

**The National Museum of Ireland
Financial Statements
Year Ended
31st December 2011**

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NATIONAL MUSEUM OF IRELAND

STATEMENT OF RESPONSIBILITIES OF THE BOARD

The National Museum of Ireland (NMI) presents its report for the year ended 31st December 2011.

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 Finance. 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 NMI'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
Chairman

Board Member

Date:

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 body, 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 do occur;
- Assessing the costs of operating particular controls relative to the benefit obtained;

The system of internal financial control is based on a framework of regular management information, administrative procedures including segregation of duties, and a system of delegation and accountability.

In particular it includes:

- Comprehensive budgeting system with an annual budget which is reviewed and agreed by the Board;
- Quarterly Reviews by the Board of financial information which indicate financial performance against forecasts;
- Setting targets to measure financial and other performance;
- Clearly defined capital investment control guidelines;
- Formal project management disciplines;

The Board of the Museum has established an Audit Committee and set the Committee's terms of reference. The Committee met on five occasions in the year ended 31st December 2011. The National Museum of Ireland has outsourced the internal audit function until 2013.

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

Responsibility for System of Internal Financial Control

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

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

Annual Review of Controls

A review of the effectiveness of the system of internal financial control was carried out in respect of the year ended 31 December 2011.

On behalf of the Board:

Dr John O'Mahony - Chairman

Date:

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.

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.

Heritage assets are currently not reflected in the balance sheet. This is because of the diverse nature of objects held, the number of objects and the lack of comparable market values.

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 and such pay 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 2011

		2011 €	2011 €	2010 €	2010 € (Restated)
INCOME	Notes				
Oireachtas Grant	3(a)		14,217,690		15,066,291
Museum Shops Sales	2	824,982	00	812,060	0
Cost of Sales		<u>(421,541)</u>	<u>00</u>	<u>(467,584)</u>	<u>0</u>
Museum Shops Gross Profit			403,441		344,476
Own Resource Income	3(b)		94,253		180,288
Sponsorship and Donations			9,156		24,953
Deposit Interest Received			23,021		13,617
Deferred Funding for Pensions in Year	14(c)		<u>2,864,000</u>		<u>3,017,000</u>
TOTAL INCOME			17,611,561		18,646,625
EXPENDITURE					
Administration	5		9,856,008		10,105,702
Services	6		3,722,402		3,818,925
Collections	7		1,184,001		1,584,689
Artefacts/Specimens	8		273,292		269,252
Museum Shop Expenses	2		516,464		406,188
Own Resource Expenditure	3(b)		73,774		72,552
Pension Costs	14(a)		<u>2,841,690</u>		<u>2,958,291</u>
TOTAL EXPENDITURE			18,467,631		19,215,599
NET OPERATING EXPENDITURE			(856,070)		(568,974)
Transfer (to)/from Capital Account	4		252,062		604,774
(Deficit)/Surplus for year			(604,008)		35,800
Balance at 1st January			1,950,805		1,915,005
Balance at 31st December			<u>1,346,797</u>		<u>1,950,805</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
Chairman

Board Member

Date:

NATIONAL MUSEUM OF IRELAND
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31st DECEMBER 2011

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES		2011	2010
		€	€
Surplus for year		(604,008)	35,800
Experience gain/(loss) on pension scheme liabilities	14(b)	364,000	3,417,000
Gain/(loss) arising from change in actuarial assumptions		-	-
Actuarial gain/(loss) on pension scheme liabilities		364,000	3,417,000
Adjustment to deferred pension funding	14(b)	(364,000)	(3,417,000)
Total recognised (loss)/gain for the year		(604,008)	35,800

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
Chairman

Board Member

Date:

