

Tourism NI Annual Report

for the Year Ended 31 March 2020



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for the Year Ended 31 March 2020

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Front cover image Cranfield alapacas - Co. Down

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Overview

Purpose of Overview

The purpose of the Overview is to give the reader sufficient information to understand Tourism Northern Ireland, its purpose, the key risks to the achievement of its objectives and how it has performed during the year.



Terence Brannigan
Chairman

Chairman's Introduction

I am pleased to introduce Tourism Northern Ireland's annual report for 2019-20, another great period of success for tourism, but one which also brought an enormous shock to our entire industry in the shape of the Covid-19 pandemic.

The health and economic crisis that arose globally in January and hit Northern Ireland in March triggered a worldwide travel and tourism shutdown that will have far reaching consequences for Northern Ireland not just in the calendar and financial year ahead but for the long term future.

However, the latest data available from the Northern Ireland Statistics and Research Agency indicate a positive 2019-20, and we can reflect on the year as a high water mark that our tourism industry can rebuild towards when the Covid-19 crisis recedes.

There were 5.3 million overnight trips taken in Northern Ireland in 2019, generating spend of £1 billion. This equates to overnight visitors spending on average £2.9 million per day. Visitors from Great Britain and Other Overseas generated £589 million. Northern Ireland realised significant growth of almost one third in spend from the Republic of Ireland market, which reached £142 million in 2019.

2019 tourism employee jobs figures show a 9% increase (+6,000) on 2017, from 64,856 to 70,802.

Undoubtedly, the highlight of the year was The 148th Open Championship at Royal Portrush. Injecting some £100m into the economy and hailed widely by the R&A, the professional players and the 237,750 spectators as a ground-breaking event for Northern Ireland, it simply couldn't have gone any better.

The staging of The Open raised our profile as a welcoming destination to a global audience like never before, providing an unprecedented opportunity to showcase our exceptional golfing product, the Causeway Coast and Glens, and Northern Ireland as a golfing nation. Thanks to how Northern Ireland delivered, there is confidence that The Open will return to Royal Portrush as soon as possible to bring additional economic benefits.

Further success for the industry in 2019-20 was evident in our growing Game of Thrones® screen tourism offering, the Taste the Island food and drink initiative as part of an extensive programme of major events, as well as the development and launch of our new destination brand, Northern Ireland – Embrace a Giant Spirit.

None of the progress during the year could have been delivered without the professional, committed and dedicated staff team in Tourism NI, my colleagues on the Board and the hard work of a great many people throughout the entire tourism sector.

I pay tribute to them all, and while the oncoming challenges in the wake of the Covid-19 crisis will be daunting, I believe that if we tackle them with the same commitment and determination that was demonstrated last year we will be able to reshape Northern Ireland tourism in a way that brings the greatest benefit to the economy.

Terence Brannigan
Chairman
Tourism NI



John McGrillen
Chief Executive

Chief Executive's Message

For the past number of years tourism has been one of Northern Ireland's most recognisable good news stories, and I am pleased that the positive narrative for our industry continued for all but the last weeks of 2019-20.

The many achievements and encouraging results for the year, and the potential for building on them, were of course heavily blunted by the grave impact of the Covid-19 pandemic, the closing of borders and air routes, and the lockdowns put in place across the world.

Despite the extraordinary end to the year, what will augur well for Northern Ireland's post pandemic recovery is that last year's tourism performance was built on our closer to home markets. As detailed in this report, this was partly due to the partnership marketing approach that Tourism NI took with visitor attractions and accommodation providers in the Republic of Ireland market, which contributed to those visitors spending significantly more over the main part of the year. At the same time we attracted increasing numbers of visitors from Great Britain and overseas, creating more opportunities for our local industry to grow and invest in the tourism sector.

Other factors that supported the positive outcomes for the year were the ongoing growth in screen tourism, the highly successful staging of The 148th Open Championship, and the Taste the Island initiative, the first in a three year collaboration with Fáilte Ireland and Tourism Ireland.

As the epic Game of Thrones® TV series wrapped up after 10 years of filming and production, the Game of Thrones® Legacy Project announced during the year will further embed the show's influence into the landscapes, culture and experiences of Northern Ireland.

The 148th Open proved to be a watershed moment for Northern Ireland. The record breaking crowds, the global media exposure, the massive economic impact and the glowing feedback around every aspect of the Championship and its delivery will benefit every part of Northern Ireland for years to come.

The year may have ended in turmoil for tourism globally and at home, but there is encouragement to be garnered from tourism's performance in 2019-20. The £1 billion pound industry that until the end of the financial year employed some 68,000 people points to the capabilities and possibilities of our tourism sector.

The challenges in the recovery phase will be many, but with crisis comes opportunity. As the impact of the virus begins to recede, I believe the tourism sector will flourish once again and take up its vital role in the economy. Tourism NI remains deeply committed to making that happen and will do everything possible to support the industry in the new realities of the global tourism landscape.

John McGrillen
Chief Executive
Tourism NI





Statutory Background & Business Activities

Tourism Northern Ireland is a Non Departmental Public Body sponsored by the Department for the Economy (DfE). The organisation was originally set up as the Northern Ireland Tourist Board (NITB) in 1948 and operates under the Tourism (Northern Ireland) Order 1992. It was renamed Tourism NI in January 2015.

Tourism NI's principal functions are to encourage tourism, to encourage the provision and improvement of tourist facilities and amenities and to certify tourism accommodation. We invest in relationships with our key strategic partners and stakeholders and offer funding mechanisms for capital projects to improve visitor attractions and activities with the aim of enhancing the visitor experience.

We devise marketing campaigns to promote Northern Ireland to best prospect customers and support the industry through the development of skills and capabilities, including the WorldHost programme. We also develop visitor information and invest in the use of digital and social media.

We work closely with a wide range of organisations in a variety of sectors, utilising the strengths and expertise of others to drive tourism forward and achieve our goals.

Tourism NI comprises of six divisions:

- Marketing
- Business Support & Events
- Product Development
- Corporate Development
- Organisational Development & Human Resources
- Digital Services

In addition to our head office in Belfast, Tourism NI operates a Dublin office. The Marketing Division is based in both cities.

Commentary on the performance of the tourism sector and Tourism NI activities is detailed under section 'Performance Analysis'. It highlights the main trends and factors which have influenced the development of tourism in the current year and going forward.

Key Issues & Risks Facing the Entity

Section 2.6 of the Governance Statement outlines Tourism NI's approach to Risk Management, identifying and reporting on risks and management of risks.

Risks being managed as at 31 March 2020 were categorised as follows:

- Financial
- Operational
- Reputational
- Compliance

Some of the key risks identified in 2019-20, their impact and mitigating action is summarised below;

KEY RISK	IMPACT	MITIGATING ACTION
Outbreak of the Covid-19 pandemic.	The outbreak of Covid-19 has had, and will continue to have, a devastating impact on the tourism industry. TNI staff are all working remotely with a number of usual activities being postponed or cancelled across the organisation, with doubt on whether TNI can deliver on all its objectives in 2019-20. This has had an impact on budget with £400k revenue being surrendered in March 2020.	Significant TNI resources were redirected to support both the industry, and the government response. The Tourism NI Covid-19 Business Helpline was established, and a new Covid-19 Business Support Hub on TourismNI.com was developed. TNI staff were redeployed to support DfE in the processing of payments under the grant scheme for the Retail, Hospitality and Tourism sectors. Tourism NI also provided extensive analysis and strategic input to DfE in relation to the design of wider support programmes.
Impact of UK exit from the European Union.	There is a risk that economic uncertainty, a lack of clarity around future cross border travel arrangements and the continuous negative commentary around the Irish border and backstop, could negatively impact tourism spend for 2020. Full figures for 2020 will not be known until 2021 at the earliest.	A programme of activity was developed specifically targeting areas that would be impacted most. Bids to secure additional funding in 2019-20 were submitted, but to date no additional funding has been made available.
Failure to fulfil Statutory Responsibilities.	An internal audit report dated 9 May 2017 highlighted that Tourism NI had at that point in time a significant backlog in properties due for certification, mainly due to a vast increase in the numbers of B&B providers using new online platforms. Tourism NI was therefore not fulfilling one of its statutory duties of ensuring that only certified properties were providing accommodation.	In response Tourism NI recruited and trained additional certification staff and realigned resources internally to deal with this issue. Internal Audit Service has since conducted a follow up and provided a satisfactory opinion in the delivery of this service. The backlog identified has been cleared, however this service is still operating behind schedule due to the volume of properties that are coming online.

Further information can be found in Section 2.6 of the Governance Statement.

Covid-19

On 11 March 2020, the World Health Organisation declared that the global outbreak of the virus Covid-19 was a pandemic. This was swiftly followed by Governments around the world declaring lockdowns, including suspending travel.

A number of activities that Tourism NI was scheduled to perform or attend in the last few weeks of the financial year were either cancelled or postponed.

As staff moved to work from home in line with guidance, Tourism NI immediately diverted staff to put structures in place to support the Tourism Industry, which faced lockdown just as we moved into the start of the main tourism season. A sample of Tourism NI's response in the "reaction phase" included:

A Covid-19 Business Helpline, providing assistance and guidance, including specialist employment, HR, financial and contractual legal advice to businesses in need;

- a Covid-19 business hub on Tourismni.com, updated as soon as further guidance became available;
- practical advice and guidance made available through live or pre-recorded webinars;
- industry surveys to analyse and inform the greatest needs of the industry; and
- the redeploying of ten staff to support DfE in processing payments under the £25k grant scheme for the Retail Hospitality and Tourism sectors.

Tourism NI's Recovery Plan

As the focus turned to recovery, Tourism NI supported the Minister for the Economy in creating a Ministerial Tourism Recovery Steering Group, chaired by the Minister. The CEO of Tourism NI chaired the Working Group and a number of Tourism NI personnel were closely involved in the "Task and Finish" Groups which focussed on specific sectors of the industry.

Economic analysis was carried out by EY and was used to inform the recovery plan. This included the development of an integrated marketing and PR programme. Tourism NI has been successful in securing a small amount of additional funding to support this and has submitted bids to increase this.

Tourism NI has also been involved in a range of cross government and inter-governmental activity including:

- participation in the Tourism Industry Emergency Response Group led by Visit Britain;
- participation in the Tourism Industry Council Group led by the Digital, Culture, Media and Sport Minister;
- tri agency response group on the island of Ireland with Tourism Ireland and Fáilte Ireland; and
- Northern Ireland Tourism Alliance, NI Hotels Federation and Hospitality Ulster Working Group.

Staff Wellbeing

As the prospect of a nationwide lockdown became apparent, the IT, HR and Finance divisions worked swiftly to ensure staff had the capabilities to work from home. This was enabled by the recent migration of work onto web based applications, which allowed staff to switch seamlessly from office to home working. However, Tourism NI was mindful that this new situation provided staff with a number of different challenges, from working with dependants to home schooling to loneliness.

These have been managed through regular all staff communications, regular "check-ins" with teams and the HR team has put in place a Health and Wellbeing Programme that focuses on "looking after yourself", "staying connected" and "looking after others".

Performance Summary

Preparation of Financial Statements

Under Article 8 of the Tourism (Northern Ireland) Order 1992, Northern Ireland Tourist Board trading as Tourism NI is required to prepare a statement of accounts for each financial year in the form directed by the Department for the Economy with the approval of the Department of Finance. The accounts are prepared on an accruals basis and show a true and fair view of the state of affairs of the Northern Ireland Tourist Board trading as Tourism NI and of the net expenditure, cash flows and changes in taxpayers' equity for the financial year.

Results for the Year

The Statement of Comprehensive Net Expenditure notes a net expenditure for the year of £23.6 million compared to £25.5 million for the 2018-19 financial year.

Total operating expenditure was £23.6 million, which was a decrease of £1.9 million from 2018-19 (£25.5 million). This reflects the ever changing priorities within tourism. The digital agenda increased its prominence during the 2018-19 year, receiving additional support. Investment in the experience brand was started in 2017-18 and continued into 2019-20.

Related operating income was £0.2 million (2018-19 £0.2 million). This excludes funding received from the Department for the Economy in respect of Tourism Ireland of £12.4 million (2018-19 £13.6 million) which was directly paid over to Tourism Ireland when received.

Going Concern

The Statement of Financial Position as at 31 March 2020 shows net liabilities of £13.6 million (2018-19 £12.2 million), reflecting liabilities due in future years, in particular the pension liability of £10.5 million (2018-19 £8.3 million).

It is considered appropriate to adopt a going concern basis for the preparation of the financial statements as the Department for the Economy, sponsor department of Tourism NI, is supply financed. There is no reason to believe that the Department's future sponsorship and future Assembly approval will not be forthcoming to meet Tourism NI's liabilities as they fall due.

Performance Analysis

Financial Performance

Targets and Achievements

Tourism NI sets out its annual objectives within an Operating Plan that contains targets for the various Divisions and Units of the organisation. Performance against targets is measured continuously throughout the financial year, in formal end of quarter reports reviewed by the Senior Management Team, by the Tourism NI Board and by our parent department, the Department for the Economy.

Operating Plan objectives for the 2019-20 financial year were encapsulated in seven strategic priorities, as follows:

- Sustaining & Supporting Business Growth
- To Create a Fit for Purpose Organisation
- New Experience Brand Developed and Launched
- Industry Investment
- Deliver a Successful 148th Open Championship, Royal Portrush
- Tourism Strategy
- EU Exit Preparation

All priorities are aligned to our mission 'To provide strategic leadership and work collaboratively to accelerate growth in Tourism', with the vision that 'Northern Ireland is an internationally competitive destination renowned for world class 3-5 day breaks'.

In the ongoing absence of an Assembly the Northern Ireland Civil Service issued a work programme for all government departments and their agencies, entitled Outcomes Delivery Plan. The draft Programme for Government framework was used as the basis for the Outcomes Delivery Plan which was in place until ministers returned to office and the Executive was restored in January 2020. This plan identified three key areas of work for Tourism NI:

- Tactical marketing campaigns in the ROI and domestic markets
- Events of scale (including The 148th Open Championship, Royal Portrush)
- Taste the Island (a showcase of food and drink, delivered in partnership with Tourism Ireland and Failte Ireland. 2019 was year one of a three year commitment)

Tourism NI's Risk Register is aligned to the objectives in the Corporate Plan and Operating Plan to ensure risks and uncertainty are linked to Key Performance Indicators (KPIs). Risks are initially identified by the Senior Management Team

(SMT) and the Risk Register is formally reviewed and updated each quarter and reported to Tourism NI and DfE Audit & Risk Committees.

Performance and Activities

The latest tourism data released by the Northern Ireland Statistics and Research Agency (NISRA) indicate a very positive 2019 performance for tourism. Northern Ireland welcomed 5.3 million visitors during January to December 2019, an increase of 7% compared with 2018. They spent an unprecedented £1 billion, an additional £76 million or 8% more than they did during same period in 2018. Some £2.9 million was spent on average each day by overnight visitors.

Overnight visitors from outside Northern Ireland exceeded 3 million for the first time ever in 2019. Growth was largely driven by the ROI market (+28%), with visitors from GB and other Overseas increasing by 1%.

The Republic of Ireland market delivered a strong performance in 2019. We welcomed a record breaking 756,000 overnight visitors from this market, up by 28% compared with 2018. Spend by ROI residents also increased significantly in 2019, by 31% to £142million.

Great Britain and Other Overseas

Great Britain and Other Overseas accounted for 42% of all overnight trips taken in NI, 60% of all nights and 56% of all spend. Strong growth was evident for GB holiday trips, which increased by 14% compared with 2018. Other overseas holiday trips grew by 2% during the same period.

GB visitors spent £369 million during January to December 2019,

Visitors from North America took 280,000 trips in Northern Ireland in 2019, spending a total of £79million. This represents declines of 8% and 14% respectively on 2018.

Republic of Ireland

The ROI market accounted for 14% of all overnight trips taken in NI, 11% of all nights and 14% of all spend in 2019. This market performed exceptionally well, with double digit percentage growth performance in 2018.

ROI visitors spent a record £142 million in NI during 2019, an increase of 31% on 2018, with the strong exchange rate possibly encouraging ROI residents to spend more.

There were 323,000 holiday trips taken by ROI residents in NI during January to December 2019, an increase of 27%, compared with the same period in 2018. Holiday trips accounted for over two-fifths of all ROI trips to NI.

Domestic

Performance Analysis

Domestic trips accounted for 44% of all overnight trips taken in Northern Ireland, 29% of all nights and 30% of all spend. Domestic performance was positive in 2019, with NI residents taking more trips, notably holidays, in NI and spending more. They also took additional trips to GB and Other Overseas but fewer trips to the ROI.

NI residents took 1.5m overnight domestic holidays in 2019, up by 15% on 2018. They spent £234 million, which equates to an additional £20 million or 9% more compared with 2018.

Accommodation

Supporting the positive tourism performance figures, almost 5 million bed-spaces were sold in hotels, guest houses, guest accommodation and B&Bs during January to December 2019, an increase of 11% on January to December 2018.

Strategic leadership

Throughout the year Tourism NI continued to demonstrate strong strategic leadership in partnership with a range of other organisations, agencies and stakeholders.

Tourism Strategy

During the year Tourism NI worked with the Department on a draft Tourism Strategy focused on a target to double the value of tourism to the economy to £2 billion per annum, create 25,000 jobs by 2030 and further develop Northern Ireland tourism as an export business.

With the Executive not being restored until January 2020 the public consultation and the finalisation of the draft Strategy within the original timescales was therefore delayed. A revised draft of the Strategy looking towards 2030 is being developed with a view to bringing forward a public consultation document as soon as possible, and aligning the Tourism Strategy to the Draft Industrial Strategy – Economy 2030 timeframe.

Northern Ireland – Embrace a Giant Spirit

One of the key strategic goals for the organisation in 2019–20 was to develop and launch a new destination brand for Northern Ireland. During the year there was a significant programme of activity with our experience development staff teams and brand agencies in preparation for its delivery.

The creation of the brand involved working with some of Northern Ireland's finest talent. The logo was designed by internationally acclaimed artist, Colin Davidson with Pulitzer prize winning poet Paul Muldoon and Oscar nominated cinematographer Seamus McGarvey also involved in creative content and production.

Tourism NI tested a range of different brands within the core

market at home and in the Republic of Ireland, Great Britain, France, Germany and the United States, with Northern Ireland – Embrace a Giant Spirit standing out as the most popular and compelling concept that reflected our history, culture and people.

Following a period of consultation and a number of workshops and presentation sessions with stakeholders, industry influencers, local authorities, NITA, Tourism Ireland and others, the brand was successfully launched to the world's travel trade and media at World Travel Market in London in November, with 23 exemplar tourism experiences from Northern Ireland represented on the Tourism Ireland stand. A new travel trade microsite embraceagiantspirit.com went live in November.

The new brand was launched to the consumer in Northern Ireland and the Republic of Ireland in February, and has received widespread positive feedback. It will be used going forward to promote Northern Ireland on the island of Ireland and internationally, with the aim of increasing visitor numbers and ensuring economic impact across all regions.

In addition to the development of the brand, Tourism NI has developed a suite of development products to support the tourism industry. These have included brand guidelines, a brand framework, an experience development toolkit and a travel trade buyers' guide that outlines the first experiences selected as brand demonstrators to bring the brand to life on the ground.

The last of 11 information sessions on the new experience brand around the local authority area concluded in February. This was the start of a process to socialise the brand throughout Northern Ireland and engagement with local authorities will be ongoing to leverage collective assets to embed the brand and to identify new experiences.

An enormous amount of effort was undertaken in a relatively short space of time to deliver the new brand, and there is a wide appreciation from our stakeholders and partners, including Tourism Ireland, for its potential to transform Northern Ireland's tourism offer and global appeal.

GB Strategy

A programme of meetings designed to foster collaboration in important areas of work with mutual benefits continued throughout the year between the senior management teams of Tourism NI, Tourism Ireland and Fáilte Ireland. This included a review of the Great Britain market, which continues to offer considerable potential for the tourism sector. Consequently, a new strategy for the market was developed and launched in June 2019 by Tourism NI, Tourism Ireland and Fáilte Ireland, in close collaboration with a wide range of industry partners at home and in GB. The strategy sets out an ambitious target to grow revenue from GB holidaymakers by 33%, to £116 million

Performance Analysis

by 2022, while ensuring continued regional growth and season extension.

