

**The National Museum of Ireland
Financial Statements
Year Ended
31st December 2015**

NATIONAL MUSEUM OF IRELAND

<u>TABLE OF CONTENTS</u>	<u>Page</u>
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 2015.

The term of the previous board expired in January 2016 and a new Board was appointed on 6th July 2016 for a term of 5 years. The new members of the Board comprise:

Catherine Heaney (Chair)	Declan Nelson
John Bowen	Mary O'Dowd
Mary Crotty (re-appointed)	Gearóid Ó Tuathaigh (re-appointed)
Ingrid Hook	Andrew Power
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 Arts, Heritage and the Gaeltacht. In preparing those financial statements, the Board is required to:

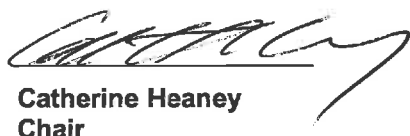
- Select suitable accounting policies and then apply them consistently for the purpose of showing a true and fair view of the state of the National Museum's affairs.
- Make judgements and estimates that are reasonable and prudent.
- Prepare the financial statements on a going concern basis.
- Disclose 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.

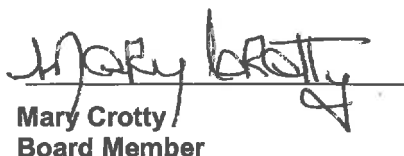
The Board is also responsible for safeguarding the assets of the Museum and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board:



Catherine Heaney
Chair

Date Signed: 29th December 2016



Mary Crotty
Board Member

Date Signed: 29th December 2016

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

- Identifying the nature, extent and financial implication of risks facing the Museum, 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 7 occasions in the year ended 31st December 2015. The National Museum of Ireland has outsourced the internal audit function throughout 2015.

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

The Board did not conduct a review of the effectiveness of the system of internal financial control in respect of the year ended 31st December 2015 however this review is scheduled to take place in January 2017. Due to the appointment of a new Audit Committee in late 2016 there was no opportunity to present to the Board the findings of the internal audits review of the effectiveness of the system of internal financial controls which was carried out during March 2016.

On behalf of the Board:



Catherine Heaney - Chair

Date: 29th December 2016

NATIONAL MUSEUM OF IRELAND
STATEMENT OF INCOME AND EXPENDITURE & RETAINED REVENUE RESERVES
YEAR ENDED 31st DECEMBER 2015

		2015	2014
	Notes	€	€
Income			
Oireachtas Income	2	15,622,860	14,828,504
Museum Shop Gross Profit	3	378,786	222,776
Own Resource Income	4	376,210	219,789
Other Income	5	<u>175,725</u>	<u>93,528</u>
Total Income		16,553,581	15,364,597
Expenditure			
Salaries	13	6,235,226	6,706,011
Retirement Benefit costs	14a	2,755,845	3,072,659
Other Administration costs	6	1,486,111	1,007,531
Costs of acquisition, management & display collections	7	3,820,548	3,796,418
Museum Shop running costs	3	417,118	425,091
Expenditure on delivery of Specific Projects	2	415,694	606,608
Own Resource Expenditure	4	125,669	48,795
Project costs		<u>21,569</u>	<u>47,126</u>
Total Expenditure		15,277,780	15,710,239
Net Operating Surplus/(Deficit)		1,275,801	(345,642)
Transfer to Capital account		<u>(170,145)</u>	<u>(40,663)</u>
Surplus/(deficit) for year		1,105,656	(386,305)
Balance at 1st January		<u>164,444</u>	<u>550,749</u>
Balance at 31st December		<u>1,270,100</u>	<u>164,444</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 22 form part of these financial statements.

