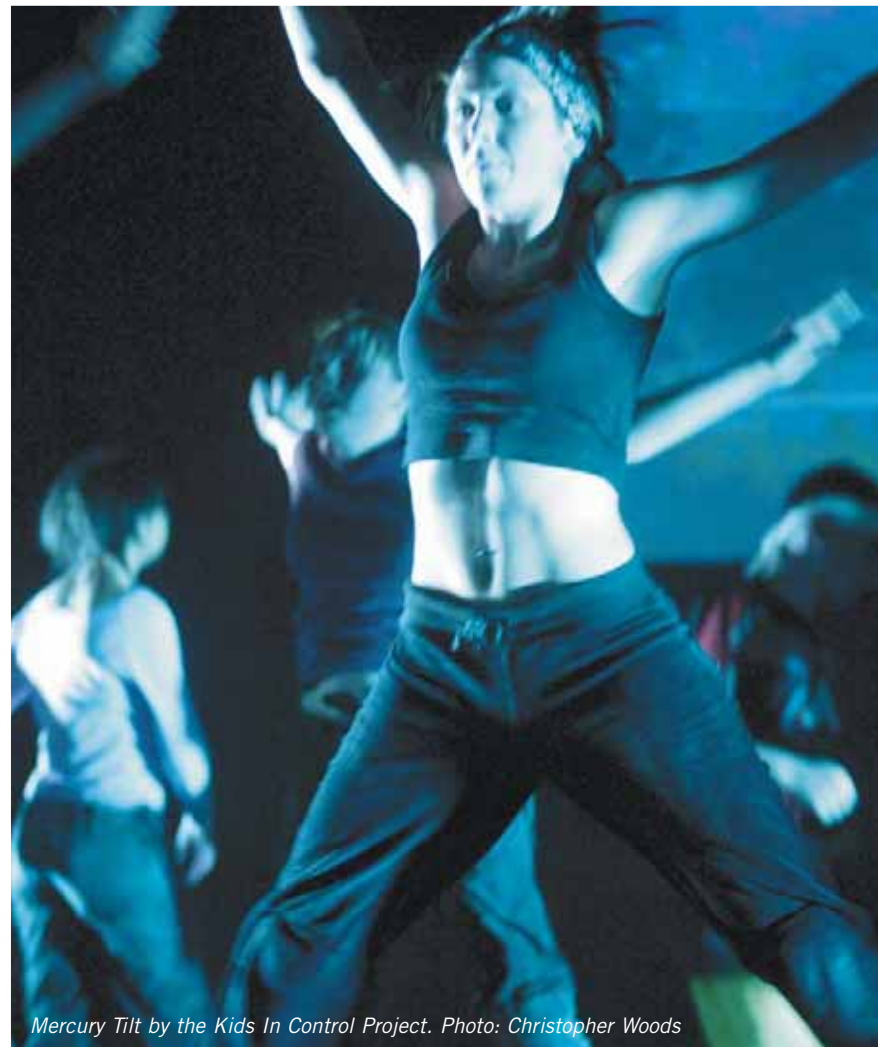
The Council re-launched its *Audience Development*, *New Work* and *Access* programmes after a review of the three schemes in 2002/03. A significant element in the re-launch of the *Access* programme was the introduction of a Premium Payment to cover the costs associated with delivering programmes to groups falling within Section 75 of the NI Act. The need for such a payment arose as part of the Equality Impact Assessment of the *Access* programme.

The Council also launched a number of new programmes during the year. Under its *Creative Youth Partnership* programme the Council has awarded funds to each of the five Education & Library Boards to employ Development Officers to help deliver a wider programme of events both within the formal education sector and to the wider youth sector. After wide-scale consultation the Council announced its *Architecture* programme. Although this programme has a small budget it is anticipated that this will provide an impetus to those working in this sector over a two year period. The *Art of Regeneration* programme launched at the end of the year is aimed at Local Government and will provide funds to a small number of Local government/Community consortia over a period of 3-4 years.

After receipt of an economic appraisal and business plan the Council agreed to the establishment of an Audience Development Agency for Northern Ireland. As preparation for this establishment the Council announced a programme to enable arts organisations to purchase the necessary hardware and software to establish an on-line integrated ticketing system.



Roisín McDonough
Chief Executive
July 2004



Mercury Tilt by the Kids In Control Project. Photo: Christopher Woods

“£9.6m Lottery funding for the arts in 2003/2004”

Opposite: Replay Productions - Flaming Fables, Theatre of Fire



Grants Awarded: 1 April 2003 to 31 March 2004

Grants Awarded: 1 April 2003 to 31 March 2004

During the year 2003/04, 487 applications were received seeking grants of £27,632,208. By the end of the year 182 grants had been awarded through the main programmes, receiving a total of £8,956,138. In addition, through Awards for All the Council made 188 awards totalling £676,224.

ACCESS

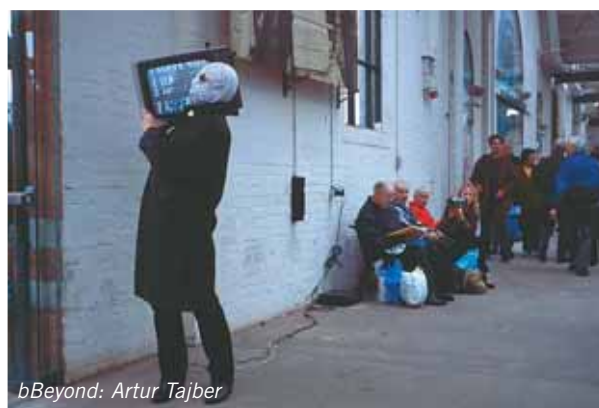
Organisation	District Council Area	Project	Artform	Award
Amber Community Development Agency	Belfast	One-year programme <i>Twilight Zone</i>	Combined	29,439
An Droichead	Belfast	Dance, Drama, Crafts and Music Programme.	Traditional Arts	39,258
Andersonstown Traditional and Contemporary Music School	Belfast	To develop a Centre of Music and Study	Traditional Arts	8,334
Artability Northern Ireland Ltd	Belfast	To employ an Artist/Co-ordinator and deliver workshops	Combined	29,224
Artscare Group	Castlereagh	Visual art project 'Movement'	Visual Arts	7,000
Belfast Exposed Community Photography Group	Belfast	Community Photography & Training Development Project	Visual Arts	17,513
Belfast Festival at Queen's	Belfast	<i>Journeys and Migrations</i>	Combined	25,000
Border Arts	Strabane	Carnival arts and mumming programme	Combined	45,000
Cahoots NI	Belfast	Education & Outreach Programme	Drama	87,715
City of Derry Civic Choirs	Derry	Choral training for the young people of Derry	Music	24,300
Compantas Amharclainne Ababu	Belfast	Theatre programme for Irish Medium Schools	Drama	40,000
Context Gallery	Derry	2-year outreach programme involving 8 artists residencies	Visual Arts	56,339
Creggan Education & Research Services	Omagh	One-year Pilot Arts Programme.	Combined	35,000
Dairy Farm Jobclub	Belfast	1-year inter-cultural arts programme	Combined	23,330
Dance Northern Ireland	Belfast	Earthquake 2004	Dance	12,240
Dance United	Belfast	Phase II Building Bridges Programme	Dance	21,894
Derry Playhouse Writers	Derry	Masterclasses in writing, theatre and theatre production.	Literature	33,955
Disability Action	Belfast	Interaction programme addressing disability in the education system	Visual Arts	23,000
Galliagh Community Festival Committee	Derry	1- year Pilot Programme	Combined	43,600
Greater Shankill Partnership	Belfast	Community Music Worker	Music	43,730
Indian Community Centre	Belfast	1-year pilot Indian Arts Development Plan	Other	41,000
Leonard Cheshire	Belfast	<i>Music Amnesty</i>	Music	15,000
Maydown Youth Training Project	Derry	Arts Development Programme	Combined	42,000
Development Group	Antrim	Consolidate & develop access to community music training	Music	37,500
National Deaf Children's Society	Belfast	1-year arts programme for deaf children	Other	35,000
New Belfast Community Arts Initiative	Belfast	1-year integrated arts programme	Other	35,222
North West Play Resource Centre	Derry	1-year pilot project - In from the Margins:Bridging the Gap	Combined	35,500
Omagh Arts Committee	Omagh	Omagh Arts Festival	Combined	14,800

Open Arts	Belfast	Employ disabled musician	Music	28,551
Open House Traditional Arts Festival	North Down	Traditional Arts Festival	Traditional Arts	36,700
Opera Theatre Company	Other	3 Year Programme of Opera Projects for Children and Young People		
		1 Year Programme of Opera Projects for Children and Young People	Opera	40,293
Play Resource Warehouse	Belfast	Creative Paths - a programme of arts activities for children and young people	Other	19,670
Portadown 2000	Craigavon	A two-part initiative that combines work of 3 different local communities	Literature	5,200
Project Oscar Wilde	Fermanagh	Third Annual Oscar Wilde Festival	Combined	12,300
Red Lead Arts	Belfast	<i>Blinks</i> sculptural project and <i>Seeing the Future</i> photographic and multi media project.	Visual Arts	28,295
Share Discovery 80 Ltd	Fermanagh	Grass roots participatory programme	Combined	26,850
Sliabh Beagh Development Association	Fermanagh	1-year Community Arts programme	Combined	32,650
South Lough Neagh Regeneration Association	Craigavon	Community public artwork	Visual Arts	18,000
Spanner in the Works	Belfast	Cross community theatre company promoting women in theatre	Drama	19,100
Stage Beyond Theatre Company	Derry	Development of disability learning theatre.	Drama	33,887
Sticky Fingers	Armagh	Early Years Arts Project	Combined	50,000
The Cathedral Quarter Arts Festival	Belfast	Annual Arts Festival	Combined	25,000
The Jigtime Programme of Irish Music	Belfast	Programme of 80 school performances	Traditional Arts	73,200
Tinderbox Theatre Company	Belfast	Outreach programme, bringing theatre and devising skills to youth, school and adult community groups	Drama	44,500
Ulster Association of Youth Drama	Lisburn	2-year performing art programme for young people	Drama	55,600
Ulster Scots Folk Orchestra	Ballymena	To advance the professionalism of the Ulster Scots Folk Orchestra	Traditional Arts	51,000
Voluntary Arts Network	Down	3 year partnership project with local authorities	Combined	53,481
Wheelworks	Belfast	ArtCart Outreach Programme	Music	56,000
Young at Art	Belfast	Extend current programme to target the 12-15 age group.	Combined	33,532
Zero-8-Teen	Armagh	A programme of craft based workshops for children in the Craigavon area	Visual Arts	12,937

NEW WORK – COMMISSIONS

Organisation	District Council Area	Project	Artform	Award
Big Telly Theatre Company	Coleraine	<i>The Thief</i>	Drama	16,165
Cahoots NI	Belfast	<i>The Magic Hat</i>	Drama	23,998
Carrickfergus Borough Council	Carrickfergus	<i>Carrickfergus Legacy</i>	Visual Arts	5,000
Dream Ireland Ltd	Belfast	Digital media installation	Visual Arts	6,350

DubbelJoint Theatre Company	Belfast	<i>Voyage of no return</i>	Drama	15,000
Golden Thread Gallery	Belfast	Collective Histories of Contemporary Northern	Visual Arts	9,608
Green Park Healthcare Trust	Belfast	Public Art	Visual Arts	5,720
Lyric Theatre	Belfast	<i>1974</i>	Drama	5,341
Maiden Voyage (NI) Ltd	Newtownabbey	Dance work	Dance	15,059
Maydown Youth Training Project	Derry	<i>Flowers of the Forest</i>	Combined	10,500
Moving on Music	Belfast	4 commissions for BBC Music Live	Music	5,000
Photo Works North / Source Magazine	Belfast	Comprehensive Oral History of Photography in Northern Ireland	Visual Arts	9,774
Portadown 2000	Craigavon	3 commissions	Combined	7,000
Ransom Productions	Belfast	<i>Protestants</i>	Drama	25,000
Red Lead Arts	Belfast	Liverpool Boat Project	Drama	20,662
Sonorities	Belfast	Festival of Experimental Music	Music	10,500
South & East Belfast Health and Social Services Trust	Belfast	Public art in 3 treatment centres	Visual Arts	23,870
Spectrum Centre	Belfast	Gary Mitchell commission	Drama	14,350
The Royal Hospitals	Belfast	Interactive Sound Installation	Music	12,750
Toome Industrial Development Amenities Group	Antrim	Environmental Improvement Scheme	Visual Arts	8,290
Welsh National Opera	Other	Commission for performance by Youth Opera Northern Ireland and Welsh National Youth Opera	Opera	21,490
Young at Art	Belfast	Young at Art 2004 Festival	Combined	24,994



NEW WORK – PRODUCTIONS

Organisation	Project	Artform	Award
Belfast Community			
Circus School	<i>The Lost Boys</i>	Circus	26,920
Belfast Exposed			
Community Photography Group	4 exhibitions	Visual Art	14,639
Belfast Festival at Queen's	3 Festival performances	Combined	50,000
Big Telly Theatre Company	<i>The Thief</i>	Drama	14,808
Cahoots NI	<i>The Magic Hat</i>	Drama	23,760
Catalyst Arts	<i>The Suicide of Objects</i>	Visual Art	15,015
CIRCA Art Magazine	Architectural Guide to		
	Arts Spaces in Ireland	Architecture	11,200
Context Gallery	Emerging Artists	Visual Art	7,672
Context Gallry	6 contemporary exhibitions	Visual Art	11,287
DubbelJoint Theatre Company	Black Taxis & A Different Million	Drama	31,492
Green Park Healthcare Trust	Art work for		
	Musgrave Park Hospital	Visual Art	47,220
Kabosh Theatre	<i>Todd</i>	Drama	39,401
KIC (Kids in Control)	<i>Mercury Tilt</i>	Drama	28,000
Lyric Theatre	<i>Paradise</i>	Drama	22,083
Maiden Voyage (NI) Ltd	New dance work by		
	Jodie Melnick	Dance	10,000
Moving on Music Ltd	4 new commission performances	Music	17,373
National Youth Music Theatre	<i>Goblin Market</i>	Music	23,840
Open House Traditional			
Arts Festival	Painting & Poetry Project	Combined	12,000
Opera Theatre Company	<i>Beetle Boy</i>	Opera	23,383
Ormeau Baths Gallery	<i>True Colours</i>	Visual Art	29,925
Prime Cut Productions	<i>Gagarin Way</i>	Drama	32,356
Ransom Productions	<i>Protestants</i>	Drama	12,200
Replay Productions	<i>Theatre of Fire -</i>		
	<i>A Cautionary Tale</i>	Drama	25,215
South & East Belfast HSS Trust	Integrated Arts Project	Visual Art	75,000

The Beat Initiative	Lantern Carnival Parade	Other	26,800
The Royal Hospitals	Arts & Environment Project	Visual Art	8,422
Tinderbox Theatre Company	<i>Revenge</i>	Drama	45,000
Toome Industrial Dev.	Toome Gateway		
Amenities Group	Public Art Scheme	Visual Art	43,350
University of Hertfordshire	Rita Duffy Exhibition	Visual Art	5,000

AUDIENCE DEVELOPMENT

Organisation	Area	Artform	Award
Belfast Print Workshop	Belfast	Visual Arts	28,768
Bruiser Theatre Company	Belfast	Drama	19,400
Cookstown District Council	Cookstown	Drama	9,750
Derry Theatre Trust	Derry	Combined	47,877
Feile an Phobail	Belfast	Combined	48,750
Island Arts Centre	Lisburn	Drama	35,000
Lyric Theatre	Belfast	Drama	72,087
Maydown Ebrington Group	Derry	Combined	20,550
Northern Ireland Visual Arts Forum	Belfast	Visual Arts	32,988
Wheelworks	Belfast	Combined	37,579

