

Arts Council of Northern Ireland

Lottery Distribution Account 2024–25

Arts Council of Northern Ireland Lottery Distribution Account 2024–25

Presented to Parliament pursuant to Section 35(5) of the National Lottery etc. Act 1993 (as amended by the National Lottery Act 1998)

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Performance Report

The Performance Report focuses on matters relevant to all users of financial statements. Its purpose is to provide information on the Arts Council of Northern Ireland, its main objectives and strategies and the principal risks it faces. Although it is designed to be a self-standing document, much of the information contained in it is simply a summary of information provided in other documents and is therefore cross-referenced as appropriate. The Performance Report has two sections: an 'Overview' and a 'Performance Analysis'.

Overview

The purpose of the 'Overview' section of the Performance Report is to give the user a brief summary, which provides sufficient information to understand the organisation, its purpose, the key risks to the achievement of its objectives and how it has performed during the year. It consists of the Chair's Foreword, Chief Executive's Introduction and the Purpose and Activities of the Arts Council of Northern Ireland.

Chair'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 Arts Council's ten-year Strategic Plan, 2024-34, 'Championing the Arts'.

The Grants Committee advises the Board of the Arts Council on Lottery matters. In addition to its role in advising on Exchequer funding programmes and policies, the Committee also advises the Board on policy issues relating to the Arts Council's National Lottery Fund. It also monitors all matters relating to the administration of the Arts Council's National Lottery fund and takes decisions on grant aid within delegated financial limits set by the Board.

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.

National Lottery funding is integral to the delivery of the Arts Council's strategy for developing the arts, providing a major resource to help meet Arts Council objectives across a wide range of areas.

The Arts Council's capacity to support the widest range of creative activity throughout the region is dependent upon a combination of Exchequer and National Lottery resources.

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In addition to wishing to pay tribute to our artists and arts organisations, I want to acknowledge staff and colleagues at the Arts Council, for their dedication in supporting the arts sector.



Liam Hannaway
Chair from 1 February 2021 to 30 September 2025
Arts Council of Northern Ireland

Date: 11 December 2025



Nora Douds
Chair from 1 October 2025
Arts Council of Northern Ireland

Date: 11 December 2025

Chief Executive's Introduction

The National Lottery reached its thirtieth anniversary in 2024–25. Since it launched in 1994, more than £217 million of Good Causes money has been invested by the Arts Council in approximately 9,680 Northern Ireland-based arts projects. The anniversary was marked by a series of nationwide celebratory events, including Northern Ireland-based poet and playwright, Nandi Jola, featuring as part of a UK-first AI artwork which illuminated the façade of London's V&A Museum. At a special event held in Stormont, Ministers and MLAs were introduced to a range of organisations who have benefitted from Lottery funding, from grassroots community groups to large-scale institutions, including representatives from The Playhouse Theatre, Lyric Theatre and Open House Festival.

This year the Arts Council invested National Lottery funding of £3.1 million through our Annual Funding Programme. Combined with Exchequer funding of £10.1 million, the total investment via this programme was £13.2 million. This programme represents the most significant annual allocation of funding for the arts in Northern Ireland and supports the core and running costs of 88 organisations which are central to the balance of Northern Ireland's arts infrastructure. Following the Annual Funding Programme awards, more than £2 million was awarded through National Lottery Project Funding to 73 arts organisations, to support the development of high-quality arts activities across the region. Applications were encouraged in a number of key areas, included applications which included the involvement of under-represented artists and groups such as those from minority ethnic communities, programmes which involved children and young people, older people, or people with disabilities, and applications that promoted innovative, original work by Northern Ireland artists.

National Lottery funding also contributes to the development of individual creative talent, with £961k supporting 213 artists through the National Lottery Support for the Individual Artist Programme. This programme includes Major Individual Artist Awards of £15,000 each, made annually in recognition of an individual's outstanding contribution to the arts, this year awarded to pianist Ruth McGinley, writer Richard O'Rawe, children's writer Derek Keilty, visual artist Ian Cumberland, and violinist Darragh Morgan.

Support continued for the development of the Creative Industries in Northern Ireland, with two funding programmes focussing on digital and immersive technologies and encouraging cross-sectoral collaboration. Continuing the partnership with Future Screens NI, eight individuals and three organisations were supported with grants of up to £10,000 each, through the Digital Evolution Awards. A celebration of a representative selection of Northern Ireland's leading artists working at the interface of cutting-edge technology and the arts was organised, at a public showcase event at The MAC in Belfast.

This was a significant year for the visual arts in Northern Ireland. The region's longest-running artists' studio, Queen Street Studios, marked their 40th anniversary with a major exhibition of works from members, past and present. Seacourt Print Workshop relocated to new premises in Bangor, placing them at the centre of the city's ongoing cultural regeneration, and Northern Ireland's leading contemporary art gallery, the Golden Thread Gallery, celebrated 30 years with the opening of their new gallery space at the heart of Belfast City Centre.

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National Lottery investment enables the Arts Council to work with partners such as the Baring Foundation and the Public Health Agency to make targeted interventions in areas of identified need, including arts and wellbeing programmes for older citizens and for school students in areas of deprivation. This year saw the introduction of a major new £600,000 investment programme designed to improve mental health and wellbeing through the arts. Developed in partnership with the Baring Foundation, the Mental Health and Wellbeing Arts Programme will upskill artists working in this field, before pairing artists and arts organisations with organisations which specialise in mental health work, in order to develop bespoke community arts programmes for vulnerable groups.

The Mental Health and Wellbeing Arts Programme is one of the first new major investment programmes to emerge in response to the extensive consultation which preceded the launch in 2024–25 of the Arts Council's new 10-year Strategic Plan, 'Championing the Arts, 2024–34'.



Róisín McDonough
Chief Executive

Date: 11 December 2025

Purpose and Activities of the Arts Council of Northern Ireland

Business Model and Environment

The Arts Council of Northern Ireland (Arts Council) 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 Arts Council took over the assets and liabilities of the Arts Council of Northern Ireland Limited, which was a company limited by guarantee established in 1994 as an interim body between the previous Arts Council (established in 1943) and the new statutory body.

The origins of the Arts Council date from 1943 when the Council for the Encouragement of Music and the Arts in Northern Ireland was set up. Initially funds were provided by the Pilgrim Trust and matched by the Ministry of Education for Northern Ireland. At the present time, the Arts Council is funded via grant-in-aid by the Department for Communities (DfC). The affairs of the Arts Council are managed by a Board consisting of the members listed in the Directors Report. The Chief Executive, Róisín McDonough, is the Principal Executive Officer of the Arts Council and is supported by a professional staff responsible for subject and functional areas of the Arts Council's programme.

Statutory Background

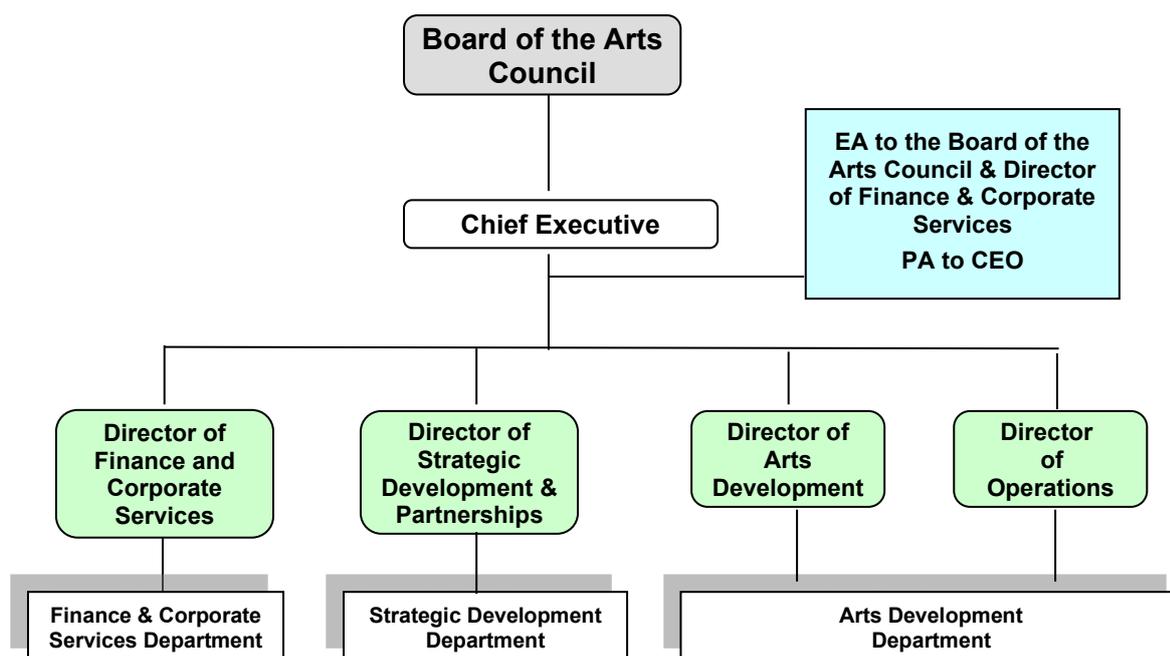
The National Lottery was established by the National Lottery etc. Act 1993, as amended by the 1998 Act, to raise money for 'good causes' through the sale of lottery tickets.

The National Lottery Distribution Fund (NLDF) was established in 1994 to receive and hold monies generated by the National Lottery for good causes. Section 21 of the National Lottery etc. Act 1993 places the NLDF under the control and management of the Secretary of State for Culture, Media and Sport.

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, and to the Arts in England, Scotland and Wales.

The Department for Culture, Media and Sport (DCMS) manage the flow of funds between Allyn (the operator of the National Lottery) and the distributing bodies. DCMS seeks annual assurances from the Accounting Officer of each lottery distributing body that they have in place adequate systems of internal control and have complied with the current Financial Directions.

Organisational Structure



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 Board 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.

2024–25 National Lottery Distribution Activities

During 2024–25, the Arts Council continued to deliver a range of funding programmes, with the following National Lottery schemes being opened for applications:

- Annual Funding Programme
- Project Funding
- Support for Individual Artists Programme
- Rural Engagement Arts Programme
- Individual Artists Digital Evolution Programme
- Organisations Digital Evolution Programme
- Arts and Older People Programme
- Creative Schools Programme

The total amount awarded for each funding programme is listed on pages 80 and 81. All open-call programmes were heavily over-subscribed in relation to the value of requested support – this was particularly the case in relation to the Annual Funding

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Programme and Project Funding applications; these programmes offer awards at a higher level than other schemes.

The Rural Engagement Arts Programme (REAP) continued to offer funding in support of an integrated, cohesive approach to the arts provision needs of local rural communities. Funded projects aim to combat isolation and loneliness and promote social inclusion. Rural communities are characterised by smaller and more dispersed populations, where isolation can be more acute than in towns and urban areas. The impact that loneliness and social isolation can have on the physical, mental and social health is well documented. Coming together as communities to participate in the arts activities provided by the funding can make a vital contribution to improving health and wellbeing, building confidence and integrating communities. Evaluation of this programme has demonstrated very positive outcomes.

The Creative Schools Programme, a partnership programme, bringing together the Arts Council of Northern Ireland (ACNI), Education Authority (EA) and Urban Villages (UV) Initiative, seeks to improve outcomes for disadvantaged young people through creative arts participation. Year 2 of the current round of the scheme continued to support creative programmes within 11 post-primary schools, reaching young people from Urban Village areas living in communities with a history of deprivation and community tension.

The Support for Individual Artists Programme (SIAP) was opened with its full complement of schemes allowing individual artists to apply for support to develop and deliver projects and fully engage with their practice. The programme included: Project Funding for Individuals, Minority Ethnic Mentoring and Residency Awards Artists' International Development Fund (jointly funded with the British Council), Major Individuals Awards, Travel Awards and Womex Bursaries. Awards were also made under the biennial Young Musicians' Platform scheme in 2024.

The University of Atypical was again funded to deliver the D/deaf and Disabled Artists Support Fund, and the Mike Maloney Award and Anne O'Donoghue Awards were again delivered via key organisations in those artform areas.

A small number of strategic allocations were also made to the digital arts and dance sectors, in addition to an artists' residency project linked to the Seamus Heaney Centre.

The delegation agreement with NI Screen to support the development and production of film continued for year 2 of the current agreement. Since April 2017, Lottery funding to NI Screen has been focussed on script development and short film. As with previous priorities, the importance of the development of new and emerging talent across writing, directing and producing remains.

A review of grant schemes covering the National Lottery Project Funding and Annual Funding Programme was undertaken in 2024, with the aim of ensuring alignment with the newly developed 10-year strategy and strengthening how ACNI monitors and evaluates our investment programmes, including designing and implementing an outcomes-based framework for application and assessment. However, any implementation of planned changes is suspended pending review of the Arts Council's 10 Year Strategy (which is not yet approved) and its potential re-alignment to the Department for Communities new arts and culture strategy.

