

IMMA
Directors' Report and
Financial Statements for
the financial year ended
31 December 2022

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

(A Company Limited by Guarantee)

DIRECTORS AND OTHER INFORMATION

Directors:

Mary Apied	Emma Goltz
Gerard Byrne	David Harvey (Chair)
John Cunningham	Eva Kenny
* Jane Dillon Byrne	Margot Lyons
Dermod Dwyer	Mike Fitzpatrick (18 th January 2023)
Ali Curran (18 th January 2023)	Sinead O'Sullivan (18 th January 2023)
Jess Majekodunmi (18 th January 2023)	

* The following member resigned from the Board:

Jane Dillon Byrne 12 April 2022

Members assigned to the Finance, Audit & Risk Committee:

Mary Apied
Emma Goltz
Margot Lyons (Chair)

Members assigned to the Collections and Acquisitions Committee:

Mary Apied
John Cunningham (Chair)
*Jane Dillon Byrne
Emma Goltz
Eva Kenny

*The following member resigned from the Committee

Jane Dillon Byrne 12 April 2022

Museum 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, Military Road, 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 2022.

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 2022.

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 directors are 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 11 – 32.

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 directors consider 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 2022.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors have responsibility for and are 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 inflationary environment that emerged in 2022. 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 general increase in inflation that appears to be continuing in 2023. 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 3.

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 Law 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, Sport & 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:

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- 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, Sport & 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 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 in January 2023. The responses were collated and were formally reviewed by the Board in February 2023.

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 2022. IMMA is also compliant with the requirements of the Charities Governance Code.

On behalf of the Board



Director



Director

Date: 30th May 2023

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 2022 and up to the date of approval of the financial statements.

Capacity to Handle Risk

IMMA has a Finance, Audit & Risk Committee (FARC) comprising four members at year end with financial and audit expertise. Three of the four members are also board members. The FARC met five times in 2022.

IMMA has established an internal audit function which conducts a programme of work agreed with the FARC. The Internal Auditor is an external consultancy 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 framework, 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 by the FARC at every meeting. The outcome of risk assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The Finance, Audit and Risk Committee undertakes an Annual Review of the Risk Environment including an appraisal of reports from the Internal Auditor, Risk Statements from functional units and the Risk Register.

The risk register details the controls and actions needed to mitigate risks and responsibility for the 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 aimed at ensuring the security of the information and communication technology systems; and
- there are systems in place to safeguard the assets of IMMA.

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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 2022 IMMA complied with those procedures.

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 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 2022 on 14th February 2023.

Internal Control Issues

- **Energy Costs and Inflation** – Energy costs rose significantly during 2022 with projections from the OGP, who source electricity and gas for IMMA, that costs could more than double from mid-2022 through 2023. An additional grant was received from the Department in December to cover those increases and general inflationary costs. This grant covers a period up to June 2023 but there is no indication of future support after that date. The inflationary environment presents a general risk to IMMA's ability to finance its ongoing programme. The situation is being monitored closely and forecasts are reviewed on a rolling basis. The outlook remains unclear and IMMA continues to update the Department on future projections.



Director

Date: 30th May 2023



Ard Reachtaire Cuntas agus Ciste
Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Irish Museum of Modern Art

Opinion on the financial statements

I have audited the financial statements of the Irish Museum of Modern Art for the year ended 31 December 2022 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 2022 and of its income and expenditure for 2022
- have been properly prepared in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*, and
- have been properly prepared in accordance with the Companies Act 2014.

Basis of opinion

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

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

Conclusions related to going concern

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

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

I have nothing to report in that regard.

Opinion on matters prescribed by the Companies Act 2014

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

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

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

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

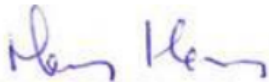
Report of the C&AG (continued)

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

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

The directors have presented certain other information with the financial statements. This comprises the directors' report and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.



