



ROYAL IRISH ACADEMY

ROYAL IRISH ACADEMY

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2020

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GENERAL INFORMATION

Management Team

Tony Gaynor	- Executive Director
Iseult Ó Síocháin	- Deputy Executive Director
Pauric Dempsey	- Head of Communications and Public Affairs
Jacinta O'Malley	- Head of HR
Suzanne Campbell	- Head of Finance
Gilly Clarke	- Head of Programmes and Administration

Members of the Council 2020

Kennedy, Michael Peter – President (till 15/03/20)
Canning, Mary – President (from 16/03/20)
Carey, Daniel – VP
Conroy, Jane – VP
Cooney, Gabriel
Fuchs, Anne
Gardiner, Stephen - Treasurer
Godson, Catherine
Honohan, Patrick
James-Chakraborty, Kathleen
Jones, Michael B.
Kelly, Mary
Maguire, Anita - VP
Mansergh, Martin
McGuire, James
McKenna, P. Gerald - SVP
Meehan, Eucharía
Nicolosi, Valeria
Norton, Brian
O'Dowd, Mary
O'Mara, Shane
Shannon, Patrick M. - Secretary
Sheridan, Geraldine
Simms, Anngret

Head Office

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

Bankers

Bank of Ireland
2 College Green, Dublin 2

Auditors

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

Solicitor

Arthur Cox
Earlsfort Centre, Earlsfort Terrace, Dublin 2

GOVERNANCE STATEMENT AND COUNCIL MEMBERS' REPORT

Governance

The Council of the Royal Irish Academy was established under Royal Charter in 1786. The functions of the Council are set out in this Charter. The Council is accountable to the Higher Education Authority and is responsible for ensuring good governance and performs this task by setting strategic objectives and targets and taking strategic decisions on all key business issues. The regular day-to-day management, control and direction of the Royal Irish Academy are the responsibility of the Executive Director and the senior management team. The Executive Director and the senior management team must follow the broad strategic direction set by the Council and, must ensure that all Council members have a clear understanding of the key activities and decisions related to the Royal Irish Academy, and of any significant risks likely to arise. The Executive Director acts as a direct liaison between the Council and management of the Royal Irish Academy.

Council Responsibilities

The work and responsibilities of the Council are set out in the charter and by-laws which also contain the matters specifically reserved for Council decision. Standing items considered by the Council include:

- declaration of interests,
- reports from committees,
- financial reports/management accounts,
- performance reports, and
- reserved matters.

The Royal Charter 1786 requires the Council of Royal Irish Academy to keep, in such form as may be approved by the Minister for Higher Education, Research, Innovation and Science, with consent of the Minister for Public Expenditure and Reform, all proper and usual accounts of money received and expended by it.

In preparing these financial statements, the Council of Royal Irish Academy is required to:

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

The Council is responsible for keeping adequate accounting records which disclose, with reasonable accuracy at any time, its financial position and enables it to ensure that the financial statements comply with the Royal Charter 1786. The maintenance and integrity of the corporate and financial information on the Royal Irish Academy's website is the responsibility of the Council.

The Council is responsible for approving the annual plan and budget. Evaluation of the performance of the Royal Irish Academy by reference to the annual plan and budget is an ongoing standing agenda item in Council meetings.

The Council is also responsible for safeguarding its assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Council considers that the financial statements of the Royal Irish Academy give a true and fair view of the financial performance and the financial position of the Royal Irish Academy as at 31st December 2020.

GOVERNANCE STATEMENT AND COUNCIL MEMBERS' REPORT

Council Structure

The Council consists of the Officers of the Academy and members elected annually at the Stated General Meeting on March 16th. The members of the Council were appointed for a period of one year and meet five times per annum. The table below details the appointment period for current members:

Member	Role	Date appointed
Giller, Paul	Council Member	16-Mar-21
Godson, Catherine	Secretary for Science from 16 March 2020	16-Mar-20
Jones, Michael B	Council Member	16-Mar-19
Kelly, Mary	Council Member	16-Mar-20
Lowndes, Noel	Council Member	16-Mar-21
Maguire, Anita	Vice President from 16 March 2019	Co-opted in May 2018
McKenna, P Gerald	VP from 16 March 2017, SVP from 16 March 2020	16-Mar-17
McNulty, Helene	Council Member	16-Mar-21
Meehan, Eucharia	Vice President from 16 March 2021	16-Mar-18
Norton, Brian	Sec for Policy and Int. Relations from 16 March 2020	16-Mar-20
O'Mara, Shane	Council Member	16-Mar-20
Canning, Mary	Senior Vice President from 16 March 2018, President from 16 March 2020	16-Mar-17
Carey, Daniel	Vice-President from 16 March 2020, Secretary for the Humanities from 16 March 2021	16-Mar-17
Connolly, Claire	Council Member	16-Mar-21
Conroy, Jane	Vice President from 16 March 2019	16-Mar-19
Fuchs, Anne	Council Member	Co-opted in April 2020
Honohan, Patrick	Treasurer from 16 March 2021	16-Mar-19
Livingstone, David	Council Member	16-Mar-21
Mansergh, Martin	Council Member	16-Mar-19
O'Dowd, Mary	Secretary for Humanities from 16 March 2018, Secretary from 16 March 2021	16-Mar-18
O'Halpin, Eunan	Council Member	16-Mar-21
Sheridan, Geraldine	Council Member	16-Mar-18

The Council completed a self-assessment of Council Effectiveness and Evaluation Review in 2020.

