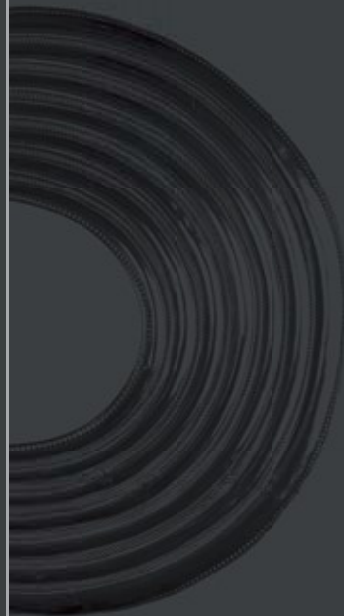


museum

National Museum of Ireland

Ard-Mhúsaem na hÉireann

Financial Statements
2018



NATIONAL MUSEUM OF IRELAND

<u>TABLE OF CONTENTS</u>	<u>Page</u>
Governance Statement and Board Members' Report	3 - 7
Statement on Internal Control	8 – 10
Report of the Comptroller and Auditor General	11 – 12
Statement of Income and Expenditure & Retained Revenue Reserves	13
Statement of Comprehensive Income	14
Statement of Financial Position	15
Statement of Cash Flows	16
Notes to the Financial Statements	19 – 31

NATIONAL MUSEUM OF IRELAND

Governance Statement and Board Members' Report

Governance

The Board of the National Museum of Ireland was established under the National Cultural Institutions Act, 1997, and commenced as an independent body in May 2005. The functions of the Board are set out in section 11 of this Act. The Board is accountable to the Minister for Culture, Heritage and the Gaeltacht and is responsible for ensuring good governance, and performs this task by setting strategic objectives and targets and taking strategic decisions on all key business issues. The regular day-to-day management, control and direction of the National Museum of Ireland are the responsibility of the Director and the Senior Management team. The Director and the Senior Management team must follow the broad strategic direction set by the Board, and must ensure that all Board members have a clear understanding of the key activities and decisions related to the entity, and of any significant risks likely to arise. The Director acts as a direct liaison between the Board and Senior Management of the National Museum of Ireland.

Board Responsibilities

The work and responsibilities of the Board are set out in the Code of Practice for the Governance of State Bodies (2016) which also contains the matters specifically reserved for Board decision.

Standing items considered by the Board include:

- declaration of interests,
- reports from committees,
- financial reports/management accounts,
- performance reports, and
- reserved matters.

Section 35 of the National Cultural Institutions Act, 1997, requires the Board of the National Museum of Ireland to keep, in such form as may be approved by the Minister for Culture, Heritage and the Gaeltacht with the consent of the Minister for Public Expenditure and Reform, all proper and usual accounts of money received and expended by it.

In preparing these financial statements, the Board of the National Museum of Ireland is required to:

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

The Board is responsible for keeping adequate accounting records, which disclose, with reasonable accuracy at any time, its financial position and enables it to ensure that the financial statements comply with Section 35 of the National Cultural Institutions Act, 1997. The maintenance and integrity of the corporate and financial information on the National Museum of Ireland's website is the responsibility of the Board.

The Board is responsible for approving the annual plan and budget. An evaluation of the performance of the National Museum of Ireland by reference to the annual plan and budget was carried out in December 2018.

The Board is also responsible for safeguarding its assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board considers that the financial statements of the National Museum of Ireland give a true and fair view of the financial performance and the financial position at 31 December 2018.

NATIONAL MUSEUM OF IRELAND

Governance Statement and Board Members' Report

Board Structure

The Board consists of a Chairperson and 15 ordinary members, all of whom are appointed by the Minister for Culture, Heritage and the Gaeltacht. The current Board term commenced on 6th July 2016 for a period of five years and meets a minimum of six times per year. The Board met six times in 2018.

As at 31st December 2018, the members of the Board comprised:

Catherine Heaney (Chairperson)	Denise Moroney
John Bowen	Declan Nelson
Mary Crotty	Prof Mary O'Dowd
Prof Ingrid Hook	Dr Andrew Power
Prof Kathleen James-Chakraborty	Helen Shenton
Dr Linda King	Virginia Teehan
Ambrose Loughlin	Aidan Walsh
Judith McCarthy	Paolo Viscardi

The Board conducted an annual Board Review of their own effectiveness in December 2018 and will commence an external Board Effectiveness Review in May 2019, which will be completed in July 2019.

The Board has established six committees as follows:

1. Audit and Risk Committee: comprises three Board members and two independent members. The role of the Audit and Risk Committee (ARC) is to support the Board in relation to its responsibilities for issues of risk, control and governance and associated assurance. The ARC is independent from the financial management of the organisation. In particular, the Committee ensures that the internal control systems, including audit activities, are monitored actively and independently. The ARC reports to the Board at each meeting, and formally in writing annually. As of 31 December 2018 the members of the Audit and Risk Committee comprised Mr Ambrose Loughlin (Chairperson), Mr John Bowen, Mr Declan Nelson, Dr. Andrew Power (appointed December 2018), Mr Cecil Keaveney (external member) and Mr Michael O'Sullivan (external member) (appointed June 2018). There were eight meetings of the ARC during 2018. Mr John Bowen and Mr Cecil Keaveney (external member) resigned in January 2019. Ms Aoife Clabby (external member) was appointed in January 2019.

2. Development and Strategy Committee: comprised six Board members in 2018. The role of the Development and Strategy Committee is to assist and advise the Board and the Director on the development and strategy of the NMI in all of its aspects. As of 31st December 2018, the members of the committee were Mr John Bowen (Chair, from January 2018), Ms Mary Crotty, Professor Ingrid Hook (appointed January 2018), Ms Denise Moroney, Dr Andrew Power (stepped down December 2018) and Mr Aidan Walsh. Ms Jennifer Kennedy was appointed as an external member in June 2018. There were six meetings of the Development and Strategy Committee in 2018.

3. General Public Advisory Committee: This is the only committee provided for in the National Cultural Institutions Act, 1997 (Section 23) and has been given the remit of all aspects relating to collections and learning including acquisition, collections care, documentation, exhibition, digitisation and publication. As of 31st December 2018, the members of the GPAC Committee were Professor Kathleen James-Chakraborty (Chair), Professor Ingrid Hook, Ms Virginia Teehan (resigned February 2019), Professor Mary O'Dowd, Ms Judith McCarthy and Professor Gearóid Ó Tuathaigh (resigned January 2018). Professor Daibhí Ó Cronín was appointed as an external member in November 2018. There were five meetings of GPAC in 2018.

4. HR Committee: The role of the HR Committee is to oversee the implementation of resolutions on HR issues at NMI, which were agreed by the Board in March 2017. The committee comprised of five Board members in 2018: Ms Virginia Teehan (Chairperson), Ms Catherine Heaney, Mr Ambrose Loughlin, Professor Kathleen James-Chakraborty and Mr John Bowen (from January 2018). In September 2018, Ms Heaney stepped down from the HR Committee to Chair the Strategic Plan Committee, Ms Heaney re-joined the HR Committee as Chair in March 2019 following the resignation from the Board of Ms Virginia Teehan. There were seven meetings of the HR Committee in 2018.

NATIONAL MUSEUM OF IRELAND

Governance Statement and Board Members' Report

5. Strategic Plan Committee: This Committee was established in September 2018 and is responsible for overseeing the development of the Strategic Plan 2018 – 2022. The Committee comprises four members: Ms Catherine Heaney (Chair), Professor Kathleen James-Chakraborty, Ms Judith McCarthy and Ms Denise Moroney. There were three meetings held in 2018.

