

ROYAL IRISH ACADEMY
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2017

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GENERAL INFORMATION

Management Team

Laura Mahoney – Executive Secretary (up to 17/08/18)
Lesley Goulding – Acting Executive Secretary (from 20/08/18)
Gilly Clarke – Acting Head of Administration
Pauc Dempsey - Head of Communications and Public Affairs
Jacinta O'Malley - Head of HR
Suzanne Campbell – Head of Finance

Members of the Council

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

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 Minister for Department of Education and Skills 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 Secretary and the senior management team. The Executive Secretary 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 entity, and of any significant risks likely to arise. The Executive Secretary 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 Education and Skills 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 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 at 31 December 2017.

GOVERNANCE STATEMENT AND COUNCIL MEMBERS' REPORT

Council Structure

The Council consists of the Officers of the Academy and 14 additional members elected annual at the Stated Meeting of March 16th. The members of the Council are appointed for a period of one year and meet on a quarterly basis. The table below details the appointment period for current members:

Member	Role	Date appointed
Maria Baghramian	Council Member	16 March 2015
Ciaran Brady	Council Member	16 March 2016
Tom Brazil	Council Member	16 March 2016
Geraldine Butler	Council Member	16 March 2016
Daniel Carey	Vice-President from 16 March 2017	16 March 2017
Mary Canning	Council Member	16 March 2017
Andrew Carpenter	Council Member	16 March 2015
Sean Dineen	Council Member	16 March 2014
Jane Grimson	Vice-President from 16 March 2016	16 March 2016
Patrick Guiry	Secretary for Science from 16 March 2016	16 March 2015
Michael Peter Kennedy	President from 16 March 2017	16 March 2017
Stephen Gardiner	Treasurer	16 March 2018
Peter McHugh	Secretary for Policy & International Relations from 16 March 2016	16 March 2015
P. Gerald McKenna	Vice-President from 16 March 2017	16 March 2016
Imelda Maher	Secretary for Humanities from 16 March 2014	16 March 2014
Eunan O'Halpin	Council Member	16 March 2016
Eoin O'Reilly	Council Member	16 March 2017
Anngret Simms	Council Member	16 March 2017
Patrick M. Shannon	Secretary from 16 March 2017	16 March 2017
William Spillane	Council Member	16 March 2017
Sally Wheeler	Senior Vice-President from 16 March 2017	Co-Opted in May 2016
Bernadette Whelan	Council Member	Co-Opted in May 2017

The Council will commence a self assessment of Council Effectiveness and Evaluation Review in February 2018, which will be completed in May 2018. The Council expects to undertake an external review in February 2020.

The Council has established three committees, as follows:

- 1. Executive Committees:** comprises seven Officers as detailed above and two staff members. The members of this committee are: Michael Peter Kennedy, Sally Wheeler, Stephen Gardiner, Patrick M. Shannon, Imelda Maher, Patrick Guiry, Peter McHugh, Laura Mahoney and Rebecca Farrell. There were 4 meetings of the EC in 2017.
- 2. Audit and Risk Committee:** comprises one Council member and three independent members and one ordinary member. 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 are: C. Keaveney (Chairperson), R Mooney, J Murphy, O Feely and P Shannon. There were 4 meetings of the ARC in 2017.

GOVERNANCE STATEMENT AND COUNCIL MEMBERS' REPORT

Key Personnel Changes

There were six members appointed to Council on 16th March 2017. One Council member co-opted in May 2017. On 16th March 2017 Michael Peter Kennedy was elected President, Patrick Shannon was elected as Secretary and Sally Wheeler was elected Senior 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	
		2017	2016
€ 60,000	- € 69,999	4	2
€ 70,000	- € 79,999	7	9
€ 80,000	- € 89,999	1	1
€ 90,000	- € 99,999	1	1

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.

	2017	2016
	€	€
Legal advice	5,068	13,446
Financial/actuarial advice	9,654	13,360
Total consultancy costs	<u>14,722</u>	<u>26,806</u>
Consultancy costs capitalised	-	-
Consultancy costs charged to the Income and Expenditure	14,722	26,806
Total	<u>14,722</u>	<u>26,806</u>

GOVERNANCE STATEMENT AND COUNCIL MEMBERS' REPORT

Legal Costs and Settlements

There are no costs 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.