Future Developments in National Lottery Distribution Activities

In 2025–26 ACNI’s work with the Baring Foundation on a mental-health focussed initiative will culminate in the launch of the Arts and Mental Health Programme (AMHP) in May 2025. The scheme aims to harness the expertise of artists around mental health to enhance the mental health of participants, enabling participants to enhance their emotional, physical or social wellbeing through arts experiences. It also aims to reduce stigma around mental health, support participants to seek help and to signpost to the relevant resources. The scheme will additionally focus on targeting those experiencing higher levels of disadvantage or exclusion, including more vulnerable groups such as those living with eating disorders or addiction or the broader challenges affecting individuals in today’s society.

Comment on National Lottery Distribution Fund (NLDF) Balance Policy

As at the 31 March 2025, Arts Council Lottery Account balances at NLDF totalled £5.67m (31 March 2024: £5.74m), a decrease of £74k on the prior year.

The NLDF balance is classified as investments in the Statement of Financial Position. This is in line with DCMS accounting policy. NLDF investments are therefore held at amortised cost.

Current contracted grants payable plus trade and other payables total £1.7m, (2023–24 £2.1m). The Arts Council considers that it has sufficient liquid resources within the NLDF and cash balances of £8.2m, (2023–24 £6.2m) as well as forecasted NLDF income to cover all current contracted commitments. The forecasted NLDF income is based on projections received from DCMS.

In 2017, the Arts Council revised its NLDF policy (Appendix B) to improve compliance with the requirements of National Lottery Guidance Note 1/03. The objective of this policy is for the Arts Council to maintain its NLDF balance at a prudent level based on a realistic assessment of its needs and the availability of funding from NLDF. The Arts Council’s NLDF balance will be set at a level that will maximise its ability to achieve its strategic objectives, that will ensure that present commitments are not compromised and that will not impair or constrain its ability to enter future commitments.

Although income is not entirely within its control, the Arts Council has arrived at the proposed target NLDF balance, by making realistic assessments of forecasts for levels of income in future years (based on NLDF forecasts), and the Arts Council’s assessment of:

- Both the ‘upside’ and ‘downside’ risks to those forecasts,
- Its forecasts for expenditure in future years based on commitments made and planned activity,
- Its analysis of any future needs, opportunities, contingencies or risks which are not likely to be able to be met out of income when they arise; and

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- The likelihood, on the best evidence available, of each of those needs arising and the potential consequences for the Arts Council of not being able to meet them.

Having carefully considered the above, the Arts Council Board approved a target NLDF balance for 31 March 2025 of £3m. The actual NLDF balance was £5.67m and the higher actual balance was due mainly to less expenditure than budgeted, which resulted in a smaller commitments balance at year-end than profiled. This occurred due to several budgeted projects not taking place during the year. The deficit budget in 2025–26 may reduce the closing NLDF balance.

Key Issues and Risks

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

The principal risk considered in the risk register is:

- Loss of frontline services from structural underfunding of the Arts if future funding secured for arts organisations is inadequate.

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

Going Concern Basis (Audited Information)

The Lottery Distribution Accounts of the Arts Council are produced on the Going Concern Basis. This was formally considered by the Board on 4 December 2025 and going concern status was approved. The Arts Council is not aware of any reason to adopt a different basis.

New Decade New Approach Agreement (NDNA) committed the NI Executive to carrying out a review of Arm's Length Bodies (ALBs) with a view to their rationalisation, and consideration as to their efficiency and effectiveness.

The Department has advised the trade unions that the Arts Council is one of nine DfC ALBs within the scope of the NDNA review process. However, the review team has not yet contacted the Arts Council.

The Arts 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 cash balances of £8.2m as well as forecasted NLDF income to cover the total of the current and non-current liabilities of £1.7m.

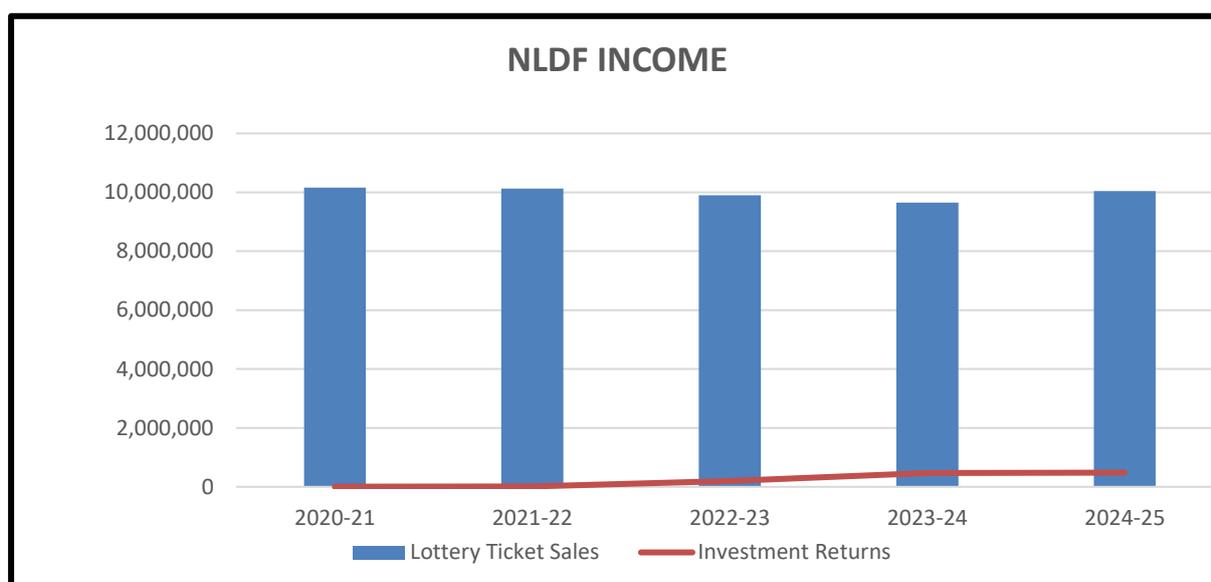
The forecasted NLDF income is based on projections received from DCMS.

Performance Summary

The graphs that follow show the trends in Operating Income and Grant Commitments made over the past 5 years.

Total Operating Income comprises both NLDF Income and Other Income. There is a graph for each below. Other Income consists of Bank Interest, and external funding from the Baring Foundation, the Public Health Authority, Future Screens, and British Council.

NLDF Income



The NLDF Income graph shows the value of ticket sales plus Lottery Investment Returns received into the ACNI NLDF fund each year for the last five years.

The overall trend, from 2020–21 to 2023–24 shows a decline in Ticket Sales (blue section of the columns in the graph above) accompanied by an increase in Investment Returns (red section of the columns in the graph above). This is true particularly in 2022–23 and 2023–24. Ticket Sales reached a high of £10,157,135 in 2020–21. There was then a minor decrease of 0.3% to £10,123,407 in 2021–22. Unfortunately, the decline in Ticket Sales continued at a much more dramatic rate. 2022–23 saw a 2% drop in Ticket Sales to £9,901,325 which was then followed by a further drop of 3% to £9,650,848 in 2023–24.

The overall NLDF Income for both 2022–23 and 2023–24 did exceed £10 million. This was due to the dramatic increase in Investment Returns due to the increase in interest rates. Investment Income was £14,331 in 2021–22 and then increased to £198,690 in 2022–23 and £470,226 in 2023–24.

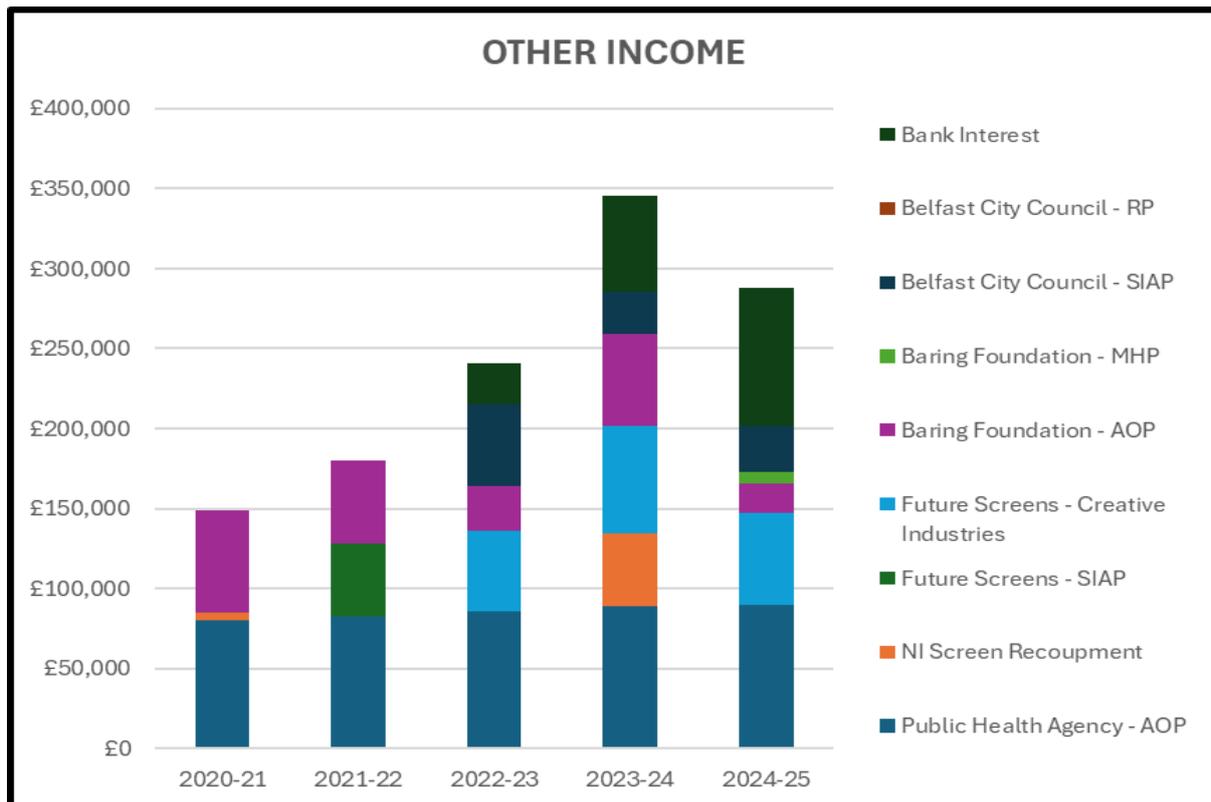
ACNI sets its NLDF budget each year based on income projections provided by the Gambling Commission and the current Operator of the National Lottery. During both 2022–23 and 2023–24 the NLDF income received by ACNI was under budget. This situation would have worsened if not for the dramatic increase in investment returns.

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The Operator of the National Lottery changed from Camelot to Allwyn on the 1 February 2024.

Then in 2024–25 the trend was broken dramatically. Ticket Sales were £10,041,924 an increase of £391,076 (4%) above 2023–24. The Investment Returns again increased to £482,926 in 2024–25. 2024–25 therefore saw the largest NLDF income in the past five years of £10.5 million in total.

Other Income



Arts Council Lottery has several sources of external income including match funding agreements with Belfast City Council, Future Screens.

Arts Council Lottery has also applied for and obtained additional funding from both the Baring Foundation and the Public Health Agency for the Arts and Older People Programme (AOP). 2024–25 saw the beginning of a new £600k Mental Health and Wellbeing Programme (MHP) which has been developed in partnership with the Baring Foundation (shown in pale green) in the graph above.

On top of that there have been recoupments received by NI Screen relating to money earned by the film projects ACNI funding has supported through the delegation agreement with NI Screen. The last three years has also seen the ACNI Lottery bank account increased interest due to the uplift in interest rates.

As can be seen from the graph above the both the Baring Foundation (purple) and the Public Health Agency (dark blue) have supported AOP each of the last five years including during the very difficult Covid years of 2020–21 and 2021–22.

