

ROYAL IRISH ACADEMY
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2016

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GENERAL INFORMATION

Management Team

Laura Mahoney - Executive Secretary
Rebecca Gageby Head of Administration
Pauric Dempsey - Head of Communications and Public Affairs
Jacinta O'Malley - Head of HR
Lesley Goulding – Head of Finance

Members of the Council

Kennedy, Michael Peter – President
Baghrmian, Maria
Brady, Ciaran
Brazil, Tom
Butler, Geraldine
Carey, Daniel
Canning, Mary
Carpenter, Andrew
Dineen, Sean
Grimson, Jane
Guiry, Patrick
Maher, Imelda
McGilp, John F – Treasurer
McHugh, Peter
McKenna, P. Gerald
Meehan, Elizabeth
O'Halpin, Eunan
O'Reilly, Eoin
Shannon, Patrick M, - Secretary
Simms, Anngret
Spillane, William
Wheeler, Sally

Head Office

Telephone: 01 - 6762570- Fax: 01- 6762346
Web Site: <http://www.ria.ie/>

Bankers

Bank of Ireland
2 College Green, Dublin 2

Auditors

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

Solicitor

Arthur Cox
Earlsfort Centre, Earlsfort Terrace, Dublin 2

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 adequate accounting records 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 prevention and detection of fraud and other irregularities.


TREASURER
J F McGilp


EXECUTIVE SECRETARY
L. Mahoney

15/9/17
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 Council has established a Risk Steering Committee to identify and evaluate risks by:

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

The system of internal 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.

STATEMENT OF INTERNAL FINANCIAL CONTROL

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.

Under section 13.1 of the Code of Practice for the Governance of State Bodies there is a requirement for the Chairperson of each State body to furnish to the relevant Minister a comprehensive report on governance on an annual basis. A draft report has been prepared for 2016 and will be furnished to the Minister when approved.

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

Annual Review of Controls

A formal review of the effectiveness of the system of internal financial controls was carried out for the year ended 31 December 2016. No significant breaches were discovered during the review.



PRESIDENT

Michael Peter Kennedy

15/9/17

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 2016 under the Comptroller and Auditor General (Amendment) Act 1993. The financial statements comprise the statement of income and expenditure, the statement of comprehensive income, the statement of changes in reserves and capital account, the statement of financial position, the statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation derives from Academy by-laws and from generally accepted accounting practice.

Responsibilities of the Council

The Council is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view 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:

- give a true and fair view of the assets, liabilities and financial position of the Academy as at 31 December 2016 and of its income and expenditure for 2016; and
- have been properly prepared in accordance with generally accepted accounting practice.

In my opinion, the accounting records of the Academy were sufficient to permit the financial statements to be readily and properly audited. The financial statements are in agreement with the accounting records.

Emphasis of matter – Deferred funding pension asset

Without qualifying my opinion on the financial statements, I draw attention to Note 20 Pensions and to the recognition as at 31 December 2016 of an asset of €18 million in respect of deferred pension funding.

The Academy operates three defined benefit pension schemes for staff: the Royal Irish Academy Superannuation Scheme (a funded scheme for staff appointed before 1994), the Royal Irish Academy Staff Superannuation Scheme (a pay-as-you-go scheme for staff appointed from 1994 to 2012) and the Single Public Service Pension Scheme (a pay-as-you-go scheme for pensionable public servants appointed on or after 1 January 2013).

The deferred pension funding asset of €18 million, representing a receivable from the State equivalent to the value of the Academy's net pension obligations in relation to its 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 if I find

- any material instance where money has 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
- 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 upon which reporting is by exception.



