

**IMMA**  
**Financial Statements 2019**

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**Irish Museum of Modern Art/Áras Nua-Ealaíne na hÉireann**  
(A Company Limited by Guarantee)

**DIRECTORS AND PROFESSIONAL SERVICE PROVIDERS**

**Directors:**

Mary Apied	David Harvey (Chairman)
Gerard Byrne	Denis Hickie
John Cunningham	Penelope Kenny
* Jane Dillon Byrne	Margot Lyons
Dermod Dwyer	** Sheila O'Regan
Emma Goltz	Tim Scanlon

**\*\* The following member's term of office expired:**

Jane Dillon Byrne	29 May 2019
Sheila O'Regan	13 Sep 2019

**\* The following member was re -appointed:**

Jane Dillon Byrne	14 Nov 2019
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<b>IMMA Director (Interim)</b>	Dr Moling Ryan to 28 February 2019
<b>IMMA Director</b>	Annie Fletcher from 1 March 2019

<b>Charity Number</b>	20012793
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<b>Secretary:</b>	Tim Scanlon resigned 15 January 2019 Fintan McDonald appointed 15 January 2019
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<b>Bankers:</b>	Bank of Ireland, James Street, Dublin 8
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<b>Auditors:</b>	The Comptroller and Auditor General, 3A Mayor Street Upper, Dublin 1
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<b>Registered Office:</b>	Royal Hospital, Kilmainham, Dublin 8
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<b>Solicitors:</b>	Ivor Fitzpatrick & Company, 44-45 St. Stephen's Green, Dublin 2
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## **DIRECTORS' REPORT**

The Directors present their annual report together with the audited financial statements for the year ended 31 December 2019.

## **PRINCIPAL ACTIVITY**

The principal business of the Company is the management and development of The Irish Museum of Modern Art at the Royal Hospital Kilmainham and the promotion of the Royal Hospital Kilmainham and its grounds as a major cultural and artistic centre, accessible to the public.

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2019.**

Irish company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with FRS102. By law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the profit or loss of the company for the financial year and otherwise comply with The Companies Act 2014.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company financial statements and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and the profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and the directors' report includes all disclosures under Companies Act 2014, and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **ACCOUNTING RECORDS**

The measures taken by the directors to ensure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014, regarding adequate accounting records are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The accounting records of the company are maintained at the Royal Hospital Kilmainham, Dublin 8. The Board is responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **RESULTS**

Details of the results for the year and financial position at the year-end are set out on Pages 9 – 30.

## **REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS**

The financial position at year end was satisfactory. However future levels of activity depend on the Oireachtas Grant allocated to the museum. The Board considers that the financial statements of IMMA present a true and fair view of the financial performance and the financial position of IMMA at 31 December 2019.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

The Board has responsibility for, and is aware of the risks associated with the operational activities of the Company. They are confident that adequate systems of internal control provide reasonable assurance against such risks and aim to ensure compliance with laws and policies, ensure efficient and effective use of the Company's resources, safeguard the Company's assets, and maintain the integrity of financial information. Particular attention is being given to the new risk environment associated with the Covid-19 outbreak. Risks and controls continue to be re-evaluated. Financial information is subject to detailed and regular review at director level allowing for continuous monitoring of the Company's operations and financial status. The directors continuously monitor and plan for the financial sustainability of the organisation in an ever-changing funding environment. In addition to the application of internal procedures the Company is subject to statutory external audit. The Company has developed procedures and practices throughout the organisation to ensure compliance with reporting rules and regulations. The Company will continue to improve these systems to ensure it maintains the highest standards of transparency and accountability.

## **EVENTS AFTER THE REPORTING DATE**

The Board of IMMA have considered the impact on the organisation of events subsequent to the reporting date, in particular the risks associated with the Covid-19 pandemic and the related closure of the galleries. Details of the events that occurred after the reporting date are considered in Note 22. The impact of these events on the going concern basis of the Financial Statements can be found in Note 1.d.

## **DIRECTORS**

The membership of the board is set out on page 1.

## **DISCLOSURE OF INFORMATION TO AUDITORS**

In the case of each of the persons who are directors at the date of approval of this report, in accordance with Section 330 of the Companies 2014, there is no relevant audit information of which the Company's auditor is unaware. The Directors have taken all the steps necessary as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

## **AUDITORS**

The Comptroller and Auditor General is responsible for the audit of the Company in accordance with Section 5 of the Comptroller and Auditor General (Amendment) Act 1993.

## **SAFETY STATEMENT**

The Company has prepared a Safety Statement in accordance with the Safety, Health and Welfare at Work Act, 2005, and applies it at all its workplaces.

## **GOVERNANCE**

IMMA is a Public Body and a Company Limited by Guarantee registered in the Republic of Ireland. As such it must observe and comply with the Governing Laws of the Republic of Ireland and applicable overarching EU Laws and Regulations, including compliance with the Companies Act 2014. The Directors of the Board are appointed by the Minister for Culture, Heritage and the Gaeltacht. The Board has collective responsibility for promoting the success and long-term sustainability of IMMA. Its key roles include governing the business of the organisation and supporting IMMA achieve its vision and mission. The Board provides strategic guidance to the Director and Senior Management and monitors the activities and effectiveness of the organisation.

The work and responsibilities of the Board are set out in IMMA's Corporate Governance Framework. Matters that are addressed regularly at Board Meetings include:

- The Museum Director's report
- Management Accounts and Finance matters

# Irish Museum of Modern Art/Áras Nua-Ealaíne na hÉireann

(A Company Limited by Guarantee)

- Corporate Governance issues
- Principal Risks and Uncertainties

The Directors are responsible for preparing the Directors' Report and the Financial Statements in accordance with Irish law and regulations. The Board is required to keep, in such format as may be required 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 monies received and expended. The Directors approve the annual budget and, on an annual basis, formally review the company's performance with reference to this budget.

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

The following disclosures are required by the Code of Practice:

- Employee Short-Term Benefits – See Note 10 to the Financial Statements
- Consultancy Costs – Detailed in Note 7
- Legal costs – Detailed in Note 7
- Travel costs – Domestic travel, international travel and Board Expenses are detailed in Note 7
- Hospitality Expenditure – Detailed in Note 7

## KEY PERSONNEL CHANGES

Dr Moling Ryan (Interim Director) finished on 28 February 2019.

Annie Fletcher commenced as Director on 1 March 2019.

## SUB-COMMITTEES

Two Committees established by the Board were operational during the financial year:

**The Finance, Audit & Risk Committee** has been established by the Board as independent and objective to oversee the sustainability of the internal control systems at IMMA, and the risk management arrangements in place.

