

Law Reform Commission

Draft Reports & Financial Statements

for the financial year ended 31 December 2020

Law Reform Commission

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Law Reform Commission

Information

President	Ms Justice Mary Laffoy
Commissioners	Raymond Byrne - Full time Commissioner Mr Justice Maurice Collins - Part time Commissioner Dr Andrea Mulligan, BL - Part time Commissioner
Registered office	The Law Reform Commission 5th Floor Styne House Upper Hatch Street Dublin Dublin 2
Auditor	Comptroller & Auditor General 3a Mayor Street Upper North Wall Dublin
Bankers	Danske Bank 3 Harbourmaster Place Dublin 1

Report of the Comptroller and Auditor General

Report of the Comptroller and Auditor General

Law Reform Commission (continued)

Comptroller & Auditor General
3a Mayor Street Upper
Dublin
Dublin 1

Governance Statement and Commission Member's Report

Governance

The Law Reform Commission was established under the Law Reform Commission Act 1975. The functions of the Commission are set out in section 4 of the 1975 Act. The Commission is accountable to the Office of the Attorney General, the Department of An Taoiseach and the Minister for Public Expenditure and Reform. The Commission is responsible for ensuring good governance and performs these tasks by setting strategic objectives and targets in its Strategy Statement and taking strategic decisions on all key business issues. The regular day-to-day management, control and direction of the Law Reform Commission are the responsibility of the Full Time Commissioner and Senior Management team. The Full Time Commissioner and the Senior Management team must follow the broad strategic direction set by the Commission, and must ensure that all Commission members have a clear understanding of the key activities and decisions related to the Commission, and of any significant risks likely to arise. The Full Time Commissioner acts as a direct liaison between the Commission and Senior Management.

Commission Responsibilities

The work and responsibilities of the Commission are set out in the Law Reform Commission Act 1975, which describes the matters specifically reserved for Commission decisions. Standing items considered by the Commission include:

- Financial reports and management accounts;
- HR and other administration matters;
- Progress reports from the Director of Research and Deputy Director of Research on the research projects in the Commission's Programmes of Law Reform (these Programmes, which must be approved by Government under the 1975 Act, contain a list of law reform projects on which the Commission carries out research, followed by publication of Consultative Issues Papers and later, Reports with recommendations for law reform) and on specific requests made by the Attorney General;
- Review and discussion of draft papers concerning the Commission's research projects.

Section 9 of the Law Reform Commission Act 1975 requires the Commission members to keep, in such form as may be approved by the Minister for Public Expenditure and Reform, all proper and usual accounts of money received and expended by it.

In preparing these financial statements, the Commission is required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that it will continue in operation, and;
- State whether applicable accounting standards have been followed, subject to any material departure disclosed and explained in the financial statements.

The Commission carries out an evaluation of the annual work programme at each of its monthly meetings, where it reviews progress on all projects, evaluates it in a specific form annually, which was done at its May 2021 meeting, and also when it reviews its draft Annual Report, in the case of the Annual Report 2020 at its May 2021 meeting.

The Commission is responsible for safeguarding its assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Commission considers that its financial statements give a true and fair view of the financial performance and the financial position of the Law Reform Commission at 31 December 2020.

Commission Structure

The Commission comprises its 5 members, that is, the Commission President, the Full Time Commissioner and 3 Part Time Commissioners, all of whom are appointed by the Government in accordance with the Law Reform Commission Act 1975. The Full Time Commissioner was appointed in 2016 after a PAS/TLAC Competition. The members of the Commission may be appointed for a period of up to 5 years. The Commission meets at least 10 times a year. The table below details the appointment period of Commission members in 2020:

Commission member	Role	Date Appointed
Ms Justice Mary Laffoy	President	9th October 2018 (appointed)
Mr Raymond Byrne	FIT Commissioner	16th April 2016 (appointed)
Mr Tom O'Malley	PIT Commissioner	1st September 2015 (re-appointed) 12th August 2020 (ceased)
Prof Donncha O'Connell	PIT Commissioner	1st September 2015 (re-appointed) 12th August 2020 (ceased)
Ms Justice Carmel Stewart	PIT Commissioner	1st September 2015 (re-appointed) 12th August 2020 (ceased)
Mr Justice Maurice Collins	PIT Commissioner	1st October 2020 (appointed)
Mr Justice Richard Humphreys	PIT Commissioner	1st October 2020 (appointed) 16th April 2021 (ceased)
Dr Andrea Mulligan, BL	PIT Commissioner	1st October 2020 (appointed)

Committees of the Commission

The Attorney General's Internal Audit and Risk Committee carries out, in close liaison with the Commission, the internal audit and risk function for the Commission. From time to time, the Commission establishes ad hoc committees and/or working groups to assist its research; in 2020, the Commission did not establish any such committee.

