

Arts Council Of Northern Ireland
National Lottery Fund
Annual Report 2001-2002





Mater Hospital Integrated Arts Project; Anushiya Sundaralingam: *Father and Son II*.
Photo: Peter O'Hara Photography.
Cover: Mater Hospital Integrated Arts Project; D.H. Smith: *Hippocrates*.
Photo: Peter O'Hara Photography.



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Bandit Films; *Mapmaker*

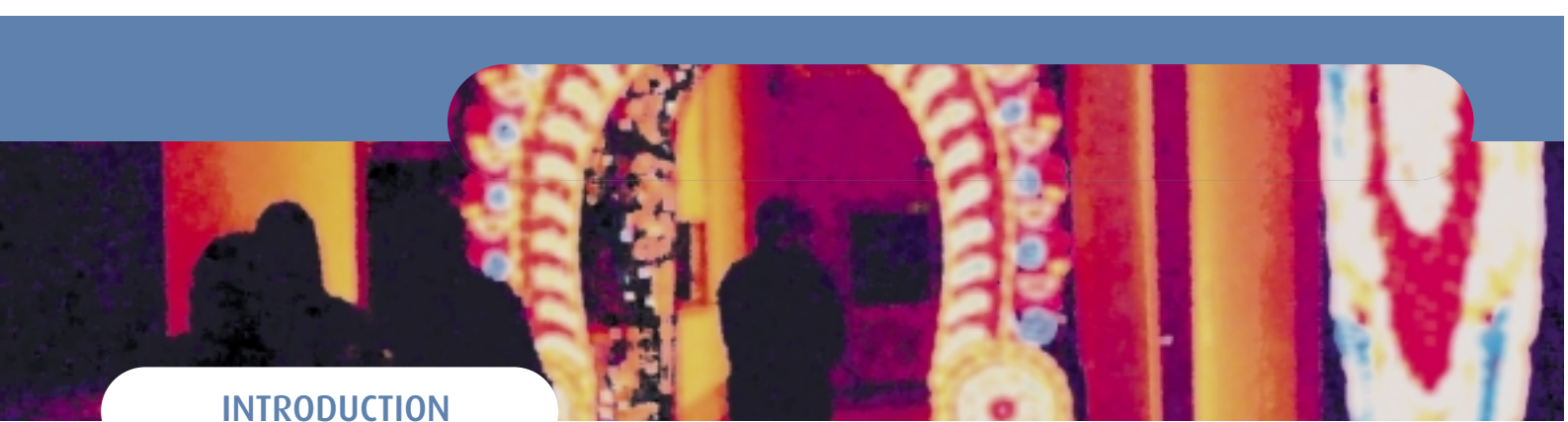


Arts Council of Northern Ireland
MacNeice House, 77 Malone Road, Belfast BT9 6AQ

Tel: 028 9038 5200

Fax: 028 9066 1715

Web: www.artscouncil-ni.org



INTRODUCTION

The Arts Council of Northern Ireland introduced major changes in the distribution of its National Lottery funds in 2001/02. New schemes were launched, the moratorium on new build capital projects was lifted and the Council undertook a review of its 1999-2002 Strategy.

On 1 April 2001 the Arts Council, in association with the Sports Council for Northern Ireland, the Community Fund and the Heritage Lottery Fund, launched a one-year pilot small grants programme – Awards for All – offering grants of up to £5000. During the year the New Opportunities Fund also joined the programme, augmenting the total funds available to £3,000,000. The Arts Council's contribution to this programme was £750,000 and 152 awards totalling £539,172 were made during the year for arts projects. Awards for All proved to be an enormous success in its pilot year and in February 2002 the Arts Council agreed a further three-year commitment to the programme.

Following consultation with the arts sector, the Council re-launched both its Access and New Work programmes. Since the re-launch, both schemes have attracted a large number of applications resulting in 32 Access awards totalling £1,502,739 and under the New Work programme 28 awards receiving £814,162.

A new Audience Development programme was also introduced in April 2001. This programme offered grants of up to £100,000 per year for three years and was introduced to provide arts organisations with additional funds to identify and develop their audiences in a period of static or, in some cases, decreasing funding from Treasury sources. During the year 12 awards were made totalling £1,761,409.

Following a number of years in which moratoria existed, the Council re-introduced two programmes: capital new-build and major refurbishment; and musical instruments for bands. The first decisions on the capital programme were made in December 2001 whilst the first decisions under the musical instrument programme will be made in April 2002.

The Arts Council also completed the delegation of its responsibility for film finance to the Northern Ireland Film and Television Commission (NIFTC). Under the delegation agreement the Arts Council will allocate 13% of its annual income to the NIFTC for a pilot period of three years. These funds will be distributed initially for the purposes of production, development and distribution. Any additional programmes will be the subject of consultation and agreement between the Arts Council and the NIFTC.

During the final four months of the year the Council consulted on the delivery and outcomes of its 1999-2002 Strategy for the Distribution of National Lottery Funds and on its new strategy for the period 2002-2006. There was acknowledgment from the arts sector that improvements had occurred during the life of the Strategy – the introduction of a single application form, improved guidance notes and streamlined payment processes. There was general agreement that the programmes offered by the Arts Council were appropriately targeted and addressed the needs of the sector. However, the possible inability to maintain the opportunities for growth provided by new Lottery programmes was recognised as a major problem given the prediction of falling Lottery ticket sales over the life of the new strategy.

The new strategy, to be published in April 2002, aligns the distribution of Lottery funds more closely with the Arts Council's overall objectives and priorities set out in its main strategy document, whilst maintaining the additionality principle which underlies all Lottery funding.

Roisín McDonough
Chief Executive
July 2002

GRANTS AWARDED 1 APRIL 2001 TO 31 MARCH 2002

During the year 2001/02, 240 applications were received seeking grants of £27,367,108. By the end of the year 108 grants had been awarded through the six main programmes, receiving a total of £7,668,161. Two further in-principle awards of £5,000,000 were made towards potential capital projects in Belfast. In addition, through Awards for All the Council made 152 awards totalling £539,172

ACCESS

Organisation	Council	Project	Award £
Dun Uladh Cultural Heritage Centre	Omagh	Community arts programme	75,000
Eskra Development Association	Omagh	Creative Arts programme	3,910
The Athene Trust	Ards	Primary Clayworks	13,500
Soundlines Project	Lisburn	Promoting Community Music - Music for All	74,990
Queen Street Studio	Belfast	Digital Studio Provision	11,070
East Belfast Festival Forum	Belfast	East Belfast Festival Parade	21,971
Kaleidoscope Arts Ltd	Craigavon	Artsbuilder - The Arts Build Communities	25,000
Féile an Phobail	Belfast	Disability Development	75,000
Ormeau Baths Gallery	Belfast	Education & Outreach continuation	115,860
Arts for All	Belfast	<i>Northern Arts</i> pilot project	13,415
Tinderbox Theatre Company	Belfast	New Writing Hot House	22,508
Down Community Arts	Down	One year community arts programme	103,500
Classical Music Society	Derry	Three-year music development programme	120,000
Streetwise Community Circus Workshops	Belfast	Three-year programme working with disabled groups	109,425
The Blind Centre for N. Ireland	Belfast	Sculpture project	32,034
Amber Community Development Agency	Belfast	Art, Craft Drama & Music Tuition	23,355
Dance Northern Ireland	Belfast	<i>Earthquake</i> - NI first festival of international dance	37,050
Northern Ireland Environment Link	Belfast	Rural arts project	79,385
The Context Gallery	Derry	Series of residencies by Visual Artists	28,580
NI Association of Youth Clubs	Belfast	Develop membership of Rainbow Factory	120,000
Open Arts	Belfast	One-year arts programme	40,000
Community Theatre Association	Belfast	Establishment of support base for Community Theatre	35,868
Seacourt Print Workshop Ltd	North Down	Access to Printmaking project	67,308
Children's Music Theatre Limited	Other	Strategy for the development of NYMT in NI	25,596
Border Arts	Strabane	Development of Carnival Group	40,000
Share Discovery 80 Ltd	Fermanagh	Multi-discipline participatory programme	40,000
Adapt N.I.	Belfast	Accredited training course	59,511
Willowbank	Dungannon	Photography Skills Course for Disabled People	6,820
Dance United	Other	Dance United - Schools programme	21,040
Down District Council Arts Services	Down	Opera Fringe Festival	20,000
Spanner in the Works Theatre Company	Belfast	Three short drama pieces for women	16,200
South Belfast Cultural Society	Belfast	Highland Dancing project	24,843

GRANTS AWARDED 1 APRIL 2001 TO 31 MARCH 2002

NEW WORK

Organisation	Council	Project	Award £
Compántas Amharclainne Aisling Ghéar	Belfast	<i>Sceal na Cathrach</i>	2,250
The Warrenpoint Community Players	Newry & Mourne	<i>Padisear</i>	17,138
Lisburn Borough Council	Lisburn	The people's public art initiative	7,000
Ulster Association of Youth Drama	Lisburn	<i>Gulliver</i>	25,300
The Cedar Foundation	Belfast	Public art commission	7,875
Ulster Orchestra Society Ltd	Belfast	Commission of New Work by Deirdre Gribbin	3,375
Flax International Arts Centre	Belfast	Visual/Community Art - Urban Projects	3,870
Belfast Festival at Queen's	Belfast	<i>Let There be Light</i>	90,050
Kabosh	Belfast	<i>Dreamship</i>	50,000
Old Museum Arts Centre	Belfast	Exhibition <i>Ten Men Artists</i>	23,130
Ormeau Baths Gallery	Belfast	Visual Arts programme	51,000
Tinderbox Theatre Company	Belfast	<i>Flight</i>	40,715
The Context Gallery	Derry	Exhibitions Catalogue <i>Fabrics & Fabrication</i>	11,685
Spanner in the Works Theatre Co	Belfast	Three short drama pieces for women	13,710
Prime Cut Productions	Belfast	NI premiere of Mamet's <i>American Buffalo</i>	85,352
Our Lady and St Patrick's College	Belfast	Music commission <i>The Children of Lir</i>	7,425
Argo Productions	Belfast	Drama commission <i>Weddins', Weeins' and Wakes</i>	49,962
Blackstaff Press	Belfast	Literature commission <i>With Fife & Drum - The Derry Anthology</i>	44,445
Big Telly Theatre Company	Coleraine	<i>McCool XXL</i>	39,641
Aisling Ghéar Theatre Company	Belfast	Drama commission <i>Hot Off the Press</i>	24,187
Derry Credit Union Limited	Derry	Public art commissions	40,000
Little Bigtop, Theatre for Children	Belfast	New theatre commission for children	26,222
Cahoots NI Ltd	Belfast	New theatre commission for children	34,045
Maiden Voyage (NI) Ltd	Newtownabbey	Contemporary dance commission	20,055
Young at Art	Belfast	<i>Annabelle's Star</i>	12,365
The Cathedral Quarter Arts Festival	Belfast	Drama commission <i>The History of the Troubles (accordin' to my Da)</i>	29,240
Dubbeljoint Theatre Company	Belfast	The life and work of Christy Moore through words and music	4,125
Centre Stage Theatre Company Ltd	Belfast	Drama commission - <i>Soldiers of the Queen</i>	50,000

