



ROYAL IRISH ACADEMY

ROYAL IRISH ACADEMY

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2019

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GENERAL INFORMATION

Management Team

Tony Gaynor	- Executive Secretary (from 04/03/19)
Lesley Goulding	- Acting Executive Secretary (from 20/08/18 to 01/03/19)
Gilly Clarke	- Acting Head of Programs and Administration
Pauric Dempsey	- Head of Communications and Public Affairs
Jacinta O'Malley	- Head of HR
Suzanne Campbell	- Head of Finance

Members of the Council

Kennedy, Michael Peter – President (to 16/03/20)
Butler, Geraldine
Canning, Mary – President (from 16/03/20)
Carey, Daniel
Conroy, Jane
Cooney, Gabriel
Gardiner, Stephen - Treasurer
Guiry, Patrick
Hardiman, Orla
Honohan, Patrick
Jones, Michael B.
Maguire, Anita
Mansergh, Martin
McGuire, James
McHugh, Peter
McKenna, P. Gerald
Meehan, Eucharua
Mulcahy, Grace
O'Dowd, Mary
O'Halpin, Eunan
Shannon, Patrick M. - Secretary
Sheridan, Geraldine
Simms, Annagret

Head Office

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

GOVERNANCE STATEMENT AND COUNCIL MEMBERS' REPORT

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 Minister for Department of Education and Skills 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 Secretary and the senior management team. The Executive Secretary 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 Secretary 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 Royal Charter 1786 requires the Council of Royal Irish Academy to keep, in such form as may be approved by the Minister for Education and Skills 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 at 31 December 2019.

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 16th. The members of the Council were appointed for a period of one year and meet on a quarterly basis. The table below details the appointment period for current members:

Member	Role	Date appointed
M. Peter Kennedy	President from 16 March 2017 – 16 March 2020	16-Mar-17
Butler, Geraldine	Council Member	16-Mar-16
Gardiner, Stephen	Treasurer from 16 March 2018	16-Mar-18
Guiry, Patrick	Secretary for Science from 16 March 2016	16-Mar-15
Hardiman, Orla	Council Member	16-Mar-18
Jones, Michael B	Council Member	16-Mar-19
Maguire, Anita	Vice President from 16 March 2019	Co-opted in May 2018
McHugh, Peter	Secretary for Policy and International Relations from 16 March 2016	16-Mar-15
McKenna, P Gerald	Vice President from 16 March 2017	16-Mar-17
Meehan, Fucharia	Council Member	16-Mar-18
Mulcahy, Grace	Council Member	16-Mar-19
Shannon, Patrick M	Secretary from 16 March 2017	16-Mar-17
Canning, Mary	Senior Vice President from 16 March 2018, President from 16 March 2020	16-Mar-17
Carey, Daniel	Council Member	16-Mar-17
Conroy, Jane	Vice President from 16 March 2019	16-Mar-19
Cooney, Gabriel	Council Member	16-Mar-19
Honohan, Patrick	Council Member	16-Mar-19
Mansergh, Martin	Council Member	16-Mar-19
McGuire, James	Council Member	16-Mar-18
O'Dowd, Mary	Secretary for Humanities from 16 March 2018	16-Mar-18
O'Halpin, Eunan	Council Member	16-Mar-16
Sheridan, Geraldine	Council Member	Co-opted in April 2019

The Council completed a self-assessment of Council Effectiveness and Evaluation Review in 2019.

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; Michael Peter Kennedy, Mary Canning, Stephen Gardiner, Patrick M. Shannon, Mary O'Dowd, Patrick Guiry, Peter McHugh, Tony Gaynor and Hugh Shiels. There were 4 meetings of the EC in 2019.
- 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; Cecil Keaveney (Chairperson, retired October 2019), Ray Mooney, John Murphy (Chairperson from October 2019), Orla Feely, Grace Dempsey (from November 2019) and Patrick M. Shannon. There were 4 meetings of the ARC in 2019.

