

**The National Museum of Ireland
Financial Statements
Year Ended
31st December 2016**

NATIONAL MUSEUM OF IRELAND

TABLE OF CONTENTS

Page

Statement of Responsibilities of the Board

3

Statement on Internal Financial Control

4 - 5

Statement of Income and Expenditure

& Retained Revenue Reserves

6

Statement of Comprehensive Income

7

Statement of Financial Position

8

Statement of Cash Flows

9

Notes to the Financial Statements

10 – 25

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 2016.

The previous Board's term expired in January 2016 and a new Board was appointed on 6th July 2016. The members of the new Board comprised:

Catherine Heaney (Chair)	Declan Nelson
John Bowen	Prof. Mary O'Dowd
Mary Crotty	Prof. Gearóid Ó Tuathaigh
Prof. Ingrid Hook	Dr. Andrew Power
Prof. Kathleen James-Chakraborty	Lynn Scarff
Ambrose Loughlin	Virginia Teehan
Judith McCarthy	Aidan Walsh
Denise Moroney	Karen Wilson

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 Culture, Heritage and the Gaeltacht. 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 National Museum'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 adequate accounting records, 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.

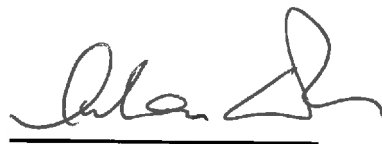
The Board is also responsible for safeguarding the assets of the Museum and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board:



Catherine Heaney
Chair

Date Signed: 16 November 2017



Ambrose Loughlin
Board Member

Date Signed: 16 November 2017

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 manner.

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 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 previous Board's term expired in January 2016 and the current Board was appointed in July 2016. The current Board of the Museum established an Audit & Risk Committee on 15 September 2016 and set the Committee's terms of reference. The new Audit & Risk Committee held its first meeting in October 2016 and met on three occasions in the year ended 31st December 2016. The National Museum of Ireland has outsourced the internal audit function throughout 2016.

These gaps impacted on the operation of the Audit Committee and the development and implementation of an internal audit programme during 2016. The Audit committee met three times during 2016 and one internal audit was conducted. This audit reviewed the operation of controls in relation to 2015.

In late 2016, the Audit and Risk Committee began the process of tendering for a new three year contract of internal audit and by January 2017 had agreed a programme of work for Internal Audit. In late March 2017, the Audit and Risk Committee appointed Mazars as the internal auditors. By September 2017, two internal audits were completed. One of these audits related to the operation of controls during 2016.


The Museum intends to review its risk policy and associated systems and procedures in light of the revised 2016 Code of Governance of State Bodies.

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

Annual Review of Controls

The Board conducted its annual review of the effectiveness of the system of internal financial control during July 2017 in respect of the year ended 31st December 2016.

On behalf of the Board:



**Catherine Heaney
Chair**

Date Signed: 16 November 2017



**Ambrose Loughlin
Board Member**

Date Signed: 16 November 2017

NATIONAL MUSEUM OF IRELAND
STATEMENT OF INCOME AND EXPENDITURE & RETAINED REVENUE RESERVES
YEAR ENDED 31st DECEMBER 2016

Income	Notes	2016 €	2015 €
Oireachtas Income	2	14,484,816	15,622,860
Museum Shop Gross Profit	3	409,725	378,786
Own Resource Income	4	347,744	376,210
Other Income	5	<u>203,053</u>	<u>175,725</u>
Total Income		15,445,338	16,553,581
Expenditure			
Salaries	14	6,619,266	6,235,226
Retirement Benefit costs	15a	2,307,443	2,755,845
Other Administration costs	6	1,376,827	1,486,111
Costs of acquisition, management & display collections	7	3,866,975	3,820,548
Museum Shop running costs	3	385,761	417,118
Expenditure on delivery of Specific Projects	2	636,457	415,694
Own Resource Expenditure	4	81,949	125,669
Project costs		<u>28,889</u>	<u>21,569</u>
Total Expenditure		15,303,567	15,277,780
Net Operating Surplus		141,771	1,275,801
Transfer to Capital account	9	(88,903)	(170,145)
Exceptional Charge	8	<u>(491,951)</u>	<u>0</u>
(Deficit)/Surplus/ for year		(439,083)	1,105,656
Balance at 1st January		1,270,100	164,444
Balance at 31st December		<u>831,017</u>	<u>1,270,100</u>

All income and expenditure for the year relates to continuing activities at the reporting date. The Statement of Cash Flows and notes 1 to 24 form part of these financial statements.

