

**ROYAL IRISH ACADEMY**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2012**

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**GENERAL INFORMATION**

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**Management Team**

Laura Mahoney - Executive Secretary  
Pauric Dempsey - Head of Communications and Public Affairs  
Roisin Quigley - Head of HR  
Lesley Goulding - Head of Finance

**Members of the Council**

Drury, Luke - **President**  
Bates, Ray  
Bell, Ken  
Vani Booroah – **Secretary**  
Breatnach, Pádraig  
Carpenter, Andrew  
John F McGilp – **Treasurer**  
Dorr, Noel  
Holland, Celia  
Ingram, Attracta  
Kelly, Mary  
Kennedy, Eugene  
Kennedy, M Peter  
Laffey, Tom  
Lennon, Colm  
Lunney James  
MacMathúna, Séamus  
McGuire, James  
Ó Coileáin, Seán  
Ó Cróinín, Dáibhí  
Ray, Tom  
Ruane, Frances

**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  
Dublin Castle  
Dublin 2

**Solicitor**

Arthur Cox  
Earlsfort Centre, Earlsfort Terrace  
Dublin 2

STATEMENT OF ACADEMY RESPONSIBILITIES

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The Academy is required to prepare financial statements for each financial year which give a true and fair view of its state of affairs and of its income and expenditure for that year. In preparing those financial statements, the Academy is required to

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

The Academy is responsible for keeping proper books of account which disclose at any time its financial position with reasonable accuracy. It is also responsible for safeguarding its assets and hence for taking reasonable steps for the detection of fraud and other irregularities.



TREASURER  
J F McGilp



EXECUTIVE SECRETARY  
L. Mahoney

25 September 2013  
DATE:

## STATEMENT OF INTERNAL FINANCIAL CONTROL

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### Responsibility for System of Internal Financial Control

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

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

### Key Control Procedures

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

- clearly defining management responsibilities,
- establishing formal procedures for reporting significant control failures and ensuring appropriate corrective action,
- developing a strong culture of accountability across all levels of the Academy.

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

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

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

STATEMENT OF INTERNAL FINANCIAL CONTROL

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

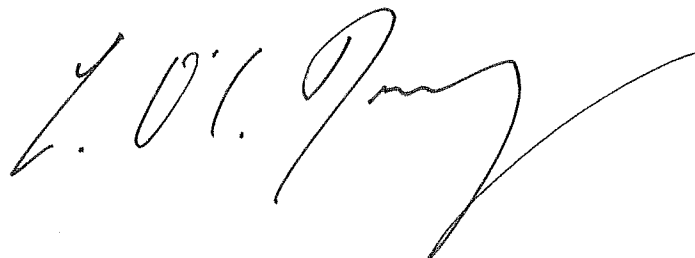
**Annual Review of Controls**

A formal review of the effectiveness of the system of internal financial controls was carried out for the year ended 31 December 2012. No significant breaches were discovered during the review.

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PRESIDENT  
L. O'C. Drury

25 September 2013  
Date





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

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### Royal Irish Academy

I have audited the financial statements of the Royal Irish Academy for the year ended 31 December 2012 under the Comptroller and Auditor General (Amendment) Act 1993. The financial statements, which have been prepared under the accounting policies set out therein, comprise the statement of accounting policies, the income and expenditure account, the funds and projects account, the statement of total recognised gains and losses, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation derives from Academy by-laws and from generally accepted accounting practice in Ireland.

#### Responsibilities of the Council

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

#### Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and report on them under the Comptroller and Auditor General (Amendment) Act 1993.

My audit is conducted by reference to the special considerations which attach to bodies in receipt of substantial funding from the State in relation to their management and operation.

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

#### Scope of audit of the financial statements

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

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

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

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

#### Opinion on the financial statements

In my opinion, the financial statements, which have been properly prepared in accordance with generally accepted accounting practice in Ireland, give a true and fair view of the state of the Academy's affairs at 31 December 2012 and of its income and expenditure for the year then ended.

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

#### Deferred pension funding asset

Without qualifying my opinion on the financial statements, I draw attention to Note 17 and to the recognition as at 31 December 2012 of an asset of €13.7 million in respect of deferred pension funding.

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

The Academy estimates that the funded scheme had a deficit of the order of €2.8 million as at August 2012.

The deferred pension funding asset of €13.7 million, representing a receivable from the State equivalent to the value of the Academy's net pension obligations in relation to its two defined benefit pension schemes, has been recognised in the financial statements on the basis that the Academy considers that State funding will be provided to meet net pension obligations as they fall due.

