



Financial Statements for the year ended

31<sup>st</sup> December 2012

<b>Contents</b>	<b>Page</b>
Report of the Comptroller & Auditor General	2
Statement of Responsibilities of the Board	3
Statement on Internal Financial Control	4
Accounting Policies	6
Income and Expenditure Account	9
Statement of Total Recognised Gains and Losses	10
Balance Sheet	11
Cash Flow Statement	12
Notes to the Financial Statements	13



**Comptroller and Auditor General**  
**Report for presentation to the Houses of the Oireachtas**

## **National Library of Ireland**

I have audited the financial statements of the National Library of Ireland for the year ended 31 December 2012 under the National Cultural Institutions Act 1997. The financial statements, which have been prepared under the accounting policies set out therein, comprise the accounting policies, the income and expenditure account, the statement of total recognised gains and losses, the balance sheet, the cash flow statement and the related notes. The financial statements have been prepared under Section 35 of the Act and in accordance with generally accepted accounting practice in Ireland.

### **Responsibilities of the Board**

The Board of the National Library of Ireland is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view of the state of the Library's affairs and of its income and expenditure, and for ensuring the regularity of transactions.

### **Responsibilities of the Comptroller and Auditor General**

My responsibility is to audit the financial statements and report on them in accordance with applicable law.

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation.

My audit is carried out in accordance with the International Standards on Auditing (UK and Ireland) and in compliance with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements, sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate to the Library's circumstances, and have been consistently applied and adequately disclosed
- the reasonableness of significant accounting estimates made in the preparation of the financial statements, and
- the overall presentation of the financial statements.

I also seek to obtain evidence about the regularity of financial transactions in the course of audit.

In addition, I read the Library's annual report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material

misstatements or inconsistencies, I consider the implications for my report.

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

In my opinion, the financial statements, which have been properly prepared in accordance with generally accepted accounting practice in Ireland, give a true and fair view of the state of the Library's affairs at 31 December 2012 and of its income and expenditure for 2012.

In my opinion, proper books of account have been kept by the Library. The financial statements are in agreement with the books of account.

### **Matters on which I report by exception**

I report by exception if

- I have not received all the information and explanations I required for my audit, or
- my audit noted any material instance where money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the information given in the Library's annual report is not consistent with the related financial statements, or
- the statement on internal financial control does not reflect the Library's compliance with the Code of Practice for the Governance of State Bodies, or
- I find there are other material matters relating to the manner in which public business has been conducted.

### **Non-compliant staff appointments**

As disclosed in note 19 to the financial statements, the Library appointed interns and students during 2011 and 2012 on short-term contracts. The total remuneration paid to the interns and students in 2012 amounted to €183,000. These staff appointments and their related remuneration were not sanctioned as required.

### **Theft investigation**

I also draw attention to the statement on internal financial control which discloses an on-going Garda Síochána investigation in relation to the theft of heritage assets from the Library.

**Seamus McCarthy**  
**Comptroller and Auditor General**  
**30 June 2014**

## STATEMENT OF RESPONSIBILITIES OF THE BOARD

The Board of The National Library of Ireland was established on 3 May 2005 under the National Cultural Institutions Act, 1997. Section 35 of the National Cultural Institutions Act, 1997 requires the Board to prepare financial statements in such form as may be approved by the Minister for Arts, Sport and Tourism (now Arts, Heritage and the Gaeltacht) with the concurrence of the Minister for Finance.

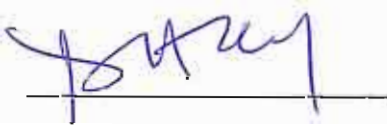
In preparing those financial statements, the Board is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the National Library of Ireland will continue in operation; and
- Disclose and explain any material departures from applicable accounting standards.

The Board is responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the National Library of Ireland and which enable it to ensure that the financial statements comply with Section 35 of the Act.

The Board is also responsible for safeguarding the assets of the National Library of Ireland and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board:



David Harvey

Chairman



Catherine Fahy

Acting Director

Date:

26/06/2014

## STATEMENT ON INTERNAL FINANCIAL CONTROL

### Responsibility for system of Internal Financial Control

On behalf of the Board of the National Library of Ireland, I acknowledge our responsibility for ensuring that an effective system of internal financial control is maintained and operated.

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.

### Key Control Procedures

The Board has taken steps to ensure an appropriate control environment by:

- clearly defining management responsibilities; and
- establishing formal procedures for reporting significant control failures;
- ensuring appropriate corrective action.

The Board can report substantial progress in establishing procedures to identify and evaluate business risks including:

- identifying the nature, extent and financial implications of risks facing the body including the extent and categories, which it regards as acceptable;
- assessing the likelihood of identified risks occurring;
- assessing the body's ability to manage and mitigate the risks that do occur; and
- assessing the costs of operating particular controls relative to the benefit obtained

During 2013 the Library discovered the loss of items from the collections and Library management immediately informed the Board, the Department of Arts, Heritage & the Gaeltacht and the Gardaí. A significant amount of material was recovered and the Garda investigation is ongoing.