Colette Drinan
for and on behalf of the
Comptroller and Auditor General

18 September 2017

STATEMENT OF INCOME AND EXPENDITURE

Year ended 31 December


	Notes	2016 €	2015 €
INCOME			
Oireachtas grants	3(a)	2,827,515	2,722,000
Funding and other income	3(b)	2,256,321	3,363,645
Income released/ (deferred) in the period	15	268,091	(676,560)
Deferred pension funding	20	762,000	979,000
		<u>6,113,927</u>	<u>6,388,085</u>
EXPENDITURE			
Staff costs	4	4,890,036	4,742,699
Accommodation and establishment	5	147,441	132,893
General administration	6	520,521	536,739
Publication costs	7	249,700	256,050
Conference and meeting expenses	8	181,492	186,400
Book purchases and international subscriptions	9	67,977	69,955
Grants and awards		139,023	81,858
Depreciation	10	26,335	28,568
		<u>6,222,525</u>	<u>6,035,163</u>
OPERATING (DEFICIT)/SURPLUS FOR THE YEAR		(108,599)	352,922
Unrealised gains on investments	11	76,520	104,533
Transfer from Capital Account	16	11,728	27,419
Transfer (to) Endowment Funds	17	(52,896)	(574,429)
DEFICIT FOR THE YEAR		<u>(73,247)</u>	<u>(89,555)</u>

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

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



TREASURER
J F McGilp



EXECUTIVE SECRETARY
L. Mahoney

15/9/17

Date

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December

	Notes	2016 €	2015 €
(Deficit) for the year		(73,247)	(89,555)
Experience gains on pension scheme liabilities	20	43,000	2,129,000
Changes in Assumptions	20	(3,173,000)	(2,900,000)
Deficit after actuarial (losses) on pension liabilities		<u>(3,203,247)</u>	<u>(860,555)</u>
Adjustment to deferred pension funding asset		3,130,000	771,000
Other Comprehensive Income for the year		<u>(73,247)</u>	<u>(89,555)</u>

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


 TREASURER
 J F McGilp


 EXECUTIVE SECRETARY
 L. Mahoney

15/9/17
 Date

STATEMENT OF CHANGES IN RESERVES AND CAPITAL ACCOUNT

Year ended 31 December

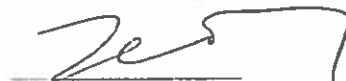
	Statement of Income & Expenditure €	Capital account €	Endowment funds €	Total €
Balance at 1 January 2015	485,005	76,914	1,377,589	1,939,508
Operating Surplus for the year	352,922	-	-	352,922
Transfer (from) Capital account	27,419	(27,419)	-	-
Transfer to Endowment funds	(574,429)	-	574,429	-
Unrealised Gains on investments	104,534	-	-	104,534
Balance at 31 December 2015	395,451	49,495	1,952,018	2,396,964
Operating (Deficit) for the year	(108,599)	-	-	(108,599)
Transfer (from) Capital account	11,728	(11,728)	-	-
Transfer to Endowment funds	(52,896)	-	52,896	-
Unrealised Gains on investments	76,520	-	-	76,520
Balance at 31 December 2016	322,204	37,767	2,004,914	2,364,885

