

ROYAL IRISH ACADEMY
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2010

CONTENTS

Page


STATEMENT OF ACADEMY RESPONSIBILITIES	2
STATEMENT OF INTERNAL FINANCIAL CONTROL	3-4
REPORT OF THE COMPTROLLER AND AUDITOR GENERAL	5-6
ACCOUNTING POLICIES	7-9
INCOME AND EXPENDITURE ACCOUNT	10
FUNDS AND PROJECTS ACCOUNT	11
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES	12
BALANCE SHEET	13
CASHFLOW STATEMENT	14
NOTES TO THE FINANCIAL STATEMENTS	15 - 26

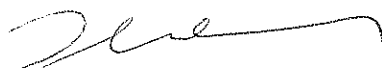
STATEMENT OF ACADEMY RESPONSIBILITIES

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.


TREASURER
J. Corish


EXECUTIVE SECRETARY
L. Mahoney

16 December 2011
DATE:

STATEMENT OF INTERNAL FINANCIAL CONTROL

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 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.

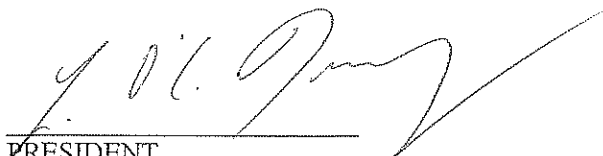
The Council's monitoring and review of the effectiveness of the system of internal financial control is informed by the Audit Committee, the executive managers within the Academy who have responsibility for the development and maintenance of the control framework and comments made by the Comptroller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

STATEMENT OF INTERNAL FINANCIAL CONTROL

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 carried out in the year ended 31 December 2010, in May 2011. No significant breaches were discovered during the review.



PRESIDENT
L. O'C. Drury

16/12/2011
Date



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

Royal Irish Academy

I have audited the financial statements of the Royal Irish Academy for the year ended 31 December 2010 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 statement of accounting policies, the income and expenditure account, the funds and projects account, the statement of total recognised gains and losses, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and Generally Accepted Accounting Practice in Ireland.

Responsibilities of the Academy

The Academy is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view of the state of the Academy's affairs and of its income and expenditure, and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and report on them in accordance with applicable law.

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.

My audit is carried out in accordance with the International Standards on Auditing (UK and Ireland) and in compliance with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements, sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate to the Academy's circumstances, and have been consistently applied and adequately disclosed

- the reasonableness of significant accounting estimates made in the preparation of the financial statements, and
- the overall presentation of the financial statements.

I also seek to obtain evidence about the regularity of financial transactions in the course of audit.

Opinion on the financial statements

In my opinion, the financial statements, which have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland, give a true and fair view of the state of the Academy's affairs at 31 December 2010 and of its income and expenditure for the year then ended.

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

Deferred pension funding asset

Without qualifying my opinion on the financial statements, I draw attention to Note 16 and to the recognition as at 31 December 2010 of an asset of €14 million in respect of deferred pension funding.

The Academy operates two defined benefit pension schemes, the Royal Irish Academy Staff Superannuation Scheme, a pay-as-you-go scheme for staff appointed from 1994 onwards, and the Royal Irish Academy Superannuation Scheme, a funded scheme for staff appointed before 1994.

The Academy estimates that the funded scheme had a deficit of the order of €1 million at the end of 2010.

The deferred pension funding asset of €14 million, representing a receivable from the State equivalent to the value of the Academy's net pension obligations in relation to its two defined benefit pension schemes, has been recognised in the financial statements on the basis that the Academy considers that State funding will be provided to meet net pension obligations 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.

Matters on which I report by exception

I report by exception if

- I have not received all the information and explanations I required for my audit, or
- my audit noted any material instance where moneys have not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the Statement on Internal Financial Control does not reflect the Academy's compliance with the Code of Practice for the Governance of State Bodies, or
- I find there are other material matters relating to the manner in which public business has been conducted.

Internal Control Review

The Statement on Internal Financial Control discloses that the Academy performed its review of the effectiveness of the system of internal financial control for the year ended 31 December 2010 in May 2011.

I have nothing to report in regard to other matters.



John Buckley
Comptroller and Auditor General

22 December 2011

ACCOUNTING POLICIES

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. OIREACTHAS GRANTS

Income shown as Oireachtas Grant 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

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.

7. STOCKS

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.