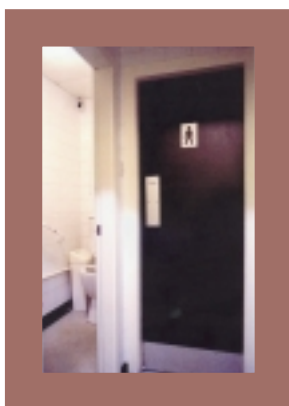
GRANTS AWARDED 1 APRIL 2001 TO 31 MARCH 2002

AUDIENCE DEVELOPMENT

Organisation	Council	Project	Award £
Belfast Festival at Queen's	Belfast	3-year programme	160,394
Grand Opera House	Belfast	3-year programme	288,762
Ulster Orchestra Society Ltd	Belfast	3-year programme	300,000
Moving on Music	Belfast	3-year programme	300,000
Prime Cut Productions	Belfast	3-year programme	81,530
Northern Ireland Visual Arts Forum	Belfast	One-year programme	15,978
Opera Theatre Company	Other	3-year programme	195,359
Linen Hall Library	Belfast	3-year programme	141,174
Young at Art	Belfast	3-year programme	173,330
The Cathedral Quarter Arts Festival	Belfast	One-year programme	28,256
Laganside Corporation	Belfast	3-year programme	23,400
The New Belfast Community Arts Initiative	Belfast	One-year programme	53,226

CAPITAL – BUILDING

Organisation	Council	Project	Award £
Grand Opera House Trust	Belfast	Building Refurbishment	467,925
The Playhouse: North West Play	Derry	Feasibility Study into Refurbishment and Extension of Building	4,113
Portadown 2000	Craigavon	Building - supplemental application to 060/95	178,384
The Nerve Centre Ltd	Derry	Building Purchase	562,500
Conway Mill Preservation Trust	Belfast	Building - Conversion/Refurbishment	250,000
Larne Borough Council	Larne	Refurbishment of Larne Arts Centre	269,976
Coleraine Borough Council	Coleraine	Multi-functional Arts & Craft Centre	1,387,875
Strabane District Council	Strabane	Building Stage 2 - community arts & cultural centre	8,250



Terry Loane; *Bird's Eye View/Evil Eye* (installation detail)
Ten Men Artists - Old Museum arts centre

GRANTS AWARDED 1 APRIL 2001 TO 31 MARCH 2002

CAPITAL –EQUIPMENT

Organisation	Council	Project	Award £
Tinderbox Theatre Company	Belfast	Office & stage	7,864
CCE, Ballycastle	Moyle	Musical Instruments	3,000
Queen Street Studios	Belfast	Digital Studio Spaces (6)	15,000
Belfast Community Circus School	Belfast	Mini-bus and Equipment purchase	22,135
St. Agnes' Choral Society	Belfast	Stage	4,797
The Playhouse trading as NorthWest Play Resource Centre	Derry	Lighting, sound, etc.	25,457
Old Museum Arts Centre	Belfast	Office equipment	21,262
Down Community Arts	Down	Office, computer, display, sound	4,332
Castlereagh Borough Council	Castlereagh	Flexible mobile seating and staging	18,315
Voluntary Arts Network	Other	Office	5,900

FILM

Organisation	Council	Project	Award £
Moondog Productions Ltd	Belfast	TV Series Development - <i>The Borderline</i>	12,000
Coolmore Films	Other	Film Development - <i>Borderland</i>	7,800
The First Film Company Ltd	Other	Feature Film Development - <i>Reading Turgenev</i>	20,000
Borderline Productions	Fermanagh	Development - <i>If I were Me</i>	9,305
Flying Fox Films	Belfast	Production - <i>Coronation Day</i>	29,808
Green Park Films Limited	Belfast	Feature Film Development - <i>Middletown</i>	20,000
Beragh Care & Development Assoc.	Omagh	Production - <i>Tied up with String</i>	22,468
Hot Shot Films	Belfast	Distribution - <i>Crossing</i>	3,000
Raw Nerve Productions	Derry	Short Film Production - <i>The Two Williams</i>	22,492
Fillum Ltd	Belfast	Production - <i>Short, Back and Sides</i>	29,000
Raw Nerve Productions	Derry	Feature Film Development - <i>Mohammed Maguire</i>	20,000
Fillum Ltd	Belfast	Short Film Production - <i>The Wayfarer</i>	30,000
Green Park Films Limited	Belfast	Film Development - <i>Plan B</i>	17,250
New Moon Pictures	Castlereagh	Development - <i>Jonjo Mickybo</i>	14,500
Raw Nerve Productions	Derry	Short Film Production - <i>Tumble Turns</i>	19,868
Dundella Properties Ltd	North Down	Development - <i>Trouble Times Two</i>	20,000
Magma European Scripting House	Other	Development - <i>Maura's Angel</i>	16,000
Dream Ireland Ltd	Belfast	Development - <i>Wee Dermot</i>	19,275

GRANTS AWARDED 1 APRIL 2001 TO 31 MARCH 2002

AWARDS FOR ALL

Organisation	Council	Award £
Derg Valley Arts & Leisure Group	Strabane	1,400
Gig 'n the Bann Festival Committee	Ballymena	4,800
Galliagh Community Festival Committee	Derry	4,900
Hampsey School of Traditional Music	Coleraine	2,000
Roe Valley Folk Club	Derry	5,000
McCracken Summer School	Belfast	4,725
Daring Feet Youth Dance Group	Derry	3,850
CCE Fermanagh County Board	Fermanagh	700
Upturn Theatre-in-Education	Belfast	4,329
Fermanagh Crafts Consortium	Fermanagh	2,570
MacNeane Environment Committee	Fermanagh	5,000
Armagh Old Boys Silver Band (and Social Club)	Armagh	5,000
Share Music Trust	Belfast	5,000
Young at Art Ltd	Belfast	2,005
Tommy Makem International School of Song Committee	Newry & Mourne	5,000
Border Arts 2000	Strabane	5,000
Community Arts Forum	Belfast	4,350
Down Community Arts	Down	5,000
The Northern Ireland Piping Society	NI Wide	520
Mid Ulster Magic Circle	Craigavon	1,000
Coleraine Borough Arts Committee	Coleraine	1,850
Maine Valley Accordion & Fiddle Club	Ballymena	5,000
Newcastle CCE	Down	4,000
Ring of Gullion CCE Forkhill	Newry & Mourne	2,550
Foyle Summer School of Music and Drama	Derry	5,000
Irvinestown Accordion Band	Fermanagh	4,339
Dromintee Community Association	Newry & Mourne	4,583
Derry Youth Dance	Derry	3,000
Aghanloo Community Association	Limavady	3,262
Kilcooley Arts Endeavour	North Down	3,303
Armagh Writers Group	Armagh	2,000
Ballinascreen Branch CCE	Magherafelt	2,000
First Presbyterian Church Belfast	Belfast	2,730
Scoil Samhraidh Willie Clancy Teoranta	Co Clare	4,000
Shankill Lurgan Community Projects	Craigavon	5,000
Ulster Youth Jazz Orchestra	Belfast	5,000
Conway Street Community Enterprises Project Ltd	Belfast	1,295
The National School Band Association	NI Wide	2,000
Seacourt Print Workshop Ltd	North Down	2,179

GRANTS AWARDED 1 APRIL 2001 TO 31 MARCH 2002

Organisation	Council	Award £
Antrim Reminiscence Group	Antrim	4,607
Culmore Community Playgroup	Omagh	5,000
The Northern Amateur Theatre Association	NI Wide	5,000
CRAIC	Strabane	5,000
Belvoir Tuesday Women's Group	Castlereagh	528
Granaghan & District Drama Society	Magherafelt	1,085
Slieve Gullion Festival of Traditional Singing	Newry & Mourne	4,250
Twisters Youth Dance Club	Strabane	4,950
The Harmony Youth Big Band	Newry & Mourne	3,000
Antrim Parents in Contact	Antrim	4,360
Causeway Irish Dance Drama Group	Coleraine	2,255
Eddie Duffy Memorial Festival Committee	Fermanagh	4,500
Downpatrick Folk Music Club	Down	4,770
City Youth Theatre	Derry	4,200
Ceol Cois Feabhail	Derry	5,000
St Peter's Club	Newry & Mourne	1,550
Edward Street Hostel	Craigavon	4,200
Ballycastle Creative Writers' Group	Moyle	5,000
Include Youth	Belfast	1,260
Umha Aois	NI Wide	1,859
South Belfast Cultural Society	Belfast	3,320
The Devinish Partnership Forum	Fermanagh	5,000
Sister Cities Art Network	Belfast	3,500
Black Mountain Review	Newtownabbey	4,900
Music Network Ltd	Other	5,000
Arts for All	Belfast	4,550
Clár na mBán	Belfast	500
South Bank Playhouse	Belfast	2,773
Dundrum Cross Community Yuth Club	Down	3,584
McCalmont School of Irish Dancing	Ballymena	600
Classical Guitar Society of NI	Belfast	4,400
Bbeyond	NI Wide	4,256
Dolly Mixtures	Craigavon	4,890
Enniskillen Writers' Group	Fermanagh	5,000
Derry Playhouse Writers	Derry	5,000
Youth Interactive Circus Skills	Ards	2,000
Portadown Folksong Club	Craigavon	5,000
The City Chapter	Armagh	4,300
Cinilingus	Belfast	750
Association for Art & Design Education	NI Wide	1,680
Armagh City Folk Club	Armagh	3,715
Castledearg Chamber of Commerce & Industry	Strabane	4,700