Developed at a time when Great Britain was facing ongoing uncertainty due to the Brexit negotiations, the new strategy also provides up to date insights to ensure Northern Ireland is best placed to tackle the challenges and to make the most out of future opportunities

EU Exit Preparations

In 2019–20 the uncertainty relating to the EU Exit negotiations posed significant challenges to the tourism sector, and one of Tourism NI's major goals was to support the industry in dealing with the UK exit from the EU. In addition to making a number of submissions to the Department for the Economy for funding to mitigate the potential impact of EU Exit on the tourism industry, we developed plans to support the industry by supporting business competitiveness, market retention, and market diversification.

At the start of the year we launched a comprehensive EU Exit information section on the Tourism NI website to signpost the industry to Government guidance on how to prepare for EU Exit in the event of a 'no deal' outcome. All tourism businesses were strongly encouraged to review this information closely and to keep checking the UK Government website for updates. Tourism NI also provided its own assessment of the official Government sources with the caveat that it would be subject to change at short notice. A dedicated email address was also available for industry to share feedback on any impact on their operations or future business plans and reporting procedures were introduced into Tourism NI's management structures.

The UK left the European Union on 31 January 2020 and there is an agreed transition period until the end of December 2020. Supporting tourism performance and Northern Ireland's capacity to maintain consistent growth remains a key priority for the transition period, as the current rules on trade, travel and business for the UK and EU will continue to apply.

NI Affairs Committee Inquiry

During the year Tourism NI supported the Department for the Economy in preparing a written response for a Northern Ireland Affairs Committee inquiry into the societal and economic impact of the tourist industry in Northern Ireland, transport links to Northern Ireland and the promotion of Northern Ireland as a tourism destination. In June, the chief executives of Tourism NI, Tourism Ireland, Visit Belfast, and Mid and East Antrim Borough Council gave oral evidence to the inquiry in the House of Commons. Due to the general election on 12 December the Committee closed the inquiry. Strategic Capital Projects work was undertaken with local authorities including Mid and East Antrim Borough Council, Armagh, Banbridge and Craigavon

Borough Council and Derry City and Strabane District Council to develop a range of capital projects. Many of these are at an early stage but present exciting possibilities for future new tourism product.

Outstanding experiences

In addition to Tourism NI's work on defining and launching Northern Ireland's exciting new experience brand, throughout the year the organisation implemented a range of other initiatives and programmes to help provide the best possible experience for visitors.

The 148th Open Championship

Following years of intensive planning, cross divisional and cross agency work, The 148th Open Championship finally took place at Royal Portrush from 14–21 July. It was phenomenally successful in every sense.

It was the first ever Open Championship to have sold out in advance, and in the course of the week the R&A announced that the event had delivered a record-breaking crowd of 237,750. This was the highest attendance recorded outside St Andrews, the home of golf, and the second highest attendance ever at an Open Championship, with visitors arriving from all over the world.

According to a study commissioned by the R&A, The 148th Open generated more than £100m of economic benefit for Northern Ireland, with the event generating an economic impact of £45m, of which £26m directly affected the Causeway Coast and Glens Borough Council area. Northern Ireland also gained £37.3m in destination marketing benefit from over 5,400 hours of worldwide television coverage. A further £23.7m was gained in media coverage of PR campaigns surrounding the championship across the island of Ireland and around the world. Feedback throughout the week on the 'experience' both on and off course was exceptionally positive.

The staging of golf's original championship involved years of planning by staff across government departments, divisions and agencies. A huge team of volunteers, marshals, the PSNI, Translink, Roads Service, emergency services, Causeway Coast and Glens Borough Council, Royal Portrush and accommodation providers were involved in supporting the event. A celebratory 'Tee Party' was held at Titanic Belfast in September 2019 to thank the stakeholders and volunteers, with the Head of the Civil Service leading on expressing thanks to all those who were critical to the success of event. The R&A were also present to thank the volunteers and agencies involved.

Performance Analysis

Game of Thrones® Screen Tourism

Northern Ireland's unique relationship with the biggest show in the history of TV continued to pay dividends for the tourism industry during the year, with the latest available figures showing that 350,000, or one in six out of state leisure visitors, visited Northern Ireland in 2018-19 because of Game of Thrones®. They spent in excess of £50 million across the growing portfolio of experiences and attractions around the 26 film locations.

In the first Quarter of the year there was an intense period of activity in the lead up to and the broadcast of the final season of Game of Thrones®, which aired in April and May. GAME OF THRONES™: The Touring Exhibition arrived in Belfast on 11 April. Featuring an array of props and artefacts exclusive to Belfast it was fitting that the largest ever Game of Thrones® public exhibition returned to the city to coincide with the show's final season. By early August over 90,000 visitors had attended the exhibition, 63% of which were from out of state (19% GB, 15% ROI, 12% USA and 17% Rest of World).

Various media from around the world also visited the event and the exhibition gained a huge amount of reach. For example, two media trips in April and June gained a reach of 29 million with April's achieving an advertising equivalent value of £3.5m. The exhibition period was extended to 8 September and marketing by Titanic Belfast, Visit Belfast, Tourism NI and Tourism Ireland supported a final push of tickets across the remaining weeks.

A survey following the exhibition revealed that Game of Thrones® was the main reason for 54% of those surveyed coming to Belfast or Northern Ireland. It also showed that 91% thought the exhibition had raised the profile of Northern Ireland as Game of Thrones® Territory and that 69% were planning to engage in other Game of Thrones® experiences during their stay. Additionally, 90% thought the exhibition improved Northern Ireland's reputation as a holiday destination.

International Promotion

Building on the success of previous social media initiatives such as the 'Doors of Thrones' campaign, the 'Journey of Doors Passport' and the Game of Thrones Tapestry exhibitions, Tourism NI continued to work closely with Tourism Ireland to support international promotional initiatives that reach and influence millions of potential visitors to visit Northern Ireland. During the year collaborations included a campaign centred on the final season and involved investing £50,000 in the production of content assets for use by both agencies.

The specially commissioned Game of Thrones® Tapestry was exhibited for the second time at the Ulster Museum in 2019 to coincide with Season 8, before moving to Bayeux, France in September, where it was displayed within walking distance of

the legendary Bayeux Tapestry, its eleventh century inspiration. The exhibition launched in November alongside a Tourism NI and Tourism Ireland organised showcase event attended by over 160 international media. The event shone a spotlight on Northern Ireland as the 'Home of Thrones' and also showcased the wider Northern Irish experience including food and drink. Tourism NI screen and food tourism officers, who coordinated the showcase activity, travelled to Bayeux alongside a delegation of Northern Ireland experience providers including Titanic Belfast, National Museums NI, Linen Mill Studios, Visit Belfast and the Causeway Coast and Glens Borough Council.

Glass of Thrones Trail

To coincide with each episode in the final season of Game of Thrones®, Tourism Ireland launched an experiential campaign around a series of stained-glass installations that were unveiled at key locations around central Belfast, forming a trail for fans to follow. The 1.8 mile trail leads from City Hall to the banks of the River Lagan and on to Titanic Studios where much of the hit show was filmed. Tourism NI's screen tourism team developed a colourful new guide, which includes a map spotlighting each of the six beautifully crafted, freestanding stained-glass windows with the objective of encouraging visitors to move out of the city centre and along the Maritime Mile. The trail has encouraged a greater profile of and footfall into Titanic Quarter.

Game of Thrones® Legacy Project

As Game of Thrones® concluded filming after a decade in Northern Ireland, HBO announced it would celebrate the show's legacy in the region by converting several filming locations into tourist attractions. The first attraction in the Game of Thrones® Legacy Project will be a Game of Thrones® Studio Tour at Linen Mill Studios, Banbridge, County Down. In collaboration with HBO Licensing & Retail, Linen Mill Studios are designing and building the new 110,000 square foot interactive experience. Significant progress has been made on the site and Tourism NI worked with Linen Mill Studios, Armagh City, Banbridge and Craigavon Borough Council and Department for Communities on a number of fronts, including broadband connectivity, capacity building in the hospitality sector in Banbridge and on the public realm regeneration plans in the town. The attraction had been due to open in autumn 2020. However, the impact of Covid-19 crisis halted construction and the timeline may be affected.

Events Programme

Whether home grown or major one-off internationals, events provide platforms for the visitor to interact with the local culture, local people and explore Northern Ireland's scenic landscapes and cities and are therefore central to providing outstanding visitor experiences.

Performance Analysis

Tourism NI supported 13 international events in 2019-20 through the International Tourism Events Fund. These included the Belfast Titanic Maritime Festival, Arts Over Borders, the Derry International Halloween Festival, the August Feile and the Open House Festival. The ISPS Handa World Invitational, (formerly the NI Open) was also supported. This was the first event of its kind in Europe, with men and women golfers competing at the same time, on the same courses, for the same prize money.

A total of 43 sponsorship awards were provided to events spreading across Northern Ireland, ranging from Airwaves Portrush, the Bluegrass Music Festival in Omagh, the Northern Ireland Country Sports Fair in Armagh and Footsteps in the Forest at Slieve Gullion, County Down.

In addition, a Taste the Island Events Scheme was launched to support new food and drink focused tourism events, new authentic Northern Ireland food and drink experiences at existing tourism events, or existing tourism events that could provide a major uplift in the local food and drink experience. Ten awards were provided under the scheme, including the Armagh Food and Cider Festival, Festival of Lough Erne, Taste Causeway, River to Lough Festival and the Taste the Island Twilight Market in Belfast.

Tourism NI's Events Team conducted a series of workshops beginning in January 2020 to explain the requirements of the 2020-21 Tourism Event Funding Programme, which consists of two schemes, the International Tourism Events Fund and the National Tourism Events Sponsorship Scheme.

Taste the Island

From mid-September to mid-November Tourism NI delivered the Taste the Island initiative, a 12 week showcase of local food and drink and the first of a three year programme commitment in conjunction with Tourism Ireland and Fáilte Ireland.

The timing of the island wide programme coincided with celebrations around Northern Ireland winning 'Best Food Destination' at the International Travel and Tourism Awards 2018-19 and helped to build on the success of the 2016 Year of Food and Drink. Over 200 events and experiences were delivered over the Taste the Island period, with Tourism NI supporting the industry via an event funding programme, regional roadshows, industry toolkits, information sessions and branding guidelines.

Many of the events supported reported excellent visitor numbers and visitor satisfaction. Festival Lough Erne, for example, was attended by approximately 5,000, with 79% of those surveyed saying that they were very satisfied and the event exceeded expectations. This festival showcased 29 food and drink traders who reported that the event was hugely successful. Armagh Food and Cider Festival also received excellent feedback from visitors and traders at its two markets.

Almost 5,000 were in attendance and nearly 50% of the bookable events sold out beforehand. Positive feedback on the event was provided by 31 food and drink traders and five media FAM participants from India.

Food and Drink Experience Development

The international reputation of Northern Ireland's food and drink has grown considerably over the past few years and continues to offer many opportunities to develop both the seasonal and regional extension of tourism and to support future strategic ambitions. Throughout the year Tourism NI engaged with food experience providers across Northern Ireland. Highlights of the ongoing development and promotion of food related initiatives last year included:

- a newly developed Food and Drink Experience Development workshop held at three locations across Northern Ireland in March;
- providing financial assistance for 30 producers to attend London's Borough Market as part of a two week showcase of Northern Ireland food and drink;
- the recruitment of five local producers to attend and promote Northern Ireland at Taste Cork;
- support for BBC Good Food Show as part of the Hillsborough Castle Food Festival;
- joining Fáilte Ireland and Tourism Ireland at Flavours of Ireland in London, attended by over 150 inbound tour operators from GB, the USA, Europe, Asia, Africa and Australasia; and
- Partnership working with St George's Market to offer a dedicated platform for producers to exhibit and sell during Taste the Island.

Delivering excellence

Tourism NI has maintained its commitment to delivering excellence throughout 2019-20 through good corporate governance, driving improvements in efficiency, productivity, customer service and organisational development, as well as maintaining and developing business excellence standards.

Security and Information Governance

During the year, following migration of all services to the Microsoft Azure Cloud, Tourism NI took steps to improve its IT security position. New antivirus software designed to detect and contain modern malware, immediately isolating suspect machines, was procured and deployed. The network has been segmented to make it difficult for attack vectors to discover other hosts on the network. Tourism NI has also adopted best practice security habits such that it requires two members of

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the IT team to effect any change in our Azure infrastructure. Additional improvements in the first quarter of the year included multifactor authentication for external user access and a staff training programme.

Ongoing work throughout the year has ensured that Tourism NI can demonstrate its GDPR compliance and that staff understand what data protection means to them. GDPR refresher training was delivered during June and July, with additional sessions taking place up to the end of August. A GDPR training assessment evaluated staff members' understanding and the embedding of training, resulting in a 95% pass rate.

Digital Transformation

During the year the Digital Services team augmented Tourism NI's data and analytics capabilities, with analytics training and the collation of new datasets. Sensors were deployed in Belfast's Cathedral Quarter to monitor footfall in real-time, as part of our drive to better understand real world visitor numbers and patterns of behaviour. A pilot project using sensors to gather real-time data from Derry's Walls also went live in September and footfall data was captured from Culture Night and the Hallowe'en festival. The project was extended until November 2020 in order to capture a full year of data.

Following the hugely successful implementation of Tourism NI's virtual reality, or VR, headsets, which have been employed as far away as China and Dubai, the Digital Services unit was awarded capital funds in the October Monitoring Round to purchase a virtual reality dome. This allows small groups of visitors or consumers to enjoy a shared VR experience without the need for headsets, as films are projected onto the walls. A pilot of this technology will focus on creating an alternative virtual experience at a tourism site which is normally impossible to access for tourists with a mobility impairment.

In March, the Digital Services team procured nTropy, a new survey tool which was used to gather experience data from staff, industry and visitors when the Covid-19 crisis hit. Tourism NI was able to use the new platform to swiftly gather employee feedback on working from home and to issue the Covid-19 Business Survey, which garnered crucial insights into the impact of the crisis on the industry.

Systems Development

The early part of the year saw a renewed focus on Tourism NI's CRM (Customer Relationship Management) project in each of the divisions. Business processes were reviewed and opportunities were identified for automated CRM workflows. A new Finance System also became fully functional in 2019-20, substantially reducing the administrative burden across the whole organisation. The implementation of the new HR System also progressed as planned and will further simplify

administration and free up administrative resource to support other value added activity across the organisation.

Risk Management

During the year the Business Planning Improvement team worked closely with computer software developer Decision Time on an online solution for recording and reporting against operational performance and risk at Tourism NI. The 'goals' and 'risk' systems launched in time for the first quarter of the year review in August, and training was provided for members of Tourism NI's Corporate Management Team in advance. The introduction of this software will help streamline the performance review processes and improve on how Tourism NI currently identifies and manages risk, particularly in relation to the management of mitigating actions at a business unit level.

Organisational Development

In November, Tourism NI engaged professional support services for a number of specific projects designed to help Tourism NI to move from a 'good' to a 'great' organisation at an individual, team and organisation wide level. This included supporting the development of the leadership capacity of the Senior Management Team and conducting an audit of the existing skills across the organisation, so the true capability of the current workforce is fully understood. The support informed a new HR and Organisational Development Strategy that will allow Tourism NI to identify new and exciting opportunities to develop the organisation's skills sets and gain first-hand experience of working within other parts of the tourism industry.

A new Tourism Academy will allow Tourism NI to access both academic and industry expertise to develop our understanding of the challenges facing our industry, insights into best practice across the tourism sector globally and spread the knowledge of our own teams across the organisation.

To start to support the growing portfolio of product development work arising from the City Deals and to continue to identify and develop experiences aligned to Northern Ireland - Embrace a Giant Spirit, three new staff officers were appointed during the year. These posts were identified within the proposed new organisational structure.

A new Executive Support Team was also put in place during the year to provide for a much more effective support service for both the Executive Team and the Board.

Investing in enterprise

Throughout the year Tourism NI engaged across the tourism sector in developing and delivering business support programmes and collaborating effectively with local authorities and other key stakeholders.

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Industry Development

One of the main delivery vehicles for supporting the industry is the Tourism Enterprise Development (TED) Programme. Well received and supported by tourism businesses of all shapes and sizes, the aim of this programme is to give local operators access to the training and resources required to develop their business capability and capacity.

Among the TED events rolled out in the first quarter of the year was a conference with a range of stakeholders and operators in the culture, tourism and heritage sectors who came together to pursue a vision for cultural heritage for Northern Ireland, and a number of Taste the Island information sessions.

The annual Northern Ireland Tourism Awards 2019 took place in the Armagh Palace Demesne on 30 May, the first time the event was held in Armagh. With 130 businesses entering across 12 categories, the highly successful awards night featured a Georgian themed marquee in the grounds of the Archbishop's Palace.

The TED programme also focused on a series of sales growth, digital and China Ready programmes that formed part of a Brexit response programme, including a 'Brexit health check' and the provision of online toolkits relating to key areas such as market retention and diversification.

A busy programme of activity in the last quarter of the year saw further industry development events and support initiatives delivered with high levels of attendance. In January, as part of the digital element of TED, the Understanding Online Travel Agents and Bed Banks Distribution workshop, which included presentations from online travel agents such as Expedia, Trip Advisor, lastminute.com and booking.com, experienced phenomenal demand, with 126 industry delegates in attendance.

Other elements of the TED programme included five Events Sponsorship Scheme Roadshows, a Tourism Sales Growth Programme, a Meet the Buyer 2020 New Participants Preparation Workshop, four digital workshop sessions and 11 Northern Ireland Experience Brand Industry Roadshows in all local authority areas. Three new toolkits were also completed in the final quarter of the year to support the industry in better understanding business growth opportunities.

Quality and Standards

Tourism NI's Quality and Standards team supports the investing in enterprise theme by working with local tourism providers and by delivering development advice, certification and grading to new and existing tourist accommodation businesses and attractions.

As part of this work, in 2019-20 Tourism NI undertook a total of 489 statutory certification visits, with 1,158 new ventures being certified in the period. In all, 524 premises were assessed under the Accommodation Quality Grading scheme. A further 73 businesses were assessed under the visitor experiences scheme. By year end, membership of the Quality Grading Scheme sat at 622, of which 532 are accommodation and 90 are visitor experiences. All statutory inspections due in 2019-20 were completed several weeks ahead of schedule.

Throughout the year the Quality & Standards team worked closely with operators to support the development of new tourist accommodation. These included the new Salthouse Hotel in Ballycastle, opened with 24 rooms in June and followed by Holiday Inn Express in Derry~Londonderry with 119 rooms, and a new Premier Inn in Bangor with 85 rooms, which opened in July 2019. The team also worked with Invest NI on several tourist accommodation development projects, including extensions to the Fir Trees Hotel, The Nook at The Giant's Causeway and a new boutique project in Strabane, as well as with three large, international hotel brands planning to launch in Belfast.

During the year, work also continued to address uncertified operators as there had been an increase in the number of referrals being passed to the team from local authorities, MLA offices and registered providers.

In March 2020 an independent review of the Certification Scheme was conducted with the aim of updating the criteria to ensure that visitor experience providers can deliver high quality, market ready experiences. Some research and key stakeholder engagement took place in early March, however the preliminary findings and a draft report expected by year end were subject to delay as a result of the Covid-19 crisis.

Website Improvement Programme

Following a successful bid to the October Monitoring Round, the Capital Funding Unit received £150,000 towards the implementation of a new capital investment programme to support experience providers to enhance their websites. The programme launched in October and generated a great deal of interest from the industry, with a total of 62 expressions of interest being submitted before the closing date. Fifty experience providers were deemed eligible for Phase 1 support, including 15 of the 23 new destination brand demonstrator experiences presented at World Travel Market. A total of 23 applications were then approved for financial assistance under the Website Improvement Programme. By year end the projects were implementing their website improvements.