A schedule of attendance at Commission meetings for 2020 is set out below including the fees and expenses received by each Commission member.

Commissioner Name	No. of Meetings Attended	Salary/ Fees	Travel expenses to Commission meetings	Attendance at conferences / lectures
		€	€	€
President Ms Justice Mary Laffoy	11	49,008	-	-
Commissioner (FIT) Mr Raymond Byrne	11	151,955	-	-
Commissioners (PIT)				
Mr Tom O'Malley	7	-	296	-
Prof Donncha O'Connell	8	-	668	-
Ms Justice Carmel Stewart	8	-	-	-
Mr Justice Maurice Collins	3	-	-	-
Mr Justice Richard Humphreys	3	-	-	-
Ms Andrea Mulligan	3	-	-	-

The President's salary is in accordance with relevant Government guidelines.

The full time Commissioner's salary is at Assistant Secretary General Level.

The part time Commissioners do not receive salaries or fees under the One Person One Salary (OPOS) policy. Travel Expenses to Commission meetings for the part-time Commissioners are related to travel from outside Dublin.

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

The Commission members are responsible for ensuring that the Law Reform Commission has complied with the requirements of the Code of Practice for the Governance of State bodies as published by the Department of Public Expenditure and Reform in August 2016. The following disclosures are required by the Code.

1) Consultancy Costs

Consultancy costs includes the cost of external advice to management and excludes outsourced "business-as-usual" functions.

	2020	2019
	€	€
Writing Book for 45th Anniversary of the Commission	-	10,000
Consultancy on HR Issues	-	1,230
Collective Citation of Acts	600	880
4th Programme of Law Reform, Contempt of Court	16,675	3,420
Classified List and classification of Sites made under European Communities Act 1972, s.3	6,500	-
4th Programme of Law Reform, Compulsory Acquisition of Land	1,500	-
Statute Law Revision Programme	4,590	-
Revised Acts	1,440	-
Rent Review- Styne House	8,470	-
Total	39,775	15,530

2) Legal Costs and Settlements

There were no legal costs or settlements in 2020.

3) Travel and Subsistence Expenditure

Travel and subsistence expenditure is categorised as follows:

		2020	2019
		€	€
Domestic	Commission	964	9,496
	Employees	597	16
	Other	-	-
International	Commission	-	915
	Employees	-	1,625
	Other	-	-
Total		1,561	12,052

The Income and Expenditure Account includes the following hospitality expenditure

	2020	2019
	€	€
Staff Hospitality	1,782	2,486
Client Hospitality	-	1,190
Total	1,782	3,676

Staff Hospitality includes refreshments for Commission meetings and staff canteen expenses.

Statement of Compliance

The Commission has adopted the Code of Practice for the Governance of State Bodies (2016) and has put procedures in place to ensure compliance with the Code. The Commission was in full compliance with the Code of Practice for State Bodies in 2020.

Statement on Internal Control

Scope of Responsibility

On behalf of the Commission, I acknowledge its responsibility for ensuring that an effective system of internal control is maintained and operated. This responsibility takes account of the requirement of the Code of Practice for the Governance of State Bodies (2016).

Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it. The system can therefore 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 detected in a timely way.

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform has been in place in the Commission for the year ended 31 December 2020 and up to the date of approval of the financial statements.

Capacity to Handle Risk

The Attorney General's Audit and Risk Committee also has responsibility for the Commission. This committee comprises a Chairperson, two external members, two staff from the AGO and Chief State Solicitor's Office with financial and audit expertise. The Audit Committee met twice in 2020. The Full-Time Commissioner, Raymond Byrne and the Head of Administration, Brid Rogers, attended one meeting of the Internal Audit Committee of the Office of the Attorney General in December 2020 at which the Law Reform Commission's audit was discussed. The Risk Management met nine times in 2020 and the Commission was on none of the agendas.

