

ÁRAS NUA-EALAÍNE
NA hÉIREANN
IRISH MUSEUM OF
MODERN ART

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Imma.ie

IMMA

IMMA

**Financial Statements
2017**

Ospidéal Fíoga
Cill Mhaighneán
Baile Átha Cliath 8
D08 FW31 Éire

Royal Hospital
Kilmainham
Dublin 8
D08 FW31 Ireland

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

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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	Denis Hickie
Gerard Byrne	Penelope Kenny
Jane Dillon Byrne	* Mary McCarthy
Dermod Dwyer	* Declan Moylan
Emma Goltz	Sheila O'Regan
David Harvey (Chairman)	Tim Scanlon

* The following members resigned:

Declan Moylan	2 Oct 2017
Mary McCarthy	14 Dec 2017

IMMA Director	Sarah Glennie to 30 Nov 2017
IMMA Director (Interim)	Dr Moling Ryan from 4 Dec 2017

Charity Number 20012793

Secretary: Frank Brennan resigned 13 Nov 2017
Tim Scanlon appointed 13 Nov 2017

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
Arthur Cox, 10 Earlsfort Terrace, Dublin 2

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

(A Company Limited by Guarantee)

DIRECTORS' REPORT

The directors present their annual report together with the audited financial statements for the year ended 31 December 2017.

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 2017.

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 state of affairs at the year-end are set out on Pages 8 - 28.

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 2017.

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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. 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.

DIRECTORS

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

DISCLOSURE OF INFORMATION TO AUDITORS

The directors are responsible for ensuring that all information is disclosed to the external auditors in order that the auditors can perform a thorough review of the company's financial statements.

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
- Corporate Governance issues
- Principle 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.

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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 11 to the Financial Statements
- Consultancy Costs – Detailed in Note 8
- Legal costs – Detailed in Note 8
- Travel costs – Domestic travel, international travel and Board Expenses are detailed in Note 8
- Hospitality Expenditure – Detailed in Note 8

KEY PERSONNEL CHANGES

The IMMA Director, Sarah Glennie, resigned having completed her term of office, departing her role on 30 November 2017. She was replaced by Dr Moling Ryan on an interim basis while the Board seeks a permanent replacement. The role of Company Secretary was taken up by Tim Scanlon when Frank Brennan, the former Company secretary retired.

SUB-COMMITTEES

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

The Audit, Finance & 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 Audit, Finance and Risk Committee during 2017. The responses have been collated and evaluated and are being formally considered by the Board and the 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 2017.

On behalf of the Board



David Harvey
Director



Penelope Kenny
Director

Date: 11 DECEMBER 2018

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

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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 2017 and up to the date of approval of the financial statements.

Capacity to Handle Risk

IMMA has an Audit, Finance & Risk Committee (AFRC) comprising six members with financial and audit expertise. Five members are also board members, one of whom is the Chair, and there is one external member. The AFRC met four times in 2017.

IMMA has established an internal audit function which is adequately resourced, and conducts a programme of work agreed with the AFRC.

The AFRC 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 AFRC 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:

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- 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 2017 IMMA complied with those procedures, other than the contract disclosed in the Internal Control Issues paragraph below.

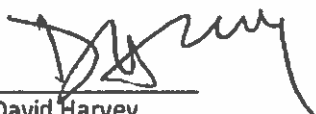
Annual Review of Controls

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 financial control is informed by the work of the internal and external auditors, the Audit, Finance 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 2017 on 18 September 2018.

Internal Control Issues

- **Collections** - As set out in the Accounting Policy 1(h) the Museum holds a collection of contemporary art in excess of 4,000 works. While the collection has grown significantly over the years, the system required to manage and care for the Collection has not developed at the same pace. An internal audit report in April 2016 and a follow up report in March 2018 identified a number of issues in relation to the management of the collection records and to the updating of museum policies. Policies in relation to collection, acquisition, disposal and loans were not in place, and a physical verification of collection had not been conducted. The policies are now in draft form awaiting approval, and the Registrar's Office completed a full physical verification of the collection in March 2017 following from an earlier exercise in 2011. Procedures are in place for verification every five years in line with standard museum practice.
- **Collections Valuation** - The 2017 Financial statements include the value of some assets donated in the period 2012 to 2016 which had not been included in the previous financial statements (Note 12.c.IV refers). The delay was caused by difficulties in obtaining valuations for certain artworks. All Works of Art have now been included in the Museum's Fixed Asset Register.
- **Procurement** - A cleaning contract to the value of €135,000 per annum was due for renewal in 2015. The tender for the new contract has been delayed due to the closure of the North Range for remediation works. It is intended that the tender will be issued to coincide with the expected re-opening in 2019.



