



**RIA**  
ROYAL IRISH ACADEMY

ROYAL IRISH ACADEMY  
REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2021

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**GENERAL INFORMATION**

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**Management Team**

|                                     |                                                             |
|-------------------------------------|-------------------------------------------------------------|
| Tony Gaynor                         | - Executive Director – to 31 July 2022                      |
| Siobhan O’Sullivan                  | - Executive Director – from 19 September 2022               |
| Gilly Clarke (1 Jan – 28 Feb)       | - Acting Head of Programmes & Administration                |
| Iseult Ó Síocháin (1 March onwards) | - Deputy Executive Director                                 |
| Pauric Dempsey                      | - Head of Communications & Public Affairs (on career break) |
| Karen Muldowney                     | - Acting Head of Communications – from 1 April 2022         |
| Jacinta O’Malley                    | - Head of HR (on career break)                              |
| Ben Doyle                           | - Acting Head of HR – appointed 4 April 2022                |
| Suzanne Campbell                    | - Head of Finance                                           |

**Members of the Council 2021**

Barry, Liam  
Byrne Bodley, Lorraine  
Canning, Mary – President (from 16/03/20)  
Carey, Daniel  
Conroy, Jane – VP  
Fuchs, Anne  
Gardiner, Stephen – Treasurer (till 16/03/21)  
Giller, Paul  
Godson, Catherine  
Honohan, Patrick – Treasurer (from 16/03/21)  
Jones, Michael B.  
Kelly, Mary  
Livingston, David  
Lowndes, Noel  
Maguire, Anita - VP  
Mansergh, Martin  
McGuire, James  
McKenna, P. Gerald – SVP  
McNulty, Helene  
Meehan, Eucharia - VP  
Norton, Brian  
O’Dowd, Mary – Secretary (from 16/03/21)  
O’Mara, Shane  
Shannon, Patrick M. - Secretary (till 16/03/21)  
Sheridan, Geraldine

**Head Office**

The Royal Irish Academy,  
19 Dawson Street, Dublin 2  
Telephone: 01 - 6762570- Fax: 01- 6762346  
Web Site: <http://www.ria.ie/>

**Bankers**

Bank of Ireland  
2 College Green, Dublin 2

**Auditors**

The Comptroller and Auditor General  
3A Mayor Street Upper, Dublin 1 DO1 PF72

**Solicitor**

Arthur Cox  
Earlsfort Centre, Earlsfort Terrace, Dublin 2

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**GOVERNANCE STATEMENT AND COUNCIL MEMBERS' REPORT**

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**Governance**

The Council of the Royal Irish Academy was established under Royal Charter in 1786. The functions of the Council are set out in this Charter. The Council is accountable to the Higher Education Authority and is responsible for ensuring good governance and performs this task by setting strategic objectives and targets and taking strategic decisions on all key business issues. The regular day-to-day management, control and direction of the Royal Irish Academy are the responsibility of the Executive Director and the senior management team. The Executive Director and the senior management team must follow the broad strategic direction set by the Council and, must ensure that all Council members have a clear understanding of the key activities and decisions related to the Royal Irish Academy, and of any significant risks likely to arise. The Executive Director acts as a direct liaison between the Council and management of the Royal Irish Academy.

**Council Responsibilities**

The work and responsibilities of the Council are set out in the charter and by-laws which also contain the matters specifically reserved for Council decision. Standing items considered by the Council include:

- declaration of interests,
- reports from committees,
- financial reports/management accounts,
- performance reports, and
- reserved matters.

The Council of Royal Irish Academy is required to keep, in such form as may be approved by the Minister for Higher Education, Research, Innovation and Science, with consent of the Minister for Public Expenditure and Reform, all proper and usual accounts of money received and expended by it.

In preparing these financial statements, the Council of Royal Irish Academy is required to:

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that it will continue in operation, and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Council is responsible for keeping adequate accounting records which disclose, with reasonable accuracy at any time, its financial position and enables it to ensure that the financial statements comply with the Royal Charter 1786. The maintenance and integrity of the corporate and financial information on the Royal Irish Academy's website is the responsibility of the Council.

The Council is responsible for approving the annual plan and budget. Evaluation of the performance of the Royal Irish Academy by reference to the annual plan and budget is an ongoing standing agenda item in Council meetings.

The Council is also responsible for safeguarding its assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Council considers that the financial statements of the Royal Irish Academy give a true and fair view of the financial performance and the financial position of the Royal Irish Academy as at 31<sup>st</sup> December 2021.



## GOVERNANCE STATEMENT AND COUNCIL MEMBERS' REPORT

## Council Structure

The Council consists of the Officers of the Academy and members elected annually at the Stated General Meeting on March 16<sup>th</sup>. The members of the Council were appointed for a period of one year and meet five times per annum. The table below details the appointment period for current members:

| Member                 | Role                                                                               | Date appointed         |
|------------------------|------------------------------------------------------------------------------------|------------------------|
| Giller, Paul           | Council Member                                                                     | 16-Mar-21              |
| Godson, Catherine      | Secretary for Science from 16 March 2020                                           | 16-Mar-20              |
| Jones, Michael B       | Council Member                                                                     | 16-Mar-19              |
| Kelly, Mary            | Council Member                                                                     | 16-Mar-20              |
| Lowndes, Noel          | Council Member                                                                     | 16-Mar-21              |
| Maguire, Anita         | Vice President from 16 March 2019                                                  | Co-opted in May 2018   |
| McKenna, P Gerald      | VP from 16 March 2017, SVP from 16 March 2020                                      | 16-Mar-17              |
| McNulty, Helene        | Council Member                                                                     | 16-Mar-21              |
| Meehan, Eucharia       | Vice President from 16 March 2021                                                  | 16-Mar-18              |
| Norton, Brian          | Sec for Policy and Int. Relations from 16 March 2020                               | 16-Mar-20              |
| O'Mara, Shane          | Council Member                                                                     | 16-Mar-20              |
| Canning, Mary          | Senior Vice President from 16 March 2018, President from 16 March 2020             | 16-Mar-17              |
| Carey, Daniel          | Vice-President from 16 March 2020, Secretary for the Humanities from 16 March 2021 | 16-Mar-17              |
| Connolly, Claire       | Council Member                                                                     | 16-Mar-21              |
| Conroy, Jane           | Vice President from 16 March 2019                                                  | 16-Mar-19              |
| Fuchs, Anne            | Council Member                                                                     | Co-opted in April 2020 |
| Honohan, Patrick       | Treasurer from 16 March 2021                                                       | 16-Mar-19              |
| Livingstone, David     | Council Member                                                                     | 16-Mar-21              |
| Mansergh, Martin       | Council Member                                                                     | 16-Mar-19              |
| O'Dowd, Mary           | Secretary for Humanities from 16 March 2018, Secretary from 16 March 2021          | 16-Mar-18              |
| O'Halpin, Eunan        | Council Member                                                                     | 16-Mar-21              |
| Sheridan, Geraldine    | Council Member                                                                     | 16-Mar-18              |
| Barry, Liam            | Council Member                                                                     | Co-opted in April 2021 |
| Byrne Bodley, Lorraine | Council Member                                                                     | Co-opted in April 2021 |

The Council completed a self-assessment of Council Effectiveness and Evaluation Review in 2021.

The Council has established three committees, as follows:

- 1. Executive Committees:** comprises seven Council members and two staff members. The members of this committee are; Mary Canning, Patrick Honohan, Mary O'Dowd, Brian Norton, Patrick Gerald McKenna, Catherine Godson, Dan Carey, Tony Gaynor (to 31 July 2022), Siobhan O'Sullivan (appointed 19 September 2022) and Barbara McCormack. There were 4 meetings of the EC in 2021.
- 2. Audit and Risk Committee:** comprises one Council member and four independent members. The role of the Audit and Risk Committee (ARC) is to support the Council in relation to its responsibilities for issues of risk, control and governance and associated assurance. The ARC is independent from the financial management of the organisation. In particular the Committee ensures that the internal control systems including audit activities are monitored actively and independently. The ARC reports to the Council after each meeting, and formally in writing annually. The members of the Audit and Risk Committee are; Ray Mooney, Orla Feely, Grace Dempsey, Cahal Flynn (appointed 26<sup>th</sup> January 2022), Dermot O'Riordan (appointed 26<sup>th</sup> January 2022), Fergal Harte (appointed 7 November 2022), Michael Blighe (appointed 7 November 2022) and Mary O'Dowd. John Murphy and Pat Shannon retired in 2021. There were 4 meetings of the ARC in 2021.

## GOVERNANCE STATEMENT AND COUNCIL MEMBERS' REPORT

3. **Finance and Investment Committee:** comprises two Council members and two independent members. The members of this committee are: Mary Canning, Sean Dorgan, Patrick Honohan, Niamh Brennan (appointed 26<sup>th</sup> January 2022) and Don Thornhill (appointed 26<sup>th</sup> January 2022). Gerry Wrixon retired in 2021. There were 2 meetings of the FIC in 2021.