GOVERNANCE STATEMENT AND COUNCIL MEMBERS' REPORT

Key Personnel Changes

Lesley Goulding was acting Executive Secretary from 20th August to 1st March 2019. Tony Gaynor was appointed Executive Secretary on 4th March 2019. There were six members appointed to Council on 16th March 2019. One Council member was co-opted in April 2019. On 16th March 2019 Jane Conroy and Anita Maguire were elected Vice-Presidents.

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		Number of employees	
From	To	2019	2018
€ 60,000	- € 69,999	2	4
€ 70,000	- € 79,999	4	3
€ 80,000	- € 89,999	8	6
€ 90,000 +		-	-

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.

	2019	2018
	€	€
Legal advice	1,779	14,197
Financial/actuarial advice	4,158	2,290
Other professional fees	5,907	6,029
Total consultancy costs	11,844	22,516
Consultancy costs capitalised	-	-
Consultancy costs charged to the Income and Expenditure	11,844	22,516
Total	11,844	22,516

GOVERNANCE STATEMENT AND COUNCIL MEMBERS' REPORT

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.

	2019	2018
	€	€
Legal fees - legal proceedings	10,795	-
Settlements	37,440	-
Total	48,235	-

Travel and Subsistence Expenditure

Travel and subsistence expenditure are categorised as follows:

	2019	2018
	€	€
Domestic		
- Council	2,270	3,425
- Employees	7,588	5,453
International		
- Council	1,768	4,300
- Employees	30,616	40,224
Total	42,242	53,402

Hospitality Expenditure

The Income and Expenditure Account includes the following hospitality expenditure:

	2019	2018
	€	€
Staff / Committee/ Client hospitality	27,189	25,985
Total	27,189	25,985

GOVERNANCE STATEMENT AND COUNCIL MEMBERS' REPORT

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.



PRESIDENT
Mary Canning



EXECUTIVE SECRETARY
Tony Gaynor

Date 18/12/2020

STATEMENT ON INTERNAL CONTROL

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,
- 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;
- 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,
- formal project management disciplines.

STATEMENT ON INTERNAL CONTROL

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 2019 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.

Annual Review of Controls

A formal review of the effectiveness of the system of internal controls was carried out for the year ended 31 December 2019. No significant breaches were discovered during the review.

Disclosure of Details Regarding Instances where Breaches in Control has Occurred

No weaknesses in internal control were identified in relation to 2019 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.

STATEMENT ON INTERNAL CONTROL

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 2019 was carried out by an external firm and signed off by the Council in 2020.

The Council is reasonably assured that the systems of Internal Control instituted and implemented in the Royal Irish Academy for the financial year ended 31st December 2019 are effective.



PRESIDENT
Mary Canning

Date 18/12/2020



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 2019 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 2019 and of its income and expenditure for the year then ended 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 20 pensions and to the recognition as at 31 December 2019 of an asset of €28 million in respect of deferred pension funding.

The recognition of the portion of the asset in respect of the Single Public Service Pension Scheme (estimated at less than €1 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 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.

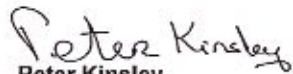
Report of the C&AG (continued)

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

22 December 2020

Appendix to the report

Responsibilities of Council members

The members are responsible for

- the preparation of 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.

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. I also 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.

STATEMENT OF INCOME AND EXPENDITURE

Year ended 31 December

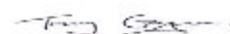
	Notes	2019 €	2018 €
INCOME			
Oireachtas grants	3(a)	3,431,500	3,221,500
Funding and other income	3(b)	2,373,242	2,171,734
Income released in the period	15	102,042	1,376,557
Deferred pension funding	20	731,000	584,000
		<u>6,637,784</u>	<u>7,353,791</u>
EXPENDITURE			
Staff costs	4	4,990,389	5,042,224
Accommodation and establishment	5	256,198	211,583
General administration	6	473,942	522,052
Publication costs	7	189,986	227,516
Conference and meeting expenses	8	94,806	199,342
Book purchases and international subscriptions	9	59,468	81,353
Grants and awards		158,305	169,719
Depreciation	10	33,622	32,478
		<u>6,256,716</u>	<u>6,486,267</u>
OPERATING SURPLUS FOR THE YEAR		381,068	867,524
Unrealised gains / (loss) on investments	11	491,898	(113,978)
Transfer from Capital Account	16	21,842	23,764
Transfer (to) / from Endowment Funds	17	(366,884)	11,606
Transfer from / (to) Restricted Reserves		23,293	(505,762)
SURPLUS FOR THE YEAR		<u>551,217</u>	<u>283,154</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 22 form part of these financial statements.



