

ROYAL IRISH ACADEMY
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2014

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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**
Baghranian, Maria
Carpenter, Andrew
Clayton, Mary
Cooney, Gabriel
Dickson, David
Dineen, Sean
Downer, Roger
Fanning, Ronan
Guiry, Patrick J
Kelly, John M
Kelly, Mary
Kennedy, Eugene - **Secretary**
Kennedy, M Peter
Maher, Imelda
Meehan, Elizabeth
McGilp, John F - **Treasurer**
McHugh, Peter
Nahm, Werner
Sevastopulo, George D
Sheridan, Geraldine
Stalley, Roger

Head Office

Telephone: 01 - 6762570- Fax: 01- 6762346
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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 prevention and detection of fraud and other irregularities.


TREASURER
J F McGilp


EXECUTIVE SECRETARY
L. Mahoney

16 / 12 / 15
DATE:

STATEMENT OF INTERNAL FINANCIAL CONTROL

Responsibility for System of Internal Financial Control

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

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

Key Control Procedures

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

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

The Council has established a Risk Steering Committee to identify and evaluate risks by:

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

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

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

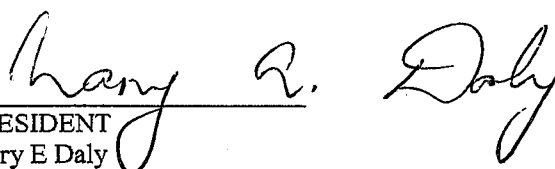
The Council's monitoring and review of the effectiveness of the system of internal financial control is informed by the Audit Committee, the executive managers within the Academy who have responsibility for the development and maintenance of the control framework and comments made by the Comptroller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

Under section 13.1 of the Code of Practice for the Governance of State Bodies there is a requirement for the Chairperson of each State body to furnish to the relevant Minister a comprehensive report on governance on an annual basis. A draft report has been prepared for 2014 and will be furnished to the Minister when approved. The requirement will be completed for all subsequent years.

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 2014. No significant breaches were discovered during the review.



PRESIDENT
Mary E Daly

16/12/15

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 2014 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 2014 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 2014 of an asset of €12.4 million in respect of deferred pension funding.

The Academy operates three defined benefit pension schemes: 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 €12.4 million, representing a receivable from the State equivalent to the value of the Academy's net pension obligations in relation to its defined benefit pension schemes, has been recognised in the financial statements on the basis that the Academy considers that State funding will be provided to meet net pension obligations as they fall due.

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

Matters on which I report by exception

I report by exception if

- I have not received all the information and explanations I required for my audit, or
- 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

21 December 2015

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 which has not been disbursed at the date of the balance sheet. 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.

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 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

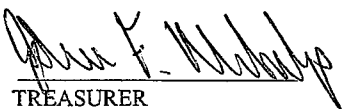
Endowment funds represent donations and bequests received for research and other projects. Income is recognised to the extent of the related expenditure incurred in the year, together with any related contributions towards overheads costs. Endowment funds are held on deposit or other investment until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

INCOME AND EXPENDITURE ACCOUNT

year ended 31 December


	Notes	2014 €	2013 €
INCOME			
Oireachtas grants	1	2,702,000	2,924,000
Funding and Other income	1	2,163,944	2,683,186
Income released / (deferred) in the period	13	310,620	(322,259)
Deferred Pension Funding	18	1,183,000	1,442,000
		<u>6,359,564</u>	<u>6,726,927</u>
Transfer (to) / from Capital Account	14	(27,736)	16,163
		<u>6,331,828</u>	<u>6,743,090</u>
EXPENDITURE			
Staff costs	2	5,029,022	5,426,734
Accommodation and establishment	3	134,215	163,311
General administration	4	697,814	676,780
Publication costs	5	368,373	245,553
Conference and meeting expenses	6	174,627	133,058
Book purchases and international subscriptions	7	72,608	95,539
Grants and awards		100,308	74,749
Depreciation	8	26,052	36,228
		<u>6,603,019</u>	<u>6,851,952</u>
OPERATING (DEFICIT)		(271,191)	(108,862)
(ADDITIONS)/DISPOSALS IN ENDOWMENT FUNDS	15	(40,424)	2,534
BALANCE AT 1 JANUARY		<u>821,954</u>	<u>928,282</u>
BALANCE AT 31 DECEMBER		<u>510,339</u>	<u>821,954</u>