**Schedule of Attendance, Fees and Expenses**

A schedule of attendance at the Council and Committee meetings for 2021 is set out below including the fees and expenses received by each member:

|                            | Council | Audit and Risk Committee | Executive Committee | Finance and Investment Committee | Fees 2021<br>€ | Expenses 2021<br>€ |
|----------------------------|---------|--------------------------|---------------------|----------------------------------|----------------|--------------------|
|                            | 5       | 4                        | 4                   | 2                                |                |                    |
| Liam Barry                 | 2       | -                        | -                   | -                                | -              | -                  |
| Lorraine Byrne Bodley      | 3       | -                        | -                   | -                                | -              | -                  |
| Peter Kennedy              | 1       | -                        | -                   | -                                | -              | -                  |
| Daniel Carey               | 5       | -                        | 2                   | -                                | -              | -                  |
| Mary Canning               | 5       | -                        | 3                   | 1                                | -              | 80                 |
| Jane Conroy                | 5       | -                        | -                   | -                                | -              | -                  |
| Claire Connolly            | 4       | -                        | -                   | -                                | -              | -                  |
| Gabriel Cooney             | -       | -                        | -                   | -                                | -              | -                  |
| Anne Fuchs                 | 4       | -                        | -                   | -                                | -              | -                  |
| Stephen Gardiner           | 1       | -                        | 2                   | -                                | -              | -                  |
| Paul Giller                | 4       | -                        | -                   | -                                | -              | -                  |
| Catherine Godson           | 5       | -                        | 3                   | -                                | -              | -                  |
| Patrick Honohan            | 5       | -                        | 2                   | 2                                | -              | -                  |
| Kathleen James-Chakraborty | 1       | -                        | -                   | -                                | -              | -                  |
| Michael Jones              | 5       | -                        | -                   | -                                | -              | -                  |
| Mary Kelly                 | 5       | -                        | -                   | -                                | -              | -                  |
| Anita Maguire              | 5       | -                        | -                   | -                                | -              | -                  |
| David Livingstone          | 4       | -                        | -                   | -                                | -              | -                  |
| Noel Lowndes               | 3       | -                        | -                   | -                                | -              | -                  |
| Martin Mansergh            | 5       | -                        | -                   | -                                | -              | -                  |
| Barbara McCormack          | -       | -                        | 3                   | -                                | -              | -                  |
| James McGuire              | 1       | -                        | -                   | -                                | -              | -                  |
| Gerald McKenna             | 5       | -                        | 4                   | -                                | -              | 351                |
| Helene McNulty             | 4       | -                        | -                   | -                                | -              | -                  |
| Eucharía Meehan            | 4       | -                        | -                   | -                                | -              | -                  |
| Valeria Nicolosi           | 1       | -                        | -                   | -                                | -              | -                  |
| Brian Norton               | 5       | -                        | 3                   | -                                | -              | -                  |
| Mary O'Dowd                | 5       | 3                        | 4                   | -                                | -              | -                  |
| Eunan O'Halpin             | 3       | -                        | -                   | -                                | -              | -                  |
| Shane O'Mara               | 4       | -                        | -                   | -                                | -              | -                  |
| Patrick Shannon            | 1       | 1                        | 2                   | -                                | -              | -                  |
| Hugh Shiels                | -       | -                        | 1                   | -                                | -              | -                  |
| Geraldine Sheridan         | 5       | -                        | -                   | -                                | -              | -                  |
| Anngret Simms              | 1       | -                        | -                   | -                                | -              | -                  |
| Tony Gaynor                | 5       | -                        | 4                   | -                                | -              | -                  |
| Grace Dempsey              | -       | 4                        | -                   | -                                | -              | -                  |
| Ray Mooney                 | -       | 4                        | -                   | -                                | -              | -                  |
| John Murphy                | -       | 1                        | -                   | -                                | -              | -                  |
| Orla Feely                 | -       | 3                        | -                   | -                                | -              | -                  |
| Sean Dorgan                | -       | -                        | -                   | 2                                | -              | -                  |
| Gerry Wrixon               | -       | -                        | -                   | 1                                | -              | -                  |
|                            |         |                          |                     |                                  | -              | 431                |

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**GOVERNANCE STATEMENT AND COUNCIL MEMBERS' REPORT**


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**Key Personnel Changes**

There were six new members appointed to Council on 16<sup>th</sup> March 2021. Two Council members were co-opted in April 2021. On 16<sup>th</sup> March 2021, Daniel Carey was elected as Secretary for Humanities, Patrick Honohan was elected as Treasurer and Mary O'Dowd was elected as Secretary. Eucharia Meehan was named Vice-President.

**Disclosures Required by Code of Practice for the Governance of State Bodies (2016)**

The Council is responsible for ensuring that Royal Irish Academy has complied with the requirements of the Code of Practice for the Governance of State Bodies ("the Code"), as published by the Department of Public Expenditure and Reform in August 2016. The following disclosures are required by the Code:

**Employee Short-Term Benefits Breakdown**

Employees' short-term benefits in excess of €60,000 are categorised into the following bands:

| Range<br>From | To          | Number of employees |      |
|---------------|-------------|---------------------|------|
|               |             | 2021                | 2020 |
| € 60,000      | - € 69,999  | 4                   | 3    |
| € 70,000      | - € 79,999  | 3                   | 2    |
| € 80,000      | - € 89,999  | 11                  | 9    |
| € 90,000      | - € 99,999  | -                   | -    |
| € 100,000     | - € 109,999 | 1                   | 1    |
| € 110,000 +   |             | -                   | -    |

Note: For the purposes of this disclosure, short-term employee benefits in relation to services rendered during the reporting period include salary, overtime allowances and other payments made on behalf of the employee but exclude employer's PRSI.

**Consultancy Costs**

Consultancy costs include the cost of external advice to management and exclude outsourced 'business-as-usual' functions.

|                                                         | 2021          | 2020          |
|---------------------------------------------------------|---------------|---------------|
|                                                         | €             | €             |
| Legal advice                                            | 2,830         | 6,105         |
| Financial/actuarial advice                              | -             | 8,211         |
| Other professional fees                                 | 29,137        | 56,382        |
| Total consultancy costs                                 | <u>31,967</u> | <u>70,698</u> |
| Consultancy costs capitalised                           | -             | -             |
| Consultancy costs charged to the Income and Expenditure | 31,967        | 70,698        |
| <b>Total</b>                                            | <u>31,967</u> | <u>70,698</u> |



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**GOVERNANCE STATEMENT AND COUNCIL MEMBERS' REPORT**


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**Legal Costs and Settlements**

The table below provides a breakdown of amounts recognised as expenditure in the reporting period in relation to legal costs, settlements and conciliation and arbitration proceedings relating to contracts with third parties. This does not include expenditure incurred in relation to general legal advice received by the Royal Irish Academy which is disclosed in Consultancy costs above.

|                                | 2021     | 2020       |
|--------------------------------|----------|------------|
|                                | €        | €          |
| Legal fees - legal proceedings | -        | 605        |
| Settlements                    | -        | -          |
| <b>Total</b>                   | <b>-</b> | <b>605</b> |

**Travel and Subsistence Expenditure**

Travel and subsistence expenditure are categorised as follows:

|                  | 2021         | 2020         |
|------------------|--------------|--------------|
|                  | €            | €            |
| Domestic         |              |              |
| - Council        | 431          | 298          |
| - Employees      | 561          | 1,320        |
| - Guest Speakers | 414          | 2,739        |
| International    |              |              |
| - Council        | -            | -            |
| - Employees      | 323          | 2,020        |
| - Guest Speakers | 279          | 2,434        |
| <b>Total</b>     | <b>2,008</b> | <b>8,811</b> |

**Hospitality Expenditure**

The Income and Expenditure Account includes the following hospitality expenditure:

|                                        | 2021         | 2020         |
|----------------------------------------|--------------|--------------|
|                                        | €            | €            |
| Staff / Committee / Client hospitality | 4,549        | 9,827        |
| <b>Total</b>                           | <b>4,549</b> | <b>9,827</b> |

Hospitality expenditure captures a wide variety of expenditure and may have been previously referred to as entertainment expenditure. This category of expenditure is ancillary, but not necessary, to carrying out the functions of the State body. In practice, this expenditure relates to items which do not have a clear business purpose and would include (but not limited to) Christmas and retirement parties, contribution to sports and social clubs, gifts, or gift vouchers for staff etc. It would also include expenditure incurred in relation to client hospitality.



**GOVERNANCE STATEMENT AND COUNCIL MEMBERS' REPORT**

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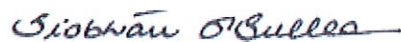
**Statement of Compliance**

Royal Irish Academy has complied with the requirements of the Code of Practice for the Governance of State Bodies, as published by the Department of Public Expenditure and Reform in August 2016.



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**PRESIDENT**  
Mary Canning



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**EXECUTIVE DIRECTOR**  
Siobhan O'Sullivan

Date 23<sup>rd</sup> December 2022

**STATEMENT ON INTERNAL CONTROL**

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**Responsibility for System of Internal Control**

On behalf of the Council of the Royal Irish Academy, I acknowledge our responsibility for ensuring that an effective system of internal control is maintained and operated.

The system can only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely period.

**Key Control Procedures**

The Council has taken steps to ensure an appropriate control environment is in place by:

- clearly defining management responsibilities,
- establishing formal procedures for reporting significant control failures and ensuring appropriate corrective action, and
- developing a strong culture of accountability across all levels of the Academy.

The Council has established a Risk Steering Committee to identify and evaluate risks by:

- reviewing the risk register to identify the nature, extent and financial implications of those risks;
- assessing the likelihood of the risks occurring and the Academy's ability to manage and mitigate them where possible; and
- considering the costs of operating particular controls relative to the benefit obtained.

The system of internal control is based on a framework of regular management information, administrative procedures including segregation of duties and a system of delegation and accountability. In particular it includes:

- comprehensive budgeting system with an annual budget which is reviewed and agreed by the Council,
- regular reviews of periodic and annual financial reports which indicate financial performance against targets,
- clearly defined capital investment control guidelines, managed by external advisors, and
- formal project management disciplines.

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**STATEMENT ON INTERNAL CONTROL**

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The Council's monitoring and review of the effectiveness of the system of internal control is informed by the Audit and Risk Committee, the executive managers within the Academy who have responsibility for the development and maintenance of the control framework and comments made by the Comptroller & Auditor General in his management letter or other reports.

Under the Code of Practice for the Governance of State Bodies there is a requirement for the Chairperson of each State body to furnish to the relevant Minister a comprehensive report on governance on an annual basis. A draft report has been prepared for 2021 and will be furnished to the Minister when approved.

The Academy has established an internal audit function, which operates in accordance with the Framework Code of Best Practice set out in the Code of Practice for the Governance of State Bodies. An independent consultant has been appointed to carry out the internal audit function.

