



Arts Council of Northern Ireland

NATIONAL LOTTERY FUND

Annual Report 2005-06



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ARTS COUNCIL OF NORTHERN IRELAND
NATIONAL LOTTERY FUND
ANNUAL REPORT 2005–06

Presented to Parliament Pursuant to Section 34(3)
of the National Lottery etc. Act 1993

[Incorporating HC1574: Accounts for 2005-06 of the Arts Council of Northern Ireland Lottery Distribution,
with the report of the Comptroller and Auditor General thereon, as ordered by the
House of Commons to be printed on 24th July 2006]

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Chairman's Foreword



The Arts Council is the statutory body which, since the inception of the National Lottery in 1994, has been responsible for the administration and distribution of Lottery funds to the arts in Northern Ireland. Funding decisions are guided by the directions contained in the National Lottery Act and by the strategic priorities published in the Council's current five-year plan for the arts, 2001-2006.

The Council revised its Committee structures during the year and is now advised on Lottery matters by the Lottery, Grants and Capital Committee. In addition to its role in advising on Exchequer funding programmes and policies, the Committee advises Council on policy issues relating to the Council's National Lottery Fund; advises on, reviews and monitors all matters relating to the administration of the Council's National Lottery Fund; and takes decisions on grant aid within delegated financial limits set by Council. The Committee presently has full delegated authority to award grants to applicants where the award is within the delegated band of £25,000 - £50,000.

A handwritten signature in dark ink that reads "Rosemary Kelly". The script is fluid and cursive.

Rosemary Kelly
Chairman, Arts Council of Northern Ireland

Lottery, Grants and Capital Committee Activity Report



At the beginning of the financial year 2005-2006, the Arts Council raised the threshold of its Multi-Annual Funding Programme (MAP) to £30,000. MAP was introduced in the previous year to offer sustained funding for organisations over a three-year period, and the greater degree of stability offered by three-year funding, received wide-ranging support from clients and stakeholders.

Along with the enhanced Multi-Annual Programme, the Council introduced the Lottery Arts Projects 2005 (LAP), to cater for organisations seeking less than £10,000 but more than the current £5,000 upper threshold of the jointly-funded Awards for All scheme.

LAP is a programme that will run until the upper limit of the Awards for All scheme is raised in 2006-07.

The MAP and LAP schemes, as well as the newly-introduced *Business Support* and *Public Art* programmes, were supported by established Lottery programmes such as *Access to the Arts* and the *New Works* programme. The latter provided important opportunities for artists and organisations to access funding that they would not otherwise have received through the Council's Exchequer-funded programmes.

During the year, the Council entered into new three-year agreements with the other Northern Ireland distributors (Sport, Heritage, Community Fund and New Opportunities Fund) on Awards for All, and with the Northern Ireland Film and Television Commission, which receives 13% of the Arts Council's Lottery income for the development, production and distribution of films from Northern Ireland.

In July, the first awards were made through the Early Years Arts Programme. Twenty-one primary and nursery schools across Northern Ireland benefited from funding through this Arts Council initiative, which was designed to encourage the development of problem solving, language and creative skills of children aged 3-7 years, through arts-related projects.

In November 2005, the Council commissioned a review of the impact of the £3.5 million that had been awarded to bands for the purchase of musical instruments. This scheme, which was open for applications between 1994 and 1996 and again between 2002 and 2004, was designed to increase the quality of music making in the community. It helps bands, including brass, silver, flute and accordion, to replace worn out instruments and purchase new instruments. The scheme had a positive impact, helping bands to improve their artistic experience, improve their standard of performance, recruit new band members, increase the number of performances, and increase participation by children and young people. The review and discussions with the sector will inform the Council's decision on the future of the scheme.

Kate Bond
Chair of Lottery, Grants and Capital Committee

Chief Executive's Introduction



During the year the Arts Council received 721 applications seeking grants of £19,476,245 across all programmes and made 254 grants totalling £7,878,477. In addition, through Awards for All the Council made 147 awards totalling £539,284.

The Review of Lottery Strategy 2002-2006 revealed that increased reliance by organisations on Lottery programmes can also lead to funding gaps when these programmes come to an end. The Arts Council is fully aware of the difficulties this poses for organisations and will continue to keep a close eye on the situation.

Since 1998, arts and film, heritage, and sport have each received an equal share of 16.67% of Lottery money. These shares are set until 2009. The Department of Culture, Media and Sport (DCMS) recently concluded a major public consultation on how Lottery money should be shared between the good causes after 2009 and what the policies should be on how the money is spent. We look forward to the Secretary of State's announcement on these decisions in June 2006.

The London Olympics in 2012 will also impact on future Lottery funding for the arts and the other good causes. At this stage the full impact is unknown but the Council will continue to monitor financial projections to ensure that arts projects in Northern Ireland receive the full level of support possible through available Lottery resources.

Financial statements

The financial statements on pages 64 to 67, together with the Foreword and other statements on pages 68 to 79 and the Certificate of the Comptroller and Auditor General on pages 62 to 63, reproduce in full those included in the Accounts for the Arts Council of Northern Ireland Lottery Distribution Account for 2005-2006 laid before the Houses of Parliament on 24th July 2006 under reference HC 1574.

Pages 1 to 50 of this Annual Report provide additional information, for which I am responsible, that is not included with those accounts. The auditor is required by auditing standards to read other information in documents containing audited financial statements and to consider the implications for his audit opinion.

A handwritten signature in dark ink, reading 'Roisín McDonough' in a cursive script.

Roisín McDonough
Chief Executive, Arts Council of Northern Ireland

The Council

The Council of the Arts Council of Northern Ireland for the year ended 31 March 2006 is shown below.

Council from 1 July 2003:



Ms Rosemary Kelly
(Chairman)



Mr Martin Bradley
(Vice Chairman)



Mrs Eithne Benson



Ms Kate Bond



Mr Will Chamberlain
(Resigned July 05)



Ms Lucia (Lucy) Finnegan



Mr Raymond Fullerton



Ms Jill Holmes



Mr Anthony Kennedy



Mr Tim Kerr



Mr Brendan Milligan



Mr William Montgomery



Mr Gearóid Ó hEara



Ms Sharon O'Connor



Mr Peter Spratt

The members of the Council's Lottery, Grants and Capital Committee during the year are shown below.

Kate Bond (*Chair*)

Eithne Benson

Tim Kerr

Grants Awarded 1 April 2005 to 31 March 2006

During the year 2005/06, 721 applications were received seeking grants of £19,476,245 across all programmes. By the end of the year 254 grants had been awarded through the main programmes, receiving a total of £7,878,477. In addition, through Awards for All the Council made 147 awards totaling £539,284.

AWARDS FOR ALL

Organisation	Area	Project	Artform	Amount
Altnaveigh House Ltd	Newry and Mourne	Highland Dance Competition	Dance	1,580
Antrim Glens Traditions Group	Antrim	11 month Traditional Music Programme for young people	Traditional	4,620
Ardboe Central Youth Band	Cookstown	Music tuition and musical festival	Music	3,840
Ards Art Club	Ards	One day print workshop, exhibition and publicity costs	Visual	3,591
Armagh City Choir	Armagh	Public Performance of Brahms's German Requiem	Music	2,817
Armagh Festival of Traditional Song	Armagh	Artists fees and accommodation	Traditional	5,000
Ashton Community Trust	Belfast	Celebrate the Festival of Light	Community	5,000
Ballee and District Community Group	Down	Series of Arts Workshops	Visual	4,200
Ballinscreen Set Dancing Group	Magherafelt	Cost of hosting a dancing festival in July 2005	Dance	5,000
Ballycastle Cross Community Choral Society	Moyle	Musical Theatre Programme	Music	5,000
Ballycoan Pipe Band	Lisburn	Festival of Ulster Scots music, culture & dance	Traditional	3,817
Ballydonaghy Pipe Band	Antrim	Develop creative musical artistic learning activities for young people	Music	5,000

Organisation	Area	Project	Artform	Amount
Ballymena & District National Deaf Children's Society	Ballymena	1 week art and drama summer scheme	Other	2,465
Ballyrobert Fife & Drumming Club	North Down	Purchase of equipment and trailer	Traditional	3,116
Ballysillan Highland Dancers	Belfast	Provide dance classes for young people and promote Highland Dance	Dance	5,000
Banbridge SEC Parents & Friends Association	Banbridge	Soundscape project	Music	5,000
Bangor Art Club	North Down	Workshops and weekly lectures	Visual	1,725
Bangor Drama Festival	North Down	Full Length Drama Festival	Drama	1,200
Bangor International Choral Festival	North Down	Choral Singing Festival	Music	577
Bangor International Choral Festival	North Down	4 day competitive choral singing festival for children and adults	Music	1,550
Bangor Operatic Society	North Down	Production of Musical - <i>Sweet Charity</i>	Drama	5,000
Bawn Silver Band	Dungannon	Equipment purchase	Music	2,306
Bbeyond	Belfast	Travel costs, artists fees	Other	4,700
Belfast Philharmonic Society	Belfast	Classical music concert	Music	2,600
Belfast Traveller Support Group	Belfast	Multi media arts project	Literature	4,370
Beragh Art Group	Omagh	Host an Art Exhibition in Beragh Village	Visual	1,000
Big Tickle Comedy Festival	Derry	To produce, perform and tour <i>Ardnaglass on the Air</i> by Jimmy Kerr	Drama	4,890
Breaghey Silver Band	Armagh	Teach new and existing members new skills and create music library	Music	4,225
Bridge Centre Steering Committee	Down	Range of art workshops over 36 weeks	Visual	4,050
Castlederg Chamber of Commerce & Industry	Strabane	Artists fees/ equipment hire	Other	2,350

Organisation	Area	Project	Artform	Amount
Castleward Opera	Down	Fees for Stage Director for production of "Dr Miracle" by Bizet	Music	1,433
Causeway Dulcimer Festival	Moyle	Cultural Festival	Music	5,000
CCE Ards Branch	Ards	Co Down Fleadh	Traditional	2,170
CCE Glens of Antrim Branch	Moyle	County Antrim Fleadh	Traditional	4,750
CCE Ulster Fleadh Committee	Newry and Mourne	Large Scale Cross Community Concert	Music and Dance	5,000
Charles Wood Summer School	Armagh	Tutors, travel costs and printing	Music	5,000
Cinemagic Ltd	Belfast	Film screening to community groups throughout Belfast	Visual	1,320
Cloughmills & District Fife & Drum Club	Ballymoney	Drums, drumsticks, fifes	Traditional	3,386
Club Ealaíona Dhun Lathai - Dunloy Art Club	Moyle	Professional workshops and classes	Visual	2,189
Comber Writers Group	Ards	Create booklet of original creative writing and art	Literature	3,424
Comhaltas Baile Eochaidh (Bellaghy)	Magherafelt	Derry Fleadh Cheoil	Traditional	3,810
Comhchoiste na Gaeilge Aontroim	Antrim	Traditional craft skills workshops and exhibition	Visual/Craft	5,000
Comhlachas Dramaíochta Lub ar Lar	Belfast	Original Theatre production in Irish	Drama	4,216
Country Comes to Town	Craigavon	Multi Cultural Youth Festival	Other	1,500
Creative Writers Network	Belfast	Pilot Magazine	Literature	4,960
Cullenfadd Pipe Band	Dungannon	Tuition/transport costs and concert fees	Traditional	3,305
Culture Beat	Newry and Mourne	Develop a tuition based programme	Music	4,900
Daring Feet Youth Dance Groups	Londonderry	Contemporary Dance & Movement Classes	Dance	5,000

Organisation	Area	Project	Artform	Amount
Derg Valley Arts & Leisure Group	Strabane	Artists and band hire costs for concerts/workshop in traditional music	Traditional	5,000
Derry Youth Dance	Londonderry	Dance Classes leading to a performance in the Millennium Forum	Dance	3,200
Discovery '80 Limited	Fermanagh	Series of theatre workshops/productions for older people, carers and families	Drama	3,667
Donaghadee Camera Club	North Down	Purchase digital camera equipment	Visual	3,363
Down Community Arts	Down	To implement two Arts Academy schools in the summer for children	Combined	4,360
Downpatrick Blues & Roots Music Society	Down	Musical event-musicians and travel	Music	2,075
Drama in Hand/ Handful Productions	Derry	Fund the writing and production of two community plays	Drama	4,900
Drumadonald Rural Development Association	Banbridge	Establish a Traditional Music Group	Traditional	4,990
Drumlough Pipe Band	Lisburn	Community Festival	Traditional	2,840
East Antrim (Killyglen) Accordion Orchestra	Larne	Tutor and transport	Music	4,390
Edgumbe T R C Parents' and Friends' Group	Castlereagh	Visual art activities with permanent display	Visual	5,000
Fairhead Folk Festival	Moyle	Music festival in Ballycastle	Music	4,950
Feile An Phobail	Belfast	Irish Storytelling Workshop	Traditional	4,150
Feis Fhearmanach	Fermanagh	Adjudication and musical accompanists' fees for annual festival	Music	3,000
Fermanagh Concert Band	Fermanagh	Fund a series of outreach concerts in remote areas of Fermanagh	Music	4,860

