

IMMA
Financial Statements 2020

TABLE OF CONTENTS

	PAGE
Directors and Professional Service Providers	2
Directors' Report	3 - 5
Statement on Internal Control	6 - 7
Report of the Comptroller and Auditor General	8 – 9
Statement of Income and Expenditure and Retained Revenue Reserves	10
Statement of Comprehensive Income	11
Statement of Financial Position	12
Statement of Cash Flows	13
Notes to the Financial Statements	14 - 31

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	*** Eva Kenny
Jane Dillon Byrne	** Penelope Kenny
* Dermot Dwyer	Margot Lyons
Emma Goltz	** Tim Scanlon

** The following members' terms expired and did not seek re-election to the Board:

Penelope Kenny	22 Oct 2020
Tim Scanlon	Deceased

* The following members were re-appointed during the year:

Mary Apied
Dermot Dwyer
David Harvey

*** The following member was appointed

Eva Kenny	2 Dec 2020
-----------	------------

IMMA Director Annie Fletcher

Company Number 106739
Charity Number 20012793

Secretary: Fintan McDonald

Bankers: Bank of Ireland, James Street, Dublin 8

Auditors: The Comptroller and Auditor General, 3A Mayor Street Upper, Dublin 1

Registered Office: Royal Hospital, Kilmainham, Dublin 8

Solicitors: Ivor Fitzpatrick & Company, 44-45 St. Stephen's Green, Dublin 2

DIRECTORS' REPORT

The Directors present their annual report together with the audited financial statements for the year ended 31 December 2020.

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 2020.

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 10 – 31.

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 2020.

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 evaluated by the Executive and are elevated to the Board as required. 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 2.

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 Tourism, Culture, Arts, Gaeltacht, Sports & Media. 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:

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

(A Company Limited by Guarantee)

- The Museum Director's report
- Management Accounts and Finance matters
- 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 Tourism, Culture, Arts, Gaeltacht, Sports & Media 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

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 2020. The responses were collated and were formally reviewed by the Board and the Finance, Audit & Risk Committee. An evaluation of Board Performance was undertaken by an external consultant during the year, and presented to the Board. The report concluded that the Company has a strong Board and executive and has a robust internal controls framework. A number of recommendations remain under consideration by the Board.

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 2020.

On behalf of the Board



David Harvey
Director



Margot Lyons
Director

Date: 28th June 2021

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 2020 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. Four of the five members are also board members. The FARC met six times in 2020.

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 2020 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 2020 on 16th February 2021.

Internal Control Issues

- **Procurement** – A cleaning contract to the value of €117,898 in 2020 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 during 2021.
- **Covid-19** – The emergence of the coronavirus pandemic led to the galleries and grounds of IMMA being closed for extended periods during 2020. IMMA expanded its on-line offering in order to try to compensate for the lack of access to the museum. The closures had a severe impact on IMMA's commercial revenue with the cancellation of concerts and loss of retail and café income. The losses were mitigated by a reduction in operating costs and also by additional subvention from the Department. The disruption will continue to disrupt commercial activities and the Board with its Finance, Audit & Risk Committee continues to monitor all developments in order to manage resources in a sustainable manner.



David Harvey
Director

Date: 28th June 2021



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 2020 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 2020 and of its income and expenditure for 2020
- 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.

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.