The Director Review and Transition Committee ceased in January 2018. The Ceramics Room Committee merged with the Development and Strategy Committee in January 2018.

Key Personnel Changes

Prof Gearóid Ó Tuathaigh and Ms Lynn Scarff resigned from the Board in January 2018. Dr Linda King, Ms Helen Shenton and Mr Paolo Viscardi (staff representative) were appointed to the Board for a period of five years on 15th November 2018. Ms Virginia Teehan resigned from the Board in February 2019.

Mr Ragnhail Ó Floinn retired from the role of Director in May 2018 and Ms Lynn Scarff took up the role of Director in May 2018. Mr Seamus Lynam, Head of Operations, retired in March 2018. Ms Maria Kearns took up the role of Head of HR in February 2018. Mr Rolly Read, Head of Collections and Learning, took a career break from January 2019. Mr Olivier Kazmierczak, Head of IT, resigned in March 2019.

Schedule of Attendance and Expenses

Details of expenses paid to Board members and meetings attended during 2018 are listed below:

		Number of Meetings Attended					
Total number of meetings held		6	8	5	6	7	3
	Expenses						
	2018	Board	Audit & Risk	GPAC	Development	HR	Strategic
Member	€	Meetings	Committee	Meetings	& Strategy Committee	Committee	Plan Committee
Ms Catherine Heaney (Chair)	-	6				7	3
Mr John Bowen	5,978	6	6		6	5	
Ms Mary Crotty	-	4			5		
Prof. Ingrid Hook	-	5		5	3		
Prof. Kathleen James-Chakraborty	-	4		5		7	3
Mr Ambrose Loughlin	-	5	8			7	
Ms Judith McCarthy	483	6		4			3
Ms Denise Moroney	-	5			4		3
Mr Declan Nelson	2,024	5	6				
Prof. Mary O'Dowd	2,494	6		5			
Dr. Andrew Power	-	3			4		
Ms Virginia Teehan	-	5		3		7	
Mr Aidan Walsh	651	1			5		
Total	11,630						

Dr Linda King, Ms Helen Shenton and Mr Paolo Viscardi were appointed to the Board on 15th November 2018 and attended their first board meeting in January 2019.

There were no fees paid to Board members during 2018. Other costs associated with Board member meetings totalling €4,110 (2017: €4,191) were incurred during 2018. These costs have been recognised within Hospitality Expenditure on page 7.

In addition to formal Board and Committee meetings listed above, Board members also attended a number of other meetings related to Museum business, and some of the expenses listed above are attributed to these.

NATIONAL MUSEUM OF IRELAND

Governance Statement and Board Members' Report

Disclosures Required by the Code of Practice for the Governance of State Bodies (2016)

The Board is responsible for ensuring that The National Museum of Ireland has complied with the requirements of the Code of Practice for the Governance of State Bodies ("the Code"), as published by the Department of Public Expenditure and Reform in August 2016. The following disclosures are required by the Code:

Employees' Short-Term Benefits Breakdown

Employees' short-term benefits in excess of €60,000 are categorised into the following bands:

Range of total employee benefits at year end		Number of Employees	
From	To	2018	2017
€ 60,000	- € 69,999	9	14
€ 70,000	- € 79,999	11	4
€ 80,000	- € 89,999	4	3
€ 90,000	- € 99,999	1	2
€100,000	- €109,999	0	1

Note: For the purposes of this disclosure, employees' short-term benefits in relation to services rendered during the reporting period include salary, overtime allowances, and other payments made on behalf of the employee, but exclude employer's PRSI. Employee numbers are listed as full time equivalents.

Consultancy Costs

Consultancy costs include the cost of external advice to Senior Management and exclude outsourced 'business-as-usual' functions.

	2018	2017
	€	€
Legal Advice	20,528	16,854
Financial Advice	9,963	17,927
Public Relations/Marketing	46,343	34,006
Human Resources	29,187	23,530
Business Improvement	58,603	81,800
Consultancy Costs - charged to Income and Expenditure	164,624	174,117

Legal Costs and Settlements

The table below provides a breakdown of amounts recognised as expenditure in the reporting period in relation to legal costs, settlements and conciliation and arbitration proceedings relating to contracts with third parties. This does not include expenditure incurred in relation to general legal advice received by the National Museum of Ireland, which is disclosed in Consultancy costs above.

	2018	2017
	€	€
Legal Fees - legal proceedings	128,523	141,847
Conciliation and arbitration payments	0	0
Settlements (State Claims Agency - movement in provision)	202,728	(18,372)
Total	331,251	123,475

NATIONAL MUSEUM OF IRELAND

Governance Statement and Board Members' Report

Travel and Subsistence Expenditure

Travel and subsistence expenditure is categorised as follows:

	2018 €	2017 €
Domestic		
- Board	11,630	17,405
- Employees	73,770	59,661
International		
- Board	0	0
- Employees	29,042	29,761
Total	<u><u>114,442</u></u>	<u><u>106,827</u></u>

*The Board expenses listed above for 2017 cover an 18-month period, from the date of appointment of the new Board on 16th July 2016, up to 31st December 2017.

Hospitality Expenditure

The Income and Expenditure Account includes the following hospitality expenditure:

	2018 €	2017 €
Staff Hospitality	16,111	7,606
Board Hospitality*	4,110	4,191
Non-Staff Hospitality	27,875	21,954
Total	<u><u>48,096</u></u>	<u><u>33,751</u></u>

*Board Hospitality includes the costs of refreshments, accommodation and catering in relation to Board and other Committee meetings attended by Board members during the year.

Statement of Compliance

The National Museum of Ireland has complied with the requirements of the Code of Practice for the Governance of State Bodies, as published by the Department of Public Expenditure and Reform in August 2016, with the following exceptions:

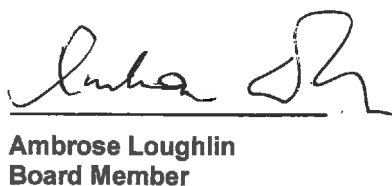
- Following the Board's review of the effectiveness of internal controls, the Museum identified a number of issues, which have been raised in the Statement on Internal Control, and particularly in relation to weaknesses in the areas of Procurement and Risk Management Systems. Procedures were introduced in 2018 to address these issues and are ongoing in 2019.

On behalf of the Board:



Catherine Heaney
Chair

Date Signed: 14 November 2019



Ambrose Loughlin
Board Member

Date Signed: 14 November 2019

NATIONAL MUSEUM OF IRELAND

Statement on Internal Control

Scope of Responsibility

On behalf of the National Museum of Ireland, I acknowledge the Board's responsibility for ensuring that an effective system of internal control is maintained and operated. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016).

Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it. The system can therefore 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 detected in a timely way.

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform, has been in place in the National Museum of Ireland for the year ended 31 December 2018 and up to the date of approval of the financial statements except for the internal control issues outlined below.

Capacity to Handle Risk

The National Museum of Ireland has an Audit and Risk Committee (ARC) comprising three Board members, one of whom is the Chair, and two independent members, with financial and audit expertise. The ARC met eight times in 2018.

The National Museum of Ireland has also established an internal audit function, which is adequately resourced, and conducts a programme of work agreed with the ARC.