NATIONAL MUSEUM OF IRELAND
BALANCE SHEET AS AT 31st DECEMBER 2011

	Notes	2011 €	2010 €
Fixed Assets			
Tangible assets	9	982,226	1,234,288
		982,226	1,234,288
Current assets			
Museum Shop Stocks	20	607,832	563,893
Debtors and Prepayments	10	281,100	660,010
Cash at Bank		2,125,576	2,470,633
		3,014,508	3,694,536
Creditors: Amounts falling due within one year	11	1,667,711	1,743,731
Net current Assets		1,346,797	1,950,805
Total Assets less current liabilities		2,329,023	3,185,093
Creditors: amounts falling due after more than one year			
Deferred Pension Funding	14 (c)	29,500,000	27,000,000
Pensions Liabilities	14 (b)	(29,500,000)	(27,000,000)
Total Net Assets		2,329,023	3,185,093
Represented by			
Capital Account	4	982,226	1,234,288
Income and Expenditure Account Surplus		1,346,797	1,950,805
		2,329,023	3,185,093

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
Chairman

Board Member

Date:

NATIONAL MUSEUM OF IRELAND
CASH FLOW STATEMENT
YEAR ENDED 31st DECEMBER 2011

	2011	2010
	€	€
Reconciliation of Net Operating Surplus		
Operating (Deficit)/ Surplus	(604,008)	35,800
Transfer to / (from) Capital Reserve	(252,062)	(604,774)
Depreciation	637,061	710,949
(Increase)/ Decrease in Debtors	378,910	210,851
Increase / (Decrease) in Creditors	(76,020)	395,553
(Increase) / Decrease in Stocks	(43,939)	41,892
Loss on disposal of fixed asset	4,135	258
Net Cash Inflow from Operating Activities	44,077	790,529
<u>Cash Flow Statement</u>		
Net Cash Inflow from Operating Activities	44,077	790,529
Payments to acquire assets	(389,134)	(106,433)
Proceeds on sale of assets	-	-
(Decrease) / Increase in cash	(345,057)	684,096
Reconciliation of net cash flow to movements in net funds		
Net funds at 31st December	2,125,576	2,470,633
Net funds at 1st January	2,470,633	1,786,537
	(345,057)	684,096
Movement in net funds for the year		
	Cash at bank and in hand	
<u>Analysis of changes in net (debt)/funds</u>		
At 1 st January 2011	2,470,633	
Cash flows	(345,057)	
At 31 st December 2011	2,125,576	

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
Chairman

Board Member

Date:

NATIONAL MUSEUM OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2011

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

	2011 €	2010 €
Sales	824,982	812,060
Cost of Sales		
Opening Stock	563,893	605,785
Purchases	465,480	425,692
Closing Stock	(607,832)	(563,893)
	<u>421,541</u>	<u>467,584</u>
Gross Profit	403,441	344,476
Salaries and administration		
Salaries	391,228	353,976
Administration costs	125,236	52,212
	<u>516,464</u>	<u>406,188</u>
Net (Loss)	<u><u>(113,023)</u></u>	<u><u>(61,712)</u></u>

NATIONAL MUSEUM OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2011

3) Income

(a) Oireachtas Grant

	2011 €	2010 €
Grants from the Department of Arts, Heritage and the Gaeltacht		
Current purposes	12,240,000	13,125,000
Less: Superannuation contributions repayable	(22,310)	(58,709)
	<u>12,217,690</u>	<u>13,066,291</u>
Capital purposes	2,000,000	2,000,000
Total Grant	<u>14,217,690</u>	<u>15,066,291</u>

(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.

	2011 €	2010 €
Own resource Income:		
Corporate Hospitality	800	19,494
Catering	56,291	118,572
Event Income	7,275	10,035
Photographic Rights and Reproductions	11,109	18,611
Guided Tours	4,608	2,790
Grants Received	12,833	9,700
Other Income	1,337	1,086
	<u>94,253</u>	<u>180,288</u>
Own resource Expenditure:		
Salaries	23,320	41,953
Advertising and Marketing	6,982	8,238
Maintenance and Cleaning	-	636
Consultancy	-	3,000
Catering	301	6,147
Professional Fees	18,000	10,720
Other Expenses	25,171	1,858
	<u>73,774</u>	<u>72,552</u>
Net Own Resource Income	<u>20,479</u>	<u>107,736</u>

Included in Other Expenses above is €16,856 for penalties and interest incurred on Vat arrears as part of a settlement reached with the Office of the Revenue Commissioners.

