

ROYAL IRISH ACADEMY
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2013

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GENERAL INFORMATION

Management Team

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

Members of the Council

Daly, Mary – **President**
Booroah, Vani – **Secretary**
Cooney, Gabriel
Coxon, Peter
Dineen, Sean
Downer, Roger
Dorr, Noel
Holland, Celia
Fanning, Ronan
Ingram, Attracta
Kelly, John
Kelly, Mary
Kennedy, Eugene
Kennedy, M Peter
Lunney James
Maher, Imelda
Meehan, Elizabeth
McGilp, John F – **Treasurer**
Ray, Tom
Ruane, Frances
Sheehan, Geraldine
Stalley, Roger

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

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

15/12/14

DATE:

STATEMENT OF INTERNAL FINANCIAL CONTROL

Responsibility for System of Internal Financial Control

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

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

Key Control Procedures

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

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

The 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.

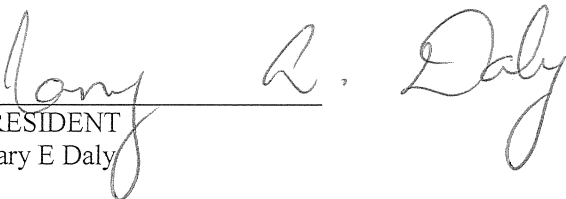
The Council's monitoring and review of the effectiveness of the system of internal financial control is informed by the Audit Committee, the executive managers within the Academy who have responsibility for the development and maintenance of the control framework and comments made by the Comptroller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

STATEMENT OF INTERNAL FINANCIAL CONTROL

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 2013. No significant breaches were discovered during the review.



PRESIDENT
Mary E Daly

15/12/14
Date



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

Royal Irish Academy

I have audited the financial statements of the Royal Irish Academy for the year ended 31 December 2013 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 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 2013 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 18 and to the recognition as at 31 December 2013 of an asset of €12.8 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 deferred pension funding asset of €12.8 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.



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

17 December 2014

ACCOUNTING POLICIES

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. 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

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.

5. CAPITAL ACCOUNT

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

6. DEFERRED INCOME

Deferred income represents funds 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. Funds are held on deposit or investment until utilised.

7. FINANCIAL ASSETS

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

ACCOUNTING POLICIES

8. 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.

9. 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.

10. 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.

11. 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.

INCOME AND EXPENDITURE ACCOUNT

year ended 31 December

	Notes	2013 €	2012 € (Restated)
INCOME			
Oireachtas grants		2,924,000	3,105,000
Funding and Other income	1	2,683,186	1,922,477
Income (released)/deferred in the period	13	(339,200)	468,761
Deferred Pension Funding	18	1,442,000	1,528,000
		<u>6,709,986</u>	<u>7,024,238</u>
Transfer from Capital Account	14	16,163	30,315
		<u>6,726,149</u>	<u>7,054,553</u>
EXPENDITURE			
Staff costs	2	5,426,734	5,531,260
Accommodation and establishment	3	163,311	152,311
General administration	4	676,780	731,135
Publication costs	5	245,553	273,224
Conference and meeting expenses	6	133,058	135,696
Book purchases and international subscriptions	7	95,539	72,268
Grants and awards		74,749	130,839
Depreciation	8	36,228	47,991
		<u>6,851,952</u>	<u>7,074,724</u>
OPERATING DEFICIT		(125,803)	(20,171)
DISPOSALS/(ADDITIONS) IN ENDOWMENT FUNDS	15	19,475	(32,665)
BALANCE AT 1 JANUARY		<u>928,282</u>	<u>981,118</u>
BALANCE AT 31 DECEMBER		<u><u>821,954</u></u>	<u><u>928,282</u></u>

The Statement of Accounting Policies and Notes 1 to 21 form part of these Financial Statements.