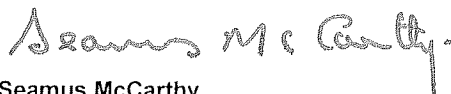
Inherent in this accounting treatment is an assumption that any income generated by the Academy will in the first instance be applied towards current expenses and that State funding will meet any shortfall in resources to fund future pension liabilities.

**Matters on which I report by exception**

I report by exception if

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

I have nothing to report in regard to those matters.



**Seamus McCarthy**  
Comptroller and Auditor General

28 September 2013



**ACCOUNTING POLICIES**

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The significant accounting policies adopted by the Academy are as follows:

**1. BASIS OF ACCOUNTING**

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

**2. OIREACHTAS GRANTS**

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

**3. OTHER INCOME**

Income shown as other income is accounted for on a cash receipts basis for rental income, members subscriptions and entrance fees. Other income from sale of Academy publications represents income invoiced during the period.

**4. INCOME FROM FUNDS AND PROJECTS ACCOUNTS**

Income shown in the Funds and Projects Accounts is accounted for on a cash receipts basis.

**5. FIXED ASSETS**

The Academy adopts a minimum capitalisation threshold of €1,000. Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is calculated in order to write off the cost of tangible fixed assets over their estimated useful lives by equal annual instalments. The estimated useful lives of tangible fixed assets by reference to which depreciation has been calculated are as follows:

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

The Academy holds a collection of books, manuscripts and art works that it has acquired mainly through donations and bequests. 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.

**ACCOUNTING POLICIES**

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Heritage Assets:

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

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

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

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

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

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

**6. CAPITAL ACCOUNT**

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

**7. FUNDS AND PROJECTS ACCOUNT**

The Funds and Projects account records transactions on funds and projects established as a result of the receipt of donations or bequests or by decision of the Academy. It also records allocations from the Academy. They are accounted for on an accruals basis. The income for the Funds and Projects accounts is held on deposit or other investment until it is utilised.

**8. FINANCIAL ASSETS**

Financial Assets are stated at cost less any provision for permanent diminution in value.

**ACCOUNTING POLICIES**

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**9. STOCKS**

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

**10. PENSIONS**

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

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

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

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

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

**11. 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.

**12. INCOME & EXPENDITURE ACCOUNTS**

The financial statements of the Academy include two separate Income & Expenditure Accounts. The first records transactions relating to the core activities of the organisation; i.e. the Library, Academy Publications, and International Unions, together with the costs of the overall administration of the Academy. The second relates to all other special projects and trust funds. Income and expenditure has been allocated on this basis.

## INCOME AND EXPENDITURE ACCOUNT

year ended 31 December

	Notes	2012 €	2011 €
<b>INCOME</b>			
Oireachtas grants		3,105,000	3,282,000
Other income	2	344,958	262,746
Deferred Pension Funding	17	1,528,000	1,497,000
		<u>4,977,958</u>	<u>5,041,746</u>
Less, amount allocated to Funds and Projects Account		(694,080)	(668,697)
Transfer from Capital Account	14	30,315	11,345
		<u>4,314,193</u>	<u>4,384,394</u>
<b>EXPENDITURE</b>			
Staff costs	3	3,447,551	3,427,029
Accommodation and establishment	4	101,466	82,123
General administration	5	456,963	358,585
Publication costs	6	241,139	176,487
Conference and meeting expenses	7	18,593	16,391
Book purchases and international subscriptions	8	72,268	76,017
Depreciation	9	29,049	31,770
		<u>4,367,029</u>	<u>4,168,402</u>
OPERATING (DEFICIT)/SURPLUS		(52,836)	215,992
BALANCE AT 1 JANUARY		<u>981,118</u>	<u>765,126</u>
BALANCE AT 31 DECEMBER		<u><u>928,282</u></u>	<u><u>981,118</u></u>

The Statement of Accounting Policies and Notes 1 to 19 form part of these Financial Statements.



TREASURER

J. F. McGilp



EXECUTIVE SECRETARY

L. Mahoney

25 September 2013

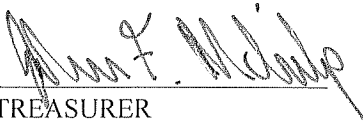
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## FUNDS AND PROJECTS ACCOUNT

year ended 31 December

	Notes	2012 €	2011 €
<b>INCOME</b>			
Allocation from the Academy	1 (a)	694,080	668,697
Other income	1 (b)	1,577,521	2,119,181
		<u>2,271,601</u>	<u>2,787,878</u>
<b>EXPENDITURE</b>			
Staff costs	3	2,083,709	2,111,863
Accommodation and establishment	4	50,845	96,289
General administration	5	274,174	197,225
Publication costs	6	32,085	4,684
Grants and awards		130,839	113,626
Conference and meeting expenses	7	117,103	90,242
Book purchases and international subscriptions	8	0	2,851
Depreciation	9	18,942	18,498
		<u>2,707,697</u>	<u>2,635,278</u>
MOVEMENT IN YEAR		(436,096)	152,600
RECOVERY/(DIMINUTION) IN VALUE OF FINANCIAL ASSETS	10	76,265	(46,766)
BALANCE AT 1 JANUARY		4,051,649	3,945,815
BALANCE AT 31 DECEMBER		<u>3,691,818</u>	<u>4,051,649</u>

