

**The National Museum of Ireland  
Financial Statements  
Year Ended  
31st December 2014**

# NATIONAL MUSEUM OF IRELAND

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# NATIONAL MUSEUM OF IRELAND

## STATEMENT OF RESPONSIBILITIES OF THE BOARD

The National Museum of Ireland (NMI) presents its report for the year ended 31st December 2014.

### **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 proper books of account, which disclose with reasonable accuracy at any time the financial position of the Museum and enable them to ensure that the financial statements comply with Section 35 of the National Cultural Institutions Act, 1997.

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

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

### **On behalf of the Board:**

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**Dr John O'Mahony SC**  
Chairman

**Date Signed: 25 September 2015**

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**Mary Crotty**  
Board Member

**Date Signed: 25 September 2015**

# 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 2014. The National Museum of Ireland has outsourced the internal audit function throughout 2014.

# NATIONAL MUSEUM OF IRELAND

## STATEMENT ON INTERNAL FINANCIAL CONTROL.....continued

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

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

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

### ***Annual Review of Controls***

A review of the effectiveness of the system of internal financial control was carried out during July 2015 in respect of the year ended 31st December 2014.

### **On behalf of the Board:**

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**Dr John O'Mahony SC - Chairman**

**Date: 25 September 2015**

# NATIONAL MUSEUM OF IRELAND

## STATEMENT OF ACCOUNTING POLICIES

### 1. Basis of Accounting

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

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

### 2. Heritage Assets and Collections

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

Heritage assets are currently not reflected in the Balance Sheet. This is because ownership of the assets rests with the State, the diverse nature of objects held, the number of objects and the lack of comparable market values.

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

The National Museum of Ireland charges expenditure on heritage objects to the Income and Expenditure account in the year of purchase.

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

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

### 3. Tangible Fixed Assets and Depreciation

Tangible fixed assets are shown at cost less accumulated depreciation.

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

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

• Equipment	20%
• Information Technology	33.33%
• Financial Management System	20%
• Furniture	10%
• Exhibition Assets	20%

### 4. Income Recognition

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

### 5. Shops

Retail Shops are operated by the Museum. Stock is valued at the lower of cost or net realisable value.

# **NATIONAL MUSEUM OF IRELAND**

## **STATEMENT OF ACCOUNTING POLICIES**

### **6. Capital Account**

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

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

### **7. Superannuation**

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

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

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

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

Pension costs reflect pension benefits earned by staff in the period and are shown net of staff pension deductions which are 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 Total Recognised Gains and Losses and a corresponding adjustment is recognised in the amount recoverable from the Department of Arts, Heritage and the Gaeltacht.

Pension liabilities represent the present value of future pension payments earned by staff to date. Deferred pension funding represents the corresponding asset, to be recovered in future periods from the Department of Arts, Heritage and the Gaeltacht.

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.

### **8. Leases**

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

### **9. Capital Grants**

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

**NATIONAL MUSEUM OF IRELAND**  
**INCOME AND EXPENDITURE ACCOUNT**  
**YEAR ENDED 31<sup>st</sup> DECEMBER 2014**

	Notes	2014 €	2014 €	2013 €	2013 €
<b>INCOME</b>					
Oireachtas Grant	3(a)		11,458,000		11,773,541
Oireachtas Grant for Specific Projects	3(b)		779,331		0
Museum Shop Sales	2	724,619		627,055	
Cost of Sales		<u>(501,843)</u>		<u>(553,342)</u>	
Museum Shop Gross Profit			222,776		73,713
Project Income			7,046		0
Own Resource Income	3(c)		219,789		172,813
Sponsorship and Donations			85,962		92,112
State Claims Agency amounts recoverable	18		(17,808)		304,250
Deposit Interest Received			520		1,339
Deferred Funding for Pensions in Year	14(c)		2,655,250		2,715,000
Employee Superannuation Contributions remitted to the Department	14(a)		(227,341)		(236,556)
Transfer of Retained Employee Superannuation Contributions	11		181,072		103,848
<b>TOTAL INCOME</b>			<u><b>15,364,597</b></u>		<u><b>15,000,060</b></u>
<b>EXPENDITURE</b>					
Administration	5		7,713,542		8,256,063
Services	6		2,887,352		3,316,299
Collections	7		843,428		789,549
Artefacts/Specimens	8		65,638		68,763
Museum Shop Expenses	2		425,091		424,289
Costs in relation to grants awarded for Specific Projects	3(b)		606,608		0
Project Costs			47,126		0
Own Resource Expenditure	3(c)		48,795		49,221
Pension Costs	14(a)		<u>3,072,659</u>		<u>2,863,444</u>
<b>TOTAL EXPENDITURE</b>			<u><b>15,710,239</b></u>		<u><b>15,767,628</b></u>
<b>NET OPERATING DEFICIT</b>			<u><b>(345,642)</b></u>		<u><b>(767,568)</b></u>
Transfer (to)/from Capital Account	4		(40,663)		181,268
<b>Deficit for year</b>			<u><b>(386,305)</b></u>		<u><b>(586,300)</b></u>
<b>Balance at 1<sup>st</sup> January</b>			<b>550,749</b>		<b>1,137,049</b>
<b>Balance at 31<sup>st</sup> December</b>			<u><b>164,444</b></u>		<u><b>550,749</b></u>