The Library has initiated a number of actions to secure the collections as follows:

- Requested the Crime Prevention Unit of An Garda Síochána to undertake a review of security
- Arranged for two internationally recognised library security experts from the Royal Library in Copenhagen to conduct an additional review. These reviews are expected to be completed shortly
- Taken a number of steps to enhance security of the collections by further limiting access, where possible, to storage areas, expanding access control systems and undertaking stock checks of particular collections.

See Note 12(h) Heritage Assets of the financial statements

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

**National Library of Ireland  
Financial Statements for the year ended 31 December 2012**

- comprehensive budgeting system with an annual budget which is reviewed and agreed by the Board;
- regular reviews by the Board of periodic and annual financial reports which indicate financial performance against forecasts; and
- setting targets to measure financial and other performance.

The National Library of Ireland has outsourced the internal audit function, which operates in accordance with the Framework Code of Best Practice set out in the Code of Practice for the Governance of State Bodies. The analysis of risk and the internal audit plans are endorsed by the Audit Committee and approved by the Board. The Audit Committee reports regularly to the Board and provides the Board with a comprehensive report of internal audit activity annually.

**Annual Review of Controls**

The Board recognises its responsibility in respect of its system of financial internal control. To that end it has undertaken regular review, directly and by reports from the Audit Committee, of the internal financial controls and is satisfied as to their effectiveness. It will continue to discharge this responsibility.

Signed on behalf of the Board:



David Harvey, Chairman

Date: 25 JUNE 2014

## ACCOUNTING POLICIES

### 1. Basis of Accounting

The financial statements are prepared on an accruals basis, except as stated below, under the historical cost convention, and in accordance with generally accepted accounting practice. Financial reporting standards recommended by the recognised accounting bodies are adopted as they become applicable.

### 2. Income Recognition

Grants from the Department of Arts, Sport and Tourism (now Arts, Heritage and the Gaeltacht) are accounted for on a receipts basis and represents cash grants received in the year.

### 3. Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation, charged to the Income and Expenditure Account, is calculated in order to write off the cost of fixed assets over their estimated useful lives, under the straight-line method, at the following rates

- |                                |          |
|--------------------------------|----------|
| • Computer equipment           | 4 years  |
| • Furniture and fittings       | 10 years |
| • Office and general equipment | 5 years  |

### 4. Heritage Assets and Library Collections

In accordance with the National Cultural Institutions Act, 1997 all library collections are the property of the State and managed by the Board of the Library.

- The principal functions of the Board of the Library is to conserve, restore, maintain and enlarge the library material in the collection of the Library for the benefit of the public and to establish and maintain a record of library material (including material relating to the Irish language) in relation to Ireland and to contribute to the provision of access by members of the public to material relating to other countries.
- The Board of the National Library of Ireland has the power to enlarge the collections of the Library.
- The Board of the National Library of Ireland also has the power to lend materials, subject to the provisions of Section 18 (1) of the National Cultural Institutions Act, 1997.
- The Board of the National Library of Ireland also has the power to dispose of library materials subject to the provisions of Section 18 (2) of the National Cultural Institutions Act, 1997.
- The Board does not consider that reliable cost or valuation information can be obtained for all the items held in the collections of the National Library of Ireland. This is because of the diverse nature of materials held, the number of items in the collections and the lack of comparable market values. The Library therefore does not recognise all its collections as assets in the Balance Sheet other than acquisitions which cost or were valued at more than

## National Library of Ireland

### Financial Statements for the year ended 31 December 2012

€5,000 and were acquired or donated since the Board was established in May 2005. These are classified as Heritage assets in the Balance Sheet.

- A Heritage asset is defined as a tangible asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture
- Details of acquisitions are reported at cost in the notes to the accounts where the item is purchased, or at the Library's best estimate of current value where the item is donated.
- All acquisitions for the collection purchased in excess of €5,000 are funded from the Library's capital funding allocation for the year while acquisitions which cost less than €5,000 are funded from the current funding allocation.
- Donations are recorded at a current valuation ascertained by Keepers of the Library with reference, where possible, to commercial markets using recent transaction information from auctions.
- Donations where the National Library avails of Section 1003 of the Taxes Consolidation Act 1997 are recorded on the basis of the valuation of the Office of the Revenue Commissioner.
- Heritage assets are not depreciated by the National Library

## 5. Conservation Costs

Conservation expenditure which, in the Board's view is required to conserve or prevent further deterioration of individual items is recognised in the income and expenditure account when it is incurred.

## 6. Capital Account

The Capital Account represents the unamortised amount of income used to purchase fixed assets and heritage assets.

## 7. Superannuation

In accordance with the National Cultural Institutions Act, 1997, a superannuation scheme has been drafted and submitted to the Minister for Arts, Sports and Tourism (now Arts, Heritage and the Gaeltacht) for approval by the Minister and for the consent of the Minister for Finance.

The National Library operates a defined benefit pension scheme which, since the establishment of the Board, has been funded annually on a pay as you go basis from monies provided by the Department of Arts, Sports and Tourism (now Arts, Heritage and the Gaeltacht) and from contributions deducted from staff salaries.

Pension Scheme liabilities are measured on an actuarial basis using the projected unit method.

