

**The National Museum of Ireland
Financial Statements
Year Ended
31st December 2013**

TABLE OF CONTENTS

Page

Statement of Responsibilities of the Board	3
Statement on Internal Financial Control	4 - 5
Statement of Accounting Policies	6 - 7
Income and Expenditure Account	8
Statement of Total Recognised Gains and Losses	9
Balance Sheet	10
Cash flow Statement	11
Notes to the Financial Statements	12 - 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 2013.

Responsibilities of the Board Members

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

- Select suitable accounting policies and then apply them consistently for the purpose of showing a true and fair view of the state of the 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:

Dr John O'Mahony SC
Chairman

Date Signed: 5 March 2015

Mary Crotty
Board Member

Date Signed: 5 March 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 period.

Key Control Procedures

The Board has taken steps to ensure an appropriate control environment by:

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

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

- Identifying the nature, extent and financial implication of risks facing the 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;
- Cash outturn reports with variances to budget were completed during 2013 and reported to Management & Board. Management accounts for the period July 2013 to December 2013 were retrospectively prepared in early 2014 for Statutory accounts purposes and monthly accounts have been completed subsequently from May 2014 onwards.
- 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 5 occasions in the year ended 31st December 2013. The National Museum of Ireland has outsourced the internal audit function until 31st December 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.

Some changes in Management took place in 2012 and 2013, resulting in a loss of some corporate memory. The Internal Audit programme ended in April 2013 and a new programme commenced in October 2013. The Board of the NMI was concerned about the strength of the internal financial control at that time. The Board kept the matter under review and agreed to carry out additional internal audit reviews.

Annual Review of Controls

A review of the effectiveness of the system of internal financial control was carried out during November 2014 in respect of the year ended 31st December 2013.

Rhino Theft Incident – CRC Swords

Rhino Horns with a notional value of €400k were stolen from the Collections Resource Centre (CRC) in Swords in April 2013. The Security for the CRC is provided by a contracted security service provider. The theft is a criminal matter and is in the hands of the Gardaí. Security at all sites of the National Museum is constantly under review in consultation and with the support of the Garda Síochána who carry out annual security surveys at Museum sites. Following the incident at the CRC a full review of security procedures and processes was carried out by the Museum, the Museum security providers and the Gardai. The Board are assured that the recommendations of the review have now been implemented.

On behalf of the Board:

Dr John O'Mahony SC - Chairman

Date: 5 March 2015

NATIONAL MUSEUM OF IRELAND

STATEMENT OF ACCOUNTING POLICIES

1. Basis of Accounting

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

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

2. Heritage Assets and Collections

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

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 in which they are purchased.

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

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

3. Tangible Fixed Assets and Depreciation

Tangible fixed assets are shown at cost less accumulated depreciation.

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

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

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

4. Income Recognition

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

5. Shops

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

NATIONAL MUSEUM OF IRELAND

STATEMENT OF ACCOUNTING POLICIES

6. Capital Account

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

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

7. Superannuation

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

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

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

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

Pension costs reflect pension benefits earned by staff in the period and are shown net of staff pension deductions which are retained by the NMI. An amount corresponding to the pension charge is recognised as income to the extent that it is recoverable from the Department of Arts, Heritage and the Gaeltacht, and offset by grants received in the year to discharge pension payments.

Actuarial gains and losses arising on scheme liabilities are reflected in the Statement of Total Recognised Gains and Losses and a corresponding adjustment is recognised in the amount recoverable from the Department of Arts, Heritage and the Gaeltacht.