NATIONAL MUSEUM OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2011

4) Capital Account

	Notes	2011 €	2010 €
Balance as at 1st January		1,234,288	1,839,062
Transfer to / (from) Income and Expenditure Account			
To fund fixed asset purchases	9	389,134	106,433
Amortisation in line with asset depreciation	9	(637,061)	(710,949)
Amount released on disposal of assets		(4,135)	(258)
		<u>(252,062)</u>	<u>(604,774)</u>
Balance as at 31st December		<u>982,226</u>	<u>1,234,288</u>

5) Administration Expenditure

		2011 €	2010 € (Restated)
Salaries		8,046,822	8,026,795
Advertising – Recruitment		-	2,801
Information Technology		337,356	479,813
Travel and Subsistence		106,744	84,090
Board Fees	16	102,991	32,918
Board – Other Expenditure		14,664	9,251
Consultancy		27,899	34,102
Administration General		25,210	25,310
Training Costs		99,840	122,778
Human Resource Costs		120,724	118,672
Office Stationery and Supplies		14,708	22,615
Audit Fees		15,156	15,134
Internal Audit		15,134	15,124
Other Expenses		5,062	15,245
Settlement of Claims	18	150,310	261,260
Depreciation Charge	9	637,061	710,949
Telecommunications		136,327	128,845
		<u>9,856,008</u>	<u>10,105,702</u>

NATIONAL MUSEUM OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2011

6) Services Expenditure

	Note	2011 €	2010 € (Restated)
Exhibition Support		481,178	208,135
Marketing and Advertising		352,879	703,081
Utilities – including Heating, Lighting and Water Charges		970,672	1,058,657
Security		734,701	775,945
Maintenance and Cleaning		450,420	378,800
Postage and Telecommunications		20,685	14,147
Education Programmes		155,310	200,760
Professional Fees		-	19,922
Transport and Haulage		37,770	35,259
Signage		5,274	7,853
Photography		63,894	81,668
Office Equipment and Supplies		1,735	46,054
Rent	12	396,011	248,989
Design		51,873	39,655
		<u>3,722,402</u>	<u>3,818,925</u>

7) Collections Expenditure

	2011 €	2010 €
Investigations/Research	25,023	36,728
Library	140,678	199,440
Conservation Works	247,818	479,550
Academic Publications	54,265	93,847
Dublin Excavations	58,763	76,013
Archives/Documentation	483,685	555,925
Conservation Supplies	26,842	32,546
Storage	146,927	110,640
	<u>1,184,001</u>	<u>1,584,689</u>

8) Artefacts and Specimens

	2011 €	2010 €
Artefact Purchases	226,236	241,740
Finders' Rewards	18,608	17,677
Specimens Purchases	12,840	5,914
Miscellaneous Costs	15,608	3,921
	<u>273,292</u>	<u>269,252</u>

NATIONAL MUSEUM OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2011

9) Fixed Assets

	Equipment	Information Technology	Furniture	Exhibition Assets	TOTAL
	€	€	€	€	€
<u>COST OR VALUATION</u>					
As at 1st January 2011	2,879,674	1,498,045	786,783	2,581,896	7,746,398
Additions	8,530	134,054	4,695	241,855	389,134
Disposals	(23,271)	(197,452)	-	(132,733)	(353,456)
As at 31st December 2011	2,864,933	1,434,647	791,478	2,691,018	7,782,076
<u>ACCUMULATED DEPRECIATION</u>					
As at 1st January 2011	2,664,547	943,542	536,717	2,367,304	6,512,110
Depreciation charge for period	100,537	353,026	46,304	137,194	637,061
Disposals	(20,016)	(196,573)	-	(132,732)	(349,321)
As at 31st December 2011	2,745,068	1,099,995	583,021	2,371,766	6,799,850
<u>NET BOOK VALUES</u>					
As at 31st December 2011	119,865	334,652	208,457	319,252	982,226
As at 31st December 2010	215,127	554,503	250,066	214,592	1,234,288

