

**ROYAL IRISH ACADEMY**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2007**

REPORT AND FINANCIAL STATEMENTS 2007

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**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.

  
MEMBER OF COUNCIL

  
EXECUTIVE SECRETARY

REPORT AND FINANCIAL STATEMENTS 2007

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**STATEMENT ON SYSTEM OF INTERNAL FINANCIAL CONTROLS**

**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 by the Council 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.

REPORT AND FINANCIAL STATEMENTS 2007

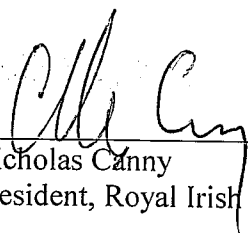
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**STATEMENT ON SYSTEM OF INTERNAL FINANCIAL CONTROLS**

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. A risk review of the system of the internal controls of the Academy was completed in March 2007 and a report was issued. Further departmental internal audit reviews were carried out later in 2007.

**Annual Review of Controls**

A formal review of the effectiveness of the system of internal financial controls was carried out in the year ended 31 December 2007.

  
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Nicholas Canny  
President, Royal Irish Academy

3 November 2008  
Date

## ROYAL IRISH ACADEMY

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

I have audited the financial statements of the Royal Irish Academy for the year ended 31 December 2007 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 Accounting Policies, the Income and Expenditure Account, the Funds and Projects Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes.

#### **Respective Responsibilities of the Members of the Council of the Academy and the Comptroller and Auditor General**

The Academy is responsible for preparing the financial statements, and for ensuring the regularity of transactions. The Academy prepares the financial statements in accordance with Generally Accepted Accounting Practice in Ireland. The accounting responsibilities of the Members of the Council of the Academy are set out in the Statement of Academy Responsibilities.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report my opinion as to whether the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland. I also report whether in my opinion proper books of account have been kept. In addition, I state whether the financial statements are in agreement with the books of account.

I report any material instance where moneys have not been applied for the purposes intended or where the transactions do not conform to the authorities governing them.

I also report if I have not obtained all the information and explanations necessary for the purposes of my audit.

I review whether the Statement on Internal Financial Control reflects the Academy's compliance with the Code of Practice for the Governance of State Bodies and report any material instance where it does not do so, or if the statement is misleading or inconsistent with other information of which I am aware from my audit of the financial statements. I am not required to consider whether the Statement on Internal Financial Control covers all financial risks and controls, or to form an opinion on the effectiveness of the risk and control procedures.

#### **Basis of Audit Opinion**

In the exercise of my function as Comptroller and Auditor General, I conducted my audit of the financial statements in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board and by reference to the special considerations which attach to State bodies in relation to their management and operation. An audit includes examination, on a

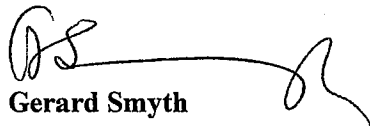
test basis, of evidence relevant to the amounts and disclosures and regularity of the financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgments made in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Academy's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations that I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In my opinion, the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the Academy's affairs at 31 December 2007 and of its income and expenditure for the year then ended.

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



**Gerard Smyth**  
**For and on behalf of the**  
**Comptroller and Auditor General**  
28 November 2008

**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. OIREACTHAS GRANTS**

Income shown as Oireachtas Grant of €3,672,000 (2006: €3,417,000) is accounted for on a cash receipts basis and is paid over by the Higher Education Authority.

**3. TANGIBLE FIXED ASSETS AND DEPRECIATION**

The Academy adopts a minimum capitalisation threshold of €500. 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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**4. CAPITAL ACCOUNT**

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

**5. 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.

**6. FINANCIAL ASSETS**

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

**7. STOCKS**

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

**8. 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.

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 the 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 recognised in 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 on scheme liabilities are reflected in the Statement of Recognised Gains and Losses and a corresponding adjustment is recognised in the amount recoverable for 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.

The provisions of FRS17 on accounting for retirement benefits have been adopted in full. The effect of this policy is disclosed in Note 16.

