

**ROYAL IRISH ACADEMY**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2011**

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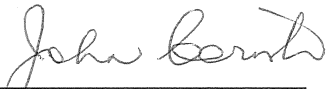
STATEMENT OF ACADEMY RESPONSIBILITIES

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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

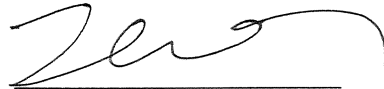
- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the statements on a going concern basis, unless that basis is inappropriate
- state where applicable accounting standards have been followed, subject to any material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



TREASURER

J. Corish



EXECUTIVE SECRETARY

L. Mahoney

27 September 2012  
DATE:

## STATEMENT OF INTERNAL FINANCIAL CONTROL

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### 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.

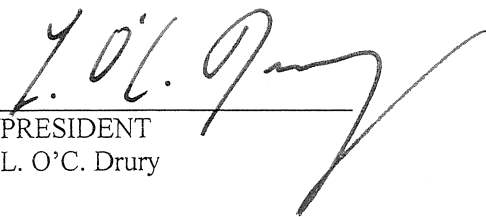
STATEMENT OF INTERNAL FINANCIAL CONTROL


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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 2011, in April 2012. No significant breaches were discovered during the review.

  
\_\_\_\_\_  
PRESIDENT  
L. O'C. Drury

  
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Date



## Royal Irish Academy

I have audited the financial statements of the Royal Irish Academy for the year ended 31 December 2011 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 Council 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 2011 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 2011 of an asset of €16.4 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 €2.8 million at August 2012.

The deferred pension funding asset of €16.4 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.

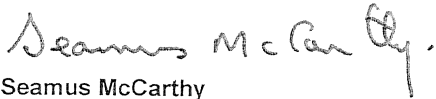
Inherent in this accounting treatment is an assumption that any income generated by the Academy will in the first instance be applied towards current expenses and that State funding will meet any shortfall in resources to fund future pension liabilities.

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.

I have nothing to report in regard to those matters.



Seamus McCarthy  
Comptroller and Auditor General

23 October 2012

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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 is accounted for on a cash receipts basis and is paid over by the Higher Education Authority.

**3. FIXED ASSETS**

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.

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 the Financial Reporting Standards FRS 15 and FRS 30 (Heritage Assets), assets acquired before 1 January 2011 have not been capitalised since reliable estimates of cost or value are not available at a reasonable cost.



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**ACCOUNTING POLICIES**

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Additions to the collection acquired since 1 January 2011 are capitalised and recognised in the Balance Sheet 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.

**4. CAPITAL ACCOUNT**

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

**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.

## ACCOUNTING POLICIES

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### 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 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 Recognised Gains and Losses 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.

### 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	2011 €	2010 €
<b>INCOME</b>			
Oireachtas grants		3,282,000	3,522,000
Other income	2	262,746	313,449
Deferred Pension Funding	16	1,497,000	1,637,000
		<u>5,041,746</u>	<u>5,472,449</u>
Less, amount allocated to Funds and Projects Account		(668,697)	(750,237)
Transfer from Capital Account	13	11,345	9,937
		<u>4,384,394</u>	<u>4,732,149</u>
<b>EXPENDITURE</b>			
Staff costs	3	3,427,029	3,766,097
Accommodation and establishment	4	82,123	84,107
General administration	5	358,585	379,157
Publication costs	6	176,487	188,928
Conference and meeting expenses	7	16,391	16,261
Book purchases and international subscriptions	8	76,017	81,158
Depreciation	9	31,770	36,435
		<u>4,168,402</u>	<u>4,552,143</u>
OPERATING SURPLUS		215,992	180,006
BALANCE AT 1 JANUARY		<u>765,126</u>	<u>585,120</u>
BALANCE AT 31 DECEMBER		<u>981,118</u>	<u>765,126</u>