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


 TREASURER
 J F McGilp

16/12/15

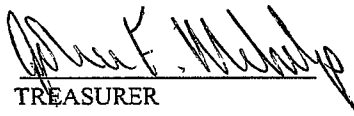
Date



 EXECUTIVE SECRETARY
 L. Mahoney

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

year ended 31 December

	Notes	2014 €	2013 €
(Deficit) for the year		(271,191)	(108,862)
Unrealised gain on investments	9	228,859	0
Actual return less expected return on scheme assets	18	283,000	242,000
Experience gain on pension scheme liabilities	18	1,300,000	2,100,000
Changes in Assumptions	18	-	-
Actuarial gain recognised in STRGL		1,540,668	2,233,138
Adjustment to Deferred Pension Funding		(1,583,000)	(2,342,000)
Total Recognised (Loss) for the year		(42,332)	(108,862)


 TREASURER
 J F McGilp


 EXECUTIVE SECRETARY
 L. Mahoney

16/12/15
 Date

BALANCE SHEET

As at 31 December

	Notes	2014 €	2013 €
FIXED ASSETS			
Tangible assets	8	76,914	49,179
Heritage assets	8	20,000	-
Funds and Projects Financial assets	9	2,652,152	1,212,276
		<u>2,749,066</u>	<u>1,261,455</u>
CURRENT ASSETS			
Stocks	10	199,882	201,316
Debtors	11	74,873	61,552
Cash at bank and in hand		1,737,443	3,601,871
		<u>2,012,198</u>	<u>3,864,739</u>
CREDITORS (amounts falling due within one year)	12	<u>(179,826)</u>	<u>(154,511)</u>
DEFERRED INCOME	13	(2,577,653)	(2,888,273)
NET CURRENT (LIABILITIES) / ASSETS		<u>(745,281)</u>	<u>821,955</u>
TOTAL ASSETS LESS CURRENT LIABILITIES BEFORE PENSIONS		<u>2,003,785</u>	<u>2,083,410</u>
Deferred pension funding	18	12,400,000	12,800,000
Funded Scheme Assets	18	2,100,000	1,800,000
Pension Liabilities	18	(14,500,000)	(14,600,000)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,003,785</u>	<u>2,083,410</u>
FINANCED BY:			
Capital account	14	76,914	49,179
Endowment funds	15	1,187,673	1,212,277
Reserve on investments		228,859	0
Income and expenditure account		510,339	821,954
		<u>2,003,785</u>	<u>2,083,410</u>

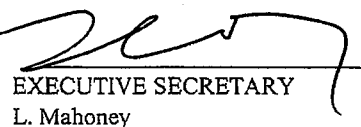
The Statement of Accounting Policies and Notes 1 to 21 form part of these Financial Statements.


TREASURER

J F McGilp

16/12/15

Date


EXECUTIVE SECRETARY
L. Mahoney

CASHFLOW STATEMENT

As at 31 December

	Notes	2014 €	2013 €
Reconciliation of operating deficit to net cash (outflow) / inflow from operating activities			
Operating (deficit) for the year		(271,191)	(108,862)
Depreciation	8	26,052	36,228
Capital Account Transfer	14	27,736	(16,163)
Interest earned	1	(69,202)	(107,566)
Heritage assets donated	8	(20,000)	-
Gain on investment transactions	1	(2,964)	(8)
Decrease in stock	10	1,434	11,159
(Increase) in debtors	11	(13,320)	(8,702)
(Decrease) / Increase in creditors	12	(285,305)	299,229
Net cashflow from operating activities		(606,760)	105,314