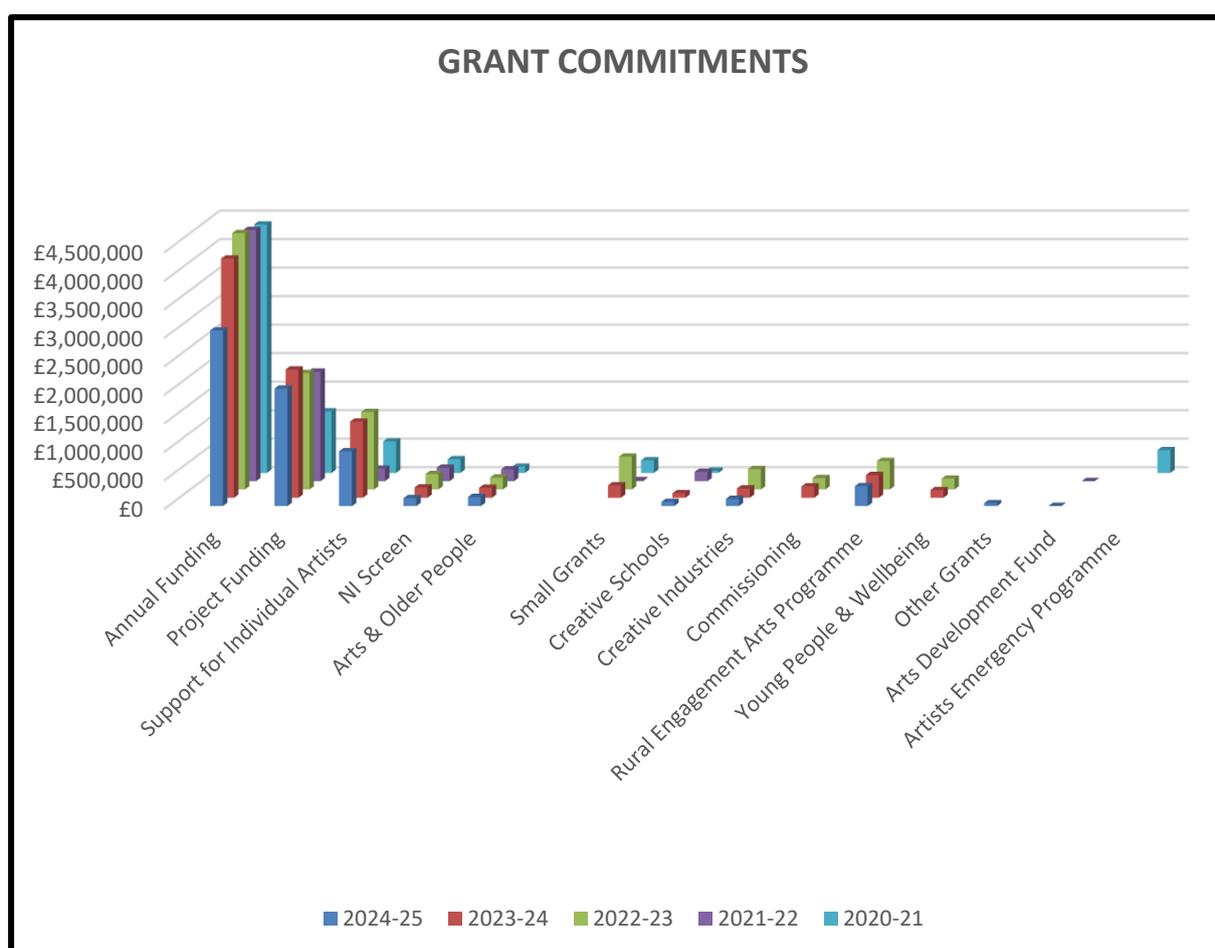
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Future Screens (green) match funded a SIAP programme £45,688 in 2021–22. Then in 2022–23, 2023–24, and 2024–25 Future Screens (light blue) match funded Creative Industries Digital Evolution programmes for both individuals and organisations. £49,982 in 2022–23, £67,342 in 2023–24 and £57,848 in 2024–25.

NI Screen recoupments (orange) cannot be predicted as it depends on how income from film projects funded is received. The recoupment income was £12k in 2019–20. Then in 2020–21 it was just £6k. The next year to receive recoupments was 2023–24 with £45,613 credited to the Lottery account held by NI Screen.

ACNI Lottery received bank interest (dark green) of £26,235 in 2022–23, £60,510 in 2023–24 and £86,347 in 2024–25.

Grant Commitments



Grant Commitments is the total figure for Commitments for each year funded by both NLDF and External Funders. Over the past five years, ACNI Lottery has been involved in delegation agreements with NI Screen to support the development and production of film. The grant commitments made by NI Screen on ACNI Lottery's behalf are therefore also included.

The Grant Commitments graph shows how the number and range of grant programmes has changed over the last five years. Five grant programmes are funded

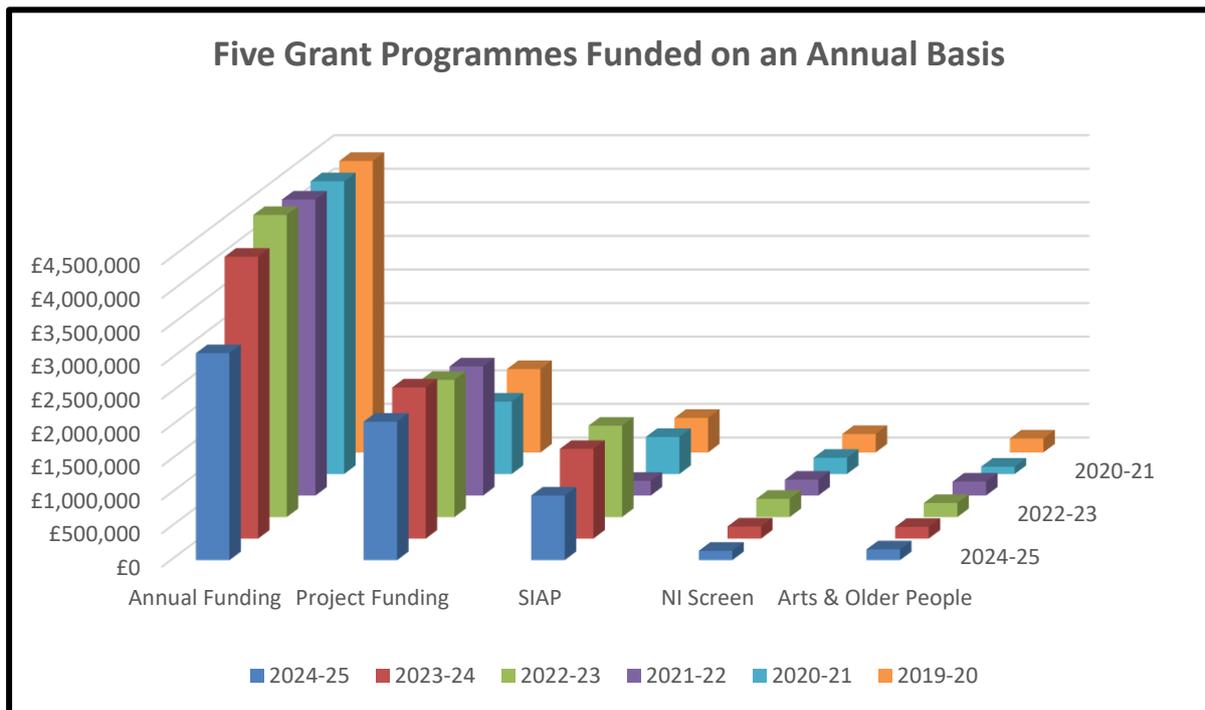
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on an annual basis. These are the first five shown on the graph above from Annual Funding to Arts & Older People.

COVID-19 had a substantial impact on the funding profile for 2020–21 and 2021–22 Programmes such as Young People & Wellbeing and a new Commissioning programme did not run in either year due to the COVID-19 restrictions. Instead, the funds were prioritised for the Artists Emergency Programme in 20–21 and Project Funding and new SIAP projects in 2021–22 to help artists and performers who needed financial support as they emerged from the pandemic.

Lottery was able to maintain these five programmes, which are funded on an annual basis, albeit with some reductions to the annual budgets particularly for Project Funding and SIAP during the COVID-19 years as shown in the graph below called Five Grant Programmes Funded on an Annual Basis.

There was a significant drop in the proportion of the Annual Funding Programme which was funded through Lottery. This was due to an increase in funding received by Exchequer which has given Lottery an increased NLDF and Cash balance going into 2025–26.



Performance Analysis

The purpose of the ‘Performance Analysis’ section is to provide a detailed performance summary of how the Arts Council Northern Ireland Lottery Distribution measures its performance with a review of financial status and significant operational policies.

Key Performance Indicators

The Quicker Turnaround KPI	100% of decisions to be made within published deadline	Achieved
The Quicker Close Out KPI	90% of grants to be closed out within two months of the project end.	Achieved

The Quicker Turnaround KPI

To provide context in relation to the programmes outlined on page 80:

- All decisions made and issued to applicants within stated timeframes.

The Quicker Close Out KPI

Close-out rates as based on the National Lottery Project Funding Programme and the Annual Funding Programme (partly funded by the National Lottery):

<u>Grant Programme</u>	<u>% of grants closed out within 2 months of the project end</u>
2024–25 Project Funding	91.6% (2023–24 96.9%)
2024–25 Annual Funding Programme	100% (2023–24 90.9%)

There are two contributing factors impacting on the Quicker Close Out KPI:

- No changes or innovations were implemented in relation to the 2024/25 Annual Funding Survey (AFS) managed by ACNI’s Strategic Department and thus clients were able to submit the survey without difficulty after the close of the financial year.
- The Northern Ireland Arts sector supported by NLPF is largely comprised of small organisations with few staff, often relying heavily on part-time and voluntary workers – and this can present operational challenges for some groups in terms of reporting. The close-out percentage has been achieved, though has reduced slightly on 2023/24. Assistant Officers actively liaise with clients on an ongoing basis to ensure completion.

Financial Results

The Arts Council of Northern Ireland’s Lottery Distribution results are set out in the Statement of Comprehensive Net Expenditure.

Total income received from National Lottery ticket sales and investment returns totalled £10,524,850 (2023–24: £10,121,074). Additional income of £288,280 (2023–24: £345,789) was received for ring fenced projects.

During the year, the Arts Council made net commitments to applicants.

	Note	2024–25 £	2023–24 £
New Grants Made in Year	10	7,004,934	9,334,023
Grants De-Committed in Year	10	<u>(115,311)</u>	<u>(202,638)</u>
Net Commitments		<u>6,889,623</u>	<u>9,131,385</u>

New grants made in year decreased by £2.3 million in 2024-25 compared to 2023-24. On 11 March 2025, Department for Communities issued a revised budget allocation, for 2024-25, of £2 million to Arts Council Exchequer. This resulted in the Letters of Offer for eight Lottery Annual Funding Programme awards, totalling £2,064,158, being reissued under Exchequer funding.

A total of £313,354 (2023–24: £308,801) has also been spent in respect of Grant Funding which involves contributing to grant projects run by other organisations. The total administrative costs to the Arts Council of its distribution activities, including staff costs, were £1,875,341 (2023–24: £1,973,200).

Equity at the year end

The Lottery Distribution Account showed net income of £1,734,812 in 2024–25 (2023–24: net expenditure of £946,523). At 31 March 2025, the total equity showed net assets of £6,663,195 (31 March 2024: surplus of £4,928,383).

Review of National Lottery distribution activities

During the 2024–25 year, 1,212 (2023–24: restated 1,584) applications were received by the Arts Council seeking grants of £19,941,062 (2023–24: restated £19,127,141) across the main Lottery programmes. The total number of applications received, and the total number of awards are not directly related as, due to year-end and timing of award programmes, applications can be received in one financial year and decided in another.

By the end of the year the Arts Council had made 430 commitments (2023–24: 693) through the main programmes, totalling £6,864,934 (2023–24: £9,153,373).

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NI Screen made 23 commitments (2023–24: 29) totalling £140,000 (2023–24: £180,650) under its 2-year delegation agreement with the Arts Council.

Therefore, in aggregate 453 (2023–24: 722) commitments were made in year totalling £7,004,934 (2023–24: £9,334,023).

Interest Rate and Currency Risk

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

Political and Charitable Donations

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

Payment of Suppliers

The Arts Council is committed to the prompt payment of bills for goods and services in accordance with the Confederation of British Industry's Prompt Payment Code. The target for payment of bills is 10 days from receipt of goods or services, or presentation of a valid invoice or similar demand, whichever is later. A review conducted at the end of the year to measure how promptly the Arts Council paid its bills found that 98% of the bills were paid within this standard. The comparative figure for 2023–24 was 99%. A review of payment of bills in 30 days from receipt of goods or services found that 100% (2023–24: 100%) of the bills were paid within 30 days.

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

Pension Fund

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

The market value of the Arts Council's share of the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) pension scheme's assets (excluding Additional Voluntary Contributions) at 31 March 2025 was £19.356m (31 March 2024: £18.909m) and the present value of the Arts Council's share of the scheme liabilities was £14.816m (31 March 2024: £17.047m). The Arts Council's share of the Scheme's recorded net pension assets at 31 March 2025 was £0.00m due to the asset ceiling being applied (31 March 2024: £0.00m due to the asset ceiling applied).

All assets, liabilities and operating costs of the Arts Council's pension scheme are recorded in the accounts of the Exchequer entity, all scheme members are employees of ACNI which is the sole employer for the scheme. Details of this pension scheme are available within the Arts Council's Exchequer accounts.

Social and Community Issues

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

Accounts and Appointment of Auditors

The Arts Council of Northern Ireland is required to prepare a statement of accounts for each financial year in accordance with sections 35(2) and 35(3) of the National Lottery etc. Act 1993.

