

Annual Report and Accounts  
**2003 - 2004**





**NATIONAL MUSEUMS &  
GALLERIES OF NORTHERN IRELAND  
Annual Report and Accounts  
For the year ended 31st March 2004**

*Laid before the Houses of Parliament by the Department of Culture,  
Arts and Leisure in accordance with Paragraph 12(2) and (4) of  
the Schedule to the Northern Ireland Act 2000 and Paragraph 32  
of the Schedule to the Northern Ireland Act 2000  
(Prescribed Documents) Order 2004*

*22 February 2007*

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*22 February 2007*

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## 1. HISTORY AND ROLE

The National Museums and Galleries of Northern Ireland were established under the Museums and Galleries (Northern Ireland) Order (1998) which merged four long established museums,

**Ulster Museum,  
Belfast  
Ulster Folk and Transport Museum,  
Cultra  
Ulster American Folk Park,  
Omagh, and  
Armagh County Museum**

The new institution's remit was extended to include **whowhatwherewhenwhy-W5**, Ireland's only interactive science discovery centre, which opened in March 2001.

This Annual Report covers the period 1 April 2003 to 31 March 2004.

The Museums and Galleries (Northern Ireland) Order 1998 sets out the constitution and responsibilities of the Board of Trustees. The Board is required to:

- ▣ care for, preserve and add to the objects in its collections
- ▣ secure that the objects are exhibited to the public and assist the public by interpreting the significance of the objects
- ▣ secure that the objects are available to persons seeking to inspect them in connection with study and research
- ▣ promote awareness, appreciation and understanding by the public of art, history and science; of the culture and way of life of people; and of the migration and settlement of people

with particular regards to the heritage of Northern Ireland.

The organisation is principally funded by the Department of Culture, Arts and Leisure (DCAL).

## 2. THE NATIONAL MUSEUMS AND GALLERIES OF NORTHERN IRELAND

The National Museums and Galleries of Northern Ireland (MAGNI) is the province's largest cultural organisation. MAGNI makes a key contribution to the achievement of the goals set out in the Programme for Government, the priorities outlined in Building on Progress and the Department of Culture, Arts and Leisure's Corporate Strategy.

- ▣ MAGNI provides an excellent environment in which to explore greater understanding of and respect for our culture, history and heritage.
- ▣ MAGNI offers and works to improve public access to assets in public ownership.
- ▣ MAGNI provides high quality learning programmes to tens of thousands of children and adults in partnership with schools, colleges and universities.
- ▣ MAGNI plays a vital role in tourism and is a key partner with the Northern Ireland Tourist Board and Tourism Ireland Limited.
- ▣ MAGNI contributes to a positive international image of Northern Ireland.
- ▣ MAGNI plays a significant role in increasing cultural participation for a wide cross section of Northern Ireland society.
- ▣ MAGNI is a key contributor to Cultural Capital through its care and development of the national collections including its sites.

### Ulster Museum

- ▣ 202,972 visitors in 2003/04
- ▣ Daily education programmes
- ▣ 8,000 sq metres of galleries
- ▣ Rich collections of art, local history, archaeology and natural sciences
- ▣ Constantly changing programme of major exhibitions and events
- ▣ Sited in Belfast's Botanic Gardens

### Ulster Folk and Transport Museum

- ▣ 180,104 visitors in 2003/04
- ▣ Education programmes
- ▣ Open air Folk Museum and indoor exhibit galleries
- ▣ Over 50 reconstructed exhibit buildings
- ▣ Award winning Irish Railway Collection
- ▣ Cars, planes, trains, bikes and ships
- ▣ Flight and Titanic galleries
- ▣ Exhibitions, events and daily activities
- ▣ Set in 180 acres of rolling countryside

### Ulster American Folk Park

- ▣ 128,172 visitors in 2003/04
- ▣ Telling the story of Irish emigration over the past three centuries
- ▣ Over 30 authentic exhibit buildings with costumed interpreters
- ▣ Indoor "Emigrants" Exhibition
- ▣ Shop and dockside gallery
- ▣ Programme for students of all ages
- ▣ Major events programme
- ▣ An open air museum in County Tyrone

### Armagh County Museum

- ▣ 12,703 visitors in 2003/04
- ▣ The oldest county museum in Ireland
- ▣ Capturing the history and heritage of a city and county
- ▣ St Patrick's Cathedral City and "Orchard" county
- ▣ Involving the community with exhibitions and events
- ▣ Reference library rich in local archive material

### Whowhatwhenwherewhy-W5

- ▣ 221,626 visitors in 2003/04
- ▣ Ireland's only interactive discovery centre
- ▣ Part of Odyssey, Northern Ireland's Millennium Landmark Project
- ▣ 140 hands-on exhibits
- ▣ Four dynamic exhibition areas
- ▣ Experiential learning in science, problem solving and creative skills

- ▣ A focus on science education, innovation and imagination
- ▣ Unique experience for visitors of all ages
- ▣ Daily science demonstrations

### 3. CHAIRMAN'S FOREWORD

Once again I am pleased to be able to report on a year of successful engagement between our group of National Museums and our many visitors. Visitor numbers increased by 6% compared with the previous year and the detail of this report reflects the varied programme of exhibitions and events which have helped make our museums so popular.

I am grateful as ever to our staff and to our many partners for their support. The role of our National Museums and Galleries is an important one in Northern Ireland and we could not achieve all that we do without the active engagement of our many partners including, of course, the Department of Culture, Arts and Leisure.

We continue to pursue active strategies for audience development, for modernisation and reform, for collections care, for learning and partnership.

I should like to take this opportunity to acknowledge the invaluable contribution made by our former Chief Executive, Mike Houlihan, who left after five years in post to take up position as Director General of the National Museums and Galleries of Wales. A new Chief Executive, Tim Cooke, was appointed in September 2003 and we look forward to further progress under his leadership.

Looking to the future, we shall continue to invest in our cultural capital and will endeavour to make an effective, memorable and unique contribution to our community life and to Northern Ireland's international reputation.



Margaret Elliott CBE  
**Chairman**  
*Board of Trustees*



## 4. CHIEF EXECUTIVE'S STATEMENT

The year 2003/04 delivered a number of significant achievements for the National Museums in Northern Ireland. In addition to the record number of visitors to the five MAGNI sites, W5 was judged "Visitor Attraction of the Year" in the Northern Ireland Tourist Board awards and the Ulster Folk and Transport Museum was voted "Best Visitor Attraction" in the Travel and Tourism Awards.

A new development strategy was drawn up for the prioritisation of future capital bids and progress was made with identifying a new senior management structure for the organisation. Work began on a fresh approach to a modernisation and reform programme, allied to a range of measures designed to improve overall efficiency and effectiveness.

It was a personal pleasure and privilege to take on the role of Chief Executive of the group. I look forward to building on many past achievements and to the challenge of maximising the value and benefit of the work of the National Museums in Northern Ireland.



Tim Cooke  
Chief Executive

## 5. PROGRAMMES

In 2003/04 MAGNI's work was co-ordinated around ten key programmes.

**The Right Method** – an investment programme increasing participation in culture, arts and leisure through enhancing access to and the quality of facilities and services to provide a quality work environment.

### *Strategic Objectives*

- ▣ ensuring our staff are in the right place and have the right skills
- ▣ delivering our vision to the stakeholders
- ▣ being accountable, open and responsible for our activities

### **Campaign for Resource**

– an investment programme securing resources to maximise positive social and economic impact.

### *Strategic Objectives*

- ▣ creating a sound operating base
- ▣ developing our fundraising strategy
- ▣ building partnerships
- ▣ offering value for money

**Living Museum** – a foundation programme promoting and celebrating cultural diversity and individual creativity.

### *Strategic Objectives*

- ▣ interpreting our collections in ways that promote social inclusion
- ▣ providing inspiration
- ▣ fostering exploration and discovery
- ▣ bringing our stories to life

**Treasury of Knowledge** – a foundation programme preserving and interpreting our cultural and information resources.

### *Strategic Objectives*

- ▣ adapting and maintaining established standards in collections care
- ▣ interpreting collections to appropriate standards
- ▣ developing the collections
- ▣ increasing access to our collections and archives

**Digital Museum** – a foundation programme contributing to a positive image of Northern Ireland at home and abroad, making our cultural and information resources available to the widest possible audience.

### *Strategic Objectives*

- ▣ developing on-line learning
- ▣ developing a digitization plan
- ▣ providing an international window on our collections and scholarship

**People's Story** – a creative programme exploring the history of the people of this island and region from earliest times to the present.

### *Strategic Objectives*

- ▣ telling the story of cultural identity in Northern Ireland
- ▣ illuminating the relationship between people and environment
- ▣ contributing to the social and economic regeneration of Northern Ireland

**Museum of Emigration** – a creative programme exploring the role of people who have left this region and island.

### *Strategic Objectives*

- ▣ establishing appropriate methods for interpreting world-wide migration from Ulster

- ▣ establishing a genealogical research facility
- ▣ creating a virtual museum

**Unlocking the Creative Arts** – a creative programme inspiring activity in all artistic media through exploration of our collections and knowledge.

### *Strategic Objectives*

- ▣ interacting with the community to stimulate the development of creative activity in the widest domain
- ▣ creating a landmark for art and the arts in Northern Ireland
- ▣ supporting the Creativity Agenda

**Celebrating Innovation** – a creative programme telling our stories of enterprise, innovation and adventure.

### *Strategic Objectives*

- ▣ celebrating Northern Ireland's International achievements in science, industry and technology
- ▣ realising the inspirational potential of MAGNI collections
- ▣ telling our stories of voyage and adventure
- ▣ contributing to the social and economic regeneration of Northern Ireland

**Habitas** – a creative programme discovering the natural environment and its diversity.

### *Strategic Objectives*

- ▣ exploring biological and geological diversity
- ▣ celebrating the natural world
- ▣ improving access to MAGNI's collections and data

## 6. ACHIEVEMENTS

The National Museums and Galleries attracted a record of 745,577 visitors during the period, representing a further increase of 6% on the previous year.