The Statement of Accounting Policies and Notes 1 to 19 form part of these Financial Statements.

  
 TREASURER  
 J. F. McGilp

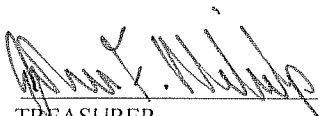
  
 EXECUTIVE SECRETARY  
 L. Mahoney

25 September 2013  
 Date

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

year ended 31 December

	Notes	2012 €	2011 €
Surplus for the year		(52,836)	215,991
Actual return less expected return on scheme assets	17	128,000	(43,000)
Experience gain/(loss) on pension scheme liabilities	17	4,100,000	(860,000)
Changes in Assumptions	17	-	-
Actuarial gain/(loss) recognised in STRGL		4,228,000	(903,000)
Adjustment to Deferred Pension Funding		(4,228,000)	903,000
Total Recognised Gain for the year		(52,836)	215,991

  
 TREASURER  
 J F McGilp

  
 EXECUTIVE SECRETARY  
 L. Mahoney

25 September 2013  
 Date

## BALANCE SHEET

As at 31 December

	Notes	2012 €	2011 €
<b>FIXED ASSETS</b>			
Tangible assets	9	65,343	95,658
Funds and Projects Financial assets	10	1,125,802	1,018,093
		<u>1,191,145</u>	<u>1,113,751</u>
<b>CURRENT ASSETS</b>			
Stocks	11	212,475	252,070
Debtors	12	52,849	93,258
Cash at bank and in hand		3,406,514	3,900,629
		<u>3,671,838</u>	<u>4,245,957</u>
<b>CREDITORS (amounts falling due within one year)</b>	13	<u>(177,541)</u>	<u>(231,284)</u>
<b>NET CURRENT ASSETS</b>		<u>3,494,297</u>	<u>4,014,673</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES BEFORE PENSIONS</b>		<u>4,685,442</u>	<u>5,128,424</u>
Deferred pension funding	17	13,700,000	16,400,000
Funded Scheme Assets	17	1,700,000	1,700,000
Pension Liabilities	17	(15,400,000)	(18,100,000)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><u>4,685,442</u></u>	<u><u>5,128,424</u></u>
<b>FINANCED BY:</b>			
Funds and Projects Accounts	1	3,691,818	4,051,649
Capital account	14	65,342	95,657
Income and expenditure account		928,282	981,118
		<u>4,685,442</u>	<u>5,128,424</u>

The Statement of Accounting Policies and Notes 1 to 19 form part of these Financial Statements.



TREASURER

J F McGilp

25 September 2013

Date



EXECUTIVE SECRETARY

L. Mahoney

## CASHFLOW STATEMENT

As at 31 December

	Notes	2012 €	2011 €
<b>Reconciliation of operating surplus to net cash inflow / (outflow) from operating activities</b>			
Operating (deficit)/surplus for the year		(412,666)	321,826
Depreciation	9	47,991	50,268
Capital Account Transfer	14	(30,315)	(11,345)
Interest earned	1 (b) & 2	(108,234)	(115,873)
(Gain) / Loss on investment transactions	1 (b)	(3,594)	(14,779)
(Increase) / Decrease in value of financial assets	10	(76,265)	46,766
Decrease/ (Increase) in stock	11	39,595	(18,096)
Decrease/ (Increase) in debtors	12	40,410	(34,840)
Increase / (Decrease) in creditors	13	(53,744)	84,635
<b>Net cashflow from operating activities</b>		<b>(556,825)</b>	<b>308,562</b>

## CASHFLOW STATEMENT

Net cashflow from operating activities (556,825) 308,562

## Returns on investment and servicing of finance

Interest received 1(b) &amp; 2 108,234 115,873

## Capital expenditure and financial investment

Payments to acquire tangible fixed assets 9 (17,676) (39,043)

Reinvestment in financial assets 10 (27,851) (27,015)

## Increase in cash

(494,117) 358,377

## RECONCILIATION OF NET CASHFLOW TO NET MOVEMENT IN FUNDS

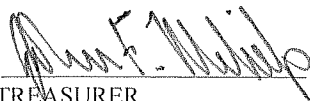
Net funds at 31 December 2011 3,900,631 3,542,254

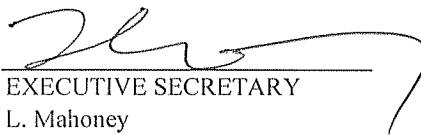
Net funds at 31 December 2012 3,406,514 3,900,631

## Increase in cash

(494,117) 358,377

The Statement of Accounting Policies and Notes 1 to 19 form part of these Financial Statements.