 TREASURER
 J F McGilp


 EXECUTIVE SECRETARY
 L. Mahoney

15/12/14
 Date

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

year ended 31 December

	Notes	2013 €	2012 € (Restated)
Deficit for the year		(125,803)	(20,171)
Actual return less expected return on scheme assets	18	242,000	128,000
Experience gain on pension scheme liabilities	18	2,100,000	4,100,000
Changes in Assumptions	18	-	-
Actuarial gain recognised in STRGL		2,342,000	4,228,000
Adjustment to Deferred Pension Funding		(2,342,000)	(4,228,000)
Total Recognised Loss for the year		<u>(125,803)</u>	<u>(20,171)</u>



TREASURER
J F McGilp



EXECUTIVE SECRETARY
L. Mahoney

15/12/14

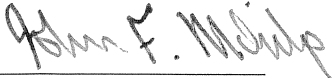
Date

BALANCE SHEET

As at 31 December

	Notes	2013 €	2012 € (Restated)
FIXED ASSETS			
Tangible assets	8	49,179	65,343
Funds and Projects Financial assets	9	1,212,276	1,125,802
		<u>1,261,455</u>	<u>1,191,145</u>
CURRENT ASSETS			
Stocks	10	201,316	212,475
Debtors	11	61,552	52,849
Cash at bank and in hand		3,601,871	3,406,514
		<u>3,864,739</u>	<u>3,671,838</u>
CREDITORS (amounts falling due within one year)	12	<u>(154,511)</u>	<u>(177,541)</u>
DEFERRED INCOME	13	(2,636,716)	(2,297,516)
NET CURRENT ASSETS		<u>1,073,512</u>	<u>1,196,781</u>
TOTAL ASSETS LESS CURRENT LIABILITIES BEFORE PENSIONS		<u>2,334,967</u>	<u>2,387,926</u>
Deferred pension funding	18	12,800,000	13,700,000
Funded Scheme Assets	18	1,800,000	1,700,000
Pension Liabilities	18	(14,600,000)	(15,400,000)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>2,334,967</u></u>	<u><u>2,387,926</u></u>
FINANCED BY:			
Capital account	14	49,179	65,342
Endowment funds	15	1,463,834	1,394,302
Income and expenditure account		821,954	928,282
		<u>2,334,967</u>	<u>2,387,926</u>

The Statement of Accounting Policies and Notes 1 to 21 form part of these Financial Statements.

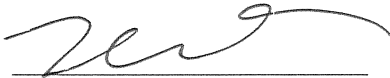


TREASURER

J F McGilp

15/12/14

Date



EXECUTIVE SECRETARY

L. Mahoney

CASHFLOW STATEMENT

As at 31 December

	Notes	2013 €	2012 € (Restated)
Reconciliation of operating surplus to net cash inflow / (outflow) from operating activities			
Operating deficit for the year		(125,803)	(20,171)
Depreciation	8	36,228	47,991
Capital Account Transfer	14	(16,163)	(30,315)
Interest earned	1	(107,566)	(108,234)
Gain on investment transactions	1	(8)	(3,594)
Decrease in stock	10	11,159	39,595
(Increase) / Decrease in debtors	11	(8,702)	40,410
Increase /(Decrease) in creditors	12	316,170	(522,505)
Net cashflow from operating activities		<u>105,314</u>	<u>(556,824)</u>


CASHFLOW STATEMENT

Net cashflow from operating activities		105,314	(556,824)
Returns on investment and servicing of finance			
Interest received	1	107,566	108,234
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets	8	(20,065)	(17,676)
Reinvestment in financial assets	9	2,541	(27,851)
Increase in cash		<u>195,357</u>	<u>(494,117)</u>

RECONCILIATION OF NET CASHFLOW TO NET MOVEMENT IN FUNDS

Net funds at 31 December 2012	3,406,514	3,900,631
Net funds at 31 December 2013	3,601,871	3,406,514
Increase/(Decrease) in cash	<u>195,357</u>	<u>(494,117)</u>

The Statement of Accounting Policies and Notes 1 to 21 form part of these Financial Statements.


