

**ROYAL IRISH ACADEMY**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2008**

REPORT AND FINANCIAL STATEMENTS 2008

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STATEMENT OF ACADEMY RESPONSIBILITIES

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The Academy is required to prepare financial statements for each financial year which give a true and fair view of its state of affairs and of its income and expenditure for that year. In preparing those financial statements, the Academy is required to

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

The Academy is responsible for keeping proper books of account which disclose at any time its financial position with reasonable accuracy. It is also responsible for safeguarding its assets and hence for taking reasonable steps for the detection of fraud and other irregularities.

  
MEMBER OF COUNCIL

  
EXECUTIVE SECRETARY

REPORT AND FINANCIAL STATEMENTS 2008

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**STATEMENT OF INTERNAL FINANCIAL CONTROLS**

**Responsibility for system of Internal Financial Control**

On behalf of the Council of the Royal Irish Academy, I acknowledge our responsibility for ensuring that an effective system of internal financial 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 system of internal financial 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 by the Council 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.

The Council's monitoring and review of the effectiveness of the system of internal financial control is informed by the Audit 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.

REPORT AND FINANCIAL STATEMENTS 2008

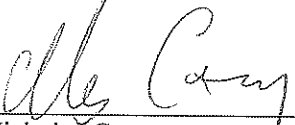
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STATEMENT OF INTERNAL FINANCIAL CONTROLS

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 financial controls was not carried out in the year ended 31 December 2008.

  
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Nicholas Canny  
President, Royal Irish Academy

21<sup>st</sup> December 2009  
Date

## **ROYAL IRISH ACADEMY**

### **Report of the Comptroller and Auditor General for presentation to the Houses of the Oireachtas**

I have audited the financial statements of the Royal Irish Academy for the year ended 31 December 2008 under the Comptroller and Auditor General (Amendment) Act, 1993.

The financial statements, which have been prepared under the accounting policies set out therein, comprise the Accounting Policies, the Income and Expenditure Account, the Funds and Projects Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes.

#### **Respective Responsibilities of the Members of the Council of the Academy and the Comptroller and Auditor General**

The Academy is responsible for preparing the financial statements, and for ensuring the regularity of transactions. The Academy prepares the financial statements in accordance with Generally Accepted Accounting Practice in Ireland. The accounting responsibilities of the Members of the Council of the Academy are set out in the Statement of Academy Responsibilities.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report my opinion as to whether the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland. I also report whether, in my opinion, proper books of account have been kept. In addition, I state whether the financial statements are in agreement with the books of account.

I report any material instance where moneys have not been applied for the purposes intended or where the transactions do not conform to the authorities governing them.

I also report if I have not obtained all the information and explanations necessary for the purposes of my audit.

I review whether the Statement on Internal Financial Control reflects the Academy's compliance with the Code of Practice for the Governance of State Bodies and report any material instance where it does not do so, or if the statement is misleading or inconsistent with other information of which I am aware from my audit of the financial statements. I am not required to consider whether the Statement on Internal Financial Control covers all financial risks and controls, or to form an opinion on the effectiveness of the risk and control procedures.

#### **Basis of Audit Opinion**

In the exercise of my function as Comptroller and Auditor General, I conducted my audit of the financial statements in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board and by reference to the special considerations which attach to State bodies in relation to their management and operation. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures and regularity of the financial

transactions included in the financial statements. It also includes an assessment of the significant estimates and judgments made in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Academy's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations that I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion, I also evaluated the overall adequacy of the presentation of information in the financial statements.

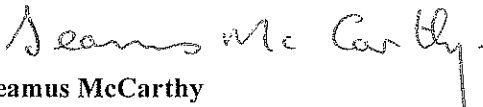
***Other Matter***

Without qualifying my opinion which is set out below, I draw attention to the Statement on Internal Financial Control which discloses that the Academy failed to conduct a review of the effectiveness of internal financial controls for the year.

**Opinion**

In my opinion, the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the Academy's affairs at 31 December 2008 and of its income and expenditure for the year then ended.

In my opinion, proper books of account have been kept by the Royal Irish Academy. The financial statements are in agreement with the books of account.



**Seamus McCarthy**  
**For and on behalf of the**  
**Comptroller and Auditor General**

**23 December 2009**

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**ACCOUNTING POLICIES**

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The significant accounting policies adopted by the Academy are as follows:

**1. BASIS OF ACCOUNTING**

The financial statements have been prepared under the accruals 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.