TREASURER
Stephen Gardiner



EXECUTIVE SECRETARY
Tony Gaynor

Date 18/12/2020

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December

	Notes	2019 €	2018 €
Surplus for the year		551,217	283,154
Experience gains / (losses) on pension scheme liabilities	20	744,000	(3,669,000)
Changes in Assumptions	20	(2,723,000)	1,157,000
Deficit after actuarial (losses) on pension liabilities		(1,427,783)	(2,228,846)
Adjustment to deferred pension funding asset	20	1,979,000	2,512,000
Other Comprehensive Income for the year		551,217	283,154

The Statement of Cash Flows and notes 1 to 22 form part of these financial statements.



TREASURER
Stephen Gardiner



EXECUTIVE SECRETARY
Tony Gaynor

Date 18/12/2020

STATEMENT OF CHANGES IN RESERVES AND CAPITAL ACCOUNT

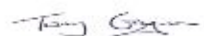
Year ended 31 December 2019

	Statement of Income & Expenditure	Capital account	Endowment funds	Restricted reserve	Total
	€	€	€	€	€
Balance at 1 January 2018	265,542	76,169	2,061,089	-	2,402,800
Operating Surplus for the year	867,524	-	-	-	867,524
Transfer to / (from) Capital account	23,764	(23,764)	-	-	-
Transfer to / (from) Endowment funds	11,606	-	(11,606)	-	-
Unrealised Gains on investments	(113,978)	-	-	-	(113,978)
Transfer to / (from) Restricted reserve	(505,762)	-	-	505,762	-
Balance at 31 December 2018	548,696	52,405	2,049,483	505,762	3,156,346
Operating Surplus for the year	381,068	-	-	-	381,068
Transfer to / (from) Capital account	21,842	(21,842)	-	-	-
Transfer (to) /from Endowment funds	(366,884)	-	366,884	-	-
Unrealised Gains on investments	491,898	-	-	-	491,898
Transfer from / (to) Restricted reserve	23,293	-	-	(23,293)	-
Balance at 31 December 2019	1,099,913	30,563	2,416,367	482,469	4,029,312

The Statement of Cash Flows and notes 1 to 22 form part of these financial statements.



TREASURER
Stephen Gardiner



EXECUTIVE SECRETARY
Tony Gaynor

Date 18/12/2020

STATEMENT OF FINANCIAL POSITION

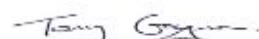
Year ended 31 December

	Notes	2019 €	2018 €
FIXED ASSETS			
Property, Plant & Equipment	10	30,563	52,405
Heritage assets	10	32,500	20,000
Funds and Projects Financial assets	11	4,374,788	3,812,175
		<u>4,437,851</u>	<u>3,884,580</u>
CURRENT ASSETS			
Inventory	12	184,136	167,194
Receivables	13	76,706	63,427
Cash at bank and in hand		1,290,619	1,398,292
		<u>1,551,461</u>	<u>1,628,913</u>
CURRENT LIABILITIES (amounts falling due within one year)			
Payables	14	(366,637)	(661,742)
Deferred income	15	(1,593,363)	(1,695,405)
		<u>(1,960,000)</u>	<u>(2,357,147)</u>
NET CURRENT LIABILITIES		(408,539)	(728,234)
TOTAL ASSETS LESS CURRENT LIABILITIES BEFORE PENSIONS			
		<u>4,029,312</u>	<u>3,156,346</u>
Deferred pension funding asset	20	28,356,000	23,375,000
Funded Scheme Assets	20	-	2,019,000
Pension Liabilities	20	(28,356,000)	(25,394,000)
NET ASSETS		<u>4,029,312</u>	<u>3,156,346</u>
FINANCED BY:			
Capital account	16	30,563	52,405
Endowment funds - Expendable	17	2,383,867	2,029,483
Endowment funds - Permanent	17	32,500	20,000
Restricted Reserve		482,469	505,762
Retained Revenue Reserve		1,099,913	548,696
		<u>4,029,312</u>	<u>3,156,346</u>