CAPITAL – BUILDING

Organisation	Area	Project	Award
An Gaelaras Ltd	Derry	New Building An Cultúrlann - Irish language arts and Cultural Centre	650,000
Crescent Arts Centre	Belfast	Building Refurbishment	1,200,000
Greyabbey Regeneration	Ards	Provision of Artist Studio spaces	50,000
Lyric Players Theatre	Belfast	New Theatre Building	2,000,000

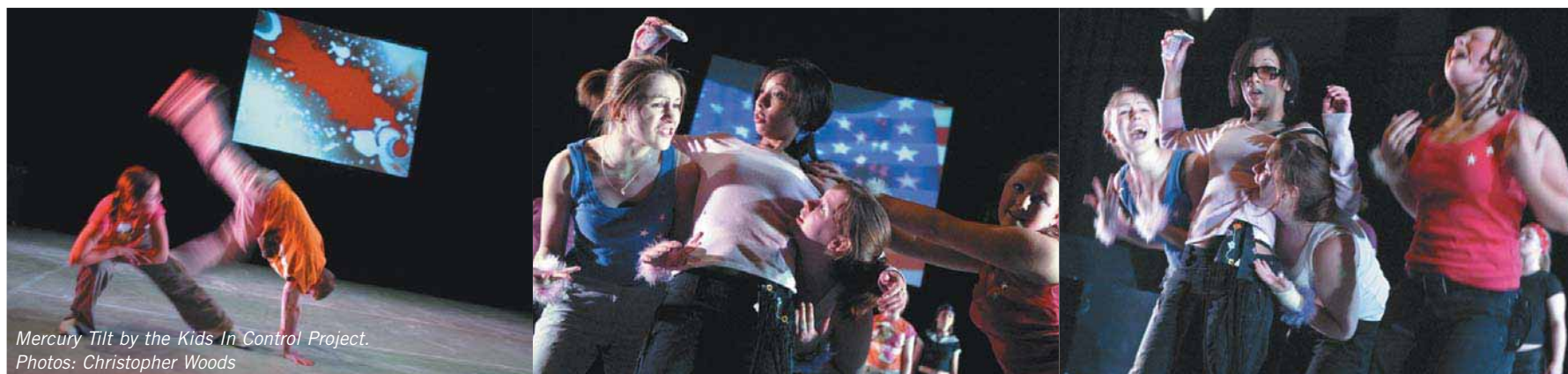
CAPITAL – EQUIPMENT

Organisation

Ballymoney Borough Council
 Belfast Film Festival
 C.R.A.I.C.
 Catalyst Arts
 Cinemagic Limited
 Cinilingus
 Derry Theatre Trust
 Galliagh Community Festival Committee
 Indian Community Centre
 Maydown Youth Training Project
 New Belfast Community Arts Initiative
 NI Film and Television Commission
 Northern Visions
 Soundlines Project
 U3A FOYLE
 Ulster Orchestra Society Ltd
 WheelWorks

Area	Project
Ballymoney	Theatre equipment, fixtures & fittings
Belfast	Audio Visual equipment
Dungannon	Theatre equipment & seating
Belfast	Gallery equipment
Belfast	Film presentation equipment
Belfast	Audio Visual equipment
Derry	Theatre equipment
Derry	Stage equipment
Belfast	IT and office equipment
Derry	Stage equipment & Heating upgrade
Belfast	IT equipment & camera
Belfast	Audio Visual equipment
Belfast	Digital media equipment
Lisburn	Music Equipment
Derry	Arts & Craft equipment
Belfast	IT equipment, instruments & lighting
Belfast	Computer & Digital media equipment

Artform	Award
Combined	34,455
Film	21,093
Combined	39,823
Visual Arts	9,657
Film	11,721
Film	5,850
Combined	38,778
Combined	8,666
other	5,000
Combined	50,742
Combined	5,000
Film	13,150
Visual Arts	89,162
Music	12,986
Visual Arts	14,500
Music	94,866
Combined	15,390



ON-LINE TICKETING SYSTEMS

Organisation	Area	Artform	Award
Belfast Festival at Queen's	Belfast	Combined	68,238
Nerve Centre	Derry	Music	20,450
Grand Opera House Trust	Belfast	Combined	99,555
Lyric Theatre	Belfast	Drama	60,193
Ulster Orchestra Society Ltd	Belfast	Music	36,494
University of Ulster (Riverside theatre)	Coleraine	Drama	27,052
The Playhouse	Derry	Combined	12,235



Cahoots NI

MUSICAL INSTRUMENTS FOR BANDS

Organisation	Area	Award
Ballycoan Pipe Band	Castlereagh	5,767
Ballydonaghy Pipe Band	Antrim	11,461
Ballylone Concert Flute Band	Down	5,430
Ballywillan Flute Band	Coleraine	30,000
Brittania Brass and Reed Band	Derry	30,000
Cahard Flute Band	Down	10,650
Corbet Accordion Band	Banbridge	17,512
County of Antrim Accordion Orchestra	Ballymena	40,000
Derryloran Flute Band	Cookstown	2,966
Downshire Brass Band	Belfast	20,412
Downshire Guiding Star Flute Band	Banbridge	4,646
Dunamoney Flute Band	Magherafelt	10,712
East Antrim (Killyglen) Accordion Orchestra	Antrim	32,427
Greystone Silver Band	Dungannon	28,985
Hamilton Flute Band	Derry	32,417
Harbour Star Accordion Band	Ards	23,768
Kellswater Flue Band	Ballymena	3,695
Kilcluney Flute Band	Armagh	9,415
Killylea Guiding Star Accordion Band	Armagh	20,224
Marlaco Pipe Band	Armagh	6,539
Matt Boyd Memorial Pomeroy Pipe Band	Cookstown	15,495
Mountfield Pipe Band	Omagh	13,367
Mourne Young Defenders	Newry & Mourne	12,780
Poyntzpass Silver Band	Newry & Mourne	12,154
Shankill Road Defenders Flute Band	Belfast	4,342
South Belfast Young Conquerors	Belfast	8,614
St John's Accordion Band	Craigavon	40,000
St Peters GAA Band	Newry & Mourne	15,000
Strawhill Voluntary Independent Pipe Band	Strabane	13,380

AWARDS FOR ALL

Organisation	Area	Project	Award
Antrim Glens Traditions Group	Moyle	Instrument/dance/singing events & workshops	4,450
Antrim Reminiscence Group	Antrim	Drama Performance	3,953
Ardboe Central Youth Band	Cookstown	Tutors/transport	5,000
Armagh City Choir	Armagh	Performance of The Messiah	4,220
Armagh Harpers Association	Amagh	Artists Fees	5,000
Ballyclare Male Choir	Newtownabbey	Venue Hire, professional fees and advert costs	3,000
Ballydonaghy Pipe Band	Antrim	Tutors, equipment, publicity	4,430
Ballydugan Patchwork & craftgroup	Craigavon	Equipment and Tutor costs	3,600
Ballymoney Writers Group	Ballymoney	Anthology, Marketing and Calendar	2,300
Ballysillan Highland Dancers	Belfast	Tutoring, costumes, transport and Admin	1,900
Banbridge Camera Club	Banbridge	Computer Equipment	4,547
Bangor & North Down Camera Club	North Down	3 Day Workshop	1,058
Bangor Operatic Society	North Down	Little Shop of Horrors	4,425
Bannside Scribblers	Craigavon	Production of book	1,000
Bawn Silver Band	Dungannon	Tuition, equipment	2,940
Belfast Juggling Convention	Belfast	Performers and Travel Expenses	1,320
Belfast Philharmonic Society	Belfast	Concert and Performance fees	5,000
Belfast Print Workshop	Belfast	Residency Programme	5,000
Big Telly Theatre Company Ltd	Coleraine	Access programme for Young People	5,000
Black Mountain Review/Black Mountain Press	Newtownabbey	Publishing Costs	500
Bridge Centre Steering Committee	Down	Arts Project	5,000
Carnan Accordion Youth Band	Magherafelt	Musical Marching & Discipline Routine	3,000
Cashel Community Association	Fermanagh	Equipment/tutor	2,201
Castleberg Chamber of Commerce & Industry	Strabane	Workshops/performance	4,000
Cavanaleck Pipe Band	Fermanagh	Piping and Drumming Classes	3,000
CCE (Derry Branch)	Londonderry	Traditional Music Festival	4,500
CCE-Coalisland	Dungannon	Music Festival	4,000
Ceal Camloch	Newry & Mourne	Traditional musical recitals	3,680
Ceol Cois Feabhail	Derry	Concerts costs	4,995
Charles Wood Summer School	Armagh	Summer School	5,000

Classical Guitar Society of Northern Ireland	Ards	Workshop and Concert Tutoring	4,150
Comhaltas Ceoltóirí Éirann Croabh Boirche	Newry & Mourne	Tuition costs	5,000
Comhaltas Dun Lathai	Ballymoney	2003 Music Classes	4,800
Comhchoiste na Gaeilge Aontroim Thuaidh	Moyle	Artists/Venue Hire	4,400
Community Restorative Justice Ireland	Derry	Community Art Workshops	3,745
Cornerhouse Cross Community Family Centre	Belfast	Design & print of booklet, residential, workshops	3,720
Creative Stitches Group	Moyle	Workshops, Materials, Trips	4,191
Creative Writers Network	Belfast	Awards, event, workshops & Printing	900
Cullybackey Fife and Drumming Club	Ballymena	Lambeg Drums	2,455
Cultural Resolution	Belfast	Creation of Publication	5,000
Cumann Ceoil an Chaisleain	Belfast	Workshops, singers, performances	5,000
Cushedun Cultural Celebration Committee	Moyle	To produce and design a sculpture	5,000
Daring Feet Youth Dance Group	Derry	Tutors/costumes/transport	4,950
Deaf Senior Citizens (NI)	Belfast	Visual art & drama programme	4,750
Derg Valley Choir	Strabane	Study visit to Wales	1,110
Derry Trades Union Council	Derry	The Recruiting Office	5,000
Derry Youth Dance	Derry	Contemporary Dance Classes	2,700
Destined Ltd	Derry	Creative Arts/Photography	4,180
Devlin School of Dancing	Ballymena	Tutors, fees, dancing shoes and dresses	1,920
Divis Play Project	Belfast	Artists fees, hire of premises, publicity	3,750
Donaghcloney Rural Needs Dev Group	Craigavon	Workshops and Artists Costs	2,710
Down Community Arts	Down	Artists fees, venue hire, travel and advertising	5,000
Down Writers Network	Down	Workshops & Publications	2,335
Drama in Hand/Handful Productions	Londonderry	Produce and perform two Plays	3,000
Dundarave Residents' and Environmental Forum	Moyle	Sculpture	1,805
Dungannon Silver Band	Dungannon	Workshops and Tutoring	4,090
Dunmurry Community Association	Lisburn	Community arts project	2,975
East Antrim (Killyglen) Accordion Orchestra	Larne	Tuition Fees	2,250
Enniskillen Photographic Society	Fermanagh	Studio equipment and Exhibition	3,627
Enniskillen Writers Group	Fermanagh	Tutors costs, printing costs	4,000
Erne Music Club	Fermanagh	Music Classes	3,540
European Piano Teachers Association	Belfast	Conference	3,045
Feile An Phobail	Belfast	Children's arts festival - An Draocht	5,000

Feis Na nGleann	Moyle	Festival Costs	5,000
Fermanagh Choral Society	Fermanagh	Performance	3,898
Fortwilliam Musical Society	Belfast	Cost towards Production of "Brigadoon"	5,000
Garvagh Community Set Dancing Club	Coleraine	Set/Ceili Dance Class	1,900
Geordie Hanna Traditional Singing Society	Dungannon	Traditional Singing Weekend	3,650
Gig 'n' the Bann Festival Committee	Ballymena	Festival costs	5,000
Glenbawn Youth Group	Lisburn	Photography training equipment	4,810
Glengormley Irish Traditional Music School	Newtownabbey	Tutor fees, Hire of premises	2,430
Glengormley Irish Traditional Music School	Newtownabbey	Tutor/Venue Costs	3,420
Glenravel Social Committee	Ballymena	Musical Production	2,540
Glenshee Music Collective	Newry & Mourne	Advanced Course in Summersong	4,786
Gran Quilters	Magherafelt	Tutors, exhibition costs, training material	1,950
Granaghan Art Society	Magherafelt	Tutors/lights	3,308
Greengraves Youth Drama Group	Castlereagh	workshops/equipment hire	5,000
Greyabbey Ulster Scots Country Dance Class	Ards	Hire of Premises and Dance Tutors	1,000
Greysteel Community Arts and Drama Group	Limavady	Community Festival	1,930
Grupa Forbartha Cheantair Mhoin Na nIonadh	Magherafelt	Research & collection of Stories	5,000
Guildhall Press	Derry	Poetry Book	4,000
Hollywood Players	North Down	Production of Wind in the Willows	1,000
Inspiration Youth Choir	Cookstown	Tutors/Equipment	1,820
James Connolly Flute Band	Larne	Venue Hire, Tutors and fees	3,750
Lagan Legacy	Belfast	Folk on a Boat	4,750
Lagan Valley Patchwork Guild	Lisburn	Patchwork & Quilting Exhibition	2,013
Larne Musical Festival Association	Larne	Music Festival	1,020
Learmont Community Development Group Ltd	Derry	Arts & Crafts Project	3,063
Limavady Drama Club	Limavady	Sound Equipment	5,000
Linengreen Kraits	Dungannon	Arts & crafts classes	4,611
Lisburn Conservation Society	Lisburn	Wood sculptures	4,000
Living Words	Fermanagh	Workshops, venue hire and staffing	3,955
Londonderry Art Society	Londonderry	Art Exhibition/materials/outings	2,200
Lower Ormeau Resident's Action Group	Belfast	Photography project	2,620
Macnaughten Productions Ltd	Londonderry	Production of <i>The Promise</i>	1,000
Macnean Environment Committee	Fermanagh	Artist Fees, advertising	5,000

Magherafelt and District Disability Forum	Magherafelt	Photography project	4,910
Magherafelt Highland and Country Dancing Group	Magherafelt	Tutors costs, workshops venue hire & transport	3,464
Mazetown Women Together	Lisburn	Needlework and Patchwork Classes	2,300
Mercy Care	Newry & Mourne	Arts & Music Project	3,185
Mid Ulster Culture & Heritage Association	Cookstown	Artist Fees	3,000
Mosside Youth Club	Moyle	Storytelling Project	5,000
Mourne Highland Games	Newry & Mourne	Two Day Scots and Ulster Scots Festival	2,500
Musaiq	Omagh	Workshops	4,980
Musgrave Artscore Committee	Belfast	Glass Sculptures	4,650
National Chamber Choir	Belfast	Belfast Concerts	3,587
New Lyric Operatic Company	Belfast	Production of Guys and Dolls	5,000
Newcastle Speech and Drama Festival	Down	Venue Hire, printing costs, Adjudicators	5,000
Newpoint Players	Newry & Mourne	Summer Theatre School	5,000
Newry Drama Festival	Newry & Mourne	Annual Festival	5,000
North Belfast Set Dancing & Traditional Music Society	Belfast	Festival & workshops	2,500
North of Ireland Bands Association	Belfast	Annual Championship Festival	3,700
Northern Amateur Theatre Association	Belfast	Drama Summer School	5,000
Omagh Community Arts Initiative	Omagh	Creative Writing Costs	1,500
Open House Traditional Arts Festival	North Down	Open House Festival	5,000
Panto Players	Lisburn	Producing and Performing "The King and I"	5,000
Parents & Friends of Glenside & Iona House	Strabane	Art Classes	4,427
Peninsula Amateur Theatre Group	North Down	Christmas & Easter productions	3,100
Pomeroy Accordion Band	Cookstown	Tutors/Travel/Rent	3,600
Pomeroy Arts & Crafts Club	Cookstown	Tuition/Exhibition	2,523
Portadown Folksong Club	Craigavon	Artist Fees & Travel Expenses	5,000
Portadown Phoenix Players	Portadown	12 week theatre skill course	3,500
Portavogie & District Youth Club	Ards	Circus Skills Programme	3,550
Portglenone Art & Crafts Club	Ballymena	Art Exhibition, Display and Tuition	1,794
Portrush Community Development Group	Coleraine	Generation Project	4,909
Project Oscar Wilde	Fermanagh	Speakers, Artists fees, venue Hire	5,000
Queen Street Studios	Belfast	Art Exhibition	4,860
Rawlife Theatre Company	Belfast	Production of Glengarry Glen Ross	5,000
Riada Concert Group	Ballymoney	Music Composition and production of CD	4,024