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

8. Leases

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

9. Capital Grants

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

NATIONAL MUSEUM OF IRELAND
INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31st DECEMBER 2013

	Notes	2013 €	2013 €	2012 €	2012 €
INCOME					
Oireachtas Grant	3(a)		11,921,985		13,122,048
Museum Shops Sales	2	627,055		773,067	00
Cost of Sales		<u>(553,342)</u>		<u>0 (425,049)</u>	0
Museum Shops Gross Profit			73,713		348,018
Own Resource Income	3(b)		172,813		148,718
Sponsorship and Donations			92,112		29,037
State Claims Agency amounts recoverable	18		304,250		348,313
Deposit Interest Received			1,339		9,666
Deferred Funding for Pensions in Year	14(c)		2,715,000		2,419,000
Write off of Superannuation Liability	11		<u>103,848</u>		<u>672,882</u>
TOTAL INCOME			15,385,060		17,097,682
 EXPENDITURE					
Administration	5		8,641,063		10,120,187
Services	6		3,316,299		3,107,496
Collections	7		789,549		911,256
Artefacts/Specimens	8		68,763		66,147
Museum Shop Expenses	2		424,289		449,904
Own Resource Expenditure	3(b)		49,221		77,212
Pension Costs	14(a)		<u>2,863,444</u>		<u>2,951,028</u>
TOTAL EXPENDITURE			16,152,628		17,683,230
 NET OPERATING EXPENDITURE			(767,568)		(585,548)
 Transfer from Capital Account	4		181,268		375,800
 Deficit for year			(586,300)		(209,748)
 Balance at 1st January			1,137,049		1,346,797
 Balance at 31st December			<u>550,749</u>		<u>1,137,049</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: 5 March 2015

Mary Crotty
Board Member

Date: 5 March 2015

NATIONAL MUSEUM OF IRELAND
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31st DECEMBER 2013

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES		2013	2012
		€	€
Deficit for year		(586,300)	(209,748)
Experience gain on pension scheme liabilities	14(e)	<u>715,000</u>	<u>1,519,000</u>
Actuarial gain on pension scheme liabilities		715,000	1,519,000
Adjustment to deferred pension funding		(715,000)	(1,519,000)
Total recognised loss for the year		<u>(586,300)</u>	<u>(209,748)</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: 5 March 2015

Mary Crotty
Board Member

Date: 5 March 2015

NATIONAL MUSEUM OF IRELAND
BALANCE SHEET AS AT 31st DECEMBER 2013

	Notes	2013 €	2012 €
Fixed Assets			
Tangible assets	9	<u>425,158</u>	<u>606,426</u>
		425,158	606,426
Current assets			
Museum Shop Stocks	20	213,755	583,592
Debtors and Prepayments	10	1,048,142	655,445
Cash at Bank		951,999	1,366,971
		<u>2,213,896</u>	<u>2,606,008</u>
Creditors: Amounts falling due within one year	11	<u>(1,663,147)</u>	<u>(1,468,959)</u>
Net Current Assets		550,749	1,137,049
Total Assets less current liabilities		<u>975,907</u>	<u>1,743,475</u>
Creditors: amounts falling due after more than one year			
Deferred Pension Funding	14 (b)	32,400,000	30,400,000
Pensions Liabilities	14 (d)	(32,400,000)	(30,400,000)
Total Net Assets		<u>975,907</u>	<u>1,743,475</u>
Represented by			
Capital Account	4	425,158	606,426
Income and Expenditure Account Surplus		550,749	1,137,049
		<u>975,907</u>	<u>1,743,475</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: 5 March 2015