The Council has established three committees, as follows:

- 1. Executive Committees:** comprises seven Council members and two staff members. The members of this committee are; Mary Canning, Patrick Honohan, Mary O'Dowd, Brian Norton, Patrick Gerald McKenna, Catherine Godson, Dan Carey, Tony Gaynor and Barbara McCormack. There were 4 meetings of the EC in 2020.
- 2. Audit and Risk Committee:** comprises one Council member and four independent members. The role of the Audit and Risk Committee (ARC) is to support the Council in relation to its responsibilities for issues of risk, control and governance and associated assurance. The ARC is independent from the financial management of the organisation. In particular the Committee ensures that the internal control systems including audit activities are monitored actively and independently. The ARC reports to the Council after each meeting, and formally in writing annually.

The members of the Audit and Risk Committee were: Ray Mooney, John Murphy (retired), Orla Feely, Grace Dempsey and Mary O'Dowd. There were 5 meetings of the ARC in 2020.

GOVERNANCE STATEMENT AND COUNCIL MEMBERS' REPORT

Key Personnel Changes

M. Peter Kennedy completed his term as President on 15th March 2020 and Mary Canning was elected as President on 16th March 2020. There were six new members appointed to Council on 16th March 2021. Two Council members were co-opted in April 2020. On 16th March 2020, Catherine Godson was elected as Secretary for Science and Brian Norton was elected as Secretary for Policy and International Relations. Daniel Carey was elected as Vice-President.

Disclosures Required by Code of Practice for the Governance of State Bodies (2016)

The Council is responsible for ensuring that Royal Irish Academy has complied with the requirements of the Code of Practice for the Governance of State Bodies ("the Code"), as published by the Department of Public Expenditure and Reform in August 2016. The following disclosures are required by the Code:

Employee Short-Term Benefits Breakdown

Employees' short-term benefits in excess of €60,000 are categorised into the following bands:

Range From	To	Number of employees	
		2020	2019
€ 60,000	- € 69,999	3	2
€ 70,000	- € 79,999	2	4
€ 80,000	- € 89,999	9	8
€ 90,000	- € 99,999	-	-
€ 100,000	- € 109,999	1	-
€ 110,000 +		-	-

Note: For the purposes of this disclosure, short-term employee benefits in relation to services rendered during the reporting period include salary, overtime allowances and other payments made on behalf of the employee but exclude employer's PRSI.

Consultancy Costs

Consultancy costs include the cost of external advice to management and exclude outsourced 'business-as-usual' functions.

	2020	2019
	€	€
Legal advice	6,105	1,779
Financial/actuarial advice	8,211	4,158
Other professional fees	56,382	5,907
Total consultancy costs	70,698	11,844
Consultancy costs capitalised	-	-
Consultancy costs charged to the Income and Expenditure	70,698	11,844
Total	70,698	11,844

GOVERNANCE STATEMENT AND COUNCIL MEMBERS' REPORT

Legal Costs and Settlements

The table below provides a breakdown of amounts recognised as expenditure in the reporting period in relation to legal costs, settlements and conciliation and arbitration proceedings relating to contracts with third parties. This does not include expenditure incurred in relation to general legal advice received by the Royal Irish Academy which is disclosed in Consultancy costs above.

	2020	2019
	€	€
Legal fees - legal proceedings	605	10,795
Settlements	-	37,440
Total	605	48,235

Travel and Subsistence Expenditure

Travel and subsistence expenditure are categorised as follows:

	2020	2019
	€	€
Domestic		
- Council	298	2,270
- Employees	1,320	7,588
- Guest Speakers	2,739	-
International		
- Council	-	1,768
- Employees	2,020	30,616
- Guest Speakers	2,434	24,874
Total	8,811	67,116

Hospitality Expenditure

The Income and Expenditure Account includes the following hospitality expenditure:

	2020	2019
	€	€
Staff / Committee/ Client hospitality	9,827	27,189
Total	9,827	27,189

Hospitality expenditure captures a wide variety of expenditure and may have been previously referred to as entertainment expenditure. This category of expenditure is ancillary, but not necessary, to carrying out the functions of the State body. In practice, this expenditure relates to items which do not have a clear business purpose and would include (but not limited to) Christmas and retirement parties, contribution to sports and social clubs, gifts, or gift vouchers for staff etc. It would also include expenditure incurred in relation to client hospitality.

GOVERNANCE STATEMENT AND COUNCIL MEMBERS' REPORT

Statement of Compliance

Royal Irish Academy has complied with the requirements of the Code of Practice for the Governance of State Bodies, as published by the Department of Public Expenditure and Reform in August 2016.

Mary Canning

PRESIDENT
Mary Canning

Tony Gaynor

EXECUTIVE DIRECTOR
Tony Gaynor

Date 21st December 2021

STATEMENT ON INTERNAL CONTROL

Responsibility for System of Internal Control

On behalf of the Council of the Royal Irish Academy, I acknowledge our responsibility for ensuring that an effective system of internal control is maintained and operated.

The system can only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely period.

Key Control Procedures

The Council has taken steps to ensure an appropriate control environment is in place by:

- clearly defining management responsibilities,
- establishing formal procedures for reporting significant control failures and ensuring appropriate corrective action, and
- 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; and
- considering the costs of operating particular controls relative to the benefit obtained.

The system of internal control is based on a framework of regular management information, administrative procedures including segregation of duties and a system of delegation and accountability. In particular it includes:

- comprehensive budgeting system with an annual budget which is reviewed and agreed by the Council,
- regular reviews of periodic and annual financial reports which indicate financial performance against targets,
- clearly defined capital investment control guidelines, managed by external advisors, and
- formal project management disciplines.

