

**The National Museum of Ireland  
Financial Statements  
Year Ended  
31st December 2017**

# NATIONAL MUSEUM OF IRELAND

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# NATIONAL MUSEUM OF IRELAND

## Governance Statement and Board Members' Report

### Governance

The Board of the National Museum of Ireland was established under the National Cultural Institutions Act, 1997. The functions of the Board are set out in section 11 of this Act. The Board is accountable to the Minister for Culture, Heritage and the Gaeltacht and is responsible for ensuring good governance, and performs this task by setting strategic objectives and targets and taking strategic decisions on all key business issues. The regular day-to-day management, control and direction of the National Museum of Ireland are the responsibility of the Director and the Senior Management team. The Director and the Senior Management team must follow the broad strategic direction set by the Board, and must ensure that all Board members have a clear understanding of the key activities and decisions related to the entity, and of any significant risks likely to arise. The Director acts as a direct liaison between the Board and Senior Management of the National Museum of Ireland.

### Board Responsibilities

The work and responsibilities of the Board are set out in the Code of Practice for the Governance of State Bodies (2016) which also contains the matters specifically reserved for Board decision.

Standing items considered by the Board include:

- declaration of interests,
- reports from committees,
- financial reports/management accounts,
- performance reports, and
- reserved matters.

Section 35 of the National Cultural Institutions Act, 1997, requires the Board of the National Museum of Ireland to keep, in such form as may be approved by the Minister for Culture, Heritage and the Gaeltacht with the consent of the Minister for Public Expenditure and Reform, all proper and usual accounts of money received and expended by it.

In preparing these financial statements, the Board of the National Museum of Ireland is required to:

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that it will continue in operation, and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Board is responsible for keeping adequate accounting records, which disclose, with reasonable accuracy at any time, its financial position and enables it to ensure that the financial statements comply with Section 35 of the National Cultural Institutions Act, 1997. The maintenance and integrity of the corporate and financial information on the National Museum of Ireland's website is the responsibility of the Board.

The Board is responsible for approving the annual plan and budget. An evaluation of the performance of the National Museum of Ireland by reference to the annual plan and budget was carried out in July 2018.

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

The Board considers that the financial statements of the National Museum of Ireland give a true and fair view of the financial performance and the financial position at 31 December 2017.

# NATIONAL MUSEUM OF IRELAND

## Governance Statement and Board Members' Report

### Board Structure

The Board consists of a Chairperson and 15 ordinary members, all of whom are appointed by the Minister for Culture, Heritage and the Gaeltacht. The current members of the Board were appointed for a period of five years on 6<sup>th</sup> July 2016 and meet a minimum of six times per year. The Board met eight times in 2017.

As of the date of these Financial Statements, the members of the Board comprised:

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

The Board conducted an annual Board Review of their own effectiveness in May 2017 and will commence an external Board Effectiveness Review in May 2019, which will be completed in July 2019.

The Board has established six committees as follows:

**1. Audit and Risk Committee:** comprises three Board members and two independent members. The role of the Audit and Risk Committee (ARC) is to support the Board in relation to its responsibilities for issues of risk, control and governance and associated assurance. The ARC is independent from the financial management of the organisation. In particular, the Committee ensures that the internal control systems, including audit activities, are monitored actively and independently. The ARC reports to the Board at each meeting, and formally in writing annually. The members of the Audit and Risk Committee comprise Mr Ambrose Loughlin (Chairperson), Mr John Bowen, Mr Declan Nelson, Mr Cecil Keaveney (external member) and Mr Michael O'Sullivan (external member) (appointed June 2018). Prof. Ciarán hÓgartaigh (external member) resigned in April 2017. There were nine meetings of the ARC during 2017.

**2. Development and Strategy Committee:** comprised five Board members in 2017 and the members of this committee during 2017 were Ms Lynn Scarff (Chairperson) (took leave of absence August 2017, resigned January 2018), Ms Mary Crotty, Ms Denise Moroney, Dr Andrew Power and Mr Aidan Walsh. Ms Mary Crotty acted as interim Chair of the Committee from November 2017 to January 2018. There were seven meetings of the Development and Strategy Committee during 2017.

**3. General Public Advisory Committee:** This is the only committee provided for in the National Cultural Institutions Act, 1997 (Section 23) and has been given the remit of all aspects relating to collections and learning including acquisition, collections care, documentation, exhibition, digitisation and publication. The members of this Committee comprise Professor Kathleen James-Chakraborty (Chair), Professor Ingrid Hook, Ms Virginia Teehan, Professor Mary O'Dowd, Ms Judith McCarthy, Ms Karen Wilson (resigned October 2018) and Professor Gearóid Ó Tuathaigh (resigned January 2018). There were seven meetings of GPAC during 2017.

**4. HR Committee:** The Committee was formed in March 2017 and comprised of five Board members in 2017: Ms Virginia Teehan (Chairperson), Ms Catherine Heaney, Mr Ambrose Loughlin, Prof. Kathleen James-Chakraborty and Ms Lynn Scarff (took leave of absence August 2017, resigned January 2018). There were seven meetings of the HR Committee during 2017.

**5. Director Review and Transition Committee:** This Committee was established in January 2017 and was responsible for assessing the performance and reviewing the role of the Director of the National Museum of Ireland, focusing particularly on assisting and advising the Board on the recruitment of a new Director, following the retirement of current Director in the second quarter of 2018.

## NATIONAL MUSEUM OF IRELAND

### Governance Statement and Board Members' Report

The Committee was dissolved in January 2018 and comprised of four Board members: Dr Andrew Power (Chairperson), Ms Mary Crotty, Ms Denise Moroney and Ms Virginia Teehan. There were three meetings held during 2017.

**6. Ceramics Room Committee:** This Committee comprised of three Board members: Mr John Bowen, Professor Ingrid Hook and Ms Lynn Scarff (Took leave of absence August 2017, resigned January 2018). There were seven meetings of the Ceramics Room Committee during 2017.

#### Key Personnel Changes

Ms Karen Wilson resigned from the Board in October 2017. Ms Lynn Scarff took a leave of absence in August 2017 and resigned from the Board in January 2018. Prof. Gearóid Ó Tuathaigh resigned from the Board in January 2018. Mr Ragnall Ó Floinn retired from the role of Director in May 2018 and Ms Lynn Scarff took up the role of Director in May 2018. Mr Seamus Lynam, Head of Operations, retired in March 2018.