David Harvey
Director

Date: 11 DECEMBER 2018



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 financial statements

I have audited the financial statements of the Irish Museum of Modern Art for the year ending 31 December 2017 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 2017 and of its income and expenditure for 2017
- 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

As described in the appendix to this report, I conclude on

- the appropriateness of the use of the going concern basis of accounting by the directors 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 accounting records of the Irish Museum of Modern Art 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.

Patricia Sheehan

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

19 December 2018

Appendix to the report

Responsibilities of the Directors

The directors' report sets out the directors' responsibilities. The directors are responsible for

- the preparation of financial statements in the form prescribed under the Companies Act 2014
- ensuring that the financial statements give a true and fair view in accordance with FRS 102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 6 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the financial statements of the Irish Museum of Modern Art and to report thereon to the Houses of the Oireachtas.

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

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

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

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

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

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

Information other than the financial statements

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

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

Reporting on other matters

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

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

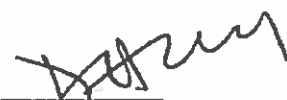
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**STATEMENT OF INCOME AND EXPENDITURE AND RETAINED REVENUE RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2017**

	NOTE	2017 €	Restated 2016 €
Oireachtas Grant –(Vote 33,Subhead A5)	3.	<u>5,252,311</u>	<u>4,899,723</u>
<u>OTHER INCOME</u>			
Commercial activities	4.	1,146,813	1,111,758
Sponsorship	5.	237,140	263,039
Interest receivable	6.	67	142
Other income		19,320	13,227
Programme receipts	7.	199,075	135,746
Net deferred pension funding	19c.	<u>1,203,311</u>	<u>1,105,158</u>
		<u>2,805,726</u>	<u>2,629,070</u>
<u>TOTAL INCOME</u>		<u>8,058,037</u>	<u>7,528,793</u>
<u>EXPENDITURE</u>			
Commercial activities	4.	420,679	439,450
Arts programme	7.	2,151,229	1,894,960
Administration/curatorial/security	8.	3,250,925	3,054,196
Marketing	9.	143,386	130,160
Maintenance	10.	850,520	902,064
Retirement Benefit Costs	19a.	<u>1,270,465</u>	<u>1,077,161</u>
<u>TOTAL EXPENDITURE</u>		<u>8,087,204</u>	<u>7,497,991</u>
(Deficit)/Surplus for the year before appropriations	2.	(29,167)	30,802
Donated and Heritage Funds Works of Art	18.	<u>1,756,122</u>	-
Transfer to Capital Account		<u>(1,756,122)</u>	-
Balance brought forward at 1 January		<u>(160,194)</u>	<u>(190,996)</u>
Balance carried forward at 31 December		<u>(189,361)</u>	<u>(160,194)</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: 11 DECEMBER 2018

Irish Museum of Modern Art/Áras Nua-Ealaíne na hÉireann (A Company Limited by Guarantee)
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STATEMENT OF COMPREHENSIVE INCOME

	NOTE	2017 €	2016 €
(Deficit)/Surplus for year		<u>(29,167)</u>	<u>30,802</u>
Experience (gains) on retirement benefit obligations		246,597	734,325
Changes in assumptions underlying the present value of retirement benefit obligations		<u>345,880</u>	<u>(930,243)</u>
Total actuarial loss/(gain) in the year	19b.	592,477	(195,918)
Adjustment to Deferred Benefits Funding		<u>(592,477)</u>	<u>195,918</u>
Other Comprehensive (deficit)/ income for year		<u>(29,167)</u>	<u>30,802</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: 11 DECEMBER 2018