The financial statements are also prepared in accordance with:

- The Lottery Accounts Direction given by the Department for Communities (formerly Department of Culture, Arts and Leisure) with the consent of the Secretary of State for the Department for Culture, Media and Sport and the approval of HM Treasury, in accordance with Section 35(2) – (3) of the National Lottery etc. Act 1993.
- 2024–25 Government Financial Reporting Manual issued by HM Treasury.

DfC also issued, on behalf of DCMS, revised Lottery Policy Directions to the Arts Council on 16 April 2008, a copy of which is attached to the end of these financial statements in Appendix A.

Under the National Lottery etc. Act 1993, Section 35(5), the Comptroller and Auditor General examines, certifies and reports on the financial statements of each of the National Lottery distributing bodies and lays copies of the statements and his report before Parliament.

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The fee for the audit of these financial statements was £49,440 (2023–24: £48,000).

This cost is included within Note 2 Expenditure in the financial statements. The Arts Council did not purchase any non-audit services from its external auditor.

Complaints Handling

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

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

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

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

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

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

Additionality

The Arts Council of Northern Ireland recognises and respects the additionality principles of Lottery funding. Lottery funding enables us to extend the reach and increase the impact of the activity that we could undertake if Exchequer funds alone were available.

Together with the other Lottery distributors, we have agreed to share the following common definition of additionality:

“Lottery funding is distinct from government funding and adds value. Although it does not substitute for Exchequer expenditure, where appropriate it complements government and other programmes, policies, and funding.”

We have regard to the principles of additionality and this policy when we set the strategic objectives of our Lottery-funded programmes and when we decide how each programme will operate. We have, and will continue to use, Lottery funding to fund specific, time-limited activity that would not take place without the support of Lottery.

Respect for Human Rights

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

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

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

During 2024–25, there were no reported incidents of corruption, fraud bribery or whistleblowing relating to Arts Council Lottery Distribution operations.

Sustainability Report

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

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

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

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1. Strengthening its strategic commitment to addressing climate crisis by mainstreaming actions across three primary areas: waste reduction, travel reduction and energy consumption,
2. Developing internal ACNI strategy to make environmental responsibility integral to all its policies,
3. Using its place as the leading development and funding Agency of the Arts in Northern Ireland to promote awareness amongst funded organisations of the need for positive environmental change within the sector,
4. Conducting a baseline audit sector wide to develop and improve understanding of environmental impact management and how the Arts could be a vehicle to communicate climate awareness to its audience.



Róisín McDonough
Accounting Officer

Date: 11 December 2025

Accountability Report

The purpose of the Accountability Report is to meet key accountability requirements to Parliament. The report consists of three sections:

- a Corporate Governance Report,
- a Remuneration and Staff report and
- a Parliamentary Accountability and Audit Report.

Corporate Governance Report

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

Directors' Report

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

The Arts Council performed its functions during the year ending on 31 March 2025 by making grants to organisations engaged in the arts either on an annual or a project basis; by granting awards and bursaries to individuals engaged in the arts; by organising tours of performing and creative artists; by organising and participating in the Forum for Local Government and the Arts; and by advising the Department for Communities and various other public and private bodies on a range of issues relating to the arts. The Arts Council is also one of the distributing bodies of National Lottery funding. Lottery distributing activities are reported upon separately under the National Lottery Etc. Act 1993.

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

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

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

Board Membership: 1 April 2024 to 31 March 2025

Mr Lám Hannaway (Chair)
Mr William Leathem (Vice-Chair)
Mrs Lynne Best
Mr Paul Boyle (*resigned 23 August 2024*)
Mr Paul Brolly
Mr Joe Dougan
Mr Ray Hall
Mr Sean Kelly
Mrs Laura McCorry (*resigned 27 June 2025*), and
Dr Gearóid Trimble.

Committee Membership

Details of the structure and roles for each committee are given in the Governance Statement starting on page 30.

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

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

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

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

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

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

Board Appointments after the Financial Year End

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

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

Several members of the Board of the Arts Council and members of key management staff are also involved with other arts organisations in Northern Ireland either directly

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or indirectly because of a family relationship, a close friendship or business relationship. All individuals make an annual declaration of their interests and do not take part in discussions and decisions to make grant awards to those organisations with which they have a declared interest. A list of awards made to the organisations concerned and details of who made the declaration of interest is detailed in Note 16. The Register of Interests is also online on the Arts Council website, [ACNI-BOARD-Declaration-of-Interests-2025-26_2025-05-02-103525_hfwn.docx](#) All transactions relating to the organisations were conducted at arm's length by the Arts Council.

Personal Data

A personal data breach was reported to the Information Commissioners office (ICO) in March 2025. The ICO closed the case with an advice note.

ACNI experienced a data breach relating to a shared platform used across the NICS. The data included personal information which would be classed as protected under GDPR. There was no exposure beyond the boundary of the NICS platform. The data was exposed due to the shared platform containing it having its permissions set to be publicly accessible across the NICS platform.

The ICO advice note recommended checking that policies and procedures are fit for purpose and that all staff who handle personal data receive regular data protection training.

Compliance with Government Functional Standards

Government functional standards are a suite of 15 management standards that set expectations for functional work across all Government departments, including Arm's Length Bodies, and provide a stable basis for assurance, risk management and capability improvement. Formulated by the Cabinet Office, these standards are intended to form a framework to support the efficient and effective delivery of public services.

These standards have been formally issued by HM Treasury under DAO 05/21. Practice in Northern Ireland is that HMT DAO letters are issued as Department of Finance DAO letters. However, the functional standards have not been issued in Northern Ireland.

A high-level review has been undertaken of the standards as they apply outside Northern Ireland. We understand, as part of this review, we are outside the scope of Functional Standard 3: HR as it only applies to "arm's length bodies where civil servants are employed" and there are no civil servants at the Arts Council of Northern Ireland.

We are also liaising with our sponsor Department, DfC to understand how these functional standards apply to Northern Ireland.

Functional Standards have not been issued by Department of Finance (NI) and do not apply in Northern Ireland.

Statement of Arts 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 in the form directed by the Secretary of State for Culture, Media and Sport with the consent of the Department for Communities in Northern Ireland and the approval of HM Treasury in accordance with Section 35(2) – (3) of the National Lottery etc. Act 1993.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Arts Council of Northern Ireland's lottery distribution activities at the year-end and of its income and expenditure, statement of financial position and cash flows for the financial year.

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

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

The Accounting Officer for the Department for Communities has designated the Chief Executive of the Arts Council of Northern Ireland as the Accounting Officer for the Arts Council. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records, and for safeguarding the Arts Council of Northern Ireland's assets, are set out in 'Managing Public Money Northern Ireland' issued by the Department of Finance and in the Financial Directions issued by the Department for Communities on behalf of the Secretary of State for the Department for Culture, Media and Sport under s26(3) of the National Lottery etc. Act 1993.

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

Governance Statement

Scope of Responsibility

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

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

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

Corporate Governance Code

The Arts Council complies with the principles of good practice detailed in Corporate Governance in Central Government Departments: Code of Good Practice (NI) 2025 issued by Department of Finance under cover of their letter DAO (DFP) 01/25.

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

Two principles were less relevant to the Arts Council:

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

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

Conflicts of Interest

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

Several members of the Board of the Arts Council and members of key management staff are also involved with other arts organisations in Northern Ireland either directly or indirectly as a result of a family relationship, a close friendship or business relationship. All Board members and staff make an annual declaration of their interests and do not take part in discussions and decisions to make grant awards to those organisations with which they have a declared interest.

A list of awards made to the organisations concerned and details of who made the declaration of interest is detailed in Note 16. The note lists Board members and senior staff. A full list of conflicts of interest are published on the Arts Council website. All the transactions relating to organisations were conducted at arm's length by the Arts Council.

The Purpose of the Governance Framework

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

The system of internal control is a significant part of that framework and designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of departmental policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively, and economically.

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

The Governance Framework

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

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

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

Board

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

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

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- Ensure that strategies are developed for meeting the Arts Council’s overall objectives in accordance with the policies and priorities established by the Minister;
- Monitor the Arts Council’s performance to ensure that it fully meets its aims, objectives, and performance targets;
- Ensure that the Arts Council’s control, regulation, and monitoring of its activities as well as those of any other bodies which it may sponsor or support, ensure value for money within a framework of best practice, regularity, and propriety;
- Participate in the corporate planning process; and
- Appoint a Chief Executive.

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

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

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

2024–25 Meeting Attendance

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

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

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

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

Audit and Risk Committee

The membership of the Audit and Risk Committee during the year is outlined on page 27. The Committee met four times during the year. I attended three of the meetings, the Director of Finance and Corporate Services attended all four meetings, and the Director of Operations attended all four meetings. The Audit and Risk Committee has a rolling work-plan and measures its performance by the achievement of its objectives.

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

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

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

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

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

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

Other Committees

The membership of the Finance and Capital Committee during the year is outlined on page 27. This Committee met four times during the year. I attended three meetings. The Director of Finance and Corporate Services attended all four meetings. The Director of Operations attended all four meetings. Its terms of reference cover the proposal to the Board for the annual budget of the Arts Council; ensuring comprehensive financial advice is provided to the Board; reviewing the detailed information relating to the financial resources including the Statement of Comprehensive Net Expenditure, Statement of Financial Position and Statement of Cash Flow; monitoring financial expenditure against targets set throughout the year; making recommendations as necessary; reviewing the programmes, policies and procedures relating to the payment of capital grants and where appropriate, to propose changes to the above for Board approval; and to advise on policy and the strategic deployment of capital resources.

The membership of the Grants Committee during the year is outlined on page 27. This Committee met five times during the year. I attended three out of five meetings. The Director of Operations attended all five meetings. Its terms of reference include reviewing the programmes, policies and procedures relating to the payment of Exchequer and Lottery grants, and where appropriate, proposing changes to the above for approval by the Board and taking decisions on grant aid within delegated financial limits set by the Board. The Board has delegated its grant-decision-making for grants under £25,000 to staff. However, following a High Court ruling by Madam Justice McBride¹ against the Charities Commission for Northern Ireland all Exchequer grant decisions are either approved by the Grants Committee acting for the Board or by the Board. All decisions made by the Grants committee are reported to the Board.

The Remuneration & Staffing Committee (page 43) comprises of three members however, with no matters requiring discussion, the committee did not meet during the financial year.

Business Planning

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

The plan is structured around the outcomes identified in the draft strategy, with specific objectives and indicators of achievement to help track progress. Each one-year plan is designed to move forward in a coherent and focused way, ensuring that the work

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remains aligned with ACNI values, and the evolving needs of the arts in Northern Ireland.

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

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

ACNI's draft strategy follows an outcome-based approach. This means focussing first on desired achievements for the arts sector and using this to inform actions. A set of outcomes has been derived for the art sector, and a set of outcomes that the sector then delivers as a result for society. The outcomes overlap and are reliant on one another. They are used to frame the business plan.

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

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

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

Risk Management

The Arts Council applies HM Treasury’s Orange Book, Management of Risk – Principles and Concepts (under cover of DAO (DoF) 04/20). The core processes at the heart of the risk management framework are unchanged and involve identifying risks, assessing the risks, designing, and operating risk treatment activities (including controls), monitoring these and reporting on success or otherwise of the risk management. The primary shift was to position risk management as more than a process, but rather as an essential part of good governance, decision-making and performance management at all levels of an organisation.

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

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

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

On an annual basis, risks are categorised by considering the likelihood of occurrence should no risk-mitigation activity occur, and the impact should the risk happen. The risks where the potential impact is deemed high are detailed in the Arts Council Risk Register. The Risk Register forms part of the annual business plan of the Board, having been previously endorsed by the Audit and Risk Committee. The Senior Management

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Team assigns to managers (the ‘risk owners’) the task of putting procedures in place to monitor and, where possible, mitigate the risk.

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

- Lottery income: economic and other factors which could impact on income for good causes; and
- Loss of frontline services from structural underfunding of the Arts if future funding secured for arts organisations is inadequate.

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

The Audit and Risk Committee also scrutinises management and budgetary information on arts organisations flagged at financial risk. This oversight included the commissioning of three third-party organisation reviews undertaken by Internal Audit and reported to the Audit & Risk committee. This allows scrutiny and challenge of the organisations’ financial capability and provides assurance that public funds are not at risk.

Risk Appetite

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

Fraud Risk and Information Risk

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

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

All staff have been provided with a copy of the Arts Council Information and IT Security Policy to ensure that they are aware of best practice on how to protect the data and

Arts Council of Northern Ireland Lottery Distribution Account 2024–25

assets held by the organisation. The Council's computer system is hosted on an ITAssist platform. Additionally, to gain access to the Arts Council's computer network, staff are required to acknowledge acceptance of IT policies when they log into their workstations.

Governance & Accountability within the Arts Council

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

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

The Audit and Risk Committee reviewed and approved the internal audit plan. I ensured that there was sufficient flexibility in the plan to allow for changes to be made during the year to reflect any significant changes in the risk environment and the emergence of new risks.