### ***The following awards were received:***

The Northern Ireland Tourist Board's "**Visitor Attraction of the Year**" was won by Whowhatwherewhenwhy-W5 in May 2003. W5 was also runner up in the Chartered Institute of Marketing's "**New Business Category**" 2003 awards.

"**Northern Ireland's Best Visitor Attraction**" award was won by the Ulster Folk and Transport Museum and the Ulster American Folk Park also won "**Best Marketing Initiative**" for their Bluegrass Festival at the 2003 Travel & Tourism Awards.

The Ulster Folk and Transport Museum, in partnership with Bombardier Aerospace, were commended at the Arts and Business "**New Partners Awards**" for the Flight Experience Outreach Show.

Fundraising initiatives secured grants for a variety of projects totalling over £2.06 million from a range of Trusts and Foundations including:

- ▣ The Department of Social Development towards an outreach programme to develop a model of good practice working with the Blind Centre for Northern Ireland and the Braille Unit in HMP Maghaberry Prison to ensure that all the Museums are accessible to those with visual impairment.
- ▣ The Re-Discover Fund to develop the Flight Exhibition and Gallery at the Ulster Folk and Transport Museum, and from Bombardier Aerospace to provide interactive media and an 8-seater flight simulator for the Flight Exhibition.

- ▣ The Northern Ireland Tourist Board, Peace II funding for international marketing and product renewal across the National Museums.
- ▣ The Office of First Minister/Deputy First Minister (OFM/DFM) Victims Strategy's Implementation Fund for the Conflict Exhibition and related programmes at the Ulster Museum.
- ▣ The Sperrins National Tourism Initiative for the development of cafeteria facilities at the Ulster American Folk Park.
- ▣ Adapt NI for improvements to the Flight Exhibition and Omagh Meeting House at the Ulster Folk and Transport Museum.

## 7. MAJOR EXHIBITIONS AND EVENTS

Our exhibitions and events programmes in 2003/04 were an invaluable means of communication with our visitors. They helped us to attract and widen our audience participation and make our collections accessible; they encouraged repeat visits and helped to maximise our advantage as a multidisciplinary focus for history, art and the sciences. Our events encouraged museum visitation as part of every day life and provided important opportunities to promote social awareness and lifelong learning.

### Ulster Museum

The spectacular touring exhibition, **Dino Birds: Feathered Fossils from China**, on loan from the National History Museum in London, was a key highlight of the Ulster Museum's wide ranging exhibition programme this year, which attracted many thousands of visitors both old and young alike. The exhibition featured astonishing fossils from the Geological Museum of China, including "Raptor" a 124 million year old fossil with a fringe of feathers. The Ulster Museum in Northern Ireland was among the first places in Europe where people could see the remarkable discoveries made in China in 2000.

The important award winning exhibition, **Conflict, the Irish at War**, provided visitors with a series of snapshots focusing on periods and events spanning some 10,000 years. It covered prehistoric conflict, the Vikings and Normans, the impact of the Plantations, the 1798 Rebellion, the two world wars, the Irish Revolution and Civil War of 1919-1923 and the experiences of Irish servicemen and servicewomen abroad, including those attached to United Nations (UN) peacekeeping forces, and the recent

Troubles. The exhibition, which opened in November 2003, and has been a major visitor attraction, includes a contemplation area equipped with computers, audio materials and books, providing the opportunity for visitors to follow up on individual interests or simply to reflect on the exhibition.

The Ulster Museum also showed **Rolling Down to Rio**, an exhibition of the work of artist Kenneth Shoesmith, the **Texaco Children's Art Exhibition**, the annual exhibition of work by members of the Royal Ulster Academy, and **Teenage Kicks**, an exhibition prepared and presented by second year students at the University of Ulster. Some of the most unusual and earliest work produced by the Belleek Factory was exhibited in a fascinating exhibition **Belleek**, which drew extensively from the collections of the National Museums.

The wonderful exhibition, **Changing Face: Masks from the British Museum**, was on display at the Museum, attracting large audiences over the Halloween period and continuing until early 2004, through the British Museum's UK Partnership.

**Arctic Traditions: the Inuit Collection in the Ulster Museum**, provided the opportunity to highlight this interesting collection, which included Inuit costumes and a sled on loan from the British Museum collections.

An exhibition of paintings, the first major retrospective display of the work of **Hector McDonnell** to be shown in Northern Ireland, opened at the Ulster Museum in December. This exhibition, generously supported by the Baird Group, and accompanied by both a calendar and a comprehensive illustrated publication, attracted large interest from local and international visitors. The exhibition was opened by John Julius, Viscount Norwich, who is Chairman of the Venice on Peril Fund.

A series of popular and well attended weekend events at the Museum encouraged visitors to explore aspects of arts and crafts, music and dance, history, archaeology, ethnography and the natural world, and included enactments of life in Norman times and in the seventeenth century. **Fossils Tamed**, the new series of popular Monday evening geology talks - 'a painless introduction to the amazing world of fossils' - attracted a large number of enthusiasts, who returned to the Ulster Museum over a five week period to engage with the expertise of Museum specialists.

The very successful **Bats in the Belfry**, which offered children and adults a chance for hands-on learning about these furry fliers, was among a number of other special events organised for families.

### The Ulster Folk and Transport Museum

A collaborative exhibition, **Fabrics and Fabrication**, a celebration of creativity and innovation linking the visual arts and textile industry, opened in April 2003 in the Museum's Folk Galleries. This colourful exhibition combined patchwork quilts and costume from the collections of the Ulster Folk and Transport Museum with archives from Derry City Council and the best of contemporary textile design.

**Beautiful Danger** the temporary exhibition of road racing photography by Stephen Davidson, of Pacemaker Press, proved so popular with visitors to the Transport Museum that it was extended until the end of the year.

An engaging new exhibition, **A Place of Sport**, was officially opened in March 2004 by three-time world water ski champion, Dr Janet Gray MBE at a ceremony attended by many of Northern Ireland's key sporting representatives and competitors, past and present. The exhibition presented colourful objects and historic photographs and film,

featured many local sports heroes past and present and illustrated the central role that sport plays in the life of local communities in Northern Ireland.

2003 was the centenary of the world's first powered flight by the Wright Brothers in the United States and a number of new events and activities were organised at the Museum to mark this special achievement. An **Aviation Fair**, organised in partnership with the Friends of Cultra, attracted record numbers in May and an interactive **Flight Experience Show** was performed to packed audiences on a number of Saturdays from February to May. A series of **historic re-enactments** associated with flight also thrilled audiences in the Museum's 1900 town and the Flight Experience Exhibition.

**Transport Collectibles Day** in November was another new event in the Museum's popular annual calendar, providing an opportunity for curators and members of the public to share their enthusiasm and fascination for all aspects of the history of Transport. Some interesting collectible items came to light and several of these were offered to the Museum for its own collections.

The regular seasonal celebrations of **St Patrick's Day, Easter, Halloween** and **Christmas** festivities attracted many more thousands of new and repeat visitors to the Open Air Museum at Cultra, to see and experience at first hand a wide range of traditional crafts and activities. A new feature of the Halloween Celebrations was two very successful **Murder Mystery Evenings** in the candlelit town of Ballycultra, which drew upon the drama skills of the Museum's interpretative and education staff.

The annual **Traditional Music Christmas Concert** in the Church of St. John the Baptist at the Museum was filled to capacity to hear Liam O'Flynn on uilleann pipes, Paddy Glackin on fiddle and Mark Kelly on guitar. One of the greatest

uilleann pipers of all times, Liam O'Flynn is widely respected in piping circles for both his mastery of technique and clarity of expression. Paddy Glackin is well known for his interpretation of the music of the great Donegal fiddle player John Doherty. Mark Kelly is a guitar player with the internationally renowned group Altan. This is now an important event in Northern Ireland's music calendar.

**Christmas Carols and Services** in the Museum's Kilmore Church were fully booked over a total of nine evenings which included Carols by Candlelight, an Advent Procession and Nine Lessons and Carols. These popular services attracted almost 1,500 people.

A unique and nostalgic family Christmas event, **the Spirit of Christmas Past**, was attended by thousands of visitors who come to enjoy this full day of festive entertainment and music set in the Museum's candlelit Ballycultra Town. Visitors were able to observe how the festive season had transformed over the decades into the Christmas we celebrate today and enjoyed sampling traditional foods, hot punch, and listening to the silver band and carol singers.

## Ulster American Folk Park

The traditional **St Patrick's Day** celebrations marked the beginning of the Special Events programme at the Ulster American Folk Park in Omagh and were enjoyed by large numbers of visiting families. Running over two days the activities included a touching re-enactment of **The Emigrant's Return**, as experienced by Thomas Mellon, and a dramatic re-enactment of **An American Wake** where the family gather to bid farewell to the emigrant departing to an uncertain future in the New World.

The four-day **Easter Celebrations** over the holiday period attracted record

numbers of visitors to a typical market day of the late 19th century, with stalls, shops, entertainers and craft demonstrations.

During May, **Music on the Move** celebrated and explored the movement of music from continent to continent in the 18th, 19th and 20th centuries. Musicians and dancers from as far a field as USA and Africa performed live to enthralled audiences in the unique location of the outdoor museum.

Over 100 re-enactors depicting soldiers, settlers and Woodland Indians provided a dramatic insight into the **American War of Independence** at the annual Folk Park celebrations from 3rd to the 6th July. Families enjoyed the range of activities and entertainment including bluegrass and jazz music, traditional games and craft demonstrations.