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



TREASURER

J Corish



EXECUTIVE SECRETARY

L. Mahoney

27 September 2012

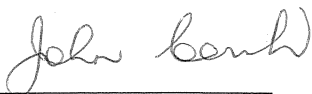
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## FUNDS AND PROJECTS ACCOUNT

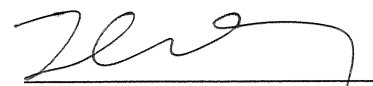
year ended 31 December

	Notes	2011 €	2010 €
<b>INCOME</b>			
Allocation from the Academy	1 (a)	668,697	750,237
Other income	1 (b)	2,119,181	2,663,572
		<u>2,787,878</u>	<u>3,413,809</u>
<b>EXPENDITURE</b>			
Staff costs	3	2,111,863	2,328,769
Accommodation and establishment	4	96,289	118,496
General administration	5	197,225	167,200
Publication costs	6	4,684	9,580
Grants and awards		113,626	161,933
Conference and meeting expenses	7	90,242	153,960
Book purchases and international subscriptions	8	2,851	2,750
Depreciation	9	18,498	21,564
		<u>2,635,278</u>	<u>2,964,252</u>
MOVEMENT IN YEAR		152,600	449,557
(DIMINUTION)/RECOVERY IN VALUE OF FINANCIAL ASSETS	10	(46,766)	179,528
BALANCE AT 1 JANUARY		<u>3,945,815</u>	<u>3,316,730</u>
BALANCE AT 31 DECEMBER		<u>4,051,649</u>	<u>3,945,815</u>

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TREASURER  
J Corish



EXECUTIVE SECRETARY  
L. Mahoney

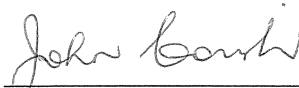
27 September 2012

Date

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

year ended 31 December

	Notes	2011 €	2010 €
Surplus for the year		215,991	180,005
Actual return less expected return on scheme assets	16	(43,000)	337,000
Experience (loss)/gain on pension scheme liabilities	16	(860,000)	1,500,000
Changes in Assumptions	16	-	-
Actuarial (loss)/gain recognised in STRGL		(903,000)	1,837,000
Adjustment to Deferred Pension Funding		903,000	(1,837,000)
Total Recognised Gain for the year		215,991	180,005



TREASURER  
J Corish



EXECUTIVE SECRETARY  
L. Mahoney

27 September 2012


Date

## BALANCE SHEET

As at 31 December

	Notes	2011 €	2010 €
<b>FIXED ASSETS</b>			
Tangible assets	9	95,658	107,002
Funds and Projects Financial assets	10	1,018,093	1,022,943
		<u>1,113,751</u>	<u>1,129,945</u>
<b>CURRENT ASSETS</b>			
Stocks		252,070	233,974
Debtors	11	93,258	58,418
Cash at bank and in hand		3,900,629	3,542,254
		<u>4,245,957</u>	<u>3,834,646</u>
<b>CREDITORS (amounts falling due within one year)</b>	12	<u>(231,284)</u>	<u>(146,649)</u>
<b>NET CURRENT ASSETS</b>		<u>4,014,673</u>	<u>3,687,997</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES BEFORE PENSIONS</b>		<u>5,128,424</u>	<u>4,817,942</u>
Deferred pension funding	16	16,400,000	14,000,000
Funded Scheme Assets	16	1,700,000	1,800,000
Pension Liabilities	16	(18,100,000)	(15,800,000)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><u>5,128,424</u></u>	<u><u>4,817,942</u></u>
<b>FINANCED BY:</b>			
Funds and Projects Accounts	1	4,051,649	3,945,815
Capital account	13	95,657	107,002
Income and expenditure account		981,118	765,126
		<u>5,128,424</u>	<u>4,817,942</u>

