# Financial Statements 2025

AN INSTITIÚID UM THAIGHDE EACNAMAÍOCHTA AGUS SÓISIALTA
ESRI ECONOMIC & SOCIAL RESEARCH INSTITUTE

Informed policy for a better Ireland

**THE ECONOMIC AND SOCIAL RESEARCH INSTITUTE**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

AN INSTITIÚID UM THAIGHDE EACNAMAÍOCHTA AGUS SÓISIALTA
ESRI ECONOMIC & SOCIAL RESEARCH INSTITUTE

# FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

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## COUNCIL MEMBERS AND OTHER INFORMATION

COUNCIL MEMBERS as at 31 December 2025

Mr Sean O'Driscoll (President and Chair)

| | |
|---|---|
| Prof. Martina Lawless | Prof. Sandra McNally |
| Mr Shay Cody | Mr David Moloney |
| Prof. Katy Hayward | Prof. Ciarán Ó hÓgartaigh |
| Prof. Thia Hennessy | Ms Anne O'Leary |
| Prof. Brigid Laffan | Ms Anne Vaughan |
| Mr Gabriel Makhlouf | |

Council Members are the Directors of the ESRI.

| | |
|---|---|
| AUDITORS | The Comptroller and Auditor General<br>3A Mayor Street Upper<br>Dublin 1 |
| BANKERS | Bank of Ireland<br>Lower Baggot Street<br>Dublin 2 |
| | Mars Capital Finance Ireland DAC<br>One Warrington Place<br>Dublin 2 |
| SOLICITORS | Mason Hayes & Curran LLP<br>South Bank House<br>Barrow Street<br>Dublin 4 |
| SECRETARY and REGISTERED OFFICE | Hugh Nolan (with effect from 27 February 2025)<br>Charles O'Regan (up to 27 February 2025)<br>Whitaker Square<br>Sir John Rogerson's Quay<br>Dublin 2 |

The ESRI is a not-for-profit organisation and registered as a charity under registration number CHY5335.

## COUNCIL MEMBERS' REPORT 2025

The Council members present their report and the financial statements for the year ended 31 December 2025.

### Principal activities

The Economic and Social Research Institute ("ESRI" / "Institute") undertakes research designed to provide knowledge relevant to solving the major economic and social issues in Ireland.

### Financial Review

The Institute aims to raise sufficient funding to cover its costs and deliver its research agenda. This was achieved in 2025 with an operating surplus of €123,710. The long-term strategy is to build financial sustainability through multi-year research programmes funded by government departments and agencies. These funding streams provide greater financial certainty than one-off consultancy projects.

### Legal Status

The ESRI is a company limited by guarantee, incorporated in 1960 under the Companies Acts 1908-1959 and registered in Ireland under registration number 18269. The registered office is Whitaker Square, Sir John Rogerson's Quay, Dublin 2.

While the ESRI is a limited liability company, it is exempt from the obligation to use the word "limited" as part of its name. It is a not-for-profit organisation and registered as a charity under registration number CHY5335.

### Health & Safety

The ESRI is committed to implementing the requirements of the *Safety, Health and Welfare at Work Act, 2005*, to ensure the health and safety of all employees and visitors to the Institute. A written safety statement has been prepared and is being implemented in accordance with the Act.

### Equality

The ESRI is an equal opportunities employer. The Institute has an Equality, Diversity, and Inclusion Action Plan (EDI plan). In 2023, the ESRI was awarded an Athena Swan Bronze Award for its EDI plan. The EDI plan is available on the ESRI website.

**COUNCIL MEMBERS' REPORT 2025 (CONT'D)**

The ESRI is also committed to the Public Sector Equality and Human Rights Duty. The Institute's EDI Committee and Management Committee monitor activities to ensure the Institute integrates human rights and equality considerations into the performance of its functions.

The ESRI also publishes a Gender Pay Gap, in accordance with the *Gender Pay Gap Information Act, 2021*. Further information can be found on the Institute's website.

**Auditors**

Under Section 5 of the *Comptroller and Auditor General (Amendment) Act, 1993*, the Comptroller and Auditor General is responsible for auditing the Institute's financial statements. In the Council's opinion, there is no relevant audit information of which the company's auditors are unaware.