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

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 DECEMBER 2017

	NOTE	2017 €	2017 €	2016 €	2016 €
<u>FIXED ASSETS</u>					
Heritage Assets	12.	32,552,305		30,696,121	
Property, plant & equipment	13.	<u>170,435</u>	32,722,740	<u>135,734</u>	30,831,855
<u>CURRENT ASSETS</u>					
Inventory	14.	30,804		64,309	
Receivables	15.	293,447		302,995	
Cash and cash equivalents		<u>883,873</u>		<u>815,149</u>	
		<u>1,208,124</u>		<u>1,182,453</u>	
<u>CURRENT LIABILITIES: amounts falling due within one year</u>					
Payables	16.	<u>(1,538,761)</u>		<u>(1,501,581)</u>	
NET CURRENT LIABILITIES			<u>(330,637)</u>		<u>(319,128)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			32,392,103		30,512,727
Deferred Retirement Benefit Funding Asset	19c.	18,968,970		18,358,136	
Retirement Benefit Obligations	19b.	<u>(18,968,970)</u>	-	<u>(18,358,136)</u>	-
TOTAL NET ASSETS			<u>32,392,103</u>		<u>30,512,727</u>
<u>REPRESENTING:</u>					
Retained Revenue Reserves			(189,361)		(160,194)
Capital Account (Works of Art)	18.		32,488,956		30,632,771
Deferred Oireachtas Grants	3.		<u>92,508</u>		<u>40,150</u>
			<u>32,392,103</u>		<u>30,512,727</u>

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

On behalf of the Board



David Harby
Director



Penelope Kenny
Director

Date: 11 DECEMBER 2018

Irish Museum of Modern Art/Áras Nua-Ealaíne na hÉireann (A Company Limited by Guarantee)
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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 €	2016 €
Net Cash flows from Operating Activities			
(Deficit)/Surplus for year		(29,167)	30,802
Depreciation of Fixed Assets	13.	103,462	129,445
Decrease in inventory	14.	33,505	1,489
Decrease/ (Increase) in receivables		9,548	(16,381)
Increase in payables		37,180	457,978
Increase/(Decrease) in deferred grants		52,358	(49,693)
Bank charges paid	8.	12,700	11,520
Bank Interest received	6.	(67)	(142)
Transfer to Capital Account – works of art		<u>215,667</u>	<u>265,000</u>
Net Cash Inflow from Operating Activities		<u>435,186</u>	<u>830,018</u>
Cash Flows from Investing Activities			
Capital Expenditure		<u>(353,829)</u>	<u>(345,693)</u>
Net Cash Flows from Investing Activities		<u>(353,829)</u>	<u>(345,693)</u>
Cash flows from Financing Activities			
Bank interest received	6.	67	142
Bank interest paid	8.	(12,700)	(11,520)
Net Cash Flows from Financing Activities		<u>(12,633)</u>	<u>(11,378)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents		68,724	472,947
Cash and Cash Equivalents at 1 January		<u>815,149</u>	<u>342,202</u>
Cash and Cash Equivalents at 31 December		<u>883,873</u>	<u>815,149</u>

Irish Museum of Modern Art/Áras Nua-Ealaíne na hÉireann (A Company Limited by Guarantee)
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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 amended by 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 2017 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.

e. REVENUE

OIREACHTAS 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.

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OIREACHTAS 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.

Disclosure:

1) 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

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- **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

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.

2) 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 2014. 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.

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 Art
- c) Purchased Works of Art.

3) 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:

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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.

4) All heritage assets are included in the Statement of Financial Position.

5) 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.

6) Outside the works of art purchased and donated under Section 1003 a reliable fair value for the donated works of art has been established by internal experts at the date 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

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)

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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 balance sheet 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 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. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

b) 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.

c) 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 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.

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2) (DEFICIT)/SURPLUS FOR THE YEAR

The (deficit)/surplus is stated after charging:

	2017	2016
	€	€
Auditors remuneration	20,000	19,000
Amortization of capital grants	(44,219)	(29,618)
Depreciation	<u>103,461</u>	<u>99,827</u>

3) OIREACHTAS GRANT (Vote 33 Subhead A5)