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 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

9. FOREIGN CURRENCIES

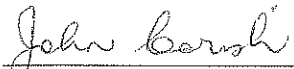
Transactions denominated in foreign currencies relating to revenues and costs are translated into euro at the rates of exchange ruling on the dates on which the transactions occurred.

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	2010 €	2009 €
INCOME			
Oireachtas grants		3,522,000	3,887,000
Other income	2	313,449	550,382
Deferred Pension Funding	16	1,637,000	1,589,000
		<u>5,472,449</u>	<u>6,026,382</u>
Less, amount allocated to Funds and Projects Account		(750,237)	(815,316)
Transfer (to)/from Capital Account	13	9,937	11,577
		<u>4,732,149</u>	<u>5,222,643</u>
EXPENDITURE			
Staff costs	3	3,766,097	4,026,670
Accommodation and establishment	4	84,107	95,775
General administration	5	379,157	391,101
Publication costs	6	188,928	374,196
Conference and meeting expenses	7	16,261	18,451
Book purchases and international subscriptions	8	81,158	76,447
Depreciation	9	36,435	43,353
		<u>4,552,143</u>	<u>5,025,993</u>
OPERATING (DEFICIT)/SURPLUS		180,006	196,650
BALANCE AT 1 JANUARY		<u>585,120</u>	<u>388,470</u>
BALANCE AT 31 DECEMBER		<u><u>765,126</u></u>	<u><u>585,120</u></u>

The Statement of Accounting Policies and Notes 1 to 18 form part of these Financial Statements.


 TREASURER
 J Corish


 EXECUTIVE SECRETARY
 L. Mahoney

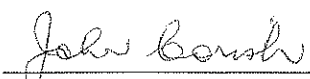
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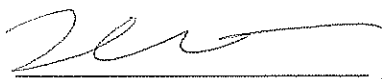
FUNDS AND PROJECTS ACCOUNT

year ended 31 December

	Notes	2010 €	2009 €
INCOME			
Allocation from the Academy	1 (a)	750,237	815,316
Other income	1 (b)	2,663,572	2,123,595
		<u>3,413,809</u>	<u>2,938,911</u>
EXPENDITURE			
Staff costs	3	2,328,769	2,356,225
Accommodation and establishment	4	118,496	141,672
General administration	5	167,200	163,056
Publication costs	6	9,580	10,753
Grants and awards		161,933	241,228
Conference and meeting expenses	7	153,960	142,303
Book purchases and international subscriptions	8	2,750	2,650
Depreciation	9	21,564	20,636
		<u>2,964,252</u>	<u>3,078,523</u>
MOVEMENT IN YEAR		449,557	(139,612)
RECOVERY IN VALUE OF FINANCIAL ASSETS	10	179,528	50,862
BALANCE AT 1 JANUARY		<u>3,316,730</u>	<u>3,405,480</u>
BALANCE AT 31 DECEMBER		<u>3,945,815</u>	<u>3,316,730</u>

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 TREASURER
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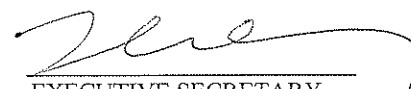
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STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

year ended 31 December

	Notes	2010 €	2009 €
(Deficit)/Surplus for the year		180,005	196,650
Actual return less expected return on scheme assets	16	337,000	(1,236,000)
Experience gain / (loss) on pension scheme liabilities	16	1,500,000	925,000
Changes in Assumptions	16	-	-
Actuarial gain / (loss) recognised in STRGL		1,837,000	(311,000)
Adjustment to Deferred Pension Funding		(1,837,000)	311,000
Total Recognised Gain/(Loss) for the year		180,005	196,650