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

8 June 2023

Irish Museum of Modern Art/Áras Nua-Ealaíne na hÉireann
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**STATEMENT OF INCOME AND EXPENDITURE AND RETAINED REVENUE RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2022**

	NOTE	2022 €	2021 €
Government Grants	3.	<u>7,938,622</u>	<u>6,857,853</u>
<u>OTHER INCOME</u>			
Commercial activities	4.	860,588	449,373
Sponsorship	5.	163,725	157,009
Other income		6,244	24,447
Arts programme	6.	120,254	96,083
Net deferred pension funding	18c.	<u>1,923,023</u>	<u>1,652,927</u>
		<u>3,073,834</u>	<u>2,379,839</u>
<u>TOTAL INCOME</u>		<u>11,012,456</u>	<u>9,237,692</u>
<u>EXPENDITURE</u>			
Commercial activities	4.	391,551	355,137
Arts programme	6.	2,962,762	2,570,504
Administration/curatorial/security	7.	4,258,070	3,800,751
Marketing	8.	229,584	179,101
Maintenance	9.	894,004	720,810
Retirement Benefit Costs	18a.	<u>1,922,777</u>	<u>1,572,481</u>
<u>TOTAL EXPENDITURE</u>		<u>10,658,748</u>	<u>9,198,784</u>
Surplus for the year before appropriations		353,708	38,908
Donated and Heritage Funds Works of Art Transfer to Capital Account	17.	132,548 <u>(132,548)</u>	557,004 <u>(557,004)</u>
Surplus for the year after appropriations		353,708	38,908
Balance brought forward at 1 January		<u>68,115</u>	<u>29,207</u>
Balance carried forward at 31 December		<u>421,823</u>	<u>68,115</u>

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

On behalf of the Board



Director



Director

Date: 30th May 2023

Irish Museum of Modern Art/Áras Nua-Ealaíne na hÉireann
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STATEMENT OF COMPREHENSIVE INCOME

	NOTE	2022 €	2021 €
Surplus for the year after appropriations		<u>353,708</u>	<u>38,908</u>
Experience gains/ (losses) on retirement benefit obligations		(910,837)	274,200
Changes in assumptions underlying the present value of retirement benefit obligations		<u>11,044,078</u>	<u>(1,737,494)</u>
Total actuarial gains/(losses) in the year	18b.	10,133,241	(1,463,294)
Adjustment to Deferred Benefits Funding		<u>(10,133,241)</u>	<u>1,463,294</u>
Total Comprehensive income for the year		<u>353,708</u>	<u>38,908</u>

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

On behalf of the Board



Director



Director

Date: 30th May 2023

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

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STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	NOTE	2022 €	2022 €	2021 €	2021 €
<u>FIXED ASSETS</u>					
Heritage Assets	11.	36,349,424		36,216,876	
Property, plant & equipment	12.	<u>187,417</u>	36,536,841	<u>320,223</u>	36,537,099
<u>CURRENT ASSETS</u>					
Inventory	13.	33,203		26,286	
Receivables	14.	164,993		85,947	
Cash and cash equivalents		<u>3,897,442</u>		<u>1,816,103</u>	
		<u>4,095,638</u>		<u>1,928,336</u>	
<u>CURRENT LIABILITIES: amounts falling due within one year</u>					
Payables	15.	<u>(1,978,802)</u>		<u>(1,909,844)</u>	
NET CURRENT ASSETS			<u>2,116,836</u>		<u>18,492</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			38,653,677		36,555,591
Deferred Retirement Benefit Funding Asset	18c.	20,228,002		28,438,220	
Retirement Benefit Obligations	18b.	<u>(20,228,002)</u>	-	<u>(28,438,220)</u>	-
TOTAL NET ASSETS			<u>38,653,677</u>		<u>36,555,591</u>
<u>REPRESENTING:</u>					
Retained Revenue Reserves			421,823		68,115
Capital Account (Works of Art)	17.		36,254,663		36,122,115
Deferred Capital Grants	3.		<u>1,977,191</u>		<u>365,361</u>
			<u>38,653,677</u>		<u>36,555,591</u>

