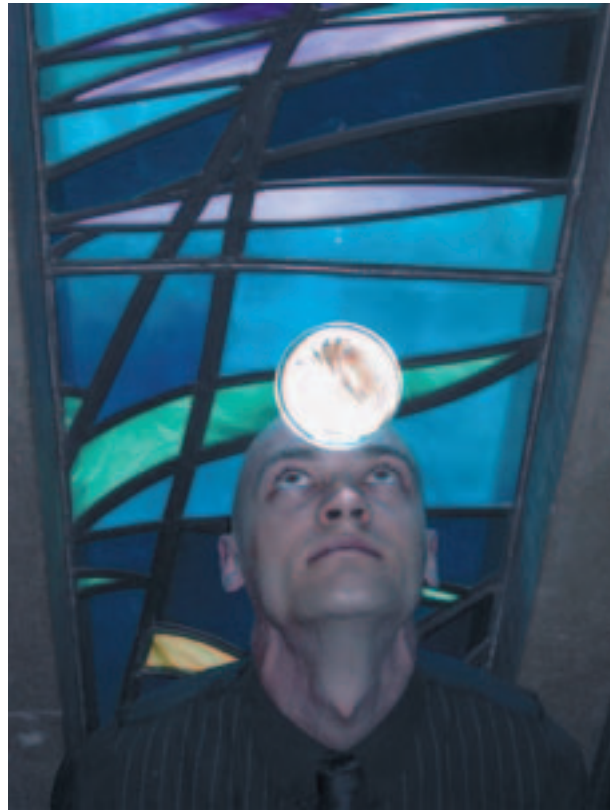




**ARTS
COUNCIL**
of Northern Ireland

NATIONAL
LOTTERY
FUND





Belfast Community Circus School

CONTENTS

Introduction	5
Grants Awarded 1 April 2002 – 31 March 2003	6
Breakdown of Awards 2002/03	17
Breakdown of Awards 1995/2003	20
Policy and Financial Directions	23
National Lottery Distribution Account	33
Notes to the Accounts	48
Appendix	59

INTRODUCTION

Following a 5-year moratorium on funding for musical instruments for bands, the Arts Council re-launched a dedicated scheme for the sector and in the two rounds of funding within the financial year allocated a total of £1,020,782 to 75 bands. The Arts Council continued to make funds available through the Awards for All programme, awarding £691,323 to 194 projects – compared to £539,172 to 152 projects in the previous year.

Due to the excessive demand on resources, the Arts Council suspended three of its programmes in July 2002 – Access, New Work and Audience Development. Final decisions on the three programmes were taken in September 2002 and the total funds awarded at that point were: Access - £2,470,613 to 47 projects; New Work - £836,023 to 25 projects and Audience Development - £1,909,368 to 17 projects. Following suspension the Arts Council carried out a review of the three programmes with the arts sector. The outcomes of that review and the outcome of the Equality Impact Assessment into the Access programme was incorporated in the re-launch of the 3 programmes on 1 April 2003.

On 1 April 2003 the Arts Council formally delegated responsibility for film development, production and distribution funding to the Northern Ireland Film & Television Commission for a pilot 3-year period. NIFTC will receive 13% of the Arts Council's annual income over the period. During the year under review NIFTC made awards totalling £811,451.

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

Overall, the Arts Council received 323 applications during the year seeking £14,490,502 and made 186 awards totalling £7,897,239 from its main grant programmes.

Roisin McDonough

Roisin McDonough
Chief Executive

July 2003



GRANTS AWARDED - 1 APRIL 2002 TO 31 MARCH 2003

During the year 2002/03, 321 applications were received seeking grants of £14,545,845. By the end of the year 186 grants had been awarded through the 6 main programmes, receiving a total of £7,897,239. The Arts Council also committed a further £1M in-principle to the establishment of a City Centre Arts Centre. In addition, through Awards for All the Council made 194 awards totalling £691,323.

ACCESS

Organisation	Area	Project	Award
Prison Arts Foundation	Belfast	3-year programme of workshops in various artforms	120,000
The Scout Association	Belfast	Smart Camp	11,250
WheelWorks	Belfast	3-year ArtCart running costs	39,903
The Women's Centre	Derry	Visual Art Skills building & Facilitation training	64,611
Shankill Community Arts Network	Belfast	3-year community arts project <i>The Smaller Picture</i>	120,000
Making Music (National Federation)	Other	2-year training programme	28,890
Termoneeny Community Association	Magherafelt	3-year programme	26,447
An Gaelaras Ltd	Derry	Arts Education Programme	120,000
Ulster Youth Choir	Belfast	Development & continuation of programme	120,000
Arts for All	Belfast	Arts for All programme	120,000
Artability Northern Ireland Ltd	Belfast	Programme of Workshops	28,877
Gasyard Development Trust	Derry	3-year arts programme <i>Bluebell Art</i>	117,000
Ulster Association of Youth Drama	Lisburn	Access to the Arts	40,000
Comhchoiste Na Gaeilge Aontrois	Ballymoney	Access to the Arts	33,000
John Hewitt Society	Belfast	John Hewitt International Summer School	42,000
All Set Schools Project	Craigavon	Cross-cultural dance & music programme	104,430
NI Chest, Heart & Stroke Association	Belfast	<i>The Big Picture</i>	38,000
North Down Borough Council	North Down	3 year	22,620
Kids' Own Publishing Partners	Belfast	Creativity and Exchange through Arts & Technology	120,000
Armagh Old Boys Silver Band	Armagh	3 year programme	6,943
Ardoyne Youth Club	Belfast	Artistic & Creative Workshops, Training & Events	73,200
Belfast Community Circus School	Belfast	3-year skills, training, development & performances	120,000
Ard Eoin Fleadh Cheoil	Belfast	Ardoyne Fleadh	8,000
Crossgar Community Association	Down	Crossgar Community Photography Project	5,059
Arts & Disability Forum	Belfast	Provision of Information Service	38,430
Rathenraw Youth Scheme	Antrim	1 year Pilot	8,700
Children's Express	Belfast	1 Year Programme	30,000
Echo Echo Dance Theatre Company	Derry	3 year programme	96,642
Camphill Community Mourne Grange	Newry & Mourne	3 year programme	91,400
Rathlin Co-Operative Society Ltd	Moyle	Arts on Rathlin	40,000
The Nerve Centre	Derry	Community Arts/Internet Pilot Project	40,000

Kids' Own Publishing Partnership	Other	Community Arts/Internet Pilot Project	40,000
Catalyst Arts	Belfast	Pilot Project	22,469
Mater Hospital	Belfast	3-year programme - <i>Dreams</i>	31,060
Craft NI	Derry	Workshop programme	36,977
Community Development & Health	Newry & Mourne	3 year programme	99,672
Ashton Community Trust	Belfast	Pilot programme	35,328
Northern Ireland Visual Arts Forum	Belfast	Pilot programme	29,000
Crescent Arts Centre Ltd	Belfast	Extension of Literary activities	55,000
Ti Chulainn Ltd	Newry & Mourne	Artistic Events' Project	69,000
Omagh Arts Committee	Omagh	Omagh Arts Festival	9,000
Newry and Mourne Health & Social	Newry & Mourne	1 year programme	29,443
The McCracken Summer School	Belfast	Access	8,000
Craigavon Borough Council	Craigavon	Access	11,276
ArtsCare	Belfast	3-Year Worker	14,590
Ulster Youth Orchestra	Belfast	3-year Training programme	85,996
Castlereagh Borough Council	Castlereagh	Access project	18,400

NEW WORK

Organisation	Area	Project	Award
Belfast Community Circus School	Belfast	New Work	24,920
Belfast Exposed Community Photography Group	Belfast	New Work	19,250
Black Mountain Press	N'abbey	<i>Breaking the Skin</i>	18,425
Cahoots NI	Belfast	<i>Fairytale</i>	37,915
Context Gallery	Derry	Exhibitions Programme 2002/03	17,735
Derry City Council	Derry	2002-2003 Orchard Gallery Programme	30,000
DubbelJoint Theatre Production	Belfast	Production touring costs	42,753
Dungannon and South Tyrone Borough Council	Dungannon	Public Art for Hospital Roundabout	11,530
Factotum	Belfast	Belfast Architecture Now: Belfast Songs	14,038
Fermanagh Traditional Music Society	Fermanagh	New Work	17,265
Green Shoot Productions	Belfast	<i>The Belfast Carmen</i>	50,000
Maiden City Festival CLG	Derry	<i>Besieged</i>	50,000
National Museums & Galleries of Northern Ireland	Belfast	Gold Exhibition	13,118
North Face Theatre Company	Carrickfergus	<i>Lonely Baby</i>	24,880
North West Play Resource Centre	Derry	<i>Spike & The Asteroids</i>	40,000
Northern Ireland Railways Co	Belfast	New Work Project	50,000
Ormeau Baths Gallery	Belfast	10 Exhibitions	47,500
Ransom Productions	Belfast	New Work	20,000
Straight Forward Film & Television	North Down	<i>On Eagles Wing</i>	50,000
Sustrans (NI) Ltd	Other	<i>Art & the Travelling Landscape</i>	45,000
The Belfast Festival at Queen's	Belfast	<i>Sounding the City</i>	101,789
The Verbal Arts Centre (NI) Ltd	Derry	New Work	5,250
Tinderbox Theatre Company	Belfast	7 Commissions	75,000
Ulster Orchestra Society Ltd	Belfast	New Works	16,605
Ulster Youth Orchestra	Belfast	3 Commissions	13,050

AUDIENCE DEVELOPMENT

Organisation	Area	Award
An Gaelaras Ltd	Derry	230,000
Ards Arts Committee	Ards	70,695
Armagh City & District Council	Armagh	178,500
Association of Regional Theatre	Cookstown	99,788
Belfast Community Circus School	Belfast	85,840
Belfast Exposed Community Photography Group	Belfast	29,953
Community Arts Forum	Belfast	198,383
Dance Northern Ireland	Belfast	226,725
Diversions Dance Ltd	Other	45,000
Down District Council	Down	74,250
DubbelJoint Theatre Company	Belfast	216,079
East Belfast Arts Collective	Belfast	40,000
North West Play Resource Centre	Derry	49,568
Old Museum Arts Centre	Belfast	69,075
The Context Gallery	Derry	5,275
The Nerve Centre	Derry	240,574
Voluntary Arts Network	Other	49,663

CAPITAL – BUILDING

Organisation	Area	Project	Award
Mid-Ulster Community and Arts	Omagh	Stage 2 Project Development	32,844
Antrim Borough Council	Antrim	Renovation & Extension of Clotworthy Arts Centre	5,000
Grand Opera House Trust	Belfast	Stage 2 Project Development	29,925
The Playhouse, Derry	Derry	Stage 2 Project Development	40,000
Belfast Exposed Community Photography Group	Belfast	Refurbishment of new premises	60,000
Mid Ulster Community & Arts Association	Omagh	Refurbishment of Carrickmore Hall	150,000
Strabane District Council	Strabane	Construction of new arts centre	750,000
Lyric Theatre	Belfast	Stage 2 Project Development	75,000