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WorldHost

Tourism NI works in close partnership with performance and talent management experts People 1st to provide WorldHost customer service training in Northern Ireland. Early in the year a major WorldHost Golf Ambassador Programme was delivered across the North Coast in partnership with Causeway Coast and Glens Borough Council. The subsequent success of The 148th Open underlined the value of this training, with 550 individuals, as well as a team of 350 Volunteer Welcome Ambassadors based at gateways and key strategic routes at the event.

A further WorldHost Ambassador programme for businesses providing a food experience was also developed in the Causeway Coast and Glens area as part of Taste the Island, while a new WorldHost 'Service Across Cultures' module was adopted by Belfast City Council as part of its investment in cruise tourism and will be extended to all points of entry.

Cluster Development

Tourism NI continued to engage with various cluster groups throughout the year to ensure industry opportunities are maximised and to provide ongoing mentoring support to clusters and individual businesses. This included work with the Causeway Coast clusters, a newly established Ballymena cluster, a cluster of Fermanagh experience providers wishing to enhance the experience of Devenish Island and a Strangford Lough cluster.

To provide further and more attractive industry opportunities for the cluster activities, Tourism NI partnered with Tourism Ireland on a digital marketing campaign focused on three key overseas markets. This provided a new and focused opportunity, through an enhanced profile for Northern Ireland, for cluster businesses to participate in the campaign. Thirty offers from cluster participants across Northern Ireland were promoted as part of the campaign.

Event Funding

The International Tourism Events Funding Scheme for 2019-20 closed for applications on 13 January. Thirteen applications were received, and the team began the process of evaluating them. The National Tourism Events Sponsorship Scheme opened on 14 January. The regional roadshows experienced phenomenal demand with more than 100 event promoters in attendance. Promoters were also introduced to the new experience brand, as new criteria relating to the brand have been included in the scheme. The response from roadshow attendees was extremely positive.

TourismNI.com

The last quarter of the year saw a continuing strong performance in relation to the utilisation of the tourismni.com

website by the tourism sector. In the April 2019 to February 2020 period, for example, there were 187,851 visits, with a 14% increase in new visitors to the site over the previous year. However, following an extensive research and development phase, which included surveys and focus groups with key businesses across the tourism ecosystem, the development of a new platform was underway at the end of the year. This will deliver content in a more personalised manner, specific to business need, dependent upon where the business is in its development lifecycle and their business sector.

Promoting Northern Ireland

Under the theme of promoting Northern Ireland, which is one of Tourism NI's key roles, a series of compelling marketing and communications initiatives was developed and delivered both at home and in the Republic of Ireland in 2019-20.

Destination Marketing

The destination marketing activity began early in the year with a strong campaign promoting The 148th Open that built on the theme of civic pride while promoting Northern Ireland as a golf tourism destination in the Republic of Ireland. Promotional activity began in January 2019 with a special red carpet 'Eyes on The Open' gala event at Titanic Belfast, which received a warm response and excellent media coverage. This was followed by 'The Epic Journey to The 148th Open' community event which toured every county in Northern Ireland, as well as Dublin, promoting the Championship, building excitement in advance of the return of golf's most prestigious tournament. The highly successful tour featured photo opportunities with a giant #TheOpen letter sculpture and the iconic Claret Jug trophy, as well as interactive games and appearances by local sports stars.

In August, simultaneous launches of the Taste the Island campaigns were held in Dublin and Belfast and were positively received by both media and stakeholders alike. The campaigns included television, outdoor, radio, press and online activity, with Fáilte Ireland featuring Armagh Orchard Country in a commercial within its heavyweight TV campaign. Teams from Tourism NI, Fáilte Ireland and Tourism Ireland worked together closely on this initiative. In the Republic of Ireland the campaign included broadcast, press and digital advertisements of suggested 48 hour itineraries encouraging visitors to come to Northern Ireland and to stay longer and do more.

In the third major campaign of 2019-20, the spring advertising campaign was entirely focused around the new Northern Ireland experience brand. Launched in February 2020, this ran across TV, radio, press, outdoor, digital, social and PR. The integrated brand launch included a tactical element comprised of experiences, destination, accommodation offering, events and festivals themes. The campaign was the first

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manifestation of the new experience brand to consumers and was underpinned by a £157,000 Co-operative Marketing Fund that allowed a large number of industry partners to engage and amplify the campaign.

Independent evaluation of the Taste the Island campaign indicates it generated 177,000 overnight stays and £22.6m of visitor revenue. This represented a return on investment of £1:£41.7 in Northern Ireland and £1:£80.8 in the Republic of Ireland.

The autumn and spring campaigns were run as co-operative marketing campaigns with the NI Hotels Federation. This resulted in engagement of 155 industry participants (including accommodation providers, visitor attractions and experiences), of which 117 industry members availed of co-operative funding totalling £272,000.

Republic of Ireland Activity

An extensive programme of PR activity took place during the year under Tourism NI's Market Recovery Taskforce Review and Strategy, which is designed to increase the number of visitors and spend from the Republic of Ireland market.

Using funding provided by an in year bid to alleviate the impact of the UK's exit from the EU, our PR team worked with Irish comedian Neil Delamare on a campaign to highlight the 'Ultimate Road Trip to Northern Ireland' in the first quarter of the year. Based on research which had highlighted the number of people from the Republic of Ireland who had never stayed overnight in Northern Ireland, the campaign asked 'What's keeping you?'. Outcomes included a broadcast tour, with coverage obtained on the RTÉ Ray Darcy Radio Show, Today FM Dermot & Dave, Classic Hits FM and an hour long segment on the Virgin Media primetime Six O'clock Show.

In June the Dublin PR team secured an outside broadcast in Belfast by Lyric FM and Marty in the Morning. This was centred around Van Morrison's concert in Botanic Gardens Belfast on Sunday 23 June and Belfast as a tourism destination. The show included a pre-recorded interview with Van Morrison, and pre-recorded inserts featuring content from in and around Belfast.

Other highlights of the calendar year included a programme of press trips and features for the Taste the Island campaign that secured coverage in titles such as Her.ie, the Irish Sunday Independent, Irish Sun and Extra.ie. Other PR activity showcased Christmas markets, Belfast, the CS Lewis Festival and the Doors of Thrones trail.

In February, event management and PR support was provided for a major Heaney HomePlace event that took place in Dublin's Christ Church Cathedral. Leading figures from the media and trade, as well as members of the Heaney family, were invited to

celebrate Seamus Heaney's life and work. The event promoted Northern Ireland – Embrace a Giant Spirit and resulted in strong coverage in the Irish Times, and appearances on Today FM and Virgin Media's Six O'clock Show. There was also coverage of the event in the Irish Daily Star and Irish Sun.

During the year the Republic of Ireland PR team also developed a two part programme for Virgin TV that publicised the new Northern Ireland - Embrace a Giant Spirit brand. The travel programmes, presented by Irish journalist Ed Finn and featuring several Northern Ireland - Embrace a Giant Spirit experiences, were broadcast on Virgin Media in March. A third programme, 'Teed Up: Northern Ireland's Golfing Revolution', was broadcast on 29 March. Presented by Sky Sports presenter Graham Little, the programme charted the rise and success of golf in Northern Ireland over the last decade, culminating in The 148th Open at Royal Portrush.

Promoting Golf

In the year that The Open Championship returned to Royal Portrush for the first time in 68 years, Tourism NI delivered a wide range of promotional activity as part of the ongoing drive to grow the value of golf tourism in Northern Ireland.

In the lead up to the Championship, Tourism NI continued to work closely with Tourism Ireland on the delivery of golf marketing activity across our core markets (North America, GB, Nordics and Germany). An advertisement on the Golf Channel was live during The Masters, for example, a prime spot to target millions of American golfers. Other markets delivered golf messaging for Northern Ireland primarily via digital campaigns and profiling the golf offer with competitions to attend The 148th Open in seven markets.

Tourism NI also worked with Causeway Coast and Glens Borough Council, Belfast City Council, Derry City & Strabane District Council and Mid and East Antrim Borough Council to animate local towns and villages and create a carnival atmosphere during the event.

Among other promotional activity undertaken in advance of the tournament, Tourism NI hosted over 100 enthusiastic golf journalists and social influencers, with a further 80 golf operators from the USA, Australia, New Zealand, Europe, the UK and Republic of Ireland attending in Championship week itself.

The return of the Championship to Royal Portrush was eagerly anticipated and proved to be a hugely memorable week. Northern Ireland welcomed 237,750 fans, an attendance record for a Championship staged outside of St Andrews, to an outstanding championship venue to witness Irishman Shane Lowry lifting the Claret Jug.

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Exceeding Tourism NI's targets, over half of those attending travelled from outside Northern Ireland, including visitors from elsewhere in the UK (20.2%), from the Republic of Ireland (18.2%) and from overseas, the United States (11.1%), Canada (2.3%) and Australia (2.1%).

After The Open and the ISPS Handa World Invitational at Galgorm Castle and Masserene Golf Clubs, where Tourism NI exhibited in the spectator village as event sponsors, the Golf team continued its wide range of promotional activity with attendance at several international and Irish trade events. The International Golf Travel Market took place in October, with Tourism NI's Golf Team then attending the International Golf Travel Market in Marrakech. This allowed the Northern Irish golf industry to meet with major international golf tour operators on a significant platform. Industry participants included Lough Erne Resort, Galgorm Spa & Golf Resort, Travel Ireland Golf, Warrenpoint Golf Club and Newry, Mourne & Down District Council.

Following meetings with golf operators at the Asian Golf Tourism Convention and North American Golf Tourism Convention earlier in the year, Tourism NI hosted FAM trips for golf operators from Hong Kong, Japan, USA and Scotland between October and November, providing bespoke itineraries to suit their markets and satisfy the increasing demand from some emerging markets.

The first marketing opportunity of 2020 was the PGA Merchandise Show, one of the largest golf trade shows in the US. In early March, Tourism NI delivered a workshop to golf clubs at Galgorm Spa & Golf Resort focussed on supporting the legacy of The 148th Open Championship. Key industry leaders and leading digital marketing experts were involved in delivering the workshop to an incredible attendance of 25 Quality Assured golf clubs.

In the final quarter of the year, the Golf team joined forces with Fáilte Ireland and Tourism Ireland at various trade and consumer platforms in Europe, including the Nordic Trade Workshop in Stockholm and Copenhagen and the Rhein Golf Fair in Dusseldorf. However, as the Covid-19 crisis began to develop the Asian Golf Tourism Convention, which was due to commence in late March, was cancelled.

By the year end, initial top line results from the Golf Tourism Monitor 2019 were very positive, with a surge in golf tourism business evident between August and October, generating an economic impact of £52 million against a target of reaching £50 million by 2020.

Business Tourism

Tourism NI's Business Solutions unit leads on the organisation's travel trade activity and is also responsible for promoting Northern Ireland as a meetings, incentives, conferences and events/exhibitions (MICE) destination, a sector which is a significant contributor to the economy.

The annual flagship B2B platform Meet the Buyer 2019 took place in Belfast in April and was the largest event to date held in Northern Ireland. In total, 152 representatives from out of state tour operators from 22 markets attended, alongside 35 representatives from the Republic of Ireland. They were joined at the event by 232 representatives from 154 Northern Ireland tourism businesses; 37 Northern Irish suppliers attended the event for the first time alongside 33 new tour operators. By year end, preparations for the 2020 Meet the Buyer to be held in ICC Belfast in March were well advanced, but the event had to be cancelled due to the Covid-19 pandemic.

August was a busy month with both The Travel Corporation (TTC) holding its annual global sales conference and the Conference & Incentive Travel (C&IT) Corporate Summit and Agency Forum taking place in Belfast. The latter has only ever been held outside London once since its inception. This was a complex project, involving many industry partners and business units from right across Tourism NI. Working closely with Visit Belfast and our trade partners, Tourism NI delivered an event that saw over 100 MICE buyers come to Belfast as part of the C&IT proceedings. The TTC event brought together 270 senior executives (including their global CEOs) and sales staff from around the world across a number of its flagship brands – Trafalgar, Brendan Vacations, Cost saver, Insight Vacations, Luxury Gold and Contiki.

Other highlights of the work carried out by the Business Solutions unit during the year included IMEX Frankfurt, one of three headline business tourism events that Tourism NI participates in under the 'Meet in Ireland' brand, and the Coach and Group Workshop, which took place in September in the Waterfoot Hotel, Derry~Londonderry. The ANVR Congress was also held in Northern Ireland from 21–24 November, supported by Tourism NI. This event showcased Northern Ireland to the Dutch travel market with a view to future promotion and to increasing business for the destination, tour operators and travel agencies.

In November more than 30 global tour operators based in the Republic of Ireland participated in the Incoming Tour Operators Association's (ITOA) annual industry workshop and dinner hosted by Tourism NI. This is the second consecutive year that ITOA has held its flagship networking platform in Belfast, with 115 Northern Ireland industry representatives in attendance. The event offered local industry the opportunity to market their

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product and experiences directly to Republic of Ireland tour operators who are then able to package and promote their business to over 4,000 global travel trade partners and customers.

In December a group of 38 Tourism Ireland trade staff from their offices all around the world participated in their annual Tourism Ireland Trade Workshop at the Everglades Hotel in Derry~Londonderry. A Tourism NI delegation delivered presentations on Northern Ireland – Embrace a Giant Spirit, accommodation and screen tourism updates and plans for 2020.

Social and Digital

Work by the Social and Digital Unit continued to support Tourism NI's promotional campaigns, including with the creation of a new golf website launched to coincide with The 148th Open. The team ended the year with 3.4 million engagements across all social channels. A project team was also established to begin work on developing the next iteration of the discovernorthernireland.com website. This included engaging professional support services to help identify examples of best practice to shape thinking on the development of the site. The Social & Digital Unit also reached the final stages of preparations for migrating assets to a new media library project in partnership with Tourism Ireland and Fáilte Ireland.

Industry Support

The Business Solutions programme of FAM trips continued in 2019-20, with notable FAMs including Tenon Tours, a US based operator, a European Association FAM as a result of our Memorandum of Understanding with Visit Britain, and a Canadian MICE FAM accompanied by representatives from Aer Lingus Canada and The Incentivist Company.

The Ireland Meets the West End Workshop took place in London in November, and in the same month IBTM World, the leading global event for the meetings and events industry, was held in Barcelona. Five Northern Ireland industry representatives attended alongside Tourism NI, conducting 180 appointments and taking the opportunity to meet eight hosted buyer groups who attended a presentation and then networked on the stand.

Tourism NI and Northern Ireland industry figures also attended a number of sales platforms including Celtic Connections in Glasgow in January and SMU, a top MICE show in New York in February. Tourism Northern Ireland worked closely with Tourism Ireland to launch Northern Ireland - Embrace a Giant Spirit at ITB Berlin and the French Regional Roadshows. Both events were, however, unfortunately cancelled due to Covid-19.

International Media Visits

The International Media Visits team finished the 2019-20 year having delivered 198 international media trips, facilitating 555 journalists. Key themes on the trips were Game of Thrones®, golf and food. The

team's International FAM programme targets for the year had already been achieved by January 2020. During the year, the team also hosted a growing number of TV crews showcasing Northern Ireland as a destination.

Investing in Skills

As attracting and retaining skilled employees – compounded by Brexit – remains a major business challenge, throughout the year Tourism NI worked on a number of areas to support the development of tourism and hospitality skills.

In September, in partnership with Belfast City Council and the NI Hotels Federation, Tourism NI sponsored the Institute of Hospitality Student Conference, entitled 'Home Grown and Growing'. With over 500 students from colleges and universities in attendance the event was deemed one of the Institute of Hospitality's most successful to date in Northern Ireland. Tourism NI's Director of Business Support and Events presented on her career to date and experience in supporting delivery of The 148th Open event.

In October, work got underway with the new Tourism and Hospitality Hub at Belfast Met to shape existing provision in line with the Skills Review recommendations, alongside increasing awareness of career support programmes such as Skills Focus and Innovate Us.

Hospitality and Tourism Skills (HaTS)

A new employer network supported by Invest Northern Ireland under its Collaborative Growth Programme launched in February to support delivery of a three year action plan to address the skills challenges faced by employers. The new network, called HaTS (Hospitality and Tourism Skills), is chaired by Derry hotelier Ciaran O'Neill, representing hospitality and tourism operators across Northern Ireland. Tourism NI will form part of this network and is working with the group in tackling the current skills issues facing the industry. In line with actions falling out of the Skills Action Plan, Tourism NI's Industry Development Manager led on a piece of work to scope a new careers portal for the sector.

Long-term expenditure trends

Looking to the future, Tourism NI plans to spend its resources on the marketing and promotion of Northern Ireland as a tourist destination to the Northern Ireland and Republic of Ireland markets, for both leisure and business tourism, to support the development of the Tourism Industry and to continue to develop tourism products to attract visitors.

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Information including social matters, anti-corruption and anti-bribery matters

Rural Needs

The Rural Needs (NI) Act 2016 introduced a new statutory duty on Northern Ireland departments, district councils and other specified public bodies to have due regard to rural needs when developing, adopting, implementing or revising policies, strategies and plans and when designing and delivering public services. The Act became operational for government Departments and district councils from 1 June 2017 and covers two main duties.

The first is a duty to have due regard to rural needs (referred to as the 'due regard duty') and the second relates to monitoring and reporting on how the due regard duty has been exercised. The latter duty requires that public authorities publish this information in their annual reports, and provide a copy of this information to the Department of Agriculture, Environment and Rural Affairs (DAERA) on an annual basis. Tourism NI has due regard to rural needs when undertaking new or revised policies/ activities by subjecting them to rural needs impact assessments, in accordance with guidance issued by DAERA.

Anti-corruption and Anti-bribery

Tourism NI adheres to and promotes good practice guidance on anti-corruption and anti-bribery matters through a range of measures including anti-fraud and whistleblowing arrangements.

In 2017-18 the Northern Ireland Audit Office (NIAO) issued a good practice guide on managing the risk of bribery and corruption. This guidance was issued to all staff.

Tourism NI's Gifts and Hospitality guidance is also a key control in place to mitigate against corruption and bribery. This guidance outlines the types of instances in which it is, and is not, appropriate for staff to accept or offer gifts and hospitality as part of their official duties. Registers of gifts and hospitality are monitored and published on an annual basis on Tourism NI's website.

Sustainability Report

Tourism NI's Corporate Social Responsibility (CSR) Programme is built around three key strands:

- **People** - Our Health & Wellbeing activities focus on developing and promoting a healthy workplace;
- **Planet** - Our Environmental activities aim to help Tourism NI be a sustainable organisation;
- **Place** - we aim to have a positive impact on our community through support, volunteering and fundraising.

In 2019-20 the key results from our CSR Programme included the following:

People – Health & Wellbeing Activities

In 2019-20 Tourism NI's Health and Wellbeing strand of its CSR programme focused on continuing to promote employee awareness of health issues, with a view to improving the overall health and motivation of its employees. Health and Wellbeing initiatives included yoga sessions and employees regularly donating blood.

Tourism NI employees liaised with external likeminded public bodies such as Invest Northern Ireland and Belfast Metropolitan College (Belfast Met) to benchmark against their Health and Wellness programmes to establish a Tourism NI Health and Wellness Programme/Mental Health Strategy due to be rolled out in 2020-21 reporting year. Updates in advance of the launch included Employee Assisted Programme Wellbeing at Work and Looking After Your Mental Wellbeing e-zines being circulated to Tourism NI employees.

Planet – Environmental Activities

Tourism NI continued to maintain sustainability by providing information and tips to visitors on how to travel around Northern Ireland sustainably, and its Green Guide to help encourage and support tourism and hospitality businesses to 'go green' is promoted on its website (<https://tourismni.com/Grow-Your-Business/sustainable-tourism/>).