#### Schedule of Attendance and Expenses

Details of expenses paid to Board members and meetings attended during 2017 are listed below:

Member	Expenses 2017 €	Number of Meetings Attended							
		Total number of meetings held		8		9		7	
		Board Meetings	Audit & Risk Committee	GPAC Meetings	Development & Strategy Committee	Ceramic Room Committee	Director Review & Transition Committee	HR Committee	
Ms Catherine Heaney (Chair)	341	8				1		7	
Mr John Bowen	6,034	7	3			7			
Ms Mary Crotty	390	7			6		3		
Prof. Ingrid Hook	265	8		5		7			
Prof. Kathleen James-Chakraborty	245	8		7				3	
Mr Ambrose Louglin	-	5	9					7	
Ms Judith McCarthy	1,149	6		6					
Ms Denise Moroney	546	6			7		3		
Mr Declan Nelson	3,614	7	8						
Prof. Mary O'Dowd	2,065	7		7					
Prof. Gearóid Ó Tuathaigh	-	6		5					
Dr. Andrew Power	338	8			6		3		
Ms Lynn Scarff	341	5			7	6		3	
Ms Virginia Teehan	684	7		3			2	7	
Mr Aidan Walsh	1,393	6			5				
Ms Karen Wilson	-	5		4					
<b>Total</b>	<b>17,405</b>								

The expenses above cover an 18-month period, from the appointment of the new Board on 16<sup>th</sup> July 2016, up to 31st December 2017.

There were no fees paid to Board members during 2017.

Other costs associated with Board member meetings totalling €4,191 were incurred during 2017. These costs have been recognised within Hospitality Expenditure on page 7.

In addition to formal Board and Committee meetings listed above, Board members also attended a number of other meetings related to the Masterplan and other Museum business, and some of the expenses listed above are attributed to these.

## NATIONAL MUSEUM OF IRELAND Governance Statement and Board Members' Report

### Disclosures Required by the Code of Practice for the Governance of State Bodies (2016)

The Board is responsible for ensuring that The National Museum of Ireland has complied with the requirements of the Code of Practice for the Governance of State Bodies ("the Code"), as published by the Department of Public Expenditure and Reform in August 2016. The following disclosures are required by the Code:

#### Employees' Short-Term Benefits Breakdown

Employees' short-term benefits in excess of €60,000 are categorised into the following bands:

Range of total employee benefits at year end		Number of Employees	
From	To	2017	2016
€ 60,000 -	€ 69,999	14	14
€ 70,000 -	€ 79,999	4	5
€ 80,000 -	€ 89,999	3	1
€ 90,000 -	€ 99,999	2	3
€100,000 -	€109,999	1	0

Note: For the purposes of this disclosure, employees' short-term benefits in relation to services rendered during the reporting period include salary, overtime allowances and other payments made on behalf of the employee, but exclude employer's PRSI.

#### Consultancy Costs

Consultancy costs include the cost of external advice to management and exclude outsourced 'business-as-usual' functions.

	2017	2016
	€	€
Legal advice	16,854	15,164
Financial Advice	17,927	11,440
Public Relations/Marketing	34,006	0
Human Resources	23,530	10,086
Business Improvement	81,800	60,000
Consultancy Costs - charged to Income and Expenditure	<b>174,117</b>	<b>96,690</b>

#### Legal Costs and Settlements

The table below provides a breakdown of amounts recognised as expenditure in the reporting period in relation to legal costs, settlements and conciliation and arbitration proceedings relating to contracts with third parties. This does not include expenditure incurred in relation to general legal advice received by the National Museum of Ireland, which is disclosed in Consultancy costs above.

	2017	2016
	€	€
Legal Fees - legal proceedings	141,847	0
Conciliation and arbitration payments	0	0
Settlements (State Claims Agency - movement in provision)	(18,372)	95,555
<b>Total</b>	<b>123,475</b>	<b>95,555</b>

# NATIONAL MUSEUM OF IRELAND

## Governance Statement and Board Members' Report

### Travel and Subsistence Expenditure

Travel and subsistence expenditure is categorised as follows:

	2017	2016
	€	€
Domestic		
- Board*	17,405	708
- Employees	59,661	56,360
International		
- Board	0	0
- Employees	29,761	11,476
<b>Total</b>	<b>106,827</b>	<b>68,544</b>

\*It should be noted that the Board expenses listed above for 2017 cover an 18-month period, from the appointment of the new Board on 16<sup>th</sup> July 2016, up to 31<sup>st</sup> December 2017.

### Hospitality Expenditure

The Income and Expenditure Account includes the following hospitality expenditure:

	2017	2016
	€	€
Staff Hospitality	7,606	6,594
Board Hospitality*	4,191	5,317
Non-Staff Hospitality	21,954	19,036
<b>Total</b>	<b>33,751</b>	<b>30,947</b>

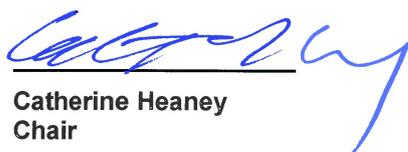
\*Board Hospitality includes the costs of refreshments and catering in relation to Board and other Committee meetings attended by Board members during the year.

### Statement of Compliance

The National Museum of Ireland has complied with the requirements of the Code of Practice for the Governance of State Bodies, as published by the Department of Public Expenditure and Reform in August 2016, with the following exception:

- Following the Board's review of the effectiveness of internal controls, the Museum identified a number of issues, which have been raised in the Statement on Internal Control, and particularly in relation to weaknesses in the Risk Management System. Procedures are being put in place in 2018 to address these issues.

#### On behalf of the Board:

  
**Catherine Heaney**  
 Chair

Date Signed: 28 September 2018

  
**Ambrose Loughlin**  
 Board Member

Date Signed: 28 September 2018

# NATIONAL MUSEUM OF IRELAND

## Statement on Internal Control

### ***Scope of Responsibility***

On behalf of the National Museum of Ireland, I acknowledge the Board's responsibility for ensuring that an effective system of internal control is maintained and operated. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016).

### ***Purpose of the System of Internal Control***

The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it. The system can therefore only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded and that material errors or irregularities are either prevented or detected in a timely way.

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform, has been in place in the National Museum of Ireland for the year ended 31 December 2017 and up to the date of approval of the financial statements except for the internal control issues outlined below.

### ***Capacity to Handle Risk***

The National Museum of Ireland has an Audit and Risk Committee (ARC) comprising three Board members, one of whom is the Chair, and two independent members, with financial and audit expertise. The ARC met nine times in 2017.

The National Museum of Ireland has also established an internal audit function, which is adequately resourced, and conducts a programme of work agreed with the ARC.

The ARC has agreed to review the current risk management framework over the coming months; this will involve a review of framework including the policy, setting out the risk appetite, examining the risk management processes and the roles and responsibilities of staff in relation to risk. The current policy has been issued to all staff, who are expected to work within the National Museum of Ireland's risk management policies, to alert management on emerging risks and control weaknesses and assume responsibility for risks and controls within their own area of work.