**2. OIREACHTAS GRANTS**

Income shown as Oireachtas Grant of €3,907,723 (2007: €3,672,000) is accounted for on a cash receipts basis and is paid over by the Higher Education Authority.

**3. TANGIBLE FIXED ASSETS AND DEPRECIATION**

The Academy adopts a minimum capitalisation threshold of €1,000. Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is calculated in order to write off the cost of tangible fixed assets over their estimated useful lives by equal annual instalments. The estimated useful lives of tangible fixed assets 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.

**4. CAPITAL ACCOUNT**

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



**ACCOUNTING POLICIES**

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**5. FUNDS AND PROJECTS ACCOUNT**

The Funds and Projects account records transactions on funds and projects established as a result of the receipt of donations or bequests or by decision of the Academy. It also records allocations from the Academy. They are accounted for on an accruals basis. The income for the Funds and Projects accounts is held on deposit or other investment until it is utilised.

**6. FINANCIAL ASSETS**

Financial Assets are stated at cost less any provision for permanent diminution in value. A permanent diminution in value took place in 2008.

**7. STOCKS**

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

**8. 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 the recommendations of a qualified independent actuary.

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 recognized 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 Recognised Gains and Losses for the year in which they occur and a corresponding adjustment is recognized 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.

ACCOUNTING POLICIES

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**9. 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.

**10. INCOME & EXPENDITURE ACCOUNTS**

The financial statements of the Academy include two separate Income & Expenditure Accounts. The first records transactions relating to the core activities of the organisation; i.e. the Library, Academy Publications, and International Unions, together with the costs of the overall administration of the Academy. The second relates to all other special projects and trust funds. Income and expenditure has been allocated on this basis.

## INCOME AND EXPENDITURE ACCOUNT

year ended 31 December

	Notes	2008 €	2007 €
<b>INCOME</b>			
Oireachtas grants		3,907,723	3,672,000
Other income	2	519,191	282,517
Deferred Pension Funding	16	1,266,000	1,205,187
		<u>5,692,914</u>	<u>5,159,704</u>
Less, amount allocated to Funds and Projects Account	1(a)	(931,430)	(867,353)
Transfer (to)/from Capital Account	13	(11,780)	47,666
		<u>4,749,704</u>	<u>4,340,017</u>
<b>EXPENDITURE</b>			
Staff costs	3	3,741,939	3,469,660
Accommodation and establishment	4	87,927	71,970
General administration	5	447,302	396,110
Publication costs	6	307,913	274,876
Conference and meeting expenses	7	21,612	15,242
Book purchases and international subscriptions	8	68,649	67,316
Depreciation	9	61,477	68,210
		<u>4,736,819</u>	<u>4,363,384</u>
OPERATING (DEFICIT)/SURPLUS		12,885	(23,367)
BALANCE AT 1 JANUARY		<u>375,585</u>	<u>398,952</u>
BALANCE AT 31 DECEMBER		<u>388,470</u>	<u>375,585</u>

The Statement of Accounting Policies, Cashflow and Notes 1 to 17 form part of these Financial Statements.

  
MEMBER OF COUNCIL

  
EXECUTIVE SECRETARY

21st December 2009  
Date

## FUNDS AND PROJECTS ACCOUNT

year ended 31 December

	Notes	2008 €	2007 €
<b>INCOME</b>			
Allocation from the Academy	1 (a)	931,430	867,353
Other income	1 (b)	2,778,206	2,088,182
		<u>3,709,636</u>	<u>2,955,535</u>
<b>EXPENDITURE</b>			
Staff costs	3	1,982,798	1,650,914
Accommodation and establishment	4	179,057	148,130
General administration	5	351,897	233,250
Publication costs	6	103,597	75,863
Grants and awards		361,292	529,508
Conference and meeting expenses	7	215,009	135,024
Book purchases and international subscriptions	8	3,622	2,467
Depreciation	9	19,197	21,485
		<u>3,216,469</u>	<u>2,796,641</u>
MOVEMENT IN YEAR		493,167	158,892
DIMINUTION IN VALUE OF FINANCIAL ASSETS	10	(283,865)	0
BALANCE AT 1 JANUARY		<u>3,196,178</u>	<u>3,037,286</u>
BALANCE AT 31 DECEMBER		<u>3,405,480</u>	<u>3,196,178</u>

The Statement of Accounting Policies, Cashflow and Notes 1 to 17 form part of these Financial Statements.