A review of the current risk management framework commenced in 2018, this work is ongoing in 2019 and will be completed over the coming months. During this process the Risk Management policy will be updated, a Risk Appetite Statement will be developed and risk management training will be provided for all relevant staff. Following this process, management should be equipped to deal with any emerging risks and control weaknesses, and assume responsibility for risks and controls within their own areas of work.

Risk and Control Framework

I confirm that a control environment containing the following elements is in place:

- procedures for all key business processes have been documented,
- financial responsibilities have been assigned at management level with corresponding accountability,
- there is an appropriate budgeting system with an annual budget which is kept under review by senior management,
- there are systems aimed at ensuring the security of the information and communication technology systems, and
- there are systems in place to safeguard the assets.

Ongoing Monitoring and Review

In 2018, the internal audit review identified weaknesses in the overall risk management process. Formal procedures have since been established to assist in monitoring risk control processes and to ensure control deficiencies are communicated to those responsible for taking corrective action, as well as to Management and the Board, where relevant, and in a timely way.

The review is ongoing in 2019, and as part of this review, processes have been updated to ensure that:

- key risks and related controls are identified, procedures put in place to monitor the operation of those key controls and to report any deficiencies identified,
- reporting arrangements are established at all levels where responsibility for financial management has been assigned, and
- Regular reviews by Senior Management of periodic and annual performance and financial reports, which indicate performance against budgets and forecasts, are carried out.

NATIONAL MUSEUM OF IRELAND

Statement on Internal Control

Procurement

I confirm that the National Museum of Ireland has procedures in place to ensure compliance with current procurement rules and guidelines. Matters arising regarding controls over procurement are highlighted under internal control issues below.

Review of Effectiveness

I confirm that the National Museum of Ireland has procedures to monitor the effectiveness of its risk management and control procedures. The National Museum of Ireland's monitoring and review of the effectiveness of the system of internal control is informed by the work of the internal and external auditors, the Audit and Risk Committee, which oversees their work, and the senior management within the National Museum of Ireland responsible for the development and maintenance of the internal control framework.

I confirm that the Board conducted an annual review of the effectiveness of the internal controls for 2018.

Internal Control Issues

Some weaknesses in internal control were identified in relation to 2018 that require disclosure in the financial statements. These related to procurement.

- **Non-Compliant Procurement**

During 2018, expenditure of €204,670 was incurred in relation to goods and services where procedures employed did not comply with procurement guidelines. This was due to the rollover of existing contracts pending finalisation of new tenders and incomplete procedures.

Arising from the internal control report findings on procurement processes, the National Museum of Ireland has retained the services of specialist procurement consultants to provide training, documentation and process development to ensure compliance with current rules and guidelines. The NMI has also developed a draft Corporate Procurement Plan, Contract Register, Procedures Manual and Operational Procurement Plan for 2019 onwards. Staff training on the NMI procurement Process and final documentation templates are planned to be completed by Qtr 1 2020.

NATIONAL MUSEUM OF IRELAND

Statement on Internal Control

Risk Management

A review of the system of internal controls at the National Museum of Ireland was conducted by internal audit for 2018.

The internal audit report recommended that the Museum should continue to develop the formal Risk Management Framework. Work is ongoing in 2019 and is focused on the following;

- Review and update the Risk Management policy
- Develop a Risk Appetite Statement
- Provide risk management training for relevant staff
- Document and maintain Senior Risk Team meeting minutes

The National Museum of Ireland will finalise implementation of its Risk Management Framework by quarter four 2019.

On behalf of the Board:



Catherine Heaney - Chair

Date: 14 November 2019



Ard Reachtaire Cuntas agus Ciste **Comptroller and Auditor General**

Report for presentation to the Houses of the Oireachtas

National Museum of Ireland

Opinion on the financial statements

I have audited the financial statements of the National Museum of Ireland for the year ending 31 December 2018 as required under the provisions of section 35 of the National Cultural Institutions Act 1997. The financial statements comprise

- the statement of income and expenditure
- the statement of comprehensive income
- the statement of financial position
- the statement of cash flows and
- the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of the National Museum of Ireland at 31 December 2018 and of its income and expenditure for 2018 in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

Basis of opinion

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the National Museum of Ireland and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report on information other than the financial statements, and on other matters

The National Museum of Ireland has presented certain other information together with the financial statements. This comprises the annual report, the governance statement and Board members' report and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

Andrew Harkness
For and on behalf of the
Comptroller and Auditor General
28 November 2019

Appendix to the report

Responsibilities of Board members

The governance statement and Board members' report sets out the Board members' responsibilities for

- the preparation of financial statements in the form prescribed under section 35 of the National Cultural Institution's Act 1997
- ensuring that the financial statements give a true and fair view in accordance with FRS102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 35 of the National Cultural Institutions Act 1997 to audit the financial statements of the National Museum of Ireland and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists

related to events or conditions that may cast significant doubt on the National Museum of Ireland's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the National Museum of Ireland to cease to continue as a going concern.

- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if I identify material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I also report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

NATIONAL MUSEUM OF IRELAND
STATEMENT OF INCOME AND EXPENDITURE & RETAINED REVENUE RESERVES
YEAR ENDED 31st DECEMBER 2018

Income	Notes	2018 €	2017 €
Oireachtas Income	2	15,460,690	15,245,138
Retail Operations Gross Profit	3	426,324	363,308
Own Resource Income	4	312,571	291,427
Other Income	5	154,324	145,552
Total Income		16,353,909	16,045,425
Expenditure			
Salaries	14a	7,033,406	6,822,509
Retirement Benefit costs	15a	2,571,265	2,625,717
Other Administration costs	6	1,793,011	1,624,140
Costs of acquisition, management & display collections	7	3,972,080	4,376,305
Retail Operations running costs	3	410,971	544,000
Expenditure on delivery of Specific Projects	2	254,219	260,690
Own Resource Expenditure	4	81,539	147,173
Project costs		9,801	4,406
Total Expenditure		16,126,292	16,404,940
Net Operating Surplus/(Deficit)		227,617	(359,515)
Transfer to Capital account	9	(101,211)	127,482
Surplus/(Deficit) for year		126,406	(232,033)
Balance at 1st January		598,984	831,017
Balance at 31st December		725,390	598,984

All income and expenditure for the year relates to continuing activities at the reporting date. The Statement of Cash Flows and notes 1 to 22 form part of these financial statements.

On behalf of the Board:


Catherine Heaney
Chair

Date: 14 November 2019


Ambrose Loughlin
Board Member

Date: 14 November 2019

**NATIONAL MUSEUM OF IRELAND
STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31st DECEMBER 2018**

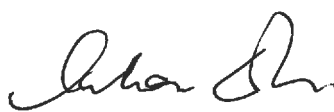
	Note	2018 €	2017 €
Surplus/(Deficit) for year		126,406	(232,033)
Actuarial (loss)/gain on experience		(2,948,000)	1,544,000
Actuarial gain on assumptions		1,900,000	0
Total Actuarial (loss)/gain in the year	15e	(1,048,000)	1,544,000
Adjustment to deferred retirement benefits funding		1,048,000	(1,544,000)
Other Comprehensive Income for the year		126,406	(232,033)

The notes 1 to 22 form part of these financial statements.