On behalf of the Board:


Catherine Heaney
Chair

Date: 16 November 2017


Ambrose Loughlin
Board Member


Date: 16 November 2017

**NATIONAL MUSEUM OF IRELAND
STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31st DECEMBER 2016**

	Note	2016 €	2015 €
(Deficit)/Surplus for the year		(439,083)	1,105,656
Total Actuarial loss in the year	15e	(6,335,000)	(8,467,000)
Adjustment to deferred retirement benefits funding		6,335,000	8,467,000
Other Comprehensive Income for the year		(439,083)	1,105,656

The notes 1 to 24 form part of these financial statements.

On behalf of the Board:


Catherine Heaney
 Chair
 Date: 16 November 2017


Ambrose Loughlin
 Board Member
 Date: 16 November 2017


**NATIONAL MUSEUM OF IRELAND
STATEMENT OF FINANCIAL POSITION**

AS AT 31st DECEMBER 2016

	Notes	2016 €	2015 €
Non Current Assets			
Property, plant & equipment	10	724,869	635,966
		<u>724,869</u>	<u>635,966</u>
Current Assets			
Museum Shop Inventory	21	172,260	156,279
Receivables	11	327,491	829,446
Cash and cash equivalents		1,693,175	1,760,862
		<u>2,192,926</u>	<u>2,746,587</u>
Creditors: Amounts falling due within one year			
Payables	12	<u>(1,361,909)</u>	<u>(1,476,487)</u>
Net Current Assets		831,017	1,270,100
Total Assets less Current Liabilities		<u>1,555,886</u>	<u>1,906,066</u>
Retirement Benefits			
Retirement benefit obligations	15 (d)	(51,820,000)	(43,500,000)
Deferred retirement benefit funding asset	15 (b)	51,820,000	43,500,000
Total Net Assets		<u><u>1,555,886</u></u>	<u><u>1,906,066</u></u>
Represented by:			
Capital Account	9	724,869	635,966
Retained Revenue Reserves		831,017	1,270,100
		<u><u>1,555,886</u></u>	<u><u>1,906,066</u></u>

The notes 1 to 24 form part of these financial statements.

On behalf of the Board:


Catherine Heaney
Chair
Date: 16 November 2017


Ambrose Loughlin
Board Member
Date: 16 November 2017

**NATIONAL MUSEUM OF IRELAND
STATEMENT OF CASH FLOWS
YEAR ENDED 31st DECEMBER 2016**

	2016	2015
	€	€
<u>Cash Flows from Operating Activities</u>		
Excess of (Expenditure over income)/Income over Expenditure	(439,083)	1,105,656
Transfer to Capital Account	88,903	170,145
Depreciation	258,851	205,812
Decrease/(Increase) in Receivables	501,955	(142,165)
(Decrease)/Increase in Payables	(114,578)	141,835
(Increase) in Inventory	(15,981)	(6,385)
Net Cash Inflow from Operating Activities	280,067	1,474,898
<u>Cash Flows from Investing Activities</u>		
Payments to acquire property, plant & equipment	(347,754)	(375,957)
Net Cash Flows from Investing Activities	(347,754)	(375,957)
Net (Decrease)/Increase in Cash and Cash Equivalents	(67,687)	1,098,941
Cash and cash equivalents at 1st January	1,760,862	661,921
Cash and cash equivalents at 31st December	1,693,175	1,760,862

The notes 1 to 24 form part of these financial statements.

NATIONAL MUSEUM OF IRELAND NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2016

1. Accounting Policies

a) General Information

Establishment of National Museum of Ireland

The National Museum of Ireland was established as an independent body on 3rd 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 2016 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 Finance 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 2016

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 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) 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 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 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 2016

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.