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

**On behalf of the Board:**

\_\_\_\_\_  
**Dr John O'Mahony SC**  
**Chairman**  
**Date: 25 September 2015**

\_\_\_\_\_  
**Mary Crotty**  
**Board Member**  
**Date: 25 September 2015**



**NATIONAL MUSEUM OF IRELAND**  
**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**YEAR ENDED 31st DECEMBER 2014**

<b>STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES</b>		<b>2014</b>	<b>2013</b>
		<b>€</b>	<b>€</b>
<b>Deficit for year</b>		<b>(386,305)</b>	<b>(586,300)</b>
Experience gain on pension scheme liabilities	<b>14(e)</b>	<u>2,555,000</u>	<u>715,000</u>
Actuarial gain on pension scheme liabilities		2,555,000	715,000
Adjustment to deferred pension funding		(2,555,000)	(715,000)
<b>Total recognised loss for the year</b>		<b><u>(386,305)</u></b>	<b><u>(586,300)</u></b>

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

**On behalf of the Board:**

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

**Date: 25 September 2015**

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

**Date: 25 September 2015**

**NATIONAL MUSEUM OF IRELAND**  
**BALANCE SHEET AS AT 31st DECEMBER 2014**

	Notes	2014 €	2013 €
<b>Fixed Assets</b>			
<b>Tangible assets</b>	<b>9</b>	<u>465,821</u>	<u>425,158</u>
		<u><b>465,821</b></u>	<u><b>425,158</b></u>
<b>Current assets</b>			
Museum Shop Stocks	<b>20</b>	149,894	213,755
Debtors and Prepayments	<b>10</b>	687,281	1,048,142
Cash at Bank		661,921	951,999
		<u>1,499,096</u>	<u>2,213,896</u>
<b>Creditors: Amounts falling due within one year</b>	<b>11</b>	<u>(1,334,652)</u>	<u>(1,663,147)</u>
Net Current Assets		<b>164,444</b>	<b>550,749</b>
<b>Total Assets less current liabilities</b>		<u><b>630,265</b></u>	<u><b>975,907</b></u>
<b>Creditors: amounts falling due after more than one year</b>			
Deferred Pension Funding	<b>14 (b)</b>	32,500,000	32,400,000
Pensions Liabilities	<b>14 (d)</b>	(32,500,000)	(32,400,000)
<b>Total Net Assets</b>		<u><b>630,265</b></u>	<u><b>975,907</b></u>
<b>Represented by:</b>			
Capital Account	<b>4</b>	465,821	425,158
Income and Expenditure Account Surplus		164,444	550,749
		<u><b>630,265</b></u>	<u><b>975,907</b></u>

