

**The National Museum of Ireland  
Financial Statements  
Year Ended  
31st December 2012**

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# NATIONAL MUSEUM OF IRELAND

## STATEMENT OF RESPONSIBILITIES OF THE BOARD

The National Museum of Ireland (NMI) presents its report for the year ended 31st December 2012.

### Responsibilities of the Board Members

Section 35 of the National Cultural Institutions Act, 1997, requires the Board to prepare financial statements in such form as may be approved by the Minister for Arts, Heritage and the Gaeltacht with the concurrence of the Minister for Public Expenditure & Reform. In preparing those financial statements, the Board is required to:

- Select suitable accounting policies and then apply them consistently for the purpose of showing a true and fair view of the state of the NMI's affairs.
- Make judgements and estimates that are reasonable and prudent.
- Prepare the financial statements on a going concern basis.
- Disclose and explain any material departures from applicable accounting standards.

The Board members are responsible for keeping proper books of account, which disclose with reasonable accuracy at any time the financial position of the Museum and enable them to ensure that the financial statements comply with Section 35 of the National Cultural Institutions Act, 1997.

The Board is responsible for the stewardship of the artefacts, which are owned by the State.

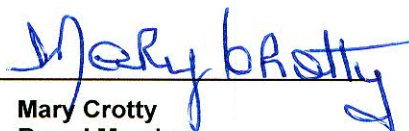
The Board is also responsible for safeguarding the assets of the Museum and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### On behalf of the Board:



Dr John O'Mahony  
Chairman

Date Signed: 2 December 2014



Mary Crotty  
Board Member

Date Signed: 2 December 2014

# NATIONAL MUSEUM OF IRELAND

## STATEMENT ON INTERNAL FINANCIAL CONTROL

### **Responsibility for System of Internal Financial Control**

On behalf of the Board of the National Museum of Ireland I acknowledge our responsibility for ensuring that an effective system of internal financial control is maintained and operated.

The system can provide reasonable but not absolute assurance that assets are safeguarded, transactions are 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 Board has taken steps to ensure an appropriate control environment by:

- Clearly defining management responsibilities;
- Establishing formal procedures for reporting significant control failures and ensuring appropriate corrective action;

The Board has established processes to identify and evaluate business risks by:

- Identifying the nature, extent and financial implication of risks facing the body, including the extent and categories, which it regards as acceptable;
- Assessing the likelihood of identified risks occurring;
- Assessing the Museum's ability to manage and mitigate the risks that might occur;
- Assessing the costs of operating particular controls relative to the benefit obtained;

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

In particular it includes:

- Comprehensive budgeting system with an annual budget which is reviewed and agreed by the Board;
- Quarterly Reviews by the Board of financial information which indicate financial performance against forecasts;
- Setting targets to measure financial and other performance;
- Clearly defined capital investment control guidelines;
- Formal project management disciplines;

The Board of the Museum has established an Audit Committee and set the Committee's terms of reference. The Committee met on nine occasions in the year ended 31<sup>st</sup> December 2012. The National Museum of Ireland has outsourced the internal audit function until 2013.

**NATIONAL MUSEUM OF IRELAND  
STATEMENT ON INTERNAL FINANCIAL CONTROL.....continued**

**Responsibility for System of Internal Financial Control**



Internal Audit operates in accordance with the Framework Code of Best Practice set out in the Code of Practice for the Governance of State Bodies. Its work is informed by the analysis of the risks to which the Museum is exposed, and annual internal audit plans are based on this analysis. The analysis of risk and the internal audit plans are endorsed by the Audit Committee and approved by the Board. At least annually, the Audit Committee provides the Board with a report of internal audit activity.

The internal auditor conducts, on a rolling basis, an examination of internal controls in the key financial areas and reports its findings to the Audit Committee. All internal audit reports are considered by the Audit Committee. These reports together with the recommendations of the Audit Committee are communicated to the Board to enable the Board to discharge its oversight responsibilities.

***Annual Review of Controls***

A review of the effectiveness of the system of internal financial control was carried out in respect of the year ended 31 December 2012.