The Commission is a small public sector body with 20 staff and does not have an Internal Audit Function. As noted above, the internal audit functions fall under the *remit* of the Audit Committee within the office of the AGO (the Commission's parent Office) which carries out reviews on a biennial basis.

The Commission has developed a risk management policy, which sets out its risk tolerance, the risk management processes in operation and details the roles and responsibilities in relation to risk. This policy has been issued to all staff who are expected to work within the Commission's risk management policies, to alert management on emerging risks and control weaknesses and who assume responsibilities for risks and controls within their own area of work.

Risk and Control Framework

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

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

The risk register details the controls and actions needed to mitigate risks and responsibility for operations of controls assigned to specific senior staff. I can confirm a control environment containing the following elements are 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 which is kept under review by senior management.
- There are systems aimed at ensuring the security of the information and communication technology systems.
- There are systems in place to safeguard assets.

Ongoing Monitoring and Review

Formal procedures have been established for monitoring control processes. Control deficiencies are communicated to senior managers and the Commission who will take responsibility for corrective action where relevant. I confirm that the following ongoing monitoring systems are in place:

- Key risks and related controls have been identified. Processes have been put in place to monitor the operation of these key controls and report any identified deficiencies;
- Reporting arrangements have been established at all levels where responsibilities for financial management have been assigned; and
- There are regular reviews by senior management of periodic annual performance and financial reports which indicate performance against budgets/forecasts.

Procurement


I confirm that the Commission has procedures in place to ensure compliance with current procurement rules and guidelines. The Commission complied with those procedures during 2020.

Review of Effectiveness

I confirm that the Commission has procedures to monitor the effectiveness of its risk management and control procedures. The Commission's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors, and the senior management within the Commission responsible for the development and maintenance of the internal control framework. The Internal Audit Unit of the Office of the Attorney General carry out reviews on a biennial basis.

Internal Control Issues

There were no weaknesses identified in internal controls in relation to 2020 that require disclosure in the financial statements.



Ms Justice Mary Laffoy
President

Date 5/5/2021

Law Reform Commission

Statement of Income and Expenditure and Retained Revenue Reserves

Year Ended 31 December 2020

	Note	2020 €	2019 €
Income			
Oireachtas Grant	2	2,129,282	2,073,350
Other			6,607
Reimbursed to Office of the Attorney General		(6,364)	
Transfer from/(to) Capital Account		70,910	(35,380)
Net deferred funding for pensions	7(c)	301,000	139,000
		2,494,828	2,183,577
Expenditure			
Salaries	5	1,266,542	1,146,968
Pensions	7(a)	361,002	197,355
IT		82,350	79,558
Rent and service charges		364,229	299,555
Light and Heat		9,156	9,647
Repairs and Maintenance - Buildings		3,617	7,453
Insurance		3,355	3,295
Telephone		12,786	12,098
Stationery & office management		21,043	38,735
Seminars		1,946	1,413
Library		100,095	103,930
Travelling and subsistence		1,561	12,052
Cleaning		9,519	9,261
Printing		28,492	8,964
Postage		4,828	2,439
Depreciation		115,486	96,839
Misc Office Expenses		942	828
Auditors remuneration		10,800	9,000
Training		25,208	43,864
Corporate Support		29,368	28,874
Professional fees		39,775	15,530
Annual Conference			6,811
		2,492,100	2,134,469
Surplus/(Deficit) for the Year		2,728	49,108
Balance Brought Forward at 1 January 2020		123,651	74,543
Balance Carried Forward as at 31st December 2020		<u>126,379</u>	<u>123,651</u>

The Statement of Cash Flows and notes 1 to 15 form part of these financial statements

Ms Justice Mary Laffoy

Date

5/5/2021

Law Reform Commission

Statement of Comprehensive Income

Financial year ended 31 December 2020

		Year ended	Year ended
		2020	2019
	Note	€	€
Surplus/(Deficit) for the Year		2,728	49,108
Actuarial Loss (Gain) on Experience on pension scheme liabilities		334,000	986,000
Actuarial Loss/(Gain) on Change in assumption on pension scheme liabilities		-	-
Changes in assumptions underlying the present value of pension scheme liabilities		-	-
Actuarial losses/(gains) on pension liability	7(b)	334,000	986,000
Adjustment to deferred pension funding		334,000	986,000
Total recognised losses/(gains) for the year		2,728	49,108