Pension costs reflect pension benefits earned by employees in the period and are shown net of staff pension contributions which are retained by the National Library. An amount corresponding to the pension charge is recognised as income to the extent that it is recoverable and is offset by grants



**National Library of Ireland**

**Financial Statements for the year ended 31 December 2012**

received in the year from the Department to fund the National Library including its pension payment liabilities.

Actuarial gains or losses arising from changes in actuarial assumptions and, from experience, surpluses and deficits are recognised in the Statement of Total Recognised Gains and Losses for the year in which they occur and a corresponding adjustment is recognised in the amount recoverable from the Department of Arts, Sports and Tourism (now Arts, Heritage and the Gaeltacht).

Pension liabilities represent the present value of future pension payments earned by staff to date. Deferred pension funding represents the corresponding amount which the Board believes it is entitled to recover in future periods from the Department.

**8. Foreign Currencies**

Transactions denominated in foreign currencies converted into euro at standard rates during the year are included in the Income and Expenditure Account for the year.


Monetary assets and liabilities denominated in foreign currencies are converted into euro at exchange rates ruling at the balance sheet date and resulting gains and losses are included in the Income and Expenditure Account for the year.

**INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2012**

INCOME	Note	2012 €	2011 €
Oireachtas Grant	2	7,120,000	8,084,000
Other Income	3	171,717	102,361
Net deferred funding for pensions	20(c)	1,448,000	1,326,000
<b>TOTAL INCOME</b>		<b>8,739,717</b>	<b>9,512,361</b>
<b>EXPENDITURE</b>			
Salaries	19	6,378,714	6,411,823
Buildings Costs	4	686,629	700,963
Administration	5	645,803	805,733
Professional Fees	6	276,277	302,232
Collections	7	214,751	575,872
Conservation		123,107	158,217
Digital Library		32,629	40,114
Collaboration Projects	8	(16,125)	145,665
Education & Outreach	9	78,390	222,548
Readers and Customer Services	10	87,088	106,631
Depreciation	11	370,819	575,629
<b>TOTAL EXPENDITURE</b>		<b>8,878,082</b>	<b>10,045,427</b>
<b>OPERATING INCOME/(EXPENDITURE)</b>		<b>(138,365)</b>	<b>(533,066)</b>
Transfer (to)/from Capital Account:			
Fixed Assets – Operational	16(a)	(54,133)	(191,173)
Heritage assets	16(b)	(504,698)	(1,991,725)
Heritage assets donated		212,767	1,795,000
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>(484,429)</b>	<b>(920,964)</b>
Surplus brought forward		1,165,128	2,086,092
<b>Surplus carried forward</b>		<b>680,699</b>	<b>1,165,128</b>

The Statement of Accounting Policies and Notes 1 to 23 form an integral part of these financial statements.

On behalf of the Board:

  
\_\_\_\_\_  
David Harvey, Chairman

  
\_\_\_\_\_  
Catherine Fahy, Acting Director

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 31st DECEMBER 2012

	2012	2011
	€	€
Surplus/(Deficit) for the period	(484,429)	(920,964)
Experience gains/(losses) on pension scheme liabilities	(69,000)	318,000
Effect of changes in actuarial assumptions	(454,000)	(2,813,000)
Actuarial gain/(loss) on Pension Liabilities	20(b) (523,000)	(2,495,000)
Adjustment to Deferred Pension Funding	523,000	2,495,000
Total recognised gain/(loss) for the period	<u>(484,429)</u>	<u>(920,964)</u>

On behalf of the Board:



David Harvey, Chairman



Catherine Fahy, Acting Director

**BALANCE SHEET AS AT 31st DECEMBER 2012**

		2012 €	2011 €
<b>Fixed Assets</b>			
Fixed Assets – Operational	11	1,822,773	1,768,641
Heritage Assets	12	12,167,027	11,662,329
		<u>13,989,800</u>	<u>13,430,970</u>
<b>Current Assets</b>			
Debtors and Prepayments	13	132,757	135,994
Cash at bank		1,206,472	1,705,642
		<u>1,339,229</u>	<u>1,841,636</u>
<b>Creditors: Amounts falling due within one year</b>	14	620,874	638,884
Net Current Assets		718,355	1,202,752
<b>Total Assets less Current Liabilities</b>		<b>14,708,155</b>	<b>14,633,722</b>
<b>Creditors: Amounts falling due after more than one year</b>			
Creditors	15	37,656	37,624
Deferred Pension Funding	20(c)	28,601,000	26,630,000
Pension Liabilities	20(b)	(28,601,000)	(26,630,000)
<b>Total Net Assets</b>		<u><u>14,670,499</u></u>	<u><u>14,596,098</u></u>
<b>Represented by:</b>			
Capital Account:			
Operational Fixed Assets	16(a)	1,822,773	1,768,641
Heritage Fixed Assets	16(b)	12,167,027	11,662,329
Income and Expenditure Account	17	680,699	1,165,128
		<u>14,670,499</u>	<u>14,596,098</u>

The Statement of Accounting Policies and notes 1 to 23 form an integral part of these financial statements.