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

**On behalf of the Board:**

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

**Date: 25 September 2015**

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

**Date: 25 September 2015**

**NATIONAL MUSEUM OF IRELAND**  
**CASH FLOW STATEMENT**  
**YEAR ENDED 31st DECEMBER 2014**

	2014	2013
	€	€
<b>Reconciliation of Net Operating Deficit</b>		
Operating Deficit	(386,305)	(586,300)
Transfer to/(from) Capital Reserve	40,663	(181,268)
Depreciation	182,599	264,726
Decrease/(Increase) in Debtors	360,861	(392,697)
(Decrease)/Increase in Creditors	(328,495)	194,188
Decrease in Stocks	63,861	369,837
Loss on disposal of fixed asset	29	0
<b>Net Cash Outflow from Operating Activities</b>	<b>(66,787)</b>	<b>(331,514)</b>
 <b>Cash Flow Statement</b>		
Net Cash outflow from Operating Activities	(66,787)	(331,514)
Payments to acquire assets	(223,291)	(83,458)
<b>(Decrease) in cash</b>	<b>(290,078)</b>	<b>(414,972)</b>
 <b>Reconciliation of net cash flow to movements in net funds</b>		
Net funds at 31st December	661,921	951,999
Net funds at 1st January	951,999	1,366,971
	<b>(290,078)</b>	<b>(414,972)</b>
 <b>Movement in net funds for the year</b>		
 <b>Analysis of changes in net (debt)/funds</b>	<b>Cash at bank and in hand</b>	<b>Cash at bank and in hand</b>
	<b>2014</b>	<b>2013</b>
	€	€
At 1 <sup>st</sup> January	951,999	1,366,971
Cash flows	(290,078)	(414,972)
At 31 <sup>st</sup> December	<b>661,921</b>	<b>951,999</b>

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

**On behalf of the Board:**

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

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

**Date: 25 September 2015**

**Date: 25 September 2015**

# NATIONAL MUSEUM OF IRELAND

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31st DECEMBER 2014

#### 1) Establishment of National Museum of Ireland

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

#### The Board

The Board comprises a chairperson and fifteen ordinary members.

The principal functions of the Board are:

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

#### The Director

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

#### Funding

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

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

#### 2) Shop income and expenditure

	Note	2014 €	2013 €
<b>Sales</b>		<b>724,619</b>	<b>627,055</b>
<b>Cost of Sales</b>			
Opening Stock		363,755	583,592
Purchases		437,982	183,505
Closing Stock		(284,569)	(363,755)
Obsolete Stock provision*	20	(15,325)	150,000
		<u><b>501,843</b></u>	<u><b>553,342</b></u>
<b>Gross Profit</b>		<b>222,776</b>	<b>73,713</b>
<b>Salaries and administration</b>			
Salaries		360,740	371,480
Administration costs		64,351	52,809
		<u><b>425,091</b></u>	<u><b>424,289</b></u>
<b>Net Loss</b>		<u><b>(202,315)</b></u>	<u><b>(350,576)</b></u>

\*A provision of €134,675 (2013:€150,000) has been made for obsolete and slow moving stock.

**NATIONAL MUSEUM OF IRELAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31st DECEMBER 2014**

**3) Income**

Oireachtas Grant is provided to the Museum in order to meet its day to day running costs and agreed capital programmes. Other grant income is awarded to meet the costs of specific projects.

**(a) Oireachtas Grant**

	2014 €	2013 €
<b>Grants from the Department of Arts, Heritage and the Gaeltacht (Vote 33 Subhead A10)</b>		
Current purposes	10,500,000	10,868,541
Capital purposes	958,000	905,000
<b>Total Grant</b>	<b>11,458,000</b>	<b>11,773,541</b>

In the prior year, the amount of €148,444 was adjusted for in the Oireachtas Grant. This adjustment related to the net of pension benefit payments paid in the year of €385,000 which were included in the Salary cost figures and the Employee Superannuation Contributions of €236,556 which were accounted for as a Department creditor and remitted to the Department by the end of the year. The presentation of the net pension benefit payments and the employee superannuation deductions in the Oireachtas Grant were changed in the current year and the comparative figures re-presented on the same basis. There is no impact on the outturn of the NMI in respect of this change in accounts presentation.

**(b) Oireachtas Grant for Specific Projects**

The following grants were awarded by the Department of Arts, Heritage and the Gaeltacht in respect of specific projects during 2014 and funds are restricted to these projects.