Over 8,000 visitors made their annual pilgrimage to the Folk Park on the first weekend in September to see one of the largest festivals of its kind in Europe, **The Appalachian and Bluegrass Music Festival**. Musicians from all over the world performed to hugely appreciative audiences in the wonderful setting of the outdoor museum. The Festival Programme, which was supported by HSBC, PricewaterhouseCoopers, Omagh District Council and Arts & Business, comprised evening **Bluegrass Concerts**, **Spirit of Bluegrass Gospel Concert**, music and dance workshops, and a lecture series, together with a number of daytime **Bluegrass in the Park** sessions performed to capacity audiences.

The ever popular three day **Halloween Festival** in October was booked to capacity well in advance of the event dates. Successive groups of excited visitors were taken on a series of ghostly tours as darkness fell on the outdoor museum, to learn about Halloween long past and the tales of ghosts, ghouls and witches that frightened our ancestors at this dark time of year.

A new event ***Days of Christmas Past***, which took place on 22 and 23 December, was a huge success attracting almost one thousand visitors at this traditionally quiet time of year for the Museum. The event featured mummers and traditional mask-making demonstrations, carol singers, seasonal food and a visit from Father Christmas which delighted the younger visitors.

## Armagh County Museum

***Japanese Woodcut Prints***, a display of 57 prints by nine of Japan's most distinguished contemporary artists, organised with assistance from Dr David Barker of the University of Ulster, was a well attended exhibition in early summer at Armagh County Museum, attracting a wide range of visitors including art clubs, school groups and societies.

***Ancient Ireland Comes of Age*** by the Loose Thread Quilters was opened in September by Molly Taylor, chairperson of Loose Thread Quilters and was a most successful event. Over 180 people attended the launch which generated significant publicity in the local media.

The first meeting of the Museum's visually-impaired group, The Friday Group, took place on 19 September, involving a textile demonstrator and members of museum staff working with the group. This demonstrated the benefit of such initiatives and led the way for the forthcoming MAGNI Coming to Our Senses project.

A very successful ***Craft Programme***, of 14 events for adults and children, covering all sorts of craft topics, from making a brooch to Christmas crafts and jester bags was organised for various groups. This series incorporated a Quilt Study Workshop in November led by the textile curator from the Ulster Folk and Transport Museum.

A new event, which proved very popular with the younger audiences, ***Crafty Christmas at the Museum***, provided a number of children's workshops and interactive sessions making a variety of crafts and decorations for Christmas. Traditional snacks and fruit punches completed the festive atmosphere and were enjoyed by the rest of the family.

***The 60s Art and Fashion***, a display drawn from an exhibition previously shown at the Ulster Museum, opened in February 2004 and was on show for almost 3 months, attracting large numbers of visitors including many school groups who attended a series of special workshops.

## Whowhatwhere whenwhy-W5

Many thousands of visitors enjoyed taking part in the wide range of exciting and fun learning activities at W5 over the Easter period. From the amazing ***Twistin' Twins Spectacular Balloon*** shows to the ever popular ***Egg-tastic Eggs-speriments*** there was something to appeal to all ages.

***Star Trek Federation Science*** provided an enthralling insight into the science behind the famous television series and the original costumes for Captain Kirk, Spock and Bones. Thousands of fascinated visitors enjoyed looking for messages in space, transporting them to another planet and communicating between the space ship and shuttle. This interactive travelling exhibition was on display at W5 from May to September and delighted enthusiasts of all ages.

***Lego Mindstorms***, a fantastic programme produced by Lego to show simple programming skills, delighted visitors as part of the extensive summer programme of workshops which included ***Robot Sports, Space hoppers and Build a Planet***.

Giant balloon spiders dangled from the rafters of W5 as part of the ***Alien Spider Hunt*** a spectacular Halloween event which involved visitors counting these strange creatures and observing the mutation amongst a few with only six legs. ***Fireworks Fantastic***, written and produced by W5 demonstrators, showed some of the metals and materials used to create the sparkles in some of the most popular fireworks and thrilled captivated audiences with a big bang finale.

From November to March a challenging exhibition developed by the Science Museum, London, ***Nuclear Waste: Can you handle it?*** informed visitors about the choices of storing nuclear waste both above and below ground. Using interactive exhibits visitors had fun, as well as gaining an important understanding of the choices and potential hazards of this topical science issue.

A favourite at Christmas was ***Every Picture Tells a Story***, when young children were amazed to see many favourite storybook characters larger than life. This exhibition was created by W5 in partnership with Walker Books and included well known Irish illustrators such as P J Lynch and Anita Jeram. ***The Really Cool Show*** was a popular and well attended seasonal event, which demonstrated ice-cream making with liquid nitrogen, freezing flowers, bananas, and creating enormous bubble monsters.

During March, as part of Science Week, the sweet smell of chocolate wafted through W5, as many visitors captivated by the aroma, learnt about the chemistry of making chocolate and honeycomb through practical demonstrations. A magical show ***Waste Wizards*** showed how to make waste disappear by reducing reusing and recycling.

## 8. FINANCIAL STATEMENTS

**NATIONAL MUSEUMS & GALLERIES  
OF NORTHERN IRELAND**

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MARCH 2004





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## FOREWORD TO THE FINANCIAL STATEMENTS

### 1. CONSTITUTION

The Museums and Galleries (Northern Ireland) Order 1998 established a Board of Trustees for the National Museums and Galleries of Northern Ireland and provided that all property, rights and liabilities of the Trustees of the Ulster Museum and the Trustees of the Ulster Folk and Transport Museum would transfer to the Board. The Museums and Galleries (Northern Ireland) Order 1998 repealed previous legislation affecting the Ulster Museum and the Ulster Folk and Transport Museum and the Trustees of the Ulster Museum and the Trustees of the Ulster Folk and Transport Museum were thereby abolished.

The Order requires the Trustees to care for, preserve and add to the objects in its collections, for the purposes of exhibiting to the public and making objects available in connection with study or research, and generally to promote awareness, appreciation and understanding of art, history, science, culture and migration and settlement of people.

The National Museums and Galleries of Northern Ireland assumed responsibility for the Ulster American Folk Park from October 1998.

Under Article 10(2) of the Museums and Galleries (NI) Order 1998 the Museum is required to prepare a statement of accounts for each financial year in the form and on the basis determined by the Department of Culture, Arts and Leisure with the approval of the Department of Finance and Personnel.

The financial statements of the National Museums and Galleries of Northern Ireland are required to be audited by the Comptroller and Auditor General for Northern Ireland.

Whowhatwherewhenwhy Limited ("W5") was incorporated to manage and operate the Science Centre built as part of Odyssey, the landmark Millennium Project based in Belfast. Whowhatwherewhenwhy Limited does not have a share capital but is a company limited by guarantee. It is registered with the Inland Revenue as a charitable body for taxation purposes. The Chief Executive of the National Museums and Galleries of Northern Ireland ("MAGNI") and several members of MAGNI's Board of Trustees are directors of W5. The Directors of W5 consider that the Board of Trustees of the National Museums and Galleries of Northern Ireland is the ultimate controlling party of W5 by virtue of the fact that MAGNI is the sole member of the company. The results of W5 have been included in the financial statements of the National Museums and Galleries of Northern Ireland.

### 2. RESULTS AND APPROPRIATIONS

The net surplus credited to the general reserve was £343,491. This has resulted in a general reserve carried forward of £897,254.

### 3. REVIEW OF MAJOR ACTIVITIES

A full review of the activities of the National Museums and Galleries of Northern Ireland (MAGNI) during the year is provided in the Annual Report. A brief summary of these activities is outlined below.

#### Major exhibitions mounted during the year

*Dinobirds*, a spectacular touring exhibition of fossils recently discovered in China, was exhibited at the Ulster

Museum. The exhibition, co-ordinated by the Natural History Museum, London, toured Europe from the Geological Museum of China, Beijing. *Conflict*, an exhibition exploring aspects of discord throughout Irish history from earliest times and including audio recordings of response of members of the public to many of the items on display, opened in the refurbished history gallery during the winter. This exhibition received funding through the Victim's Strategy, from the Office of the First and Deputy First Minister. The Ulster Museum also showed *Rolling Down to Rio*, (an exhibition of the work of artist Kenneth Shoesmith), the Texaco Children's Art Exhibition, the annual exhibition of work by members of the Royal Ulster Academy, and *Teenage Kicks*, an exhibition prepared and presented by second year students at the University of Ulster. Some of the most unusual and earliest work produced by the Belleek Factory was included in an exhibition drawing on MAGNI collections. *Changing Face*, an exhibition of masks from The British Museum (BM) collections, was exhibited through the BM's UK Partnership. *Arctic Traditions: the Inuit Collection in the Ulster Museum* highlighted this collection, which included Inuit costumes and a sled on loan from The British Museum collections, through the BM Partnership. *Hector McDonnell: a retrospective exhibition*, was organised in partnership with the Baird Group. *'60s Art and Fashion*, an exhibition of pieces from MAGNI collections, was shown at Armagh County Museum, as was work by contemporary quilters from Northern Ireland. An exhibition of Japanese woodcuts, organised in partnership with the University of Ulster, was shown at Armagh County Museum in early summer. In March 2004, *A Place of Sport* opened at the Ulster Folk and Transport Museum. Significant loans made by MAGNI to other organisations included pieces from the Armada shipwreck, *Girona*, which were exhibited in the Hayward Gallery, London; the

Codex Tepozotlan, a sixteenth century document from Mexico, which toured to the Martin-Gropius-Bau in Berlin and the Kunst und Ausstellungshalle in Bonn, the Clonmore Shrine, which was included in the exhibition *Painted Labyrinths: the World of the Lindisfarne Gospels*, shown at the British Library in London, *Curved Form, Delphi*, by Barbara Hepworth, which was exhibited at Tate St. Ives, Head II, by Francis Bacon, which toured to Vienna, and *The Dawn of Christianity*, by J M W Turner, which was exhibited in Williams College, Massachusetts and in the City Art Gallery, Manchester. Twenty nine paintings from MAGNI collections went on loan to Lisburn Museum, for display in the exhibition *A Very Victorian Painter: Samuel McCloy 1831-1904*.