John Bewley  
MEMBER OF COUNCIL

Patrick Buckley  
EXECUTIVE SECRETARY

21st December 2009  
Date

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

year ended 31 December

	Notes	2008 €	2007 €
(Deficit)/Surplus for the year		12,885	(23,367)
Actual return less expected return on scheme assets	16	(530,000)	160,000
Experience gain / (loss) on pension scheme liabilities	16	(204,000)	545,000
Changes in Assumptions	16	0	0
Actuarial gain / (loss) recognised in STRGL		(734,000)	705,000
Adjustment to Deferred Pension Funding		734,000	(705,000)
Total Recognised Gain/(Loss) for the year		<u>12,885</u>	<u>(23,367)</u>

  
MEMBER OF COUNCIL

21st December 2009  
Date

  
EXECUTIVE SECRETARY

The Statement of Accounting Policies, Cashflow and Notes 1 to 17 form part of these Financial Statements.

## BALANCE SHEET

As at 31 December

	Notes	2008 €	2007 €
<b>FIXED ASSETS</b>			
Tangible assets	9	128,516	116,739
Funds and Projects Financial assets	10	892,438	1,161,880
		<u>1,020,954</u>	<u>1,278,619</u>
<b>CURRENT ASSETS</b>			
Stocks		314,874	312,383
Debtors	11	87,872	68,210
Cash at bank and in hand		2,659,963	2,152,012
		<u>3,062,709</u>	<u>2,532,605</u>
<b>CREDITORS (amounts falling due within one year)</b>	12	<u>(161,197)</u>	<u>(122,724)</u>
<b>NET CURRENT ASSETS</b>		<u>2,901,512</u>	<u>2,409,881</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES BEFORE PENSIONS</b>		<u>3,922,466</u>	<u>3,688,499</u>
Deferred pension funding	16	12,300,000	10,300,000
Pension Liabilities	16	(12,300,000)	(10,300,000)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>3,922,466</u>	<u>3,688,499</u>
<b>FINANCED BY:</b>			
Funds and Projects Accounts	1	3,405,480	3,196,178
Capital account	13	128,516	116,736
Income and expenditure account		388,470	375,585
		<u>3,922,466</u>	<u>3,688,499</u>

The Statement of Accounting Policies, Cashflow and Notes 1 to 17 form part of these Financial Statements.

  
MEMBER OF COUNCIL

21st December 2009  
Date

  
EXECUTIVE SECRETARY

## CASHFLOW STATEMENT

As at 31 December

	Notes	2008 €	2007 €
<b>Reconciliation of operating surplus to net cash inflow / (outflow) from operating activities</b>			
Operating surplus for the year		222,187	135,525
Depreciation	9	80,674	89,695
Capital Account Transfer	13	11,780	(47,666)
Interest earned	1 (b) & 2	(97,632)	(77,632)
(Gain) / Loss on sale of fixed assets	9	620	-
(Gain) / Loss on investment transactions	1a	16,723	(142,561)
(Increase) / Decrease in value of financial assets	10	283,866	-
(Increase) / Decrease in stock		(2,491)	(6,220)
(Increase) / Decrease in debtors	11	(19,662)	53,102
(Increase) / Decrease in creditors	12	38,474	(23,819)
<b>Net cashflow from operating activities</b>		<b>534,539</b>	<b>(19,576)</b>

## CASHFLOW STATEMENT

Net cashflow from operating activities 534,539 (19,576)

## Returns on investment and servicing of finance

Interest received 1(b) &amp; 2 97,632 77,632

## Capital expenditure and financial investment

Payments to acquire tangible fixed assets 9 (93,072) (42,028)  
 Reinvestment in financial assets 10 (31,148) (32,090)

## Increase in cash

507,951 (16,062)

## RECONCILIATION OF NET CASHFLOW TO

Net funds at 31 December 2007 2,152,012 2,168,074  
 Net funds at 31 December 2008 2,659,963 2,152,012

## Increase in cash

507,951 (16,062)

The Statement of Accounting Policies, Cashflow and Notes 1 to 17 form part of these Financial Statements.