STATEMENT ON INTERNAL CONTROL

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

Under the Code of Practice for the Governance of State Bodies there is a requirement for the Chairperson of each State body to furnish to the relevant Minister a comprehensive report on governance on an annual basis. A draft report has been prepared for 2020 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.

Impact of Covid-19 pandemic to the Control Environment

The onset of the COVID 19 pandemic in early 2020, and the resulting public health advise and safety measures, rapidly and fundamentally changed the working practices of the RIA with remote and virtual working becoming the norm for most RIA staff.

RIA has monitored the developments closely, looking to mitigate the risks that may affect the RIA's business operations, staff and stakeholders. Actions taken by the RIA includes: -

- Initiated RIA's Business as Usual (BAU) model and transitioned RIA's business operations to a remote working environment where most business processes can continue as normal.
- Continual assessment of significant risks pertaining to the Covid-19 pandemic and the agility of RIA to respond effectively.
- The oversight and assessment of risk pertaining to Covid-19 are assigned and monitored by a Risk Committee
- Make necessary adaptations to the RIA's physical office environment in line with published guidance and expert assessment.
- Ensured robust segregation of duties remains and adequate cover is in place should specific approving authorities be unavailable.
- Ensured that all existing data protection and records management policies and procedures continue to apply in the remote working environment and are monitored and reported on as normal.
- Ensured that staff members access RIA's network using RIA's approved ICT equipment and that all staff members working remotely have been equipped with the necessary ICT equipment.
- Continual assessment of potential for weaknesses in internal controls resulting from COVID-19 and took measures to monitor and update internal controls where necessary.

Annual Review of Controls

A formal review of the effectiveness of the system of internal controls was carried out for the year ended 31st December 2020. No significant breaches were discovered during the review.

STATEMENT ON INTERNAL CONTROL

Disclosure of Details Regarding Instances where Breaches in Control has Occurred

No weaknesses in internal control were identified in relation to 2020 that require disclosure in the financial statements.

Compliance with Public Spending Code

Royal Irish Academy is in compliance with current procurement rules and guidelines as set out by the Office of Government Procurement, with the exception below:

- A contract for cleaning services which expired in November 2019 continued throughout 2020 due to the pandemic. The value of these services in 2020 equated to €26,664. A tender process is being ran through the Office of Government Procurement with a view to establishing a new contract in February 2022.

Approval by the Council

The Statement on System of Internal Control has been reviewed by the Audit and Risk Committee and the Council to ensure it accurately reflects the control system in operation during the reporting period.

A review of Internal Control in 2020 was carried out by an external firm and signed off by the Council in 2021.

The Council is reasonably assured that the systems of Internal Control instituted and implemented in the Royal Irish Academy for the financial year ended 31st December 2020 are effective.



PRESIDENT
Mary Canning

Date 21st December 2021



Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Royal Irish Academy

Opinion on the financial statements

I have audited the financial statements of the Royal Irish Academy for the year ended 31 December 2020 as required under the Comptroller and Auditor General (Amendment) Act 1993. The financial statements comprise

- the statement of income and expenditure
- the statement of comprehensive income
- the statement of changes in reserves and capital account
- the statement of financial position
- the statement of cash flows and
- the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of the Royal Irish Academy at 31 December 2020 and of its income and expenditure for 2020 in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

Emphasis of matter — deferred pension funding asset

Without qualifying my opinion on the financial statements, I draw attention to note 21 which relates to retirement benefits accrued by current and former staff up to 31 December 2020.

The recognition of the portion of the asset in respect of the Single Public Service Pension Scheme (€1.5 million) reflects the statutory provisions relating to the funding of that scheme.

The recognition of the balance of the asset in respect of the Royal Irish Academy Staff Superannuation Scheme (€29.3 million) anticipates that funding will be provided by the State to meet pension liabilities as they fall due. Inherent in this accounting treatment is an assumption that any income generated by the Academy will in the first instance be applied towards current expenses and that State funding will meet any shortfall in resources to fund future pension liabilities.

Basis of opinion

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Royal Irish Academy and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

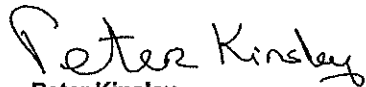
Report of the C&AG (continued)

Report on information other than the financial statements, and on other matters

The Royal Irish Academy has presented certain other information together with the financial statements. This comprises the governance statement and Council members' report, and the statement on internal control.

My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in regard to those matters.



Peter Kinsley
For and on behalf of the
Comptroller and Auditor General

22 December 2021

Appendix to the report

Responsibilities of Council members

The members are responsible for

- the preparation of financial statements in the form prescribed under the by-laws of the Royal Irish Academy
- ensuring that the financial statements give a true and fair view in accordance with FRS102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under the Comptroller and Auditor General (Amendment) Act 1993 to audit the financial statements of the Royal Irish Academy and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Royal Irish Academy's ability to

continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Royal Irish Academy to cease to continue as a going concern.

- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Reporting on other matters

My audit is conducted by reference to the special considerations which attach to bodies in receipt of substantial funding from the State in relation to their management and operation. I report if I identify material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them. I also report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

STATEMENT OF INCOME AND EXPENDITURE

Year ended 31 December

	Notes	2020 €	2019 €
INCOME			
Oireachtas grants	3(a)	3,953,000	3,431,500
Funding and other income	3(b)	2,303,419	2,373,242
Income released in the period	16	172,263	102,042
Deferred pension funding	21	656,000	731,000
		<u>7,084,682</u>	<u>6,637,784</u>
EXPENDITURE			
Staff costs	4	5,453,823	4,990,389
Accommodation and establishment	5	188,710	256,198
General administration	6	398,028	473,942
Publication costs	7	225,403	189,986
Conference and meeting expenses	8	32,098	94,806
Grants and awards	9	110,083	158,305
Book purchases and international subscriptions	10	70,000	59,468
Depreciation	11	28,558	33,622
		<u>6,506,703</u>	<u>6,256,716</u>
OPERATING SURPLUS FOR THE YEAR		577,979	381,068
Unrealised gains on investments	12	73,607	491,898
Transfer from Capital Account	17	8,743	21,842
Transfer (to) Endowment Funds	18	(120,498)	(366,884)
Transfer from Restricted Reserves		76,946	23,293
SURPLUS FOR THE YEAR		<u>616,777</u>	<u>551,217</u>

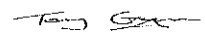
All income and expenditure for the year relates to continuing activities at the reporting date.

The Statement of Cash Flows and notes 1 to 23 form part of these financial statements.



TREASURER
Patrick Honohan

Date 21st December 2021



EXECUTIVE
DIRECTOR
Tony Gaynor

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December

	Notes	2020 €	2019 €
Surplus for the year		616,777	551,217
Experience gains on pension scheme liabilities	21	1,859,000	744,000
Changes in Assumptions	21	(3,389,000)	(2,723,000)
Deficit after actuarial (losses) on pension liabilities		(913,223)	(1,427,783)
Adjustment to deferred pension funding asset	21	1,530,000	1,979,000
Other Comprehensive Income for the year		616,777	551,217

The Statement of Cash Flows and notes 1 to 23 form part of these financial statements.



TREASURER
Patrick Honohan



EXECUTIVE DIRECTOR
Tony Gaynor

Date 21st December 2021

STATEMENT OF CHANGES IN RESERVES AND CAPITAL ACCOUNT

Year ended 31 December 2020

	Statement of Income & Expenditure	Capital account	Endowment funds	Restricted reserve	Total
	€	€	€	€	€
Balance at 1 January 2019	548,696	52,405	2,049,483	505,762	3,156,346
Operating Surplus for the year	381,068	-	-	-	381,068
Transfer to / (from) Capital account	21,842	(21,842)	-	-	-
Transfer to / (from) Endowment funds	(366,884)	-	366,884	-	-
Unrealised Gains on investments	491,898	-	-	-	491,898
Transfer to / (from) Restricted reserve	23,293	-	-	(23,293)	-
Balance at 31 December 2019	1,099,913	30,563	2,416,367	482,469	4,029,312
Operating Surplus for the year	577,979	-	-	-	577,979
Transfer to / (from) Capital account	8,743	(8,743)	-	-	-
Transfer (to) /from Endowment funds	(120,498)	-	120,498	-	-
Unrealised Gains on investments	73,607	-	-	-	73,607
Transfer from / (to) Restricted reserve	76,946	-	-	(76,946)	-
Balance at 31 December 2020	1,716,690	21,820	2,536,865	405,523	4,680,898

The Statement of Cash Flows and notes 1 to 23 form part of these financial statements.



TREASURER
Patrick Honohan



EXECUTIVE DIRECTOR
Tony Gaynor

Date 21st December 2021

STATEMENT OF FINANCIAL POSITION

Year ended 31 December

	Notes	2020 €	2019 €
FIXED ASSETS			
Property, Plant & Equipment	11	21,820	30,563
Heritage assets	11	32,500	32,500
Funds and Projects Financial assets	12	4,606,274	4,374,788
		<u>4,660,594</u>	<u>4,437,851</u>
CURRENT ASSETS			
Inventory	13	163,958	184,136
Receivables	14	80,367	76,706
Cash at bank and in hand		1,635,271	1,290,619
		<u>1,879,596</u>	<u>1,551,461</u>
CURRENT LIABILITIES (amounts falling due within one year)			
Payables	15	(438,192)	(366,637)
Deferred income	16	(1,421,100)	(1,593,363)
		<u>(1,859,292)</u>	<u>(1,960,000)</u>
NET CURRENT ASSETS/(LIABILITIES)		20,304	(408,539)
TOTAL ASSETS LESS CURRENT LIABILITIES BEFORE PENSIONS			
		<u>4,680,898</u>	<u>4,029,312</u>
Deferred pension funding asset	21	30,784,000	28,356,000
Pension Liabilities	21	(30,784,000)	(28,356,000)
NET ASSETS		<u><u>4,680,898</u></u>	<u><u>4,029,312</u></u>
FINANCED BY:			
Capital account	17	21,820	30,563
Endowment funds - Expendable	18	2,504,365	2,383,867
Endowment funds - Permanent	18	32,500	32,500
Restricted Reserve		405,523	482,469
Retained Revenue Reserve		1,716,690	1,099,913
		<u>4,680,898</u>	<u>4,029,312</u>

The Statement of Cash Flows and notes 1 to 23 form part of these financial statements.