### ***Risk and Control Framework***

I confirm that a control environment containing the following elements is in place:

- procedures for all key business processes have been documented,
- financial responsibilities have been assigned at management level with corresponding accountability,
- there is an appropriate budgeting system with an annual budget which is kept under review by senior management,
- there are systems aimed at ensuring the security of the information and communication technology systems, and
- there are systems in place to safeguard the assets.

In early 2018, following a review of internal controls for 2017, weaknesses were identified in the Risk Management framework, and processes subsequently put in place, to ensure compliance with the Code of Practice for the Governance of State Bodies (2016). These are disclosed under internal control issues below.

### ***Ongoing Monitoring and Review***

Following the Review of Risk Management in early 2018 which identified process weaknesses, formal procedures will be established for monitoring control processes, and control deficiencies will be communicated to those responsible for taking corrective action, as well as to management and the Board, where relevant, in a timely way.

Following this, ongoing monitoring systems will be put in place to ensure that:

- key risks and related controls are identified and processes put in place to monitor the operation of those key controls and report any identified deficiencies,

## **NATIONAL MUSEUM OF IRELAND**

### **Statement on Internal Control**

- reporting arrangements established at all levels where responsibility for financial management has been assigned, and
- regular reviews by senior management of periodic and annual performance and financial reports, which indicate performance against budgets/forecasts.

#### ***Procurement***

I confirm that the National Museum of Ireland has procedures in place to ensure compliance with current procurement rules and guidelines. Matters arising regarding controls over procurement are highlighted under internal control issues below.

#### ***Review of Effectiveness***

I confirm that the National Museum of Ireland has procedures to monitor the effectiveness of its risk management and control procedures. The National Museum of Ireland's monitoring and review of the effectiveness of the system of internal control is informed by the work of the internal and external auditors, the Audit and Risk Committee, which oversees their work, and the senior management within the National Museum of Ireland responsible for the development and maintenance of the internal control framework.

I confirm that the Board conducted an annual review of the effectiveness of the internal controls for 2017.

#### ***Internal Control Issues***

Some weaknesses in internal control were identified in relation to 2017 that require disclosure in the financial statements.

#### ***Non-Compliant Procurement***

The audit of the 2017 financial statements and internal audit reviews conducted during 2017 identified the following issues in the procurement processes:

- A competitive tendering process was not undertaken in relation to three contracts for payments totalling €316,000.
- There were gaps in the documentation relating to expenditure of €256,261 for two contracts where a competitive process had been undertaken.

As part of its review, and as a result of the internal control report findings on procurement processes, the National Museum of Ireland will develop a centralised procurement function by quarter two of 2019. In the interim, the National Museum of Ireland has established a centralised Contracts Register to provide a record management system for procurement across the Museum.

#### ***Tax Compliance***

The Revenue Commissioners conducted a profile interview in relation to all tax affairs of the National Museum of Ireland in November 2017. A voluntary disclosure amounting to €165,817 (including interest and penalties of €51,816) was submitted to Revenue in early 2018 in relation to the incorrect use of VAT rates on certain retail products. This amount is reflected in the 2017 Financial Statements.

The National Museum of Ireland has taken the following steps to address areas of non-compliance identified during the profile review:

- Initiate formal procedures to include a regular check on VAT computations as identified during the profile review, and to ensure that correct VAT rates are applied to all retail products.
- Update the Risk Register to include Tax Compliance in the internal audit cycles going forward.

# NATIONAL MUSEUM OF IRELAND

## Statement on Internal Control

### **Risk Management**

A review of the system of internal controls at the National Museum of Ireland was conducted by internal audit for 2017 and identified a number of weaknesses in the Risk Management Framework.

The internal audit report noted the following recommendations, which will be reviewed and adopted by the National Museum of Ireland over the coming months:

- Management devise a formal Risk Management Framework for presentation to the Audit and Risk Committee and approval by the Board.
- When the Risk Management Framework is developed, the Risk Management Policy shall be updated and presented to the Audit and Risk Committee and Board for approval.
- Management provide regular reporting updates to the Audit and Risk Committee on Risk Management.
- Risk Management becomes a standing agenda item at Audit and Risk Committee meetings and management prepare reports as appropriate within the defined framework.
- The Audit and Risk Committee reviews and approves the risk register on a regular basis and reports to the Board as appropriate.

The National Museum of Ireland has agreed to review its current Risk Management Framework, which will be completed over the coming months.

### **Human Resource Policies**

A review of Human Resource policies was conducted in 2017, which highlighted issues around HR resourcing as well as policies and procedures, with the subsequent appointment of a Head of Human Resources in February 2018.

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



Catherine Heaney - Chair

**Date: 28 September 2018**

**NATIONAL MUSEUM OF IRELAND**  
**Report of the Comptroller and Auditor General**



**Ard Reachtaire Cuntas agus Ciste**  
**Comptroller and Auditor General**

**Report for presentation to the Houses of the Oireachtas**

**National Museum of Ireland**

**Opinion on financial statements**

I have audited the financial statements of the National Museum of Ireland for the year ending 31 December 2017 as required under the provisions of section 35 of the National Cultural Institutions Act 1997. The financial statements comprise

- the statement of income and expenditure and retained revenue reserves
- the statement of comprehensive income
- the statement of financial position
- the statement of cash flows and
- the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of the National Museum of Ireland at 31 December 2017 and of its income and expenditure for 2017 in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

**Basis of opinion**

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the National Museum of Ireland and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Report on information other than the financial statements, and on other matters**

The National Museum of Ireland has presented certain other information together with the financial statements. This comprises the annual report including the governance statement and Board Members' report and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

  
**Patricia Sheehan**  
**For and on behalf of the**  
**Comptroller and Auditor General**  
**4 October 2018**

# NATIONAL MUSEUM OF IRELAND

## Report of the Comptroller and Auditor General

### Appendix to the report

#### Responsibilities of Board members

The governance statement and Board members' report sets out the Board members' responsibilities. The Board members are responsible for

- the preparation of financial statements in the form prescribed under section 35 of the National Cultural Institutions Act 1997
- ensuring that the financial statements give a true and fair view in accordance with FRS102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Responsibilities of the Comptroller and Auditor General

I am required under section 35 of the National Cultural Institution's Act 1997 to audit the financial statements of the National Museum of Ireland and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty

exists related to events or conditions that may cast significant doubt on the National Museum of Ireland's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the National Museum of Ireland to cease to continue as a going concern.

- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

#### Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

#### Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if there are material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if there is any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I also report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

**NATIONAL MUSEUM OF IRELAND**  
**STATEMENT OF INCOME AND EXPENDITURE & RETAINED REVENUE RESERVES**  
**YEAR ENDED 31st DECEMBER 2017**

Income	Notes	2017 €	2016 €
Oireachtas Income	2	15,245,138	14,484,816
Museum Shop Gross Profit	3	363,308	409,725
Own Resource Income	4	291,427	347,744
Other Income	5	145,552	203,053
<b>Total Income</b>		<b>16,045,425</b>	<b>15,445,338</b>
<b>Expenditure</b>			
Salaries	14a	6,822,509	6,619,266
Retirement Benefit costs	15a	2,625,717	2,307,443
Other Administration costs	6	1,624,140	1,376,827
Costs of acquisition, management & display collections	7	4,376,305	3,866,975
Museum Shop running costs	3	544,000	385,761
Expenditure on delivery of Specific Projects	2	260,690	636,457
Own Resource Expenditure	4	147,173	81,949
Project costs		4,406	28,889
<b>Total Expenditure</b>		<b>16,404,940</b>	<b>15,303,567</b>
<b>Net Operating (Deficit)/Surplus</b>		<b>(359,515)</b>	<b>141,771</b>
Transfer from/(to) Capital account	9	127,482	(88,903)
Exceptional Charge	8	0	(491,951)
<b>Deficit for year</b>		<b>(232,033)</b>	<b>(439,083)</b>
<b>Balance at 1st January</b>		<b>831,017</b>	<b>1,270,100</b>
<b>Balance at 31st December</b>		<b>598,984</b>	<b>831,017</b>

All income and expenditure for the year relates to continuing activities at the reporting date. The Statement of Cash Flows and notes 1 to 23 form part of these financial statements.

On behalf of the Board:

  
**Catherine Heaney**  
**Chair**

**Date: 28 September 2018**

  
**Ambrose Loughlin**  
**Board Member**

**Date: 28 September 2018**

**NATIONAL MUSEUM OF IRELAND  
STATEMENT OF COMPREHENSIVE INCOME  
YEAR ENDED 31st DECEMBER 2017**

	2017	2016
Note	€	€
<b>Deficit for year</b>	<u>(232,033)</u>	<u>(439,083)</u>
Actuarial gain on experience	1,544,000	110,000
Actuarial loss on assumptions	<u>0</u>	<u>(6,445,000)</u>
Total Actuarial gain/(loss) in the year	15e 1,544,000	(6,335,000)
Adjustment to deferred retirement benefits funding	(1,544,000)	6,335,000
<b>Other Comprehensive Income for the year</b>	<u><u>(232,033)</u></u>	<u><u>(439,083)</u></u>

The notes 1 to 23 form part of these financial statements.

**On behalf of the Board:**

  
Catherine Heaney  
Chair

Date: 28 September 2018

  
Ambrose Loughlin  
Board Member

Date: 28 September 2018

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

**AS AT 31st DECEMBER 2017**

	Notes	2017 €	2016 €
<b>Non Current Assets</b>			
Property, plant & equipment	10	597,387	724,869
		<u>597,387</u>	<u>724,869</u>
<b>Current Assets</b>			
Museum Shop Inventory	17	128,956	172,260
Receivables	11	515,483	327,491
Cash and cash equivalents		1,267,779	1,693,175
		<u>1,912,218</u>	<u>2,192,926</u>
<b>Creditors: Amounts falling due within one year</b>			
Payables	12	<u>(1,313,234)</u>	<u>(1,361,909)</u>
<b>Net Current Assets</b>		<b>598,984</b>	<b>831,017</b>
<b>Total Assets less Current Liabilities</b>		<u><b>1,196,371</b></u>	<u><b>1,555,886</b></u>
<b>Retirement Benefits</b>			
Retirement benefit obligations	15 (d)	(52,520,000)	(51,820,000)
Deferred retirement benefit funding asset	15 (b)	52,520,000	51,820,000
<b>Total Net Assets</b>		<u><u><b>1,196,371</b></u></u>	<u><u><b>1,555,886</b></u></u>
<b>Represented by:</b>			
Capital Account	9	597,387	724,869
Retained Revenue Reserves		598,984	831,017
		<u><u><b>1,196,371</b></u></u>	<u><u><b>1,555,886</b></u></u>

The notes 1 to 23 form part of these financial statements.

**On behalf of the Board:**

  
Catherine Heaney  
Chair

Date: 28 September 2018

  
Ambrose Loughlin  
Board Member

Date: 28 September 2018

**NATIONAL MUSEUM OF IRELAND  
STATEMENT OF CASH FLOWS  
YEAR ENDED 31st DECEMBER 2017**

	2017	2016
	€	€
<b><u>Cash Flows from Operating Activities</u></b>		
Excess of Expenditure over income	(232,033)	(439,083)
Transfer (from)/to Capital Account	(127,482)	88,903
Depreciation	272,272	258,851
(Increase)/Decrease in Receivables	(187,992)	501,955
Decrease in Payables	(48,675)	(114,578)
Decrease/(Increase) in Inventory	43,304	(15,981)
<b>Net Cash (Outflow)/Inflow from Operating Activities</b>	<b>(280,606)</b>	<b>280,067</b>
<b><u>Cash Flows from Investing Activities</u></b>		
Payments to acquire property, plant & equipment	(144,790)	(347,754)
Disposal of fixed asset	0	0
<b>Net Cash Flows from Investing Activities</b>	<b>(144,790)</b>	<b>(347,754)</b>
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(425,396)</b>	<b>(67,687)</b>
Cash and cash equivalents at 1st January	1,693,175	1,760,862
<b>Cash and cash equivalents at 31st December</b>	<b>1,267,779</b>	<b>1,693,175</b>

The notes 1 to 23 form part of these financial statements.

# NATIONAL MUSEUM OF IRELAND NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2017

## 1. Accounting Policies

### a) General Information

#### Establishment of National Museum of Ireland

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

#### The Board

The Board comprises a chairperson and fifteen ordinary members and the principal functions of the Board are:

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

#### The Director

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

#### Funding

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

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

### b) Statement of Compliance

The National Museum of Ireland is a Public Benefit Entity. The financial statements for the year ended 31 December 2017 have been prepared in accordance with FRS 102, the financial reporting standard applicable in the UK and Ireland issued by the Financial Reporting Council (FRC), as promulgated by Chartered Accountants Ireland.

### c) Basis of Preparation

The financial statements have been prepared under the historical cost convention as explained in the accounting policies below. The financial statements are in the form approved by the Minister for Culture, Heritage and the Gaeltacht with the concurrence of the Minister for Public Expenditure & Reform in accordance with Section 35 of the National Cultural Institutions Act, 1997. The following accounting policies have been applied consistently in dealing with items, which are considered material in relation to the financial statements.