Organisation	Area	Project	Artform	Amount
Fermanagh Folk and Trad Music Group	Fermanagh	Artists, PA system, publicity	Traditional	3,200
First Presbyterian Church Belfast	Belfast	Summer Concerts	Music	2,000
Fortwilliam Musical Society	Belfast	Production of <i>Hello Dolly</i> at the Waterfront	Drama	5,000
Fusion Theatre	Lisburn	Stage the play <i>Oklahoma</i>	Drama	1,400
Glor na Mona	Belfast	Provide two Irish music events	Traditional	4,400
Golden Thread Gallery	Belfast	International exhibition	Visual	4,994
Gran Quilters	Magherafelt	To extend and organise additional Craft Workshops	Craft	3,240
Harlandic Male Voice Choir	Belfast	Vocal training leading to production of a CD and performances	Music	4,750
Heatherbrook Silver Band	Newry and Mourne	Musical equipment and resources	Music	2,998
Holy Cross Accordion Band Atticall	Newry and Mourne	Hire music and percussion tutors	Music	3,000
J2Z Festival Association	Belfast	3 week music festival	Music	4,550
Killylea Silver Band	Armagh	Tuition fees and equipment purchase	Music	2,897
Killyman Craft Class	Dungannon	To expand and develop craft classes for older people	Craft	3,625
Kilmood Art Club	Ards	To fund workshops, materials, artist fees and exhibition costs	Visual	3,100
Lagan Legacy	Belfast	Promote traditional music and Irish culture through ten free events	Traditional	5,000
Larne Alive Committee	Larne	Afternoon of street entertainment	Other	5,000
Larne Borough Arts & Heritage Forum	Larne	Materials for photographic workshops	Visual	4,973
Limelight Drama Club	Down	12 month programme of drama activities	Drama	3,296

Organisation	Area	Project	Artform	Amount
Lisnagarvey Operatic & Dramatic Society	Lisburn	Production of <i>Pirates of Penzance</i>	Drama	5,000
Londonderry Art Society	Londonderry	Art exhibition costs	Visual	2,500
Loose Thread Quilters	Lisburn	Quilt exhibitions and social events	Craft	3,400
Lough Neagh Feis	Magherafelt	Promotion of the Centenary of the Lough Neagh Feis	Traditional	3,500
Maghera Traditions Group	Craigavon	Series of traditional music and dance classes	Traditional	5,000
Maguiresbridge Highland and Scottish Country Dancing Group	Fermanagh	Health awareness workshops through the arts	Dance	4,000
Maguiresbridge Silver Band	Fermanagh	Purchase of music equipment	Music	3,530
Maytown Women's Institute	Newry and Mourne	Arts and crafts workshops	Visual	1,075
Mid-Ulster Women's Network	Magherafelt	3-day arts workshop for women	Drama	3,458
Mid-Ulster Film Festival Ltd	Omagh	Film Festival including viewings, seminars and workshops	Film	5,000
Mount Vernon Community Dev Assoc	Belfast	Art Workshops and an exhibition	Visual	4,930
Moving on Music	North Down	3-day festival of creative music and education for young people	Music	5,000
Moyle Art in Public Places	Moyle	Mural on community house in Bushmills	Public Art	5,000
MT4Uth Ltd	N'abbey	Musical Theatre programme	Drama	5,000
Muckamore Cultural Music Society	Antrim	<i>Life in the Lambegs</i>	Traditional	3,050
New Lyric Operatic Company	Belfast	Production of <i>Me and My Girl</i>	Drama	1,700
Newcastle CCE	Down	3-day music and singing workshop	Traditional	2,745

Organisation	Area	Project	Artform	Amount
North Down Community Network	North Down	Taster session in digital photography and drama	Visual and Drama	5,000
North West Play Resource Centre Ltd	Derry	New play for children	Drama	2,500
Old Crocks Art Group	Fermanagh	Oil painting and ceramics courses	Visual	3,852
Omagh Youth Centre	Omagh	Creative Street Dance Tutor	Dance	1,000
Orange Heritage and Cultural Committee	Ballymoney	Ulster Scots community festival	Traditional	1,200
Pomeroy Accordion Band	Dungannon	Music training	Music	2,700
Portglenone Senior Citizens Arts and Crafts Club	Ballymoney	Art classes for older people	Visual	1,046
Relatives for Justice	Belfast	Glass art work	Visual	5,000
Ring of Gullion CCE	Armagh	Festival of traditional song and music	Traditional	3,850
Roe Valley Folk Club	Limavady	Festival workshops, tutorials and events	Traditional	5,000
Schools Re-Union Assoc (Belleek & District)	Fermanagh	Weekend festival	Music	4,500
Scoil Samhraidh Willie Clancy Teoranta	Other	Summer School	Traditional	5,000
Sion Mills & District Art, Craft & Culture Group	Strabane	Materials, craft and oil paint tutors	Craft	600
Sneaky Productions	Belfast	Production - <i>Limbo</i>	Drama	5,000
South Bank Playhouse Ltd	Belfast	Train existing and potential members in stagecraft	Drama	3,386
South Belfast Cultural Society	Belfast	Highland Dance Classes	Dance	2,730
South Ulster Concert Band	Craigavon	Concert in the local Town Hall	Music	1,150
Spanner in the Works Theatre Company	Belfast	Performance of <i>Cuss the World</i>	Drama	5,000
St Brigid's Community Band/ Youth Arts Group	Newry and Mourne	New music equipment	Music	4,170

Organisation	Area	Project	Artform	Amount
St Canice's Accordion Band	Limavady	Tutors and transport for 50 weeks	Traditional	5,000
St Peter's School Band Collegeland	Armagh	New musical instruments	Music	5,000
St Treas Flute Band	Magherafelt	Tutor costs in drumming and flute	Music	3,000
Strabane & District Women Together	Strabane	Wall hanging for Waterside Hospital	Visual	3,000
Tar Isteach	Belfast	Month of workshops for young people	Dance and Music	4,410
The Bosco Drama Group	Newry and Mourne	Art based Summer Scheme	Drama	5,000
The City Chapter	Armagh	Voyager Project to encourage reading and creativity	Literature	1,150
The Coleraine District Camera Club	Coleraine	Photographic Festival	Visual	4,992
The Eddie Duffy/Mick Hoy Memorial Festival Committee	Fermanagh	Traditional Music Festival	Traditional	5,000
The Flutewise Trust	Belfast	3 weekend flute events	Music	5,000
The Hamilton Flute Band	Londonderry	Computer equipment and instruments	Music	1,102
The Northern Amateur Theatre Association	North Down	Training in professional skills for the amateur theatre movement	Drama	4,100
The Orbit Theatre Company	Derry	Recreate a stage version of Orson Welles' <i>War of the Worlds</i>	Drama	3,390
The Sergeant Walker Memorial Pipe Band	Armagh	Provide music tuition to new members	Music	2,800
The Shalom Poetry Group	Belfast	Produce and publish an anthology of creative writing	Literature	5,000
The William Carleton Summer School Committee	Dungannon	Seminar exploring Ribbonism	Traditional	1,580
Three Spires Craft Group	Magherafelt	34 week craft course	Visual/Craft	1,484
Triangle Housing Association Limited	Ballymena	Series of art based workshops	Combined	3,972

Organisation	Area	Project	Artform	Amount
Twisters Youth Dance Club	Strabane	Professional dance and movement classes for children	Dance	4,250
Ulidian Youth Drama Group	Derry	Production of Jack Scoltock's play <i>Quest for the 7 Dwarves</i>	Drama	5,000
Ulster Operatic Company	Belfast	Stage <i>Calamity Jane</i> in March 2006	Drama	4,220
Ulster Youth Choir	Belfast	One week summer course	Music	5,000
Upper Crossgare Pipe Band	Down	Music Workshop and Youth Programme	Music	5,000
Voice of Young People in Care	Belfast	Making Connections	Other	1,420
Waveney Youth Centre	Antrim	6-month arts programme	Combined	2,650
Welcome Trust Ltd	Belfast	Animation, creative writing and photography workshops	Visual/Literature	5,000
West Armagh Consortium	Armagh	Community Mural	Visual	5,000
West Tyrone Championships	Strabane	Irish Dancing Championships	Dance	3,450
West Winds Residents Association	Ards	Create 2 new pieces of artwork	Visual	1,972
Youth Lyric	Belfast	Production of <i>Romeo and Juliet</i>	Drama	4,650

MULTI ANNUAL PROGRAMME

Organisation	Area	Artform	Award
All Set Schools Project	Craigavon	Traditional	55,000
Alternative Ulster	Belfast	Music	87,000
Antrim Borough Council	Antrim	Other	44,000
Bbeyond	Belfast	Visual Arts	42,894
County Down Crafts	Down	Visual Arts	90,000
CRAIC (Community Recreational Arts in Coalisland)	Dungannon	Community Arts	41,500
Down Community Arts Ltd	Down	Community Arts	90,000
Down District Council	Down	Other	44,000
Fortnight Publications Ltd	Belfast	Literature	48,000
Fringe Performances Ltd	Down	Music	75,000
Kids in Control	Belfast	Youth Arts	60,000
Lisburn City Council	Lisburn	Other	36,000
Mid-Ulster Women's Network	Ballymoney	Community Arts	49,000
Northern Ireland Visual Arts Forum	Belfast	Visual Arts	18,375
Open House Traditional Arts Festival Ltd	North Down	Traditional Arts	55,000
Poetry Ireland	Other	Literature	90,000
Red Lead Arts	Belfast	Visual Arts	35,750
Sole Purpose Productions	Derry	Drama	90,000
Stranmillis University College	Belfast	Visual Arts	90,000
The British Council	Belfast	Visual Arts	85,000
The John Hewitt Society	Belfast	Literature	62,500
Ulster Youth Choir	Belfast	Youth Arts	40,200
Upper Springfield Development Trust	Belfast	Community Arts	75,000

EQUIPMENT

Organisation	Area	Project	Artform	Award
Belfast Exposed Photography	Belfast	Workshop, storage, display and admin equipment	Visual Arts	14,978
Best Cellars Music Collective Ltd	Castlereagh	Sound and vision equipment	Combined	17,770
Community Arts Forum	Belfast	Office equipment	Combined	10,272
Craft Northern Ireland	Belfast	Office equipment	Craft	18,354
Lyric Players Theatre	Belfast	IT and office equipment	Drama	11,545
Moving on Music	Belfast	IT equipment	Music	18,281
Old Museum Arts Centre	Belfast	Theatre, lighting and projection equipment	Combined	12,550
Queen Street Studios	Belfast	IT equipment and software	Visual Arts	19,448
Ulster Youth Jazz Orchestra	Belfast	Instruments and PA equipment	Music	10,472

EARLY YEARS ARTS

Organisation	Area	Project	Artform	Award
Ashgrove Primary School	N'abbey	The Inside Outside Project	Visual Arts	8,100
Aughnacloy Regional Primary School	Dungannon	Developing creativity through visual arts	Visual Arts	9,260
Brookeborough Primary School	Fermanagh	Collage of Four Seasons	Visual Arts	2,799
Cathedral Nursery School	Belfast	Develop creative skills and self esteem	Combined	3,527
Corran Integrated Primary School	Larne	Ten week art based project	Traditional	3,814
Creavery Primary School	Antrim	Developing creative processes	Combined	3,762
Diamond Parent Group	Belfast	After Schools Facility for Early Years Arts	Combined	4,900
Foyle View School	Derry	Creative arts programme	Combined	8,982
Glenbank Nursery School	Belfast	Unlocking the inherent creativity	Visual Arts	4,694
Holy Trinity Nursery School	Fermanagh	Outdoor Learning Environment	Combined	12,460
Long Tower Primary School	Derry	Digital Stories	Film	11,691

Organisation	Area	Project	Artform	Award
McClintock Primary School	Omagh	Tip-Toe through Autumn	Visual Arts	10,650
Newbuildings Primary School	Derry	Music, movement, dance and storytelling	Combined	5,143
Oakwood School & Assessment Centre	Belfast	Harvesting the Seasons	Visual Arts	10,550
Randalstown Central Primary School	Antrim	Owls and the Forest Project	Combined	9,502
St Bernadette's Primary School	Belfast	Develop creative skills among Early Years Children	Visual Arts	10,937
St Mary's Primary School	Strabane	Storytelling leading to puppet making, role playing, drama and dance	Combined	4,539
St. Mark's Primary School	Belfast	Educating for Better Health	Visual Arts	6,490
St. Matthew's Primary School	Belfast	Local Environment Early Years Project	Visual Arts	11,550
St. Patrick's Primary School	Fermanagh	Castles and Fairytales	Combined	11,270
St. Ronan's Primary School/ Nursery School	Fermanagh	The Seasons	Visual Arts	8,900

CAPITAL - BUILDINGS

Organisation	Area	Project	Artform	Award
Antrim Borough Council	Antrim	Project Development Refurbishment/ Conversion - Old Antrim Courthouse	Combined	20,000
Belfast City Council	Belfast	Construction - Renovation of Ulster Hall	Music	687,369
Lyric Players Theatre	Belfast	Project Development - New theatre	Drama	250,000
North West Play Resource Centre	Derry	Project Development - Refurbishment of existing premises	Combined	96,104
Old Museum Arts Centre	Belfast	Project Development - New arts centre	Combined	249,105