TREASURER
Patrick Honohan



EXECUTIVE DIRECTOR
Tony Gaynor

Date 21st December 2021

STATEMENT OF CASH FLOWS

Year ended 31 December

	Notes	2020 €	2019 €
Reconciliation of operating surplus to net cash inflow/(outflow) from operating activities			
Operating Surplus for the year		577,979	381,068
Depreciation	11	28,558	33,622
Interest earned	3(b)	(16,120)	(39,463)
Loss on disposal of fixed assets	11	393	-
Gain on investment transactions	3(b)	(143,013)	(115,751)
Decrease / (Increase) in Inventory	13	20,178	(16,942)
(Increase) in Receivables	14	(3,661)	(13,279)
Increase / (Decrease) in Payables	15	71,555	(295,105)
(Decrease) in Deferred Income	16	(172,263)	(102,042)
Net cash inflow/(outflow) from Operating Activities		363,606	(167,892)
STATEMENT OF CASHFLOWS			
Net cashflow from Operating Activities		363,606	(167,892)
Cashflows from investing activities			
Payments to acquire property, plant and equipment	11	(20,208)	(11,780)
Payments to acquire heritage assets	11	-	(12,500)
Reinvestment in financial assets	12	(14,866)	45,036
Cashflows from financing activities			
Bank interest	3(b)	16,120	39,463
Increase/(Decrease) in cash and cash equivalents		344,652	(107,673)
Cash and cash equivalents at the beginning of the year		1,290,619	1,398,292
Cash and cash equivalents at the end of the year		1,635,271	1,290,619

Notes 1 to 23 form part of these Financial Statements.



TREASURER
Patrick Honohan



EXECUTIVE DIRECTOR
Tony Gaynor

Date 21st December 2021

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION AND ACCOUNTING POLICIES

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

a) STATEMENT OF COMPLIANCE

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

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

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

b) BASIS OF ACCOUNTING

The financial statements have been prepared under the accrual's method of accounting, except as indicated below, and in accordance with generally accepted accounting principles under the historical cost convention. Financial Reporting Standards recommended by the recognised accountancy bodies are adopted as they become operative.

c) OIREACHTAS GRANTS

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

d) OTHER INCOME

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

e) PROPERTY, PLANT & EQUIPMENT

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Heritage Assets:

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

In accordance with accounting standards, assets acquired before 1st 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

The Academy receives funds for research and other projects. This income is recognised when receivable and in line with the related expenditure. Once the relevant performance conditions have been met all income is recognised in the Statement of Income and Expenditure. Funds received not yet recognised in the Statement of Income and Expenditure are recognised as deferred income and shown as a liability on the Statement of Financial Position.

h) FUNDS AND PROJECTS FINANCIAL ASSETS

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

NOTES TO THE FINANCIAL STATEMENTS

i) INVENTORY

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

j) EMPLOYEE BENEFITSShort-term Benefits

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

Pensions

The Royal Irish Academy operates defined benefit pension schemes which are funded annually on a pay as you go basis from monies available to it, including monies provided by the Higher Education Authority and from contributions deducted from staff salaries. The Academy also operates a defined benefit non-contributory funded scheme for staff recruited before 1st 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 1st January 2013. Single Scheme member's contributions are paid over to the Department of Public Expenditure and Reform. Pension costs reflect pension benefits earned by employees in the period and are shown net of staff pension contributions which are retained by the Academy. An amount corresponding to the pension charge is recognised as income to the extent that it is recoverable and offset by grants received in the year to discharge pension payments.

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

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

k) FOREIGN CURRENCIES

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

l) ENDOWMENT FUNDS

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

NOTES TO THE FINANCIAL STATEMENTS

m) RESTRICTED RESERVE

Grants with restrictions, a requirement that limits or directs the purposes for which they may be used, are recorded within the income on entitlement to the income and subsequently retained within a restricted reserve until such time that expenditure is incurred in line with the restriction.

n) CASH AND CASH EQUIVALENTS

Cash consists of cash on hand and demand deposits.

o) OTHER FINANCIAL ASSETS

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

p) OTHER FINANCIAL LIABILITIES

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

q) IMPAIRMENT OF ASSETS

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

r) PROVISIONS

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

s) CONTINGENCIES

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

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

t) OPERATING LEASES

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

NOTES TO THE FINANCIAL STATEMENTS

u) TAXATION

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

2. Critical Accounting Judgements and Estimates

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

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

(a) Going concern

There is no material uncertainty regarding the Council's ability to meet its liabilities as they fall due, and to continue as a going concern. On this basis, the Council considers it appropriate to prepare financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the Council was unable to continue as a going concern. The outbreak of Covid-19 is being monitored on an ongoing basis by the RIA. The RIA has ensured the health and wellbeing of its employees by providing safe work practices in accordance with government guidelines. At a macro-economic level, we do not expect Covid-19 to infringe on our ability to continue as a going concern however there will be an impact on the value of RIA's financial assets.

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

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

(c) Provision for doubtful debts

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

(d) Deferred pension funding

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

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

NOTES TO THE FINANCIAL STATEMENTS

3(a). OIREACHTAS GRANTS	2020	2019
	€	€
Higher Education Authority - Vote 26: Subhead C.4.	3,953,000	3,431,500
3(b). OTHER INCOME	2020	2019
	€	€
Room rental	49,366	89,068
Grants and awards	-	9,001
Members subscriptions and entrance fees	66,000	70,309
Sale of Academy publications	242,062	272,199
Gain on investment transactions	143,013	115,751
Interest on investments	16,120	39,463
Funding and registration fees	1,786,858	1,777,451
	2,303,419	2,373,242

3(c)