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 and employer 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.

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. As a result of this and the level of uncertainty attaching to the final 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 2016**

2. Oireachtas Income

	2016	2015
	€	€
Oireachtas Grant Current (Vote 3 Subhead A10)	11,162,000	11,346,000
Oireachtas Grant Capital (Vote 3 Subhead A10)	958,000	958,000
Oireachtas Grants for Specific Purposes:		
1916 Exhibition	350,000	500,000
Gallipoli/ANU	112,323	190,000
Museum Masterplan	50,000	
Boardroom & Café works	50,000	
ICT Hardware	60,000	
Amounts recoverable from Department in relation to amounts paid by State Claims Agency	0	263,196
Deferred Funding for pensions	1,985,050	2,533,479
Employee Superannuation Contributions remitted to Department	(242,557)	(244,155)
Transfer of Retained Employee Contributions	0	76,340
	<u>14,484,816</u>	<u>15,622,860</u>

Expenditure of €636,457 relating to grants for specific projects was recognised in the Statement of Income and Expenditure and Retained Revenue Reserves in 2016 (2015: €415,694). A further €161,593 related to expenditure on fixed assets which was capitalised (2015: €318,097).

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. Museum Shop Income & Expenditure

	2016	2015
	€	€
Sales	867,745	849,615
Cost of Sales	(458,020)	(470,829)
Gross Profit	<u>409,725</u>	<u>378,786</u>
Salaries	340,252	355,285
Administration costs	45,509	61,833
Net Profit/(Loss)	<u>23,964</u>	<u>(38,332)</u>

A provision of €62,725 (2015:€75,769) has been made for obsolete and slow moving stock.

**NATIONAL MUSEUM OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2016**

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.

	2016	2015
	€	€
Own Resource Income		
Corporate Hospitality	13,414	12,180
Catering	126,770	120,988
Filming	40,227	143,214
Car Parking	145,656	64,541
Photographic Rights and Reproductions	4,827	13,018
Event Income and Guided tours	741	4,350
Grants Received Amortised	12,833	12,833
Other Income	3,276	5,086
	<u>347,744</u>	<u>376,210</u>
Own Resource Expenditure		
Voluntary Redundancy cost	0	70,169
Advertising and Marketing	21,470	30,742
Consultancy - Masterplanning	20,970	0
Other Expenses	39,509	24,758
	<u>81,949</u>	<u>125,669</u>
Net Own Resource Income	<u>265,795</u>	<u>250,541</u>

5. Other Income

	2016	2015
	€	€
Project income	25,610	30,664
Sponsorship and donations	177,443	145,061
	<u>203,053</u>	<u>175,725</u>

6. Other Administration Costs

		2016	2015
	Note	€	€
Information Technology		394,716	452,037
Travel and Subsistence		67,836	56,066
Board Expenses	17	6,025	10,114
Contracted Staff		203,768	165,679
Administration General		73,151	89,308
Training Costs		75,219	64,276
Human Resource Costs		56,588	40,935
Office Stationery and Supplies		12,349	6,971
Audit Fees		20,000	16,000
Internal Audit		18,166	18,897
Increase in Claims Provision		95,555	275,196
Depreciation Charge	10	258,851	205,812
Telecommunications		94,603	84,820
		<u>1,376,827</u>	<u>1,486,111</u>