CAPITAL – EQUIPMENT

Organisation	Area	Project	Award
Altnaveigh House Cultural Society	Newry & Mourne	Equipment - instrument purchase	17,030
Belfast Print Workshop	Belfast	Print-making Equipment	37,895
Best Cellars Music Collective	Castlereagh	Recording Equipment	21,549
Big Telly Theatre Company	Coleraine	Portable Staging/Seating Equipment	5,244
Campmill Community Mourne Grange	Newry & Mourne	Equipment	13,606
Community Arts Forum	Belfast	Computer system upgrade	5,513
Context Gallery	Derry	Music system	5,000

Drake Music Project Northern Ireland	Newry & Mourne	Equipment purchase	49,171
Dream Ireland	Belfast	Digital technology/software	20,000
Newcastle Glee Singers	Down	Equipment	39,334
Replay Productions Ltd	Belfast	New Van	27,693

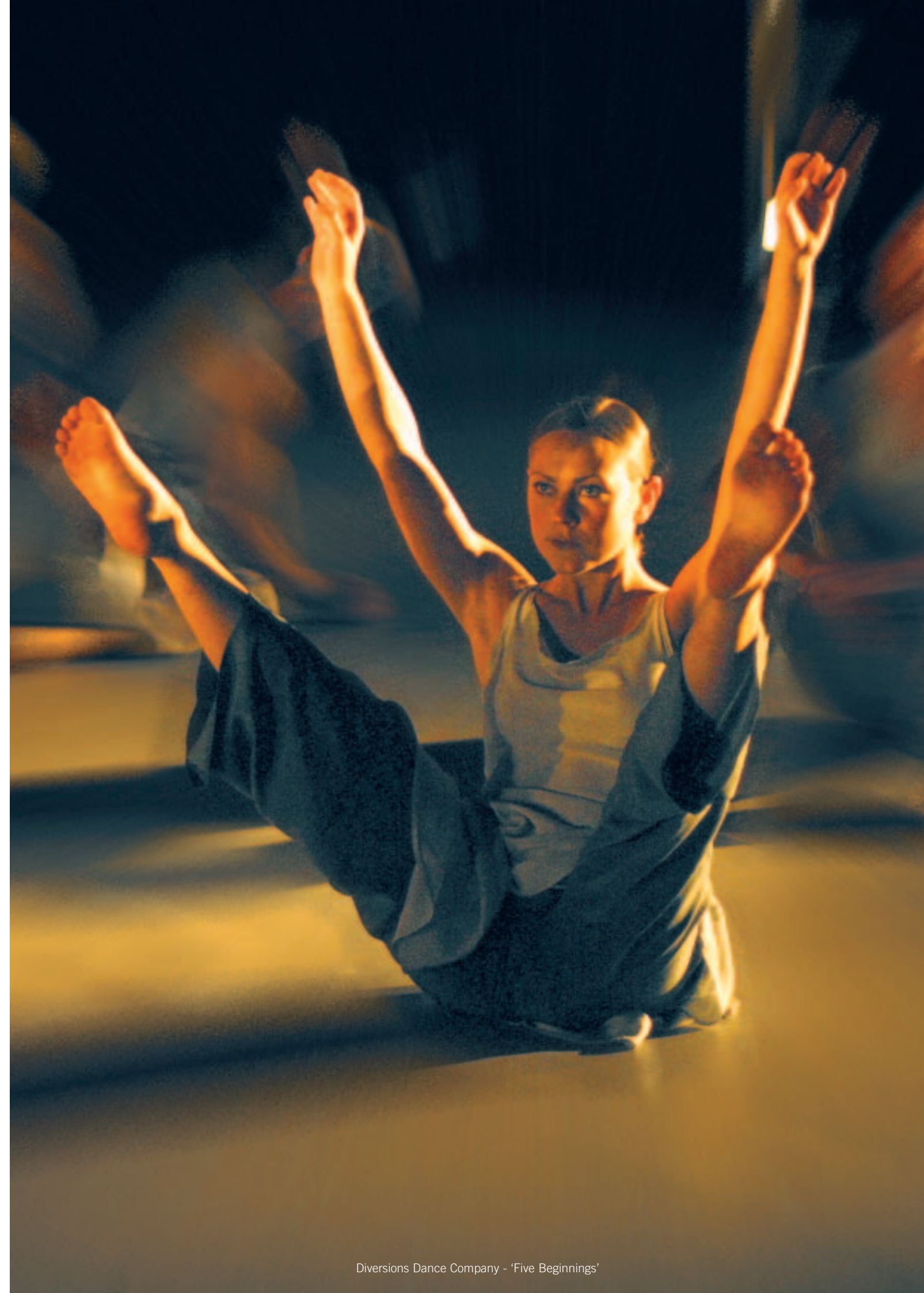
MUSICAL INSTRUMENTS FOR BANDS

Organisation	Area	Award
Ardarragh Accordion Band	Newry & Mourne	15,371
Armagh True Blues	Armagh	6,989
Augharan Pipe Band	Dungannon	13,315
Aughintober Pipe Band	Dungannon	11,852
Bailies Mills Accordion Band	Lisburn	38,321
Ballinamallard Silver Band	Fermanagh	20,000
Ballygowan Concert Flute Band	Ards	33,150
Bawn Silver Band	Dungannon	36,412
Bessbrook True Blues Flute Ban	Newry & Mourne	7,271
Blacksessiagh Coronation Accordion Band	Omagh	10,299
Blair Memorial Flute Band	Omagh	4,533
Bloomhill Accordion Band	Dungannon	13,691
Brunswick Accordion Band	Newry & Mourne	35,025
Burnside Accordion Band	Antrim	19,939
Carricklongfield Pipe Band	Dungannon	10,935
Carson Memorial Annahinchago	Banbridge	17,620
Castledawson Part Music Flute	Magherafelt	4,390
Cleland Memorial Pipe Band	North Down	6,170
Cloney Independent Flute Band	Ballymena	3,528
Clonmacash Pipe Band	Craigavon	16,600
Cowan Memorial Flute Band	Strabane	1,733
Curlough Accordion Band	Dungannon	7,893
Dergina Accordion Band	Dungannon	14,530
Derryclavin Pipe Band	Fermanagh	14,550
Drumlough Fife and Drum Band	Lisburn	1,815
Drumlough Highland Pipe Band	Newry & Mourne	10,291
Drumquin Pipe Band	Omagh	11,625
Dunaghy Flute Band	Ballymoney	6,608
Dungannon Silver Band	Dungannon	36,930
Dunloy Accordion Orchestra	Ballymoney	37,417
Eden Accordion Band	Ballymoney	15,032
Edentilone Pipe Band	Dungannon	5,721
Finvoy Pipe Band	Ballymoney	14,247
Frank Rainey Memorial Pipe Band	Down	10,402
George Drummigan Concert Band	Larne	14,192
Glenageeragh Pipe Band	Dungannon	19,800
Grange Accordion Band	Armagh	12,999
Gransha Pipe Band	Banbridge	12,605

Inver Flute Band	Fermanagh	2,658
Killadeas Pipe Band	Fermanagh	11,276
Killaloo Accordion Band	Derry	15,338
Killcurragh Pipe Band	Omagh	4,509
Killeen Pipe Band	Armagh	16,384
Killylea Silver Band	Armagh	37,838
Kilmore Flute Band	Craigavon	1,804
Lisnaward Conservative Flute Band	Banbridge	3,568
Londonderry YMCA Juvenile Pipe	Derry	12,420
Loughans Accordion Band	Dungannon	28,500
Lurgan Concert Band	Craigavon	10,000
Moneygore Pipe Band	Newry & Mourne	7,874
Moygashel Drum & Fife	Dungannon	1,740
Newtownstewart Flute Band	Strabane	3,675
Pioneer Flute Band Lurgan	Craigavon	2,536
Plumbridge Brien Boru Pipe Band	Strabane	13,500
Pomeroy Accordion Band	Cookstown	16,549
Pride of Ballinran Flute Band	Newry & Mourne	9,569
Pride of the Hill Flute Band	Newry & Mourne	8,764
Quinn Memorial Pipe Band	Magherafelt	6,326
Reaghan Pipe Band	Omagh	8,334
Rocktown Youth Accordion Band	Magherafelt	5,440
Roughan Silver Band	Fermanagh	16,130
Sandholes Accordion Band	Cookstown	7,785
Seven Towers	Ballymena	13,016
St Joseph's Longstone	Newry & Mourne	10,096
St Patrick's Accordion Band	Armagh	13,500
St Patricks Pipe Band, Annsbororough	Down	6,804
Staffordstown Accordion Band	Antrim	17,100
Tamlaghtmore Silver Band	Cookstown	24,685
Third Carrickfergus BB & OB Silver Band	Carrickfergus	14,792
Tullyvallen Silver Band	Newry & Mourne	19,669
Warrenpoint Silver Band	Newry & Mourne	16,700
Wellington Memorial Silver Band	Down	23,196
Whitewater Pipe Band	Newry & Mourne	14,047
William Kerr Memorial	Dungannon	7,165
Woodgrange Pipe Band	Down	13,694

AWARDS FOR ALL

Organisation	Area	Award
39th Old Boys Flute Ensemble	Down	825
ABC Writers Network	Armagh	5,000
ADAPT NI	Belfast	5,000
Alpha Zu Amateur Dramatics	Magherafelt	1,536
An Droichead Limited	Belfast	3,000