The Statement of Cash Flows and notes 1 to 22 form part of these financial statements.



TREASURER
Stephen Gardiner



EXECUTIVE SECRETARY
Tony Gaynor

Date 18/12/2020

STATEMENT OF CASH FLOWS

Year ended 31 December

	Notes	2019 €	2018 €
Reconciliation of operating surplus to net cash (outflow) from operating activities			
Operating Surplus for the year		381,068	867,524
Depreciation	10	33,622	32,478
Interest earned	3(b)	(39,463)	(18,241)
Gain on investment transactions	3(b)	(115,751)	(21,063)
(Increase) / Decrease in Inventory	12	(16,942)	45,002
(Increase) in Receivables	13	(13,279)	(19,450)
(Decrease) / Increase in Payables	14	(295,105)	415,695
(Decrease) in Deferred Income	15	(102,042)	(1,629,265)
Net cash (outflow) from Operating Activities		(167,892)	(327,320)
STATEMENT OF CASHFLOWS			
Net cashflow from Operating Activities		(167,892)	(327,320)
Cashflows from investing activities			
Payments to acquire property, plant and equipment	10	(11,780)	(8,714)
Payments to acquire heritage assets	10	(12,500)	-
Reinvestment in financial assets	11	45,036	(518,245)
Cashflows from financing activities			
Bank interest	3(b)	39,463	18,241
(Decrease) in cash and cash equivalents		(107,673)	(836,038)
Cash and cash equivalents at the beginning of the year		1,398,292	2,234,330
Cash and cash equivalents at the end of the year		1,290,619	1,398,292

Notes 1 to 22 form part of these Financial Statements.



TREASURER
Stephen Gardiner



EXECUTIVE SECRETARY
Tony Gaynor

Date 18/12/2020

NOTES TO THE FINANCIAL STATEMENTS

I. GENERAL INFORMATION AND ACCOUNTING POLICIES

The Royal Irish Academy was established on 28th 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.

NOTES TO THE FINANCIAL STATEMENTS

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 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 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.

D) 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.

NOTES TO THE FINANCIAL STATEMENTS

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 BENEFITSShort-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 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 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.

NOTES TO THE FINANCIAL STATEMENTS

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.

NOTES TO THE FINANCIAL STATEMENTS

u) TAXATION

As a registered charity, the Royal Irish Academy has been granted charitable exemption by the Revenue Commissioner under reference CI1Y 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 ongoing 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

3(a). OIREACHTAS GRANTS	2019	2018
	€	€
Higher Education Authority - Vote 26: Subhead C.4.	3,431,500	3,221,500
	<u>3,431,500</u>	<u>3,221,500</u>
3(b). OTHER INCOME	2019	2018
	€	€
Room rental	89,068	69,588
Grants and awards	9,001	5,209
Members subscriptions and entrance fees	70,309	71,550
Sale of Academy publications	272,199	259,316
Gain on investment transactions	115,751	21,063
Interest on investments	39,463	18,241
Funding and registration fees	1,777,451	1,726,767
3(c)	<u>1,777,451</u>	<u>1,726,767</u>
	<u>2,373,242</u>	<u>2,171,734</u>