**NATIONAL MUSEUM OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS**

YEAR ENDED 31st DECEMBER 2016

7. Costs of acquisition, management & display collections

	2016	2015
	€	€
Services Expenditure		
Exhibition Support	79,377	87,031
Marketing and Advertising	210,127	116,448
Utilities – including Heating, Lighting and Water Charges	849,799	1,023,193
Security	686,755	730,045
Maintenance and Cleaning	298,305	317,089
Postage and Telecommunications	13,277	7,954
Education Programmes	152,995	106,400
Transport and Haulage	24,937	19,354
Photography	37,198	44,989
Office Equipment and Supplies	9,219	10,587
Rent	510,000	529,444
Design	1,296	2,074
	2,873,285	2,994,608
	2016	2015
	€	€
Collections Expenditure		
Investigations/Research	14,959	5,746
Library	40,560	51,711
Conservation Works	24,445	7,184
Academic Publications	19,434	13,868
Online Collections	37,957	2,952
Archives/Documentation	480,608	495,200
Conservation Supplies	15,925	74,696
Storage	137,653	128,233
	771,541	779,590
	2016	2015
	€	€
Acquisition of Artefacts Specimens		
Artefact Purchases*	196,462	34,482
Finders' Rewards	23,021	9,384
Specimens Purchases	2,313	2,484
Miscellaneous Costs	353	0
	222,149	46,350
Total costs associated with acquisition, preservation, management and display of collections	3,866,975	3,820,548

8. Exceptional Charge

	2016	2015
	€	€
Exceptional Charge	491,951	0
	491,951	0

The prior year financial statements recorded a receivable for the full amount of the closing claims provision of €491,951 which was based on the Board's understanding of the Department of Culture, Heritage and the Gaeltacht's position at that time. This receivable was reversed in the year as the Department of Culture, Heritage and the Gaeltacht has not committed to providing funding for these claims.

**NATIONAL MUSEUM OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS**

YEAR ENDED 31st DECEMBER 2016

9. Capital Account

	Notes	2016 €	2015 €
Balance as at 1st January		635,966	465,821
Transfer from the Statement of Income and Expenditure & Retained Revenue Reserves			
To fund property plant & equipment purchases	10	347,754	375,957
Amortisation in line with asset depreciation	10	(258,851)	(205,812)
Amount realised on disposal of property, plant & equipment		0	0
		<u>88,903</u>	<u>170,145</u>
Baiaance as at 31st December		<u>724,869</u>	<u>635,966</u>

10. Property, Plant & Equipment

	Information		Exhibition		Total €
	Equipment €	Technology €	Furniture €	Assets €	
<u>COST OR VALUATION</u>					
As at 1st January 2016	2,946,604	1,556,599	796,804	3,207,407	8,507,414
Additions	26,700	226,538	0	94,516	347,754
Disposals	(31,112)	(32,528)	0	(10,799)	(74,439)
As at 31st December 2016	<u>2,942,192</u>	<u>1,750,609</u>	<u>796,804</u>	<u>3,291,124</u>	<u>8,780,729</u>
<u>ACCUMULATED DEPRECIATION</u>					
As at 1st January 2016	2,895,402	1,480,867	743,716	2,751,463	7,871,448
Depreciation charge for period	21,513	84,318	20,879	132,141	258,851
Disposals	(31,112)	(32,528)	0	(10,799)	(74,439)
As at 31st December 2016	<u>2,885,803</u>	<u>1,532,657</u>	<u>764,595</u>	<u>2,872,805</u>	<u>8,055,860</u>
<u>NET BOOK VALUES</u>					
As at 31st December 2016	<u>56,389</u>	<u>217,952</u>	<u>32,209</u>	<u>418,319</u>	<u>724,869</u>
As at 31st December 2015	<u>51,202</u>	<u>75,732</u>	<u>53,088</u>	<u>455,944</u>	<u>635,966</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 2016

11. Receivables

	Note	2016 €	2015 €
Prepayments		288,026	277,831
State Claims Recoverable amounts	8	0	491,951
Accounts Receivable		18,840	36,258
Employee Schemes (Travel Pass etc.)		20,625	23,406
		<u>327,491</u>	<u>829,446</u>

12. Payables

Creditors: Amounts falling due within 1 year

		2016 €	2015 €
Trade Creditors		61,050	64,503
Claims Provision	19	587,506	491,951
Accruals		413,048	649,539
Holiday Pay Accrual		76,527	40,504
VAT		15,455	48,505
Payroll Deductions:			
Employee Retirement Benefit Contributions		17,509	0
PAYE/PRSI		190,814	181,434
Other		0	51
		<u>1,361,909</u>	<u>1,476,487</u>

13. Lease Commitments

NMI has commitments of €510,000 (2015: €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 total of future minimum lease payments under the non-cancellable operating lease is as follows:

	2016 €	2015 €
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	7,490,836	8,350,836
	<u>11,440,836</u>	<u>12,300,836</u>

**NATIONAL MUSEUM OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2016**

14. Salaries

a) Employee Costs

	2016 €	2015 €
Salaries - Curatorial Services & Administration	6,619,266	6,235,226
Salaries - Museum Shop	340,252	355,285
	6,959,518	6,590,511

Total number of staff employed by the National Museum of Ireland as at 31st December 2016 was 157 (2015: 154). This comprises 136.7 (2015:135.8) full time equivalent core posts and 11.2 (2015:9.1) Museum Shop posts.