On behalf of the Board:



David Harvey, Chairman



Catherine Fahy

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31st DECEMBER 2012**

	2012 €	2011 €
<b>Reconciliation of Net Operating Surplus</b>		
Operating Surplus/(Deficit)	(484,429)	(920,964)
Transfer (to)/from Capital Account - Operational	54,133	191,173
Transfer (to)/from Capital Account – Heritage Assets	504,698	1,991,725
Transfer (to)/from Capital Account – Donations	(212,767)	(1,795,000)
Depreciation	370,819	575,629
(Increase)/Decrease in Debtors	3,234	21,847
Increase/(Decrease) in Creditors	(17,976)	(309,093)
(Increase)/Decrease in Stocks	0	73,005
(Gain)/Loss on disposal of Fixed assets	52	
Bank interest	(702)	(6,500)
<b>Net Cash Inflow from Operating Activities</b>	<u>217,062</u>	<u>(178,178)</u>

**Cash Flow Statement**

<b>Net Cash Inflow from Operating Activities</b>	217,062	(178,178)
Payment to acquire fixed assets	(425,003)	(766,802)
Payment to acquire heritage assets	(291,931)	(196,725)
Return on investment	702	6,500
<b>Increase/(decrease) in cash</b>	<u>(499,170)</u>	<u>(1,135,205)</u>

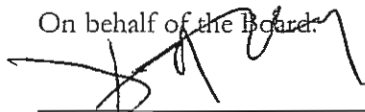
**Reconciliation of net cash flow to movements in net funds**

Net funds at 31st December	1,206,472	1,705,642
Net funds at 1st January	1,705,642	2,840,847
<b>Movement in net funds for the year</b>	<u>(499,170)</u>	<u>(1,135,205)</u>

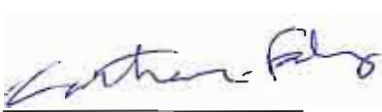
Analysis of changes in net (debt)/funds

	Cash at bank and in hand	Bank Overdraft	Total
At 31st December 2011	1,705,642		1,705,642
Cash flows	(499,170)		(499,170)
At 31st December 2012	<u>1,206,472</u>		<u>1,206,472</u>

On behalf of the Board:



David Harvey, Chairman



Catherine Fahy

Notes *(forming part of the financial statements)*

1. Establishment of the Board of The National Library of Ireland

**Introduction**

The National Library of Ireland was established as an independent body on 3 May 2005 under the provisions of the National Cultural Institutions Act, 1997 (hereafter the “Act”) with a Board and a Director (Chief Executive). The Council of Trustees which had a superintending role over the Library ceased to exist as of that date.

**The Board**

Under Section 19 of the Act, the Board comprises a chairperson and eleven ordinary members.

The principal functions of the Board of the National Library, as set out in Section 12 of the Act, are:

“to conserve, restore, maintain and enlarge the library material in the collection of the Library for the benefit of the public and to establish and maintain a record of library material (including material relating to the Irish language) in relation to Ireland and to contribute to the provision of access by members of the public to material relating to other countries”

**Funding**

The main source of funding for the Library is by way of grant made by the Minister for Arts, Sport and Tourism (now Arts, Heritage and the Gaeltacht) under Section 27 of the Act. The Library also generates revenue from a number of activities such as the shops, reproductions, heraldry, catering franchises and fees from corporate functions.

	2012	2011
	€	€
2 Oireachtas Grants		
Grants from the Department of Arts, Heritage and the Gaeltacht – Subhead A	7,120,000	8,084,000
	<u>7,120,000</u>	<u>8,084,000</u>

	Note	2012	2011
<b>3 Other Income</b>			
		€	€
Shop Sales		(232)	51,873
Cost of Goods Sold:			
Opening Stock			73,005
Purchases		(120)	7,918
Closing Stock			0
		<u>(120)</u>	<u>80,923</u>
Salaries			34,808
Total Cost of Sales*		<u>(120)</u>	<u>115,731</u>
		<u>(112)</u>	<u>(63,858)</u>
Gross Loss on Shops			
Royalty & Reproduction Income		32,599	7,751
Heraldry Income		19,943	37,000
Corporate Functions		10,712	9,256
Restaurant		18,224	15,987
Copying Services		74,005	92,012
Sponsorship		13,469	2,008
Interest Income		702	6,500
Foreign Exchange Rate Gains/(Losses)		(3,129)	(7,382)
Miscellaneous Income		5,304	3,087
Total Other Income		<u>171,717</u>	<u>102,361</u>

Due to ongoing losses and staff shortages the Library shop was closed in July 2011. The 3 part-time shop staff were redeployed within the Library.