Mary Henry
For and on behalf of the
Comptroller and Auditor
General

30 June 2021

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 2020**

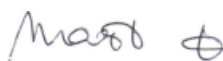
	NOTE	2020 €	2019 €
Oireachtas Grant	3.	<u>6,274,605</u>	<u>6,148,784</u>
<u>OTHER INCOME</u>			
Commercial activities	4.	397,942	851,712
Sponsorship	5.	136,389	233,580
Other income		28,699	20,978
Arts programme	6.	136,751	111,930
Net deferred pension funding	18c.	<u>1,552,168</u>	<u>1,394,954</u>
		<u>2,251,949</u>	<u>2,613,154</u>
<u>TOTAL INCOME</u>		<u>8,526,554</u>	<u>8,761,938</u>
<u>EXPENDITURE</u>			
Commercial activities	4.	343,363	360,730
Arts programme	6.	2,028,282	2,403,636
Administration/curatorial/security	7.	3,717,990	3,763,466
Marketing	8.	144,561	163,336
Maintenance	9.	699,630	648,949
Retirement Benefit Costs	18a.	<u>1,489,818</u>	<u>1,408,663</u>
<u>TOTAL EXPENDITURE</u>		<u>8,423,644</u>	<u>8,748,780</u>
Surplus for the year before appropriations	2.	102,910	13,158
Donated and Heritage Funds Works of Art Transfer to Capital Account	17.	365,181 <u>(365,181)</u>	554,795 <u>(554,795)</u>
Surplus for the year after appropriations		102,910	13,158
Balance brought forward at 1 January		<u>(73,703)</u>	<u>(86,861)</u>
Balance carried forward at 31 December		<u>29,207</u>	<u>(73,703)</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



Margot Lyons
Director

Date: 28th June 2021

STATEMENT OF COMPREHENSIVE INCOME

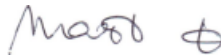
	NOTE	2020 €	2019 €
Surplus for the year after appropriations		<u>102,910</u>	<u>13,158</u>
Experience (gains) on retirement benefit obligations		(423,278)	360,357
Changes in assumptions underlying the present value of retirement benefit obligations		<u>(1,506,713)</u>	<u>(1,601,796)</u>
Total actuarial loss/(gain) in the year	18b.	(1,929,991)	(1,241,439)
Adjustment to Deferred Benefits Funding		<u>1,929,991</u>	<u>1,241,439</u>
Total Comprehensive income for the year		<u>102,910</u>	<u>13,158</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



Margot Lyons
Director

Date: 28th June 2021

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

(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	NOTE	2020 €	2020 €	2019 €	2019 €
FIXED ASSETS					
Heritage Assets	11.	35,659,872		35,294,690	
Property, plant & equipment	12.	<u>409,152</u>	36,069,024	<u>527,470</u>	35,822,160
CURRENT ASSETS					
Inventory	13.	32,132		36,852	
Receivables	14.	106,497		170,437	
Cash and cash equivalents		<u>1,521,580</u>		<u>825,789</u>	
		<u>1,660,209</u>		<u>1,033,078</u>	
CURRENT LIABILITIES: amounts falling due within one year					
Payables	15.	<u>(1,288,040)</u>		<u>(1,298,523)</u>	
NET CURRENT LIABILITIES			<u>372,169</u>		<u>(265,445)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			36,441,193		35,556,715
Deferred Retirement Benefit Funding Asset	18c.	25,321,999		21,839,840	
Retirement Benefit Obligations	18b.	<u>(25,321,999)</u>	-	<u>(21,839,840)</u>	-
TOTAL NET ASSETS			<u>36,441,193</u>		<u>35,556,715</u>
REPRESENTING:					
Retained Revenue Reserves			29,207		(73,703)
Capital Account (Works of Art)	17.		35,565,110		35,199,929
Deferred Capital Grants	3.		<u>846,876</u>		<u>430,489</u>
			<u>36,441,193</u>		<u>35,556,715</u>

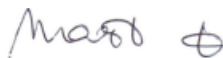
The Statement of Cash Flows and notes 1 to 23 form part of these financial statements.