  
 TREASURER  
 J F McGilp

  
 EXECUTIVE SECRETARY  
 L. Mahoney

25 September 2013

Date



## NOTES TO THE FINANCIAL STATEMENTS

## 1. FUNDS AND PROJECTS ACCOUNTS

(a) Fund or Project Account	Opening Balance €	Other Receipts €	Inter-Fund Transfers €	Allocations from State Grants €	Recovery/ Diminution in value of Financial Assets €	Project Expenditure €	Closing Balance €
Focloir na Nua Ghaeilge	51,560	0	0	85,860	0	(85,745)	51,675
Celtic Latin	0	0	0	104,001	0	(104,001)	0
Hamilton Account	53,299	1,334	0	0	4,004	0	58,637
Chemistry Symposium Fund	3,377	103	0	0	308	0	3,788
International Geosphere - Biosphere Prog	12,869	0	(11,967)	0	0	(902)	(0)
Eoin O'Mahony Bursary Account	23,046	815	0	0	1,207	0	25,068
Archaeological Research Account	(9,191)	0	0	0	0	(3,474)	(12,665)
Study of International Affairs	9,446	50	(7,210)	0	0	(2,286)	0
Seminars Account	195,959	59,665	(32,782)	0	0	(67,044)	155,798
A New History of Ireland Account	25,420	6,680	0	0	0	(12,097)	20,003
Dictionary of Irish Biography Account	119,234	3,949	0	0	6,795	0	129,978
Atlas of Historic Irish Towns - Research	70,889	30,000	0	0	0	(19,854)	81,035
Bioethics Council Fund	14,592	259,507	0	(47,856)	0	(201,051)	25,192
DEPFA Fund	11,430	0	0	0	0	0	11,430
Balance c/fwd	581,930	362,103	(51,959)	142,005	12,314	(496,454)	549,939

## NOTES TO THE FINANCIAL STATEMENTS

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

(a) Fund or Project Account	Opening Balance €	Other Receipts €	Inter-Fund Transfers €	Allocations from State Grants €	Recovery/ Diminution in value of Financial Assets €	Project Expenditure €	Closing Balance €
Balance b/fwd	581,930	362,103	(51,959)	142,005	12,314	(496,454)	549,939
Clare Island Study Account	8,419	208	0	0	309	0	8,936
Clare Island Publications	2,304	0	0	0	0	0	2,304
Economic and Social Sciences Account	2,685	0	(2,685)	0	0	0	0
Sailors and Soldiers Trust Fund	47,877	0	0	0	0	0	47,877
Thesaurus Linguarum Hiberniae	10,463	0	0	0	0	0	10,463
Armstrong Fund	1,349	42	0	0	128	0	1,519
Cunningham Fund	13,504	936	0	0	583	0	15,023
Curtis Fund	12,121	382	0	0	1,146	0	13,649
D'Alton Fund	66,836	1,923	0	0	2,847	0	71,606
Geological Illustration Fund	1,418	44	0	0	134	0	1,596
Higgins Fund	29,369	744	0	0	1,102	0	31,215
Larmor Fund	1,034	33	0	0	98	0	1,165
Praeger Fund	35,639	1,354	0	0	2,006	0	38,999
Praeger Special Fund	4,990	186	0	0	275	0	5,451
Purser Fund	5,084	160	0	0	481	0	5,725
Smythe Fund	9,567	235	0	0	348	0	10,150
Todd Fund	4,946	51	0	0	0	0	4,997
Ussher Fund	1,797	45	0	0	66	0	1,908
Wheeler Fund	2,570	81	0	0	243	0	2,894
Mangan Bequest Fund	63,290	1,891	0	0	2,798	0	67,979
Balance c/fwd	907,192	370,418	(54,644)	142,005	24,878	(496,454)	893,395