Ring of Gullion CCE Forkhill	Newry & Mourne	Artist Fees	3,700
Roe Valley Folk Club	Limavady	Workshops, Tutor/Performers fees	5,000
Roe Writers	Limavady	Production and marketing of a Book	1,823
Roughan Silver Band	Dungannon	Centenary celebrations	2,833
Royal Scottish Pipe Band Association	Belfast	St Andrews Night Tatoo	5,000
Royal Ulster Academy of Arts	Belfast	Colour Catalogue	5,000
Schools re-Union Association Belleek	Fermanagh	Traditional Music Festival	1,850
Shankill Drumming Club	Belfast	Purchase of lambeg drum, kanes and fifes	2,300
Sneaky Productions	Belfast	Play Production	5,000
Sperrin Pipers	Magherafelt	Tutor fees and setup costs	4,400
St Agnes Choral Society	Belfast	Coaching & Supervision	3,000
St Ergnant's Accordion Band	Antrim	Tutor fees	3,000
St Georges Singers	Belfast	Performance of St John Passion	5,000
St Kevin's Independent Accordion Band	Larne	Tutors, Rent, Transport costs	2,000
St Moninna Youth Club, Killeavy	Newry & Mourne	Drama Workshops & Equipment	2,270
St Patrick's Day Festival Committee	Armagh	Festival	5,000
St Vincent De Paul Soc, St Colmcille's Conference	Down	Workshops and Artist Fees	5,000
Sticky Fingers Early Years Arts	Newry & Mourne	Printing and Design of book	500
Stiles Community Association	Antrim	Woodwork/creative art classes	4,082
Sunnyland Youth Club	Carrickfergus	Musical Production	2,870
Teachers of Singing in Northern Ireland	Belfast	Artist Fees & set up costs of new website	4,800
The Bosco Drama Group	Newry & Mourne	Summer School & Education Programme	5,000
The Bronte Society - Irish Branch	Craigavon	Production and Publishing of a Book	820
The Bush-Heaneys Writers	Omagh	Publish a book of poems and stories	2,015
The City Chapter	Armagh	Workshops and readings	4,000
The Eddie Duffy/Mick Hoy Memorial Festival Cmte	Fermanagh	Festival	5,000
The Four Swans	Moyle	Production of Creative Writing	5,000
The Golden Years	Newry & Mourne	Photography	995
The Hampsey School of Traditional Music	Coleraine	Tuition Fees	2,000
The Harmony Youth Big Band	Newry & Mourne	Musical Ensemble	4,400
The Lagan Fleadh	Belfast	2003 festival	5,000
The Lagan Fleadh	Belfast	Cost towards Festival	4,100
The Mourne School of Highland Dance	Newry & Mourne	Purchase of equipment and training costs	840

The Sculptors Society of Ireland	Other	Professional Practice workshops	5,000
The Shalom Poetry Group	Belfast	Production of Poetry Book	3,210
The Ulster Society of Magicians	North Down	Convention	3,195
The William Carleton Summer School Committee	Dungannon	2003 Summer School	3,850
Theatre Producers Group (Northern Ireland)	Belfast	Training conferences, admin	4,500
Theatre Shop Ltd	Other	Theatre Handbook	5,000
Time for Me Womens Group	Derry	Creative writing workshops/publish collection	3,615
Tyrone Guthrie Society	Belfast	Clown Project	4,980
Ulster Youth Choir	Belfast	Tutors fees, piano hire, conductors fees	5,000
Untitled Arts Group	Down	Visual Art Exhibition	5,000
Upper Ardoyne Womens Group	Belfast	Workshops, Childminding Cost & Admin	3,890
Upper Cumber Community Drama Group	Derry	Production of Play	500
Vale Sports Committee	Limavady	Arts Project for Young People	1,734
Vision...applied arts and crafts	Belfast	Paint-pot-etch project	4,800
Waringsford Pipe Band	Banbridge	Tutors/equipment	2,000
Waves of the Nile	Craigavon	Hosting Exhibitions & Workshops	1,100
Westbay Folk Club	Coleraine	Music Classes, concert costs & accommodation	3,966
White Hare Productions	Omagh	Mid-Ulster Film	4,600
White Heather Players Group	Newry & Mourne	Mobile lighting and PA system	4,801
Whitehead Community Association	Carrickfergus	Music Workshops	3,500
William Kerr Memorial Drummond	Dungannon	Workshops	2,775
Woodvale Community Centre Committee	Belfast	Artist fees, materials and exhibition costs	3,225
Wynchurch Art Group	Castlereagh	Art Classes	1,240
Young at Art Ltd	Belfast	Production <i>Chilly in the Dark Times</i>	5,000
Youth Action Northern Ireland	Belfast	The Rainbow Factory	3,666
Youth Lyric	Belfast	Production of Play <i>Teechers</i>	2,375

FILM (Awards made under delegation arrangements by the Northern Ireland Film & Television Commission)

Organisation	Area	Project	Award	Award type
Green Park Films	Belfast	<i>Middletown</i>	150,000	Feature Film
Treasure Entertainment Ltd	other	<i>Valhalla</i>	100,000	Feature Film
Samson Films	other	<i>Baby Baby</i>	100,000	Feature Film
De Facto Films	Derry	<i>The Guards</i>	7,500	Script Development
Poetry in Motion	other	<i>Bye-Child</i>	20,000	Production
Revival Films	other	<i>Monkeys Blood</i>	25,000	Production
Dan Films Ltd	other	<i>The Blue Dress</i>	20,000	Script Development
Follower Productions	other	<i>Playing With Fire</i>	2,250	Script Development
Journeyman Films Ltd	Newtownabbey	<i>Clean</i>	400	Distribution
Northern Visions	Belfast	<i>MusicSeen</i>	7,549	Production
Northern Visions	Belfast	<i>The Chattering Classes</i>	7,549	Production
Banjax Studios Ltd	Belfast	<i>At The Back Of The North Wind</i>	20,000	Script Development
SMIRSH LTD	other	<i>The Empire of Juramidam</i>	21,000	Production
Seventy Percent Films Ltd	other	<i>Postage Due</i>	10,000	Script Development
Borderline Productions	Belfast	<i>Boru</i>	20,000	Script Development
Rogue Rocket Ltd	Belfast	<i>Doc Weird</i>	4,000	Script Development
Journeyman Films Ltd	Newtownabbey	<i>Return of the Brute</i>	20,000	Script Development
AMC Film Production Ltd t/a Rapid Film	other	<i>The Legend of Blair Mayne</i>	20,000	Production
Raw Nerve Productions Ltd	other	<i>East Belfast Yacht Club</i>	9,600	Script Development
Underdog Media Ltd	Belfast	<i>Soldier of Misfortune</i>	4,500	Production
Raw Nerve Productions Ltd	Derry	<i>The Devil</i>	32,000	Production
Hot Shot Films Ltd	Belfast	<i>Blind Vision</i>	40,000	Production
Axis Three Ltd	Newtownabbey	<i>It's A Piece Of Cake</i>	22,500	Production
Stirling Film and TV Productions	Belfast	<i>The Bodhran</i>	10,000	Production
Stirling Film and TV Productions	Belfast	<i>The Fiddle</i>	10,000	Production
Stirling Film and TV Productions	Belfast	<i>The Uilleann Pipes</i>	10,000	Production
Stirling Film and TV Productions	Belfast	<i>The Concertina</i>	10,000	Production
Stirling Film and TV Productions	Belfast	<i>The Harp</i>	10,000	Production
Hero Productions Ltd	Newtownabbey	<i>Silver's City</i>	10,000	Script Development
JK Pictures Ltd	other	<i>Curfew</i>	10,000	Script Development
Green Park Films	Belfast	<i>Freeze Frame</i>	5,000	Distribution

Borderline Productions Ltd	Belfast	<i>Squaddie</i>	22,500	Production
Whatever Pictures Ltd	other	<i>Untold Stories</i>	5,000	Script Development
The Nerve Centre	Derry	<i>Sucking Diesel</i>	16,500	Production
The Nerve Centre	Derry	<i>Down To Earth</i>	16,500	Production
The Nerve Centre	Derry	<i>Deja Va</i>	16,500	Production
The Nerve Centre	Derry	<i>Disco Inferno</i>	16,500	Production
The Nerve Centre	Derry	<i>The Oul Gun</i>	16,500	Production
Silver Films Ltd	other	<i>End Game</i>	22,500	Production
Straight Forward Film & TV Prod. Ltd	Belfast	<i>On Eagle's Wing</i>	50,000	Production
Byword Communications Ltd	Ards	<i>Saving The Ancient Mariner</i>	4,375	Script Development
Scannin Aisling Ghéar	Belfast	<i>La Gach La</i>	4,500	Production
Scannin Aisling Ghéar	Belfast	<i>Atogail Shraid Bombay</i>	4,500	Production
Turas Eile Ltd	Newtownabbey	<i>Still</i>	6,000	Script Development
Scannin Aisling Ghéar	Belfast	<i>Sos Cogaidh</i>	29,500	Production
Tar Anall	Belfast	<i>Tar Anall</i>	3,940	Production



"£3m for drama and dance in 2003/2004"

Opposite: Cahoots NI



Breakdown of Awards 2003/04



BREAKDOWN OF AWARDS BY LOCAL AUTHORITY AREA 2003/04

(excluding in-principle awards and awards made under delegation arrangements by Northern Ireland Film & Television Commission)

Area	Total Number	Total Value	% of total value awarded	Population	Per Capita expenditure
Antrim	10	160,338	1.66	48,366	3.32
Ards	6	91,299	0.95	73,244	1.25
Armagh	11	222,335	2.31	54,263	4.1
Ballymena	9	208,404	2.16	58,610	3.56
Ballymoney	4	45,579	0.47	26,894	1.69
Banbridge	4	28,705	0.30	41,392	0.69
Belfast	133	6,048,104	62.79	277,391	21.8
Carrickfergus	3	11,370	0.12	37,659	0.3
Castlereagh	5	119,007	1.24	66,488	1.79
Coleraine	9	105,800	1.10	56,315	1.88
Cookstown	8	44,154	0.46	32,581	1.36
Craigavon	11	87,930	0.91	80,671	1.09
Derry	34	1,265,031	13.13	105,066	12.04
Down	10	136,896	1.42	63,828	2.14
Dungannon	10	97,557	1.01	47,735	2.04
Fermanagh	14	112,871	1.17	57,527	1.96
Larne	4	9,020	0.09	30,832	0.29
Limavady	5	15,487	0.16	32,422	0.48
Lisburn	9	124,684	1.29	108,694	1.15
Magherafelt	8	36,744	0.38	39,780	0.92
Moyle	8	34,846	0.36	15,933	2.19
Newry & Mourne	18	91,591	0.95	87,058	1.05
Newtownabbey	6	34,409	0.36	79,995	0.43
North Down	8	66,478	0.69	76,323	0.87
Omagh	8	176,262	1.83	47,952	3.68
Strabane	5	67,917	0.71	38,248	1.78
Other	10	189,544		0	0
TOTAL	370	9,632,362		1,685,267	

BREAKDOWN OF AWARDS BY ART FORM 2003/04

(excluding in-principle awards and awards made under delegation arrangements by Northern Ireland Film & Television Commission)

Artform	Total Value of Awards	No of Awards
Architecture	11,200	1
Combined	3,613,153	58
Craft	166,424	15
Dance	68,763	7
Drama	2,963,924	54
Film	56,414	5
Literature	85,393	20
Music	1,117,154	95
Opera	85,166	3
Traditional Arts	336,326	38
Visual Arts	870,788	58
Other	257,657	16
	9,632,362	370

BREAKDOWN OF AWARDS BY APPLICATION TYPE 2003/04

(excluding in-principle awards and awards made under delegation arrangements by Northern Ireland Film & Television Commission)

Application Type	Total Value of Awards	No of Awards
Access	1,658,639	50
Audience Development	352,749	10
Building	3,900,000	4
Equipment	1,277,214	53
New Works	1,130,382	54
Craft Special Initiative	137,154	6
Education Special Initiative	500,000	5
Awards for All	676,224	188
	9,632,362	370



*Dance Northern Ireland
Local dance students at the Earthquake International Festival of Dance. Houston Photography*

“£324,000 towards on-line ticking systems in 2003/2004”

Opposite: Mercury Tilt by the Kids In Control Project. Photo: Christopher Woods



Breakdown of Awards 1995 - 2004

**TOTAL AWARDS BY LOCAL AUTHORITY AREA 1995 – 2004**

(excluding in-principle awards and awards made under delegation arrangements by Northern Ireland Film & Television Commission)

Area	Total Number	Total Value	% of total value awarded	Population	Per Capita expenditure
Antrim	30	402,739	0.62	48,366	8.33
Ards	35	533,131	0.82	73,244	7.28
Armagh	57	4,489,832	6.92	54,263	82.74
Ballymena	32	2,405,572	3.71	58,610	41.04
Ballymoney	17	277,932	0.43	26,894	10.33
Banbridge	12	110,948	0.17	41,392	2.68
Belfast	576	23,944,169	36.89	277,391	86.32
Carrickfergus	11	168,198	0.26	37,659	4.47
Castlereagh	26	895,499	1.38	66,488	13.47
Coleraine	39	1,983,068	3.05	56,315	35.21
Cookstown	30	1,435,941	2.21	32,581	44.07
Craigavon	49	1,682,879	2.59	80,671	20.86
Derry	146	9,431,086	14.53	105,066	89.76
Down	50	913,454	1.41	63,828	14.31
Dungannon	43	557,694	0.86	47,735	11.68
Fermanagh	76	1,946,072	3.00	57,527	33.83
Larne	12	375,034	0.58	30,832	12.16
Limavady	11	57,206	0.09	32,422	1.76
Lisburn	28	1,796,887	2.77	108,694	16.53
Magherafelt	34	244,153	0.38	39,780	6.14
Moyle	21	324,843	0.50	15,933	20.39
Newry & Mourne	80	1,495,463	2.30	87,058	17.18
Newtownabbey	14	139,448	0.21	79,995	1.74
North Down	42	621,752	0.96	76,323	8.15
Omagh	35	4,617,078	7.11	47,952	96.29
Strabane	37	1,086,989	1.67	38,248	28.42
Other	79	3,009,586	4.64	0	0
	1,622	64,946,653		1,685,267	38.54

TOTAL AWARDS BY ART FORM 1995 – 2004

(excluding in-principle awards and awards made under delegation arrangements by Northern Ireland Film & Television Commission)

Artform	Total No of Awards	Total value of Awards
Architecture	2	25,238
Combined	260	31,885,039
Community Arts	52	2,139,793
Craft	37	375,360
Dance	45	1,406,754
Drama	231	8,435,126
Film	101	4,247,793
Literature	57	1,705,750
Music	422	7,331,217
Opera	23	878,980
Traditional Arts	143	1,105,001
Visual Arts	228	4,789,360
Other	21	621,242
	1,622	64,946,653



Amanda Coogan - Riding Beethoven at the Context Gallery

TOTAL AWARDS BY APPLICATION TYPE 1995-2004

(excluding in-principle awards and awards made under delegation arrangements by Northern Ireland Film & Television Commission)

Application Type	Total no of Awards	Total Value of Awards
Access	219	8,773,456
Advancement <i>(note 1)</i>	7	1,953,785
Audience Development	39	4,023,526
Building	53	28,716,786
Design Competition <i>(note 2)</i>	3	25,244
Discretionary	3	47,627
Equipment	361	7,121,594
Feasibility Study <i>(note 2)</i>	25	192,383
Film	79	3,706,013
Millennium Festival <i>(note 3)</i>	25	158,154
New Work	261	7,414,212
Craft Special Initiative	7	157,154
Dance Special Initiative <i>(note 4)</i>	1	250,000
Awards for All	534	1,906,719
Education Special Initiative <i>(note 5)</i>	5	500,000
	1622	64,946,653

Notes:

1. One-off programme offered in 1997/98
2. Programmes ceased in 2001. Figures now included in Building section
3. One-off programme offered in 1999/2000 to celebrate the Millennium
4. One-off programme offered in 2002/03
5. One off programme offered in 2003/04

“£870,000 for the visual arts in 2003/2004”

Opposite: Sticky - Performed at the Belfast Festival at Queen's



Policy & Financial Directions

Statement of the Arts Council of Northern Ireland's performance in complying with Policy and Financial Directions issued under section 26 of the National Lottery etc. Act 1993 (as amended by the National Lottery act 1998).