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

On behalf of the Board



Director

Date: 30th May 2023

Director



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

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	2021
	Note	€	€
Net Cash Flows from Operating Activities			
Surplus for year		353,708	38,908
Depreciation of Fixed Assets	12.	227,541	256,314
Decrease/ (Increase) in inventory	13.	(6,917)	5,846
Decrease/ (Increase) in receivables		(79,046)	20,550
Increase/ (Decrease) in payables		68,959	621,804
Increase/(Decrease) in deferred capital grants		1,611,829	(481,514)
Bank charges paid	7.	9,190	11,866
Transfer to Capital Account – Works of Art		102,766	480,166
Net Cash Inflow from Operating Activities		<u>2,288,030</u>	<u>953,940</u>
Cash Flows from Investing Activities			
Capital Expenditure		<u>(197,501)</u>	<u>(647,551)</u>
Net Cash Flows from Investing Activities		<u>(197,501)</u>	<u>(647,551)</u>
Cash flows from Financing Activities			
Bank interest paid	7.	(9,190)	(11,866)
Net Cash Flows from Financing Activities		<u>(9,190)</u>	<u>(11,866)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents		2,081,339	294,523
Cash and Cash Equivalents at 1 January		<u>1,816,103</u>	<u>1,521,580</u>
Cash and Cash Equivalents at 31 December		<u>3,897,442</u>	<u>1,816,103</u>

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NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION AND ACCOUNTING POLICIES

COMPANY LIMITED BY GUARANTEE

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

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 2022 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, Sport and Media with the concurrence of the Minister for Public Expenditure and Reform, and have been prepared, where appropriate, in compliance with the requirements of 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 had a detrimental impact on IMMA's commercial revenue over the past two years. IMMA has offset the loss of revenue with operational savings and with some additional support from the Department. The Finance, Audit & Risk Committee continues to monitor developments with the Executive and remains focussed on the ongoing 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.

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.

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e. Grants

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 accruals 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.

DEFERRED REVENUE

Revenue will be deferred where the activity to which the income relates is not scheduled to occur until a future accounting period.

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 that 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)

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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 4,400 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 objects
- 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 media 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, Sport and Media.

Acquisition.

IMMA's Collection is the National Collection of Modern and Contemporary Art and IMMA 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 of artworks 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. IMMA also engages with conservation experts when required. The works of art are publicly exhibited in rotation in IMMA's public programme. Individual works may be viewed in storage by prior appointment.

Disposal.

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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.

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

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.

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 work 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 11.

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 11.

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 Schedule 4, Section 227 of the Taxes Consolidation Act, 1997.

k. RETIREMENT BENEFITS

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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, Sport 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, Sport 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 work 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 work 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.

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d) Retirement Benefit Obligation

The assumptions underlying the actuarial valuations for which the amounts recognised in the financial statements are determined (including discount rates, rates of increase in future compensation levels, and mortality rates are updated annually based on current economic 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:

	2022	2021
	€	€
Auditors remuneration	23,500	23,500
Amortisation of capital grants	(214,556)	(249,535)
Depreciation	<u>227,542</u>	<u>256,314</u>

3) GOVERNMENT GRANTS RECEIVED

	2022	2021
	€	€
Grants Receivable		
Opening balance – Capital Grants	365,361	846,876
Department Grants (Revenue) received	8,401,287	6,623,120
Department Grants (Capital) received	174,603	273,431
Capital Artworks	970,000	0
Other Government Grants	<u>4,808</u>	<u>40,400</u>
	<u>9,916,059</u>	<u>7,783,827</u>
Less allocated		
Allocated to Revenue – Department Grants	(7,719,504)	(6,648,365)
Capital Grant Amortised in line with depreciation	(214,556)	(249,535)
Grants Allocated to Capital – Works of Art		(480,166)
Other Government Grants	<u>(4,808)</u>	<u>(40,400)</u>
	<u>(7,938,868)</u>	<u>(7,418,466)</u>
Closing Balance	<u>1,977,191</u>	<u>365,361</u>
Reported in Statement of Income and Expenditure		
Oireachtas Grants allocated to Revenue	7,938,868	6,938,300
Net Retirement Obligations (repayable)/payable	<u>(246)</u>	<u>(80,447)</u>
Oireachtas Grant in the Statement of Income and Expenditure and Retained Revenue Reserves	<u>7,938,622</u>	<u>6,857,853</u>

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4) COMMERCIAL ACTIVITIES

	2022	2021
	€	€
<u>Turnover</u>		
Hire of premises & equipment	7,263	2,301
Hire of meadows/outdoors	587,565	284,217
Franchise income	24,105	21,746
Car park income	33,495	8,388
Bookshop sales	<u>208,160</u>	<u>132,721</u>
	<u>860,588</u>	<u>449,373</u>
<u>Cost of Sales</u>		
Bookshop overheads	116,002	83,359
Bookshop wages	124,722	113,224
Wages & Salaries	127,456	69,597
Cleaning	138	0
Direct operating expenses	<u>23,233</u>	<u>88,957</u>
	<u>391,551</u>	<u>355,137</u>
Surplus	<u>469,037</u>	<u>94,236</u>