ACCOUNTING POLICIES

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**9. 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.

**10. INCOME & EXPENDITURE ACCOUNTS**

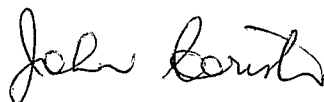
The financial statements of the Academy include two separate Income & Expenditure Accounts. The first records transactions relating to the core activities of the organisation; i.e. the Library, Academy Publications, and International Unions, together with the costs of the overall administration of the 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	2007 €	2006 €
<b>INCOME</b>			
Oireachtas grants		3,672,000	3,417,000
Other income	2	282,517	260,500
Deferred Pension Funding	16	1,205,187	809,581
		<u>5,159,704</u>	<u>4,487,081</u>
Less amount allocated to Funds and Projects Account		(867,353)	(902,487)
Transfer (to)/from Capital Account	13	47,666	57,726
		<u>4,340,017</u>	<u>3,642,320</u>
<b>EXPENDITURE</b>			
Staff costs	3	3,469,660	2,841,283
Accommodation and establishment	4	71,970	73,371
General administration	5	396,110	370,317
Publication costs	6	274,876	190,163
Conference and meeting expenses	7	15,242	13,986
Book purchases and international subscriptions	8	67,316	68,944
Depreciation	9	68,210	78,181
		<u>4,363,384</u>	<u>3,636,245</u>
OPERATING (DEFICIT)/SURPLUS		(23,367)	6,075
BALANCE AT 1 JANUARY		398,952	392,877
BALANCE AT 31 DECEMBER		375,585	398,952

The Statement of Accounting Policies and Notes 1 to 17 form part of these Financial Statements.



MEMBER OF COUNCIL

3rd November 2008

Date



EXECUTIVE SECRETARY

## FUNDS AND PROJECTS ACCOUNT

year ended 31 December

	Notes	2007 €	2006 €
<b>INCOME</b>			
Allocation from the Academy	1 (a)	867,353	902,487
Other income	1 (b)	2,088,182	1,970,654
		<u>2,955,535</u>	<u>2,873,141</u>
<b>EXPENDITURE</b>			
Staff costs	3	1,650,914	1,452,061
Accommodation and establishment	4	148,130	43,568
General administration	5	233,250	222,241
Publication costs	6	75,863	93,759
Grants and awards		529,508	436,748
Conference and meeting expenses	7	135,024	295,575
Book purchases and international subscriptions	8	2,467	2,778
Depreciation	9	21,485	46,516
		<u>2,796,641</u>	<u>2,593,246</u>
MOVEMENT IN YEAR		158,892	279,895
BALANCE AT 1 JANUARY		3,037,286	2,757,391
BALANCE AT 31 DECEMBER		<u>3,196,178</u>	<u>3,037,286</u>

The Statement of Accounting Policies and Notes 1 to 17 form part of these Financial Statements.

*John Bourke*

MEMBER OF COUNCIL

*Patrick Buckley*

EXECUTIVE SECRETARY


*3rd November 2008*

Date


## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

year ended 31 December

	Notes	2007 €	2006 €
(Deficit)/Surplus for the year		(23,367)	6,075
Actual return less expected return on scheme assets	16	160,000	220,000
Experience gain / <loss> on pension scheme liabilities	16	545,000	(610,419)
Changes in Assumptions	16	0	0
Actuarial gain / <loss> recognised in STRGL		681,633	(384,344)
Adjustment to Deferred Pension Funding		(681,633)	384,344
Total Recognised Gain/<Loss> for the year		(23,367)	6,075