Mary Crotty
Board Member

Date: 5 March 2015

NATIONAL MUSEUM OF IRELAND
CASH FLOW STATEMENT
YEAR ENDED 31st DECEMBER 2013

	2013 €	2012 €
Reconciliation of Net Operating Surplus		
Operating Deficit	(586,300)	(209,748)
Transfer from Capital Reserve	(181,268)	(375,800)
Depreciation	264,726	474,211
(Increase) in Debtors	(392,697)	(374,345)
Increase/(Decrease) in Creditors	194,188	(198,752)
Decrease in Stocks	369,837	24,240
Loss on disposal of fixed asset	0	5,721
Net Cash Outflow from Operating Activities	(331,514)	(654,473)
Cash Flow Statement		
Net Cash outflow from Operating Activities	(331,514)	(654,473)
Payments to acquire assets	(83,458)	(104,132)
Proceeds on sale of assets	-	-
(Decrease) in cash	(414,972)	(758,605)
Reconciliation of net cash flow to movements in net funds		
Net funds at 31st December	951,999	1,366,971
Net funds at 1st January	1,366,971	2,125,576
	(414,972)	(758,605)
Movement in net funds for the year		
<u>Analysis of changes in net (debt)/funds</u>		
	Cash at bank and in hand	
	€	
At 1 st January 2013	1,366,971	
Cash flows	(414,972)	
At 31 st December 2013	951,999	

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: 5 March 2015

Mary Crotty
Board Member

Date: 5 March 2015

NATIONAL MUSEUM OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2013

1) Establishment of National Museum of Ireland

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

The Board

The Board comprises a chairperson and fifteen ordinary members.

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

	2013	2012
	€	€
Sales	627,055	773,067
Cost of Sales		
Opening Stock	583,592	607,832
Purchases	183,505	400,809
Closing Stock*	<u>(213,755)</u>	<u>(583,592)</u>
	<u>553,342</u>	<u>425,049</u>
Gross Profit	73,713	348,018
Salaries and administration		
Salaries	371,480	412,021
Administration costs	<u>52,809</u>	<u>37,883</u>
	<u>424,289</u>	<u>449,904</u>
Net (Loss)	<u><u>(350,576)</u></u>	<u><u>(101,886)</u></u>

*The closing stock figure at the end of 2013 includes a provision of €150,000 for obsolete and slow moving stock. No such provision was included in prior years.

NATIONAL MUSEUM OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2013

3) **Income**

(a) Oireachtas Grant

	2013	2012
	€	€
Grants from the Department of Arts, Heritage and the Gaeltacht (Vote 33 Subhead A10)		
Current purposes	10,868,541	11,590,020
Add: Superannuation contributions repayable	148,444	532,028
	11,016,985	12,122,048
Capital purposes	905,000	1,000,000
Total Grant	11,921,985	13,122,048

(b) Own resource Income

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

	2013	2012
	€	€
Own resource Income:		
Corporate Hospitality	16,038	2,048
Catering	102,732	115,949
Car Parking	3,753	-
Photographic Rights and Reproductions	18,947	11,976
Guided Tours	360	700
Grants Received – Department of Arts, Heritage & Gaeltacht	12,833	12,833
Other Income	18,150	5,212
	172,813	148,718
Own resource Expenditure:		
Salaries	11,993	34,282
Advertising and Marketing	32,471	37,577
Other Expenses	4,757	5,353
	49,221	77,212
Net Own Resource Income	123,592	71,506

NATIONAL MUSEUM OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2013

4) Capital Account

	Notes	2013 €	2012 €
Balance as at 1st January		606,426	982,226
Transfer from Income and Expenditure Account			
To fund fixed asset purchases	9	83,458	104,132
Amortisation in line with asset depreciation	9	(264,726)	(474,211)
Amount released on disposal of assets		-	(5,721)
		<u>(181,268)</u>	<u>(375,800)</u>
Balance as at 31st December		<u>425,158</u>	<u>606,426</u>

5) Administration Expenditure

		2013 €	2012 €
Salaries		7,280,627	8,231,713
Information Technology		282,876	466,284
Travel and Subsistence		34,176	49,221
Board Fees	16	-	38,613
Board – Other Expenditure		6,821	10,547
Consultancy		56,231	71,896
Administration General		77,945	79,137
Training Costs		13,907	34,321
Human Resource Costs		162,663	124,785
Office Stationery and Supplies		5,529	6,996
Audit Fees		35,735	15,017
Internal Audit		26,661	10,594
Settlement of Claims – State Claims Provisions	18	304,250	348,313
Depreciation Charge	9	264,726	474,211
Telecommunications		88,916	158,539
		<u>8,641,063</u>	<u>10,120,187</u>