#### Major publications produced during the year

*Martyn Anglesea* edited *Hector McDonnell*, a publication produced in partnership with the Baird's Group and published by Blackstaff. A publication edited by Trevor Parkhill was prepared in association with the *Conflict* exhibition. Staff contributed to a number of publications, including the *Encyclopaedia of Ireland; Effective Presentation and Interpretation in Museums; The Dictionary of Nineteenth-century British Scientists; Bulletin of the Irish Biogeographical Society; Transactions of the Society of British Entomologists; British Journal of Entomology and Natural History; Irish Naturalists' Journal; Bulletin of the British Lichen Society; Peritia*, and to *Mesolithic on the Move*. Several journals, including *Folk Life, Ulster Folklife, Annual Report and Proceedings of the Belfast Naturalists' Field Club, Familia, and Ulster Journal of Archaeology* were edited by members of staff.

#### Other major areas of activity

MAGNI's new website, which was

launched during May, received a major award later in the year, when it was judged Best Public Sector website in Northern Ireland at the Goldeneye Awards. Other awards won by the organisation during the year included two prestigious Northern Ireland Travel and Tourism Awards: the Ulster Folk and Transport Museum was named as Best Northern Ireland Visitor Attraction and the Ulster American Folk Park received the award for Best Marketing Initiative. In partnership with Bombardier Aerospace, the Flight Experience Outreach Show at the Ulster Folk and Transport Museum were commended at the *Arts and Business New Partners Award*. The Friday Club, for visitors with visual impairments, was founded at Armagh County Museum in August, and is assisting in piloting a major project to improve sensory access across MAGNI. Mobile storage units were installed to house and improve access to parts of the Ulster Museum collections, and the risk of damage by pest infestation was reduced by the installation of a walk-in freezing facility at the Ulster Museum.

#### 4. MARKET VALUE OF LANDS AND BUILDINGS

The residential centre at the Ulster Folk and Transport Museum is stated at cost. For all other land and buildings of the National Museums and Galleries of Northern Ireland there is no difference between the market value and book value at 31 March 2004.

#### 5. FIXED ASSETS

The most significant additions to the fixed assets in the year were the construction of a dining and recreation facility at the Ulster American Folk Park, a shelving storage system at the Ulster Museum and a new telephone system at the Ulster Folk and Transport Museum.

#### 6. COLLECTIONS ACQUISITIONS

A two hundred and thirty million year old (Upper Triassic) slab containing fossil sea lillies was acquired for the science collections. A sun dial made in 1794 by Charles McCormack of Belfast was donated to the history collections of the Ulster Museum. Two oil paintings, *Lobster and Pears* by Scottish artist Alberto Morrocco and *Business as Usual, after the Blitz* by Desmond Turner were acquired for the art collections. Armagh County Museum acquired a woodcut by He wei Min and rare medal associated with the first siege of Drumcree. The Ulster Folk and Transport Museum acquired *Mayfly*, a fourteen foot racing dinghy built in 1954.

#### 7. IMPORTANT EVENTS SINCE THE END OF THE FINANCIAL YEAR

There were no events since the end of the financial year requiring disclosure.

#### 8. CHARITABLE DONATIONS

Charitable donations made by the National Museums and Galleries of Northern Ireland in the year did not exceed £200 in aggregate.

#### 9. DISABLED PERSONS

The National Museums and Galleries of Northern Ireland is committed to and operates within its agreed policy on equal opportunities in relation to the employment and career development of disabled staff.

## 10. EMPLOYEE INVOLVEMENT

The maintenance of a highly skilled and motivated workforce is vital to the success of the National Museums and Galleries of Northern Ireland in terms of its care of the national collections and its service to the public. The Board ensures employee involvement through regular briefing of all employees by means of staff meetings, the promotion of good industrial relations through formal and informal management/trade union contacts.

## 11. PROMPT PAYMENT POLICY

The National Museums and Galleries of Northern Ireland is committed to prompt payment of bills for goods and services and makes every effort to pay suppliers within 30 days of receipt of goods and services, or the invoice, whichever is the later. In the year ended 31 March 2004, the National Museums and Galleries of Northern Ireland paid 80% (2003: 74%) of invoices within 30 days of the date of receipt of invoice.

## 12. FINANCIAL TARGETS

The National Museum and Galleries of Northern Ireland's key financial target for 2003/04 was to operate within the restraints created by the total grants and operating income received and receivable in the year and, in the light of the notified

planning figure for 2003/04, to create a small operational surplus for transfer to the General Reserve. This target was achieved.

## 13. TRUSTEES

The following trustees were appointed for a 4 year period commencing 1 July 2002

Mr M Elliott CBE  
**(Chairman)**

Sir K Bloomfield  
**(Vice Chairman)**

Mr D Harvey

Mr M Adair

Miss L Beers

Lt Col (Rtd) R Bickers

Ms P Flanagan

Dame G Keegan

Professor E McLaughlin

Mr W Montgomery

Mr S Neeson MLA

Mrs W Osborne

Mr T Shaw CBE


Dr A Walker

The accounts on pages 26 to 47 were

approved by the Board of Trustees of the National Museums and Galleries of Northern Ireland on and are signed on its behalf.



Chairman of The Board of Trustees  
**M Elliott**



Chief Executive  
**T Cooke**

## STATEMENT OF TRUSTEES' AND CHIEF EXECUTIVE'S RESPONSIBILITIES

Under Article 10(2) of the Museums and Galleries (NI) Order 1998 the Museum is required to prepare a statement of accounts for each financial year in the form and on the basis determined by the Department of Culture, Arts and Leisure with the approval of the Department of Finance and Personnel. The accounts are prepared on an accruals basis and must give a true and fair view of the National Museums and Galleries Northern Ireland's state of affairs 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 accounts the Trustees are required to:

- ▣ observe the accounts direction issued by the Department of Culture, Arts and Leisure including 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 the going concern basis, unless it is inappropriate to presume that the National Museums and Galleries Northern Ireland will continue in operation.

The Accounting Officer for the Department of Culture, Arts and Leisure

has designated the Chief Executive as the Accounting Officer for the National Museums and Galleries of Northern Ireland. His relevant responsibilities as Accounting Officer, including the responsibility for the propriety and regularity of the public finances, for which he is answerable, and for keeping of proper records, are set out in the Non-Departmental Public Bodies' Accounting Officer Memorandum, issued by the Department of Finance and Personnel.

## STATEMENT OF INTERNAL CONTROL

### 1. Scope of Responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of MAGNI's policies, aims and objectives, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Government Accounting Northern Ireland. MAGNI is a Non Departmental Public Body established under the Museums and Galleries (Northern Ireland) Order 1998 and sponsored by the Department of Culture, Arts & Leisure (DCAL). The Executive Directors of MAGNI meet regularly, both monthly and quarterly, with DCAL Museums Branch, such meetings include updates on all activities and developments on the management of risk within MAGNI.

### 2. The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of MAGNI's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in MAGNI for the year ended 31 March 2004 and up to the date of approval of the annual report and accounts, and accords with DFP guidance.

### 3. Capacity to handle risk

Leadership is given to the risk management process by the MAGNI Board of Trustees and Audit Committee. As Accounting Officer, I provide quarterly updates to the MAGNI Audit Committee on actions taken to minimise the exposure to the major risks identified within the MAGNI Risk Management Strategy. The MAGNI Executive and Senior Management Teams are fully involved in the continual review and management of risks and are trained and equipped to manage risk in a way appropriate to their authority and duties. The internal auditors provide advice and guidance on good practice in the management of risk throughout the audit process.

### 4. The risk and control framework

The key elements of the MAGNI risk strategy are as follows:-

- ▣ Identification and Review of Key Risks / Activities
- ▣ Assessment and Rating of Key Risks / Activities
- ▣ Analysis of Current Risk Response and Controls
- ▣ Identification of possible actions and allocation of responsibility
- ▣ Setting Review Timetable
- ▣ Implementing Agreed Actions
- ▣ Reviewing and Reporting at Relevant Level

### 5. Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers

within MAGNI who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place. In August 2004 the MAGNI Executive Team held a risk management workshop in order to identify the organisation's objectives and key risks and to document these in the form of a MAGNI Risk Management Strategy. Following the workshop the Strategy was completed and approved by MAGNI's Audit Committee in October 2004. In order to ensure that the identified risks are appropriately managed, the Risk Management Strategy summarises the key risks, examines existing controls, allocates risk ownership and details an action plan to mitigate against each risk.

Procedures have also been put in place for verifying that aspects of risk management and internal control are regularly reviewed and reported on. In order to monitor progress on key projects, the Audit Committee, which meets at least quarterly, receives updated reports at each meeting on the work carried out on each risk action plan.

MAGNI employs a firm of internal auditors who operate to standards defined in the Government Internal Audit Manual. The internal auditors finalised their report on the year 2003/04 in June 2004. Their work reviewed the following areas:

- ▣ Financial ledger and budgetary control
- ▣ Payroll
- ▣ Creditor Payments
- ▣ Cash and Bank
- ▣ Human Resources
- ▣ Fraud and Corruption

- ▣ Corporate Governance and Risk Management
- ▣ Admissions, trading and other income
- ▣ Sponsorship and donations
- ▣ Capital and Procurement
- ▣ Building Maintenance
- ▣ Fixed Assets
- ▣ Collections at UM
- ▣ Collections at UFTM
- ▣ Collections at UAFP
- ▣ Computer Systems
- ▣ Planning and Management

The work of the internal auditors is informed by an analysis of the risk to which the body is exposed, and annual internal audit plans are based on this analysis. The analysis of risk and the internal audit plans are endorsed by MAGNI's Audit Committee and approved by me. The Internal Auditors provide me with quarterly reports on internal audit work carried out within MAGNI. These reports include their independent opinion on the adequacy and effectiveness of MAGNI's system of internal financial control together with their recommendations for improvement. W5 is not included in the scope of the internal audit of MAGNI. W5 employ their own external auditors, ASM Horwath.