MEMBER OF COUNCIL



EXECUTIVE SECRETARY

3rd November 2008

Date

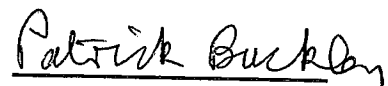
BALANCE SHEET

As at 31 December

	Notes	2007 €	2006 €
<b>FIXED ASSETS</b>			
Tangible assets	9	116,739	164,405
Funds and Projects Financial assets	10	1,161,880	987,228
		<u>1,278,619</u>	<u>1,151,633</u>
<b>CURRENT ASSETS</b>			
Stocks		312,383	306,163
Debtors	11	68,210	121,312
Cash at bank and in hand		2,152,013	2,168,074
		<u>2,532,605</u>	<u>2,595,549</u>
<b>CREDITORS (amounts falling due within one year)</b>	12	<u>(122,724)</u>	<u>(146,542)</u>
<b>NET CURRENT ASSETS</b>		<u>2,409,882</u>	<u>2,449,007</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES BEFORE PENSIONS</b>		<u>3,688,500</u>	<u>3,600,640</u>
Deferred pension funding	16	10,300,000	9,800,000
Pension Liabilities	16	(10,300,000)	(9,800,000)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><u>3,688,500</u></u>	<u><u>3,600,640</u></u>
<b>FINANCED BY:</b>			
Funds and Projects Accounts	1	3,196,178	3,037,286
Capital account	13	116,736	164,402
Income and expenditure account		375,585	398,952
		<u>3,688,499</u>	<u>3,600,640</u>

The Statement of Accounting Policies and Notes 1 to 17 form part of these Financial Statements.

  
MEMBER OF COUNCIL

  
EXECUTIVE SECRETARY

3rd November 2008  
Date

REPORT AND FINANCIAL STATEMENTS 2007

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 €	Project Expenditure €	Closing Balance €
Foclóir na Nua Ghaeilge	16,310	0	0	252,279	(252,279)	16,310
Roger Casement	(321)	0	0	0	0	(321)
Celtic Latin	0	0	0	104,324	(104,324)	0
Hamilton Account	42,404	18,591	0	0	(1,247)	59,758
Chemistry Symposium Fund	2,362	1,431	0	0	0	3,793
International Geosphere - Biosphere Prog	37,962	0	0	0	(4,218)	33,744
Eoin O'Mahony Bursary Account	27,379	1,063	550	0	0	28,992
Archaeological Research Account	(5,307)	0	0	0	(6,216)	(11,523)
Study of International Affairs	8,701	15,100	1,040	0	(14,255)	10,586
Seminars Account	58,980	29,791	73,405	0	(99,799)	62,377
Bicentennial Fellowship A/c	0	0	310	0	0	310
A New History of Ireland Account	18,452	6,166	0	0	0	24,618
Dictionary of Irish Biography Account	133,405	4,687	0	428,618	(422,309)	144,401
Atlas of Historic Irish Towns - Research	28,114	3,000	0	(39,371)	(12,342)	(20,599)
T.S.R.P.	141,280	0	0	(24,318)	(36,042)	80,920
FAS Account	0	0	0	0	0	0
Chemistry Essay	(118)	0	0	0	(152)	(270)
Bioethics Council Fund	167,707	382,758	0	(26,724)	(448,920)	74,821
DEPFA Fund	83,840	82,000	(39,896)	0	(42,248)	83,696
Balance c/fwd	761,150	544,587	35,409	694,808	(1,444,351)	591,600

## REPORT AND FINANCIAL STATEMENTS 2007

## NOTES TO THE FINANCIAL STATEMENTS

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

(a)	Fund or Project Account	Opening Balance €	Other Receipts €	Inter Fund Transfers €	Allocation from State Grants €	Project Expenditure €	Closing Balance €
	Balance b/fwd	761,150	544,587	35,409	694,808	(1,444,351)	591,6
	Clare Island Study Account	39,733	271	0	0	(29,899)	10,1
	Clare Island Publications	13,945	12,950	0	0	(26,255)	6
	Economic and Social Sciences Account	2,685	0	0	0	0	2,6
	Sailors and Soldiers Trust Fund	47,877	0	0	0	0	47,8
	Thesaurus Linguarum Hiberniae	10,463	0	0	0	0	10,4
	Armstrong Fund	961	593	0	0	0	1,5
	Cunningham Fund	3,595	2,708	0	0	0	6,3
	Curtis Fund	8,639	5,322	0	0	0	13,9
	D'Alton Fund	78,357	2,510	0	0	0	80,8
	Geological Illustration Fund	1,011	622	0	0	0	1,6
	Higgins Fund	33,827	971	0	0	0	34,7
	Larmor Fund	737	454	0	0	0	1,1
	Praeger Fund	45,126	1,768	0	0	0	46,5
	Praeger Special Fund	6,106	243	0	0	(300)	6,3
	Purser Fund	3,624	2,232	0	0	0	5,8
	Smythe Fund	10,975	306	0	0	0	11,2
	Todd Fund	4,688	61	0	0	0	4,7
	Ussher Fund	2,065	58	0	0	0	2,1
	Wheeler Fund	1,832	1,128	0	0	0	2,9
	Mangan Bequest Fund	74,615	2,467	0	0	0	77,0
	Balance c/fwd	1,152,011	579,251	35,409	694,808	(1,500,806)	960,6