CASHFLOW STATEMENT

Net cashflow from operating activities (606,760) 105,314

Returns on investment and servicing of finance

Interest received 1 69,202 107,566

Capital expenditure and financial investment

Payments to acquire tangible fixed assets 8 (53,788) (20,065)

Reinvestment in financial assets 9 (1,273,082) 2,541

(Decrease) / Increase in cash (1,864,428) 195,357

RECONCILIATION OF NET CASHFLOW TO NET MOVEMENT IN FUNDS

Net funds at 31 December 2013 3,601,871 3,406,514

Net funds at 31 December 2014 1,737,443 3,601,871

(Decrease) / Increase in cash (1,864,428) 195,357

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



TREASURER

J F McGilp



EXECUTIVE SECRETARY

L. Mahoney

16/12/15

Date

NOTES TO THE FINANCIAL STATEMENTS

I(a). OIREACHTAS GRANTS	2014 €	2013 €
Higher Education Authority - Vote 26: Subhead C.4.	2,702,000	2,924,000

I(b). OTHER INCOME	2014 €	2013 €
Deposit interest	25,000	26,000
Room rental	51,180	29,954
Grants and awards	12,859	5,752
Members subscriptions and entrance fees	46,520	37,818
Sale of Academy publications	277,436	277,616
Heritage assets donations	20,000	-
Gain on investment transactions	2,964	8
Interest on investments	44,202	81,566
Funding & Registration Fees	1,683,783	2,224,472
	<u>2,163,944</u>	<u>2,683,186</u>

I(c). FUNDING AND REGISTRATION FEES

Purpose of grant	Funding Body	Grant Awarded / Claimed in 2014	Deferred income released in 2014	Grant awarded not drawn in 2014	Grant Received in 2014
Sponsorship of Maths competition prize	ARUP	15,500	0	(0)	15,500
Digitisation of books	Department of Arts, Heritage and the Gaeltacht	35,000	0	(0)	35,000
Disbursement of Grants - Archaeology	Department of Arts, Heritage and the Gaeltacht	70,000	0	(0)	70,000
Disbursement of Grants - Archaeology	Department of Arts, Heritage and the Gaeltacht	16,000	0	(0)	16,000
Publication of "Connemara & Elsewhere"	National University of Ireland Galway	20,000	0	(0)	20,000
Publication of "Judging Cosgrave"	Department of Arts, Heritage and the Gaeltacht	30,208	0	(0)	30,208
Research and publication of Focloir Nus Gaelige	Department of Arts, Heritage and the Gaeltacht	106,685	0	6,698	99,987
Climate Change Committee expenses	Department of Environment, Community and Local Government	14,582	0	(0)	14,582
Research and publication of Documents in Irish Foreign Policy	Department of Foreign Affairs	147,894	0	(0)	147,894
Digital Repository Ireland - Research & Development of Metadata	Dublin City University	29,010	0	(0)	29,010
Bioethics Council	Health Services Executive	254,163	0	(0)	254,163
Research in Third-Level Institutions: Metadata preparation (DIT)	Higher Education Authority	71,021	0	(0)	71,021
Programme for Research in Third-Level Institutions PRTL1 5	Higher Education Authority	324,698	0	(0)	324,698
Research in Third-Level Institutions: PRTL1 5 DAH	Higher Education Authority	42,666	0	(0)	42,666
Digital Repository Ireland - IRL - Joint project with other proje	University of Limerick	82,127	0	(0)	82,127
Post Doctorate fellowship funding	Irish Research Council	21,835	0	(0)	21,835
Digital Repository Ireland -Social Repository of Ireland	National University of Ireland Galway (Science Foundation Ireland)	34,767	0	(0)	34,767
Digital Repository Ireland -PLOT	National University of Ireland Galway (Science Foundation Ireland)	16,843	0	(0)	16,843
Digital Repository Ireland - Inspiring Ireland	Department of Arts, Heritage and the Gaeltacht	20,328	0	(0)	20,328
unused allocation refunded by grantee	National University of Ireland - Maynooth	23,049	0	(0)	23,049
Research and publication of Art & Architecture in Ireland	Naughton Trust	150,000	0	(0)	150,000
Irish Humanities Alliance	Shared Group -All Ireland Universities	56,742	0	(0)	56,742
Other activities	Various Bodies	100,666	0	(0)	100,666
		<u>1,683,783</u>	<u>0</u>	<u>6,698</u>	<u>1,677,085</u>