## NOTES TO THE FINANCIAL STATEMENTS

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

(a) Fund or Project Account	Opening Balance	Other Receipts	Inter-Fund Transfers	Allocations from State Grants	Recovery/ Diminution in value of Financial Assets	Project Expenditure	Closing Balance
	€	€	€	€	€	€	€
Balance b/fwd	907,192	370,418	(54,644)	142,005	24,878	(496,454)	893,395
John Jackson Fund	9,168	179	(4,196)	0	264	0	5,415
Microbiology Award Account	4,899	129	0	0	192	0	5,220
McNeill Bequest Fund	23,413	981	0	0	1,453	0	25,847
David Greene Irish Studies Account	13,954	440	0	0	1,319	0	15,713
Publication Reserve Account	267,279	2,000	0	0	0	(781)	268,498
Library Capital Account	119,578	3,650	0	0	0	(8,065)	115,163
Social Science Research Council	37,055	770	0	0	1,139	0	38,964
Research Trust Capital Account	471,870	14,668	0	0	46,199	0	532,737
General Purposes Capital Account	21,032	555	0	0	821	0	22,408
OPW Housekeeping Account	12,344	12,897	0	0	0	(5,246)	19,995
Documents in Irish Foreign Policy Acc	160,046	181,789	0	0	0	(152,769)	189,066
CD Publications Account	18,696	0	0	0	0	0	18,696
Contingency Fund	32,704	0	0	0	0	0	32,704
Library Cataloguing Fund	24,477	0	0	0	0	0	24,477
Library IAALH Fund	15,609	0	0	0	0	(14,752)	857
DIB - General Acc	0	0	0	287,049	0	(287,049)	0
Ni Madadain	6,449	0	0	0	0	0	6,449
Balance c/fwd	2,145,765	588,476	(58,840)	429,054	76,265	(965,116)	2,215,604

## NOTES TO THE FINANCIAL STATEMENTS

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

(a) Fund or Project Account	Opening Balance	Other Receipts	Inter-Fund Transfers	Allocations from State Grants	Recovery/ Diminution in value of Financial Assets	Project Expenditure	Closing Balance
	€	€	€	€	€	€	€
Balance b/fwd	2,145,765	588,476	(58,840)	429,054	76,265	(965,116)	2,215,604
SFI - China Ireland	106,372	0	0	0	0	0	106,372
International Exchange A/C	0	0	0	27,925	0	(28,834)	(909)
Atlas of Historic Irish Towns - General	0	0	0	140,342	0	(140,392)	(50)
Research Reserve	517,102	54,203	260,948	0	0	(285,177)	547,076
SFI - Lecture Series	31,697	0	0	0	0	0	31,697
Hamilton 2005	15,101	0	(15,101)	0	0	0	(0)
FNG Donegal	(230)	123,249	0	117,259	0	(240,388)	(110)
Hunt Museum	23,920	0	(23,920)	0	0	0	0
Archaeological Excav Grant	29,124	100,000	0	(10,000)	0	(90,771)	28,353
RIA Gold Medal	47,408	29,100	0	(10,500)	0	(1,533)	64,475
SFI - Hamilton	21,087	0	(21,087)	0	0	0	0
Knowth	75,486	0	0	0	0	(25,244)	50,242
DIAA	599,924	365,702	(45,000)	0	0	(457,032)	463,594
PRTL I DHO	184,763	103,156	(70,500)	0	0	(224,455)	(7,036)
Pension Reserve	78,909	25,741	0	0	0	0	104,650
PRTL I - 5 - DAH	26,588	65,752	0	0	0	(2,401)	89,939
PRTL I - 5 - NAVR	118,592	122,142	(26,500)	0	0	(237,686)	(23,452)
Irish Constitution Project		0	0	0	0	0	0
Gen. Anthropolgy	0	0	0	0	0	0	0
Irish History Online (IHO)	2,867	0	0	0	0	0	2,867
Sub Total	4,024,475	1,577,521	0	694,080	76,265	(2,699,029)	3,673,312
Capital Movements - additions to FA						10,273	
Capital Movements - depreciation charge for year	27,175					(18,942)	18,506
	4,051,650	1,577,521	0	694,080	76,265	(2,707,698)	3,691,818

## NOTES TO THE FINANCIAL STATEMENTS

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

	2012	2011
	€	€
(b) Other Income comprises:		
Gain on investment transactions	3,594	14,779
Interest on investments	82,105	86,811
Subvention & Registration Fees	1,491,081	2,017,201
Sale of Publications	741	390
	<u>1,577,521</u>	<u>2,119,181</u>

(c) Balances were held as follows:-

	Cash and Cash equivalents €	Investments at Cost €	Total €
Opening balance - 1st January 2012	3,033,557	1,018,093	4,051,650
Closing balance - 31 December 2012	2,566,015	1,125,802	3,691,817