**On behalf of the Board:**

**Dr John O'Mahony - Chairman**

**Date Signed: 2 December 2014**



# NATIONAL MUSEUM OF IRELAND

## STATEMENT OF ACCOUNTING POLICIES

### 1. Basis of Accounting

The financial statements are prepared under the accruals method of accounting, except as stated under item 4, and under the historical cost convention in the form approved by the Minister for Arts, Heritage and the Gaeltacht with the concurrence of the Minister for Finance in accordance with Section 35 of the National Cultural Institutions Act, 1997.

Financial Reporting Standards recommended by the recognised Accountancy Bodies are adopted, as they become operative.

### 2. Heritage Assets and Collections

In accordance with the National Cultural Institutions Act, 1997 all Museum heritage objects are the property of the State.

The Board of the National Museum of Ireland has the power to enlarge the collection of museum heritage objects, as required by law and for the benefit of the public.

The National Museum of Ireland charges expenditure on heritage objects to the income and expenditure account in the year in which they are purchased.

The Board of the National Museum of Ireland also has the power to lend Museum heritage objects, subject to the provisions of Section 17 of the National Cultural Institutions Act, 1997.

Heritage assets are currently not reflected in the balance sheet. This is because of the diverse nature of objects held, the number of objects and the lack of comparable market values.

The National Museum of Ireland does not adopt the requirements as set out under FRS30 as the heritage assets are the property of the state.

### 3. Tangible Fixed Assets and Depreciation

Tangible fixed assets are shown at cost less accumulated depreciation.

Tangible fixed assets below the capitalisation threshold of €1,000 (except for Information Technology assets which have a threshold of €750) are expended in the Income & Expenditure Account in the year of purchase.

Depreciation is charged in the income and expenditure account, 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%
• Information Technology	33.33%
• Financial Management System	20%
• Furniture	10%
• Exhibition Assets	20%

### 4. Income Recognition

Grants from the Department of Arts, Heritage and the Gaeltacht are accounted for on a receipts basis and represent cash grants received in the year.

### 5. Shops

Shops are operated by the Museum and sell stock items for cash. Stock is valued at the lower of cost or net realisable value.

# NATIONAL MUSEUM OF IRELAND

## STATEMENT OF ACCOUNTING POLICIES

### 6. 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.

### 7. Superannuation

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 Arts, Heritage and the Gaeltacht for approval by the Minister and for the consent of the Minister for Finance.

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 Arts, 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.

Pension costs reflect pension benefits earned by staff in the period and are shown net of staff pension deductions which are retained by the NMI. An amount corresponding to the pension charge is recognised as income to the extent that it is recoverable from the Department of Arts, 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 Total Recognised Gains and Losses and a corresponding adjustment is recognised in the amount recoverable from the Department of Arts, 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 Arts, Heritage and the Gaeltacht.

### 8. Leases

Payments under an operating lease are recognised by the National Museum of Ireland as an expense over the lease term.

### 9. Capital Grants

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




**NATIONAL MUSEUM OF IRELAND**  
**INCOME AND EXPENDITURE ACCOUNT**  
**YEAR ENDED 31st DECEMBER 2012**

	Notes	2012 €	2012 €	2011 €	2011 €
<b>INCOME</b>					
Oireachtas Grant	3(a)		13,122,048		14,217,690
Museum Shops Sales	2	773,067		824,982	
Cost of Sales		(425,049)		(421,541)	
Museum Shops Gross Profit			348,018		403,441
Own Resource Income	3(b)		148,718		94,253
Sponsorship and Donations			29,037		9,156
State Claims Agency amounts recoverable	18		348,313		0
Deposit Interest Received			9,666		23,021
Deferred Funding for Pensions in Year	14(c)		2,419,000		2,864,000
Write off of Superannuation Liability	11		672,882		0
<b>TOTAL INCOME</b>			<b>17,097,682</b>		<b>17,611,561</b>
<b>EXPENDITURE</b>					
Administration	5		10,120,187		9,856,008
Services	6		3,107,496		3,722,402
Collections	7		911,256		1,184,001
Artefacts/Specimens	8		66,147		273,292
Museum Shop Expenses	2		449,904		516,464
Own Resource Expenditure	3(b)		77,212		73,774
Pension Costs	14(a)		2,951,028		2,841,690
<b>TOTAL EXPENDITURE</b>			<b>17,683,230</b>		<b>18,467,631</b>
<b>NET OPERATING DEFICIT</b>			<b>(585,548)</b>		<b>(856,070)</b>
Transfer from Capital Account	4		375,800		252,062
<b>Deficit for year</b>			<b>(209,748)</b>		<b>(604,008)</b>
<b>Balance at 1<sup>st</sup> January</b>			<b>1,346,797</b>		<b>1,950,805</b>
<b>Balance at 31<sup>st</sup> December</b>			<b>1,137,049</b>		<b>1,346,797</b>

The Statement of Accounting Policies and notes 1 to 22 form part of these financial statements.