2. STAFF COSTS

(a) Analysis of Staff Costs:

	I & E 2014 €	F & P 2014 €	Total 2014 €	Total 2013 €
Wages and salaries	1,771,677	1,820,668	3,592,345	3,731,852
Social welfare costs	135,080	174,047	309,127	316,833
Pension costs	1,127,550	-	1,127,550	1,378,049
	<u>3,034,307</u>	<u>1,994,715</u>	<u>5,029,022</u>	<u>5,426,734</u>

(b) Average Number of Persons Employed

Full Time	54	58
Part Time	26	23

Government guidelines on the payment of director's fees have been implemented. There were no fees paid in 2014 to individual council members. The total paid for travel & subsistence expenses claimed by council members in 2014 was €4,704 (2013: €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 2014 was €91,624 (2013: €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.

NOTES TO THE FINANCIAL STATEMENTS

3. ACCOMMODATION AND ESTABLISHMENT EXPENSES	I & E	F & P	Total	Total
	2014	2014	2014	2013
	€	€	€	€
Light and heat	38,582	7,807	46,389	38,098
Insurance	12,818	-	12,818	11,467
Furniture and household	32,611	7,437	40,048	81,636
Rent (Note 16)	12,000	22,960	34,960	32,110
	<u>96,011</u>	<u>38,204</u>	<u>134,215</u>	<u>163,312</u>
4. GENERAL ADMINISTRATION EXPENSES	I & E	F & P	Total	Total
	2014	2014	2014	2013
	€	€	€	€
Postage and telephone	49,006	9,801	58,807	37,000
Advertising	1,537	4,223	5,760	13,260
Stationery and office	66,428	5,057	71,485	64,228
Administration printing	13,870	5,555	19,425	13,551
General Purpose Account and Funds & Projects Miscellaneous	46,867	102,029	148,896	159,673
Professional fees - Legal and other fees	56,907	-	56,907	46,032
- Accountants fees	29,409	-	29,409	22,837
- Contributors fees	-	67,027	67,027	79,409
Audit fees	10,790	-	10,790	10,810
Bank interest and fees	6,078	-	6,078	5,104
Information technology	117,338	65,558	182,896	138,708
HR, Training and Development	40,054	280	40,334	86,168
	<u>438,284</u>	<u>259,530</u>	<u>697,814</u>	<u>676,780</u>
5. PUBLICATION COSTS	I & E	F & P	Total	Total
	2014	2014	2014	2013
	€	€	€	€
Proceedings	40,079	-	40,079	39,348
Publications	243,849	76,699	320,548	194,016
General conservation costs	1,543	6,203	7,746	12,189
	<u>285,471</u>	<u>82,902</u>	<u>368,373</u>	<u>245,553</u>

NOTES TO THE FINANCIAL STATEMENTS

6. CONFERENCE AND MEETING EXPENSES	I & E 2014 €	F & P 2014 €	Total 2014 €	Total 2013 €
Conference expenses	-	63,694	63,694	14,280
Special Event Costs	34	-	34	0
Travel expenses	18,157	92,742	110,899	118,778
	<u>18,191</u>	<u>156,436</u>	<u>174,627</u>	<u>133,058</u>