 TREASURER
 J Corish


 EXECUTIVE SECRETARY
 L. Mahoney


16 December 2011
 Date

BALANCE SHEET

As at 31 December

	Notes	2010 €	2009 €
FIXED ASSETS			
Tangible assets	9	107,002	116,940
Funds and Projects Financial assets	10	1,022,943	950,019
		<u>1,129,945</u>	<u>1,066,959</u>
CURRENT ASSETS			
Stocks		233,974	218,063
Debtors	11	58,418	153,353
Cash at bank and in hand		3,542,254	2,753,921
		<u>3,834,646</u>	<u>3,125,338</u>
CREDITORS (amounts falling due within one year)	12	<u>(146,649)</u>	<u>(173,508)</u>
NET CURRENT ASSETS		<u>3,687,997</u>	<u>2,951,830</u>
TOTAL ASSETS LESS CURRENT LIABILITIES BEFORE PENSIONS		<u>4,817,942</u>	<u>4,018,789</u>
Deferred pension funding	16	14,000,000	14,200,000
Funded Scheme Assets	16	1,800,000	1,800,000
Pension Liabilities	16	(15,800,000)	(16,000,000)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>4,817,942</u></u>	<u><u>4,018,789</u></u>
FINANCED BY:			
Funds and Projects Accounts	1	3,945,815	3,316,730
Capital account	13	107,002	116,939
Income and expenditure account		765,126	585,120
		<u>4,817,942</u>	<u>4,018,789</u>

The Statement of Accounting Policies and Notes 1 to 18 form part of these Financial Statements.

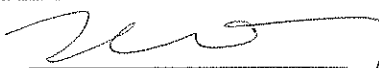


TREASURER

J Corish

16 December 2011

Date



EXECUTIVE SECRETARY

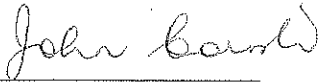
L. Mahoney

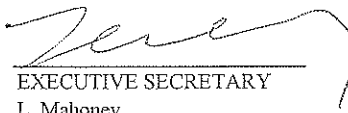
CASHFLOW STATEMENT

As at 31 December

	Notes	2010 €	2009 €
Reconciliation of operating surplus to net cash inflow / (outflow) from operating activities			
Operating surplus for the year		809,091	107,901
Depreciation	9	57,999	63,989
Capital Account Transfer	13	(9,937)	(11,577)
Interest earned	1 (b) & 2	(106,656)	(112,330)
(Gain) / Loss on investment transactions	1 (b)	136,301	(3,212)
(Increase) / Decrease in value of financial assets	10	(179,528)	(50,862)
(Increase) / Decrease in stock		(15,911)	96,811
(Increase) / Decrease in debtors	11	94,936	(65,481)
(Increase) / Decrease in creditors	12	(26,859)	12,310
Net cashflow from operating activities		<u>759,436</u>	<u>37,548</u>
CASHFLOW STATEMENT			
Net cashflow from operating activities		759,436	37,548
Returns on investment and servicing of finance			
Interest received	1(b) & 2	106,656	112,330
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets	9	(48,062)	(52,412)
Reinvestment in financial assets	10	(29,697)	(3,509)
Increase in cash		<u>788,333</u>	<u>93,958</u>
RECONCILIATION OF NET CASHFLOW TO NET MOVEMENT IN FUNDS			
Net funds at 31 December 2009		2,753,921	2,659,963
Net funds at 31 December 2010		3,542,254	2,753,921
Increase in cash		<u>788,333</u>	<u>93,958</u>

The Statement of Accounting Policies and Notes 1 to 18 form part of these Financial Statements.


 TREASURER
 J Corish


 EXECUTIVE SECRETARY
 L. Mahoney

16 December 2011
 Date

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 €	Recovery/ Diminution in value of Financial Assets €	Project Expenditure €	Closing Balance €
Foclóir na Nua Ghacilge	57,465	16,573	0	193,165	0	(215,528)	51,675
Celtic Latin	0	0	0	105,540	0	(105,540)	0
Hamilton Account	50,217	1,194	0	0	2,442	0	53,853
Chemistry Symposium Fund	3,139	92	0	0	188	0	3,419
International Geosphere - Biosphere Prog	20,040	0	0	0	0	(4,250)	15,790
Eoin O'Mahony Bursary Account	22,000	(7,917)	0	0	8,837	0	22,920
Archaeological Research Account	(5,044)	0	3,530	0	0	(3,997)	(5,511)
Study of International Affairs	8,313	1,844	2,082	0	0	(4,889)	7,350
Seminars Account	188,073	71,738	4,479	(3,500)	0	(69,302)	191,488
Bicentennial Fellowship A/c	310	0	(310)	0	0	0	0
A New History of Ireland Account	8,628	7,186	0	0	0	0	15,814
Dictionary of Irish Biography Account	104,151	(27,396)	0	0	38,962	0	115,717
Atlas of Historic Irish Towns - Research	39,106	36,000	0	0	0	(36,705)	38,401
T.S.R.P.	5,530	0	(5,530)	0	0	0	0
Chemistry Essay	(1,580)	0	1,594	0	0	(14)	0
Bioethics Council Fund	3,948	157,569	(3,988)	(13,750)	0	(141,231)	2,548
DEPFA Fund	28,749	0	(3,082)	0	0	(9,237)	16,430
Balance c/fwd	533,044	256,883	(1,225)	281,455	50,429	(590,692)	529,894