	2017	2016
	€	€
Opening balance	40,150	89,843
Oireachtas Grants received	5,239,577	4,977,645
Oireachtas Grants received - capital	<u>50,000</u>	<u>0</u>
	5,329,727	5,067,488
Less		
Allocated to Revenue	(5,140,938)	(4,927,720)
Capital Grant Amortised in line with depreciation	(44,219)	(29,618)
Allocated to Capital – Works of Art	<u>(52,063)</u>	<u>(70,000)</u>
Closing Balance	<u>92,508</u>	<u>40,150</u>
Oireachtas Grants allocated to Revenue	5,185,157	4,927,720
Less:		
Net Retirement Benefit Obligations payable/(repayable)	<u>67,154</u>	<u>(27,997)</u>
Oireachtas Grant reported in the Statement of Income and Expenditure and Retained Revenue Reserves	<u>5,252,311</u>	<u>4,899,723</u>

4) COMMERCIAL ACTIVITIES

	2017	2016
	€	€
Turnover		
Hire of premises & equipment	516,045	510,025
Hire of meadows/outdoors	377,435	293,485
Franchise income	58,574	61,297
Car park income	27,378	27,859
Bookshop sales	<u>167,381</u>	<u>219,092</u>
	<u>1,146,813</u>	<u>1,111,758</u>

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<u>Cost of Sales</u>		
Bookshop overheads	117,210	133,595
Bookshop Wages	84,382	81,497
Wages & salaries	160,245	150,852
Cleaning	11,969	19,284
Direct operating expenses	34,787	46,220
Depreciation	<u>12,086</u>	<u>8,002</u>
	<u>420,679</u>	<u>439,450</u>
Surplus	<u>726,134</u>	<u>672,308</u>
5) SPONSORSHIP		
	2017	2016
	€	€
Opening Balance	57,800	18,000
Receivable during year	<u>318,376</u>	<u>302,839</u>
	376,176	320,839
<u>Less</u>		
Allocated to Revenue –Sponsorship		
Allocated to Capital	(237,140)	(263,039)
Closing Balance	<u>(8,000)</u>	<u>0</u>
	<u>131,036</u>	<u>57,800</u>
6) INTEREST RECEIVABLE		
	2017	2016
	€	€
Bank interest receivable	<u>67</u>	<u>142</u>
7) ARTS PROGRAMME		
	2017	2016
	€	€
Programme Receipts	<u>199,075</u>	<u>135,746</u>
Cost of Programme		
Wages & Salaries	953,456	919,232
Depreciation	47,080	49,900
Exhibitions:		
- Running costs	785,250	719,870
Travel -Domestic	566	343
Travel - International	21,169	18,791
Permanent Collection	240,169	132,312
Education & community expenses	89,143	25,921
Education -Fees	<u>14,396</u>	<u>28,591</u>
	<u>2,151,229</u>	<u>1,894,960</u>
Net Cost	<u>1,952,154</u>	<u>1,759,214</u>

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8) ADMINISTRATION/CURATORIAL/SECURITY

	2017	2016
	€	€
Wages & Salaries	2,592,618	2,488,577
Recruitment charges	3,346	0
Consultancy fees – Strategy Development	9,999	13,161
Tax & Financial Advisory	31,773	3,330
HR & Pensions Advisory	6,939	418
Training	18,800	18,014
Postage & telephone	44,200	39,578
Subscriptions	11,005	12,218
Professional fees	29,462	33,291
Legal Fees	26,030	22,042
Office supplies & stationery	130,413	145,653
Sundry	19,356	10,643
Staff Hospitality	1,693	1,800
Coffee Shop/Canteen Expenses	7,156	6,234
Board Meetings/Amalgamation	2,524	2,059
Director's Expenses – Domestic	3,988	3,678
Director's Expenses - international	11,513	5,446
Motor expenses	3,279	1,496
Board – Members expenses - Domestic	279	528
Insurance	19,074	14,068
Cleaning	155,123	144,494
Security	15,620	20,013
Depreciation	44,295	41,925
Temporary agency staff	37,135	6,627
Bank charges	12,700	11,520
Health & safety	<u>12,605</u>	<u>7,383</u>
	<u>3,250,925</u>	<u>3,054,196</u>

9) MARKETING

	2017	2016
	€	€
Advertising	1,648	1,034
Wages	52,606	43,579
Public relations	17,840	31,272
Other Marketing	<u>71,292</u>	<u>54,275</u>
	<u>143,386</u>	<u>130,160</u>