7. BOOK PURCHASES AND SUBSCRIPTIONS	I & E 2014 €	F & P 2014 €	Total 2014 €	Total 2013 €
Library books and periodicals	35,127	500	35,627	49,765
Subscriptions to international organisations	36,981	-	36,981	45,774
	<u>72,108</u>	<u>500</u>	<u>72,608</u>	<u>95,539</u>

8. TANGIBLE ASSETS				Total €
COST	Computer Equipment €	Fixtures & Fittings €	Equipment €	€
At 1 January 2014	260,997	142,331	107,186	510,515
Additions	37,510	-	16,278	53,788
Disposals	(17,247)	(14,129)	(6,941)	(38,317)
At 31 December 2014	<u>281,260</u>	<u>128,202</u>	<u>116,523</u>	<u>525,985</u>

ACCUMULATED DEPRECIATION				
At 1 January 2014	240,542	133,113	87,681	461,337
Charge for the year	14,156	5,352	6,544	26,052
Eliminated on Disposals	(17,247)	(14,129)	(6,941)	(38,317)
At 31 December 2014	<u>237,451</u>	<u>124,336</u>	<u>87,284</u>	<u>449,072</u>

NET BOOK AMOUNTS				
At 31 December 2013	20,455	9,218	19,505	49,179
At 31 December 2014	<u>43,809</u>	<u>3,866</u>	<u>29,239</u>	<u>76,914</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 (2014-2010), 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.

	2010	2011	2012	2013	2014
	€	€	€	€	€
Heritage Assets Purchased	14,000	Nil	Nil	Nil	Nil
Heritage Asset Donations	30,000	Nil	Nil	Nil	25,000

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

9. FUNDS AND PROJECTS FINANCIAL ASSETS

	1.1.14			31.12.14			31.12.14
	COST €	ADDITIONS €	DISPOSALS €	COST €	Recovery in value of Financial Assets €	Recovery/ (Diminution) in value of Financial Assets €	MARKET VALUE €
Investment Portfolio	1,144,857	45,106	(24,682)	1,165,281	65,028	124,888	1,355,197
DAVY No 1 account	-	1,004,211		1,004,211		43,441	1,047,652
Community Foundation Ireland	-	251,410		251,410		(4,498)	246,912
2.5% Consolidated Stock	2,156	-	-	2,156	-	-	2,156
Prize Bonds	235	-	-	235	-	-	235
	<u>1,147,248</u>	<u>1,300,727</u>	<u>(24,682)</u>	<u>2,423,293</u>	<u>65,028</u>	<u>163,831</u>	<u>2,652,152</u>

10. STOCKS

	2014 €	2013 €
Books and journals for resale	<u>199,882</u>	<u>201,316</u>

11. DEBTORS (amounts falling due within one year)

	2014 €	2013 €
Debtors	9,868	16,383
Prepayments and Accrued Income	34,145	28,673
Value Added Tax	<u>30,860</u>	<u>16,496</u>
	<u>74,873</u>	<u>61,553</u>

12. CREDITORS (amounts falling due within one year)

	2014 €	2013 €
Creditors and accruals	91,441	72,195
Taxation	<u>88,385</u>	<u>82,316</u>
	<u>179,826</u>	<u>154,511</u>

13. DEFERRED INCOME

	2014 €	2013 €
Balance at 1 January	2,888,273	2,566,014
Allocations from state grants	680,799	635,756
Funding and other receipts	1,625,686	2,285,146
Project expenditure	<u>(2,617,105)</u>	<u>(2,598,644)</u>
Income (released) / Deferred in the period	<u>(310,620)</u>	<u>322,259</u>
Balance as at 31 December	<u>2,577,653</u>	<u>2,888,273</u>

14. CAPITAL ACCOUNT

	2014 €		2013 €	
Opening balance		49,179		65,342
Amounts allocated for fixed asset acquisition	53,788		20,065	
Amortisation in line with asset depreciation	<u>(26,052)</u>		<u>(36,228)</u>	
Loss on disposal of fixed assets				
Transfer (to)/ from the Income & Expenditure Account		<u>27,736</u>		<u>(16,163)</u>
Closing balance		<u>76,914</u>		<u>49,179</u>