On behalf of the Board



David Harvey
Director

Date: 28th June 2021



Margot Lyons
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 2020

		2020	2019
	Note	€	€
Net Cash flows from Operating Activities			
Surplus for year		102,910	13,158
Depreciation of Fixed Assets	12.	249,008	231,685
Decrease/ (Increase) in inventory	13.	4,720	(4,500)
Decrease/ (Increase) in receivables		63,940	(66,192)
Increase/ (Decrease) in payables		(10,483)	(26,134)
Increase/(Decrease) in deferred capital grants		416,387	224,852
Bank charges paid	7.	11,621	13,109
Transfer to Capital Account –Works of Art		317,818	67,494
Net Cash Inflow from Operating Activities		<u>1,155,921</u>	<u>453,472</u>
Cash Flows from Investing Activities			
Capital Expenditure		<u>(448,509)</u>	<u>(616,290)</u>
Net Cash Flows from Investing Activities		<u>(448,509)</u>	<u>(616,290)</u>
Cash flows from Financing Activities			
Bank interest paid	7.	(11,621)	(13,109)
Net Cash Flows from Financing Activities		<u>(11,621)</u>	<u>(13,109)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents		695,791	(175,927)
Cash and Cash Equivalents at 1 January		<u>825,789</u>	<u>1,001,716</u>
Cash and Cash Equivalents at 31 December		<u>1,521,580</u>	<u>825,789</u>

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 18th 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 2020 have been prepared in compliance with the applicable legislation and in accordance with FRS102, the financial reporting standard applicable in the UK and the Republic of Ireland issued by the Financial Reporting Council in the UK.

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 Tourism, Culture, Arts, Gaeltacht, Sports and Media 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

The Covid-19 pandemic has continued to disrupt ordinary activities in the first half of 2021 and the return of commercial events remains uncertain. The Finance, Audit & Risk Committee continues to monitor developments with the Executive and remains focussed on the on-going risks to the Company's business model. 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.

e. REVENUE

OIREACTHAS GRANTS (Revenue)

Revenue is generally recognised on an accrual basis; one exception to this is in the case of Oireachtas Voted 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. Capital Grants are recognised on an accrual basis.

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.

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 Tourism, Culture, Arts, Gaeltacht, Sports and Media.

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.

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

(A Company Limited by Guarantee)

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 deaccessioned.

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 Tourism, Culture, Arts, Gaeltacht, Sports and Media.

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 Tourism, Culture, Arts, Gaeltacht, Sports and Media.

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 deaccessioned. 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

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

(A Company Limited by Guarantee)

mortality rates are updated annually based on current economic conditions, and for any relevant changes to the terms and conditions of the pension and post retirement plans.

The assumptions can be affected by:

- i) The discount rate, changes in the rate of return on high-quality corporate bonds.
- ii) Future compensation levels, future labour market conditions.

2) SURPLUS FOR THE YEAR

The surplus is stated after charging:

	2020	2019
	€	€
Auditors remuneration	23,500	23,500
Amortisation of capital grants	(214,052)	(177,075)
Depreciation	<u>249,008</u>	<u>231,685</u>

3) GRANTS RECEIVED

	2020	2019
	€	€
Grants Receivable		
Opening balance – Capital Grants	430,489	205,637
Oireachtas Grants (Revenue) received	6,078,048	5,958,000
Oireachtas Grants (Capital) received	923,112	401,927
Creative Ireland Grant	<u>70,000</u>	<u>0</u>
	<u>7,501,649</u>	<u>6,565,564</u>
Less allocated		
Allocated to Revenue – Oireachtas Grants	(6,078,048)	(5,958,000)
Capital Grant Amortised in line with depreciation	(214,152)	(177,075)
Grants Allocated to Capital – Works of Art	(317,818)	0
Creative Ireland Grant	<u>(44,755)</u>	<u>0</u>
	<u>(6,654,773)</u>	<u>(6,135,075)</u>
Closing Balance	<u>846,876</u>	<u>430,489</u>
Reported in Statement of Income and Expenditure		
Oireachtas Grants allocated to Revenue	6,336,955	6,135,075
Net Retirement Obligations (repayable)/payable	<u>(62,350)</u>	<u>13,709</u>
Oireachtas Grant in the Statement of Income and Expenditure and Retained Revenue Reserves	<u>6,274,605</u>	<u>6,148,784</u>

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

(A Company Limited by Guarantee)