In 2016 €249,543 (2015: €325,740) of pension levy has been deducted and paid over to the Department of Culture, Heritage and the Gaeltacht.

b) Employee Benefits Breakdown

Range of total employee benefits at year end		Number of Employees	
From	To	2016	2015
€ 0 -	€24,999	15	14
€ 25,000 -	€29,999	34	29
€ 30,000 -	€39,999	46	52
€ 40,000 -	€49,999	13	21
€ 50,000 -	€59,999	16	12
€ 60,000 -	€69,999	14	15
€ 70,000 -	€79,999	4	5
€ 80,000 -	€89,999	3	3
€ 90,000 -	€99,999	3	3

c) Director's Remuneration

In 2016 the Director of the Museum was paid an annual basic salary of €95,816 (2015: €97,791). The superannuation entitlements of the Director are the standard entitlements of the public sector defined benefit superannuation scheme. In 2016 the Director of the Museum incurred expenses of €3,166 (2015: €1,521).

d) Severance Payments

There were severance payments totalling €133,293 made by the NMI in 2016 under the Public Service Voluntary Redundancy Scheme.

15. Retirement Benefit Costs

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

	2016 €	2015 €
Current Service cost	1,500,000	1,300,000
Interest on defined benefit scheme liabilities	1,050,000	1,700,000
Employee Contributions	(242,557)	(244,155)
	2,307,443	2,755,845

**NATIONAL MUSEUM OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2016**

b) Deferred Funding Asset for Pensions

NMI recognises these amounts of €51,820,000 (2015: €43,500,000) as an asset corresponding to the unfunded deferred liability for retirement benefits on the basis of a number of past events. These events 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:

	2016 €	2015 €
Funding recoverable in respect of current year retirement benefit costs	2,550,000	3,000,000
State Grant applied to pay retirement benefits	<u>(564,950)</u>	<u>(466,521)</u>
	<u>1,985,050</u>	<u>2,533,479</u>

The deferred funding asset for retirement benefits as at 31st December 2016 amounted to €51,820,000 (2015: €43,500,000)

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

	2016 €	2015 €
Net retirement benefit obligation at 1 January	(43,500,000)	(32,500,000)
Current Service Cost	(1,500,000)	(1,300,000)
Interest Costs	(1,050,000)	(1,700,000)
Actuarial (Loss)/gain	(6,335,000)	(8,467,000)
Pensions paid in the year	565,000	467,000
Net retirement benefit obligation at 31 December	<u>(51,820,000)</u>	<u>(43,500,000)</u>

e) History of Defined Benefit Obligations

	2016 €	2015 €	2014 €
Defined benefit obligations	51,820,000	43,500,000	32,500,000
Experience (losses)/gains on Scheme Liabilities amount	(6,335,000)	(8,467,000)	2,555,000
Percentage of Scheme Liabilities	(12%)	(19%)	8%

The cumulative actuarial loss recognised in the Statement of Comprehensive Income amounts to €4,604,000 (2015: Gain €1,731,000).

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 (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.

**NATIONAL MUSEUM OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2016**

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 14th June 2017 by a qualified actuary taking account of the requirements of the FRS in order to assess the scheme liabilities at 31st December 2016.

The principal actuarial assumptions were as follows:

	2016	2015
Discount Rate	1.85%	2.35%
Rate of increase in salaries	2.50%	2.50%
Rate of increase in pensions in payment	2.50%	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 2016 and 2036.

Year of attaining age 65	2016	2036
Life expectancy years – male	21.1	23.6
Life expectancy years – female	23.6	25.7

16. 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. All 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.