GRANTS AWARDED 1 APRIL 2001 TO 31 MARCH 2002

Organisation	Council	Award £
Caddy & District Community Group	Antrim	4,894
Ramblin Scallywags Puppet Theatre	Strabane	5,000
Mid Ulster Culture & Heritage Assoc	Cookstown	3,480
Donaghcloney Rural Needs Development Group	Craigavon	1,100
Midland Arts Club	Belfast	1,186
Mid Ulster Women's Network	Magherafelt	4,978
Cinemagic	NI wide	4,800
Open House Traditional Arts Festival	Belfast	4,995
Ulster Youth Choir	Belfast	5,000
Mid Ulster Drumming School	Magherafelt	600
Panto Players	Lisburn	2,000
The Greengraves Youth Drama Group	Castlereagh	2,777
Newry Drama Festival	Newry & Mourne	4,500
Triangle Circus Group	Coleraine	5,000
Hampsey Harp School	Coleraine	2,000
Magherafelt Arts Advisory Committee	Magherafelt	3,300
Omagh Players Amateur Dramatic Society	Omagh	4,282
Churchill Flute Band	Derry	1,780
Blackie Community Groups Association	Belfast	3,726
Comhaltas An Portglenone	Ballymena	4,872
Bright Lights School of Drama	Belfast	5,000
Ceol Camloch	Newry & Mourne	2,800
Sparks in the Dark	Newry & Mourne	4,200
Kilrea Art Club	Coleraine	4,086
Conway Education Centre	Belfast	3,000
Bosco Drama Group	Newry & Mourne	4,418
Markethill District Enterprise Ltd	Armagh	4,478
Project Oscar Wilde	Fermanagh	4,900
Schools Re-union Association, Belleek & District	Fermanagh	5,000
Ardboe Central Youth Band	Cookstown	4,390
Rural Cultural Heritage Association of NI	North Down	5,000
Lecale Gaelic Society	Down	600
Maghera Traditions Group	Craigavon	4,800
Daragael Ltd	Ards	4,900
Assumption Youth Club	Down	4,000
Larne Drama Circle	Larne	5,000
Belfast Ulster Scots Festival	Belfast	5,000
Portadown Phoenix Players	Craigavon	4,490
Botha CCE	Fermanagh	4,740
Cookstown District Drama Festival Committee	Cookstown	2,800
Bridge Centre Steering Committee	Down	5,000

GRANTS AWARDED 1 APRIL 2001 TO 31 MARCH 2002

Organisation	Council	Award £
Lisburn YMCA	Lisburn	1,700
The Belfast Chime and Handbell Choir	Belfast	3,000
Silverbridge Harps Gaelic Athletic & Social Club	Newry & Mourne	5,000
Broughshane & District Community Association Ltd	Ballymena	3,416
Factotum	Belfast	1,200
Ardoyne Focus Group	Belfast	3,747
The Ulster Society of Magicians	Belfast	2,265
Federation of Womens Institute - Derry Branch	Derry	530
Tír na nÓg Irish Dance Drama Group	Belfast	3,450
Down Writers Network	Down	3,200
the River Valley Theatre Group	Armagh	4,850
Drumellan Community Association	Craigavon	4,850
Neighbourhood Arts Association	Derry	1,100
Comhdháil Múinteoirí - Scoil Rinnc Tara	Derry	4,851
Greystone Silver Band	Dungannon	3,476
The National Trust, Northern Ireland	Down	5,000
Newtownabbey Youth Council	Newtownabbey	2,689
Cinilingus	Belfast	1,200
Feis Fhearmanach	Fermanagh	2,125
Cahoots NI Ltd	NI Wide	1,657
Ulster Jazz Events	North Down	2,000
Comhaltas Dun Lathai	Ballymoney	2,375
Ulster Youth Orchestra	Belfast	3,000
Ballybeen Women's Centre	Castlereagh	1,420
Spanner in the Works theatre company	Belfast	4,750
Falls Womens Centre Ltd	Belfast	5,000
Armagh City Choir	Armagh	2,017
Musaiq	Omagh	4,900
Emigration Stone Committee	Armagh	3,500
Féile An Phobail	Belfast	5,000

GRANTS AWARDED 1 APRIL 2001 TO 31 MARCH 2002

BREAKDOWN OF AWARDS BY LOCAL AUTHORITY AREA 2001/02 (excluding in-principle awards)

Council	Population	No of Awards	Value of Awards £	Per Capita Expenditure
Antrim	48,500	3	13,861	0.29
Ards	66,700	3	20,400	0.31
Armagh	52,500	8	29,860	0.57
Ballymena	57,500	5	18,688	0.33
Ballymoney	24,600	1	2,375	0.10
Banbridge	37,300	0	0	0.00
Belfast	296,700	97	4,117,210	13.88
Carrickfergus	34,900	0	0	0.00
Castlereagh	63,400	5	37,540	0.59
Coleraine	54,100	8	1,444,707	26.70
Cookstown	31,300	3	10,670	0.34
Craigavon	78,100	11	238,714	3.06
Derry	102,800	22	898,906	8.74
Down	60,700	12	162,986	2.69
Dungannon	46,800	2	10,296	0.22
Fermanagh	54,700	13	93,179	1.70
Larne	30,000	2	274,976	9.17
Limavady	30,900	1	3,262	0.11
Lisburn	106,000	5	110,990	1.05
Magherafelt	37,000	5	11,963	0.32
Moyle	14,800	2	8,000	0.54
Newry & Mourne	84,100	12	58,989	0.70
Newtownabbey	78,600	3	27,644	0.35
North Down	74,000	6	99,790	1.35
Omagh	46,900	6	115,560	2.46
Strabane	36,100	8	74,300	2.06
Other	0	17	322,467	
TOTAL	1,649,000	260	8,207,333	4.98

GRANTS AWARDED 1 APRIL 2001 TO 31 MARCH 2002

BREAKDOWN OF AWARDS BY ART FORM 2001/02 (excluding in-principle awards)

Art Form	No of Awards	Total Value of Awards £
Combined	49	4,700,337
Community Arts	6	193,340
Craft	5	21,301
Dance	9	169,788
Drama	47	839,810
Film	22	340,016
Literature	12	91,470
Music	25	875,712
Opera	9	240,524
Traditional Arts	43	149,551
Visual Arts	31	452,659
Other	2	132,825
TOTAL	260	8,207,333

BREAKDOWN OF AWARDS BY APPLICATION TYPE 2001/02 (excluding in-principle awards)

Application Type	No of Awards	Total value of Awards £
Access	32	1,502,739
Audience Development	12	1,761,409
Building	8	3,129,023
Equipment	10	128,062
Film	18	332,766
New Works	28	814,162
Awards for All	152	539,172
TOTAL	260	8,207,333

GRANTS AWARDED 1 APRIL 2001 TO 31 MARCH 2002

TOTAL AWARDS BY LOCAL AUTHORITY AREA 1995 – 2002 (excluding in-principle awards)

Council	Population	No of Awards	Value of Awards £	Per Capita Expenditure
Antrim	48,500	14	185,942	3.83
Ards	66,700	23	324,459	4.86
Armagh	52,500	29	3,957,381	75.38
Ballymena	57,500	17	2,165,124	37.65
Ballymoney	24,600	5	116,509	4.74
Banbridge	37,300	4	43,450	1.16
Belfast	296,700	338	14,730,684	49.65
Carrickfergus	34,900	5	113,626	3.26
Castlereagh	63,400	18	731,743	11.54
Coleraine	54,100	23	1,850,524	34.21
Cookstown	31,300	15	1,233,592	39.41
Craigavon	78,100	28	1,432,659	18.34
Derry	102,800	72	6,639,678	64.59
Down	60,700	26	585,109	9.64
Dungannon	46,800	15	224,062	4.79
Fermanagh	54,700	43	1,699,727	31.07
Larne	30,000	5	342,145	11.40
Limavady	30,900	4	38,109	1.23
Lisburn	106,000	14	1,583,302	14.94
Magherafelt	37,000	13	132,386	3.58
Moyle	14,800	8	230,775	15.59
Newry & Mourne	84,100	32	833,264	9.91
Newtownabbey	78,600	6	84,044	1.07
North Down	74,000	27	462,684	6.25
Omagh	46,900	15	4,194,022	89.42
Strabane	36,100	18	212,982	5.90
Other	0	55	2,577,746	
TOTAL	1,649,000	872	46,725,727	28.34

GRANTS AWARDED 1 APRIL 2001 TO 31 MARCH 2002

TOTAL AWARDS BY ART FORM 1995 – 2002 (excluding in-principle awards)

Art Form	No of Awards	Total Value of Awards £
Combined	137	25,020,555
Community Arts	52	2,139,793
Craft	10	100,875
Dance	20	678,065
Drama	136	4,466,013
Film	93	4,160,729
Literature	25	1,418,303
Music	188	4,365,176
Opera	19	719,564
Traditional Arts	69	430,481
Visual Arts	121	3,093,348
Other	2	132,825
TOTAL	872	46,725,727

TOTAL AWARDS BY APPLICATION TYPE 1995-2002 (excluding in-principle awards)

Application Type	No of Awards	Total value of Awards £
Access	122	4,644,204
Advancement	7	1,953,785
Audience Development	12	1,761,409
Building	41	23,674,016
Design Comp	3	25,244
Discretionary	3	47,627
Equipment	222	4,581,563
Feasibility	25	192,383
Film	78	3,700,363
Millennium Festival	25	158,154
New Works	182	5,447,807
Awards for All	152	539,172
TOTAL	872	46,725,727

Policy and Financial
Directions

Transitions Dance Company; *Au Suivant*
Photo: Chris Nash.

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):

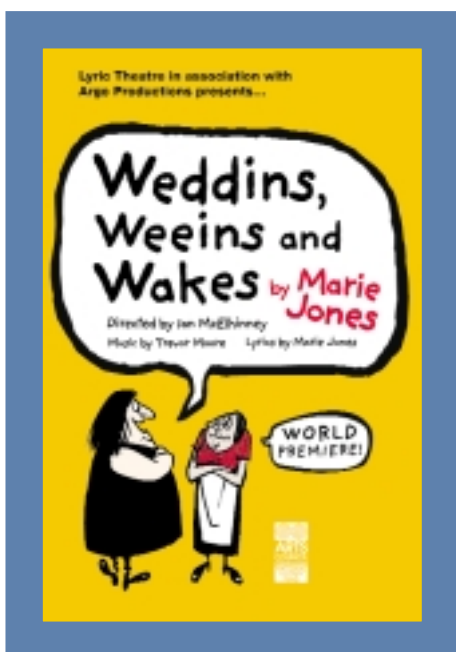
- A. *The need to ensure that money is distributed under section 25(1) for projects which promote the public good or charitable purposes and which are not intended primarily for private gain;*

"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, 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.



Belfast Festival At Queen's; *Weddins, Weeins and Wakes*

POLICY DIRECTIONS

Projects which promote under-represented geographic areas:

Area	Target	Achievement
To hold roadshows in Ballymoney, Carrickfergus, Limavady, Magherafelt, Newtownabbey, and Banbridge	Total 6 roadshows	Ballymoney only
Increase the level of applications from these areas	By 10%	2% to 7%

Due to a lack of staffing resources no roadshows specifically organised by the Arts Council were held although staff did continue to respond to invitations to seminars and conferences to promote generally the availability of grants. The location of events attended included

Ballymoney, Enniskillen, Antrim, Larne, Newry, Cookstown, Armagh, Craigavon, Belfast, Coleraine, Cushendall, Kilkeel Garvagh and Newcastle. Despite the lack of targeted roadshows there was an increase in the level of applications by 5%.