NOTES TO THE FINANCIAL STATEMENTS

1. FUNDS AND PROJECT ACCOUNTS (CONT'D)

(a)	Fund or Project Account	Opening Balance €	Other Receipts €	Inter-Fund Transfers €	Allocations from State Grants €	Recovery/ Diminution in value of Financial Assets €	Project Expenditure €	Closing Balance €
	Balance b/fwd	533,044	256,883	(1,225)	281,455	50,429	(590,692)	529,894
	Clare Island Study Account	8,151	(2,025)	0	0	2,260	0	8,386
	Clare Island Publications	1,641	0	663	0	0	0	2,304
	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	1,251	38	0	0	78	0	1,367
	Cunningham Fund	14,061	733	0	0	356	0	15,150
	Curtis Fund	11,239	342	0	0	699	0	12,280
	D'Alton Fund	64,364	(18,678)	0	0	20,850	0	66,536
	Geological Illustration Fund	1,315	40	0	0	82	0	1,436
	Higgins Fund	28,413	(7,229)	0	0	8,068	0	29,252
	Larmor Fund	959	29	0	0	60	0	1,047
	Praeger Fund	34,968	(13,160)	0	0	14,690	(590)	35,908
	Praeger Special Fund	4,752	(1,807)	0	0	2,017	0	4,962
	Purser Fund	4,714	143	0	0	293	0	5,150
	Smythe Fund	9,265	(2,282)	0	0	2,547	0	9,530
	Todd Fund	4,850	48	0	0	0	0	4,898
	Ussher Fund	1,739	(436)	0	0	486	0	1,789
	Wheeler Fund	2,382	72	0	0	148	0	2,603
	Mangan Bequest Fund	60,859	(18,361)	0	0	20,496	0	62,994
	Balance c/fwd	848,991	194,351	(562)	281,455	123,559	(591,282)	856,511

NOTES TO THE FINANCIAL STATEMENTS

1. FUNDS AND PROJECT ACCOUNTS (CONT'D)

(a)	Fund or Project Account	Opening Balance	Other Receipts	Inter-Fund Transfers	Allocations from State Grants	Recovery/ Diminution in value of Financial Assets	Project Expenditure	Closing Balance
		€	€	€	€	€	€	€
	Balance b/fwd	848,991	194,351	(562)	281,455	123,559	(591,282)	856,511
	John Jackson Fund	8,937	(1,734)	0	0	1,936	0	9,139
	Microbiology Award Account	4,733	(1,260)	0	0	1,406	0	4,879
	McNeill Bequest Fund	22,152	(9,535)	0	0	10,643	0	23,260
	David Greene Irish Studies Account	12,939	393	0	0	805	0	14,137
	Publication Reserve Account	297,059	16,700	0	(20,832)	0	(10,845)	282,083
	Library Capital Account	109,094	33,680	0	0	0	(23,555)	119,219
	Social Science Research Council	17,151	(7,474)	19,058	0	8,342	(142)	36,935
	Research Trust Capital Account	438,252	15,563	0	0	26,820	0	480,635
	General Purposes Capital Account	20,320	(5,391)	0	0	6,017	0	20,946
	OPW Housekeeping Account	11,106	16,633	(111)	0	0	(14,010)	13,618
	Documents in Irish Foreign Policy Acc	147,188	149,323	0	10,000	0	(152,187)	154,324
	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	221,058	8,000	(5,390)	0	0	(96,633)	127,035
	DIB - General Acc	9,421	0	(9,421)	298,707	0	(298,854)	(147)
	NI Madadain	6,449	0	0	0	0	0	6,449
	Balance c/fwd	2,227,777	409,249	3,574	569,330	179,528	(1,187,508)	2,201,949