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


TREASURER

J. F. McGilp

15/9/17
Date

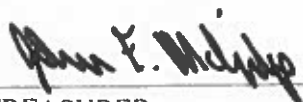

EXECUTIVE SECRETARY
L. Mahoney

STATEMENT OF FINANCIAL POSITION


As at 31 December

	Notes	2016 €	2015 €
FIXED ASSETS			
Property, Plant & Equipment	10	37,767	49,495
Heritage assets	10	20,000	20,000
Funds and Projects Financial assets	11	3,271,862	3,176,184
		<u>3,329,629</u>	<u>3,245,679</u>
CURRENT ASSETS			
Inventory	12	201,903	211,088
Receivables	13	64,747	65,765
Cash at bank and in hand		2,141,367	2,359,496
		<u>2,408,017</u>	<u>2,636,349</u>
CURRENT LIABILITIES (amounts falling due within one year)			
Payables	14	(227,036)	(230,850)
Deferred income	15	(3,145,724)	(3,254,214)
		<u>(964,743)</u>	<u>(848,715)</u>
NET CURRENT LIABILITIES			
		(964,743)	(848,715)
TOTAL ASSETS LESS CURRENT LIABILITIES BEFORE PENSIONS			
		<u>2,364,885</u>	<u>2,396,964</u>
Deferred pension funding asset	20	18,042,000	14,150,000
Funded Scheme Assets	20	2,130,000	2,100,000
Pension Liabilities	20	(20,172,000)	(16,250,000)
		<u>2,364,885</u>	<u>2,396,964</u>
NET ASSETS			
		<u>2,364,885</u>	<u>2,396,964</u>
FINANCED BY:			
Capital account	16	37,767	49,495
Endowment funds - Expendable	17	1,984,914	1,932,018
Endowment funds - Permanent	17	20,000	20,000
Retained Revenue Reserve		322,204	395,451
		<u>2,364,885</u>	<u>2,396,964</u>

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


TREASURER
J F McGilp

15/19/17
Date


EXECUTIVE SECRETARY
L. Mahoney

STATEMENT OF CASH FLOWS

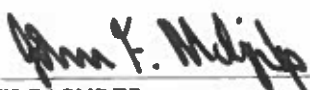
As at 31 December

	Notes	2016 €	2015 €
Reconciliation of operating (deficit)/ surplus to net cash (outflow)/ inflow from operating activities			
Operating (deficit)/ surplus for the year		(108,599)	352,922
Depreciation	10	26,335	28,568
Interest earned	3(b)	(18,861)	(43,510)
Gain on investment transactions	3(b)	(2,255)	(26,057)
Decrease/(Increase) in Inventory	12	9,185	(11,206)
Decrease in Receivables	13	1,018	9,108
(Decrease) / Increase in Payables and Deferred Income	14 & 15	(112,305)	663,307
Net cash (outflow)/ inflow from Operating Activities		(205,482)	973,133

STATEMENT OF CASHFLOWS

Net cashflow from Operating Activities		(205,482)	973,133
Cashflows from investing activities			
Payments to acquire property, plant and equipment	10	(14,607)	(1,149)
Reinvestment in financial assets	11	(16,901)	(393,442)
Cashflows from financing activities			
Bank interest	3(b)	18,861	43,510
(Decrease)/Increase in cash and cash equivalents		(218,130)	622,051
Cash and cash equivalents at the beginning of the year		2,359,496	1,737,443
Cash and cash equivalents at the end of the year		2,141,367	2,359,496

Notes 1 to 22 form part of these Financial Statements.


 TREASURER
 J F McGilp


 EXECUTIVE SECRETARY
 L. Mahoney

15/9/17
 Date

GENERAL INFORMATION AND ACCOUNTING POLICIES

1. GENERAL INFORMATION

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

a) STATEMENT OF COMPLIANCE

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

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

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

b) BASIS OF ACCOUNTING

The financial statements have been prepared under the 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.

c) OIREACTHAS GRANTS

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

d) OTHER INCOME

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

e) PROPERTY, PLANT & EQUIPMENT

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Heritage Assets:

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

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

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

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

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

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

f) CAPITAL ACCOUNT

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

g) DEFERRED INCOME

Deferred income represents funds received for research and other projects which has not been disbursed at the date of the Statement of Financial Position. Income is recognised to the extent of the related expenditure incurred in the year, together with any related contributions towards overheads. Funds are held on deposit or investment until utilised.

h) FUNDS AND PROJECTS FINANCIAL ASSETS

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

NOTES TO THE FINANCIAL STATEMENTS

i) INVENTORY

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

j) EMPLOYEE BENEFITSShort-term Benefits

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

Pensions

The Royal Irish Academy operates defined benefit pension schemes which are funded annually on a pay as you go basis from monies available to it, including monies provided by the Higher Education Authority and from contributions deducted from staff salaries.

The Academy also operates a defined benefit non-contributory funded scheme for staff recruited before 1 January 1994. Employers' contributions to this scheme are paid in accordance with recommendations of a qualified independent actuary.