Projects which promote under-represented artform areas:

Area	Target	Achievement
To promote applications from these sectors through a series of general and specific information events	7 Awards for All Roadshows and a specific event for literature, dance and traditional arts	7 Awards for All Roadshows. No specific literature, dance or traditional arts events

Again it is disappointing that due to a lack of human resources within the Lottery Department the organisation of specific events planned to target under-represented artforms was not possible. 17 Literature, 13 Dance and 50 Traditional Arts projects were submitted over the period, including 49 Traditional Arts applications to the Awards for All scheme.

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 Robson Index.

Projects which impact on social and economic deprivation reduction:

Area	Target	Achievement
(a) To maintain the level of funding to the top four areas of deprivation, (Strabane, Belfast, Derry and Newry).	31% of total awards	63% of total awards
(b) To organise information events in Dungannon and Fermanagh	To increase the level of applications from these two areas by 10%	4% to 8% of total applications in respective period

POLICY DIRECTIONS

- (a) The Robson Index has been retained as the measure of deprivation as original target areas were identified through it. The percentage has been calculated inclusive of Awards for All grants. Although the target has been well exceeded, only 2% of the funding was directed to the Strabane and Newry areas.
- (b) No specific events were organised by Arts Council of Northern Ireland in Dungannon and Enniskillen due to staff resources. However, staff did attend a joint distributors roadshow in Enniskillen led by the New Opportunities Fund which could be attributed to the increase of applications in the Fermanagh area from 4 to 21.

TARGETING SOCIAL NEED TSN

No specific target was set in relation to directing funding towards areas of high social and economic deprivation.

For the year under review the breakdown of the 100 Arts Council and 149 Awards for All grants made to organisations in Northern Ireland (using the Noble Index) is:

Deprivation Range	Nos of Awards	No. of Awards
78.07 to 29.58	120	165
29.48 to 18.43	45	
18.41 to 10.69	38	
10.62 to 1.01	46	84
Total	249	249

The figures indicate a high percentage (66%) of grants reaching deprived areas. This continues to follow the pattern of previous years.

NB: At Ward level the deprivation scale runs from 78.07 being the most deprived Ward (Crumlin in Belfast) to 1.01 being the least deprived (Wallace Park in Lisburn).

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 Arts Council set targets to increase the number of awards to projects which promoted the involvement of children and young people.

POLICY DIRECTIONS

Projects which directly promote involvement of children and young people:

Area	Target	Achievement
Increase number awards directly involving children & young people	To a level of 50% of total awards	25%

The figure is derived from projects which are solely and directly targeted at, or which directly involve, children and young people. The calculation includes Awards for All grants with 26% of grants targeting children and young people. The low percentage of achievement is slightly misleading as many other awarded projects are targeted at a mix of age groups which include children and young people.

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 overriding 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;

Area	Target	Achievement
Film: To maintain the budget for film	£700,000	Budget increased £125,000
Film: To complete the delegation process	By March 2002	Completed March 2002

The film budget was increased to £1.25m to cover the additional cost of administration to the Northern Ireland Film and Television Commission. The delegation process, to the NIFTC, was completed in late March 2002. The awards covered development, production and distribution to a value of £332,766. No feature films were awarded this year accounting for the lower spend against budget.

POLICY DIRECTIONS

G the needs of projects relating to crafts;

Area	Target	Achievement
Craft: To introduce a specific programme under the Special Initiative Fund	By 31 March 2002	In progress
Craft: To organise information events to encourage craft applications from the sector	No specific target	4 applications

A comprehensive consultation process was carried out with the craft sector and other interested stakeholders regarding the Development of a Crafts, Applied Arts and Design Special Initiative. The final scheme is due to be launched in May 2002 together with a reinforcement of other schemes available through the Arts Council.

Awareness has been raised of Lottery schemes through the consultation process however the results of this will not be felt until the Special Initiative comes on stream. The 4 Craft grants were provided through Awards for All.

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

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

I the need:

- (i) in all cases, for applicants to demonstrate the financial viability of the project for the period of the grant;*
- (ii) where capital funding or setting-up costs are sought, for a clear business plan beyond the period of the grant incorporating provision for associated running and maintenance costs;*

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

"Projects must be financially viable" is one of the published criteria which are used to assess each application. Each successful applicant is required to assure the Arts Council of Northern Ireland that funds will be available to meet the running costs of any development for a reasonable period of time following the completion of the project. Business plans and cash flow forecasts are required for all projects applying for Lottery funds greater than £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 £100,000 is undertaken and this assessment frequently focuses on the financial viability of the project.



POLICY DIRECTIONS

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;

The six organisations which received Advancement awards in 1998/99 have continued to implement their individual strategies. The organisations continue to report to the Arts Council at regular intervals on progress against those strategies. These reports will feed into the review and consultation process which will take place in 2002/03 in order to set up a medium- and small-scale programme to be launched towards the end of the financial year.

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.

Following consultation with the sector the Council set a range of partnership funding levels within its New Work and Audience Development programmes when these were launched in April 2001.

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.

In April 2001 the Arts Council together with the Sports Council for Northern Ireland, the Community Fund and the Heritage Lottery Fund, launched an Awards for All pilot programme, with the New Opportunities Fund joining the programme in September. This programme aims to provide a fast, one-stop shop for applicants seeking small grants of between £500 and £5,000. In February 2002 the Council affirmed its commitment to a further years of the programme.

The Northern Ireland Lottery Distributors meet regularly to discuss items of common interest and to organise joint information events. Current discussions centre around staff training on various subjects and possible joint research areas.

POLICY DIRECTIONS

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

The Council's procedures for solicitation ensure that:

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

The Arts Council did not solicit any applications during this year.

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

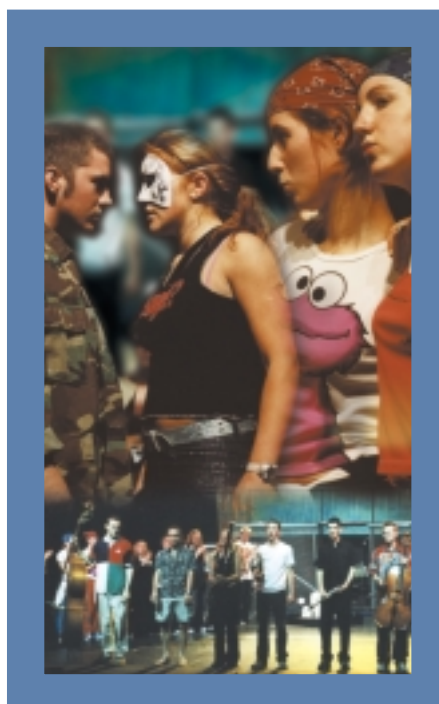
The Arts Council of Northern Ireland uses a variety of expert advisors when assessing applications for Lottery funding. All applications are assessed by a Lottery Case Officer. In addition applications are assessed by an appropriate artform Director or Officer of the Arts Council of Northern Ireland. Where no expertise exists within the Arts Council, external artform assessors are employed. The NIFTC assesses all film applications except when a conflict of interest occurs, in which case an alternative film assessor is appointed.

All 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 re-launched in April 2001, the Arts Council of Northern Ireland offers awards of up to 50% towards design development.



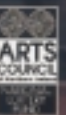
Ulster Association Of Youth Drama;
A Scene From The Bridge

Filum Limited present a Northern Lights Film

Short Back And Sides

Written and Directed by **Pearse Elliott**. Featuring: **James Ellis & Kevin Elliott**.
Line Producer: **Judy Cassidy**. Production Designer: **David Craig**. Sound Recordist: **Paul Maynes**.
Editor: **Jane Tubb**. Director of Photography: **Damien Elliot**. Stills Photographer: **Alasdair McBroom**.
Executive Producers: **Robert Cooper & Stephen Wright**. Producer: **Colin McKeown**.

BBC Northern Ireland **DO** **DOLEY**
DIGITAL CINEMA



Supported by the National Lottery
through the Arts Council of Northern Ireland

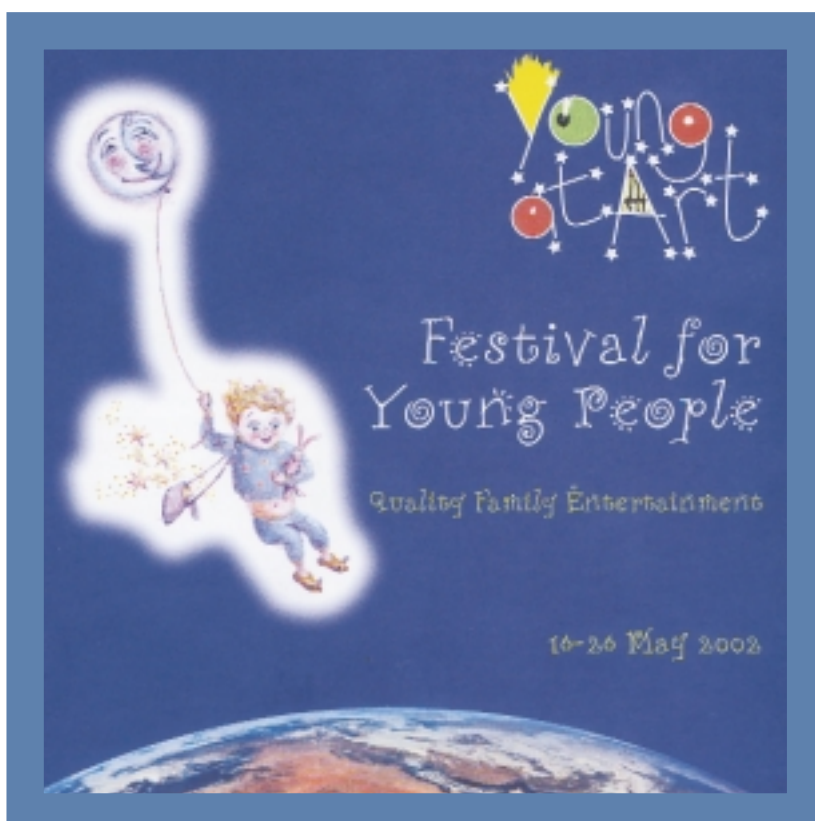
BBC Northern Ireland; *Short Back And Sides*

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.*
- 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 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.

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.