On behalf of the Board:


Catherine Heaney
 Chair

Date: 29th December 2016


Mary Crofty
 Board Member

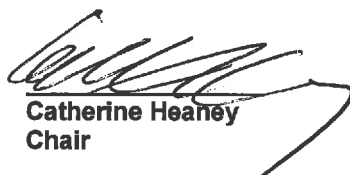
Date: 29th December 2016

**NATIONAL MUSEUM OF IRELAND
STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31st DECEMBER 2015**

		2015	2014
		€	€
Surplus/(Deficit) for the year		1,105,656	(386,305)
Total Actuarial (loss)/gain in the year	14(e)	(8,467,000)	2,555,000
Adjustment to deferred retirement benefits funding		<u>8,467,000</u>	<u>(2,555,000)</u>
Other Comprehensive Income for the year		<u>1,105,656</u>	<u>(386,305)</u>

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

On behalf of the Board:


Catherine Heaney
Chair
Date: 29th December 2016


Mary Crotty
Board Member
Date: 29th December 2016

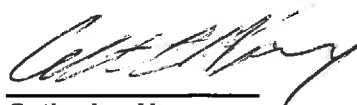
**NATIONAL MUSEUM OF IRELAND
STATEMENT OF FINANCIAL POSITION**

AS AT 31st DECEMBER 2015

	Notes	2015 €	2014 €
Fixed Assets			
Property, plant & equipment	9	635,966	465,821
		<u>635,966</u>	<u>465,821</u>
Current assets			
Museum Shop Inventory	20	156,279	149,894
Receivables	10	829,446	687,281
Cash and cash equivalents		1,760,862	661,921
		<u>2,746,587</u>	<u>1,499,096</u>
Creditors: Amounts falling due within one year			
Payables	11	<u>(1,476,487)</u>	<u>(1,334,652)</u>
Net Current Assets		1,270,100	164,444
Total Assets less current liabilities		<u>1,906,066</u>	<u>630,265</u>
Retirement Benefits			
Retirement benefit obligations	14 (d)	(43,500,000)	(32,500,000)
Deferred retirement benefit funding asset	14 (b)	43,500,000	32,500,000
Total Net Assets		<u><u>1,906,066</u></u>	<u><u>630,265</u></u>
Represented by:			
Capital Account	8	635,966	465,821
Retained revenue reserves		1,270,100	164,444
		<u><u>1,906,066</u></u>	<u><u>630,265</u></u>

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

On behalf of the Board:



Catherine Heaney
Chair

Date: 29th December 2016



Mary Crotty
Board Member

Date: 29th December 2016

**NATIONAL MUSEUM OF IRELAND
STATEMENT OF CASH FLOWS
YEAR ENDED 31st DECEMBER 2015**

	2015 €	2014 €
<u>Cash Flows from Operating Activities</u>		
Excess of Income over Expenditure	1,105,656	(386,305)
Transfer to Capital Reserve	170,145	40,663
Depreciation and impairment of fixed assets	205,812	182,599
(Increase)Decrease in Receivables	(142,165)	360,861
Increase/(Decrease)/ in Payables	141,835	(328,495)
(Decrease)/Increase in Inventory	(6,385)	63,861
Net Cash Inflow/(Outflow) from Operating Activities	<u>1,474,898</u>	<u>(66,816)</u>
<u>Cash Flows from Investing Activities</u>		
Payments to acquire property, plant & equipment	(375,957)	(223,291)
Disposal of fixed assets	0	29
Net Cash Flows from Investing Activities	<u>(375,957)</u>	<u>(223,262)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	<u>1,098,941</u>	<u>(290,078)</u>
Cash and cash equivalents at 1st January	661,921	951,999
Cash and cash equivalents at 31st December	<u>1,760,862</u>	<u>661,921</u>

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

NATIONAL MUSEUM OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2015

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 member 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 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.

b) Statement of Compliance

The National Museum of Ireland is a Public Benefit Entity. The financial statements for the year ended 31 December 2015 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. These are the first set of financial statements prepared in accordance with FRS 102. The date of transition to FRS 102 is 1 January 2014. The transition to FRS102 has not affected its reported financial position or financial performance.

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 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. 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 17.

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 2015

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 expensed 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.

f) Income Recognition

Grants from the Department of Arts, Heritage and the Gaeltacht are accounted for on an accruals basis and represent cash grants receivable in the year.

g) Shops

Retail Shops are operated by the Museum. Inventory is valued at 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 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.