NOTES TO THE FINANCIAL STATEMENTS

1. FUNDS AND PROJECT ACCOUNTS (CONT'D)

(a) Fund or Project Account	Opening Balance	Other Receipts	Inter-Fund Transfers	Allocations from State Grants	Recovery/Diminution in value of Financial Assets	Project Expenditure	Closing Balance
	€	€	€	€	€	€	€
Balance b/fwd	2,227,777	409,249	3,374	569,330	179,528	(1,187,508)	2,201,949
SFI - China Ireland	96,931	0	0	0	0	0	96,931
International Exchange A/C	0	0	0	27,385	0	(27,385)	0
Atlas of Historic Irish Towns - General	0	0	0	135,229	0	(135,229)	0
Research Reserve	313,645	117,271	136,644	0	0	(81,564)	485,996
SFI - Lecture Series	39,621	0	0	0	0	0	39,621
Hamilton 2005	18,876	0	0	0	0	0	18,876
FNG Donegal	338	126,738	(608)	114,793	0	(241,840)	(579)
Hunt Museum	29,900	0	0	0	0	0	29,900
Archaeological Excav Grant	56,207	160,000	(15,530)	(16,000)	0	(136,085)	48,591
RIA Gold Medal	14,531	30,000	0	(10,500)	0	(4,924)	29,107
SFI - Hamilton	26,359	0	0	0	0	0	26,359
Knwoyth	50,482	43,750	0	0	0	(14,137)	80,095
Film Project-Irish Mind	(4,431)	0	4,431	0	0	0	0
Clare Island Lidar	(995)	0	995	0	0	0	0
DIAA	192,716	600,000	(36,000)	0	0	(371,472)	385,244
PRTLIDHO	333,123	1,145,780	(100,000)	(70,000)	0	(618,165)	690,738
Pension Reserve	43,632	27,784	0	0	0	(14,153)	57,263
PRTL STACK	(85,340)	0	0	0	0	(57,942)	(143,282)
PRTLIDOUGAN	(75,612)	0	0	0	0	(57,063)	(132,675)
Irish Constitution Project	(3,318)	0	3,549	0	0	(231)	0
Gen. Anthropology	0	0	2,944	0	0	(2,944)	0
Irish History Online (IHO)	0	3,000	0	0	0	0	3,000
Sub Total	3,274,440	2,663,572	(0)	750,237	179,528	(2,950,644)	3,917,133
Capital Movements - additions to FA						7,956	
Capital Movements - depreciation charge for year	42,290					(21,564)	28,682
	3,316,730	2,663,572	(0)	750,237	179,528	(2,964,252)	3,945,815

NOTES TO THE FINANCIAL STATEMENTS

1. FUNDS AND PROJECTS ACCOUNTS (CONT'D)

	2010	2009
	€	€
(b) Other Income comprises:		
(Loss)/Gain on investment transactions	(136,301)	3,212
Interest on investments	84,167	86,964
Subvention & Registration Fees	2,715,147	2,032,996
Sale of Publications	559	423
	<u>2,663,572</u>	<u>2,123,595</u>

(c) Balances were held as follows:-

	Cash and Cash equivalents €	Investments at Cost €	Total €
Opening balance - 1st January 2010	2,366,711	950,019	3,316,730
Closing balance - 31 December 2010	2,922,872	1,022,943	3,945,815

2. OTHER INCOME

	2010	2009
	€	€
Deposit interest	22,489	25,366
Room rental	22,120	25,246
Grants and awards	11,636	8,213
Members subscriptions and entrance fees	34,128	32,623
Sale of Academy publications	223,076	458,934
	<u>313,449</u>	<u>550,382</u>

3. STAFF COSTS

	2010	2009
	€	€
(a) Analysis of Staff Costs:		
Wages and salaries	4,071,119	4,568,020
Social welfare costs	332,771	364,994
Pension costs	1,690,976	1,449,881
	<u>6,094,866</u>	<u>6,382,895</u>

Charged as follows:

Income and Expenditure Account	3,766,097	4,026,670
Funds and Projects Account	2,328,769	2,356,225
	<u>6,094,866</u>	<u>6,382,895</u>

(b) Average Number of Persons Employed

Full Time	65	69
Part Time	28	28

Government guidelines on the payment of director's fees are being implemented. There were no fees paid in 2010 to individual council members. The total paid for travel & subsistence expenses claimed by council members in 2010 was €16,886

The all in cost of the Executive Secretary's total remuneration package consists of salary and pension entitlement. The Executive Secretary's annual salary for 2010 was €138,720, and pension entitlements for this post are in line with standard entitlements in the model public sector defined benefit superannuation scheme.