On behalf of the Board:

  
 Dr John O'Mahony  
 Chairman

Date Signed: 2 December 2014

  
 Mary Crotty  
 Board Member

Date Signed: 2 December 2014



**NATIONAL MUSEUM OF IRELAND**  
**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**YEAR ENDED 31st DECEMBER 2012**

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES		2012	2011
		€	€
<b>Surplus/(Deficit) for year</b>		<b>(209,748)</b>	<b>(604,008)</b>
Experience gain on pension scheme liabilities	14(e)	1,519,000	364,000
Actuarial gain on pension scheme liabilities		1,519,000	364,000
Adjustment to deferred pension funding		(1,519,000)	(364,000)
<b>Total recognised loss for the year</b>		<b>(209,748)</b>	<b>(604,008)</b>

The Statement of Accounting Policies and notes 1 to 22 form part of these financial statements.

**On behalf of the Board:**



**Dr John O'Mahony**  
Chairman

Date Signed: 2 December 2014



**Mary Crotty**  
Board Member

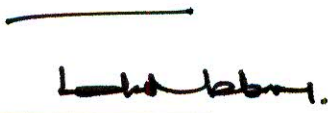
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**NATIONAL MUSEUM OF IRELAND**  
**BALANCE SHEET AS AT 31st DECEMBER 2012**

	Notes	2012 €	2011 €
<b>Fixed Assets</b>			
<b>Tangible assets</b>	<b>9</b>	<u>606,426</u>	<u>982,226</u>
		<u>606,426</u>	<u>982,226</u>
<b>Current assets</b>			
Museum Shop Stocks	20	583,592	607,832
Debtors and Prepayments	10	655,445	281,100
Cash at Bank		1,366,971	2,125,576
		<u>2,606,008</u>	<u>3,014,508</u>
<b>Creditors: Amounts falling due within one year</b>	<b>11</b>	<u>(1,468,959)</u>	<u>(1,667,711)</u>
Net Current Assets		<u>1,137,049</u>	<u>1,346,797</u>
<b>Total Assets less current liabilities</b>		<u>1,743,475</u>	<u>2,329,023</u>
<b>Creditors: amounts falling due after more than one year</b>			
Deferred Pension Funding	14 (c)	30,400,000	29,500,000
Pensions Liabilities	14 (b)	(30,400,000)	(29,500,000)
<b>Total Net Assets</b>		<u>1,743,475</u>	<u>2,329,023</u>
<b>Represented by</b>			
Capital Account	4	606,426	982,226
Income and Expenditure Account Surplus		1,137,049	1,346,797
		<u>1,743,475</u>	<u>2,329,023</u>

The Statement of Accounting Policies and notes 1 to 22 form part of these financial statements.