NOTES TO THE FINANCIAL STATEMENTS

3(c). FUNDING AND REGISTRATION FEES

Purpose of grant	Funding Body	Grant Awarded / Claimed in 2020
Programme for Research in Third-Level Institutions PRTL1 5 (Digital Repository Ireland)	HEA	300,000
Programme for Research in Third-Level Institutions PRTL1 5 (Digital Repository Ireland)	Irish Research Council	300,000
National Open Research Co-ordinator	HEA	33,591
Disbursement of Grants - Archaeology	Dept. Culture, Heritage & The Gaeltacht	59,582
Research and publication of Focloir Nus Gaeilge	Dept. Culture, Heritage & The Gaeltacht	173,472
Open Access Biology & Environment	Dept. Culture, Heritage & The Gaeltacht	8,000
Ireland 1922 Book	Department of Tourism, Culture, Gaeltacht, Sport and Media	10,000
Colmcille Commemorations	Department of Foreign Affairs	25,000
Research & Publication of documents in Irish Foreign Policy	Department of Foreign Affairs	214,224
ARINS Project: Cross-border co-operation in the arts report	Department of Foreign Affairs	30,750
Pension funding	Department of Education & Skills	10,845
Research Data Alliance Consortium Agreement	Research Data Alliance	53,563
Pension funding	Department of Public Expenditure & Reform	19,772
Hamilton Day/UPAC Membership	IBEC	16,520
Kathleen Lonsdale Prize	Henkel	14,000
Research Innovation Awards	American Chamber	25,000
IHTA No. 31 Cork	Cork City Council	12,000
Michel Dion Prize	French Embassy	17,000
William Campbell Memoirs	Royal Dublin Society	15,000
Grangegorman Histories Project	Grangegorman Development Agency	25,000
Women in Leadership Masterclass & Publication	Accenture	35,000
Disbursement of Grants	Community Foundation NI Hunter Grant	181,585
Digital Repository of Ireland Membership	Various Bodies	62,475
Irish Humanities Alliance	Various Bodies	54,000
Other Activities	Various Bodies	90,479
		<u>1,786,858</u>

NOTES TO THE FINANCIAL STATEMENTS

4. STAFF COSTS	Income & Expenditure 2020 €	Funds & Projects 2020 €	Total 2020 €	Total 2019 €
(a) Analysis of Staff Costs:				
Wages and salaries	2,064,212	2,043,074	4,107,286	3,750,708
Social welfare costs	193,512	153,025	346,537	334,681
Pension costs	1,000,000	-	1,000,000	905,000
	3,257,724	2,196,099	5,453,823	4,990,389
Full Time			50	50
Part Time			23	24

(b) Employee benefits breakdown is disclosed in the Governance Statement and Council Members' Report.

(c) Termination Benefits

	2020 €	2019 €
Termination benefits charges to the Statement of Income and Expenditure	-	37,440

There were no termination benefits related to settlements of staff member during the year 2020. However, a legal cost of €605 (2019: €10,795) was incurred in concluding the termination agreement related to 2019.

(d) The Executive Director's Salary

	2020 €	2019 €
Executive Director	101,236	86,047
Acting Executive Director	-	17,831

Government guidelines on the payment of director's fees have been implemented. There were no fees paid in 2020 to individual council members.

The total paid for travel & subsistence expenses claimed by council members in 2020 was €316 (2019: €4,038).

Five Council meetings and four Executive Committee meetings were held during 2020.

The all-in cost of the Executive Director's total remuneration package consists of salary and pension entitlement.

Pension entitlements for this post are in line with standard entitlements in the model public sector defined benefit superannuation scheme. The Executive Director was not in receipt of any performance related awards.

NOTES TO THE FINANCIAL STATEMENTS

5. ACCOMMODATION AND ESTABLISHMENT EXPENSES	Income & Expenditure	Funds & Projects	Total	Total
	2020	2020	2020	2019
	€	€	€	€
Light and heat	22,833	2,192	25,025	36,236
Insurance	17,365	-	17,365	20,089
Furniture and household	20,861	31,707	52,568	76,833
Rent (Note 19)	90,183	3,569	93,752	123,040
	151,242	37,468	188,710	256,198

6. GENERAL ADMINISTRATION EXPENSES	Income & Expenditure	Funds & Projects	Total	Total
	2020	2020	2020	2019
	€	€	€	€
Postage and telephone	39,700	3,962	43,662	44,027
Advertising	2,582	4,546	7,128	10,389
Stationery and office	12,084	791	12,875	17,385
Administration printing	3,336	4,083	7,419	23,875
General purpose account and funds and projects miscellaneous	4,138	24,618	28,756	100,074
Professional fees	4,730	1,980	6,710	19,713
- Legal fees	20,565	-	20,565	27,116
- Accountancy fee	84,775	3,830	88,605	49,671
- Professional fees including HR and pension advice	30,176	-	30,176	28,100
Audit fees	4,656	-	4,656	4,859
Bank interest and fees	81,670	52,545	134,215	113,597
Information technology	393	-	393	-
Loss/(Gain) on Disposal	9,749	3,119	12,868	35,136
HR, Training and Development	298,554	99,474	398,028	473,942

7. PUBLICATION COSTS	Income & Expenditure	Funds & Projects	Total	Total
	2020	2020	2020	2019
	€	€	€	€
Proceedings	128,453	(3,073)	125,380	42,581
Publications	69,408	28,654	98,062	138,657
General conservation costs	1,961	-	1,961	8,748
	199,822	25,581	225,403	189,986

NOTES TO THE FINANCIAL STATEMENTS

8. CONFERENCE AND MEETING EXPENSES	Income & Expenditure	Funds & Projects	Total	Total
	2020	2020	2020	2019
	€	€	€	€
Conference expenses	4,403	18,884	23,287	27,690
Travel expenses	2,606	6,205	8,811	67,116
	7,009	25,089	32,098	94,806

9. GRANTS AND AWARDS	Income & Expenditure	Funds & Projects	Total	Total
	2020	2020	2020	2019
	€	€	€	€
Awards and Prizes	-	17,794	17,794	22,669
Charlemount Grants	-	5,323	5,323	24,899
Archaeological Research Fund	-	55,711	55,711	108,443
Other Grants	-	31,255	31,255	2,294
	-	110,083	110,083	158,305