Young At Art; Programme

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
Grand Opera House Trust	623,900	467,925	Building Refurbishment
Belfast Festival at Queen's	244,018	160,394	3-year audience development programme
Grand Opera House Trust	400,045	288,762	3-year audience development programme
Ulster Orchestra Society Ltd	639,735	300,000	3-year audience development programme
Ormeau baths Gallery	202,360	115,860	3-year Access programme
Moving on Music	406,200	300,000	3-year audience development programme
Down Community Arts	184,595	103,500	3-year Access programme
Portadown 2000	2,792,314	178,384	Additional Building Costs
Opera Theatre Company	1,066,176	195,359	3-year audience development programme
Classical Music Society	314,925	120,000	3-year Access programme
Streetwise Community Circus Workshops	133,650	109,425	3-year Access programme
NI Association of Youth Clubs	160,127	120,000	3-year Access programme
Linen Hall Library	273,900	141,175	3-year audience development programme
Young at Art	233,630	173,330	3-year audience development programme
The Nerve Centre Ltd	750,000	562,500	Building purchase
Conway Mill Preservation Trust	3,200,000	250,000	Building refurbishment/extension
Larne Borough Council	1,032,975	269,976	Building refurbishment
Coleraine Borough Council	1,850,500	1,387,875	Building extension/refurbishment

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.



Wheel Works; Art Cart.

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 nine major building projects in

Derry (2), Armagh, Portadown, Cookstown, Ballymena, Downpatrick, Castlereagh, Enniskillen, involving a total of £13,720,578 of Arts Council Lottery funding.

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

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

In the year under review Council officers visited 13 organisations in its random sample of equipment and new work grants. As a result the Arts Council has recouped grants from organisations where it has been discovered that the full amount of the grant has not been spent by the applicant, or where the applicant has sold on or exchanged the asset and has not informed the Council of its activities.

The Arts Council did not undertake any evaluation studies during the year.

Targets for Administrative Efficiency

Level of processing administration time

Area	Target	Achievement
Reduce the average processing time from 87 working days	80 working days	76 working days

This calculation is the average time to process a an application from receipt to a decision calculated across applications of all types. In December 2001 the Council agreed to delegate decision making to Officer level for awards up to £25,000 and to Lottery Committee for awards up to £50,000. Of the 108 awards, 26 awards were delegated to Officer level and nine were

delegated at Lottery Committee level. The full impact of delegated decision making on processing times should become apparent in 2002/2003.

Awards for All has consistently met its target turnaround time of six weeks with an average processing time of 39 working days to decision.



MONITORING & EVALUATION

This calculation is the average calculated across applications of all types.

Ratio of capital to revenue projects

Area	Target	Achievement
Reduce the ratio from 1.9:1	1:1	0.3:1

The turnaround from Capital to Revenue reflects the redefinition of the New Work programme to revenue in April 2002, the increase in the number of grants awarded under the Access to the Arts scheme and the high proportion (0.2:1) of revenue grants made under Awards for All. Included in the capital award category are film, equipment, building, feasibility studies and

seven New Work applications funded under the previous scheme. During the year the moratorium on building applications was lifted and four projects awarded a total of 2,470,351 funding in December 2001. The Council also allocated in principle sums totalling £5,000,000 towards two Belfast-based projects.



Maiden Voyage & Rex Levitates; Senses.
Photo: Fionn McCann

Lottery Distribution Account For the Year Ended 31 March 2002

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.

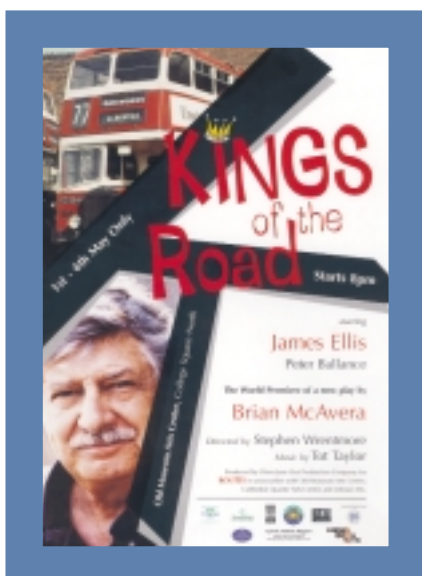
Statutory Background

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.



Kings Of The Road.



Lottery Distribution Account For the Year Ended 31 March 2002

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 £9,229,647. During the year the Arts Council awarded grants to Lottery applicants of £7,668,161. In 2001-02, £5,475,954 was paid to applicants. The total administrative costs to the Arts Council of its distribution activities, including staff costs, was £673,909 (excluding depreciation). This represents approximately 7.3% of the total proceeds received in the year.

Review of National Lottery distribution activities

On 1 April 2001 the Arts Council, in association with the Sports Council for Northern Ireland, the Community Fund and the Heritage Lottery Fund, launched a one-year pilot small grants programme - Awards for All - offering grants of up to £5,000. During the year the New Opportunities Fund also joined the programme augmenting the total funds available to £3,000,000. The Arts Council's contribution to this programme was £750,000 and 152 awards totalling £539,172 were made during the year for arts projects.

Following consultation with the arts sector, the Council re-launched both its Access and New Work programmes. Since the re-launch, both schemes have attracted a large number of applications resulting in 32 Access awards totalling £1,502,739 and under the New Work programme 28 awards receiving £814,162.

A new Audience Development programme was also introduced in April 2001 and during the year 12 awards were made totalling £1,761,409.

Following a number of years in which moratoria existed, the Council re-introduced two programmes – new-build and major refurbishment; and musical instruments for bands. The first decisions on the capital programme were made in December 2001 whilst the first decisions under the musical instrument programme will be made in April 2002.

The Arts Council also completed its negotiations with the Northern Ireland Film and Television Commission (NIFTC) on the delegation of its responsibility for film finance.

During the final four months of the year the Council consulted on the delivery and outcomes of its 1999-2002 *Strategy for the Distribution of National Lottery Funds* and on its new strategy for the period 2002-2006.

Significant changes in fixed assets

The movement on fixed assets is set out in note 5 to the financial statements. During the year a total of £17,945 was spent on acquiring new fixtures and fittings. No further expenditure on fixed assets took place during the year.

Retained funds at the year end

At the end of the year the Lottery Distribution Account showed an increase in funds of £3,303,729 after making a provision for all hard grant commitments outstanding at the year end. At the end of 2001-02 the retained funds totalled £27,634,581. This amount will be carried forward to the 2002-03 financial year and will be available for distribution.

Lottery Distribution Account For the Year Ended 31 March 2002

Future developments in National Lottery distribution activities

During the incoming year, the Council will formally hand over responsibility for film finance, under delegated authority, to the Northern Ireland Film and Television Commission. The Council will allocate 13% of its annual income to NIFTC for a pilot period of 3 years.

As outlined in its 2002-06 Strategy, the Council will continue to operate existing funding programmes which will be reviewed over the life of the Strategy. It will introduce a number of Special Initiative programmes targeted at under-represented art forms, and at socially and economically disadvantaged geographic areas and communities. The Arts Council will work independently and with other Distributors to raise awareness of Lottery funds.

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 2002 is shown below. All members were appointed on 1 March 2000 for a three-year term 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 28 February 2003)

Mrs Maureen Armstrong
Mr David Boyd
Cllr Martin Bradley *
Dr Maurna Crozier
Mr Ronnie Dunn OBE
Dr Tess Maginess *
Mr David Hyndman
Ms Judith Jordan
Mr James Kerr
Prof. Brian McClelland
Ms Gerri Moriarty
Ms Eilís O Baoill (Vice-Chairman)
Mr Aidan Shortt *
Mrs Margaret Yeomans



Royal Hospital for sick children; *Artworks*

Lottery Distribution Account For the Year Ended 31 March 2002

Unless otherwise stated the members of the Lottery Panel commenced their term on 1 April 1998 and their term will end on 31 March 2002. Council members who served on the Lottery Panel during the year are marked with an asterisk and their term runs concurrently with their Council appointments as outlined above. Members of the Lottery Panel who served during this period were:

Ms Eilís O Baoill, Chair*
Mrs Maureen Armstrong* (from 1 August 2001)
Cllr Mrs Toye Black (to 30 June 2001)
Cllr Martin Bradley* (to 30 June 2001)
Mr David Hyndman* (to 30 June 2001)
Ms Judith Jordan* (to 30 June 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)
Mr Aidan McGrath (to 30 June 2001)
Ms Wendy Smyth (from 1 December 2001)
Mr Aidan Shortt* (to 30 June 2001)
Mrs Sharon Truesdale (from 1 August 2001 to 31 January 2002)
Prof. Brian Walker* (ex Officio)
Mrs Margaret Yeomans* (from 1 August 2001)

Appointment of auditors

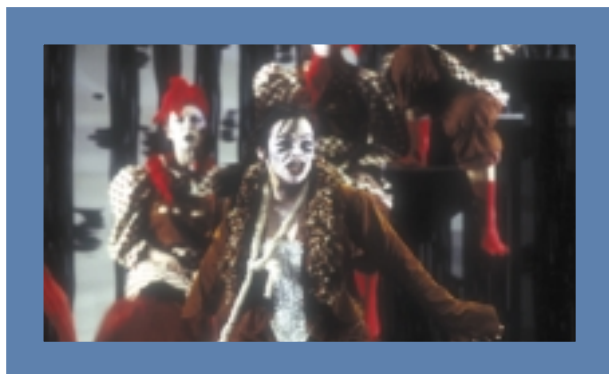
Under the National Lottery etc. Act 1993 the Comptroller and Auditor General examines and certifies the financial statements of each of the National Lottery distributing bodies and lays copies of the statements and his report before Parliament.

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.



Opera Theatre Company; *The Cunning Little Vixen*.