## NOTES TO THE FINANCIAL STATEMENTS

## ROYAL IRISH ACADEMY

## REPORT AND FINANCIAL STATEMENTS 2007

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

(a)	Fund or Project Account	Opening Balance €	Other Receipts €	Inter Fund Transfers €	Allocation from State Grants €	Project Expenditure €	Clos Balan
	Balance b/fwd	1,152,011	579,251	35,409	694,808	(1,500,806)	960,6
	John Jackson Fund	10,236	234	0	0	0	10,4
	Microbiology Award Account	5,675	170	0	0	0	5,8
	McNeill Bequest Fund	50,794	1,282	0	0	0	52,0
	David Greene Irish Studies Account	9,946	6,126	0	0	0	16,0
	Publication Reserve Account	290,733	54,826	(27,140)	(73,472)	(4,152)	240,7
	Library Capital Account	90,475	14,371	0	0	489	105,3
	Social Science Research Council	33,284	2,005	0	0	(16,644)	18,6
	Research Trust Capital Account	365,053	117,682	0	0	0	482,7
	Research Trust Income Account	8,319	0	0	0	0	8,3
	General Purposes Capital Account	24,359	724	0	0	0	25,0
	OPW Housekeeping Account	(22,708)	58,587	0	0	(30,174)	5,7
	Documents in Irish Foreign Policy Acc	(7)	143,389	0	8,275	(147,923)	3,7
	CD Publications Account	23,370	0	0	0	0	23,3
	Genetic Anthropology	0	0	0	0	0	0
	Contingency Fund	5,079	0	0	0	0	5,0
	Library Cataloguing Fund	14,477	10,000	0	0	0	24,4
	Library IAALH Fund	226,215	48,035	0	0	(47,800)	226,4
	Ní Madadain	6,449	0	0	0	0	6,4
	Balance c/fwd	2,293,760	1,036,681	8,269	629,611	(1,747,010)	2,221,3

## NOTES TO THE FINANCIAL STATEMENTS

## ROYAL IRISH ACADEMY

## REPORT AND FINANCIAL STATEMENTS 2007

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

(a)	Fund or Project Account	Opening Balance	Other Receipts	Inter Fund Transfers	Allocation from State Grants	Project Expenditure	Closing Balance
		€	€	€	€	€	€
	Balance b/fwd	2,293,760	1,036,681	8,269	629,611	(1,747,010)	2,221,311
	SFI - China Ireland	178,464	18,658	0	0	(69,552)	127,569
	International Exchange A/C	1,500	0	0	26,152	(27,652)	0
	Atlas of Historic Irish Towns - General	0	0	0	158,484	(158,799)	(315)
	Research Reserve	134,737	103,027	(76,175)	(47,313)	0	114,277
	SFI - Lecture Series	39,679	0	0	0	(57)	39,622
	Hamilton 2005	18,876	0	0	0	0	18,876
	FNG Donegal	1,384	138,944	0	130,918	(269,788)	1,459
	Bioethics Clinical Directive	38,000	0	0	0	0	38,000
	Hunt Museum	44,504	0	0	0	(14,604)	29,900
	Archaeological Excav Grant	69,040	200,000	0	(20,000)	(230,761)	18,279
	RIA Gold Medal	42,769	10	0	(10,500)	(3,499)	28,780
	SFI - Hamilton	36,181	0	0	0	(9,679)	26,502
	Knowth	46,099	17,861	0	0	(30,004)	33,956
	Research/Policy Making	0	0	67,905	0	(67,905)	0
	Film Project-Irish Mind	50,000	50,000	0	0	(100,645)	(645)
	Clare Island Lidar	0	3,000	0	0	0	3,000
	DLAA	0	0	0	0	(631)	(631)
	PRTL	0	520,000	0	0	(41,054)	478,946
	Irish Constitution Project	0	0	0	0	(3,516)	(3,516)
	Sub Total	2,994,993	2,088,181	0	867,353	(2,775,157)	3,175,369
	Capital Movements	42,294	0	0	0	(21,485)	20,809
		3,037,287	2,088,181	(1)	867,353	(2,796,642)	3,196,178