Antrim Glens Traditions Group	Moyle	4,272
Antrim Parents in Contact	Antrim	2,720
Ard Eoin Fleadh Project	Belfast	1,950
Ardan Theatre Group	Antrim	3,000
Ardoyne Focus Group	Belfast	2,795
Armagh City Choir	Armagh	1,750
Armagh Harpers Association	Armagh	3,590
Armagh Theatre Company Ltd	Armagh	500
Art and Crafts Consortium	Strabane	3,800
Arts Providers Partnership	Newry and Mourne	4,880
Artscare	Belfast	3,875
Artstart	Coleraine	4,980
Ballycastle Creative Writers Group	Moyle	4,953
Ballymacnab Comhaltas Ceoltoiri Eireann	Armagh	3,503
Ballymena Community Forum	Ballymena	5,000
Belfast Jazz Orchestra	Belfast	2,527
Belfast Juggling Convention	Lisburn	1,800
Belfast League of Sculptors	Belfast	899
Belleek Developmental Community Arts Network	Fermanagh	4,206
Black Mountain Review/Black Mountain Press	Antrim	4,850
Bloody Sunday Weekend Committee	Londonderry	1,100
Border Arts 2000	Strabane	4,875
BOTHA CCE	Fermanagh	5,000
Brass Band League (Northern Ireland)	Down	1,500
Bright Lights School of Drama	Castlereagh	4,800
Bruiser Theatre Company	Belfast	5,000
Bunrecht Comhaltas Ceoltoiri Eireann	Cookstown	5,000
Busy Bee's Club	Armagh	4,060
Cahoots NI Ltd	Belfast	3,280
Camerata Ireland	Belfast	5,000
Causeway Artscare Group	Dungannon	5,000
Causeway Chinese Welfare Association	Coleraine	2,070
Celtic Film and Television Festival (Belfast) Ltd	Belfast	5,000
Ceol Cois Feabhail	Londonderry	4,680
Comhaltas Ceoltoiri Eirann Rinn Mhic Giolla Rua	Newry and Mourne	3,425
Clare Festival of Traditional Singing	Other	2,500
Cloughmills Apprentice Boys Of Derry Club	Ballymoney	1,380
Coleraine Borough Arts Committee	Coleraine	1,680
Colin Fleming Flute Summer Schools	Newtownabbey	1,080
Colmcille Pipe Band	Londonderry	2,200
Comhaltas Ceoltoiri Eireann Fermanagh County Board	Fermanagh	4,080
Comhaltas Ceoltoiri Eirann, Armagh County Board	Craigavon	4,260
Comhaltas Ceoltoiri Eireann - Down County Board	Newry and Mourne	1,920
Comhaltas Ceoltoiri Eireann - Gleann Branch	Newry and Mourne	3,672
Comhaltas Ceoltoiri Eireann - Roslea	Fermanagh	4,262
Comhaltas Ceoltoiri Eireann Fleadh Uladh Committee	Newry and Mourne	5,000
Comhaltas Ceoltoiri Eireann Rasharkin Branch	Ballymoney	3,160

Comhaltas Ceoltoiri Eireann - Cappagh Badoney	Omagh	4,500
Conlig Drumming Club	North Down	2,340
Conway Street Community Enterprises Project Ltd	Belfast	2,527
Cookstown Amateur Dramatic Society	Cookstown	1,588
Crackitopen Productions	Strabane	4,000
Craft NI	Londonderry	1,805
Creggan Education And Research Services Ltd	Omagh	5,000
Creggan Guitar Club	Londonderry	2,043
Creggan Guitar Club	Londonderry	1,129
Crosbhealach An Cheoil - The Crossroads Conference	Londonderry	3,913
Cushendall Branch of Comhaltas Ceoltoiri Eireann	Moyle	4,997
Dance Northern Ireland	Belfast	5,000
Daring Feet Youth Dance Group	Londonderry	5,000
Derg Valley Arts & Leisure Group	Strabane	3,000
Derry Youth Dance	Londonderry	4,000
Devenish Partnership Forum	Fermanagh	1,841
Devlin School Of Dancing	Coleraine	1,750
Dhamsa Na nGael	Belfast	3,310
Donemana Line Dancers Club	Londonderry	2,232
Downpatrick Bezons Twinning Association	Down	4,400
Dromintee and Jonesboro Playgroup	Newry and Mourne	3,574
Dunsford Arts and Crafts	Down	4,242
Edgecumbe Club For The Visually Handicapped	Belfast	3,150
Enniskillen Photographic Society	Fermanagh	2,250
Erne Music Club (Belleek and District)	Fermanagh	3,150
Factotum	Belfast	1,800
Faughan Valley Line Dancing	Londonderry	1,100
Feis Fhearmanach	Fermanagh	2,875
First Call Theatre	Londonderry	5,000
First Presbyterian Church Belfast	Belfast	1,000
First Presbyterian Church Belfast	Belfast	1,500
Flavour Of Tyrone	Armagh	3,861
Forkhill Senior Citizens	Newry and Mourne	3,293
Foyle Rural Womens Network	Londonderry	3,900
Fully Formed Art Projects	Belfast	4,652
Galliagh Community Festival Committee	Londonderry	5,000
Galliagh Youth Arts	Londonderry	3,290
Geordie Hanna Traditional Singing Society	Dungannon	5,000
Gig 'n the Bann Festival Committee	Ballymena	5,000
Glass Ceiling Theatreworks	Belfast	4,250
Glengormley Irish Traditional Music School	Newtownabbey	2,570
Glenravel Art Club	Ballymena	500
Glenshee Music Collective	Newry and Mourne	5,000
Golden Thread Gallery Ltd	Belfast	5,000
Gran Quilters	Magherafelt	5,000
Granaghan Art Society	Magherafelt	4,803
Green Shoot Productions	Belfast	2,500

Hampsey Harp School	Coleraine	3,000
Harp Foundation Ireland Ltd	North Down	3,750
Hillsborough Art Society	Lisburn	4,765
Indian Community Centre	Belfast	1,350
Innishowen Traditional Singers Circle	Other	1,200
Innishowen Traditional Singers Circle	Other	2,693
Jubilus	Craigavon	4,040
Kabosh	Belfast	5,000
Kilcooley Arts Endeavour	North Down	1,697
Kilcooley Arts Endeavour	North Down	3,303
Killough Outreagh Detached Work Group	Down	2,000
Killyfole And District Development Association	Fermanagh	4,951
Knockloughrim Primary School Parent Teacher Assoc.	Magherafelt	1,233
Knocknagoney Arty Crafty	Belfast	3,950
Knocks Community Association	Fermanagh	4,200
Larne Alive Committee	Larne	5,000
Live Music Now! Ireland	Belfast	5,000
Londonderry Art Society	Londonderry	2,680
Lough Island Reavey Set Dancers	Down	1,046

Macnean Environment Committee	Fermanagh	5,000
Maghera Traditions Group	Craigavon	5,000
Maine Valley Accordion And Fiddle Club	Belfast	5,000
Mid Ulster Culture & Heritage Association	Cookstown	3,500
Mid Ulster Drumming School	Magherafelt	1,813
Mid Ulster Womens Network	Magherafelt	3,235
Midland Arts Club	Belfast	1,505
Music Network Ltd	Other	1,700
Musical Expressions	Armagh	5,000
Musicforce	Belfast	4,950
Newcastle Comhaltas Ceoltoiri Eireann	Newry and Mourne	4,980
Newry and Mourne Carers Association	Newry and Mourne	4,942
Newtownstewart Women's Institute	Strabane	2,165
North of Ireland Band's Association	Carrickfergus	3,530
Northern Ireland Patchwork Guild	Down	1,000
Northern Ireland Sikh Association	Londonderry	2,500
Oil and Water - Waterside Women's Centre, Arts group	Londonderry	2,000
Open Arts	Belfast	4,600
Open House Traditional Arts Festival	North Down	5,000
Panto Players	Belfast	4,000
Peninsula Amateur Theatre Group	Ards	3,000
Plug Productions	Antrim	4,988
Plumbridge Brien Boru Pipe Band	Strabane	4,855
Portadown Folksong Club	Newry and Mourne	3,530
Portaferry Gala Committee	Ards	3,530
Pride (Belfast)	Belfast	1,000
Ransom Productions	Belfast	4,900
Ratheen/Greenvale/Sullenboy Residents Association	Cookstown	4,300
Rawlife Theatre Company	Belfast	5,000
Riada Concert Group	Ballymoney	5,000
Roe Valley Folk Club	Londonderry	5,000
Royal Scottish Pipe Band Association-NI.Branch	North Down	5,000
Royal Ulster Academy of Arts	Belfast	5,000
Scoil Samhraidh Willie Clancy Teoranta	Other	5,000
Seacourt Print Workshop Ltd	North Down	3,800
Slieve Gullion Festival of Traditional Singing	Newry and Mourne	4,900
Spanner In The Works Theatre Company	Belfast	4,100
St Brigids Arts Society	Magherafelt	4,800
St Georges Singers	Castlereagh	5,000
St Mary's Traditional Youth Group	Fermanagh	2,200
St Teresa's Youth Centre	Belfast	1,647
St. Agnes' Choral Society	Belfast	2,300
Strabane & District Women Together	Strabane	1,355
Strabane Chamber Of Commerce & Industry	Strabane	5,000
Strabane District Cultural Association	Strabane	5,000
Tamneymore Enterprise Trust Ltd	Londonderry	4,100
Termoneeny Community Group	Magherafelt	5,000



Texas Kickers Linedance Group	Limavady	1,860
The Altmore Ensemble Musical Group	Larne	4,677
The Bannside Arts & Crafts Cross Community Club	Craigavon	3,074
The Big Spoon	Belfast	5,000
The Charles Wood Summer School	Armagh	4,500
The City Chapter	Armagh	4,800
The Eddie Duffy / Mick Hoy Memorial Festival Cmte	Fermanagh	5,000
The Great Wars Historical & Cultural Society	Belfast	4,000
The Hamilton Flute Band	Londonderry	2,351
The Harmony Singers	Londonderry	1,259
The Janus Singers	Fermanagh	4,780
The Kirknarra School Of Dance	Newry and Mourne	2,170
The Lagan Fleadh	Lisburn	5,000
The McCracken Summer School	Belfast	4,371
The Riverside Jazz Foundation	Belfast	4,998
The Sculptors Society Of Ireland	Other	5,000
The Tommy Makem International School of Song Cmte	Armagh	5,000
The William Carleton Summer School Committee	Dungannon	5,000
Theatre Producers Group (Northern Ireland)	Coleraine	4,700
Triangle Circus Group	Coleraine	4,770
Trillick Pipe Band	Fermanagh	3,020
Tullyvallen Silver Band	Banbridge	1,860
Twisters Youth Dance Club	Londonderry	4,900
Ulidia Youth Drama Group	Strabane	1,950
Ulster Watercolour Society	Ards	4,102
Vahalla Street Theatre Players	Ards	4,638
Variant Scotland	Belfast	5,000
Women's Cultural Together Group	Omagh	3,130
Young Belfast Singers	Belfast	5,000

FILM

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

Organisation	Project	Type	Award
Parallel World Productions	Straight to Video	Feature	£200,000
Straight Face Productions	Suffering	Short	30,000
Besom Productions	Banty Eamonn & the Paratrooper	Documentary	53,490
Fillum Ltd	Still	Development	5325
4x4 Production & Post Ltd	Charlotte's Red	Short	32,000
Hot Shot Films Ltd	Shane	Short	30,000
Samson Films	The Honeymooners	Feature	50,000
Indi Films	Made of Jam	Feature	198,600
Blue Heaven Productions	The Smoke King	Development	20,000
Fillum Ltd	The Cartographer	Development	4,525
Gaslight Productions	Sunday	Distribution	5,000
Journeyman Films Ltd	Arcadia	Development	10,000