NATIONAL MUSEUM OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2013

6) Services Expenditure

	Note	2013 €	2012 €
Exhibition Support		34,689	127,840
Marketing and Advertising		51,806	104,115
Utilities – including Heating, Lighting and Water Charges		1,212,086	1,217,583
Security		719,637	632,440
Maintenance and Cleaning		303,824	341,268
Postage and Telecommunications		13,124	11,495
Education Programmes		38,814	104,364
Transport and Haulage		12,217	20,791
Signage		-	7,298
Photography		44,894	38,489
Office Equipment and Supplies		950	3,303
Rent	12	860,000	443,432
Design		24,258	55,078
		<u>3,316,299</u>	<u>3,107,496</u>

7) Collections Expenditure

	2013 €	2012 €
Investigations/Research	221	239
Library	54,282	81,109
Conservation Works	70,660	105,373
Academic Publications	8,319	6,382
Dublin Excavations	49,146	78,078
Archives/Documentation	448,561	454,060
Conservation Supplies	14,478	27,774
Storage	143,882	158,241
	<u>789,549</u>	<u>911,256</u>

8) Artefacts and Specimens

	2013 €	2012 €
Artefact Purchases	6,357	18,650
Finders' Rewards	60,472	42,041
Specimens Purchases	351	4,133
Miscellaneous Costs	1,583	1,323
	<u>68,763</u>	<u>66,147</u>

NATIONAL MUSEUM OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2013

9) Fixed Assets

	Equipment	Information Technology	Furniture	Exhibition Assets	Total
<u>COST OR VALUATION</u>	€	€	€	€	€
As at 1st January 2013	2,880,035	1,459,590	796,804	2,720,267	7,856,696
Additions	40,680	33,799	-	8,979	83,458
Disposals	(2,004)	(15,299)	-	-	(17,303)
As at 31st December 2013	2,918,711	1,478,090	796,804	2,729,246	7,922,851
<u>ACCUMULATED DEPRECIATION</u>					
As at 1st January 2013	2,806,817	1,339,290	623,040	2,481,123	7,250,270
Depreciation charge for period	49,691	69,696	40,374	104,965	264,726
Disposals	(2,004)	(15,299)	-	-	(17,303)
As at 31st December 2013	2,854,504	1,393,687	663,414	2,586,088	7,497,693
<u>NET BOOK VALUES</u>					
As at 31st December 2013	64,207	84,403	133,390	143,158	425,158
As at 31st December 2012	73,218	120,300	173,764	239,144	606,426

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

10) Debtors and Prepayments

	Note	2013 €	2012 €
Prepayments		354,605	271,489
State Claims Agency recoverable amounts	18	652,563	348,313
Accounts Receivable		18,405	12,766
Employee Schemes (Travel Pass etc.)		22,569	22,877
		<u>1,048,142</u>	<u>655,445</u>

NATIONAL MUSEUM OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2013

11) Creditors: Amounts falling due within 1 year

	2013	2012
	€	€
Trade Creditors	5,126	10,548
State Claims Agency Provision (Note 18)	652,563	348,313
Accruals	466,922	494,892
Social Welfare Scope Cases provision	95,000	0
VAT	7,285	22,692
Payroll Deductions:	0	0
Employee Superannuation Contributions	257,412	361,260
PAYE/PRSI	142,236	167,975
Other	36,603	63,279
	<u>1,663,147</u>	<u>1,468,959</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 to assist with the costs. An amount of €103,848 is reflected in the Income & Expenditure Account in 2013 which corresponds with lump sum retirement gratuities paid out in 2013 (2012: €672,882).