**Impact of Covid-19 pandemic to the Control Environment**

The onset of the COVID 19 pandemic in early 2020, and the resulting public health advise and safety measures, rapidly and fundamentally changed the working practices of the RIA with remote and virtual working becoming the norm for most RIA staff.

RIA has monitored the developments closely, looking to mitigate the risks that may affect the RIA's business operations, staff and stakeholders. Actions taken by the RIA includes: -

- Initiated RIA's Business as Usual (BAU) model and transitioned RIA's business operations to a remote working environment where most business processes can continue as normal.
- Continual assessment of significant risks pertaining to the Covid-19 pandemic and the agility of RIA to respond effectively.
- The oversight and assessment of risk pertaining to Covid-19 are assigned and monitored by a Risk Committee
- Make necessary adaptations to the RIA's physical office environment in line with published guidance and expert assessment.
- Ensured robust segregation of duties remains and adequate cover is in place should specific approving authorities be unavailable.
- Ensured that all existing data protection and records management policies and procedures continue to apply in the remote working environment and are monitored and reported on as normal.
- Ensured that staff members access RIA's network using RIA's approved ICT equipment and that all staff members working remotely have been equipped with the necessary ICT equipment.
- Continual assessment of potential for weaknesses in internal controls resulting from COVID-19 and took measures to monitor and update internal controls where necessary.

**Annual Review of Controls**

A formal review of the effectiveness of the system of internal controls was carried out for the year ended 31<sup>st</sup> December 2021. No significant breaches were discovered during the review.

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**STATEMENT ON INTERNAL CONTROL**

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**Disclosure of Details Regarding Instances where Breaches in Control has Occurred**

No weaknesses in internal control were identified in relation to 2021 that require disclosure in the financial statements.

**Compliance with Public Spending Code**

Royal Irish Academy is in compliance with current procurement rules and guidelines as set out by the Office of Government Procurement with the exception below.

Two Contracts should have been tendered but were allowed to continue through the pandemic as cleaning and facilities staff were furloughed. Tender processes took place during 2022 and new contracts are now in place for both services.

**Approval by the Council**

The Statement on System of Internal Control has been reviewed by the Audit and Risk Committee and the Council to ensure it accurately reflects the control system in operation during the reporting period.

A review of Internal Control in 2021 was carried out by an external firm and will be signed off by the Council in 2022.

The Council is reasonably assured that the systems of Internal Control instituted and implemented in the Royal Irish Academy for the financial year ended 31<sup>st</sup> December 2021 are effective.



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**PRESIDENT**  
Mary Canning

**Date 23<sup>rd</sup> December 2022**





# Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

## Report for presentation to the Houses of the Oireachtas

### Royal Irish Academy

#### Opinion on the financial statements

I have audited the financial statements of the Royal Irish Academy for the year ended 31 December 2021 as required under the Comptroller and Auditor General (Amendment) Act 1993. The financial statements comprise

- the statement of income and expenditure
- the statement of comprehensive income
- the statement of changes in reserves and capital account
- the statement of financial position
- the statement of cash flows, and
- the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of the Royal Irish Academy at 31 December 2021 and of its income and expenditure for 2021 in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

#### ***Emphasis of matter — deferred pension funding asset***

Without qualifying my opinion on the financial statements, I draw attention to note 21 which relates to retirement benefits accrued by current and former staff up to 31 December 2021.

The recognition of the portion of the asset in respect of the Single Public Service Pension Scheme (€2.3 million) reflects the statutory provisions relating to the funding of that scheme.

The recognition of the balance of the asset in respect of the Royal Irish Academy Staff Superannuation Scheme (€29.2 million) anticipates that funding will be provided by the State to meet pension liabilities as they fall due. Inherent in this accounting treatment is an assumption that any income generated by the Academy will in the first instance be applied towards current expenses and that State funding will meet any shortfall in resources to fund future pension liabilities.

#### ***Basis of opinion***

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Royal Irish Academy and have fulfilled my other ethical responsibilities in accordance with the standards.

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

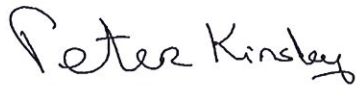
## **Report of the C&AG (continued)**

### **Report on information other than the financial statements, and on other matters**

The Royal Irish Academy has presented certain other information together with the financial statements. This comprises the governance statement and Council members' report, and the statement on internal control.

My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in regard to those matters.



**Peter Kinsley**  
**For and on behalf of the**  
**Comptroller and Auditor General**

23 December 2022

## Appendix to the report

### Responsibilities of Council members

The members are responsible for

- the preparation of annual financial statements in the form prescribed under the by-laws of the Royal Irish Academy
- ensuring that the financial statements give a true and fair view in accordance with FRS102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Responsibilities of the Comptroller and Auditor General

I am required under the Comptroller and Auditor General (Amendment) Act 1993 to audit the financial statements of the Royal Irish Academy and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs 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.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Royal Irish Academy's ability to continue as a

going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Royal Irish Academy to cease to continue as a going concern.

- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

### Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it 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.

### Reporting on other matters

My audit is conducted by reference to the special considerations which attach to bodies in receipt of substantial funding from the State in relation to their management and operation. I report if I identify material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.



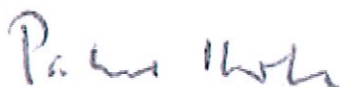
## STATEMENT OF INCOME AND EXPENDITURE

Year ended 31 December

|                                                | Notes | 2021<br>€        | 2020<br>€        |
|------------------------------------------------|-------|------------------|------------------|
| <b>INCOME</b>                                  |       |                  |                  |
| Oireachtas grants                              | 3(a)  | 3,903,000        | 3,953,000        |
| Funding and other income                       | 3(b)  | 4,339,611        | 2,303,419        |
| Income (deferred) / released in the period     | 16    | (2,006,062)      | 172,263          |
| Deferred pension funding                       | 21    | 778,000          | 656,000          |
|                                                |       | <u>7,014,549</u> | <u>7,084,682</u> |
| <b>EXPENDITURE</b>                             |       |                  |                  |
| Staff costs                                    | 4     | 5,431,943        | 5,453,823        |
| Accommodation and establishment                | 5     | 189,924          | 188,710          |
| General administration                         | 6     | 442,818          | 398,028          |
| Publication costs                              | 7     | 200,388          | 225,403          |
| Conference and meeting expenses                | 8     | 39,371           | 32,098           |
| Grants and awards                              | 9     | 329,951          | 110,083          |
| Book purchases and international subscriptions | 10    | 61,376           | 70,000           |
| Depreciation                                   | 11    | 16,079           | 28,558           |
|                                                |       | <u>6,711,850</u> | <u>6,506,703</u> |
| OPERATING SURPLUS FOR THE YEAR                 |       | 302,699          | 577,979          |
| Unrealised gains on investments                | 12    | 524,734          | 73,607           |
| Transfer (to) / from Capital Account           | 17    | (6,443)          | 8,743            |
| Transfer (to) Endowment Funds                  | 18    | (389,093)        | (120,498)        |
| Transfer from Restricted Reserves              |       | 60,094           | 76,946           |
| <b>SURPLUS FOR THE YEAR</b>                    |       | <u>491,991</u>   | <u>616,777</u>   |

All income and expenditure for the year relates to continuing activities at the reporting date.

The Statement of Cash Flows and notes 1 to 23 form part of these financial statements.



TREASURER  
Patrick Honohan



EXECUTIVE DIRECTOR  
Siobhan O'Sullivan

Date 23<sup>rd</sup> December 2022

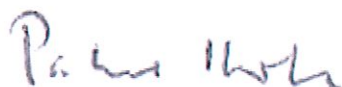


## STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December

|                                                                        | Notes | 2021<br>€      | 2020<br>€      |
|------------------------------------------------------------------------|-------|----------------|----------------|
| Surplus for the year                                                   |       | 491,991        | 616,777        |
| Experience gains on pension scheme liabilities                         | 21    | 1,118,000      | 1,859,000      |
| Changes in Assumptions                                                 | 21    | (795,000)      | (3,389,000)    |
| Surplus / (Deficit) after actuarial adjustments on pension liabilities |       | 814,991        | (913,223)      |
| Adjustment to deferred pension funding asset                           | 21    | (323,000)      | 1,530,000      |
| <b>Other Comprehensive Income for the year</b>                         |       | <b>491,991</b> | <b>616,777</b> |

The Statement of Cash Flows and notes 1 to 23 form part of these financial statements.



TREASURER  
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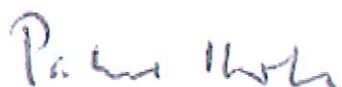
Date 23<sup>rd</sup> December 2022

## STATEMENT OF CHANGES IN RESERVES AND CAPITAL ACCOUNT

Year ended 31 December 2021

|                                         | Statement of<br>Income &<br>Expenditure | Capital<br>account | Endowment<br>funds | Restricted<br>reserve | Total            |
|-----------------------------------------|-----------------------------------------|--------------------|--------------------|-----------------------|------------------|
|                                         | €                                       | €                  | €                  | €                     | €                |
| <b>Balance at 1 January 2020</b>        | 1,099,913                               | 30,563             | 2,416,367          | 482,469               | 4,029,312        |
| Operating Surplus for the year          | 577,979                                 | -                  | -                  | -                     | 577,979          |
| Transfer to / (from) Capital account    | 8,743                                   | (8,743)            | -                  | -                     | -                |
| Transfer to / (from) Endowment funds    | (120,498)                               | -                  | 120,498            | -                     | -                |
| Unrealised Gains on investments         | 73,607                                  | -                  | -                  | -                     | 73,607           |
| Transfer to / (from) Restricted reserve | 76,946                                  | -                  | -                  | (76,946)              | -                |
| <b>Balance at 31 December 2020</b>      | <b>1,716,690</b>                        | <b>21,820</b>      | <b>2,536,865</b>   | <b>405,523</b>        | <b>4,680,898</b> |
| Operating Surplus for the year          | 302,699                                 | -                  | -                  | -                     | 302,699          |
| Transfer to / (from) Capital account    | (6,443)                                 | 6,443              | -                  | -                     | -                |
| Transfer (to) /from Endowment funds     | (389,093)                               | -                  | 389,093            | -                     | -                |
| Unrealised Gains on investments         | 524,734                                 | -                  | -                  | -                     | 524,734          |
| Transfer from / (to) Restricted reserve | 60,094                                  | -                  | -                  | (60,094)              | -                |
| <b>Balance at 31 December 2021</b>      | <b>2,208,681</b>                        | <b>28,263</b>      | <b>2,925,958</b>   | <b>345,429</b>        | <b>5,508,331</b> |

The Statement of Cash Flows and notes 1 to 23 form part of these financial statements.