LOTTERY ARTS PROJECTS AWARDS

Organisation	Area	Project	Artform	Award
Abridged	Derry	Abridged	Literature	5,900
Afro-Community Support Organisation of NI	Belfast	TROPICX - 2005	Community	5,150
Alternative Ulster	Belfast	Alternative Ulster Magazine	Music	10,000
Ards Arts Collective	Ards	Engage, Challenge, Transform	Visual Arts	8,680
Arts for Older People Network	Belfast	Over the Hill? We'll look at the view	Other	8,780
Belfast Community Photography Group	Belfast	Migration/Immigration Family and Identity	Visual Arts	9,000
Belfast Theatre Company	Belfast	Drama Programme	Drama	9,200
Belvoir Players Amateur Dramatic Society	Castlereagh	Development of Belvoir Player's Rehearsal Studio	Drama	10,000
Bright Lights	Castlereagh	Hands on Dance	Dance	3,400
Bruiser Theatre Company	Belfast	The Adrian Mole and Metamorphosis Tours	Drama	9,500
Camerata Ireland	North Down	Annual Festival August 05	Music	10,000
Carrowshee Park/Sylvan Hill Community Assoc	Fermanagh	Sawdust and Sequins - Community Carnival Training	Community	9,490
Chinese Welfare Association	Belfast	Development of the Arts in Chinese Community	Combined	9,785
Classical Music Society	Derry	Musical Peaks	Music	9,000
CLE - Irish Book Publishers' Association	Other	Variety of seminars and book fairs	Literature	9,174
Context Gallery	Derry	Art Applied	Visual Arts	6,531
Craft Northern Ireland	Belfast	Launch of Craft Northern Ireland	Craft	10,000
Craigavon Arts in Motion	Craigavon	Craigavon's Creative Future	Combined	4,340
Dollymount Publishing/ The Irish Book Review	Other	The Irish Book Review	Literature	10,000
Donaghadee Male Voice Choir	Ards	Purchase of Acoustic Shell	Music	8,013
Drumalis Arts	Larne	Larne and the Arts	Combined	5,800

Organisation	Area	Project	Artform	Award
Dubbeljoint Theatre Company	Belfast	Commissioning costs for Remnants of Fear and The Official Version	Drama	10,000
Eddies Own Aquarius	Other	Eddies own Aquarius December 05 Issue	Literature	8,500
Feile an Phobail	Belfast	Feile an Earraigh 2006	Traditional	9,250
Fermanagh Traditional Music Society	Fermanagh	Compositions of Sean Nugent	Traditional	9,380
Flaxart Studios	Belfast	Artists Colloquium	Visual Arts	8,144
Fortnight Publications Ltd	Belfast	Development of arts content in the magazine	Literature	10,000
Green Shoot Productions	Belfast	Chronicles of Long Kesh	Drama	8,154
Irish Pages Ltd.	Belfast	Office equipment	Literature	3,720
Island Youth Theatre	Lisburn	Stepping Stone	Drama	9,880
Kabosh Theatre Ltd	Belfast	<i>Tales for a Rainy Day</i>	Drama	10,000
Linen Hall Library	Belfast	Book Publication	Literature	10,000
Maiden Voyage (NI) Ltd	North Down	Dance Resource Base	Dance	10,000
Mandarin Speakers Association	Belfast	Chinese Arts Explorer	Community	10,000
McCracken Cultural Society	Belfast	6th McCracken Summer School July 2005	Combined	7,200
Mid Ulster Film Festival Ltd	Omagh	The Mid-Ulster Film Festival	Film	8,300
Multi-Media Heritage	Belfast	Faces of Fiacc	Literature	8,800
MUSAIQ	Omagh	Singing in the Northwest	Music	8,680
New Belfast Community Arts Initiative	Belfast	Mural Festival 2005	Community	10,000
Northern Ireland Theatre Association	Fermanagh	NITA Goes Live Project	Drama	8,500
Open Arts	Belfast	Creative Arts Workshops with Disabled Groups	Combined	4,655
Panarts	Belfast	Belfast Nashville Songwriters' Festival	Community	6,850
Poetry Ireland	Other	Poetry Reading Programme	Literature	10,000
Prison Arts Foundation	Belfast	Artist in Residence (Visual) HMP Maghaberry	Visual Arts	10,000

Organisation	Area	Project	Artform	Award
Queer Space	Belfast	Invisible People: The Belfast Lesbian Gay Bisexual and Trans Community	Community	7,500
Ransom Productions Ltd	Belfast	<i>This Piece of Earth</i>	Drama	7,154
Rawlife Theatre Company	Belfast	<i>Psycho Beach Party</i> and <i>One Flew Over the Cuckoo's Nest</i>	Drama	9,460
Royal Irish Academy	Other	The State of the Art: Literary Production in Ireland	Literature	4,500
Spanner in the Works	Belfast	<i>Cuss the World</i>	Drama	7,785
Stage Beyond	Derry	Theatre projects for people with learning difficulties	Health	10,000
Stewart Parker Trust	Other	Stewart Parker New Playwrights	Literature	9,800
Teachers of Singing in Northern Ireland	Belfast	Tosini workshops, masterclasses and courses	Music	10,000
Templemore Family Support Group	Belfast	A-Freek-A	Community	5,560
The Beat Initiative	Belfast	Building Feasibility Study	Community	10,000
The Black Mountain Press	Antrim	The Black Mountain Review, Issues 12,13 and 14	Literature	6,610
The British Council	Belfast	The Nature of Things - Northern Ireland at the Venice Biennale	Visual Arts	10,000
The Francis McPeake Trust	Belfast	International Summer School	Traditional	10,000
The Geordie Hanna Traditional Singing Society	Dungannon	Loughshore songs and cultural events programme	Traditional	5,230
The Shop: A Magazine of Poetry	Other	The Shop: A Magazine of Poetry	Literature	6,500
The Void Art Centre	Derry	2 Exhibitions	Visual Arts	7,050
Ulster Jazz Events	Down	Hollywood International Jazz Festival 2006	Music	10,000

Organisation	Area	Project	Artform	Award
Ulster Youth Jazz Orchestra	Belfast	Rehearsals and performances	Youth Arts	10,000
Untitled Arts Group	Down	Exhibition and Workshop Programme	Visual Arts	7,420
Corpus Christi Youth Club	Belfast	Youth Drama and Art Classes	Combined	9,782
Visonic Productions Limited	Belfast	Visonic Festival	Combined	10,000
Waterside Women's Group	Derry	Women's Art Programme	Community	7,020
Western Writers' Centre	Other	Invisible Silences - Northern Irish Writing in out time	Literature	9,050
WW Castle Espie	Ards	Dinobirds	Visual Arts	9,225
Young at Art	Belfast	The Lady Beasthunters	Youth Arts	7,500

CRAFT SPECIAL INITIATIVE

Organisation	Area	Project	Artform	Award
Antrim Borough Council	Antrim	Start-up support and residency	Craft	20,000
County Down Crafts	Down	Infrastructure and networks	Craft	21,819
Craft Northern Ireland	Belfast	Skills development	Craft	35,020
Craft Northern Ireland	Belfast	Infrastructure and networks	Craft	118,200
Crafts Council of Ireland	Other	Infrastructure and networks '5 Projects'	Craft	14,023
Crafts Council of Ireland	Other	Exhibitions - Silver Connections, Forty Shades of Green and Piece	Craft	27,239
East Down Institute of FHE	Down	Skills development	Craft	8,515
Fermanagh Crafts Consortium	Fermanagh	Infrastructure and networks	Craft	17,579
National Trust Northern Ireland	Fermanagh	Start-up support and residency	Craft	21,500
Newry & Kilkeel Institute of FHE	Down	Start-up support and residency	Craft	40,000
University of Ulster	Belfast	Skills and Development 'Glaze' Programme	Combined	13,933

Organisation	Area	Project	Artform	Award
University of Ulster	Belfast	Start-up support and residency	Craft	40,000

BUSINESS SUPPORT

Organisation	Area	Project	Artform	Award
Audiences Northern Ireland	Belfast	Training and Seminar Programme 06/07	Combined	17,690
Craft Northern Ireland	Belfast	Continuing Professional Development	Craft	37,081
Creative Writers Network	Belfast	Business Manager	Literature	47,400
Play Resource Warehouse	Belfast	Staff Skills Training	Combined	1,037
Theatrical Management Association	Other	Essentials of Marketing Northern Ireland	Combined	30,562
Voluntary Arts Network	Down	Arts Learning Links (ALL)	Combined	66,084

PUBLIC ART COMMISSIONING

Organisation	Area	Project	Artform	Award
Belfast City Hospital	Belfast	Sculptures for Northern Ireland Cancer Centre	Visual Arts	10,000
Craigavon Borough Council	Craigavon	Public Art Works for Brownlow Linear Park	Visual Arts	16,380
Down Lisburn HSST	Down	Public Art Works for new hospital in Downpatrick	Visual Arts	23,145
Marie Curie Cancer Care	Belfast	Public Art Works for Redevelopment of Hospice in Belfast	Visual Arts	17,000

PUBLIC ART PRODUCTION

Organisation	Area	Project	Artform	Award
Belfast City Council Development Department	Belfast	Major piece of Public Art for Broadway Junction	Visual Arts	50,000
North & West Belfast HSST	Belfast	Integrated Art Project at Grove and Lincoln	Visual Arts	31,150
Society of Parents/Friends of Muckamore Abbey	Antrim	Art works for two new units at Muckamore Abbey Hospital	Visual Arts	27,036
South Lough Neagh Regeneration Association	Dungannon	Sequence of artworks on Loughshore Trail	Visual Arts	100,000

NEW WORK COMMISSIONING

Organisation	Area	Project	Artform	Award
Ballynaveigh Community Development Association	Belfast	Visual anthology of illustrated stories	Visual Arts	12,150
Big Telly Theatre Company	Coleraine	<i>Sinbad the Sailor</i>	Drama	5,500
Cahoots NI Ltd	Belfast	An original piece of writing for children's theatre	Drama	11,200
Echo Echo Dance Theatre Company	Derry	New Dance Theatre Production - <i>Consequences</i>	Dance	19,600
Fringe Performances Ltd	Down	Commission <i>Dumb World Opera</i>	Opera	10,500
Guildhall Press	Derry	Anthology of Derry's Music Heritage	Literature	24,500
Kabosh Theatre Ltd	Belfast	Commission new writing	Drama	12,922
Maiden Voyage (NI) Ltd.	North Down	<i>Two by Two</i>	Dance	20,665
Riverside Theatre	Coleraine	<i>Riverside Grass Roots, In-House and Beyond</i>	Drama	5,960
The John Hewitt Society	Belfast	John Hewitt biography	Literature	16,400
The National Chamber Choir Ltd	Other	National Chamber Choir new choral works	Music	10,600
Youth Action Northern Ireland	Belfast	New Youth led Musical	Drama	16,038

NEW WORK PRODUCTION

Organisation	Area	Project	Artform	Award
Art 4 Change	Fermanagh	Community Dance	Dance	10,275
Ballynafeigh Community Development Association	Belfast	Ballynafeigh Political Theatre Production	Drama	31,090
Belfast Exposed Photography	Belfast	Exhibition of original photographic work	Visual Arts	18,041
Belfast Exposed Photography	Belfast	Production, publication, exhibition of original photographic work	Visual Arts	20,725
Belfast Festival at Queen's	Belfast	Belfast Festival - Theme <i>Families and Communities</i>	Combined	50,855
Blackstaff Press Limited	Belfast	Ulster Anthology by Patricia Craig	Literature	42,602
Cahoots NI Ltd	Belfast	<i>The Weather Watchers</i> New Work 2	Drama	35,945
Circus Bone Idle	Belfast	Dynamic piece of circus street theatre - <i>Other Worlds</i>	Other	18,297
Context Gallery	Derry	Dark - Light, Paint, Print and Music	Visual Arts	14,261
Context Gallery	Derry	Series of exhibitions	Visual Arts	25,605
Echo Echo Dance Theatre Company	Derry	Resonance	Drama	20,800
European Union Chamber Trust Ltd	Other	New work from Elaine Agnew	Music	13,982
Golden Thread Gallery	Belfast	Exhibitions Oct 05 - May 06	Visual Arts	21,265
Greer Publications Limited	Belfast	Orange/ Northern Woman Short Story Book	Literature	15,106
Guildhall Press	Derry	<i>Project EVE</i> - multi-layered initiative to merge, promote and celebrate female creativity	Literature	21,900
Kabosh Theatre Ltd	Belfast	Production of <i>Waiting Room</i>	Drama	29,920
Maydown Youth Training Project Ltd - Waterside Theatre	Derry	Flowers of the Forest	Combined	22,167

Organisation	Area	Project	Artform	Award
North West Play Resource Centre (Playhouse)	Derry	Produce and tour <i>Family Affair</i> by Eamon McCann	Drama	37,440
Portadown 2000 (Millennium Court Arts Centre)	Craigavon	Interrogating Contested Spaces	Combined	20,000
Ransom Productions Ltd	Belfast	<i>The Half</i>	Drama	19,900
Ransom Productions Ltd	Belfast	<i>The Early Bird</i>	Drama	30,575
Replay Productions	Belfast	<i>Bath Time</i>	Drama	24,000
Sole Purpose Productions	Derry	AH 6905 by Dave Duggan	Drama	10,060
Sticky Fingers Early Years Arts	Newry and Mourne	<i>Chasing the Whales Tale</i>	Drama	34,980
The Beat Initiative	Belfast	Produce a spectacular Carnival drumming and music event	Other	24,000
The Cathedral Quarter Arts Festival	Belfast	Cathedral Quarter Festival	Combined	19,850
The Void Art Centre	Derry	Exhibition Programme Sept 05 - March 06	Visual Arts	16,013
Tinderbox Theatre Company	Belfast	<i>Family Plot</i> by Daragh Carville	Drama	39,055
Tinderbox Theatre Company	Belfast	Girls and Dolls	Drama	45,900
University of Ulster	Belfast	Art in Architecture Phase Two	Visual Arts	50,000