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

Sources of Independent Assurance

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

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

Review of Effectiveness

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

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

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

Quality of Information

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

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

Arts Council of Northern Ireland Lottery Distribution Account 2024–25
Internal Governance Divergences – Current and New for 2024–25

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

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

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

None.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

There were no Priority 1 recommendations during the year.

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

Conclusion

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



Róisín McDonough
Accounting Officer
Arts Council of Northern Ireland

Date: 11 December 2025

Remuneration and Staff Report

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

The Staff Report element provides additional information including:

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

Remuneration Report

Remuneration Policy

The Arts Council Remuneration & Staffing Committee is a Committee of the Board of the Arts Council. The Committee is authorised by the Board to undertake any activity within its terms of reference. Its membership during the year was as follows:

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

Mr Liam Hannaway (Board Chair)

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

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

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

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

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

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

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

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

Service Contracts

The Civil Service Commissioners (NI) Order 1999 requires Civil Service appointments to be made on merit based on fair and open competition. The Recruitment Code published by the Civil Service Commissioners for Northern Ireland specifies the circumstances when appointments may be made otherwise.

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

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

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

Salary

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

Benefits in Kind

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

Board Members' Honoraria (Audited Information)

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

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

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

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

Bonuses

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

Arts Council of Northern Ireland Lottery Distribution Account 2024–25
Remuneration and Pension Entitlements - Senior Staff (Audited Information)

Single total figure of remuneration

Directors	Salary & Allowances ¹ (£'000)		Pension Benefits ² (to nearest £1,000)		Total (£'000)	
	24-25	23-24	24-25	23-24	24-25	23-24
R McDonough (Chief Executive)	95-100	90-95	41,000	34,000	135-140	125-130
N McKinney (Director of Arts Development - Job Share)	30-35 (65 -70 FTE)	30-35 (60 -65 FTE)	11,000	10,000	40-45	40-45
G McKinney (Director of Arts Development - Job Share)	30-35 (60-65 FTE)	40-45 ⁵ (55-60 FTE)	40,000 ³	5,000	70-75	45-50 ⁵
G Troughton (Director of Finance and Corporate Services)	60-65	55-60	38,000	13,000	95-100	70-75
K Greene (Director of Strategic Development) (Resigned 12 July 2024)	20-25 (60-65 FYE)	55-60	16,000	23,000	35-40	80-85
J Stanziola (Director of Strategic Development) (from 1 August 2024)	35-40 (55-60 FYE)	N/A	16,000 ⁴	N/A	50-55	N/A
M Lynch (Director of Operations)	55-60	55-60 ⁶	41,000	19,000	100-105	70-75

¹Salary includes gross salary and allowances, to the extent that they are subject to UK taxation. This report is based on payments made by the Arts Council before any recharge of costs is made to the Lottery fund.

² The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation and any increase or decrease due to a transfer of pension rights.

³Ms G McKinney – Working two posts this year. Substantive G7 post Part Time plus additional duties for DP post also Part Time. Pension Benefits figures are from both the director and non-director roles.

⁴Mr J Stanziola, mid-year joiner (01/05/2024 Manager (DP) post, Promoted to Director (G7) 01/08/2024). Pension Benefits figures are from both the director and non-director roles.

⁵G McKinney – 2023-24 Salary & Allowances figure restated to show Director Salary only.

⁶M Lynch – 2023-24 Salary & Allowances figure restated to reflect entitlement pay which was accrued in 2023-24.

Fair pay disclosure (Audited Information)**Pay Ratios**

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

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

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

23–24	25th Percentile	Median	75th Percentile
Total Remuneration (£)	31,352	35,712	39,504*
Pay Ratio	3.0	2.6	2.3*

* Prior Year 75th Percentile figures restated to include full annualised salaries.

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

The values for the salary component of remuneration for the 25th percentile, median and 75th percentile was £33,793 (2023–24 £31,352), £38,283 (2023–24 £35,712), and £42,268 (2023–24 £39,504) respectively.

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

Remuneration, inclusive of accrued backpay, ranged from £29,035 to £97,500 (2023–24: £27,147 to £92,500). The organisation's workforce includes both directly employed staff and agency staff.

Percentage Change in Remuneration (Audited Information)

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

- a) Salary and allowances, and
- b) Performance pay and bonuses

of the highest paid director and of their employees.

Arts Council of Northern Ireland Lottery Distribution Account 2024–25

The percentage changes in respect of the Arts Council are shown in the following table. It should be noted that the calculation for the highest paid director is based on the mid-point of the band within which their remuneration fell in each year. The percentage change calculations do not include agency staff.

Percentage change for:	2024–25 v 2023–24	2023–24 v 2022–23
Average employee salary and allowances	2.9%	6.1%
Highest paid director's actual salary and allowances	5.41%	5.71%

The annual percentage change in remuneration results from the pay remit for Northern Ireland Civil service approved by the NI Assembly. No performance pay or bonuses were payable in these years.

Arts Council Pensions

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

During the year, the Arts Council made contributions for 46 (23–24: 46) employees (not all 46 were employed throughout the year). The NILGOSC scheme is a "multi-employer," defined benefit scheme, which provides members of participating employers with the benefits related to pay and services at rates which are defined under statutory regulations. To finance these benefits, assets are accumulated in the scheme and are held separately from the assets of the employers. The scheme is funded by employers participating in the NILGOSC scheme who pay contributions at rates determined by an independent professionally qualified actuary, on the basis of regular valuations, using the projected unit method. During the year ended 31 March 2025 the Arts Council contributed 19.0% of gross salary (23–24: 19.0%).

	2024–25 £	2023–24 £
Employer Pension Contributions	164,412	161,109

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Pension Benefits - Directors (Audited Information)

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

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

²Ms K Greene, mid-year leaver – left Arts Council of N.I. 12/07/24.

³Ms M Lynch, additions due to McCloud Remedy.

⁴Ms G McKinney, additions due to McCloud Remedy, additional hours at manager (DP) post Part Time, substantive Director (G7) post Part Time.

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

Cash Equivalent Transfer Values (CETV)

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

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

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

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

The real increase in the value of the CETV

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

McCloud Remedy

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

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

Staff Report

1 Analysis of Directors Salaries (Audited Information)

Director's Salary	24 - 25	23 – 24*
£50,000 - £55,000	-	-
£55,000 - £60,000	2	4
£60,000 - £65,000	3	1
£65,000 - £70,000	1	-
£85,000 - £90,000	-	-
£90,000 - £95,000	-	1
£95,000 - £100,000	1	-
Total Number of Directors	7	6

*23-24 figures updated to reflect the full-time equivalent entitlement for the 23-24 financial year in line with disclosures on page 46.

The Directors' salaries shown above are on a full-time equivalent basis which includes pension allowance and the non-consolidated gross payment made to staff during the year. It does not include any back dated pay awards received during the year or any adjustments for sick leave or any change in hours during the year. Back pay and changes in hours are reflected in the salary information on page 46 which shows the amount earned by each director for the year.

2 Staff Numbers and Costs

a) Analysis of Staff Costs (Audited Information)

	2024–25 Permanently employed staff	2024–25 Others	2024–25 Total	2023–24 Total
	£	£	£	£
Wages and salaries	865,397	25,363	890,760	902,579
Social security costs	89,022	1,794	90,816	92,662
Other pension costs	161,078	3,334	164,412	161,109
Agency costs	-	185,199	185,199	238,462
	1,115,497	215,690	1,331,187	1,394,812

The above table shows only the staff costs recharged to Lottery. The full staff costs are shown in the Exchequer Accounts.

All the staff costs were incurred by the Arts Council of Northern Ireland and recharged to the Lottery Distribution Account on the basis of average Lottery caseload from the Arts Development Department and on other appropriate bases from the rest of the Arts Council.

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b) Chief Executive's Remuneration (Audited Information)

The mid-point of the banded remuneration received by the Chief Executive, including back-dated pay awards during the year was £97,500 (2023–24: £92,500). The Chief Executive is an ordinary member of the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) pension scheme. A total of 54% (2023–24: 55%) of the Chief Executive's employment costs (including employers national insurance contributions and employers pension) have been apportioned to the Lottery Distribution fund to cover time spent on Lottery activities.

c) Pension Contributions

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

d) Pension Commitments

The Arts Council makes employer contributions to the Northern Ireland Local Government Officers Superannuation Scheme (NILGOSC), which is a funded scheme of the defined benefit type.

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

Details of this pension scheme are available within the Arts Council's Exchequer accounts.

3 Staff Engagement

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

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

4 Average number of persons employed (Audited Information)

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

Arts Council of Northern Ireland	Permanently Employed Staff	Others	24–25 Total	23–24 Total
Directly employed	39	1	40	39
Other	-	7	7	8
Total	39	8	47	47

The average number of whole-time equivalent persons employed during the year working on the Lottery Distribution Account was as follows:

Lottery Distribution Account	Permanently Employed Staff	*Others	24–25 Total	23–24 Total
Directly employed	21	1	22	19
Other	-	4	4	3
Total	21	5	26	22

*Total of Others comprised of 0.54 FTE on fixed term contract and 3.6 FTE Temporary staff, recharged to Lottery.

5 Staff Composition by Gender

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

	Male Directors	Male Employees	Female Directors	Female Employees	Total Employees
2024–25					
Payroll	2	8	4	32	46
Board	-	2	-	-	2
Agency	-	2	-	4	6
Total	2	12	4	36	54
2023–24					
Payroll	1	8	5	32	46
Board	-	2	-	-	2
Agency	-	3	-	6	9
Total	1	13	5	38	57

Arts Council of Northern Ireland Lottery Distribution Account 2024–25

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

6 Staff Turnover

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

Contract Type	2025–24 % Turnover	2023–24 % Turnover
Permanent	4.49%	6.90%

7 Sickness Absence Data

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

8 Staff Policies pertaining to disabled persons

Employment, training and advancement of disabled persons

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

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

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

9 Other Employee Matters

Learning & Development

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

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

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

Employee Consultation and Trade Union Relationships

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

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

Equality, Diversity, and Inclusion

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

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

Arts Council of Northern Ireland Lottery Distribution Account 2024–25

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

Health and Safety at Work

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

10 Expenditure on Consultancy

There was no expenditure on consultancy in 2024–25 (2023–24: None).

11 Off Payroll Disclosures

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

There were no off-payroll engagements of Board members and/or senior officials with significant financial responsibility between 1 April 2024 and 31 March 2025.

Number of off-payroll engagements of Board members and/or senior officials with significant financial responsibility, during the financial year	-
Number of individuals that have been deemed 'Board members and/or senior officials with significant financial responsibility', during the financial year	9

12 Exit Packages (Audited Information)

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

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

Parliamentary Accountability and Audit Report

The Parliamentary accountability and audit report brings together the key Parliamentary accountability documents within the annual report and accounts. It comprises:

- Parliamentary Accountability Disclosures
- Regularity of Expenditure
- Certificate and Report of the Comptroller and Auditor General

Parliamentary Accountability Disclosure Notes

Losses and special payments (Audited Information)

There were no losses or special payments during the year, which required disclosure in the accounts (31 March 2024: Nil).

Fees and Charges (Audited Information)

There were no fees and charges as defined by Parliament that require disclosure.

Regularity of Expenditure (Audited Information)

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

Remote Contingent Liabilities (Audited Information)

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

Long Term Expenditure Trends

Details of long-term grant expenditure trends are included starting on page 15 of the Performance Report.



Róisín McDonough
Accounting Officer

Date: 11 December 2025

Arts Council of Northern Ireland Lottery Distribution Account 2024–25

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

Opinion on financial statements

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 2025 under the National Lottery etc. Act 1993.

The financial statements comprise the Arts Council of Northern Ireland Lottery Distribution Account's

- Statement of Financial Position as at 31 March 2025;
- Statement of Comprehensive Net Income/(Expenditure), Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted International Accounting Standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Arts Council of Northern Ireland Lottery Distribution Account's affairs as at 31 March 2025 and its comprehensive net income/(expenditure) for the year then ended; and
- have been properly prepared in accordance with the National Lottery etc. Act 1993 and Secretary of State directions issued thereunder.

Opinion on regularity

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

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2024)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2024*. I am independent of the Arts Council of Northern Ireland Lottery Distribution Account in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

Arts Council of Northern Ireland Lottery Distribution Account 2024–25

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

Conclusions relating to going concern

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

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

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

The going concern basis of accounting for the Arts Council of Northern Ireland Lottery Distribution Account is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other Information

The other information comprises information included in the Annual Report, but does not include the financial statements and my auditor's certificate and report thereon. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the National Lottery etc. Act 1993.