Lottery Distribution Account For the Year Ended 31 March 2002

Payment of Suppliers

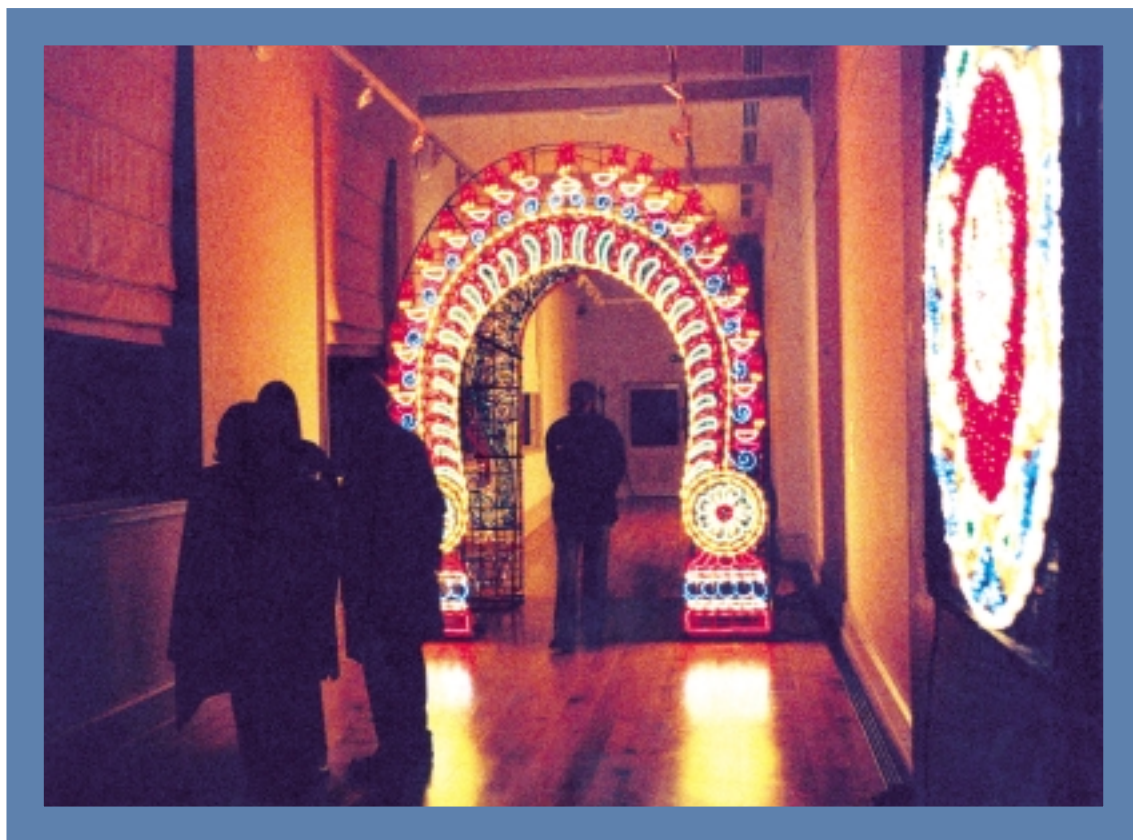
The Arts Council is committed to the prompt payment of bills for goods and services in accordance with the Better Payment Practice Code. Unless otherwise stated in the contract, payment is due within 30 days of receipt of the goods or services, or presentation of a valid invoice or similar demand, whichever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

A review conducted at the end of the year to measure how promptly the Arts Council paid its bills found that 96% of the bills were paid within this standard. The comparable figure for the previous year was also 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 2002



Belfast Festival At Queen's; *Diwali Lights*



Statements

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.

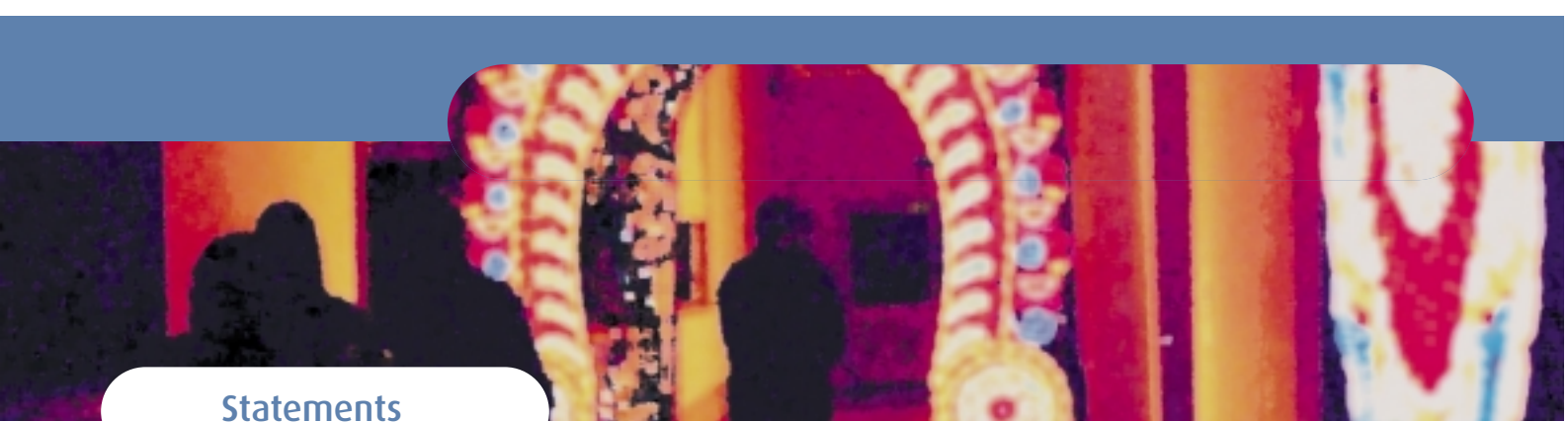
The financial statements are prepared on an accruals basis and must show a true and fair view of the state of affairs of the Arts Council of Northern Ireland's lottery distribution activities at the year end and of its income and expenditure, total recognised gains and losses and cash flows for the financial 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 2002



Statements

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. I expect to have the procedures in place in March 2003 necessary to implement Department of Finance and Personnel (DFP) guidance. This takes account of the time needed to fully embed the processes which the Council has agreed should be established and improve their robustness.

To further support the achievement of the Council's objectives, we plan to carry out an exercise to formally identify the significant risks that may affect the achievement of those objectives and will be ensuring that the most appropriate control strategy is determined for each of the significant risks. An integral part of this exercise will include the allocation of responsibility for objectives and the management of the associated risks, to the most appropriate staff.

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.

The full risk and control assessment exercise that will be carried out before reporting on the year ending 31 March 2003, will further ensure that risk management is fully incorporated into the corporate planning and decision making processes of the Council. Hence, further work will be undertaken to ensure that there will be consistency in the way in which the Council treats risks.

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

- identify and record the risks facing the organisation;
- develop and maintain an organisation-wide risk register;
- review and update the risk register and other records of risk;
- 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.

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 2002



Statements

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 37 to 53 under the National Lottery Etc. Act 1993 (as amended). These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 42 and 43.

Respective responsibilities of the Council, the Chief Executive and Auditor

As described on page 33 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 directions made thereunder by the Department of Culture, Arts and Leisure on behalf of the Secretary of State for Culture, Media and Sport and for ensuring the regularity of financial transactions. The Council and Chief Executive are also responsible for the preparation of the other contents of the Annual Report. My responsibilities as independent auditor, are established by statute and 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 directions thereunder, and whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I also report if, in my opinion, the Foreword is not consistent with the financial statements, if the Council has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

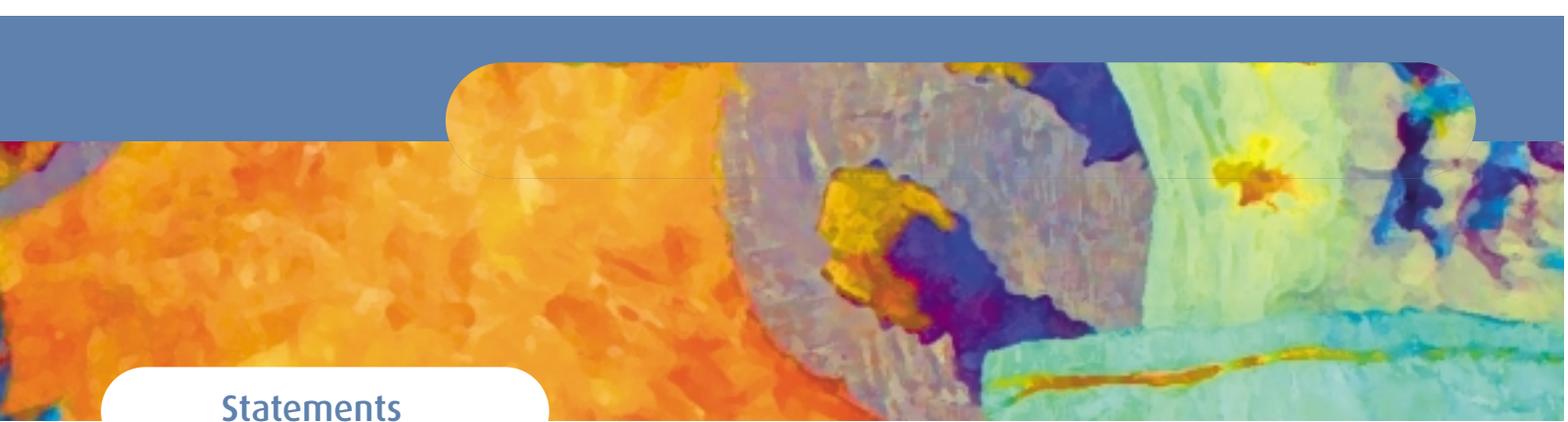
I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements.

I review whether the statement on page 34 reflects the Council's compliance with Department of Finance and Personnel guidance entitled "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 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.



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 2002 and of the increase 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

John Bourn
Comptroller and Auditor General
19 July 2002

Department of Culture, Arts and Leisure on behalf of the Secretary of State for Department for Culture, Arts and Leisure; 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

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 2002

			2000-01
	Notes	£	£
Proceeds from lottery	2	9,229,647	9,009,104
Other Income	3	24,029	38,522
Total Income		9,253,676	9,047,626
Grants paid in year		5,475,954	5,503,230
Provision for (increase)/decrease in value of investments		(211,938)	-
Provision for grant commitments in future years		4,848	(4,213,984)
Staff costs : Recharge	4	377,638	360,397
Depreciation: tangible assets	5	7,174	4,621
Other operating costs : Direct Costs	6	238,875	177,339
: Recharge	6	57,396	55,543
Total Expenditure		5,949,947	1,887,146
Increase in funds		3,303,729	7,160,480
Notional Costs - capital	14	(4,605)	(4,733)
Increase in Funds including notional costs		3,299,124	7,155,747
Reversal of Notional Costs		4,605	4,733
Increase in Funds		3,303,729	7,160,480

The income and expenditure relate to continuing activities.

The Arts Council of Northern Ireland's Lottery Distribution Account has no recognised gains and losses other than those included above.

The notes on pages 42 to 53 form part of these financial statements.

Arts Council of Northern Ireland Lottery Distribution Account

Balance Sheet as at 31 March 2002

	Notes	£	£	2000-01 £	2000-01 £
Fixed Assets					
Tangible assets	5		16,225		5,454
Current Assets					
Investments - Balance held in NLDF	7	33,564,456		30,148,539	
Debtors & Prepayments	8	6,355		6,926	
Cash at bank and in hand		428,248		403,176	
Less: creditors-amounts due within one year	9	(6,380,703)		(6,120,062)	
Net Current Assets			27,618,356		24,438,579
Total Assets less Current Liabilities			<u><u>27,634,581</u></u>		<u><u>24,444,033</u></u>
Represented by:					
Provisions for Liabilities & Charges					
Grant Commitments	10		6,794,405		6,907,586
Reserves					
Income & Expenditure	11		20,840,176		17,536,447
			<u><u>27,634,581</u></u>		<u><u>24,444,033</u></u>

Roisín McDonough
Accounting Officer
3 July 2002

The notes on pages 42 to 53 form part of these financial statements.