In 2019-20 Tourism NI encouraged its employees to reduce the use of plastic by removing plastic cups from the offices and encouraged employees to use water bottles/glasses etc. Using appropriate IT technology, printing options for all employees were defaulted to double-sided to help reduce the use of paper in the workplace. Tourism NI also invested in procuring dedicated recycling bins for usage by its employees and visitors alike

Place – Volunteering, Fundraising & Community Engagement Activities

In 2019-20 Tourism NI's charity partnership came to an end with Guide Dogs NI however through staff fund raising activities its employees managed to raise £700 for this worthy cause before starting its new partnership with its nominated charity Air Ambulance Northern Ireland.

In 2019-20, Tourism NI also continued to receive 'pupdates' on the guide dog in training that it had previously fundraised for through Guide Dogs NI. The dog was named Paddy by Tourism NI employees. She was in training school during this period in preparation to become a fully trained Guide Dog.

Tourism NI continued supporting Air Ambulance Northern Ireland and managed to raise £1,350 through staff fund raising activities such as bake sales, raffles, donation boxes and a 148th Open Staff Event in conjunction with Invest Northern Ireland. It also participated in the 2019 Belfast Marathon with two relay teams running and 8 walkers.

Internal Engagement

Tourism NI employees received presentations on the following subjects/topics by their fellow colleagues:

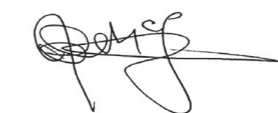
- Digital Visitor Information (Social and Digital Media team); and
- A Year with Tourism Ireland (Julie McLaughlin)

External Engagement

Good Relations – by the Museum of Free Derry and The Siege Museum, Derry-Londonderry.

Tourism NI hosted five university placement students in various units throughout the organisation in 2019-20, imparting valuable knowledge, experience and career skills in the process, with the aim of helping to build the leaders of tomorrow.

Signed:



Accounting Officer
17 December 2020

Board Members



Terence Brannigan Chairman

Appointed April 2015

Terence Brannigan is the current Chairman of the Maze Long Kesh Development Corporation (MLKDC). MLKDC is responsible for the regeneration and development of the site at Maze Long Kesh which, at 347 acres, is twice the size of Titanic Quarter and four times the size of Canary Wharf. He is a Board member of Co-operation Ireland, a former Chairman of the CBI in Northern Ireland and was the founder and CEO of resource™, one of Northern Ireland's largest private sector employers.



Angelina Fusco

Appointed July 2014

Angelina is an independent media and journalism training consultant in Northern Ireland. She works with Channel56, a locally based communications company, helping individuals and organisations communicate more effectively. She spent more than 30 years in BBC Northern Ireland and held a variety of roles. For 15 years she was Head of the Television 'BBC Newsline' production team providing coverage of all breaking news stories and live programmes on special events. She was a trainer at the BBC's College of Journalism in London. She was awarded an Ochberg Fellowship on Journalism and Trauma from the Dart Centre, Columbia University, NYC. Angelina is also a member of Ofcom's Content Board, London and the Northern Ireland Committee of the National Lottery Heritage Fund.



Geoff Wilson

Appointed March 2015

Geoff runs his own marketing and communications consultancy business, with a focus primarily on sport. Previously Head of Marketing and Communications (Irish FA) he was responsible for public relations, commercial programmes, brand development and communication to fans. Geoff works with the likes of FIFA, UEFA, AFC, FIBA, Barcelona FC Innovation Hub and other global sports organisations in a wide range of areas from strategic planning, marketing and communications, digital, fans engagement, public affairs and knowledge sharing / exchange programmes. In addition, Geoff consults with a number of sports tech companies in the CRM, eSports, wearable and fans engagement space. Geoff is a part-time lecturer in marketing at Queen's University Belfast and is Chair of Netball Northern Ireland.



Michele Shirlow

Appointed January 2015

Michele is the Chief Executive of FoodNI, a membership organisation dedicated to enhancing the reputation of Northern Ireland's food and drink, representing over 450 member companies (including 200 Taste of Ulster Restaurants) and acting as a strategic driver to support the industry to achieve greatness. Michele was central to delivery in 2016 of the first ever Year of Food and Drink, which increased positive visitor attitudes towards Northern Ireland food and drink by 23% and resulted in Northern Ireland winning the International Travel and Tourism Awards – Best Food Destination 2018-19. She is now spearheading the Taste the Greatness strategy to establish Northern Ireland as a leading food region in the UK by 2021.

Board Members



Terry McCartney

Appointed July 2014

Terry McCartney is the owner and manager of the multi award winning Belmore Court & Motel, Enniskillen. He is responsible for the day-to-day leadership and management of the 60-bedroom, four star guest accommodation as well as its sister property The Lodge At Lough Erne, a luxury self-catering home on the grounds of Lough Erne Resort. He was a lecturer in Hospitality and Computers at the South West College in Fermanagh and prior to that he held positions as a Field Sales Executive for Finlay Hydrascreens and Promotion and Sales Executive for Dillon Bass. In 2011, Terry was appointed High Sheriff of County Fermanagh for the year. He is also a rugby referee, an amateur photographer and in January 2018 he trekked to the top of Kilimanjaro for charity.



Colin Neill

Appointed January 2015

Colin Neill is Chief Executive of Hospitality Ulster, the representative body of Northern Ireland's hospitality industry, which sustains 60,000 jobs and contributes £1bn annually to the NI economy. Colin holds an MBA from the Ulster University. He is also a Board member of the Northern Ireland Tourism Alliance.



Michael McQuillan

**Appointed July 2013
(appointment ended April 2020)**

Michael became CEO at Enterprise NI (ENI) in August 2018. ENI supports 28 local enterprise agencies, engaging with 3,000 micro and small businesses every week across Northern Ireland. Prior to joining ENI he spent five years as Director of the Business Institute and Centre for SME Development at Ulster University Business School. Before joining Ulster University, he established and managed several businesses. Most notably, as co-founder of The Street, he developed the award winning cafe business to a network of more than 90 outlets before acquisition in 2010. Through McQuillan Associates he consulted and mentored more than 250 SMEs across Northern Ireland from 2010 to 2014. He is a Non-Executive Director on several Northern Irish businesses. He has had a long involvement with the Northern Ireland skills development agenda, and was appointed to Visiting Professor (UUBS) in 2010. Michael is a Senior Fellow of the Higher Education Academy.



Anya O'Connor

Appointed June 2020

Anya is Senior International Officer at Queen's University Belfast. Her role is focused on driving student recruitment from the Americas as well as building profile and partnerships for the University in the region. In addition, Anya acts as a career development coach within the Queen's internal coaching team, supporting staff from across the University. Anya is a graduate of the Washington Ireland Program (2010) and was also Assistant Director for the Program in 2017. She is committed to supporting initiatives that develop positive international relations for Northern Ireland and in 2018 was part of the team that brought the World Economic Forum's 'Shape Europe' conference to Belfast. In 2018 she was admitted to the British American Project as a fellow. Anya holds an MA in English Literature and Politics from the University of Glasgow.

Board Members



John West

Appointed June 2020

John is recently retired from a career in the financial services industry in the UK and Ireland where he held a variety of senior executive roles specialising in areas such as operations, risk management and customer service. He brings public sector boardroom experience, having served as Senior Independent Board Member and Audit Committee Chair with three separate NI Government Departments, including currently with the Department for Communities. He also sits as an Independent Board Member on the Court Funds Judicial Liaison Group.



Patricia Corbett

Appointed June 2020

Patricia's most recent full time role was as the first Head of Hillsborough Castle for Historic Royal Palaces. She led the £20m programme to open the Castle and Gardens to the public transforming it into a leading visitor attraction. Her role was diverse, including the development of the commercial operating model for the Castle; significant stakeholder engagement; and leading the employment and training of over 100 staff to support visitor services, host events and community engagement. She also negotiated the transfer of the Courthouse and Fort to HRP thereby safeguarding the future of these historic buildings. As a Deputy Lieutenant for the Borough of Belfast her role is to support Royal and civic lieutenancy activity, including encouraging voluntary and charitable organisations and supporting local businesses. Patricia is also a member of the Board of The Grand Opera House Belfast.

Accountability Report

Statement of the Board and Accounting Officer's Responsibilities

Corporate Governance Report

The purpose of this report is to explain the composition and organisation of Tourism NI's governance structures and how they support the achievement of its objectives.

Directors' Report

The Directors present their report and financial statements for the year ended 31 March 2020. The net expenditure after interest and tax for the year is £23.6 million, (2018-19: £25.5 million).

Directors

The Directors are the Board Members as listed in Section 2.1 of the Governance Statement. Please see previous section on Board Members for further detail. The Senior Management Team are listed in the Remuneration and Staff Report. For the year ended 31 March 2020, John McGrillen was in position of Chief Executive Officer.

Prompt Payment Policy

Tourism NI is committed to the prompt payment of bills for goods and services received in accordance with the Government's Better Payments Practice Payment Code.

Unless otherwise stated in the contract, payment is due within 30 days of the receipt of the goods, or services, or presentation of a valid invoice or similar demand, whichever is later. Regular reviews conducted to measure how promptly Tourism NI paid its bills found that 99% (2018-19: 99%) of bills were paid within this standard.

In December 2008 the Government and Institute of Credit Management launched the new Prompt Payment Code setting a target of paying invoices within 10 days. Under this initiative Tourism NI achieved 92% of bills paid within 10 days (2018-19: 99%).

Register of Interests

The Chairman, Board Members and Senior Management Team are required to register all interests, direct or indirect, which members of the public might reasonably think could influence their judgement. The register of interests is available for public inspection by contacting the Communications Team, Tourism Northern Ireland, Linum Chambers, Floors 10-12, Bedford Square, Bedford Street, Belfast, BT2 7ES.

Personal Data Related Incidents

There were four reported Personal Data Related Incidents in 2019-20, with no data lost on any occasion (2018-19: none).

In all incidents steps were taken to ensure that Tourism NI staff are fully aware of their responsibilities in managing

personal information. GDPR/Data Protection training was delivered June-August 2019 and further refresher training is in plan. All of the above incidents were raised immediately, allowing Tourism NI to undertake any necessary steps and investigation – and helped ensure that we were able to meet Information Commissioner's Office (ICO) requirements in notifying them of the incident within 72 hours where applicable.

Complaints Handling

Tourism NI aims to provide a professional, high quality service to our customers and stakeholders and we welcome any feedback which will help us to improve our service.

Our complaints and feedback procedures are broken down into two key areas: giving feedback about tourist accommodation premises or other tourist amenities, including visitor attractions or making a complaint specifically about Tourism NI services (Corporate Complaints).

In the case of Corporate Complaints, we will acknowledge complaints within 3 working days and endeavour to provide a response within 10 working days. If it is not possible to provide a full response within 10 working days, we will advise of the progress of our investigation, and provide an indication of the likely response date.

If complainants are dissatisfied with our response they can refer the matter to the Tourism NI Chief Executive within 28 days of the date of the initial response, and if they still consider that Tourism NI has not dealt with the matter either properly or fairly, they can refer their complaint to the Northern Ireland Public Services Ombudsman (NIPSO).

There were five complaints made about the services provided by Tourism NI in 2019-20 (one in 2018-19). One of these complaints resulted in the need for internal review by the Chief Executive, and was satisfactorily resolved at this stage of the complaints process.

Further information on the handling and monitoring of complaints is available on the Tourism NI 'Feedback and Complaints' webpage at <https://tourismni.com/feedback-and-complaints/> or by contacting complaints.feedback@tourismni.com

Charitable and Political Donations

No charitable or political donations have been made by Tourism NI in 2019-20 (2018-19: £nil).

Auditors

The Comptroller and Auditor General is the external auditor for Tourism NI. No payments were made during 2019-20 (2018-19: £1,156) to the Northern Ireland Audit Office in respect of non-audit work.

Under Article 8 of the Tourism (Northern Ireland) Order 1992, the Department for the Economy (with approval from the Department of Finance) has directed Tourism NI to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction.

The accounts are prepared on an accruals basis and show a true and fair view of the state of affairs of Tourism NI at the year end, and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

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

- Observe the Accounts Direction issued by the Department for the Economy, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements;
- Prepare the financial statements on a going concern basis, unless it is inappropriate to presume that Tourism NI will continue in operation; and
- Confirm that the annual report and accounts as a whole is fair, balanced and understandable and that he or she takes personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

The Accounting Officer of the Department for the Economy has designated the Chief Executive as Accounting Officer of Tourism NI. As Accounting Officer, the Chief Executive has responsibility for the propriety and regularity of the public finances for which he is answerable, for the keeping of proper records and for safeguarding Tourism NI's assets, as set out in Managing Public Money Northern Ireland, issued by the Department of Finance.

As Accounting Officer, I can confirm that there is no relevant audit information of which the auditors are unaware. I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the auditors are informed of it.

Tourism NI
Floors 10-12, Linum Chambers
Bedford Square
Bedford Street
BELFAST
BT2 7ES

Governance Statement

1. INTRODUCTION

The purpose of this Statement is to attest the continuing effectiveness of the governance arrangements of the Tourism Northern Ireland (Tourism NI) that support the achievement of our organisational policies, aims and objectives.

Corporate Governance refers to the system by which the organisation is directed and controlled. The effectiveness of direction and control of an organisation can be linked to:

- **Governance:** how well an organisation plans, sets, communicates and monitors progress against its corporate objectives;
- **Risk Management:** how the organisation identifies, considers and manages the risks to the achievement of its objectives; and
- **Business Controls:** how the organisation's Board assures itself and its stakeholders that it is in control of the business and the associated risks.

2. GOVERNANCE FRAMEWORK

As Accounting Officer, I am personally responsible for the overall accountability arrangements of the organisation which include: maintaining a sound system of corporate governance; an effective system of Internal Controls; assessing the organisational capacity to handle and manage risk; and maintaining propriety and regularity of public finances, in accordance with the responsibilities assigned to me in Managing Public Money Northern Ireland (MPMNI).

I am also responsible for ensuring compliance with the requirements of Tourism NI's Management Statement and Financial Memorandum (MSFM) agreed between Tourism NI and the Department for the Economy (DfE) and ensuring compliance with other government directives and guidance on good practice in corporate governance.

Compliance with Corporate Governance Code

As a Non Departmental Public Body (NDPB) of DfE, Tourism NI has been expected to adopt the practices set out in HM Treasury's "Corporate Governance In Central Government Departments: Code of Good Practice (NI) 2013" (the Code). Tourism NI has complied with the principles of good practice in the Code.

In compliance with the Code, Tourism NI has established and maintained key organisational structures which support the delivery of corporate governance.

Organisation and Structures

The key organisational structures which support the delivery of corporate governance are the

- Tourism NI Board;
- Audit and Risk Assurance Committee;
- Finance and Casework Committee; and
- Fortnightly Senior Management Team meetings.

2.1 Tourism NI Board

Northern Ireland Tourist Board trading as Tourism Northern Ireland operates under the Tourism (Northern Ireland) Order 1992. Tourism NI's principal functions are to encourage tourism; to encourage the provision and improvement of tourist facilities and amenities; and the certification of tourism accommodation.

The Board consists of a Chairman and up to 8 non-executive Board Members, who are appointed by the Minister for the Economy, in accordance with the Code for Public Appointments for Northern Ireland. There were two vacancies during the year, which were filled post year end. The Board takes an objective long-term view of the business, providing strategic oversight and scrutiny to assist the Accounting Officer in meeting his Corporate Governance responsibilities. The performance of Board Members is formally assessed by the Chairman on an annual basis. The Board meets a minimum of 8 times per year.

The Board has corporate responsibility for ensuring that Tourism NI fulfils the aims and objectives set by the Department and approved by the Minister, and for promoting the efficient, economic and effective use of staff and other resources by Tourism NI. To this end, and in pursuit of its wider corporate responsibilities, the Board:

- establishes the overall strategic direction of Tourism NI within the policy and resources framework determined by the Department;
- ensures that the Department is kept informed of any changes which are likely to impact on the strategic direction of Tourism NI or on the attainability of its targets, and determine the steps needed to deal with such changes;
- ensures that any statutory or administrative requirements for the use of public funds are complied with; that the Board operates within the limits of its statutory authority and any delegated authority agreed with the Department, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, the Board takes into account guidance issued by the Department of Finance and the Department;

Governance Statement

- ensures that the Board receives and reviews regular financial information concerning the management of Tourism NI; is informed in a timely manner about any concerns relating to the activities of Tourism NI; and provides positive assurance to the Department that appropriate action has been taken on such concerns;
- demonstrates and ensures high standards of corporate governance are observed at all times. This includes using the Audit and Risk Assurance Committee to help the Board address key financial and other risks facing Tourism NI; and
- appoints a Chief Executive of Tourism NI subject to the approval of the Department and, in consultation with the Department, sets performance objectives and remuneration terms linked to these objectives for the Chief Executive which give due weight to the proper management and use of public monies.

Board Performance and Effectiveness

During 2019-20, the Tourism NI Board met on eight occasions. Details of the attendance of members during the year are shown below:

Board Member	Number of Meetings Attended*	Out of a Possible
Terence Brannigan (CM.)	8	8
Angelina Fusco	8	8
Michael McQuillan	7	8
Terry McCartney	8	8
Colin Neill	8	8
Michele Shirlow	8	8
Geoff Wilson	8	8

*The June 2019 meeting was chaired by Michael McQuillan as the Chair was delayed by a previous engagement.

This year the Board also agreed to participate in the Board Apprentice programme which assists individuals from the business community in gaining experience of the roles and responsibilities involved in taking up a public appointment. Colette Brown of Deloitte joined Board Meetings as Apprentice for a twelve month period beginning on 1 September 2019.

In addition to the scheduled Board meetings, the Board held strategic away days with the SMT in February 2020. This included a governance refresher course, agreeing priorities for Tourism NI's Operating Plan for 2020-21 and stakeholder engagement.

The Board focussed on the strategic objectives of Tourism NI and monitored performance against these targets. The Board received management information reports including Financial and Risk Management to discharge its duties.

The Board, in discharging its responsibilities, delegates the day to day management of Tourism NI to the Senior Management Team (SMT), which consists of a Chief Executive, and 6 Executive Directors. The SMT is responsible for implementing the strategy of the organisation and formulating robust policies and strategies in pursuance of corporate aims and objectives.

Key Issues Considered by the Board

Below are some of the key issues the Board considered during 2019-20:

- Development and approval of the annual Operating Plan and budget allocation against organisational priorities and resulting pressures;
- Quarterly review of performance – operating plan, management accounts and risk management;
- 2018-19 Annual Report and Accounts and Northern Ireland Audit Office (NIAO) Report to Those Charged with Governance;
- Annual Report of Audit & Risk Assurance Committee;
- Domestic Market Review and Strategy;
- Draft Tourism Strategy;
- Review of Research Programme and the Visitor Attitude Survey;
- Staff Engagement;
- Game of Thrones Touring Exhibition;
- Digital Programme Update;
- Assurance Framework / Assurance Mapping;
- Partnerships between departments and arm's length bodies;
- Events Programmes;
- GDPR awareness session;
- Experience Brand Implementation Plan;
- Coronavirus impact on tourism industry and Tourism NI response; and
- HR Policies

The Board also had presentations on the Experience Brand Northern Ireland - Embrace a Giant Spirit, on Business Tourism by ICC Belfast and had a presentation by Belfast Harbour.

The Board hosted dinners in April 2019, June 2019, August 2019, October 2019, and November 2019 with groups of invited tourism stakeholders. There were two dinners hosted in June 2019.

Governance Statement

The Board carried out a follow up review of the self-effectiveness evaluation performed in 2018-19 with a report delivered to the Board in December 2019. The follow up report noted improvements in all areas, the sole exception being a small reduction in the score on attendance.

During the 2018-19 Financial Year, the Board reviewed its subcommittee structure, agreeing to disband the Marketing Committee, the Strategic Partnership Committee and the Casework Committee and to create the Finance & Casework Committee (in place of the Casework Committee) and Business & Industry Development Committee. In June 2019, further discussion resulted in pausing the Business and Industry Development Committee until such times as the Board had a full complement of membership. The Finance and Casework Committee progressed as agreed.

2.2 The Tourism NI Audit and Risk Assurance Committee

The work of the Board is supported and advised by an Audit and Risk Assurance Committee. The Committee includes three non-executive members and one independent member. The Chief Executive, Director of Finance, Director of HR and Organisational Development, Finance Manager, Internal Audit Service (IAS) and External Audit (NIAO) and a representative from DfE are invited to attend all meetings.