NOTES TO THE FINANCIAL STATEMENTS

4. ACCOMMODATION AND ESTABLISHMENT EXPENSES	2010 €	2009 €
Light and heat	31,359	36,404
Insurance	12,674	12,626
Furniture and household	58,572	67,960
Rent (Note 14)	99,998	120,457
	<u>202,603</u>	<u>237,447</u>
Charged as follows:		
Income and Expenditure Account	84,107	95,775
Funds and Projects Account	118,496	141,672
	<u>202,603</u>	<u>237,447</u>
5. GENERAL ADMINISTRATION EXPENSES	2010 €	2009 €
Postage and telephone	41,868	62,137
Advertising	6,293	12,922
Stationery and office	76,156	76,411
Administration printing	18,300	22,070
General Purpose Account and Funds & Projects Miscellaneous	107,981	111,266
Professional fees - Legal and other fees	0	275
- Accountants fees	10,084	15,715
- Consultants fees	56,614	71,564
Audit fees	10,120	11,500
Bank interest and fees	4,665	4,184
Information technology	138,497	104,097
Loss/(Gain) on Disposal	(2,899)	0
Training and Consultancy	78,678	62,016
	<u>546,357</u>	<u>554,157</u>
Charged as follows:		
Income and Expenditure Account	379,157	391,101
Funds and Projects Account	167,200	163,056
	<u>546,357</u>	<u>554,157</u>
6. PUBLICATION COSTS	2010 €	2009 €
Proceedings	29,709	49,948
Publications	158,122	323,147
General conservation costs	10,677	11,854
	<u>198,508</u>	<u>384,949</u>
Charged as follows:		
Income and Expenditure Account	188,928	374,196
Funds and Projects Account	9,580	10,753
	<u>198,508</u>	<u>384,949</u>

NOTES TO THE FINANCIAL STATEMENTS

7. CONFERENCE AND MEETING EXPENSES	2010	2009
	€	€
Conference expenses	36,501	35,210
Special Event Costs	368	279
Travel expenses	133,352	125,265
	<u>170,221</u>	<u>160,754</u>
Charged as follows:		
Income and Expenditure account	16,261	18,451
Funds and Projects account	153,960	142,303
	<u>170,221</u>	<u>160,754</u>
 8. BOOK PURCHASES AND SUBSCRIPTIONS	 2010	 2009
	€	€
Library books and periodicals	43,902	39,828
Subscriptions to international organisations	40,006	39,269
	<u>83,908</u>	<u>79,097</u>
Charged as follows:-		
Income and expenditure account	81,158	76,447
Funds and projects account	2,750	2,650
	<u>83,908</u>	<u>79,097</u>
 9. TANGIBLE ASSETS		

COST	Computer Equipment €	Fixtures & Fittings €	Equipment €	Total €
At 1 January 2010	475,248	157,400	99,388	732,036
Additions	41,353	0	6,709	48,062
Disposals	(134,506)	(11,660)	(20,592)	(166,758)
At 31 December 2010	<u>382,095</u>	<u>145,740</u>	<u>85,505</u>	<u>613,340</u>

ACCUMULATED DEPRECIATION

At 1 January 2010	408,673	120,638	85,785	615,096
Charge for the year	44,587	8,568	4,843	57,999
Eliminated on Disposals	(134,505)	(11,660)	(20,592)	(166,757)
At 31 December 2010	<u>318,755</u>	<u>117,546</u>	<u>70,036</u>	<u>506,338</u>

NET BOOK AMOUNTS

At 31 December 2009	66,575	36,762	13,603	116,940
At 31 December 2010	<u>63,340</u>	<u>28,194</u>	<u>15,469</u>	<u>107,002</u>

	2010	2009
	€	€
Depreciation charged as follows:-		
Income and expenditure account	36,435	43,353
Funds and projects account	21,564	20,636
	<u>57,999</u>	<u>63,989</u>

NOTES TO THE FINANCIAL STATEMENTS

10. FUNDS AND PROJECTS FINANCIAL ASSETS

	31.12.10			31.12.10			31.12.10 MARKET VALUE €
	COST €	ADDITIONS €	DISPOSALS €	COST €	Diminution in value of Financial Assets €	Recovery/ Diminution in value of Financial Assets €	
A.I.B. Investment Managers	1,180,631	65,588	(172,192)	1,074,027	(233,003)	179,528	1,020,552
2.5% Consolidated Stock	2,156			2,156			2,156
Prize Bonds	235			235			235
	<u>1,183,022</u>	<u>65,588</u>	<u>(172,192)</u>	<u>1,076,418</u>	<u>(233,003)</u>	<u>179,528</u>	<u>1,022,943</u>