**On behalf of the Board:**

  
 \_\_\_\_\_  
 Dr John O'Mahony  
 Chairman

  
 \_\_\_\_\_  
 Mary Crotty  
 Board Member

Date Signed: 2 December 2014

Date Signed: 2 December 2014


**NATIONAL MUSEUM OF IRELAND**  
**CASH FLOW STATEMENT**  
**YEAR ENDED 31st DECEMBER 2012**

	2012	2011
	€	€
<b>Reconciliation of Net Operating Surplus</b>		
Surplus/(Deficit) for year	(209,748)	(604,008)
Transfer from Capital Reserve	(375,800)	(252,062)
Depreciation	474,211	637,061
(Increase)/Decrease in Debtors	(374,345)	378,910
(Decrease) in Creditors	(198,752)	(76,020)
(Increase)/Decrease in Stocks	24,240	(43,939)
Loss on disposal of fixed asset	5,721	4,135
<b>Net Cash (Outflow)/Inflow from Operating Activities</b>	<b>(654,473)</b>	<b>44,077</b>
 <b>Cash Flow Statement</b>		
Net Cash Inflow from Operating Activities	(654,473)	44,077
Payments to acquire assets	(104,132)	(389,134)
Proceeds on sale of assets	-	-
<b>(Decrease) in cash</b>	<b>(758,605)</b>	<b>(345,057)</b>
 <b>Reconciliation of net cash flow to movements in net funds</b>		
Net funds at 31st December	1,366,971	2,125,576
Net funds at 1st January	2,125,576	2,470,633
	<b>(758,605)</b>	<b>(345,057)</b>
 <b>Movement in net funds for the year</b>		
	<b>Cash at bank and in hand</b>	
 <b>Analysis of changes in net (debt)/funds</b>		
	€	
At 1 <sup>st</sup> January 2012	2,125,576	
Cashflows	(758,605)	
At 31 <sup>st</sup> December 2012	<b>1,366,971</b>	

The Statement of Accounting Policies and notes 1 to 22 form part of these financial statements.

**On behalf of the Board:**

\_\_\_\_\_



**Dr John O'Mahony**  
Chairman



**Mary Crotty**  
Board Member

Date Signed: 2 December 2014

Date Signed: 2 December 2014



**NATIONAL MUSEUM OF IRELAND  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31st DECEMBER 2012**

**1) Establishment of National Museum of Ireland**

The National Museum of Ireland was established as an independent body on 3<sup>rd</sup> 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.

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 Arts, 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.

**2) Shop income and expenditure**

	<b>2012</b>	<b>2011</b>
	€	€
<b>Sales</b>	<b>773,067</b>	<b>824,982</b>
<b>Cost of Sales</b>		
Opening Stock	607,832	563,893
Purchases	400,809	465,480
Closing Stock	<u>(583,592)</u>	<u>(607,832)</u>
	<b><u>425,049</u></b>	<b><u>421,541</u></b>
<b>Gross Profit</b>	<b>348,018</b>	<b>403,441</b>
<b>Salaries and administration</b>		
Salaries	412,021	391,228
Administration costs	<u>37,883</u>	<u>125,236</u>
	<b><u>449,904</u></b>	<b><u>516,464</u></b>
<b>Net (Loss)</b>	<b><u>(101,886)</u></b>	<b><u>(113,023)</u></b>

**NATIONAL MUSEUM OF IRELAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31st DECEMBER 2012**

3) **Income**

(a) **Oireachtas Grant**

	<b>2012</b>	<b>2011</b>
	€	€
<b>Grants from the Department of Arts, Heritage and the Gaeltacht (Vote 33 Subhead A10)</b>		
Current purposes	11,590,020	12,240,000
Less: Superannuation contributions repayable/(payable)	532,028	(22,310)
	12,122,048	12,217,690
Capital purposes	1,000,000	2,000,000
<b>Total Grant</b>	<b>13,122,048</b>	<b>14,217,690</b>

(b) **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 and the sale of photographic rights and reproductions.

	<b>2012</b>	<b>2011</b>
	€	€
<b>Own Resource Income:</b>		
Corporate Hospitality	2,048	800
Catering	115,949	56,291
Event Income	-	7,275
Photographic Rights and Reproductions	11,976	11,109
Guided Tours	700	4,608
Grants Received – Department of Arts, Heritage & Gaeltacht	12,833	12,833
Other Income	5,212	1,337
	148,718	94,253
<b>Own Resource Expenditure:</b>		
Salaries	34,282	23,320
Advertising and Marketing	37,577	6,982
Maintenance and Cleaning	-	-
Consultancy	-	-
Catering	414	301
Professional Fees	-	18,000
Other Expenses	4,939	25,171
	77,212	73,774
<b>Net Own Resource Income</b>	<b>71,506</b>	<b>20,479</b>

**NATIONAL MUSEUM OF IRELAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31st DECEMBER 2012**

**4) Capital Account**

	Notes	2012 €	2011 €
<b>Balance as at 1st January</b>		982,226	1,234,288
<b>Transfer to / (from) Income and Expenditure Account</b>			
To fund fixed asset purchases	9	104,132	389,134
Amortisation in line with asset depreciation	9	(474,211)	(637,061)
Amount released on disposal of assets		<u>(5,721)</u>	<u>(4,135)</u>
		<u>(375,800)</u>	<u>(252,062)</u>
<b>Balance as at 31<sup>st</sup> December</b>		<u><b>606,426</b></u>	<u><b>982,226</b></u>