MEMBER OF COUNCIL



EXECUTIVE SECRETARY

21st December 2009

Date

## REPORT AND FINANCIAL STATEMENTS 2008

## NOTES TO THE FINANCIAL STATEMENTS

## 1. FUNDS AND PROJECTS ACCOUNTS

(a) Fund or Project Account	Opening Balance €	Other Receipts €	Inter-Fund Transfers €	Allocations from State Grants €	Diminution €	Project Expenditure €	Closing Balance €
Foclóir na Nua Ghaeilge	16,310	31,680	0	261,043	0	(261,043)	47,990
Roger Casement	(321)	0	321	0	0	0	0
Celtic Latin	0	0	0	115,991	0	(115,991)	0
Hamilton Account	59,748	1,447	0	0	(15,342)	0	45,853
Chemistry Symposium Fund	3,793	111	78	0	(1,181)	0	2,801
International Geosphere - Biosphere Prog	33,744	0	0	0	0	(9,923)	23,821
Eoin O'Mahony Bursary Account	28,992	1,141	0	0	(9,457)	0	20,676
Archaeological Research Account	(11,523)	0	20,000	0	0	(9,127)	(650)
Study of International Affairs	10,586	2,897	4,680	(1,000)	0	(14,890)	2,273
Seminars Account	62,377	186,306	9,000	(3,300)	0	(108,623)	145,761
Bicentennial Fellowship A/c	310	0	0	0	0	0	310
A New History of Ireland Account	24,618	3,876	0	0	0	0	28,494
Dictionary of Irish Biography Account	134,980	5,021	0	0	(41,685)	0	98,316
Atlas of Historic Irish Towns - Research	(20,599)	31,507	0	0	0	(1,383)	9,524
T.S.R.P.	80,920	0	0	0	0	(21,804)	59,116
FAS Account	0	0	0	0	0	0	0
Chemistry Essay	(270)	0	0	0	0	(1,291)	(1,561)
Bioethics Council Fund	74,821	437,286	0	(22,773)	0	(480,051)	9,283
DEPPA Fund	83,696	82,000	(13,680)	(5,098)	0	(38,888)	108,030
Balance c/fwd	582,182	783,271	20,399	344,863	(67,665)	(1,063,012)	600,038



## REPORT AND FINANCIAL STATEMENTS 2008

## NOTES TO THE FINANCIAL STATEMENTS

## 1. FUNDS AND PROJECT ACCOUNTS (CONT'D)

(a) Fund or Project Account	Opening Balance €	Other Receipts €	Inter Fund Transfers €	Allocation from State Grants €	Diminution €	Project Expenditure €	Closing Balance €
Balance b/fwd	582,182	783,271	20,399	344,863	(67,665)	(1,063,012)	600,038
Clare Island Study Account	10,105	293	0	0	(2,419)	(166)	7,813
Clare Island Publications	639	5,500	0	0	0	(3,499)	2,640
Economic and Social Sciences Account	2,685	0	0	0	0	0	2,685
Sailors and Soldiers Trust Fund	47,877	0	0	0	0	0	47,877
Thesaurus Linguarum Hiberniae	10,463	0	0	0	0	0	10,463
Armstrong Fund	1,554	46	0	0	(489)	0	1,111
Cunningham Fund	6,303	19,778	0	0	(2,235)	(10,846)	13,000
Curtis Fund	13,961	414	0	0	(4,392)	0	9,983
D'Alton Fund	80,867	2,687	0	0	(22,314)	0	61,240
Geological Illustration Fund	1,633	48	0	0	(513)	0	1,168
Higgins Fund	34,798	1,041	0	0	(8,635)	0	27,204
Larmor Fund	1,191	35	0	0	(375)	0	851
Praeger Fund	46,594	1,895	0	0	(15,721)	0	32,768
Praeger Special Fund	6,349	260	0	0	(2,159)	0	4,450
Purser Fund	5,856	174	0	0	(1,842)	0	4,188
Smythe Fund	11,281	329	0	0	(2,726)	0	8,884
Todd Fund	4,749	54	0	0	0	0	4,803
Ussher Fund	2,123	63	0	0	(520)	0	1,666
Wheeler Fund	2,960	88	0	0	(931)	0	2,117
Mangan Bequest Fund	77,082	2,643	0	0	(21,936)	0	57,789
Balance c/fwd	951,252	818,620	20,399	344,863	(154,872)	(1,077,523)	902,738