\* All remaining unsold stocks valued at €62,579 were written off

	Note	2012	2011
<b>4 Building Costs</b>			
		€	€
Cleaning		39,436	50,870
Wages			9,071
Utilities		294,751	278,424
Storage		121,115	140,660
Security*		210,084	199,907
Services and Maintenance		21,243	22,031
		<u>686,629</u>	<u>700,963</u>

\* The main security contract expired in August 2012 and has been rolled over until October 2014. The Library did not deem it necessary to conduct a competitive process for this service for value for money reasons. Security expenditure after the contract expiry was €86,770

#### 5 Administration Expenses

		€	€
Postage & telecommunications		77,392	96,345
PR, Marketing and Entertainment*		104,982	220,861
Stationery and office supplies		32,504	58,104
Travel and subsistence		34,687	34,896
Information Technology		215,031	160,681
Website development		4,873	4,048
Insurance		28,509	25,148
Subscriptions		38,526	44,476
Training and other staff costs **		55,871	88,732
Board fees and expenses	22	48,449	67,009
Prompt Payment Interest		52	924
Bank charges		4,927	4,509
		<u>645,803</u>	<u>805,733</u>

\* Costs include €326 for staff related events in 2011

\*\* Training and other staff costs include €4,717 for staff uniforms and shoe allowance payments



	Note	2012	2011
<b>6 Professional Fees</b>			
		€	€
Legal Fees		179,421	124,496
Recruitment expenses		0	16
Audit Fees		15,134	13,202
General Consultancy		81,722	164,518
		<u>276,277</u>	<u>302,232</u>

The legal services contract expired at the end of June 2012 and was rolled-over until October 2014. The Library commenced a competitive procurement process for legal services in 2012 in conjunction with the National Museum. It was decided to cancel the procurement process because of uncertainty surrounding the Library's corporate status and consequently its legal services requirements. Legal fees incurred in 2012 after the expiry of the contract were €75,316.

## 7 Collections

(a) The existing collections of the National Library at establishment date were not vested in the Board. The Board is of the view that valuing these collections or determining their original cost is impractical and would not, in any event, yield information that is relevant or useful in assessing its stewardship of the collections.

The Balance Sheet now reflects the value of additions to the collections valued at more than €5,000 since the Board was established in May 2005 and collections acquired for less than €5,000 are charged to the Income and Expenditure Account.

(b) Expenditure on collections valued at less than €5,000 and charged to Income and Expenditure during the period were:

	2012	2011
	€	€
Books	74,219	183,724
Online & CD ROM	48,390	75,459
Ephemera	7,993	20,850
Film & maps	0	144
Manuscripts	26,465	110,164
Newspapers	26,563	41,668
Official publications	1,531	1,223
Periodicals	17,264	13,886
Photographs	0	3,009
Prints and Drawings	8,064	25,382
Staff reference & miscellaneous	1,518	2,170
Digitised Collections	(32,373)	
Cataloguing Backlog Project	35,117	98,193
	<u>214,751</u>	<u>575,872</u>

(c) Most items acquired for the collections are individually of low value such as books, newspapers and periodicals. Irish publishers are required to deposit all material published with the Library but the Library purchases all Northern Ireland published materials as well as materials published abroad of Irish interest in accordance with the requirements of Section 12 of the Cultural Institutions Act 1997

## 8 Collaboration Projects

During 2012 the Library continued to work on collaboration projects with various universities and other organisations. These included:

- Bursaries to TCD in 2011 (€20,000) for the new MPhil courses whose students completed internships at the Library in 2012 were refunded by the Department of Arts, Heritage and the Gaeltacht in 2012.
- The Library also undertook a project to conserve the Lismore papers which was co-funded by the Duke of Devonshire (2012: €3,875).
- The Library also collaborated with the National Gallery of Ireland on the loan of 8 items from the Library's prints and drawings collection to a temporary exhibition at The McMullen Museum of Modern Art in Boston, U.S.A.
- A further 16 items were loaned to the National Gallery of Ireland exhibition "Jack of all Trades: Yeats' Punch Cartoons and Illustrations by Irish painters".

	2012	2011
	€	€
William Butler Yeats exhibition	3,789	64,224
Strangers to Citizens	1,932	0
Discover the National Library	8,200	38,378
Other exhibitions	5,189	31,104
Travelling Exhibitions	26,920	2,078
Library Events and publications	32,360	86,764
	<u>78,390</u>	<u>222,548</u>

## 10 Readers/Customer Services

	2012	2011
	€	€
Heraldry Expenses	26,465	30,780
Microfilm Unit	10,419	17,427
Photographic Services	0	12,080
Genealogical Services	24,778	15,783
Other Reader Services	25,426	30,561
	<u>87,088</u>	<u>106,631</u>

## 11 Tangible Fixed Assets

	IT Equipment €	Furniture & Fittings €	Equipment €	Total €
<b><u>COST</u></b>				
Cost at 31st December 2011	2,048,148	1,034,335	1,290,433	4,372,916
Additions	389,447	0	35,556	425,003
Disposals	(20,021)	(516)	(35,937)	(56,474)
Cost at 31st December 2012	2,417,574	1,033,819	1,290,052	4,741,445
<b><u>ACCUMULATED DEPRECIATION</u></b>				
At 31st December 2011	1,242,536	393,212	968,527	2,604,275
Depreciation charge	128,882	101,143	140,794	370,819
Disposals	(20,021)	(464)	(35,937)	(56,422)
At 31st December 2012	1,351,397	493,891	1,073,384	2,918,672
<b><u>NET BOOK VALUE</u></b>				
As at 31st December 2012	1,066,177	539,928	216,668	1,822,773
As at 31st December 2011	805,612	641,123	321,906	1,768,641

Land and buildings, owned by the state and maintained by the Office of Public Works, are used free of charge by the National Library of Ireland. These include Numbers 2 to 5 Kildare Street and the main Library building at No. 7 Kildare Street. The Library also has storage facilities at Park West, Dublin and the National Photographic Archives has use of premises in Temple Bar all of which are leased by the Office of Public Works.