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

  
 TREASURER  
 J Corish

27 September 2012  
 Date

  
 EXECUTIVE SECRETARY  
 L. Mahoney

## CASHFLOW STATEMENT

As at 31 December

	Notes	2011 €	2010 €
<b>Reconciliation of operating surplus to net cash inflow / (outflow) from operating activities</b>			
Operating surplus for the year		321,826	809,091
Depreciation	9	50,268	57,999
Capital Account Transfer	13	(11,345)	(9,937)
Interest earned	1 (b) & 2	(115,873)	(106,656)
(Gain) / Loss on investment transactions	1 (b)	(14,779)	136,301
(Increase) / Decrease in value of financial assets	10	46,766	(179,528)
(Increase) / Decrease in stock		(18,096)	(15,911)
(Increase) / Decrease in debtors	11	(34,840)	94,936
Increase / (Decrease) in creditors	12	84,635	(26,859)
<b>Net cashflow from operating activities</b>		<b>308,562</b>	<b>759,436</b>

## CASHFLOW STATEMENT

Net cashflow from operating activities 308,562 759,436

## Returns on investment and servicing of finance

Interest received 1(b) &amp; 2 115,873 106,656

## Capital expenditure and financial investment

Payments to acquire tangible fixed assets 9 (39,043) (48,062)

Reinvestment in financial assets 10 (27,015) (29,697)

## Increase in cash

358,377 788,333

## RECONCILIATION OF NET CASHFLOW TO NET MOVEMENT IN FUNDS

Net funds at 31 December 2010 3,542,254 2,753,921

Net funds at 31 December 2011 3,900,631 3,542,254

## Increase in cash

358,377 788,333

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



TREASURER  
J Corish



EXECUTIVE SECRETARY  
L. Mahoney

27 September 2012

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 Ghaeilge	51,675	0	0	115,370	0	(115,485)	51,560
Celtic Latin	0	0	0	105,368	0	(105,368)	0
Hamilton Account	53,853	1,036	0	0	(1,589)	0	53,299
Chemistry Symposium Fund	3,419	80	0	0	(122)	0	3,377
International Geosphere - Biosphere Prog	15,790	0	0	0	0	(2,921)	12,869
Eoin O'Mahony Bursary Account	22,920	653	0	0	(527)	0	23,047
Archaeological Research Account	(5,511)	0	0	0	0	(3,680)	(9,191)
Study of International Affairs	7,350	1,405	5,000	0	0	(4,309)	9,446
Seminars Account	191,488	29,279	0	0	0	(24,808)	195,959
Bicentennial Fellowship A/c	0	0	0	0	0	0	0
A New History of Ireland Account	15,814	9,606	0	0	0	0	25,420
Dictionary of Irish Biography Account	115,717	3,167	0	0	350	0	119,234
Atlas of Historic Irish Towns - Research	38,401	35,000	0	0	0	(2,512)	70,889
T.S.R.P.	(0)	0	0	0	0	0	(0)
Chemistry Essay	0	0	0	0	0	0	0
Bioethics Council Fund	2,548	253,362	0	(46,454)	0	(194,865)	14,592
DEPFA Fund	16,430	0	(5,000)	0	0	0	11,430
Balance c/fwd	529,894	333,587	0	174,285	(1,888)	(453,948)	581,930



## 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	529,894	333,587	0	174,285	(1,888)	(453,948)	581,930
Clare Island Study Account	8,386	168	0	0	(135)	0	8,419
Clare Island Publications	2,304	0	0	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	1,367	33	0	0	(51)	0	1,349
Cunningham Fund	15,150	541	0	0	(232)	(1,956)	13,504
Curtis Fund	12,280	296	0	0	(455)	0	12,121
D'Alton Fund	66,536	1,543	0	0	(1,242)	0	66,836
Geological Illustration Fund	1,436	35	0	0	(53)	0	1,418
Higgins Fund	29,252	598	0	0	(480)	0	29,369
Larmor Fund	1,047	26	0	0	(39)	0	1,034
Praeger Fund	35,908	1,087	0	0	(875)	(480)	35,639
Praeger Special Fund	4,962	149	0	0	(120)	0	4,990
Purser Fund	5,150	124	0	0	(191)	0	5,084
Smythe Fund	9,530	188	0	0	(152)	0	9,567
Todd Fund	4,898	48	0	0	0	0	4,946
Ussher Fund	1,789	36	0	0	(28)	0	1,797
Wheeler Fund	2,603	64	0	0	(96)	0	2,570
Mangan Bequest Fund	62,994	1,518	0	0	(1,221)	0	63,290
Balance c/fwd	856,512	340,040	0	174,285	(7,259)	(456,384)	907,192