On behalf of the Board:


Catherine Heaney
Chair

Date: 14 November 2019


Ambrose Loughlin
Board Member

Date: 14 November 2019

NATIONAL MUSEUM OF IRELAND STATEMENT OF FINANCIAL POSITION

AS AT 31st DECEMBER 2018


	Notes	2018 €	2017 €
Non-Current Assets			
Property, plant & equipment	10	698,598	597,387
		<u>698,598</u>	<u>597,387</u>
Current Assets			
Retail Inventory	16	176,133	128,956
Receivables	11	420,842	515,483
Cash and cash equivalents		1,400,819	1,267,779
		<u>1,997,794</u>	<u>1,912,218</u>
Creditors: Amounts falling due within one year			
Payables	12	<u>(1,272,404)</u>	<u>(1,313,234)</u>
Net Current Assets		725,390	598,984
Total Assets less Current Liabilities		<u>1,423,988</u>	<u>1,196,371</u>
Retirement Benefits			
Retirement benefit obligations	15 (d)	(55,500,000)	(52,520,000)
Deferred retirement benefit funding asset	15 (b)	55,500,000	52,520,000
Total Net Assets		<u><u>1,423,988</u></u>	<u><u>1,196,371</u></u>
Represented by:			
Capital Account	9	698,598	597,387
Retained Revenue Reserves		725,390	598,984
		<u><u>1,423,988</u></u>	<u><u>1,196,371</u></u>

The notes 1 to 22 form part of these financial statements.

On behalf of the Board:


Catherine Heaney
Chair

Date: 14 November 2019


Ambrose Loughlin
Board Member

Date: 14 November 2019

**NATIONAL MUSEUM OF IRELAND
STATEMENT OF CASH FLOWS
YEAR ENDED 31st DECEMBER 2018**

	2018 €	2017 €
<u>Cash Flows from Operating Activities</u>		
Surplus/(Deficit) of Income over Expenditure	126,406	(232,033)
Transfer to/(from) Capital Account	101,211	(127,482)
Depreciation	282,722	272,272
Decrease/(Increase) in Receivables	94,641	(187,992)
Decrease in Payables	(40,830)	(48,675)
(Increase)/Decrease in Inventory	(47,177)	43,304
Net Cash Inflow/(Outflow) from Operating Activities	516,973	(280,606)
<u>Cash Flows from Investing Activities</u>		
Payments to acquire property, plant & equipment	(384,354)	(144,790)
Disposal of fixed asset	421	0
Net Cash Flows from Investing Activities	(383,933)	(144,790)
Net Increase/(Decrease) in Cash and Cash Equivalents	133,040	(425,396)
Cash and cash equivalents at 1st January	1,267,779	1,693,175
Cash and cash equivalents at 31st December	1,400,819	1,267,779

The notes 1 to 22 form part of these financial statements.

NATIONAL MUSEUM OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2018

1. Accounting Policies

a) General Information

Establishment of National Museum of Ireland

The National Museum of Ireland was established as an independent body on 3 May 2005 under the provisions of The National Cultural Institutions Act, 1997 with a Board and a Director (Chief Executive).

The Board

The Board comprises a chairperson and fifteen ordinary members and the principal functions of the Board are:

"To maintain, manage, control, protect, preserve, record, research and enlarge the collection of museum heritage objects for the benefit of the public and to increase and diffuse in and outside the State knowledge of human life in Ireland, of the natural history of Ireland and of the relations of Ireland in these respects with other countries".

The Director

The functions of the Director, as set out under Section 29.(3)(a) of The National Cultural Institutions Act, 1997 are to manage and control generally the administration and business of the Museum and perform such other functions as may be determined by the Board of the Museum.

Funding

The main source of funding for the Museum is by way of a grant made by the Minister for Culture, Heritage and the Gaeltacht under Section 27 of The National Cultural Institutions Act, 1997.

The Museum also generates revenue from a number of commercial activities such as retail, photographic rights and reproductions, catering franchises, fees from corporate functions and public donations and sponsorship.

b) Statement of Compliance

The National Museum of Ireland is a Public Benefit Entity. The financial statements for the year ended 31 December 2018 have been prepared in accordance with FRS 102, the financial reporting standard applicable in the UK and Ireland issued by the Financial Reporting Council (FRC), as promulgated by Chartered Accountants Ireland.

c) Basis of Preparation

The financial statements have been prepared under the historical cost convention as explained in the accounting policies below. The financial statements are in the form approved by the Minister for Culture, Heritage and the Gaeltacht with the concurrence of the Minister for Public Expenditure & Reform in accordance with Section 35 of the National Cultural Institutions Act, 1997. The following accounting policies have been applied consistently in dealing with items, which are considered material in relation to the financial statements.

d) Heritage Assets and Collections

The National Museum's collections acquired through purchase and donation are not recognised as assets in the Statement of Financial Position. The Board believe that because of the diverse nature of objects held, the number of objects and the lack of comparable market values, comprehensive valuations cannot be obtained at a cost, which is commensurate with the benefits to users of the financial statements. The disclosures required under FRS102 where heritage assets are not capitalised are set out in Note 18.

The Board of the National Museum has the power to enlarge the collection of museum heritage objects for the benefit of the public. Expenditure incurred in relation to the acquisition of heritage assets is charged to the Statement of Income and Expenditure and Retained Revenue Reserves in the year of acquisition.

NATIONAL MUSEUM OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2018

e) Property, plant and equipment

Property, plant and equipment are shown at cost less accumulated depreciation.

Property, plant and equipment below the capitalisation threshold of €1,000 (except for Information Technology assets which have a threshold of €750) are expended in the Statement of Income and Expenditure and Retained Revenue Reserves in the year of purchase.

Depreciation is charged in the Statement of Income and Expenditure and Retained Revenue Reserves, on a straight-line basis, at the annual rates set out below, so as to write off the cost of the assets, adjusted for estimated residual value, over the expected useful life of each appropriate category.

• Equipment	20.00%
• Information Technology	33.33%
• Financial Management System	20.00%
• Furniture	10.00%
• Exhibition Related Assets	20.00%

f) Income Recognition

Grants from the Department of Culture, Heritage and the Gaeltacht are accounted for on an accruals basis and represent cash grants receivable in the year. Other income is also accounted for on an accruals basis.

g) Retail Shops

Retail Shops are operated by the Museum. Inventory is valued using the average cost method.

h) Capital Account

State grants used for the purchase of fixed assets are transferred to the Capital Account in the year in which the expenditure is incurred and are credited to income over the useful lives of the related assets.

The Capital Account balance represents the unamortised funds utilised for the acquisition of fixed assets.

i) Employee Benefits

a) Short-term Benefits

Short-term benefits such as holiday pay are recognised as an expense in the year, and benefits that are accrued at year-end are included in the Payables figure in the Statement of Financial Position.

b) Retirement Benefits

In accordance with Section 33 of the National Cultural Institutions Act, 1997, a Staff Superannuation Scheme consisting of a Main Scheme and associated Spouses & Children's Scheme has been submitted to the Minister for Culture, Heritage and the Gaeltacht for approval by the Minister and for the consent of the Minister for Public Expenditure & Reform.

The NMI Staff Superannuation Scheme is a defined benefit scheme, which is funded annually from monies made available to NMI, including the allocation received from the Department of Culture, Heritage and the Gaeltacht.

Benefits include a retirement gratuity and annual pension, a death gratuity (Main Scheme), and a spouses and/or dependants pension (if applicable) if the member predeceases his/her spouse (Spouses & Children's Scheme).

Pensions will normally increase, subject to Ministerial approval, in line with relevant pay increases applicable to serving staff. Such pension increases are effective from the same dates as pay increases.