Policy Directions

The Arts Council of Northern Ireland shall take into account the following matters in determining the persons to whom, the purposes for which and the conditions subject to which it distributes money under section 25 (1):

A *The need to ensure that money is distributed under section 25(1) for projects which promote the public good or charitable purposes and which are not intended primarily for private gain:*

"Projects must be for the public good" is one of the published criteria which are used to assess each application. Every successful applicant demonstrated the benefit to the community which would result from their projects. This might have been substantial community use or in the case of a commercial organisation that the project would promote the public good rather than its own restricted commercial interests.

B *the need to ensure that it considers applications which relate to the complete range of activities falling with section 22(3)(a) and in respect of which it has power to distribute money, taking into account:*

- i. its assessment of the needs of the arts and its priorities for the time being for addressing them;*
- ii. the need to ensure that all parts of Northern Ireland have access to funding;*
- iii. the scope for reducing economic and social deprivation at the same time as creating benefits for the arts;*

The Arts Council of Northern Ireland carefully monitors all applications on both an art form and geographic basis. Applications have been received for all art forms – music, drama, architecture, literature, craft, visual art, dance, opera and film – as well as cross-art



Kabosh Theatre - Todd. Photo: Lesley Doyle

(combined) form activities. “To seek equitable distribution of funds taking into account the demand for arts provisions in areas or sections currently under-represented” is one of the 8 key published strategies which are common to all funding programmes and which influence all areas of operation and decision making.

At the beginning of the year the Council set targets for addressing both artform and geographic under-representation.

Target:

To organise/attend funders’ evenings in at least six areas which had previously had the highest percentage of unsuccessful applications.

Outcome:

The Council was represented at 4 funders’ roadshows – Newtownabbey, Carrickfergus, Ards and Castlereagh. In each area the number of applications to Awards for All has increased (by as much as 50% in some areas). Success rates have also increased significantly. The Operations Manager also delivered a funding seminar on all Arts Council programmes in Strabane at the end of March.

Target:

To introduce a special initiative for Architecture with a budget of £120,000.

Outcome:

The Architecture Special Initiative programme was launched in January 2004 with a budget of £190,000. The first grants will be announced in April 2004.

Target:

To organise a series of information events to increase the number of literature applications received.

Outcome:

No events were organised. However, under the Awards for All programme the Council made 14 awards totalling £29,235 and a further 2 awards under the main Lottery programmes totalling £39,155.

Target:

To organise/attend a series of information events to increase awareness of Lottery funding for ethnic minority groups and minority language groups specifically Irish and Ulster Scots.

Outcome:

The Arts Council was represented at an outreach seminar in April 2003. Under Awards for All funding to groups identifying BME people as the main beneficiaries has increased by 18%.

Target:

To allocate £345,000 from within the Access budget to be targeted at projects involving children and young people from within the top 25 most deprived electoral wards in Northern Ireland.

Outcome:

The Council made awards totalling £313,579 within the top 25 ranked wards to projects specifically targeted at children and young people. Within the Access programme a further £196,324 was awarded to projects which were directed at the general population within these wards.

C the need to promote access to the arts for people from all sections of society;

“To support arts projects aimed at reducing the effects of social and economic deprivation and addressing the needs of people from all sections of society” is one of the 8 key published strategies which are common to all funding programmes and which influence all areas of operation and decision making. Each successful Lottery applicant is required to demonstrate that it has addressed the issue of access for people from all sections of society to both the facilities and services which would be provided within the project.

Projects which improve access for disabled people are considered a priority for Lottery funding. Each successful Lottery applicant is required to demonstrate that it has addressed the issue of access for people with disabilities to both the facilities and services which would be provided within the project. Following consultation the Arts Council introduced a premium payment in its *Access*, *New Work* and *Audience Development* programmes. This payment enables a successful applicant to draw down an additional £3,000 to deliver services to

project beneficiaries/participants with additional needs, eg crèche facilities, transport for participants from rural areas, translation services.

In addition to an Equality of Opportunity statement and/or policy all applicants are now required to adopt a Good Relations Commitment confirming their intention to promote good relations between all sections of society.

D the need to promote knowledge of and appreciation of the arts by children and young people;

“To support the involvement of children and young people” is one of the 8 key published strategies which are common to all funding programmes and which influence all areas of operation and decision making. The target and its achievement are recorded under Direction B above.

E the need to further the objectives of sustainable development;

In common with other Lottery Distributors, and as part of Government's social policy, the Arts Council of Northern Ireland considers awards towards projects which contribute to sustainable development. The Arts Council recognises that the arts can contribute to a balanced and healthy society and a large number of grants, both capital and revenue, have already made significant contributions to these areas.

Equipment and minor refurbishment grants made during the year have improved the social environment for a number of communities, both urban and rural.

The Arts Council will continue to support projects that contribute to these sectors but will not allow its funding to be diluted by awarding grants to schemes specifically developed to meet these objectives and where access to the arts is not the over-riding aim.

F the needs of projects relating to film and the moving image, and in particular the need to foster the development of sustainable structures in the film industry, by, among other things, supporting the development, distribution and promotion of films, as well as their production;

Target:

To work with NIFTC through the existing delegation agreement to develop new Lottery programmes as outlined in the original delegation paperwork.

Outcome:

In addition to the production, development and distribution grant programmes originally offered directly by the Arts Council, the delegation agreement had included proposals to introduce schemes related to training and company development. Following increased funding to NIFTC from other sources, it was agreed that these proposals could more effectively be administered through these alternative funding sources. Following discussion with the Arts Council, the NIFTC did introduce one new programme during the year – *Made in Northern Ireland* (MINI). Under this programme NIFTC offers awards between £500 and £5,000 to small formally structured groups for short narrative and experimental films as well as animation production and single documentaries.

G the needs of projects relating to crafts;

Target:

To continue to promote the specific Craft, Applied Arts and Design programme and to establish the proposed Craft Development Unit with a view to providing:

- 1 Start up grant: **Outcome:** 0
- 1 Infrastructure/Development grant: **Outcome:** 3 awards totalling £94,338
- 2 Exhibition grants: **Outcome:** 3 awards totalling £42,816
- 1 Skills Development grant: **Outcome:** 0

H the need for money distributed under section 25(1) to be distributed to projects only where they are for a specific, time-limited purpose;

To date all awards made by the Arts Council of Northern Ireland have been strictly for time-limited projects.

I the need:

- i. in all cases, for applicants to demonstrate the financial viability of the project for the period of the grant;***

ii. where capital funding or setting-up costs are sought, for a clear business plan beyond the period of the grant incorporating provision for associated running and maintenance costs;

iii. in other cases, for consideration to be given to likely availability of other funding to meet any continuing costs for a reasonable period after completion of the period of the Lottery award, taking into account the size and nature of the project, and for Lottery funding to be used to assist progress towards viability beyond the period of the grant wherever possible;

“Projects must be financially viable” is one of the published criteria which are used to assess each application. Each successful applicant is required to assure the Arts Council of Northern Ireland that funds will be available to meet the running costs of any development for a reasonable period of time following the completion of the project. Business plans and cash flow forecasts are required for all projects applying for Lottery funds over £100,000. All capital projects applying for Lottery funds over are required to provide a fully worked up project and investment appraisal, cash flow forecast and business plan. In addition external assessment of all capital projects requesting over £100,000 is undertaken and this assessment frequently focuses on the financial viability of the project.

Together with the award recipient, the Arts Council will consider the likely availability of other funding to meet any continuing costs for a reasonable period after completion of the period of the Lottery award and, taking into account the size and nature of the project, may use Lottery funding to assist progress towards viability beyond the period of the award wherever possible.

J the desirability of supporting the development of long-term financial and managerial viability of organisations in the arts. In taking this into account the Arts Council shall have regard to Direction H;

In 1998 the Arts Council's Advancement programme allowed 7 organisations to pursue major managerial, financial and programme changes in order to achieve longer-term sustainability and viability. The awards made under this programme have been paid out over the past 5 years. During 2003/04 the Council carried out an evaluation of the *Advancement*

programme and a new Business Support Scheme offering training and other support services will be launched in 2004/05.

K the need to require an element of partnership funding and/or contributions in kind from other sources, commensurate with the reasonable ability of different kinds of applicants, or applicants in particular areas to obtain such support;

“Partnership funding must come from another source” is one of the published criteria which are used to assess each application. Each successful Lottery application is supported by some form of partnership funding – cash, grant, voluntary labour or in-kind support. This funding often demonstrates commitment from the local community.

As a general guide, under its capital programmes the Arts Council does not normally provide more than 75% towards the cost of any one project and, in the case of applications from local authorities or statutory agencies this is normally 50%. Under the Access to the Arts programme, which is entirely dedicated to arts which take place in a community context, the Arts Council of Northern Ireland expects only a minimum of 10% partnership funding.

L the desirability of working with other organisations, including other distributors, where this is an effective means of delivering elements of its strategy;

Since the establishment of its National Lottery Fund the Arts Council of Northern Ireland has worked closely with other organisations, most notably with the other Lottery distributors in examining policy and practice to more effectively distribute funds to its applicants.

“To collaborate with other funding agencies to achieve the highest support for an investment in the arts” is one of the 8 key published strategies which are common to all funding programmes.

The Northern Ireland Lottery Distributors meet regularly to discuss items of common interest and to organise joint information events, to promote the work of the Distributors and raise awareness of the availability of grants and the impact such grants are having on communities throughout Northern Ireland.

During 2003/04 the Arts Council, working with the five Education & Library Boards, the Department of Education and the Department of Culture, Arts and Leisure, launched *Creative Youth Partnerships* - a major new £1.55 million initiative aimed at creating, developing and sustaining arts programmes for children and young people throughout Northern Ireland.

In February 2004 the Council launched the *Art of Regeneration* programme which is open to Local Authorities working together in partnership and with other statutory/community bodies. It is expected that the first awards under this £2.4M programme will be made in December 2004.

M the need to ensure that its power to solicit applications under section 25 (2A) are used in connection with the pursuit of strategic objectives;

The Council's procedures for solicitation ensure that:

- a) there is a separate internal procedure for handling solicited applications to avoid actual or perceived conflict of interest;
- b) the same application assessment processes are applied to solicited and unsolicited applications and that procedures are fair and seen to be fair.

The Council did not solicit any applications during the year.

N such information as it considers necessary to make decisions on each application, including independent expert advice where required.

The Arts Council's staff are employed on the basis of their expertise/knowledge in a range of artforms. In cases where expertise does not reside within the staff of the Council, assessors may be drawn from the Council's Central Listing of Advisers. All building applications requesting over £100,000 from the National Lottery Fund are externally assessed by an expert in whichever field is more relevant, eg. architect, accountant, etc.

Additional Considerations

The need for new buildings to be well-designed, fit for purpose and of high quality.

"High standards of design and architecture are to be applied" is one of the published criteria which are used to assess all relevant applications. High standards of design and architecture are also a significant priority in assessing applications for building projects. Applicants are encouraged to contact the Royal Society of Ulster Architects in order to seek early advice in order to develop schemes which make a significant and lasting impact on their surroundings and customers. An architectural design competition is considered essential for any new building project where Lottery funding is expected to contribute capital funds of £1,000,000 or more. Under Stage 2 of the capital programme, the Arts Council of Northern Ireland offers awards of up to 50% towards design development.

In January 2004 the Council launched an Architecture Special Initiative programme to support and encourage development in the sector. This will be distributed through four schemes that reflect The Arts Council's area of interest and strategic objectives.

- Exhibitions
- Publications
- Education
- Lectures and seminars

The first grants under this programme will be made in April 2004. Following the disbursement of the funds available under this programme (£190,000), the initiative will be mainstreamed into the Council's existing programmes.

Financial Directions

- i The Arts Council of Northern Ireland shall comply with the requirements contained within the Statement of Financial requirements ... when carrying out its functions under section 25 of the National Lottery etc. Act 1993 as amended by the National Lottery Act 1998. Wherever specified in that document, the Arts Council of Northern Ireland must obtain the consent of the Department of Culture, Arts and Leisure before carrying out certain activities.*

The Arts Council of Northern Ireland has complied with all requirements contained within the Statement of Financial Requirements. The Arts Council has also been externally audited by the National Ireland Audit Office on behalf of Parliament and internally audited by PricewaterhouseCoopers.

- ii The Arts Council of Northern Ireland shall devise and abide by a procedure for handling potential conflicts of interest which may arise in the evaluation of applications by the Council or individual members of the Council. This procedure, together with a statement confirming that the arrangements have been applied, should be provided to the Department of Culture, Arts and Leisure before the distribution of any funds under section 25 of the Act, and thereafter at the beginning of each financial year.*

The Arts Council of Northern Ireland has Standing Orders which set out the code of best practice for members of the Arts Council of Northern Ireland. These govern the business and procedure at meetings of the Arts Council. These Orders include procedures which are strictly adhered to and which deal with applications where a conflict of interest might arise. The Arts Council of Northern Ireland also maintains a register of interests for all staff, committee and Council members.



Replay Productions - Flaming Fables-Theatre of Fire

Additional Requirements

The recipients and award amounts for all projects for which £100,000 or more of Lottery funding has been approved in the year.

Organisation	Total Project Cost £	Award £	Project
An Gaelaras ltd	2,745,000	650,000	New Irish language arts & cultural centre
Crescent Arts Centre	4,200,000	1,200,000	Refurbishment of existing arts centre
Lyric Players Theatre	11,705,146	2,000,000	New theatre
South-Eastern Education & Library Board	182,619	100,000	Creative Youth Partnership Development Officer
Southern Education & Library Board	182,619	100,000	Creative Youth Partnership Development Officer
Western Education & Library Board	182,619	100,000	Creative Youth Partnership Development Officer
North-Eastern Education & Library Board	182,619	100,000	Creative Youth Partnership Development Officer
Belfast Education & Library Board	176,979	100,000	Creative Youth Partnership Development Officer

A description of progress, current and future financing for all uncompleted projects involving £5,000,000 or more of Lottery funding.

The Arts Council of Northern Ireland has funded no projects which involve £5,000,000 or more of Lottery funding.



Cathedral Quarter Arts Festival - Tom Crean



Cathedral Quarter Arts Festival - Dylan Moran



Cathedral Quarter Arts Festival - Circo Rumbaba-Circorum

Monitoring & Evaluation

Details of project monitoring and evaluation activities.