Fully depreciated assets which were no longer in use were removed from the asset register in 2011

## 12. Heritage Assets

	Printed €	Digital €	Visual €	Manuscripts €	Total €
Cost or Valuation:					
As at 31st December 2011	1,209,827	920,099	1,290,640	8,241,763	11,662,329
Purchases 2012	0	198,896	9,000	84,035	291,931
Donations 2012			71,767	141,000	212,767
As at 31st December 2012	1,209,827	1,118,995	1,371,407	8,466,798	12,167,027

As a result of the adoption of Financial Reporting Standard (FRS) 30 (Heritage Assets), donated and heritage funded assets are recognised in the financial statements initially through the Income and Expenditure Account.

- (a) The basis of values reported for additions to heritage assets are:
- Historical cost where assets are purchased
  - Keeper's best estimate where assets are donated
  - Where the Library has availed of Section 1003 of the Taxes Consolidation Act 1997 (as amended by the Finance act 2002) the Library accepts the valuation of the Office of the Revenue Commissioners
- (b) Significant purchases for the collections in 2012 include:
- A digital archive of a sample of websites relating to the referendum on the European Stability Treaty and a selection of websites of general Irish interest.
  - Letters notes and cards of John O' Leary (1830-1907) Fenian
  - The manuscript papers and correspondence of James G. Douglas
  - The personal and literary papers of Anthony Cronin – Part II
  - A genealogical scroll by William Hankins 1777
  - An 18<sup>th</sup> Century manuscript volume containing parts of Keatings' Foras Feasa ar Eirinn
  - Prints, slides and negatives by the photographer Henning Christoph of Northern Ireland and Irish youth in Dublin
  - Conservation and metadata creation for the digitisation of the Elmes collection of historic Irish portraits
  - Metadata creation for the digitisation of a selection of prints and drawings and ephemera collections relating to the Decade of Commemoration
  - The purchase of online access to the Times Digital Archive 1785-2006
- (c) Significant donations to the collections in 2012 include:
- A collection of material related to Arthur Griffith, his family and political associates donated by Paula Faller
  - A collection of papers and correspondence relating to Nicolette MacNamara Devas and her sister Caitlin Thomas donated by Prosper Devas
  - A collection of letters by Maud Gonne McBride to various correspondents c. 1900-1904 donated by Bernard Hanratty
  - Papers and correspondence of Sean Hendrick c. 1916-1971 donated by Nuala Wren
  - Irish Labour Party papers 1921-2010 donated by the Labour Party
  - Miscellaneous papers 1968-2012 donated by Mike Milotte
  - A collection of papers by the late Nuala O'Faolain 1974-2009 donated by Mairead O'Grady
  - Original colour negatives of Bloody Sunday 1972 and related demonstrations in Newry donated by William L. Rukeyser
  - A set of 40 original etchings from the series "On Bolus Head" and a copy of the limited edition print book of the same donated by Brian Gormley, Michael Carter and Cló Cill Rialaig

(d) All items within the Library collection contribute to maintaining the record of Ireland's cultural and intellectual heritage, and to the advancement of knowledge of, in and for Ireland. The collection is carefully developed through a series of policies governing acquisition, preservation and access. The Collection Development Policy is available on the Library's website.

(e) The Library does not normally dispose of material in its collections unless the material is duplicated. Disposal of material from the Library's collections is subject to the provisions of Section 18(2) of the Cultural Institutions Act, 1997.

(f) Conservation and preservation

Established in 1994, the National Library's Conservation Department has an institution wide remit to preserve and conserve the collections of the National Library of Ireland. The primary responsibility of the department is to safeguard the collections for future generations and this ethos determines the approach in all aspects of its work.

In general, preservation measures do not improve the condition of an object, but are used to slow down degradation and prevent damage by passive methods. By contrast, conservation aims to prolong the life and accessibility of collections through interventive treatments, which improve the physical, chemical and often visual condition of an object.

The most significant projects in 2012 were:

- Conservation treatment of the Deeds of the Duke of Ormond which was funded by the Ireland Fund (2012: €5,000) and the National Library of Ireland Trust (€5,000)
- The survey, cleaning, re-housing and inventory of the outsized manuscript map collection
- The survey of 400 folders of items from the Lismore Collection identified as requiring treatment resulting in a comprehensive written and photographic database of the condition of these items
- The condition survey and preservation plan of 270 volumes from the archives of the Chief Herald of Ireland
- The protective housing of c. 1,500 items prior to the move of the Thoms, Joly and other collections to the refurbished storage area
- The transfer of c. 2,000 items from the Lawrence photographic collection into archival quality housings
- The conservation of 800 prints from the Elmes portrait collection

(g) Heritage Asset recording

Library collections date back to the middle of the eighteenth century. Records of the Library's holdings were largely paper based until recent times. The Library is currently embarked on a major programme to transfer all paper based records onto one digital catalogue which will make the list of the Library's catalogued collections available online to Library users worldwide. In 2011 a major project to transfer two significant paper-based catalogues containing over 350,000 records to the digital catalogue was commenced and was completed in early 2013. All new acquisitions are recorded on the digital catalogue on accession.