The Statement of Cash Flows and notes 1 to 15 form part of these financial statements


Ms Justice Mary Laffoy
President


Date 5/5/2021

Law Reform Commission
Statement of Financial Position
As at 31 December 2020

	Note	2020 €	€	2019 €	€
Fixed assets					
Tangible assets	8	412,364		483,274	
			412,364		483,274
Current assets					
Receivables	9	217,127		172,174	
Cash and cash equivalents	3	81,484		118,462	
		298,611		290,636	
Current liabilities: amounts falling due within one year					
Payables	10	(120,529)		(102,356)	
Net current assets			178,082		188,280
			590,446		671,554
Liabilities: amounts falling due after more than one year					
	11	(51,703)		(64,629)	
			538,743		606,925
Deferred retirement benefit funding	7(c)	5,710,000		5,075,000	
Retirement benefit (liability)	7(d)	5,710,000		5,075,000	
Net assets			538,743		606,925
Representing:					
Capital account	4	412,364		483,274	
Retained Revenue Reserves		126,379		123,651	
			538,743		606,925

The Statement of Cash Flows and notes 1 to 15 form part of these financial statements

Ms Justice Mary Laffoy
President

Date 5/5/2021

Law Reform Commission

Statement of Cash Flows
Financial year ended 31 December 2020

	Year ended 2020 €	Year ended 2019 €
Net Cash Flows from Operating Activities		
Surplus/(Deficit) for the year	2,728	49,108
Transfer from/(to) Capital Account	(70,910)	35,380
Depreciation	115,486	96,839
Decrease/(Increase) in Receivables	(44,953)	15,602
Increase/(Decrease) in Payables	18,173	(32,751)
Increase/(Decrease) in Creditors amounts falling due after more than one year	(12,926)	(12,926)
Cash generated from operations	<u>7,598</u>	<u>151,252</u>
Cash flows from Investing activities		
Purchase of tangible assets	(44,576)	(132,219)
Net cash used in investing activities	<u>(44,576)</u>	<u>(132,219)</u>
Net increase/(decrease) in cash and cash equivalents	(36,978)	19,003
Cash and cash equivalents at beginning of financial year	<u>118,462</u>	<u>99,429</u>
Cash and cash equivalents at end of financial year	<u><u>81,484</u></u>	<u><u>118,462</u></u>

Law Reform Commission

Notes to the Financial Statements Financial year ended 31 December 2020

1 Accounting Policies

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

(a) General Information

The Law Reform Commission was established in 1975 in accordance with the provisions of the Law Reform Commission Act 1975. The Commission's main functions are to keep the law under review, undertake examinations and conduct research with a view to reforming the law and formulate proposals for law reform and to make legislation accessible to all.

(b) Statement of compliance

These Financial Statements of the Commission for the year ended 31 December 2020 have been prepared in compliance with FRS102, The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council (FRC) as promulgated by Chartered Accountants Ireland.

(c) Basis of preparation

The Financial Statements have been prepared on a historical cost basis, 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 Public Expenditure and Reform. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Commission's financial statements.

(d) Currency

The financial statements have been presented in Euro (€) which is also the functional currency of the Commission.

(e) Revenue

Oireachtas Grant

Oireachtas Grants are recognised on a cash receipts basis.

Other Revenue

Other revenue is recognised on an accruals basis.

(f) Leased Premises Improvements, Office Equipment and Fixtures and Fittings

Leased premises improvements, office equipment and fixtures and fittings are stated at cost less accumulated depreciation, adjusted for any provision for impairment.

Law Reform Commission

Notes to the Financial Statements (continued) Financial year ended 31 December 2020

(f) ctd Depreciation

Depreciation is provided on all lease premises improvements, office equipment and fixtures & fittings at rates estimated to write off the cost less the estimated residual value of each asset on a straight line basis over their estimated useful economic life of that asset as follows:

Lease Premises Improvements	-	Over the Lease Period
Office Equipment	-	20% straight line
Fixtures & Fittings	-	10% straight line

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

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

There was no impairment in 2020.

(g) Receivables

Receivables are recognised at fair value, less a provision for doubtful debts.