NATIONAL MUSEUM OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2015

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 Arts, 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 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 Comprehensive Income 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.

New entrant staff, employed by the Museum after 1 January 2014 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 Income & Expenditure Account 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 2015**

2. Oireachtas Income

	2015	2014
	€	€
Oireachtas Grant Current (Vote 3 Subhead A10)	11,346,000	10,500,000
Oireachtas Grant Capital (Vote 3 Subhead A10)	958,000	958,000
Oireachtas Grants for Specific Purposes:		
1916 Exhibition	500,000	
Gallipoli/ANU	190,000	90,000
History of Ireland		461,147
Battle of Clontarf		104,000
Ib Jorgensen		65,000
World War 1		40,000
Samhain 2014		19,184
Amounts recoverable from Department in relation to amounts paid by State Claims Agency	263,196	(17,808)
Deferred Funding for pensions	2,533,479	2,655,250
Employee Superannuation Contributions remitted to Department	(244,155)	(227,341)
Transfer of Retained Employee Contributions	76,340	181,072
	<u>15,622,860</u>	<u>14,828,504</u>

Expenditure of €415,694 relating to grants for specific projects was recognised in the Statement of Income and Expenditure and Retained Revenue Reserves in 2015 (2014:€606,608). A further €318,097 related to expenditure on fixed assets which was capitalised (2014: €187,161).

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 Arts, Heritage and the Gaeltacht and the sanction of the Department of Public Expenditure and Reform.

3. Museum Shop Income & Expenditure

	2015	2014
	€	€
Sales	849,615	724,619
Costs of sales	<u>470,829</u>	<u>501,843</u>
Gross Profit	378,786	222,776
Salaries	355,285	360,740
Administration	<u>61,833</u>	<u>64,351</u>
Net Profit/(Loss)	<u>(38,332)</u>	<u>(202,315)</u>

A provision of €75,769 (2014:€134,675) has been made for obsolete and slow moving stock.

**NATIONAL MUSEUM OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2015**

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.

	2015 €	2014 €
Own Resource Income		
Corporate Hospitality	12,180	16,124
Catering	120,988	133,948
Filming	143,214	6,450
Car Parking	64,541	28,452
Photographic Rights and Reproductions	13,018	10,234
Guided Tours	4,350	520
Grants Received Amortised	12,833	12,833
Other Income	5,086	11,228
	<u>376,210</u>	<u>219,789</u>
Own Resource Expenditure		
Voluntary Redundancy cost	70,169	0
Advertising and Marketing	30,742	31,882
Other Expenses	24,758	16,913
	<u>125,669</u>	<u>48,795</u>
Net Own Resource Income	<u>250,541</u>	<u>170,994</u>

5. Other Income

	2015 €	2014 €
Project Income	30,664	7,046
Sponsorship & donations	145,061	85,962
Bank Interest	0	520
	<u>175,725</u>	<u>93,528</u>

6. Other Administration Costs

	Note	2015 €	2014 €
Information Technology		452,037	454,034
Travel and Subsistence		56,066	34,266
Board Expenses	16	10,114	10,937
Consultancy		165,679	105,902
Administration General		89,308	38,258
Training Costs		64,276	23,775
Human Resource Costs		40,935	27,528
Office Stationery and Supplies		6,971	5,551
Audit Fees		16,000	20,136
Internal Audit		18,897	18,674
Settlement of Claims		275,196	(34,122)
Depreciation Charge	9	205,812	182,599
Telecommunications		84,820	119,993
		<u>1,486,111</u>	<u>1,007,531</u>