Travel and Subsistence Expenditure

Travel and subsistence expenditure is categorised as follows:

	2017 €
Domestic	
- Council	3,970
- Employees	7,875
International	
- Council	3,824
- Employees	22,735
Total	<u>38,404</u>

Hospitality Expenditure

The Income and Expenditure Account includes the following hospitality expenditure:

	2017 €
Staff / Committee hospitality	18,734
Total	<u>18,734</u>

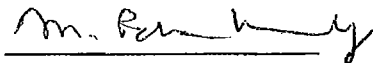
GOVERNANCE STATEMENT AND COUNCIL MEMBERS' REPORT

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, with the following exceptions:

In the spirit of the Code, self-assessment procedures are on-going for the Audit & Risk Committee and for Council, but they will not have met the deadlines in year one.

Re: Board Effectiveness – 4.4 & 4.5 The Board of the Academy is its Council. It is elected annually by the membership. Varying terms of appointment and rotation apply to the President (Chair) and Officer roles. Policies and procedures to increase the Diversity of the Council are in place.



PRESIDENT
M. P. Kennedy



ACTING EXECUTIVE SECRETARY
L. Goulding

Date 14th December 2018

STATEMENT OF 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,
- 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 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 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 2017 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 controls was carried out for the year ended 31 December 2017. No significant breaches were discovered during the review.

Disclosure of Details Regarding Instances where Breaches in Control has Occurred

No weaknesses in internal control were identified in relation to 2017 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.

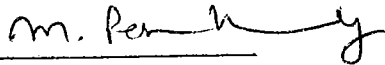
STATEMENT OF INTERNAL CONTROL

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 2017 was carried out by an external firm and signed off by the Council in 2018.

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 2017 are effective.



PRESIDENT
Peter Kennedy



Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Royal Irish Academy

Opinion on financial statements

I have audited the financial statements of the Royal Irish Academy for the year ending 31 December 2017 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 2017 and of its income and expenditure for 2017 in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

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.

Emphasis of matter – deferred pension funding

Without qualifying my opinion on the financial statements, I draw attention to Note 20 Pensions and to the recognition as at 31 December 2017 of an asset of €20 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 €20 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.



Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

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 that regard.

Colette Drinan

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

19 December 2018

Appendix to the report

Responsibilities of Council members

The governance statement and Council members' report sets out the Council members' responsibilities. The Council 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 State bodies in relation to their management and operation. I report if there are 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 there is 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.

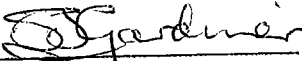
STATEMENT OF INCOME AND EXPENDITURE

Year ended 31 December

	Notes	2017 €	2016 €
INCOME			
Oireachtas grants	3(a)	3,001,422	2,827,515
Funding and other income	3(b)	2,419,096	2,256,321
Income (deferred)/released in the period	15	(85,839)	268,091
Deferred pension funding	20	848,000	762,000
		<u>6,182,679</u>	<u>6,113,927</u>
EXPENDITURE			
Staff costs	4	5,074,411	4,890,036
Accommodation and establishment	5	136,780	147,441
General administration	6	481,238	520,521
Publication costs	7	175,807	249,700
Conference and meeting expenses	8	103,800	181,492
Book purchases and international subscriptions	9	61,525	67,977
Grants and awards		163,804	139,023
Depreciation	10	28,019	26,335
		<u>6,225,384</u>	<u>6,222,525</u>
OPERATING (DEFICIT) FOR THE YEAR		(42,705)	(108,599)
Unrealised gains on investments	11	80,620	76,520
Transfer (to) / from Capital Account	16	(38,402)	11,728
Transfer (to) Endowment Funds	17	(56,175)	(52,896)
DEFICIT FOR THE YEAR		<u>(56,662)</u>	<u>(73,247)</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
 S. Gardiner