The provision for doubtful debts is a specific provision, and is established when there is objective evidence that the Commission will not be able to collect all amounts owed to it. All movements in the provision for doubtful debts are recognised in the Statement of Income and Expenditure and Retained Revenue Reserves.

(h) Operating Leases

Rental expenditure under operating leases is recognised in the Statement of Income and Expenditure and Retained Revenue Reserves over the life of the lease. Expenditure is recognised on a straight-line basis over the lease period, except where there are rental increases linked to the expected rate of inflation, in which case these increases are recognised when incurred. Any lease incentives received are recognised over the life of the lease.

Law Reform Commission

Notes to the Financial Statements (continued) Financial year ended 31 December 2020

(I) **Employee Benefits**

Short-term Benefits

Short term benefits such as holiday pay are recognised as an expense in the year, and benefits that are accrued at the year-end are included in the Payables figure in the Statement of Financial Position.

Retirement Benefits

The Commission previously established its own defined benefit pension schemes under sections 11 and 12 of the Law Reform Commission Act 1975 and corresponding contributory spouses' and children's schemes under administrative arrangements. The schemes are funded annually on a pay-as-you-go basis from monies provided by the Vote for the Office of the Attorney General and from contributions deducted from staff and members' salaries. The Commission 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) via the Attorney General's Office.

Pension costs reflect pension benefits earned by employees, and are shown net of staff pension contributions which are remitted to the Office of the Attorney General. 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.

Actual 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 Office of the Attorney General.

The financial statements reflect, at fair value, the assets and liabilities arising from the Commission'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.

Law Reform Commission

Notes to the Financial Statements (continued) Financial year ended 31 December 2020

(i) Critical Accounting Judgements and Estimates

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

Depreciation and Residual Value

The Commission has reviewed the asset lives and associated residual values of all fixed asset classes and, in particular, the useful economic life and residual values of Leased Premises Improvements, Fixtures and Fittings and Office Equipment, and has concluded that asset lives and residual values are appropriate.

Retirement Benefit Obligations

The assumptions underlying the actuarial valuations for which the amounts recognised in the financial statements are determined (including discount rates, rate of increase in future compensation levels, mortality rates and health care cost trend 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 plan.

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
- (iii) health care cost trend rates, the rates of medical cost inflation in the relevant regions.

2 Oireachtas Grant

The Oireachtas Grant voted to the Commission from the Office of the Attorney General (Vote 3 Subhead A4) as shown in the financial statements consists of:

2020	2019
€	€
2,129,282	2,073,350

3. Cash and Cash Equivalents

	2020	2019
	€	€
Bank Current Accounts	81,380	118,256
Petty Cash	104	206
	<u>81,484</u>	<u>118,462</u>

Law Reform Commission

Notes to the Financial Statements (continued)
Financial year ended 31 December 2020

4. Capital Account

The balance on the Capital Account represents the unamortised value of the funds utilised for the acquisition of fixed assets

	2020	2019
	€	€
Opening Balance	483,274	487,894
Add: Amount applied to purchase fixed assets	44,576	132,219
Less depreciation of tangible assets	115,486	96,839
Less: Disposals of fixed assets - Cost	-	-
Add: Accumulated Depreciation on Disposal	-	-
Closing Balance	<u>412,364</u>	<u>483,274</u>

Law Reform Commission

Notes to the Financial Statements {continued} Financial year ended 31 December 2020

5. Staff Costs

The average number of employees and aggregate payroll costs incurred during the financial year were:

	2020	2019
Average number of employees	18	18
	€	€
Wages and salaries	<u>1,266,542</u>	<u>1,146,968</u>

The above figures include the salaries (and expenses, if any) of the President and the full-time Commissioner, the details of which are as follows.

Commissioner Name	2020			2019		
	No. of Meetings Attended	Salary	Expenses	No. of Meetings Attended	Salary	Expenses
		€	€		€	€
President Ms Justice Mary Laffoy	11	49,008	-	11	49,008	-
Full Time Commissioner Mr Raymond Byrne	11	151,955		10	148,665	
Part Time Commissioners						
Mr Tom O'Malley	7	-	296	8	-	4,074
Prof Donncha O'Connell	8	-	668	10	-	5,422
Ms Justice Carmel Stewart	8			9		
Mr Justice Maurice Collins	3					
Mr Justice Richard Humphreys	3					
Dr Andrea Mulligan, BL	3	-	-		-	-
Total		200,963	964		197,673	9,496

Law Reform Commission

Notes to the Financial Statements (continued) Financial year ended 31 December 2020

Employee Short-Term Benefits Breakdown

The table below reflects the number of employees remuneration in excess of €60,000.