## NOTES TO THE FINANCIAL STATEMENTS

## ROYAL IRISH ACADEMY

## REPORT AND FINANCIAL STATEMENTS 2008

## I. FUNDS AND PROJECT ACCOUNTS (CONT'D)

(a)	Fund or Project Account	Opening Balance €	Other Receipts €	Inter Fund Transfers €	Allocation from State Grants €	Diminution €	Project Expenditure €	Closing Balance €
	Balance b/fwd	951,252	818,620	20,399	344,863	(154,872)	(1,077,523)	902,738
	John Jackson Fund	10,470	249	0	0	(2,072)	0	8,647
	Microbiology Award Account	5,845	182	0	0	(1,505)	0	4,522
	McNeill Bequest Fund	52,076	1,372	0	0	(11,390)	0	42,058
	David Greene Irish Studies Account	16,072	477	0	0	(5,055)	0	11,493
	Publication Reserve Account	240,795	17,699	(33,426)	0	0	(42,800)	182,268
	Library Capital Account	105,335	21,600	0	0	0	(25,702)	101,233
	Social Science Research Council	18,645	1,076	2,538	0	(8,928)	(95)	13,235
	Research Trust Capital Account	482,735	(7,654)	9,223	0	(93,603)	0	390,701
	Research Trust Income Account	8,319	(904)	(9,223)	0	0	0	(1,808)
	General Purposes Capital Account	25,083	776	0	0	(6,440)	0	19,419
	OPW Housekeeping Account	5,705	0	0	0	0	(23,808)	(18,103)
	Documents in Irish Foreign Policy Acc	3,734	320,082	13,026	0	0	(189,801)	147,041
	CD Publications Account	23,370	0	0	0	0	0	23,370
	Contingency Fund	5,079	0	0	0	0	0	5,079
	Library Cataloguing Fund	24,477	0	0	0	0	0	24,477
	Library IAALH Fund	226,450	0	0	0	0	(5,392)	221,058
	DIB - General Acc	9,421	0	0	400,047	0	(400,697)	8,771
	Ní Madadain	6,449	0	0	0	0	0	6,449
	Balance c/fwd	2,221,312	1,173,574	2,537	744,910	(283,865)	(1,765,819)	2,092,648

## NOTES TO THE FINANCIAL STATEMENTS

## ROYAL IRISH ACADEMY

## REPORT AND FINANCIAL STATEMENTS 2008

## I. FUNDS AND PROJECT ACCOUNTS (CONT'D)

(a)	Fund or Project Account	Opening Balance	Other Receipts	Inter Fund Transfers	Allocation from State Grants	Diminution	Project Expenditure	Closing Balance
		€	€	€	€	€	€	€
	Balance b/fwd	2,221,312	1,173,574	2,537	744,910	(283,865)	(1,765,819)	2,092,648
	SFI - China Ireland	127,569	11,162	0	0	0	(41,746)	96,985
	International Exchange A/C	0	0	0	44,458	0	(44,458)	0
	Atlas of Historic Irish Towns - General	(315)	0	0	161,185	0	(161,557)	(687)
	Research Reserve	114,277	78,502	(29,814)	(43,600)	0	(374)	118,991
	SFI - Lecture Series	39,622	0	0	0	0	0	39,622
	Hamilton 2005	18,876	0	0	0	0	0	18,876
	FNG Donegal	1,459	155,386	0	157,457	0	(314,092)	210
	Bioethics Clinical Directive	38,000	0	0	0	0	0	38,000
	Hunt Museum	29,900	0	0	0	0	0	29,900
	Archaeological Excav Grant	18,279	200,000	0	(20,000)	0	(167,396)	30,883
	RIA Gold Medal	28,780	0	0	(10,500)	0	(3,369)	14,911
	SFI - Hamilton	26,502	0	0	0	0	(142)	26,360
	Knowth	33,956	29,100	0	0	0	(32,606)	30,450
	Research/Policy Making	0	0	47,343	0	0	(47,343)	0
	Film Project-Irish Mind	(645)	0	0	0	0	(3,785)	(4,430)
	Clare Island Lidar	3,000	20,630	0	0	0	(24,625)	(995)
	DIAA	(631)	500,000	(15,000)	0	0	(117,254)	367,115
	PRTLI	478,946	522,582	(2,538)	(101,605)	0	(427,211)	470,175
	Pension Reserve	0	11,782	0.00	0	0	0	11,782
	PRTLI - STACK	0	0	0	0	0	(21,304)	(21,304)
	PRTLI - DOUGAN	0	0	0	0	0	(17,100)	(17,100)
	Irish Constitution Project	0	75,489	(2,528)	(875)	0	(46,889)	21,681
	Sub Total	3,175,371	2,778,207	0	931,430	(283,865)	(3,237,071)	3,364,071
	Capital Movements	20,809	0	0	0	0	(19,197)	41,409
	Capital Movements						39,797	
		3,196,180	2,778,207	0	931,430	(283,865)	(3,216,471)	3,405,480