The three issues on which it is required to report, as detailed in the Code of Practice include: Governance issues; Financial Reporting; and the quality of internal and external audit.

**The Collections and Acquisitions Committee** has been established by the Board to oversee the Museum's Collection of Contemporary Art. The responsibilities of the committee include: To maintain and review the Museum's collection management policies; to oversee and report on the management of the Museum's collection; and to approve acquisitions to the Museum's collection.

The committees have Terms of Reference approved by the Board and present annual reports to the Board.

## PERFORMANCE EVALUATION OF THE BOARD

A detailed self-evaluation questionnaire based on that contained in the Code of Practice for the Governance of State Bodies was completed by all Board members and by members of the Finance, Audit and Risk Committee during 2019. The responses were collated and were formally reviewed by the Board and the Finance, Audit & Risk Committee.

## STATEMENT OF COMPLIANCE

The Board has adopted the Code of Practice for the Governance of State Bodies (2016) and has procedures in place to ensure compliance with the Code. IMMA was in full compliance with the Code of Practice for 2019.

On behalf of the Board



David Harvey  
Director



Penelope Kenny  
Director

Date: 22<sup>nd</sup> June 2020

## **STATEMENT ON INTERNAL CONTROL**

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

On behalf of the Board of Directors of the Irish Museum of Modern Art, I acknowledge our 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**

A system of internal control cannot eliminate risk, rather it is designed to make assessments of the risk environment and to manage risk at levels it deems appropriate. The system can 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 would be detected in a timely period.

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform has been in place in IMMA for the year ended 31 December 2019 and up to the date of approval of the financial statements.

### **Capacity to Handle Risk**

IMMA has a Finance, Audit & Risk Committee (FARC) comprising five members at year end with financial and audit expertise. The five members are also board members, one of whom is the Chair. The FARC met four times in 2019. A sixth member, external to the Board, resigned in August 2019 and has not yet been replaced. IMMA has established an internal audit function which conducts a programme of work agreed with the FARC. The Internal Auditor is an external consultant with expertise in Risk Management and Business Process. The programme of work is set by the FARC and the Internal Auditor reports to the Chair of the Committee. The FARC has developed a risk policy that sets out its risk appetite, the risk management processes in place and details the roles and responsibilities of staff in relation to risk. The policy has been issued to all staff who are expected to work within IMMA'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 Environment**

IMMA has implemented a risk management system which identifies and reports key risks and the management action being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place that identifies the key risks facing IMMA and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the FARC on a quarterly basis. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff. 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 that is kept under review by senior management;
- there are systems aiming at ensuring the security of the information and communication technology systems; and
- there are systems in place to safeguard the assets of IMMA.

### **On-going Monitoring and Review**

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the Board, where relevant, in a timely way. I confirm that the following ongoing monitoring systems are in place:

- key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies;
- reporting arrangements have been established at all levels where responsibility for financial management has been assigned, and
- there are regular reviews by senior management of periodic and annual performance and financial reports that indicate performance against budgets/forecasts.

### **Procurement**

I confirm that IMMA has procedures in place to ensure compliance with current procurement rules and guidelines and that during 2019 IMMA complied with those procedures, other than the contract disclosed in the Internal Control Issues paragraph below.

### **Annual Review of Controls**

I confirm that IMMA has procedures to monitor the effectiveness of its risk management and control procedures. IMMA'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 Finance, Audit and Risk Committee which oversees their work, and the senior management within IMMA 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 2019 on 7<sup>th</sup> April 2020.

### **Internal Control Issues**

- **Procurement** – A cleaning contract to the value of €134,218 in 2019 was due for renewal in 2015. The tender for the new contract was delayed due to the closure of the North Range for remediation works. These works have been further delayed and this has necessitated a re-working of the cleaning tender. The tender has been further delayed by the closure of the galleries, and by the uncertainty of new cleaning protocols that may be necessary to sanitise public areas. It is intended that the tender will be issued as soon as these uncertainties are resolved.



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David Harvey  
Director

Date: 22<sup>nd</sup> June 2020



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

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

#### **Irish Museum of Modern Art**

#### **Opinion on the financial statements**

I have audited the financial statements of the Irish Museum of Modern Art for the year ended 31 December 2019 as required under the provisions of section 5 of the Comptroller and Auditor General (Amendment) Act 1993. 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 Irish Museum of Modern Art at 31 December 2019 and of its income and expenditure for 2019
- have been properly prepared in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*, and  have been properly prepared in accordance with the Companies Act 2014.

#### **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 company 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.

#### **Conclusions related to going concern**

The directors have prepared the financial statements on a going concern basis. As described in the appendix to this report, I conclude on

- the appropriateness of the use by the directors of the going concern basis of accounting and
- whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern.

I have nothing to report in that regard.

#### **Opinion on matters prescribed by the Companies Act 2014**

Based solely on the work undertaken in the course of the audit, I report that, in my opinion,

- the information given in the directors' report is consistent with the financial statements, and
- the directors' report has been prepared in accordance with the Companies Act 2014.

I have obtained all the information and explanations that I consider necessary for the purposes of my audit.

In my opinion, the company's accounting records were sufficient to permit the financial statements to be readily and properly audited, and the financial statements are in agreement with the accounting records.

**Report of the C&AG (continued)**

The Companies Act 2014 also requires me to report if, in my opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. I have nothing to report in that regard.

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

The directors have presented certain other information with the financial statements. This comprises the directors' 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.



**Andrew Harkness**  
For and on behalf of the

**Comptroller and Auditor General**

**26 June 2020**

**Irish Museum of Modern Art/Áras Nua-Ealaíne na hÉireann**  
(A Company Limited by Guarantee)

**STATEMENT OF INCOME AND EXPENDITURE AND RETAINED REVENUE RESERVES  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	NOTE	2019 €	2018 €
Oireachtas Grant	3.	<u>6,148,784</u>	<u>5,915,943</u>
<u>OTHER INCOME</u>			
Commercial activities	4.	851,712	868,759
Sponsorship	5.	233,580	237,882
Other income		20,978	30,966
Arts programme	6.	111,930	147,191
Net deferred pension funding	18c.	<u>1,394,954</u>	<u>1,346,515</u>
		<u>2,613,154</u>	<u>2,631,313</u>
<u>TOTAL INCOME</u>		<u>8,761,938</u>	<u>8,547,256</u>
<u>EXPENDITURE</u>			
Commercial activities	4.	360,730	402,999
Arts programme	6.	2,403,636	2,160,931
Administration/curatorial/security	7.	3,763,466	3,676,571
Marketing	8.	163,336	148,046
Maintenance	9.	648,949	738,820
Retirement Benefit Costs	18a.	<u>1,408,663</u>	<u>1,317,389</u>
<u>TOTAL EXPENDITURE</u>		<u>8,748,780</u>	<u>8,444,756</u>
Surplus for the year before appropriations	2.	<b>13,158</b>	<b>102,500</b>
Donated and Heritage Funds Works of Art Transfer to Capital Account	17.	554,795 <u>(554,795)</u>	2,013,546 <u>(2,013,546)</u>
Surplus for the year after appropriations		<b>13,158</b>	<b>102,500</b>
Balance brought forward at 1 January		<u>(86,861)</u>	<u>(189,361)</u>
Balance carried forward at 31 December		<u>(73,703)</u>	<u>(86,861)</u>

The Statement of Cash Flows and notes 1 to 23 form part of these financial statements.