5) SPONSORSHIP

	2022	2021
	€	€
Opening Balance	86,182	99,323
Receivable during year	<u>189,043</u>	<u>143,868</u>
	275,225	243,191
<u>Less</u>		
Allocated to Revenue –Sponsorship	(163,725)	(157,009)
Allocated to Programme Income	(3,274)	0
Allocated to Capital	<u>(4,250)</u>	<u>0</u>
Closing Balance	<u>103,976</u>	<u>86,182</u>

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6) ARTS PROGRAMME

	2022	2021
	€	€
Programme Receipts	<u>120,254</u>	<u>96,083</u>
Cost of Programme		
Wages & Salaries	1,009,887	1,112,477
Depreciation	139,769	142,048
Exhibitions:		
- Running costs	1,262,729	582,917
Travel – Domestic	1,721	0
Travel – International	19,400	0
Permanent Collection	393,954	642,326
Education & community expenses	98,172	64,138
Education – Fees	<u>37,130</u>	<u>26,597</u>
	<u>2,962,762</u>	<u>2,570,504</u>
Net Cost	<u>2,842,508</u>	<u>2,474,421</u>

7) ADMINISTRATION/CURATORIAL/SECURITY

	2022	2021
	€	€
Wages & Salaries	3,378,635	2,960,873
Recruitment charges	1,220	585
Consultancy fees - Strategy Development *	0	39,542
Tax & Financial Advisory	15,663	16,363
HR & Pensions Advisory	1,242	1,242
Training	19,153	24,395
Postage & telephone	29,742	25,394
Subscriptions	13,455	12,721
Professional fees	30,350	27,436
Legal Fees *	0	32,375
Office supplies & stationery	241,290	231,749
Sundry	7,086	13,968
Staff Hospitality	0	0
Coffee Shop/Canteen Expenses	8,216	10,944
Board Meetings	1,081	0
Director's Expenses - Domestic	15,162	902
Director's Expenses - international	0	0
Travel/Motor expenses	3,771	1,395
Board - Members expenses - Domestic	0	0
Insurance	39,797	34,644
Cleaning	122,437	165,286
Security	78,989	35,529
Depreciation	87,772	114,265
Temporary agency staff	125,348	13,098
Bank charges	9,190	11,866
Health & safety	<u>28,471</u>	<u>26,179</u>
	<u>4,258,070</u>	<u>3,800,751</u>

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*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

	2022	2021
	€	€
Advertising	96,134	64,746
Wages	25,924	42,873
Public relations	38,603	10,823
Other Marketing	<u>68,923</u>	<u>60,659</u>
	<u>229,584</u>	<u>179,101</u>

9) MAINTENANCE

	2022	2021
	€	€
Security	353,584	322,116
Gas	163,899	174,091
Electricity	347,801	187,691
Water	17,471	25,356
Cleaning	<u>11,249</u>	<u>11,556</u>
	<u>894,004</u>	<u>720,810</u>

10) EMPLOYEES AND REMUNERATION

WTE's 99 (2021- 96) analysed as follows:-	2022	2021
Commercial	6	5
Programme	58	62
Administration	35	29

Employee numbers (WTE) at 31 December 2022 were 99 (2021: 96)

Staff costs comprise:	2022	2021
<u>Wages & Salaries</u>	€	€
Note 4 Commercial Activities	127,456	69,597
Note 4 Commercial Activities-Bookshop	124,722	113,224
Note 6 Arts Programme	1,009,887	1,112,476
Note 7 Administration/Curatorial/Security	3,378,635	2,960,873
Note 8 Marketing	<u>25,924</u>	<u>42,873</u>
Total Wages Costs	<u>4,666,624</u>	<u>4,299,043</u>

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Staff Costs Comprise:	2022	2021
	€	€
Wages & Salaries	4,224,683	3,885,453
Social Insurance Costs	<u>441,941</u>	<u>413,590</u>
Total	<u>4,666,624</u>	<u>4,299,043</u>

Short Term Benefits Comprise:	2022	2021
	€	€
Basic Pay	4,611,137	4,251,287
Overtime	38,380	32,350
Allowances	<u>17,107</u>	<u>15,406</u>
Total	<u>4,666,624</u>	<u>4,299,043</u>

The average number of persons employed by the company in the financial year was 99 (2021 - 96).