**NATIONAL MUSEUM OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2015**

7. Costs of acquisition, management and display collections

	2015	2014
	€	€
Services Expenditure		
Exhibition Support	87,031	88,555
Marketing and Advertising	116,448	76,232
Utilities – including Heating, Lighting and Water Charges	1,023,193	1,047,502
Security	730,045	738,105
Maintenance and Cleaning	317,089	263,367
Postage and Telecommunications	7,954	19,444
Education Programmes	106,400	32,260
Transport and Haulage	19,354	15,828
Photography	44,989	42,950
Office Equipment and Supplies	10,587	4,062
Rent	529,444	559,047
Design	2,074	0
	<u>2,994,608</u>	<u>2,887,352</u>
	2015	2014
	€	€
Collections Expenditure		
Investigations/Research	5,746	0
Library	51,711	107,598
Conservation Works	7,184	5,335
Academic Publications	13,868	26,572
Dublin Excavations	2,952	85,667
Archives/Documentation	495,200	438,051
Conservation Supplies	74,696	45,468
Storage	128,233	134,737
	<u>779,590</u>	<u>843,428</u>
	2015	2014
	€	€
Acquisition of Artefacts Specimens		
Artefact Purchases*	34,482	20,958
Finders' Rewards	9,384	44,594
Specimens Purchases	2,484	69
Miscellaneous Costs	0	17
	<u>46,350</u>	<u>65,638</u>
	2015	2014
	€	€
Total costs associated with acquisition, preservation, management and display of collections	<u><u>3,820,548</u></u>	<u><u>3,796,418</u></u>

*Artefact purchases for 2013 and 2012 were €6,357 and €18,650 respectively.

NATIONAL MUSEUM OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2015

8. Capital Account

	Notes	2015 €	2014 €
Balance as at 1st January		465,821	425,158
Transfer from the Statement of Income and Expenditure & Retained Revenue Reserves			
To fund property, plant & equipment purchases	9	375,957	223,291
Amortisation in line with asset depreciation	9	(205,812)	(182,599)
Amount realised on disposal of property, plant & equipment		<u>0</u>	<u>(29)</u>
		<u>170,145</u>	<u>40,663</u>
Balance as at 31st December		<u>635,966</u>	<u>465,821</u>

9. Property, Plant & Equipment

	Equipment	Information Technology	Furniture	Exhibition Assets	Total
<u>COST OR VALUATION</u>	€	€	€	€	€
As at 1st January 2015	2,923,062	1,517,720	796,804	2,893,871	8,131,457
Additions	23,542	38,879	-	313,536	375,957
Disposals	-	-	-	-	-
As at 31st December 2015	<u>2,946,604</u>	<u>1,556,599</u>	<u>796,804</u>	<u>3,207,407</u>	<u>8,507,414</u>
<u>ACCUMULATED DEPRECIATION</u>					
As at 1st January 2015	2,874,994	1,433,212	703,788	2,653,642	7,665,636
Depreciation charge for period	20,408	47,655	39,928	97,821	205,812
Disposals	-	-	-	-	-
As at 31st December 2015	<u>2,895,402</u>	<u>1,480,867</u>	<u>743,716</u>	<u>2,751,463</u>	<u>7,871,448</u>
<u>NET BOOK VALUES</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>
As at 31st December 2014	<u>48,068</u>	<u>84,508</u>	<u>93,016</u>	<u>240,229</u>	<u>465,821</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 2015

10. Receivables

	Note	2015 €	2014 €
Prepayments		277,831	315,561
State Claims Agency recoverable amounts	18	491,951	228,755
Department of Arts, Heritage and Gaeltacht grant receivable		0	104,000
Accounts Receivable		36,258	15,250
Employee Schemes (Travel Pass etc.)		23,406	23,715
		<u>829,446</u>	<u>687,281</u>

11. Payables

Creditors: Amounts falling due within 1 year

		2015 €	2014 €
Trade Creditors		64,503	5,991
State Claims Agency Provision	18	491,951	228,755
Accruals		649,539	579,738
Holiday Pay Accrual		40,504	204,395
VAT		48,505	48,852
Payroll Deductions:			
Employee Retirement Benefit Contributions		0	76,340
PAYE/PRSI		181,434	134,940
Other		51	55,641
		<u>1,476,487</u>	<u>1,334,652</u>

Employee Retirement Benefit contributions of €1,034m were deducted from NMI employees from 1 January 2006 (when the NMI became an autonomous body) up to 31 December 2010. During 2014 the National Museum of Ireland received sanction from the Department of Arts, Heritage & the Gaeltacht to use €1.034m of retained retirement benefit contributions as income, in order to assist with the costs of an exceptional level of additional retirement benefit costs at the NMI that could not be met from the museum's annual allocation. An amount of €76,340 (2014: €181,072) is reflected in the Statement of Income and Expenditure and Retained Revenue Reserves in 2015.