€	2020	2019
60,000 - 69,999	1	1
70,000 - 79,999	3	3
80,000 - 89,999	0	0
90,000 - 99,999	0	1
100,000 - 109,999	0	1
110,000 - 119,999	2	0
120,000 - 129,999	0	0
130,000 - 139,999	0	0
140,000 - 149,999	1	1

Aggregate Employee Benefits

	2020	2019
	€	€
Staff Short-Term Benefits	1,266,542	1,146,968
Termination Benefits	-	-
Retirement Benefit Costs	63,114	197,355
Total	1,329,656	1,344,323

The total number of staff employed (WTE) at year end was 18 (2019 :18).

There were no termination benefits in 2020.

Key Management Personnel

The total remuneration of those with significant influence/decision making is €447,670 (€408,077 in 2019). This includes the President, the Commissioners and members of the management committee.

€38,284 was deducted from staff by way of pension levy and was paid over to the Office of the Attorney General (€35,920 in 2019).

Law Reform Commission

Notes to the Financial Statements (continued) Financial year ended 31 December 2020

6. Operating Lease

In August 2017 the Commission entered into an eight year lease to occupy the 5th Floor of Styne House, Upper Hatch Street, Dublin 2.

The Commission received a 5 month rent free lease period. This charge has been spread over the life of the eight year lease in accordance with FAS 102.

4th Schedule Vat in the amount of €206,029 was paid in 2017 on the lease. This has been capitalised under Leased Premises Improvements and is being depreciated over the lease period of eight years.

In December 2020, a rent review was agreed effective from 15th February 2020 for a period of 5 years.

Lease Commitments

At 31st December 2020 the Commission had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2020 €	2019 €
Payable within one year	352,730	260,750
Payable within two to five years	1,116,980	1,525,000
Payable after five years	-	762,500

Law Reform Commission

Notes to the Financial Statements (continued)
Financial year ended 31 December 2020

7. Retirement benefit costs

	2020	2019
	€	€
(a) Analysis of total retirement benefit costs charged to expenditure		
Current Service Cost	310,000	125,000
Past Service Cost		0
Interest on retirement benefit costs charges to expenditure	54,000	75,000
Employee contributions	(2,998)	(2,645)
	<u>361,002</u>	<u>197,355</u>
(b) Movement In net retirement benefit during the financial year		
Net retirement benefit liability at 1 January	5,075,000	3,950,000
Current Service cost	310,000	125,000
Past Service Cost	0	0
Interest Cost	54,000	75,000
Actuarial losses/(gains)	334,000	986,000
Retirement benefit paid in the year	(63,000)	(61,000)
Net Retirement benefit liability at 31 December	<u>5,710,000</u>	<u>5,075,000</u>

(c) Deferred funding for retirement benefits

The Commission recognises amounts from the State for the unfunded deferred liability for retirement benefit on the basis of a number of past events. These events include the statutory backing for Superannuation schemes and the policy and practice in relation to funding public service retirement benefit including contributions by employees and the annual estimates process. While there is no formal agreement and therefore no guarantee regarding these specific amounts with the Department of Public Expenditure and Reform, the Commission has no evidence that this funding policy will not continue to progressively meet this amount in accordance with current practice.

The Net Deferred Funding for Retirement Benefits recognised in the Statement of Income and Expenditure and Retained Revenue Reserves was as follows:

	2020	2019
	€	€
Net deferred funding for Retirement Benefits in year		
Funding recoverable in respect of current year retirement benefit costs	364,000	200,000
State grant applied to pay pensioners	(63,000)	(61,000)
	<u>301,000</u>	<u>139,000</u>

The deferred funding asset for retirement benefits as at 31 December 2020 amounted to €5,710,000 2019: € 5,075,000)

Law Reform Commission

Notes to the Financial Statements (continued) Financial year ended 31 December 2020

(d) History of defined benefit obligations	2020	2019	2018	2017
	€	€	€	€
Defined benefits obligations	5,710,000	5,075,000	3,950,000	3,345,000
Experience (gains)/losses on scheme Liabilities Amount	334,000	986,000	510,000	19,000
Percentage of the present value of Scheme Liabilities	6%	19%	13%	0.6%