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**NOTES TO THE FINANCIAL STATEMENTS**


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

(b) Other Income comprises:	2007 €	2006 €
Gain on investment transactions	142,561	29,278
Interest on investments	54,034	75,401
Subvention & Registration Fees	1,891,586	1,841,304
Sale of Publications	0	24,671
	<u>2,088,181</u>	<u>1,970,654</u>

(c) Balances were held as follows:-

	Cash and Cash equivalents €	Investments at Cost €	Total €
Opening balance	2,050,057	987,230	3,037,287
Closing balance	2,034,298	1,161,880	3,196,178

**2. OTHER INCOME**

	2007 €	2006 €
Deposit interest	23,598	21,902
Room rental	25,817	27,751
Grants and awards	13,712	14,545
Members subscriptions and entrance fees	27,990	26,128
Sale of Academy publications	191,401	170,174
	<u>282,518</u>	<u>260,500</u>

**3. STAFF COSTS**

(a) Analysis of Staff Costs:	2007 €	2006 €
Wages and salaries	3,721,004	3,282,891
Social welfare costs	301,585	255,450
Pension costs	1,097,984	755,004
	<u>5,120,573</u>	<u>4,293,345</u>

Charged as follows:

Income and Expenditure Account	3,469,660	2,841,283
Funds and Projects Account	1,650,914	1,452,061
	<u>5,120,574</u>	<u>4,293,344</u>

(b) Average Number of Persons Employed

Full Time	70	63
Part Time	18	18

## NOTES TO THE FINANCIAL STATEMENTS

4. ACCOMMODATION AND ESTABLISHMENT EXPENSES	2007 €	2006 €
Light and heat	30,884	30,776
Insurance	16,843	23,430
Furniture and household	63,886	60,734
Rent	108,487	1,999
	<u>220,100</u>	<u>116,939</u>
Charged as follows:		
Income and Expenditure Account	71,970	73,371
Funds and Projects Account	148,130	43,568
	<u>220,100</u>	<u>116,939</u>
5. GENERAL ADMINISTRATION EXPENSES	2007 €	2006 €
Postage and telephone	59,098	60,179
Advertising	33,611	45,036
Stationery and office	94,781	66,133
Administration printing	85,789	43,040
General Purpose Account and Funds & Projects Miscellaneous	131,336	109,554
Professional fees - Legal and other fees	4,816	6,398
- Accountants fees	18,975	18,619
- Consultants fees	14,468	29,650
Audit fees	11,800	9,800
Bank interest and fees	4,640	4,367
Portfolio fees	0	0
Information technology	76,788	115,345
Loss on Disposal	0	0
Training and Consultancy	93,255	84,439
	<u>629,357</u>	<u>592,560</u>
Charged as follows:		
Income and Expenditure Account	396,110	370,317
Funds and Projects Account	233,250	222,241
	<u>629,360</u>	<u>592,558</u>
6. PUBLICATION COSTS	2007 €	2006 €
Proceedings	25,028	58,271
Publications	289,113	168,311
General conservation costs	36,597	57,341
Bad debts provided/(recovered)	0	0
	<u>350,738</u>	<u>283,923</u>
Charged as follows:		
Income and Expenditure Account	274,876	190,163
Funds and Projects Account	75,863	93,759
	<u>350,739</u>	<u>283,922</u>