### d) Heritage Assets and Collections

The National Museum's collections acquired through purchase and donation are not recognised as assets in the Statement of Financial Position. The Board believe that because of the diverse nature of objects held, the number of objects and the lack of comparable market values, comprehensive valuations cannot be obtained at a cost, which is commensurate with the benefits to users of the financial statements. The disclosures required under FRS102 where heritage assets are not capitalised are set out in Note 18.

The Board of the National Museum has the power to enlarge the collection of museum heritage objects for the benefit of the public. Expenditure incurred in relation to the acquisition of heritage assets is charged to the Statement of Income and Expenditure and Retained Revenue Reserves in the year of acquisition.

# NATIONAL MUSEUM OF IRELAND NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2017

## e) Property, plant and equipment

Property, plant and equipment are shown at cost less accumulated depreciation.

Property, plant and equipment below the capitalisation threshold of €1,000 (except for Information Technology assets which have a threshold of €750) are expended in the Statement of Income and Expenditure and Retained Revenue Reserves in the year of purchase.

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

• Equipment	20.00%
• Information Technology	33.33%
• Financial Management System	20.00%
• Furniture	10.00%
• Exhibition Related Assets	20.00%

## f) Income Recognition

Grants from the Department of Culture, Heritage and the Gaeltacht are accounted for on an accruals basis and represent cash grants receivable in the year. Other income is also accounted for on an accruals basis.

## g) Shops

Retail Shops are operated by the Museum. Inventory is valued using the average cost method.

## h) Capital Account

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

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

## i) Employee Benefits

### a) Short-term Benefits

Short-term benefits such as holiday pay are recognised as an expense in the year, and benefits that are accrued at year-end are included in the Payables figure in the Statement of Financial Position.

### b) Retirement Benefits

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

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

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

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

# NATIONAL MUSEUM OF IRELAND NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2017

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 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.

Pension costs reflect pension benefits earned by staff in the period and are shown net of staff pension deductions, which are not retained by the NMI and are remitted to the Department of Culture, Heritage and the Gaeltacht. An amount corresponding to the pension charge is recognised as income to the extent that it is recoverable from the Department of Culture, Heritage and the Gaeltacht, and offset by grants received in the year to discharge pension payments.

Actuarial gains and losses arising on scheme liabilities are reflected in the Statement of Comprehensive Income and a corresponding adjustment is recognised in the amount recoverable from the Department of Culture, Heritage and the Gaeltacht. Pension liabilities represent the present value of future pension payments earned by staff to date. Deferred pension funding represents the corresponding asset, to be recovered in future periods from the Department of Culture, Heritage and the Gaeltacht.

## **j) Operating Leases**

Rental expenditure under operating leases is recognised in the Statement of Income and Expenditure and Retained Revenue Reserves over the life of the lease. Expenditure is recognised on a straight-line basis over the lease period, except where there are rental increases linked to the expected rate of inflation, in which case these increases are recognised when incurred. Any lease incentives received are recognised over the life of the lease.

## **k) Capital Grants**

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

## **l) Provisions**

The National Museum of Ireland makes provisions for legal and constructive obligations, which it knows to be outstanding at the period end date. These provisions are generally made based on historical or other pertinent information, adjusted for recent trends where relevant. However, they are estimates of the financial costs of events that may not occur for some years. Because of this and the level of uncertainty attaching to the 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 2017**

**2. Oireachtas Income**

	2017	2016
	€	€
Oireachtas Grant Current (Vote 3 Subhead A10)	11,742,792	11,162,000
Oireachtas Grant Capital (Vote 3 Subhead A10)	1,108,000	958,000
Oireachtas Grants for Specific Purposes:		
Museum Showcases	100,000	
Discovery Zone National History Museum	79,981	
CRC Swords Storage Equipment	44,157	
Yeats Collection - Purchase of Specimens	150,000	
Contribution towards State Claims liabilities	30,000	
The '1916' Exhibition		350,000
Gallipoli/ANU		112,323
Museum Masterplan		50,000
Boardroom & Café works		50,000
ICT Hardware		60,000
Deferred Funding for pensions	2,244,491	1,985,050
Employee Superannuation Contributions remitted to Department	(254,283)	(242,557)
	<u>15,245,138</u>	<u>14,484,816</u>

Expenditure of €260,690 relating to grants for specific projects was recognised in the Statement of Income and Expenditure and Retained Revenue Reserves in 2017 (2016: €636,457). Additional expenditure amounts of €13,448 related to expenditure on fixed assets which were capitalised (2016: €161,593), and €100k representing a deposit for Museum Showcases included in Receivables.

The NMI undertakes that the States investment is protected and will not be used as security for any other activity without prior consultation with the Department of Culture, Heritage and the Gaeltacht and the sanction of the Department of Public Expenditure and Reform.

**3. Museum Shop Income & Expenditure**

	Note	2017	2016
		€	€
Sales		826,496	867,745
Cost of Sales		(463,188)	(458,020)
<b>Gross Profit</b>		<u>363,308</u>	<u>409,725</u>
Salaries	14a	391,364	340,252
Administration costs		38,635	45,509
<b>Net (Loss)/Profit for the year</b>		<u>(66,691)</u>	<u>23,964</u>
<b>Exceptional Item:</b>			
*Additional VAT payment		(114,001)	0
<b>Net (Deficit)/Surplus for year</b>		<u>(180,692)</u>	<u>23,964</u>

\* A voluntary disclosure, amounting to €114,001, was submitted to Revenue in early 2018. In addition, interest and penalties amounting to €51,816 are included under Other Administration Costs in Note 6.

A provision of €99,764 (2016: €62,725) has been made for obsolete and slow moving stock.