Grant Name	Grant Purpose	Grant Amount €	Grant Term	Amount received in 2014 €	Amount accrued at end of year €	* Amount taken to Income in 2014 €
<b>History of Ireland</b>	Public Exhibition	<b>461,147</b>	2014	461,147	0	<b>461,147</b>
<b>Battle of Clontarf</b>	Public Exhibition	<b>104,000</b>	2014	0	104,000	<b>104,000</b>
<b>Gallipoli/ANU</b>	Public Education	<b>90,000</b>	2014	90,000	0	<b>90,000</b>
<b>Ib Jorgenson</b>	Public Exhibition	<b>65,000</b>	2014	65,000	0	<b>65,000</b>
<b>World War 1</b>	Public Exhibition	<b>40,000</b>	2014	40,000	0	<b>40,000</b>
<b>Samhain 2014</b>	Public Education	<b>19,184</b>	2014	19,184	0	<b>19,184</b>
<b>Total</b>		<b>779,331</b>		<b>675,331</b>	<b>104,000</b>	<b>779,331</b>

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.

\*Grant income costs recognised in the Income & Expenditure Account for 2014 amounted to €606,608 with further costs totalling €187,161 related to asset addition costs which were capitalised as per fixed asset policy.

**NATIONAL MUSEUM OF IRELAND  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31st DECEMBER 2014**

**(c) Own Resource Income**

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

	<b>2014</b>	<b>2013</b>
	<b>€</b>	<b>€</b>
<b>Own Resource Income</b>		
Corporate Hospitality	22,574	16,038
Catering	133,948	102,732
Car Parking	28,452	3,753
Photographic Rights and Reproductions	10,234	18,947
Guided Tours	520	360
Grants Received Amortised	12,833	12,833
Other Income	11,228	18,150
	<u>219,789</u>	<u>172,813</u>
<b>Own Resource Expenditure</b>		
Salaries	0	11,993
Advertising and Marketing	31,828	32,471
Other Expenses	16,967	4,757
	<u>48,795</u>	<u>49,221</u>
<b>Net Own Resource Income</b>	<u><b>170,994</b></u>	<u><b>123,592</b></u>

**4) Capital Account**

	<b>Notes</b>	<b>2014</b>	<b>2013</b>
		<b>€</b>	<b>€</b>
<b>Balance as at 1st January</b>		425,158	606,426
<b>Transfer from Income and Expenditure Account</b>			
To fund fixed asset purchases	<b>9</b>	223,291	83,458
Amortisation in line with asset depreciation	<b>9</b>	(182,599)	(264,726)
Amount realised on disposal of assets		<u>(29)</u>	<u>-</u>
		<u>40,663</u>	<u>(181,268)</u>
<b>Balance as at 31<sup>st</sup> December</b>		<u><b>465,821</b></u>	<u><b>425,158</b></u>

**NATIONAL MUSEUM OF IRELAND  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31st DECEMBER 2014**

**5) Administration Expenditure**

	Note	2014 €	2013 €
Salaries		6,706,011	6,895,627
Information Technology		454,034	282,876
Travel and Subsistence		34,266	34,176
Board Expenses	16	10,937	6,821
Consultancy		105,902	56,231
Administration General		38,258	77,945
Training Costs		23,775	13,907
Human Resource Costs		27,528	162,663
Office Stationery and Supplies		5,551	5,529
Audit Fees		20,136	35,735
Internal Audit		18,674	26,661
Settlement of Claims		(34,122)	304,250
Depreciation Charge	9	182,599	264,726
Telecommunications		119,993	88,916
		<u>7,713,542</u>	<u>8,256,063</u>

In the prior year, the amount of €385,000 was included in the Salaries costs relating to pension benefit payments paid in the year. The presentation of the net pension benefit payments and the employee superannuation deductions in the Oireachtas Grant were changed in the current year and the comparative figures re-presented on the same basis. There is no impact on the outturn of the NMI in respect of this change in accounting presentation.