In 2022 €72,276 (2021: €69,886) of Additional Superannuation Contribution (ASC), was deducted and payable to The Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media.

In 2022 €144,994 (2021: €141,139) of Employee deductions for the IMMA Superannuation Scheme were deducted and payable to the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media (see Note 15).

In 2022 €554 (2021: €156,066) was received from members of the IMMA Superannuation Scheme as purchase of service. These monies are payable to the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media.

In 2022 €62,801 (2021: €67,466) of Employee deductions for the Single Pension Scheme were deducted and payable to the Department for Public Expenditure and Reform.

In 2022 €15,000 (2021: Nil) was received from members of the Single Pension Scheme for the purchase of Referable Amounts. These monies are payable to the Department for Public Expenditure and Reform.

There were no termination payments in 2022 (2021 – Nil).

The salary paid to the IMMA Director was €112,547 in 2022 (2021 - €105,463).

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

EMPLOYEE BENEFITS BREAKDOWN

Range of total employee benefits	No of Employees 2022	No of Employees 2021
€60,000 - €69,999	2	3
€70,000 - €79,999	3	6
€80,000 - €89,999	3	1
€90,000 - €99,999	0	0
€100,000 - €109,999	0	1
€110,000 - €119,999	1	0

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

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

11) HERITAGE ASSETS (WORKS OF ART)

As outlined in Accounting Policy 1h the Museum recognises all heritage assets when purchased or acquired. Such assets are carried at cost at the date of acquisition with adjustment for impairment where required. The transactions for 2022 and the previous accounting period are set out below.

a) Purchased and Assisted Purchases

	2022	2021
	€	€
Cost at 1 January	8,562,062	8,081,896
Acquired during year	<u>102,766</u>	<u>480,166</u>
Cost at 31 December	<u>8,664,828</u>	<u>8,562,062</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

	2022 €	2021 €
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

	2022	2021
	€	€
Valuation as at 1 January	1,300,000	1,300,000
Additions in the year	<u>0</u>	<u>0</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

	2022	2021
	€	€
Valuation as at 1 January	14,329,651	14,252,813
Additions	<u>29,782</u>	<u>76,838</u>
Valuation as at 31 December	<u>14,359,433</u>	<u>14,329,651</u>

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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 that 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

	2022	2021
	€	€
TOTAL WORKS OF ART	<u>36,349,424</u>	<u>36,216,876</u>

Five Year Financial Summary of Heritage Asset Transactions

	2022	2021	2020	2019	2018
	€	€	€	€	€
Purchases:					
Graphic Art/Photography	30,647	74,440	54,968	62,030	-
Painting	1,869	107,657	100,862	-	-
Sculpture	4,250	14,000	1,600	-	-
New Media/Other	16,000	155,050	100,619	36,875	43,839
Installation	50,000	129,019	59,770	-	31,299
Total	<u>102,766</u>	<u>480,166</u>	<u>317,819</u>	<u>98,905</u>	<u>75,138</u>
Section 1003:	-	-	-	-	
Graphic Art/Photography	-	-	-	-	199,900
Painting	-	-	-	-	787,900
Sculpture	-	-	-	-	350,000
New Media/Other	-	-	-	-	54,000
Installation	-	-	-	-	50,000
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,441,800</u>
Heritage Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Donated Works of Art					
Graphic Art/Photography	7,118	17,030	10,165	28,912	88,500
Painting	15,500	11,750	-	415,000	178,246
Sculpture	2,500	15,000	-	70,883	185,000
New Media/Other	4,664	33,058	1,153	-	-
Installation	-	-	36,045	40,000	120,000
Total	<u>29,782</u>	<u>76,838</u>	<u>47,363</u>	<u>554,795</u>	<u>571,746</u>
Grand Total	<u><u>132,548</u></u>	<u>557,004</u>	<u>365,182</u>	<u>653,700</u>	<u>2,088,684</u>