ACCESS

Organisation	Area	Project	Artform	Award
An Droichead	Belfast	Arts Education	Combined	40,500
Artability NI Ltd	Belfast	Post of Co-ordinator/Artist to facilitate 90 workshops	Combined	26,926
Arts for All	Belfast	Artistic Outreach Programme	Combined	45,000
Arts for Older People Network	Belfast	Learning to Microwave	Drama	20,500
ArtsCare	Belfast	Artists in Residence	Combined	70,000
ATGWU Cultural Arts Project Committee	Belfast	Working for Change	Combined	41,000
Ballynafeigh Community Development Association	Belfast	Christmas Political Pantomime	Drama	20,620

Organisation	Area	Project	Artform	Award
Belfast Philharmonic Society	North Down	Establishment of a Children's Choir and a Youth Choir	Music	20,002
Blue Eagle Productions	Derry	The Blue Eagle George Farquhar Theatre Festival	Drama	48,265
Border Arts	Strabane	A Day Out and Carnival Group Resources	Combined	37,321
Comhchoiste na Gaeilge Aontroim Thuaidh	Ballymoney	Community art/craft/language classes	Traditional	17,250
Community Arts Forum	Belfast	Information Access Project	Combined	28,020
Creative Writers Network	Belfast	Promotion and development of Literary arts sector in Northern Ireland	Literature	22,540
Crescent Arts Centre	Belfast	Literary Festival	Literature	26,875
Culturlann McAdam O'Fiaich	Belfast	Irish Language 0 - 7	Traditional	15,000
Dairy Farm Jobclub	Down	New Voices (Connecting Cultures)	Combined	83,964
Donaghcloney Rural Needs Development Group	Craigavon	Community Workshops	Combined	78,763
Down District Council	Down	Celtic Fusion July - Aug 05	Combined	24,000
Dun Uladh Ltd	Omagh	Music Lessons, Old Time Dance Classes	Traditional	35,000
Feile an Phobail	Belfast	Oscailt	Combined	35,000
Festival of Fools	Belfast	Celebration of street theatre in Belfast City Centre	Other	123,000
Gasyard Development Trust	Derry	Bluebell Arts Project	Combined	42,350
Golden Thread Gallery	Belfast	Visual arts workshops and programmes	Visual Arts	84,020
In Your Space (NI) Ltd	Derry	Full time development worker	Combined	33,980
Kids in Control	Belfast	Christmas shows	Drama	29,878
Mandarin Speakers Association	Belfast	A three year plan to promote and develop Chinese artistic traditions	Combined	134,930

Organisation	Area	Project	Artform	Award
McCracken Cultural Society	Belfast	Cross Community Workshops	Combined	37,244
Mid Ulster Community & Arts Trust Limited	Omagh	Community Arts Activities Programme	Combined	45,000
Musical Theatre for Youth Northern Ireland Ltd	Antrim	Two Musicals	Drama	26,400
New Belfast Community Arts Initiative	Belfast	Workshops for various artistic forms	Combined	41,562
North of Ireland Bands' Association	Belfast	European Brass Band Championships	Music	10,910
North West Play Resource Centre (Playhouse)	Derry	Open College Network	Combined	44,735
North West Rural Development Ltd	Derry	Celtic European Festival	Combined	25,000
Old Museum Arts Centre	Belfast	DanceLab & Summer BREAKdown - Oct 2005	Drama	63,410
Omagh Arts Committee	Omagh	Omagh Arts Festival 2005	Combined	17,000
Opera Theatre Company	Other	One Year Opera Programme	Opera	38,009
Phab NI Inclusion Matters	Belfast	Creativity Included - 27 month project for 14-18 year olds	Combined	30,750
POBAL	Belfast	Irish Language & Literature Road Show	Combined	135,000
Portadown 2000 (Millennium Court Arts Centre)	Craigavon	Opening Eyes and Minds Education and Outreach project	Visual Arts	18,161
Prison Arts Foundation	Belfast	Artists in Residence and Art Works	Combined	47,100
Queen Street Studios	Belfast	Queen Street Studios Digital Studio	Visual Arts	58,350
Red Lead Arts	Belfast	Flag it Up	Visual Arts	22,000
Sliabh Beagh Development Association	Fermanagh	Youth Development Programme	Combined	90,000
Soundlines	Lisburn	Music with Everyone, Everyone with Music	Music	18,000
Source/Photo Works North	Belfast	Fund a part-time post	Visual Arts	41,580
Spanner in the Works	Belfast	Rural meets Urban	Drama	13,500

Organisation	Area	Project	Artform	Award
Stage Beyond	Derry	Drama Workshops	Drama	113,047
Steer Mental Health Organisation	Derry	Access to Visual and Literary Arts	Combined	18,707
Streetwise Community Circus Workshops	Belfast	Workshops with MENCAP and Share Centre	Community Arts	44,943
The Nerve Centre	Derry	Music Access & Development Programme	Music	35,235
The Void Art Centre	Derry	Void Art School and Void Comix	Visual Arts	30,665
Tinderbox Theatre Company	Belfast	Access to Excellence	Drama	44,400
Ulster Folk & Transport Museum	North Down	Develop New Audiences	Visual Arts	26,900
Ulster Scots Heritage Council	Belfast	Arts Cultural Development Officer	Combined	25,000
Ulster-Scots Language Society	Belfast	Writer in the community	Literature	15,440
Venus Blazing Music Trust	Belfast	Goliath a Go Go!	Music	12,017
Verbal Arts Centre	Derry	WHAAM	Literature	67,200
Youth Action Northern Ireland	Belfast	Theatre and training	Combined	30,582
Youth Music Theatre	Other	Open - Access Music Theatre Programme	Other	20,000

FILM

(awards made by the Northern Ireland Film and Television Commission under delegation arrangements)

Organisation	Area	Project Title	Application Type	Award
About Face Media (TV) Ltd	Belfast	<i>The Township</i>	MINI - Production	22,500
About Face Media Ltd	Belfast	<i>Ulster Generals</i>	MINI - Production	50,000
About Face Media Ltd	Belfast	<i>The Day I Turned Thirteen aka Coming of Age</i>	MINI - Production	15,000
Aidan Largey	Belfast	<i>Remembrance</i>	MINI - Production	1,009
Alchemic Films Ltd	Other	<i>Static</i>	Project Development	15,000
Bandigital Ltd	Belfast	<i>Megido</i>	MINI - Production	11,250
Bandigital Ltd	Belfast	<i>Hitch</i>	MINI - Distribution	500
Besom Productions Ltd	Derry	<i>Hunger</i>	MINI - Production	15,000
Borderline Productions	Belfast	<i>Pretty Face</i>	MINI - Distribution	3,000
Brian Davis - INDIVIDUAL	Down	<i>The Poet and the Bear</i>	MINI - Production	2,250

Organisation	Area	Project Title	Application Type	Award
Closing The Ring Ltd	Belfast	<i>Closing The Ring</i>	Project Development	40,000
Closing The Ring Ltd	Belfast	<i>Closing The Ring</i>	Feature Film / TV Drama	200,000
DC Media Ltd	Belfast	<i>Falling</i>	MINI - Production	16,200
Eye Dent	Belfast	<i>Deeper Blue</i>	MINI - Production	6,530
Flickerpix Ltd	Belfast	<i>Horn OK Please</i>	MINI - Distribution	4,400
Ger Murphy - INDIVIDUAL	Belfast	<i>Didn't They Look Great</i>	MINI - Production	2,250
Geronimo Pictures Ltd	Belfast	<i>Teenage Kicks aka Whatever</i>	Project Development	7,500
Green Park Films	Belfast	<i>Sin Spree</i>	Low Budget Feature Film	150,000
Greenlit Rights Ltd	Other	<i>Beyond Recognition</i>	Project Development	19,625
Heaven's Gate Films Ltd	Down	<i>The Fairy Tree</i>	Project Development	9,795
Hotshot Films Ltd	Belfast	<i>Poor Banished Children of Eve</i>	Project Development	7,500
Hotshot Films Ltd	Belfast	<i>JUMP!</i>	Project Development	7,500
Hotshot Films Ltd	Belfast	<i>The Eighteenth Electricity Plan</i>	MINI - Production	22,500
Joe McStravick	Belfast	<i>Murphy 771</i>	MINI - Production	2,115
Journeyman Films	N'abbey	<i>Wee Hoods</i>	MINI - Production	7,500
Laika Pictures Ltd	Other	<i>Tell it to the Fishes</i>	MINI - Production	22,612
Line Productions	Other	<i>The Scots-Irish In America</i>	Project Development	5,000
Little Ease Productions Ltd	Belfast	<i>Guinness Size Me</i>	Completion Funding	8,000
Luke the Lifeboat Ltd	Belfast	<i>Luke the Lifeboat</i>	Feature Film / TV Drama	100,000
Lynx Productions	Belfast	<i>Brethren In Arms aka A Right Royal Lodge</i>	MINI - Production	4,500
Make Films Ltd	Belfast	<i>Lingling</i>	Feature Film / TV Drama	150,000
Make Ireland Development Ltd	Belfast	<i>The Last Fine Summer</i>	Project Development	39,100

Organisation	Area	Project Title	Application Type	Award
Make Ireland Ltd	Belfast	<i>Ankles</i>	MINI - Production	22,500
Mandrake Films Ltd	Other	<i>Stamping Ground</i>	Project Development	7,500
Manifesto Films Ltd	Other	<i>Jellybaby</i>	MINI - Distribution	2,700
Maybe Films Ltd	Banbridge	<i>ELLA</i>	MINI - Production	15,000
Newgrange Pictures Ltd	Other	<i>Kings</i>	Feature Film / TV Drama	150,000
Nua Media	Belfast	<i>Danny from Bandon</i>	MINI - Distribution	2,700
Poetry in Motion Ltd	Other	<i>Bye-Child</i>	MINI - Distribution	5,000
Princess Pictures	Other	<i>The Hotel Trade</i>	MINI - Production	22,460
Raw Nerve Productions Ltd	Derry	<i>Eastman</i>	MINI - Production	12,180
Reflected Light Pictures Ltd	Other	<i>48 Angels aka Anam Cry</i>	Feature Film / TV Drama	150,000
Simon James - INDIVIDUAL	Other	<i>Mapping Frontiers</i>	MINI - Production	1,250
Spoton Film & TV Ltd	Belfast	<i>The Patrol</i>	MINI - Production	22,500
Straight Face Production Ltd	Belfast	<i>Game of ALL Games</i>	Project Development	10,000
The Artery NI	Belfast	<i>Artery</i>	MINI - Production	22,473
Treasure Entertainment Ltd	Other	<i>The Mighty Celt</i>	MINI - Distribution	5,000
Treasure Entertainment Ltd	Other	<i>Shrooms</i>	Feature Film / TV Drama	150,000
Treasure Entertainment Ltd	Other	<i>Woolly Faces</i>	Project Development	20,000
Treasure Entertainment Ltd	Other	<i>Shrooms</i>	Project Development	20,000
Ulan Productions Ltd	Belfast	<i>The Indo-Celtic Cab Company</i>	Project Development	21,100
Westway Film Productions	Derry	<i>Homelands and Townlands</i>	MINI - Production	50,000
Whatever Pictures Ltd	Other	<i>Shoot The Crow aka Untold Stories</i>	Project Development	10,000

Breakdown of Awards 2005 – 06

BREAKDOWN OF AWARDS BY LOCAL AUTHORITY AREA 2005/06

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

Local Authority Area	Total No. of Awards	Total Value of Awards	% of Value Awarded	Population	Per Capita
Antrim	13	177,630	2.11	48,500	3.66
Ards	8	40,175	0.48	66,700	0.60
Armagh	10	37,739	0.45	52,500	0.72
Ballymena	2	6,437	0.08	57,500	0.11
Ballymoney	5	71,882	0.85	24,600	2.92
Banbridge	2	9,990	0.12	37,300	0.27
Belfast	164	4,904,070	58.26	296,700	16.53
Castlereagh	4	36,170	0.43	63,400	0.57
Coleraine	3	16,452	0.20	54,100	0.30
Cookstown	1	3,840	0.05	31,300	0.12
Craigavon	9	200,294	2.38	78,100	2.56
Derry	40	961,433	11.42	102,800	9.35
Down	22	621,606	7.38	60,700	10.24
Dungannon	9	169,506	2.01	46,800	3.62
Fermanagh	20	237,762	2.82	54,700	4.35
Larne	5	23,977	0.28	30,000	0.80
Limavady	2	10,000	0.12	32,422	0.31
Lisburn	8	80,337	0.95	106,000	0.76
Magherafelt	7	23,492	0.28	37,000	0.63
Moyle	6	26,889	0.32	14,800	1.82
Newry and Mourne	9	62,703	0.74	84,100	0.75
Newtownabbey	2	13,100	0.16	78,600	0.17
North Down	16	173,198	2.06	74,000	2.34
Omagh	9	131,630	1.56	46,900	2.81
Strabane	8	60,510	0.72	36,100	1.68
Other	17	316,939	3.77		
TOTAL	401	8,417,761	100.00	1,649,000	