## 6. Significant internal control issues

The internal audit function for the 2003/04 year provided limited assurance in the areas of Corporate Governance & Risk Management, Collections at UFTM, Admissions, Trading and Other Income, Human Resources and Fraud & Corruption and their recommendations are being actioned by management.



T Cooke  
Chief Executive

## CERTIFICATE OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSE OF COMMONS AND THE NORTHERN IRELAND ASSEMBLY

I certify that I have audited the financial statements on pages 26 to 47 under the Museums and Galleries (Northern Ireland) Order 1998. 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 33 and 34.

Respective responsibilities of the Trustees, the Chief Executive and Auditor

As described on page 21, the Trustees and Chief Executive are responsible for the preparation of the financial statements in accordance with the Museums and Galleries (Northern Ireland) Order 1998 and Department of Culture, Arts and Leisure directions made thereunder and for ensuring the regularity of financial transactions. The Trustees and Chief Executive are also responsible for the preparation of the other contents of the Annual Report. My responsibilities, as independent auditor, are established by statute and I have regard to the standards and guidance issued by the Auditing Practices Board and the ethical guidance applicable to the auditing profession.

I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Museums and Galleries (Northern Ireland) Order 1998

and Department of Culture, Arts and Leisure directions made thereunder, and whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I also report if, in my opinion, the Foreword is not consistent with the financial statements, if the National Museums and Galleries of Northern Ireland has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

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

I review whether the statement on pages 22 and 23 reflects the National Museums and Galleries of Northern Ireland compliance with the Department of Finance and Personnel's guidance on the 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. I am not required to consider, nor have I considered whether the Accounting Officer's Statement on Internal Control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the National Museums and Galleries of Northern Ireland corporate governance procedures or its risk and control procedures.

### Basis of audit opinion

I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are appropriate to the National Museums and Galleries of Northern Ireland 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 also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In my opinion:

- the financial statements give a true and fair view of the state of affairs of the National Museums and Galleries of Northern Ireland at 31 March 2004



and of the deficit, total recognised gains and losses and cash flows for the year then ended and have been properly prepared in accordance with the Museums and Galleries (Northern Ireland) Order 1998 and directions made thereunder by the Department of 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.



**J M Dowdall CB**  
**Comptroller and Auditor General**  
**8 June 2005**

**Northern Ireland Audit Office**  
**106 University Street**  
**Belfast BT7 1EU**

## CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

	NOTES	2004 £	2003 £
<b>GROSS INCOME</b>			
Department of Culture, Arts and Leisure Grants	3	12,567,646	11,719,796
Other Specimen Grants	17	42,355	597,964
Other Grants		416,582	279,952
Income From Activities	4	3,122,598	2,917,131
		<u>16,149,181</u>	<u>15,514,843</u>
<b>EXPENDITURE</b>			
Staff Costs	5	9,767,713	9,689,484
Depreciation	8	1,756,073	1,753,844
Other Operating Charges	6	4,718,851	4,019,770
Specimen Purchases	9	192,373	695,794
		<u>16,435,010</u>	<u>16,158,892</u>
Interest Paid		4,738	3,536
Interest Received		6,868	9,954
<b>DEFICIT FOR THE YEAR BEFORE NOTIONAL COSTS</b>	7	<u>(283,699)</u>	<u>(637,631)</u>
Notional cost of capital	2	(1,648,192)	(2,710,275)
<b>DEFICIT FOR THE YEAR AFTER NOTIONAL COSTS</b>	2	(1,931,891)	(3,347,906)
Adjustment for notional cost of capital	16	1,648,192	2,710,275
Transfer from revaluation reserve	19	627,190	480,773
<b>NET TRANSFER TO/(FROM) GENERAL RESERVE</b>		<u>343,491</u>	<u>(156,858)</u>

All amounts included in the above statement relate to the continuing operations of the National Museums and Galleries of Northern Ireland.

The notes on pages 33 to 47 form part of these financial statements.

## INCOME AND EXPENDITURE ACCOUNT

	NOTES	2004 £	2003 £
<b>GROSS INCOME</b>			
Department of Culture, Arts and Leisure Grants	3	12,567,646	11,719,796
Other Specimen Grants	17	42,355	597,964
Other Grants		416,582	279,952
Income From Activities	4	1,284,944	1,244,995
		<u>14,311,527</u>	<u>13,842,707</u>
<b>EXPENDITURE</b>			
Staff Costs	5	8,955,316	8,867,057
Depreciation	8	1,751,243	1,753,548
Other Operating Charges	6	3,756,421	3,168,485
Specimen Purchases	9	192,373	695,794
		<u>14,655,353</u>	<u>14,484,884</u>
Interest Paid		4,738	3,536
Interest Received		5,911	8,082
<b>DEFICIT FOR THE YEAR BEFORE NOTIONAL COSTS</b>			
	7	<u>(342,653)</u>	<u>(637,631)</u>
Notional cost of capital	2	(1,648,192)	(2,710,275)
<b>DEFICIT FOR THE YEAR AFTER NOTIONAL COSTS</b>			
	2	(1,990,845)	(3,347,906)
Adjustment for notional cost of capital	16	1,648,192	2,710,275
Transfer from revaluation reserve	19	627,190	480,773
<b>NET TRANSFER TO/(FROM) GENERAL RESERVE</b>		<u>284,537</u>	<u>(156,858)</u>

All amounts included in the above statement relate to the continuing operations of the National Museums and Galleries of Northern Ireland.  
The notes on pages 33 to 47 form part of these financial statements.

## **CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

	<b>2004</b> <b>£</b>	<b>2003</b> <b>£</b>
Deficit for the financial year	(1,931,891)	(3,347,906)
Unrealised surplus on the revaluation of fixed assets	3,084,542	3,412,358
	<hr/>	<hr/>
Total recognised gains and losses recognised since last annual report	<u>1,152,651</u>	<u>64,452</u>

The notes on pages 33 to 47 form part of these financial statements.

## CONSOLIDATED BALANCE SHEET

	NOTES	2004 £	2003 £
<b>FIXED ASSETS</b>			
Tangible assets	8	47,122,384	45,549,817
<b>CURRENT ASSETS</b>			
Stock	10	185,909	194,445
Debtors	11	889,573	869,074
Cash at bank and in hand	12	1,924,172	1,368,924
		<u>2,999,654</u>	<u>2,432,443</u>
<b>CURRENT LIABILITIES</b>			
Creditors - amounts due within one year	13	<u>2,042,771</u>	<u>1,819,931</u>
<b>NET CURRENT ASSETS</b>		956,883	612,512
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><u>48,079,267</u></u>	<u><u>46,162,329</u></u>
Financed by:			
Deferred Government Grants	14	4,824,657	5,170,780
Capital Account	15	10,263,089	10,799,614
Revaluation Reserve	16	32,008,275	29,550,923
Specimen Fund	17	19,766	19,766
Government Loan	18	66,226	67,483
General Reserve	19	897,254	553,763
		<u><u>48,079,267</u></u>	<u><u>46,162,329</u></u>

The notes on pages 33 to 47 form part of these financial statements.  
 The accounts on pages 26 to 47 were approved by the Board of Trustees of the National Museums and Galleries of Northern Ireland on 17 May 2005 and are signed on its behalf



Chairman of The Board of Trustees  
**M Elliott**



Chief Executive  
**T Cooke**

**BALANCE SHEET**

	NOTES	2004 £	2003 £
<b>FIXED ASSETS</b>			
Tangible assets	8	47,046,896	45,545,657
<b>CURRENT ASSETS</b>			
Stock	10	160,576	166,481
Debtors	11	521,010	520,259
Cash at bank and in hand	12	1,791,541	1,309,526
		<u>2,473,127</u>	<u>1,996,266</u>
<b>CURRENT LIABILITIES</b>			
Creditors - amounts due within one year	13	1,499,833	1,379,717
		<u>973,294</u>	<u>616,549</u>
<b>NET CURRENT ASSETS</b>			
		<u>48,020,190</u>	<u>46,162,206</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>48,020,190</u>	<u>46,162,206</u>
Financed by:			
Deferred Government Grants	14	4,824,657	5,170,780
Capital Account	15	10,263,089	10,799,614
Revaluation Reserve	16	32,008,275	29,550,923
Specimen Fund	17	19,766	19,766
Government Loan	18	66,226	67,483
General Reserve	19	838,177	553,640
		<u>48,020,190</u>	<u>46,162,206</u>

The notes on pages 33 to 47 form part of these financial statements.  
The accounts on pages 26 to 47 were approved by the Board of Trustees of the National Museums and Galleries of Northern Ireland on 17 May 2005 and are signed on its behalf



Chairman of The Board of Trustees  
**M Elliott**



Chief Executive  
**T Cooke**

**CASH FLOW STATEMENT**

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
<b>Net cash inflow/(outflow) from operating activities</b>	140,145	(862,075)
<b>Return on investments and servicing of finance</b>	2,130	6,418
<b>Capital Expenditure</b>	(451,206)	(501,396)
<b>Net cash outflow before financing</b>	(308,931)	(1,357,053)
<b>Financing</b>	575,380	1,210,202
<b>Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	266,449	(146,851)
<hr/>		
<b>Reconciliation of net cash flow to movement in net funds</b>		
Increase/(Decrease) in cash for the period	266,450	(146,851)
Net funds at 1 April 2003	483,563	630,414
Net funds at 31 March 2004	750,013	483,563
<hr/>		
<b>Reconciliation of operating deficit to net cash (outflow)/inflow from operating activities</b>		
Operating deficit	(1,931,891)	(3,347,906)
Notional costs	1,648,192	2,710,275
Depreciation	1,756,073	1,753,844
Deferred government grant release	(730,387)	(758,579)
Specimens purchased	(192,373)	(695,794)
Loss on disposal of Fixed Assets	216,325	-
Decrease in stock	8,536	174
Increase in debtors	(20,499)	(90,142)
(Decrease)/Increase in creditors	(75,176)	86,666
Deposit interest receivable	(6,868)	(9,954)
Bank interest paid	4,738	3,536
Capital account release	(536,525)	(514,195)
<b>Net cash inflow/(outflow) from operating activities</b>	140,145	(862,075)

The notes on pages 33 to 47 form part of these financial statements.