**6) Services Expenditure**

	2014 €	2013 €
Exhibition Support	88,555	34,689
Marketing and Advertising	76,232	51,806
Utilities – including Heating, Lighting and Water Charges	1,047,502	1,212,086
Security	738,105	719,637
Maintenance and Cleaning	263,367	303,824
Postage and Telecommunications	19,444	13,124
Education Programmes	32,260	38,814
Transport and Haulage	15,828	12,217
Photography	42,950	44,894
Office Equipment and Supplies	4,062	950
Rent	559,047	860,000
Design	0	24,258
	<u>2,887,352</u>	<u>3,316,299</u>

**NATIONAL MUSEUM OF IRELAND  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31st DECEMBER 2014**

**7) Collections Expenditure**

	<b>2014</b>	<b>2013</b>
	€	€
Investigations/Research	0	221
Library	107,598	54,282
Conservation Works	5,335	70,660
Academic Publications	26,572	8,319
Dublin Excavations	85,667	49,146
Archives/Documentation	438,051	448,561
Conservation Supplies	45,468	14,478
Storage	134,737	143,882
	<b><u>843,428</u></b>	<b><u>789,549</u></b>

**8) Artefacts and Specimens**

	<b>2014</b>	<b>2013</b>
	€	€
Artefact Purchases	20,958	6,357
Finders' Rewards	44,594	60,472
Specimens Purchases	69	351
Miscellaneous Costs	17	1,583
	<b><u>65,638</u></b>	<b><u>68,763</u></b>

**9) Fixed Assets**

	<b>Equipment</b>	<b>Information Technology</b>	<b>Furniture</b>	<b>Exhibition Assets</b>	<b>Total</b>
	€	€	€	€	€
<b><u>COST OR VALUATION</u></b>					
<b>As at 1<sup>st</sup> January 2014</b>	<b>2,918,711</b>	<b>1,478,090</b>	<b>796,804</b>	<b>2,729,246</b>	<b>7,922,851</b>
Additions	4,351	54,315	-	164,625	223,291
Disposals	-	(14,685)	-	-	(14,685)
<b>As at 31<sup>st</sup> December 2014</b>	<b><u>2,923,062</u></b>	<b><u>1,517,720</u></b>	<b><u>796,804</u></b>	<b><u>2,893,871</u></b>	<b><u>8,131,457</u></b>
<b><u>ACCUMULATED DEPRECIATION</u></b>					
<b>As at 1<sup>st</sup> January 2014</b>	<b>2,854,504</b>	<b>1,393,687</b>	<b>663,414</b>	<b>2,586,088</b>	<b>7,497,693</b>
Depreciation charge for period	20,490	54,181	40,374	67,554	182,599
Disposals	-	(14,656)	-	-	(14,656)
<b>As at 31<sup>st</sup> December 2014</b>	<b><u>2,874,994</u></b>	<b><u>1,433,212</u></b>	<b><u>703,788</u></b>	<b><u>2,653,642</u></b>	<b><u>7,665,636</u></b>
<b><u>NET BOOK VALUES</u></b>					
<b>As at 31<sup>st</sup> December 2014</b>	<b><u>48,068</u></b>	<b><u>84,508</u></b>	<b><u>93,016</u></b>	<b><u>240,229</u></b>	<b><u>465,821</u></b>
<b>As at 31<sup>st</sup> December 2013</b>	<b><u>64,207</u></b>	<b><u>84,403</u></b>	<b><u>133,390</u></b>	<b><u>143,158</u></b>	<b><u>425,158</u></b>

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



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**10) Debtors and Prepayments**

	Note	2014 €	2013 €
Prepayments		315,561	354,605
State Claims Agency recoverable amounts	18	228,755	652,563
Department of Arts, Heritage and Gaeltacht grant receivable	3b	104,000	0
Accounts Receivable		15,250	18,405
Employee Schemes (Travel Pass etc.)		23,715	22,569
		<u>687,281</u>	<u>1,048,142</u>

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

		2014 €	2013 €
Trade Creditors		5,991	5,126
State Claims Agency Provision	18	228,755	652,563
Accruals		579,738	561,922
Holiday Pay Accrual		204,395	0
VAT		48,852	7,285
<b>Payroll Deductions:</b>			
Employee Superannuation Contributions		76,340	257,412
PAYE/PRSI		134,940	142,236
Other		55,641	36,603
		<u>1,334,652</u>	<u>1,663,147</u>

Employee Superannuation 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 superannuation contributions as income, in order to assist with the costs of an exceptional level of additional superannuation costs at the NMI that could not be met from the museum's annual allocation. An amount of €181,072 (2013: €103,848) is reflected in the Income & Expenditure Account in 2014.