BREAKDOWN OF AWARDS BY ART FORM 2005/06

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

Artform	Total Value of Awards	Total Number of Awards
Combined	2,157,228	66
Community	377,013	15
Craft	446,679	20
Dance	103,560	17
Drama	1,403,456	64
Film	24,991	3
Literature	631,921	32
Music	1,256,431	60
Opera	48,509	2
Traditional	336,403	38
Visual	1,288,558	69
Other	343,012	15
	8,417,761	401

BREAKDOWN OF AWARDS BY APPLICATION TYPE 2005/06

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

Application Type	Total Value of Awards	Total Number of Awards
Access	2,492,551	59
New Work	950,644	42
Public Art	274,711	8
Business Support	199,854	6
Craft Special Initiative	377,828	12
Lottery Arts Projects	578,902	69
Building	1,302,578	5
Early Years Arts	163,520	21
Equipment	133,670	9
MAP	1,404,219	23
Awards for All	539,284	147
	8,417,761	401

Breakdown of Awards 1995 – 2006

TOTAL AWARDS BY LOCAL AUTHORITY AREA 1995 – 2006

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

Local Authority Area	Total No. of Awards	Total value of Awards £	% of Value Awarded	Population	Per Capita Expenditure £
Antrim	53	897,696	1.03%	48,500	18.5
Ards	53	678,128	0.78%	66,700	10.2
Armagh	81	4,624,901	5.31%	52,500	88.1
Ballymena	39	2,431,961	2.79%	57,500	42.3
Ballymoney	26	565,353	0.65%	24,600	23.0
Banbridge	18	177,794	0.20%	37,300	4.8
Belfast	891	35,543,094	40.77%	296,700	119.8
Carrickfergus	18	219,868	0.25%	34,900	6.3
Castlereagh	36	1,028,533	1.18%	63,400	16.2
Coleraine	50	2,169,833	2.49%	54,100	40.1
Cookstown	41	1,735,944	1.99%	31,300	55.5
Craigavon	102	3,146,970	3.61%	78,100	40.3
Derry	201	11,965,696	13.73%	102,800	116.4
Down	73	1,315,044	1.51%	60,700	21.7
Dungannon	71	878,689	1.01%	46,800	18.8
Fermanagh	103	2,600,687	2.98%	54,700	47.5
Larne	19	416,237	0.48%	30,000	13.9
Limavady	22	148,878	0.17%	30,900	4.8
Lisburn	43	1,955,164	2.24%	106,000	18.4
Magherafelt	47	305,372	0.35%	37,000	8.3
Moyle	40	632,015	0.73%	14,800	42.7
Newry and Mourne	102	1,632,175	1.87%	84,100	19.4
Newtownabbey	34	548,238	0.63%	78,600	7.0
North Down	63	1,063,655	1.22%	74,000	14.4
Omagh	51	4,841,278	5.55%	46,900	103.2
Strabane	64	1,868,751	2.14%	36,100	51.8
Other	104	3,779,636	4.34%		
TOTAL	2445	87,171,590	100	1,649,000	

TOTAL AWARDS BY ART FORM 1995 – 2006

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

Artform	Total Value of Awards	Total Number of Awards
Architecture	337,743	78
Combined	41,271,522	348
Community Arts	2,516,806	72
Craft	959,951	64
Dance	1,752,026	130
Drama	10,972,713	290
Film	4,321,333	136
Literature	2,898,022	136
Music	9,963,985	523
Opera	991,905	64
Traditional Arts	1,950,598	254
Visual Arts	7,311,749	311
Other	1,923,237	39
	87,171,590	2,445

TOTAL AWARDS BY APPLICATION TYPE 1995-2006

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

Application Type	Total Value of Awards	Total No of Awards
Access	13,566,293	331
Advancement (note 1)	1,953,785	7
Art of Regeneration	2,400,000	10
Audience Development	4,716,993	45
Building	33,019,364	60
Design Comp (note 2)	25,244	3
Interim Funding Scheme (note 3)	47,627	3
Equipment	8,243,975	421
Feasibility studies (note 2)	192,383	25
Film	3,706,013	79
Millennium Festival (note 4)	158,154	25
New Works	9,213,038	352
Awards for All	3,131,873	866
Craft special initiative	683,342	25
Architecture special initiative	178,235	8
Dance special initiative (note 5)	250,000	1
Education special initiative (note 6)	500,000	5
Multi-Annual Programme	3,968,284	75
Public Art	274,711	8
Business Support	199,854	6
Lottery Arts Projects	578,902	69
Early Years Arts	163,520	21
	87,171,590	2,445

Notes:

1. One-off programme offered in 1997/98.
2. Programmes ceased in 2001. Figures now included in Building section.
3. Programme offered 1998-2000.
4. One-off programme offered in 1999/2000 to celebrate the Millennium.
5. One-off programme offered in 2003/04.
6. One-off programme offered in 2002/03.

Policy and 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:*

"Public Benefit" is one of the published criteria which are used to assess every application. Each successful applicant demonstrated the benefit to the community which would result from their project. Public benefit is interpreted in a number of ways depending on the programme through which the applicant applies. Under Access this is determined by the level of community ownership and involvement in the project. Under New Work, by the number of venues to which a production tours or projected audience numbers.

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 continue to be received for projects in all art forms – music, drama, architecture, literature, craft, visual art, dance, opera and film – as well as cross-art form (combined) activities. The distribution of awards reflects the size of the individual artform sectors.

In the year under review, the Council received applications from all 26 Local Authority areas. Under-represented areas in terms of numbers of applications received, or those with low success rates are regularly discussed with other distributors to identify possible joint approaches to address perceived problems.

Area	Robson Index	Total No. of Apps Recvd	Total Value of Apps Recvd £	Total Apps Rejected	No. of Apps Awarded	Value of Apps Awarded £	% Successful
Antrim	17	18	260,771	3	13	177,630	72.22%
Ards	22	16	82,491	7	8	40,175	50.00%
Armagh	13	13	85,817	1	10	37,739	76.92%
Ballymena	19	4	18,967	1	2	6,437	50.00%
Ballymoney	12	6	101,054	0	5	71,882	83.33%
Banbridge	18	3	312,570	1	2	9,990	66.67%
Belfast	2	289	10,432,340	42	164	4,904,070	56.75%
Carrickfergus	21	2	4,245	1	0	0	0.00%
Castlereagh	25	5	157,880	1	4	36,170	80.00%
Coleraine	20	12	204,849	5	3	16,452	25.00%
Cookstown	8	3	26,420	1	1	3,840	33.33%
Craigavon	15	16	455,845	5	9	200,294	56.25%
Derry	3	92	2,532,626	21	40	961,433	43.48%
Down	16	38	1,195,869	8	22	621,606	57.89%
Dungannon	5	18	435,124	4	9	169,506	50.00%
Fermanagh	6	38	732,187	8	20	237,762	52.63%
Larne	14	6	31,074	0	5	23,977	83.33%
Limavady	11	3	12,580	1	2	10,000	66.67%
Lisburn	23	12	254,135	2	8	80,337	66.67%
Magherafelt	10	14	83,628	2	7	23,492	50.00%
Moyle	7	11	138,699	2	6	26,889	54.55%
Newry and Mourne	4	23	406,088	5	9	62,703	39.13%
Newtownabbey	24	2	10,680	1	2	13,100	100.00%
North Down	26	22	285,022	2	16	173,198	72.73%
Omagh	9	16	321,826	4	9	131,630	56.25%
Strabane	1	12	215,297	1	8	60,510	66.67%
Other	0	27	678,161	6	17	316,939	62.96%
		721	19,476,245	135	401	8,417,761	

When reading the above table it should be noted that the sum of applications rejected and applications awarded is not necessarily the same as the number of applications received. There are two reasons for this discrepancy: (a) decisions can be made on applications received before the start of the financial year, and (b) some applications can still be awaiting decision at the end of the financial year.

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 a major element in all of the Council’s programmes. In particular, the Council’s Access programme identifies the need for applicants to address the needs access issues 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.

The Council continued to offer a premium payment which enables successful applicants 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, and to those who fall within Section 75 of the Northern Ireland Act 1998.

In addition, to an Equality of Opportunity statement and/or policy all applicants are 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 a stated priority within the Council’s Access programme and one of the key themes of the Council’s strategy. In addition to its general funding of projects involving children and young people, the Council made its first awards under a specific Early Years Programme, designed to encourage the development of problem solving, language and creative skills of children aged 3-7 years, through arts-related projects. Council made 21 awards under this programme totalling £163,520.

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.

The Council’s Access and Multi-Annual Programmes offer organisations the opportunity to plan ahead for a period of up to 3 years and within that to secure employment of staff for that period. In addition, the Art of Regeneration programme addresses the wider issues of anti-social behaviour and the environment.

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;*

The Arts Council entered into a new 3-year delegation arrangement with the Northern Ireland Film and Television Commission under which NIFTC receives 13% of the Council’s annual income. During the year NIFTC made 53 awards covering the areas of development, production and distribution/promotion. NIFTC continued to fund film in all forms from feature length to short films, documentaries, TV series and animation.

G *the needs of projects relating to crafts;*

The Council continued to offer support through its Craft Special Initiative Programme which had commenced in 2002/03. The Council made 12 awards under the Initiative this year including a number of awards for start-up grants where host organisations house and support individual artists.

In addition, Council was able to support the work of the newly established Craft Development NI to offer training courses to individual craftspeople.

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. 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. All capital projects applying for Lottery funds 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.

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;*

Following the welcome introduction of the Multi-Annual Programme in 2004/05, Council increased the maximum threshold for this programme from £20,000 to £30,000 and made awards to 23 organisations, thus giving those organisations the security of funding for a 3-year period until 2009.

The Council launched its Business Support Programme which offers arts organisations the opportunity to purchase training in business skills for Board and administrative staff members. The programme also offers the possibilities of training for technical and artistic staff who can subsequently share the learning with the organisation. In its first year the programme has made awards totaling almost £200,000 to projects ranging from large scale sectoral training to one-off training opportunities for single members of administrative staff.

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.

During the year grants awarded by the Council provided leverage to the sector in attracting in excess of £30 million in partnership funding from the private and public sectors.

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.

The Northern Ireland Lottery Forum was established during the year to discuss items of common interest, 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 the year the Council began discussions with a number of key statutory agencies in Northern Ireland on the introduction of a new programme “Re-Imaging Communities” which will address issues such as removing paramilitary iconography from residential areas.

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 construction 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.

A number of the Council's staff involved in grant assessment and payment successfully completed a grant skills training programme and received a Certificate/Diploma in Management Practice. In addition, the Council completed a re-structuring process which offers a greater degree of segregation in relation to grant assessment and payments.

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 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.

The Council developed and launched its Architectural and the Built Environment Policy in 2003 which led to the appointment of a steering committee of representatives from Government Departments to develop a formal architecture and built environment policy for Northern Ireland. It is hoped that this NI policy will be launched in 2006.

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 Northern Ireland Audit Office on behalf of Parliament and internally audited by a bespoke internal audit provision shared with the Sports Council of Northern Ireland.

- 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.

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	Project Budget	Grant Amount	Project Title
Mandarin Speakers Association	151,572	134,930	3-year plan to promote and develop Chinese artistic traditions in NI
Stage Beyond	163,964	113,047	Drama Workshops
Craft Northern Ireland	138,000	118,200	Infrastructure and networks
POBAL	201,642	135,000	Irish Language and Literature Road Show
Belfast City Council	8,370,000	687,369	Renovation of Ulster Hall - Stage 3
Old Museum Arts Centre	333,140	249,105	Stage 2 - New Arts Centre
Lyric Players Theatre	500,000	250,000	Stage 2 - Project Development (Feb 06 - Feb 07)
Festival of Fools	213,000	123,000	Celebration of street theatre in Belfast City Centre

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.

Monitoring and 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 6 major building projects in, Omagh, Ballymena, Portstewart, Larne, Belfast 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 new work grants. The majority of these visits proved satisfactory.

From 2006/07 the Council will also report on support to Minority Ethnic Groups under the following headings:

- (i) the number of applications received for projects directed at, or of particular relevance to, a specific ethnic minority community, and the amount requested;
- (ii) the number and value of awards made;
- (iii) the number of applications which were unsuccessful.

Evaluation

In November 2005 the Council commissioned a review of its Musical Instruments for Bands Scheme which had offered over 2 period – 1994 to 1996 and again from 2002-2004 and through which £3.5million had been awarded.

The Review was received in February 2006 and outlined the success of the scheme in providing a wide range of benefits to the bands sector. The second period of funding benefited a total of 136 bands in all the main categories, with an estimated membership of around 4,000 individuals.

The feedback from the Review is that the Arts Council's support of the sector is greatly appreciated and that such instrument funding is generally supported both by the sector and by the general public as a good and acceptable use of public funds.

The conclusions of the Review illustrate that Arts Council funding has led to improvements in artistic standards and helped to attract new members. However, the sector still faces a wide range of needs in terms of future development. The continuing need to attract and retain young people and the need to improve the public perception of the sector are cited as the main difficulties facing the sector.

The Council will discuss the report with the bands sector early in 2006/07 to establish possible future funding for the sector.

Targets for Administrative Efficiency

Target:

To maintain administrative expenditure for 05/06 at 10% of Lottery income.

Outcome:

The Council's total income for 05/06 was £8,055,959 of which direct administration costs totaled £857,476 or 10.6%, reasonably in line with the target of 10%.