## NOTES TO THE FINANCIAL STATEMENTS

## 1. FUNDS AND PROJECTS ACCOUNTS (CONT'D)

	2008	2007
	€	€
(b) Other Income comprises:		
(Loss)/Gain on investment transactions	(16,723)	142,561
Interest on investments	71,200	54,034
Subvention & Registration Fees	2,704,162	1,891,586
Sale of Publications	19,567	0
	<u>2,778,206</u>	<u>2,088,181</u>

(c) Balances were held as follows:-

	Cash and Cash equivalents €	Investments at Cost €	Total €
Opening balance	2,034,300	1,161,880	3,196,180
Closing balance	2,513,042	892,438	3,405,480

## 2. OTHER INCOME

	2008	2007
	€	€
Deposit interest	26,432	23,598
Room rental	44,590	25,817
Grants and awards	26,125	13,712
Members subscriptions and entrance fees	30,633	27,990
Sale of Academy publications	391,411	191,401
	<u>519,191</u>	<u>282,518</u>

## 3. STAFF COSTS

	2008	2007
	€	€
Wages and salaries	4,240,228	3,721,004
Social welfare costs	355,540	301,585
Pension costs	1,128,969	1,097,984
	<u>5,724,737</u>	<u>5,120,573</u>

Charged as follows:

Income and Expenditure Account	3,741,939	3,469,660
Funds and Projects Account	1,982,798	1,650,914
	<u>5,724,737</u>	<u>5,120,574</u>

(b) Average Number of Persons Employed

Full Time	72	70
Part Time	18	18

## NOTES TO THE FINANCIAL STATEMENTS

4. ACCOMMODATION AND ESTABLISHMENT EXPENSES	2008 €	2007 €
Light and heat	36,958	30,884
Insurance	12,655	16,843
Furniture and household	69,264	63,886
Rent	148,107	108,487
	<u>266,984</u>	<u>220,100</u>
Charged as follows:		
Income and Expenditure Account	87,927	71,970
Funds and Projects Account	179,057	148,130
	<u>266,984</u>	<u>220,100</u>
5. GENERAL ADMINISTRATION EXPENSES	2008 €	2007 €
Postage and telephone	61,471	59,098
Advertising	7,951	33,611
Stationery and office	107,739	94,781
Administration printing	67,213	85,789
General Purpose Account and Funds & Projects Miscellaneous	282,454	131,336
Professional fees - Legal and other fees	4,001	4,816
- Accountants fees	18,477	18,975
- Consultants fees	22,497	14,468
Audit fees	11,500	11,800
Bank interest and fees	9,622	4,640
Information technology	119,895	76,788
Loss on Disposal	620	0
Training and Consultancy	85,759	93,255
	<u>799,199</u>	<u>629,357</u>
Charged as follows:		
Income and Expenditure Account	447,302	396,110
Funds and Projects Account	351,897	233,250
	<u>799,199</u>	<u>629,360</u>
6. PUBLICATION COSTS	2008 €	2007 €
Proceedings	43,528	25,028
Publications	357,377	289,113
General conservation costs	10,605	36,597
	<u>411,510</u>	<u>350,738</u>
Charged as follows:		
Income and Expenditure Account	307,913	274,876
Funds and Projects Account	103,597	75,863
	<u>411,510</u>	<u>350,739</u>