**5) Administration Expenditure**

		2012 €	2011 €
Salaries		8,231,713	8,046,822
Advertising – Recruitment		-	-
Information Technology		466,284	337,356
Travel and Subsistence		49,221	106,744
Board Fees	16	38,613	102,991
Board – Other Expenditure		10,547	14,664
Consultancy		71,896	27,899
Administration General		79,137	25,210
Training Costs		34,321	99,840
Human Resource Costs		124,785	120,724
Office Stationery and Supplies		6,996	14,708
Audit Fees		15,017	15,156
Internal Audit		10,594	15,134
Other Expenses		-	5,062
Settlement of Claims	18	348,313	150,310
Depreciation Charge	9	474,211	637,061
Telecommunications		<u>158,539</u>	<u>136,327</u>
		<u><b>10,120,187</b></u>	<u><b>9,856,008</b></u>



**NATIONAL MUSEUM OF IRELAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31st DECEMBER 2012**

**6) Services Expenditure**

	Note	2012 €	2011 €
Exhibition Support		127,840	481,178
Marketing and Advertising		104,115	352,879
Utilities – including Heating, Lighting and Water Charges		1,217,583	970,672
Security		632,440	734,701
Maintenance and Cleaning		341,268	450,420
Postage and Telecommunications		11,495	20,685
Education Programmes		104,364	155,310
Professional Fees		-	-
Transport and Haulage		20,791	37,770
Signage		7,298	5,274
Photography		38,489	63,894
Office Equipment and Supplies		3,303	1,735
Rent	12	443,432	396,011
Design		55,078	51,873
		<u>3,107,496</u>	<u>3,722,402</u>

**7) Collections Expenditure**

	2012 €	2011 €
Investigations/Research	239	25,023
Library	81,109	140,678
Conservation Works	105,373	247,818
Academic Publications	6,382	54,265
Dublin Excavations	78,078	58,763
Archives/Documentation	454,060	483,685
Conservation Supplies	27,774	26,842
Storage	158,241	146,927
	<u>911,256</u>	<u>1,184,001</u>

**8) Artefacts and Specimens**

	2012 €	2011 €
Artefact Purchases	18,650	226,236
Finders' Rewards	42,041	18,608
Specimens Purchases	4,133	12,840
Miscellaneous Costs	1,323	15,608
	<u>66,147</u>	<u>273,292</u>

**NATIONAL MUSEUM OF IRELAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31st DECEMBER 2012**

9) Fixed Assets

	Equipment	Information Technology	Furniture	Exhibition Assets	TOTAL
	€	€	€	€	€
<b><u>COST OR VALUATION</u></b>					
As at 1 <sup>st</sup> January 2012	2,864,933	1,434,647	791,478	2,691,018	7,782,076
Additions	15,102	54,455	5,326	29,249	104,132
Disposals	-	(29,512)	-	-	(29,512)
<b>As at 31<sup>st</sup> December 2012</b>	<b>2,880,035</b>	<b>1,459,590</b>	<b>796,804</b>	<b>2,720,267</b>	<b>7,856,696</b>
<b><u>ACCUMULATED DEPRECIATION</u></b>					
As at 1 <sup>st</sup> January 2012	2,745,068	1,099,995	583,021	2,371,766	6,799,850
Depreciation charge for period	61,749	263,086	40,019	109,357	474,211
Disposals	-	(23,791)	-	-	(23,791)
<b>As at 31<sup>st</sup> December 2012</b>	<b>2,806,817</b>	<b>1,339,290</b>	<b>623,040</b>	<b>2,481,123</b>	<b>7,250,270</b>
<b><u>NET BOOK VALUES</u></b>					
<b>As at 31<sup>st</sup> December 2012</b>	<b>73,218</b>	<b>120,300</b>	<b>173,764</b>	<b>239,144</b>	<b>606,426</b>
<b>As at 31<sup>st</sup> December 2011</b>	<b>119,865</b>	<b>334,652</b>	<b>208,457</b>	<b>214,592</b>	<b>982,226</b>

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.