12. Lease Commitments

NMI has commitments of €510,000 (2014: €510,000) 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 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 agreed to a subvention of €350,000 for the two years commencing 1 January 2014.

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

	2015 €	2014 €
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	8,350,836	9,210,836
	<u>12,300,836</u>	<u>13,160,836</u>

**NATIONAL MUSEUM OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2015**

13. Salaries

a) Employee Costs

	2015	2014
	€	€
Salaries - Curatorial Services & Administration	6,235,226	6,706,011
Salaries - Museum Shop	355,285	360,740
	6,590,511	7,066,751

Total number of staff employed by the National Museum of Ireland as at 31st December 2015 was 154 (2014: 150). This comprises 135.8 (2014:131.7) full time equivalent core posts and 9.1 (2014:10.2) Museum Shop posts. The Employment Control Framework number in 2015 was 145 (2014:136). The ECF Calculation for the NMI does not include Museum retail staff.

In 2015 €325,740 (2014: €357,220) of pension levy has been deducted and paid over to the Department of Arts, Heritage and the Gaeltacht.

b) Employee Benefits Breakdown

Range of total employee benefits		Number of Employees	
From	To	2015	2014
€ 0	- €19,999	14	12
€ 20,000	- €29,999	29	26
€ 30,000	- €39,999	52	56
€ 40,000	- €49,999	21	18
€ 50,000	- €59,999	12	18
€ 60,000	- €69,999	15	10
€ 70,000	- €79,999	5	7
€ 80,000	- €89,999	3	0
€ 90,000	- €99,999	3	3

c) Director's Remuneration

In 2015 the Director of the Museum was paid an annual basic salary of €97,791 (2014:€96,148). The superannuation entitlements of the Director are the standard entitlements of the public sector defined benefit superannuation scheme.

In 2015 the Director of the Museum incurred expenses of €1,521 (2014:€1,109).

**NATIONAL MUSEUM OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2015**

14. Retirement Benefit Costs

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

	2015	2014
	€	€
Current Service cost	1,300,000	1,500,000
Interest on defined benefit scheme liabilities	1,700,000	1,800,000
Employee Contributions	<u>(244,155)</u>	<u>(227,341)</u>
	<u>2,755,845</u>	<u>3,072,659</u>

b) Deferred Funding Asset for Pensions

NMI recognises these amounts 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:

	2015	2014
	€	€
Funding recoverable in respect of current year retirement benefit costs	3,000,000	3,300,000
State Grant applied to pay retirement benefits	<u>(466,521)</u>	<u>(644,750)</u>
	<u>2,533,479</u>	<u>2,655,250</u>

The deferred funding asset for retirement benefits as at 31st December 2015 amounted to €43,500,000 (2014: €32,500,000)

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

	2015	2014
	€	€
Net retirement benefit obligation at 1 January	(32,500,000)	(32,400,000)
Current Service Cost	(1,300,000)	(1,500,000)
Interest Costs	(1,700,000)	(1,800,000)
Actuarial (Loss)/gain	(8,467,000)	2,555,000
Pensions paid in the year	467,000	645,000
Net retirement benefit obligation at 31 December	<u>(43,500,000)</u>	<u>(32,500,000)</u>

e) History of Defined Benefit Obligations

	2015	2014	2013
	€	€	€
Defined benefit obligations	43,500,000	32,500,000	30,400,000
Experience (losses)/gains on Scheme Liabilities amount	(8,467,000)	2,555,000	715,000
Percentage of Scheme Liabilities	(19%)	8%	2%

The cumulative actuarial gain recognised in the Statement of Comprehensive Income amounts to €1,731,000 (2014:€10,198,000).