 ACTING EXECUTIVE SECRETARY
 L. Goulding

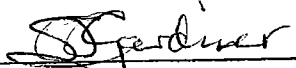
14th December 2018
 Date


STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December

	Notes	2017 €	2016 €
(Deficit) for the year		(56,662)	(73,247)
Experience gains on pension scheme liabilities	20	121,000	43,000
Changes in Assumptions	20	(1,209,000)	(3,173,000)
Deficit after actuarial (losses) on pension liabilities		(1,144,662)	(3,203,247)
Adjustment to deferred pension funding asset		1,088,000	3,130,000
Other Comprehensive Income for the year		(56,662)	(73,247)

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


 TREASURER
 S. Gardiner


 ACTING EXECUTIVE SECRETARY
 L. Goulding

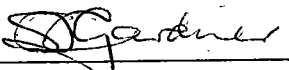
14th December 2018
 Date


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 2016	395,451	49,495	1,952,018	2,396,964
Operating Surplus 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
Operating (Deficit) for the year	(42,705)	-	-	(42,705)
Transfer (from) Capital account	(38,402)	38,402	-	-
Transfer to Endowment funds	(56,175)	-	56,175	-
Unrealised Gains on investments	80,620	-	-	80,620
Balance at 31 December 2017	265,542	76,169	2,061,089	2,402,800

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


 TREASURER
 S. Gardiner


 ACTING EXECUTIVE SECRETARY
 L. Goulding

14th December 2018
 Date

STATEMENT OF FINANCIAL POSITION

As at 31 December

	Notes	2017 €	2016 €
FIXED ASSETS			
Property, Plant & Equipment	10	76,169	37,767
Heritage assets	10	20,000	20,000
Funds and Projects Financial assets	11	3,386,845	3,271,862
		<u>3,483,014</u>	<u>3,329,629</u>
CURRENT ASSETS			
Inventory	12	212,196	201,903
Receivables	13	43,977	64,747
Cash at bank and in hand		2,234,330	2,141,367
		<u>2,490,503</u>	<u>2,408,017</u>
CURRENT LIABILITIES (amounts falling due within one year)			
Payables	14	(246,047)	(227,036)
Deferred income	15	(3,324,670)	(3,145,724)
		<u>(1,080,214)</u>	<u>(964,743)</u>
NET CURRENT LIABILITIES			
TOTAL ASSETS LESS CURRENT LIABILITIES BEFORE PENSIONS		<u>2,402,800</u>	<u>2,364,885</u>
Deferred pension funding asset	20	19,978,000	18,042,000
Funded Scheme Assets	20	2,132,000	2,130,000
Pension Liabilities	20	(22,110,000)	(20,172,000)
		<u>2,402,800</u>	<u>2,364,885</u>
NET ASSETS			
FINANCED BY:			
Capital account	16	76,169	37,767
Endowment funds - Expendable	17	2,041,089	1,984,914
Endowment funds - Permanent	17	20,000	20,000
Retained Revenue Reserve		265,542	322,204
		<u>2,402,800</u>	<u>2,364,885</u>

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



TREASURER

S. Gardiner



ACTING EXECUTIVE SECRETARY

L. Goulding

14th December 2018

Date

STATEMENT OF CASH FLOWS

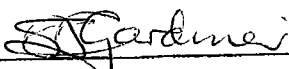
As at 31 December

	Notes	2017 €	2016 €
Reconciliation of operating (deficit) to net cash inflow / (outflow) from operating activities			
Operating (Deficit) for the year		(42,705)	(108,599)
Depreciation	10	28,019	26,335
Interest earned	3(b)	(11,462)	(18,861)
Gain on investment transactions	3(b)	(26,197)	(2,255)
(Increase) / Decrease in Inventory	12	(10,293)	9,185
Decrease in Receivables	13	20,770	1,018
Increase/(Decrease) in Payables and Deferred Income	14 & 15	197,956	(112,305)
Net cash (outflow)/ inflow from Operating Activities		156,088	(205,482)

STATEMENT OF CASHFLOWS

Net cashflow from Operating Activities		156,088	(205,482)
Cashflows from investing activities			
Payments to acquire property, plant and equipment	10	(66,421)	(14,607)
Reinvestment in financial assets	11	(8,166)	(16,901)
Cashflows from financing activities			
Bank interest	3(b)	11,462	18,861
Increase / (Decrease) in cash and cash equivalents		92,963	(218,130)
Cash and cash equivalents at the beginning of the year		2,141,367	2,359,496
Cash and cash equivalents at the end of the year		2,234,330	2,141,367

Notes 1 to 22 form part of these Financial Statements.