On behalf of the Board



David Harvey  
Director



Penelope Kenny  
Director

Date: 22<sup>nd</sup> June 2020

**Irish Museum of Modern Art/Áras Nua-Ealaíne na hÉireann**  
(A Company Limited by Guarantee)

**STATEMENT OF COMPREHENSIVE INCOME**

	NOTE	2019 €	2018 €
Surplus for the year after appropriations		<u>13,158</u>	<u>102,500</u>
Experience (gains) on retirement benefit obligations		360,357	364,865
Changes in assumptions underlying the present value of retirement benefit obligations		<u>(1,601,796)</u>	<u>747,174</u>
Total actuarial loss/(gain) in the year	18b.	(1,241,439)	1,112,039
Adjustment to Deferred Benefits Funding		<u>1,241,439</u>	<u>(1,112,039)</u>
Total Comprehensive income for the year		<u>13,158</u>	<u>102,500</u>

The Statement of Cash Flows and notes 1 to 23 form and part of these financial statements.

On behalf of the Board



David Harvey  
Director



Penelope Kenny  
Director

Date: 22<sup>nd</sup> June 2020

# Irish Museum of Modern Art/Áras Nua-Ealaíne na hÉireann

(A Company Limited by Guarantee)

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	NOTE	2019 €	2019 €	2018 €	2018 €
<b>FIXED ASSETS</b>					
Heritage Assets	11.	35,294,690		34,640,990	
Property, plant & equipment	12.	<u>527,470</u>	35,822,160	<u>241,770</u>	34,882,760
<b>CURRENT ASSETS</b>					
Inventory	13.	36,852		32,352	
Receivables	14.	170,437		104,245	
Cash and cash equivalents		<u>825,789</u>		<u>1,001,716</u>	
		<u>1,033,078</u>		<u>1,138,313</u>	
<b>CURRENT LIABILITIES: amounts falling due within one year</b>					
Payables	15.	<u>(1,298,523)</u>		<u>(1,324,657)</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(265,445)</u>		<u>(186,344)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			35,556,715		34,696,416
Deferred Retirement Benefit Funding Asset	18c.	21,839,840		19,203,446	
Retirement Benefit Obligations	18b.	<u>(21,839,840)</u>	-	<u>(19,203,446)</u>	-
<b>TOTAL NET ASSETS</b>			<u>35,556,715</u>		<u>34,696,416</u>
<b>REPRESENTING:</b>					
Retained Revenue Reserves			(73,703)		(86,861)
Capital Account (Works of Art)	17.		35,199,929		34,577,640
Deferred Capital Grants	3.		<u>430,489</u>		<u>205,637</u>
			<u>35,556,715</u>		<u>34,696,416</u>

The Statement of Cash Flows and notes 1 to 23 form part of these financial statements.

On behalf of the Board



David Harvey  
Director

Date: 22<sup>nd</sup> June 2020



Penelope Kenny  
Director

# Irish Museum of Modern Art/Áras Nua-Ealaíne na hÉireann

(A Company Limited by Guarantee)

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019

		<b>2019</b>	<b>2018</b>
	Note	€	€
<b>Net Cash flows from Operating Activities</b>			
Surplus for year		13,158	102,500
Depreciation of Fixed Assets	12.	231,685	138,461
Decrease/ (Increase) in inventory	13.	(4,500)	(1,548)
Decrease/ (Increase) in receivables		(66,192)	189,202
Increase/ (Decrease) in payables		(26,134)	(214,105)
Increase/(Decrease) in deferred capital grants		224,852	113,129
Bank charges paid	7.	13,109	12,078
Transfer to Capital Account –Works of Art		67,494	75,138
<b>Net Cash Inflow from Operating Activities</b>		<u>453,472</u>	<u>414,855</u>
<b>Cash Flows from Investing Activities</b>			
Capital Expenditure		<u>(616,290)</u>	<u>(284,934)</u>
<b>Net Cash Flows from Investing Activities</b>		<u>(616,290)</u>	<u>(284,934)</u>
<b>Cash flows from Financing Activities</b>			
Bank interest paid	7.	(13,109)	(12,078)
<b>Net Cash Flows from Financing Activities</b>		<u>(13,109)</u>	<u>(12,078)</u>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		(175,927)	117,843
Cash and Cash Equivalents at 1 January		<u>1,001,716</u>	<u>883,873</u>
<b>Cash and Cash Equivalents at 31 December</b>		<u>825,789</u>	<u>1,001,716</u>

# Irish Museum of Modern Art/Áras Nua-Ealaíne na hÉireann

(A Company Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

The basis of accounting and significant accounting policies adopted by the Irish Museum of Modern Art are set out below. They have all been applied consistently throughout the year and for the preceding year.

#### a. GENERAL INFORMATION

The Irish Museum of Modern Art was set up under the Companies Act 1963, (as replaced by the Companies Act 2014) with a head office at the Royal Hospital Kilmainham, Dublin 8.

#### LIMITED BY GUARANTEE

The Company, which was incorporated on the 18<sup>th</sup> April 1985 under the Companies Act 1963, is limited by guarantee and does not have a share capital.

Every Board member is liable for the debts and liabilities of the Company in the event of a winding up to such amount as may be required but not to exceed €1.27 per member.

#### b. PRINCIPAL ACTIVITY

The principal business of the Company is the management and development of The Irish Museum of Modern Art at the Royal Hospital Kilmainham and the promotion of the Royal Hospital Kilmainham and its grounds as a major cultural and artistic centre accessible to the public.

Irish Museum of Modern Art is a Public Benefit Entity.