10. BOOK PURCHASES AND SUBSCRIPTIONS	Income & Expenditure	Funds & Projects	Total	Total
	2020	2020	2020	2019
	€	€	€	€
Library books and periodicals	28,141	-	28,141	29,527
Subscriptions	33,593	8,266	41,859	29,941
	61,734	8,266	70,000	59,468

NOTES TO THE FINANCIAL STATEMENTS

11. PROPERTY, PLANT, AND EQUIPMENT

2020	Computer Equipment	Fixtures & Fittings	Equipment	Total
Cost	€	€	€	€
At 1 st January 2020	333,871	124,189	117,517	575,577
Additions	20,208	-	-	20,208
Disposals	(1,010)	-	-	(1,010)
At 31 st December 2020	<u>353,069</u>	<u>124,189</u>	<u>117,517</u>	<u>594,775</u>
Accumulated Depreciation				
At 1 st January 2020	310,770	123,636	110,608	545,014
Charge for the year	25,515	385	2,658	28,558
Eliminated on Disposals	(617)	-	-	(617)
At 31 st December 2020	<u>335,668</u>	<u>124,021</u>	<u>113,266</u>	<u>572,955</u>
Net Book Amounts				
At 31 st December 2019	23,101	553	6,909	30,563
At 31 st December 2020	<u>17,401</u>	<u>168</u>	<u>4,251</u>	<u>21,820</u>

	2020	2019
Depreciation charged as follows:	€	€
Income and expenditure account	28,558	25,863
Funds and projects account	-	7,759
	<u>28,558</u>	<u>33,622</u>

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

NOTES TO THE FINANCIAL STATEMENTS

11. PROPERTY, PLANT, AND EQUIPMENT (cont.)

HERITAGE ASSETS

Heritage assets are valued as part of the acquisition process as they are added to the collections. In common with national institutions in Ireland and Britain holding analogous collections, the Academy does not have a systematic retrospective programme of valuing heritage items which have been in their collections for many years. The cost of such a programme would be prohibitive both in terms of direct cost and time to complete.

Where information on the cost or value of an asset is not available and cannot be obtained at a cost which is commensurate with the benefits to users of the financial statements, the assets shall not be recognised in the statement of financial position. From 1 January 2011 Heritage assets acquired with a value in excess of €10,000 are capitalised and shown on the Statement of Financial Position. Heritage Assets acquired during the past eight years (2018-2011), are disclosed in the table below.

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	€	€	€	€	€	€	€	€	€	€
Heritage Assets Purchased	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	12,500	Nil
Heritage Asset Donations	Nil	Nil	Nil	25,000	Nil	Nil	Nil	Nil	Nil	Nil

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

Preservation and Management

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

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

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

Heritage Assets of particular importance

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

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

NOTES TO THE FINANCIAL STATEMENTS

12. FUNDS AND PROJECTS FINANCIAL ASSETS

	Opening Cost 1 st Jan 2020	Additions	Disposals	Closing Cost 31 st Dec 2020	Recovery / (Diminution) in value of Financial Assets: prior to 2020	Recovery / (Diminution) in value of Financial Assets: During 2020	Market value at 31 st Dec 2020
	€	€	€	€	€	€	€
Investment Portfolio	1,758,075	12,058	-	1,770,133	623,403	108,440	2,501,976
DAVY No 1 account	985,070	907,874	(1,256)	1,891,688	125,490	84,729	2,101,907
Community Foundation Ireland	243,475	-	(243,475)	-	66,219	(66,219)	-
2.5% Consolidated Stock	2,156	-	-	2,156	-	-	2,156
Prize Bonds	235	-	-	235	-	-	235
Sarasin Capital Account	517,323	20,305	(537,628)	-	53,343	(53,343)	-
	3,506,334	940,237	(782,359)	3,664,212	868,455	73,607	4,606,274

13. INVENTORY

	2020	2019
	€	€
Books and journals for resale	163,958	184,136

14. RECEIVABLES (amounts falling due within one year)

	2020	2019
	€	€
Receivables	21,294	25,605
Prepayments and accrued income	56,342	51,101
Value added tax	2,731	-
	80,367	76,706

15. PAYABLES (amounts falling due within one year)

	2020	2019
	€	€
Payables and accruals	201,011	130,679
Taxation	109,102	107,879
Funding ringfenced for pensions	128,079	128,079
	438,192	366,637

NOTES TO THE FINANCIAL STATEMENTS

16. DEFERRED INCOME	2020	2019
	€	€
Balance at 1 st January	1,593,363	1,695,405
Allocations from state grants	789,958	672,512
Funding and other receipts	1,937,306	1,880,903
Project expenditure	(2,498,560)	(2,380,097)
Other release in the period	(400,967)	(275,360)
Income (released) in the period	(172,263)	(102,042)
Balance as at 31st December	1,421,100	1,593,363

17. CAPITAL ACCOUNT	2020		2019	
	€	€	€	€
Opening balance		30,563		52,405
Amounts allocated for fixed asset acquisition	20,208		11,780	
Amortisation in line with asset depreciation	(28,558)		(33,622)	
Loss on disposal of fixed assets	(393)		-	
Transfer to retained revenue reserves		(8,743)		(21,842)
Closing balance		21,820		30,563

18. ENDOWMENT FUNDS	2020	2019
	€	€
Balance at 1 st January	2,416,367	2,049,483
Additions	12,058	51,762
Disposals	-	-
Recovery in value of financial assets	108,440	315,122
Additions in the period	120,498	366,884
Balance as at 31st December	2,536,865	2,416,367

Represented by:	2020	2019
	€	€
Heritage assets	32,500	32,500
Funds and projects financial assets	2,504,365	2,383,867
	2,536,865	2,416,367

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

19. ACCOMMODATION

The Academy operates from offices at 19 Dawson Street and Bective House in Dublin that are provided on a rent-free basis by the Office of Public Works. The 19 Dawson Street building and two floors of Bective House are provided rent free by the OPW.