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e) Assets held on behalf of third parties

Gordon Lambert Trust

	2022	2021
	€	€
Valuation	<u>2,914,828</u>	<u>2,914,828</u>

Madden Arnholz Collection

	2022	2021
	€	€
Valuation	<u>750,000</u>	<u>750,000</u>

Amounts included in Note 11(d) relate to assets held and maintained by IMMA, to which legal title has not yet been bestowed. As such they have been excluded from the statement of Financial Position. The value attributed to the Gordon Lambert Collection was made by the Gordon Lambert Modern Art Charitable Trust when the Collection donated to IMMA in 1992. In 2011 a number of prints from the Madden Arnholz Collection were valued by Caxton Antique Dealers.

12) FIXED ASSETS – PROPERTY, PLANT	Motor Vehicles	Furniture, Fittings & Equipment	Total
	€	€	€
COST			
Cost at 1 January 2022	0	1,335,817	1,335,817
Additions	54,735	40,000	94,735
Disposals	<u>(0)</u>	<u>(0)</u>	<u>(0)</u>
Cost at 31 December 2022	<u>54,735</u>	<u>1,375,817</u>	<u>1,430,552</u>
DEPRECIATION			
Depreciation at 1 January 2022	0	1,015,594	1,015,594
Charge for year	13,684	213,857	227,541
Disposals	<u>(0)</u>	<u>(0)</u>	<u>(0)</u>
Depreciation at 31 December 2022	<u>13,684</u>	<u>1,229,451</u>	<u>1,243,135</u>
NET BOOK VALUE			
At 31 December 2021	<u>-</u>	<u>320,223</u>	<u>320,223</u>
At 31 December 2022	<u>41,051</u>	<u>146,366</u>	<u>187,417</u>

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13)	INVENTORY	2022	2021
		€	€
	Finished goods (Editions & Catalogues)	<u>33,203</u>	<u>26,286</u>

14)	RECEIVABLES	2022	2021
		€	€
	Trade debtors	5,680	14,786
	Sundry debtors	1,903	0
	Prepayments and accrued income	<u>157,410</u>	<u>71,161</u>
		<u>164,993</u>	<u>85,947</u>

15)	PAYABLES: <i>amounts falling due within one year</i>	Note	2022	2021
			€	€
	Trade Creditors		175,289	130,563
	Accruals		1,051,638	1,019,167
	Deposits for Concerts/Future Events		204,000	127,350
	PAYE/PRSI		105,179	105,951
	Withholding Tax		5,941	6,968
	Superannuation deductions DTCAGSM/DPER scheme *		332,779	433,663
	Superannuation deductions payable to DTCAGSM/DPER		0	0
	Sponsorship in advance	5.	<u>103,976</u>	<u>86,182</u>
			<u>1,978,802</u>	<u>1,909,844</u>

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

*The IMMA Superannuation Scheme was introduced in 2001. Deductions of €144,994 were made from members' payroll in the year. Superannuation deductions of €332,779, (2021: €433,663) covering the period 2001-2022 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. Payments of €122,279 were paid in the year (2021: €109,971) and lump sums paid in the year were €96,016 (2021: €Nil). Deductions were greater than payments in 2022.

16) CONTINGENCIES

There are no contingent liabilities.

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17) CAPITAL ACCOUNT – WORKS OF ART

	DTCAGSM	Assisted Purchases	Donations	Total
	€	€	€	€
2022				
1 January 2022	<u>7,773,221</u>	<u>694,079</u>	<u>27,654,815</u>	<u>36,122,115</u>
Received in year	<u>98,516</u>	<u>4,250</u>	<u>29,782</u>	<u>132,548</u>
31 December 2022	<u>7,871,737</u>	<u>698,329</u>	<u>27,684,597</u>	<u>36,254,663</u>
2021				
1 January 2021	<u>7,293,055</u>	<u>694,079</u>	<u>27,577,977</u>	<u>35,565,111</u>
Received in year	<u>480,166</u>	<u>0</u>	<u>76,838</u>	<u>557,004</u>
31 December 2021	<u>7,773,221</u>	<u>694,079</u>	<u>27,654,815</u>	<u>36,122,115</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 2022.