	2012	2011
<b>16 (a) Capital Account – Operational Assets</b>		
	€	€
Balance b/f	1,768,641	1,577,468
Transferred from Income & expenditure:		
To fund fixed asset purchases	425,003	766,802
Amortisation in line with asset depreciation	(370,819)	(575,629)
Loss on disposals	(52)	
Transferred to/(from) Capital	<u>54,133</u>	<u>191,173</u>
Closing Balance	<u><u>1,822,773</u></u>	<u><u>1,768,641</u></u>

<b>16 (b) Capital Account – Heritage Assets</b>		
	€	€
Balance b/f	11,662,329	9,670,604
Transferred from Income & expenditure:		
Heritage Asset Reserve:		
Heritage assets acquired in year	291,931	196,725
Heritage Asset donations in year	<u>212,767</u>	<u>1,795,000</u>
Closing Balance	<u><u>12,167,027</u></u>	<u><u>11,662,329</u></u>

#### 17 Income and Expenditure Account

	€	€
Balance b/f	1,165,128	2,086,092
Surplus/(Deficit) for the period	<u>(484,429)</u>	<u>(920,964)</u>
Balance as at 31st December	<u><u>680,699</u></u>	<u><u>1,165,128</u></u>

#### 18 Commitments

Expenditure committed at 31 December 2012 but not provided for in these financial statements totalled € 68,135

(h) Loss of library collections

In 2013 the Library became aware of a security breach and discovered the loss of collections. A significant amount of material was recovered and the Gardaí are currently investigating the matter. The Library has requested the Crime Prevention Unit of An Garda Síochána to undertake a review of security and has also arranged for two internationally recognised library security experts from the Royal Library in Copenhagen to conduct an additional review. These reviews are expected to be completed shortly. The Library has already taken a number of steps to enhance security of the collections by further restricting access to storage areas, installing additional access control systems, enhancing security measures for vulnerable collections and undertaking stock checks of particular collections.

	2012	2011
<b>13 Debtors and prepayments</b>		
	€	€
Debtors	32,734	32,159
Prepayments	100,023	103,835
	<u>132,757</u>	<u>135,994</u>
<b>14 Creditors (Amounts falling due within one year)</b>		
	€	€
Creditors & accruals	456,735	461,897
Taxation and social welfare	164,139	176,987
	<u>620,874</u>	<u>638,884</u>
<b>15 Creditors (Amounts falling due after more than one year)</b>		
	€	€
Creditors	37,656	37,624
	<u>37,656</u>	<u>37,624</u>

## 19 Employee numbers and costs

The average number of staff employed in the period was:

	2012	2011
Administration & support	12	18
Library	81	82
Special programmes	9	13
	<u>102</u>	<u>113</u>

Costs in the period were:

	€	€
Wages and salaries - funded by state grant	4,023,424	4,242,278
Employers PRSI Contributions - funded by state grant	270,706	276,447
Less: Wages charged to other programme costs	(15,416)	(20,902)
Pension Costs	2,100,000	1,914,000
	<u>6,378,714</u>	<u>6,411,823</u>
Other wages funded from National Library Income:		
Cleaning staff wages (included in Building Costs)		9,071
Shop staff wages (included in Other Income)		34,808
	<u>6,378,714</u>	<u>6,455,702</u>

€222,015 was deducted from staff by way of pension levy during 2012 and was paid over to the Department of Arts, Heritage and the Gaeltacht

The Library paid four types of allowances to 50 members of staff during 2012 at a total cost of €108,086 detailed as follows:

	No of staff	Amount
On-Call Allowance	4	10,200
Park West Allowance	11	5,085
Early/Late Allowance	30	73,065
Buyout Allowance	5	19,736
<b>Total NLI costs 2012</b>	<u>50</u>	<u>108,086</u>

Twenty three interns and students were appointed by the Library during 2011 and 2012 to carry out a number of projects and other Library tasks. The interns and students were given short-term contracts ranging from 4 months to 20 months at a total cost to the Library of €183,366 in 2012 (2011:€212,470). The Library had 4 interns and students employed at 1<sup>st</sup> January 2013. These appointments and related remuneration costs were not sanctioned by the Departments of Arts, Heritage and the Gaeltacht and Public Expenditure and Reform as required under Sections 30 and 32 of the National Cultural Institutions Act 1997. The Library has obtained the required



National Library of Ireland  
 Financial Statements for the year ended 31 December 2012

Department sanctions for students and interns appointed since 1<sup>st</sup> January 2013. The Library also had a number of unpaid interns, students and volunteers during 2012. These appointments were approved by the management of the Library.