The Council's monitoring schemes are designed to:

- a) Ensure that Lottery funding has been employed for the purposes for which the award was made;
- b) Determine if the project has delivered its original aims and objectives;
- c) Examine the impact of the Lottery award, not only on the individual project, but also on wider arts development in the area;
- d) Safeguard the reputation of the Arts Council as a responsible distributor of Lottery funds;
- e) Identify schemes which have been successful, and those which have had difficulties, to feed back experiences to future applicants for use in future decision making.

The Arts Council continued to employ expert independent Project Monitors to report on each new building project and major refurbishment project. These Monitors produce monthly reports certifying progress on all elements of the construction project ensuring that Lottery awards were spent on the element for which they were given. During the year Monitors reported on 7 major building projects in, Omagh, Derry, Ballymena, Enniskillen, Portstewart, Larne, and Carrickmore

Monitoring of projects other than buildings takes a number of forms:

- a) visits to randomly selected recipient organisations;
- b) self-completion questionnaires from applicants to verify the continued existence of assets and detailing their activities during the year;
- c) Follow-up visits to organisations where problems have been identified from the self-completion questionnaires;
- d) attendance at performance events under the New Work programme.

In the year under review Council officers visited a random sample of equipment and new work grants. The majority of these visits proved satisfactory.

As reported above, the Arts Council carried out an evaluation of its Advancement programme, providing case studies of the 7 organisations funded. The evaluation concluded



An Droichead - Drama, dance, crafts and music programme



Dance Northern Ireland
Pasodos at the Earthquake International Festival of Dance. Houston Photography

that three of the six organisations had made substantial progress, one had potential to make a success in future, but two organisations had failed to achieve the objectives identified at the outset of the programme. The evaluation outlined the strengths and weaknesses of the original *Advancement* programme and from these and additional consultation with the arts sector, outlined a business plan for the implementation of a new scheme – *Business Support*. This scheme aims to improve business practice from within funded arts organisations and from their external environment.

Targets for Administrative Efficiency

Target :

In 2002/03 the Council had achieved a turnaround time of 66 days, well within its published turnaround time of 3 months. The Council chose not to set a target to reduce this further but to re-confirm its commitment to deliver all decisions by the published deadlines.

Outcome:

The Council re-confirmed in all its programmes its commitment to deliver decisions within the published deadlines. Across all programmes the Council exceeded the 2002/03 turnaround time by 19 days, the average processing time in 2003/04 being 47 working days. The processing time for Awards for All grants was 46 working days.

NLDF Balance Policy

The Department of Culture Media and Sport (DCMS) has proposed in National Lottery Guidance Note 1/03, that each Lottery Distributor has a policy for managing its National Lottery Distribution Fund (NLDF) balances and that it should publish an annual statement setting this policy out.

At 31 March 2004 the overall balance in the NLDF was £2,736m of which the Arts Council's share was £35.6m (1.3% of the total).

At 31 March 2004 the Council's hard and soft commitments totalled £22m and it had further funds earmarked totalling £8.7m, giving a total requirement of £30.7m.

The Arts Council's forecast income for the next three financial years provided by DCMS is:

2004-05	2005-06	2006-07
£6,275,770	£6,117,126	£6,005,142

Target Reduction

The Arts Council will aim to reduce NLDF balances to less than half its current level (£17m) by 31 March 2007 providing the Arts Council continues to have sufficient assurance that this will neither compromise existing commitments nor unreasonably constrain its ability to make future commitments in accordance with policy directions.

This is a challenging target and progress will be reviewed on an annual basis. To ensure that the target is achieved the following steps will be taken. The Arts Council will:

- commit of 100% of its annual forecast income each year and aim to draw down at least 75% of that income and distribute it during the year;
- keep under review and encourage applicants to draw down funds in line with projected timescales;
- decommit balances which are no longer required as soon as is practicable of this being known and redistribute the funds to other Lottery programmes;
- introduce new funding programmes; and,
- review and relax funding and contract requirements in line with the new financial directions to be issued during 2004-05.

Committing 100% of forecast income each year to 31 March 2007 will ensure that all Lottery proceeds are allocated to applicants within the year. The draw down of 75% of the proceeds will assist with the reduction of the overall balance and progressively smaller amounts will be added to the fund at the end of each of the three years. The main reduction in the balance will be achieved by ensuring that all hard commitments as at 31 March 2004 are drawn down in accordance with the expenditure profiles.

Summary

The summary table below shows the Lottery proceeds available for distribution for each of the next three years and the total amount of proceeds to be drawn down and distributed each year. The target result is the £17m balance at 31 March 2007.

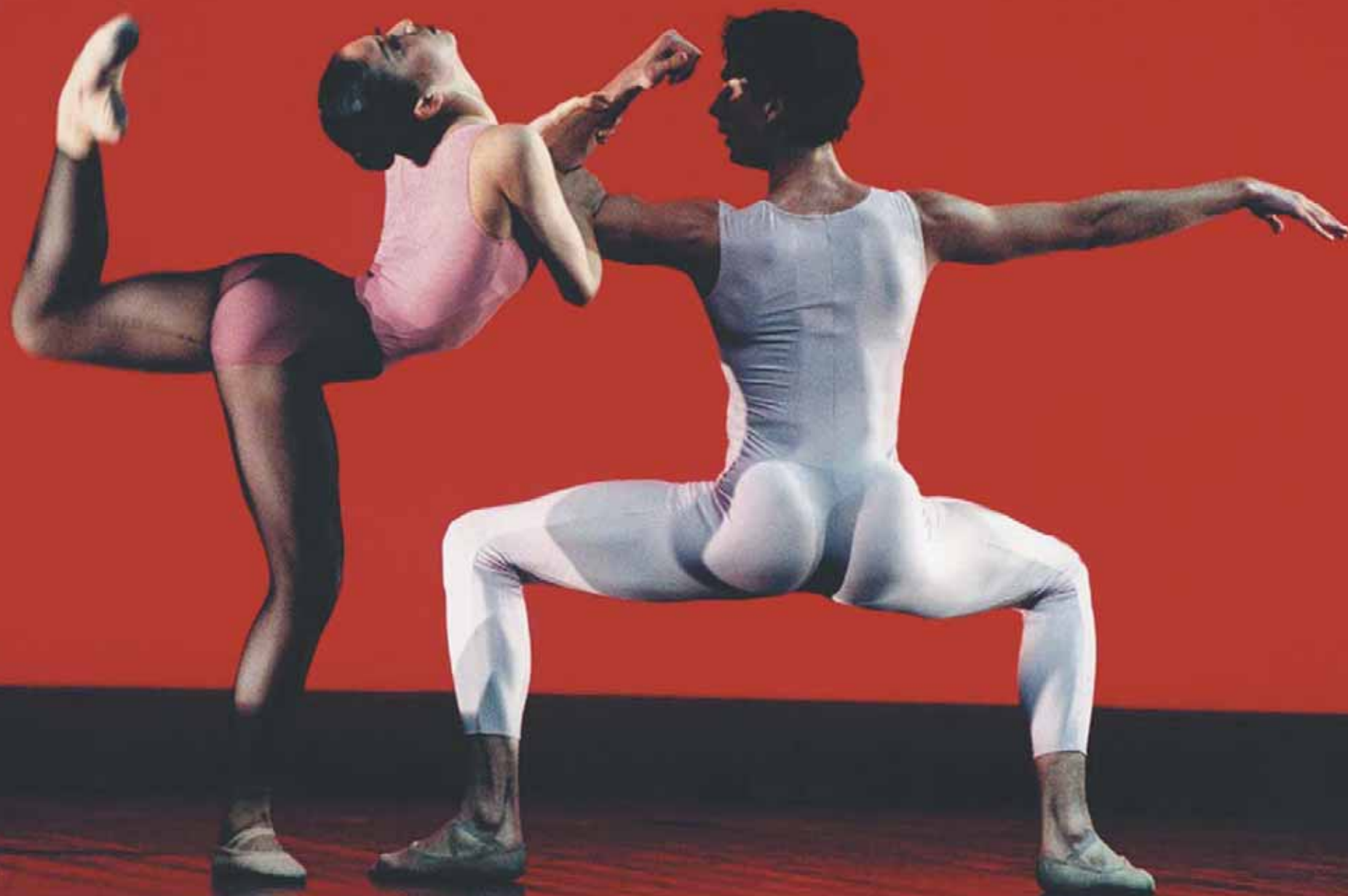
	2004-05	2005-06	2006-07
Opening NLDF Balance	£35,643,576	£26,622,348	£21,561,995
Forecast Income	£6,275,770	£6,117,126	£6,005,142
Available in year	£41,919,346	£32,739,474	£27,567,137
Draw down of 75% of annual proceeds	£4,706,828	£4,587,845	£4,503,857
Additional profiled draw down	£10,590,171	£6,589,634	£6,036,090
Total annual draw down	£15,296,999	£11,177,479	£10,539,947
Closing NLDF Balance	£26,622,348	£21,561,995	£17,027,191

The planned draw down of funds in the table has been determined after making a realistic assessment of the draw down timetable for all hard commitments and other earmarked funds at 31 March 2004.

This policy will be reviewed in March 2005 to determine whether it has had the desired effect. It will be adjusted as necessary to ensure that the Arts Council reduces its overall NLDF balance each year and meets the proposed target by 31 March 2007.

“£1.2m for music and opera in 2003/2004”

Dance Northern Ireland. Zurich Ballet at Earthquake International Festival of Dance. Houston Photography



Lottery Distribution Account for the Year Ended 31 March 2004

Foreword

The Arts Council of Northern Ireland

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

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

Statutory Background

The Arts Council of Northern Ireland is a statutory body established by the Arts Council (Northern Ireland) Order 1995.

The National Lottery was established by the National Lottery etc. Act 1993 to raise money for "good causes" through the sale of lottery tickets. The Arts Council of Northern Ireland is charged under the Act with responsibility for distributing Lottery proceeds allocated to the arts in Northern Ireland. Lottery proceeds are also distributed through other distributing bodies to Sport, National Heritage, Charities, Millennium Projects, and to the Arts in England, Scotland and Wales. From 1998-99 Lottery proceeds were also distributed to the New Opportunities Fund (NOF) and to the National Endowment for Science, Technology and the Arts (NESTA).



Context Gallery - Glenview Community Centre papermaking project

Principal functions related to National Lottery distribution activities

The Arts Council is responsible for the administration and distribution of funds raised by the National Lottery. The Council made its first awards to applicants for Lottery funding in 1995-96. The principal function is to fund applications for a broad range of capital and revenue projects in the Arts which will make an important and lasting difference to the quality of life of the people in Northern Ireland.

Financial results

The Arts Council of Northern Ireland's Lottery Distribution results are set out in the Income and Expenditure Account. Total proceeds received from the National Lottery totalled £7,135,816. During the year the Arts Council awarded grants to Lottery applicants of £9,632,362. In 2003-04, £6,358,455 was paid to applicants. The total administrative costs to the Arts Council of its distribution activities, including staff costs, were £886,155 (excluding depreciation). This represents approximately 12% of the total proceeds received in the year.

Review of National Lottery distribution activities

During the year the Arts Council received 487 applications seeking £27,632,208 across its main Lottery programmes and made 182 awards totalling £8,956,138. Under Awards for All the Council made a further 188 awards totalling £676,224.

The Council re-launched its *Audience Development*, *New Work* and *Access* programmes after a review of the three schemes in 2002-03. A significant element in the re-launch of the *Access* programme was the introduction of a Premium Payment to cover the costs associated with delivering programmes to groups falling within Section 75 of the Northern Ireland Act 1998. The need for such a payment arose as part of the Equality Impact Assessment of the *Access* programme.

The Council also launched a number of new programmes during the year. Under its *Creative Youth Partnership* programme the Council has awarded funds to each of the five Education

& Library Boards to employ Development Officers to help deliver a wider programme of events both within the formal education sector and to the wider youth sector. After wide-scale consultation the Council announced its *Architecture* programme. Although this programme has a small budget it is anticipated that this will provide an impetus to those working in this sector over a two year period. The *Art of Regeneration* programme launched at the end of the year is aimed at Local Government and will provide funds to a small number of Local Government/Community consortia over a period of 3 to 4 years.

After receipt of an economic appraisal and business plan the Council agreed to the establishment of an Audience Development Agency for Northern Ireland. As preparation for this establishment the Council announced a programme to enable arts organisations to purchase the necessary hardware and software to establish an on-line integrated ticketing system.

Significant changes in fixed assets

The movement on fixed assets is set out in note 5 to the financial statements. There were no significant changes during the year. The net book value of the fixed assets decreased from £9,051 to £2,533 following a depreciation charge of £6,518 for the year.

Retained funds at the year end

At the end of the year the Lottery Distribution Account showed a decrease in funds of £1,559,027 after making a provision for all hard grant commitments outstanding at the year-end. At the end of 2003-04 the retained funds totalled £16,864,370. This amount will be carried forward to the 2004-05 financial year and will be available for distribution.

Future developments in National Lottery distribution activities

The Council will continue to operate all of its main programmes during the year. It will take its first stage decisions on the *Art of Regeneration* in June with a number of consortia progressing through to the second stage on which decisions will be made later in the year. The Council will also introduce three new programmes.

Following an evaluation in 2003-04 of the Council's Advancement programme the Council will launch *Business Support*, to provide training opportunities in a range of management and governance issues to a broad spectrum of organisations. It will also launch an *Early Years Programme* aimed at providing arts projects specifically for the 0-7 year age range. The Council will also introduce a new scheme under its *New Works* scheme programme – Public Art/Art in Contested Spaces.

In the light of reducing annual income the Council has examined its Capital Programme and will revise this programme early in 2004-05. The Council realises that it no longer has sufficient funds to deliver major new buildings and this revision will outline its new priority of the refurbishment of existing buildings and minor works, rather than new build.

Council members of the Arts Council of Northern Ireland and members of its Lottery Committee

The Minister of Culture, Arts and Leisure approves the appointment of the Chairman, Vice Chairman and members of the Council. The Chairman and members of the Council have individual and collective responsibility to the Minister as Head of Department:

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

The Council of the Arts Council of Northern Ireland for the year ended 31 March 2004 is shown below. A new Council was appointed with effect from 1 July 2003 for a four year term. Mr Martin Bradley was appointed Vice Chair from 1 July 2003 and he had also served on the Council which vacated office on 30 June 2003. The Council which vacated office on 30 June 2003 was appointed on 1 March 2000 for a three year term, which was renewed for a further four months commencing 1 March 2003. Those marked with an asterisk had served a previous term which commenced on 1 September 1996.

Council to 30 June 2003:

Brian Walker (Chairman)	(from 1 August 1998 for three years, extended to 30 June 2003)
Maureen Armstrong	James Kerr
Martin Bradley *	Brian McClelland
Maurina Crozier	Gerri Moriarty
Ronnie Dunn OBE	Eilis O Baoill (Vice-Chairman)
Tess Maginness *	Aidan Shortt *
David Hyndman	

Council from 1 July 2003:

Rosemary Kelly (Chairman)	Tim Kerr
Martin Bradley (Vice Chairman)	Adrian McDowell (resigned 4 March 2004)
Eithne Benson	Brendan Milligan
Kate Bond	William Montgomery
Will Chamberlain	Gearóid Ó hEara
Lucy Finnegan	Sharon O'Connor
Jill Holmes	Peter Spratt
Tony Kennedy	

The members of the Council's Lottery Committee during the year are shown on the following page. The Lottery committee did not meet between 30 June 2003 and 8 January 2004.

To 30 June 2003:

Elis O Baoill, Chair	Pearse Moore
Maureen Armstrong	Brian McClelland
James Kerr	Wendy Smyth
Ciaran Mackel	Brian Walker (ex officio)
Nigel Mansley	

From 8 January 2004:

Martin Bradley, Chair
 Kate Bond
 Eithne Benson

Appointment of auditors

Under the National Lottery etc. Act 1993 the Comptroller and Auditor General examines and certifies the financial statements of each of the National Lottery distributing bodies and lays copies of the statements and his report before Parliament.