NOTES TO THE FINANCIAL STATEMENTS

3(c). FUNDING AND REGISTRATION FEES

Purpose of grant	Funding Body	Grant Awarded / Claimed in 2019	Deferred income released in 2019	Grant awarded not drawn in 2019	Grant Received in 2019
Maths Olympiad	Department of Education & Skills	9,647	0	(0)	9,647
Researcher Mobility Work	Department of Education & Skills	100,000	0	(0)	100,000
Organisational Review	Higher Education Authority	25,000	0	(0)	25,000
Sponsorship of Hamilton Day	IBEC	15,000	0	(0)	15,000
Irish Historic Atlas Research	Dublin City Council	10,000	0	(0)	10,000
Irish Historic Atlas Dublin Suburbs Phase	Dublin City Council	10,000	0	(0)	10,000
Research Innovation Awards	American Chamber	25,000	0	(0)	25,000
Academic Discourse Programme	Mason Hayes & Curran	30,000	0	(0)	30,000
Corporate Friend	Abbot Ireland	7,500	0	(0)	7,500
Disbursement of Grants - Archaeology	Department of Culture, Heritage & The Gaeltacht	92,232	0	(0)	92,232
Research and publication of Foclóir Nus Gaeilge	Department of Arts, Heritage and the Gaeltacht	157,448	0	(0)	157,448
Disbursement of Gold Medal Grants	Higher Education Authority	31,800	0	(0)	31,800
Disbursement of Grants	Department of Culture, Heritage & The Gaeltacht	12,350	0	(0)	12,350
Programme for Research in Third-Level Institutions PRTLJ 5 (Digital Repository Ireland)	Irish Research Council	300,000	0	(0)	300,000
Programme for Research in Third-Level Institutions PRTLJ 5 (Digital Repository Ireland)	National University of Ireland Galway	58,484	0	(0)	58,484
Programme for Research in Third-Level Institutions PRTLJ 5 (Digital Repository Ireland)		300,000	0	(0)	300,000
Irish Humanities Alliance	Various Bodies	77,000	0	(0)	77,000
Disbursement of Grants	R J Hunter Bursary	43,061	0	(0)	43,061
Disbursement of Grants	Hunter Fellowship	6,255	0	(0)	6,255
Digital Repository of Ireland Membership	Various Bodies	31,138	0	(0)	31,138
Sponsorship of Publication Brokering The Good Friday Agreement	Department of Foreign Affairs & Trade, Reconciliation Fund	13,000	0	(0)	13,000
Sponsorship of RDA3	National Library	10,875	0	(0)	10,875
Research & Publication of documents in Irish Foreign Policy	Department of Foreign Affairs & Trade	224,279	0	(0)	224,279
Grangegorman Histories Project	Grangegorman Development Agency	25,000	0	(0)	25,000
Grangegorman Histories Publication: Inside the Asylum	Grangegorman Development Agency	15,000	0	(0)	15,000
Other Activities	Various Bodies	147,382	0	(0)	147,382
		1,777,451	0	0	1,777,451

NOTES TO THE FINANCIAL STATEMENTS

4. STAFF COSTS	Income & Expenditure 2019 €	Funds & Projects 2019 €	Total 2019 €	Total 2018 €
(a) Analysis of Staff Costs:				
Wages and salaries	2,009,528	1,741,180	3,750,708	3,714,323
Social welfare costs	178,668	156,013	334,681	347,901
Pension costs	905,000	-	905,000	980,000
	3,093,196	1,897,193	4,990,389	5,042,224
Full Time			50	50
Part Time			24	27
(b) Employee benefits breakdown is disclosed in the Governance Statement and Council Members' Report.				
(c) Termination Benefits				
			2019	2018
			€	€
Termination benefits charges to the Statement of Income and Expenditure			37,440	-
The termination benefits above relate to settlements with 1 staff member. Legal costs of €10,795 were also incurred in relation to concluding the termination agreement.				
(d) The Executive Secretary's Salary				
			2019	2018
			€	€
Executive Secretary			86,047	64,234
Acting Executive Secretary			17,831	15,289

Government guidelines on the payment of director's fees have been implemented. There were no fees paid in 2019 to individual council members.