TREASURER  
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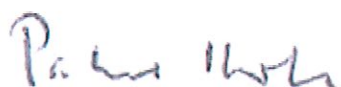
Date 23<sup>rd</sup> December 2022

## STATEMENT OF FINANCIAL POSITION

Year ended 31 December

|                                                                  | Notes | 2021<br>€               | 2020<br>€               |
|------------------------------------------------------------------|-------|-------------------------|-------------------------|
| <b>FIXED ASSETS</b>                                              |       |                         |                         |
| Property, Plant & Equipment                                      | 11    | 28,263                  | 21,820                  |
| Heritage assets                                                  | 11    | 32,500                  | 32,500                  |
| Funds and Projects Financial assets                              | 12    | 5,161,096               | 4,606,274               |
|                                                                  |       | <u>5,221,859</u>        | <u>4,660,594</u>        |
| <b>CURRENT ASSETS</b>                                            |       |                         |                         |
| Inventory                                                        | 13    | 186,928                 | 163,958                 |
| Receivables                                                      | 14    | 73,648                  | 80,367                  |
| Cash at bank and in hand                                         |       | 3,885,786               | 1,635,271               |
|                                                                  |       | <u>4,146,362</u>        | <u>1,879,596</u>        |
| <b>CURRENT LIABILITIES</b> (amounts falling due within one year) |       |                         |                         |
| Payables                                                         | 15    | (432,728)               | (438,192)               |
| Deferred income                                                  | 16    | (3,427,162)             | (1,421,100)             |
|                                                                  |       | <u>(3,859,890)</u>      | <u>(1,859,292)</u>      |
| <b>NET CURRENT ASSETS/(LIABILITIES)</b>                          |       | 286,472                 | 20,304                  |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES<br/>BEFORE PENSIONS</b> |       |                         |                         |
|                                                                  |       | <u>5,508,331</u>        | <u>4,680,898</u>        |
| Deferred pension funding asset                                   | 21    | 31,483,000              | 30,784,000              |
| Pension Liabilities                                              | 21    | (31,483,000)            | (30,784,000)            |
| <b>NET ASSETS</b>                                                |       | <u><u>5,508,331</u></u> | <u><u>4,680,898</u></u> |
| <b>FINANCED BY:</b>                                              |       |                         |                         |
| Capital account                                                  | 17    | 28,263                  | 21,820                  |
| Endowment funds - Expendable                                     | 18    | 2,893,458               | 2,504,365               |
| Endowment funds - Permanent                                      | 18    | 32,500                  | 32,500                  |
| Restricted Reserve                                               |       | 345,429                 | 405,523                 |
| Retained Revenue Reserve                                         |       | 2,208,681               | 1,716,690               |
|                                                                  |       | <u>5,508,331</u>        | <u>4,680,898</u>        |

The Statement of Cash Flows and notes 1 to 23 form part of these financial statements.



TREASURER  
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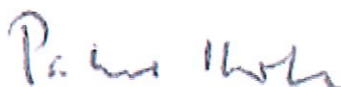
Date 23<sup>rd</sup> December 2022

## STATEMENT OF CASH FLOWS

Year ended 31 December

|                                                                                                   | Notes | 2021<br>€        | 2020<br>€        |
|---------------------------------------------------------------------------------------------------|-------|------------------|------------------|
| <b>Reconciliation of operating surplus to net cash inflow/(outflow) from operating activities</b> |       |                  |                  |
| Operating Surplus for the year                                                                    |       | 302,699          | 577,979          |
| Depreciation                                                                                      | 11    | 16,079           | 28,558           |
| Interest earned                                                                                   | 3(b)  | (26,926)         | (16,120)         |
| Loss on disposal of fixed assets                                                                  | 11    | -                | 393              |
| Gain on investment transactions                                                                   | 3(b)  | (21,916)         | (143,013)        |
| (Increase) / Decrease in Inventory                                                                | 13    | (22,970)         | 20,178           |
| Decrease / (Increase) in Receivables                                                              | 14    | 6,719            | (3,661)          |
| (Decrease) / Increase in Payables                                                                 | 15    | (5,464)          | 71,555           |
| Increase / (Decrease) in Deferred Income                                                          | 16    | 2,006,062        | (172,263)        |
| <b>Net cash inflow from Operating Activities</b>                                                  |       | <b>2,254,283</b> | <b>363,606</b>   |
| <b>STATEMENT OF CASHFLOWS</b>                                                                     |       |                  |                  |
| Net cashflow from Operating Activities                                                            |       | 2,254,283        | 363,606          |
| <b>Cashflows from investing activities</b>                                                        |       |                  |                  |
| Payments to acquire property, plant and equipment                                                 | 11    | (22,522)         | (20,208)         |
| Payments to acquire heritage assets                                                               | 11    | -                | -                |
| Reinvestment in financial assets                                                                  | 12    | (8,172)          | (14,866)         |
| <b>Cashflows from financing activities</b>                                                        |       |                  |                  |
| Bank interest                                                                                     | 3(b)  | 26,926           | 16,120           |
| <b>Increase in cash and cash equivalents</b>                                                      |       | <b>2,250,515</b> | <b>344,652</b>   |
| Cash and cash equivalents at the beginning of the year                                            |       | 1,635,271        | 1,290,619        |
| <b>Cash and cash equivalents at the end of the year</b>                                           |       | <b>3,885,786</b> | <b>1,635,271</b> |

Notes 1 to 23 form part of these Financial Statements.



TREASURER  
Patrick Honohan



EXECUTIVE DIRECTOR  
Siobhan O'Sullivan

Date 23<sup>RD</sup> December 2022



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**NOTES TO THE FINANCIAL STATEMENTS**

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**1. GENERAL INFORMATION AND ACCOUNTING POLICIES**

The Royal Irish Academy was established on 28<sup>th</sup> January 1786 by Royal Charter. The Royal Irish Academy's role is to support research and scholarship and promote awareness of how science and the humanities enrich our lives and benefit society.

**a) STATEMENT OF COMPLIANCE**

This set of financial statements is prepared by the Royal Irish Academy in accordance with accounting standards issued by the Financial Reporting Council, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102").

The Financial Statements are prepared on the going concern basis, under the historical cost convention and comply with the financial reporting standards of the Financial Reporting Council, except as indicated below.

The Financial Statements are prepared in Euro which is the functional currency of the Council.

**b) BASIS OF ACCOUNTING**

The financial statements have been prepared under the accrual's method of accounting, except as indicated below, and in accordance with generally accepted accounting principles under the historical cost convention. Financial Reporting Standards recommended by the recognised accountancy bodies are adopted as they become operative.

**c) OIREACHTAS GRANTS**

Income shown as Oireachtas Grant is accounted for on a cash receipts basis and is paid over by the Higher Education Authority.

**d) OTHER INCOME**

Income shown as other income is accounted for in the period which it relates for rental income, members' subscriptions and entrance fees. Other income from sale of Academy publications represents income invoiced during the period.

**e) PROPERTY, PLANT & EQUIPMENT**

The Academy adopts a minimum capitalisation threshold of €1,000. Property, plant & equipment are stated at cost less accumulated depreciation.

Depreciation is calculated in order to write off the cost of property, plant & equipment over their estimated useful lives by equal annual instalments. The estimated useful lives of property, plant & equipment by reference to which depreciation has been calculated are as follows:

|                       |          |
|-----------------------|----------|
| Computer equipment    | 3 years  |
| Fixtures and fittings | 10 years |
| Equipment             | 5 years  |

The Academy holds a collection of books, manuscripts and art works that it has acquired mainly through donations and bequests. These items are not treated as fixed assets as the Academy considers that the inclusion of such assets in the financial statements would not provide reliable and relevant financial information.

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**NOTES TO THE FINANCIAL STATEMENTS**

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Heritage Assets:

The Royal Irish Academy library is one of Ireland's premier research libraries holding major manuscript, book and pamphlet collections, as well as art works, mainly acquired by donation or bequest. The Council of the Royal Irish Academy has the power to enlarge their collection of manuscripts and other heritage artefacts as part of its objective of promoting excellence in scholarship, recognising achievements in learning, directing research programmes and undertaking its own research projects, particularly in areas relating to Ireland and its heritage.

In accordance with accounting standards, assets acquired before 1<sup>st</sup> January 2011 have not been capitalised since reliable estimates of cost or value are not available at a reasonable cost.

Additions to the collection acquired since 1<sup>st</sup> January 2011 are capitalised and recognised in the Statement of Financial Position under Heritage Assets. The assets are classified by whether the items are bought by or donated to the Academy. The cost or value of the acquisition is used where such a cost or valuation is reasonably obtainable. Donated and bequeathed items are valued internally by the curators, based on expert knowledge and where appropriate, with reference to recent sales of similar objects, and are capitalised at current value on receipt where they exceed the capitalisation threshold.

Values so determined are recorded on the Archives Register maintained by the library. Such items are not depreciated or revalued. Collection items with values below the capitalisation threshold (€10,000) are expensed when the expenditure is incurred.

As funds permit and if judged necessary, conservation is carried out on recently acquired heritage items and the expenditure incurred is recognised in the income and expenditure accounts.