## 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	856,512	340,040	0	174,285	(7,259)	(456,384)	907,192
	John Jackson Fund	9,139	144	0	0	(115)	0	9,168
	Microbiology Award Account	4,879	104	0	0	(84)	0	4,899
	McNeill Bequest Fund	23,260	787	0	0	(634)	0	23,413
	David Greene Irish Studies Account	14,137	340	0	0	(524)	0	13,954
	Publication Reserve Account	282,083	49,303	0	(51,700)	0	(12,406)	267,279
	Library Capital Account	119,219	1,100	0	50	0	(792)	119,578
	Social Science Research Council	36,935	617	0	0	(497)	0	37,055
	Research Trust Capital Account	480,635	28,528	0	0	(37,293)	0	471,870
	General Purposes Capital Account	20,946	445	0	0	(359)	0	21,032
	OPW Housekeeping Account	13,618	13,977	0	0	0	(15,251)	12,344
	Documents in Irish Foreign Policy Acc	154,324	151,494	0	5,000	0	(150,771)	160,046
	CD Publications Account	23,370	0	(4,674)	0	0	0	18,696
	Contingency Fund	5,079	0	27,625	0	0	0	32,704
	Library Cataloguing Fund	24,477	0	0	0	0	0	24,477
	Library IAALH Fund	127,035	100	0	0	0	(111,526)	15,609
	DIB - General Acc	(147)	0	0	290,239	0	(290,092)	0
	Ní Madadain	6,449	0	0	0	0	0	6,449
	Balance c/fwd	2,201,950	586,980	22,951	417,873	(46,766)	(1,037,223)	2,145,765

## 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	2,201,950	586,980	22,951	417,873	(46,766)	(1,037,223)	2,145,765
SFI - China Ireland	96,931	9,441	0	0	0	0	106,372
International Exchange A/C	0	0	0	21,970	0	(21,970)	0
Atlas of Historic Irish Towns - General	0	0	0	129,408	0	(129,408)	0
Research Reserve	485,996	74,184	181,137	0	0	(224,217)	517,101
SFI - Lecture Series	39,621	0	(7,924)	0	0	0	31,697
Hamilton 2005	18,876	0	(3,775)	0	0	0	15,101
FNG Donegal	(579)	121,738	0	121,446	0	(242,835)	(230)
Hunt Museum	29,900	0	(5,980)	0	0	0	23,920
Archaeological Excav Grant	48,591	100,000	0	(10,000)	0	(109,467)	29,124
RIA Gold Medal	29,107	30,000	0	(10,500)	0	(1,199)	47,408
SFI - Hamilton	26,359	0	(5,272)	0	0	0	21,087
Knowth	80,095	0	0	0	0	(4,609)	75,486
Film Project-Irish Mind	(0)	0	0	0	0	0	(0)
Clare Island Lidar	0	0	0	0	0	0	0
DIAA	385,244	624,004	(84,000)	0	0	(325,323)	599,925
PRTL DHO	690,737	328,103	(78,000)	0	0	(413,692)	527,148
Pension Reserve	57,263	21,606	0	0	0	39	78,909
PRTL STACK	(143,282)	0	0	(1,500)	0	(44,473)	(189,255)
PRTL DOUGAN	(132,675)	0	0	0	0	(20,456)	(153,130)
PRTL - 5 - DAH	0	28,149	0	0	0	(1,561)	26,588
PRTL - 5 - NAVR	0	194,976	(19,137)	0	0	(57,247)	118,592
Irish Constitution Project	0	0	0	0	0	0	0
Gen. Anthropology	0	0	0	0	0	0	0
Irish History Online (IHO)	3,000	0	0	0	0	(133)	2,867
Sub Total	3,917,134	2,119,181	0	668,697	(46,766)	(2,633,771)	4,024,475
Capital Movements - additions to FA				16,992			
Capital Movements - depreciation charge for year	28,681					(18,498)	27,175
	3,945,815	2,119,181	0	668,697	(46,766)	(2,635,277)	4,051,651