11. DEBTORS (amounts falling due within one year)

	2010 €	2009 €
Debtors	11,165	(15,595)
Prepayments and Accrued Income	33,935	145,363
Value Added Tax	13,318	23,586
	<u>58,418</u>	<u>153,354</u>

12. CREDITORS (amounts falling due within one year)

	2010 €	2009 €
Creditors and accruals	54,984	69,603
Taxation	91,665	103,905
	<u>146,649</u>	<u>173,508</u>

13. CAPITAL ACCOUNT

	2010 €		2009 €	
Opening balance		116,939		128,516
Amounts allocated for fixed asset acquisition	48,062		52,412	
Amortisation in line with asset depreciation	(57,999)		(63,989)	
Loss on disposal of fixed assets				
Transfer (to)/from the Income & Expenditure Account		(9,937)		(11,577)
Closing balance		<u>107,002</u>		<u>116,939</u>

NOTES TO THE FINANCIAL STATEMENTS

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

There were no related party transactions in the period ended 31 December 2010. 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)

While the Academy recognises that there is a deficit on the funded scheme, a solution is currently being sought to resolve this situation. 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.

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 31st December 2010. 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 31/12/10	At 31/12/09
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 2010 were:

	Expected Return 2010	Expected Return 2009	Market Value 2010 €	Market Value 2009 €
Equities	7%	7%	800,000	800,000
Bonds	4%	4%	800,000	800,000
Properties	4%	4%	<u>200,000</u>	<u>200,000</u>
Total			<u>1,800,000</u>	<u>1,800,000</u>
Present value of scheme liabilities			(15,800,000)	(16,000,000)
Deficit in scheme			(14,000,000)	(14,200,000)
Related deferred tax liability			0	0
Net Pension Asset/ (Liability)			(14,000,000)	(14,200,000)

NOTES TO THE FINANCIAL STATEMENTS

16. PENSIONS (continued)

(c) Net Deferred Funding for Pensions in Year

	2010	2009
	€	€
Funding recoverable in respect of current year pension costs	1,880,000	1,676,000
State Grant Applied to pay Pensioners (Unfunded Scheme)	(127,000)	(28,000)
Pension Contributions (Funded Scheme)	<u>(116,000)</u>	<u>(59,000)</u>
	1,637,000	1,589,000

(d) Analysis of total pension costs charged to expenditure

	2010	2009
	€	€
Service Charge		
Interest on Pension Scheme Liabilities	1,100,000	1,000,000
Employees Contributions (Unfunded Scheme)	780,000	676,000
	<u>(189,023)</u>	<u>(226,119)</u>
	1,690,977	1,449,881

(e) Analysis of amount recognised in the statement of total recognised gains and losses (STRGL)

	2010	2009
	€	€
Difference between actual and expected return on scheme assets	337,000	(1,236,000)
Experience gains/ (losses)	1,500,000	925,000
Changes in assumptions	-	-
Actuarial gain / (loss) recognised in STRGL	<u>1,837,000</u>	<u>(311,000)</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 2010 amounted to €14,000,000 (2009: €14,200,000).

The valuation used for FRS17 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 2010.

NOTES TO THE FINANCIAL STATEMENTS

16. PENSIONS (*continued*)

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

	2010 €	2009 €
Deficit at 1 January	(14,200,000)	(12,300,000)
Current service cost	(1,100,000)	(1,000,000)
Contributions to Funded Scheme	116,000	59,000
Payments from Unfunded Scheme	127,000	28,000
Other Finance Income	(780,000)	(676,000)
Actuarial Gain/ (Loss)	<u>1,837,000</u>	<u>(311,000)</u>
Deficit in scheme at 31 December	(14,000,000)	(14,200,000)

(h) History of experience gains and losses

	2010 €	2009 €
Differences between the expected and actual return on scheme assets		
Amount	337,000	(1,236,000)
Percentage of the scheme assets	19%	(69%)
Experience Gains/ (Losses) on scheme liabilities		
Amount	1,500,000	925,000
Percentage of the present value of the scheme liabilities	9%	6%
Total amount recognised in STRGL		
Amount	1,837,000	(311,000)
Percentage of the present value of the scheme liabilities	12%	(2%)

17. PRIOR YEAR FIGURES

Prior year figures have been restated in the Balance Sheet to reflect the recognition of Funded Scheme Assets as detailed in Note 16.

18. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved on 7th November 2011.