#### c. STATEMENT OF COMPLIANCE

The financial statements of The Irish Museum of Modern Art for the year ended 31 December 2019 have been prepared in accordance with FRS102, the financial reporting standard applicable in the UK and Ireland issued by the Financial Reporting Council (FRC), as promulgated by Chartered Accountants Ireland.

#### d. BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention, except for certain assets and liabilities that are measured at fair values 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 and Reform under the Companies Act 2014. The following accounting policies have been applied consistently in dealing with the items which are considered material in relation to the Irish Museum of Modern Art's financial statements.

##### Going Concern

In the midst of the Covid-19 pandemic and the closure of the grounds and galleries at IMMA, there are uncertainties as to the return of normal operating conditions. The Company continues to be dependent on support by the Department of Culture Heritage and the Gaeltacht and IMMA plays an important role in the cultural life of Ireland. The Board and Executive in consultation with the Department have reviewed the company's forecasts and projections, and are satisfied that the going concern basis is appropriate for the preparation of these Financial Statements.

# Irish Museum of Modern Art/Áras Nua-Ealaíne na hÉireann

(A Company Limited by Guarantee)

## e. REVENUE

### OIREACTHAS GRANTS (Non-Capital)

Revenue is generally recognised on an accrual basis; one exception to this is in the case of Oireachtas Grants which are recognised on a cash receipts basis.

### OIREACTHAS GRANTS (Capital)

Grants allocated for the purpose of the acquisition of works of art are treated as being donated capital and are transferred to the Capital Account (Works of Art). Grants allocated for the purchase of tangible fixed assets are amortised over the life of the relevant fixed asset purchased.

### INCOME FROM COMMERCIAL ACTIVITIES

The income from the Commercial Activities of the Company is accounted for on an accruals basis and reported exclusive of Value Added Tax.

### SPONSORSHIP

Sponsorship income is credited to the Statement of Income and Expenditure and Retained Revenue Reserves in the year in which the applicable expenditure is incurred. Where expenditure has been deferred to a future period any income relevant to that expenditure will also be deferred.

## f. CAPITAL ACCOUNT (Works of Art)

The Capital Account (Works of Art) represents the income allocated for the acquisition of works of art and the value of works donated to the Company under Tax legislation.

## g. PROPERTY, PLANT & EQUIPMENT

Property, Plant & Equipment are shown at cost less accumulated depreciation, adjusted for any provision for impairment. Depreciation is charged on the straight-line basis at the annual rate set out below, so as to write off the assets, adjusted for estimated residual value over their expected useful life.

Furniture, Fittings & Equipment      25% per annum

Motor Vehicles                              25% per annum

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of an age and in the condition expected at the end of its useful life.

If there is objective evidence of impairment to the value of an asset, an impairment loss is recognised in the Statement of Income and Expenditure and Retained Revenue Reserves in the year.

## h. HERITAGE ASSETS (Works of Art)

All works of art recorded in the Statement of Financial Position are of an artistic nature and are maintained principally for their contribution to knowledge and culture.

The Royal Hospital building and any other locations operated by IMMA are owned and maintained by the State and are not the property of the Company.

# **Irish Museum of Modern Art/Áras Nua-Ealaíne na hÉireann**

(A Company Limited by Guarantee)

## **Disclosure:**

### **i) The nature and scale of heritage assets held by IMMA.**

The Irish Museum of Modern Art is home to the National Collection of modern and contemporary art, with over 4,000 works categorised by the following major headings:

- Graphic Art & Photography – refers to two-dimensional works on a flat surface such as prints, drawings and photography
- Paintings – application of paint onto a solid surface such as canvas, board or linen
- Sculpture –three-dimensional object
- Installation – three-dimensional works that often are site specific and designed to transform the perception of a space. This often includes audio-visual works that transform a space
- New Media/other – including digital art, computer graphics, computer animation/other types of medium include tapestry, works with multiple mediums and IMMA’s archive Time-Based Media

The collection is firmly rooted in the present and important new works are added to the collection each year. Our collection of modern art is regularly enhanced by purchase, commission, donation or loan with a particular emphasis on work from the 1940s onwards.

### **ii) The policy for the acquisition, preservation, management and disposal of heritage assets.**

The Irish Museum of Modern Art was set up as a company limited by guarantee and not having a share capital under the Companies Act 1963. We are a National Cultural Institution under the auspices of the Minister for Culture, Heritage and the Gaeltacht.

## **Acquisition.**

IMMA collection is the National Collection of Modern and Contemporary Art and collects in the present. Its remit is to collect the art of now for the future, to reflect key developments in contemporary visual culture and to keep them in the public domain for future generations.

## **Donation.**

All donations must be first approved for acquisition by the Director and Head of Collections before they are brought before the Collections and Acquisitions Committee.

## **Purchase.**

All purchases must be first approved for acquisition by the Director and Head of Collections before they are brought before the Collections and Acquisitions Committee. The Director has discretion to purchase works up to a certain value.

## **Preservation & Management.**

IMMA monitors and in most cases actively controls the environment (temperature, humidity, light levels) in order to prolong the life of the assets. We also engage with conservation experts when required. The works of art are publically exhibited in rotation in IMMA’s public programme. Individual works may be viewed in storage by prior appointment.

## **Disposal.**

IMMA does not dispose of any works of art for financial profit. In exceptional circumstances, if a work of art is impaired beyond redemption (i.e. cannot be conserved), the work of art is removed from the database and de-accessioned.

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The Museum acquires works of art through a variety of methods;

- a) Donations under Section 1003 of the Taxes Consolidation Act 1997.
- b) Donated Works of Art
- c) Purchased Works of Art.

**iii) The accounting policies adopted for heritage assets including details of measurement bases used.**

The Value attributed to the asset at the time of acquisition is as follows:

- a) Donations under Section 1003 of the Taxes Consolidation Act 1997.

Certain tax liabilities can be settled by way of donation of an important heritage item to a specified national collection provided certain conditions are met. The market value is assessed at the time of donation.

- b) Donated Works of Art.

These are valued by an internal expert at the time of acquisition based on comparative works of art and external market factors.

- c) Purchased Works of Art.

These are recorded at the cost of acquisition.

The museum does not conduct an annual valuation and as a result, works of art are carried at cost of acquisition.

- d) Impairment Review

The value of any works of art is not altered by market fluctuations in value. The museum reviews the condition of all artworks when going on loan or on public display.

**iv) All Heritage Assets are included in the Statement of Financial Position.**

**v) Heritage Assets recorded in the Statement of Financial Position are disclosed in Note 12.**

A summary of transactions relating to Heritage Assets showing cost and value of assets acquired in the period in each of the categories outlined is disclosed in Note 12.