Arts Council of Northern Ireland Lottery Distribution Account 2024–25

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

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under the National Lottery etc. Act; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Arts Council of Northern Ireland Lottery Distribution Account and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

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

- adequate accounting records have not been kept by the Arts Council of Northern Ireland Lottery Distribution Account or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Arts Council and Accounting Officer for the financial statements

As explained more fully in the Statement of Arts Council's and Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Arts Council of Northern Ireland Lottery Distribution Account from whom the auditor determines it necessary to obtain audit evidence;

Arts Council of Northern Ireland Lottery Distribution Account 2024–25

- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view in accordance with Secretary of State directions issued under the National Lottery etc. Act 1993;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with Secretary of State directions issued under the National Lottery etc. Act 1993; and
- assessing the Arts Council of Northern Ireland Lottery Distribution Account's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Arts Council of Northern Ireland Lottery Distribution Account will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the National Lottery etc. Act 1993.

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

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Arts Council of Northern Ireland Lottery Distribution Account's accounting policies and key performance indicators.
- inquired of management, the Arts Council of Northern Ireland Lottery Distribution Account's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Arts Council of Northern Ireland Lottery Distribution Account's policies and procedures on:

Arts Council of Northern Ireland Lottery Distribution Account 2024–25

- identifying, evaluating and complying with laws and regulations;
- detecting and responding to the risks of fraud; and
- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Arts Council of Northern Ireland Lottery Distribution Account’s controls relating to the Arts Council of Northern Ireland Lottery Distribution Account’s compliance with the National Lottery etc. Act 1993, Managing Public Money;
- inquired of management, the Arts Council of Northern Ireland Lottery Distribution Account’s head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Arts Council of Northern Ireland Lottery Distribution Account for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Arts Council of Northern Ireland Lottery Distribution Account’s framework of authority and other legal and regulatory frameworks in which the Arts Council of Northern Ireland Lottery Distribution Account operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Arts Council of Northern Ireland Lottery Distribution Account. The key laws and regulations I considered in this context included National Lottery etc. Act 1993, Managing Public Money, employment law and tax legislation.

I considered the controls in place at the Arts Council of Northern Ireland Lottery Distribution Account to prevent, detect and correct material irregularity of grant expenditure.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Committee and legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business

Arts Council of Northern Ireland Lottery Distribution Account 2024–25

rationale of any significant transactions that are unusual or outside the normal course of business; and

- I tested a sample of grant expenditure to gain assurance that grants had been spent on the intended purposes.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

12 December 2025

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

Financial Statements

Statement of Comprehensive Net Income/(Expenditure)

Year Ended 31 March	Note	2025 £	2024 £
Proceeds from Lottery Ticket Sales	4	10,041,924	9,650,848
Lottery investment Returns	4	482,926	470,226
Other Operating Income	4	288,280	345,789
Total Operating Income		10,813,130	10,466,863
New Grants made in year	10	7,004,934	9,334,023
Grants De-committed in year	10	(115,311)	(202,638)
Grant Funding	3	313,354	308,801
Staff Costs: recharge	2	1,331,187	1,394,812
Other Operating Expenditure: recharge	2	435,867	473,429
Other Operating Expenditure: direct costs	2	108,287	104,959
Total Operating Expenditure		9,078,318	11,413,386
Comprehensive Net Income / (Expenditure) for the year		1,734,812	(946,523)

All activities are continuing with no acquisitions or disposals. There are no gains or losses other than those shown above.

The notes on pages 69 to 84 form part of these accounts.

Statement of Financial Position

As at 31 March		2025	2024
	Note	£	£
Current assets			
Investments – balance held in NLDF	6	5,668,397	5,742,577
Trade and Other Receivables	8	84,179	775,730
Cash and Cash Equivalents	7	<u>2,564,491</u>	<u>462,647</u>
Total Current Assets		8,317,067	6,980,954
Current Liabilities			
Trade and Other Payables	9	355,378	412,518
Grants Payable	10	<u>1,298,494</u>	<u>1,640,053</u>
Total Current Liabilities		1,653,872	2,052,571
Total Assets less Current Liabilities		6,663,195	4,928,383
		<hr/>	<hr/>
Total Assets less Total Liabilities		<u>6,663,195</u>	<u>4,928,383</u>
Equity			
General reserve		<u>6,663,195</u>	<u>4,928,383</u>
Total Equity		<u>6,663,195</u>	<u>4,928,383</u>

The financial statements on pages 65 to 84 were approved by the Board on the 11 December 2025 and were signed on its behalf by:



Róisín McDonough
Accounting Officer

Date: 11 December 2025

The notes on pages 69 to 84 form part of these accounts.

Statement of Cash Flows

For the year ended 31 March		2025	2024
	Note	£	£
Cash Flows from Operating Activities			
Net Income / (Expenditure)		1,734,812	(946,523)
Decrease / (Increase) in Trade and Other Receivables	8	691,551	(657,305)
(Decrease) / Increase in Payables < 1 year	9	(398,699)	54,543
Increase / (Decrease) in Payables > 1 year	9	-	(2,953)
Decrease/(Increase) in balance held at NLDF	6	74,180	1,402,062
Net cash Inflow/ (outflow) from Operating Activities		2,101,844	(150,176)
Net increase/(decrease) in Cash and Cash Equivalents in the period		2,101,844	(150,176)
Cash and Cash Equivalents at the beginning of the period	7	462,647	612,823
Cash and Cash Equivalents at the end of the period	7	2,564,491	462,647

The notes on pages 69 to 84 form part of these accounts.

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

	General Reserve £	Total Reserves £
Balance at 31 March 2023	5,874,906	5,874,906
Changes in Equity for 2023-24		
Comprehensive Net Expenditure for the Year	<u>(946,523)</u>	<u>(946,523)</u>
Balance at 31 March 2024	4,928,383	4,928,383
Changes in Equity for 2024-25		
Comprehensive Net Income for the Year	<u>1,734,812</u>	<u>1,734,812</u>
Balance at 31 March 2025	<u>6,663,195</u>	<u>6,663,195</u>

The notes on pages 69 to 84 form part of these accounts.

NOTES TO THE ACCOUNTS

1 Statement of accounting policies

These financial statements have been prepared in accordance with the Lottery Accounts Direction given by the Department for Communities (formerly Department of Culture, Arts and Leisure) with the consent of the Secretary of State for the Department of Culture, Media and Sport and the approval of the HM Treasury, in accordance with Section 35(3) of the National Lottery etc. Act 1993.

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

The Lottery Distribution Accounts of the Arts Council are produced on the Going Concern basis. Grant commitments for future years have been entered into after taking account of income projections provided by Allwyn. The Arts Council of Northern Ireland assumes that the Lottery will continue to operate and the transfer of operations from Camelot to Allwyn will have no material impact on Lottery income. Further information on Going Concern is included in the Performance Report on page 14.

(a) Accounting convention

These accounts have been prepared on an accruals basis under the historical cost convention.

(b) Property, Plant and Equipment and Intangible Assets

Arts Council Exchequer is responsible for all non-current asset purchase and maintenance. Non-current asset usage on Lottery activities is recharged from the Exchequer to the Lottery account under the Service Level Agreement approved by the Board on 10 May 2024.

(c) 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 the Department 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 Statement of Financial Position date, has been certified by the Secretary of State for the Department for Culture, Media and Sport as

Arts Council of Northern Ireland Lottery Distribution Account 2024–25

being available for distribution by the Arts Council in respect of current and future commitments.

(d) Grants Payable

The grants liability at 31 March 2025 is disclosed in Note 10 to the accounts and is accounted for as expenditure in the Statement of Comprehensive Net Income / Expenditure and, until paid as liabilities in the Statement of Financial Position if:

- i. they have been formally approved by Council, or under delegated authority; and
- ii. formal written notification has been issued to the intended recipients; and
- iii. the offers are free from any conditions under the Council's control.

Grants which have been formally reviewed by Council / Board, which do not meet the definition of liabilities because ii) and / or iii) has been met are disclosed in Note 11.

(e) Delegation to NI Screen

NI Screen was appointed as a delegated body for the distribution of National Lottery funds by the Arts Council of Northern Ireland. The Arts Council has a fully operational delegation agreement in place with NI Screen to act as the lead organisation in the delivery of film grant schemes. The statutory grant decision-making function is delegated to NI Screen. The terms of the external delegation are set out in a formal agreement and satisfy the conditions of the Arts Council's Financial Direction. The obligations of the Arts Council's Accounting Officer are unchanged by the delegation.

In line with this appointment, the Accountable Officer, is responsible for ensuring that all Lottery funds are managed and distributed with propriety, regularity, and in accordance with parliamentary intentions. This includes maintaining robust systems for grant administration, exercising effective financial and resource control, signing and verifying accurate accounts, and ensuring proper record-keeping. The Accountable Officer advises the NI Screen Board on matters of financial governance, oversees cash flow management, and authorises write-offs or special payments where appropriate. While operational tasks may be delegated, ultimate accountability for compliance and assurance remains with the Accountable Officer.

Under the delegation agreement NI Screen operates as the Arts Council's Film department. The relevant figures in relation to NI Screen's films awards are therefore included within the New Grants made in year and Grants De-committed in year figures shown on the face of the Statement of Comprehensive Net Expenditure. The Grants payable figure on the face of the Statement of Financial Position includes the outstanding grant commitments that NI Screen has to the film grantees. The arts council also recognises a prepayment for the funds provided to NI Screen which have not been paid to grantees at 31 March 2025.

(f) Critical Accounting Estimates and Key Judgements

- Recharge of Staff Costs and Apportionment of Other Operating Costs
Administrative overheads and salaries are incurred by the Arts Council of Northern Ireland Exchequer. Exchequer has an agreement with the Lottery Distribution Account

Arts Council of Northern Ireland Lottery Distribution Account 2024–25

to recharge it for salary costs and overhead costs incurred in relation to Lottery funded activities. A formal Service Level Agreement including the methodology used in calculating the percentage for the year is taken to the Board for approval during the first quarter of the financial year.

The Board approved a Service Level Agreement on Recharging of Salaries and Overheads between Exchequer and Lottery at 54% (2023–24: 55%) on the 10 May 2024 and was applied retrospectively for the full year, from 1 April 2024 to 31 March 2025.

The Lottery Recharge Percentage of 54% was calculated by assessing grants over the previous five-year period up to 31 March 2024. This was a change in calculation methodology as previously a three-year assessment period was used, however the latter tended to skew the recharge disproportionately to Lottery. Changing to five years from three years did have a material impact on the 2024/25 recharge figure. The recalculated figure which better reflects operational reality and workload distribution is not materially different from the previous year.

It was calculated using the number and value of grant applications in Lottery and Exchequer, the number and value of grant awards, the amount of work in processing unsuccessful applications and successful awards and the amount of work in processing grants awards based on the number and value of awards.

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

(g) Pension Costs

Past and present employees are covered by the provisions of the Northern Ireland Local Government Officers' Superannuation Committee Scheme (NILGOSC). The pension costs are assessed in accordance with the advice of independent qualified actuaries using the market led approach. The latest actuarial valuation of the scheme was at 31 March 2022.

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

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

(h) Operating Income

Distributing activities are funded by allotted proceeds from the National Lottery which are held in the National Lottery Distribution Fund (NLDF). The NLDF is administered

Arts Council of Northern Ireland Lottery Distribution Account 2024–25

by the Department for Culture, Media and Sport. The National Lottery operator calculates the proceeds on an annual basis as set out in the National Lottery Licence. Payments are made to the NLDF each week based on actual sales and prizes. The percentages of proceeds receivable into the NLDF then payable to each lottery distributing body are set out in National Lottery etc. Act 1993 sections 22 and 23 as amended by Statutory Instrument 2010 No. 2863 'The Apportionment of Money in the National Lottery Distribution Fund Order 2010'. The Council receives 0.56% of total annual proceeds receivable into the NLDF and draws down the proceeds when needed.

Other income consists of external funding for specific programmes and film royalties received through NI Screen.

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

(i) Financial Instruments and Impending Application of Newly Issued financial Standards

As the cash requirements of the Arts Council of Northern Ireland Lottery Distribution Fund are met through Lottery funding, financial instruments play a limited role in creating and managing risk than would normally apply to a non-public sector body.

Effective from 1 April 25, the FReM reporting requirements require a rolling programme of non-investment assets revaluations over a five-year period, there will also be the removal of the split between specialized and non-specialized assets. No impact is expected as a result of this requirement. Additionally, guidance has been issued on accounting for social benefits, ACNI operations do not fall within the scope of this requirement

(j) Staff Costs

Under IAS19 Employee Benefits, all staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any untaken leave as at the year end. The cost of untaken leave has been determined using data from leave records.

(k) Leases

In line with the requirements of the FReM, IFRS 16 *Leases* was implemented, by Arts Council Exchequer, as, interpreted and adapted for the public sector, with effect from 01 April 2022.

As per Note 12 the Lottery Fund has no direct lease commitments. The Exchequer account has a capitalised premises lease; a proportion has been recharged. The Arts Council's previous eighteen-month lease terminated on 12 August 2024. A new lease was entered into for the new premises for a period of five years beginning 22 July 2024 to 21 July 2029.