Banjax Ltd	Gene Fusion	Development	20,000
Journeyman Films Ltd	Clean	Short	4,500
Seventy Percent Films Ltd	Postage Due	Development	4,000
New Moon Pictures	Run Fast, Run Far	Short	22,500
Green Park Films Ltd	Sin Spree	Development	15,000
Perfect Cousins Productions Ltd	Catapult - The Battle of the Bogside	Documentary	50,000
Parallax (Blind Flight) Ltd	Blind Flight	Feature	100,000
Hazelton Developments	Silent Grace	Distribution	5,000
The Nerve Centre	Stinger	Short	4,500
Really Useful Films	The Beautiful Game	Feature	11,075
Rogue Rocket Ltd	Wee Dermot	Animation	20,000
Journeyman Films Ltd	All These Palookas	Feature	8,025
New Moon Pictures	Jonjo Mickybo	Feature	100,000
Besom Productions	You Looking at Me?	TV Drama	125,000
Samson Films	Baby Baby	Feature	125,000
EA Teilifis	The Lost Language of the Sperrin Glens	Documentary	15,326
Straight Face Productions	Felix	Development	20,000
Makar Productions	The Sacred Oath of Owen Tiernan	Development	10,000

BREAKDOWN OF AWARDS BY LOCAL AUTHORITY AREA 2002/03

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

Area	Total No of Awards	Total Value of Awards £	% of Total value awarded	Population	Per capita expenditure £
Antrim	6	56,459	0.66	48,500	1.16
Ards	6	117,373	1.37	66,700	1.76
Armagh	17	310,116	3.61	52,500	5.91
Ballymena	6	32,044	0.37	57,500	0.56
Ballymoney	8	115,844	1.35	24,600	4.71
Banbridge	4	38,793	0.45	37,300	1.04
Belfast	105	3,165,381	36.86	296,700	10.67
Carrickfergus	3	43,202	0.50	34,900	1.24
Castlereagh	3	44,749	0.52	63,400	0.71
Coleraine	7	26,744	0.31	54,100	0.49
Cookstown	7	158,195	1.84	31,300	5.05
Craigavon	10	162,290	1.89	78,100	2.08
Derry	40	1,526,377	17.77	102,800	14.85
Down	14	191,449	2.23	60,700	3.15
Dungannon	18	236,075	2.75	46,800	5.04
Fermanagh	19	133,474	1.55	54,700	2.44
Larne	3	23,869	0.28	30,000	0.80
Limavady	2	3,610	0.04	30,900	0.12
Lisburn	5	88,901	1.04	106,000	0.84
Magherafelt	13	75,023	0.87	37,000	2.03
Moyle	5	59,222	0.69	14,800	4.00
Newry & Mourne	30	570,608	6.64	84,100	6.78

Newtownabbey	2	20,995	0.24	78,600	0.27
North Down	7	92,590	1.08	74,000	1.25
Omagh	12	246,794	2.87	46,900	5.26
Strabane	14	806,090	9.39	36,100	22.33
Other	14	242,296	2.82	0	0.00
TOTAL	380	8,588,563	100.00	1,649,000	5.21

BREAKDOWN OF AWARDS BY ARTFORM 2002/03

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

Artform	Total Value of Awards £	No of Awards
Architecture	14,038	1
Combined	3,251,330	65
Craft	108,061	12
Dance	659,926	18
Drama	1,005,189	41
Film	30,650	3
Literature	202,054	12
Music	1,848,887	139
Opera	74,250	1
Traditional Arts	338,194	36
Visual Arts	825,224	49
Other	230,760	3
TOTAL	8,588,563	380

BREAKDOWN OF AWARDS BY APPLICATION TYPE 2002/03

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

Application Type	Total value of Awards £	No. of Awards
Access	2,470,613	47
Audience Development	1,909,368	17
Building	1,142,769	8
Equipment	1,262,817	86
Film	5,650	1
New Works	836,023	25
Craft Special Initiative	20,000	1
Dance Special Initiative	250,000	1
Awards for All	691,323	194
TOTAL	8,588,563	380



TOTAL AWARDS BY LOCAL AUTHORITY AREA 1995 - 2003

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

Area	Total No. of Awards	Total Value of Awards £	% of Total value awarded	Population	Per capita expenditure £
Antrim	20	242,401	0.44	48,500	5.00
Ards	29	441,832	0.80	66,700	6.62
Armagh	46	4,267,497	7.71	52,500	81.29
Ballymena	23	2,197,168	3.97	57,500	38.21
Ballymoney	13	232,353	0.42	24,600	9.45
Banbridge	8	82,243	0.15	37,300	2.20
Belfast	443	17,896,065	32.35	296,700	60.32
Carrickfergus	8	156,828	0.28	34,900	4.49
Castlereagh	21	776,492	1.40	63,400	12.25
Coleraine	30	1,877,268	3.39	54,100	34.70
Cookstown	22	1,391,787	2.52	31,300	44.47
Craigavon	38	1,594,949	2.88	78,100	20.42
Derry	112	8,166,055	14.76	102,800	79.44
Down	40	776,558	1.40	60,700	12.79
Dungannon	33	460,137	0.83	46,800	9.83
Fermanagh	62	1,833,201	3.31	54,700	33.51
Larne	8	366,014	0.66	30,000	12.20
Limavady	6	41,719	0.08	30,900	1.35
Lisburn	19	1,672,203	3.02	106,000	15.78
Magherafelt	26	207,409	0.37	37,000	5.61
Moyle	13	289,997	0.52	14,800	19.59
Newry & Mourne	62	1,403,872	2.54	84,100	16.69
Newtownabbey	8	105,039	0.19	78,600	1.34
North Down	34	555,274	1.00	74,000	7.50
Omagh	27	4,440,816	8.03	46,900	94.69
Strabane	32	1,019,072	1.84	36,100	28.23
Other	69	2,820,042	5.10	0	0
TOTAL	1252	55,314,291	100.00	1,649,000	33.54

TOTAL AWARDS BY ART FORM 1995 - 2003

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

Artform	Total No of Awards	Total Value of Awards £
Architecture	1	14,038
Combined	202	28,271,886
Community Arts	52	2,139,793
Craft	22	208,936
Dance	38	1,337,991
Drama	177	5,471,202
Film	96	4,191,379
Literature	37	1,620,357

Music	327	6,214,063
Opera	20	793,814
Traditional Arts	105	768,675
Visual Arts	170	3,918,572
Other	5	363,585
TOTAL	1,252	55,314,291

TOTAL AWARDS BY APPLICATION TYPE 1995-2003

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

Application Type	Total No of Awards	Total value of Awards £
Access	169	7,114,817
Advancement*	7	1,953,785
Audience Development	29	3,670,777
Building	49	24,816,786
Design Competition**	3	25,244
Discretionary	3	47,627
Equipment	308	5,844,380
Feasibility Study**	25	192,383
Film	79	3,706,013
Millennium Festival***	25	158,154
New Works	207	6,283,830
Craft Special Initiative	1	20,000
Dance Special Initiative	1	250,000
Awards for All	346	1,230,495
TOTAL	1252	55,314,291

* One-off programme offered in 1997/98

** Programmes ceased in 2001. Figures now included in Building section

*** One-off programme offered in 1999/2000 to celebrate the Millennium

POLICY & FINANCIAL DIRECTIONS

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

POLICY DIRECTIONS

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

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

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

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

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

The Arts Council of Northern Ireland carefully monitors all applications on both an art form and geographic basis. Applications have been received for all art forms – music, drama, literature, craft, visual art, dance, opera and film – as well as cross-art (combined) form activities. "To seek equitable distribution of funds taking into account the demand for arts provisions in areas or sections currently under-represented" is one of the 8 key published strategies which are common to all funding programmes and which influence all areas of operation and decision making. At the beginning of the year the Council set targets for addressing both artform and geographic under-representation.

Target 3(a): Under-represented geographic areas

Target 3(b): Under-represented artform areas

Following re-structuring of the Council, it was agreed that all Arts Council officers would work with local authority arts officers and others to promote the availability of Lottery programmes in under-represented artform areas of Literature and Dance and in the geographic areas of Ballymoney, Banbridge, Newtownabbey and Limavady.

- Targets:
1. To complete the feasibility study into the provision of a third level dance programme.
 2. To increase the level of applications from the geographic areas above by 10%.
 3. To organise a series of information events for literature groups to increase the level of applications by 10%.



Although officers continued to meet requests from various Local Authorities and literature groups in response to specific queries, the impact of the restructuring process meant that no specific work in literature or the geographic areas targeted was possible. Awards for All did organise one roadshow in Limavady and another is planned for Newtownabbey early in 2003/04.

Target Achievements:

1. The feasibility study *On an Equal Footing? Third Level Dance Feasibility Study* was completed in June 2002. The study was circulated to the Northern Ireland based Universities and Colleges of Further Education and applications solicited in respect of delivery an under-graduate course. An award of £250,000 was made in March 2003 to the University of Ulster and it is hoped that the course will commence in October 2004.
2. The numbers of applications received from the four areas (including applications to Awards for All) has risen by 38% on 02/03.
3. The Arts Council has received 4 applications to its main programmes of which two were awarded compared to 6 applications and 4 awarded in 2001/02. However, there were a further 8 applications to Awards for All of which 5 were awarded. New Work, Audience Development and Access to the Arts, have made it difficult to achieve this target.

In addressing the effects of social and economic deprivation the Arts Council set its target at local authority level whilst it continues to monitor the level of grants being directed at deprived electoral ward areas as classified by the Nobel; Index.

Target 4: Involvement of children and young people

Target 5: Impact on areas of social and economic deprivation

The Council chose to amalgamate these two targets. Through data identified under the Nobel Index, relating to child poverty, children and young people and access, it allocated £345,000 from within the Access budget to be targeted at projects involving children and young people within the top ranked 25 wards.

Target Achievement:

Grants totalling £798,326 under the Access scheme were awarded prior to suspension of the scheme in August 2002. Of this figure only £258,528 of grants (32%) were to projects located within Nobel's top 25 Wards with a Children & Young People Measure Rank Score.

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

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

Projects which improve access for disabled people are considered a priority for Lottery funding. Each successful Lottery applicant is required to demonstrate that it has addressed the issue of access for people with disabilities to both the facilities and services which would be provided within the project.



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

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

E the need to further the objectives of sustainable development;

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

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

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

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

- Targets:**
- 1. To allocate 13% of the Council's National Lottery income to the Northern Ireland Film & Television Commission;**
 - 2. To work with NIFTC to develop new lottery programmes relating to training and development in the industry.**

Target Achievements:

The Arts Council completed the Film Delegation process and formal delegation began on 1 April 2002 with NIFTC delivering the three programme previously offered by the Arts Council – Production, Development and Short Film Distribution. A total of 30 awards were made by NIFTC during the year. Plans to develop additional schemes were put on hold whilst all Lottery processes were tested. NIFTC has submitted its proposals for 2003/04 which include the introduction of training and development programmes. However, it seems likely that these schemes will be funded through other funding agencies. NIFTC does intend to introduce a new scheme for low budget short films.