Policy on disabled persons

In setting out Policy Guidelines for the distribution of Lottery funds, the Secretary of State has asked the Arts Council to ensure that there is suitable access for people with disabilities to any assets, new or improved facilities which receive Lottery funding. The Arts Council requires all applicants for Lottery funding to demonstrate that they have addressed the issue of access for people who have a disability, and other people for whom physical access is a difficulty, to both facilities and the services within them with regard to the project proposed. Applicants are asked to indicate, under a range of headings, the facilities they intend to provide. In considering the needs of people who have a disability, applicants are reminded not only about the needs of people with mobility difficulties, but also the needs of people with visual and hearing impairments. A checklist of topics to be considered in this area is included as part of the pack which each applicant receives.

Employee consultation

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

Payment of Suppliers

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

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

Political and Charitable Donations

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

Roisín McDonough

Accounting Officer for the Council

June 2004

Statement of the Council's and Chief Executive's Responsibilities

Under section 35(2) & (3) of the National Lottery etc. Act 1993 the Arts Council of Northern Ireland is required to prepare a statement of accounts for each financial year in the form and on the basis determined by the Secretary of State, with the consent of Treasury.

The financial statements are prepared on an accruals basis and must show a true and fair view of the state of affairs of the Arts Council of Northern Ireland's lottery distribution activities at the year end and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the financial statements the Council is required to:

- observe the accounts direction issued by the Department of Culture, Arts and Leisure on behalf of the Secretary of State for Culture, Media and Sport (formerly National Heritage), including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed, and disclose and explain any material departures in the financial statements;
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the body will continue in operation.

The Accounting Officer for the Department of Culture, Arts and Leisure has designated the Chief Executive of the Arts Council of Northern Ireland as the Accounting Officer for the Council. Her relevant responsibilities as Accounting Officer, including her responsibility for the propriety and regularity of the finances for which she is answerable and for the keeping of proper records, are set out in the Non-Departmental Public Bodies' Accounting Officer Memorandum issued by the Northern Ireland Department of Finance and Personnel, the guidance contained within 'Government Accounting Northern Ireland' also issued by the Department of Finance and Personnel, and in the Financial Directions issued by the Department of Culture, Arts and Leisure on behalf of the Secretary of State for Culture, Media and Sport under s26(3) of the National Lottery etc. Act 1993.



Roisín McDonough
Accounting Officer for the Council

June 2004



Statement on Internal Control

1. Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Arts Council of Northern Ireland's policies, aims and objectives, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Government Accounting Northern Ireland.

I act in accordance with both the Council's Management Statement and Financial Memorandum which sets out the accountability arrangements surrounding my role and the DFP Memorandum, "The Responsibilities of an NDPB Accounting Officer", which sets out my accounting responsibilities. I am responsible for ensuring that the Council produces a three year corporate plan and an annual business plan within the timescales set by the Council's sponsoring Department. Progress against the plans are reviewed regularly by senior management and by the Council's Strategic Sub Committee. Progress is reported to the Department at quarterly accountability meetings which are held with officials from the Department.

2. The purpose of the system of internal control

The system of internal control is 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 ongoing process designed to identify and prioritise the risks to the achievement of the Arts Council of Northern Ireland's 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 system of internal control has been in place in the Arts Council of Northern Ireland for the year ended 31 March 2004 and up to the date of approval of the annual report and accounts, and accords with HM Treasury guidance.

3. Capacity to handle risk

The senior management team takes responsibility for the overall risk management process.

It reviews the risk framework and all recommendations received from both the internal and external auditors. Controls are enhanced or introduced as necessary.

Individual members of staff formally identify specific training needs relating to their roles each year. The training needs would include areas relating to risk management where appropriate. All training needs are collated into an overall training plan for the Council which is delivered throughout the year. As the Council disburses public funds in the form of grants it was considered appropriate to train all relevant staff in grant administration processes. The Grant Skills Training Programme, delivered by the Chartered Institute of Public Finance and Accountancy/Institute of Public Finance Northern Ireland and accredited by the Institute of Administrative Management, was commenced during the year and will be completed by November 2004. This will result in a Certificate in Management Practice (Grant Skills), equivalent to NVQ level 3, for participating staff or in a Diploma in Management Practice (Grant Skills), equivalent to NVQ level 4, for members of staff who complete additional modules.

To ensure that staff has ready access to the financial procedures and requirements in place within the Council, guidance was placed on an intranet during the year. In addition to the Council's financial procedures the intranet also contains the Council's Business Ethics, Fraud and Irregularity Policy, its Standing Orders and the Management Statement and Financial Memorandum.

A training needs analysis of Council members is due to be undertaken during 2004-05. However, Council members did attend a training seminar on their roles and responsibilities and on corporate governance following their appointment in July 2003.

4. The risk and control framework

The Council established a risk framework at the end of the 2002-03 year. The risk framework is a formal item on each agenda of the Audit Committee and on the Council's agenda for its last meeting of each financial year. As such it has been reviewed by both the Audit Committee and the Council during the year. It is kept under review by executive management and is formally reviewed prior to each meeting of the Audit Committee. The framework is amended if necessary following each review.

The framework identifies a series of risks facing the Council and these have been categorised under ten broad headings. The framework shows the assessment of both the likelihood and the impact of the risk, the risk owner and the controls put in place to mitigate the risk. An assessment of the residual risk i.e. the likelihood of the risk occurring in light of the actual controls in place, is also included.

5. Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the Arts Council of Northern Ireland 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. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Council, the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

I believe that during the year continuing improvements have been made to the Council's grant administration and monitoring procedures. There is scope to achieve further improvement and the training programmes which have been put in place during the year will help ensure the achievement of this improvement. I have also been assured by my executive managers that all grants receive sufficient and consistent scrutiny in line with policy and financial directions.

The Council discharges its responsibility for reviewing the system of internal control through its Audit Committee. The Audit Committee met on three occasions during the year and received reports from both the Council's external auditor for the year ending 31 March 2003 and its internal auditor for the 2003-04 year. The Audit Committee reported back to the Council following each of its meetings.

Following a meeting of the Audit Committee in December 2003 its terms of reference were assessed against the ten policy principles set out in HM Treasury's Audit Committee

Handbook issued in October 2003. The outcome of this assessment was presented to the Audit Committee in March 2004 and it accepted the recommended amendments to its terms of reference. I expect Council to accept the revised terms of reference during 2004-05.

The Council has a risk framework in place which is reviewed regularly by the senior management team. It is also reviewed by the Audit Committee at each of its meetings. It is reviewed by the Council annually and the last review took place in March 2004.

In September 2003 DFP issued "Managing the Risk of Fraud – A Guide for Managers" which detailed in Appendix 8 the risks and associated controls for specific systems. This was reviewed in detail and the controls which exist within the Council were assessed against the listed control examples. The assessment concluded that the operations of the Council are well controlled when assessed against this Appendix. This assessment was later confirmed by the opinion of the internal auditor who concluded that controls were generally operating satisfactorily during the period under review.



Roisín McDonough
Accounting Officer for the Council

June 2004

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the financial statements on pages 51 to 63 under the National Lottery etc. Act 1993 (as amended). These financial statements have been prepared under the historical cost convention and the accounting policies set out on pages 56 and 57.

Respective responsibilities of the Council, the Chief Executive and Auditor

As described on page 46, the Council and chief Executive are responsible for the preparation of the financial statements in accordance with the National Lottery etc. Act 1993 (as amended) and the Department of Culture, Arts and Leisure directions made thereunder on behalf of the Secretary of State for Culture, Media and Sport and for ensuring the regularity of financial transactions. The Council and Chief Executive are also responsible for the preparation of the other contents of the Annual Report. My responsibilities, as independent auditor, are established by statute and I have regard to the standards and guidance issued by the Auditing Practices Board and the ethical guidance applicable to the auditing profession.

I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the National Lottery etc. Act 1993 (as amended) and the Department of Culture, Arts and Leisure directions made thereunder, and whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I also report if, in my opinion, the Foreword is not consistent with the financial statements, if the Council has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

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

I review whether the statement on pages 47 to 48 reflects the Council's compliance with Treasury's guidance on the Statement on Internal Control. I report if it does not meet the requirements specified by Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required



Prime Cut - Gagarin Way. Photo: by Chris Hill

to consider, nor have I considered whether the Accounting Officer's Statement on Internal Control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Council's corporate governance procedures or its risk and control procedures.

Basis of audit opinion

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

I planned and performed by audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I have also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion:

- the financial statements give a true and fair view of the state of affairs of the Arts Council of Northern Ireland Lottery Distribution activities at 31 March 2004 and of the decrease in funds, total recognised gains and losses and cash flows for the year then ended and have been properly prepared in accordance with the National Lottery etc. Act 1993 (as amended) and directions made thereunder by the Department of Culture, Arts and Leisure on behalf of the Secretary of State for Culture, Media and Sport; and
- in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.

John Bourne

Comptroller and Auditor General

Date 12 July 2004

National Audit Officer
157-197 Buckingham Palace Road
Victoria
LONDON SW1W 9SP

Income and Expenditure Account for the year ended 31 March 2004

	Notes	2003-04 £	2002-03 £
Proceeds from lottery	2	7,135,816	8,543,149
Other Income	3	<u>133,615</u>	<u>14,967</u>
Total Income		<u>7,269,431</u>	8,558,116

Grants paid in year		6,358,455	6,227,030
Provision for (increase)/decrease in value of investments		2,706	6,692
Provision for grant commitments in future years		1,574,624	3,893,904
Staff costs : Recharge	4	413,477	414,535
Depreciation: tangible assets	5	6,518	7,174
Other operating costs: Direct Costs	6	317,051	332,180
: Recharge	6	<u>155,627</u>	<u>93,380</u>

Total Expenditure **8,828,458** **10,974,895**

Decrease in funds		(1,559,027)	(2,416,779)
Notional Costs - capital	14	(7,656)	(4,815)
Decrease in Funds including notional costs		(1,566,683)	(2,421,595)
Reversal of Notional Costs		7,656	4,815

Decrease in Funds **(1,559,027)** **(2,416,779)**

The income and expenditure relate to continuing activities.

The notes on pages 56 to 63 form part of these financial statements.

Statement of Total Recognised Gains and Losses for the year ended 31 March 2004

	Notes	2003-04 £	2002-03 £
Provision for increase/(decrease) in value of investments	11	<u>2,706</u>	<u>6,692</u>
Total recognised gains and losses relating to the year		<u>2,706</u>	<u>6,692</u>

The notes on pages 56 to 63 form part of these financial statements.

Balance Sheet as at 31 March 2004

	Notes	2003-04 £	2002-03 £
Fixed Assets			
Tangible assets	5	2,533	9,051
Current Assets			
Investments - Balance held in NLDF	7	35,643,576	34,927,231
Debtors & Prepayments	8	71,314	212,565
Cash at bank and in hand		16,633	546,936
		<u>35,731,523</u>	<u>35,686,732</u>
Creditors-amounts due within one year	9	(10,681,462)	(11,021,699)
Net Current Assets		25,050,061	24,665,033
Provisions for Liabilities & Charges			
Grant Commitments	10	(8,188,224)	(6,250,687)
Total Assets less Total Liabilities		<u>16,864,370</u>	<u>18,423,397</u>

Represented by:

Reserves

Income & Expenditure	11	<u>16,864,370</u>	<u>18,423,397</u>
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Roisín McDonough

Accounting Officer

June 2004

Cash Flow Statement for the year ended 31 March 2004

	2003-04 £	2002-03 £
Net cash (outflow)/inflow from operating activities (note 1)	(663,918)	103,721
Returns on investments and servicing of finance (note 3)	<u>133,615</u>	<u>14,967</u>
(Decrease)/increase in cash	<u>(530,303)</u>	<u>118,688</u>

The notes on page 53 form part of this statement

The notes on pages 56 to 63 form part of these financial statements.

Notes to the Cash Flow Statement**1. Reconciliation of increase in funds to net cash outflow from operating activities**

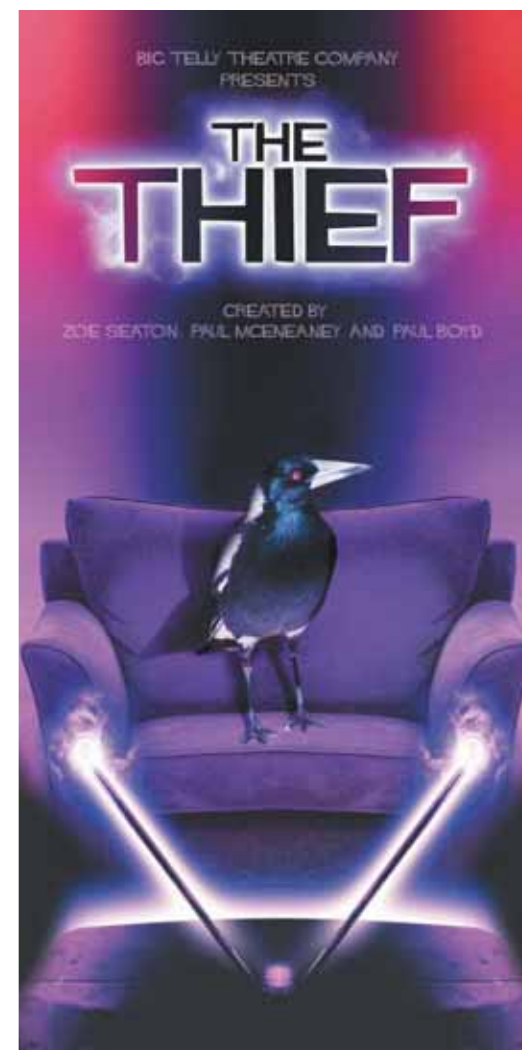
	2003-04	2002-03
	£	£
Decrease in funds	(1,559,027)	(2,416,779)
Depreciation charges	6,518	7,174
Interest and investment returns	(133,615)	(14,967)
Increase in NLDF investments	(716,345)	(1,362,775)
Decrease/(increase) in debtors	141,251	(206,210)
(Decrease)/increase in creditors	(340,237)	4,640,996
Increase/(decrease) in provision for grants	1,937,537	(543,718)
	<u>(663,918)</u>	<u>103,721</u>

2. Reconciliation of net cash flow to movement in net funds

Decrease in cash in period	(530,303)	118,688
Changes in net funds	(530,303)	118,688
Net funds at 1 April 2003	546,936	428,248
Net funds at 31 March 2004	<u>16,633</u>	<u>546,936</u>

3. Returns on investments and servicing of finance

Interest received	15,945	10,050
Other Income	117,670	4,917
	<u>133,615</u>	<u>14,967</u>



"£2.84 average per capita spend in 2003/2004"



Notes to the Accounts - 31 March 2004

1. Accounting Policies

(a) Basis of Accounting

These financial statements have been prepared in accordance with the historical cost convention and as directed in the Accounts Direction issued by the Department of Culture, Arts and Leisure.

Without limiting the information given, the financial statements meet the accounting and disclosure requirements of the Companies (Northern Ireland) Order 1986, Accounting Standards issued or adopted by the Accounting Standards Board and disclosure requirements issued by the Department of Finance and Personnel in so far as those requirements are appropriate. Significant departures from accounting standards are disclosed and explained in the notes and the financial effects quantified where practicable.

(b) Tangible Fixed Assets

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

The rates of depreciation in use are as follows:

Information Technology	
• Hardware & Software	33 $\frac{1}{3}$ %
• LAN Cabling	10%
Furniture, Fixtures & Fittings	10%

(c) Pension Costs

The pension cost in respect of employees is charged to the Income and Expenditure Account so as to recognise the cost of pensions over the employees' working lives.