NATIONAL MUSEUM OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2018

New entrant staff, employed by the Museum after 1 January 2013 are members of the Single Public Service Pension Scheme in accordance with Public Service Pensions (Single Scheme and Other Provisions) Act 2012. The Museum makes the necessary deductions from salaries for staff who are part of the scheme. Employee contributions are transferred to the Department of Public Expenditure and Reform on a monthly basis in accordance with the Public Service Pensions (Single Scheme and Other Provisions) Act 2012.

Pension costs reflect pension benefits earned by staff in the period and are shown net of staff pension deductions, which are not retained by the NMI and are remitted to the Department of Culture, Heritage and the Gaeltacht. An amount corresponding to the pension charge is recognised as income to the extent that it is recoverable from the Department of Culture, Heritage and the Gaeltacht, 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 Comprehensive Income and a corresponding adjustment is recognised in the amount recoverable from the Department of Culture, Heritage and the Gaeltacht. 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 Department of Culture, Heritage and the Gaeltacht

j) Operating Leases

Rental expenditure under operating leases is recognised in the Statement of Income and Expenditure and Retained Revenue Reserves over the life of the lease. Expenditure is recognised on a straight-line basis over the lease period, except where there are rental increases linked to the expected rate of inflation, in which case these increases are recognised when incurred. Any lease incentives received are recognised over the life of the lease.

k) Capital Grants

Grants of a capital nature are treated as deferred income and are released to the Statement of Income and Expenditure and Retained Revenue Reserves at the same rates as the related assets are depreciated.

l) Provisions

The National Museum of Ireland makes provisions for legal and constructive obligations, which it knows to be outstanding at the period end date. These provisions are generally made based on historical or other pertinent information, adjusted for recent trends where relevant. However, they are estimates of the financial costs of events that may not occur for some years. Because of this and the level of uncertainty attaching to the outcomes, the actual out-turn may differ significantly from that estimated.

m) Judgements and Estimates

a) Retirement Benefit Obligations

The assumptions underlying the actuarial valuations for which the amounts recognised in the financial statements are determined (including discount rates, rates of increase in future compensation levels, mortality rates and healthcare cost trend rates) are updated annually based on current economic conditions, and for any relevant changes to the terms and conditions of the pension and post-retirement plans. The assumptions can be affected by:

- (i) the discount rate, changes in the rate of return on high-quality corporate bonds.
- (ii) future compensation levels, future labour market conditions.
- (iii) healthcare cost trend rates, the rate of medical cost inflation in the relevant regions.

b) Heritage Assets

The Board exercised its judgement on the fact that the cost of obtaining a valuation of all heritage assets is not commensurate with the benefits of doing so.

NATIONAL MUSEUM OF IRELAND NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2018

2. Oireachtas Income

	2018 €	2017 €
Oireachtas Grant Current (Vote 3 Subhead A10)	12,438,000	11,742,792
Oireachtas Grant Capital (Vote 3 Subhead A10)	1,108,000	1,108,000
Oireachtas Grants for Specific Purposes:		
Finders Rewards	200,000	
Public WiFi Grant	77,000	
Digitised Collections Funding Scheme	34,920	
Museum Showcases		100,000
Discovery Zone National History Museum		79,981
CRC Swords Storage Equipment		44,157
Yeats Collection - Purchase of Specimens		150,000
Contribution towards State Claims liabilities		30,000
Deferred Funding for pensions	1,931,505	2,244,491
Employee Superannuation Contributions remitted to Department	(328,735)	(254,283)
	15,460,690	15,245,138

Expenditure of €254,219 relating to grants for specific purposes, was recognised in the Statement of Income and Expenditure and Retained Revenue Reserves in 2018 (2017: €260,690). These grants relate to the payment of Finders Rewards, (€199,998), Museum Wi-Fi installation (€77,617) and an artefact digitisation project, (€24,590).

Additional expenditure amounts of €123,396 related to expenditure on fixed assets which were capitalised (2017: €13,448).

The NMI undertakes that the States investment is protected and will not be used as security for any other activity without prior consultation with the Department of Culture, Heritage and the Gaeltacht and the sanction of the Department of Public Expenditure and Reform.

3. Retail Income & Expenditure

	Note	2018 €	2017 €
Sales		822,104	826,496
Cost of Sales		(395,780)	(463,188)
Gross Profit		426,324	363,308
Salaries		372,582	391,364
Administration costs		38,389	38,635
Net Profit/(Loss) for the year		15,353	(66,691)
Exceptional Item:			
*Additional VAT payment		0	(114,001)
Net Surplus/(Deficit) for year		15,353	(180,692)

* A voluntary disclosure, amounting to €114,001, was submitted to Revenue in early 2018 and provided for within the 2017 Financial Statements. In addition, interest and penalties amounting to €51,816 are included in the 2017 Financial Statements under Other Administration Costs in Note 6.

A provision of €64,935 (2017: €99,764) has been made for obsolete and slow moving stock.

**NATIONAL MUSEUM OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2018**

4. Own Resource Income

Own Resource Income represents income generated through the rental of National Museum of Ireland facilities for corporate functions and conferences and includes income generated from the catering franchises, filming and the sale of photographic rights and reproductions.

	2018	2017
	€	€
Own Resource Income		
Corporate Hospitality	16,298	8,528
Catering	110,579	107,990
Filming	12,220	1,000
Car Parking	155,392	159,172
Photographic Rights and Reproductions	10,607	9,987
Event Income and Guided tours	5,447	950
Other Income	2,028	3,800
	<u>312,571</u>	<u>291,427</u>
Own Resource Expenditure		
Advertising and Marketing	0	7,380
Consultancy - Masterplanning	61,309	82,846
Exhibition Expenses	0	14,363
Other Expenses	20,230	42,584
	<u>81,539</u>	<u>147,173</u>
Net Own Resource Income	<u>231,032</u>	<u>144,254</u>

5. Other Income

	2018	2017
	€	€
Project income	6,690	3,000
Sponsorship and donations	147,634	142,552
	<u>154,324</u>	<u>145,552</u>

6. Other Administration Costs

		2018	2017
	Note	€	€
Information Technology		455,743	490,050
Travel and Subsistence		83,576	89,422
Board Expenses		15,740	21,596
Contracted Staff & Consultancy		253,009	278,462
Administration General		168,614	198,145
Training Costs		92,996	66,084
Human Resource Costs		105,268	88,695
Office Stationery and Supplies		8,162	4,513
Audit Fees		27,000	25,000
Internal Audit		8,770	14,658
Increase/(Decrease) in Claims Provision	18	202,728	(18,372)
Loss on disposal of fixed assets	10	421	0
Depreciation Charge	10	282,722	272,272
Telecommunications		88,262	93,615
		<u>1,793,011</u>	<u>1,624,140</u>

NATIONAL MUSEUM OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2018

7. Costs of acquisition, management & display collections

	2018	2017
	€	€
Services Expenditure		
Exhibition Support	338,533	202,198
Marketing and Advertising	210,184	206,296
Utilities – including Heating, Lighting and Water Charges	777,714	735,391
Security	708,580	728,420
Maintenance and Cleaning	377,405	417,380
Postage and Telecommunications	17,208	4,638
Education Programmes	215,952	238,600
Transport and Haulage	22,745	20,528
Signage	6,448	0
Photography	7,389	23,423
Office Equipment and Supplies	14,313	11,888
Rent	481,300	499,955
Design	3,764	1,074
	3,181,535	3,089,791
	2018	2017
	€	€
Collections Expenditure		
Investigations/Research	10,600	10,796
Library	50,966	33,916
Conservation Works	24,178	23,541
Academic Publications	10,263	57,770
Archives/Documentation	175,209	359,838
Conservation Supplies	52,896	55,368
Storage	138,033	176,238
	462,145	717,467
	2018	2017
	€	€
Acquisition of Artefacts/Specimens		
Artefact Purchases	255,420	551,805
Finders' Rewards	23,575	15,314
Specimens Purchases	49,405	1,158
Miscellaneous Costs	0	770
	328,400	569,047
Total costs associated with acquisition, preservation, management and display of collections	3,972,080	4,376,305

8. Premises

The Commissioners of Public Works are responsible for the provision of services for the construction and maintenance of the buildings (occupied and unoccupied) leased and or owned by the National Museum. This does not include utilities. The costs involved are met from the Vote for the Commissioners of Public Works. The following premises are provided rent free to the Museum.