10) Debtors and Prepayments

	Note	2012 €	2011 €
Prepayments		271,489	235,978
State Claims Agency recoverable amounts	18	348,313	0
Accounts Receivable		12,766	19,649
Employee Schemes (Travel Pass etc.)		22,877	25,473
		<b>655,445</b>	<b>281,100</b>

**NATIONAL MUSEUM OF IRELAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31st DECEMBER 2012**

**11) Creditors: Amounts falling due within 1 year**

	<b>2012</b>	<b>2011</b>
	<b>€</b>	<b>€</b>
Trade Creditors	10,548	2,266
Accruals	843,205	282,409
Professional Services Withholding Tax	-	22,007
VAT	22,692	67,786
<b>Payroll Related Deductions:</b>		
Employee Superannuation Contributions	361,260	1,034,142
PAYE/PRSI	167,975	221,176
Other	63,279	37,925
	<u><b>1,468,959</b></u>	<u><b>1,667,711</b></u>

The Employee Superannuation Contributions represent contributions of €1.034m deducted from NMI employees from 1 January 2006 (when the NMI became an autonomous body) up to 31 December 2010. In October 2014 the National Museum of Ireland received sanction from the Department of Arts, Heritage & the Gaeltacht to use retained superannuation contributions of €957,802 to assist with the costs of an exceptional level of additional superannuation costs that could not be met from the Museum's annual allocation. An amount of €672,882 is therefore reflected in the Income & Expenditure Account in 2012 and corresponds with lump sum retirement gratuities paid out in 2011: €130,334 and in 2012: €542,548.

**12) Commitments**

**Rental Obligations**

NMI has commitments of €860,000 (2011: €464,164) payable within the next twelve months on foot of a twenty year rental obligation for the Collections Resource Centre in Swords, Co Dublin, which commenced on 17 September 2010.

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

	<b>2012</b>	<b>2011</b>
	<b>€</b>	<b>€</b>
<b>Expiry of Lease</b>		
Not later than One Year	860,000	464,164
Later than One Year and no later than Five Years	3,440,000	3,440,000
Later than Five Years	10,930,836	11,790,836
	<u><b>15,230,836</b></u>	<u><b>15,695,000</b></u>



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**13) Salaries**

**a) Employee Costs**

	<b>2012</b>	<b>2011</b>
	<b>€</b>	<b>€</b>
Salaries - Curatorial & Administration	8,231,713	8,046,822
Salaries - Museum Shop	412,021	391,228
Salaries - Corporate Services	34,282	23,320
	<b>8,678,016</b>	<b>8,461,370</b>

Total number of staff employed by the National Museum of Ireland as at 31st December 2012 was 162 (2011: 176) of which 2 (2011: 2) employees are on secondment from the Department of Arts, Heritage and the Gaeltacht.

In 2012 €405,758 (2011: €463,347) of pension levy has been deducted and paid over to the Department of Arts, Heritage and the Gaeltacht.

**b) Director's Remuneration**

In 2012 the Director of the Museum was paid €16,856 up to his retirement. The Acting Director of the Museum was paid an annual salary of €79,599 plus a Higher Duties Allowance of €2,478. The superannuation entitlements of the Director are the standard entitlements of the public sector defined benefit superannuation scheme.

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**14) Superannuation**

**a) Analysis of total pension costs charged to Expenditure**

	2012	2011
	€	€
Current Service cost	1,600,000	1,600,000
Interest on Pension Scheme Liabilities	1,600,000	1,500,000
Employee Contributions	<u>(248,972)</u>	<u>(258,310)</u>
	<b><u>2,951,028</u></b>	<b><u>2,841,690</u></b>

**b) Deferred Funding Asset for Pensions**

NMI recognises these amounts as an asset corresponding to the unfunded deferred liability for pensions on the basis of a number of past events. These events include the statutory basis for the establishment of the pension scheme, and the policy and practice in relation to funding public service pensions 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 Pensions in Year**

The Net Deferred Funding for Pensions recognised in Income and Expenditure Account was as follows:

	2012	2011
	€	€
Funding recoverable in respect of current year pension costs	3,200,000	3,100,000
State Grant applied to pay pensioners	<u>(781,000)</u>	<u>(236,000)</u>
	<b><u>2,419,000</u></b>	<b><u>2,864,000</u></b>