Arts Council of Northern Ireland Lottery Distribution Account

Cash Flow Statement for the year ended 31 March 2002

		2000-01
	£	£
Net cash inflow from operating activities (note 1)	18,988	280,118
Returns on investments and servicing of finance (note 3)	24,029	38,522
Capital expenditure (note 4)	(17,945)	(4,052)
Increase in cash	25,072	314,588

The notes on page 40 form part of this statement

Arts Council of Northern Ireland Lottery Distribution Account

Notes to the Cash Flow Statement

1. Reconciliation of increase in funds to net cash outflow from operating activities

	2000-01	
	£	£
Increase in funds	3,303,729	7,160,480
Depreciation charges	7,174	4,621
Interest and investment returns	(24,029)	(38,522)
Increase in NLDF investments	(3,415,917)	(2,843,407)
Decrease in debtors	571	(4,772)
Increase in creditors	260,641	(3,487,348)
Decrease in provision for grants	(113,181)	(510,934)
	18,988	280,118

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

Increase in cash in period	25,072	314,588
Changes in net funds	25,072	314,588
Net funds at 1 April 2001	403,176	88,588
Net funds at 31 March 2002	428,248	403,176

3. Returns on investments and servicing of finance

Interest received	15,111	20,513
Returns on Film Financing	4,073	14,354
Sale of Assets	-	2,559
Grants Refunded	-	1,096
Other Income	4,845	-
	24,029	38,522

4. Capital expenditure

Payments to acquire tangible fixed assets	(17,945)	(4,052)
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Notes to the
Accounts

Mater Hospital Integrated Arts Project;
Eleanor Wheeler: Untitled.
Photo: Peter O'Hara Photography.

Notes to the Accounts - 31 March 2002

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	33 $\frac{1}{3}$ %
• LAN Cabling	10%
Furniture, Fixtures & Fittings	10%
Other	20%

The 'Other' category above refers to a mobile display unit used for Lottery promotional purposes.

(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) 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.



Notes to the Accounts - 31 March 2002

(e) 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

	£
Proceeds from Lottery	7,743,334
Investment returns on balances held at NLDF	<u>1,486,313</u>
	9,229,647

3. Other Income

	£
Bank Interest	15,111
Returns on Film Financing	4,073
Other Income	<u>4,845</u>
	24,029

4. Staff Costs

	£
Salaries & Wages	325,877
Social Security Costs	19,782
Other Pension Costs	<u>31,979</u>
	377,638

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

The average number of persons employed by the Arts Council of Northern Ireland and deployed on Lottery duties during the period was 10 staff. The total staff costs shown above includes the officers employed solely for Lottery purposes and a recharge from the Arts Council of Northern Ireland in respect of staff time spent on administrative duties on behalf of the Lottery. The recharge totalled £148,901 and is made up as follows: salaries & wages £126,924; social security costs £9,626 and other pension costs £12,351.

In addition to these staff costs, agency staff were employed during the year at a cost of £13,994. This was treated as an Operating Cost and is shown separately in Note 6.

Notes to the Accounts - 31 March 2002

Chief Executive's Remuneration

The Chief Executive's contract is for a period of five years and 1 year and 5 months had expired at 31 March 2002. The Chief Executive's remuneration during the year was £60,289. The Chief Executive is an ordinary member of the Northern Ireland Local Government Officers Superannuation Committee (NILGOSC) pension scheme. A total of 40% 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 £148,901 as noted above. For the year 2001-02 the amount recharged in respect of the Chief Executive's employment costs was £24,116.

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, £5,000 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) for 48 employees, 10 of which were employed within the Lottery Department. 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 2002 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:

Notes to the Accounts - 31 March 2002

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 the year based on the rates noted above were as follows:

	2002	2001
	£	£
Employer's	31,979	29,630
Employees	<u>2,230</u>	<u>3,617</u>
Total	34,209	33,247

The real increase in the value of accrued pension at 31 March 2002 for senior employees is shown below. All those listed participate in the NILGOSC scheme with the exception of W Lytle who contributed 6% of gross salary to a personal pension and the Arts Council contributed 9.1%. The employer's pension contribution over the year in respect of W Lytle is shown in place of the total accrued pension at age 60 due to the difficulty in establishing this figure for a money purchase personal pension. The salary figures shown below includes a salary increase arising from the Arts Council's performance appraisal system. The total accrued pension figures were supplied by NILGOSC.

Notes to the Accounts - 31 March 2002

	Age	Salary £	Real increase in pension at age 60 £	Total accrued pension at 31/03/02 £
R McDonough <i>Chief Executive</i>	50	50,297	7,218	18,303
P Hammond <i>Director of Performing Arts</i>	50	38,904	581	17,812
N McKinney <i>Director of Creative Arts</i>	41	34,194	486	14,539
T Greenfield <i>Lottery Director</i>	39	31,000	390	11,021
			Employer's contribution in year £	
W Lyttle <i>Director of Finance, Personnel and Administration</i>	44	39,194	3,406	n/a

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

Notes to the Accounts - 31 March 2002

5. Tangible Fixed Assets

	IT Hardware £	Furniture & Fittings £	Other £	Total £
Cost or Book Value At 1 April 2001	16,158	4,086	1,176	21,420
Additions at Cost	17,945	0	Nil	17,945
Disposals	Nil	Nil	Nil	Nil
At 31 March 2002	34,103	4,086	1,176	39,365
Depreciation At 1 April 2001	13,778	1,012	1,176	15,966
Charge for Year	6,816	358	Nil	7,174
Disposals	Nil	Nil	Nil	Nil
Accumulated Depreciation	20,594	1,370	1,176	23,140
Book Value at 31 March 2002	13,509	2,716	Nil	16,225

Notes to the Accounts - 31 March 2002

6. Other Operating Costs

	Total £	Direct £	Recharge £
Assessors Fees (External)	55,441	55,081	360
Awards for All Administration	52,989	52,989	
ACNI Admin. Apportionment	44,579		44,579
Audit Fees	27,512	27,512	
External Monitoring & Cross Distributor System Costs	12,279	12,279	
Consultants'/Professional Fees	47,919	47,919	
Film Delegation Costs	9,884	9,884	
Travel	5,957	2,789	3,168
Printing & Design	6,222	6,222	
Agency Staff	13,994	11,020	2,974
Equipment Maintenance	3,037	3,037	
Stationery	3,574	657	2,917
Telephone	2,111	2,102	9
Postage	1,940		1,940
Publications	611	611	
Non Capital	4,104	3,098	1,006
Sundries	870	870	
Training	750	552	198
Marketing/Advertising	928	928	
Research/Reports	798	798	
Committee Expenses	308	308	
Bank Charges	(18)	(18)	
Hospitality	482	237	245
	<u>296,271</u>	<u>238,875</u>	<u>57,396</u>

Of the total operating expenses of £296,271, £57,396 was incurred by the Arts Council of Northern Ireland and recharged to the Lottery Distribution Account at full economic cost.

The £44,579 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 an appropriate basis, either on the basis of time spent on Lottery activities or of staff numbers employed full time on Lottery business as a proportion of total staff employed by the Council.

The audit fees total of £27,512 includes the external audit fee charged by the National Audit Office of £21,000.

Notes to the Accounts - 31 March 2002

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 2002 by NLDF under the National Lottery Act as amended on behalf of the Arts Council of Northern Ireland Lottery Distribution Account was £33,564,456. The cost value of these investments was £33,772,151.

8. Debtors

	£
Sundry debtors	6,355
Prepayments & Accrued Income	Nil
	6,355

9. Creditors

	£
Trade Creditors	406,547
Other Creditors	5,974,156
Accruals & Deferred Income	Nil
	6,380,703

The total includes £159,835 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 £5,952,955 which represents the total of hard grant commitments payable during 2002-03 [see note 10].

Notes to the Accounts - 31 March 2002

10. Grant Commitments

Soft Commitments	2001-02 £	2000-01 £
a. Soft commitments brought forward	247,308	204,459
b. Soft commitments transferred to hard commitments	(5,844,338)	(1,767,571)
c. Soft de-commitments	(7,995)	(3,873)
d. Soft commitments made in year	5,769,606	1,814,293
e. Soft commitments carried forward	164,581	247,308

Hard Commitments

a. Hard commitments brought forward	12,742,512	16,956,496
b. Hard commitments met in year	(5,475,954)	(5,503,230)
c. Hard de-commitments	(363,536)	(478,325)
d. Hard commitments made	5,844,338	1,767,571
e. Hard commitments carried forward	12,747,360	12,742,512

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

2002-03	5,952,955	5,834,926
2003-04	2,985,554	2,770,146
2004-05	2,808,851	3,137,440
2005-06	940,000	1,000,000
2006-07	60,000	-
	12,747,360	12,742,512

Total grant commitments carried forward:

Soft	164,581
Hard	12,747,360
	12,911,941

The Hard Commitments total at 31 March 2002 is £12,747,360. The 2002-03 total of £5,952,955 is shown on the Balance Sheet within the 'creditors – amounts payable within one year' figure of £6,380,703 [see note 9]. The balance of £6,794,405 is shown on the Balance Sheet as 'Provisions for Liabilities and Charges : Grant Commitments'. The figure of £4,848 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 2001 and 31 March 2002.

Notes to the Accounts - 31 March 2002

11. Reconciliation of Movement of Funds

	Balances held in NLDF	Balances held in ACNI	Provision for Grant Commitments	2001-02 Total	2000-01 Total
	£	£	£	£	£
Proceeds from Lottery	9,229,647			9,229,647	9,009,104
Drawn down in year by Arts Council	(6,025,668)	6,025,668			
Provision for increase/(decrease) in value of investments	211,938			211,938	0
Interest on cash balances		15,111		15,111	20,513
Other Income		8,918		8,918	18,009
Staff costs		(377,638)		(377,638)	(360,397)
Other operating costs		(296,271)		(296,271)	(232,882)
Depreciation of fixed assets		(7,174)		(7,174)	(4,621)
New grants paid in year		(5,475,954)		(5,475,954)	(5,503,230)
New grant commitments in year			(5,844,338)	(5,844,338)	(1,767,571)
Commitments written back			363,536	363,536	478,325
Grants paid from provision in year			5,475,954	5,475,954	5,503,230
Total increase/(decrease) in funds	3,415,917	(107,340)	(4,848)	3,303,729	7,160,480
Balance at 1 April 2001	30,148,539	130,420	(12,742,512)	17,536,447	10,375,967
Balance at 31 March 2002	33,564,456	23,080	(12,747,360)	20,840,176	17,536,447

Notes to the Accounts - 31 March 2002

12. Capital Commitments

There were no capital commitments as at 31 March 2002.