NLDF Balance Policy

It is a requirement of the Department of Culture, Media and Sport (DCMS) (as outlined 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.

In June 2004, the Council formally approved a policy whereby the Arts Council would aim to reduce NLDF balances to less than half the 2004 level (to £17m) by 31 March 2007, providing the Arts Council continued to have sufficient assurance that this would neither compromise existing commitments nor unreasonably constrain its ability to make future commitments in accordance with policy directions.

As at the 31st March 2006, Arts Council balances at NLDF totalled £32.3m, down £3m on the prior year - a decrease of 8.5%. The Council's hard and soft commitments totalled £29.6m and it had further funds earmarked totalling £13m, giving a total requirement of £42.6m to be met from existing funds plus incoming year estimated share of operator proceeds of £6.7m, local cash balances of £1m and funds released from decommitments of circa £1.6m. The free balance is therefore £1m - in line with DCMS recommendations to overcommit funds.

To ensure that the target is achieved the Arts Council agreed to take the following steps:

- commit 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;

Result: New hard commitments in year totalled £13.8m net of decommitted funds, well in excess of the forecast income of £7.7k. Funds drawn down for the year totalled £11m

- 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;

Result: Rigorous monitoring of open grant files resulted in decommitments of £0.6m as at 31st March 2006, with periodic review procedures in place for open files.

- 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.

End of year review

The Council's closing balance in the NLDF account at the end of the 04/05 financial year was £35,415,180, a reduction of £228,396 on the opening balance. This situation was much improved by the 31st March 2006, with closing balances of £32.3m being recorded.

- **Forecast V Actual income**

At 1 April 2005 the Council based its income on the DCMS forecast of £6.3m. By 1 April 2006 the confirmed actual income for 05/06 was £8m. Actual income was therefore £1.7m more than originally anticipated, the significant element of which relates to investment returns being higher than originally estimated.

- **Forecast V Actual drawdown**

At 1 April 2005 the total expenditure figure for 05/06 was estimated at £10.7m, requiring a drawdown of circa the same value of funds. The actual drawdown in year was £11m, which was in line with target.

- **Other issues**

During the year, and although the practice has a negative bearing on future grant giving policy, Council endeavoured to follow DCMS direction to over-commit against forecast income. During the year Council made hard commitments of £14.4m from its main programmes – more than double its original estimated income. As with the capital programme, these funds, even if cash-profiled over 3 years, are committed from the Council's current balance.

Arts Council of Northern Ireland Lottery Distribution Account For the Year Ended 31 March 2006

Ordered by the House of Commons to be printed 24th July 2006 HC 1574

ANNUAL REPORT

BACKGROUND INFORMATION

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).

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.

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 2006 is shown below.

Council from 1 July 2003:

Ms Rosemary Kelly (Chairman)	Mr Tim Kerr
Mr Martin Bradley (Vice Chairman)	Mr Raymond Fullerton (appointed Feb 05)
Mrs Eithne Benson	Mr Brendan Milligan
Ms Kate Bond	Mr William Montgomery
Mr Will Chamberlain (resigned July 05)	Mr Gearóid Ó hEara
Ms Lucia (Lucy) Finnegan	Ms Sharon O'Connor
Ms Jill Holmes	Mr Peter Spratt
Mr Anthony Kennedy	

The members of the Council's Lottery Committee during the year are shown below.

From June 2005:

Kate Bond, Chair
Eithne Benson
Tim Kerr

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. So far as the Accounting Officer is aware, there is no relevant audit information of which the entity's auditors are unaware, and the Accounting Officer has taken all the steps that she ought to have taken to make herself aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

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 100% of the bills were paid within this standard. The comparable figure for the previous year was 93% paid within the standard.

Political and Charitable Donations

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

MANAGEMENT COMMENTARY

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 £8,016,557. During the year the Arts Council awarded grants to Lottery applicants of £8,417,761 and paid £8,493,907 to applicants. The total administrative costs to the Arts Council of its distribution activities, including staff costs, were £1,023,077 (excluding depreciation). This represents approximately 12.8% of the total proceeds received in the year and 9.3% of total funds drawn down.

Review of National Lottery distribution activities

During the year the Arts Council received 721 applications seeking grants of £19,476,245 across all programmes and made 254 grants totalling £7,878,477. In addition, through Awards for All the Council made 147 awards totalling £539,284.

The Council introduced the Lottery Arts Projects 2005 programme (LAP), to cater for organisations seeking less than £10,000 but more than the current £5,000 upper threshold of the jointly-funded Awards for All scheme. LAP is an interim programme that will run until the raising of the upper limit of the Awards for All scheme comes into effect in 2006-07.

The Council made its first awards under the *Early Years* and *Business Support* programmes.

In November 2005, the Council commissioned a review of the impact of the £3.5 million that had been awarded to bands for the purchase of musical instruments.

A major element of the year's work was the review of the 2002-2006 Lottery Strategy.

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 £1,997 to £1,461 following a depreciation charge of £536 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 £6,720,289 after making a provision for all hard grant commitments outstanding at the year-end. At the end of 2005-06 the retained funds totalled £8,543,270. This amount will be carried forward to the 2006-07 financial year and will be available for distribution.

A Comment on NLDF Balance Policy

In June 2004 the Council formally approved a policy whereby the Arts Council would aim to reduce NLDF balances to less than half the 2004 level (to £17m) by 31 March 2007 providing the Arts Council continued to have sufficient assurance that this would neither compromise existing commitments nor unreasonably constrain its ability to make future commitments in accordance with policy directions.

As at the 31st March 2006, Arts Council Lottery Account balances at NLDF totalled £32.3m, down £3m on the prior year - a decrease of 8.5%. The target balance for the year was £25.6m - representing a negative variance against target of £6.7m. This is caused primarily by funds being set aside in relation to capital grant projects which did not materialise within the financial year 2005-06, but for which a commitment needs to be maintained into the future.

In relation to management effort to reduce balances, it is worth noting that the Council's hard and soft commitments totalled £29.6m and it had further funds earmarked totalling £13m, giving a total requirement of £42.6m as at 31st March 2006 to be met from existing funds plus incoming year (2006-07) estimated share of operator proceeds of £6.7m, local cash balances of £1m and funds released from decommitments of circa £1.6m. The free balance is therefore -£1m - in line with DCMS recommendations to overcommit funds.

Future Developments in National Lottery Distribution Activities

In the incoming year, as a result of the Review of Strategy, the Council will be re-launching its Lottery grant programmes. A number of new programmes will also be launched - *Re-Imaging Communities* and *Critical Voices*. The Council is awaiting the outcome of DCMS's public consultation on the future of the National Lottery which will determine the Council's share of future proceeds and also indicate the likely effect on income of the Olympics 2012.

REMUNERATION REPORT

Remuneration Policy

The remuneration of senior civil servants is set by the Prime Minister following independent advice from the Review Body on Senior Salaries.

The Review Body also advises the Prime Minister from time to time on the pay and pensions of Members of Parliament and their allowances; on Peers' allowances; and on the pay, pensions and allowances of Ministers and others whose pay is determined by the Ministerial and Other Salaries Act 1975.

In reaching its recommendations, the Review Body has regard to a number of recommendations, more information on which may be found at www.ome.uk.com. The Review Body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations.

The remuneration of all senior civil servants is entirely performance based. Senior staff pay awards are determined by the Northern Ireland Civil Service (NICS) Remuneration Committee.

Within the Arts Council, the Chief Executive is employed at a Senior Civil Service grade, while all other executive directors are employed at Grade 7.

The Arts Council Remuneration and Staffing Committee is responsible for approving the Chief Executive's salary and assessing her performance and its membership is made up as follows from Council members:

R Kelly
M Bradley
G O'hEara

All other senior staff positions above Deputy Principal are approved by DCAL.

Service Contracts

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

Unless otherwise stated below, the officials covered by this report hold appointments, which are open-ended until they reach the normal retiring age of 60. Policy relating to notice periods and termination payments is contained in the Northern Ireland Civil Service (NICS) Staff Handbook. In relation to the position of Roisín McDonough, Chief Executive, she was appointed on the 16th of October 2000. This position is permanent within the definition above as are the executive director positions.

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

Salary and Pension Entitlements - Senior Staff

	2005-06		2004-05	
	Salary £'000	Benefits in kind (nearest £100)	Salary £'000	Benefits in kind (nearest £100)
Ms Roisín McDonough <i>Chief Executive</i>	70 - 75		70 - 75	
Mr P Hammond <i>Director</i> (01 April 2005 to 31 October 2005)	50 - 55 full year equivalent		40 - 45	
Mr P Burns <i>Director</i>	40 - 45		35 - 40	
Mr N Livingston <i>Director</i>	40 - 45		35 - 40	
Ms Noirin McKinney <i>Director</i>	40 - 45		35 - 40	

SALARY

'Salary' includes gross salary; performance pay or bonuses, all of which are subject to UK taxation. This report is based on payments made by the Arts Council of Northern Ireland and thus recorded in these accounts.

BENEFITS IN KIND

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

ARTS COUNCIL PENSIONS

The Arts Council participates in the Northern Ireland Local Government Officers' Superannuation Committee Scheme (NILGOSC) and made contributions for 51 employees during the year (not all 51 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 2006 the Arts Council contributed 13.6% of gross salary. The scheme is non contributory for members of staff.

	2005-06 £	2004-05 £
Employer's	<u>149,489</u>	<u>112,710</u>

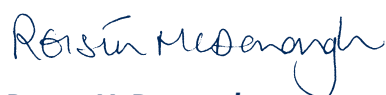
	Salary including performance pay	Real increase in pension and related lump sum at age 60	Total accrued pension at age 60 at 31/3/06 and related lump sum	CETV at 31/3/05	CETV at 31/3/06	Real increase in CETV
R McDonough Chief Executive	£72,905	£1,217	£73,587	£287,658	£303,959	£15,458
N McKinney Director of Arts Development	£40,770	£2,443	£39,381	£116,554	£132,319	£13,385
P Hammond Director of Arts Development	£50,221	£2,537	£71,628	£255,654	£275,320	£18,917
P Burns Director of Corporate Services	£41,476	£2,181	£33,624	£114,273	£128,894	£12,438
N Livingston Director of Strategic Development	Consent to disclose withheld.					

CASH EQUIVALENT TRANSFER VALUES

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements and for which the CS Vote has received a transfer payment commensurate with the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

REAL INCREASE IN CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.



Roisín McDonough
Accounting Officer for the Council

19th July 2006

Statement of the Council's and Accounting Officer's Responsibilities

The Arts Council of Northern Ireland is required to prepare a statement of accounts for each financial year with in accordance with section 35(3) of the National Lottery etc. Act 1993 and accounts direction given by the Department of Culture, Arts and Leisure, with the approval of the Secretary of State for Culture, Media and Sport.

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;
- observe the current version of the Government Financial Reporting Manual (FReM).
- 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

19th July 2006

Statement on Internal Control

Scope of Responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the council's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Government Accounting. This responsibility is supported by the functions of Council, various Committees - particularly the Audit Committee, the internal auditor, external audit work and active management of the Arts Council's risk register.

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 departmental policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place for the year ended 31 March 2006 and up to the date of approval of the annual report and accounts, and accords with HM Treasury guidance.

Capacity to Handle Risk

The identification and impact of risk has been incorporated into the corporate planning and decision making processes of the Arts Council since 2003. Consequently the Arts Council ensures that there are procedures in place for verifying that internal control and aspects of risk management are regularly reviewed and reported on. The Council currently receives periodic reports concerning internal control and steps are being taken to manage risks in significant areas of responsibility and monitor progress on key projects.

The Audit Committee has lead responsibility for periodic review of the risk framework and other records of risk. Management of risk categories has been allocated appropriately within the organisation. Any revision to the framework is discussed within Audit Committee and recommended to Council. In accordance with these functions, the Chair of the Audit Committee has received appropriate training during the year in accordance with Best Practice guidelines and Corporate Governance principles.

The Audit Committee also agrees the internal audit work schedule and internal audit reports are reviewed periodically by the Committee.

Finally, the Audit Committee reviews the final reports and accounts and the ensuing management letter.

Various other committees, including Finance and Lottery and Grants, take lead responsibility for periodically monitoring, and reporting on, expenditure activities of the Arts Council, with reporting and recommendations to Council.

The Risk and Control Framework

In addition to the above, the Arts Council plans to set up a system of key performance and risk indicators – these are being incorporated into the Business Plan from 2006 onwards.

The Council has an Internal Audit Unit, provided by a shared internal post with the Sports Council, which operates to standards defined in the Government Internal Audit Manual. The internal auditor submitted regular reports which included an opinion on the adequacy and effectiveness of the Council's system of internal control together with recommendations for improvement.

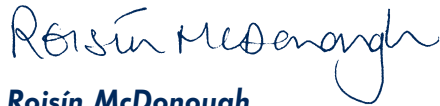
During the year, progress has been made in the improvement of the Council's grant monitoring procedures. However, further improvements are ongoing. I have been assured by my executive managers that procedures continue to be developed for the monitoring and management of grants which will ensure that all grants receive sufficient and consistent scrutiny in line with policy and financial directions.

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 auditor and the executive managers within the department 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. In addition, as noted above, the various Committees of the Arts Council report to Council at its periodic meetings on the functional areas falling within each Committee's terms of reference and Council makes appropriate recommendations where necessary.