The Academy also operates the Single Public Service Pension Scheme (Single Scheme) which is the defined benefit pension scheme for pensionable public servants appointed on or after 1 January 2013. Single Scheme member's contributions are paid over to the Department of Public Expenditure and Reform.

Pension costs reflect pension benefits earned by employees in the period and are shown net of staff pension contributions which are retained by the Academy. An amount corresponding to the pension charge is recognised as income to the extent that it is recoverable, and offset by grants received in the year to discharge pension payments.

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

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

k) FOREIGN CURRENCIES

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

l) ENDOWMENT FUNDS

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

NOTES TO THE FINANCIAL STATEMENTS

m) CASH AND CASH EQUIVALENTS

Cash consists of cash on hand and demand deposits.

n) OTHER FINANCIAL ASSETS

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

o) OTHER FINANCIAL LIABILITIES

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

p) IMPAIRMENT OF ASSETS

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

q) PROVISIONS

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

r) CONTINGENCIES

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

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

s) OPERATING LEASES

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

t) TAXATION

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

NOTES TO THE FINANCIAL STATEMENTS

2. Critical Accounting Judgements and Estimates

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

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

(a) Going concern

There is no material uncertainty regarding the Council's ability to meet its liabilities as they fall due, and to continue as a going concern. On this basis, the Council considers it appropriate to prepare financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the Council was unable to continue as going concern.

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

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

(c) Provision for doubtful debts

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

(d) Deferred pension funding

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

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

NOTES TO THE FINANCIAL STATEMENTS

3(a). OIREACHTAS GRANTS	2016 €	2015 €
Higher Education Authority - Vote 26- Subhead C 4	2,827,515	2,722,000

3(b). OTHER INCOME	2016 €	2015 €
Deposit interest	-	26,161
Room rental	75,874	38,006
Grants and awards	66,031	6,707
Members subscriptions and entrance fees	61,939	73,141
Sale of Academy publications	342,128	337,867
Gain on investment transactions	2,255	26,057
Interest on investments	18,861	17,349
Funding and registration fees	1,689,233	2,838,357
	2,256,321	3,363,645

3(c). FUNDING AND REGISTRATION FEES	Purpose of grant	Funding Body	Grant Awarded / Claimed in 2016	Deferred income released in 2016	Grant awarded not drawn in 2016	Grant Received in 2016
	Sponsorship of Maths competition prize	Department of Education & Skills	12,311		(0)	12,311
	Disbursement of Grants - Archaeology	Department of Arts, Heritage and the Gaeltacht	98,500		(0)	98,500
	Disbursement of Grants - Gold Medal	Higher Education Authority	39,600		(0)	39,600
	Hamilton Competition Prize	ARUP	31,000		(0)	31,000
	Publication of "Redmond, Carson & Shaw"	Department of Arts, Heritage and the Gaeltacht	29,680		(0)	29,680
	Publication of "TCD in War & Revolution"	Trinity Funding	19,000		(0)	19,000
	Research and publication of Foclóir Nua Gaeilge	Department of Arts, Heritage and the Gaeltacht	141,084		(0)	141,084
	Research and publication of Documents in Irish Foreign Policy	Department of Foreign Affairs and Trade	150,139		(0)	150,139
	Research and publication "Ireland & Japan"	Department of Foreign Affairs and Trade	40,000		(0)	40,000
	Irish Historic Towns Atlas	Dublin City Council	10,000		(0)	10,000
	Bioethics Council	Health Services Executive	161,973		(0)	161,973
	Disbursements of Grants	American Chamber of Commerce	23,800		(0)	23,800
	Programme for Research in Third-Level Institutions PRTL1 5 (Digital)	Higher Education Authority	175,000		(0)	175,000
	Programme for Research in Third-Level Institutions PRTL1 5 (Digital)	Department of Communications, Climate Action and Environment	50,000		(0)	50,000
	Programme for Research in Third-Level Institutions PRTL1 5 (Digital)	Dept of Jobs, Enterprise and Innovation	50,000		(0)	50,000
	Post Doctorate fellowship funding	Irish Research Council	42,770		(0)	42,770
	Digital Repository Ireland -INSIGHT	National University of Ireland Galway	76,232		(0)	76,232
	Digital Repository Ireland -INSIGHT	RTE & CMC	38,628		(0)	38,628
	Digital Repository Ireland -INSPIRING IRELAND 1916	Department of Arts, Heritage and the Gaeltacht	13,797		(0)	13,797
	Digital Repository Ireland -INSPIRING IRELAND 1916	Department of Foreign Affairs and Trade	27,009		(0)	27,009
	Research Data Alliance Consortium Agreement	RDA Europe	35,351		(0)	35,351
	Research Data Alliance Consortium Agreement	Max Planck Comp Dat RDA Europe	15,726		(0)	15,726
	Report on experience of Philanthropic body in Ireland	Atlantic Philanthropies	75,000		(0)	75,000
	Irish Humanities Alliance	Shared Group -All Ireland Universities	77,000		(0)	77,000
	Other activities	Various Bodies	255,633		(0)	255,633
			1,689,233		0	1,689,233