The Committee supports the Board and the Accounting Officer by reviewing the comprehensiveness, reliability and integrity of assurances in meeting the Board and Accounting Officer's responsibilities. This includes the risk management framework and internal control environment. The Committee reviews the Annual Report and Financial Statements before submission to the Board to ensure a true and fair view of the financial position is presented.

The Audit and Risk Assurance Committee was chaired by Angelina Fusco. There were no vacancies during the year.

During 2019-20, the Audit and Risk Assurance Committee met a total of four times. Details of the attendance of members during the year is shown in next column.

Committee Member	Meetings Attended	Out of a Possible
Angelina Fusco (Chair)	4	4
Colin O'Neill	2	4
Michael McQuillan	3	4
Brian McClure (Independent)*	1	1
Dorinnia Carville (Independent)**	3	4

*Brian McClure came to the end of his term in June 2019

**Dorinnia Carville was appointed as the Independent Member in June 2019.

There were regular meetings between the Chair and both the NIAO and Head of IAS during the year.

Matters considered by the Committee during 2019-20 included the following:

- Annual Report & Accounts 2018-19;
- NIAO Report to those Charged with Governance 2018-19;
- NIAO Audit Strategy 2019-20;
- Review and discussion of the Quarterly Risk Register;
- Approval of the Internal Audit Plan 2019-20 and review of all Internal Audit reports completed during the year, including the Annual Report and Opinion 2018-19;
- Review and discussion of all outstanding Internal Audit Recommendations;
- Update on Tourism NI pay scales;
- Organisational restructure;
- Review and discussion of a Field Based Mileage Policy;
- IT updates including Information Security;
- Assurance Mapping and its use to provide the Board with additional assurance over strategic objectives;
- Update on dilapidations from Tourism NI's previous premises;
- ROI Office Relocation;
- Tourism NI's preparation for EU Exit;
- The impact of Covid-19 on the organisation and on the tourism industry;
- Chair's Annual Report to the Board;
- Staff Grievances;
- Special payments;
- Fraud Notifications; and
- Direct Award Contracts.

Governance Statement

2.3 The Finance and Casework Committee

The Finance and Casework Committee was formed during the year, meeting three times. The purpose of the Committee is to provide in depth scrutiny of the finances of the organisation and to provide assurance to the Board of the same, and to review and make recommendation to the Board on Events and Capital Projects. The Committee includes three Non-Executive members and one independent member, appointed in April 2020. The Director of Finance, the Director of Business Support and Events and the Director of Product Development are invited to attend meetings as required. The Committee was chaired by Michele Shirlow. There were no vacancies during the year.

Details of the attendance of members during the year 2019-20 is shown below:

Committee Member	Meetings Attended	Out of a Possible
Michele Shirlow (Chair)	3	3
Terence Brannigan	3	3
Geoff Wilson	2	3

Catherine Doran was appointed as an Independent Member in March, attending her first meeting in April 2020.

The Committee considered and scrutinised the financial position during the year and considered and took decisions regarding the financial support for three Major Events.

2.4 The Senior Management Team

During the year, the Senior Management Team meets as follows:

- Quarterly to formally review the operating plan, budget and risk management and for oversight / review of progress on key projects;
- Monthly to review the budget, financial performance and to monitor risk and progress on key projects; and
- Fortnightly to discuss ongoing operational issues.

Conflicts of Interest

All interests of both Board Members and SMT are recorded on a Register of Interests. This is updated as any new appointments occur to ensure that any conflict is recognised

immediately. Conflicts of interest are also declared at the beginning of all Board, Audit and Risk Assurance Committee and Finance and Casework Committee Meetings and Members will excuse themselves from the relevant discussion. Twelve conflicts of interest were declared in Board meetings during the year. These related to hospitality, Food NI, Events funding, marketing, Northern Ireland Tourism Alliance, Board Effectiveness, and HMS Caroline. On each occasion where the discussion involved decision making the members involved excused themselves. There were no conflicts of interest declared in the Audit and Risk Assurance Committee meetings. Two conflicts of interest were declared in the Finance and Casework Committee meetings and the Member was excused from discussion.

Tourism NI has a policy for Directorship on External Boards to provide greater clarity for Board Members and staff members alike about the process for accepting invitations to sit on External Boards.

The process for dealing with Conflicts of Interest is held centrally by HR and is available to all staff and members of the Board.

2.5 Business Planning

The Annual Operating Plan is a key reference tool for setting organisational aims and objectives. It provides the framework to ensure that Tourism NI makes best use of available financial, staff, and technological resources and that budgets are aligned to the plan following a robust budget challenge process. The budget process challenges managers to demonstrate efficiency and value for money in the provision of services to meet the needs of our stakeholders.

Tourism NI's annual Operating Plan is set in the context of the Draft Tourism Strategy 2030, and the Programme for Government / NICS Outcomes Delivery Plan. The 2019-20 Operating Plan was approved by the Board and the Department for the Economy (DfE). Formal reporting to the Board and DfE is on a quarterly basis against Operating Plan objectives and budget

The Board and the SMT regularly review and monitor performance against business objectives and challenge managers at all levels to ensure business targets and objectives are achieved.

Governance Statement

2.6 Risk Management

Tourism NI aims to manage risk at a reasonable level to achieve its policies, aims and objectives. As Accounting Officer, it is my responsibility to ensure that an appropriate risk management process is in place within the organisation to assist with the decision making process. The aim is not to eliminate all risk, but to mitigate and manage risks through risk management strategies and policies. The Risk Management process is to be fully reviewed in 2020-21 in line with the latest HMT Orange Book guidance, streamlining the process and maximising the capabilities of the new 'goals' and 'risk' systems launched in 2019-20.

Risk management is fully incorporated into the corporate planning and decision making processes and Tourism NI has in place a Corporate Risk Register that is reviewed by SMT on a quarterly basis. The appropriate action plans are put in place to manage and mitigate risks to ensure objectives and targets are achieved.

The Risk Register is updated on a regular basis taking account of any new risks identified by the SMT and with any new information on existing risks.

'Operating two Pay Scales' and 'Failure to respond to the impact of the Covid-19 outbreak on the NI Tourism Industry' were both identified as new risks in 2019-20.

The Risk Register is presented to the Board and Audit and Risk Assurance Committee in order to monitor and review any significant risks that could prevent Tourism NI achieving its strategic goals. The Audit and Risk Assurance Committee has responsibility for ensuring an appropriate risk management process is embedded throughout the organisation and that appropriate training is given to support this.

The Tourism NI Risk Register is reported to DfE through their Audit and Risk Assurance Committee and DfE's Oversight and Liaison Committee meetings.

2.7 Annual Assurance Statements

As Accounting Officer, I have to provide Annual Assurance Statements to DfE regarding the system of internal controls. This is supported by regular accountability meetings with senior DfE Officials which monitors organisational progress against plans and targets. This is also supplemented by meeting with the Board Chair, the Chief Executive, and DfE Officials after every Board meeting.

As part of the Assurance process for DfE, I have delegated responsibility to Directors and other Senior Managers to provide me with mid-year and annual assurance statements

in respect of their compliance with corporate governance arrangements, within their respective areas of responsibility.

2.8 Data Security

As Accounting Officer, I have overall responsibility for ensuring that information used for operational and reporting purposes is handled appropriately and that risks are assessed and mitigated to an acceptable level. This responsibility is discharged through the Chief Digital Officer, who is the Senior Information Risk Officer (SIRO) who provides focus for the management of information risk at SMT and Board level and has responsibility for the overall information risk policy and for advising the Accounting Officer on the information risk aspects of the governance arrangements. The SIRO is supported in this role by the IT Manager who has day to day responsibility for information management and security; the integrity of electronic information; and contingency and business continuity arrangements. A letter of assurance is provided to DfE on information governance on an annual basis.

There were three data breaches during the year and a previous breach came to light during 2019-20. On two of these occasions the Information Commissioner's Office was contacted, no further action was considered necessary in either instance. One incident has been disclosed as a theft on pg 48 of the Governance Statement. There have been no data losses during the 2019-20 financial year.

2.9 Internal Audit

The Internal Audit function for Tourism NI is undertaken by Internal Audit Service (IAS), Department of Finance. Internal audit services are delivered in accordance with Public Sector Internal Audit Standards. The work of IAS is informed by an analysis of the risks to which Tourism NI is exposed. The annual Audit Plan is based on this risk analysis and is designed to provide regular Internal Audit Reviews and assessment on our systems, processes and procedures.

Five audits were scheduled for 2019-20 including two follow up audits of outstanding recommendations. One further audit was scheduled that had been deferred from 2018-19, this final report has since been issued as satisfactory. The two follow up audits were completed and the limited opinions previously issued for the Strategic Partnership Grant Fund and Sponsorship and for GDPR Compliance Review were lifted to satisfactory. Two audits were ongoing at year end and one was deferred into 2020-21. One has been issued with a limited opinion, the other is undergoing IAS quality review. All recommendations accepted by Management are in the process of being implemented or they have already been implemented.

Governance Statement

The audit timetable was halted or delayed by the action taken due to the Covid-19 outbreak i.e. both Tourism NI and IAS working remotely.

The Audit and Risk Assurance Committee provides scrutiny and oversight of the Internal Audit Plans and subsequent Reports and ensures that 'management responses' to recommendations are implemented. All Internal Audit Recommendations are held centrally and their progress closely monitored and challenged. Annually, IAS provides Tourism NI with a report on their activity. This Report includes their independent opinion on the adequacy and effectiveness of the Tourism NI's risk management, control and governance processes.

The overall audit opinion for 2019-20 was "Satisfactory".

2.10 External Audit

The External Audit of our Statutory Financial Statements is undertaken by the Northern Ireland Audit Office (NIAO), in accordance with Auditing Standards issued by the Auditing Practice Board; the Financial Reporting Manual (FRM); and other government guidance. This independent scrutiny of the Financial Statements against Government Audit Standards provides me with additional assurance in respect of financial regularity.

The External Audit Strategy for 2019-20 and the Report to those charged with Governance (RTTCWG) for 2018-19 have been presented to the Audit and Risk Assurance Committee. As Accounting Officer, I can confirm that all recommendations included within the RTTCWG have been accepted and have been implemented or are currently being progressed.

2.11 Quality Of Data Used by Tourism NI Board

The Tourism NI Board uses information based on a number of data sources. In relation to performance targets, the Board draws assurance from the fact that a number of the data sources used are also utilised for the publication of official or National Statistics. Tourism NI also commissioned independent economic appraisals for capital investment decisions and for the evaluation of key activities such as events. Data relating to Finance and HR is derived from systems that are subject to regular scrutiny by DfE's Internal Audit Service. Information received by the Board allows the Board to discharge its duties with regard to its assurance needs, its decision making and its accountability obligations.

2.12 Digital Transformation

During the year, new finance and HR systems were implemented. This was the realisation of the first stage of a wider digital transformation programme. Both systems are part of the Microsoft Dynamics suite of products.

The new finance system went live on 1 October 2019 and has proven to be very successful so far. All data was successfully migrated from the SAGE system. The new HR system is being rolled out on a phased basis, with initial implementation Phase 1 on 1 February 2020. Phase 2 will be rolled out in June 2020.

During the year, work continued on a new CRM system and there was significant development on a new platform for Tourism NI's corporate website, tourismni.com and for the consumer website, discovernorthernireland.com. The corporate website is due for launch in the first Quarter of 2020-21.

There has also been extensive work carried out to enhance Tourism NI's ability to gather aggregated real-time tourism data through new partnerships, stakeholder engagement and the deployment of sensor technology at key tourist sites. This data is analysed and transformed into real-time insights. There was also a capital funding programme to support the industry for website improvement.

2.13 Ministerial Directions

There were no Ministerial or Departmental Directions received in 2019-20.

2.14 Financial Management

The organisational financial management arrangements conform to the requirements of Managing Public Money NI and other directions issued by the Department for the Economy. The Director of Finance has responsibility at SMT level for the proper management of the organisation's finances. Responsibility is delegated for the management of finances to Directors through the allocation of budgets. The Director of Finance is supported in this role by the Finance Manager, who is responsible for providing detailed financial procedures, guidance and financial advice for Managers, as well as maintaining effective systems of budgetary control and financial reporting.

The Northern Ireland Assembly was dissolved from 26 January 2017 for an election which took place on 2 March, on which date Ministers also ceased to hold office. An Executive was not formed following the election within the period specified in the legislation. The Budget Act 2019 was progressed

Governance Statement

through Westminster, receiving Royal Assent on 31 October 2019, followed by the Northern Ireland Budget (Anticipation and Adjustments) Act 2019 which received Royal Assent on 15 March 2019. This enabled the Department of Finance to allocate resources for the financial year ending 31 March 2020.

An Executive was formed on 11 January 2020 however budget allocations were not revised for the remainder of 2019-20.

2.15 EU EXIT PREPARATIONS

Tourism NI worked with the Department for the Economy in preparing a response to support the tourism industry to exit from the EU for the differing scenarios that were faced by the UK. This included submitting bids for additional funding to support supplementary marketing campaigns and to provide additional support to the Tourism Industry. These bids were unsuccessful.

2.16 Covid-19

The Covid-19 pandemic swept the globe at the start of 2020 and both Northern Ireland and the RoI were faced with the same lockdown measures as most of Europe. Management took the decision to direct all staff to work from home from 23 March 2020, just prior to the UK Prime Minister enforcing a nationwide lockdown. Similar measures were announced in RoI on 27 March 2020.

All staff have the capability to work remotely and the transition from office based to homeworking was relatively seamless. Meetings have been held via Microsoft Teams to allow business to continue. This includes regular SMT meetings, Corporate Management Team meetings, all-staff briefings as well as Board and Sub Committee meetings.

This situation has presented a number of personal challenges for staff, including but not limited to working whilst caring for dependents, home schooling children or potential loneliness. Tourism NI Management is mindful of these challenges and recognises its duty of care to staff so has put in place a number of measures to ensure there is frequent communication with all staff and that support mechanisms are in place. This includes a Health and Wellbeing Programme that focuses on "looking after yourself", "staying connected" and "looking after others".

The response to the pandemic also had an impact on activity during the month of March, with a number of trade shows and workshops being postponed or cancelled.

In April 2020, Tourism NI devised a recovery plan to support the tourism industry during this time. This involved submitting bids for additional funding to support the industry and increase marketing campaigns. Tourism NI has also implemented all guidance that has been issued by Department of Finance in relation to Covid-19.

2.17 Fraud Policy

Tourism NI promotes an anti-fraud culture which requires all staff to act with honesty and integrity at all times and to take appropriate steps to safeguard public assets. Tourism NI has implemented a range of policies and procedures that are designed to ensure probity, business integrity and minimise the likelihood and impact of incidence of fraud arising. The Director of Finance is responsible for managing the Fraud Policy and the Fraud Response Plan. All reported suspected and actual Frauds are fully investigated and robust actions are taken where fraud can be proven.

3 GOVERNANCE ISSUES ARISING DURING THE YEAR

3.1 Internal Audit Issues

There was one Limited opinion issued in relation to an audit undertaken in 2019-20. Two previous Limited opinions in relation to GDPR Compliance and the Strategic Partnership Grant Fund and Sponsorships were lifted to satisfactory after follow up reviews. There were no other recommendations made during the year. All other accepted recommendations were either implemented or were in progress.

3.2 Other Governance Issues

Tourism NI Pay Scales

Tourism NI obtained approval to pay Belfast staff increases in salaries from 2014-15 to 2017-18 during the 2018-19 financial year. These had previously been withheld due to queries about Tourism NI pay scales and pension contributions. Authorisation to make the payment was subject to the condition that the issue with regard Tourism NI pay scales would be progressed. This was done so during 2019-20. A business case has been prepared and is being progressed with DfE to resolve the pay scale issue

Governance Statement

Payments to Tourism Ireland

Tourism Ireland was formed by the Government of the Republic of Ireland and the Northern Ireland Executive, under the auspices of the North/South Ministerial Council (NSMC). It is governed by its Memorandum and Articles of Association and by the Financial Memorandum approved by the NSMC and prepares detailed three-year Corporate and one year Operating Plans to guide its activities. It is joint funded by both Department of Transport, Tourism & Sport (DTTAS) in the Republic of Ireland and the Department for the Economy (DfE) in Northern Ireland. As part of this funding arrangement, funding is made available via payments from Tourism Northern Ireland directly to Tourism Ireland. As a result of the collapse of the NI Executive in January 2017, the NSMC was suspended and therefore Corporate and Operating Plans have not been approved. Whilst a Minister was in post from January 2020, it was not possible to secure North/South Ministerial Council (NSMC) approval for the 2019 and 2020 Business Plans for Tourism Ireland. Whilst this is beyond the control of both DfE and the Department of Finance has agreed that these payments are legal in the absence of approved Business Plans, the C&AG has decided to qualify his regularity opinion on the DfE 2019-20 resource accounts as the expenditure has been incurred without the necessary approvals in place. Tourism NI have no control over regularising these payments and continue to make them under instruction from DfE.

HMS Caroline

The C&AG reported on delays in the restoration of HMS Caroline in DfE's 19-20 Resource Accounts. HMS Caroline has taken two years longer to deliver than was initially expected, mainly due to the difficulties in securing leases. The C&AG also noted that with a deficit being incurred earlier than anticipated, mainly due to lower visitor numbers, the Department has incurred an additional £1.4 million of costs up to 2019-20 and is in the process of considering options for the future of the attraction. Any future costs are attributable to DfE.

Attempted Frauds

There were three actual frauds during the year.

In July 2019, a number of tablets and virtual headsets were stolen from a Tourism NI stand at an event. The tablets were disabled remotely by the IT Department and no data was lost. This theft was reported to the PSNI. The equipment was not recovered.

In October 2019, a member of staff had their mobile telephone stolen whilst attending a trade event. IT was able to disable the device remotely and no data was lost. The theft was reported to the police. The handset was not recovered.

In December 2019, an opportunistic scam email requesting a change of details through the payroll process resulted in a small loss. It was reported to the PSNI, Action Fraud and the bank who initiated recovery procedures. The funds were not recovered. An internal fact-finding investigation was undertaken and concluded with no further action being taken on this occasion.

Controls, processes and procedures were reviewed and strengthened as appropriate after each incident. This included reviewing the security of assets whilst out at events and payroll procedures.

There was one suspected fraud relating to grant payments during the year. After investigation, this was found not to be a fraud.

There were no attempted frauds during the year.

4 CONCLUSION

As Accounting Officer, I also have responsibility for reviewing the effectiveness of the Governance arrangements. This review is informed by Executive Directors within Tourism NI who have responsibility for the development and maintenance of the governance framework and the work of Internal and External Auditors and their comments and recommendations. I have advised the Audit and Risk Assurance Committee of my review of the governance arrangements and my plans for continuous improvement of the governance arrangements.

Beyond those specific issues listed in Section 3, I can confirm that there have been no other governance issues identified during the year that are considered significant in relation to Tourism Northern Ireland's overall ability to achieve its corporate aims and objectives and that the governance arrangements, as detailed above, provide assurances of the effectiveness of the systems of corporate governance in place within Tourism NI.

Tourism NI continues to review and strengthen its governance and internal controls arrangements in line with government guidance, audit recommendations and best practice.

Remuneration & Staff Report

Remuneration Report

The Remuneration and Staff report sets out Tourism NI's remuneration policy for our Board Members and Senior Management Team (SMT), reports on how that policy has been implemented and details the amounts awarded to Board Members and SMT. It also provides details on remuneration and staff that the Northern Ireland Assembly and others see as key to accountability.

Remuneration Policy

Chairman and Board Members

The Chairman and Board Members are appointed in accordance with the Code of Practice of the Office of the Commissioner for Public Appointments for Northern Ireland. The Chairman and Board Members are appointed for a fixed period of up to three years. Thereafter they may be reappointed in accordance with the Code of Practice.