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

	2011	2010
	€	€
Prepayments	235,978	645,433
Accounts Receivable	19,649	920
Employee Schemes (Travel Pass etc.)	25,473	4,733
Shop and Other Debtors	-	8,924
	281,100	660,010

NATIONAL MUSEUM OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2011

11) Creditors: Amounts falling due within 1 year

	2011	2010
Note	€	€
Trade Creditors	2,266	1,452
Accruals	282,409	415,839
Professional Services Withholding Tax	22,007	35,444
VAT	67,786	24,923
Payroll Deductions:	0	
Employee Superannuation Contributions	1,034,142	1,034,142
PAYE/PRSI	221,176	163,595
Other	37,925	68,336
	<u>1,667,711</u>	<u>1,743,731</u>

The Department of Finance has yet to decide on how employee superannuation contributions deducted from employees up to 31 December 2010 should be dealt with. Pending this decision, the contributions held at 31 December 2011 are being retained by NMI and are included in Cash at Bank.

Pension deductions from January 2011 are paid over to the Department of Arts Heritage and the Gaeltacht.

12) Commitments

a) Rental Obligations

NMI has commitments of €464,164 (2010: €396,011) payable within the next twelve months on foot of a twenty year rental obligation for the Collections Resource Centre in Swords, Co Dublin, commencing on 17 September 2010.

The first payment of €645,000 in December 2009 was for the first nine months of the lease up to and including 16 June 2011, this is followed by a one year rent free period from 17 June 2011 to 16 June 2012. Thereafter the rent payable by NMI is €860,000 per annum.

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

	2011	2010
Expiry of Lease	€	€
Not later than One Year	464,164	396,011
Later than One Year and no later than Five Years	2,116,011	2,184,164
Later than Five Years	14,370,836	14,370,836
	<u>16,951,011</u>	<u>16,951,011</u>

NATIONAL MUSEUM OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2011

13) Salaries

a) Employee Costs

	2011	2010
	€	€
Salaries - Curatorial & Administration	8,046,822	8,026,795
Salaries - Museum Shop	391,228	353,976
Salaries - Corporate Services	23,320	41,953
	<u>8,461,370</u>	<u>8,422,724</u>

Total number of staff employed by the National Museum of Ireland as at 31st December 2011 was 176 (2010: 183) of which 2 (2010: 2) employees are on secondment from the Department of Arts, Heritage and the Gaeltacht.

In 2011 €463,347 (2010: €439,965) of pension levy has been deducted and paid over to the Department of Arts, Heritage and the Gaeltacht.

b) Director's Remuneration

The total remuneration of the Director of NMI for 2011 amounts to €105,429 (2010: €110,844). 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 2011

14) Superannuation

a) Analysis of total pension costs charged to Expenditure

	2011	2010
	€	€
Current Service cost	1,600,000	1,700,000
Interest on Pension Scheme Liabilities	1,500,000	1,500,000
Employee Contributions	(258,310)	(241,709)
	<u>2,841,690</u>	<u>2,958,291</u>

b) Movement in Net Pension Liability during the financial year

	2011	2010
	€	€
Net Pension Liability at 1st January	(27,000,000)	(27,400,000)
Current Service Cost	(1,600,000)	(1,700,000)
Interest Costs	(1,500,000)	(1,500,000)
Actuarial gain/(loss)	364,000	3,417,000
Pensions paid in the year	236,000	183,000
Net Pension Liability at 31st December	<u>(29,500,000)</u>	<u>(27,000,000)</u>

c) 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.

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

	2011	2010
	€	€
Funding recoverable in respect of current year pension costs	3,100,000	3,200,000
State Grant applied to pay pensioners	(236,000)	(183,000)
	<u>2,864,000</u>	<u>3,017,000</u>

The deferred funding asset for pensions as at 31st December 2011 amounted to €29,500,000 (2010: €27,000,000)

d) History of defined benefit obligations

	2011	2010	2009
	€	€	€
Defined benefit obligations	29,500,000	27,000,000	27,400,000
Experience (gains) / losses on Scheme Liabilities amount	(364,000)	(3,417,000)	(1,300,000)
Percentage of Scheme Liabilities	(12%)	(13%)	5%

The cumulative actuarial gain recognised in the Statement of Total Recognised Losses amounts to €5,409,000 (2010:€5,045,000).