 TREASURER
 J F McGilp


 EXECUTIVE SECRETARY
 L. Mahoney

15/12/14
 Date

NOTES TO THE FINANCIAL STATEMENTS

1. OTHER INCOME	2013	2012
	€	€
Deposit interest	26,000	26,129
Room rental	29,954	22,152
Grants and awards	5,752	86
Members subscriptions and entrance fees	37,818	35,066
Sale of Academy publications	277,616	261,524
Gain on investment transactions	8	4,335
Interest on investments	81,566	82,105
Funding & Registration Fees	2,224,472	1,491,080
	<u>2,683,186</u>	<u>1,922,477</u>

2. STAFF COSTS	I & E	F & P	Total	Total
	2013	2013	2013	2012
	€	€	€	€
(a) Analysis of Staff Costs:				
Wages and salaries	1,759,237	1,972,615	3,731,852	3,600,275
Social welfare costs	127,954	188,879	316,833	310,266
Pension costs	1,378,049	-	1,378,049	1,620,719
	<u>3,265,240</u>	<u>2,161,493</u>	<u>5,426,734</u>	<u>5,531,260</u>

(b) Average Number of Persons Employed

Full Time	22	36	58	51
Part Time	10.5	12.5	23	24

Government guidelines on the payment of director's fees have been implemented. There were no fees paid in 2013 to individual council members. The total paid for travel & subsistence expenses claimed by council members in 2013 was €8,064

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 2013 was €88,936 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 or an acting allowance in 2013 .

NOTES TO THE FINANCIAL STATEMENTS

3. ACCOMMODATION AND ESTABLISHMENT EXPENSES	I & E 2013 €	F & P 2013 €	Total 2013 €	Total 2012 €
Light and heat	35,167	2,931	38,098	35,354
Insurance	11,467	-	11,467	11,567
Furniture and household	74,239	7,397	81,636	64,733
Rent (Note 15)	-	32,110	32,110	40,657
	<u>120,873</u>	<u>42,437</u>	<u>163,312</u>	<u>152,311</u>
4. GENERAL ADMINISTRATION EXPENSES	I & E 2013 €	F & P 2013 €	Total 2013 €	Total 2012 €
Postage and telephone	32,193	4,807	37,000	40,837
Advertising	8,767	4,493	13,260	10,812
Stationery and office	58,571	5,657	64,228	84,339
Administration printing	12,162	1,389	13,551	11,201
General Purpose Account and Funds & Projects Miscellaneous	45,833	113,840	159,673	104,074
Professional fees - Legal and other fees	46,032	-	46,032	10,796
- Accountants fees	22,837	-	22,837	6,424
- Contributors fees	-	79,409	79,409	149,573
Audit fees	10,810	-	10,810	15,500
Bank interest and fees	5,104	-	5,104	5,897
Information technology	124,577	14,131	138,708	212,506
HR, Training and Development	85,846	322	86,168	79,176
	<u>452,732</u>	<u>224,048</u>	<u>676,780</u>	<u>731,135</u>
5. PUBLICATION COSTS	I & E 2013 €	F & P 2013 €	Total 2013 €	Total 2012 €
Proceedings	39,348	-	39,348	35,814
Publications	185,296	8,720	194,016	224,357
General conservation costs	10,094	2,095	12,189	13,053
	<u>234,738</u>	<u>10,815</u>	<u>245,553</u>	<u>273,224</u>

NOTES TO THE FINANCIAL STATEMENTS

6. CONFERENCE AND MEETING EXPENSES	I & E 2013 €	F & P 2013 €	Total 2013 €	Total 2012 €
Conference expenses	-	14,280	14,280	43,954
Special Event Costs	-	-	-	504
Travel expenses	22,204	96,574	118,778	91,238
	<u>22,204</u>	<u>110,854</u>	<u>133,058</u>	<u>135,696</u>
7. BOOK PURCHASES AND SUBSCRIPTIONS	I & E 2013 €	F & P 2013 €	Total 2013 €	Total 2012 €
Library books and periodicals	38,965	10,800	49,765	36,815
Subscriptions to international organisations	45,774	-	45,774	35,453
	<u>84,739</u>	<u>10,800</u>	<u>95,539</u>	<u>72,268</u>
8. TANGIBLE ASSETS	Computer Equipment €	Fixtures & Fittings €	Equipment €	Total €
At 1 January 2013	374,148	148,388	100,768	623,304
Additions	12,098	-	7,965	20,065
Disposals	(125,249)	(6,057)	(1,548)	(132,854)
At 31 December 2013	<u>260,997</u>	<u>142,331</u>	<u>107,186</u>	<u>510,515</u>
ACCUMULATED DEPRECIATION				
At 1 January 2013	341,430	132,828	83,704	557,962
Charge for the year	24,361	6,342	5,525	36,228
Eliminated on Disposals	(125,249)	(6,057)	(1,548)	(132,854)
At 31 December 2013	<u>240,542</u>	<u>133,113</u>	<u>87,681</u>	<u>461,336</u>
NET BOOK AMOUNTS				
At 31 December 2012	32,718	15,560	17,065	65,342
At 31 December 2013	<u>20,455</u>	<u>9,218</u>	<u>19,505</u>	<u>49,179</u>

NOTES TO THE FINANCIAL STATEMENTS

8. 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 (2013-2008), 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.