**NATIONAL MUSEUM OF IRELAND  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31st DECEMBER 2017**

**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.

	2017	2016
	€	€
<b>Own Resource Income</b>		
Corporate Hospitality	8,528	13,414
Catering	107,990	126,770
Filming	1,000	40,227
Car Parking	159,172	145,656
Photographic Rights and Reproductions	9,987	4,827
Event Income and Guided tours	950	741
Grants Received Amortised	0	12,833
Other Income	3,800	3,276
	<u>291,427</u>	<u>347,744</u>
<b>Own Resource Expenditure</b>		
Advertising and Marketing	7,380	21,470
Consultancy - Masterplanning	82,846	20,970
Exhibition Expenses	14,363	0
Other Expenses	42,584	39,509
	<u>147,173</u>	<u>81,949</u>
<b>Net Own Resource Income</b>	<u>144,254</u>	<u>265,795</u>

**5. Other Income**

	2017	2016
	€	€
Project income	3,000	25,610
Sponsorship and donations	142,552	177,443
	<u>145,552</u>	<u>203,053</u>

**6. Other Administration Costs**

	2017	2016
	€	€
	<b>Note</b>	
Information Technology	490,050	394,716
Travel and Subsistence	89,422	67,836
Board Expenses	21,596	6,025
Contracted Staff & Consultancy	278,462	203,768
Administration General	198,145	73,151
Training Costs	66,084	75,219
Human Resource Costs	88,695	56,588
Office Stationery and Supplies	4,513	12,349
Audit Fees	25,000	20,000
Internal Audit	14,658	18,166
(Decrease)/Increase in Claims Provision	(18,372)	95,555
Depreciation Charge	272,272	258,851
Telecommunications	93,615	94,603
	<u>1,624,140</u>	<u>1,376,827</u>

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

**YEAR ENDED 31st DECEMBER 2017**

**7. Costs of acquisition, management & display collections**

	2017	2016
<b>Services Expenditure</b>	<b>€</b>	<b>€</b>
Exhibition Support	202,198	79,377
Marketing and Advertising	206,296	210,127
Utilities – including Heating, Lighting and Water Charges	735,391	849,799
Security	728,420	686,755
Maintenance and Cleaning	417,380	298,305
Postage and Telecommunications	4,638	13,277
Education Programmes	238,600	152,995
Transport and Haulage	20,528	24,937
Photography	23,423	37,198
Office Equipment and Supplies	11,888	9,219
Rent	499,955	510,000
Design	1,074	1,296
	<u><b>3,089,791</b></u>	<u><b>2,873,285</b></u>
	<b>2017</b>	<b>2016</b>
<b>Collections Expenditure</b>	<b>€</b>	<b>€</b>
Investigations/Research	10,796	14,959
Library	33,916	40,560
Conservation Works	23,541	24,445
Academic Publications	57,770	19,434
Online Collections	0	37,957
Archives/Documentation	359,838	480,608
Conservation Supplies	55,368	15,925
Storage	176,238	137,653
	<u><b>717,467</b></u>	<u><b>771,541</b></u>
	<b>2017</b>	<b>2016</b>
<b>Acquisition of Artefacts/Specimens</b>	<b>€</b>	<b>€</b>
Artefact Purchases	551,805	196,462
Finders' Rewards	15,314	23,021
Specimens Purchases	1,158	2,313
Miscellaneous Costs	770	353
	<u><b>569,047</b></u>	<u><b>222,149</b></u>
<b>Total costs associated with acquisition, preservation, management and display of collections</b>	<u><u><b>4,376,305</b></u></u>	<u><u><b>3,866,975</b></u></u>

**8. Exceptional Charge**

	2017	2016
	<b>€</b>	<b>€</b>
Exceptional Charge	0	491,951
	<u><b>0</b></u>	<u><b>491,591</b></u>

The 2015 financial statements recorded a receivable for the full amount of the closing claims provision of €491,951, which was based on the Board's understanding of the Department of Culture, Heritage and the Gaeltacht's position at that time. This receivable was subsequently reversed during 2016 as the Department of Culture, Heritage and the Gaeltacht had not committed to providing funding for these claims.

**NATIONAL MUSEUM OF IRELAND  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31st DECEMBER 2017**

**9. Capital Account**

	Notes	2017 €	2016 €
Balance as at 1st January		724,869	635,966
<b>Transfer (to)/from the Statement of Income and Expenditure &amp; Retained Revenue Reserves</b>			
To fund property plant & equipment purchases	10	144,790	347,754
Amortisation in line with asset depreciation	10	(272,272)	(258,851)
Amount realised on disposal of property, plant & equipment		0	0
		<u>(127,482)</u>	<u>88,903</u>
Balance as at 31 <sup>st</sup> December		<u>597,387</u>	<u>724,869</u>

**10. Property, Plant & Equipment**

	Equipment €	Information Technology €	Furniture €	Exhibition Assets €	Total €
<b><u>COST OR VALUATION</u></b>					
As at 1st January 2017	2,942,192	1,750,609	796,804	3,291,124	8,780,729
Additions	15,661	129,129	0	0	144,790
Disposals	(27,191)	0	0	0	(27,191)
As at 31st December 2017	<u>2,930,662</u>	<u>1,879,738</u>	<u>796,804</u>	<u>3,291,124</u>	<u>8,898,328</u>
<b><u>ACCUMULATED DEPRECIATION</u></b>					
As at 1st January 2017	2,885,803	1,532,657	764,595	2,872,805	8,055,860
Depreciation charge for period	22,238	111,288	19,092	119,654	272,272
Disposals	(27,191)	0	0	0	(27,191)
As at 31st December 2017	<u>2,880,850</u>	<u>1,643,945</u>	<u>783,687</u>	<u>2,992,459</u>	<u>8,300,941</u>
<b><u>NET BOOK VALUES</u></b>					
As at 31st December 2017	<u>49,812</u>	<u>235,793</u>	<u>13,117</u>	<u>298,665</u>	<u>597,387</u>
As at 31st December 2016	<u>56,389</u>	<u>217,952</u>	<u>32,209</u>	<u>418,319</u>	<u>724,869</u>

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 2017**

**Prior Year Comparatives**

	Equipment €	Information Technology €	Furniture €	Exhibition Assets €	Total €
<b><u>COST OR VALUATION</u></b>					
As at 1st January 2016	2,946,604	1,556,599	796,804	3,207,407	8,507,414
Additions	26,700	226,538	0	94,516	347,754
Disposals	(31,112)	(32,528)	0	(10,799)	(74,439)
<b>As at 31st December 2016</b>	<b>2,942,192</b>	<b>1,750,609</b>	<b>796,804</b>	<b>3,291,124</b>	<b>8,780,729</b>

**ACCUMULATED DEPRECIATION**

As at 1st January 2016	2,895,402	1,480,867	743,716	2,751,463	7,871,448
Depreciation charge for period	21,513	84,318	20,879	132,141	258,851
Disposals	(31,112)	(32,528)	0	(10,799)	(74,439)
<b>As at 31st December 2016</b>	<b>2,885,803</b>	<b>1,532,657</b>	<b>764,595</b>	<b>2,872,805</b>	<b>8,055,860</b>

**NET BOOK VALUES**

<b>As at 31st December 2016</b>	<b>56,389</b>	<b>217,952</b>	<b>32,209</b>	<b>418,319</b>	<b>724,869</b>
As at 31st December 2015	51,202	75,732	53,088	455,944	635,966