- National Museum of Ireland - Decorative Arts & History, Collins Barracks, Dublin 7.
- National Museum of Ireland - Archaeology, Kildare Street, Dublin 2.
- National Museum of Ireland - Natural History, Merrion Street, Dublin 2.
- National Museum of Ireland - Country Life, Turlough Park, Castlebar, Co. Mayo.
- Storage facility at the former Industrial School at Daingean, Co. Offaly.
- Storage facility at Beggars Bush, Dublin 2.
- Collections Treatment Premises, Lanesborough, Co. Roscommon. These premises are occupied and provided by Bord Na Mona rent free.

In addition, the Museum leases premises situated at the Collections Resource Centre in Swords, Co Dublin (see Note 13).

NATIONAL MUSEUM OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2018

9. Capital Account

	Notes	2018 €	2017 €
Balance as at 1st January		597,387	724,869
Transfer from/(to) the Statement of Income and Expenditure & Retained Revenue Reserves			
To fund property plant & equipment purchases	10	384,354	144,790
Amortisation in line with asset depreciation	10	(282,722)	(272,272)
Amount realised on disposal of property, plant & equipment		(421)	0
		<u>101,211</u>	<u>(127,482)</u>
Balance as at 31 st December		<u>698,598</u>	<u>597,387</u>

10. Property, Plant & Equipment

	Equipment €	Information Technology €	Furniture €	Exhibition Assets €	Total €
<u>COST OR VALUATION</u>					
As at 1st January 2018	2,930,662	1,879,738	796,804	3,291,124	8,898,328
Additions	35,568	105,824	0	242,962	384,354
Disposals	(7,423)	(26,451)	0	0	(33,874)
As at 31st December 2018	<u>2,958,807</u>	<u>1,959,111</u>	<u>796,804</u>	<u>3,534,086</u>	<u>9,248,808</u>
<u>ACCUMULATED DEPRECIATION</u>					
As at 1st January 2018	2,880,850	1,643,945	783,687	2,992,459	8,300,941
Depreciation charge for period	20,532	133,153	10,147	118,890	282,722
Disposals	(7,423)	(26,030)	0	0	(33,453)
As at 31st December 2018	<u>2,893,959</u>	<u>1,751,068</u>	<u>793,834</u>	<u>3,111,349</u>	<u>8,550,210</u>
<u>NET BOOK VALUES</u>					
As at 31st December 2018	<u>64,848</u>	<u>208,043</u>	<u>2,970</u>	<u>422,737</u>	<u>698,598</u>
As at 31st December 2017	<u>49,812</u>	<u>235,793</u>	<u>13,117</u>	<u>298,665</u>	<u>597,387</u>

Land and buildings, owned by the State and maintained by the Commissioners of Public Works, are used free of charge by the National Museum of Ireland.

NATIONAL MUSEUM OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2018

Prior Year Comparatives

	Equipment	Information Technology	Furniture	Exhibition Assets	Total
	€	€	€	€	€
<u>COST OR VALUATION</u>					
As at 1st January 2017	2,942,192	1,750,609	796,804	3,291,124	8,780,729
Additions	15,661	129,129	0	0	144,790
Disposals	(27,191)	0	0	0	(27,191)
As at 31st December 2017	2,930,662	1,879,738	796,804	3,291,124	8,898,328

ACCUMULATED DEPRECIATION

As at 1st January 2017	2,885,803	1,532,657	764,595	2,872,805	8,055,860
Depreciation charge for period	22,238	111,288	19,092	119,654	272,272
Disposals	(27,191)	0	0	0	(27,191)
As at 31st December 2017	2,880,850	1,643,945	783,687	2,992,459	8,300,941

NET BOOK VALUES

As at 31st December 2017	49,812	235,793	13,117	298,665	597,387
As at 31st December 2016	56,389	217,952	32,209	418,319	724,869

11. Receivables

	2018	2017
	€	€
Prepayments	302,731	385,010
Accounts Receivable	93,509	102,768
Employee Schemes (Travel Pass etc.)	24,602	27,705
	420,842	515,483

12. Payables

Creditors: Amounts falling due within 1 year

	Note	2018	2017
		€	€
Trade Creditors		104,184	123,137
Claims Provision	18	322,019	183,661
Accruals		501,996	638,888
Holiday Pay Accrual		137,122	130,965
VAT		18,052	70,968
Payroll Deductions:		0	0
PAYE/PRSI		189,031	165,615
		1,272,404	1,313,234

**NATIONAL MUSEUM OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2018**

13. Lease Commitments

NMI has commitments of €510,000 (2017: €510,000) payable within the next twelve months on foot of a 20 year rental obligation for the Collections Resource Centre in Swords, Co Dublin, which commenced on 17 September 2010. The Collections Resource Centre in Swords is sublet to the NMI at an annual rent of €860,000 from the OPW. The Commissioners of Public Works provide an annual subvention of €350,000. The NMI agreed to sublet an area in the Collections Resource Centre to the Hugh Lane Gallery for the period June 2017 to June 2020. The agreed rental sublet charge was €28,700 for 2018.

The total of future minimum lease payments under the non-cancellable operating lease is as follows:

	2018	2017
	€	€
Not later than One Year	510,000	510,000
Later than One Year and no later than Five Years	3,440,000	3,440,000
Later than Five Years	<u>4,912,603</u>	<u>6,703,270</u>
	<u>8,862,603</u>	<u>10,653,270</u>

14. Salaries

a) Aggregate Employee Benefits

	2018		2017	
	Museum Operations	Museum Shops	Museum Operations	Museum Shops
	€	€	€	€
Staff short-term benefits	6,428,285	339,189	6,294,289	356,799
Termination benefits	0	0	0	0
Employer's contribution to social welfare	605,121	33,393	528,220	34,565
	<u>7,033,406</u>	<u>372,582</u>	<u>6,822,509</u>	<u>391,364</u>

b) Staff short-term benefits

	€	€	€	€
Basic Pay	6,169,117	327,603	5,845,958	342,202
Overtime	122,771	4,708	300,289	4,054
Allowances	136,397	6,878	148,042	10,543
	<u>6,428,285</u>	<u>339,189</u>	<u>6,294,289</u>	<u>356,799</u>

c) Termination benefits

	€	€	€	€
Termination benefits charged to I&E	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Total number of staff employed as at 31st December 2018 was 165 (2017: 162). This comprised 142.8 (2017:144.0) full time equivalent core posts and 11.25 (2017:9.76) Museum Shop posts.

**NATIONAL MUSEUM OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2018**

d) Key Management Personnel

Key management personnel consists of the Director, the Head of Operations (retired March 2018) and the Head of Collections and Learning (took career break in February 2019).