	2008	2009	2010	2011	2012	2013
	€	€	€	€	€	€
Heritage Assets Purchased	Nil	10,000	14,000	Nil	Nil	Nil
Heritage Asset Donations	10,000	Nil	30,000	Nil	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).

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 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

9. FUNDS AND PROJECTS FINANCIAL ASSETS	1.1.13			31.12.13			31.12.13 MARKET VALUE €
	COST €	ADDITIONS €	DISPOSALS €	COST €	Diminution in value of Financial Assets €	Recovery/ (Diminution) in value of Financial Assets €	
Investment Portfolio	1,147,389	20,900	(23,434)	1,144,855	(23,976)	89,006	1,209,885
2.5% Consolidated Stock	2,156	-	-	2,156	-	-	2,156
Prize Bonds	235	-	-	235	-	-	235
	<u>1,149,780</u>	<u>20,900</u>	<u>(23,434)</u>	<u>1,147,246</u>	<u>(23,976)</u>	<u>89,006</u>	<u>1,212,276</u>
10. STOCKS						2013 €	2012 €
Books and journals for resale						<u>201,316</u>	<u>212,475</u>
11. DEBTORS (amounts falling due within one year)						2013 €	2012 €
Debtors						16,383	8,895
Prepayments and Accrued Income						28,673	14,252
Value Added Tax						16,496	29,702
						<u>61,553</u>	<u>52,849</u>
12. CREDITORS (amounts falling due within one year)						2013 €	2012 €
Creditors and accruals						72,195	89,376
Taxation						82,316	88,165
						<u>154,511</u>	<u>177,541</u>
13. DEFERRED INCOME						2013 €	2012 €
Balance at 1 January (Note 20)						2,297,516	2,766,277
Allocations from state grants						662,697	694,080
Funding and other receipts						2,275,146	1,538,823
Project expenditure						(2,598,644)	(2,701,664)
Income (released) in the period						339,200	(468,761)
Balance as at 31 December						<u>2,636,716</u>	<u>2,297,516</u>
14. CAPITAL ACCOUNT						2013 €	2012 €
Opening balance			65,342				95,657
Amounts allocated for fixed asset acquisition	20,065					17,676	
Amortisation in line with asset depreciation	(36,228)					(47,991)	
Loss on disposal of fixed assets	-					-	
Transfer to the Income & Expenditure Account			(16,163)				(30,315)
Closing balance			<u>49,179</u>				<u>65,342</u>
15. ENDOWMENT FUNDS						2013 €	2012 €
Balance at 1 January (Note 20)						1,394,302	1,285,372
Additions						30,900	38,698
Disposals						(50,375)	(6,033)
Additions/ (disposals) in the period						<u>(19,475)</u>	<u>32,665</u>
Recovery in value of financial assets						89,006	76,265
Balance as at 31 December						<u>1,463,834</u>	<u>1,394,302</u>

NOTES TO THE FINANCIAL STATEMENTS

16. 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.

17. RELATED PARTY TRANSACTIONS

There were no related party transactions in the period ended 31 December 2013.

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.