 TREASURER
 S. Gardiner


 ACTING EXECUTIVE SECRETARY
 L. Goulding

14th December 2018
 Date

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 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) 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 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). OIREACTAS GRANTS		2017	2016		
		€	€		
Higher Education Authority - Vote 26: Subhead C.4.		3,001,422	2,827,515		
3(b). OTHER INCOME		2017	2016		
		€	€		
Room rental		81,522	75,874		
Grants and awards		7,033	66,031		
Members subscriptions and entrance fees		73,209	61,939		
Sale of Academy publications		230,298	342,128		
Gain on investment transactions		26,197	2,255		
Interest on investments		11,462	18,861		
Funding and registration fees		1,989,375	1,689,233		
		<u>2,419,096</u>	<u>2,256,321</u>		
3(c). FUNDING AND REGISTRATION FEES		Grant Awarded /	Deferred income	Grant awarded not	Grant Received
Purpose of grant	Funding Body	Claimed in 2017	released in 2017	drawn in 2017	In 2017
Sponsorship of Publication - 2016 Centenary book	Department of Education & Skills	40,400	0	(0)	40,400
Sponsorship of Publication - Judging Redmond, Carson, Shaw	Dept of Culture, Heritage & Gaeltacht	40,000	0	(0)	40,000
Sponsorship of George Bernard Shaw Day	Dept of Culture, Heritage & Gaeltacht	20,000	0	(0)	20,000
Hamilton Competition Prize	ARUP	15,500	0	(0)	15,500
Sponsorship of Masterclass Series - Women Leaders	Accenture	10,000	0	(0)	10,000
Sponsorship of Maths competition prize	Department of Education & Skills	16,194	0	(0)	16,194
Sponsorship of Publication - Irish Historic Towns Atlas	Dublin City Council	10,000	0	(0)	10,000
Research and publication of Documents in Irish Foreign Policy	Department of Foreign Affairs	155,933	0	(0)	155,933
Sponsorship of Publication - DFA Centenary Volume	Department of Foreign Affairs	20,000	0	(0)	20,000
Sponsorship of Publication - Centenary Volume	Department of Foreign Affairs	123,800	0	(0)	123,800
Disbursements of Grants	American Chamber of Commerce	25,000	0	(0)	25,000
Discourses	Mason, Hayes, Curran	30,000	0	(0)	30,000
Research and publication of Focloir Nua Gaeilge	Department of Arts, Heritage and the Gaeltacht	167,204	0	(0)	167,204
Disbursement of Grants - Archaeology	Department of Arts, Heritage and the Gaeltacht	67,118	0	(0)	67,118
Disbursement of Grants - Gold Medal	Higher Education Authority	19,800	0	(0)	19,800
Digital Repository of Ireland	Higher Education Authority	300,000	0	(0)	300,000
Digital Repository of Ireland	Higher Education Authority	81,700	0	(0)	81,700
Digital Repository of Ireland	Irish Research Council	250,000	0	(0)	250,000
Digital Repository of Ireland	Dublin Institute of Education	42,917	0	(0)	42,917
Digital Repository of Ireland	Dept of Business, Enterprise & Innovation	50,000	0	(0)	50,000
Digital Repository of Ireland	Dept of Business, Enterprise & Innovation	47,875	0	(0)	47,875
Digital Repository of Ireland - INSIGHT	National University of Galway	64,191	0	(0)	64,191
Digital Repository of Ireland - DRI Irish Record Linkage	University of Limerick	39,627	0	(0)	39,627
Post Doctorate fellowship funding	Irish Research Council	21,631	0	(0)	21,631
Digital Repository of Ireland - INSPIRING IRELAND 1916	Department of Arts, Heritage and the Gaeltacht	56,203	0	(0)	56,203
Research Data Alliance Consortium Agreement	RDA Europe	57,323	0	(0)	57,323
Report on experience of Philanthropic body in Ireland	Atlantic Philanthropies	60,100	0	(0)	60,100
Irish Humanities Alliance	Shared Group - All Ireland Universities	70,000	0	(0)	70,000
Other activities	Various Bodies	86,859	0	(0)	86,859
		<u>1,989,375</u>	<u>0</u>	<u>0</u>	<u>1,989,375</u>