The remuneration of the Chairman and Board is set by Department for the Economy (DfE). Increases are calculated in line with the recommendations of the Senior Salaries Review Board. There are no arrangements in place for the payment of a bonus. Neither the Chairman nor any Board Member receives pension contributions from Tourism NI or DfE. Tourism NI reimburses the Chairman and Board Members for any incidental expenses incurred for carrying out their duties relevant to the organisation.

Chief Executive and Senior Management Team

Progression for the Chief Executive is in accordance with the Senior Civil Service (SCS) Pay Strategy 2008, which is consistent with Cabinet Office guidelines. The Chief Executive's remuneration is subject to a pay band minima and maxima in line with pay arrangements in place for SCS staff. The effective date for pay award is 1 April each year.

Members of the Senior Management Team are paid in line with the Northern Ireland Civil Service pay agreement. Their performance against previously agreed targets is assessed annually by the Chief Executive. Pay increases are entirely performance based.

Directors are normally placed on the bottom point of a 5 point scale on appointment. Thereafter, there is annual incremental progression, based on performance, until the maximum of the scale is reached. A common incremental date of 1 August is used for all Directors.

Service Contracts

The Chief Executive and the Senior Management Team appointments are made in accordance with Tourism NI's recruitment and selection policy. The policy requires appointments to be made on merit and on the basis of fair and open competition.

Unless otherwise stated, the employees covered by this report hold appointments that are open ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in Tourism NI's redundancy policy.

Remuneration & Staff Report

Remuneration and Pension Entitlements

Remuneration (including salary) and Pension Entitlements – Board Members (Audited)

The following sections provide details of the remuneration and pension interests of the Board and SMT of TNI.

Single total figure of remuneration						
	Salary £'000		Benefits in Kind (to nearest £100)		Total £'000	
	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19
Terrence Branigan Chairperson	25 - 30	25 - 30	-	-	25 - 30	25 - 30
Michael McQuillan Board Member	5 - 10	5 - 10	-	-	5 - 10	5 - 10
Angelina Fusco Board Member	5 - 10	5 - 10	-	-	5 - 10	5 - 10
Terry McCartney Board Member	5 - 10	5 - 10	-	-	5 - 10	5 - 10
Michele Shirlow Board Member	5 - 10	5 - 10	-	-	5 - 10	5 - 10
Geoff Wilson Board Member	5 - 10	5 - 10	-	-	5 - 10	5 - 10
Colin Neill Board Member	5 - 10	5 - 10	-	-	5 - 10	5 - 10

Tourism NI Board Members do not have any pension entitlements.

Remuneration & Staff Report

Remuneration (including salary) and Pension Entitlements – Senior Management Team

	2019/2020				2018/19			
	Salary	Benefits in Kind to Nearest £100	Pension Benefits to Nearest £1,000	Total	Salary	Benefits in Kind to Nearest £100	Pension Benefits to Nearest £1,000	Total
	£'000			£'000	£'000			£'000
John McGrillen ¹ Chief Executive	110-115	-	63	175-180	95-100	-	12	110-115
Louise Kearney ² Director of HR	25-30 (50-60 FTE)	-	9	35-40	60-65	-	23	80-85
Jill O'Reilly ³ Acting Director of HR	40-45	-	6	45-50	-	-	-	-
Rosemarie McHugh Director of Product Development	50-55	-	16	65-70	50-55	-	18	70-75
Naomi Waite Director of Marketing	50-55	-	17	70-75	65-70	-	25	90-95
Jill McKee ⁴ Director of Finance	35-40 (50-55 FTE)	-	18	50-55	55-60	-	20	75-80
Aine Kearney Director of Business Support & Events	50-55	-	17	70-75	65-70	-	24	90-95
Aine Robinson ⁵ Acting Director of Finance	35-40 (50-55 FTE)	-	17	50-55	35-40 (50-55 FTE)	-	22	60-65

¹ John McGrillen's salary includes approximately £10k of back pay related to prior years. 'Salary' includes any other allowance to the extent that it is subject to UK taxation.

² Louise Kearney left Tourism NI on 30 September 2019.

³ Jill O'Reilly was appointed Acting Director of HR on 15 October 2019.

⁴ Jill McKee returned from maternity leave on 19 August 2019.

⁵ Aine Robinson was appointed maternity cover for Acting Director of Finance on 1 November 2018 until 23 October 2019.

The Chief Digital Officer role is via secondment from the Strategic Investment Board and they are on SIB payroll, TNI reimburses SIB for salary related costs.

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

Remuneration & Staff Report

Salary

'Salary' includes gross salary; overtime; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation and any ex-gratia payments. This report is based on payments made by Tourism NI and thus recorded in these accounts.

Bonuses

During the year 2019-20 there were no bonuses paid (2018-19 – £nil) to the Chief Executive and Senior Management Team.

Benefits in Kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the HM Revenue and Customs as a taxable emolument. Neither Members of the Board nor senior management received any benefits in kind during 2019-20 (2018-19: £nil).

Pay Multiples (Audited)

Tourism NI is required to disclose the relationship between the remuneration of the highest paid director and the median remuneration of the organisation's workforce.

	2019-20	2018-19
	£	£
	£'000	£'000
Remuneration of Highest Paid Director	100-105	95-100
Remuneration of Lowest Paid Employee	15-20	15-20
Median Employee Remuneration	30,149	30,149
Ratio	3.4	3.2

The banded remuneration of the highest paid Director during the financial year 2019-20 was £100,000-105,000 (2018-19: £95,000-£100,000). This remuneration was 3.4 times (2018-19: 3.2) the median remuneration of the workforce, which was £30,149 (2018-19: £30,149).

In 2019-20, there were no employees that received remuneration in excess of the highest paid director (2018-19: nil).

The calculation is based on the gross salary of full time equivalent staff as at 31 March 2020 on an annualised basis. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

Remuneration ranged from £17,974 to £103,379 (2018-19: £17,034 to £98,324).

Remuneration & Staff Report

Pension Entitlements (Audited)

	Accrued Pension at Pension Age as at 31/03/2020 and related lump sum	Real Increase in Pension and related lump sum at pension age	CETV as at 31/03/2020	CETV as at 31/03/2019	Real Increase in CETV
	£'000	£'000	£'000	£'000	£'000
John McGrillen Chief Executive	40-45 plus lump sum of 80-85	2.5-5 plus lump sum of 2.5-5	980	883	70
Louise Kearney ¹ Director of HR	10-15 plus lump sum of 0-5	0-2.5 plus lump sum of 0-2.5	172	159	9
Jill O'Reilly ² Acting Director of HR	0-5 plus lump sum of 0-5	0-2.5 plus lump sum of 0-2.5	18	16	1
Rosemarie McHugh Director of Product Development	5-10 plus lump sum of 0-5	0-2.5 plus lump sum of 0-2.5	57	45	7
Naomi Waite Director of Marketing	5-10 plus lump sum of 0-5	0-2.5 plus lump sum of 0-2.5	89	73	10
Jill McKee ³ Acting Director of Finance	5-10 plus lump sum of 0-5	0-2.5 plus lump sum of 0-2.5	66	54	9
Aine Kearney Director of Business Support & Events	5-10 plus lump sum of 0-5	0-2.5 plus lump sum of 0-2.5	76	62	8
Aine Robinson ⁴ Acting Director of Finance	0-5 plus lump sum of 0-5	0-2.5 plus lump sum of 0-2.5	40	31	5

¹ Louise Kearney left Tourism NI on 30 September 2019.

² Jill O'Reilly was appointed Acting Director of HR on 15 October 2019.

³ Jill McKee returned from maternity leave on 19 August 2019.

⁴ Aine Robinson was appointed maternity cover for Acting Director of Finance on 1 November 2018 until 23 October 2019.

Tourism NI Board Members do not have any pension entitlements.

Remuneration & Staff Report

Pensions

Tourism NI participates in the Local Government Pension Scheme (LGPS) for senior staff, which is also available to all employees. From 1 April 2015, the scheme changed to become a career average revalued earnings scheme which means that all active members will 'bank' pension savings each year into their pension accounts. The amount of pension banked each year from 1 April 2015 will equal 1/49th of the member's pensionable pay.

All current active members were moved to the new Scheme on 1 April 2015 and will therefore have a pension at retirement composed of two elements: a final salary pension (on either 1/80th accrual and/ or 1/60th accrual) and a career average revalued earnings pension. The final salary pension will be calculated on the final pay at retirement (less overtime and additional hours' payments). This is known as the 'final salary link'. Those members who were within 10 years of retirement at 1 April 2012 have a protection called the statutory underpin. This means that if they would have been better off under the old final salary scheme an additional amount of pension will be paid into their pension account at retirement or on reaching their old normal pension age (usually age 65).

From 1 April 2015, the death grants of an active member changes from being three times pensionable pay to be three times Assumed Pensionable Pay (APP). If the active member under the 2015 scheme also has deferred benefits or a pension in payment, then only the highest death grant is payable and not the sum of all death grants. Survivors' pensions continue to be payable to eligible parties. These benefits are generally calculated on a fraction of the deceased members pensionable pay times the period of membership in the Scheme plus an enhancement to take account of each year that could have been worked from the date of death to the deceased members NPA. Medical retirement is possible in event of serious ill-health. In this case pensions are brought into payment early.

The scheme is funded by contributions made by both employees and employers. An actuarial valuation of the scheme is carried out every three years and the results of this valuation determine employers' contribution rates for the next three years. The valuation for the three years ended 31 March 2016 set the employers' contribution rates at 18%, 19% and 20% from 1 April 2017 and the following two years. A triennial valuation was carried out as at 31 March 2019 and the outcome of the valuation will determine the employer contribution rates for the 3 years commencing 1 April 2020. Tiered employee contribution rates were introduced from 1 April 2009 and the employee contribution rates for 2019-20 are outlined below.

Pensionable Pay	Employee Contribution Rate 2019/20
Up to £14,800	5.5%
£14,801 to £22,600	5.8%
£22,601 to £37,700	6.5%
£37,701 to £45,700	6.8%
£45,701 to £90,400	8.5%
More than £90,400	10.5%

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the Scheme if they are at or over pension age. Pension age is state pension age or age 65 if higher.

The inflation rate used in 2019-20 calculations is 2.2%.

Cash Equivalent Transfer Value (CETV)

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

The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the LGPS arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2015 and do not take account of any actual or potential reduction to benefits resulting in Lifetime Allowance Tax which may be due when pension benefits are taken.

Remuneration & Staff Report

The Real Increase in the Value of the CETV

This is the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation; contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the period.

However, the real increase calculation uses common actuarial factors at the start and end of the period so that it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer.

Compensation for Loss of Office and Early Retirement (audited)

No member of the senior management team received compensation for loss of office and no member of senior management retired early in either the current or previous year.

Analysis of Staff Costs (audited)

	2019/20 £'000	2018/19 £'000
Wages and Salaries		
Permanent	3,930	3,608
Others	608	600
Social Security Costs		
Permanent	375	386
Others	32	32
Pension Contributions		
Permanent	1,444	1,202
Others	56	52
Seconded Costs Reimbursed	(20)	(37)
Staff Costs Charged to Net Expenditure Account	6,425	5,843

Other costs are made up of temporary and agency staff costs.

Pensions

IAS 19 requires employers participating in a defined benefit pension scheme to account for their share of assets and liabilities in the scheme. In preparing the Accounts for 2019-20 additional information has been included in note 14 and the valuation at 31 March 2020 has been included in the Statement of Financial Position. The latest full actuarial valuation of the scheme was at 31 March 2019.

Pension Benefits are provided through the Local Government Pension Scheme (LGPS). This scheme is a defined benefits fund and is invested in suitable investments, managed by the Northern Ireland Local Government Officers' Superannuation Scheme Committee (NILGOSC).

The employer contribution rate for 2019-20 was increased to 20% (2018-19 – 19%), and between 5.5% and 10.5% for the employee.

The total employer contribution paid under the scheme in 2019-20 was £775,000 (2018-19: £825,667).

The total employer contribution made for the Defined Contribution Scheme provided by Zurich for ROI employees in 2019-20 was £29,064 (2018-19: £34,302). For both 2019-20 and 2018-19, the contribution rates were 16% for the employer and 6% for the employee.

During 2019-20 there was two early retirees, however there was no financial impact to Tourism NI (2018-19: one).

Remuneration & Staff Report

Average Number of Persons Employed:

The following section is subject to audit. The average number of whole-time equivalent persons employed during the year was as follows:

	2019/20 No.		2018/19 No.	
	Permanent	Other	Permanent	Other
Business Support & Events	24	5	25	6
Product Development	25	1	24	0
Corporate Development	5	0	14	2
Senior Management Team and Board	13	1	13	0
Organisational Development and Finance	16	4	16	6
Marketing	37	5	29	4
Digital Services	3	0	1	1
Total	123	16	122	19

There were five ROI staff members as at 31 March 2020.

Staff Composition (Gender Analysis) as at 31 March 2020

A breakdown of staff in Tourism NI is included below.

	2019/20 No.			2018/19 No.		
	Male	Female	Total	Male	Female	Total
Board Members	5	2	7	5	2	7
Senior Management Team*	1	5	6	1	5	6
Employees	34	98	132	28	97	125
Total	40	105	145	34	104	138

*Includes one member from Senior Management Team who is a senior civil service staff (or equivalent) as defined with Grade 5 or above.

Sickness Absence Data

During the year 2019-20 Tourism NI recorded a staff sickness absenteeism rate of 4.33% or 11 days per employee (2018-19: 7.08% or 17.2 days).

Remuneration & Staff Report

Other Employee Matters

Employee Policies

Tourism NI aims to act as a good employer in all matters relating to its responsibilities and obligations for health & safety at work, ensuring that the way business is conducted does not harm the health and safety of staff, visitors, suppliers or third parties and making sure all legal requirements are met.

Tourism NI is committed to the development of its staff and to policies that enable them to best contribute to the performance and long term effectiveness of the organisation. In particular, active involvement and communication with employees is conducted both directly and through the recognised Trade Union (NIPSA) in all relevant matters. The organisation is also committed to the continuing development of its staff and to maximising their contribution to the continuous improvement of service delivery.

Tourism NI gives full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitude and abilities, for the continuing employment of, and for arranging appropriate training for, employees of Tourism NI that have become disabled persons during the period when they were employed by the organisation, and otherwise for the training, career development and promotion of disabled persons employed by Tourism NI.

The Learning and Development function supports the development of all staff by providing internal and external training to develop skills and expertise. Tourism NI ensures that all learning interventions are aligned to the business strategy and organisational values.

Equality Scheme

Tourism NI is committed to upholding equality of opportunity and regard to the desirability of promoting good relations across persons of different religious belief, political opinion or racial group.

Tourism NI's Equality Scheme is developed in accordance with Section 75 and Schedule 9 of the Northern Ireland Act 1998. It is available on www.tourismni.com.

In 2019-20 Tourism NI's Section 75 Equality Scheme was subject to review in line with Equality Commission for Northern Ireland (ECNI) guidance. ECNI guidance stipulates that public bodies are obliged to review their scheme every five years.

The purpose of a 5 year review is to examine how equality arrangements have been applied and to assess how effective they have been in assisting public bodies to comply with the Section 75 duties.

Expenditure on consultancy

In 2019-20 there was £nil expenditure on consultancy (2018-19: £nil).

Off-payroll engagements

There were no off-payroll payments in 2019-20 (2018-19: £nil).

Compensation and Exit Packages for all Staff (Audited)

There were no exit packages in 2019-20 (2018-19: £nil).

Assembly Accountability and Audit Report

The Assembly Accountability and Audit Report brings together the key Assembly accountability documents within the annual report and accounts.

Regularity of Expenditure (Audited)

Tourism NI's Accounting Officer has overarching responsibility for the propriety and regularity of the public finances and for keeping proper records and for safeguarding the assets of Tourism NI.

In 2019-20, Tourism NI had no irregular spend to report (2018-19 - £4,481).

Fees & Charges (Audited)

The following section is subject to audit.

Certification of Tourist Accommodation	2019/20 £	2018/19 £
Income	132,037	134,494
Cost	(156,593)	(174,764)
Surplus/(Deficit)	(24,556)	(40,270)

The financial objective of the certification of tourist accommodation is to recover the full cost of providing this service. This objective was not met in 2019-20.

Grading of Tourist Accommodation	2019/20 £	2018/19 £
Income	64,752	66,954
Cost	(98,832)	(73,453)
Surplus/(Deficit)	(34,080)	(6,499)

The financial objective of the grading of tourist accommodation is to subsidise the cost of providing this service. This objective was not met in 2019-20.

* various unit costs are charged for these services depending on the size and type of accommodation being certified and graded and that full details of the fees structure are given on the TNI website at <https://tourismni.com/startup-advice/tourist-accommodation-certification2/> and <https://tourismni.com/startup-advice/quality-grading/tourist-accommodation-grading/quality-grading-assessments/>

Remote Contingent Liabilities (Audited)

Tourism NI is currently working to resolve the issue which exists where Tourism NI's pay scales are higher than NICS pay scales. A number of options for resolution are being considered with DfE. Depending on which option is preferred, a future liability may arise. There is no way to quantify this at this point in time.

Tourism NI has no other remote long term liabilities to report in 2019-20 (2018-19: £nil).

Losses and Special Payments

	2019/20 Losses £'000	2019/20 Number of Cases over £250k	2019/20 Number of Cases under £250k	2018/19 Losses £'000	2018/19 Number of Cases over £250k	2018/19 Number of Cases under £250k
Total	473	0	26	0	0	0

	2019/20 £'000	2018/19 £'000
Total number of special payments	9	0
Total value of special payments	16	0

The losses in principle relate to cancellation fees (£165k) and irrecoverable costs (£305k) as a result of covid-related restrictions.

Signed:



Accounting Officer

Date: 17 December 2020

Assembly Accountability and Audit Report

The Certificate & Report of the Comptroller & Auditor General to the Northern Ireland Assembly

Opinion on financial statements

I certify that I have audited the financial statements of the Northern Ireland Tourist Board for the year ended 31 March 2020 under the Tourism (Northern Ireland) Order 1992. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Assembly Accountability and Audit Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of the Northern Ireland Tourist Board's affairs as at 31 March 2020 and of the Northern Ireland Tourist Board's net expenditure for the year then ended; and
- have been properly prepared in accordance with the Tourism (Northern Ireland) Order 1992 and the Department for the Economy directions issued thereunder.

Opinion on Regularity

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

Basis of Opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate. My staff and I are independent of the Northern Ireland Tourist Board in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2016, and have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the Northern Ireland Tourist Board's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Northern Ireland Tourist Board has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Northern Ireland Tourist Board's ability to continue to adopt the going concern basis.

Other Information

The Board and the Accounting Officer are responsible for the other information included in the annual report. The other information comprises the information included in the annual report other than the financial statements, the parts of the Accountability Report described in the report as having been audited, and my audit certificate and report. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on Other Matters

In my opinion:

- the parts of the Remuneration and Staff Report and the Accountability Report to be audited have been properly prepared in accordance with the Department for the Economy directions made under the Tourism (Northern Ireland) Order 1992; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Assembly Accountability and Audit Report

Responsibilities of the Board and Accounting Officer for the Financial Statements

As explained more fully in the Statement of the Board and Accounting Officer's Responsibilities, the Board and the Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Auditor's Responsibilities for the Audit of the Financial Statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Tourism (Northern Ireland) Order 1992.

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

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

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them

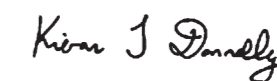
Matters on Which I Report by Exception

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

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with the Department of Finance's guidance.

Report

I have no observations to make on these financial statements.