**i. INVENTORY**

Inventory is stated at the lower of cost and net realisable value. Net realisable value is defined as the estimated selling price less all costs to be incurred in marketing, selling and distribution.

**j. TAXATION**

The Company is exempt from Corporation Tax under section 76 of the Taxes Consolidation Act, 1997.

**k. RETIREMENT BENEFIT**

The Museum operates a defined benefit pension scheme which is funded annually on a pay as you go basis from monies available to it, including monies provided by The Department of Culture, Heritage and the Gaeltacht.

Pension costs reflect pension benefits earned by employees in the period and are shown net of staff pension contributions which are treated as refundable to the Department in accordance with financing arrangements. An amount corresponding to the pension charge is recognised as income to the extent that it is recoverable, and offset by grants received in the year to discharge pension payments.

IMMA also operates the Single Public Services Pension Scheme (“Single Scheme”), which is a defined benefit scheme for pensionable public servants appointed on or after 1 January 2013. Single Scheme members’ contributions are paid over to the Department of Public Expenditure and Reform (DPER). Actuarial gains or 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.

The financial statements reflect, at fair value, the assets and liabilities arising from the Irish Museum of Modern Art’s pension obligations and any related funding, and recognises the costs of providing pension benefits in the accounting periods in which they are earned by employees. Retirement benefit scheme liabilities are measured on an actuarial basis using the projected unit credit method.

## I. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements.

### a) Impairment of Works of Art

The Museum conducts an annual impairment review of its Works of Art. The value of any works of art is not altered by market fluctuations in value. The museum reviews the condition of all artworks when going on loan or on public display. In addition, procedures are in place for a full physical verification of artworks every five years in line with standard museum practice. This verification involves a review of the condition of those works. An impairment loss would be recognised if a work of art is impaired beyond redemption, i.e. cannot be conserved. The work of art would then be removed from the database and de-accessioned. The museum does not conduct an annual valuation and as a result, works of art are carried at cost of acquisition. The value of any works of art is not altered by market fluctuations in value. There was no requirement for an impairment loss at the reporting date.

### b) Impairment of Property, Plant and Equipment

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. There was no recognition of impairment at the reporting date.

### c) Depreciation and Residual Values

The directors have reviewed the asset lives and associated residual values of all fixed asset classes, and in particular, the useful economic life and residual values of fixtures and fittings, and have concluded that asset lives and residual values are appropriate.

### d) Retirement Benefit Obligation

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, and mortality rates are updated annually based on current economic

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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.

## 2) SURPLUS FOR THE YEAR

The surplus is stated after charging:

	<b>2019</b>	<b>2018</b>
	€	€
Auditors remuneration	23,500	22,000
Amortisation of capital grants	(177,075)	(96,669)
Depreciation	<u>231,685</u>	<u>138,461</u>

## 3) OIREACTHAS GRANT - from the Department of Culture, Heritage and The Gaeltacht – Vote 33, Subhead A5

	<b>2019</b>	<b>2018</b>
	€	€
<b>Grants Receivable</b>		
Opening balance – Capital Grants	205,637	92,508
Oireachtas Grants received	<u>6,359,927</u>	<u>6,067,798</u>
	6,565,564	6,160,306
<b>Less allocated</b>		
Allocated to Revenue	(5,958,000)	(5,848,400)
Capital Grant Amortised in line with depreciation	(177,075)	(96,669)
Allocated to Capital – Works of Art	<u>0</u>	<u>(9,600)</u>
	<u>(6,135,075)</u>	<u>(5,954,669)</u>
<b>Closing Balance – Capital Grants</b>	<b><u>430,489</u></b>	<b><u>205,637</u></b>
<b>Reported in Statement of Income and Expenditure</b>		
Oireachtas Grants allocated to Revenue	6,135,075	5,945,069
Net Retirement Obligations payable/(repayable)	<u>13,709</u>	<u>(29,126)</u>
Oireachtas Grant in the Statement of Income and Expenditure and Retained Revenue Reserves	<u>6,148,784</u>	<u>5,915,943</u>

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## 4) COMMERCIAL ACTIVITIES

	2019	2018
	€	€
<b><u>Turnover</u></b>		
Hire of premises & equipment	7,550	211,305
Hire of meadows/outdoors	489,893	375,636
Franchise income	83,625	54,593
Car park income	12,242	20,846
Bookshop sales	<u>258,402</u>	<u>206,379</u>
	<u>851,712</u>	<u>868,759</u>
 <b><u>Cost of Sales</u></b>		
Bookshop overheads	171,395	116,629
Bookshop wages	118,384	110,556
Wages & Salaries	51,089	91,166
Cleaning	1,086	8,148
Direct operating expenses	18,776	65,276
Depreciation	<u>0</u>	<u>11,224</u>
	<u>360,730</u>	<u>402,999</u>
 <b>Surplus</b>	 <u>490,982</u>	 <u>465,760</u>

## 5) SPONSORSHIP

	2019	2018
	€	€
Opening Balance	121,477	131,036
Receivable during year	<u>195,049</u>	<u>253,861</u>
	316,526	384,897
 <b><u>Less</u></b>		
Allocated to Revenue –Sponsorship	(233,580)	(237,882)
Allocated to Capital	<u>(67,494)</u>	<u>(25,538)</u>
Closing Balance	<u>15,452</u>	<u>121,477</u>

## 6) ARTS PROGRAMME

	2019 €	2018 €
<b>Programme Receipts</b>	<u>111,930</u>	<u>147,191</u>
 <b>Cost of Programme</b>		
Wages & Salaries	955,454	943,049
Depreciation	110,891	51,467
Exhibitions:		
- Running costs	846,557	739,902

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Travel - Domestic	2,430	592
Travel - International	24,862	20,409
Permanent Collection	365,217	287,893
Education & community expenses	60,639	87,100
Education - Fees	<u>37,586</u>	<u>30,519</u>
	<u>2,403,636</u>	<u>2,160,931</u>
<b>Net Cost</b>	<u>2,291,706</u>	<u>2,013,740</u>

## 7) ADMINISTRATION/CURATORIAL/SECURITY

	2019	2018
	€	€
Wages & Salaries	2,886,172	2,882,410
Recruitment charges	3,649	60,414
Consultancy fees - Strategy Development *	22,561	15,189
Tax & Financial Advisory	16,274	20,639
HR & Pensions Advisory	3,025	12,824
Training	85,199	33,084
Postage & telephone	30,383	39,908
Subscriptions	10,442	11,399
Professional fees	28,992	27,924
Legal Fees *	9,478	16,992
Office supplies & stationery	153,753	164,427
Sundry	15,992	16,221
Staff Hospitality	0	1,752
Coffee Shop/Canteen Expenses	14,302	3,782
Board Meetings/Amalgamation	5,886	2,930
Director's Expenses - Domestic	1,537	314
Director's Expenses - international	2,114	0
Travel/Motor expenses	5,123	3,954
Board - Members expenses - Domestic	893	1,268
Insurance	24,529	24,119
Cleaning	143,570	154,229
Security	49,208	42,111
Depreciation	120,794	75,770
Temporary agency staff	80,598	29,724
Bank charges	13,109	12,078
Health & safety	<u>35,883</u>	<u>23,109</u>
	<u>3,763,466</u>	<u>3,676,571</u>

\*Consultancy costs include the cost of external advice to management and exclude outsourced 'business as usual' functions. Expenditure incurred on legal costs relate to general advice. There was no client hospitality in the year.