4. STAFF COSTS	Income & Expenditure 2016 €	Funds & Projects 2016 €	Total 2016 €	Total 2015 €
(a) Analysis of Staff Costs				
Wages and salaries	1,755,233	1,909,438	3,664,671	3,375,315
Social welfare costs	131,017	164,325	295,342	302,395
Pension costs	930,023	-	930,023	1,064,989
	2,816,273	2,073,763	4,890,036	4,742,699
Full Time			58	55
Part Time			15	19
(b) Employee benefits breakdown				
Range of total employee benefits			Number of Employees	
From To			2016	2015
€60,000 - €69,999			2	2
€70,000 - €79,999			9	8
€80,000 - €89,999			1	0
€90,000 - €99,999			1	2

Government guidelines on the payment of director's fees have been implemented. There were no fees paid in 2016 to individual council members. The total paid for travel & subsistence expenses claimed by council members in 2016 was €4,825 (2015: €8,025).

Four Council meetings were held during 2016

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 2016 was €91,624 (2015: €91,624) and pension entitlements for this post are in line with standard entitlements in the model public sector defined benefit superannuation scheme. The Executive Secretary was not in receipt of any performance related awards.

NOTES TO THE FINANCIAL STATEMENTS

	Income & Expenditure 2016 €	Funds & Projects 2016 €	Total 2016 €	Total 2015 €
5. ACCOMMODATION AND ESTABLISHMENT EXPENSES				
Light and heat	38,871	3,994	42,865	37,703
Insurance	12,534	1,000	13,534	9,807
Furniture and household	39,238	22,994	62,232	56,573
Rent (Note 18)	12,000	16,810	28,810	28,810
	<u>102,643</u>	<u>44,798</u>	<u>147,441</u>	<u>132,893</u>
6. GENERAL ADMINISTRATION EXPENSES				
Postage and telephone	34,123	3,066	37,189	47,924
Advertising	5,710	6,106	11,816	5,356
Stationery and office	27,492	159	27,651	44,752
Administration printing	3,831	1,477	5,308	18,225
General purpose account and funds and projects miscellaneous	44,169	64,830	108,999	126,459
Professional fees - Legal fees	12,546	-	12,546	31,909
- Accountancy, internal audit and other financial advice	35,497	-	35,497	21,837
- Professional fees including HR and pension advice	40,953	-	40,953	29,483
- Contributors fees	-	223	223	689
Audit fees	14,500	-	14,500	12,200
Bank interest and fees	5,916	-	5,916	5,590
Information technology	107,277	71,926	179,203	145,352
HR, Training and Development	38,411	2,309	40,720	46,963
	<u>370,425</u>	<u>150,096</u>	<u>520,521</u>	<u>536,739</u>
7. PUBLICATION COSTS				
Proceedings	36,623	-	36,623	20,992
Publications	173,186	27,923	201,109	227,699
General conservation costs	3,455	8,513	11,968	7,359
	<u>213,264</u>	<u>36,436</u>	<u>249,700</u>	<u>256,050</u>