The total paid for travel & subsistence expenses claimed by council members in 2019 was €4,038 (2018: €7,725).

Six Council meetings and four Executive Committee meetings were held during 2019.

The all-in cost of the Executive Secretary'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 Secretary 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
	2019	2019	2019	2018
	€	€	€	€
Light and heat	33,097	3,139	36,236	37,685
Insurance	20,089	-	20,089	9,100
Furniture and household	37,426	39,407	76,833	84,044
Rent (Note 18)	118,153	4,887	123,040	80,754
	208,765	47,433	256,198	211,583

6. GENERAL ADMINISTRATION EXPENSES	Income & Expenditure	Funds & Projects	Total	Total
	2019	2019	2019	2018
	€	€	€	€
Postage and telephone	41,796	2,231	44,027	40,301
Advertising	10,029	360	10,389	10,365
Stationery and office	18,696	(1,311)	17,385	24,925
Administration printing	8,935	14,940	23,875	11,851
General purpose account and funds and projects miscellaneous	17,302	82,772	100,074	137,148
Professional fees	19,713	-	19,713	30,517
- Legal fees				
- Accountancy, internal audit and other financial advice	27,116	-	27,116	26,910
- Professional fees including HR and pension advice	44,961	-	44,961	48,440
- Contributors fees	-	4,710	4,710	10,000
Audit fees	28,100	-	28,100	15,000
Bank interest and fees	4,859	-	4,859	4,500
Information technology	89,538	24,059	113,597	111,255
HR, Training and Development	31,524	3,612	35,136	50,840
	342,569	131,373	473,942	522,052

7. PUBLICATION COSTS	Income & Expenditure	Funds & Projects	Total	Total
	2019	2019	2019	2018
	€	€	€	€
Proceedings	42,581	-	42,581	24,603
Publications	91,117	47,540	138,657	201,571
General conservation costs	3,730	5,018	8,748	1,342
	137,428	52,558	189,986	227,516

NOTES TO THE FINANCIAL STATEMENTS

8. CONFERENCE AND MEETING EXPENSES	Income & Expenditure	Funds & Projects	Total	Total
	2019	2019	2019	2018
	€	€	€	€
Conference expenses	-	27,690	27,690	46,917
Travel expenses	14,119	52,997	67,116	152,425
	14,119	80,687	94,806	199,342

9. BOOK PURCHASES AND SUBSCRIPTIONS	Income & Expenditure	Funds & Projects	Total	Total
	2019	2019	2019	2018
	€	€	€	€
Library books and periodicals	29,675	(148)	29,527	36,409
Subscriptions to international organisations	29,941	-	29,941	44,944
	59,616	(148)	59,468	81,353

NOTES TO THE FINANCIAL STATEMENTS

10. PROPERTY, PLANT, AND EQUIPMENT

2019	Computer Equipment	Fixtures & Fittings	Equipment	Total
Cost	€	€	€	€
At 1 January 2019	324,755	124,189	114,853	563,797
Additions	9,116	-	2,664	11,780
Disposals	-	-	-	-
At 31 December 2019	<u>333,871</u>	<u>124,189</u>	<u>117,517</u>	<u>575,577</u>
Accumulated Depreciation				
At 1 January 2019	283,011	123,251	105,130	511,392
Charge for the year	27,759	385	5,478	33,622
Eliminated on Disposals	-	-	-	-
At 31 December 2019	<u>310,770</u>	<u>123,636</u>	<u>110,608</u>	<u>545,014</u>
Net Book Amounts				
At 31 December 2018	41,744	938	9,723	52,405
At 31 December 2019	<u>23,101</u>	<u>553</u>	<u>6,909</u>	<u>30,563</u>

	2019	2018
Depreciation charged as follows:	€	€
Income and expenditure account	25,863	28,427
Funds and projects account	7,759	4,051
	<u>33,622</u>	<u>32,478</u>