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## 8) MARKETING

	2019	2018
	€	€
Advertising	25,394	2,834
Wages	42,728	47,569
Public relations	24,457	26,262
Other Marketing	<u>70,757</u>	<u>71,381</u>
	<u>163,336</u>	<u>148,046</u>

## 9) MAINTENANCE

	2019	2018
	€	€
Security	299,177	323,037
Gas	137,810	151,584
Electricity	177,756	219,835
Water	22,393	23,461
Cleaning	<u>11,813</u>	<u>20,903</u>
	<u>648,949</u>	<u>738,820</u>

## 10) EMPLOYEES AND REMUNERATION

WTE's 87 (2018- 86) analysed as follows:-	2019	2018
Commercial	4	4
Programme	55	54
Administration	28	28

Employee numbers (WTE) at 31 December 2019 were 87 (2018: 86)

Staff costs comprise:	2019	2018
	€	€
<u>Wages &amp; Salaries</u>		
Note 4 Commercial Activities	51,089	91,166
Note 4 Commercial Activities-Bookshop	118,384	110,556
Note 6 Arts Programme	955,454	943,049
Note 7 Administration/Curatorial/Security	2,886,172	2,882,410
Note 8 Marketing	<u>42,728</u>	<u>47,569</u>
Total Wages Costs	<u>4,053,827</u>	<u>4,074,750</u>

Staff Costs Comprise:	2019	2018
	€	€
Wages & Salaries	3,687,818	3,729,920
Social Insurance Costs	<u>366,009</u>	<u>344,830</u>
Total	<u>4,053,827</u>	<u>4,074,750</u>

Short Term Benefits Comprise:	2019	2018
	€	€
Basic Pay	3,610,289	3,667,981
Overtime	51,346	39,898

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Allowances	26,183	22,041
Total	<u>3,687,818</u>	<u>3,729,920</u>

The average number of persons employed by the company in the financial year was 114 (2018 - 117).

In 2019 €63,206 (2018: €94,114) of Additional Superannuation Contribution (ASC), was deducted and payable to The Department of Culture, Heritage and the Gaeltacht. The equivalent figure for 2018 refers to pension levy.

In 2019 €115,535 (2018: €99,590) of Employee deductions for the IMMA Superannuation Scheme were deducted and payable to the Department of Culture, Heritage and the Gaeltacht (see Note 15).

In 2019 €27,458 (2018: €25,741) of Employee deductions for the Single Pension Scheme were deducted and payable to the Department for Public Expenditure and Reform.

The salary paid to the Permanent Director was €83,392 in 2019 (2018 - €Nil). The salary paid to the Interim Director was €16,438 in 2019 (2018 - €69,088).

[The annual salary payable to the Permanent Director in 2019 was €101,114].

The Director's pension entitlements do not extend beyond the standard entitlements in the model defined benefit scheme. The Director was not in receipt of any performance related pay award. The Director has use of the company car but this car is not used solely by the Director. No Benefit-in-Kind accrues.

The Delegated Sanction Numbers at the end of 2019 were 68 (2018 - 68).

## EMPLOYEE BENEFITS BREAKDOWN

Range of total employee benefits	No of Employees 2019	No of Employees 2018
€60,000 - €69,999	4	5
€70,000 - €79,999	3	3
€80,000 - €89,999	1	0
€90,000 - €99,999	0	0
€100,000 - €109,999	0	0

Compensation paid to key management personnel is disclosed in note 21.

Note: For the purposes of this disclosure, short term employee 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.

## 11) HERITAGE ASSETS (WORKS OF ART)

As outlined in Accounting Policy 1h the Museum recognises all heritage assets purchased or acquired since 1990. Such assets are carried at cost at the date of acquisition with adjustment for impairment where required. The transactions for 2019 and the previous four accounting periods are set out below.

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a) Purchased and Assisted Purchases	2019 €	2018 €
Cost at 1 January	7,665,172	7,590,034
Acquired during year	<u>98,905</u>	<u>75,138</u>
Cost at 31 December	<u>7,764,077</u>	<u>7,665,172</u>

The cost of purchased and assisted purchases is the cost at date of acquisition.  
The Museum does not conduct an annual valuation.

b) Section 1003	2019 €	2018 €
Valuation as at 1 January	12,025,163	10,583,363
Additions in the year	<u>0</u>	<u>1,441,800</u>
Valuation as at 31 December	<u>12,025,163</u>	<u>12,025,163</u>

Under Section 1003, Taxes Consolidation Act 1997 certain tax liabilities can be settled by way of donation of important heritage items to a specified national collection. The market value is assessed at the time of donation by the Revenue Commissioners

c) Heritage Fund	2019 €	2018 €
Valuation as at 1 January	<u>1,300,000</u>	<u>1,300,000</u>
Valuation as at 31 December	<u>1,300,000</u>	<u>1,300,000</u>

The Heritage Fund Act, 2001 established the Heritage Fund. Under this fund IMMA received three Artworks by James Coleman to the value of €1,300,000

d) Donated Works of Art	2019	2018
Valuation as at 1 January	13,650,655	13,078,909
Additions	<u>554,795</u>	<u>571,746</u>
Valuation as at 31 December	<u>14,205,450</u>	<u>13,650,655</u>

A reliable fair value for the donated works of art has been established by internal experts at the time of acquisition based on one or more of the following:

- (i) Written values originally recorded (where applicable) when the artworks first arrived at IMMA
- (ii) Values which have been researched using Artnet, an online valuation service, which records prices fetched at all auctions and sales worldwide of modern and contemporary art
- (iii) Advice from galleries, artist's agents and artists