**NATIONAL MUSEUM OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2015**

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.

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 3rd May 2016 by a qualified actuary taking account of the requirements of the FRS in order to assess the scheme liabilities at 31st December 2015.

The principal actuarial assumptions were as follows:

	2015	2014
Discount Rate	2.35%	5.50%
Rate of increase in salaries	2.50%	4.00%
Rate of increase in pensions in payment	2.50%	4.00%
Inflation Rate	1.75%	2.00%

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 2015, 2030 and 2050.

Year of attaining age 65	2015	2030	2050
Life expectancy – male	22	22	22
Life expectancy – female	25	25	25

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 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.

**NATIONAL MUSEUM OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2015**

- 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 2 years commencing 1 January 2014.

16. 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 9 Board meetings and 8 Audit Committee meetings held during 2015.

There were no fees paid to Board members during 2015 as the Board members voluntarily agreed to forgo their fees for 2015.

Details of expenses paid to Board members and meetings attended during 2015 are listed below:

Member	Expenses €	No. of Board Meetings attended	No. of Audit Committee Meetings attended
Gerard Collins	-	4	
Mary Crotty	-	8	
Mairín de Brún	-	8	
Dervilla Donnelly	-	9	8
Eileen Jackson	-	7	
Olivier Kazmierczak	-	5	
Paul Kelly	-	3	8
Eamonn McEaney	527	8	
Fergus McKenna O'Hagan	-	8	
Chris Nicholas	-	3	
John O'Mahony (Chairman)	-	8	
Gearóid Ó Tuathaigh	-	5	
Mary Sleeman	-	5	
Eamonn Stack*	3,801	7	5
Peter Woodman	459	7	
Total	4,787		

Other costs associated with Board Meetings, totalling €5,327, were incurred during 2015.

*Includes expenses for attendance at audit committee meetings.

NATIONAL MUSEUM OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2015

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

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. 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 2015

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 June 2016) 595,846 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 2015**

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. State Claims Agency Provision & Asset

Claims pending - There are currently seven separate claims under management of the State Claims Agency in relation to the NMI - four claims relating to public liability and three claims relate to employer’s liability.

The NMI does not take out 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. This indemnity should apply in relation to all claims against the National Museum of Ireland. This indemnity should cover all claims that have arisen to date and are outstanding and in respect of all future liability claims against the National Museum of Ireland.

The Department of Arts, Heritage and the Gaeltacht has indicated that the payment of the damages and costs associated with these cases must be channelled through the NMI. 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.

In accordance with FRS102.21 all of the above claims totalling €491,951 (2014: €228,755) have been recognised in the Income & Expenditure Account and as a liability in the Balance Sheet.

On the basis that the NMI is not legally liable for any other current or future claims, the Board is now seeking clarification from the Department of Arts, Heritage and the Gaeltacht regarding funding of these claims. 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 in relation to these claims. The Board is of the view that the liability for all current and future claims lies with the Commissioners for Public Works and the Department of Arts, Heritage and the Gaeltacht, as agents for the State. It is the Board’s understanding that the Department of Arts, Heritage and the Gaeltacht is agreeable to this understanding and written confirmation is awaited by the Board from the Department in this respect.

On this basis, the NMI is providing a corresponding Debtors provision in the 2015 Financial Statements.

	Total Claims
	€
Provision at 1 January 2015	228,755
Increase in provision	263,196
Provision at 31 December 2015	<u>491,951</u>

**NATIONAL MUSEUM OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2015**

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. Museum Shop Inventory

Stocks are valued at the average cost method.

	2015	2014
	€	€
Stock of re-saleable goods	232,048	284,569
Obsolete Stock Provision	(75,769)	(134,675)
	<u>156,279</u>	<u>149,894</u>

21. 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 €102,456 (2014: €106,151). 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 13c and Note 16.

22. Approval of Financial Statements

The Board approved the financial statements on 17 November 2016.