2018	Computer Equipment	Fixtures & Fittings	Equipment	Total
Cost	€	€	€	€
At 1 January 2018	326,484	124,189	111,304	561,977
Additions	5,165	-	3,549	8,714
Disposals	(6,894)	-	-	(6,894)
At 31 December 2018	<u>324,755</u>	<u>124,189</u>	<u>114,853</u>	<u>563,797</u>
Accumulated Depreciation				
At 1 January 2018	263,636	122,866	99,306	485,808
Charge for the year	26,269	385	5,824	32,478
Eliminated on Disposals	(6,894)	-	-	(6,894)
At 31 December 2018	<u>283,011</u>	<u>123,251</u>	<u>105,130</u>	<u>511,392</u>
At 31 December 2018	41,744	938	9,723	52,405

NOTES TO THE FINANCIAL STATEMENTS

10. 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 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 eight years (2018-2011), are disclosed in the table below.

	2011	2012	2013	2014	2015	2016	2017	2018	2019
	€	€	€	€	€	€	€	€	€
Heritage Assets Purchased	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	12,500
Heritage Asset Donations	Nil	Nil	Nil	25,000	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).

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 18th and 19th centuries by donation, bequest or purchase.

In 2009, a 19th-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

11. FUNDS AND PROJECTS FINANCIAL ASSETS

	Opening Cost 1 st Jan 2019	Additions	Disposals	Closing Cost 31 st Dec 2019	Recovery / (Diminution) in value of Financial Assets: prior to 2019	Recovery / (Diminution) in value of Financial Assets: During 2019	Market value at 31 st Dec 2019
	€	€	€	€	€	€	€
Investment Portfolio	1,718,813	39,262	-	1,758,075	308,280	315,122	2,381,477
DAVY No 1 account	944,032	41,038	-	985,070	85,985	39,505	1,110,560
Community Foundation Ireland	264,740	(21,265)	-	243,475	14,661	51,558	309,694
2.5% Consolidated Stock	2,156	-	-	2,156	-	-	2,156
Prize Bonds	235	-	-	235	-	-	235
Sarasín Capital Account	505,643	11,738	(58)	517,323	(32,370)	85,713	570,666
	3,435,619	70,773	(58)	3,506,334	376,556	491,898	4,374,788

12. INVENTORY

	2019	2018
	€	€
Books and journals for resale	184,136	167,194

13. RECEIVABLES (amounts falling due within one year)

	2019	2018
	€	€
Receivables	25,605	9,226
Prepayments and accrued income	51,101	46,906
Value added tax	-	7,295
	76,706	63,427

14. PAYABLES (amounts falling due within one year)

	2019	2018
	€	€
Payables and accruals	130,679	185,529
Taxation	107,879	102,570
Funding ringfenced for pensions	128,079	373,643
	366,637	661,742

NOTES TO THE FINANCIAL STATEMENTS

15. DEFERRED INCOME	2019	2018
	€	€
Balance at 1 January	1,695,405	3,324,670
Allocations from state grants	672,512	722,407
Funding and other receipts	1,880,903	1,763,146
Project expenditure	(2,380,097)	(2,858,150)
Other release in the period	(275,360)	(1,003,960)
Income (released) in the period	(102,042)	(1,376,557)
Funding ringfenced for pension payments	-	(252,708)
Balance as at 31 December	1,593,363	1,695,405
16. CAPITAL ACCOUNT	2019	2018
	€	€
Opening balance	52,405	76,169
Amounts allocated for fixed asset acquisition	11,780	8,714
Amortisation in line with asset depreciation	(33,622)	(32,478)
Loss on disposal of fixed assets	-	-
Transfer to retained revenue reserves	(21,842)	(23,764)
Closing balance	30,563	52,405
17. ENDOWMENT FUNDS	2019	2018
	€	€
Balance at 1 January	2,049,483	2,061,089
Additions	51,762	12,135
Disposals	-	-
(Diminution) / Recovery in value of financial assets	315,122	(23,741)
Additions in the period	366,884	(11,606)
Balance as at 31 December	2,416,367	2,049,483
Represented by:	2019	2018
	€	€
Heritage assets	32,500	20,000
Funds and projects financial assets	2,383,867	2,029,483
	2,416,367	2,049,483