During 2012, further floors on 19A Dawson Street were acquired by the Academy on a short-term lease, meaning the Academy now occupies the whole building at 19a Dawson Street.

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

The Academy pays rent for 3 floors of Bective House in Dawson Street, as well as the Donegal premises at An Charraig.

	As at 31 Dec 2020	As at 31 Dec 2019
Future minimum lease payments under non-cancellable operating leases	€	€
Payable within one year	54,258	49,500
Payable within two to five years	202,758	198,000
Payable after five years	235,125	284,625
	<u>492,141</u>	<u>532,125</u>

20. RELATED PARTY TRANSACTIONS

There were no related party transactions in the period ended 31st December 2020.

Key management personnel in the Royal Irish Academy consist of the Executive Director, senior management and members of the Council. Total compensation paid to key management personnel, including council members' expenses, amounted to €431,759 (2019: €417,613).

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

21. 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 1st January 1994, superannuation benefits are provided under two schemes

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

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

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

The funded scheme has been wound up and the Department of Education and Skills have agreed to take over the pension liability. The Academy was initially required to make a contribution of €150,000 over 5 years and the first payment was due once the exchequer begins to meet the pension liability. In September 2021, the Department of Education agreed to offset the €150,000 against monies owed to the Academy by the Department. The Academy is of the opinion that all future pension liabilities of all defined benefit schemes and arrangements on a pay as you go basis for all categories of RIA staff will be met by the State. Accordingly, the Academy has recognized a matching pension receivable in the balance sheet at an amount equivalent to the full pension liability associated with all its defined benefit arrangements for each reporting period.

Normal Retirement Age is a member's 65th birthday, and pre 2004 members have an entitlement to retire without actuarial reduction from age 60. Pensions in payment (and deferment) normally increase in line with general public sector salary inflation.

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

NOTES TO THE FINANCIAL STATEMENTS

21. 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 2020. 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 31.12.20	At 31.12.19
Discount rate	0.8%	1.3%
Salary Increases	2.25%	2.25%
Pension Increases	2.0%	2.0%
Inflation Increases	1.50%	1.50%

Life Expectancy at the age of 65:

	2020		2019	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
Current Pensioners	22.0	24.6	22.0	24.6
Future Pensioners	23.0	25.5	23.0	25.5

There are no assets and expected rate of return as of 31st December 2020 as the pre-1994 funded scheme has been wound up.

Present value of scheme liabilities	<u>(30,784,000)</u>	<u>(28,356,000)</u>
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NOTES TO THE FINANCIAL STATEMENTS

21. PENSIONS (*continued*)

(c) Net Deferred Funding for Pensions in Year

	2020	2019
	€	€
Funding recoverable in respect of current year pension costs	1,242,000	1,157,000
State Grant Applied to pay Pensioners (Unfunded Scheme)	(586,000)	(426,000)
	<u>656,000</u>	<u>731,000</u>

(d) Analysis of total pension costs charged to expenditure

	2020	2019
	€	€
Service Charge	876,000	654,000
Interest on Pension Scheme Liabilities (Net Return)	366,000	503,000
Employees Contributions (Unfunded Scheme)	(242,000)	(252,000)
	<u>1,000,000</u>	<u>905,000</u>

(e) Analysis of amount recognised in Other Comprehensive Income

	2020	2019
	€	€
Experience Gains	1,859,000	744,000
Changes in assumptions	(3,389,000)	(2,723,000)
Actuarial Loss recognised	<u>(1,530,000)</u>	<u>(1,979,000)</u>

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

The Royal Irish Academy recognises these amounts as an asset corresponding to the funded and unfunded deferred liability on the basis of the set of assumptions described above and a number of past events. These events include the statutory basis for the establishment of the pension scheme and the policy and practice currently in place in relation to funding public service pensions, including contributions by employees and the annual estimates process. The Academy anticipates that this funding policy will continue to meet such sums in accordance with current practice. The deferred funding asset for pensions as at 31st December 2020 amounted to €30,784,000 (2019: €28,356,000).

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 31st December 2020.

NOTES TO THE FINANCIAL STATEMENTS

21. PENSIONS (*continued*)

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

	2020	2019
	€	€
Retirement benefit obligation at 1 st January	28,356,000	23,375,000
Current service cost	876,000	654,000
Employees Contributions (Unfunded Scheme)	242,000	252,000
Payments from Unfunded Scheme	(586,000)	(426,000)
Other Finance Income	366,000	503,000
Movement on Funded assets	-	2,019,000
Actuarial Loss	1,530,000	1,979,000
Retirement benefit obligation at 31st December	30,784,000	28,356,000

Liabilities in respect of the Single Scheme have been estimated based on an accumulation of year on year liabilities and equate to €1,534,000.

(h) History of experience gains and losses

	2020	2019
	€	€
Experience Gains on scheme liabilities Amount	1,859,000	744,000
Percentage of the present value of the scheme liabilities	6.0%	2.6%
Total amount recognised in Other Comprehensive Income Amount	(1,530,000)	(1,979,000)
Percentage of the present value of the scheme liabilities	(5.0%)	(6.8%)

22. CAPITAL COMMITMENTS

There were no capital commitments at 31st December 2020.

23. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved on 21st June 2021.