**11. Receivables**

	2017 €	2016 €
Prepayments	385,010	288,026
Accounts Receivable	102,768	18,840
Employee Schemes (Travel Pass etc.)	27,705	20,625
	<b>515,483</b>	<b>327,491</b>

**12. Payables**

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

	Note	2017 €	2016 €
Trade Creditors		123,137	61,050
Claims Provision	19	183,661	587,506
Accruals		638,888	413,048
Holiday Pay Accrual		130,965	76,527
VAT		70,968	15,455
<b>Payroll Deductions:</b>			
Employee Retirement Benefit Contributions		0	17,509
PAYE/PRSI		165,615	190,814
		<b>1,313,234</b>	<b>1,361,909</b>

**NATIONAL MUSEUM OF IRELAND  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31st DECEMBER 2017**

**13. Lease Commitments**

NMI has commitments of €510,000 (2016: €510,000) payable within the next twelve months on foot of a 20 year rental obligation for the Collections Resource Centre in Swords, Co Dublin, which commenced on 17 September 2010. The Collections Resource Centre in Swords is sublet to the NMI at an annual rent of €860,000 from the OPW. The Commissioners of Public Works provide an annual subvention of €350,000. The NMI agreed to sublet an area in the Collections Resource Centre to the Hugh Lane Gallery for an agreed annual rental of €17,220 for the period June 2017 to April 2020.

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

	<b>2017</b>	<b>2016</b>
	€	€
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	6,630,836	7,490,836
	<u><b>10,580,836</b></u>	<u><b>11,440,836</b></u>

**14. Salaries**

**a) Aggregate Employee Benefits**

	<u>2017</u>		<u>2016</u>	
	Museum Operations	Museum Shops	Museum Operations	Museum Shops
	€	€	€	€
Staff short-term benefits	6,294,289	356,799	6,051,453	307,200
Termination benefits	0	0	62,355	0
Employer's contribution to social welfare	528,220	34,565	505,458	33,052
	<u><b>6,822,509</b></u>	<u><b>391,364</b></u>	<u><b>6,619,266</b></u>	<u><b>340,252</b></u>

**b) Staff short-term benefits**

	€	€	€	€
Basic Pay	5,845,958	342,202	5,572,102	289,006
Overtime	300,289	4,054	330,100	7,113
Allowances	148,042	10,543	149,251	11,081
	<u><b>6,294,289</b></u>	<u><b>356,799</b></u>	<u><b>6,051,453</b></u>	<u><b>307,200</b></u>

**c) Termination benefits**

	€	€	€	€
Termination benefits charged to I&E	0	0	62,355	0
	<u><b>0</b></u>	<u><b>0</b></u>	<u><b>62,355</b></u>	<u><b>0</b></u>

Total number of staff employed as at 31st December 2017 was 162 (2016: 157). This comprised 144.0 (2016:136.7) full time equivalent core posts and 9.76 (2016:11.2) Museum Shop posts.

**NATIONAL MUSEUM OF IRELAND  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31st DECEMBER 2017**

**d) Key Management Personnel**

Key management personnel consists of the Director, the Head of Operations and the Head of Collections and Learning.

The total value of employee benefits for key management personnel is set out below:

	2017	2016
	€	€
Salary	285,211	271,080
Allowances	0	0
Termination benefits	0	0
Health Insurance	0	0
	<u>285,211</u>	<u>271,080</u>

This does not include the value of retirement benefits earned in the period. The key management personnel are members of the public sector defined benefit superannuation scheme and their entitlements in that regard do not extend beyond the terms of the model public service pension scheme.

**e) Director's Salary and Benefits**

	2017	2016
	€	€
Basic Pay	102,413	95,816
Benefit in kind	0	0
	<u>102,413</u>	<u>95,816</u>

The superannuation entitlements of the Director are the standard entitlements of the public sector defined benefit superannuation scheme and entitlements in that regard do not extend beyond the terms of the model public service pension scheme.

During 2017, the Director of the Museum incurred expenses of €4,368 (2016: €3,166).

**15. Retirement Benefit Costs**

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

	2017	2016
	€	€
Current Service cost	1,890,000	1,500,000
Interest on defined benefit scheme liabilities	990,000	1,050,000
Employee Contributions	(254,283)	(242,557)
	<u>2,625,717</u>	<u>2,307,443</u>

**b) Deferred Funding Asset for Pensions**

NMI recognises an amount of €52,520,000 (2016: €51,820,000) as an asset corresponding to the unfunded deferred liability for retirement benefits on the basis of a number of past events. These events include the statutory basis for the establishment of the retirement benefit scheme, and the policy and practice in relation to funding public service retirement benefits including contributions by employees

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

	2017 €	2016 €
Funding recoverable in respect of current year retirement benefit costs	2,880,000	2,550,000
State Grant applied to pay retirement benefits	(635,509)	(564,950)
	<u>2,244,491</u>	<u>1,985,050</u>

The deferred funding asset for retirement benefits as at 31st December 2017 amounted to €52,520,000 (2016: €51,820,000)

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

	2017 €	2016 €
Net retirement benefit obligation at 1 January	(51,820,000)	(43,500,000)
Current Service Cost	(1,890,000)	(1,500,000)
Interest Costs	(990,000)	(1,050,000)
Actuarial gain on experience	1,544,000	(110,000)
Actuarial loss on assumptions	0	6,445,000
Pensions paid in the year	636,000	565,000
<b>Net retirement benefit obligation at 31 December</b>	<u><b>(52,520,000)</b></u>	<u><b>(51,820,000)</b></u>

**e) History of Defined Benefit Obligations**

	2017 €	2016 €	2015 €
Defined benefit obligations	52,520,000	51,820,000	43,500,000
Experience gains/(losses) on Scheme Liabilities amount	1,544,000	(6,335,000)	(8,467,000)
Percentage of Scheme Liabilities	3%	(12%)	(19%)

The cumulative actuarial loss recognised in the Statement of Comprehensive Income amounts to €3,060,000 (2016: Loss €4,604,000).

**f) General Description of the Scheme**

The main pension scheme in operation 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.

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For employees who joined the public sector after 1 January 2013 there is a Single Public Service Pension Scheme in operation.

The Single Public Service scheme is a Career-Average Defined Benefit Pension Scheme. Retirement benefits are mainly based on a percentage of pensionable earnings throughout the public service career as a member of the Scheme.

For each pay period that contributions are made to the Scheme, an amount is built up towards retirement benefits. The total of these amounts at retirement, with some adjustments for increases in inflation for the amounts earned earlier in the career, determine what the retirement benefits will be.