(l) Impending Application of Newly Issued Accounting Standards not yet effective

The Arts Council provides disclosure that there are no new relevant accounting standards which it has not yet applied. The application of any new or amended IFRS standards is governed by their adoption by the FReM. The Council applies changes to standards when they become effective. There are no known material impacts from IFRS changes that have been issued and are not yet effective on the financial statements in the period of initial application.

Specifically:

- IFRS 17 Insurance Contracts – No known material impacts

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

- IFRS 18 Presentation and Disclosure in Financial Statements – No known material impacts

IFRS 18 (Presentation and Disclosure in Financial Statements) was issued in April 2024, replacing IAS 1 (Presentation of Financial Statements), and is effective for accounting periods beginning on or after 1 January 2027. IFRS 18 will be implemented, as interpreted and adapted for the public sector if required, from a future date (not before 2027–28) that will be determined by the UK Financial Reporting Advisory Board in conjunction with HM Treasury following analysis of this new standard. The Arts Council does not anticipate that the adoption of this standard will have a material impact on the Lottery Fund accounts.

(m) Operating Segments

The activities of the Arts Council are considered to provide a single function, maintaining and developing the Arts in Northern Ireland. In terms of IFRS this is considered to be a single operating segment. It is therefore considered that no further analysis is required to meet the requirements of IFRS 8.

(n) Reserves

General Reserve

This is the balance arising from monies attributed to the Arts Council of Northern Ireland as a Distributing Body for the National Lottery Distribution Fund as certified by the Secretary of State for the Department for Culture, Media and Sport and the net income as reported in the Statement of Comprehensive Net Expenditure for the year.

2 Expenditure

All staff costs were incurred by the Arts Council of Northern Ireland and recharged to the Lottery Distribution Account based on activity in terms of the proportion of grant applications and awards that relate to Lottery activity.

A breakdown of the salary costs below, into permanent staff and others can be found in the Staff Report within the Accountability Report.

Year ended 31 March	Direct £	Recharge £	2025 Total £	2024 Total £
Salary Costs				
Wages and salaries	-	890,760	890,760	902,579
Social security costs	-	90,816	90,816	92,662
Other pension costs	-	164,412	164,412	161,109
Agency costs	-	185,199	185,199	238,462
Total Salary Costs	-	1,331,187	1,331,187	1,394,812
Arts Council Administration- Apportionment	-	435,867	435,867	473,429
Arts and Older People Administration	10,523	-	10,523	11,320
Creative Schools Administration	1,010	-	1,010	1,461
Creative Industries Administration Mental Health Programme Administration	4,448	-	4,448	-
Strategic Administration	14,033	-	14,033	-
University of Atypical SLA	14,919	-	14,919	27,939
Young Musician Platform	2,450	-	2,450	3,752
Young People and Wellbeing	2,051	-	2,051	-
Audit Fees	8,640	-	8,640	12,470
Bank Fees	49,440	-	49,440	48,000
Bad Debt	15	-	15	17
	758	-	758	-
Total Staff & Other Operating Expenditure	108,287	1,767,054	1,875,341	1,973,200

Of the total other operating expenditure of £544,154 (2023–24: £578,388) an amount of £435,867 (2023–24: £473,429) was incurred by the Arts Council of Northern Ireland and recharged to the Lottery Distribution Account at full economic cost. The £435,867 (2023–24: £473,429) administrative overhead apportioned to the Lottery Distribution fund comprised administrative costs and expenses incurred by the Arts Council from which the Lottery benefited indirectly. The apportionment was made at full economic cost and calculated on appropriate bases.

During the year the Arts Council did not purchase any non-audit services from its external auditor.

3 Grant Funding

Year ended 31 March	2025	2024
	£	£
4 Nations International Programme:		
Four Nations International Collaboration Fund	-	10,000
Nordic Culture Fund	20,000	-
Cultural Bridge – German Bilateral	10,000	10,000
Magnetic – France Visual Arts Bilateral	12,000	12,000
Arts InfoPoint	8,000	8,000
Music Programme:		
International Showcase Fund	20,000	20,000
PPL Momentum Music Fund	25,000	25,000
Beyond Borders	20,000	20,000
SXSW Conference – Output Showcase 2023-24*	(10,000)	10,000
SXSW Conference – Output Showcase 2024-25	10,000	-
NI Music Conference – Output Belfast	8,000	10,000
SIAP Programmes:		
Centre Cultural Irlandais	8,000	8,000
Brussels	7,404	3,301
Edinburgh Fringe	20,000	20,000
Laureate na n-Og	15,000	15,000
Chair of Poetry	12,500	12,500
International Residency	3,450	-
UK Wide Access	24,500	23,000
Womex Stand	2,000	2,000
Cross Border Touring:		
Irish Language Theatre Contribution	-	20,000
Creative Industries:		
Xrtists UK wide Immersive Arts Programme Contribution	97,500	80,000
Total Grant Funding	313,354	308,801

*SXSW Conference – Output Showcase 2023–24 was accrued at 31 March 2024. This was an over accrual.

Arts Council of Northern Ireland Lottery Distribution Account 2024–25

4 Income

Year ended 31 March	2025	2024
	£	£
NLDF Income		
Investment Income	482,926	470,226
Proceeds from Lottery Ticket Sales	<u>10,041,924</u>	<u>9,650,848</u>
Total NLDF Income	10,524,850	10,121,074
Other Income		
Baring Foundation – Arts & Older People	18,462	57,588
Public Health Authority- Arts & Older People	89,606	88,736
Future Screens – Creative Industries	57,848	67,342
Baring Foundation – Mental Health Programme	7,017	
British Council – Support of Individual Artists	29,000	26,000
NI Screen - Recoupment	-	45,613
Bank Interest Received	<u>86,347</u>	<u>60,510</u>
Total Other Income	288,280	345,789
Total Income	<u>10,813,130</u>	<u>10,466,863</u>

5 Financial Instruments

IFRS 9 & 7 require disclosure of the role and significance which financial instruments have had during the year in creating or changing the risks the Fund faces in undertaking its role. As the cash requirements of the Arts Council of Northern Ireland Lottery Distribution Fund are met through Lottery Funding, financial instruments play a more limited role in creating and managing risk that would apply to a non-public sector body. Therefore, the Arts Council Lottery is not exposed to the degree of financial risk faced by business entities. Most financial instruments relate to contracts to buy non-financial items in line with the Arts Council's expected purchase and usage requirements, and the Arts Council is therefore exposed to little credit, liquidity or market risk.

Liquidity Risks

In 2024–25, £10m or 92.87% (2023–24: £9.7m or 92.2%) 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, £483k or 4.47% (2023–24: £470k or 4.49%), and from Sundry Income, £288k or 2.66% (2023–24: £346k or 3.30%). The Arts 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 cash balances of £8.23m as well as forecasted NLDF income to cover all current contracted commitments plus trade and other payables of £1.65m. The forecasted NLDF income is based on projections received from DCMS.

Interest Rate Risks

The financial assets of the Fund are invested in the NLDF, which invests in a narrow band of low-risk assets such as government bonds and cash. The Arts Council has no control over the investment of Funds in the NLDF.

On 31 March 25 Market Value of investments in the NLDF was £5.7m. In the year the rate of return declared by NLDF was 4.95% (2023–24: 5.16%).

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 a credit interest rate of 4.44% (2023–24: 4.56%) in the year. The Arts Council Lottery fund bank account has an applicable credit interest rate of base less 1%. The Bank of England base rate increased to 5.25% by March 2024. Since March 2024 it has been reduced several times. In August 2024 it was cut to 5%, then to 4.75% in November. By March 2025 it had decreased further to 4.5%. Interest, totalling £86,347 has been credited to the account during the 2024–25 financial year.

The cash balance at the year-end was £2,564,491 (31 March 2024: £462,647). The Arts 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 risk.

6 Reconciliation of Movement in National Lottery Distribution Fund

The funds held in the NLDF are invested on its behalf by the Commissioners for the Reduction of the National Debt.

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 DCMS 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 and then returned to 20% by the National Lottery Act 2006. 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 based on 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 2025 by NLDF on behalf of the Arts Council of Northern Ireland Lottery Distribution Account was £5,668,397 (31 March 2024: £5,742,577).

The NLDF balance is classified as investments in the Statement of Financial Position. This is in line with the DCMS accounting policy. NLDF investments are therefore held at the lower of carrying amount and fair value less costs to sell, with any unrealised profit or loss to be recognised through reserves.

Balances in NLDF

At 31 March	2025	2024
	£	£
Proceeds from Lottery	10,041,924	9,650,848
Investment Income	482,926	470,226
Drawn down in year by Arts Council	<u>(10,599,030)</u>	<u>(11,523,136)</u>
Total Increase / (Decrease) in Funds	(74,180)	(1,402,062)
Balance as at 1 April	<u>5,742,577</u>	<u>7,144,639</u>
Total	<u>5,668,397</u>	<u>5,742,577</u>

7 Cash and Cash Equivalents

At 31 March	2025	2024
	£	£
Balance at 1 April	462,647	612,823
Net change in cash and cash equivalents	2,101,844	(150,176)
Total Cash and Cash Equivalents	<u>2,564,491</u>	<u>462,647</u>

The following balances were held

At 31 March	2025	2024
	£	£
Commercial banks and cash in hand	2,564,491	462,647
Total Cash Balance	<u>2,564,491</u>	<u>462,647</u>

8 Trade Receivables, Financial and Other Current Assets

At 31 March	2025	2024
	£	£
Amounts falling due within one year		
Trade Receivables	67,132	706,343
Prepayments & Accrued Income	17,047	69,387
Total Receivables	<u>84,179</u>	<u>775,730</u>

Trade receivables include £nil (31 March 2024: £571,691) in respect of amounts due to the Lottery Distribution Account from the Arts Council of Northern Ireland.

9 Trade and Other Payables

At 31 March	2025	2024
	£	£
Amounts falling due within one year		
Trade Payables	200	20,000
Accruals and deferred income	355,178	392,518
Grants payable (Note 10)	1,298,494	1,640,053
	<u>1,653,872</u>	<u>2,052,571</u>

Arts Council of Northern Ireland Lottery Distribution Account 2024–25

Accruals include £171,025 (31 March 2024: £207,756) in respect of services and purchases rendered to or made on behalf of the Lottery Distribution Account by the Arts Council of Northern Ireland.

10 Grants Payable

Year ended 31 March	2025	2024
	£	£
Grants payable at 1 April	1,640,053	1,758,739
Grants paid during the year	(7,231,182)	(9,250,071)
Grant de-commitments	(115,311)	(202,638)
Grants made in the year	<u>7,004,934</u>	<u>9,334,023</u>
Grants payable at 31 March	<u>1,298,494</u>	<u>1,640,053</u>

Profile of Commitments over the next five years

	£	£
Amounts falling due during 2024 - 25	-	1,640,053
Amounts falling due during 2025 - 26	1,298,494	-
Amounts falling due during 2026 - 27	-	-
Amounts falling due during 2027 - 28	-	-
Amounts falling due during 2028 - 29	-	-
Amounts falling due during 2029 - 30	-	-
Total	<u>1,298,494</u>	<u>1,640,053</u>

Current contracted commitments total £1.3m. The Arts Council considers that it has sufficient liquid resources within the NLDF and cash balances of £8.2m as well as forecasted NLDF income to cover all current contracted commitments. The forecasted NLDF income is based on projections received from DCMS.

Grants Made in Year by Arts Programme

Year ended 31 March	2025	2024
	£	£
Annual Funding Programme	3,080,465	4,196,306
Arts and Older People	159,999	174,994
Arts Development Fund	3,000	-
Commissioning	-	200,004
Creative Schools Programme	73,263	79,991
Film Awards (NI Screen)	140,000	180,650
Other Grants	50,000	-
Project Funding	2,060,487	2,250,000
Rural Engagement Arts Programme	349,553	400,326
Small Grants Programme	-	217,783

Arts Council of Northern Ireland Lottery Distribution Account 2024–25

Young People and Wellbeing	-	134,941
Creative Industries Programme		
- Creative Industries Initiatives	12,500	13,830
- Individual Artists Digital Evolution	75,835	75,679
- Organisations Digital Evolution	29,860	59,005
- Virtual Production Project	8,671	15,000
Support for Individual Artists Programme		
- Artists Career Enhancement*	-	82,559
- General Art Awards*	-	1,047,033
- Project Funding for Individuals*	698,882	-
- Anne O'Donoghue Award	5,000	5,000
- Artists International Development Fund	66,422	50,000
- D/deaf & Disabled Artists Support Fund		25,000
- International Residency		1,765
- Major Individual Awards	73,442	60,000
- Mike Moloney Award	5,000	-
- Minority Ethnic Resilience & Mentoring	50,000	49,995
- Travel Awards	30,303	11,562
- Womex Bursary	2,400	2,600
- Young Musicians' Platform	29,852	-
Total Grants Made in the Year	<u>7,004,934</u>	<u>9,334,023</u>

*Artists Career Enhancement and General Art Awards are now combined under the name of Project Funding for Individuals.