18) RETIREMENT BENEFIT COSTS

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

a) Revenue Reserves	2022	2021
	€	€
Current Service Cost	1,785,839	1,560,000
Interest on Retirement Benefit Scheme Liabilities	355,479	202,898
Employee Contributions	<u>(218,541)</u>	<u>(190,417)</u>
	<u>1,922,777</u>	<u>1,572,481</u>

Analysis of amount recognised in statement of Comprehensive Income

	2022	2021
	€	€
Experience (Gains)/losses on scheme liabilities	910,837	(274,200)
Loss/(Gains) on change of assumptions (financial and demographic)	<u>(11,044,078)</u>	<u>1,737,494</u>
	<u>(10,133,241)</u>	<u>1,463,294</u>

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b) Movement in Net Retirement Benefit obligations during the financial year	2022	2021
	€	€
Net retirement benefit obligation at 1 January	(28,438,220)	(25,321,999)
Current service cost	(1,785,839)	(1,560,000)
Pension Payments	218,295	109,971
Interest on Scheme Liabilities	(355,479)	(202,898)
Actuarial Gains/(losses) recognized in the Statement of Comprehensive Income	<u>10,133,241</u>	<u>(1,463,294)</u>
Net retirement benefit obligations at 31 December	<u>(20,228,002)</u>	<u>(28,438,220)</u>

c) Deferred Funding for Retirement Benefits

The Museum recognises these amounts as an asset corresponding to the unfunded deferred liability for pensions on the basis of the set of assumptions described below and a number of past events. These include the statutory basis for the establishment of the superannuation schemes, and the policy and practice currently in place in relation to funding public service pensions including contributions by employees and the annual estimates process. While there is no formal agreement regarding these specific amounts with the Department of Tourism, Culture, Arts, Gaeltacht, Sport & 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 2022 amounted to €20,228,002 (2021: €28,438,220)

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

	2022	2021
	€	€
Funding recoverable in respect of current year pension costs	1,785,839	1,560,000
Interest on scheme liabilities	355,479	202,898
Pension Payments	<u>(218,295)</u>	<u>(109,971)</u>
	<u>1,923,023</u>	<u>1,652,927</u>

d) History of experience gains and losses

	2022	2021
	€	€
Experience (Gains)/losses on scheme liabilities	910,837	(274,200)
percentage of present value of scheme liabilities	5%	-1%

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Total (Gains)/losses recognised in the Statement of Comprehensive Income	(10,133,241)	1,463,294
percentage of present value of scheme liabilities	-50%	5%

e) Description of Scheme

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

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

The valuation of the defined benefit scheme for the purposes of FRS 102 disclosures has been carried out by an independent actuary in order to assess the liabilities at 31 December 2022. The financial assumptions used to calculate the retirement liabilities and components of the defined benefit cost for were as follows:

Valuation Method	2022	2021
	%	%
Discount Rate	3.55	1.25
Salary Increases	3.50	3.20
Pension Increases	3.50	3.20
Inflation Increases	2.50	2.20

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	21.7 years
Life Expectancy for Female aged 65	24.3 years
Life Expectancy for Male aged 45 now (from 65)	23.3 years
Life Expectancy for Female aged 45 now (from 65)	25.8 years

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19) BOARD MEMBERS' INTERESTS

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

20) BOARD MEMBERS' EMOLUMENTS

Board Member	Board Fees	Vouched Expenses	Meetings Attended
David Harvey (Chair)	-	-	5/5
Mary Apied	-	-	4/5
Gerard Byrne	-	-	4/5
John Cunningham	-	-	5/5
Jane Dillon Byrne	-	-	0/2
Dermod Dwyer	-	-	5/5
Emma Goltz	-	-	4/5
Margot Lyons	-	-	5/5
Eva Kenny	-	-	4/5

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 2022 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 2022 amounted to €112,547 (2021: €105,463). Director expenses in 2022 were €15,162 (2021: €902). Total Board members' fees in 2022 were €nil (2021: €nil). Total Board members' expenses in 2022 were €nil (2021: €nil).

22) Events after the Reporting Date

The early months of 2022 have seen a return to normal operation of the museum after the restriction related to the Covid-19 pandemic. A full programme of exhibitions and engagement is in train. The external environment contains a degree of uncertainty due to inflationary pressures and the Board continues to monitor the situation.

23) APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements were approved by the Board on 30th May 2023