13. Contingent Liabilities

There were no contingent liabilities as at 31 March 2002 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 Panel 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
013/01	Kaleidoscope Arts Ltd	£25,000	James Kerr
104/00	The Athene Trust	£13,500	Margaret Yeomans
050/01	Northern Ireland Visual Arts Forum	£15,978	Margaret Yeomans & Brian McClelland
057/01	Portadown 2000	£178,384	James Kerr
098/01	Conway Mill	£250,000	Ciaran Mackel
134/01	The New Belfast Community Arts Initiative	£53,226	James Kerr

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.



Notes to the Accounts - 31 March 2002

Liquidity Risks

In 2001-02, £7,743k (83.7%) of the Arts Council's Lottery Fund's income derived from the National Lottery. The remaining income derived from investment returns from the balance held with the National Lottery Distributions Fund £1,486k (16%), and from Bank Interest and Sundry Income £24k (0.3%). The Trustees consider that the Fund is not exposed to significant liquidity risks, they are satisfied that they have sufficient liquid resources within the NLDF and in the bank of £33.6 million to cover all current contracted commitments of £12.7 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 Trustees have 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 £33.6 million. In the year the average return on these investments was 4.63%. Cash balances which are drawn down from the Fund to pay grant commitments and operating costs are held in instant access variable rate bank accounts which on average carried an interest rate of 3.5% in the year. The cash balance at the year-end was £428,248k. 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.

Appendix



Mater Hospital Integrated Arts Project; *Hilary Cromie*.
Photo: *Peter O'Hara Photography*.



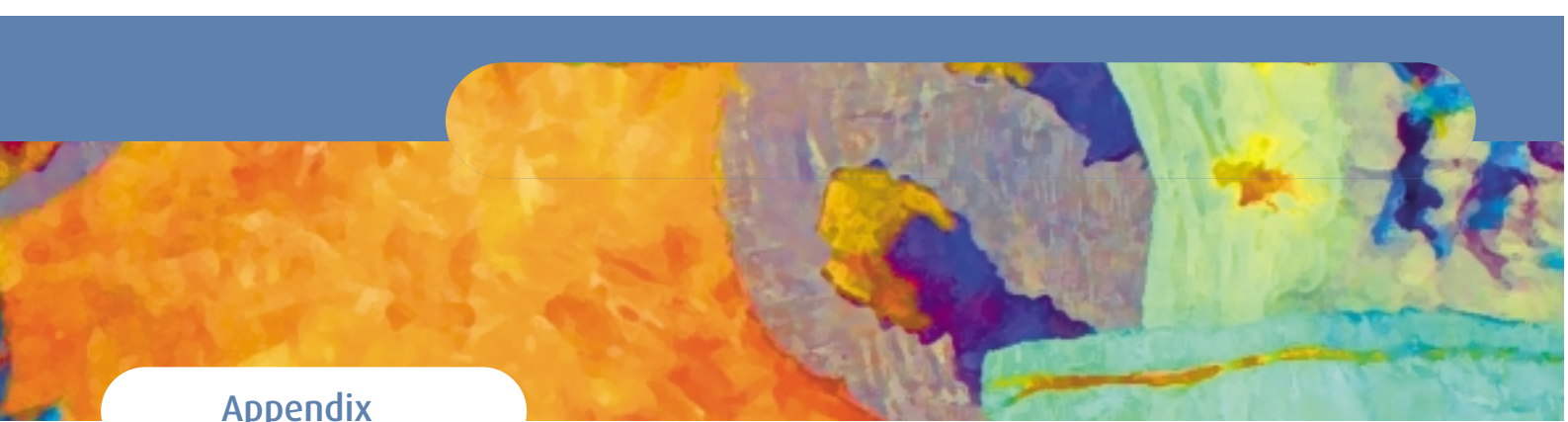
Appendix

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

ACCOUNTS DIRECTION 2001-02

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

1. The statement of accounts which it is the duty of the Arts Council to prepare in respect of its National Lottery distribution activities for the financial year ended 31 March 1995 and any subsequent financial year shall comprise:
 - 1.1 a foreword;
 - 1.2 an income and expenditure account;
 - 1.3 a balance sheet;
 - 1.4 a cash flow statement;
 - 1.5 a statement of total recognised gains and losses;including in each case such notes as may be necessary for the purpose referred to in paragraphs 2 and 3 below. This statement, and all the elements thereof, must be prepared separately from, and must not be consolidated with any other accounts produced by the Arts Council.
2. The Accounting Officer for the Arts Council's National Lottery Fund shall observe all relevant accounting and disclosure requirements given in 'Government Accounting', in the Treasury booklet 'Trading Accounts: A Guide for Government Departments and Non-Departmental Public Bodies' and any other guidance issued by the Department, as amended and augmented from time to time.
3. The statement of accounts referred to above shall give a true and fair view of the income and expenditure, state of affairs and cash flow of the Arts Council in respect of its National Lottery distribution activities. Subject to the foregoing requirement, the statement of accounts shall also, without limiting the information given, and as described in Schedule 1 of this Direction, meet in so far as they are appropriate to the Arts Council's National Lottery Fund business:
 - 3.1 the accounting and disclosure requirements of the Companies (Northern Ireland) Order 1986;
 - 3.2 best accounting practice including accounting standards issued or adopted by the Accounting Standards Board currently in force, with the exception of the requirement contained in Financial Reporting Standard 3 (FRS 3) for inclusion of a note showing historical cost profit and losses;
 - 3.3 any disclosure and accounting requirements which the Treasury or the Department may issue from time to time in respect of the accounts which are required to show a true and fair view; and
 - 3.4 any additional disclosure requirements contained in 'The Fees and Charges Guide' in particular those relating to the need for appropriate segmental information for services or forms of service provided for which a charge is made.



Appendix

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.

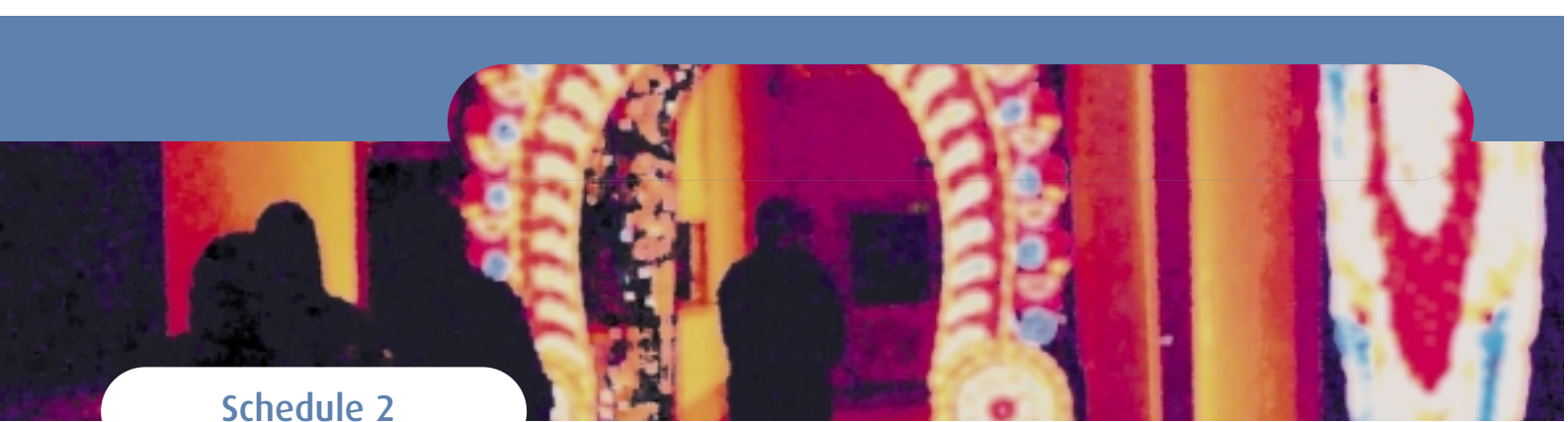
Mr R Jordan
A Grade 5 Officer in the
Department of Culture, Arts and Leisure



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."



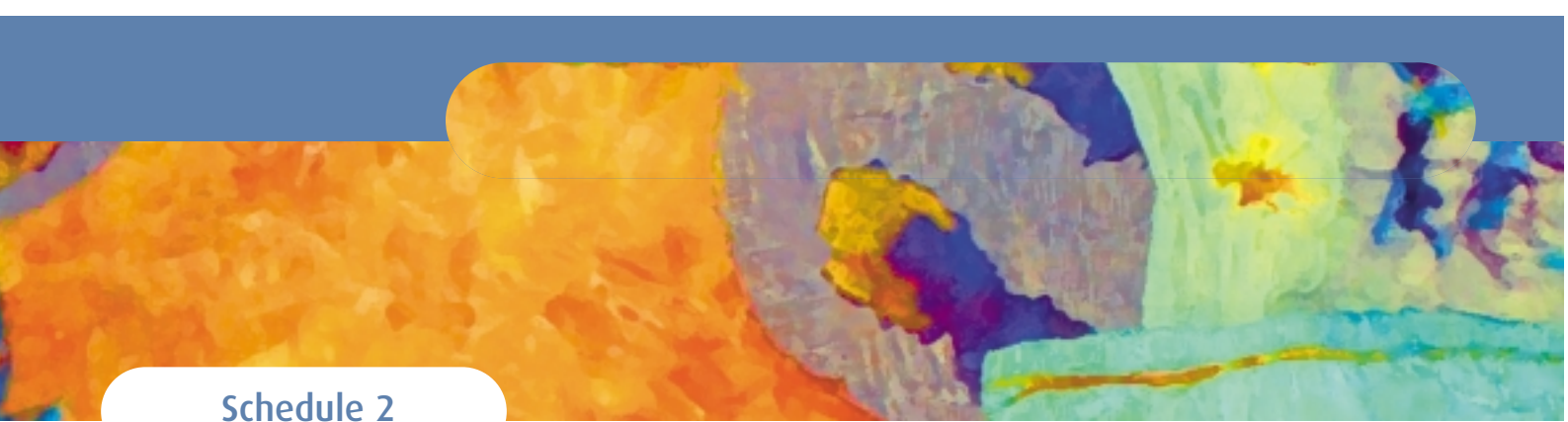
Schedule 2

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

5.1 Soft Commitments

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

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



Schedule 2

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.



Flowerfield Arts Centre; *Extension Design*



Mater Hospital Integrated Arts Project;
 Stained glass created by Mater Staff.
 Photo: Peter O'Hara Photography.



Arts Council of Northern Ireland
 MacNeice House,
 77 Malone Road,
 Belfast BT9 6AQ

Tel: 028 9038 5200
 Fax: 028 9066 1715
 Web: www.artscouncil-ni.org