18. 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

18. 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 31st December 2013. 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 31.12.13	At 31.12.12
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 2013 were:

	Expected return 2013	Expected return 2012	Market Value 2013	Market Value 2012
Equities	7%	7%	1,000,000	900,000
Bonds	4%	4%	700,000	700,000
Properties	4%	4%	<u>100,000</u>	<u>100,000</u>
Total			<u>1,800,000</u>	<u>1,700,000</u>
Present value of scheme liabilities			(14,600,000)	(15,400,000)
Deficit in scheme			(12,800,000)	(13,700,000)

NOTES TO THE FINANCIAL STATEMENTS

18. PENSIONS (*continued*)

(c) Net Deferred Funding for Pensions in Year	2013	2012
	€	€
Funding recoverable in respect of current year pension costs	1,550,000	1,800,000
State Grant Applied to pay Pensioners (Unfunded Scheme)	(79,000)	(243,000)
Pension Contributions (Funded Scheme)	<u>(29,000)</u>	<u>(29,000)</u>
	1,442,000	1,528,000
(d) Analysis of total pension costs charged to expenditure	2013	2012
	€	€
Service Charge	800,000	900,000
Interest on Pension Scheme Liabilities (Net Return)	750,000	900,000
Employees Contributions (Unfunded Scheme)	<u>(171,951)</u>	<u>(179,281)</u>
	1,378,049	1,620,719
(e) Analysis of amount recognised in the statement of total recognised gains and losses (STRGL)	2013	2012
	€	€
Difference between actual and expected return on scheme assets	242,000	128,000
Experience gains	2,100,000	4,100,000
Changes in assumptions	-	-
Actuarial gain recognised in STRGL	<u>2,342,000</u>	<u>4,228,000</u>

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

The Royal Irish Academy recognises these amounts as an asset corresponding to the funded and unfunded deferred liability on the basis of the set of assumptions described above and a number of past events. These events include the statutory basis for the establishment of the pension scheme and the policy and practice currently in place in relation to funding public service pensions, including contributions by employees and the annual estimates process. The Academy anticipates that this funding policy will continue to meet such sums in accordance with current practice. The deferred funding asset for pensions as at 31 December 2013 amounted to €12,800,000 (2012: €13,700,000).

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 2013.

NOTES TO THE FINANCIAL STATEMENTS

18. PENSIONS (*continued*)

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

	2013	2012
	€	€
Deficit at 1 January	(13,700,000)	(16,400,000)
Current service cost	(800,000)	(900,000)
Contributions to Funded Scheme	29,000	29,000
Payments from Unfunded Scheme	79,000	243,000
Other Finance Income	(750,000)	(900,000)
Actuarial Gain	<u>2,342,000</u>	<u>4,228,000</u>
Deficit in scheme at 31 December	(12,800,000)	(13,700,000)

(h) History of experience gains and losses

	2013	2012
	€	€
Differences between the expected and actual return on scheme assets		
Amount	242,000	128,000
Percentage of the scheme assets	13%	8%
Experience Gains on scheme liabilities		
Amount	2,100,000	4,100,000
Percentage of the present value of the scheme liabilities	14%	27%
Total amount recognised in STRGL		
Amount	2,342,000	4,228,000
Percentage of the present value of the scheme liabilities	16%	27%

19. CAPITAL COMMITMENTS

There were no capital commitments at 31 December 2013.

NOTES TO THE FINANCIAL STATEMENTS

20. BASIS FOR RESTATEMENT

In preparing these financial statements, the Royal Irish Academy revisited its accounting policy on accounting for Funds and Project income.

In previous year's financial statements, the Academy reported on two separate Income & Expenditure Accounts.

The operational Income and Expenditure Account recorded 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 Income and Expenditure Account, called the Funds and Projects account, recorded transactions on funds and projects established as a result of the receipt of donations, bequests or of specific funding allocations from the Academy. Income received for Funds and Projects are ring-fenced for use of same.

As such the Academy is of the opinion that any funds held at year end for Funds and Projects should be met with a future liability and should therefore be classified as Deferred Income in its Balance Sheet. Income is released into the Income and Expenditure in the year they are utilised. In addition, those funds which are held by the Academy as financial assets should be classified as Endowment Funds in its Balance Sheet.

The effects of these changes in accounting policy in the prior year financial statements has removed the Funds and Projects Account and re-classified the reserve balance at 1st January 2012 of €2,766,277 as deferred income and €1,285,372 as endowment funds.

Deferred income released in the 2012 financial year amounted to €468,761. Deferred income as at 31 December 2012 was €2,297,516

Net additions to endowment funds in the 2012 financial year amounted to €32,665. Endowment funds as at 31 December 2012 was €1,394,302.

21. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved on 15/12/14