## 2. OTHER INCOME

	2012	2011
	€	€
Deposit interest	26,129	29,062
Room rental	22,152	22,168
Grants and awards	87	9,184
Members subscriptions and entrance fees	35,066	35,417
Sale of Academy publications	261,524	166,915
	<u>344,958</u>	<u>262,746</u>

## 3. STAFF COSTS

	2012	2011
	€	€
(a) Analysis of Staff Costs:		
Wages and salaries	3,600,275	3,729,679
Social welfare costs	310,266	318,086
Pension costs	1,620,719	1,491,127
	<u>5,531,260</u>	<u>5,538,892</u>

Charged as follows:

Income and Expenditure Account	3,447,551	3,427,029
Funds and Projects Account	2,083,709	2,111,863
	<u>5,531,260</u>	<u>5,538,892</u>

(b) Average Number of Persons Employed

Full Time	51	58
Part Time	24	28

Government guidelines on the payment of director's fees are being implemented. There were no fees paid in 2012 to individual council members. The total paid for travel & subsistence expenses claimed by council members in 2012 was €1,927.

The all in cost of the Acting Executive Secretary's total remuneration package consists of salary and pension entitlement. The Acting Executive Secretary's annual salary for 2012 was €81,457 and pension entitlements for this post are in line with standard entitlements in the model public sector defined benefit superannuation scheme. The Acting Executive Secretary was not in receipt of any performance related awards or an acting allowance in 2012.

## NOTES TO THE FINANCIAL STATEMENTS

4. ACCOMMODATION AND ESTABLISHMENT EXPENSES	2012 €	2011 €
Light and heat	35,354	30,657
Insurance	11,567	10,044
Furniture and household	64,733	62,233
Rent (Note 14)	40,657	75,478
	<u>152,311</u>	<u>178,412</u>
Charged as follows:		
Income and Expenditure Account	101,466	82,123
Funds and Projects Account	50,845	96,289
	<u>152,311</u>	<u>178,412</u>
5. GENERAL ADMINISTRATION EXPENSES	2012 €	2011 €
Postage and telephone	40,837	35,181
Advertising	10,812	6,160
Stationery and office	84,339	61,610
Administration printing	11,201	14,159
General Purpose Account and Funds & Projects Miscellaneous	104,076	93,756
Professional fees - Legal and other fees	10,796	4,127
- Accountants fees	6,424	13,193
- Contributors fees	149,573	97,857
Audit fees	15,500	10,810
Bank interest and fees	5,897	3,770
Information technology	212,506	148,734
Loss/(Gain) on Disposal	0	120
Training and Consultancy	79,176	66,333
	<u>731,137</u>	<u>555,810</u>
Charged as follows:		
Income and Expenditure Account	456,963	358,585
Funds and Projects Account	274,174	197,225
	<u>731,137</u>	<u>555,810</u>
6. PUBLICATION COSTS	2012 €	2011 €
Proceedings	35,814	35,076
Publications	224,357	136,431
General conservation costs	13,053	9,664
	<u>273,224</u>	<u>181,171</u>
Charged as follows:		
Income and Expenditure Account	241,139	176,487
Funds and Projects Account	32,085	4,684
	<u>273,224</u>	<u>181,171</u>

## NOTES TO THE FINANCIAL STATEMENTS

7. CONFERENCE AND MEETING EXPENSES	2012	2011
	€	€
Conference expenses	43,954	19,410
Special Event Costs	504	204
Travel expenses	91,238	87,019
	<u>135,696</u>	<u>106,633</u>
Charged as follows:		
Income and Expenditure account	18,593	16,391
Funds and Projects account	117,103	90,242
	<u>135,696</u>	<u>106,633</u>
8. BOOK PURCHASES AND SUBSCRIPTIONS	2012	2011
	€	€
Library books and periodicals	36,815	28,754
Subscriptions to international organisations	35,453	50,114
	<u>72,268</u>	<u>78,868</u>
Charged as follows:-		
Income and expenditure account	72,268	76,017
Funds and projects account	0	2,851
	<u>72,268</u>	<u>78,868</u>
9. TANGIBLE ASSETS		

COST	Computer Equipment €	Fixtures & Fittings €	Equipment €	Total €
At 1 January 2012	412,467	148,388	90,328	651,183
Additions	7,236	0	10,440	17,676
Disposals	(45,555)	0	0	(45,555)
At 31 December 2012	<u>374,148</u>	<u>148,388</u>	<u>100,768</u>	<u>623,304</u>