## NOTES TO THE FINANCIAL STATEMENTS

7. CONFERENCE AND MEETING EXPENSES		2007	2006	
		€	€	
Conference expenses		37,633	24,062	
Special Event Costs		173	143,270	
Travel expenses		112,460	142,229	
		<u>150,266</u>	<u>309,561</u>	
Charged as follows:				
Income and Expenditure account		15,242	13,986	
Funds and Projects account		135,024	295,575	
		<u>150,266</u>	<u>309,561</u>	
8. BOOK PURCHASES AND SUBSCRIPTIONS		2007	2006	
		€	€	
Library books and periodicals		29,813	29,450	
Subscriptions to international organisations		39,970	42,271	
		<u>69,783</u>	<u>71,721</u>	
Charged as follows:-				
Income and expenditure account		67,316	68,944	
Funds and projects account		2,467	2,778	
		<u>69,783</u>	<u>71,722</u>	
9. TANGIBLE ASSETS				
COST	Computer Equipment €	Fixtures & Fittings €	Equipment €	Total €
At 1 January 2007	399,739	160,040	196,388	756,167
Additions	34,334	6,069	1,626	42,029
Disposals	0	0	0	0
At 31 December 2007	<u>434,073</u>	<u>166,109</u>	<u>198,014</u>	<u>798,196</u>
ACCUMULATED DEPRECIATION				
At 1 January 2007	325,350	100,042	166,370	591,762
Charge for the year	64,959	10,115	14,621	89,695
Eliminated on Disposals	0	0	0	0
At 31 December 2007	<u>390,309</u>	<u>110,157</u>	<u>180,991</u>	<u>681,457</u>
NET BOOK AMOUNTS				
At 31 December 2006	74,389	59,998	30,018	164,405
At 31 December 2007	<u>43,764</u>	<u>55,952</u>	<u>17,023</u>	<u>116,739</u>
Depreciation charged as follows:-		2007	2006	
		€	€	
Income and expenditure account		68,210	78,181	
Funds and projects account		21,485	46,516	
		<u>89,695</u>	<u>124,697</u>	

## NOTES TO THE FINANCIAL STATEMENTS

## 10. FUNDS AND PROJECTS FINANCIAL ASSETS

	1.1.07 COST €	ADDITIONS €	DISPOSALS €	31.12.07 COST €	31.12.07 MARKET VALUE €
A.I.B. Investment Managers	975,791	174,648		1,150,441	1,142,797
2.5% Consolidated Stock	2,156			2,156	2,156
Prize Bonds	235			235	235
Research Trust Account	9,048			9,048	9,048
	<u>987,230</u>	<u>174,648</u>	<u>-</u>	<u>1,161,880</u>	<u>1,154,236</u>

## 11. DEBTORS (amounts falling due within one year)

	2007 €	2006 €
Debtors	30,173	35,810
Prepayments and Accrued Income	20,732	73,607
Value Added Tax	17,305	11,895
	<u>68,210</u>	<u>121,312</u>

## 12. CREDITORS (amounts falling due within one year)

	2007 €	2006 €
Creditors and accruals	51,801	77,287
Taxation	70,923	69,255
	<u>122,724</u>	<u>146,542</u>

## 13. CAPITAL ACCOUNT

	2007 €	2006 €
Opening balance		164,402
Amounts allocated for fixed asset acquisition	42,029	66,971
Amortisation in line with asset depreciation	<u>(89,695)</u>	<u>(124,697)</u>
Transfer (to)/from the Income & Expenditure Account	(47,666)	(57,726)
Closing balance	<u>116,736</u>	<u>164,402</u>

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**NOTES TO THE FINANCIAL STATEMENTS**

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**14. 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. On 1<sup>st</sup> January 2007, the Irish Council for Bioethics was relocated to serviced office space in Regus House, Block 4, Harcourt Centre, Dublin 2, which is rented by the Academy on a short-term lease.