The cumulative actual (gains) and losses recognised in the Statement of Comprehensive Income amounts to €2,402,900 as at 31st December 2020 (2019: € 2,068,900)

(e) General description of the Scheme

The Commission previously established its own defined benefit pension schemes under sections 11 and 12 of the Law Reform Commission Act 1975 and corresponding contributory spouses' and children's schemes under administrative arrangements. The schemes are funded annually on a pay-as-you-go basis from monies provided by the Vote for the Office of the Attorney General and from contributions deducted from staff and members' salaries. The Commission 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) via the Attorney General's Office.

The valuation used for FRS 102 Disclosures has been based on a full actuarial valuation at each date performed by an independent qualified actuary to take account of the requirements of FRS 102 in order to assess the scheme liabilities at 31 December 2020.

Assumptions	2020	2019
Rate of expected salary increase	2.5%	2.5%
Rate of increase in pension payment	2%	2.5%
Discount Rate	0.8%	1.85%
Inflation	1.75%	1.75%

The mortality rates adopted allows for improvements in the 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 life expectancy for members attaining age 65 in 2020 and 2019.

Year of attaining age 65	2020	2019
Life expectancy - male	21.7	21.5
Life expectancy - female	24.1	24

Law Reform Commission

Notes to the Financial Statements (continued) Financial year ended 31 December 2020

8 Tangible assets

	Leased Premises Improvements	Office Equipment	Fixtures and fittings	Total
	€	€	€	€
Cost				
At 1 January 2020	330,829	1,240,296	625,252	2,196,377
Additions	-	43,274	1,302	44,576
At 31 December 2020	330,829	1,283,570	626,554	2,240,953
Depreciation				
At 1 January 2020	95,193	1,031,132	586,778	1,713,103
Charge for the financial year	41,354	69,413	4,719	115,486
At 31 December 2020	136,547	1,100,545	591,497	1,828,589
Carrying amount				
At 31 December 2020	194,282	183,025	35,057	412,364
At 31 December 2019	235,636	209,164	38,474	483,274

9. Receivables

	2020	2019
	€	€
Other Receivables	4,107	1,664
Prepayments	213,020	170,510
	<u>217,127</u>	<u>172,174</u>

10. Payables

	2020	2019
	€	€
Other creditors	9,164	-
Tax and social insurance:		
PAYE and social welfare	33,893	30,243
VAT	6,297	22,852
PSWT	1,620	4,975
Accruals	56,629	31,360
Rent free lease period accrual < 1 yr	12,926	12,926
	<u>120,529</u>	<u>102,356</u>

Law Reform Commission

Notes to the Financial Statements (continued) Financial year ended 31 December 2020

11. Liabilities: amounts falling due after more than one year.

	2020	2019
	€	€
Rent free lease period accrual > 1 yr	51,703	64,629

12. Capital Commitments

The Commission had no outstanding capital commitments as at 31 December 2020.

13. Related Party Disclosures

Those with significant influence/decision making in the Commission consist of the President, the Commissioners and members of the management committee. Total compensation paid to personnel with significant influence/decision making amounted to €447,670 in 2020 (2019: €408,077)

For a breakdown of the remuneration and benefits paid to key management personnel, please refer to Note 5.

The Commission adopts procedures in accordance with the guidelines issued by the Department of Public Expenditure and Reform covering the personal interests of Commission Members. In the normal course of business, the Commission may approve grants or enter into other contractual arrangements with entities in which the Commission Members are employed or otherwise interested.

The Commission adopted procedures in accordance with the Code of Practice for the Governance of State Bodies (2016) in relation to the disclosure of interests by Commission Members and these procedures have been adhered to in the year. There were no transactions in the year in relation to the Commission's activities in which members had any beneficial interest.

14. Covid-19

In accordance with FRS102, COVID-19 is a non adjusting Post Balance Sheet event, with no impact on the financial statements for 2020. The Commission will continue to assess the impacts of emerging risks on its operations in the course of 2021, including any potential costs or impairments which may require to be reflected in the 2021 Financial Statements.

15. Approval of financial statements

The Commission approved the financial statements at its meeting on 13 May 2021.