11 Grant commitments at year end which do not meet the criteria for being treated as a liability at 31 March 2025.

At 31 March 2025 there was 1 Annual Funding Programme award totalling £104,479 which did not meet the criteria for being treated as a liability at 31 March 2025. This was approved on 27 March 2025 and relates to the 2025-26 financial year with the Letter of Offer being issued after 1 April 2025.

At 31 March 2024 there were 58 awards totalling £5,136,255 which did not meet the criteria for being treated as a liability at 31 March 2024. This is in relation to Annual Funding Programme awards which were approved on the 26 March 2024. These awards relate to the 2024–25 financial year with the Letters of Offer being issued after 1 April 2024.

In September 2024 an In Principal award was made under the Organisations Digital Evolution Award Programme for £10,000. At 31 March 2025 approval had not yet been granted for a Full Letter of Offer to be issued. (31 March 2024: nil).

12 Leases

While the Lottery Fund has no direct lease commitments, a proportion of the Exchequer account lease commitments are recharged to the Lottery Fund.

13 Capital commitments

There were no capital commitments as at 31 March 2025 (31 March 2024: Nil).

14 Other financial commitments

There were no other financial commitments as at 31 March 2025 (31 March 2024: Nil).

15 Contingent assets disclosed under IAS 37

Contingent Asset

The National Lottery Distributors (including the Arts Council of Northern Ireland) are entitled to receive a share of receipts from the sale of land on Queen Elizabeth Olympic Park in return for their contribution of an additional £675m to the funding of the London 2012 Olympic and Paralympic Games.

This was announced in 2007. The arrangements are set out in a legal agreement between the Secretary of State and the Greater London Authority (GLA) dated 29th March 2012 which sets out the distribution of funds between the GLA and the lottery distributors (via DCMS). On behalf of Lottery distributors, DCMS continues to engage with GLA on forecasts for land sales on the Olympic Park, although it is not possible to practicably determine an estimate of the contingent asset.

16 Related-party Transactions

The Arts Council of Northern Ireland is a Non-Departmental Public Body sponsored by the Department for Communities (DfC). DfC is regarded as a related party and during the year the Arts Council had various material transactions with DfC.

The Lottery Account operations of the Arts Council of Northern Ireland are funded from the National Lottery Distribution Fund through the Department for Culture, Media and Sport (DCMS). DCMS is regarded as a related party. During the year the Arts Council has had various material transactions with DCMS.

The Arts Council of Northern Ireland Exchequer Account although not a related party splits its administrative costs with the Arts Council's National Lottery Distribution Account. At 31 March 2025, an amount of £171,025 (2023–24: £207,756) was owed by the National Lottery Distribution Account in respect of salary and other administrative costs incurred. These amounts are included in the Accruals and Deferred Income, figure of £355,178 (2023–24: £392,518) shown in Note 9 above.

Arts Council of Northern Ireland Lottery Distribution Account 2024–25

Several members of the Board of the Arts Council and members of key management staff are also involved with other arts organisations in Northern Ireland either directly or indirectly as a result of a family relationship, a close friendship or business relationship. 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. The Chair and Vice Chair also received Board Honoraria during the year, details reported in the Remuneration Report on Page 45.

A list of awards made to the organisations concerned and details of who made the declaration of interest is detailed hereafter for all Board members, Directors and Senior staff members. Some of the transactions/relationships disclosed are conflicts which do not all meet the definition of related parties per IAS 24.

A full list of staff declarations can be found on the Arts Council website [ACNI-staff-Declaration-of-Interests-2025-26.docx](#).

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

All the transactions relating to the organisations were conducted at arm's length by the Arts Council; the connected board members / staff members were not involved in the grants award process.

LOTTERY STAFF

Name	Nature of Relationship	Organisation Name	Awarded in 24–25* £	Paid in 24–25 ** £	Balance at 31-03-25*** £
Gilly McKinney	Occasional Drama Facilitator at Brassneck Youth & Daughter is a member	Brassneck Youth (<i>part of Brassneck Theatre Company</i>)	-	£459	-
Patricia Lavery	Arts Facilitator	Arts Care	£89,042	£80,542	£12,527
	Friend of Board Member	Sticky Fingers	£12,000****	£3,120	£784
Suzanne Lyle	Friend of Landlord	Golden Thread Gallery	£6,970	£16,654	£4,277
Noirin McKinney	Married to Editor	Irish Pages	£22,800	£22,800	£1,140

Arts Council of Northern Ireland Lottery Distribution Account 2024–25

BOARD MEMBERS

Name	Nature of Relationship	Organisation Name	Awarded in 24–25* £	Paid in 24–25 ** £	Balance at 31-03-25*** £
Liam Hannaway	Secretary & Board Member	Youth Action NI	£39,500	£39,650	£3,325
Paul Brolly	Board Member (<i>Chairmanship ceased 12 September 2024</i>)	Golden Thread Gallery	£6,970	£16,654	£4,277
Ray Hall	Board Member & Board Director of the Royal Scottish Pipe Band Association (<i>the parent body of the Royal Scottish Pipe Bank Association NI Branch</i>)	The Royal Scottish Pipe Band Association Northern Ireland Branch	£34,995	£50,743	£1,750
	Former Employee (<i>retired 30 April 2025</i>)	Armagh City, Banbridge and Craigavon Borough Council	£8,700	£7,830	£870

* Awarded in 2024–25 does not include one approval relating to 2025–26 Annual Funding Programme, the decision to fund this was made in 2024–25, however no Letter of Offer was issued, this will be included 2025-26 Related party transactions.

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

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

**** This award was not accepted by the grantee.

17 Events after the Reporting Period

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

Date of authorisation for issue

The Annual Report and Accounts were authorised for issue on the date of certification by the Comptroller and Auditor General.

APPENDIX A

REVISED LOTTERY POLICY DIRECTIONS TO ARTS COUNCIL OF NORTHERN IRELAND

The Department of Culture, Arts and Leisure, on behalf of the Department for Culture, Media and Sport, in exercise of the powers conferred by section 26(1) of the National Lottery etc. Act 1993 and having consulted the Arts Council of Northern Ireland pursuant to section 26(5) of that Act, hereby gives the following directions:

1. In these Directions, any reference to a section is a reference to a section of the National Lottery etc. Act 1993.
2. In determining the persons to whom, the purposes for which and the conditions subject to which it distributes any money under section 25(1), the Arts Council of Northern Ireland shall take into account the following matters:
 - A. Its assessment of the needs of the arts and its priorities for addressing them (having regard to government strategies/policies in force).
 - B. The need to inspire children and young people, awakening their interest and involvement in the arts.
 - C. The need to foster local community initiatives, which bring people together, enrich the public realm and strengthen community spirit.
 - D. The need to support volunteering and encourage volunteering in the arts.
 - E. The need to encourage new talent, innovation, and excellence and help people to develop new skills.
 - F. The need to involve the public and local communities in making policies and setting priorities.
 - G. The need to consider 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.
 - H. The need to ensure that money is distributed for projects, which promote public good rather than private gain.
 - I. The need to further the objectives of sustainable development.
 - J. The need to ensure that all those receiving Lottery money acknowledge it using the common Lottery branding.
 - K. The need to require an element of partnership funding, or contributions in kind from other sources to the extent that this is reasonable to achieve for different kinds of applicants.

Arts Council of Northern Ireland Lottery Distribution Account 2024–25

L. The desirability of:

- a) increasing access and participation for all;
- b) ensuring that all areas have access to funding; and
- c) reducing economic and social deprivation.

M. The desirability of working jointly with other organisations, including other distributors.

N. The need:

- a) to set time limits for which grants are payable;
- b) to ensure that the Arts Council of Northern Ireland has the necessary information and expert advice to make decisions on each application; and
- c) for applicants to demonstrate the financial viability of projects.

O. Where capital funding is sought, the need:

- a) for a clear business plan showing how any running and maintenance costs will be met for a reasonable period; and
- b) to ensure that appraisal and management for major projects match the Office of Government Commerce's Gateway Review standards.

P. The need to ensure that its powers to solicit applications under section 25 (2A) are used in connection with the pursuit of strategic objectives.

Signed on behalf of the Department of Culture, Arts and Leisure

Name: Paul Sweeney

Date: 16 April 2008

APPENDIX B

National Lottery Development Fund (NLDF) Balance – Policy Statement

1 Background

The National Lottery provides funding for good causes to the National Lottery Distribution Fund (NLDF). After allowing for expenses, funds received by the NLDF from National Lottery are disbursed to distributors in Arts, Sports, Heritage and Big Lottery Fund for onward transmission to spending organisations and individuals.

The Lottery Shares Order Act, which was enacted in November 2010, determines the percentage of funds allocated to NLDF for each of the 4 categories above. For the financial years 2012–2013 to 2016–2017 the share of NLDF funds allocated to Arts, Sports, and Heritage is 20% each with the Big Lottery Fund receiving 40%.

Cash Balances held by NLDF are invested on behalf of it by the Commissioners for the Reduction of the National Debt (CRND) and investment income earned by NLDF is apportioned between its distributors on the basis of the funds held by NLDF on behalf of individual distributors at the date of receipt of investment income.

Arts Council of Northern Ireland (ACNI) is the distributor for the Arts in Northern Ireland and is one of the Arts organisations funded by NLDF alongside: Arts Council England; Arts Council of Wales; Creative Scotland and the British Film Institute. ACNI is allocated 0.56% of NLDF's net income per annum until 2023–2024.

Each distributor draws down funds from NLDF against its allocation and after deduction of administration costs, distributes such funds as grants. All distributors operate at arm's length from Government and make their grant decisions independently of Government, in response to applications for funding which they receive directly.

2 ACNI NLDF Policy

2.1 Introduction

The Arts Council's policy in relation to NLDF is based on the guidance of the National Lottery Guidance Note 1/03: Management of National Lottery Distribution Fund balances.

The Arts Council adopts a consistent approach to commitment with well managed risk taking which avoids excessive caution, but which has due regard to the income flows of and the need to safeguard whatever commitments are made by potential recipients. The Arts Council carries out regular reviews of project plans to identify

Arts Council of Northern Ireland Lottery Distribution Account 2024–25 changes in circumstances (e.g. delays in capital projects) which would enable increases in funding elsewhere.

2.2 NLDF balances

The Arts Council’s NLDF Balance comprises the following:

- (1) Balances held by NLDF not yet drawn down; and adjusted by
- (2) Balances drawn down by the Arts Council from NLDF but not yet distributed (this includes amounts forwarded by the Arts Council to NI Screen and not distributed).

The Arts Council’s policy is to maintain its NLDF balance at a prudent level based on a realistic assessment of its needs and the availability of funding from NLDF. The Arts Council’s NLDF balance will be set at a level that will maximise its ability to achieve its strategic objectives, that will ensure that present commitments are not compromised and that will not impair or constrain its ability to enter into future commitments.

The following statement will be included in the annual report and accounts:

‘Although income is not entirely within its control, the Arts Council has arrived at the proposed target level of balance which has been expressed as a range, by making realistic assessments of forecasts for levels of income in future years (based on NLDF forecasts), and The Arts Council’s assessment of:

- Both the ‘upside’ and ‘downside’ risks to those forecasts;
- Its forecasts for expenditure in future years on the basis of commitments made and planned activity;
- Its analysis of any future needs, opportunities, contingencies or risks which are not likely to be able to be met out of income if and when they arise; and
- The likelihood, on the best evidence available, of each of those needs arising and the potential consequences for the Arts Council of not being able to meet them.

Having carefully considered the above, the Arts Council has agreed that NLDF targets are:

CY	2024–25	£3.7M
CY+1	2026–27	£3.7M
CY+2	2027–28	£3.7M

3 Management of NLDF balances

The Arts Council manages its NLDF balance by using a range of management tools including:

3.1 Management Accounts

The Arts Council manages its NLDF policy target by introducing Lottery Fund Management Accounts to monitor activity and to enable programme expenditure to be increased or decreased as required in line with NLDF balance targets.

Management Accounts compares actual outturns with budget, including actual and budget NLDF balances. Variances against budget are identified and explained.

3.2 Good practice

The Arts Council is committed to best practice and continuous improvement in its management of NLDF funds, subject to compliance with Financial Directions. The Arts Council has adopted and will continue to pursue good practice policies in relation to managing NLDF funds including:

- Committing Lottery Funds further in advance and improving cash management systems;
- Reducing the time between an in-principal commitment and initial drawdown of funds; and
- Reducing the time between award of grant and first drawdown.

3.3 KPIs

The Arts Council uses KPIs appropriate to the policies and targets adopted. These include:

The ‘Quicker Turnaround KPI’

100% of decisions to be made within published deadline. This is calculated using reporting from the GIFTs system.

The ‘Quicker Close Out KPI’

90% of grants to be closed out within two months of the project end. This is calculated using reporting from the GIFTs system.

3.4 Costs of administering NLDF funding

The Arts Council seeks to recover its reasonable costs for administering NLDF funds. The level of such costs is kept under review and is subject to Board agreement.

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