NOTES TO THE FINANCIAL STATEMENTS

4. STAFF COSTS	Income & Expenditure	Funds & Projects	Total	Total
	2017	2017	2017	2016
	€	€	€	€
(a) Analysis of Staff Costs:				
Wages and salaries	1,766,949	2,002,774	3,769,723	3,664,671
Social welfare costs	153,999	155,027	309,026	295,342
Pension costs	995,662	-	995,662	930,023
	2,916,610	2,157,801	5,074,411	4,890,036

Full Time	49	58
Part Time	23	15

(b) Employee benefits breakdown

Range of total employee benefits		Number of Employees	
From	To	2017	2016
€60,000	- €69,999	4	2
€70,000	- €79,999	7	9
€80,000	- €89,999	1	1
€90,000	- €99,999	1	1

Government guidelines on the payment of director's fees have been implemented. There were no fees paid in 2017 to individual council members. The total paid for travel & subsistence expenses claimed by council members in 2017 was €7,794 (2016: €4,825).

Four Council meetings and four Executive Committee meetings were held during 2017.

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 2017 was €97,428 (2016: €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 2017 €	Funds & Projects 2017 €	Total 2017 €	Total 2016 €
5. ACCOMMODATION AND ESTABLISHMENT EXPENSES				
Light and heat	27,310	5,479	32,789	42,865
Insurance	14,018	0	14,018	13,534
Furniture and household	47,861	13,302	61,163	62,232
Rent (Note 18)	15,000	13,810	28,810	28,810
	<u>104,189</u>	<u>32,591</u>	<u>136,780</u>	<u>147,441</u>
6. GENERAL ADMINISTRATION EXPENSES				
Postage and telephone	33,090	2,171	35,261	37,189
Advertising	4,695	4,259	8,954	11,816
Stationery and office	23,289	231	23,520	27,651
Administration printing	13,799	1,027	14,826	5,308
General purpose account and funds and projects miscellaneous	53,046	127,134	180,180	108,999
Professional fees - Legal fees	6,052	-	6,052	12,546
- Accountancy, internal audit and other financial advice	30,173	-	30,173	35,497
- Professional fees including HR and pension advice	30,673	-	30,673	40,953
- Contributors fees	-	-	-	223
Audit fees	13,000	-	13,000	14,500
Bank interest and fees	4,382	-	4,382	5,916
Information technology	75,362	22,496	97,858	179,203
HR, Training and Development	31,918	4,441	36,359	40,720
	<u>319,479</u>	<u>161,759</u>	<u>481,238</u>	<u>520,521</u>
7. PUBLICATION COSTS				
Proceedings	27,614	-	27,614	36,623
Publications	108,690	32,478	141,168	201,109
General conservation costs	2,555	4,470	7,025	11,968
	<u>138,859</u>	<u>36,948</u>	<u>175,807</u>	<u>249,700</u>