The NIFTC’s delivery of these programmes will be evaluated at the beginning of 2004/05 to establish the feasibility of continuing with the delegation agreement.

G the needs of projects relating to crafts;

- Targets:** To introduce a specific Craft, Applied Arts and Design programme by May 2002 to deliver:
- 3 Start up grants totalling £30,000 in year one
 - 2 Infrastructure/Development grants totalling £60,000
 - 4 Exhibition grants totalling £30,000
 - 2 Skills Development grants totalling £40,000

The Craft, Applied Arts and Design programme was launched on 28 May 2002. Although the scheme was developed following wide-scale consultation with the sector and was widely publicised, only one application was received and one award made during the year under the Special Initiative programme. However, 4 other awards were made to craft projects under the *Access* and *New Work* programmes. A further two applications have been received under the Special Initiative programme which will receive decisions early in 2003/04.

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

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

I the need:

- (i) in all cases, for applicants to demonstrate the financial viability of the project for the period of the grant;**
- (ii) where capital funding or setting-up costs are sought, for a clear business plan beyond the period of the grant incorporating provision for associated running and maintenance costs;**
- (iii) in other cases, for consideration to be given to likely availability of other funding to meet any continuing costs for a reasonable period after completion of the period of the Lottery award, taking into account the size and nature of the project, and for Lottery funding to be used to assist progress towards viability beyond the period of the grant wherever possible;**

“Projects must be financially viable” is one the published criteria which are used to assess each application. Each successful applicant is required to assure the Arts Council of Northern Ireland that funds will be available to meet the running costs of any development for a reasonable period of time following the completion of the project. Business plans and cash flow forecasts are required for all projects applying for Lottery funds £100,000. Capital projects applying for Lottery funds over £500,000 are required to provide a fully worked up project and investment appraisal, cash flow forecast and business plan. In addition external assessment of all projects requesting over £100,00 is undertaken and this assessment frequently focuses on the financial viability of the project.

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

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

In 1998 the Arts Council’s Advancement programme allowed 7 organisations to pursue major managerial, financial and programme changes in order to achieve longer-term sustainability and viability. The awards made under this programme have been paid out over the past 4 years. At the end of the 2002/03 financial year the Arts Council began work on the evaluation of the programme and intends to introduce a programme in 04/05 aimed at mid-scale and small-scale organisations under a Business Support Scheme.

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

“Partnership funding must come from another source” is one of the published criteria which are used to assess each application. Each successful Lottery application is supported by some form of partnership funding – cash, grant, voluntary labour or in-kind support. This funding often demonstrates commitment from the local community. As a general guide, under its capital programmes the Arts Council does not normally provide more than 75% towards the cost of any one project and, in the case of applications from local authorities or statutory agencies this is normally 50%.

Under the Access to the Arts programme, which is entirely dedicated to arts which take place in a community context, the Arts Council of Northern Ireland expects only a minimum of 10% partnership funding.

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

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

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

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

The Arts Council began discussions with the Education and Library Boards to establish a Creative Youth Partnerships scheme to be introduced in all give Board areas in 2003/04. The Partnerships will involve funding not only from the Arts Council but from Central Government and the five Education & Library Boards.

Discussions on another initiative involving both Central and Local Government began at the end of the year. The Local Government Challenge Fund will be launched in 2003/04.

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

The Council’s procedures for solicitation ensure that:

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

Following the completion of *On an Equal Footing? A Third Level Dance Feasibility Study* in June 2002 the Arts Council issued a tender to all third-level education providers in Northern Ireland to establish an under-graduate dance course. Two tenders were received and a grant of £250,000 was awarded to the University of Ulster. It is hoped that the course will be offered from October 2004.



Cara Murphy - Arts Council piece

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

The Arts Council of Northern Ireland uses a variety of expert advisors when assessing applications for Lottery funding.

All building applications requesting over £100,000 from the National Lottery Fund are externally assessed by an expert in whichever field is more relevant, eg. architect, accountant, etc.

ADDITIONAL CONSIDERATIONS

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

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

FINANCIAL DIRECTIONS

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

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

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

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

ADDITIONAL REQUIREMENTS

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

Organisation	Total Project Cost £	Award £	Project
Dance Northern Ireland	326,150	226,725	3-year Audience Development Programme
All Set Schools Project	135,430	104,430	3-year Access programme
Kids' Own Publishing Partnership	569,800	120,000	3-year Access programme
Belfast Community Circus School	144,267	120,000	3-year Access programme
Belfast Festival at Queen's	203,579	101,789	New Work commission - Sounding the City
Armagh City & District Council	280,214	178,500	3-year Audience Development Programme
The Nerve Centre	362,100	240,574	3-year Audience Development Programme
Community Arts Forum	287,342	198,383	3-year Audience Development Programme
Prison Arts Foundation	152,574	120,000	3-year Access programme
DubbelJoint Theatre Company	288,106	216,079	3-year Audience Development Programme
Shankill Community Arts Network	316,155	120,000	3-year Access programme
An Gaelaras Ltd	142,865	120,000	3-year Access programme
An Gaelaras Ltd	320,339	230,000	3-year Audience Development Programme
Gasyard Development Trust	149,412	117,000	3-year Access programme
Mid Ulster Community & Arts Association	535,070	150,000	Building refurbishment of Carrickmore Hall
Strabane District Council	2,427,800	750,000	New Arts Centre building
University of Ulster	979,198	250,000	3rd level under-graduate dance course

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

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

MONITORING & EVALUATION

Details of project monitoring and evaluation activities.

The Council's monitoring schemes are designed to:

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

The Arts Council continued to employ expert independent Project Monitors to report on each new building project and major refurbishment project. These Monitors produce monthly reports certifying progress on all elements of the construction project ensuring that Lottery awards were spent on the element for which they were given. During the year Monitors reported on 9 major building projects in Armagh, Omagh, Portadown, Derry, Cookstown, Balllymena, Enniskillen, Lisburn and Portstewart.

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

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

In the year under review Council officers visited a random sample of equipment and new work grants. The majority of these visits proved satisfactory. However, in one instance, as a result of the applicant not using the total grant for the purpose for which it was awarded, the Arts Council recovered musical instruments which were subsequently disposed of through public auction. The funds raised are returned to the Arts Council's funds for re-distribution to other applicants.

As reported above, the Arts Council began an evaluation of its Advancement programme, the results of which will be available in 2003/04.

TARGETS FOR ADMINISTRATIVE EFFICIENCY

Target: Level of processing administration time

The stated processing time for all programmes is 3 months, equivalent to 60 working days. The average processing time in 2001/02 was 76 working days. The agreed target for 2002/03 was set at 10% less i.e. - 69 working days.

Target Achievement:

This calculation is the average time taken to process an Arts Council Lottery application from date of receipt to date of decision calculated across all types of application. The average processing time for the year was 66 working days. The impact of the delegated decision making process is a major factor in the current achievement of this target.

The *Awards for All* average processing time over the period was 34 working days and the Northern Ireland Film and Television Commission's processing time was 57 working days.

Target Ratio of capital to revenue projects

To maintain a balanced ratio of 2:1 in favour of number of revenue projects. Financial allocation is £7M to capital programmes £10.3M to revenue programmes.

Target Achievement:

Under its directly-managed Lottery programmes the Council made 189 grants during the year – 94 capital and 95 revenue. In *Awards for All* the figures are 194 grants – 20 capital and 164 revenue (10 classified as "mixed"). NIFTC made 33 awards all classed as capital.

The overall ratio in favour of revenue is 1.83:1 slightly below the target figure of 2:1. This is a reflection of the fact that the main revenue programmes of the Arts Council were suspended in August 2002 whilst the capital programme which includes musical instruments for bands continued throughout the year.



FOREWORD

The Arts Council of Northern Ireland

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

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

Statutory Background

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

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

Principal functions related to National Lottery distribution activities

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

Financial results

The Arts Council of Northern Ireland's Lottery Distribution results are set out in the Income and Expenditure Account. Total proceeds received from the National Lottery totalled £8,543,149. During the year the Arts Council awarded grants to Lottery applicants of £7,897,239. In 2002-03, £6,227,030 was paid to applicants. The total administrative costs to the Arts Council of its distribution activities, including staff costs, was £840,095 (excluding depreciation). This represents approximately 9.8% of the total proceeds received in the year.

Review of National Lottery distribution activities

Following a 5-year moratorium on funding for musical instruments for bands, the Arts Council re-launched a dedicated scheme for the sector and in the two rounds of funding within the financial year allocated a total of £1,020,782 to 75 bands. The Arts Council continued to make funds available through the Awards for All programme, awarding £691,323 to 194 projects – compared to £539,172 to 152 projects in the previous year.

Due to the excessive demand on resources, the Arts Council suspended three of its programmes in July 2002 – *Access*, *New Work* and *Audience Development*. Final decisions on the three programmes

were taken in September 2002 and the total funds awarded at that point were: *Access* - £2,470,613 to 47 projects; *New Work* - £836,023 to 25 projects and *Audience Development* - £1,909,368 to 17 projects. Following suspension the Arts Council carried out a review of the three programmes with the arts sector. The outcomes of that review and the outcome of the Equality Impact Assessment into the Access programme will be incorporated in the re-launch of the 3 programmes on 1 April 2003.

On 1 April 2003 the Arts Council formally delegated responsibility for film development, production and distribution funding to the Northern Ireland Film & Television Commission for a pilot 3-year period. NIFTC will receive 13% of the Arts Council's annual income over the period. During the year under review NIFTC made awards totalling £811,451.

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

Overall, the Arts Council received 323 applications during the year seeking £14,490,502 and made 189 awards totalling £7,897,239 from its main grant programmes.

Significant changes in fixed assets

The movement on fixed assets is set out in note 5 to the financial statements. During the year there were no fixed asset purchases. Assets to the value of £11,310 were written off during the year.

Retained funds at the year end

At the end of the year the Lottery Distribution Account showed a decrease in funds of £2,416,779 after making a provision for all hard grant commitments outstanding at the year-end. At the end of 2002-03 the retained funds totalled £24,674,084. This amount will be carried forward to the 2003-04 financial year and will be available for distribution.

Future developments in National Lottery distribution activities

The Arts Council will continue to operate its current programmes, incorporating amendments arising from the reviews referred to above. In addition, a number of special initiatives will be launched:

- A Local Government Challenge Fund programme
- A scheme to support the creation of arts development posts within the Education sector to work with young people from the ages to 3 to 25.
- An architecture development scheme

The Arts Council will update its earlier study on the establishment of a centralised ticketing system with a view to funding the procurement of an appropriate system for venues throughout Northern Ireland.

The Arts Council's Advancement programme, introduced in 1998, is now drawing to a close. The Arts Council will evaluate the programme and will develop a further scheme aimed at medium and small organisations to include training, skills development, funding raising and marketing. The aim of the scheme will be to make such organisations creatively and financially sustainable in the longer term.