4) COMMERCIAL ACTIVITIES

	2020	2019
	€	€
<u>Turnover</u>		
Hire of premises & equipment	8,740	7,550
Hire of meadows/outdoors	194,562	489,893
Franchise income	12,527	83,625
Car park income	48,318	12,242
Bookshop sales	<u>133,795</u>	<u>258,402</u>
	<u>397,942</u>	<u>851,712</u>
<u>Cost of Sales</u>		
Bookshop overheads	64,082	171,395
Bookshop wages	98,416	118,384
Wages & Salaries	56,205	51,089
Cleaning	131	1,086
Direct operating expenses	124,529	18,776
Depreciation	<u>0</u>	<u>0</u>
	<u>343,363</u>	<u>360,730</u>
Surplus	<u>54,579</u>	<u>490,982</u>

5) SPONSORSHIP

	2020	2019
	€	€
Opening Balance	15,452	121,477
Receivable during year	<u>220,760</u>	<u>195,049</u>
	236,212	316,526
<u>Less</u>		
Allocated to Revenue –Sponsorship	(136,889)	(233,580)
Allocated to Capital	<u>0</u>	<u>(67,494)</u>
Closing Balance	<u>99,323</u>	<u>15,452</u>

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

(A Company Limited by Guarantee)

6) ARTS PROGRAMME	2020 €	2019 €
Programme Receipts	<u>136,751</u>	<u>111,930</u>
Cost of Programme		
Wages & Salaries	992,308	955,454
Depreciation	120,593	110,891
Exhibitions:		
- Running costs	431,908	846,557
Travel - Domestic	444	2,430
Travel - International	2,649	24,862
Permanent Collection	397,327	365,217
Education & community expenses	56,959	60,639
Education - Fees	<u>26,094</u>	<u>37,586</u>
	<u>2,028,282</u>	<u>2,403,636</u>
Net Cost	<u>1,891,531</u>	<u>2,291,706</u>
7) ADMINISTRATION/CURATORIAL/SECURITY	2020	2019
	€	€
Wages & Salaries	2,850,809	2,886,172
Recruitment charges	1,201	3,649
Consultancy fees - Strategy Development *	114,444	22,561
Tax & Financial Advisory	10,573	16,274
HR & Pensions Advisory	12,087	3,025
Training	25,798	85,199
Postage & telephone	25,488	30,383
Subscriptions	10,059	10,442
Professional fees	27,391	28,992
Legal Fees *	6,300	9,478
Office supplies & stationery	210,090	153,753
Sundry	7,012	15,992
Staff Hospitality	0	0
Coffee Shop/Canteen Expenses	2,576	14,302
Board Meetings	822	5,886
Director's Expenses - Domestic	2,919	1,537
Director's Expenses - international	0	2,114
Travel/Motor expenses	2,692	5,123
Board - Members expenses - Domestic	0	893
Insurance	34,062	24,529
Cleaning	142,439	143,570
Security	41,330	49,208
Depreciation	128,415	120,794
Temporary agency staff	32,607	80,598
Bank charges	11,620	13,109
Health & safety	<u>17,256</u>	<u>35,883</u>
	<u>3,717,990</u>	<u>3,763,466</u>

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

(A Company Limited by Guarantee)

*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.

8) MARKETING

	2020	2019
	€	€
Advertising	52,691	25,394
Wages	45,786	42,728
Public relations	18,259	24,457
Other Marketing	<u>27,825</u>	<u>70,757</u>
	<u>144,561</u>	<u>163,336</u>

9) MAINTENANCE

	2020	2019
	€	€
Security	321,314	299,177
Gas	153,177	137,810
Electricity	189,043	177,756
Water	22,279	22,393
Cleaning	<u>13,817</u>	<u>11,813</u>
	<u>699,630</u>	<u>648,949</u>

10) EMPLOYEES AND REMUNERATION

WTE's 91 (2019- 87) analysed as follows:-	2020	2019
Commercial	4	4
Programme	58	55
Administration	29	28

Employee numbers (WTE) at 31 December 2020 were 91 (2019: 87)