The Academy neither disposes of heritage items, acquired by any mode, nor of donated or bequeathed items, heritage or otherwise.

**f) CAPITAL ACCOUNT**

The capital account represents the unamortised amount of income used to finance fixed assets.

**g) DEFERRED INCOME**

The Academy receives funds for research and other projects. This income is recognised when receivable and in line with the related expenditure. Once the relevant performance conditions have been met all income is recognised in the Statement of Income and Expenditure. Funds received not yet recognised in the Statement of Income and Expenditure are recognised as deferred income and shown as a liability on the Statement of Financial Position.

**h) FUNDS AND PROJECTS FINANCIAL ASSETS**

Funds and Projects Financial Assets are measured at fair value at the end of each reporting date. Unrealised gains and losses are allocated to the endowment fund holding the investment.



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**NOTES TO THE FINANCIAL STATEMENTS**

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**i) INVENTORY**

Stocks of books and journals are stated at the lower of cost or net realisable value less provision for obsolete/slow moving stocks. Cost comprises invoiced cost from suppliers.

**j) EMPLOYEE BENEFITS**Short-term Benefits

Short term benefits such as holiday pay are recognised as an expense in the year, and benefits that are accrued at year-end are included in the Payables figure in the Statement of Financial Position.

Pensions

The Royal Irish Academy operates defined benefit pension schemes which are funded annually on a pay as you go basis from monies available to it, including monies provided by the Higher Education Authority and from contributions deducted from staff salaries. The Academy also operates a defined benefit non-contributory funded scheme for staff recruited before 1<sup>st</sup> January 1994. Employers' contributions to this scheme are paid in accordance with recommendations of a qualified independent actuary.

The Academy also operates the Single Public Service Pension Scheme (Single Scheme) which is the defined benefit pension scheme for pensionable public servants appointed on or after 1<sup>st</sup> January 2013. Single Scheme member's contributions are paid over to the Department of Public Expenditure and Reform. Pension costs reflect pension benefits earned by employees in the period and are shown net of staff pension contributions which are retained by the Academy. An amount corresponding to the pension charge is recognised as income to the extent that it is recoverable and offset by grants received in the year to discharge pension payments.

Actuarial gains and losses arising from changes in actuarial assumptions and from experience surpluses and deficits are recognised in the Statement of Comprehensive Income for the year in which they occur, and a corresponding adjustment is recognised in the amount recoverable from the Higher Education Authority.

Pension liabilities represent the present value of future pension payments earned by staff to date. Deferred pension funding represents the corresponding asset to be recovered in future periods from the Higher Education Authority.

**k) FOREIGN CURRENCIES**

Transactions denominated in foreign currencies relating to revenues and costs are translated into euro at the rates of exchange ruling on the dates on which the transactions occurred.

**l) ENDOWMENT FUNDS**

Endowment funds represent donations and bequests received for research and other projects. Income is recognised to the extent of the related expenditure incurred in the year, together with any related contributions towards overheads costs. Endowment funds are held on deposit or other investment until they are disbursed for the purposes of the Endowment.

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**NOTES TO THE FINANCIAL STATEMENTS**

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**m) RESTRICTED RESERVE**

Grants with restrictions, a requirement that limits or directs the purposes for which they may be used, are recorded within the income on entitlement to the income and subsequently retained within a restricted reserve until such time that expenditure is incurred in line with the restriction.

**n) CASH AND CASH EQUIVALENTS**

Cash consists of cash on hand and demand deposits.

**o) OTHER FINANCIAL ASSETS**

Other financial assets including trade debtors are initially measured at the undiscounted amount of cash receivable from that customer, which is normally the invoice price, and are subsequently measured at amortised cost less impairment, where there is objective evidence of an impairment.

**p) OTHER FINANCIAL LIABILITIES**

Trade creditors are measured at invoice price, unless payment is deferred beyond normal business terms or is financed at a rate of interest that is not market rate. In this case the arrangement constitutes a financing transaction, and the financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

**q) IMPAIRMENT OF ASSETS**

At the end of each reporting period, the Council assess whether there is objective evidence of impairment of any heritage assets and/or financial assets that are measured at cost or amortised cost, including trade debtors and cash. If there is objective evidence of impairment, impairment losses are recognised in the statement of income and expenditure in that financial year.

**r) PROVISIONS**

Provisions are recognised when the Council has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

**s) CONTINGENCIES**

Contingent liabilities, arising as a result of past events, are not recognised when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Council's control.

The values of contingent assets are not provided for. Instead contingent assets are disclosed by way of a disclosure note in the financial statements when an inflow of economic benefits is probable.

**t) OPERATING LEASES**

Rental expenditure under operating leases is recognised in the Statement of Income and Expenditure over the life of the lease. Expenditure is recognised on a straight-line basis over the lease period, except where there are rental increases linked to the expected rate of inflation, in which case these increases are recognised when incurred. Any lease incentives received are recognised over the life of the lease.



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**NOTES TO THE FINANCIAL STATEMENTS**

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**u) TAXATION**

As a registered charity, the Royal Irish Academy has been granted charitable exemption by the Revenue Commissioner under reference CHY 2795.

**2. Critical Accounting Judgements and Estimates**

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgements and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Council makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

**(a) Going concern**

There is no material uncertainty regarding the Council's ability to meet its liabilities as they fall due, and to continue as a going concern. On this basis, the Council considers it appropriate to prepare financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the Council was unable to continue as a going concern. The outbreak of Covid-19 is being monitored on an ongoing basis by the RIA. The RIA has ensured the health and wellbeing of its employees by providing safe work practices in accordance with government guidelines. At a macro-economic level, we do not expect Covid-19 to infringe on our ability to continue as a going concern however there will be an impact on the value of RIA's financial assets.

**(b) Establishing lives for depreciation purposes of property, plant and equipment**

Long lived assets, consisting primarily of property, plant and equipment, comprise a significant portion of the total assets. The annual depreciation charge depends primarily on the estimated lives of each type of asset and estimates of residual values. The Council regularly review these asset lives and change them as necessary to reflect current thinking on remaining lives in light of prospective economic utilisation and physical condition of the assets concerned. Changes in asset lives can have a significant impact on depreciation charges for the period. Detail of the useful lives is included in the accounting policies.

**(c) Provision for doubtful debts**

The Council makes an estimate of the recoverable value of trade debtors and other debtors. The Council uses estimates based on historical experience in determining the level of debts, which may not be collected. These estimates include such factors as the current rating of the debtor, the ageing profile of debtors and historical experience. The level of provision required is reviewed on an on-going basis.

**(d) Deferred pension funding**

The Council recognises amounts owing from the State for the unfunded deferred liability for pensions on the basis of a number of past events. These events include the statutory backing for the superannuation scheme, and the policy and practice in relation to funding public service pensions including the annual estimates process. While there is no formal agreement and therefore no guarantee regarding these specific amounts with the State, the Council has no evidence that this funding policy will not continue to progressively meet this amount in accordance with current practice.

The Department of Education and Skills, in its letter of comfort to the Academy, further acknowledges the State's commitment to the funding of the Academy's superannuation scheme.

## NOTES TO THE FINANCIAL STATEMENTS

| <b>3(a). OIREACHTAS GRANTS</b>                     | <b>2021</b>      | <b>2020</b>      |
|----------------------------------------------------|------------------|------------------|
|                                                    | <b>€</b>         | <b>€</b>         |
| Higher Education Authority - Vote 26: Subhead C.4. | 3,903,000        | 3,953,000        |
|                                                    |                  |                  |
| <b>3(b). OTHER INCOME</b>                          | <b>2021</b>      | <b>2020</b>      |
|                                                    | <b>€</b>         | <b>€</b>         |
| Room rental                                        | 51,560           | 49,366           |
| Grants and awards                                  | 124,216          | -                |
| Members subscriptions and entrance fees            | 59,699           | 66,000           |
| Sale of Academy publications                       | 207,921          | 242,062          |
| Gain on investment transactions                    | 21,916           | 143,013          |
| Interest on investments                            | 26,926           | 16,120           |
| Funding and registration fees                      | 3,847,373        | 1,786,858        |
|                                                    | <b>4,339,611</b> | <b>2,303,419</b> |

## NOTES TO THE FINANCIAL STATEMENTS

## 3(c). FUNDING AND REGISTRATION FEES

| Purpose of grant                                                                       | Funding Body                                   | Grant Awarded /<br>Claimed in 2021<br>€ |
|----------------------------------------------------------------------------------------|------------------------------------------------|-----------------------------------------|
| Archaeology Grants                                                                     | National Monument Service                      | 14,712                                  |
| Arins publication funding                                                              | Keogh Naughton                                 | 22,500                                  |
| Arins publication funding                                                              | Notre Dame Institute                           | 7,500                                   |
| Digital Repository of Ireland Membership                                               | Various Bodies                                 | 71,250                                  |
| Digital Repository Ireland                                                             | Irish Research Council                         | 400,000                                 |
| Disbursement of Grants - Archaeology                                                   | Dept. Housing                                  | 168,178                                 |
| Discourse sponsorship                                                                  | Mason Hayes & Curran                           | 27,000                                  |
| Donation                                                                               | Bequest                                        | 65,324                                  |
| Grangegorman Histories Project                                                         | Grangegorman Development Agency                | 25,000                                  |
| IHTA Publication                                                                       | Cork CC                                        | 12,000                                  |
| Ireland Scotland Bilateral Network Grant 2021                                          | Department of Foreign Affairs                  | 14,375                                  |
| Irish Humanities Alliance                                                              | Various Bodies                                 | 59,000                                  |
| Kathleen Lonsdale Prize                                                                | Henkel                                         | 7,000                                   |
| Knowth Publication                                                                     | Department of Housing                          | 14,195                                  |
| National Open Research Forum                                                           | Higher Education Authority                     | 1,725,000                               |
| National Open Research Forum                                                           | Irish Research Council                         | 100,000                                 |
| Pension Funding                                                                        | Department of Public Expenditure & Reform      | 19,718                                  |
| Pension Funding                                                                        | Dept. of Education                             | 11,106                                  |
| Praegar Fund                                                                           | Praegar Investment Fund                        | 9,000                                   |
| Programme for Research in Third-Level Institutions PRTL 5 (Digital Repository Ireland) | Higher Education Authority                     | 300,000                                 |
| Public History Project 1922                                                            | Dept Culture Herit.                            | 30,000                                  |
| Publication funding                                                                    | Office of Public Works                         | 10,000                                  |
| Research & Publication of documents in Irish Foreign Policy                            | Dept. of Foreign Affairs                       | 219,601                                 |
| Research and publication of Focloir Nua Gaeilge                                        | Department of Arts, Heritage and the Gaeltacht | 278,609                                 |
| Research Data Alliance Project                                                         | European Open Science Cloud                    | 54,375                                  |
| Research Data Alliance Project                                                         | European Commission                            | 28,157                                  |
| RIA Gold Medal Sponsorship                                                             | Allied Irish Bank                              | 12,000                                  |
| Sponsorship Income                                                                     | Abbott Ireland                                 | 7,500                                   |
| Young Academy Sponsorship                                                              | Accenture                                      | 30,000                                  |
| Other Activities                                                                       | Various Bodies                                 | 104,273                                 |
|                                                                                        |                                                | 3,847,373                               |