12) Commitments

Rental Obligations

NMI has commitments of €860,000 (2012: €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 total of future minimum lease payments under the non- cancellable operating lease is as follows:

	2013	2012
	€	€
Expiry of Lease		
Not later than One Year	860,000	860,000
Later than One Year and no later than Five Years	3,440,000	3,440,000
Later than Five Years	10,070,836	10,930,836
	<u>14,370,836</u>	<u>15,230,836</u>

NATIONAL MUSEUM OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2013

13) Salaries

a) Employee Costs

	2013	2012
	€	€
Salaries - Curatorial Services & Administration	7,280,627	8,231,713
Salaries - Museum Shop	371,480	412,021
Salaries - Corporate Services	11,993	34,282
	<u>7,664,100</u>	<u>8,678,016</u>

Total number of staff employed by the National Museum of Ireland as at 31st December 2013 was 151 (2012: 162).

In 2013 €389,490 (2012: €405,758) of pension levy has been deducted and paid over to the Department of Arts, Heritage and the Gaeltacht.

b) Director's Remuneration

In 2013 the Acting Director of the Museum was paid €54,461 up to the appointment of a new Director. The Director of the Museum was paid a salary of €44,222 from his appointment on 8th July 2013. The superannuation entitlements of the Director are the standard entitlements of the public sector defined benefit superannuation scheme.

NATIONAL MUSEUM OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2013

14) Superannuation

a) Analysis of total pension costs charged to Expenditure

	2013	2012
	€	€
Current Service cost	1,400,000	1,600,000
Interest on Pension Scheme Liabilities	1,700,000	1,600,000
Employee Contributions	<u>(236,556)</u>	<u>(248,972)</u>
	<u>2,863,444</u>	<u>2,951,028</u>

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:

	2013	2012
	€	€
Funding recoverable in respect of current year pension costs	3,100,000	3,200,000
State Grant applied to pay pensioners	<u>(385,000)</u>	<u>(781,000)</u>
	<u>2,715,000</u>	<u>2,419,000</u>

The deferred funding asset for pensions as at 31st December 2013 amounted to €32,400,000 (2012: €30,400,000)

d) Movement in Net Pension Liability during the financial year

	2013	2012
	€	€
Net Pension Liability at 1st January	(30,400,000)	(29,500,000)
Current Service Cost	(1,400,000)	(1,600,000)
Interest Costs	(1,700,000)	(1,600,000)
Actuarial gain	715,000	1,519,000
Pensions paid in the year	385,000	781,000
Net Pension Liability at 31st December	<u>(32,400,000)</u>	<u>(30,400,000)</u>

e) History of Defined Benefit Obligations

	2013	2012	2011
	€	€	€
Defined benefit obligations	32,400,000	30,400,000	29,500,000
Experience (gains) / losses on Scheme Liabilities amount	(715,000)	(1,519,000)	(364,000)
Percentage of Scheme Liabilities	(2%)	(5%)	(1%)

The cumulative actuarial gain recognised in the Statement of Total Recognised Losses amounts to €7,643,000 (2012:€6,928,000).

NATIONAL MUSEUM OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2013

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

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

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

The valuation used for FRS17 (Revised) disclosures has been based on a full actuarial valuation on 1st April 2014 by a qualified actuary taking account of the requirements of the FRS in order to assess the scheme liabilities at 31st December 2013.

The principal actuarial assumptions were as follows:

	2013	2012
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 2013, 2030 and 2050.

Year of attaining age 65	2013	2030	2050
Life expectancy – male	22	22	22
Life expectancy – female	25	25	25

NATIONAL MUSEUM OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2013

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.
- 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 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.

NATIONAL MUSEUM OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2013

16) Board Members Fees, Expenses and attendance at meetings

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

There were 8 Board meetings and 5 Audit Committee meetings held during 2013.

There were no fees paid to Board members during 2013 as the Board members voluntarily agreed to forgo their fees for 2013.