## ACCUMULATED DEPRECIATION

At 1 January 2012	354,502	124,727	76,296	555,525
Charge for the year	32,483	8,101	7,407	47,991
Eliminated on Disposals	(45,555)	0	0	(45,555)
At 31 December 2012	<u>341,430</u>	<u>132,828</u>	<u>83,703</u>	<u>557,961</u>

## NET BOOK AMOUNTS

At 31 December 2011	57,965	23,661	14,032	95,658
At 31 December 2012	<u>32,718</u>	<u>15,560</u>	<u>17,065</u>	<u>65,343</u>

	2012	2011
	€	€
Depreciation charged as follows:-		
Income and expenditure account	29,049	31,770
Funds and projects account	18,942	18,498
	<u>47,991</u>	<u>50,268</u>

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**NOTES TO THE FINANCIAL STATEMENTS**


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**9. TANGIBLE ASSETS (contd)****HERITAGE ASSETS**

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

The Academy has undertaken an exercise to identify and value Heritage Assets acquired during the past five years (2012-2007), the results are disclosed in the table below.

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

	2007	2008	2009	2010	2011	2012
	€	€	€	€	€	€
Heritage Assets Purchased	Nil	Nil	10,000	14,000	Nil	Nil
Heritage Assets Donated	Nil	10,000	Nil	30,000	Nil	Nil

Preservation and Management

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

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

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

Heritage Assets of particular importance

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

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



## NOTES TO THE FINANCIAL STATEMENTS

10. FUNDS AND PROJECTS FINANCIAL ASSETS	1.1.12			31.12.12			31.12.12
	COST €	ADDITIONS €	DISPOSALS €	COST €	Diminution in value of Financial Assets €	Recovery/ (Diminution) in value of Financial Assets €	MARKET VALUE €
Investment Portfolio	1,115,943	36,698	(5,252)	1,147,389	(100,241)	76,265	1,123,411
2.5% Consolidated Stock	2,156			2,156			2,156
Prize Bonds	235			235			235
	<u>1,118,334</u>	<u>36,698</u>	<u>(5,252)</u>	<u>1,149,780</u>	<u>(100,241)</u>	<u>76,265</u>	<u>1,125,802</u>
11. STOCKS						2012 €	2011 €
Books and journals for resale						<u>212,475</u>	<u>252,070</u>
12. DEBTORS (amounts falling due within one year)						2012 €	2011 €
Debtors						8,895	10,801
Prepayments and Accrued Income						14,252	67,126
Value Added Tax						29,702	15,331
						<u>52,849</u>	<u>93,258</u>
13. CREDITORS (amounts falling due within one year)						2012 €	2011 €
Creditors and accruals						89,376	128,262
Taxation						88,165	103,022
						<u>177,541</u>	<u>231,284</u>
14. CAPITAL ACCOUNT		2012				2011	
		€	€			€	€
Opening balance			95,657				107,002
Amounts allocated for fixed asset acquisition		17,676				39,043	
Amortisation in line with asset depreciation		(47,991)				(50,268)	
Loss on disposal of fixed assets		<u>0</u>				<u>(120)</u>	
Transfer (to)/from the Income & Expenditure Account			(30,315)				(11,345)
Closing balance			<u>65,342</u>				<u>95,657</u>

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**NOTES TO THE FINANCIAL STATEMENTS**

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**15. ACCOMMODATION**

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

The Art Architecture of Ireland project, which commenced during 2008, is located outside Academy House, in Newman House, St. Stephens Green, Dublin 2.

This property is rented by the Academy on short-term leases, as is the premises at An Charraig, Co Donegal, which is used by a number of Focloir na Nua Ghaeilge staff.

**16. RELATED PARTY TRANSACTIONS**

There were no related party transactions in the period ended 31 December 2012.

The Academy adopted procedures in accordance with the Code of Practice for the Governance of State Bodies issued by the Department of Finance in relation to the disclosure of interests by the Council members. These have been adhered to in the year and there were no transactions in the year in relation to the Academy's activities in which Council members had any interest.

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

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

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

- The Royal Irish Academy staff superannuation scheme and
- The Royal Irish Academy spouses' and childrens contributory pension scheme

which are currently being operated on an administrative basis pending formal Ministerial approval.

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

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

## NOTES TO THE FINANCIAL STATEMENTS

**17. PENSIONS** *(continued)*

While the Academy recognises that there is a deficit on the funded scheme, a solution is currently being sought to resolve this situation. The Academy is of the opinion that all future pension liabilities of all defined benefit schemes and arrangements on a pay as you go basis for all categories of RIA staff will be met by the State. Accordingly the Academy has recognized a matching pension receivable in the balance sheet at an amount equivalent to the full pension liability associated with all its defined benefit arrangements for each reporting period.