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 Commissioners of Public Works agreed to a subvention of €350,000 for the year commencing 1 January 2016.

17. Board Members 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 no fees paid to Board members during 2016 as the Board members voluntarily agreed to forgo their fees for 2016.

In January 2016 the final meeting of the previous Board was held. Some of the previous Board members terms ended in December 2015, and the members listed below are those that remained

**NATIONAL MUSEUM OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2016**

In January 2016. Details of expenses paid to the previous Board members and meetings attended during 2016 are listed below:

Member	Expenses €	No. of Board Meetings attended
Ms Mary Crotty	-	1
Ms Mairín de Brún	-	1
Ms Dervilla Donnelly	-	1
Dr. Chris Nicholas	-	0
Prof. Gearóid Ó'Tuathaigh	-	1
Prof. Peter Woodman	-	1
Total	-	

A new Board was appointed by the Minister for Culture, Heritage and the Gaeltacht on 6th July 2016. There were 4 Board meetings and 3 Audit Committee meetings held by the new board during 2016. Details of expenses paid to the new Board members and meetings attended during 2016 are listed below:

Member	Expenses €	No. of Board Meetings attended	No. of Audit Committee Meetings attended
Ms Catherine Heaney (Chair)	-	4	
Mr John Bowen	-	4	2
Ms Mary Crotty	-	3	
Prof. Ingrid Hook	-	3	
Prof. Kathleen James- Chakraborty	-	4	
Mr Ambrose Loughlin	-	4	3
Ms Judith McCarthy	-	4	
Ms Denise Moroney	-	3	
Mr Declan Nelson	-	3	3
Prof. Mary O'Dowd	167	3	
Prof. Gearóid Ó'Tuathaigh	-	3	
Dr. Andrew Power	-	3	
Ms Lynn Scarff	-	3	
Ms Virginia Teehan	-	3	
Mr Aidan Walsh	541	3	
Ms Karen Wilson	-	3	
Total	708		

Other costs associated with Board Meetings, totalling €5,317, were incurred during 2016.

**NATIONAL MUSEUM OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2016**

18. 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

The National Museum's collection is curated by four separate collecting departments:

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

Folklife Collections. 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 2016

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 - An outsourced inventory project began in March 2009. To date (end of April 2017) 671,739 individual records have been created. According to the original five-year Documentation Plan the collection total is estimated at 4 million and the number of objects requiring individual inventory entries is 789,000; other, larger research collections will be group-recorded. All of this should result in approximately 900,000 object records.

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 2016**

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.

19. Provisions

The financial statements record a year end claims provision amount of €587,506 (2015: €491,951) in respect of 8 claims being handled by the State Claims Agency (2015: 7 cases). Five of these claims relate to public liability cases and three claims relate to employer liability cases. Of these cases, 5 cases have been concluded by the State Claims Agency on behalf of the Museum while 3 public liability cases remain active.

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

	2016	2015
	€	€
Provision at 1 January	491,951	228,755
Net increase in provision	95,555	263,196
Provision at 31 December	<u>587,506</u>	<u>491,951</u>

20. Contingencies

Other than the items referred to in Note 19 (Provisions) and Note 22 (Events after the reporting period), there are no contingencies or legal actions which require specific provision in the Financial Statements.

21. Museum Shop Inventory

Stocks are valued at the average cost method.

	2016	2015
	€	€
Stock of re-saleable goods	234,985	232,048
Obsolete Stock Provision	(62,725)	(75,769)
	<u>172,260</u>	<u>156,279</u>

22. Events after the reporting period

No provision has been made in these Financial Statements in respect of a legal case which commenced against the Museum in 2017.

NATIONAL MUSEUM OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2016

23. Related Party Disclosures

Key management personnel consist of the Director and members of the Board of Directors. Total compensation paid to key management personnel, including Board members' fees and expenses and total Director remuneration, amounted to €99,690 (2015: €102,456). There are no other transactions with related parties.

For a breakdown of the remuneration and benefits paid to key management personnel, please refer to Note 14c and Note 17.

24. Approval of Financial Statements

The Board approved the financial statements on 16 November 2017.