## NOTES TO THE FINANCIAL STATEMENTS

7. CONFERENCE AND MEETING EXPENSES	2008	2007		
	€	€		
Conference expenses	51,157	37,633		
Special Event Costs	25,762	173		
Travel expenses	159,702	112,460		
	<u>236,621</u>	<u>150,266</u>		
Charged as follows:				
Income and Expenditure account	21,612	15,242		
Funds and Projects account	215,009	135,024		
	<u>236,621</u>	<u>150,266</u>		
8. BOOK PURCHASES AND SUBSCRIPTIONS	2008	2007		
	€	€		
Library books and periodicals	33,269	29,813		
Subscriptions to international organisations	39,002	39,970		
	<u>72,271</u>	<u>69,783</u>		
Charged as follows:-				
Income and expenditure account	68,649	67,316		
Funds and projects account	3,622	2,467		
	<u>72,271</u>	<u>69,783</u>		
9. TANGIBLE ASSETS				
	Computer Equipment €	Fixtures & Fittings €	Equipment €	Total €
At 1 January 2008	434,073	166,109	198,014	798,196
Additions	75,358		17,714	93,072
Disposals	(55,202)	(8,709)	(107,186)	(171,097)
At 31 December 2008	<u>454,229</u>	<u>157,400</u>	<u>108,542</u>	<u>720,171</u>
ACCUMULATED DEPRECIATION				
At 1 January 2008	390,309	110,157	180,991	681,457
Charge for the year	57,443	9,650	13,582	80,675
Eliminated on Disposals	(54,582)	(8,709)	(107,186)	(170,477)
At 31 December 2008	<u>393,170</u>	<u>111,098</u>	<u>87,387</u>	<u>591,655</u>
NET BOOK AMOUNTS				
At 31 December 2007	43,764	55,952	17,023	116,739
At 31 December 2008	<u>61,059</u>	<u>46,302</u>	<u>21,155</u>	<u>128,516</u>
	2008	2007		
Depreciation charged as follows:-	€	€		
Income and expenditure account	61,477	68,210		
Funds and projects account	19,197	21,485		
	<u>80,674</u>	<u>89,695</u>		

## NOTES TO THE FINANCIAL STATEMENTS

## 10. FUNDS AND PROJECTS FINANCIAL ASSETS

	1.1.08 COST €	ADDITIONS €	DISPOSALS €	31.12.08 COST €	DIMINUTIONS €	31.12.08 MARKET VALUE €
A.I.B. Investment Managers	1,150,441	50,251	(35,827)	1,164,865	(283,866)	880,999
2.5% Consolidated Stock	2,156			2,156		2,156
Prize Bonds	235			235		235
1a Research Trust	9,048		(9,223)	(175)		(175)
Research Trust Income		9,223		9,223		9,223
	<u>1,161,880</u>	<u>59,474</u>	<u>(45,050)</u>	<u>1,176,304</u>	<u>(283,866)</u>	<u>892,438</u>

## 11. DEBTORS (amounts falling due within one year)

	2008 €	2007 €
Debtors	28,486	30,173
Prepayments and Accrued Income	35,568	20,732
Value Added Tax	23,818	17,305
	<u>87,872</u>	<u>68,210</u>

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

	2008 €	2007 €
Creditors and accruals	58,663	51,801
Taxation	102,534	70,923
	<u>161,197</u>	<u>122,724</u>

## 13. CAPITAL ACCOUNT

	2008 €	2007 €
Opening balance		164,402
Amounts allocated for fixed asset acquisition	93,072	42,029
Amortisation in line with asset depreciation	(80,675)	(89,695)
Loss on disposal of fixed assets	<u>(617)</u>	<u>-</u>
Transfer (to)/from the Income & Expenditure Account		11,780
Closing balance	<u>128,516</u>	<u>116,736</u>

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**NOTES TO THE FINANCIAL STATEMENTS**

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**14. ACCOMMODATION**

The Academy operates from offices at 19 and 19A Dawson Street in Dublin that are provided on a rent-free basis by the Office of Public Works. The Irish Council for Bioethics obtained separate legal status in 2008, and thus serviced office space in Regus House, Block 4, Harcourt Centre, Dublin 2, is no longer rented by the Academy on its behalf.

Two new projects, which commenced during 2008, are located outside Academy House. The first, Digital Humanities Observatory – funded under the Programme for Research in Third Level Institutions (PRTLII), is located in serviced office space at 28 - 32 Upper Pembroke Street, Dublin 2. The second - Art and Architecture of Ireland - is located in Newman House, St. Stephens Green, Dublin 2.

These properties are rented by the Academy on short-term leases, as is the premises at An Charraig, Co Donegal, which is used by a number of Focloir na Nua Ghaeilge staff.

**15. RELATED PARTY TRANSACTIONS / CORPORATE GOVERNANCE**

There were no related party transactions in the period ended 31 December 2008.

The Royal Irish Academy is an independent, all-Ireland institution for the study and promotion of the sciences and humanities.