Staff costs comprise:	2020	2019
	€	€
<u>Wages & Salaries</u>		
Note 4 Commercial Activities	56,205	51,089
Note 4 Commercial Activities-Bookshop	98,416	118,384
Note 6 Arts Programme	992,308	955,454
Note 7 Administration/Curatorial/Security	2,850,809	2,886,172
Note 8 Marketing	<u>45,786</u>	<u>42,728</u>
Total Wages Costs	<u>4,043,524</u>	<u>4,053,827</u>

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

(A Company Limited by Guarantee)

Staff Costs Comprise:	2020	2019
	€	€
Wages & Salaries	3,660,464	3,687,818
Social Insurance Costs	<u>383,060</u>	<u>366,009</u>
Total	<u>4,043,524</u>	<u>4,053,827</u>

Short Term Benefits Comprise:	2020	2019
	€	€
Basic Pay	3,999,779	3,610,289
Overtime	22,701	51,346
Allowances	<u>21,044</u>	<u>26,183</u>
Total	<u>4,043,524</u>	<u>3,687,818</u>

The average number of persons employed by the company in the financial year was 116 (2019 - 114).

In 2020 €67,869 (2019: €63,206) of Additional Superannuation Contribution (ASC), was deducted and payable to The Department of Tourism, Culture, Arts, Gaeltacht, Sports and Media. The equivalent figure for 2019 refers to pension levy.

In 2020 €136,534 (2019: €115,535) of Employee deductions for the IMMA Superannuation Scheme were deducted and payable to the Department of Tourism, Culture, Arts, Gaeltacht, Sports and Media (see Note 15).

In 2020 €49,860 (2019: €27,458) of Employee deductions for the Single Pension Scheme were deducted and payable to the Department for Public Expenditure and Reform.

There were no termination payments in 2020 (2019 –Nil).

The salary paid to the Permanent Director was €104,255 in 2020 (2019 - €83,392). The salary paid to the Interim Director was €16,438 in 2019.

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.

EMPLOYEE BENEFITS BREAKDOWN

Range of total employee benefits	No of Employees 2020	No of Employees 2019
€60,000 - €69,999	5	4
€70,000 - €79,999	5	3
€80,000 - €89,999	1	1
€90,000 - €99,999	0	0
€100,000 - €109,999	1	0

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

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

(A Company Limited by Guarantee)

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 2020 and the previous accounting period are set out below.

a) Purchased and Assisted Purchases

	2020 €	2019 €
Cost at 1 January	7,764,077	7,665,172
Acquired during year	<u>317,819</u>	<u>98,905</u>
Cost at 31 December	<u>8,081,896</u>	<u>7,764,077</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 Donations

	2020 €	2019 €
Valuation as at 1 January	12,025,163	12,025,163
Additions in the year	<u>0</u>	<u>0</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

	2020 €	2019 €
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

	2020 €	2019 €
Valuation as at 1 January	14,205,450	13,650,655
Additions	<u>47,363</u>	<u>554,795</u>
Valuation as at 31 December	<u>14,252,813</u>	<u>14,205,450</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

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

(A Company Limited by Guarantee)

- (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

	2020 €	2019 €
TOTAL WORKS OF ART	<u>35,659,872</u>	<u>35,294,690</u>

Five Year Financial Summary of Heritage Asset Transactions

	2020 €	2019 €	2018 €	2017 €	2016 €
Purchases:					
Graphic Art/Photography	54,968	62,030	-	-	-
Painting	100,862	-	-	6,800	-
Sculpture	1,600	-	-	22,000	6,000
New Media/Other	100,619	36,875	43,839	51,262	37,375
Installation	59,770	-	31,299	20,000	80,919
Total	<u>317,819</u>	<u>98,905</u>	<u>75,138</u>	<u>100,062</u>	<u>124,294</u>
Section 1003:	-	-		-	-
Graphic Art/Photography	-	-	199,900	-	-
Painting	-	-	787,900	-	-
Sculpture	-	-	350,000	-	-
New Media/Other	-	-	54,000	-	-
Installation	-	-	50,000	-	-
Total	-	-	<u>1,441,800</u>	-	-
Heritage Fund		-	-	-	<u>160,000</u>
Donated Works of Art					
Graphic Art/Photography	10,165	28,912	88,500	575,095	
Painting	-	415,000	178,246	519,571	
Sculpture	-	70,883	185,000	89,943	
New Media/Other	1,153	-	-	56,640	
Installation	36,045	40,000	120,000	514,873	
Total	<u>47,363</u>	<u>554,795</u>	<u>571,746</u>	<u>*1,756,122</u>	-
Grand Total	<u><u>365,182</u></u>	<u><u>653,700</u></u>	<u><u>2,088,684</u></u>	<u><u>1,856,184</u></u>	<u><u>284,294</u></u>