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10) MAINTENANCE

	2017	2016
	€	€
Security	333,744	311,271
Security Wages	51,522	76,868
Gas	167,057	204,305
Electricity	256,885	263,994
Water	21,688	20,854
Cleaning	<u>19,624</u>	<u>24,772</u>
	<u>850,520</u>	<u>902,064</u>

11) EMPLOYEES AND REMUNERATION

The average number of persons employed by the company in the financial year was 113 (2016 - 121) and is analysed in the following categories:

WTE's 86 (2016- 86) analysed as follows:-	2017	2016
Banqueting & Catering	7	7
Programme	58	59
Administration	<u>21</u>	<u>20</u>

Employee numbers (WTE) at 31 December 2017 were 85 (2016: 86)

Staff costs comprise:	2017	2016
Wages & Salaries	€	€
Note 4 Commercial Activities	160,244	150,852
Note 4 Commercial Activities-Bookshop	84,382	81,497
Note 7 Arts Programme	953,456	919,232
Note 8 Administration/Curatorial/Security	2,592,618	2,488,577
Note 9 Marketing	52,606	43,579
Note 10 Maintenance – Security Wages	<u>51,522</u>	<u>76,868</u>
Total Wages Costs	<u>3,894,828</u>	<u>3,760,605</u>

Staff Costs Comprise	2017	2016
	€	€
Wages & Salaries	3,519,139	3,416,374
Termination Benefits	20,000	-
Social Insurance Costs	<u>355,689</u>	<u>344,231</u>
Total	<u>3,894,828</u>	<u>3,760,605</u>

Short Term Benefits Comprise	2017	2016
	€	€
Basic Pay	3,463,089	3,376,032
Overtime	39,697	20,196
Allowances	<u>16,353</u>	<u>20,146</u>
Total	<u>3,519,139</u>	<u>3,416,374</u>

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The figure for Termination Benefits – note 11 above – is an accounting provision relating to the termination of contracts for two employees during 2017. Payments were made in 2018 and this accounting provision is deemed adequate to cover the expected cost. The amount of €20,000 was charged to the Statement of Income and Expenditure. The equivalent figure for 2016 was Nil.

In 2017 €85,570 (2016: €99,749) of pension levy was deducted and payable to The Department of Culture, Heritage and the Gaeltacht.

In 2017 €12,908 (2016: €Nil) of Employee deductions for the Single Pension Scheme were paid to the Department for Public Expenditure and Reform.

The salary paid to the Director was €81,353 in 2017 (2016 - €85,720), and €4,712 was paid to the Interim Director (2016: Nil).

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.

A new director was appointed on 4 December 2017 on an interim basis following the departure of the former Museum Director on 30 November 2017.

The ECF Numbers at the end of 2017 were 68 (2016 - 68).

EMPLOYEE BENEFITS BREAKDOWN

Range of total employee benefits	No of Employees 2017	No of Employees 2016
€60,000 - €69,999	5	6
€70,000 - €79,999	3	2
€80,000 - €89,999	1	1

12) 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 2017 and the previous four accounting periods are set out below.

a) Purchased and Assisted Purchases

	2017	2016
	€	€
Cost at 1 January	7,489,971	7,365,677
Acquired during year	<u>100,063</u>	<u>124,294</u>
Cost at 31 December	<u>7,590,034</u>	<u>7,489,971</u>

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

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b)	Section 1003		
		2017	2016
		€	€
	Valuation as at 1 January	10,583,363	10,423,363
	Addition in year	<u>-</u>	<u>160,000</u>
	Valuation as at 31 December	<u>10,583,363</u>	<u>10,583,363</u>

Under Section 1003, Taxes Consolidation Act 1997 certain tax liabilities can be settled by way of donation of an 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		
		2017	2016
		€	€
	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 we received three Artworks by James Coleman to the value of €1,300,000

	Donated Works of Art		
		2017	2016
		€	€
	Valuation as at 1 January	11,322,787	11,322,787
	Additions	<u>1,756,122</u>	<u>-</u>
	Valuation as at 31 December	<u>13,078,909</u>	<u>11,322,787</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
- (iv) The Additions of Donated Works of Art in 2017 include a number of donated works received during the years 2012 to 2016. These were previously omitted from the financial statements as there were delays in confirming values. The value of the donated works of art for the period 2012 to 2015 is €1,476,720, and €163,798 for 2016. The balance of €115,604 relates to 2017.