NOTES TO THE FINANCIAL STATEMENTS

8. CONFERENCE AND MEETING EXPENSES	Income & Expenditure 2016 €	Funds & Projects 2016 €	Total 2016 €	Total 2015 €
Conference expenses	-	44,476	44,476	44,010
Special Event Costs	-	-	-	230
Travel expenses	18,507	118,509	137,016	142,160
	<u>18,507</u>	<u>162,985</u>	<u>181,492</u>	<u>186,400</u>

9. BOOK PURCHASES AND SUBSCRIPTIONS	Income & Expenditure 2016 €	Funds & Projects 2016 €	Total 2016 €	Total 2015 €
Library books and periodicals	31,267	-	31,267	28,819
Subscriptions to international organisations	36,710	-	36,710	41,136
	<u>67,977</u>	<u>-</u>	<u>67,977</u>	<u>69,955</u>

10. PROPERTY, PLANT, AND EQUIPMENT

COST	Computer Equipment €	Fixtures & Fittings €	Equipment €	Total €
At 1 January 2016	263,068	127,926	116,593	507,587
Additions	8,606	-	6,001	14,607
Disposals	(10,465)	(3,629)	(7,135)	(21,229)
At 31 December 2016	<u>261,209</u>	<u>124,297</u>	<u>115,459</u>	<u>500,965</u>

ACCUMULATED DEPRECIATION

At 1 January 2016	237,418	125,226	95,448	458,092
Charge for the year	17,383	992	7,960	26,335
Eliminated on Disposals	(10,465)	(3,629)	(7,135)	(21,229)
At 31 December 2016	<u>244,336</u>	<u>122,589</u>	<u>96,273</u>	<u>463,198</u>

NET BOOK AMOUNTS

At 31 December 2015	25,650	2,700	21,145	49,495
At 31 December 2016	<u>16,873</u>	<u>1,708</u>	<u>19,186</u>	<u>37,767</u>

Depreciation charged as follows:-	2016	2015
	€	€
Income and expenditure account	23,405	25,454
Funds and projects account	2,930	3,114
	<u>26,335</u>	<u>28,568</u>

NOTES TO THE FINANCIAL STATEMENTS

10. PROPERTY, PLANT, AND EQUIPMENT (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.

Where information on the cost or value of an asset is not available, and cannot be obtained at a cost which is commensurate with the benefits to users of the financial statements, the assets shall not be recognised in the statement of financial position. From 1 January 2011 Heritage assets acquired with a value in excess of €10,000 are capitalised and shown on the Statement of Financial Position. Heritage Assets acquired during the past six years (2016-2011), are disclosed in the table below.

	2011	2012	2013	2014	2015	2016
	€	€	€	€	€	€
Heritage Assets Purchased	Nil	Nil	Nil	Nil	Nil	Nil
Heritage Asset Donations	Nil	Nil	Nil	25,000	Nil	Nil

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

Preservation and Management

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

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

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

Heritage Assets of particular importance

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

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

NOTES TO THE FINANCIAL STATEMENTS

11. FUNDS AND PROJECTS FINANCIAL ASSETS

	1.1.16			31.12.16			31.12.16
	COST €	ADDITIONS €	DISPOSALS €	COST €	Recovery/ (Diminution) in value of Financial Assets: prior to 2016 €	Recovery/ (Diminution) in value of Financial Assets: 2016 €	MARKET VALUE €
Investment Portfolio	1,680,090	15,922		1,696,012	249,538	36,974	1,982,524
DAVY No 1 account	904,968	9,197	(9,172)	904,993	77,743	35,532	1,018,268
Community Foundation Ireland	255,343	5,698	(2,489)	258,552	6,113	4,014	268,679
2.5% Consolidated Stock	2,156	-	-	2,156	-	-	2,156
Prize Bonds	235	-	-	235	-	-	235
	<u>2,842,792</u>	<u>30,817</u>	<u>(11,661)</u>	<u>2,861,948</u>	<u>333,394</u>	<u>76,520</u>	<u>3,271,862</u>