**GROSS CASH  
FLOWS**

	<b>2004</b> £	<b>2003</b> £
<b>Returns on investment and servicing of finance</b>		
Interest received	6,868	9,954
Interest paid	(4,738)	(3,536)
Net cash inflow from operating activities	<u>2,130</u>	<u>6,418</u>
<b>Capital expenditure</b>		
Payments to acquire tangible fixed assets	<u>(451,206)</u>	<u>(501,396)</u>
<b>Financing</b>		
	434,264	560,570
Department of Culture, Arts and Leisure	42,355	597,964
Other grants	100,018	52,866
Transfer from recurrent grant	(1,257)	(1,198)
Repayment of government loans	<u>575,380</u>	<u>1,210,202</u>

	<b>31 March</b> <b>2004</b> £	<b>1 April</b> <b>2003</b> £	<b>Change</b> <b>2004</b> £
<b>ANALYSIS OF CHANGES IN NET FUNDS</b>			
Cash at bank and in hand	1,924,172	1,368,924	555,248
Bank overdraft	(1,174,159)	(885,361)	(288,798)
	<u>750,013</u>	<u>483,563</u>	<u>266,450</u>

The notes on pages 33 to 47 form part of these financial statements.



## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING CONVENTION

These financial statements have been prepared in accordance with the historical cost convention as modified by the revaluation of certain assets. The accounts direction is reproduced as an appendix to these accounts.

Without limiting the information given, the accounts meet the accounting and disclosure requirements of the Companies (Northern Ireland) Order 1986, the 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.

### 2. ACCOUNTING POLICIES

The principal policies which have been adopted in the preparation of these accounts are as follows:

#### Basis of Consolidation

The consolidated accounts comprise the accounts of W5 and MAGNI and are made up to 31 March 2004.

#### Tangible Assets and Depreciation

Land and buildings are stated at cost or valuation. Depreciation is calculated to

write off the valuation of buildings on a straight line basis over the expected useful life of each building.

The minimum level of capitalising of tangible Fixed Assets is generally £1,000, although lower valued items may be pooled and capitalised where they constitute a unit or group.

Where the effect on the financial statements is material, the cost of other fixed assets is restated annually to reflect their replacement cost using the relevant price indices at the year end. The revaluation surplus, net of the corresponding adjustment to accumulated depreciation, is credited to revaluation reserve.

The straight line depreciation rates used for these and other fixed assets are as follows:

Buildings  
**2% - 5% per annum**

Environmental service system  
**5% per annum**

Computer equipment  
**25% per annum**

Fixtures and Equipment  
**10% - 25% per annum**

Plant and Machinery  
**25% per annum**

Motor vehicles  
**25% per annum**

#### Stocks

Stocks have been valued at the lower of cost and estimated net realisable value. There is no significant difference between the historic cost and current cost of stocks.

#### Repairs and Renewals

This expenditure is charged to revenue in the year in which the expenditure is incurred.

#### Pensions

Staff of the National Museums and Galleries of Northern Ireland are members of the Principal Civil Service Pension Scheme (Northern Ireland) which is a contracted out salary related scheme and is essentially non contributory. The National Museums and Galleries of Northern Ireland makes employer contributions to the cost of pension cover provided for its staff, which are charged to the Income and Expenditure account as they arise. The rate of the employer's contribution ranges from 12% to 18% depending on salary level, as advised by the Department of Finance and Personnel.

W5 operates a defined contribution scheme for certain employees. The assets of the scheme are held separately from those of the company in independently administered funds, and contributions are charged to the profit and loss account in the period to which they relate.

#### Government Grants

Grants and other income of a revenue nature are credited to income in the year in which they are receivable.

Grants related to specific depreciating assets are credited to a deferred government grants account and are released to revenue over the expected useful life of the relevant assets. Grants received for non-depreciating assets are credited direct to reserves.

Grants received for purchase of specimens are credited to the specimen fund and released to the income and expenditure account in the year of expenditure.

#### Notional costs

These financial statements make provision for the notional interest cost of capital employed by the National Museums and Galleries of Northern Ireland. The income and expenditure account includes

the notional cost of capital employed calculated as 3.5% (2003: 6%) of the average capital employed over the financial year.

#### Value Added Taxation

All income and expenditure is stated exclusive of VAT, which is recoverable by the National Museums and Galleries Northern Ireland.

#### Capitalisation of Non-Operational Heritage Assets

Non-operational heritage assets are not capitalised, as it is considered that the cost of obtaining a valuation of these assets is not warranted in terms of the benefits which the valuation would deliver.

### 3. DEPARTMENT OF CULTURE, ARTS AND LEISURE GRANTS

	2004 £	2003 £
Recurrent grants (DCAL)	11,150,717	10,334,981
DCAL (to finance specimens purchased)	50,000	59,175
Specimen fund	100,018	52,866
Deferred Government grants released	730,387	758,579
Transfer from Capital Account	536,524	514,195
	12,567,646	11,719,796

#### 4. INCOME FROM ACTIVITIES

	GROUP		MAGNI	
	2004 £	2003 £	2004 £	2003 £
<b>Trading Income</b>				
Shop (Note 20)	488,156	471,717	341,659	327,671
Café (Note 20)	118,802	94,655	107,983	94,655
	<hr/>	<hr/>	<hr/>	<hr/>
	606,958	566,372	449,642	422,326
<b>Other Income</b>				
Consultancy fees	4,599	8,839	4,599	8,839
Photographic sales	53,135	67,112	53,135	67,112
Hire of facilities	74,343	75,366	74,343	75,366
Fees and other income	4,297	3,094	4,297	3,094
Admissions	1,127,997	1,026,877	558,166	520,169
Events income	223,131	238,340	53,119	43,052
Sponsorship	243,364	303,403	36,283	52,815
Donations	87,146	91,105	6,842	10,806
Rental income	106	197	106	197
Sale of asset	186	550	186	550
Courses & staff guides	27,726	24,169	27,726	24,169
Catering concessions	16,500	16,500	16,500	16,500
Restricted grant income	144,386	-	-	-
Subvention funding - DCAL and OTC	501,630	490,345	-	-
Other - W5	7,094	4,862	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	2,515,640	2,350,759	835,302	822,669
	<hr/>	<hr/>	<hr/>	<hr/>
	3,122,598	2,917,131	1,284,944	1,244,995
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

W5 is projected to operate at a continuing deficit, which is then met by subvention from DCAL and Odyssey Trust Company, so that the company makes neither a profit nor a loss.

Trading Income for Shop includes income from the sale of academic publications of £3,804 at March 2004, (£4,777 at March 2003). Previously this was disclosed separately within Other Income.

## 5. STAFF COSTS

	GROUP		MAGNI	
	2004 £	2003 £	2004 £	2003 £
Salaries & wages (including Temporary non payroll staff costs)	8,266,084	8,173,539	7,528,395	7,422,125
Employers National Insurance	600,692	524,106	543,998	467,573
Superannuation	900,937	991,839	882,923	977,359
	<u>9,767,713</u>	<u>9,689,484</u>	<u>8,955,316</u>	<u>8,867,057</u>
<b>Less amounts allocated to:</b>				
Shop & Café Trading	(173,465)	(167,838)	(173,465)	(167,838)
	<u>9,594,248</u>	<u>9,521,646</u>	<u>8,781,851</u>	<u>8,699,219</u>

Included within the above totals are amounts of £107,287 (2003 - £114,414) paid in respect of employment agency staff. Employment agency staff are not employees of the National Museums and Galleries of Northern Ireland and are not included in the employee numbers shown below.

The Chair of the Board of Trustees received

an honorarium of £8,385 (2003 - £8,200) for the year. No other remuneration was paid to trustees in the year.

The following, using actual figures, shows the pension entitlements of the most senior members of the National Museums and Galleries of Northern Ireland for the year ended 31 March 2004:

	Age	Salary (£k)	Real increase in pension at 60 (£k)	Total accrued pension at 60 at 31/3/04 (£k)
Mr Mike Houlihan, <i>Chief Executive - MAGNI (resigned 11 April 2003)</i>	56	0 - 5	0 - 2.5	30 - 35
Mr Tim Cooke, <i>Chief Executive - MAGNI (joined 1 September 2003)</i>	45	45 - 50	0 - 2.5	0 - 5
Mr Marshall McKee, <i>Director of Operations</i>	52	60 - 65	0 - 2.5	15 - 20
Mr John Gilmore, <i>Director of Development</i>	56	55 - 60	0 - 2.5	15 - 20
Mrs Katrina O'Dowd, <i>Director of Finance</i>	38	40 - 45	0 - 2.5	0 - 5

"Salary" includes gross salary; performance pay or bonuses; overtime and any other allowance to the extent that it is subject to UK taxation.

Pension benefits are provided through the Principal Civil Service Pension Scheme. This is a statutory scheme which provides benefits on a "final salary" basis at a normal retirement age of 60. Benefits accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to 3 years' pension is payable on retirement. Members pay contributions of 1.5% of pensionable earnings. Pensions increase in payment in line with the Retail Prices Index. On death, pensions are payable to the surviving spouse at a rate of half the member's pension. On death in service, the scheme pays a lump sum benefit of twice pensionable pay and also provides a service enhancement on computing the spouse's pension. The enhancement depends on length of service and cannot exceed 10 years. Medical retirement is possible in the event of serious ill-health. In this case, pensions are brought into payment immediately without actuarial reduction and with service enhanced as for widow(er) pensions.