The deferred funding asset for pensions as at 31st December 2012 amounted to €30,400,000 (2011: €29,500,000)

**d) Movement in Net Pension Liability during the financial year**

	2012	2011
	€	€
Net Pension Liability at 1st January	(29,500,000)	(27,000,000)
Current Service Cost	(1,600,000)	(1,600,000)
Interest Costs	(1,600,000)	(1,500,000)
Actuarial gain	1,519,000	364,000
Pensions paid in the year	781,000	236,000
Net Pension Liability at 31st December	<b><u>(30,400,000)</u></b>	<b><u>(29,500,000)</u></b>

**e) History of defined benefit obligations**

	2012	2011	2010
	€	€	€
Defined benefit obligations	30,400,000	29,500,000	27,000,000
Experience (gains)/losses on Scheme Liabilities amount	<b>(1,519,000)</b>	<b>(364,000)</b>	<b>(3,417,000)</b>
Percentage of Scheme Liabilities	(5%)	(1%)	(13%)

The cumulative actuarial gain recognised in the Statement of Total Recognised Losses amounts to €6,928,000 (2011:€5,409,000).

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**f) General Description of the Scheme**

The pension scheme 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 (eightieths 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 in payment (and deferment) normally increase in line with general public sector salary inflation.

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.

The valuation used for FRS17 (Revised) disclosures has been based on a full actuarial valuation on 19th December 2013 by a qualified actuary taking account of the requirements of the FRS in order to assess the scheme liabilities at 31st December 2012.

The principal actuarial assumptions were as follows:

	<b>2012</b>	<b>2011</b>
Discount Rate	5.5%	5.5%
Rate of increase in salaries	4.0%	4.0%
Rate of increase in pensions in payment	4.0%	4.0%
Inflation Rate	2.0%	2.0%

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 2012, 2030 and 2050.

<b>Year of attaining age 65</b>	<b>2012</b>	<b>2030</b>	<b>2050</b>
Life expectancy – male	22	22	22
Life expectancy – female	25	25	25



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**15) 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 NMI. This does not include utilities. The costs involved are met from the Vote for the Commissioners of Public Works.

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

The Collections Resource Centre in Swords, Co Dublin is sublet to the National Museum of Ireland on a 20 year lease from the Commissioners of Public Works with an annual rent of €860,000.

The Head landlord is responsible for the maintenance of the fabric and roof of the building for the period of the lease and for the mechanical and electrical plant and systems for a period of five years from the lease date of 17th September 2010.



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**16) Board Members Fees, Expenses and attendance at meetings**

The Board adopted procedures in accordance with guidelines issued by the Department of Finance in relation to disclosure of interests by Board members and these procedures have been adhered to in the year.

There were nine Board meetings as well as a number of Committee meetings held in 2012.

Ms Frances Rocks stepped down from the Board of the N.M.I. on the 19th November 2012

Below are details of fees and expenses paid to Board members in 2012.

<b>Board Members</b>	<b>Fees</b>	<b>Expenses</b>	<b>Total</b>	<b>No of Board meetings attended</b>	<b>No of Audit meetings attended</b>
	<b>€</b>	<b>€</b>	<b>€</b>		
Gerard Collins	5,135	1,152	6,287	7	
Mary Crotty	5,135	-	5,135	8	
Mairín de Brún	5,135	-	5,135	8	
Dervilla Donnelly	5,135	-	5,135	9	9
Eileen Jackson	-	-	-	9	
Olivier Kazmierczak	-	-	-	8	
Paul Kelly	-	-	-	4	8
Eamonn McEaney	-	1,808	1,808	8	
Fergus Mc Kenna O'Hagan	-	-	-	6	
Chris Nicholas	-	-	-	4	
John O'Mahony (Chairman)	7,803	-	7,803	9	
Gearóid Ó Tuathaigh	-	-	-	8	
Frances Rocks	-	-	-	5	
Mary Sleeman	-	661	661	5	
Eamonn Stack *	5,135	3,421	8,556	5	8
Peter Woodman	5,135	326	5,461	7	
<b>Total</b>	<b>38,613</b>	<b>7,368</b>	<b>45,981</b>		

\*Includes expenses for attendance at audit committee meetings.

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**17) Collections**

The existing National Collections were not vested in the Board on establishment day.