12. INVENTORY

	2016 €	2015 €
Books and journals for resale	<u>201,903</u>	<u>211,088</u>

13. RECEIVABLES (amounts falling due within one year)

	2016 €	2015 €
Receivables	5,486	5,923
Prepayments and accrued income	43,423	41,186
Value added tax	15,838	18,656
	<u>64,747</u>	<u>65,765</u>

The fair values of debtors and prepayments approximate to their carrying amounts. All debtors are due within one year.

14. PAYABLES (amounts falling due within one year)

	2016 €	2015 €
Payables and accruals	147,994	148,468
Taxation	79,042	82,382
	<u>227,036</u>	<u>230,850</u>

NOTES TO THE FINANCIAL STATEMENTS

15. DEFERRED INCOME	2016	2015
	€	€
Balance at 1 January	3,254,214	2,577,653
Allocations from state grants	649,645	641,137
Funding and other receipts	1,694,427	2,364,767
Project expenditure	(2,612,163)	(2,329,344)
Income (released) in the period	(268,091)	676,560
Funding ringfenced for pension payments	159,601	-
Balance as at 31 December	<u>3,145,724</u>	<u>3,254,214</u>

16. CAPITAL ACCOUNT	2016	2015
	€	€
Opening balance	49,495	76,914
Amounts allocated for fixed asset acquisition	14,607	1,149
Amortisation in line with asset depreciation	(26,335)	(28,568)
Loss on disposal of fixed assets	-	-
Transfer (from) retained revenue reserves	(11,728)	(27,419)
Closing balance	<u>37,767</u>	<u>49,495</u>

17. ENDOWMENT FUNDS	2016	2015
	€	€
Balance at 1 January	1,952,018	1,377,589
Additions	15,922	516,996
Disposals	-	(2,187)
Recovery in value of financial assets	36,974	59,620
Additions in the period	52,896	574,429
Balance as at 31 December	<u>2,004,914</u>	<u>1,952,018</u>

Represented by:	2016	2015
	€	€
Heritage assets	20,000	20,000
Funds and projects financial assets	1,984,914	1,932,018
	<u>2,004,914</u>	<u>1,952,018</u>

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

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

NOTES TO THE FINANCIAL STATEMENTS

18. ACCOMMODATION

The Academy operates from offices at 19 Dawson Street and Bective House in Dublin that are provided on a rent-free basis by the Office of Public Works. During 2012, further floors on 19A Dawson Street were acquired by the Academy on a short-term lease, meaning the Academy now occupies the whole building at 19a Dawson Street.

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

	As at 31 Dec 2016	As at 31 Dec 2015
Future minimum lease payments under non-cancellable operating leases	€	€
Payable within one year	28,810	28,810
Payable within two to five years	115,200	96,000
Payable after five years	210,000	234,000
	354,010	358,810

19. RELATED PARTY TRANSACTIONS

There were no related party transactions in the period ended 31 December 2016.

Key management personnel in the Royal Irish Academy consist of the Chief Executive, senior management and members of the Council. Total compensation paid to key management personnel, including council members' expenses and total CE remuneration, amounted to €377,836 (2015: €356,233).

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

NOTES TO THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

While the Academy recognises that there is a deficit on the funded scheme, a solution is currently being sought to resolve this situation, however an agreement has not yet been finalised. 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.