		2017	2016
		€	€
	TOTAL WORKS OF ART	<u>32,552,305</u>	<u>30,696,121</u>

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Five Year Financial Summary of Heritage Asset Transactions

	2017	2016	2015	2014	2013
	€	€	€	€	€
Purchases:					
Graphic Art/Photography	-	-	-	-	770
Painting	6,800	-	-	-	-
Sculpture	22,000	6,000	-	3,972	-
New Media/Other	51,262	37,375	-	-	3,000
Installation	20,000	80,919	-	12,461	-
Total	<u>100,062</u>	<u>124,294</u>	=	<u>16,433</u>	<u>3,770</u>
Section 1003	-	-	-	-	-
Heritage Fund		160,000	-	-	-
Graphic Art/Photography	575,095				
Painting	519,571				
Sculpture	89,943				
New Media/Other	56,640				
Installation	514,873				
Total	<u>1,756,122</u>	-	-	-	-
Grand Total	<u>1,856,184</u>	<u>284,294</u>	-	<u>16,433</u>	<u>3,770</u>

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

Gordon Lambert Trust

Valuation 2,914,828

Madden Arnholz Collection

Valuation 750,000

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.

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13) FIXED ASSETS	Motor Vehicles	Furniture, Fittings & Equipment	Total
COST	€	€	€
Cost at 1 January 2017	22,555	1,325,530	1,348,085
Additions	0	138,162	138,162
Disposals	<u>0</u>	<u>(60,923)</u>	<u>(60,923)</u>
Cost at 31 December 2017	<u>22,555</u>	<u>1,402,769</u>	<u>1,425,324</u>
DEPRECIATION			
Depreciation at 1 January 2017	22,555	1,189,796	1,212,351
Charge for year	0	103,461	103,461
Disposals	<u>0</u>	<u>(60,923)</u>	<u>(60,923)</u>
Depreciation at 31 December 2017	<u>22,555</u>	<u>1,232,334</u>	<u>1,254,889</u>
NET BOOK VALUE			
At 31 December 2016	<u>-</u>	<u>135,734</u>	<u>135,734</u>
At 31 December 2017	<u>-</u>	<u>170,435</u>	<u>170,435</u>
14) INVENTORY		2017	2016
		€	€
Finished goods (Editions & Catalogues)		<u>30,804</u>	<u>64,309</u>
15) RECEIVABLES		2017	2016
		€	€
Trade debtors		233,376	127,066
Prepayments and accrued income		<u>60,071</u>	<u>175,929</u>
		<u>293,447</u>	<u>302,995</u>
16) PAYABLES: amounts falling due within one year		2017	2016
	Note	€	€
Trade Creditors		216,460	179,384
Accruals		441,732	449,986
Deposits for Concerts/Future Events		243,170	275,232
PAYE/PRSI		229,349	160,908
Withholding Tax		6,231	1,118
Superannuation deductions Museum scheme *		263,316	349,134
Employee superannuation deductions payable to DCHG and DPER		7,467	28,019
Sponsorship in advance	5.	<u>131,036</u>	<u>57,800</u>
		<u>1,538,761</u>	<u>1,501,581</u>

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

*Superannuation deductions of €263,316 (2016: €377,153) are being retained by the Irish Museum of Modern Art in respect of the years 2001 to 2010 (inclusive) less pension payments in 2011 to 2017 (inclusive) pending clarification by the Department of Culture, Heritage and the Gaeltacht.

17) CONTINGENCIES

There are no contingent liabilities.

18) CAPITAL ACCOUNT – WORKS OF ART

	Dept of Culture, Heritage & the Gaeltacht	Assisted Purchases	Donations	Total
	€	€	€	€
1 January 2017	<u>6,913,574</u>	<u>513,047</u>	<u>23,206,150</u>	<u>30,632,771</u>
Received in year	<u>52,063</u>	<u>48,000</u>	<u>1,756,122</u>	<u>1,856,185</u>
31 December 2017	<u>6,965,637</u>	<u>561,047</u>	<u>24,962,272</u>	<u>32,488,956</u>

These amounts have been granted to the company for the specific intention of purchasing works of art. See Note 12 for further information on the donations received in 2017.