<b>TOTAL WORKS OF ART</b>	<b><u>35,294,690</u></b>	<b><u>34,640,990</u></b>
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**Irish Museum of Modern Art/Áras Nua-Ealaíne na hÉireann**  
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**Five Year Financial Summary of Heritage Asset Transactions**

	2019	2018	2017	2016	2015
	€	€	€	€	€
<b>Purchases:</b>					
Graphic Art/Photography	62,030	-	-	-	-
Painting	-	-	6,800	-	-
Sculpture	-	-	22,000	6,000	-
New Media/Other	36,875	43,839	51,262	37,375	-
Installation	-	31,299	20,000	80,919	-
<b>Total</b>	<b>98,905</b>	<b>75,138</b>	<b>100,062</b>	<b>124,294</b>	<b>-</b>
<b>Section 1003:</b>	-	-	-	-	-
Graphic Art/Photography	-	199,900	-	-	-
Painting	-	787,900	-	-	-
Sculpture	-	350,000	-	-	-
New Media/Other	-	54,000	-	-	-
Installation	-	50,000	-	-	-
<b>Total</b>	<b>-</b>	<b>1,441,800</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Heritage Fund</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>160,000</b>	<b>-</b>
<b>Donated Works of Art</b>					
Graphic Art/Photography	28,912	88,500	575,095		
Painting	415,000	178,246	519,571		
Sculpture	70,883	185,000	89,943		
New Media/Other	-	-	56,640		
Installation	40,000	120,000	514,873		
<b>Total</b>	<b>554,795</b>	<b>571,746</b>	<b>*1,756,122</b>	<b>-</b>	<b>-</b>
<b>Grand Total</b>	<b>653,700</b>	<b>2,088,684</b>	<b>1,856,184</b>	<b>284,294</b>	<b>-</b>

\* This includes a number of donated works received during the years 2012 to 2016 totalling €1.64m in value.

**c) Assets held on behalf of third parties**

**Gordon Lambert Trust**

	<b>2019</b>	<b>2018</b>
Valuation	<u>2,914,828</u>	<u>2,914,828</u>

**Madden Arnholz Collection**

Valuation	<u>750,000</u>	<u>750,000</u>
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Amounts included in Note 12(d) relate to assets held and maintained by IMMA, to which legal title has not yet been bestowed. As such they have been excluded from the statement of Financial Position. The value attributed to the Gordon Lambert Collection was made by the Gordon Lambert Modern Art Charitable Trust when the Collection donated to IMMA in 1992. In 2011 a number of prints from the Madden Arnholz Collection were valued by Caxton Antique Dealers.

12) <b>FIXED ASSETS</b>	<b>Motor Vehicles</b>	<b>Furniture, Fittings &amp; Equipment</b>	<b>Total</b>
	€	€	€
<b>COST</b>			
Cost at 1 January 2019	22,555	1,583,834	1,606,389
Additions	0	517,385	517,385
Disposals	<u>0</u>	<u>(333,236)</u>	<u>(333,236)</u>
Cost at 31 December 2019	<u>22,555</u>	<u>1,767,983</u>	<u>1,790,539</u>
<b>DEPRECIATION</b>			
Depreciation at 1 January 2019	22,555	1,342,064	1,364,619
Charge for year	0	231,685	231,685
Disposals	<u>0</u>	<u>(333,236)</u>	<u>(333,236)</u>
Depreciation at 31 December 2019	<u>22,555</u>	<u>1,240,513</u>	<u>1,263,068</u>
<b>NET BOOK VALUE</b>			
At 31 December 2018	<u>-</u>	<u>241,770</u>	<u>241,770</u>
At 31 December 2019	<u>-</u>	<u>527,470</u>	<u>527,470</u>
<b>13) INVENTORY</b>		<b>2019</b>	<b>2018</b>
		€	€
Finished goods (Editions & Catalogues)		<u>36,852</u>	<u>32,352</u>
<b>14) RECEIVABLES</b>		<b>2019</b>	<b>2018</b>
		€	€
Trade debtors		128,039	73,355
Sundry debtors		425	2,993
Prepayments and accrued income		<u>41,973</u>	<u>27,897</u>
		<u>170,437</u>	<u>104,245</u>

# Irish Museum of Modern Art/Áras Nua-Ealaíne na hÉireann

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## 15) PAYABLES: amounts falling due within one year

	Note	2019 €	2018 €
Trade Creditors		161,994	160,306
Accruals		514,040	444,669
Deposits for Concerts/Future Events		283,064	160,100
PAYE/PRSI		87,909	142,870
Withholding Tax		8,725	11,134
Superannuation deductions Museum scheme *		224,316	265,483
Superannuation deductions payable to DCHG/DPER		3,023	18,618
Sponsorship in advance	5.	<u>15,452</u>	<u>121,477</u>
		<u>1,298,523</u>	<u>1,324,657</u>

No security has been provided by IMMA in respect of the above creditors.

\*The IMMA Superannuation Scheme was introduced in 2001. Superannuation deductions of €224,316 (2018: €265,483) covering the period 2001-2019 are retained by the Irish Museum of Modern Art from employees' pension payments. These deductions are net of pension payments made to retired members of the IMMA Pension Scheme of €105,421 (2018: €96,205) and of lump sums of €51,281 paid in the year (2018: €Nil). Deductions were less than payments in 2019.

## 16) CONTINGENCIES

There are no contingent liabilities.

## 17) CAPITAL ACCOUNT – WORKS OF ART

	Dept of Culture, Heritage & the Gaeltacht	Assisted Purchases	Donations	Total
	€	€	€	€
1 January 2019	<u>6,975,237</u>	<u>626,585</u>	<u>26,975,818</u>	<u>34,577,640</u>
Received in year	<u>0</u>	<u>67,494</u>	<u>554,795</u>	<u>622,289</u>
31 December 2019	<u>6,975,237</u>	<u>694,079</u>	<u>27,530,613</u>	<u>35,199,929</u>

These amounts have been granted to the company for the specific intention of purchasing works of art. See Note 11 for further information on the donations received in 2019.