## NOTES TO THE FINANCIAL STATEMENTS

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

	2011	2010
	€	€
(b) Other Income comprises:		
(Loss)/Gain on investment transactions	14,779	(136,301)
Interest on investments	86,811	84,167
Subvention & Registration Fees	2,017,201	2,715,147
Sale of Publications	390	559
	<u>2,119,181</u>	<u>2,663,572</u>

(c) Balances were held as follows:-

	Cash and Cash equivalents €	Investments at Cost €	Total €
Opening balance - 1st January 2011	2,922,872	1,022,943	3,945,815
Closing balance - 31 December 2011	3,033,557	1,018,093	4,051,650

## 2. OTHER INCOME

	2011	2010
	€	€
Deposit interest	29,062	22,489
Room rental	22,168	22,120
Grants and awards	9,184	11,636
Members subscriptions and entrance fees	35,417	34,128
Sale of Academy publications	166,915	223,076
	<u>262,746</u>	<u>313,449</u>

## 3. STAFF COSTS

	2011	2010
	€	€
(a) Analysis of Staff Costs:		
Wages and salaries	3,729,679	4,071,119
Social welfare costs	318,086	332,771
Pension costs	1,491,127	1,690,976
	<u>5,538,892</u>	<u>6,094,866</u>

Charged as follows:

Income and Expenditure Account	3,427,029	3,766,097
Funds and Projects Account	2,111,863	2,328,769
	<u>5,538,892</u>	<u>6,094,866</u>

(b) Average Number of Persons Employed

Full Time	58	65
Part Time	28	28

Government guidelines on the payment of director's fees are being implemented. There were no fees paid in 2011 to individual council members. The total paid for travel & subsistence expenses claimed by council members in 2011 was €13,265.

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 2011 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	2011 €	2010 €
Light and heat	30,657	31,359
Insurance	10,044	12,674
Furniture and household	62,233	58,572
Rent (Note 14)	75,478	99,998
	<u>178,412</u>	<u>202,603</u>
Charged as follows:		
Income and Expenditure Account	82,123	84,107
Funds and Projects Account	96,289	118,496
	<u>178,412</u>	<u>202,603</u>
5. GENERAL ADMINISTRATION EXPENSES	2011 €	2010 €
Postage and telephone	35,181	41,868
Advertising	6,160	6,293
Stationery and office	61,610	76,156
Administration printing	14,159	18,300
General Purpose Account and Funds & Projects Miscellaneous	93,756	107,981
Professional fees - Legal and other fees	4,127	0
- Accountants fees	13,193	10,084
- Contributors fees	97,857	56,614
Audit fees	10,810	10,120
Bank interest and fees	3,770	4,665
Information technology	148,734	138,497
Loss/(Gain) on Disposal	120	(2,899)
Training and Consultancy	66,333	78,678
	<u>555,810</u>	<u>546,357</u>
Charged as follows:		
Income and Expenditure Account	358,585	379,157
Funds and Projects Account	197,225	167,200
	<u>555,810</u>	<u>546,357</u>
6. PUBLICATION COSTS	2011 €	2010 €
Proceedings	35,076	29,709
Publications	136,431	158,122
General conservation costs	9,664	10,677
	<u>181,170</u>	<u>198,508</u>
Charged as follows:		
Income and Expenditure Account	176,487	188,928
Funds and Projects Account	4,684	9,580
	<u>181,171</u>	<u>198,508</u>