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

(A Company Limited by Guarantee)

e) Assets held on behalf of third parties

Gordon Lambert Trust

	2020	2019
Valuation	<u>2,914,828</u>	<u>2,914,828</u>

Madden Arnholz Collection

Valuation	<u>750,000</u>	<u>750,000</u>
-----------	----------------	----------------

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.

	Motor Vehicles	Furniture, Fittings & Equipment	Total
12) FIXED ASSETS			
	€	€	€
COST			
Cost at 1 January 2020	22,555	1,767,983	1,790,539
Additions	0	130,690	130,690
Disposals	<u>0</u>	<u>(576,733)</u>	<u>(576,733)</u>
Cost at 31 December 2020	<u>22,555</u>	<u>1,321,940</u>	<u>1,344,496</u>
DEPRECIATION			
Depreciation at 1 January 2020	22,555	1,240,513	1,263,068
Charge for year	0	249,008	249,008
Disposals	<u>0</u>	<u>(576,733)</u>	<u>(576,733)</u>
Depreciation at 31 December 2020	<u>22,555</u>	<u>912,788</u>	<u>935,343</u>
NET BOOK VALUE			
At 31 December 2019	<u>-</u>	<u>527,470</u>	<u>527,470</u>
At 31 December 2020	<u>-</u>	<u>409,152</u>	<u>409,152</u>

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

(A Company Limited by Guarantee)

13)	INVENTORY		2020	2019
			€	€
	Finished goods (Editions & Catalogues)		<u>32,132</u>	<u>36,852</u>
14)	RECEIVABLES		2020	2019
			€	€
	Trade debtors		30,529	128,039
	Sundry debtors		257	425
	Prepayments and accrued income		<u>75,711</u>	<u>41,973</u>
			<u>106,497</u>	<u>170,437</u>
15)	PAYABLES: <i>amounts falling due within one year</i>		2020	2019
		Note	€	€
	Trade Creditors		198,386	161,994
	Accruals		547,829	514,040
	Deposits for Concerts/Future Events		89,250	283,064
	PAYE/PRSI		94,393	87,909
	Withholding Tax		12,430	8,725
	Superannuation deductions DTCAGSM/DPER scheme *		246,429	224,316
	Superannuation deductions payable to DTCAGSM/DPER		0	3,023
	Sponsorship in advance	5.	<u>99,323</u>	<u>15,452</u>
			<u>1,288,040</u>	<u>1,298,523</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 €246,429 (2019: €224,316) covering the period 2001-2020 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 €115,060 (2019: €105,421) and of lump sums of €8,985 paid in the year (2019: €51,281). Deductions were greater than payments in 2020.

16) CONTINGENCIES

There are no contingent liabilities.

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

(A Company Limited by Guarantee)

17) CAPITAL ACCOUNT – WORKS OF ART

	DTCAGSM	Assisted Purchases	Donations	Total
	€	€	€	€
1 January 2020	<u>6,975,237</u>	<u>694,079</u>	<u>27,530,613</u>	<u>35,199,929</u>
Received in year	<u>317,818</u>	<u>0</u>	<u>47,363</u>	<u>365,181</u>
31 December 2020	<u>7,293,055</u>	<u>694,079</u>	<u>27,577,976</u>	<u>35,565,510</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 2020.