NOTES TO THE FINANCIAL STATEMENTS

	Income & Expenditure 2017 €	Funds & Projects 2017 €	Total 2017 €	Total 2016 €
8. CONFERENCE AND MEETING EXPENSES				
Conference expenses	-	8,613	8,613	44,476
Travel expenses	14,437	80,750	95,187	137,016
	<u>14,437</u>	<u>89,363</u>	<u>103,800</u>	<u>181,492</u>
	Income & Expenditure 2017 €	Funds & Projects 2017 €	Total 2017 €	Total 2016 €
9. BOOK PURCHASES AND SUBSCRIPTIONS				
Library books and periodicals	26,262	-	26,262	31,267
Subscriptions to international organisations	35,263	-	35,263	36,710
	<u>61,525</u>	<u>-</u>	<u>61,525</u>	<u>67,977</u>
10. PROPERTY, PLANT, AND EQUIPMENT				
COST				
At 1 January 2017	261,209	124,297	115,459	500,965
Additions	66,421	-	-	66,421
Disposals	(1,146)	(108)	(4,155)	(5,409)
At 31 December 2017	<u>326,484</u>	<u>124,189</u>	<u>111,304</u>	<u>561,977</u>
ACCUMULATED DEPRECIATION				
At 1 January 2017	244,336	122,589	96,273	463,198
Charge for the year	20,446	385	7,188	28,019
Eliminated on Disposals	(1,146)	(108)	(4,155)	(5,409)
At 31 December 2017	<u>263,636</u>	<u>122,866</u>	<u>99,306</u>	<u>485,808</u>
NET BOOK AMOUNTS				
At 31 December 2016	16,873	1,708	19,186	37,767
At 31 December 2017	<u>62,848</u>	<u>1,323</u>	<u>11,998</u>	<u>76,169</u>
Depreciation charged as follows:-			2017 €	2016 €
Income and expenditure account			24,013	23,405
Funds and projects account			4,006	2,930
			<u>28,019</u>	<u>26,335</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 seven years (2017-2011), are disclosed in the table below.

	2011	2012	2013	2014	2015	2016	2017
	€	€	€	€	€	€	€
Heritage Assets Purchased	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Heritage Asset Donations	Nil	Nil	Nil	25,000	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

11. FUNDS AND PROJECTS FINANCIAL ASSETS	1.1.17			31.12.17		Recovery/ (Diminution) in value of Financial Assets: 2017		31.12.17	
	COST €	ADDITIONS €	DISPOSALS €	COST €	Recovery/ (Diminution) in value of Financial Assets: prior to 2017 €	Recovery/ (Diminution) in value of Financial Assets: 2017 €	MARKET VALUE €		
Investment Portfolio	1,696,012	10,666	-	1,706,678	286,512	45,509	2,038,699		
DAVY No 1 account	904,993	31,518	(11,013)	925,498	113,275	12,385	1,051,158		
Community Foundation Ireland	258,552	5,835	(2,643)	261,744	10,127	22,726	294,597		
2.5% Consolidated Stock	2,156	-	-	2,156	-	-	2,156		
Prize Bonds	235	-	-	235	-	-	235		
	<u>2,861,948</u>	<u>48,019</u>	<u>(13,656)</u>	<u>2,896,311</u>	<u>409,914</u>	<u>80,620</u>	<u>3,386,845</u>		

12. INVENTORY	2017 €	2016 €
Books and journals for resale	<u>212,196</u>	<u>201,903</u>

13. RECEIVABLES (amounts falling due within one year)	2017 €	2016 €
Receivables	13,145	5,486
Prepayments and accrued income	22,676	43,423
Value added tax	8,156	15,838
	<u>43,977</u>	<u>64,747</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)	2017 €	2016 €
Payables and accruals	149,383	147,994
Taxation	96,664	79,042
	<u>246,047</u>	<u>227,036</u>

NOTES TO THE FINANCIAL STATEMENTS

15. DEFERRED INCOME	2017 €	2016 €
Balance at 1 January	3,145,724	3,254,214
Allocations from state grants	714,745	649,645
Funding and other receipts	2,016,368	1,694,427
Project expenditure	(2,645,274)	(2,612,163)
Income deferred / (released) in the period	85,839	(268,091)
Funding ringfenced for pension payments	93,107	159,601
Balance as at 31 December	<u>3,324,670</u>	<u>3,145,724</u>

16. CAPITAL ACCOUNT	2017 €	2016 €
Opening balance	37,767	49,495
Amounts allocated for fixed asset acquisition	66,421	14,604
Amortisation in line with asset depreciation	(28,019)	(26,335)
Loss on disposal of fixed assets	-	-
Transfer to / (from) retained revenue reserves	38,402	(11,728)
Closing balance	<u>76,169</u>	<u>37,767</u>

17. ENDOWMENT FUNDS	2017 €	2016 €
Balance at 1 January	2,004,914	1,952,018
Additions	10,666	15,922
Disposals	-	-
Recovery in value of financial assets	45,509	36,974
Additions in the period	56,175	52,896
Balance as at 31 December	<u>2,061,089</u>	<u>2,004,914</u>

Represented by:	2017 €	2016 €
Heritage assets	20,000	20,000
Funds and projects financial assets	2,041,089	1,984,914
	<u>2,061,089</u>	<u>2,004,914</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 Focloir na Nua Ghaeilge staff.