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

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

The results set out below are based on actuarial valuation of the pension liabilities in respect of serving and former staff of the Academy at 31<sup>st</sup> December 2012. This valuation was carried out by a qualified independent actuary for the purposes of the accounting standard, Financial Reporting Standard No. 17 – Retirement Benefits (FRS 17). The valuation has been completed using the projected unit method.

**(b) Financial Assumptions**

The financial assumptions used FRS17 purposes were:

	At 31.12.12	At 31.12.11
Discount rate	5.5%	5.5%
Salary Increases	4.0%	4.0%
Pension Increases	4.0%	4.0%
Inflation Increases	2.0%	2.0%

The assets in the pre 1994 funded scheme and the expected rate of return as of December 2012 were:

	Expected return 2012	Expected return 2011	Market Value 2012	Market Value 2011
Equities	7%	7%	900,000	900,000
Bonds	4%	4%	700,000	700,000
Properties	4%	4%	<u>100,000</u>	<u>100,000</u>
Total			<u>1,700,000</u>	<u>1,700,000</u>
Present value of scheme liabilities			(15,400,000)	(18,100,000)
Deficit in scheme			(13,700,000)	(16,400,000)

## NOTES TO THE FINANCIAL STATEMENTS

**17. PENSIONS (continued)**

<b>(c) Net Deferred Funding for Pensions in Year</b>	<b>2012</b>	<b>2011</b>
	€	€
Funding recoverable in respect of current year pension costs	1,800,000	1,670,000
State Grant Applied to pay Pensioners (Unfunded Scheme)	(243,000)	(144,000)
Pension Contributions (Funded Scheme)	<u>(29,000)</u>	<u>(29,000)</u>
	1,528,000	1,497,000
<b>(d) Analysis of total pension costs charged to expenditure</b>	<b>2012</b>	<b>2011</b>
	€	€
Service Charge	900,000	900,000
Interest on Pension Scheme Liabilities	900,000	770,000
Employees Contributions (Unfunded Scheme)	<u>(179,281)</u>	<u>(178,873)</u>
	1,620,719	1,491,127
<b>(e) Analysis of amount recognised in the statement of total recognised gains and losses (STRGL)</b>	<b>2012</b>	<b>2011</b>
	€	€
Difference between actual and expected return on scheme assets	128,000	(43,000)
Experience gains/ (losses)	4,100,000	(860,000)
Changes in assumptions	-	-
Actuarial gain / (loss) recognised in STRGL	<u>4,228,000</u>	<u>(903,000)</u>

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

The Royal Irish Academy recognises these amounts as an asset corresponding to the funded and unfunded deferred liability on the basis of the set of assumptions described above and a number of past events. These events include the statutory basis for the establishment of the pension scheme and the policy and practice currently in place in relation to funding public service pensions, including contributions by employees and the annual estimates process. The Academy has no evidence that this funding policy will not continue to meet such sums in accordance with current practice. The deferred funding asset for pensions as at 31 December 2012 amounted to €13,700,000 (2011: €16,400,000).

The valuation used for FRS17 disclosures has been based on a full actuarial valuation by a qualified independent actuary taking account of the requirements of the FRS in order to assess the scheme liabilities at 31 December 2012.

## NOTES TO THE FINANCIAL STATEMENTS

**17. PENSIONS (continued)****(g) Movement in Net Pension Liability during the financial year**

	2012 €	2011 €
Deficit at 1 January	(16,400,000)	(14,000,000)
Current service cost	(900,000)	(900,000)
Contributions to Funded Scheme	29,000	29,000
Payments from Unfunded Scheme	243,000	144,000
Other Finance Income	(900,000)	(770,000)
Actuarial Gain/ (Loss)	<u>4,228,000</u>	<u>(903,000)</u>
<b>Deficit in scheme at 31 December</b>	<b>(13,700,000)</b>	<b>(16,400,000)</b>

**(h) History of experience gains and losses**

	2012 €	2011 €
Differences between the expected and actual return on scheme assets		
Amount	128,000	(43,000)
Percentage of the scheme assets	8%	-3%
Experience Gains/ (Losses) on scheme liabilities		
Amount	4,100,000	(860,000)
Percentage of the present value of the scheme liabilities	27%	-5%
Total amount recognised in STRGL		
Amount	4,228,000	(903,000)
Percentage of the present value of the scheme liabilities	27%	-5%

**18. CAPITAL COMMITMENTS**

There were no capital commitments at 31 December 2012.

**19. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved on 23<sup>rd</sup> September 2013.