18) RETIREMENT BENEFIT COSTS

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

a) Revenue Reserves	2020	2019
	€	€
Current Service Cost	1,370,018	1,225,314
Interest on Retirement Benefit Scheme Liabilities	306,194	326,342
Employee Contributions	<u>(186,394)</u>	<u>(142,993)</u>
	<u>1,489,818</u>	<u>1,408,663</u>

Analysis of amount recognised in statement of Comprehensive Income

	2020	2019
	€	€
Experience Loss/(gain) on scheme liabilities	423,278	(360,357)
Loss/ (gain) on change of assumptions (financial and demographic)	<u>1,506,713</u>	<u>1,601,796</u>
	<u>1,929,991</u>	<u>1,241,439</u>

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

	2020	2019
	€	€
Net retirement benefit obligation at 1 January	(21,839,840)	(19,203,447)
Current service cost	(1,370,018)	(1,225,314)
Pension Payments	124,044	156,702
Interest on Scheme Liabilities	(306,194)	(326,342)
Actuarial (Loss)/gain recognized in the Statement of Comprehensive Income	<u>(1,929,991)</u>	<u>(1,241,439)</u>
Net retirement benefit obligations at 31 December	<u>(25,321,999)</u>	<u>(21,839,840)</u>

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

(A Company Limited by Guarantee)

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 Tourism, Culture, Arts, Gaeltacht, Sports & Media 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 2020 amounted to €25,321,999(2019: €21,839,840)

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

	2020	2019
	€	€
Funding recoverable in respect of current year pension costs		
Current Service Costs	1,370,018	1,225,314
Interest on scheme liabilities	306,194	326,342
Pension Payments	<u>(124,044)</u>	<u>(156,702)</u>
	<u>1,552,168</u>	<u>1,394,954</u>

d) History of experience gains and losses

	2020	2019
	€	€
Experience (Gains)/losses on scheme liabilities	423,278	(360,357)
percentage of present value of scheme liabilities	2%	(2%)
Total loss/(gain) recognised in the Statement of Comprehensive Income	1,929,991	1,241,439
percentage of present value of scheme liabilities	8%	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

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

(A Company Limited by Guarantee)

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 2020. The financial assumptions used to calculate the retirement liabilities and components of the defined benefit cost for were as follows:

Valuation Method	2020	2019
	%	%
Discount Rate	0.80	1.40
Salary Increases	2.50	2.85
Pension Increases	2.50	2.85
Inflation Increases	1.50	1.85

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	21.5 years
Life Expectancy for Female aged 65	24.1 years
Life Expectancy for Male aged 45 now (from 65)	23.1 years
Life Expectancy for female aged 45 now (from 65)	25.6 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.

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

(A Company Limited by Guarantee)

20) BOARD MEMBERS' EMOLUMENTS

Board Member	Board Fees	Vouched Expenses	Meetings Attended
David Harvey (Chair)	-	-	6/6
Mary Apied	-	-	5/6
Gerard Byrne	-	-	5/6
John Cunningham	-	-	5/6
Jane Dillon Byrne	-	-	1/6
Dermot Dwyer	-	-	5/6
Emma Goltz	-	-	6/6
Denis Hickie	-	-	5/6
Penelope Kenny	-	-	6/6
Margot Lyons	-	-	5/6
Tim Scanlon	-	-	3/6

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 2020 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 includes Board member's fees and expenses, and Director remuneration. Total Director remuneration in 2020 amounted to €104,255 (2019: €99,830). Director expenses in 2020 were €1,737 (2019: €3,651). Total Board member's fees in 2020 were €Nil (2019: €Nil). Total Board member's expenses in 2020 were €Nil (2019: €893).

22) Events after the Reporting Date

The galleries at IMMA remained closed until May 2021. Continuing Covid-19 restrictions mean that there will be no commercial outdoor events of consequence during 2021. This has an impact on IMMA's revenue but this has been factored into budgets and forecasts. Normal gallery operations have since re-commenced but the future remains uncertain and developments are being monitored by the Board. IMMA continues to connect audiences and art, and has invested in additional on-line resources.

23) APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements were approved by the Board on 8th June 2021