Holiday Pay accrual 2014: €204,395 (2013: nil) has been provided in accordance with the requirements of FRS102.

**12) Commitments**

**Rental Obligations**

NMI has commitments of €510,000 (2013: €860,000) 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:

<b>Expiry of Lease</b>	<b>2014 €</b>	<b>2013 €</b>
Not later than One Year	510,000	860,000
Later than One Year and no later than Five Years	3,440,000	3,440,000
Later than Five Years	9,210,836	10,070,836
	<u>13,160,836</u>	<u>14,370,836</u>

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**13) Salaries**

**a) Employee Costs**

	<b>2014</b>	<b>2013</b>
	<b>€</b>	<b>€</b>
Salaries - Curatorial Services & Administration	6,706,011	6,895,627
Salaries - Museum Shop	360,740	371,480
Salaries - Corporate Services	0	11,993
	<u><b>7,066,751</b></u>	<u><b>7,279,100</b></u>

Total number of staff employed by the National Museum of Ireland as at 31st December 2014 was 150 (2013: 158). This comprises 131.7 (2013:140.4) full time equivalent core posts and 10.2 (2013:10.7) Museum Shop posts. The Employment Control Framework number in 2014 was 136 (2013:133). The ECF Calculation for the NMI does not include Museum retail staff.

In 2014 €357,220 (2013: €389,490) of pension levy has been deducted and paid over to the Department of Arts, Heritage and the Gaeltacht.

Salaries include a Holiday Pay provision in 2014 of €204,395 (2013: nil).

**b) Director's Remuneration**

In 2014 the Director of the Museum was paid a salary of €96,148 (2013:€98,683). The superannuation entitlements of the Director are the standard entitlements of the public sector defined benefit superannuation scheme.

In 2014 the Director of the Museum incurred expenses of €1,109 (2013:€1,032).

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**14) Superannuation**

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

	<b>2014</b>	<b>2013</b>
	€	€
Current Service cost	1,500,000	1,400,000
Interest on Pension Scheme Liabilities	1,800,000	1,700,000
Employee Contributions	<u>(227,341)</u>	<u>(236,556)</u>
	<b><u>3,072,659</u></b>	<b><u>2,863,444</u></b>

**b) Deferred Funding Asset for Pensions**

NMI recognises these amounts as an asset corresponding to the unfunded deferred liability for pensions on the basis of a number of past events. These events include the statutory basis for the establishment of the pension scheme, and the policy and practice in relation to funding public service pensions including contributions by employees and the annual estimates process. NMI has no evidence that this funding policy will not continue to meet such sums in accordance with current practice.

**c) Net Deferred Funding for Pensions in the Year**

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

	<b>2014</b>	<b>2013</b>
	€	€
Funding recoverable in respect of current year pension costs	3,300,000	3,100,000
State Grant applied to pay pensioners	<u>(644,750)</u>	<u>(385,000)</u>
	<b><u>2,655,250</u></b>	<b><u>2,715,000</u></b>

The deferred funding asset for pensions as at 31st December 2014 amounted to €32,500,000 (2013: €32,400,000)

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

	<b>2014</b>	<b>2013</b>
	€	€
Net Pension Liability at 1st January	(32,400,000)	(30,400,000)
Current Service Cost	(1,500,000)	(1,400,000)
Interest Costs	(1,800,000)	(1,700,000)
Actuarial gain	2,555,000	715,000
Pensions paid in the year	645,000	385,000
Net Pension Liability at 31st December	<b><u>(32,500,000)</u></b>	<b><u>(32,400,000)</u></b>

**e) History of Defined Benefit Obligations**

	<b>2014</b>	<b>2013</b>	<b>2012</b>
	€	€	€
Defined benefit obligations	32,500,000	32,400,000	30,400,000
Experience (gains) / losses on Scheme Liabilities amount	(2,555,000)	(715,000)	(1,519,000)
Percentage of Scheme Liabilities	(8%)	(2%)	(5%)

The cumulative actuarial gain recognised in the Statement of Total Recognised Losses amounts to €10,198,000 (2013:€7,643,000).

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**f) General Description of the Scheme**

The pension scheme is a defined benefit final salary pension arrangement with benefits and contributions defined by reference to current “model” public sector scheme regulations.