Normal retirement age under the Scheme is the same as the age that employees can claim the Contributory State Pension from the Department of Employment Affairs and Social Protection. The maximum retirement age for employees who are members of the Single Pension Scheme is 70.

The valuation used for FRS102 disclosures has been based on a full actuarial valuation on 1st June 2018 by a qualified actuary, taking account of the requirements of the FRS in order to assess the scheme liabilities at 31st December 2017.

The principal actuarial assumptions were as follows:

	<b>2017</b>	<b>2016</b>
Discount Rate	1.85%	1.85%
Rate of increase in salaries	2.50%	2.50%
Rate of increase in pensions in payment	2.50%	2.50%
Inflation Rate	1.75%	1.75%

The mortality basis adopted allows for improvements in life expectancy over time. The table below shows the life expectancy for members attaining age 65 in 2017 and 2037.

<b>Year of attaining age 65</b>	<b>2017</b>	<b>2037</b>
Life expectancy years – male	21.2	23.7
Life expectancy years – female	23.7	25.8

#### **16. Premises**

The Commissioners of Public Works are responsible for the provision of services for the construction and maintenance of the buildings (occupied and unoccupied) leased and or owned by the National Museum. This does not include utilities. The costs involved are met from the Vote for the Commissioners of Public Works. All premises are provided rent free to the Museum.

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

#### **17. Museum Shop Inventory**

Stocks are valued at the average cost method.

	<b>2017</b>	<b>2016</b>
	€	€
Stock of re-saleable goods	228,720	234,985
Obsolete General Stock Provision	(99,764)	(62,725)
	<u><b>128,956</b></u>	<u><b>172,260</b></u>

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#### 18. Heritage Assets

As outlined in Accounting Policy 1(d), the value of the Museum's collections is not included in the Statement of Financial Position. The Museum recognises that the heritage assets are owned by the State under Section 4 of The Dublin Science and Art Museum Act, 1877, and that the Museum is the custodian in relation to these heritage assets under the provisions of the National Cultural Institutions Act, 1997.

#### (a) Nature and scale of the collection

**Four separate collecting departments curate the National Museum's collection:**

##### **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**

The Division's collections reflect Irish traditional life, with particular emphasis on rural Ireland. They include objects dealing with agriculture, fishing and hunting, clothing, architecture, vernacular furniture, trades and crafts, transport, sports and leisure, religion domestic metalwork and food-related material, glass, ceramics, straw, hay and wicker work, education, music, calendar customs and commercial activity. It consists of some 35,000 objects.

In 2001, the Folklife division gained a new home at Turlough Park House outside Castlebar, Co. Mayo, with the opening of the National Museum of Ireland – Country Life. Most of the Folklife collections were moved there, although some still remain stored in Daingean in Co. Offaly are in the process of being transferred to the Collections Resource Centre in Swords, Co. Dublin.

##### **Natural History Division**

The Division cares for the state collections in the disciplines of zoology, entomology and geology. (The botanical collections of the Museum were transferred to the National Botanic Gardens in 1970). The collections comprise approximately two million specimens. The largest of the collections, in terms of numbers, is the insect collection, which accounts for approximately half of all specimens.

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These collections have been accumulated over two centuries. The early origins of the museum lie with the Royal Dublin Society (RDS) who began gathering specimens in the 18th century. The collections are used as a reference resource by staff and research visitors, and play an important role in the identification of specimens such as insect pests that may have considerable economic significance.

#### **(b) National Museum's policy on acquisitions, preservation management and disposal**

Under the terms of the *National Cultural Institutions Act, 1997* (Section 11 (1)) "the principal functions of the Board of the Museum shall be to maintain, manage, control, protect, preserve, record, research and enlarge the collection of museum heritage objects for the benefit of the public and to increase and diffuse in and outside the State knowledge of human life in Ireland, of the natural history of Ireland and of the relations of Ireland in these respects with other countries."

**Acquisition** - Bearing in mind the national remit of the National Museum of Ireland, in broad terms the objects to be acquired will be of one or all of the following:

- Be of national importance
- Have potential for display
- Be of research and educational use
- Be an artefact, which will fill a gap in the collection.

The museum will not acquire, whether by purchase, gift, bequest or exchange, any object or specimen unless the governing body or responsible officer is satisfied that the Museum can acquire, on behalf of the state, a valid title to the object in question, and that in particular it has not been acquired in, or exported from, its country of origin (or any intermediate country in which it may have been legally owned) in violation of that country's laws. (For the purposes of this paragraph 'country of origin' includes Ireland.) All acquisitions will be documented in accordance with best museum practice.

**Conservation** - The Museum's policy on conservation is based on a combination of preventative and remedial conservation, both designed to ensure the preservation of the Museum's collections. Conservation assessments of potential acquisitions should be carried out prior to acquisition, loan and display, and the condition of objects and specimens in the collections should be monitored. Collections should only be kept in rooms or buildings which are structurally sound and where suitable environmental conditions can be maintained for the objects in question.

**Management** - An outsourced inventory project began in March 2009. To date (end of April 2018) 674,587 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."

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Furthermore, the same section of the Act states:

“Where an archaeological object becomes the property of the State and the Director is of opinion that the object is predominantly more of local rather than national interest, the Director may place the object in the care of a designated museum.”

It goes on to state:

“An archaeological object that has been placed in the care of a designated museum ... shall not be disposed of other than by means of its transfer into the care of another designated museum or the National Museum of Ireland”.

Any monies received by the museum from the disposal of objects will be applied in the acquisition of objects to be added to the collections for the benefit of the collections.

**19. Provisions**

The financial statements record a year end claims provision amount of €183,661 (2016: €587,506) in respect of 3 public liability claims being handled by the State Claims Agency on behalf of the National Museum of Ireland.

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

	2017	2016
	€	€
Provision at 1 January	587,506	491,951
Net (decrease)/increase in provision	(18,372)	95,555
Amounts paid by the NMI	(385,473)	0
<b>Provision at 31 December</b>	<b><u>183,661</u></b>	<b><u>587,506</u></b>

**20. Contingencies**

Other than the items referred to in Note 19 Provisions, there are no contingencies, which require specific provision in the Financial Statements.

No provision, other than legal fees, has been made in the 2017 Financial Statements in respect of a legal case which commenced against the Museum in 2017 and is ongoing.

**21. Events after the reporting period**

There are no events after the reporting period requiring provision or disclosure within the Financial Statements.

**22. Related Party Disclosures**

There are no other transactions with related parties.

Key management personnel consist of the Director, Head of Collections and Learning and the Head of Operations. Total compensation paid to key management personnel, amounted to €285,211 (2016: €271,080).

**23. Approval of Financial Statements**

The Board approved the financial statements on 28 September 2018.