19) RETIREMENT BENEFIT COSTS

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

a) Revenue Reserves	2017	2016
	€	€
Service Charge	1,091,717	875,045
Interest on Retirement Benefit Scheme Liabilities	311,518	324,350
Employee Contributions	<u>(132,770)</u>	<u>(125,248)</u>
	<u>1,270,465</u>	<u>1,074,147</u>

Analysis of amount recognised in statement of Comprehensive Income

	2017	2016
	€	€
Experience (gain) on scheme liabilities	(246,597)	(734,325)
Loss/ (gain) on change of assumptions (financial and demographic)	<u>(345,880)</u>	<u>930,243</u>
	<u>(592,477)</u>	<u>195,918</u>

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b)	Movement in Net Retirement Benefit obligations during the financial year		
		2017	2016
		€	€
	Net retirement benefit obligation at 1 January	(18,358,136)	(17,057,060)
	Current service cost	(1,091,717)	(875,045)
	Pension Payments	199,924	94,237
	Interest on Scheme Liabilities	(311,518)	(324,350)
	Actuarial (Loss)/gain recognized in the Statement of Comprehensive Income	<u>592,477</u>	<u>(195,918)</u>
	Net retirement benefit obligations at 31 December	<u>(18,968,970)</u>	<u>(18,358,136)</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 scheme, 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 2017 amounted to €18,968,970 (2016: €18,358,136)

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

	2017	2016
	€	€
Funding recoverable in respect of current year pension costs		
Current Service Costs	1,091,717	875,045
Interest on scheme liabilities	311,518	324,350
Pension Payments	<u>(199,924)</u>	<u>(94,237)</u>
	<u>1,203,311</u>	<u>1,105,158</u>

d)	History of experience gains and losses		
		2017	2016
		€	€
	Experience (Gains) on scheme liabilities	(246,597)	(734,325)
	percentage of present value of scheme liabilities	(1%)	(4%)
	Total loss/(gain) recognised in the Statement of Comprehensive Income	(592,477)	195,918
	percentage of present value of scheme liabilities	(3%)	1%

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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 prepared for the Museum is identical to the Occupational Superannuation Scheme for Established Civil Servants, is defined benefit and is operated on a "pay-as-you-go" basis. Contributions are deducted from salaries. Pending a decision by the Department of Culture, Heritage and the Gaeltacht on how contributions are to be dealt with they have been included in creditors.

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 2017. The financial assumptions used to calculate the retirement liabilities and components of the defined benefit cost for were as follows:

Valuation Method	2017 %	2016 %
Discount Rate	1.70	1.70
Salary Increases	3.00	3.00
Pension Increases	3.00	3.00
Inflation Increases	2.00	2.00

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	21.2 years
Life Expectancy for Female aged 65	23.8 years
Life Expectancy for Male aged 45 now (from 65)	22.8 years
Life Expectancy for female aged 45 now (from 65)	25.0 years

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.

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20) BOARD MEMBERS' INTERESTS

The Board 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.

21) BOARD MEMBERS' EMOLUMENTS

Board Member	Board Fees	Vouched Expenses	Meetings Attended
David Harvey (Chairman)	-	-	10/10
Mary Apied	-	-	7/10
Gerard Byrne	-	-	9/10
Jane Dillon-Byrne	-	-	8/10
Dermod Dwyer	-	-	10/10
Emma Goltz	-	-	10/10
Denis Hickie	-	-	9/10
Penelope Kenny	-	-	9/10
Mary McCarthy	-	279	5/9
Declan Moylan	-	-	5/7
Sheila O'Regan	-	-	5/10
Tim Scanlon	-	-	10/10

The Chairperson of the Board is entitled to a fee under, "fees payable to members of the boards of non-commercial Public Service Bodies". However, the Chairperson waived the fee from 2010 to 2017 inclusive. Directors of the Board are not entitled to any fees.

22) RELATED PARTY DISCLOSURES

Key management personnel in the Irish Museum of Modern Art consist of the CEO and members of the Board of Directors. Total compensation paid to key management personnel including Board member's fees and expenses and total CEO remuneration amounted to €86,344 (2016: €85,720).

23) APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements were approved by the Board on 11 December 2018