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

The Council of the Arts Council of Northern Ireland for the year ended 31 March 2003 is shown below. All members were appointed on 1 March 2000 for a three year term, which was renewed for a further

three months commencing 1 March 2003, unless stated otherwise. Those marked with an asterisk had served a previous term which commenced on 1 September 1996.

Prof. Brian Walker (Chairman)	(from 1 August 1998 for three years, extended to 31 May 2003)
Mrs Maureen Armstrong	
Mr David Boyd	To 28 February 2003.
Cllr Martin Bradley *	
Dr Maurina Crozier	
Mr Ronnie Dunn OBE	
Dr Tess Maginess *	
Mr David Hyndman	
Ms Judith Jordan	Resigned 27 January 2003.
Mr James Kerr	
Prof. Brian McClelland	
Ms Gerri Moriarty	
Ms Eilís O Baoill (Vice-Chairman)	
Mr Aidan Shortt *	
Mrs Margaret Yeomans	To 28 February 2003.

Unless otherwise stated the members of the Lottery Committee commenced their term on 1 April 1998 and their term was due to end on 31 March 2002 but was renewed for a further three months commencing 1 March 2003. Council members who served on the Lottery Committee during the year are marked with an asterisk and their term runs concurrently with their Council appointments as outlined above. Members of the Lottery Committee who served during this period were:

Ms Eilís O Baoill, Chair*	
Mrs Maureen Armstrong*	(from 1 August 2001)
Mr James Kerr*	(from 1 August 2001)
Mr Ciaran Mackel	(from 1 August 2001)
Mr Nigel Mansley	
Mr Pearse Moore	(from 1 February 2002)
Prof. Brian McClelland*	(from 1 August 2001)
Ms Wendy Smyth	(from 1 December 2001)
Prof. Brian Walker*	(ex Officio)
Mrs Margaret Yeomans*	(from 1 August 2001 to 28 February 2003)

Appointment of auditors

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

Policy on disabled persons

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

Employee consultation

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

Payment of Suppliers

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

A review conducted at the end of the year to measure how promptly the Arts Council paid its bills found that 95% of the bills were paid within this standard. The comparable figure for the previous year was 96% paid within the standard.

Political and Charitable Donations

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

Roisín McDonough

Accounting Officer for the Council

3 July 2003



Craigavon Borough Council - Graffiti Jamz



Replay Productions - new van

STATEMENT OF THE COUNCIL'S AND CHIEF EXECUTIVE'S RESPONSIBILITIES

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

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

In preparing the financial statements the Council is required to:

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

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

Roisín McDonough
Accounting Officer for the Council

3 July 2003

STATEMENT ON INTERNAL CONTROL

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

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

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

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

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

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

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

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

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

Roisín McDonough
Accounting Officer for the Council

3 July 2003



ARTS COUNCIL OF NORTHERN IRELAND LOTTERY DISTRIBUTION ACCOUNT

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

I certify that I have audited the financial statements on pages 45 to 48 under the National Lottery Etc. Act 1993 (as amended). These financial statements have been prepared under the historical cost convention and the accounting policies set out on pages 48 and 49.

Respective responsibilities of the Council, Chief Executive and Auditor

As described on page 39 the Council and the Chief Executive are responsible for the preparation of financial statements in accordance with the National Lottery Etc. Act 1993 (as amended), and the Department of Culture, Arts and Leisure directions made thereunder on behalf of the Secretary of State for Culture, Media and Sport and for ensuring the regularity of financial transactions. The Council and the Chief Executive are also responsible for the preparation of the Foreword. My responsibilities as independent auditor, are established by statute and guided by the Auditing Practices Board and the auditing profession's ethical guidance.

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

I review whether the statement on page 40 reflects the Council's compliance with the Department of Finance and Personnel's guidance "Corporate Governance: Statement on Internal Control". I report if it does not meet the requirements specified by the Department of Finance and Personnel, or if the statement is misleading or inconsistent with other financial information I am aware of from my audit of the financial statements.

Basis of audit opinion

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

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

Opinion

In my opinion:

- the financial statements give a true and fair view of the state of affairs of the Arts Council of Northern Ireland Lottery distribution activities at 31 March 2003 and of the decrease in funds available, total recognised gains and losses and cash flows for the year then ended and have been properly prepared in accordance with the National Lottery Etc. Act 1993 (as amended) and directions made thereunder by the Department of Culture, Arts and Leisure on behalf of the Secretary of State for Culture, Media and Sport; and
- in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements

John Bourn

Comptroller and Auditor General
10 July 2003

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

ARTS COUNCIL OF NORTHERN IRELAND LOTTERY DISTRIBUTION ACCOUNT

Income and Expenditure Account for the year ended 31 March 2003

	Notes	£	2001-02 £
Proceeds from lottery	2	8,543,149	9,229,647
Other Income	3	14,967	24,029
Total Income		8,558,116	9,253,676
Grants paid in year		6,227,030	5,475,954
Provision for (increase)/decrease in value of investments		6,692	(211,938)
Provision for grant commitments in future years		3,893,904	4,848
Staff costs : Recharge	4	414,535	377,638
Depreciation: tangible assets	5	7,174	7,174
Other operating costs : Direct Costs	6	332,180	238,875
: Recharge	6	93,380	57,396
Total Expenditure		10,974,895	5,949,947
Decrease in funds		(2,416,779)	3,303,729
Notional Costs - capital	14	(4,815)	(4,605)
Increase in Funds including notional costs		(2,421,594)	3,299,124
Reversal of Notional Costs		4,815	4,605
Decrease in Funds		(2,416,779)	3,303,729

The income and expenditure relate to continuing activities.

The notes on pages 45 to 58 form part of these financial statements.

Statement of Total Recognised Gains and Losses

	Notes	£	2001-02 £
Provision for (increase)/decrease in value of investments	11	6,692	(211,938)
Total recognised gains and losses relating to the year		6,692	(211,938)

The notes on pages 45 to 58 form part of these financial statements.



Balance Sheet as at 31 March 2003

	Notes	2002-03 £	2002-03 £	2001-02 £	2001-02 £
Fixed Assets					
Tangible assets	5		9,051		16,225
Current Assets					
Investments - Balance held in NLDF	7	34,927,231		33,564,456	
Debtors & Prepayments	8	212,565		6,355	
Cash at bank and in hand		546,936		428,248	
Less: creditors-amounts due within one year	9	(11,021,699)		(6,380,703)	
Net Current Assets			24,665,033		27,618,356
Total Assets less Current Liabilities			<u>24,674,084</u>		<u>27,634,581</u>
Represented by:					
Provisions for Liabilities & Charges					
Grant Commitments	10		6,250,687		6,794,405
Reserves					
Income & Expenditure	11		18,423,397		20,840,176
			<u>24,674,084</u>		<u>27,634,581</u>

Roisín McDonough

Accounting Officer

3 July 2003

The notes on pages 48 to 58 form part of these financial statements.

Cash Flow Statement for the year ended 31 March 2003

		2001-02 £
Net cash inflow from operating activities (note 1)	103,721	18,988
Returns on investments and servicing of finance (note 3)	14,967	24,029
Capital expenditure (note 4)	-	(17,945)
Increase in cash	<u>118,688</u>	<u>25,072</u>

The notes on page 47 form part of this statement

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

	£	2001-02 £
Decrease in funds	(2,416,779)	3,303,729
Depreciation charges	7,174	7,174
Interest and investment returns	(14,967)	(24,029)
Increase in NLDF investments	(1,362,775)	(3,415,917)
Increase in debtors	(206,210)	571
Increase in creditors	4,640,996	260,641
Decrease in provision for grants	(543,718)	(113,181)
	<u>103,721</u>	<u>18,988</u>

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

Increase in cash in period	118,688	25,072
Changes in net funds	118,688	25,072
Net funds at 1 April 2002	428,248	403,176
Net funds at 31 March 2003	<u>546,936</u>	<u>428,248</u>

3. Returns on investments and servicing of finance

Interest received	10,050	15,111
Returns on Film Financing	-	4,073
Other Income	4,917	4,845
	<u>14,967</u>	<u>24,029</u>

4. Capital expenditure

Payments to acquire tangible fixed assets	-	(17,945)
---	---	----------

NOTES TO THE ACCOUNTS - 31 MARCH 2003

1. Accounting Policies

(a) Basis of Accounting

These financial statements have been prepared in accordance with the historical cost convention. The Accounts Direction issued by the Department of Culture, Arts and Leisure is reproduced as an appendix to these accounts.

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

(b) Tangible Fixed Assets

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

The rates of depreciation in use are as follows:

Information Technology	
• Hardware & Software	33⅓ %
• LAN Cabling	10%
Furniture, Fixtures & Fittings	10%

(c) Pension Costs

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

(d) Income

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

(e) Notional Cost of Capital

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

(f) Balances held in the National Lottery Distribution Fund

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

2. Proceeds from Lottery

	£	2001-02 £
Proceeds from Lottery	6,305,174	7,743,334
Investment returns on balances held at NLDF	2,237,975	1,486,313
	<u>8,543,149</u>	<u>9,229,647</u>

3. Other Income

	£	2001-02 £
Bank Interest	10,050	15,111
Returns on Film Financing	-	4,073
Other Income	4,917	4,845
	<u>14,967</u>	<u>24,029</u>

4. Staff Costs

	£	2001-02 £
Salaries	355,315	325,877
Social Security Costs	23,891	19,782
Other Pension Costs	35,329	31,979
	<u>414,535</u>	<u>377,638</u>

All of the Staff Costs were incurred by the Arts Council of Northern Ireland and recharged to the Lottery Distribution Account.

During the year the Arts Council carried out a restructuring exercise which resulted in Lottery distribution activities being absorbed into a new Arts Development Department. The Lottery Department ceased to exist as a separate department on 31 August 2002. The total staff costs shown above includes the officers employed solely for Lottery purposes (to 31 August 2002) and a recharge from the Arts Council of Northern Ireland in respect of staff time spent on administrative duties on behalf of the Lottery. From 1 September 2002 staff time was recharged to the Lottery Distribution Account on the basis of average Lottery caseload from the Arts Development Department and on other appropriate bases from the rest of the Council. The total recharge in the year was £282,608 and is made up as follows: salaries & wages £242,088; social security costs £16,916 and other pension costs £23,604. During the year the Arts Council employed an average of 47.25 staff.