The Internal Audit workplan for 2005-06 and statement of assurance concludes that relevant controls are in place and that these continue to be reviewed and amended where appropriate and in accordance with best practice guidelines.

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 and the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.



Roisín McDonough
Accounting Officer
for the Council

19th July 2006

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

I certify that I have audited the financial statements of the Arts Council of Northern Ireland Lottery Distribution Account for the year ended 31 March 2006 under the National Lottery etc. Act 1993 (as amended). These comprise the Income and Expenditure Account, the Balance Sheet, the Cashflow Statement and Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out within them.

Respective responsibilities of the Council, Accounting Officer and Auditor

The Council and Accounting Officer are responsible for preparing the Annual Report, the Remuneration Report and 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. These responsibilities are set out in the Statement of the Council's and Accounting Officer's Responsibilities.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the National Lottery etc. Act 1993 (as amended) and Department of Culture, Arts and Leisure directions made thereunder on behalf of the Secretary of State for Culture, Media and Sport. I also report 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 to you if, in my opinion, the Annual Report is not consistent with the financial statements, if the Council has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by relevant authorities regarding remuneration and other transactions is not disclosed.

I review whether the statement on pages 60 and 61 reflects the Council's compliance with HM Treasury's guidance on the Statement on Internal Control, and I report if it does not. I am not required to consider whether the Accounting Officer's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Council's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Background Information, the Management Commentary and the unaudited part of the Remuneration Report. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinion

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Council and Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Council's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error 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 also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinion

In my opinion:

- the financial statements give a true and fair view, 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, of the state of the Arts Council of Northern Ireland Lottery Distribution Account's affairs as at 31 March 2006 and of its decrease in funds for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the National Lottery etc. Act 1993 (as amended) and Department of Culture, Arts and Leisure directions made thereunder 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 Bourn
Comptroller and Auditor General
21 July 2006

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Income and Expenditure Account for the year ended 31 March 2006

	Notes	2005-06 £	2004-05 £
Proceeds from Lottery	2	8,016,557	7,886,371
Other Income	3	25,202	29,850
Total Income		8,041,759	7,916,221
Grants paid in year		8,493,907	7,201,327
Provision for decrease in value of investments	-	-	-
Provision for grant commitments in future years		5,244,528	1,455,903
Staff costs : Recharge	4	510,732	481,29
Depreciation: tangible assets	5	536	536
Other operating costs : Direct Costs	6	274,175	220,238
: Recharge	6	238,170	157,737
Total Expenditure : Direct Cost		14,762,048	9,517,032
Decrease in Funds		(6,720,289)	(1,600,811)
Notional Costs - capital	14	(14,613)	(15,596)
Decrease in Funds including notional costs		(6,734,902)	(1,616,407)
Reversal of Notional Costs		14,613	15,596
Decrease in Funds		(6,720,289)	(1,600,811)

The income and expenditure relate to continuing activities.

The notes on pages 68 to 79 form part of these financial statements.

Statement of Total Recognised Gains and Losses for the year ended 31 March 2006

	Notes	2005-06 £	2004-05 £
Decrease in Funds		(6,734,902)	(1,616,407)
Provision for decrease in value of investments	11	(221,223)	(132,995)
Total recognised gains and losses relating to the year		(6,956,125)	(1,749,402)

The notes on pages 68 to 79 form part of these financial statements.

Balance Sheet as at 31 March 2006

	Notes	2005-06 £	2004-05 £
Fixed Assets			
Tangible assets	5	<u>1,461</u>	<u>1,997</u>
Current Assets			
Investments - Balance held in NLDF	7	32,336,137	35,282,185
Debtors and Prepayments	8	215,617	235,722
Cash at bank and in hand		<u>1,147,603</u>	<u>231,578</u>
		33,699,357	35,749,485
Creditors-amounts due within one year	9	(18,716,094)	(11,620,792)
Net Current Assets		<u>14,983,263</u>	<u>24,128,693</u>
Total Assets less Current Liabilities		14,984,724	24,130,690
Provisions for Liabilities and Charges			
Grant Commitments	10	<u>(6,441,454)</u>	<u>(8,867,131)</u>
Total Assets less Total Liabilities		<u><u>8,543,270</u></u>	<u><u>15,263,559</u></u>
Represented by:			
Reserves	11		
Income and Expenditure		<u><u>8,543,270</u></u>	<u><u>15,263,559</u></u>



Roisín McDonough

Accounting Officer
19th July 2006

The notes on pages 68 to 79 form part of these financial statements.

Cash Flow Statement for the year ended 31 March 2006

	2005-06	2004-05
	£	£
Net cash inflow from operating activities (note 1)	890,823	185,095
Returns on investments and servicing of finance (note 3)	<u>25,202</u>	<u>29,850</u>
Increase/(Decrease) in cash	<u>916,025</u>	<u>214,945</u>

Notes to the Cash Flow Statement

1. Reconciliation of Increase / (Decrease) in Funds to Net Cash Outflow from Operating Activities

	2005-06 £	2004-05 £
Decrease in funds	(6,720,289)	(1,600,811)
Depreciation charges	536	536
Interest and investment returns	(25,202)	(29,850)
(Increase) / Decrease in NLDF investments	2,946,048	361,391
(Increase) / Decrease in debtors	20,105	(164,408)
(Increase) / Decrease in creditors	7,095,302	939,330
Increase in provision for grants	(2,425,677)	678,907
	<u>890,823</u>	<u>185,095</u>

2. Reconciliation of Net Cash Flow to Movement in Net Funds

Increase / (Decrease) in cash in period	<u>916,025</u>	<u>214,945</u>
Changes in net funds	916,025	214,945
Net funds at 1 April	<u>231,578</u>	<u>16,633</u>
Net funds at 31 March	<u><u>1,147,603</u></u>	<u><u>231,578</u></u>

3. Returns on investments and servicing of finance

Interest received	25,151	14,408
Other Income	<u>51</u>	<u>15,442</u>
	<u><u>25,202</u></u>	<u><u>29,850</u></u>

The notes on pages 68 to 79 form part of these financial statements.

Notes to the Accounts

31 March 2006

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 and Software	33 ¹ / ₃ %
• LAN Cabling	10%
Furniture, Fixtures and 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

	2005-06	2004-05
	£	£
Proceeds from National Lottery	6,451,658	6,330,084
Investment Returns on Balances held at NLDF	1,564,899	1,556,287
	<u>8,016,557</u>	<u>7,886,371</u>

3. Other Income

	2005-06	2004-05
	£	£
Bank Interest	25,151	14,408
Other Income	51	15,442
	<u>25,202</u>	<u>29,850</u>

4. Staff Costs

	2005-06	2004-05
	£	£
Salaries	422,919	401,213
Social Security Costs	29,790	29,647
Other Pension Costs	58,023	50,431
	<u>510,732</u>	<u>481,291</u>

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 47 staff. Temporary staff costs included in the above total of £422,919 amounted to £20,271, the comparable cost for 2004-05 was £18,542. Pension costs include early retirement costs of £5,233.

Chief Executive's Remuneration

The Chief Executive's remuneration, including backdated pay awards, during the year was £72,905. The Chief Executive is an ordinary member of the Northern Ireland Local Government Officers Superannuation Committee (NILGOSC) pension scheme. A total of £34,413 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 £510,732 as noted above.

Council Members' Emoluments

The Chairman and Vice-Chairman of the Council received honoraria totalling £12,378, including employer NIC costs, as follows:

	Chair £	Vice Chair £
R Kelly	8,378	
M Bradley		4,000

Of this, £5,305 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 51 employees during the year (not all 51 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 2006 the Arts Council contributed 13.6% of gross salary. The scheme is non contributory for members of staff. The most recent valuation was conducted as at 31 March 2004 and the financial results for the year to 31st March 2005 were as follows:

Main assumptions (2004 Valuation):

Rate of return on investments per annum	6.3%
Rate of general increase in salaries per annum	4.4%
Rate of pension increases per annum	2.9 %

Market value of scheme's assets (excl. AVCs) at 31 March 2005: £2,349,491,000

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

85%

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

	2005-06 £	2004-05 £
Employer's	149,489	112,710

5. Tangible Fixed Assets

	IT Hardware £	Furniture and Fittings £	Total £
At Cost			
At 1 April 2005	24,473	3,582	28,055
At 31 March 2006	<u>24,473</u>	<u>3,582</u>	<u>28,055</u>
Accumulated Depreciation			
At 1 April 2005	24,118	1,940	26,058
Charge for Year	<u>178</u>	<u>358</u>	<u>536</u>
At 31 March 2006	<u>24,296</u>	<u>2,298</u>	<u>26,594</u>
Net Book Value 31 March 2006	<u><u>177</u></u>	<u><u>1,284</u></u>	<u><u>1,461</u></u>
Net Book Value 31 March 2005	<u><u>355</u></u>	<u><u>1,642</u></u>	<u><u>1,997</u></u>

6. Other Operating Costs

	Total £	Direct £	Recharge £	2004-05 £
ACNI Admin. Apportionment	192,695	-	192,695	152,373
Film Delegation Administration	105,453	105,453	-	81,520
Awards for All Administration	48,359	48,359	-	65,281
Audit Fees	22,000	22,000	-	24,983
External Monitoring	52,170	52,170	-	32,872
Assessors Fees (External)	13,016	11,621	1,395	2,785
Consultants'/Professional Fees	-	-	-	6,345
Printing and Design	9,650	9,650	-	6,893
Travel	2,332	-	2,332	1,968
Marketing/Advertising	1,845	1,845	-	949
Research and Reports	63,563	21,843	41,720	-
Sundries	1,262	1,234	28	1,450
Hospitality	-	-	-	96
Publications	-	-	-	460
	<u>512,345</u>	<u>274,175</u>	<u>238,170</u>	<u>377,975</u>

Of the total operating expenses of £512,345, £238,170 was incurred by the Arts Council of Northern Ireland and recharged to the Lottery Distribution Account at full economic cost.

The £192,695 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 £22,000 represents 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 2006 by NLDF under the National Lottery Act as amended on behalf of the Arts Council of Northern Ireland Lottery Distribution Account was £32,336,137. The cost value of these investments was £32,557,360.

8. Debtors

	2005-06 £	2004-05 £
Sundry Debtors	18,832	25,587
Prepayments and Accrued Income	196,785	210,135
	215,617	235,722

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

	2005-06 £	2004-05 £
Trade Creditors	179,346	816,132
Other Creditors	18,536,748	10,804,660
	18,716,094	11,620,792

The total includes £100,378 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 £18,474,865 which represents the total of hard grant commitments payable during 2006-07 [see note 10].

10. Grant Commitments

	2005-06	2004-05
	£	£
Soft Commitments		
a. Soft commitments brought forward	7,972,230	3,801,780
b. Soft commitments transferred to hard commitments	(14,368,538)	(9,173,666)
c. Soft de-commitments	(241,441)	(227,924)
d. Soft commitments made in year	11,265,689	13,572,040
e. Soft commitments carried forward	<u>4,627,940</u>	<u>7,972,230</u>
Hard Commitments		
a. Hard commitments brought forward	19,671,791	18,215,888
b. Hard commitments met in year	(8,493,907)	(7,201,327)
c. Hard de-commitments	(630,103)	(516,436)
d. Hard commitments made	14,368,538	9,173,666
e. Hard commitments carried forward	<u>24,916,319</u>	<u>19,671,791</u>

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

2003-04		
2004-05		
2005-06		10,804,660
2006-07	18,474,865	7,602,082
2007-08	5,152,158	1,265,049
2008-09		851,491
2009-10	437,805	
2010-11	0	
	<u>24,916,319</u>	<u>19,671,791</u>

Total grant commitments carried forward:

Soft	4,627,940	7,972,230
Hard	24,916,319	19,671,791
	<u>29,544,259</u>	<u>27,644,021</u>

The Hard Commitments total at 31 March 2006 is £24,916,319. The 2006-07 total of £18,474,865 is shown on the Balance Sheet within the "creditors – amounts payable within one year" figure of £18,716,094 [see note 9]. The balance of £6,441,454 is shown on the Balance Sheet as "Provisions for Liabilities and Charges: Grant Commitments". The figure of £5,244,528 shown as the "Provision for grant commitments in future years" in the Income and Expenditure Account is the difference between the Hard Commitments Carried Forward totals at 31 March 2005 and 31 March 2006.

11. Reconciliation of Movement of Funds

	Balances held in NLDF	Balances held in ACNI	Provision for Grant Commitments	2005-06 Total
	£	£	£	£
Proceeds from Lottery	8,016,557			8,016,557
Drawn down in year by Arts Council	(10,962,697)	10,962,697		
Interest on cash balances		25,151		25,151
Other Income		51		51
Staff costs		(510,732)		(510,732)
Other operating costs		(512,345)		(512,345)
Depreciation of fixed assets		(536)		(536)
New grants paid in year		(8,493,907)		(8,493,907)
New grant commitments in year			(14,368,538)	(14,368,538)
Commitments written back			630,103	630,103
Grants paid from provision in year			8,493,907	8,493,907
Total increase/(decrease) in funds	(2,946,140)	1,470,379	(5,244,528)	(6,720,289)
Balance at 1 April 2005	35,282,185	(346,835)	(19,671,791)	15,263,559
Inyear Adjustment	92	(92)		0
Balance at 31 March 2006	32,336,137	1,123,452	(24,916,319)	8,543,270
Provision for increase/(decrease) in value of investments	(221,223)			
Cost at 31 March 2006	32,557,360			

12. Capital Commitments

There were no capital commitments as at 31 March 2006.