## 18) RETIREMENT BENEFIT COSTS

**Analysis of total retirement benefit costs charged to the  
Statement of Income and Expenditure and Retained**

	2019 €	2018 €
a) Revenue Reserves		
Current Service Cost	1,225,314	1,120,000
Interest on Retirement Benefit Scheme Liabilities	326,342	322,720
Employee Contributions	<u>(142,993)</u>	<u>(125,331)</u>
	<u>1,408,663</u>	<u>1,317,389</u>

# Irish Museum of Modern Art/Áras Nua-Ealaíne na hÉireann

(A Company Limited by Guarantee)

## Analysis of amount recognised in statement of Comprehensive Income

	2019	2018
	€	€
Experience (gain) on scheme liabilities	(360,357)	(364,865)
Loss/ (gain) on change of assumptions (financial and demographic)	<u>1,601,796</u>	<u>(747,174)</u>
	<u>1,241,439</u>	<u>(1,112,039)</u>

## b) Movement in Net Retirement Benefit obligations during the financial year

	2019	2018
	€	€
Net retirement benefit obligation at 1 January	(19,203,447)	(18,968,970)
Current service cost	(1,225,314)	(1,120,000)
Pension Payments	156,702	96,205
Interest on Scheme Liabilities	(326,342)	(322,720)
Actuarial (Loss)/gain recognized in the Statement of Comprehensive Income	<u>(1,241,439)</u>	<u>1,112,039</u>
Net retirement benefit obligations at 31 December	<u>(21,839,840)</u>	<u>(19,203,446)</u>

## c) Deferred Funding for Retirement Benefits

The Museum recognises these amounts as an asset corresponding to the unfunded deferred liability for pensions on the basis of the set of assumptions described below and a number of past events. These include the statutory basis for the establishment of the superannuation schemes, and the policy and practice currently in place in relation to funding public service pensions including contributions by employees and the annual estimates process. While there is no formal agreement regarding these specific amounts with the Department of Culture, Heritage and the Gaeltacht, the Museum has no evidence that this funding policy will not continue to meet such sums as they fall due in accordance with current practice. The deferred funding asset for retirement benefits as at 31 December 2019 amounted to €21,839,840 (2018: €19,203,446)

## Net deferred funding for retirement benefits recognised in the Statement of Income and Expenditure and Retained Revenue Reserves

	2019	2018
	€	€
Funding recoverable in respect of current year pension costs		
Current Service Costs	1,225,314	1,120,000
Interest on scheme liabilities	326,342	322,720
Pension Payments	<u>(156,702)</u>	<u>(96,205)</u>
	<u>1,394,954</u>	<u>1,346,515</u>

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d) History of experience gains and losses	2019	2018
	€	€
Experience (Gains) on scheme liabilities	(360,357)	(364,865)
percentage of present value of scheme liabilities	(2%)	(2%)
Total loss/(gain) recognised in the Statement of Comprehensive Income	1,241,439	(1,112,039)
percentage of present value of scheme liabilities	6%	(6%)

## e) Description of Scheme

The Museum operates a contributory defined benefit superannuation scheme for its employees which was introduced with effect from 1 October 2001. The scheme being operated for the Museum is identical to the Occupational Superannuation Scheme for Established Civil Servants. It is a defined benefit scheme and is operated on a “pay-as-you-go” basis. The contributions are deducted from salaries. The balance between deductions and payments is included in creditors.

The Single Public Service Pension Scheme (Single Scheme) is the defined benefit pension scheme for pensionable public servants appointed on or after 1 January 2013 in accordance with the Public Service Pension (Single Scheme and Other Provisions) Act 2012. The scheme provides for a pension and retirement lump sum based on career-average pensionable remuneration, and spouse’s and children’s pensions. The minimum pension age is 66 years (rising in line with State pension age changes). It includes an actuarially-reduced early retirement facility from age 55. Pensions in payment increase in line with the consumer price index.

The valuation of the defined benefit scheme for the purposes of FRS 102 disclosures has been carried out by an independent actuary in order to assess the liabilities at 31 December 2019. The financial assumptions used to calculate the retirement liabilities and components of the defined benefit cost for were as follows:

Valuation Method	2019	2018
	%	%
Discount Rate	1.40	1.70
Salary Increases	2.85	2.85
Pension Increases	2.85	2.85
Inflation Increases	1.85	1.85

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The mortality basis adopted allows for improvements in life expectancy over time, so that life expectancy at retirement will depend on the year in which the member attains retirement age (age 65). The table below shows the life expectancy for members currently aged 45 and aged 65.

Life Expectancy for Male aged 65	21.3 years
Life Expectancy for Female aged 65	23.9 years
Life Expectancy for Male aged 45 now (from 65)	22.9 years
Life Expectancy for female aged 45 now (from 65)	25.1 years

## 19) BOARD MEMBERS' INTERESTS

The Board has adopted procedures in accordance with guidelines issued by the Department of Public Expenditure and Reform in relation to the disclosure of interests by Board Members and these procedures have been adhered to in the year. There were no transactions in the year in relation to the Board's activities in which the Board Members had any beneficial interest.

## 20) BOARD MEMBERS' EMOLUMENTS

Board Member	Board Fees	Vouched Expenses	Meetings Attended
David Harvey (Chair)	-	-	8/8
Mary Apied	-	-	7/8
Gerard Byrne	-	-	8/8
John Cunningham	-	-	7/8
Jane Dillon Byrne	-	-	8/8
Dermod Dwyer	-	-	7/8
Emma Goltz	-	-	7/8
Denis Hickie	-	-	5/8
Penelope Kenny	-	-	7/8
Margot Lyons	-	-	8/8
Sheila O'Regan	-	893	3/6
Tim Scanlon	-	-	7/8

The Chair of the Board is entitled to a fee under, "fees payable to members of the boards of non-commercial Public Service Bodies". However, the Chair waived the fee from 2010 to 2019 inclusive. Directors of the Board are not entitled to any fees.

## 21) RELATED PARTY DISCLOSURES

Key management personnel in the Irish Museum of Modern Art consist of the Director and members of the Board of Directors. Total compensation paid to key management personnel including Board

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member's fees and expenses and total Director remuneration (Permanent and Interim Director) amounted to €104,374 (2018: €70,356).

Director expenses were €3,609 in 2019 and the interim Director expenses were €42 in 2019.

Expenses paid to Board Members was €893 in 2019.

## **22) Events after the Reporting Date**

With the outbreak of the Covid-19 pandemic IMMA is fully committed to supporting the very serious national effort to manage public health. IMMA has been requested by the Government to facilitate a temporary mortuary constructed on its grounds. This impacts on public access to the site. The closure of the gallery and the cancellation of public events will lead to a significant shortfall in commercial revenue and visitors in 2020. IMMA continues to employ its permanent staff, who continue to work remotely. Set against this, the closure of the site will result in an underspend in some costs and overheads. IMMA continues to connect audiences and art, throughout the pandemic developing significant remote programming and collating with the national broadcaster on national educational projects.

## **23) APPROVAL OF FINANCIAL STATEMENTS**

The Financial Statements were approved by the Board on 9th June 2020