## NOTES TO THE FINANCIAL STATEMENTS

7. CONFERENCE AND MEETING EXPENSES	2011	2010
	€	€
Conference expenses	19,410	36,501
Special Event Costs	204	368
Travel expenses	87,019	133,352
	<u>106,633</u>	<u>170,221</u>
Charged as follows:		
Income and Expenditure account	16,391	16,261
Funds and Projects account	90,242	153,960
	<u>106,633</u>	<u>170,221</u>
8. BOOK PURCHASES AND SUBSCRIPTIONS	2011	2010
	€	€
Library books and periodicals	28,754	43,902
Subscriptions to international organisations	50,114	40,006
	<u>78,868</u>	<u>83,908</u>
Charged as follows:-		
Income and expenditure account	76,017	81,158
Funds and projects account	2,851	2,750
	<u>78,868</u>	<u>83,908</u>
9. TANGIBLE ASSETS		

COST	Computer Equipment €	Fixtures & Fittings €	Equipment €	Total €
At 1 January 2011	382,095	145,740	85,505	613,340
Additions	30,372	3,848	4,823	39,043
Disposals	0	(1,200)	0	(1,200)
At 31 December 2011	<u>412,467</u>	<u>148,388</u>	<u>90,328</u>	<u>651,183</u>

## ACCUMULATED DEPRECIATION

At 1 January 2011	318,755	117,546	70,036	506,337
Charge for the year	35,747	8,261	6,260	50,268
Eliminated on Disposals	0	(1,080)	0	(1,080)
At 31 December 2011	<u>354,502</u>	<u>124,727</u>	<u>76,296</u>	<u>555,525</u>

## NET BOOK AMOUNTS

At 31 December 2010	63,340	28,194	15,469	107,002
At 31 December 2011	<u>57,965</u>	<u>23,661</u>	<u>14,032</u>	<u>95,658</u>

	2011	2010
	€	€
Depreciation charged as follows:-		
Income and expenditure account	31,770	36,435
Funds and projects account	18,498	21,564
	<u>50,268</u>	<u>57,999</u>

## NOTES TO THE FINANCIAL STATEMENTS

## 9. TANGIBLE ASSETS (contd)

## 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.

The Academy has undertaken an exercise to identify and value Heritage Assets acquired during the past five years (2011-2006), the results are disclosed in the table below.

From 1 January 2011 Heritage assets acquired with a value in excess of €10,000 are capitalised and shown under Fixed Assets on the Balance Sheet.

	2006	2007	2008	2009	2010	2011
	€	€	€	€	€	€
Heritage Assets Purchased	Nil	Nil	Nil	10,000	14,000	Nil
Heritage Assets Donated	30,000	Nil	10,000	Nil	30,000	Nil

Preservation and Management

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

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

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

Heritage Assets of particular importance

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

In 2009, a 19<sup>th</sup>-century music manuscript was purchased, some of which was in the hand of Thomas Moore, 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

## 10. FUNDS AND PROJECTS FINANCIAL ASSETS

	1.1.11			31.12.11			31.12.11
	COST €	ADDITIONS €	DISPOSALS €	COST €	Diminution in value of Financial Assets €	Recovery/ (Diminution) in value of Financial Assets €	MARKET VALUE €
A.I.B. Investment Managers	1,074,027	50,318	(8,402)	1,115,943	(53,476)	(46,766)	1,015,702
2.5% Consolidated Stock	2,156			2,156			2,156
Prize Bonds	235			235			235
	<u>1,076,418</u>	<u>50,318</u>	<u>(8,402)</u>	<u>1,118,334</u>	<u>(53,476)</u>	<u>(46,766)</u>	<u>1,018,093</u>

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

	2011 €	2010 €
Debtors	10,801	11,165
Prepayments and Accrued Income	67,126	33,935
Value Added Tax	15,331	13,318
	<u>93,258</u>	<u>58,418</u>

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

	2011 €	2010 €
Creditors and accruals	128,262	54,984
Taxation	103,022	91,665
	<u>231,284</u>	<u>146,649</u>

## 13. CAPITAL ACCOUNT

	2011 €	2010 €
Opening balance	107,002	116,939
Amounts allocated for fixed asset acquisition	39,043	48,062
Amortisation in line with asset depreciation	(50,268)	(57,999)
Loss on disposal of fixed assets	<u>(120)</u>	<u></u>
Transfer (to)/from the Income & Expenditure Account	(11,345)	(9,937)
Closing balance	<u>95,657</u>	<u>107,002</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.