W5 operates a defined contribution scheme for certain employees. The assets of the scheme are held separately from those of the company in independently administered funds, and contributions are charged to the profit and loss account in the period to which they relate.

Mike Houlihan was Chief Executive Officer at the beginning of the financial year 2003 - 2004 resigned with effect from 11 April 2003. At that time, the financial statements for the 2002-2003 accounting year had not been finalised and were not available for his signature. A new Chief Executive Officer, Tim Cooke, was recruited and took up his post on 1 September 2003. From 12 April 2003 Katrina O'Dowd was appointed as an interim Accounting Officer with responsibility for all accounting and accountability matters in MAGNI until 1 September 2003. During the period 12 April to 1 September 2003 other Chief Executive Officer responsibilities, including operational and personnel matters, were allocated between the other directors. Responsibility for signing accounts falls to the Accounting Officer in place at the time the accounts are completed; in the case of these accounts,

this is the responsibility of the current Chief Executive Officer, Tim Cooke.

Katrina O'Dowd has resigned from her post of Director of Finance with effect from 15 January 2005. Her role has been assumed on a temporary basis by Amanda Lilley while a permanent replacement is recruited.

The average weekly number of employees during the year was made up as follows:

	<b>2004 No.</b>	<b>2003 No.</b>
Curatorial	60	59
Collections	30	34
Design	17	17
Administration, Finance and Personnel	61	62
Education and Marketing	33	36
Secretarial	17	17
Trading	36	30
Visitor and Gallery services	152	127
Contract staff	12	11
Health and safety	1	-
Armagh County Museum	7	7
	426	400

## 6. OTHER OPERATING CHARGES

	GROUP		MAGNI	
	2004 £	2003 £	2004 £	2003 £
Rent and rates	716,882	627,121	636,578	587,021
Light, heat and water	464,239	448,313	387,310	364,077
Repairs, renewals and maintenance	320,404	336,191	289,048	309,396
Maintenance and display of specimens	94,803	61,971	94,803	61,971
Cleaning materials and laundry	109,992	110,534	57,105	57,521
Travelling and subsistence:				
Staff	103,559	77,644	102,953	77,400
Trustees	2,038	1,060	2,038	1,060
Uniforms and clothing	27,371	38,760	27,371	38,760
Course and training fees	56,397	33,681	56,397	33,681
Health and safety expenses	13,691	14,321	12,220	14,283
Printing, stationery and office expenses	77,558	95,423	77,558	95,422
Telephone and postage	115,278	108,563	115,278	108,563
Insurance	292,847	200,951	187,107	111,075
Legal, audit and professional fees	170,050	160,117	141,593	143,817
Bank charges	2,892	4,521	2,892	4,521
Recruitment costs	18,828	25,170	18,828	25,170
Publicity & Promotion	247,165	195,862	128,947	117,178
Computer maintenance	150,578	91,683	150,578	91,684
Photographic expenses	12,707	17,928	12,707	17,928
Events	130,982	147,351	130,982	147,352
Exhibition expenses	298,316	173,288	253,519	160,447
Conference expenses and hospitality	18,168	15,311	18,168	15,310
Education services	111,016	95,638	84,894	81,411
Transport expenses	14,093	13,446	12,343	10,742
Books, newspapers and periodicals	20,409	21,332	20,409	21,332
MAGNI publications	60,570	45,343	78,647	45,343
Grants and subscriptions	16,890	13,708	16,890	13,708
Research projects and development	86,307	133,165	86,307	124,445
Excavation and field work	1,621	4,244	1,621	4,244
Audio expenses	8,533	2,434	8,533	2,434
Grounds and farm expenses	8,745	7,362	8,745	7,362
Library expenses	3,396	2,927	3,396	2,927
Contracted out security	102,069	92,516	75,468	62,582
Provision for Bad or Doubtful Debts	793	6,630	793	6,630
Trading (Shop & Café)	332,476	275,065	238,070	201,688
Service charge	172,972	200,921	-	-
Business operations	53,626	60,093	-	-
Human resources	22,893	15,882	-	-
Front of house	2,465	916	-	-
Design	13,175	13,316	-	-
Directors office	4,351	13,788	-	-
General expenses	10,634	8,270	-	-
Consumables	4,554	2,479	-	-
Corporate hire expenses	6,193	4,531	-	-
Loss on disposal of fixed assets	216,325	-	216,325	-
	<u>4,718,851</u>	<u>4,019,770</u>	<u>3,756,421</u>	<u>3,168,485</u>

## 7. DEFICIT FOR THE YEAR

	2004 £	2003 £
Expenditure is stated after charging:		
Auditors' and accountants' remuneration:		
The Audit Office - Current year	28,000	35,000
	<hr/> <hr/>	<hr/> <hr/>
External accountants - internal audit provision	34,150	18,500
	<hr/> <hr/>	<hr/> <hr/>

## 8. TANGIBLE FIXED ASSETS

Cost					GROUP
	Land and Buildings £	Fixtures and Equipment £	Plant and Machinery £	Motor Vehicles £	Total £
At 1 April 2003	44,951,979	9,256,925	86,403	56,506	<b>54,351,813</b>
Additions	123,014	322,904	14,505	-	<b>460,423</b>
Disposals	-	(994,033)	(81,973)	-	<b>(1,076,006)</b>
Transfers	68,677	(66,999)	-	(1,678)	-
Revaluation	1,963,975	(4,525,290)	-	8,000	<b>(2,553,315)</b>
At 31 March 2004	47,107,645	3,993,507	18,935	62,828	<b>51,182,915</b>
<b>Accumulated depreciation</b>					
At 1 April 2003	1,245,767	7,417,650	83,331	55,248	<b>8,801,996</b>
Charge for year	1,445,057	308,215	2,801	-	<b>1,756,073</b>
Disposals	-	(777,708)	(81,973)	-	<b>(859,681)</b>
Transfers	17,292	(16,872)	-	(420)	-
Revaluation	(1,268,553)	(4,369,304)	-	-	<b>(5,637,857)</b>
At 31 March 2004	1,439,563	2,561,981	4,159	54,828	<b>4,060,531</b>
<b>Net book value</b>					
<b>At 31 March 2004</b>	<b>45,668,082</b>	<b>1,431,526</b>	<b>14,776</b>	<b>8,000</b>	<b>47,122,384</b>
<b>At 31 March 2003</b>	<b>43,706,212</b>	<b>1,839,275</b>	<b>3,072</b>	<b>1,258</b>	<b>45,549,817</b>

Land and buildings at net book value comprise:	2004 £	2003 £
Long leaseholds	45,668,082	43,706,212



**8. TANGIBLE FIXED ASSETS (Continued)**

Cost					MAGNI
	Land and Buildings £	Fixtures and Equipment £	Plant and Machinery £	Motor Vehicles £	Total £
At 1 April 2003	44,951,979	9,255,225	81,973	56,506	<b>54,345,683</b>
Additions	123,014	261,251	-	-	<b>384,265</b>
Disposals	-	(994,033)	(81,973)	-	<b>(1,076,006)</b>
Transfers	68,677	(66,999)	-	(1,678)	-
Revaluation	1,963,975	(4,525,290)	-	8,000	<b>(2,553,315)</b>
At 31 March 2004	47,107,645	3,930,154	-	62,828	<b>51,100,627</b>
<b>Accumulated depreciation</b>					
At 1 April 2003	1,245,767	7,417,038	81,973	55,248	<b>8,800,026</b>
Charge for year	1,445,057	306,186	-	-	<b>1,751,243</b>
Disposals	-	(777,708)	(81,973)	-	<b>(859,681)</b>
Transfers	17,292	(16,872)	-	(420)	-
Revaluation	(1,268,553)	(4,369,304)	-	-	<b>(5,637,857)</b>
At 31 March 2004	1,439,563	2,559,340	-	54,828	<b>4,053,731</b>
<b>Net book value</b>					
<b>At 31 March 2004</b>	<b>45,668,082</b>	<b>1,370,814</b>	<b>-</b>	<b>8,000</b>	<b>47,046,896</b>
<b>At 31 March 2003</b>	<b>43,706,212</b>	<b>1,838,187</b>	<b>-</b>	<b>1,258</b>	<b>45,545,657</b>
			<b>2004</b>	<b>2003</b>	
Land and buildings at net book value comprise:			<b>£</b>	<b>£</b>	
Long leaseholds			45,668,082	43,706,212	

Included in land and buildings is a residential centre at a cost of £688,154 which has not been revalued and is stated at cost in the accounts. The Trustees are of the opinion that the net book value of this residential centre is not materially different from the open market value at 31 March 2004.

All other land and buildings were revalued by the Valuation and Lands Agency at 31 March 2004. The method of valuation used was open market value, existing use value or depreciated replacement cost as appropriate to each site. All other assets were revalued by professional valuers in completion of the fixed asset register which created a loss on disposal of assets of £216,325 (note 6).

## 9. SPECIMENS

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Purchases during year:		
Fine Art	600	411,525
Applied Art	8,107	147,881
Archaeology and Ethnography	1,070	11,725
History	1,700	-
Botany	-	800
Zoology	-	-
Geology	9,151	12,900
Transport	-	-
New World Development	20,461	33,574
Museum of Emigration	-	18,460
Open Air Museum	151,284	58,929
	<u>192,373</u>	<u>695,794</u>

The historic cost of specimens purchased since the establishment of the individual Museums is £7,830,965. This total does not include donated

specimens or specimens transferred from the Belfast Museum and Art Gallery.