NOTES TO THE FINANCIAL STATEMENTS

20. PENSIONS (continued)

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

The results set out below are based on actuarial valuation of the pension liabilities in respect of serving and former staff of the Academy at 31st December 2016. This valuation was carried out by a qualified independent actuary for the purposes of the accounting standard, Financial Reporting Standard 102 (FRS 102). The valuation has been completed using the projected unit method.

(b) Financial Assumptions

The financial assumptions used FRS102 purposes were:

	At 31.12.16	At 31.12.15
Discount rate	1.75%	2.5%
Salary Increases	2.0%	2.0%
Pension Increases	2.0%	2.0%
Inflation Increases	1.5%	1.5%

The assets in the pre 1994 funded scheme and the expected rate of return as of December 2016 were:

	Market Value 2016	Market Value 2015
Equities	1,010,000	1,100,000
Bonds	910,000	850,000
Properties	<u>210,000</u>	<u>150,000</u>
Total	<u>2,130,000</u>	<u>2,100,000</u>
Present value of scheme liabilities	(20,172,000)	(16,250,000)
Deficit in scheme	(18,042,000)	(14,150,000)

NOTES TO THE FINANCIAL STATEMENTS

20. PENSIONS (*continued*)

(c) Net Deferred Funding for Pensions in Year	2016	2015
	€	€
Funding recoverable in respect of current year pension costs	1,089,000	1,230,000
State Grant Applied to pay Pensioners (Unfunded Scheme)	(299,000)	(223,000)
Pension Contributions (Funded Scheme)	<u>(28,000)</u>	<u>(28,000)</u>
	762,000	979,000
(d) Analysis of total pension costs charged to expenditure	2016	2015
	€	€
Service Charge	735,000	550,000
Interest on Pension Scheme Liabilities (Net Return)	354,000	680,000
Employees Contributions (Unfunded Scheme)	<u>(158,977)</u>	<u>(165,012)</u>
	930,023	1,064,988
(e) Analysis of amount recognised in Other Comprehensive Income	2016	2015
	€	€
Experience gains	43,000	2,129,000
Changes in assumptions	<u>(3,173,000)</u>	<u>(2,900,000)</u>
Actuarial gain recognised	<u>(3,130,000)</u>	<u>(771,000)</u>

NOTES TO THE FINANCIAL STATEMENTS

20. PENSIONS (*continued*)

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

The Royal Irish Academy recognises these amounts as an asset corresponding to the funded and unfunded deferred liability on the basis of the set of assumptions described above and a number of past events. These events include the statutory basis for the establishment of the pension scheme and the policy and practice currently in place in relation to funding public service pensions, including contributions by employees and the annual estimates process. The Academy anticipates that this funding policy will continue to meet such sums in accordance with current practice. The deferred funding asset for pensions as at 31 December 2016 amounted to €18,042,000 (2015: €14,150,000).

The valuation used for FRS102 disclosures has been based on a full actuarial valuation by a qualified independent actuary taking account of the requirements of the FRS in order to assess the scheme liabilities at 31 December 2016.

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

	2016 €	2015 €
Deficit at 1 January	14,150,000	12,400,000
Current service cost	735,000	550,000
Contributions to Funded Scheme	(28,000)	(28,000)
Payments from Unfunded Scheme	(299,000)	(223,000)
Other Finance Income	354,000	680,000
Actuarial Gain	<u>3,130,000</u>	<u>771,000</u>
Deficit in scheme at 31 December	18,042,000	14,150,000

(h) History of experience gains and losses

	2016 €	2015 €
Experience Gains on scheme liabilities		
Amount	43,000	2,129,000
Percentage of the present value of the scheme liabilities	0.2%	13%
Total amount recognised in Other Comprehensive Income		
Amount	(3,130,000)	(771,000)
Percentage of the present value of the scheme liabilities	(15.5%)	(4.7%)

NOTES TO THE FINANCIAL STATEMENTS

21. CAPITAL COMMITMENTS

There were no capital commitments at 31 December 2016.

22. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved on 15th May 2017.