The total value of employee benefits for key management personnel is set out below:

	2018	2017
	€	€
Salary	207,517	285,211
Allowances	0	0
Termination benefits	0	0
Health Insurance	0	0
	<u>207,517</u>	<u>285,211</u>

This does not include the value of retirement benefits earned in the period. The key management personnel are members of the public sector defined benefit superannuation scheme and their entitlements in that regard do not extend beyond the terms of the model public service pension scheme.

The superannuation entitlements of the Director are the standard entitlements of the public sector defined benefit superannuation scheme and entitlements in that regard do not extend beyond the terms of the model public service pension scheme.

e) Director's Salary and Benefits

	2018	2017
	€	€
New Director (appointed May 2018)		
Basic Pay	61,074	
Benefit in kind	0	
Previous Director (retired May 2018)-		
Basic Pay	<u>43,277</u>	<u>102,413</u>
	<u>104,351</u>	<u>102,413</u>

During 2018, the Directors of the Museum incurred expenses of €1,406 (2017: €4,368). Mr O 'Floinn incurred expenses of €65, (2017: €4,368). Ms Lynn Scraff incurred expenses of €1,476, (2017: €0).

15. Retirement Benefit Costs

a) Analysis of total retirement benefit costs charged to the Statement of Income and Expenditure and Retained Revenue Reserves

	2018	2017
	€	€
Current Service cost	1,900,000	1,890,000
Interest on defined benefit scheme liabilities	1,000,000	990,000
Employee Contributions	<u>(328,735)</u>	<u>(254,283)</u>
	<u>2,571,265</u>	<u>2,625,717</u>

b) Deferred Funding Asset for Pensions

NMI recognises an amount of €55,500,000 (2017: €52,520,000) as an asset corresponding to the unfunded deferred liability for retirement benefits on the basis of a number of past events. These events

NATIONAL MUSEUM OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2018

include the statutory basis for the establishment of the retirement benefit scheme, and the policy and practice in relation to funding public service retirement benefits including contributions by employees and the annual estimates process. NMI has no evidence that this funding policy will not continue to meet such sums in accordance with current practice.

c) Net Deferred Funding for retirement benefits

The net deferred funding for retirement benefits recognised in the Statement of Income and Expenditure and Retained Revenue Reserves was as follows:

	2018 €	2017 €
Funding recoverable in respect of current year retirement benefit costs	2,900,000	2,880,000
State Grant applied to pay retirement benefits	(968,495)	(635,509)
	<u>1,931,505</u>	<u>2,244,491</u>

The deferred funding asset for retirement benefits as at 31st December 2018 amounted to €55,500,000 (2017: €52,520,000)

d) Movement in net retirement benefit obligations during the financial year

	2018 €	2017 €
Net retirement benefit obligation at 1 January	(52,520,000)	(51,820,000)
Current Service Cost	(1,900,000)	(1,890,000)
Interest Costs	(1,000,000)	(990,000)
Actuarial (loss)/gain on experience	(2,948,000)	1,544,000
Actuarial gain on assumptions	1,900,000	0
Pensions paid in the year	968,000	636,000
Net retirement benefit obligation at 31 December	<u>(55,500,000)</u>	<u>(52,520,000)</u>

e) History of Defined Benefit Obligations

	2018 €	2017 €	2016 €
Defined benefit obligations	55,500,000	52,520,000	51,820,000
(Losses)/gains on Scheme Liabilities amount	(1,048,000)	1,544,000	(6,335,000)
Percentage of Scheme Liabilities	(2%)	3%	(12%)

The cumulative actuarial loss recognised in the Statement of Comprehensive Income amounts to €4,108,000 (2017: Loss €3,060,000).

f) General Description of the Scheme

The main pension scheme in operation is a defined benefit final salary pension arrangement with benefits and contributions defined by reference to current "model" public sector scheme regulations.

The scheme provides a pension (eightieth per year of service), a gratuity or lump sum (three-eightieths per year of service) and spouse's and children's pensions. 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 will normally increase, subject to Ministerial approval, in line with relevant pay increases applicable to serving staff. Such pension increases are effective from the same dates as pay increases.

Pension benefits in respect of staff who retired prior to establishment date of 3rd May, 2005 continue to be paid from the vote for Superannuation and Retired Allowances.

Pension benefits in respect of staff who retired after the establishment date are, in accordance with the National Cultural Institutions Act, 1997, payable by the National Museum of Ireland. These costs are provided for in these financial statements.

NATIONAL MUSEUM OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2018

For employees who joined the public sector after 1 January 2013 there is a Single Public Service Pension Scheme in operation.

The Single Public Service scheme is a Career-Average Defined Benefit Pension Scheme. Retirement benefits are mainly based on a percentage of pensionable earnings throughout the public service career as a member of the Scheme.

For each pay period that contributions are made to the Scheme, an amount is built up towards retirement benefits. The total of these amounts at retirement, with some adjustments for increases in inflation for the amounts earned earlier in the career, determine what the retirement benefits will be.

Normal retirement age under the Scheme is the same as the age that employees can claim the Contributory State Pension from the Department of Employment Affairs and Social Protection. The maximum retirement age for employees who are members of the Single Pension Scheme is 70.

The valuation used for FRS102 disclosures has been based on a full actuarial valuation on 10th June 2019 by a qualified actuary, taking account of the requirements of the FRS in order to assess the scheme liabilities at 31st December 2018.

The principal actuarial assumptions were as follows:

	2018	2017
Discount Rate	1.85%	1.85%
Rate of increase in salaries	2.25%	2.50%
Rate of increase in pensions in payment	2.25%	2.50%
Inflation Rate	1.75%	1.75%

The mortality basis adopted allows for improvements in life expectancy over time. The table below shows the life expectancy for members attaining age 65 in 2018 and 2038.

Year of attaining age 65	2018	2038
Life expectancy years – male	21.4	23.8
Life expectancy years – female	23.8	25.9

16. Retail Inventory

Stocks are valued at the average cost method.

	2018	2017
	€	€
Stock of re-saleable goods	241,068	228,720
Obsolete General Stock Provision	(64,935)	(99,764)
	<u>176,133</u>	<u>128,956</u>

NATIONAL MUSEUM OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2018

17. Heritage Assets

As outlined in Accounting Policy 1(d), the value of the Museum's collections is not included in the Statement of Financial Position. The Museum recognises that the heritage assets are owned by the State under Section 4 of The Dublin Science and Art Museum Act, 1877, and that the Museum is the custodian in relation to these heritage assets under the provisions of the National Cultural Institutions Act, 1997.

(a) Nature and scale of the collection

Four separate collecting departments curate the National Museum's collection:

Irish Antiquities Division

The Museum is the national repository for Irish antiquities, extending in date from the Mesolithic through to the end of the Middle Ages.

Based on collections assembled in the late 18th and 19th centuries by the Royal Dublin Society and the Royal Irish Academy, the archaeological collections have expanded considerably over the last 100 years and now number in excess of two million objects. The collection is significant in extent, diversity and quality: several areas - the prehistoric gold collections; ecclesiastical metalwork and personal ornaments of the early medieval period; and the Viking Dublin assemblage - are of acknowledged international importance.

Archaeological objects found in Ireland - including those found in the course of archaeological excavations - are deemed State property under the terms of the National Monuments Acts, 1930 to 2004. The core collection continues to grow rapidly, as a result of both chance discovery and large-scale archaeological excavation.

The Division holds substantial collections of Classical and Egyptian objects as well as a small collection of European antiquities. The Division's Ethnographical collections were collected primarily in the period between 1760 and 1914 and represent a range of cultures. They include material from Polynesia, Melanesia, Micronesia, North and South America, West and Southern Africa and South and East Asia.