## NOTES TO THE FINANCIAL STATEMENTS

| 4. STAFF COSTS               | Income &<br>Expenditure<br>2021<br>€ | Funds &<br>Projects<br>2021<br>€ | Total<br>2021<br>€ | Total<br>2020<br>€ |
|------------------------------|--------------------------------------|----------------------------------|--------------------|--------------------|
| (a) Analysis of Staff Costs: |                                      |                                  |                    |                    |
| Wages and salaries           | 2,098,729                            | 1,972,328                        | 4,071,057          | 4,107,286          |
| Social welfare costs         | 200,805                              | 157,081                          | 357,886            | 346,537            |
| Pension costs                | 1,003,000                            | -                                | 1,003,000          | 1,000,000          |
|                              | <b>3,302,534</b>                     | <b>2,129,409</b>                 | <b>5,431,943</b>   | <b>5,453,823</b>   |
|                              |                                      |                                  |                    |                    |
| Full Time                    |                                      |                                  | 48                 | 50                 |
| Part Time                    |                                      |                                  | 23                 | 23                 |

(b) Employee benefits breakdown is disclosed in the Governance Statement and Council Members' Report.

| (c) Termination Benefits                                                | 2021<br>€ | 2020<br>€ |
|-------------------------------------------------------------------------|-----------|-----------|
| Termination benefits charges to the Statement of Income and Expenditure | 31,355    | -         |

There were 3 termination benefits related to settlements of staff members during the year 2021.

| (d) The Executive Director's Salary | 2021<br>€ | 2020<br>€ |
|-------------------------------------|-----------|-----------|
| Executive Director                  | 103,902   | 101,236   |
| Deputy Executive Director           | 72,611    | -         |

Government guidelines on the payment of director's fees have been implemented. There were no fees paid in 2021 to individual council members.

The total paid for travel & subsistence expenses claimed by council members in 2021 was €431 (2020: €316).

Five Council meetings and four Executive Committee meetings were held during 2021.

The all-in cost of the Executive Director's total remuneration package consists of salary and pension entitlement.

Pension entitlements for this post are in line with standard entitlements in the model public sector defined benefit superannuation scheme. The Executive Director was not in receipt of any performance related awards.



## NOTES TO THE FINANCIAL STATEMENTS

| 5. ACCOMMODATION AND ESTABLISHMENT EXPENSES | Income & Expenditure | Funds & Projects | Total          | Total          |
|---------------------------------------------|----------------------|------------------|----------------|----------------|
|                                             | 2021                 | 2021             | 2021           | 2020           |
|                                             | €                    | €                | €              | €              |
| Light and heat                              | 27,706               | 3,040            | 30,746         | 25,025         |
| Insurance                                   | 18,178               | -                | 18,178         | 17,365         |
| Furniture and household                     | 61,294               | 25,423           | 86,717         | 52,568         |
| Rent (Note 19)                              | 49,500               | 4,783            | 54,283         | 93,752         |
|                                             | <b>156,678</b>       | <b>33,246</b>    | <b>189,924</b> | <b>188,710</b> |

| 6. GENERAL ADMINISTRATION EXPENSES                           | Income & Expenditure | Funds & Projects | Total          | Total          |
|--------------------------------------------------------------|----------------------|------------------|----------------|----------------|
|                                                              | 2021                 | 2021             | 2021           | 2020           |
|                                                              | €                    | €                | €              | €              |
| Postage and telephone                                        | 39,162               | 1,700            | 40,862         | 43,662         |
| Advertising                                                  | 210                  | 2,280            | 2,490          | 7,128          |
| Stationery and office                                        | 7,849                | 33               | 7,882          | 12,875         |
| Administration printing                                      | 815                  | 16,180           | 16,995         | 7,419          |
| General purpose account and funds and projects miscellaneous | 2,264                | 36,325           | 38,589         | 28,756         |
| Professional fees                                            |                      |                  |                |                |
| - Legal fees                                                 | 2,830                | -                | 2,830          | 6,710          |
| - Accountancy fee                                            | 27,619               | -                | 27,619         | 20,565         |
| - Professional fees including HR and pension advice          | 55,024               | 23,224           | 78,248         | 88,605         |
| Audit fees                                                   | 33,997               | -                | 33,997         | 30,176         |
| Bank interest and fees                                       | 6,008                | -                | 6,008          | 4,656          |
| Information technology                                       | 119,657              | 39,200           | 158,857        | 134,215        |
| Loss/(Gain) on Disposal                                      | -                    | -                | -              | 393            |
| HR, Training and Development                                 | 24,466               | 3,975            | 28,441         | 12,868         |
|                                                              | <b>319,901</b>       | <b>122,917</b>   | <b>442,818</b> | <b>398,028</b> |

| 7. PUBLICATION COSTS       | Income & Expenditure | Funds & Projects | Total          | Total          |
|----------------------------|----------------------|------------------|----------------|----------------|
|                            | 2021                 | 2021             | 2021           | 2020           |
|                            | €                    | €                | €              | €              |
| Proceedings                | 33                   | 19               | 52             | 125,380        |
| Publications               | 150,595              | 45,771           | 196,366        | 98,062         |
| General conservation costs | -                    | 3,970            | 3,970          | 1,961          |
|                            | <b>150,628</b>       | <b>49,760</b>    | <b>200,388</b> | <b>225,403</b> |

## NOTES TO THE FINANCIAL STATEMENTS

| 8. CONFERENCE AND MEETING EXPENSES | Income & Expenditure | Funds & Projects | Total         | Total         |
|------------------------------------|----------------------|------------------|---------------|---------------|
|                                    | 2021                 | 2021             | 2021          | 2020          |
|                                    | €                    | €                | €             | €             |
| Conference expenses                | 7,624                | 29,739           | 37,363        | 23,287        |
| Travel expenses                    | 644                  | 1,364            | 2,008         | 8,811         |
|                                    | <b>8,268</b>         | <b>31,103</b>    | <b>39,371</b> | <b>32,098</b> |

| 9. GRANTS AND AWARDS         | Income & Expenditure | Funds & Projects | Total          | Total          |
|------------------------------|----------------------|------------------|----------------|----------------|
|                              | 2021                 | 2021             | 2021           | 2020           |
|                              | €                    | €                | €              | €              |
| Awards and Prizes            | -                    | 35,348           | 35,348         | 17,794         |
| Charlemont Grants            | 26,081               | -                | 26,081         | 5,323          |
| Archaeological Research Fund | -                    | 597              | 597            | 55,711         |
| Other Grants                 | 3,500                | 264,425          | 267,925        | 31,255         |
|                              | <b>29,581</b>        | <b>300,370</b>   | <b>329,951</b> | <b>110,083</b> |

| 10. BOOK PURCHASES AND SUBSCRIPTIONS | Income & Expenditure | Funds & Projects | Total         | Total         |
|--------------------------------------|----------------------|------------------|---------------|---------------|
|                                      | 2021                 | 2021             | 2021          | 2020          |
|                                      | €                    | €                | €             | €             |
| Library books and periodicals        | 25,628               | -                | 25,628        | 28,141        |
| Subscriptions                        | 22,710               | 13,038           | 35,748        | 41,859        |
|                                      | <b>48,338</b>        | <b>13,038</b>    | <b>61,376</b> | <b>70,000</b> |