## 10. STOCKS

	<b>GROUP</b>		<b>MAGNI</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Shop and café goods for resale	139,479	159,690	114,146	131,726
Academic publications for resale	5,072	7,741	5,072	7,741
Maintenance materials and consumables	26,788	14,673	26,788	14,673
Farm stock	14,570	12,341	14,570	12,341
	<u>185,909</u>	<u>194,445</u>	<u>160,576</u>	<u>166,481</u>

## 11. DEBTORS

	<b>GROUP</b>		<b>MAGNI</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	376,469	417,680	172,570	136,465
Prepayments and accrued income	344,070	341,472	179,406	273,872
Value added tax	169,034	109,922	169,034	109,922
	<u>889,573</u>	<u>869,074</u>	<u>521,010</u>	<u>520,259</u>

## 12. CASH AT BANK AND IN HAND

	GROUP		MAGNI	
	2004 £	2003 £	2004 £	2003 £
Cash at Bank and in hand	1,924,172	1,368,924	1,791,541	1,309,526

## 13. CREDITORS (amounts falling due within one year)

	GROUP		MAGNI	
	2004 £	2003 £	2004 £	2003 £
Bank overdraft	1,174,159	885,361	1,174,159	885,361
Trade creditors	181,705	70,460	-	-
Other taxes and social security	51,231	66,243	-	-
Accruals and deferred income	555,886	743,142	291,161	493,589
Sundry creditors	79,790	54,725	34,513	767
	2,042,771	1,819,931	1,499,833	1,379,717

## 14. DEFERRED GOVERNMENT GRANTS

	2004 £	2003 £
Gross Value of Deferred Grants:		
At 1 April 2003	12,539,894	12,086,127
Increase during the year - Grants Received	384,264	501,396
Transfer of fixed assets	-	(47,629)
At 31 March 2004	12,924,158	12,539,894
Less Grants released to Income and Expenditure Account:		
At 1 April 2003	7,369,114	6,623,723
Grant released during the year	730,387	758,579
Transfer of fixed assets	-	(13,188)
At 31 March 2004	8,099,501	7,369,114
Net Value of Deferred Grants		
At 31 March 2004	4,824,657	5,170,780

## 15. CAPITAL ACCOUNT

	2004 £	2003 £
At 1 April 2003	10,799,614	11,313,809
Department of Culture and Leisure Grants	384,264	501,396
Increase in Deferred Government Grants (Note 14)	(384,264)	(501,396)
Release to Income & Expenditure Account	(536,525)	(514,195)
	<hr/>	<hr/>
At 31 March 2004	10,263,089	10,799,614
	<hr/> <hr/>	<hr/> <hr/>
Represented by:		
Land and Buildings	10,329,315	10,867,097
Less: Government Loans	(66,226)	(67,483)
	<hr/>	<hr/>
	10,263,089	10,799,614
	<hr/> <hr/>	<hr/> <hr/>

## 16. REVALUATION RESERVE

	2004 £	2003 £
At 1 April 2003	29,550,923	26,619,338
(Deficit)/Surplus on revaluation of fixed assets	(2,553,315)	2,352,584
Depreciation adjustment on revaluation	5,637,857	1,059,774
Reserve released relating to depreciation charge on revalued amount	(627,190)	(480,773)
	<hr/>	<hr/>
At 31 March 2004	32,008,275	29,550,923
	<hr/> <hr/>	<hr/> <hr/>

## 17. SPECIMEN FUND

	2004 £	2003 £
At 1 April 2003	19,766	5,555
Department of Culture, Arts and Leisure Grant	50,000	59,175
Recurrent Grant	100,018	52,866
Other grants	42,355	597,964
Specimens purchased (Note 9)	(192,373)	(695,794)
	<hr/>	<hr/>
At 31 March 2004	19,766	19,766
	<hr/> <hr/>	<hr/> <hr/>

## 18. GOVERNMENT LOANS

The principal of the loans from the government loans fund outstanding at 31 March 2004 was £66,226 (2003: £67,483) consisting of 8 loans repayable by bi-annual instalments. The loans were used to purchase the Manor House

and Dalchoolin at the Ulster Folk and Transport Museum. Charges remain on these properties until the loans are paid in full. The longest loan matures in 29 years. The movements on the fund in the year were as follows:

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
At 1 April 2003	67,483	68,680
Add : Interest Charged	4,683	4,743
Less : Amounts Repaid	(5,940)	(5,940)
	<hr/>	<hr/>
At 31 March 2004	<u>66,226</u>	<u>67,483</u>

## 19. GENERAL RESERVE

	<b>GROUP</b>		<b>MAGNI</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 2003	553,763	710,621	553,640	710,498
Transfer (to)/from income and expenditure account	343,491	(156,858)	284,537	(156,858)
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>897,254</u>	<u>553,763</u>	<u>838,177</u>	<u>553,640</u>

## 20. TRADING ACCOUNTS

Neither of the following trading accounts for the shop or the café include any element of the establishment or administration charges which are contained within Note 6.

SHOP	GROUP		MAGNI	
	2004 £	2003 £	2004 £	2003 £
Sales	488,156	471,717	341,659	327,671
Opening stock	138,841	105,864	138,841	105,864
Purchases	267,916	271,558	180,619	198,181
Closing stock	(120,440)	(138,841)	(120,440)	(138,841)
Cost of Sales	286,317	238,581	199,020	165,204
Gross Profit	201,839	233,136	142,639	162,467
Less:				
Overheads	3,162	2,416	3,162	2,416
Salaries, Wages and National Insurance Costs	106,295	97,779	106,295	97,779
Net Profit	92,382	132,941	33,182	62,272
<b>CAFÉ</b>	<b>2004 £</b>	<b>2003 £</b>	<b>2004 £</b>	<b>2003 £</b>
Sales	118,802	94,655	107,983	94,655
Opening stock	626	1,939	626	1,939
Purchases	44,724	32,741	37,615	32,741
Closing stock	(2,373)	(626)	(2,373)	(626)
Cost of Sales	42,977	34,054	35,868	34,054
Gross Profit	75,825	60,601	72,115	60,601
Less:				
Overheads	20	14	20	14
Salaries, Wages and National Insurance Costs	67,170	70,060	67,170	70,060
Net Profit/(Loss)	8,635	(9,473)	4,925	(9,473)

The trading activities for shop includes academic publications, which had previously been disclosed separately in Other Income (Note 4). The effect of

including trading activities of academic publications at March 2004 is to increase Shop Net Profit by £6,127 (increase of £6,540 at March 2003).

## 21. FINANCIAL COMMITMENTS

At 31 March 2004 the group had annual commitments under non-cancellable operating leases as follows:

	GROUP		MAGNI	
	2004 £	2003 £	2004 £	2003 £
Land and buildings Expiring within more than five years	74,700	74,700	-	-
Other Expiring in two to five years	5,600	5,600	-	-

## 22. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	Deferred Government Grants 2004 £	Specimen Fund 2004 £	Capital Account 2004 £
At 1 April 2003	5,170,780	19,766	10,799,614
Cash inflow from financing: Grants	384,264	192,373	-
Transfer to income and expenditure account	(730,387)	(192,373)	(536,525)
Closing balance At 31 March 2004	4,824,657	19,766	10,263,089

## 23. RELATED PARTY TRANSACTIONS

The National Museums and Galleries of Northern Ireland is a non departmental public body funded by the Department of Culture, Arts and Leisure for Northern Ireland.

The Department of Culture, Arts and Leisure is regarded as a related party. During the year, the National Museums and Galleries of Northern Ireland had no material transactions with the Department of Culture, Arts and Leisure other than the

receipt of Grant in aid.

There were a number of material transactions with other Government Departments and other central government bodies. Most of these transactions were with the Department of Environment for Northern Ireland and the Department of Finance and Personnel.

During the year, none of the board members, key management staff or other

related party has undertaken any material transactions with the National Museums and Galleries of Northern Ireland.

Included in deferred income is a grant of £10,000 received from BBC,NI in 1998. A member of the Board of Trustees, Mr Mark Adair, is Secretary and Head of Public Policy of BBC,NI. The grant was secured prior to Mr Adair's appointment to the Board in July 2002.

## 24. FINANCIAL COMMITMENTS AND CONTINGENT LIABILITIES

At the year end the National Museums and Galleries of Northern Ireland had capital commitments of £48,000 for building improvements and equipment at the Ulster Museum.

THE FOLLOWING PAGES DO  
NOT FORM PART OF THE  
FINANCIAL STATEMENTS



**DETAILED ACCOUNTS****OTHER GRANTS****Other grants comprise the following:**

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Victims Fund	79,000	-
Community Relations Council	46,104	47,290
Community Relations Council - Peace II	26,806	7,093
Community Relations Council - Music on the Move	2,000	800
Environment & Heritage Service (EHS)	-	45,640
DoE Excavation Blackwater	1,215	-
Duchas - dragonflys	9,666	10,000
EHS - CEDaR	99,266	95,202
EHS - Rathlin & Blackwater	-	4,344
EHS - Lepidoptera	5,109	18,206
EHS - Dragonfly	7,108	-
EHS - Brian Nelson	4,700	-
EHS - Recorder project	-	20,772
EHS - re electronic public interface	32,720	-
Arts Council - Goldsmith in residence	10,657	-
Queens University	20,660	-
Department of Employment and Learning (DEL)	-	679
Adapt NI	-	1,611
North Down Borough Council	-	4,500
Belfast Master Mariners	-	300
Department of Agriculture and Rural Development (DARD)	-	400
Flight experience	7,792	-
Western Education and Library Board (WELB)	1,504	1,504
Irish American Partnership	-	4,746
Comenius thematic network (EU funding)	-	8,999
Department for Regional Development (DRD)		
- Community History outreach officer	-	2,933
Sir Halle Stewart Trust	15,730	736
Joseph Rowntree Charitable Trust	13,969	1,197
Clore Foundation	-	3,000
DARD, Natural Resource Tourism Initiative, Sperrins Tourism	26,934	-
US Consulate - Storytelling festival	1,623	-
Canadian High Commission, Celebrate Canada	1,019	-
Tesco SO	3,000	-
	<hr/>	<hr/>
	416,582	279,952
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Annual Report and Accounts  
**2003-2004**

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