KJ Donnelly
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU

Date: 18 December 2020

Statement of Comprehensive Net Expenditure

for the Year Ended 31 March 2020

	Note	2019/20 £'000	2018/19 £'000
Revenue from Contracts with Customers	6	132	135
Other Operating Income	6	73	78
Total Operating Income		205	213
Staff Costs	3	(6,425)	(5,843)
Purchase of Goods and Services	3	(10,180)	(11,364)
Depreciation and Impairment Charges	3	(516)	(192)
Provision Expense	3	(95)	(713)
Grant Expenditure	4	(648)	(1,305)
Other Operating Expenditure	3	(5,776)	(5,878)
Loss on Donation of Assets	3	-	(208)
Total Operating Expenditure		(23,640)	(25,503)
Tourism Ireland			
Paid to Tourism Ireland	5.2	(12,371)	(13,579)
Grant Received from DfE	5.2	12,371	13,579
		-	-
Net Operating Expenditure		(23,435)	(25,290)
Finance Income		4	3
Finance Expense		(206)	(206)
Net Expenditure for the Year		(23,637)	(25,493)

The notes on pages 60 to 74 form part of these accounts.

Northern Ireland Tourist Board Trading as
Tourism NI

Financial Accounts
for the Year Ended 31 March 2020

Other Comprehensive Net Expenditure

	Note	2019/20 £'000	2018/19 £'000
Items which will not be Reclassified to Net Operating Expenditure:			
Net Gain/(Loss) on Revaluation of Property, Plant and Equipment	7	3	(5)
Actuarial Gain/(Loss) on Pension Scheme Liabilities	14d	(1,381)	641
Comprehensive Expenditure for the Year		(25,015)	(24,857)

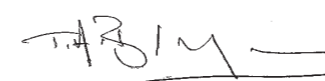
The notes on pages 60 to 74 form part of these accounts.

Statement of Financial Position as at 31 March 2020

	Note	2019/20 £'000	2018/19 £'000
Non-Current Assets			
Property, Plant & Equipment	7	325	326
Intangible Assets	8	570	34
Total Non-Current Assets		895	360
Current Assets			
Trade and Other Receivables	10	407	379
Cash and Cash Equivalents	11	1,494	2,529
Total Current Assets		1,901	2,908
Total Assets		2,796	3,268
Current Liabilities			
Trade and Other Payables	12	(4,747)	(6,068)
Provisions	13	(422)	(355)
Total Current Liabilities		(5,169)	(6,423)
Total Assets less Current Liabilities		(2,373)	(3,155)
Non-Current Liabilities			
Pension Liabilities	14d	(10,496)	(8,300)
Provisions	13	(713)	(713)
Total Non-Current Liabilities		(11,209)	(9,013)
Total Assets less Total Liabilities		(13,582)	(12,168)
Taxpayers' Equity and Other Reserves			
General Fund		(13,615)	(12,198)
Revaluation Reserve		33	30
Total Equity		(13,582)	(12,168)

The notes on pages 60 to 76 form part of these accounts.

The financial statements on pages 55 to 59 were approved by the Board on 17 December 2020 and were signed on its behalf by:



Chairman

Date: 17 December 2020



Chief Executive

Date: 17 December 2020

Statement of Cash Flows

for the Year Ended 31 March 2020

	Note	2019/20 £'000	2018/19 £'000
Cash Flow from Operating Activities			
Net Deficit after Interest		(23,637)	(25,493)
Adjustment for Non Cash Transactions			
Amortisation	8	294	17
Depreciation	7	222	175
Pension Interest Charge	14d	206	205
Non Cash Actuarial Pension Charges		609	405
(Increase)/Decrease in Trade and Other Receivables	10	(28)	80
Increase/(Decrease) in Trade Payables	12	(1,321)	(317)
Less: Movements in Payables Relating to Items not Passing Through the Net Expenditure Account		-	(11)
Increase/(Decrease) in Provision	13	67	739
Loss on Donation of Assets		-	208
Net Cash Outflow from Operating Activities		(23,588)	(23,992)
Cash Flows from Investing Activities			
Purchase of Intangible Assets	8	(830)	(51)
Purchase of Property, Plant and Equipment	7	(218)	(73)
Net Cash Outflow from Investing Activities		(1,048)	(124)
Cash Flows from Financing Activities			
Government Grant from Sponsoring Department		23,601	23,819
Net Financing		23,601	23,819
Net Increase/(Decrease) in Cash and Cash Equivalents in the Year	11	(1,035)	(297)
Cash and Cash Equivalents at the Beginning of the Year	11	2,529	2,826
Cash and Cash Equivalents at the End of the Year	11	1,494	2,529

The notes on pages 60 to 76 form part of these accounts.

Statement of Changes in Taxpayers' Equity

for the Year Ended 31 March 2020

	Note	General Fund £'000	Revaluation Reserve £'000	Taxpayers' Equity £'000
Balance at 31 March 2018				
		(11,373)	243	(11,130)
Grants from Sponsoring Entity		23,819	-	23,819
Gain/(Loss) on Revaluation of PPE	7	-	(5)	(5)
Actuarial Gain/(Loss)	14d	641	-	641
Comprehensive Net Expenditure for the Year		(25,464)	-	(25,464)
Transfer Between Reserves		208	(208)	-
Auditor's Remuneration	3	(29)	-	(29)
Balance at 31 March 2019		(12,198)	30	(12,168)
Grants from Sponsoring Entity		23,601	-	23,601
Net Gain/(Loss) on Revaluation of PPE	7	-	3	3
Actuarial Gain/(Loss)	14d	(1,381)	-	(1,381)
Transfer Between Reserves		-	-	-
Comprehensive Net Expenditure for the Year		(23,607)	-	(23,607)
Auditor's Remuneration	3	(30)	-	(30)
Balance at 31 March 2020		(13,615)	33	(13,582)

The notes on pages 60 to 76 form part of these accounts.

Notes to the Accounts

for the Year Ended 31 March 2020

1. STATEMENT OF ACCOUNTING POLICIES

Basis of Preparation

These financial statements have been prepared in accordance with the 2019-20 Government Financial Reporting Manual (FReM) issued by the Department of Finance. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of Tourism NI for the purpose of giving a true and fair view has been selected. The particular policies adopted by Tourism NI are described below. They have been applied consistently in dealing with the items that are considered material to the accounts.

Accounting Convention

The accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, and intangible assets.

Property, Plant and Equipment, Intangible Assets, Depreciation and Amortisation

- (i) All property, plant and equipment have been valued on net current replacement costs as a proxy guide to fair value.

Indices supplied by the Office for National Statistics are used to calculate the net current replacement cost.

The de minimis level for capitalisation of all categories of Property, Plant and Equipment is £1,000. TNI policy is to "group" assets by category i.e. When the total cost of all individual items purchased together, exceed the de minimis level, they are capitalised.

- (ii) Intangible Assets – Computer Licenses for internal recording and reporting systems are capitalised as intangible assets. The de minimis level for capitalisation of an intangible asset is £1,000.

They are amortised over a period of three to five years on a straight line basis.

- (iii) Depreciation and amortisation is provided on property, plant and equipment and intangible assets at rates calculated to write off the cost of each asset evenly over its expected useful life as follows:

Furniture and Equipment	10 years
Motor Vehicles	4 years
Leasehold Fixtures and Fittings	Over the lease term
Computer Equipment/Software	3 to 5 Years
Computer Licences	Over the licence period

- (iv) Tourism NI assesses at each year end date whether there is any objective evidence that a financial asset or group of financial assets classified as available for sale or loans and receivables is impaired. A full year of depreciation is provided on assets in the year of their purchase unless it is deemed prudent not to do so.

Cash and Cash Equivalents

Cash and cash equivalents comprises cash and demand deposits with commercial banks. As at each reporting date, the carrying value of cash and cash equivalents approximates their fair value due to their short term nature.

Trade receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. Provision is made when there is objective evidence that Tourism NI will not be able to recover balances in full. Balances can only be written off when non-recovery is considered certain and after the appropriate approvals have been granted.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Prepayments

The de-minimis threshold for any prepayments is set at £500.

Provisions

Tourism NI makes provisions for liabilities and charges where, at the year-end date, a legal or constructive liability exists (that is a present obligation from past events exists), where the transfer of economic benefits is probable and a reasonable estimate can be made.

Notes to the Accounts

for the Year Ended 31 March 2020

Contingent Liabilities

In addition to contingent liabilities disclosed in accordance with IAS 37, Tourism NI discloses for Assembly reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to the Assembly in accordance with the requirements of Managing Public Money Northern Ireland.

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to the Assembly separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to the Assembly.

Accounting Estimates

The use of reasonable estimates is an essential part of the preparation of financial statements and does not undermine their reliability. Changes in accounting estimates result from new information or new developments and, accordingly, are not corrections of errors. The effect of a change in an accounting estimate, shall be recognised by including it in Net Expenditure Account in

- The period of the change, if the change affects that period; or
- The period of the change and future periods, if the change affects both.

Leased Assets

Operating lease payments are charged to the Net Expenditure Account on a straight-line basis over the term of the lease.

IFRS 16 Leases replaces IAS 17 Leases and is effective with EU adoption from 1 January 2019. In line with the requirements of the FReM, IFRS 16 will be implemented, as interpreted and adapted for the public sector, with effect from 1 April 2021.

Foreign Currencies

Assets and liabilities denominated in foreign currencies have been translated into sterling values at the rate of exchange ruling at the date of the Statement of Financial Position. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All exchange differences are taken to the Net Expenditure Account.

Irrecoverable Value Added Tax

Tourism NI is subject to a very limited recovery of VAT on inputs calculated in accordance with a formula agreed with HM Revenue & Customs. Expenditure is charged in the accounts inclusive of VAT. The VAT recoverable is credited to other operating charges.

Financial Instruments

Financial assets and liabilities are recognised in Tourism NI's Statement of Financial Position when Tourism NI becomes a party to the contractual provision of the instrument.

Financial Assets

Financial assets are classified into the following specified categories: at "fair value through profit or loss" ("FVTPL"); held-to-maturity investments, "available-for-sale" ("AFS") financial assets and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Tourism NI's financial assets comprise Trade and Other Receivables and Cash and Cash Equivalents, and are classified as Loans and Receivables and are held at cost, which approximates to fair value because of their short maturities.

Financial Liabilities

Financial liabilities of Tourism NI, including Trade and Other Payables, are measured at cost which approximates to fair value because of their short maturities.

Financing

The Department for the Economy (DfE) is the parent department of Tourism NI. DfE provides Tourism NI with its Grant-in-Aid during the year to enable Tourism NI to discharge its duties, powers and functions under the agreed operating plan and budget. Grant-in-Aid is credited to Reserves.

Income from Activities

Income from activities represents the invoiced amount of goods sold or services provided (net of VAT) and includes fees collected from statutory inspection activities, non-statutory star grading of accommodation.

Under the requirements of IFRS 15, Tourism NI has presented separately any income derived from statutory inspections under the heading 'Revenue from contracts with customers', as these fall under the definition of a contract per the standard.

Notes to the Accounts

for the Year Ended 31 March 2020

Grant Expenditure

Under the Scheme, Tourism NI is able to provide selective financial assistance in the form of grants, loans or investments in tourism related projects. Grants paid and payable on expenditure incurred in the year by grant recipients are charged to the Net Expenditure account under the heading "Grant Expenditure".

Events

Where Tourism NI has entered into an agreement to support an event, and payment(s) are made prior to the event taking place, the expenditure is recognised in the year of payment.

Pension Costs

Past and present employees in Northern Ireland are covered by the provisions of the Local Government Pension Scheme. In the year 2019-20, Tourism NI contributed 20% of Pensionable Pay to the scheme, whilst staff contributed between 5.5% and 10.5% of Pensionable Pay. Further information on the pension scheme can be found at note 14.

For those staff employed in the Republic of Ireland from 1 January 2007, a Trust Based Defined Contribution Scheme has been available for staff to join. The contributions are managed by Zurich Life Assurance Plc and the advisors to the scheme are Towers Watson (Ireland) Limited, trading as Willis Towers Watson. Tourism NI contributed 16% of Salary during the year whilst the staff members will continue to contribute 6%. Tourism NI are aware that there may be a potential liability in the future in relation to this scheme.

Notional Costs

In order to disclose the full cost of activities, notional costs for the provision of the services received from Internal Audit Services of the Department of Finance (DoF) are included. The 2019-20 notional charge was £50,409 (2018-19: £44,647).

Adoption of New and Revised Standards

Management has reviewed new accounting standards that have been issued but are not yet effective nor adopted early for these accounts. IFRS 16 Leases replaces IAS 17 Leases and is effective with EU adoption from 1 January 2019. In line with the requirements of the FReM, IFRS 16 will be implemented, as interpreted and adapted for the public sector, with effect from 1 April 2021. Management consider that these are unlikely to have a significant impact on the accounts in the period of initial application.

Notes to the Accounts

for the Year Ended 31 March 2020

2. STATEMENT OF NET EXPENDITURE BY OPERATING SEGMENT

2019/20	Gross Expenditure £'000	Income £'000	Net Expenditure £'000
Business Support & Events	4,752	205	4,547
Product Development	1,311	-	1,311
Organisational Development *	9,251	-	9,251
Corporate Development	298	-	298
Marketing	6,910	-	6,910
Digital Services	1,118	-	1,118
TOTAL	23,640	205	23,435
Reconciliation to SoCNE			
Interest Receivable	-	-	(4)
Pension Interest (Income)/Charge	-	-	206
Corporation Tax	-	-	-
			23,637
2018/19	Gross Expenditure £'000	Income £'000	Net Expenditure £'000
Business Support & Events	4,377	212	4,165
Product Development	917	-	917
Organisational Development*	10,915	-	10,915
Corporate Development	815	-	815
Marketing	7,598	1	7,597
Digital Services	718	0	718
TOTAL	25,340	213	25,127
Reconciliation to SoCNE			
Interest Receivable	-	-	(3)
Pension Interest (Income)/Charge	-	-	206
Corporation Tax	-	-	-
Credit in Respect of Notional Charges	-	-	(45)
Loss on Donation of Assets	-	-	208
			25,493

*All salary costs are included under Organisational Development.

Business Support & Events Division comprises of the following Units – Industry Development, Events and Quality and Standards. The Director of the Division reports to the Chief Executive.

Product Development Division comprises of the following Units – Regional Managers, who cover Northern Ireland's Council Areas, Markets and Product Experiences Development and the Capital Funding Team. The Director of the Division reports to the Chief Executive.

Organisational Development Division comprises of the following Units – HR and Central Services and computer services. Finance Unit costs are included in this segment with the Director of Finance reporting directly to the Chief Executive.

Corporate Development Division comprises of the following Units – Corporate Communications, Business Planning and Improvements and Policy & Insights. The Director of the Division reports to the Chief Executive.

Notes to the Accounts

for the Year Ended 31 March 2020

Marketing Division comprises of the following Units – Visitor Information, Business To Business, Destination Marketing and PR, Republic of Ireland, Social & Digital Media and Golf Sales, Insights & Intelligence and Marketing. The Director of the Division reports to the Chief Executive.

Digital Services comprises the IT Digital team and the Chief Digital Officer report to the Chief Executive. In the prior year these costs were reported under the Organisational Development Division, as the unit was not fully in operation until 2018/19.

3. EXPENDITURE

	2019/20 £'000	2018/19 £'000
Staff Costs		
Wages and Salaries	4,538	4,208
Social Security Costs	407	418
Other Pension Costs	1,500	1,254
Recoveries in Respect of Outward Secondments	(20)	(37)
Total Staff Costs¹	6,425	5,843
Purchase of Goods and Services		
Marketing, Advertising and Promotions	8,104	9,281
Premises Cost	379	383
Printing and Stationery	65	60
Legal Fees	40	30
Professional Fees	193	179
Catering and General Office Expenses	157	149
Staff Development (Training and Recruitment)	119	115
Publications	142	142
Press and Public Relations	583	628
Hospitality	31	30
Rentals under Operating Leases	367	367
Non-Cash Items		
Notional Charges	50	45
Reversal of Notional Charges	(50)	(45)
Total Purchase of Goods and Services	10,180	11,364

	2019/20 £'000	2018/19 £'000
Other Operating Expenditure		
Events	3,667	3,527
Licensing and Information Services	1,882	2,151
Travel and Subsistence – Board Members	5	25
Travel and Subsistence – Other Employees	165	146
Gain/(Loss) on Exchange Rate	24	(2)
Other Losses	3	-
Auditor's remuneration and expenses	30	29
Non-cash items		
Profit/(Loss) on Disposal of Property, Plant and Equipment	-	-
Depreciation and Impairment Charges	516	192
Bad Debts Written Off	1	2
Provision Provided for in Year	95	713
Loss on Donation of Assets	-	208
Total Other Operating Expenditure	6,388	6,991

¹Further analysis of staff costs is located in the Staff report on page 48.

Marketing, Advertising & Promotions

Marketing expenditure includes approximately £2.4m in respect of Marketing Campaigns and PR in ROI and NI. A further £1.0m was spent on Digital & Social Media support for the campaigns, PR and research.

Events

Events expenditure includes £3.7m of expenditure towards a number of Global events, which have either been hosted in Northern Ireland or will be in the near future and the Tourism Events Funding (TEF) Programme, which supports both National and International events held in Northern Ireland and is administered through an application process.

Notes to the Accounts

for the Year Ended 31 March 2020

Auditor's Remuneration – non audit services

The external audit fee included in Other Operating Expenditure totalled £29,500 in 2019-20 (2018-19: £29,000). During the year Tourism NI did not purchase any non-audit services from the Northern Ireland Audit Office (2018-19: £1,156).

4. GRANT EXPENDITURE

	2019/20 £'000	2018/19 £'000
Capital Funding Programme	648	1,246
Other Related Expenditure	-	59
Total	648	1,305

The two individual programmes supported as part of the Capital Funding Programme were the Website Improvement Programme and the Derry Visitor Information Centre.

5. GRANTS

5.1 Grants from European Union

European Regional Development Funds (ERDF)

There were no funds received in relation to ERDF in 2019-20 (2018-19: £nil).

Investment in Growth and Jobs Programme for Northern Ireland 2014-2020

There were no funds received in relation to the above funding programme in 2019-20 (2018-19: £nil).

5.2 Grant from the Department for the Economy

In 2019-20, Tourism NI as a Non Departmental Public Body credited the Grants and Grant-in-Aid for revenue purposes as contributions from controlling parties as giving rise to a financial interest in the residual interest of Tourism NI and hence has accounted for them as financing. As a result of this treatment, the General Reserve has been credited and not the Statement of Comprehensive Net Expenditure.

During the year, Tourism NI received grants from DfE, on behalf of Tourism Ireland Limited to the value of £12,371,000 (2018-19: £13,578,788). The total of this grant was paid to Tourism Ireland Limited in its entirety.

6. INCOME

6.1 Revenue from Contracts with Customers

	2019/20 £'000	2018/19 £'000
Statutory Certification Fees	132	135
Total	132	135

6.2 Other Operating Income

	2019/20 £'000	2018/19 £'000
Grading	73	77
Other Income	-	1
Total	73	78

Notes to the Accounts

for the Year Ended 31 March 2020

7. PROPERTY, PLANT AND EQUIPMENT

2019/20	Leasehold Improvements £'000	Furniture & Equipment £'000	Computers £'000	Paintings £'000	Total £'000
Cost or Valuation					
At 1 April 2019	581	5	666	-	1,252
Additions at Cost/Valuation	-	-	218	-	218
Donated	-	-	-	-	-
Indexation	15	-	2	-	17
Revaluation	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 March 2019	596	5	886	-	1,487
Depreciation					
At 1 April 2020	350	5	571	-	926
Charge for Period	116	-	106	-	222
Indexation	13	-	1	-	14
Transfers	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 March 2020	479	5	678	-	1,162
Net Book Value					
At 31 March 2020	117	-	208	-	325
At 31 March 2019	231	-	95	-	326

Note all Tourism NI Plant, Property and Equipment assets are owned.

Notes to the Accounts

for the Year Ended 31 March 2020

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

2018/19	Leasehold Improvements £'000	Furniture & Equipment £'000	Computers £'000	Paintings* £'000	Total £'000
Cost or Valuation					
At 1 April 2018	564	5	581	220	1,370
Additions at Cost/Valuation	-	-	84	-	84
Indexation	17	-	1	-	18
Disposals	-	-	-	-	-
Donated	-	-	-	(208)	(208)
Revaluation	-	-	-	(12)	(12)
At 31 March 2019	581	5	666	-	1,252
Depreciation					
At 1 April 2018	226	5	09	-	740
Charge for Period	113	-	62	-	175
Indexation	11	-	-	-	11
Disposals	-	-	-	-	-
At 31 March 2019	350	5	571	-	926
Net Book Value					
At 31 March 2019	231	-	95	-	326
At 31 March 2018	338	-	72	220	630

Note all Tourism NI Plant, Property and Equipment assets are owned.