## NOTES TO THE FINANCIAL STATEMENTS

## 11. PROPERTY, PLANT, AND EQUIPMENT

| 2021                              | Computer<br>Equipment | Fixtures &<br>Fittings | Equipment | Total    |
|-----------------------------------|-----------------------|------------------------|-----------|----------|
| Cost                              | €                     | €                      | €         | €        |
| At 1 <sup>st</sup> January 2021   | 353,069               | 124,189                | 117,517   | 594,775  |
| Additions                         | 10,462                | 9,333                  | 2,727     | 22,522   |
| Disposals                         | (13,863)              | -                      | -         | (13,863) |
| At 31 <sup>st</sup> December 2021 | 349,668               | 133,522                | 120,244   | 603,434  |
| <b>Accumulated Depreciation</b>   |                       |                        |           |          |
| At 1 <sup>st</sup> January 2021   | 335,668               | 124,021                | 113,266   | 572,955  |
| Charge for the year               | 13,570                | 479                    | 2,030     | 16,079   |
| Eliminated on Disposals           | (13,863)              | -                      | -         | (13,863) |
| At 31 <sup>st</sup> December 2021 | 335,375               | 124,500                | 115,296   | 575,171  |
| <b>Net Book Amounts</b>           |                       |                        |           |          |
| At 31 <sup>st</sup> December 2020 | 17,401                | 168                    | 4,251     | 21,820   |
| At 31 <sup>st</sup> December 2021 | 14,293                | 9,022                  | 4,948     | 28,263   |

|                                         | 2021   | 2020   |
|-----------------------------------------|--------|--------|
|                                         | €      | €      |
| <b>Depreciation charged as follows:</b> |        |        |
| Income and expenditure account          | 16,079 | 28,558 |
| Funds and projects account              | -      | -      |
|                                         | 16,079 | 28,558 |

| 2020                                    | Computer<br>Equipment | Fixtures &<br>Fittings | Equipment | Total   |
|-----------------------------------------|-----------------------|------------------------|-----------|---------|
| Cost                                    | €                     | €                      | €         | €       |
| At 1 <sup>st</sup> January 2020         | 333,871               | 124,189                | 117,517   | 575,577 |
| Additions                               | 20,208                | -                      | -         | 20,208  |
| Disposals                               | (1,010)               | -                      | -         | (1,010) |
| At 31 <sup>st</sup> December 2020       | 333,069               | 124,189                | 117,517   | 574,775 |
| <b>Accumulated Depreciation</b>         |                       |                        |           |         |
| At 1 <sup>st</sup> January 2020         | 310,770               | 123,636                | 110,608   | 545,014 |
| Charge for the year                     | 25,515                | 385                    | 2,658     | 28,558  |
| Eliminated on Disposals                 | (617)                 | -                      | -         | (617)   |
| At 31 <sup>st</sup> December 2020       | 335,668               | 124,021                | 113,266   | 572,955 |
| <b>At 31<sup>st</sup> December 2020</b> | 17,401                | 168                    | 4,251     | 21,820  |



## NOTES TO THE FINANCIAL STATEMENTS

## 11. PROPERTY, PLANT, AND EQUIPMENT (cont.)

## HERITAGE ASSETS

Heritage assets are valued as part of the acquisition process as they are added to the collections. In common with national institutions in Ireland and Britain holding analogous collections, the Academy does not have a systematic retrospective programme of valuing heritage items which have been in their collections for many years. The cost of such a programme would be prohibitive both in terms of direct cost and time to complete.

Where information on the cost or value of an asset is not available and cannot be obtained at a cost which is commensurate with the benefits to users of the financial statements, the assets shall not be recognised in the statement of financial position. From 1<sup>st</sup> January 2011 Heritage assets acquired with a value in excess of €10,000 are capitalised and shown on the Statement of Financial Position. Heritage Assets acquired during the past ten years (2012-2021), are disclosed in the table below.

|                           | 2012 | 2013 | 2014   | 2015 | 2016 | 2017 | 2018 | 2019   | 2020 | 2021 |
|---------------------------|------|------|--------|------|------|------|------|--------|------|------|
|                           | €    | €    | €      | €    | €    | €    | €    | €      | €    | €    |
| Heritage Assets Purchased | Nil  | Nil  | Nil    | Nil  | Nil  | Nil  | Nil  | 12,500 | Nil  | Nil  |
| Heritage Asset Donations  | Nil  | Nil  | 25,000 | Nil  | Nil  | Nil  | Nil  | Nil    | Nil  | Nil  |

Donations to the Library Collection valued at €25,000 were received by the Academy in 2014. One donation of political papers was valued at €20,000, and thus capitalised accordingly.

Preservation and Management

The Library operates an ongoing preservation programme in respect of the different formats and media under its curation, and all items are held in a secure location in Academy House.

The priority in terms of management and preservation is the manuscript and archival collection, which is secured in environmentally controlled conditions in an alarmed vault. For preservation and access, this collection has been digitised and is freely accessible on the web (Irish Script on Screen – [www.isos.dias.ie](http://www.isos.dias.ie)).

The Library maintains catalogues for its collections of heritage assets, recording the nature, provenance and current location of each asset.

Heritage Assets of particular importance

The Academy holds significant manuscript and archival collections and collections of pre-1850 imprints, most of which were acquired during the 18<sup>th</sup> and 19<sup>th</sup> centuries by donation, bequest or purchase.

In 2009, a 19<sup>th</sup>-century music manuscript, some of which was in the hand of Thomas Moore, was purchased from Whyte's auction house, Dublin, for €10,000 (RIA Library/Archives Register). This purchase supplements the Moore library collection, which comprises 2000 items collected by author and poet, Thomas Moore (1779-1852). The collection as a whole has a scholarly and provenance value. Based on a conservative average value of €300 per title, a curatorial value of the collection would come to approx. €500,000.



## NOTES TO THE FINANCIAL STATEMENTS

## 12. FUNDS AND PROJECTS FINANCIAL ASSETS

|                            | Opening<br>Cost<br>1 <sup>st</sup> Jan<br>2021 | Additions     | Disposals       | Closing Cost<br>31 <sup>st</sup> Dec<br>2021 | Recovery /<br>(Diminution)<br>in value of<br>Financial<br>Assets:<br>prior to 2021 | Recovery /<br>(Diminution)<br>in value of<br>Financial<br>Assets:<br>During 2021 | Market<br>value at<br>31 <sup>st</sup> Dec<br>2021 |
|----------------------------|------------------------------------------------|---------------|-----------------|----------------------------------------------|------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|----------------------------------------------------|
|                            | €                                              | €             | €               | €                                            | €                                                                                  | €                                                                                | €                                                  |
| Investment Portfolio       | 1,770,133                                      | 52,194        | (21,256)        | 1,801,071                                    | 731,843                                                                            | 358,155                                                                          | 2,891,069                                          |
| DAVY No 1 account          | 1,891,688                                      | -             | (850)           | 1,890,838                                    | 210,219                                                                            | 166,579                                                                          | 2,267,636                                          |
| 2.5% Consolidated<br>Stock | 2,156                                          | -             | -               | 2,156                                        | -                                                                                  | -                                                                                | 2,156                                              |
| Prize Bonds                | 235                                            | -             | -               | 235                                          | -                                                                                  | -                                                                                | 235                                                |
|                            | <b>3,664,212</b>                               | <b>52,194</b> | <b>(22,106)</b> | <b>3,694,300</b>                             | <b>942,062</b>                                                                     | <b>524,734</b>                                                                   | <b>5,161,096</b>                                   |

## 13. INVENTORY

|                               | 2021    | 2020    |
|-------------------------------|---------|---------|
|                               | €       | €       |
| Books and journals for resale | 186,928 | 163,958 |

## 14. RECEIVABLES (amounts falling due within one year)

|                                | 2021          | 2020          |
|--------------------------------|---------------|---------------|
|                                | €             | €             |
| Receivables                    | 17,138        | 21,294        |
| Prepayments and accrued income | 45,332        | 56,342        |
| Value added tax                | 11,178        | 2,731         |
|                                | <b>73,648</b> | <b>80,367</b> |

## 15. PAYABLES (amounts falling due within one year)

|                                 | 2021           | 2020           |
|---------------------------------|----------------|----------------|
|                                 | €              | €              |
| Payables and accruals           | 198,051        | 201,011        |
| Taxation                        | 106,598        | 109,102        |
| Funding ringfenced for pensions | 128,079        | 128,079        |
|                                 | <b>432,728</b> | <b>438,192</b> |

## NOTES TO THE FINANCIAL STATEMENTS

| 16. DEFERRED INCOME                           | 2021<br>€        | 2020<br>€        |
|-----------------------------------------------|------------------|------------------|
| Balance at 1 <sup>st</sup> January            | 1,421,100        | 1,593,363        |
| Allocations from state grants                 | 1,064,086        | 789,958          |
| Funding and other receipts                    | 3,804,430        | 1,937,306        |
| Project expenditure                           | (2,831,664)      | (2,498,560)      |
| Other release in the period                   | (30,790)         | (400,967)        |
| Income (released) in the period               | 2,006,062        | (172,263)        |
| <b>Balance as at 31<sup>st</sup> December</b> | <b>3,427,162</b> | <b>1,421,100</b> |

| 17. CAPITAL ACCOUNT                           | 2021     |               | 2020     |               |
|-----------------------------------------------|----------|---------------|----------|---------------|
|                                               | €        | €             | €        | €             |
| Opening balance                               |          | 21,820        |          | 30,563        |
| Amounts allocated for fixed asset acquisition | 22,522   |               | 20,208   |               |
| Amortisation in line with asset depreciation  | (16,079) |               | (28,558) |               |
| Loss on disposal of fixed assets              | -        |               | (393)    |               |
| Transfer to retained revenue reserves         |          | 6,443         |          | (8,743)       |
| <b>Closing balance</b>                        |          | <b>28,263</b> |          | <b>21,820</b> |

| 18. ENDOWMENT FUNDS                           | 2021<br>€        | 2020<br>€        |
|-----------------------------------------------|------------------|------------------|
| Balance at 1 <sup>st</sup> January            | 2,536,865        | 2,416,367        |
| Additions                                     | 52,194           | 12,058           |
| Disposals                                     | (21,256)         | -                |
| Recovery in value of financial assets         | 358,155          | 108,440          |
| Additions in the period                       | 389,093          | 120,498          |
| <b>Balance as at 31<sup>st</sup> December</b> | <b>2,925,958</b> | <b>2,536,865</b> |

| Represented by:                     | 2021<br>€        | 2020<br>€        |
|-------------------------------------|------------------|------------------|
| Heritage assets                     | 32,500           | 32,500           |
| Funds and projects financial assets | 2,893,458        | 2,504,365        |
|                                     | <b>2,925,958</b> | <b>2,536,865</b> |

The Statement for Recommended Practice (SORP) for Further and Higher Education defines an endowment fund as a form of charitable trust retained for the benefit of the institution.

From time to time, the Royal Irish Academy receives donations and bequests for research and other projects. These funds are held on deposits or in investments until they are disbursed for the purposes of the Endowment.