13. Contingent Liabilities

There were no contingent liabilities as at 31st March 2006 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.

Application Reference	Organisation	Award Amount	Declared Interest
0553	Prison Arts Foundation	£10,000	I Armstrong
0409	Prison Arts Foundation	£47,100	I Armstrong
0041	Prison Arts Foundation	£25,000	I Armstrong
0459	Queen St Studios	£19,448	K Bartley
0460	Queen St Studios	£58,350	K Bartley
1033	Queen St Studios	£29,628	K Bartley
0892	Kids in Control	£29,878	G Campbell
0017	Kids in Control	£22,000	G Campbell
1051	Lyric Players Theatre	£250,000	B Carson
0863	Lyric Players Theatre	£11,545	B Carson
0050	Lyric Players Theatre	£600,000	B Carson
0016	Wheelworks	£60,000	I Davidson
0396	ArtsCare	£70,000	P Hammond
0051	ArtsCare	£25,000	P Hammond

0129	Share Holiday Centre	£60,000	I Armstrong
0668	Antrim Borough Council	£20,000	I Armstrong
0621	Antrim Borough Council	£20,000	I Armstrong
0384	Antrim Borough Council	£44,000	I Armstrong
0035	Antrim Borough Council	£40,000	I Armstrong
0059	Derry Theatre Trust	£165,000	M Bradley
0767	University of Ulster	£40,000	R Kelly, K Bond, T Kerr
0523	University of Ulster	£13,933	R Kelly, K Bond, T Kerr
0422	University of Ulster	£50,000	R Kelly, K Bond, T Kerr
0030	Verbal Arts Centre	£138,763	K Bond
0178	Orbit Dance	£10,000	L Finnegan
0001	Open Arts	£60,960	L Finnegan
0567	Open Arts	£4,655	L Finnegan
0020	Ulster Youth Choir	£20,100	R Fullerton E Benson, T Kerr,
0032	Ulster Youth Orchestra	£30,000	M Jackson (resigned)
0010	Armagh District Council	£50,000	J Holmes
0034	Cahoots NI	£40,000	J Holmes
0417	Cahoots NI	£11,200	J Holmes
0833	Cahoots NI	£35,945	J Holmes
0394	Big Telly Theatre Company	£5,500	J Holmes
0204	Big Telly Theatre Company	£19,650	J Holmes
0044	Big Telly Theatre Company	£86,000	J Holmes
0894	John Hewitt Society	£16,400	T Kennedy
0613	Linen Hall Library	£10,000	W Montgomery
0121	Linen Hall Library	£60,000	W Montgomery
0450	Down District Council	£24,000	S O'Connor
0466	Down District Council	£44,000	S O'Connor
0042	An Gaelaras	£26,000	G O hEara
	TOTAL	£2,404,055	

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 2005-06, £6,451,659 (80.23%) 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, £1,564,899 (19.46%), and from Bank Interest and Sundry Income, £25,202 (0.31%). 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 £32.3 million to cover all current contracted commitments of £29.5 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 £32.3 million. In the year the average return on these investments was 4.54%. 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 3.65% (2004-05: 11.6%) in the year. The cash balance at the year-end was £1,147,603. 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.

Appendix

ACCOUNTS DIRECTION 2005-2006

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

Schedule 1

Application of the Accounting and Disclosure Requirements of the Companies Act and Accounting Standards

Companies Act

1. ACNI is not required to provide the additional information required by paragraph 33(3) of Schedule 4 to the Companies Act.

Additional Disclosure Requirements

The following paragraphs detail the non-standard accounting policies, any special treatment needed, and any additional disclosure requirements as agreed by the Department, DFP and ACNI, in respect of its National Lottery distribution activities, over and above those disclosures required in the new government Financial Reporting Manual (FReM).

2. The **Foreword** shall, inter alia:
 - a. include a note reflecting the organisational structure of ACNI.
3. The **Income and Expenditure Account** shall show, inter alia:
 - a. the total amount of Lottery proceeds receivable, split between the share of Lottery proceeds, and the investment income from the National Lottery Distribution Fund;
 - b. any other income (detailed between bank interest, recoveries of grant and other income);
 - c. the total amount of new Lottery grants made in the period (i.e. amounts awarded, which give rise to a hard commitment as defined at 7(b) below);
 - d. any de-commitments previously recorded as Hard Commitments;
 - e. 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 the costs to ACNI's National Lottery activities will be on a full cost recovery basis as described in HM Treasury's Fees and Charges Guide and should cover all costs that are directly and demonstrably related to Lottery activities.
4. The **Balance Sheet** shall show, inter alia:
 - a. under the heading "Current assets": shown as an investment the balance held on behalf of the body at the National Lottery Distribution Fund;
 - b. Hard Commitments falling due for payment within one year should be disclosed under the heading "Creditors falling due within one year".

- c. Hard Commitments falling due for payment after more than one year should be disclosed under the heading “Creditors falling due after more than one year”, (see note 7 below on commitments);
- d. under the heading “Represented by”:
 - i. the balance on the Income and Expenditure Account, including other reserves, such as revaluation and donation reserves.

5. The **Cash Flow Statement** shall, inter alia:

- a. use the direct method when presenting “Cash flow from Operating Activities”; and
- b. under the heading “Operating Activities” disclose details of payments, categorised by staff, operating costs and awards.

6. The **Notes to the Accounts** shall, inter alia, include:

- a. a statement that the Accounts have been prepared in a form directed by the Secretary of State with the consent of DFP in accordance with Section 35(3) of the National Lottery etc Act 1993;
- b. a statement of the accounting policies. This must include a statement explaining the nature of the balances held on the body’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 & Sport. However, the share of these balances attributable to ACNI is as shown in the Accounts and, at the Balance Sheet date, has been certified by the Secretary of State for Culture, Media & Sport as being available for distribution by the body in respect of current and future commitments.”;
- c. an accounting policies note stating the basis of apportionment for the re-charge of Lottery related indirect costs;
- d. an analysis of the income and expenditure;
- e. 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”;
- f. the Notes to the accounts shall include a note indicating the form of control exercised by ACNI over all its trading companies and trust funds;
- g. the amounts committed in respect of National Lottery grants split between hard and soft commitments identifying the amount falling due (see note 7 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.

7. The nature of the Distributing Bodies' Lottery activities means that they will be making commitments for future expenditure which will need to be shown in the annual financial statements. Commitments should be categorised and shown as follows:

a. Soft Commitments

These will occur when there is agreement in principle by ACNI to fund a scheme. 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 FRS 21 (Events after the balance sheet date). A tabulation should accompany the Notes to the Accounts and show:

- i. Soft commitments brought forward;
- ii. Soft commitments transferred to hard commitments;
- iii. Soft de-commitments;
- iv. Soft commitments made;
- v. Balance of soft commitments outstanding carried forward.

b. 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 National Lottery continues to operate. For the purposes of recording a charge in the Income and Expenditure Account, a hard commitment arises when a firm offer of a grant from the National Lottery proceeds has been made by ACNI 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 tabulation should accompany the Notes to the Accounts and show:

- i. Hard commitments brought forward;
- ii. Hard commitments met in the last year;
- iii. Hard de-commitments (withdrawal of an offer);
- iv. Hard commitments made;
- v. Balance of hard commitments outstanding carried forward;
- vi. A breakdown of hard commitments for each year up to and including 5 years and over 5 years.

c. De-commitments

i. 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 ACNI records. It will be shown in the table accompanying the notes to the Balance Sheet in the soft de-commitments line.

ii. Hard Commitments

Should a hard commitment fail to become a cash payment within the expected time frame, and there is little possibility of it crystallising, ACNI may withdraw the offer formally in writing. A reverse entry to the commitment should then be made in the Income and Expenditure Account, and disclosed separately as follows:

<u>Expenditure</u>	<u>£000</u>
Grant commitments made in year	xxx
Less lapsed and revoked commitments	<u>(xxx)</u>
	xxx

The table in the Notes to the Accounts will correspondingly be reduced.

d. Repayments

The circumstances of a grant repayment are as 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 ACNI Accounting Officer, and is material, it will be necessary to treat the repayment as an adjusting event in terms of FRS 21. These adjusting post balance sheet events should be agreed on a case by case basis with the NIAO.

e. Balances at the NLDF

A note reconciling the opening and closing balance of investments held at the NLDF should be included. This should disclose income received from the Lottery, investment in earned income, any unrealised loss on investment, and cash drawn down.

In respect of any unrealised losses on current asset investments the loss should be disclosed against expenditure as a "loss on the revaluation of investments".

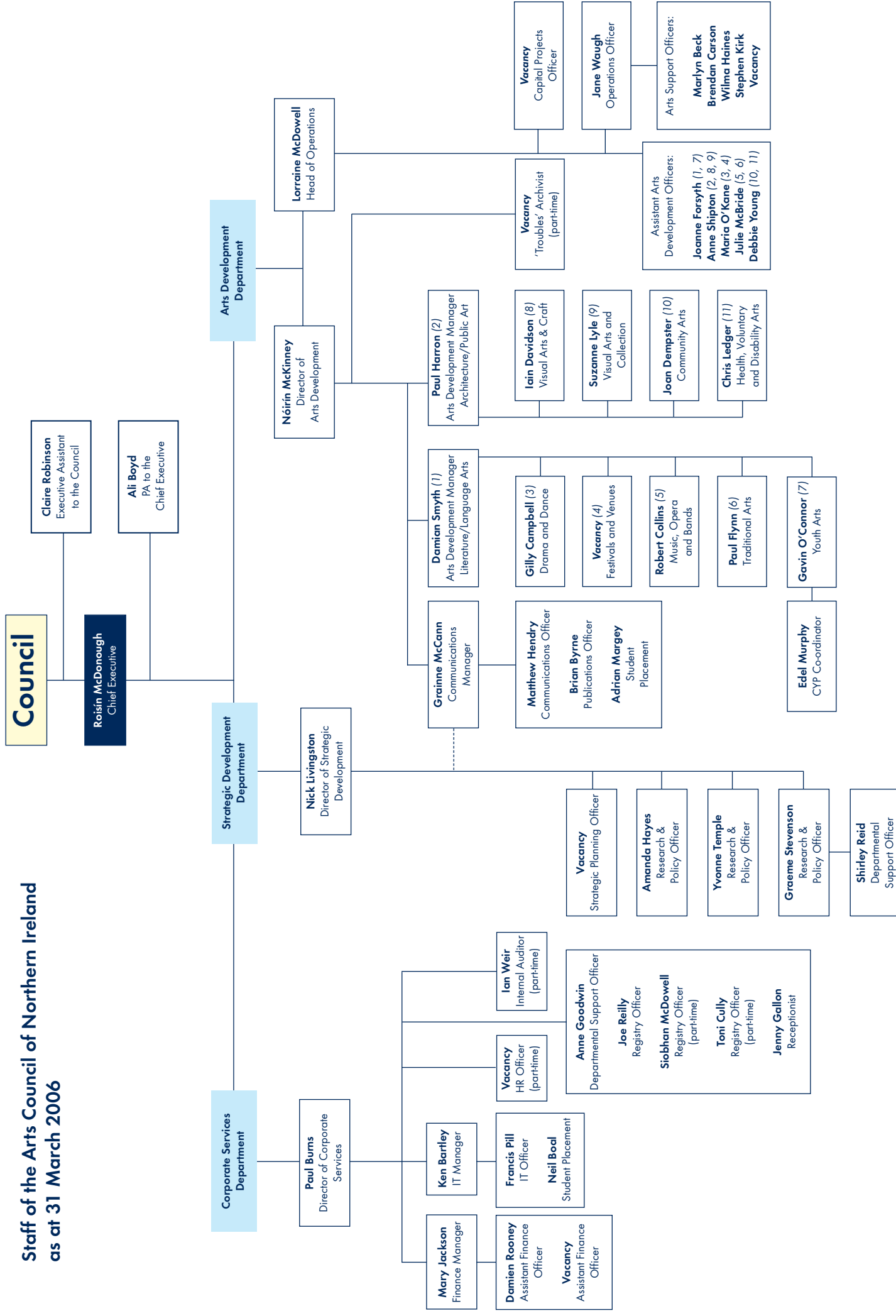
Schedule 2

Accounting for compliance with provisions in the Management Statement, Financial Memorandum and Statement of Financial Requirements.

1. This schedule, as agreed by DFP, the Department and ACNI, details how ACNI shall account for compliance with its Management Statement, Financial Memorandum and Statement of Financial Requirements.
2. The schedule's provisions will apply to those management statements, financial memoranda and Statement of Financial Requirements that are in force during the financial year.
3. The **Statement of Internal Control** (SIC) shall follow DCMS guidance on format and content. In addition to DFP requirements, the opening paragraph shall include explicit reference to systems to ensure compliance with the provisions of ACNI's Management Statement, Financial Memorandum and Statement of Financial Requirements. A suggested wording is:

'As Accounting Officer, I have responsibility for maintaining a sound system of internal control that:
 - supports the achievement of ACNI's 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; and
 - ensuring compliance with the requirements of ACNI'S Management Statement, Financial Memorandum and Statement of Financial Requirements.'
4. The SIC should also include coverage of the processes applied in reviewing the effectiveness of the system of internal control to ensure compliance with the requirements of ACNI's Management Statement, Financial Memorandum and Statement of Financial Requirements.

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