**15. RELATED PARTY TRANSACTIONS**

The Royal Irish Academy is an independent, all-Ireland institution for the study and promotion of the sciences and humanities. The Academy receives grant-aid in the form of Oireachtas grant via the Higher Education Authority. Due to various material transactions with that Authority, it is regarded as a related party.

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.

**16. 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) as well as providing retirement benefits for staff members also 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 in accordance with Government policy. 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

## 16. PENSIONS (continued)

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 2007. 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)

## (b) Financial Assumptions

The main financial assumptions used were:

	At 31/12/07	At 31/12/06
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 at December 2007 were:

	Expected Return 2007	Expected Return 2006	Market Value 2007 €	Market Value 2006 €
Equities	7%	7%	1,300,000	1,350,000
Bonds	4%	4%	800,000	750,000
Properties	4%	4%	200,000	200,000
Total			<u>2,300,000</u>	<u>2,300,000</u>
Present value of scheme liabilities			(12,600,000)	(12,100,000)
Deficit in scheme			(10,300,000)	(9,800,000)
Related deferred tax liability			0	0
Net Pension Asset/ (Liability)			(10,300,000)	(9,800,000)



## NOTES TO THE FINANCIAL STATEMENTS

**16. PENSIONS (continued)**

<b>(c) Net Deferred Funding for Pensions in Year</b>	<b>2007</b>	<b>2006</b>
	<b>€</b>	<b>€</b>
Funding recoverable in respect of current year pension costs	1,280,000	900,000
State Grant Applied to pay Pensioners (Unfunded Scheme)	(14,220)	(8,476)
Pension Contributions (Funded Scheme)	<u>(60,593)</u>	<u>(81,943)</u>
	1,205,187	809,581

<b>(d) Analysis of total pension costs charged to expenditure</b>	<b>2007</b>	<b>2006</b>
	<b>€</b>	<b>€</b>
Service Charge	740,000	430,000
Interest on Pension Scheme Liabilities	540,000	470,000
Employees Contributions (Unfunded Scheme)	<u>(182,016)</u>	<u>(144,996)</u>
	1,097,984	755,004

**(e) Analysis of amount recognised in the statement of total recognised gains and losses (STRGL)**

	<b>2007</b>	<b>2006</b>
	<b>€</b>	<b>€</b>
Difference between actual and expected return on scheme assets	160,000	220,000
Experience gains/ (losses)	545,000	(610,419)
Changes in assumptions	<u>-</u>	<u>-</u>
	705,000	(390,419)

**(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 superannuation scheme and the policy and practice 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 2007 amounted to €10,300,000 (2006 €9,800,000).

The quantification of the liability is based on professional actuarial advice, is advised to the Higher Education Authority but is not formally agreed with the Authority.

## NOTES TO THE FINANCIAL STATEMENTS

16. PENSIONS (*continued*)

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

	2007	2006
	€	€
Deficit at the beginning of the year	(9,800,000)	(8,600,000)
Current service cost	(740,000)	(430,000)
Contributions to Funded Scheme	61,000	81,943
Payments from Unfunded Scheme	14,000	8,476
Interest on Pension Scheme Liabilities	(540,000)	(470,000)
Actuarial Gain/ (Loss)	<u>705,000</u>	<u>(390,419)</u>
<b>Deficit in scheme at 31 December</b>	<b>(10,300,000)</b>	<b>(9,800,000)</b>

## (h) History of experience gains and losses

	2007	2006
Differences between the expected and actual return on scheme assets		
Amount	160,000	220,000
Percentage of the scheme assets	7%	10%
Experience Gains/ (Losses) on scheme liabilities		
Amount	545,000	(610,419)
Percentage of the present value of the scheme liabilities	4%	5%
Total amount recognised in STRGL		
Amount	705,000	(390,419)
Percentage of the present value of the scheme liabilities	6%	3%

## 17. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved on *3rd November 2008*