The scheme provides a pension (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 1<sup>st</sup> April 2014 by a qualified actuary taking account of the requirements of the FRS in order to assess the scheme liabilities at 31st December 2014.

The principal actuarial assumptions were as follows:

	<b>2014</b>	<b>2013</b>
Discount Rate	5.5%	5.5%
Rate of increase in salaries	4.0%	4.0%
Rate of increase in pensions in payment	4.0%	4.0%
Inflation Rate	2.0%	2.0%

The mortality basis adopted allows for improvements in life expectancy over time. The table below shows the life expectancy for members attaining age 65 in 2014, 2030 and 2050.

<b>Year of attaining age 65</b>	<b>2014</b>	<b>2030</b>	<b>2050</b>
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.

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

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- Storage facility at Beggars Bush, Dublin 2. These premises are occupied and are provided rent free.
- 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.

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

**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 10 Board meetings and 7 Audit Committee meetings held during 2014. There were no fees paid to Board members during 2014 as the Board members voluntarily agreed to forgo their fees for 2014.

Details of expenses paid to Board members and meetings attended during 2014 are listed below:

<b>Member</b>	<b>Expenses €</b>	<b>No. of Board Meetings attended</b>	<b>No. of Audit Committee Meetings attended</b>
Gerard Collins *	4,977	7	
Mary Crotty	-	7	
Mairín de Brún	-	8	
Dervilla Donnelly	-	8	7
Eileen Jackson	-	9	
Olivier Kazmierczak	301	9	
Paul Kelly	-	6	7
Eamonn McEaney	1,439	9	
Fergus McKenna O'Hagan	-	6	
Chris Nicholas	-	1	
John O'Mahony (Chairman)	-	10	
Gearóid Ó Tuathaigh	-	6	
Mary Sleeman	-	1	
Eamonn Stack **	1,965	7	5
Peter Woodman	212	6	
<b>Total</b>	<b>8,894</b>		

Other costs associated with Board Meetings amounting to €2,043 were incurred during 2014.

\* Includes expense claims for both 2013 and 2014.

\*\*Includes expenses for attendance at audit committee meetings.

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**17) Collections**

The existing National Collections were not vested in the Board on establishment day. As at 31st December 2014 heritage assets are not reflected in the balance sheet. As heritage assets are the property of the State the Board has not adopted the provisions of FRS30.

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

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

**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 - three claims relating to public liability and four claims relate to employer's liability. The State Claims Agency has recommended that the NMI maintains a budget in contingency funds for the resolution of these claims.

The NMI did not to take out public liability insurance on the grounds that it enjoys the benefit of state indemnity and the handling of any claims against it by the State Claims Agency in common with all other Government Departments and agencies. This indemnity should apply in relation to all public liability claims against the National Museum of Ireland. This indemnity should cover all public liability 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 FRS 12 all of the above claims totalling €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 lies with the Commissioners for Public Works, as agents for the State. It is the Boards 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 2014 Financial Statements.

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

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

In December 2014, the Department of Arts, Heritage and the Gaeltacht provided funding and formally agreed to fund the NMI for the total costs in relation to this incident. The NMI then fully discharged all costs in relation to this incident to the State Claims Agency in December 2014. There are no further costs anticipated in relation to these staircase claims and subsequently there are no longer any liabilities provided for this incident within the 2014 Financial Statements.

	<b>Staircase Claims</b>	<b>Other Claims</b>	<b>Total Claims</b>
	€	€	€
Provision at 1 January 2014	402,563	250,000	<b>652,563</b>
Amounts paid in 2014	(406,000)	-	<b>(406,000)</b>
Increase/(Reduction) in provision	3,437	(21,245)	<b>(17,808)</b>
Provision at 31 December 2014	<u>-</u>	<u><b>228,755</b></u>	<u><b>228,755</b></u>

**19) Contingencies**

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

**20) Stocks**

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

	<b>2014</b>	<b>2013</b>
	€	€
Stock of re-saleable goods	284,569	363,755
Obsolete Stock Provision	(134,675)	(150,000)
	<u><b>149,894</b></u>	<u><b>213,755</b></u>

**21) Comparative figures**

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

**22) Approval of Financial Statements**

The Board approved the financial statements on 25th September 2015.