20 Superannuation

a) Analysis of total pension costs charged to expenditure

	€	€
Current service cost	991,000	834,000
Interest on Pension Scheme Liabilities	1,226,000	1,188,000
Employee contributions	<u>(117,000)</u>	<u>(108,000)</u>
	<u>2,100,000</u>	<u>1,914,000</u>

b) Movement in Net Pension Liability during the period

	2012 €	2011 €
Net Pension Liability b/f	26,630,000	22,809,000
Current Service Cost	991,000	834,000
Interest Costs	1,226,000	1,188,000
Actuarial loss/(gain)	523,000	2,495,000
Pensions paid in the year	<u>(769,000)</u>	<u>(696,000)</u>
<b>Net Pension Liability at 31 December</b>	<b><u>28,601,000</u></b>	<b><u>26,630,000</u></b>

c) Deferred Funding for Pensions

Having regard to the history of the National Library and the background to the establishment of the Board, it is assumed that the unfunded deferred liability for pensions will continue to be met by the State although there is no formal agreement and therefore no guarantee in this regard from the Department of Arts, Heritage and the Gaeltacht. However, the National Library believes that the aforesaid assumption is a reasonable one having regard to past events and the established practice in relation to other public sector organizations and accordingly is including as an asset (deferred pension funding) an amount equal to the pension liabilities.

The deferred funding asset for pensions as at 31 December 2012 amounted to €28.601 million (31 December 2011: €26.63 million).

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

	2012 €	2011 €
Funding recoverable in respect of current year pension costs	2,217,000	2,022,000
State grant applied to pay pensioners	<u>(769,000)</u>	<u>(696,000)</u>
	<u>1,448,000</u>	<u>1,326,000</u>

**d) History of defined benefit obligations**

	2012	2011	2010	2009	2008
	(€'000)	(€'000)	(€'000)	(€'000)	(€'000)
Defined Benefit Obligations	(28,601)	(26,630)	(22,809)	(21,368)	(19,039)
Deferred Pension Funding	28,601	26,630	22,809	21,368	19,039
Amount	(69)	318	(1,353)	(1,307)	232
Percentage of Scheme Liabilities	-0.2%	1.2%	5.9%	6.1%	1.2%

The cumulative actuarial loss recognised in the Statement of Total Recognised Gains and Losses amounts to €122,000

**e) General description of the Scheme**

The pension scheme is a defined benefit final salary pension arrangements with benefits and contributions defined by reference to current “model” public sector scheme regulations. The scheme provides a pension (one eightieth per year of service), a gratuity or lump sum (three eightieths per year of service) and spouse’s and children’s pensions. Normal Retirement Age is a member’s 65th birthday, and pre 2004 members have an entitlement to retire without actuarial reduction from age 60. Pensions in payment (and deferment) generally increase in line with general public sector salary inflation.

The valuation used for Financial Reporting Standard (FRS) 17 disclosures has been based on a full actuarial valuation as at 31 December 2008 updated by a qualified independent actuary to take account of the requirements of FRS17 in order to assess the scheme liabilities at 31 December 2012. The financial assumptions used to calculate scheme liabilities under FRS17 are:

	31/12/2012	31/12/2011
Salary escalation (promotional scale in addition)	0%	0%
Increases to pensions in payment	0%	0%
Discount rate	3.8%	4.5%
Inflation rate	2.0%	2.0%

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 a member attains retirement age (age 65.) The table below shows the average life expectancy for members attaining age 65 in 2010 and in 2030.

Year of attaining age 65	2012	2032
Life expectancy – male	86.5	88.2
Life expectancy – female	89.5	91.5

## 21 Director's Remuneration

The Library fully complies with Government policy on the pay of chief executives and State body employees and with government guidelines on the payment of fees to Board members. The pay of the Chief Executive/Director of the Library is consistent with the civil service salary scale for Principal Officer Higher Scale.

The annual basic salary of the Director of the National Library for 2012 amounts to €96,514. The superannuation entitlements of the Director do not extend beyond the standard entitlements of the public sector defined benefit superannuation scheme. No bonus or benefits-in-kind were paid.

## 22 Board members' fees and expenses

The Board adopted procedures in accordance with guidelines issued by the Department of Finance in relation to disclosure of interests by Board members and these procedures have been adhered to in the year. Fees and expenses paid to members of the Board and its subcommittees were:

	€
David Harvey	7,724
Diarmaid Ferriter (Resigned 23 May 2012) (Ineligible)	0
Marian Fitzgibbon (Ineligible)	0
Brian Halpin	5,149
Patrick McMahon (Ineligible)	0
Carol Maddock (Note)	6,149
Des Marnane	5,149
Susan Philips	5,149
Pat Quinn	4,197
Paul Rellis (Fees waived)	0
Paul Shovlin	5,148
Robert Spoo	5,148
Total Fees	<u>43,813</u>
Subcommittee Members:	
Diarmuid Kennedy	0
Felix Larkin	0
John Waters	0
Patrick Clyne	0
Terence Dooley	0
John Grenham	0
Susan Hood	0
Frank Keane	0

National Library of Ireland  
Financial Statements for the year ended 31 December 2012

Board Expenses:	
Travel	3,494
Meals and entertainment	1,142
Other	0
Total expenses	<u>4,636</u>
	<u><u>48,449</u></u>

Note: Board fees paid to Carol Maddock in 2012 included €1,000 underpaid in 2011 pending clarification on the status of fees payable to members of staff.

### 23 Approval of financial statements

The Board approved these financial statements on 10<sup>th</sup> June 2014