Art & Industrial Division

The collections of the Division reflect Irish decorative and applied arts (including glass, ceramics, furniture and silverware) as well as Ireland's economic, social, industrial, political and military history over the last three centuries. The Division holds a significant quantity of material illustrating the 1916 Easter Rising and subsequent political and social events. It also maintains collections of Irish, European and Oriental Decorative Arts, which give an understanding of international design and culture as they relate to Ireland. It is estimated that the Art & Industry collections consist of 150,000 objects.

Irish Folklife Division

The Division's collections reflect Irish traditional life, with particular emphasis on rural Ireland. They include objects dealing with agriculture, fishing and hunting, clothing, architecture, vernacular furniture, trades and crafts, transport, sports and leisure, religion domestic metalwork and food-related material, glass, ceramics, straw, hay and wicker work, education, music, calendar customs and commercial activity. It consists of some 35,000 objects.

In 2001, the Folklife division gained a new home at Turlough Park House outside Castlebar, Co. Mayo, with the opening of the National Museum of Ireland – Country Life. Most of the Folklife collections were moved there, although some still remain stored in Daingean in Co. Offaly are in the process of being transferred to the Collections Resource Centre in Swords, Co. Dublin.

Natural History Division

The Division cares for the State collections in the disciplines of zoology, entomology and geology. (The botanical collections of the Museum were transferred to the National Botanic Gardens in 1970). The collections comprise approximately two million specimens. The largest of the collections, in terms of numbers, is the insect collection, which accounts for approximately half of all specimens.

NATIONAL MUSEUM OF IRELAND NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31st DECEMBER 2018

These collections have been accumulated over two centuries. The early origins of the museum lie with the Royal Dublin Society (RDS) who began gathering specimens in the 18th century. The collections are used as a reference resource by staff and research visitors, and play an important role in the identification of specimens such as insect pests that may have considerable economic significance.

(b) National Museum's policy on acquisitions, preservation management and disposal

Under the terms of the *National Cultural Institutions Act, 1997* (Section 11 (1)) "the principal functions of the Board of the Museum shall be to maintain, manage, control, protect, preserve, record, research and enlarge the collection of museum heritage objects for the benefit of the public and to increase and diffuse in and outside the State knowledge of human life in Ireland, of the natural history of Ireland and of the relations of Ireland in these respects with other countries."

Acquisition - Bearing in mind the national remit of the National Museum of Ireland, in broad terms the objects to be acquired will be of one or all of the following:

- Be of national importance
- Have potential for display
- Be of research and educational use
- Be an artefact, which will fill a gap in the collection.

The museum will not acquire, whether by purchase, gift, bequest or exchange, any object or specimen unless the governing body or responsible officer is satisfied that the Museum can acquire, on behalf of the State, a valid title to the object in question, and that in particular it has not been acquired in, or exported from, its country of origin (or any intermediate country in which it may have been legally owned) in violation of that country's laws. (For the purposes of this paragraph 'country of origin' includes Ireland.) All acquisitions will be documented in accordance with best museum practice.

Conservation - The Museum's policy on conservation is based on a combination of preventative and remedial conservation, both designed to ensure the preservation of the Museum's collections. Conservation assessments of potential acquisitions should be carried out prior to acquisition, loan and display, and the condition of objects and specimens in the collections should be monitored. Collections should only be kept in rooms or buildings, which are structurally sound and where suitable environmental conditions can be maintained for the objects in question.

Management - A collections Inventory Project is underway to document an estimated four million objects and specimens. The number of objects requiring individual inventory entries is estimated at 789,000. Larger research collections will be group-recorded. This accounts for approximately 900,000 object records. In 2018, 11,022 records in total were validated, bringing the total number of validated records since the project began to 684,693.

Disposal - Before disposal can be considered it must be established that the object/s concerned have not been accessioned or have been deaccessioned. A decision to dispose of a specimen or object, whether by exchange, sale, gift or destruction (in the case of an object too badly damaged to be of use) will be the responsibility of the Board acting on the advice of the Director and professional staff and not of the curator of the collection acting alone.

An amendment to the *National Monuments Act, 1994* in the *National Cultural Institutions Act, 1997* (Section 68 (2)) outlines the disposals procedure in the case of archaeological objects which are the property of the State as follows:

"... the Director may, at his or her discretion, if he or she is of opinion that the object is not of sufficient archaeological or historical interest to justify its retention by the State, dispose of the object by whatever means he or she thinks fit."

NATIONAL MUSEUM OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2018

Furthermore, the same section of the Act states:

"Where an archaeological object becomes the property of the State and the Director is of opinion that the object is predominantly more of local rather than national interest, the Director may place the object in the care of a designated museum."

It goes on to state:

"An archaeological object that has been placed in the care of a designated museum ... shall not be disposed of other than by means of its transfer into the care of another designated museum or the National Museum of Ireland".

Any monies received by the museum from the disposal of objects will be applied in the acquisition of objects to be added to the collections for the benefit of the collections.

18. Provisions

The financial statements record a year end claims provision amount of €322,019 (2017: €183,661) in respect of 2 public liability and 2 employer's liability claims being handled by the State Claims Agency on behalf of the National Museum of Ireland.

In accordance with FRS 102 section 21, the following amounts are disclosed with regard to the claims provision at the year end:

	2018	2017
	€	€
Provision at 1 January	183,661	587,506
Net increase/(decrease) in provision	202,728	(18,372)
Amounts paid by the NMI	(64,370)	(385,473)
Provision at 31 December	322,019	183,661

19. Contingencies

No provision, other than legal fees, has been made in the 2018 Financial Statements in respect of a legal case which commenced against the Museum in 2017 and is ongoing.

20. Events after the reporting period

There are no events after the reporting period requiring provision or disclosure within the Financial Statements.

21. Related Party Disclosures

There are no other transactions with related parties.

Key management personnel consist of the Director, Head of Collections and Learning and the Head of Operations. Mr Ragnall Ó Floinn retired from the role of Director in May 2018 and Ms Lynn Scarff took up the role of Director in May 2018. The Head of Operations retired in March 2018 and the Head of Collections and Learning took a career break in February 2019.

Total compensation paid to key management personnel, amounted to €207,517 (2017: €285,211).

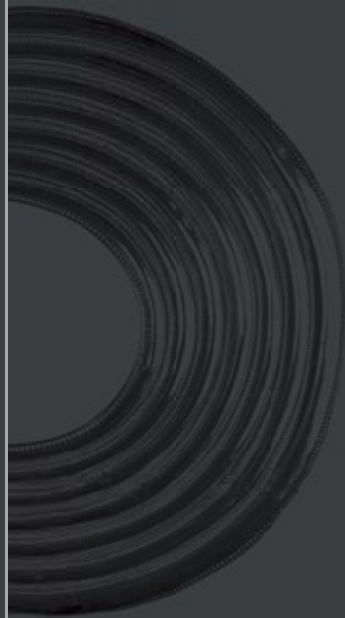
22. Approval of Financial Statements

The Board approved the financial statements on 14 November 2019.

museum

National Museum of Ireland

Ard-Mhúsaem na hÉireann



www.museum.ie

Follow us:

Twitter
[@NMIIreland](https://twitter.com/NMIIreland)

Facebook
[@NationalMuseumofIreland](https://www.facebook.com/NationalMuseumofIreland)

Instagram
[@nationalmuseumofireland](https://www.instagram.com/nationalmuseumofireland)