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e) 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 (eightieths 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 7th February 2012 by a qualified actuary taking account of the requirements of the FRS in order to assess the scheme liabilities at 31st December 2011.

The principal actuarial assumptions were as follows:

	2011	2010
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 2011, 2030 and 2050.

Year of attaining age 65	2011	2030	2050
Life expectancy – male	22	22	22
Life expectancy – female	25	25	25

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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 NMI 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. Offaly. These premises are occupied and provided by Bord Na Mona rent free.

The Collections Resource Centre in Swords, Co Dublin is sublet by the National Museum of Ireland on a 20 year lease from the Commissioners of Public Works with an annual rent of €860,000.

The 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.

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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 eight Board meetings as well as a number of Committee meetings held in 2011.

Below are details of fees and expenses paid to Board members in 2011.

Board Members	Fees €	Expenses €	Total €	No of Board meetings attended
Gerard Collins	7,149	2,384	9,533	8
Mary Crotty	5,657	-	5,657	7
Mairín de Brún	5,657	-	5,657	7
Dervilla Donnelly	5,657	-	5,657	7
Eileen Jackson	6,313	-	6,313	8
Olivier Kazmierczak	6,313	-	6,313	8
Paul Kelly	6,313	-	6,313	4
Eamonn McEneaney	6,313	1,998	8,311	8
Fergus Mc Kenna O'Hagan	7,149	-	7,149	5
Chris Nicholas	4,657	-	4,657	7
John O'Mahony (Chairman)	10,724	-	10,724	8
Gearóid Ó Tuathaigh	5,657	-	5,657	7
Frances Rocks	6,313	1,302	7,615	8
Mary Sleeman	6,313	396	6,709	5
Eamonn Stack	7,149	2,772	9,921	7
Peter Woodman	5,657	1,016	6,673	7
Total	102,991	9,868	112,859	

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17) Collections

The existing National Collections were not vested in the Board on establishment day.

As at 31st December 2011 heritage assets are not reflected in the balance sheet.

In NMI's 2010 Financial Statements the Board of NMI stated:

The National Museum of Ireland will be adopting the recommendations as set out under FRS30 (Accounting for Heritage Assets) in the financial statements for the year ending 31st December 2011.

As heritage assets are the property of the State the Board has decided not to adopt 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 our 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.

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18) Contingent Liabilities

- a) A stairwell collapsed in the administration area of the Natural History Museum, Merrion Street, a building which is owned and managed 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 2011 NMI paid a total of €135,310 (2010: €261,260) in settlements relating to these claims.

NMI has known commitments of €307,255 in relation to three claims this incident.

NMI is in negotiations with the Department of Arts, Heritage and the Gaeltacht regarding the payment of these claims. As negotiations are continuing, no provision has been made in the financial statements for these cases.

- b) Industrial Relations Claims

In 2011 NMI paid out €15,000 (2010: €Nil) in settlement of an employment law case in the Labour Court. In addition, two pay claims have been referred to the Labour Court where no agreement was reached.

Case 1: This concerns a Labour Court recommendation relating to Head and Senior Attendants.

NMI has received notice that, in accordance with the terms of the Public Service Agreement, 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.

Case 2: This concerns night time security at National Museum of Ireland-Archaeology, Kildare Street. The Labour Court recommended that the union involved make a submission to NMI, outlining their proposal.

These negotiations are now complete and an agreement (in principle) has been reached and this was submitted to the Department of Arts, Heritage and the Gaeltacht in 2010.

No provision has been made in these financial statements for these claims.

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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.

	2011	2010
	€	€
Stock of resaleable goods	607,832	563,893
	<u>607,832</u>	<u>563,893</u>

21) Comparative figures

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

22) Approval of Financial Statements

The Board approved the financial statements on _____.