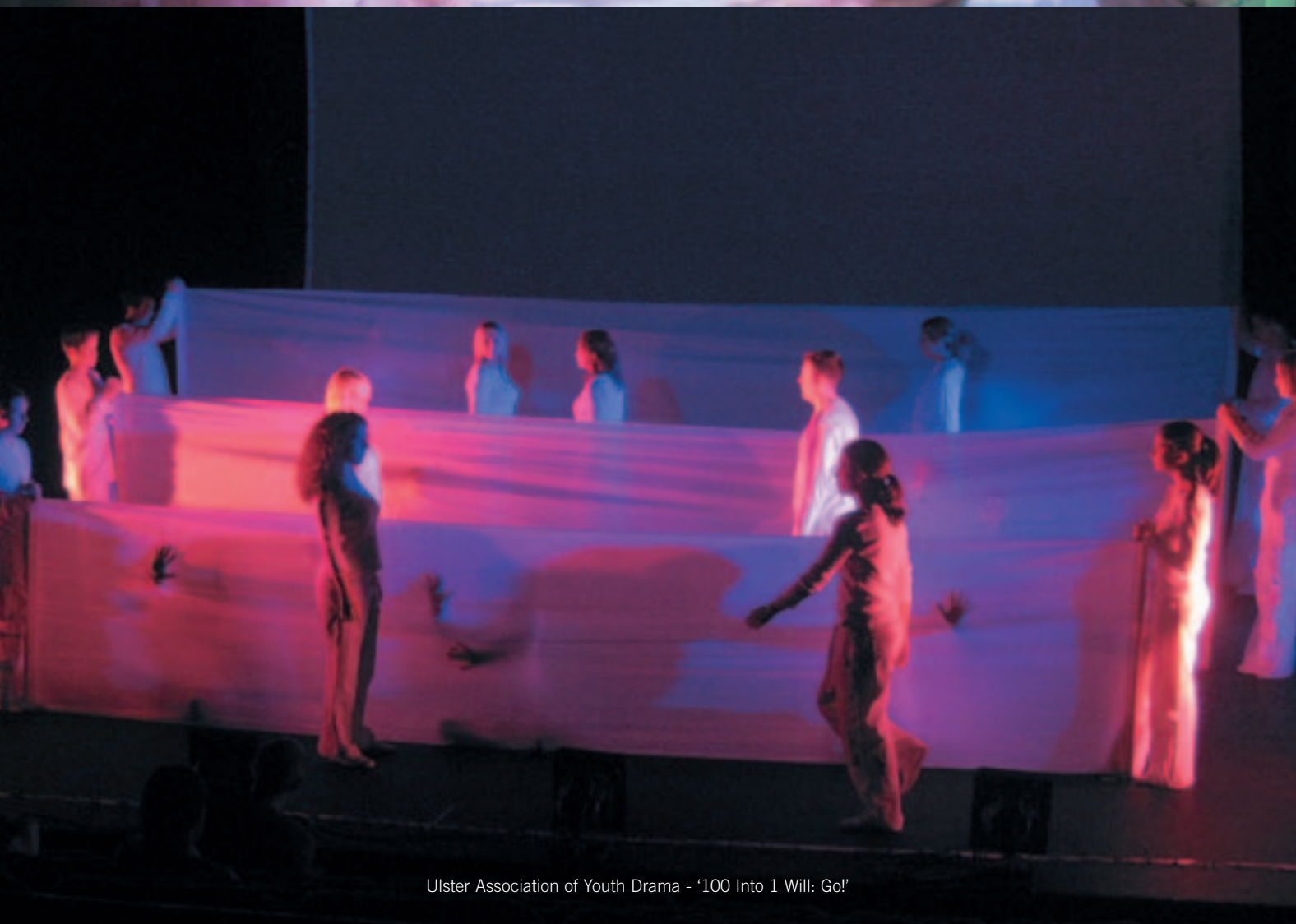
In addition to these staff costs, agency staff were employed during the year at a cost of £3,623. This was treated as an Operating Cost and is shown separately in Note 6.

Chief Executive's Remuneration

The Chief Executive's contract is for a period of five years and 2 year and 5 months had expired at 31 March 2003. The Chief Executive's remuneration during the year was £69,626. The Chief Executive is an ordinary member of the Northern Ireland Local Government Officers Superannuation Committee (NILGOSC) pension scheme. A total of £29,401 of the Chief Executive's employment costs have been apportioned to the Lottery Distribution fund to cover time spent on Lottery activities. This amount is included in the staff costs recharge to the Lottery Distribution fund which totalled £282,608 as noted above.



Young at Art - 'Chilly in the Dark Times' (Monkeyshrine NI) Photo: Jill McKeown



Ulster Association of Youth Drama - '100 Into 1 Will: Go!'

Council Members' Emoluments

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

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

Of this, £4,709 was apportioned to the Lottery Distribution Account. No emoluments were paid to other Council members in respect of Lottery activities. The Council does not pay any pension contributions on behalf of the Chair and Vice Chair. These individuals are not included, therefore, in the pension note below.

Pension Commitments

The Arts Council participates in the Northern Ireland Local Government Officers' Superannuation Committee Scheme (NILGOSC) and made contributions for 52 employees during the year (not all 52 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 2003 male employees contributed 1.5% of gross salary to the scheme and the Arts Council contributed 9.1%. Female employees made no contribution and the Arts Council contributed 10.6% of gross salary. The results of the most recent valuation, which was conducted as at 31 March 2001, were as follows:

Main assumptions:

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

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

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

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

	2003 £	2002 £
Employer's	98,438	63,817
Employees'	6,555	5,161
Total	<u>104,993</u>	<u>68,978</u>

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

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

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

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

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

5. Tangible Fixed Assets

	IT Hardware £	Furniture & Fittings £	Other £	Total £
Cost or Book Value At 1 April 2002	34,103	4,086	1,176	39,365
Additions at Cost	-	-	-	-
Disposals	9,630	504	1,176	11,310
At 31 March 2003	24,473	3,582	-	28,055
Depreciation At 1 April 2002	20,594	1,370	1,176	23,140
Charge for Year	6,816	358	-	7,174
Disposals	9,630	504	1,176	11,310
Accumulated Depreciation	17,780	1,224	-	19,004
Book Value at 31 March 2003	6,693	2,358	Nil	9,051

6. Other Operating Costs

	Total £	Direct £	Recharge £	2001-02 £
Assessors Fees (External)	12,595	12,715	(120)	55,441
Awards for All Administration	38,844	38,844	-	52,989
ACNI Admin. Apportionment	82,036	-	82,036	44,579
Film Delegation Administration	90,210	90,210	-	-
Audit Fees	33,010	33,010	-	27,512
External Monitoring & Cross Distributor System Costs	12,869	12,869	-	12,279
Consultants'/Professional Fees	100,861	100,861	-	47,919
Film Delegation Costs	-	-	-	9,884
Travel	7,487	2,439	5,048	5,957
Printing & Design	4,719	4,719	-	6,222
Agency Staff	3,623	3,623	-	13,994
Equipment Maintenance	945	858	87	3,037
Stationery	1,617	121	1,496	3,574
Telephone	782	741	41	2,111
Postage	1,359	3	1,356	1,940
Publications	245	245	-	611
Non Capital	1,217	832	385	4,104
Sundries	1,149	174	975	870
Training	230	-	230	750
Marketing/Advertising	3,708	2,094	1,614	928
Research/Reports	13,022	13,022	-	798
Committee Expenses	(200)	(200)	-	308
Bank Charges	-	-	-	(18)
Hospitality	469	237	232	482
Equality Costs	14,763	14,763	-	-
	<u>425,560</u>	<u>332,180</u>	<u>93,380</u>	<u>296,271</u>

Of the total operating expenses of £425,560, £93,380 was incurred by the Arts Council of Northern Ireland and recharged to the Lottery Distribution Account at full economic cost.

The £82,036 administrative overhead apportioned to the Lottery Distribution fund comprised administrative costs and expenses incurred by the Council from which the Lottery benefited indirectly. The apportionment was made at full economic cost and calculated on appropriate bases.

The audit fees total of £33,010 includes the external audit fee charged by the National Audit Office of £22,000.

7. Balances held in the National Lottery Distribution Fund

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

The closing market value of investments held at 31 March 2003 by NLDF under the National Lottery Act as amended on behalf of the Arts Council of Northern Ireland Lottery Distribution Account was £34,927,231. The cost value of these investments was £35,107,928.

8. Debtors

	2001-02	
	£	£
Sundry debtors	1,338	6,355
Prepayments & Accrued Income	<u>211,227</u>	<u>Nil</u>
	212,565	6,355

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

9. Creditors

	2001-02	
	£	£
Trade Creditors	595,230	406,547
Other Creditors	10,426,469	5,974,156
Accruals & Deferred Income	<u>Nil</u>	<u>Nil</u>
	11,021,699	6,380,703

The total includes £283,319 in respect of services and purchases rendered to or made on behalf of the Lottery Distribution Account by the Arts Council of Northern Ireland.

The Other Creditors figure contains £10,390,577 which represents the total of hard grant commitments payable during 2002-03 [see note 10].

10. Grant Commitments

	2001-02	
	£	£
Soft Commitments		
a. Soft commitments brought forward	164,581	247,308
b. Soft commitments transferred to hard commitments	(10,615,088)	(5,844,338)
c. Soft de-commitments	(87,731)	(7,995)
d. Soft commitments made in year	<u>11,478,009</u>	<u>5,769,606</u>
e. Soft commitments carried forward	939,771	164,581
Hard Commitments		
a. Hard commitments brought forward	12,747,360	12,742,512
b. Hard commitments met in year	(6,227,030)	(5,475,954)
c. Hard de-commitments	(494,154)	(363,536)
d. Hard commitments made	<u>10,615,088</u>	<u>5,844,338</u>
e. Hard commitments carried forward	16,641,264	12,747,360



Belfast Community Circus School



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

2003-04	10,390,577	5,952,955
2004-05	4,461,583	2,985,554
2005-06	1,729,104	2,808,851
2006-07	60,000	940,000
2007-08	-	60,000
	<u>16,641,264</u>	<u>12,747,360</u>

Total grant commitments carried forward:

Soft	939,771
Hard	<u>16,641,264</u>
	<u>17,581,035</u>

The Hard Commitments total at 31 March 2003 is £16,641,264. The 2003-04 total of £10,390,577 is shown on the Balance Sheet within the "creditors – amounts payable within one year" figure of £10,426,469 [see note 9]. The balance of £6,250,687 is shown on the Balance Sheet as "Provisions for Liabilities and Charges : Grant Commitments". The figure of £3,893,904 shown as the "Provision for grant commitments in future years" in the Income & Expenditure Account is the difference between the Hard Commitments Carried Forward totals at 31 March 2002 and 31 March 2003.