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 (PRTL), 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 Foclóir na Nua Ghaeilge staff.

**15. RELATED PARTY TRANSACTIONS**

There were no related party transactions in the period ended 31 December 2011.

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 31<sup>st</sup> December 2011. 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 31/12/11	At 31/12/10
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 2011 were:

	Expected Return 2011	Expected Return 2010	Market Value 2011 €	Market Value 2010 €
Equities	7%	7%	900,000	800,000
Bonds	4%	4%	700,000	800,000
Properties	4%	4%	<u>100,000</u>	<u>200,000</u>
Total			<u>1,700,000</u>	<u>1,800,000</u>
Present value of scheme liabilities			(18,100,000)	(15,800,000)
Deficit in scheme			(16,400,000)	(14,000,000)
Related deferred tax liability			0	0
Net Pension Asset/ (Liability)			(16,400,000)	(14,000,000)

## NOTES TO THE FINANCIAL STATEMENTS

**16. PENSIONS (continued)**

<b>(c) Net Deferred Funding for Pensions in Year</b>	<b>2011</b>	<b>2010</b>
	€	€
Funding recoverable in respect of current year pension costs	1,670,000	1,880,000
State Grant Applied to pay Pensioners (Unfunded Scheme)	(144,000)	(127,000)
Pension Contributions (Funded Scheme)	<u>(29,000)</u>	<u>(116,000)</u>
	1,497,000	1,637,000
<b>(d) Analysis of total pension costs charged to expenditure</b>	<b>2011</b>	<b>2010</b>
	€	€
Service Charge	900,000	1,100,000
Interest on Pension Scheme Liabilities	770,000	780,000
Employees Contributions (Unfunded Scheme)	<u>(178,873)</u>	<u>(189,023)</u>
	1,491,127	1,690,977
<b>(e) Analysis of amount recognised in the statement of total recognised gains and losses (STRGL)</b>	<b>2011</b>	<b>2010</b>
	€	€
Difference between actual and expected return on scheme assets	(43,000)	337,000
Experience gains/ (losses)	(860,000)	1,500,000
Changes in assumptions	<u>-</u>	<u>-</u>
Actuarial gain / (loss) recognised in STRGL	<u>(903,000)</u>	<u>1,837,000</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 2011 amounted to €16,400,000 (2010: €14,000,000).

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 2011.

## NOTES TO THE FINANCIAL STATEMENTS

16. PENSIONS (*continued*)

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

	2011 €	2010 €
Deficit at 1 January	(14,000,000)	(14,200,000)
Current service cost	(900,000)	(1,100,000)
Contributions to Funded Scheme	29,000	116,000
Payments from Unfunded Scheme	144,000	127,000
Other Finance Income	(770,000)	(780,000)
Actuarial Gain/ (Loss)	<u>(903,000)</u>	<u>1,837,000</u>
<b>Deficit in scheme at 31 December</b>	<b>(16,400,000)</b>	<b>(14,000,000)</b>

## (h) History of experience gains and losses

	2011 €	2010 €
Differences between the expected and actual return on scheme assets		
Amount	(43,000)	337,000
Percentage of the scheme assets	-3%	19%
Experience Gains/ (Losses) on scheme liabilities		
Amount	(860,000)	1,500,000
Percentage of the present value of the scheme liabilities	-5%	9%
Total amount recognised in STRGL		
Amount	(903,000)	1,837,000
Percentage of the present value of the scheme liabilities	-5%	12%

## 17. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved on 24<sup>th</sup> September, 2012.