The Academy adopted procedures in accordance with the Code of Practice for the Governance of State Bodies issued by the Department of Finance in relation to the disclosure of interests by the Council members. These have been adhered to in the year and there were no transactions in the year in relation to the Academy's activities in which Council members had any interest.

**16. 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 childrens 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.



## NOTES TO THE FINANCIAL STATEMENTS

## 16. PENSIONS (continued)

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.

Superannuation entitlements arising under these schemes are paid out of current income and are charged to the Income & Expenditure Account 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 2008. This valuation was carried out by a qualified independent actuary for the purposes of the accounting standard, Financial Reporting Standard No. 17 – Retirement Benefits (FRS 17).

## (b) Financial Assumptions

The financial assumptions used for FRS 17 purposes were:

	At 31/12/08	At 31/12/07
Discount rate	5.5%	5.5%
Salary Increases	4.0%	4.0%
Pension Increases	4.0%	4.0%
Inflation Increases	2.0%	2.0%

The assets in the Pre-1994 Funded Scheme and the expected rate of return as at December 2008 were:

	Expected Return 2008	Expected Return 2007	Market Value 2008 €	Market Value 2007 €
Equities	7%	7%	500,000	1,300,000
Bonds	4%	4%	800,000	800,000
Properties	4%	4%	<u>200,000</u>	<u>200,000</u>
Total			<u>1,500,000</u>	<u>2,300,000</u>
Present value of scheme liabilities			(13,800,000)	(12,600,000)
Deficit in scheme			(12,300,000)	(10,300,000)
Related deferred tax liability			0	0
Net Pension Asset/ (Liability)			(12,300,000)	(10,300,000)

## NOTES TO THE FINANCIAL STATEMENTS

**16. PENSIONS (continued)**

<b>(c) Net Deferred Funding for Pensions in Year</b>	<b>2008</b>	<b>2007</b>
	€	€
Funding recoverable in respect of current year pension costs	1,330,000	1,280,000
State Grant Applied to pay Pensioners (Unfunded Scheme)	(11,000)	(14,220)
Pension Contributions (Funded Scheme)	<u>(53,000)</u>	<u>(60,593)</u>
	1,266,000	1,205,187
<b>(d) Analysis of total pension costs charged to expenditure</b>	<b>2008</b>	<b>2007</b>
	€	€
Service Charge	760,000	740,000
Interest on Pension Scheme Liabilities	570,000	540,000
Employees Contributions (Unfunded Scheme)	<u>(201,032)</u>	<u>(182,016)</u>
	1,128,968	1,097,984
<b>(e) Analysis of amount recognised in the statement of total recognised gains and losses (STRGL)</b>	<b>2008</b>	<b>2007</b>
	€	€
Difference between actual and expected return on scheme assets	(530,000)	160,000
Experience gains/ (losses)	(204,000)	545,000
Changes in assumptions	-	-
Actuarial gain / (loss) recognised in STRGL	<u>(734,000)</u>	<u>705,000</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 has no evidence that this funding policy will not continue to meet such sums in accordance with current practice. The deferred funding asset for pensions as at 31 December 2008 amounted to €12,300,000 (2007: €10,300,000).

The valuation used for FRS17 disclosures has been based on a full actuarial valuation (26<sup>th</sup> March 2009) by a qualified independent actuary taking account of the requirements of the FRS in order to assess the scheme liabilities at 31 December 2008.

## NOTES TO THE FINANCIAL STATEMENTS

16. PENSIONS (*continued*)

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

	2008 €	2007 €
Deficit at 1 January	(10,300,000)	(9,800,000)
Current service cost	(760,000)	(740,000)
Contributions to Funded Scheme	53,000	61,000
Payments from Unfunded Scheme	11,000	14,000
Other Finance Income	(570,000)	(540,000)
Actuarial Gain/ (Loss)	(734,000)	705,000
<b>Deficit in scheme at 31 December</b>	<b>(12,300,000)</b>	<b>(10,300,000)</b>

## (h) History of experience gains and losses

	2008 €	2007 €
Differences between the expected and actual return on scheme assets		
Amount	(530,000)	160,000
Percentage of the scheme assets	(35%)	7%
Experience Gains/ (Losses) on scheme liabilities		
Amount	(204,000)	545,000
Percentage of the present value of the scheme liabilities	(1%)	4%
Total amount recognised in STRGL		
Amount	(734,000)	705,000
Percentage of the present value of the scheme liabilities	(5%)	6%

## 17. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved on 21st December 2009