	As at 31 Dec 2017	As at 31 Dec 2016
Future minimum lease payments under non-cancellable operating leases	€	€
Payable within one year	28,800	28,810
Payable within two to five years	115,200	115,200
Payable after five years	181,200	210,000
	<u>325,200</u>	<u>354,010</u>

19. RELATED PARTY TRANSACTIONS

There were no related party transactions in the period ended 31 December 2017.

Key management personnel in the Royal Irish Academy consist of the Executive Secretary, senior management and members of the Council. Total compensation paid to key management personnel, including council members' expenses and total CE remuneration, amounted to €378,311 (2016: €377,836).

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 2017. 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 31.12.17	At 31.12.16
Discount rate	1.8%	1.75%
Salary Increases	2.5%	2.0%
Pension Increases	2.25%	2.0%
Inflation Increases	1.75%	1.5%

The assets in the pre 1994 funded scheme and the expected rate of return as of December 2017 were:

	Market Value 2017	Market Value 2016
Equities	1,020,000	1,010,000
Bonds	912,000	910,000
Properties	<u>200,000</u>	<u>210,000</u>
Total	<u>2,132,000</u>	<u>2,130,000</u>
Present value of scheme liabilities	(22,110,000)	(20,172,000)
Deficit in scheme	(19,978,000)	(18,042,000)

NOTES TO THE FINANCIAL STATEMENTS

20. PENSIONS (*continued*)

(c) Net Deferred Funding for Pensions in Year	2017	2016
	€	€
Funding recoverable in respect of current year pension costs	1,154,000	1,089,000
State Grant Applied to pay Pensioners (Unfunded Scheme)	(280,000)	(299,000)
Pension Contributions (Funded Scheme)	<u>(26,000)</u>	<u>(28,000)</u>
	848,000	762,000
(d) Analysis of total pension costs charged to expenditure	2017	2016
	€	€
Service Charge	838,000	735,000
Interest on Pension Scheme Liabilities (Net Return)	316,000	354,000
Employees Contributions (Unfunded Scheme)	<u>(158,338)</u>	<u>(158,977)</u>
	995,662	930,023
(e) Analysis of amount recognised in Other Comprehensive Income	2017	2016
	€	€
Experience gains	121,000	43,000
Changes in assumptions	<u>(1,209,000)</u>	<u>(3,173,000)</u>
Actuarial gain recognised	<u>(1,088,000)</u>	<u>(3,130,000)</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 2017 amounted to €19,978,000 (2016: €18,042,000).

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 2017.

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

	2017 €	2016 €
Deficit at 1 January	18,042,000	14,150,000
Current service cost	838,000	735,000
Contributions to Funded Scheme	(26,000)	(28,000)
Payments from Unfunded Scheme	(280,000)	(299,000)
Other Finance Income	316,000	354,000
Actuarial Gain	<u>1,088,000</u>	<u>3,130,000</u>
Deficit in scheme at 31 December	19,978,000	18,042,000

(h) History of experience gains and losses

	2017 €	2016 €
Experience Gains on scheme liabilities Amount	121,000	43,000
Percentage of the present value of the scheme liabilities	0.5%	0.2 %
Total amount recognised in Other Comprehensive Income Amount	(1,088,000)	(3,130,000)
Percentage of the present value of the scheme liabilities	(5.4%)	(17.3 %)

NOTES TO THE FINANCIAL STATEMENTS

21. CAPITAL COMMITMENTS

There were no capital commitments at 31 December 2017.

22. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved on 21st May 2018