As at 31st December 2012 heritage assets are not reflected in the balance sheet.

As heritage assets are the property of the State the Board has not adopted the provisions of FRS30.

The Board believe that, because of the diverse nature of objects held, the number of objects and the lack of comparable market values, valuing these collections or determining their original cost is impractical and would not, in any event, yield information that is relevant or useful in assessing its stewardship of the collections.

The Museum's policies for the acquisition, conservation and disposal of heritage assets are available on its website at [www.museum.ie](http://www.museum.ie). Collections are made available through public display, publication and through lectures, demonstrations and other educational and outreach programmes. Access to material not on display may be gained by prior request and subject to availability of resources.

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**18) Contingent Asset & Liability**

a) Contingent Asset & Liability €348,313

A staircase collapsed in the administration area of the Natural History Museum, Merrion Street, Dublin 2, a building which is owned and maintained by the Commissioners for Public Works and resulted in a number of visitors being injured.

Subsequently, claims for personal injury have been filed against a number of parties including NMI. The claims received were referred to the State Claims Agency for management of the claims.

In 2011 NMI paid a total of €135,310 in settlements relating to these claims. The NMI has known commitments at 31 December 2012 of €348,313 through invoices received from the State Claims Agency in relation to further claims of this incident. In accordance with IFRS 34 these commitments have been recognised in the Income & Expenditure Account and as a liability in the Balance Sheet.

The NMI did not to take out public liability insurance on the grounds that it enjoys the benefit of state indemnity and the handling of any claims against it by the State Claims Agency in common with all other Government Departments and agencies.

The NMI has been in negotiations with the Department of Arts, Heritage and the Gaeltacht regarding the payment of these claims. The Board is of the view that the liability for all current and future claims in respect of the structural defects which led to the collapse of the staircase in the Natural History Museum lies with the Commissioners for Public Works, as agents for the State. The Board insists that no legal liability attaches to it in respect of the personal injuries cases herein referred to. It is the Board's understanding that the Department is agreeable to this understanding and written confirmation is awaited by the Board from the Department in this respect.

The Department has indicated that the payment of the damages and costs associated with these cases must be channelled through the National Museum of Ireland. The payment or satisfaction of the claims in this way does not and will not impact on the NMI in terms of its budgets and/or funding. At the date of approval of the financial statements by the board, no formal approval has been received from the Department for the release of these funds.

On the basis that the NMI is not legally liable for current or future claims in this respect, it is the Board's understanding that additional grant funding will be received from the Department of Arts, Heritage and the Gaeltacht to allow the NMI to discharge the commitments to the State Claims Agency. (As these negotiations have not yet been completed the NMI is providing a Debtors provision of €348,313 in the 2012 financial statements).

b) Industrial Relations Claims

Two pay claims by NMI employees were referred to the Labour Court in 2012.

*Case 1:* This concerns a Labour Court recommendation relating to 1 Head Attendant and 7 Senior Attendants.

NMI has received notice that, in accordance with the terms of the Public Service Agreement (Croke Park), the recommendations and similar adjudication findings were submitted by the Department of Arts Heritage and the Gaeltacht to the Department of Public Expenditure and Reform in 2010.

*Case 2:* This concerns night time security at National Museum of Ireland-Archaeology, Kildare Street. The Labour Court recommended that the union involved make a submission to NMI, outlining their proposal.



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**(Note 18b continued)**

These negotiations were completed and an agreement reached which was approved by the Department of Arts, Heritage and the Gaeltacht. This gave rise to the following payments:

€77,366 being first half of compensation payments for loss of overtime earnings (paid in 2012).

€77,366 being second half of above claim (paid in 2013).

€40,534 being compensation for loss of overtime earnings for Mondays (paid in 2013).

All of these payments are reflected in these financial statements.

**19) Contingencies**

Other than the items referred to in note 18 above, there are no contingencies or legal actions which require specific provision in the Financial Statements.

**20) Stocks**

Stocks are valued at the lower of cost or net realisable value.

	<b>2012</b>	<b>2011</b>
	€	€
Stock of re-saleable goods	583,592	607,832
	583,592	607,832

**21) Comparative figures**

Certain of the prior years' figures have been reclassified to conform to the current year's presentation.

**22) Approval of Financial Statements**

The Board approved the financial statements on 2 December 2014.