Details of expenses paid to Board members and meetings attended during 2013 are listed below:

Member	Expenses	No. of Board Meetings attended	No. of Audit Committee Meetings attended
	€		
Gerard Collins	-	6	
Mary Crotty	-	6	
Mairín de Brún	-	8	
Dervilla Donnelly	-	6	5
Eileen Jackson	-	7	
Olivier Kazmierczak	-	5	
Paul Kelly	-	5	5
Eamonn McEaney	1,039	5	
Fergus Mc Kenna O'Hagan	-	5	
Chris Nicholas	-	5	
John O'Mahony (Chairman)	-	8	
Gearóid Ó Tuathaigh	-	4	
Mary Sleeman	-	4	
Eamonn Stack *	2,968	6	3
Peter Woodman	321	6	
Total	4,328		

*Includes expenses for attendance at audit committee meetings.

NATIONAL MUSEUM OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2013

17) Collections

The existing National Collections were not vested in the Board on establishment day. As at 31st December 2013 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. 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.

NATIONAL MUSEUM OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2013

18) Contingent Asset & Liability

a) Contingent Asset & Liability €652,563

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

In 2013 NMI paid a total of €NIL (2012: €NIL) (2011: €135,310) in settlements relating to these claims. The NMI has known commitments at 31 December 2013 of €402,563 through invoices received from the State Claims Agency in relation to further claims of this incident.

The NMI did not 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 not only claims in respect of the stairs collapse at the Natural History Museum but 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 NMI has been in negotiations with the Department of Arts, Heritage and the Gaeltacht regarding the payment of these claims. The Board is of the view that the liability for all current and future claims in respect of the structural defects which led to the collapse of the staircase in the Natural History Museum lies with the Commissioners for Public Works, as agents for the State. The Board insists that no legal liability attaches to it in respect of the personal injuries cases herein referred to. It is the Board's understanding that the Department is agreeable to this understanding and written confirmation is awaited by the Board from the Department in this respect.

The Department has indicated that the payment of the damages and costs associated with these cases must be channelled through the National Museum of Ireland. The payment or satisfaction of the claims in this way does not and will not impact on the NMI in terms of its budgets and/or funding. In December 2014, the Department of Arts, Heritage and the Gaeltacht formally agreed to fund all costs in relation to the Staircase incident.

Other Claims pending - There are currently seven separate claims under management with the State Claims Agency in relation to the Museum, (Three claims relating to public liability and four claims relating to employer's liability). The State Claims Agency has recommended that the NMI maintain a budget of €250,000 in contingency funds for the resolution of these claims.

In accordance with FRS 12 all the above claims totalling €652,563 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 the other 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 the other claims. On this basis, the NMI is providing a Debtors provision of €652,563 in the 2013 financial statements.

b) Industrial Relations Claim

A case regarding pay claims by NMI employees was referred to the Labour Court in 2012 relating to a Labour Court recommendation concerning one Head Attendant and seven Senior Attendants.

NMI received notice that, in accordance with the terms of the Public Service Agreement (Croke Park), the recommendations and similar adjudication findings were submitted by the Department of Arts Heritage and the Gaeltacht to the Department of Public Expenditure and Reform in 2010. However, the Haddington Road Agreement, which is to stand until 2016, does not provide for the consideration of pay claims. Accordingly, Department of Public Expenditure and Reform is not in a position to give any further movement in relation to these claims at this time and no provision has been made in the books of NMI.

c) Social Welfare Scope Cases

An issue arose in 2013 in relation to the status of a contractor who was engaged by the NMI for a number of years. The contractor claims to have been an employee. The Department of Public Expenditure and Reform advised the NMI, through the Department, to defend the case.

The NMI estimates that the potential liability and associated legal costs could be as much as €145k. The NMI has already paid out €50k in relation to legal costs on this case. In accordance with FRS 12 a further provision totalling €95,000 has been recognised in the Income & Expenditure Account and as a liability in the Balance Sheet.

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.

	2013	2012
	€	€
Stock of re-saleable goods*	213,755	583,592
	<u>213,755</u>	<u>583,592</u>

*The closing stock figure at the end of 2013 includes a provision of €150,000 for obsolete and slow moving stock. No such provision was included in prior years.

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 5 March 2015.