11. Reconciliation of Movement of Funds

	Balances held in NLDF	Balances held in ACNI	Provision for Grant Commitments	2002-03 Total	2001-02 Total
	£	£	£	£	£
Proceeds from Lottery	8,543,149			8,543,149	9,229,647
Drawn down in year by Arts Council	(7,173,682)	7,173,682			
Provision for increase/(decrease) in value of investments	(6,692)			(6,692)	211,938
Interest on cash balances		10,050		10,050	15,111
Other Income		4,917		4,917	8,918
Staff costs		(414,535)		(414,535)	(377,638)
Other operating costs		(425,560)		(425,560)	(296,271)
Depreciation of fixed assets		(7,174)		(7,174)	(7,174)
New grants paid in year		(6,227,030)		(6,227,030)	(5,475,954)
New grant commitments in year			(10,615,088)	(10,615,088)	(5,844,338)
Commitments written back			494,154	494,154	363,536
Grants paid from provision in year			6,227,030	6,227,030	5,475,954
Total increase/(decrease) in funds	<u>1,362,775</u>	<u>114,350</u>	<u>(3,893,904)</u>	<u>(2,416,779)</u>	<u>3,303,729</u>
Balance at 1 April 2002	33,564,456	23,080	(12,747,360)	20,840,176	17,536,447
Balance at 31 March 2003	<u>34,927,231</u>	<u>137,430</u>	<u>(16,641,264)</u>	<u>18,423,397</u>	<u>20,840,176</u>

12. Capital Commitments

There were no capital commitments as at 31 March 2003.

13. Contingent Liabilities

There were no contingent liabilities as at 31 March 2003 other than the soft commitments disclosed in note 10.

14. Notional Costs

Notional cost of capital is calculated as 6% of the average net assets employed by the Arts Council (Lottery Distribution) in the year, excluding the Balance in the Distribution Fund and hard grant commitments.

15. Related Party Transactions

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

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

Application Ref	Organisation	Award Amount	Council/Committee Member
77/01	Community Arts Forum	£198,383	David Boyd, David Hyndman
92/01	Prison Arts Foundation	£120,000	Maureen Armstrong
41/02	Antrim Borough Council	£5,000	Maureen Armstrong
122/02	Belfast Festival at Queen's	£101,789	Brian Walker, Tess Maginness
128/02	Arts & Disability Forum	£38,430	Aidan Shortt
146/02	Ards Arts Committee	£70,695	Eilis O Baoill
152/02	Camphill Community Mourne Grange	£91,400	Gerri Moriarty
153/02	Nerve Centre	£240,574	Pearse Moore
157/02	Nerve Centre	£40,000	Pearse Moore
175/02	Camphill Community Mourne Grange	£13,606	Gerri Moriarty
186/02	Northern Ireland Visual Arts Forum	£29,000	Brian McClelland, Margaret Yeomans
240/02	McCracken Summer School	£8,000	Aidan Shortt
259/02	Artscare	£14,590	James Kerr, Philip Hammond
358/02	Community Arts Forum	£5,513	David Boyd, David Hyndman
77/03	University of Ulster	£250,000	Brian McClelland

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

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

Liquidity Risks

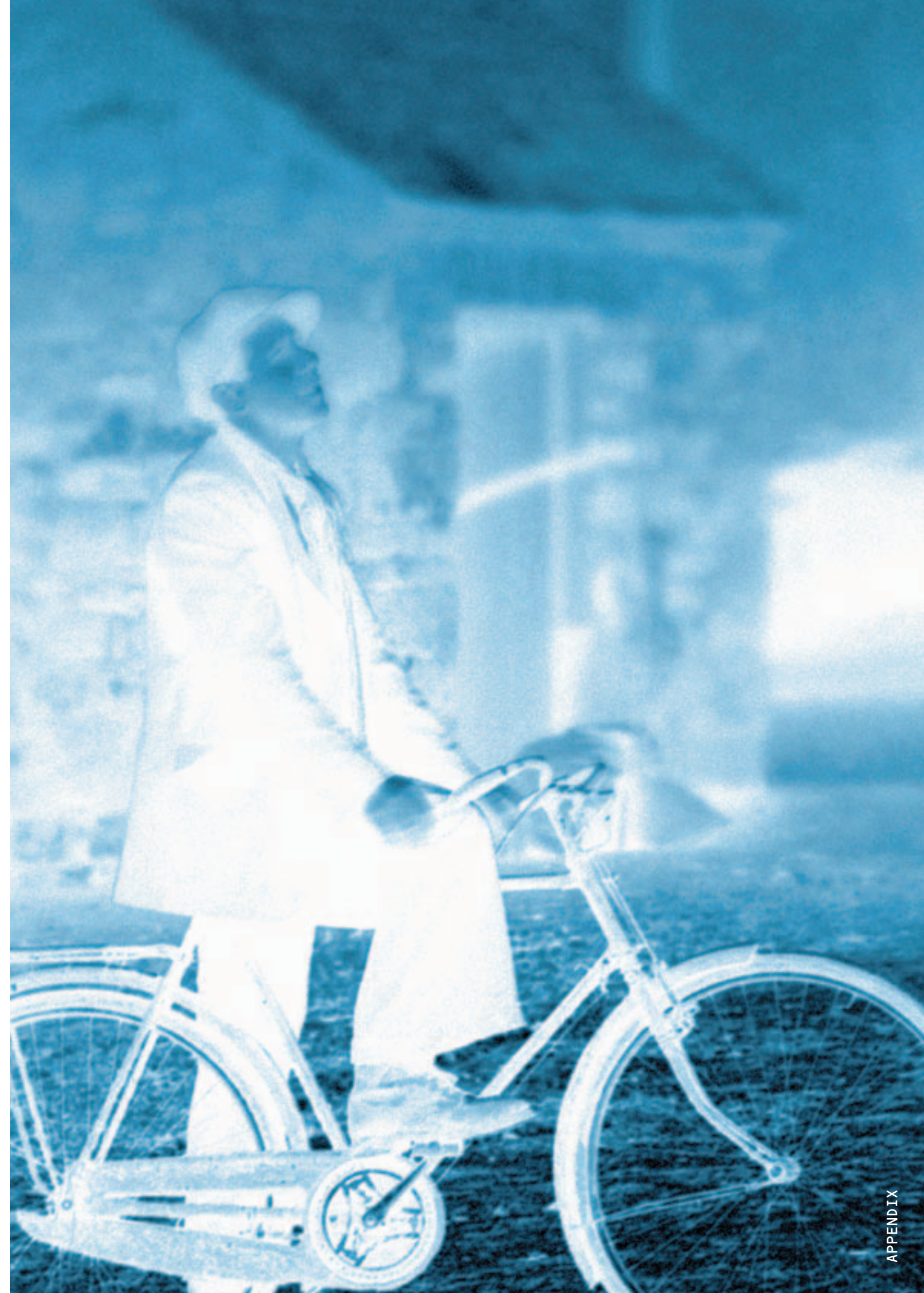
In 2002-03, £6,305k (73.67%) of the Arts Council's Lottery Fund's income derived from the National Lottery. The remaining income derived from investment returns from the balance held with the National Lottery Distributions Fund £2,237k (26.15%), and from Bank Interest and Sundry Income £14.9k (0.18%). The Council considers that the Fund is not exposed to significant liquidity risks, it is satisfied that it has sufficient liquid resources within the NLDF and in the bank of £35.4 million to cover all current contracted commitments of £17.2 million.

Interest Rate Risks

The financial assets of the Fund are invested in the National Lottery Distribution Fund, which invests in a narrow band of low risk assets such as government bonds and cash. The Council has no control over the investment of Funds in the National Lottery Distribution Fund. At the balance sheet date the Market Value of investment in the National Lottery Distribution Fund was £34.92 million. In the year the average return on these investments was 6.4%. Cash balances which are drawn down from the Fund to pay grant commitments and operating costs are held in an instant access variable rate bank account which on average carried an interest rate of 2.06% in the year. The cash balance at the year-end was £546,936. The Trustees consider that the Fund is not exposed to significant interest rate risks.

Foreign Currency Risk

The Fund is not exposed to any foreign exchange risks.



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

ACCOUNTS DIRECTION 2001-02

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

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

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

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

2. The Accounting Officer for the Arts Council's National Lottery Fund shall observe all relevant accounting and disclosure requirements given in "Government Accounting", in the Treasury booklet "Trading Accounts: A Guide for Government Departments and Non-Departmental Public Bodies" and any other guidance issued by the Department, as amended and augmented from time to time.
3. The statement of accounts referred to above shall give a true and fair view of the income and expenditure, state of affairs and cash flow of the Arts Council in respect of its National Lottery distribution activities. Subject to the foregoing requirement, the statement of accounts shall also, without limiting the information given, and as described in Schedule 1 of this Direction, meet in so far as they are appropriate to the Arts Council's National Lottery Fund business:
 - 3.1 the accounting and disclosure requirements of the Companies (Northern Ireland) Order 1986;
 - 3.2 best accounting practice including accounting standards issued or adopted by the Accounting Standards Board currently in force, with the exception of the requirement contained in Financial Reporting Standard 3 (FRS 3) for inclusion of a note showing historical cost profit and losses;
 - 3.3 any disclosure and accounting requirements which the Treasury or the Department may issue from time to time in respect of the accounts which are required to show a true and fair view; and
 - 3.4 any additional disclosure requirements contained in "The Fees and Charges Guide" in particular those relating to the need for appropriate segmental information for services or forms of service provided for which a charge is made.

4. The statement of accounts mentioned in paragraph 1 shall also include the supplementary information set out in Schedule 2 of this Direction.
5. The income and expenditure account and balance sheet shall be prepared under the historical cost convention modified by the inclusion of:
 - (a) fixed assets at their value to the business by reference to current costs; and
 - (b) stocks valued at the lower of cost, or net current replacement cost if materially different, and net realisable value

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

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

Mr R Jordan

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

SCHEDULE 1

APPLICATION OF THE COMPANIES ORDER REQUIREMENTS

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

SCHEDULE 2

ADDITIONAL DISCLOSURE REQUIREMENTS

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

"Balances held in the National Lottery Distribution Fund remain under the stewardship of the Secretary of State for Culture, Media and Sport. However, the share of these balances attributable to the Arts Council is as shown in the accounts and, at the balance sheet date, has been certified by the Secretary of State for National Heritage as being available for distribution by it in respect of current and future commitments."
 - 4.2 an analysis of the income and expenditure relating to the Lottery;
 - 4.3 an analysis of "other operating charges" over appropriate subject headings (to include write-offs, audit fee, leasing charges, travel, subsistence and hospitality costs for staff and body members should be separately identified);



Alastair MacLennan - 'Bag_10'

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

5.1 Soft Commitments

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

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

5.2 Hard Commitments

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

commitments mature. As part of the notes to the balance sheet a tabulation illustrating the changes in hard commitments should be shown as follows:

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

5.3 De-commitments

5.3.1 Soft Commitments

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

5.3.2 Hard Commitments (withdrawal of a commitment)

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

5.4 Repayments

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



Diversions Dance Company

Arts Council of Northern Ireland MacNeice House 77 Malone Road Belfast BT9 6AQ
T 028 9038 5200 F 028 9066 1715 E info@artscouncil-ni.org www.artscouncil-ni.org