*In 2018-19, all paintings were transferred in year to National Museums Northern Ireland (NMNI) at NIL profit or loss.

Notes to the Accounts

for the Year Ended 31 March 2020

8. INTANGIBLE FIXED ASSETS

2019/20	Software Licences £'000	Digital Data £'000	Total £'000
Cost or Valuation			
At 1 April 2019	1,164	-	1,164
Acquisitions	-	830	830
Disposals	-	-	-
At 31 March 2020	1,164	830	1,994
Amortisation			
At 1 April 2019	1,130	-	1,130
Charge for Period	17	277	294
Disposals	-	-	-
At 31 March 2020	1,147	277	1,424
NBV at 31 March 2020	17	553	570
NBV at 31 March 2019	34	-	34

2018/19	Software Licences £'000
Cost or Valuation	
At 1 April 2018	1,113
Acquisitions	51
Disposals	-
At 31 March 2019	1,164
Amortisation	
At 1 April 2018	1,113
Charge for Period	17
Disposals	-
At 31 March 2019	1,130
NBV at 31 March 2019	34
NBV at 31 March 2018	-

Note all Tourism NI Intangible assets are owned.

9. FINANCIAL INSTRUMENTS

As the cash requirements of Tourism NI are met through Grant-In-Aid provided by DfE, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with Tourism NI's expected purchase and usage requirements and Tourism NI is therefore exposed to little credit, liquidity or market risk.

10. TRADE AND OTHER RECEIVABLES

	2019/20 £'000	2018/19 £'000
Amounts falling due within one year:		
Trade Receivables	13	24
Prepayments and Accrued Income	374	338
Other Receivables	20	17
Total receivables at 31 March	407	379

Notes to the Accounts

for the Year Ended 31 March 2020

11. CASH AND CASH EQUIVALENTS

	2019/20 £'000	2018/19 £'000
Balance at 1 April	2,529	2,826
Net Change in Cash and Cash Equivalent Balances	(1,035)	(297)
Balance at 31 March	1,494	2,529
The Following Balances at 31 March were held at:		
Commercial Banks and Cash in Hand	1,494	2,529
Balance at 31 March	1,494	2,529

12. TRADE AND OTHER PAYABLES

	2019/20 £'000	2018/19 £'000
Amounts Falling Due within One Year:		
Accruals	4,487	5,158
Trade Payables	143	752
Deferred Income	33	58
VAT Payable	69	97
Other Payables	15	3
Total	4,747	6,068

13. PROVISIONS FOR LIABILITIES AND CHARGES

Current Liabilities	Legal £'000	Dilaps £'000	Pension £'000	2019-20 Total £'000
Balance at 1 April	20	335	713	1,068
Provided in the year	95	-	-	95
Provisions Not Required Written Back	(20)	-	-	(20)
Provisions Utilised in the Year	-	(8)	-	(8)
Balance at 31 March	95	327	713	1,135

Analysis of Expected Timing of Provision

	Legal £'000	Dilaps £'000	Pension £'000	Total £'000
Not Later Than One Year	95	327	-	422
Later Than One Year and Not Later Than Five Years	-	-	713	713
Later Than Five years	-	-	-	-
Balance as at 31 March 2020	95	327	713	1,135

Of the above provision, £327k relates to dilapidations on vacating St Anne's Court premises in June 2016 and £95k relates to ongoing legal proceedings.

Notes to the Accounts

for the Year Ended 31 March 2020

The McCloud Judgement

In December 2018 the Court of Appeal ruled against the Government in the 'McCloud/Sargeant' judgement which found that the transitional protection arrangements put in place when the firefighters' and judges' pension schemes were reformed were age discriminatory. The ruling potentially has implications for all public sector schemes which were reformed around the same time and could lead to members who were discriminated against being compensated.

The Government applied to the Supreme Court for permission to appeal this judgement, however the Supreme Court rejected the government's request on 27 June 2019. The next stage is for the case to be referred to the Employment Tribunal to agree the remedy, following appropriate consultation.

The Government Actuary Department (GAD), under instruction of the LGPS Scheme Advisory Board (England and Wales) was asked to calculate the worst case scenario impact at Scheme level, and in their paper titled "Local Government Pension Scheme Potential impact of McCloud/Sargeant ruling on pension accounts disclosures" dated 10 June 2019, they state, that for a salary increase assumption of CPI +1.5% (as used for employers in the Northern Ireland Local Government Officer's Pension Fund), the worst case scenario impact will be a 3.2% increase in the active liabilities. Whilst their analysis was based on England and Wales data the view of Aon Hewitt is that these figures are also appropriate to accounting for benefits in the NILGOSC Pension Fund.

GMP Indexation and Equalisation

Guaranteed Minimum Pension (GMP) is a portion of pension that was accrued by individuals who were contracted out of the State Second Pension prior to 6 April 1997. All of the public service schemes, including the LGPS (NI) were contracted out.

On 26 October 2018 the High Court ruled in the Lloyds Bank case that equalisation for the effect of unequal GMPs is required. The ruling confirmed that trustees have a duty "to equalise benefits for men and women so as to alter the result which is at present produced in relation to GMPs".

In March 2016 the government introduced an interim solution to members in public sector schemes with GMPs who were set to lose out from the removal of AP. This was done by paying full increases on GMP pensions for individuals reaching State Pension Age (SPA) from 5 April 2016 through 5 December 2018 (GMP Rules do not require schemes to pay any increases on GMPs earned before April 1988, and to cap increases at 3% p.a. on GMPs earned after April 1988). This additional liability was included in the balance sheet for years ending in 2017 and recognised through OCI in the same year.

In January 2018 the interim solution was extended for individuals reaching SPA before 5 April 2021. The additional liability from extending the interim solution was not measured over the year ending in 2018 as it was deemed extremely unlikely to be material and would have been complex to measure accurately without undertaking a full valuation of the liability.

Broadly, If HM Treasury's solution was to extend the interim solution indefinitely, it is expected that the impact will be an increase in the defined benefit obligation of 0.3% for an average mature employer in the LGPS (which includes the liability for members reaching SPA after 5 December 2018 which has not previously been accounted for).

At the request of the Tourism NI, an allowance has been included within the accounting disclosure for the potential impact of the McCloud judgement, which has been derived based on the GADs figures above, and GMP Equalisation and Indexation, based on Aon Hewitt's estimated impact.

Please note that the percentage of active liability used in the above calculations is based upon the results of 31 March 2016 actuarial valuation, which in turn based upon the full membership data as 31 March 2016 for Tourism NI. The percentage of active liabilities could have changed since that date.

Please note the above figures are estimates, based upon a number of unknowns. The actual impact, if any, could be materially different to the above estimate. In particular, GAD's calculation of the impact on scheme liabilities is appropriate for the Scheme as a whole. The membership profile of individual employers will differ to the whole Scheme, and this will impact the result at employer level. In the extreme, if the employer's membership comprised only post 2012 joiners (with pension liability accrued post 2012 only) we would expect the overall impact to be negligible or nil.

The estimated provision for Tourism NI in relation to the McCloud judgement and GMP Indexation and Equalisation is £713k; McCloud (£592k) and GMP (£121k).

Notes to the Accounts

for the Year Ended 31 March 2020

14. PENSION COMMITMENTS

a) Local Government Pension Scheme

The Local Government Pension Scheme (LGPS) Northern Ireland is a funded defined benefit pension scheme, which provides retirement benefits for employees on a career average revalued earnings basis from 1 April 2015. Prior to that date benefits were built up on a "final salary" basis.

From 1 April 2015, a member builds up retirement pension at the rate of 1/49th pensionable pay for each year. Pension benefits in relation to membership between 1 April 2009 and 31 March 2015 were built up at the rate of 1/60th pensionable pay for each year of membership. There's no automatic lump sum provided in respect of membership after 31 March 2009. Pension benefits in relation to any membership before 1 April 2009 were built up at the rate of 1/80th (pension) and 3/80ths (tax-free lump sum) of pensionable pay for each year of membership up to 31 March 2009. At retirement, members may give up some pension for additional lump sum subject to HM Revenue and Customs (HMRC) limits.

As part of a general review of public sector pension schemes from 1 April 2009, the government has introduced changes to the contribution rates. Instead of most people paying a standard contribution rate of 6% of their pensionable pay,

there are now different contribution rates for different pay bands. The scheme's professionally qualified actuaries recommended the rates for administrative employees between 5.5% and 10.5% of pensionable pay. Rates can be seen in the Remuneration Report.

Under IAS 19 Tourism NI is required to account for their share of assets and liabilities in the scheme. Added years' discretionary benefits awarded to former employees who retired early are also accounted for as a defined benefit scheme, as in accordance with IAS 19. This liability represents the actuarial liability of future costs to LGPS in respect of past employees who retired early. Given projected lifespans this liability will be payable over a number of years.

The latest formal actuarial valuation of the fund was carried out as at 31 March 2019. In calculating the Tourism NI's assets and liabilities the fund's actuaries have rolled forward and updated the values calculated at the latest valuation (March 2020). The fund's actuaries had to make a number of assumptions about events and circumstances in the future meaning that the results of actuarial calculations are subject to uncertainties within a range of possible values.

b) Actuarial Assumptions

The following actuarial assumptions were accepted on the recommendation of the actuary:

As at 31 March Actuarial Assumptions Used	31 March 2020	31 March 2019	31 March 2018	31 March 2017	31 March 2016
Rate of Increase in Pensions	2.0%	2.2%	2.1%	2.0%	1.8%
Rate of Increase in Salaries	3.5%	3.7%	3.6%	3.5%	3.3%
Discount Rate	2.3%	2.4%	2.6%	2.6%	3.5%
CPI Inflation	2.0%	2.2%	2.1%	2.0%	1.8%

Mortality Assumptions

Actuarial Assumptions for Average Future Life Expectancy	Males 31 March 2020	Males 31 March 2019	Females 31 March 2020	Females 31 March 2019
Member aged 65 at accounting date	21.8 years	22.6 years	25 years	24.9 years
Member aged 45 at accounting date	23.2 years	24.3 years	26.4 years	26.7 years

Notes to the Accounts

for the Year Ended 31 March 2020

Sensitivity Analysis

IAS 19 valuation results depend critically on the principal assumptions used in the calculations. The discount rate used to value the liabilities is prescribed under IAS 19 and the results are particularly sensitive to the discount rate. A reduction in the net discount rate will increase the liabilities as a higher value is placed on benefits in the future.

Regarding mortality assumptions, if longevity improves at a faster rate than allowed for in the assumptions then, a higher value would be placed on the employer's liabilities. Further increases in pensionable pay, inflation and hence pension, more than allowed for in the assumptions, will increase the value of the liabilities.

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 March 2020 and the projected service cost for the year ended 31 March 2021 is set out below.

Funded LGPS benefits

Discount Rate Assumption

Adjustment to Discount Rate	+0.1% p.a.	-0.1% p.a.
Present Value of Total Obligation (£M's)	40.152	41.831
% Change in Present Value of Total Obligation	-2.0%	2.1%
Projected Service Cost (£M's)	1.323	1.427
Approximate % Change in Projected Service Cost	-3.7%	3.9%

Rate of General Increase in Salaries

Adjustment to Salary Increase Rate	+0.1% p.a.	-0.1% p.a.
Present Value of Total Obligation (£M's)	41.140	40.827
% Change in Present Value of Total Obligation	0.4%	-0.4%
Projected Service Cost (£M's)	1.374	1.374
Approximate % Change in Projected Service Cost	0.0%	0.0%

Rate of Increase to Pensions in Payment and Deferred Pensions Assumption, and Rate of Revaluation of Pension Accounts Assumption

Adjustment to Pension Increase Rate	+0.1% p.a.	-0.1% p.a.
Present Value of Total Obligation (£M's)	41.776	40.208
% Change in Present Value of Total Obligation	1.9%	-1.9%
Projected Service Cost (£M's)	1.427	1.323
Approximate % Change in Projected Service Cost	3.9%	-3.7%

Post Retirement Mortality Assumption

Adjustment to Mortality Age Rating Assumption*	-1 year	+1 year
Present Value of Total Obligation (£M's)	42.307	39.671
% Change in Present Value of Total Obligation	3.2%	-3.2%
Projected Service Cost (£M's)	1.427	1.322
Approximate % Change in Projected Service Cost	3.8%	-3.8%

A rating of +1 year means that members are assumed to follow the mortality pattern of the base table for an individual that is 1 year older than them.

c) Asset Valuations

The fair value of the assets held by the pension scheme attributable to the Tourism NI are analysed as follows:

Assets	Assets at 31 March 2020 %	Assets at 31 March 2019 %
Equities	42.6	59.5
Government Bonds	26.1	16.5
Corporate Bonds	12.6	7.0
Property	10.0	11.2
Cash	4.7	2.7
Other*	4.0	3.1
Total	100.0	100.0

Employers who report under IAS 19 are no longer required to recognise an expected return on assets therefore assumptions are no longer disclosed.

* Other may include hedge funds, currency holdings, asset allocation futures and other financial instruments

Notes to the Accounts

for the Year Ended 31 March 2020

Statement of Financial Position

The following amounts at 31 March 2020, 2019, 2018, 2017, and 2016 were measured in accordance with the requirements of IAS 19:

	31 March 2020 £'000	31 March 2019 £'000	31 March 2018 £'000	31 March 2017 £'000	31 March 2016 £'000
Fair Value of Scheme Assets	30,352	32,588	29,956	28,218	23,646
Present Value of Defined Benefit Obligations	(40,848)	(40,888)	(38,287)	(35,850)	(27,925)
Net Pension Liability	(10,496)	(8,300)	(8,331)	(7,632)	(4,279)

d) Amounts Charged to Expenditure

	2019/20 £'000	2018/19 £'000
Analysis of Amount Charged to Net Expenditure Statement in Respect of Defined Benefit Scheme:		
Current Service Cost	(1,440)	(1,286)
Curtailments and Settlements	-	-
Past Service Cost	-	-
Employer Contributions	775	825
Contributions in Respect of Unfunded Benefits	56	56
	(609)	(405)
Analysis of Amounts Charged to Other Finance Costs:		
Interest on Net Defined Benefit Liability/(Asset) (Funded)	(191)	(187)
Interest on Net Defined Benefit Liability/(Asset) (Unfunded)	(15)	(18)
	(206)	(205)
Analysis of Amounts in the Statement of Taxpayers' Equity:		
Actuarial Gains/(Losses)	(1,381)	641
	(1,381)	641
Movement in Deficit During the Year		
Deficit in Scheme at the Beginning of the Year	(8,330)	(8,331)
Movement in the Year:		
Current Service Cost	(1,440)	(1,286)
Employer Contributions	775	825
Contributions in Respect of Unfunded Benefits	56	56
Past Service Cost	-	-
Financing costs	(206)	(205)
Actuarial Gain/(Losses)	(1,381)	641
Deficit in Scheme at the End of the Year	(10,496)	(8,330)

Notes to the Accounts

for the Year Ended 31 March 2020

e) Employer Contribution Rates

The liabilities show the underlying commitment that Tourism NI has in the long term to pay retirement benefits. The total pension liability is £40.8 million (2018-19: £40.9 million) and results in a net overall deficit balance of £10.5 million (2018-19: £8.3 million) which is recorded on the Statement of Financial Position.

The deficit on the LGPS scheme will be funded over a period of many years through increased employer contributions over the remaining working life of employees as assessed by the scheme actuary.

For 2019-20, the contribution rate for employers participating in the scheme increased to 20% (2018-19: 19%).

f) Scheme Gains and Losses

Actuarial gains and losses represent the extent to which actual outcomes have differed from the assumptions which were used in calculating IAS 19 figures.

For assets the gain/loss is normally the difference between the actual and expected return on assets, and for liabilities the gain/loss normally arises from the change in financial assumptions. These actuarial gains/losses are shown in the table below as experience gains and losses.

	31 March 2020 £'000	31 March 2019 £'000	31 March 2018 £'000	31 March 2017 £'000	31 March 2016 £'000
Actuarial Gain (Loss) on Assets	(3,125)	1,393	717	3,402	(82)
Actuarial Gain (Loss) on Obligation/Liability	1,744	(752)	(892)	(6,610)	1,966
Net Actuarial Gain (Loss) Charged to Statement of Taxpayers' Equity	(1,381)	641	(175)	(3,208)	1,884
Fair Value of Scheme Assets	30,352	32,588	29,956	28,218	23,646
Present Value of Defined Benefit Obligations	(40,848)	(40,888)	(38,287)	(35,850)	(27,925)
Net Pension Liability	(10,496)	(8,300)	(8,331)	(7,632)	(4,279)

g) Republic of Ireland Employees

For those staff employed in the Republic of Ireland from 1 January 2007, a Trust Based Defined Contribution Scheme has been available for staff to join. The contributions are managed by Zurich Life Assurance Plc and the advisers to the scheme are Towers Watson (Ireland) Limited, trading as Willis Towers Watson. Tourism NI contributed 16% of salary during the year whilst the staff member will continue to contribute 6%.

The total contributions payable to Zurich Life Assurance Plc by Tourism NI for 2019-20 was £29,064 (2018-19: £34,301).

15. COMMITMENTS UNDER OPERATING LEASES

Total future minimum lease payments under operating leases are given in the table below for each of the following periods (amounts net of VAT). Lease types include buildings, car parking and photocopiers. There are no land leases.

	2019/20 £'000	2018/19 £'000
Not Later Than One Year	336	348
Later Than One Year and Not Later Than Five Years	178	514
Later Than Five Years	-	-
	514	862

There are no finance leases.

Notes to the Accounts

for the Year Ended 31 March 2020

16. CAPITAL COMMITMENTS

There were no capital commitments at 31 March 2020 or 31 March 2019.

17. OTHER FINANCIAL COMMITMENTS

Tourism NI has entered into non-cancellable contracts to provide financial assistance under the Tourism Development Scheme and the Tourism Event Funding Programme. The payments to which Tourism NI is committed are as follows:

	2019/20 £'000	2018/19 £'000
Not Later Than One Year	10	1,014
Later Than One Year and Not Later Than Five Years	-	-
Later Than Five Years	-	-
Present Value of Obligations	10	1,014

18. CONTINGENT LIABILITIES

Tourism NI has not entered into any guarantees or indemnities or provided any letters of comfort at 31 March 2020 or at 31 March 2019.

19. RELATED PARTY TRANSACTIONS

Tourism NI is a Non Departmental Public Body (NDPB) sponsored by the Department for the Economy (DfE). DfE and the other bodies it sponsors are regarded as related parties. In addition, Tourism NI has had a small number of transactions with other government departments and other central government bodies.

Tourism NI works with many public and private sector organisations including companies in which Board and SMT Members of Tourism NI have a beneficial interest. Transactions during the year with such companies, which were conducted at arm's length and were subject to normal project and programme rules and tendering procedures, where appropriate, are listed below:

Terence Brannigan Chairman

Board meeting observer of NI Tourism Alliance - strategic partnership: £15,000 (2018-19: £15,000).

Chairman of Maze Long Kesh Development Ltd - services paid: £nil (2018-19: £436).

Visiting Professor Ulster University - Accommodation Statutory Inspection Fee - £200 (2018-19: £nil).

Colin Neill Board Member

Chief Executive Pubs of Ulster (Hospitality Ulster) - sponsorship: £nil (2018-19: £4,995).

Director NI Tourism Alliance - strategic partnership: £15,000 (2018-19: £15,000).

Member of Institute of Directors - services paid: £nil (2018-19: £714).

Michele Shirlow Board Member

Chief Executive Food NI - grant for year: £nil (2018-19: £66,000) and services paid: £nil (2018-19: £654).

Terry McCartney Board Member

Director Belmore Court and Motel - income: £387 in year (2018-19: £156) and services paid: £nil (2018-19: £140).