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

18. 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 31 Dec 2019	As at 31 Dec 2018 (restated)
	€	€
Future minimum lease payments under non-cancellable operating leases		
Payable within one year	49,500	54,310
Payable within two to five years	198,000	198,000
Payable after five years	284,625	334,125
	<u>532,125</u>	<u>586,435</u>

19. RELATED PARTY TRANSACTIONS

There were no related party transactions in the period ended 31 December 2019.

Key management personnel in the Royal Irish Academy consist of the Executive Secretary, senior management and members of the Council. Total compensation paid to key management personnel, including council members' expenses, amounted to €417,613 (2018: €386,249).

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.

NOTES TO THE FINANCIAL STATEMENTS

20. 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 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 will be required to make a contribution of €150,000 over 5 years and the first payment will be due once the exchequer begins to meet the pension liability. 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 65th 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 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

20. 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 31st December 2019. 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 31.12.19	At 31.12.18
Discount rate	1.3%	2.0%
Salary Increases	2.25%	2.5%
Pension Increases	2.0%	2.25%
Inflation Increases	1.50%	1.75%

There are no assets and expected rate of return as of 31 December 2019 as the pre-1994 funded scheme has been wound up.

	Market Value 2019	Market Value 2018
Equities	-	-
Bonds	-	-
Properties	-	-
Cash	-	2,019,000
Total	-	2,019,000
Present value of scheme liabilities	<u>(28,356,000)</u>	<u>(25,394,000)</u>

NOTES TO THE FINANCIAL STATEMENTS

20. PENSIONS (*continued*)

(c) Net Deferred Funding for Pensions in Year

	2019	2018
	€	€
Funding recoverable in respect of current year pension costs	1,157,000	1,140,000
State Grant Applied to pay Pensioners (Unfunded Scheme)	(426,000)	(528,000)
Pension Contributions (Funded Scheme)	-	(28,000)
	<u>731,000</u>	<u>584,000</u>

(d) Analysis of total pension costs charged to expenditure

	2019	2018
	€	€
Service Charge	654,000	742,000
Interest on Pension Scheme Liabilities (Net Return)	503,000	398,000
Employees Contributions (Unfunded Scheme)	(252,000)	(160,000)
	<u>905,000</u>	<u>980,000</u>

(e) Analysis of amount recognised in Other Comprehensive Income

	2019	2018
	€	€
Experience Gains / (Loss)	744,000	(3,669,000)
Changes in assumptions	(2,723,000)	1,157,000
Actuarial Loss recognised	<u>(1,979,000)</u>	<u>(2,512,000)</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 December 2019 amounted to €28,356,000 (2018: €23,375,000).

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 December 2019.

NOTES TO THE FINANCIAL STATEMENTS

20. PENSIONS (continued)**(g) Movement in Net Pension Liability during the financial year**

	2019	2018
	€	€
Retirement benefit obligation at 1 January	23,375,000	19,978,000
Current service cost	654,000	742,000
Employees Contributions (Unfunded Scheme)	252,000	160,000
Payments from Unfunded Scheme	(426,000)	(528,000)
Other Finance Income	503,000	398,000
Movement on Funded assets	2,019,000	113,000
Actuarial Loss	1,979,000	2,512,000
Retirement benefit obligation at 31 December	28,356,000	23,375,000

(h) History of experience gains and losses

	2019	2018
	€	€
Experience Gains on scheme liabilities Amount	744,000	(3,669,000)
Percentage of the present value of the scheme liabilities	2.6%	(14.40%)
Total amount recognised in Other Comprehensive Income Amount	(1,937,000)	(2,512,000)
Percentage of the present value of the scheme liabilities	(6.8%)	(9.90%)

21. CAPITAL COMMITMENTS

There were no capital commitments at 31 December 2019.

22. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved on 22/6/2020.