(d) Income

All income received, whether Lottery proceeds or other income, is credited to income in the year to which it is receivable.

(e) Notional Cost of Capital

From the 1996-97 year, these financial statements make provision for the notional cost of capital employed by the Council. The Income and Expenditure Account includes the notional cost of capital employed by the Council calculated as 3.5% of the average capital employed over the financial year.

(f) Balances held in the National Lottery Distribution Fund

Balances held in the National Lottery Distribution Fund remain under the stewardship of the Secretary of State for Culture, Media and Sport. However, the share of these balances attributable to the Arts Council of Northern Ireland is as shown in the accounts and, at the Balance Sheet date, has been certified by the Secretary of State for Culture, Media and Sport as being available for distribution by it in respect of current and future commitments.

2. Proceeds from Lottery

	2003-04	2002-03
	£	£
Proceeds from Lottery	6,060,983	6,305,174
Investment returns on balances held at NLDF	<u>1,074,833</u>	<u>2,237,975</u>
	7,135,816	8,543,149

3. Other Income

	2003-04	2002-03
	£	£
Bank Interest	15,945	10,050
Other Income	<u>117,670</u>	<u>4,917</u>
	133,615	14,967

4. Staff Costs

	2002-03
	£
Salaries	349,811
Social Security Costs	27,153
Other Pension Costs	36,513
	<u>413,477</u>
	414,535

All of the staff costs were incurred by the Arts Council of Northern Ireland and recharged to the Lottery Distribution Account. The staff costs were 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 Council. During the year the Arts Council employed an average of 46.5 staff.

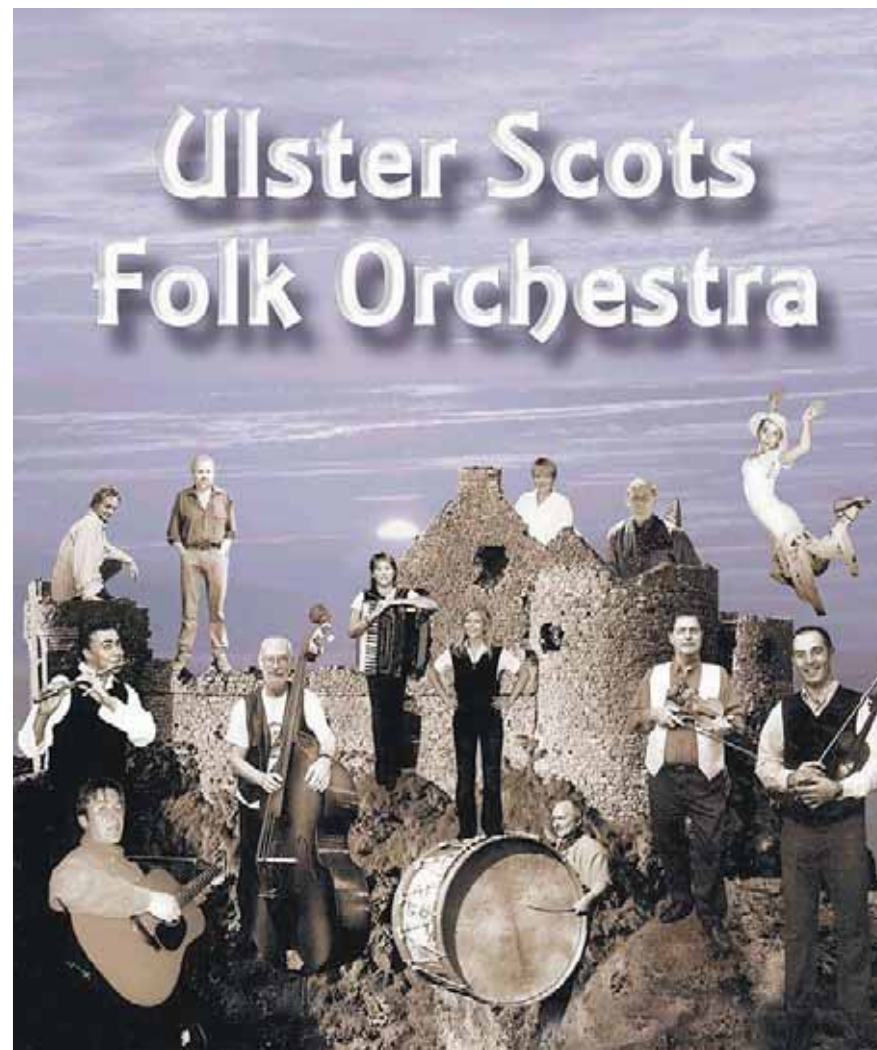
Chief Executive's Remuneration

The Chief Executive's contract is for a period of 5 years and 3 years and 5 months had expired at 31 March 2004. The Chief Executive's remuneration during the year was £73,792. The Chief Executive is an ordinary member of the Northern Ireland Local Government Officers Superannuation Committee (NILGOSC) pension scheme. A total of £28,429 of the Chief Executive's employment costs have been apportioned to the Lottery Distribution fund to cover time spent on Lottery activities. This amount is included in the staff costs recharge to the Lottery Distribution fund which totalled £413,477 as noted above.

Council Members' Emoluments

The Chairman and Vice-Chairman of the Council received honoraria totalling £12,000 as follows:

	Chair	Vice Chair
	£	£
B Walker (to 30 June 2003)	2,000	
E O Baoill (to 30 June 2003)		1,000
R Kelly (from 1 July 2003)	6,000	
M Bradley (from 1 July 2003)		3,000



Of this, £4,080 was apportioned to the Lottery Distribution Account. No emoluments were paid to other Council members in respect of Lottery activities. The Council does not pay any pension contributions on behalf of the Chair and Vice Chair. These individuals are not included, therefore, in the pension note below.

Pension Commitments

The Arts Council participates in the Northern Ireland Local Government Officers' Superannuation Committee Scheme (NILGOSC) and made contributions for 56 employees during the year (not all 56 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 2004 the Arts Council contributed 10.6% of gross salary. The scheme is non contributory for members of staff. However, until 31 March 2003, male members of staff contributed 1.5%. The results of the most recent valuation, which was conducted as at 31 March 2001, were as follows:

Main assumptions:

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

Market value of scheme's assets £2,293,700,000

Level of funding being the actuarial value of assets expressed as a percentage of the benefits accrued to members, deferred pensioners and members based on past service, and after allowing for future salary increase 121%

Contributions for all staff during the year based on the rates noted above were as follows:

	2004 £	2003 £
Employer's	109,485	98,438
Employees'	-	6,555
Total	109,485	104,993

The real increase in the value of accrued pension at 31 March 2004 for senior employees is shown below. All those listed participate in the NILGOSC scheme. The salary figures shown below include a salary increase arising from the Arts Council's performance appraisal system. The total accrued pension figures were supplied by NILGOSC.

	Age	Salary including performance pay	Real increase in pension and related lump sum at age 60	Total accrued pension at age 60 at 31/3/04 and related lump sum	CETV at 31/3/03	CETV at 31/3/04	Real increase in CETV
R McDonough Chief Executive	52	58,300	1,095	15,732	229,004	235,702	286
N McKinney Dir. of Arts Development	43	37,154	545	8,116	88,572	101,089	10,037
P Hammond Dir. of Arts Development	52	42,341	688	15,632	207,575	228,506	15,119
W Lyttle Dir. of Corporate Services	46	42,144	572	8,102	96,465	110,425	11,259
N Livingston Director of Strategic Development				Consent to disclose withheld.			

CETV refers to the cash equivalent transfer value. It is the actuarially assessed capitalised value of the pension scheme benefits accumulated by a member at a particular point in time. The real increase in CETV is calculated after adjusting for inflation and changes in market investment factors.

None of the above received any benefits in kind during the year.

5. Tangible Fixed Assets

	IT Hardware £	Furniture & Fittings £	Total £
Cost or Book Value			
At 1 April 2003	24,473	3,582	28,055
At 31 March 2004	<u>24,473</u>	<u>3,582</u>	<u>28,055</u>
Depreciation			
At 1 April 2003	17,780	1,224	19,004
Charge for Year	6,160	358	6,518
Accumulated Depreciation	<u>23,940</u>	<u>1,582</u>	<u>25,522</u>
Book Value at 31 March 2004	<u>533</u>	<u>2,000</u>	<u>2,533</u>
Book Value at 31 March 2003	<u>6,693</u>	<u>2,358</u>	<u>9,051</u>

6. Other Operating Costs

	Total £	Direct £	Recharge £	2002-03 £
ACNI Admin. Apportionment	140,827	-	140,827	82,036
Film Delegation Administration	81,540	81,540	-	90,210
Awards for All Administration	60,341	60,341	-	38,844
Advancement	49,938	49,938	-	-
Audience Development Agency	43,332	43,332	-	-
Audit Fees	35,603	25,819	9,784	33,010
External Monitoring	19,915	19,915	-	12,869
Assessors Fees (External)	14,045	14,045	-	12,595
Consultants'/Professional Fees	13,144	13,144	-	100,861
Printing & Design	4,966	4,685	281	4,719
Travel	3,488	-	3,488	7,487
Marketing/Advertising	1,903	1,807	96	3,708
Equality Costs	1,767	1,358	409	14,763
Research/Reports	1,194	605	589	13,022
Sundries	573	420	153	1,149
Hospitality	102	102	-	469
Agency Staff	-	-	-	3,623
Equipment Maintenance	-	-	-	945
Stationery	-	-	-	1,617
Telephone	-	-	-	782
Postage	-	-	-	1,359
Publications	-	-	-	245
Non Capital	-	-	-	1,217
Training	-	-	-	230
Committee Expenses	-	-	-	(200)
	<u>472,678</u>	<u>317,051</u>	<u>155,627</u>	<u>425,560</u>

Of the total operating expenses of £472,678, £155,627 was incurred by the Arts Council of Northern Ireland and recharged to the Lottery Distribution Account at full economic cost.

The £140,827 administrative overhead apportioned to the Lottery Distribution fund comprised administrative costs and expenses incurred by the Council from which the Lottery benefited indirectly. It also contained the honoraria amount detailed in note 4. The apportionment was made at full economic cost and calculated on appropriate bases.

The audit fees total of £35,603 includes the external audit fee charged by the National Audit Office of £22,000.

7. Balances held in the National Lottery Distribution Fund

The funds held in the NLDF are invested on its behalf by the National Investment and Loans Office. Up to 1996-97 the Arts received 20% of the monies paid into the Fund by Camelot, the Lottery operator, after deduction of expenses incurred by the Department of Culture, Media and Sport in administering the Fund, and by the regulator, the Office of the National Lottery. This percentage was reduced to 16.67% by the National Lottery Act 1998. The Arts Council of Northern Ireland receives 2.8% of the sum allocated to the Arts. Interest earned on the sums invested is apportioned to each of the Lottery distributors on the basis of their percentage of the total remaining NLDF funds at the time the interest is received.

The closing market value of investments held at 31 March 2004 by NLDF under the National Lottery Act as amended on behalf of the Arts Council of Northern Ireland Lottery Distribution Account was £35,643,576. The cost value of these investments was £36,086,129.

8. Debtors

	2003-04	2002-03
	£	£
Sundry debtors	578	1,338
Prepayments & Accrued Income	<u>70,736</u>	<u>211,227</u>
	71,314	212,565

The figure for Prepayments and Accrued Income represents cash held by the Northern Ireland Film and Television Commission on behalf of the Arts Council of Northern Ireland in respect of delegated Lottery distribution activities.

9. Creditors

	2003-04	2002-03
	£	£
Trade Creditors	630,615	595,230
Other Creditors	<u>10,050,847</u>	<u>10,426,469</u>
	10,681,462	11,021,699

The total includes £182,860 in respect of services and purchases rendered to or made on behalf of the Lottery Distribution Account by the Arts Council of Northern Ireland.

The Other Creditors figure contains £10,027,664 which represents the total of hard grant commitments payable during 2004-05 [see note 10].

10. Grant Commitments

	2003-04	2002-03
	£	£
Soft Commitments		
a. Soft commitments brought forward	939,771	164,581
b. Soft commitments transferred to hard commitments	(8,319,908)	(10,615,088)
c. Soft de-commitments	(309,991)	(87,731)
d. Soft commitments made in year	<u>11,491,908</u>	<u>11,478,009</u>
e. Soft commitments carried forward	3,801,780	939,771

Hard Commitments

a. Hard commitments brought forward	16,641,264	12,747,360
b. Hard commitments met in year	(6,358,455)	(6,227,030)
c. Hard de-commitments	(386,829)	(494,154)
d. Hard commitments made	<u>8,319,908</u>	<u>10,615,088</u>
e. Hard commitments carried forward	18,215,888	16,641,264

f.: Profile of Hard Commitments over the next five years:

2003-04	-	10,390,577
2004-05	10,027,664	4,461,583
2005-06	6,152,134	1,729,104
2006-07	2,036,090	60,000
2007-08	-	-
2008-09	-	-
	<u>18,215,888</u>	<u>16,641,264</u>

Total grant commitments carried forward:

Soft	3,801,780
Hard	<u>18,215,888</u>
	<u>22,017,668</u>

The Hard Commitments total at 31 March 2004 is £18,215,888. The 2004-05 total of £10,027,664 is shown on the Balance Sheet within the “creditors – amounts payable within one year” figure of £10,681,462 [see note 9]. The balance of £8,188,224 is shown on the Balance Sheet as “Provisions for Liabilities and Charges : Grant Commitments”. The figure of £1,574,624 shown as the “Provision for grant commitments in future years” in the Income & Expenditure Account is the difference between the Hard Commitments Carried Forward totals at 31 March 2003 and 31 March 2004.

11. Reconciliation of Movement of Funds

	Balances held in NLDF	Balances held in ACNI	Provision for Grant Commitments	2003-04 Total	2002-03 Total
	£	£	£	£	£
Proceeds from Lottery	7,135,816			7,135,816	8,543,149
Drawn down in year by ACNI	(6,416,765)	6,416,765			
Provision for increase/(decrease) in value of investments	(2,706)			(2,706)	(6,692)
Interest on cash balances		15,945		15,945	10,050
Other Income		117,670		117,670	4,917
Staff costs		(413,477)		(413,477)	(414,535)
Other operating costs		(472,678)		(472,678)	(425,560)
Depreciation of fixed assets		(6,518)		(6,518)	(7,174)
New grants paid in year		(6,358,455)		(6,358,455)	(6,227,030)
New grant commitments in year			(8,319,908)	(8,319,908)	(10,615,088)
Commitments written back			386,829	386,829	494,154
Grants paid from provision in year			6,358,455	6,358,455	6,227,030
Total increase/(decrease) in funds	<u>716,345</u>	<u>(700,748)</u>	<u>(1,574,624)</u>	<u>(1,559,027)</u>	<u>(2,416,779)</u>
Balance at 1 April 2003	34,927,231	137,430	(16,641,264)	18,423,397	20,840,176
Balance at 31 March 2004	<u>35,643,576</u>	<u>(563,318)</u>	<u>(18,215,888)</u>	<u>16,864,370</u>	<u>18,423,397</u>

12. Capital Commitments

There were no capital commitments as at 31 March 2004.

13. Contingent Liabilities

There were no contingent liabilities as at 31 March 2004 other than the soft commitments disclosed in note 10.

14. Notional Costs

Notional cost of capital is calculated as 3.5% of the average net assets employed by the Arts Council (Lottery Distribution) in the year, excluding the Balance in the Distribution Fund and hard grant commitments.

15. Related Party Transactions

The Arts Council of Northern Ireland is a Non Departmental Public Body sponsored by the Department of Culture, Arts and Leisure (DCAL). DCAL is regarded as a related party. During the year the Council has had various material transactions with DCAL.