## NOTES TO THE FINANCIAL STATEMENTS

**19. ACCOMMODATION**

The Academy operates from offices at 19 Dawson Street and Bective House in Dublin that are provided on a rent-free basis by the Office of Public Works. The 19 Dawson Street building and two floors of Bective House are provided rent free by the OPW.

During 2012, further floors on 19A Dawson Street were acquired by the Academy on a short-term lease, meaning the Academy now occupies the whole building at 19a Dawson Street.

The Academy holds a short-term lease on premises at An Charraig, Co Donegal, which is used by a number of Focloir na Nua Ghaeilge staff.

The Academy pays rent for 3 floors of Bective House in Dawson Street, as well as the Donegal premises at An Charraig.

|                                                                             | As at<br>31 Dec 2021 | As at<br>31 Dec 2020 |
|-----------------------------------------------------------------------------|----------------------|----------------------|
| <b>Future minimum lease payments under non-cancellable operating leases</b> | <b>€</b>             | <b>€</b>             |
| Payable within one year                                                     | 54,258               | 54,258               |
| Payable within two to five years                                            | 198,000              | 202,758              |
| Payable after five years                                                    | 185,625              | 235,125              |
|                                                                             | <u>437,883</u>       | <u>492,141</u>       |

**20. RELATED PARTY TRANSACTIONS**

There were no related party transactions in the period ended 31<sup>st</sup> December 2021.

Key management personnel in the Royal Irish Academy consist of the Executive Director, senior management and members of the Council. Total compensation paid to key management personnel, including council members' expenses, amounted to €442,866 (2020: €431,759).

The Academy adopted procedures in accordance with the guidelines issued by the Department of Finance in relation to the disclosure of interests by Council Members and these procedures have been adhered to in the year. There were no transactions in the year in relation to the Academy's activities in which a Council Member had any beneficial interest.



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**NOTES TO THE FINANCIAL STATEMENTS**

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**21. PENSIONS****(a) Description of Schemes**

The Royal Irish Academy was established by Royal Charter in 1786 and is now primarily financed by State grant. Prior to 1994 superannuation benefits for the staff of the Academy were provided for under a funded pension scheme.

In the case of staff appointed on or after 1<sup>st</sup> January 1994, superannuation benefits are provided under two schemes

- The Royal Irish Academy staff superannuation scheme and
- The Royal Irish Academy spouses' and children's' contributory pension scheme which are currently being operated on an administrative basis pending formal Ministerial approval.

The former scheme provides retirement benefits (lump sum and pension) to staff members, and death gratuity benefits in respect of death in service. The latter scheme (which members of the Pre-1994 Scheme can also join) provides pension benefits for the surviving spouse and dependent children of deceased members.

The RIA staff superannuation scheme and the RIA spouses' and children's contributory pension scheme are not pre-funded. Benefits are financed on a pay-as-you-go basis. The Pre-1994 Scheme is a funded scheme, but post-retirement increases to pensions awarded under that scheme are not met from the fund but are borne by the Academy.

The funded scheme has been wound up and the Department of Education and Skills have agreed to take over the pension liability. The Academy was initially required to make a contribution of €150,000 over 5 years and the first payment was due once the exchequer begins to meet the pension liability. In September 2021, the Department of Education agreed to offset the €150,000 against monies owed to the Academy by the Department. The Academy is of the opinion that all future pension liabilities of all defined benefit schemes and arrangements on a pay as you go basis for all categories of RIA staff will be met by the State. Accordingly, the Academy has recognized a matching pension receivable in the balance sheet at an amount equivalent to the full pension liability associated with all its defined benefit arrangements for each reporting period.

Normal Retirement Age is a member's 65<sup>th</sup> birthday, and pre 2004 members have an entitlement to retire without actuarial reduction from age 60. Pensions in payment (and deferment) normally increase in line with general public sector salary inflation.

The Single Public Service Pension Scheme (Single Scheme) is the defined benefit pension scheme for pensionable public servants appointed on or after 1<sup>st</sup> January 2013 in accordance with the Public Service Pension (Single Scheme and Other Provisions) Act 2012. The scheme provides for a pension and retirement lump sum based on career-average pensionable remuneration, and spouse's and children's pensions. The minimum pension age is 66 years (rising in line with State pension age changes). It includes an actuarially reduced early retirement facility from age 55. Pensions in payment increase in line with the consumer price index.



## NOTES TO THE FINANCIAL STATEMENTS

**21. PENSIONS** (*continued*)

Superannuation entitlements arising under these schemes are paid out of current income and are charged to Income & Expenditure in the year they become payable.

The results set out below are based on actuarial valuation of the pension liabilities in respect of serving and former staff of the Academy at 31<sup>st</sup> December 2021. This valuation was carried out by a qualified independent actuary for the purposes of the accounting standard, Financial Reporting Standard 102 (FRS 102). The valuation has been completed using the projected unit method.

**(b) Financial Assumptions**

The financial assumptions used FRS102 purposes were:

|                     | At 31.12.21 | At 31.12.20 |
|---------------------|-------------|-------------|
| Discount rate       | 1.2%        | 0.8%        |
| Salary Increases    | 2.75%       | 2.25%       |
| Pension Increases   | 2.5%        | 2.0%        |
| Inflation Increases | 2.0%        | 1.50%       |

Life Expectancy at the age of 65:

|                    | 2021        |               | 2020        |               |
|--------------------|-------------|---------------|-------------|---------------|
|                    | <u>Male</u> | <u>Female</u> | <u>Male</u> | <u>Female</u> |
| Current Pensioners | 22.0        | 24.6          | 22.0        | 24.6          |
| Future Pensioners  | 23.0        | 25.5          | 23.0        | 25.5          |

There are no assets and expected rate of return as of 31<sup>st</sup> December 2021 as the pre-1994 funded scheme has been wound up.

|                                     | 2021                | 2020                |
|-------------------------------------|---------------------|---------------------|
| Present value of scheme liabilities | <u>(31,483,000)</u> | <u>(30,784,000)</u> |

## NOTES TO THE FINANCIAL STATEMENTS

21. PENSIONS (*continued*)

## (c) Net Deferred Funding for Pensions in Year

|                                                              | 2021           | 2020           |
|--------------------------------------------------------------|----------------|----------------|
|                                                              | €              | €              |
| Funding recoverable in respect of current year pension costs | 1,247,000      | 1,242,000      |
| State Grant Applied to pay Pensioners (Unfunded Scheme)      | (469,000)      | (586,000)      |
|                                                              | <u>778,000</u> | <u>656,000</u> |

## (d) Analysis of total pension costs charged to expenditure

|                                                     | 2021             | 2020             |
|-----------------------------------------------------|------------------|------------------|
|                                                     | €                | €                |
| Service Charge                                      | 1,002,000        | 876,000          |
| Interest on Pension Scheme Liabilities (Net Return) | 245,000          | 366,000          |
| Employees Contributions (Unfunded Scheme)           | (244,000)        | (242,000)        |
|                                                     | <u>1,003,000</u> | <u>1,000,000</u> |

## (e) Analysis of amount recognised in Other Comprehensive Income

|                                  | 2021           | 2020               |
|----------------------------------|----------------|--------------------|
|                                  | €              | €                  |
| Experience Gains                 | 1,118,000      | 1,859,000          |
| Changes in assumptions           | (795,000)      | (3,389,000)        |
| Actuarial Gain/(Loss) recognised | <u>323,000</u> | <u>(1,530,000)</u> |

## (f) Deferred Funding Asset for Pensions (Narrative Note)

The Royal Irish Academy recognises these amounts as an asset corresponding to the funded and unfunded deferred liability on the basis of the set of assumptions described above and a number of past events. These events include the statutory basis for the establishment of the pension scheme and the policy and practice currently in place in relation to funding public service pensions, including contributions by employees and the annual estimates process. The Academy anticipates that this funding policy will continue to meet such sums in accordance with current practice. The deferred funding asset for pensions as at 31<sup>st</sup> December 2021 amounted to €31,483,000 (2020: €30,784,000).

The valuation used for FRS102 disclosures has been based on a full actuarial valuation by a qualified independent actuary taking account of the requirements of the FRS in order to assess the scheme liabilities at 31<sup>st</sup> December 2021.

## NOTES TO THE FINANCIAL STATEMENTS

21. PENSIONS (*continued*)

## (g) Movement in Net Pension Liability during the financial year

|                                                                  | 2021              | 2020              |
|------------------------------------------------------------------|-------------------|-------------------|
|                                                                  | €                 | €                 |
| Retirement benefit obligation at 1 <sup>st</sup> January         | 30,784,000        | 28,356,000        |
| Current service cost                                             | 1,002,000         | 876,000           |
| Employees Contributions (Unfunded Scheme)                        | 244,000           | 242,000           |
| Payments from Unfunded Scheme                                    | (469,000)         | (586,000)         |
| Other Finance Income                                             | 245,000           | 366,000           |
| Movement on Funded assets                                        | -                 | -                 |
| Actuarial (Gain)/Loss                                            | (323,000)         | 1,530,000         |
| <b>Retirement benefit obligation at 31<sup>st</sup> December</b> | <b>31,483,000</b> | <b>30,784,000</b> |

Liabilities in respect of the Single Scheme have been estimated based on an accumulation of year-on-year liabilities and equate to €2,282,000.

## (h) History of experience gains and losses

|                                                              | 2021      | 2020        |
|--------------------------------------------------------------|-----------|-------------|
|                                                              | €         | €           |
| Experience Gains on scheme liabilities Amount                | 1,118,000 | 1,859,000   |
| Percentage of the present value of the scheme liabilities    | 3.6%      | 6.0%        |
| Total amount recognised in Other Comprehensive Income Amount | 323,000   | (1,530,000) |
| Percentage of the present value of the scheme liabilities    | 1.0%      | (5.0%)      |

## 22. CAPITAL COMMITMENTS

There were no capital commitments at 31<sup>st</sup> December 2021.

## 23. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved on 20<sup>th</sup> June 2022.