15. ENDOWMENT FUNDS

	2014 €	2013 €
Balance at 1 January	1,212,277	1,125,804
Additions	65,106	20,900
Disposals	<u>(24,682)</u>	<u>(23,434)</u>
Additions/ (disposals) in the period	<u>40,424</u>	<u>(2,534)</u>
(Diminution)/recovery in value of financial assets	<u>(65,028)</u>	<u>89,006</u>
Balance as at 31 December	<u>1,187,673</u>	<u>1,212,277</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 2014.

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.

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.

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, 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.

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 2014. 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 31.12.14	At 31.12.13
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 2014 were:

	Expected return 2014	Expected return 2013	Market Value 2014	Market Value 2013
Equities	7%	7%	1,200,000	1,000,000
Bonds	4%	4%	800,000	700,000
Properties	4%	4%	<u>100,000</u>	<u>100,000</u>
Total			<u>2,100,000</u>	<u>1,800,000</u>
Present value of scheme liabilities			(14,500,000)	(14,600,000)
Deficit in scheme			(12,400,000)	(12,800,000)

NOTES TO THE FINANCIAL STATEMENTS

18. PENSIONS (*continued*)

(c) Net Deferred Funding for Pensions in Year	2014 €	2013 €
Funding recoverable in respect of current year pension costs	1,300,000	1,550,000
State Grant Applied to pay Pensioners (Unfunded Scheme)	(89,000)	(79,000)
Pension Contributions (Funded Scheme)	<u>(28,000)</u>	<u>(29,000)</u>
	1,183,000	1,442,000
(d) Analysis of total pension costs charged to expenditure	2014 €	2013 €
Service Charge	600,000	800,000
Interest on Pension Scheme Liabilities (Net Return)	700,000	750,000
Employees Contributions (Unfunded Scheme)	<u>(172,451)</u>	<u>(171,951)</u>
	1,127,549	1,378,049
(e) Analysis of amount recognised in the statement of total recognised gains and losses (STRGL)	2014 €	2013 €
Difference between actual and expected return on scheme assets	283,000	242,000
Experience gains	1,300,000	2,100,000
Changes in assumptions	<u>-</u>	<u>-</u>
Actuarial gain recognised in STRGL	1,583,000	2,342,000

(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 2014 amounted to €12,400,000 (2013: €12,800,000).

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 2014.

NOTES TO THE FINANCIAL STATEMENTS

18. PENSIONS (*continued*)

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

	2014 €	2013 €
Deficit at 1 January	(12,800,000)	(13,700,000)
Current service cost	(600,000)	(800,000)
Contributions to Funded Scheme	28,000	29,000
Payments from Unfunded Scheme	89,000	79,000
Other Finance Income	(700,000)	(750,000)
Actuarial Gain	<u>1,583,000</u>	<u>2,342,000</u>
Deficit in scheme at 31 December	(12,400,000)	(12,800,000)

(h) History of experience gains and losses

	2014 €	2013 €
Differences between the expected and actual return on scheme assets		
Amount	283,000	242,000
Percentage of the scheme assets	13%	13%
Experience Gains on scheme liabilities		
Amount	1,300,000	2,100,000
Percentage of the present value of the scheme liabilities	14%	27%
Total amount recognised in STRGL		
Amount	1,583,000	2,342,000
Percentage of the present value of the scheme liabilities	11%	16%

19. CAPITAL COMMITMENTS

There were no capital commitments at 31 December 2014.

NOTES TO THE FINANCIAL STATEMENTS

20. COMPARATIVE FIGURES

Some changes have been made to the presentation of items in the financial statements and the comparative figures have been reclassified where necessary on a basis consistent with the current year presentation.

21. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved on 16/12/15