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

App Ref	Organisation	Award Amount	Declared Interest
185/03	An Gaelaras Ltd	£650,000	Gearóid ÓhEara
233/03	Antrim Borough Council	£11,845	Maureen Armstrong
078/03	Ards Arts Committee	£8,831	Eilis O Baoill
282/03	Artscare Group	£7,000	James Kerr, Philip Hammond
100/03	Belfast Community Circus School	£26,920	Will Chamberlain
163/03	Belfast Festival at Queens	£50,000	Brian Walker, Tess Maginness
307/03	Belfast Festival at Queens	£25,000	Brian Walker, Tess Maginness
143/03	Big Telly Theatre Company	£16,165	Jill Holmes
172/03	Big Telly Theatre Company	£14,808	Jill Holmes
291/03	Cahoots NI	£87,715	Jill Holmes
293/03	Cahoots NI	£23,760	Jill Holmes
294/03	Cahoots NI	£23,998	Jill Holmes
313/03	Catalyst Arts	£15,015	Eilis O Baoill
367/03	Catalyst Arts	£9,657	Eilis O Baoill
368/03	Cinemagic Limited	£11,721	Tim Kerr
101/03	CIRCA Art Magazine	£11,200	James Kerr
341/03	Dance Northern Ireland	£12,240	Tim Kerr
199/03	Derry Theatre Trust	£47,877	Martin Bradley, Kate Bond, Gearóid ÓhEara
095/03	Kabosh Theatre	£39,401	Eilis O Baoill
167/04	Lyric Theatre	£60,193	Jill Holmes, Tim Kerr
190/03	Lyric Theatre	£72,087	Jill Holmes, Tim Kerr
300/03	Lyric Theatre	£2,000,000	Jill Holmes, Tim Kerr
338/03	Lyric Theatre	£5,341	Jill Holmes, Tim Kerr
369/03	Lyric Theatre	£22,083	Jill Holmes, Tim Kerr
184/03	New Belfast Community Arts Initiative	£5,000	Gerri Moriarty
363/03	New Belfast Community Arts Initiative	£35,222	Gerri Moriarty
195/03	Northern Ireland Visual Arts Forum	£32,988	Brian McClelland, Margaret Yeomans
357/02	Northern Visions	£89,162	David Hyndman
139/03	Omagh Arts Committee	£14,800	Tim Kerr
283/03	Open Arts	£28,551	Aidan Shortt

337/03	Portadown 2000	£7,000	James Kerr
340/03	Portadown 2000	£5,200	James Kerr
216/03	Queen's University Belfast	£22,140	Tess Maginness, Brian Walker
099/03	South & East Belfast HSST	£23,870	Lucy Finnegan
335/03	South & East Belfast HSST	£75,000	Lucy Finnegan
372/03	Southern Education & Library Board	£100,000	Eithne Benson
051/03	St Peters GAA Band	£15,000	Eithne Benson
159/03	The Beat Initiative	£26,800	David Boyd
168/04	Ulster Orchestra Society Ltd	£36,494	Rosemary Kelly
212/03	Ulster Orchestra Society Ltd	£94,866	Rosemary Kelly
165/04	University of Ulster	£27,052	Brian McClelland, Kate Bond, Gearóid ÓhEara

16. Derivatives and other Financial Instruments: Disclosures (FRS 13)

FRS 13 requires disclosure of the role which financial instruments have had during the period, in creating or changing the risks the Fund faces in undertaking its role.

Liquidity Risks

In 2003-04, £6,060,983 (83.38%) of the Arts Council's Lottery Fund's income derived from the National Lottery. The remaining income derived from investment returns from the balance held with the National Lottery Distributions Fund, £1,074,833 (14.78%), and from Bank Interest and Sundry Income, £133,615 (1.84%). The Council considers that the Fund is not exposed to significant liquidity risks, it is satisfied that it has sufficient liquid resources within the NLDF and in the bank of £35.6 million to cover all current contracted commitments of £18.8 million.

Interest Rate Risks

The financial assets of the Fund are invested in the National Lottery Distribution Fund, which invests in a narrow band of low risk assets such as government bonds and cash. The Council has no control over the investment of Funds in the National Lottery Distribution Fund. At the balance sheet date the Market Value of investment in the National Lottery Distribution Fund was £35.6 million. In the year the average return on these investments was 3%. Cash balances which are drawn down from the Fund to pay grant commitments and operating costs are held in an instant access variable rate bank account which on average carried an interest rate of 3.87% in the year. The cash balance at the year-end was £16,633. The Council considers that the Fund is not exposed to significant interest rate risks.

Foreign Currency Risk

The Fund is not exposed to any foreign exchange risks.

“1,622 awards granted since 1995”

Cover: Maiden Voyage - Wanderlust, Kentucky. Dancer Nicola Curry. Photo Chris Hill



Appendix

Accounts Direction issued by the Department of Culture, Arts and Leisure

Accounts Direction 2001-02

The Department of Culture, Arts and Leisure, on behalf of the Secretary of State for Culture, Media and Sport (formerly National Heritage), in pursuance of section 35 of the National Lottery etc. Act 1993, hereby gives the following Direction:-

1. The statement of accounts which it is the duty of the Arts Council to prepare in respect of its National Lottery distribution activities for the financial year ended 31 March 1995 and any subsequent financial year shall comprise:-

- 1.1 a foreword;
- 1.2 an income and expenditure account;
- 1.3 a balance sheet;
- 1.4 a cash flow statement;
- 1.5 a statement of total recognised gains and losses;

including in each case such notes as may be necessary for the purpose referred to in paragraphs 2 and 3 below. This statement, and all the elements thereof, must be prepared separately from, and must not be consolidated with any other accounts produced by the Arts Council.

2. The Accounting Officer for the Arts Council's National Lottery Fund shall observe all relevant accounting and disclosure requirements given in "Government Accounting", in the Treasury booklet "Trading Accounts: A Guide for Government Departments and Non-Departmental Public Bodies" and any other guidance issued by the Department, as amended and augmented from time to time.

3. The statement of accounts referred to above shall give a true and fair view of the income and expenditure, state of affairs and cash flow of the Arts Council in respect of its National Lottery distribution activities. Subject to the foregoing requirement, the statement of accounts shall also, without limiting the information given, and as described in Schedule 1 of this Direction, meet in so far as they are appropriate to the Arts Council's National Lottery Fund business:

- 3.1 the accounting and disclosure requirements of the Companies (Northern Ireland) Order 1986;
- 3.2 best accounting practice including accounting standards issued or adopted by the Accounting Standards Board currently in force, with the exception of the requirement contained in Financial Reporting Standard 3 (FRS 3) for inclusion of a note showing historical cost profit and losses;
- 3.3 any disclosure and accounting requirements which the Treasury or the Department may issue from time to time in respect of the accounts which are required to show a true and fair view; and
- 3.4 any additional disclosure requirements contained in "The Fees and Charges Guide" in particular those relating to the need for appropriate segmental information for services or forms of service provided for which a charge is made.

4. The statement of accounts mentioned in paragraph 1 shall also include the supplementary information set out in Schedule 2 of this Direction.

5. The income and expenditure account and balance sheet shall be prepared under the historical cost convention modified by the inclusion of:

- (a) fixed assets at their value to the business by reference to current costs; and
- (b) stocks valued at the lower of cost, or net current replacement cost if materially different, and net realisable value

where these are materially different to their value under the historical cost convention.

6. Fundamental or material changes in accounting policies, to the extent that they do not conform with U.K. generally accepted accounting practice, shall be discussed and agreed with the sponsoring Department and the Treasury before implementation.
7. The accounts shall be signed in respect of the Arts Council's National Lottery Fund activities by the Arts Council's Accounting Officer and be sent in accordance with section 35 of the National Lottery Act 1993 to the Department and Comptroller and Auditor General as soon as possible after 31 March each year and no later than 30 September.

Signed by Authority of the Secretary of State for National Heritage on 26th April 1995.

Mr R Jordan

A Grade 5 Officer in the Department of Culture, Arts and Leisure



Awards for All - Newtownabbey Youth Council

SCHEDULE 1

APPLICATION OF THE COMPANIES ORDER REQUIREMENTS

1. The disclosure exemptions permitted by the Companies (Northern Ireland) Order 1986 shall not apply to the body unless specifically approved by the Department of Culture, Media and Sport with the consent of the Treasury.
2. The Foreword shall contain the information required by the Companies (Northern Ireland) Order 1986 to be disclosed in the Directors' Report, to the extent that such requirements are appropriate to the National Lottery distribution activities of the body. In particular:
 - 2.1 brief history of the body
 - 2.2 statutory background and framework to the body and the National Lottery
 - 2.3 principal functions related to National Lottery distribution activities
 - 2.4 financial results
 - 2.5 review of National Lottery distribution activities
 - 2.6 significant changes in fixed assets
 - 2.7 any amount retained and carried to reserves
 - 2.8 future developments in National Lottery distribution activities
 - 2.9 names of the members of the body and any National Lottery sub-committees of the body
 - 2.10 appointment of auditors
 - 2.11 policy on disabled persons
 - 2.12 employee consultation
3. In preparing its income and expenditure account the body shall adopt format 2 prescribed in Schedule 4 to the Companies (Northern Ireland) Order 1986 to the extent that such requirements are appropriate to this Direction. This analysis should enable the user of the accounts to gain a proper appreciation of the principal elements of the income and expenditure of the body.
4. In preparing its balance sheet the body shall adopt format 1 prescribed in Schedule 4 to the Companies (Northern Ireland) Order 1986 to the extent that such requirements are appropriate to the body and taking account of the requirements of Schedule 2 to this Direction. The balance sheet totals shall be struck at total assets less current liabilities.

SCHEDULE 2**ADDITIONAL DISCLOSURE REQUIREMENTS**

1. This Schedule details the non standard accounting policies, any special treatment needed, and any disclosure requirements as agreed by the Treasury, the Department and the Arts Council in respect of the Arts Council's National Lottery Fund activities.
2. The Income and Expenditure Account shall show inter alia:
 - 2.1 the total amount of Lottery proceeds receivable;
 - 2.2 any other income (detailed between bank interest, recoveries of grant and other income);
 - 2.3 the total amount of new Lottery grants paid in the period (i.e. amounts paid in respect of projects which have been approved during the year);
 - 2.4 change in the provision for net grant commitments;
 - 2.5 the total expenses incurred by the body in respect of its National Lottery distribution activities, separately identifying direct costs and costs initially incurred elsewhere in the organisation and apportioned to the National Lottery distribution activity. The calculation of costs to the Arts Council's National Lottery activities will be on a full cost recovering basis as described in the Treasury "Fees and Charges Guide" and should cover all costs that are directly and demonstrably related to Lottery distribution activities.
3. The Balance Sheet shall show, inter alia:
 - 3.1 under the heading "Current assets": shown as an investment the balance held on behalf of the body at the National Lottery Distribution Fund;
 - 3.2 under the heading "Represented by":
 - a. the provision for grants committed on a hard basis and falling due for payment after more than one year (see note 5 below on commitments);
 - b. the balance on the Income and Expenditure Account.
4. The **Notes to the Accounts** shall include inter alia:
 - 4.1 a statement of accounting policies. This must include a statement explaining the nature of the balances held on the Arts Council's behalf in the National Lottery Distribution Fund as follows:

"Balances held in the National Lottery Distribution Fund remain under the stewardship of the Secretary of State for Culture, Media and Sport. However, the share of these balances attributable to the Arts Council is as shown in the accounts and, at the balance sheet date, has been certified by the Secretary of State for National Heritage as being available for distribution by it in respect of current and future commitments."
 - 4.2 an analysis of the income and expenditure relating to the Lottery;
 - 4.3 an analysis of "other operating charges" over appropriate subject headings (to include write-offs, audit fee, leasing charges, travel, subsistence and hospitality costs for staff and body members should be separately identified);
 - 4.4 any remuneration paid to the members of the Arts Council's Lottery fund;
 - 4.5 the remuneration of the Director (or designated officer) of the Lottery Fund to be shown separately (or total remuneration and share accruing to the Lottery Fund of the individual chiefly responsible for Lottery matters if their duties are split between Lottery and non-Lottery functions);

- 4.6 the remuneration of the senior employees to be shown in bands of £10,000 starting from £40,000 upwards. Where staff are involved in Lottery and non-Lottery functions, their total salaries and the Lottery proportion (in cost and percentage terms) should both be identified;
 - 4.7 the amounts “committed in respect of capital expenditure for administrative purposes”, and “amounts authorised in respect of capital expenditure for administrative purposes but not contracted”;
 - 4.8 the amounts committed in respect of Lottery grants split between hard and soft commitments identifying the amount falling due (see note 5 below). Where these commitments exceed available resources shown on the Balance Sheet, there should also be a note explaining the rationale for the over-commitment in terms of the benchmark being applied and the assumptions behind it, taking into account any advice received from the Department as appropriate.
- 5 The nature of the Arts Council's Lottery activities means that it will be making commitment for future expenditure which will need to be shown in the annual financial statements. Commitments should be categorised and shown as follows:

5.1 Soft Commitments

These will occur when there is agreement in principle by the Distributing Body to fund a scheme and an offer made. Once a formal offer and acceptance of the terms and conditions of the grant has been concluded this will become a hard commitment. The total of soft commitments will be shown in a note to the balance sheet. Changes in soft to hard commitments which arise after the accounting year end and before publication of the accounts will not be adjusting events in terms of the Statement of Standard Accounting Practice 17 (SSAP 17). A tabulation should accompany the notes to the accounts and show:

- a. Soft commitments brought forward
- b. Soft commitments transferred to hard commitments

- c. Soft de-commitments
- d. Soft commitments made
- e. Balance of soft commitments outstanding carried forward
(e = a - (b+c) + d)

5.2 Hard Commitments

A hard commitment is analogous to a commitment arising from a legally binding contract, carrying with it an obligation on the distributor to pay the agreed Lottery grant provided only that all the conditions of grant are met, and that the Lottery continues to operate. For the purpose of recording a charge in the income and expenditure account, a hard commitment arises when a firm offer of a grant from national lottery proceeds has been made by the Arts Council and accepted in writing by the recipient. A firm offer will only be made if there is a reasonable expectation that conditions attached to the offer will be met. A provision for grant commitments should be shown on the balance sheet and would be written down as the commitments mature. As part of the notes to the balance sheet a tabulation illustrating the changes in hard commitments should be shown as follows:

- a. Hard commitments brought forward
- b. Hard commitments met in the last year
- c. Hard de-commitments (withdrawal of an offer)
- d. Hard commitments made
- e. Balance of hard commitments outstanding carried forward
(e = a - (b+c) + d)
- f. A breakdown of the provision for grant commitments should be reported separately for each year up to and including 5 years, and for over 5 years.

5.3 De-commitments

5.3.1 Soft Commitments

If a soft commitment fails to become hard for any reason and there is no prospect of a formal offer letter being issued and accepted then the soft commitment should be deleted from the Arts Council's records. It will be shown in the table accompanying the notes to the balance sheet in the soft de-commitment line.

5.3.2 Hard Commitments (withdrawal of a commitment)

Should a hard commitment fail to become a cash payment within the expected time frame, and there is little possibility of it crystallising, the Arts Council may withdraw the offer formally in writing. A reverse entry to the commitment should then be made in the Income and Expenditure account. The Table in the notes to the accounts will correspondingly be reduced.

5.4 Repayments

The circumstances of a grant repayment are described in the Statement of financial Requirements. A repayment will not affect commitment unless the payment is part of a phased scheme for which commitments for later phases have been included in the balance sheet. A repayment will be reflected as an adjustment in the Income and Expenditure account. If a repayment occurs after the year end but before the accounts have been signed by the Arts Council's accounting officer and is material (5% of the total grants paid in the year or £1m whichever is the lower), it will be necessary to treat the repayment as an adjusting event in terms of SSAP17.

“£65m Lottery funding for the arts since 1995”



Cathedral Quarter Arts Festival - Blowing It

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