**Governance**

The ESRI enjoys full academic independence and is answerable ultimately to its subscribing members. The Council is effectively the Institute's Board of Directors. Council meetings are attended by the Company Secretary and two representatives of the Management Committee in a non-voting capacity. Apart from the Institute's Director, who is an ex officio member, ESRI Council members are not remunerated.

The regular day-to-day management, control and direction of the ESRI is the responsibility of the Director and the Management Committee. The Director and the Management Committee must follow the broad strategic direction set by the Council and ensure that all Council members have a clear understanding of the entity's key activities and decisions, and of any significant risks that may arise. The Director acts as a direct liaison between the Council and the Management Committee of the ESRI.

The ESRI is subject to the rules that apply to state organisations regarding prompt payments, disclosure, risk management, and tax clearance. The ESRI also comes under the remit of the Office of the Ombudsman and the Ombudsman for Children.

**Council Responsibilities**

The role and responsibilities of the Council are set out in the ESRI's Articles of Association.

**COUNCIL MEMBERS' REPORT 2025 (CONT'D)**

The following key matters are reserved for Council decision:

- Approval of the organisation's long-term objectives and operational strategy.
- Approval of significant acquisitions and investments.
- Approval of major contracts.
- Approval of the annual operating and capital expenditure budgets.
- Approval of the Annual Report and Financial Statements.
- Appointment and remuneration of the Director.

The Council is required to prepare financial statements that give a true and fair view of the Institute's financial position and of the surplus or deficit of the company for the year. In preparing those financial statements, the Council 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 company will continue in business.
- Disclose and explain any material departures from applicable accounting standards.

The Council confirms that it has complied with the above requirements. The Council is responsible for keeping adequate accounting records that, at any time, disclose the Institute's financial position with reasonable accuracy and enable it to ensure that the financial statements comply with the *Companies Act, 2014*. It is also responsible for safeguarding the company's assets and, accordingly, for taking reasonable steps to prevent fraud and other irregularities.

The Council is responsible for approving the annual plan. An evaluation of ESRI performance against the annual plan was conducted on 19 February 2026.

To ensure that adequate accounting records are kept in accordance with Sections 281 to 285 of the *Companies Act, 2014*, the company has employed appropriately qualified personnel and has maintained appropriate computerised accounting systems. The accounting records are located at the company's registered office at Whitaker Square, Sir John Rogerson's Quay, Dublin 2.

**COUNCIL MEMBERS' REPORT 2025 (CONT'D)**

The Council considers that the financial statements of the ESRI give a true and fair view of the ESRI's financial performance and financial position at 31 December 2025.

An external review of Council effectiveness was carried out in 2022. This included a high-level review of the Audit and Risk Committee. The Council conducted a self-assessment of its effectiveness for 2025 on 19 February 2026. An external review of Council effectiveness is scheduled for 2026.

**Council Structure**

The Council currently consists of a chairperson and eleven other members. Members of the Council appointed since 2015 are appointed for an initial period of three years. The Council met five times in 2025. The table below details the appointment period for current members:

| Council Member | Role | Date Appointed | Current Term End |
|---|---|---|---|
| Mr Sean O'Driscoll (Chairperson) | Member & Chairperson | 28/02/2017 | 26/05/2026 |
| Prof. Alan Barrett | Member & Outgoing Director | 01/07/2015 | 31/05/2025 |
| Prof. Martina Lawless | Member & Incoming Director | 01/06/2025 | 31/05/2034 |
| Mr Shay Cody | Member | 28/02/2023 | 28/02/2029 |
| Prof. Katy Hayward | Member | 30/09/2021 | 30/09/2027 |
| Prof. Thia Hennessy | Member | 28/02/2023 | 28/02/2029 |
| Prof. Brigid Laffan | Member | 28/02/2023 | 28/02/2029 |
| Mr Gabriel Makhlouf | Member | 23/05/2020 | Ex-officio |
| Prof. Sandra McNally | Member | 30/09/2021 | 30/09/2027 |
| Mr David Moloney | Member | 23/11/2010 | Ex-officio |
| Prof. Ciaran Ó hÓgartaigh | Member | 30/09/2021 | 30/09/2027 |
| Ms Anne O'Leary | Member | 24/02/2022 | 23/02/2028 |
| Ms Anne Vaughan | Member | 24/09/2024 | 24/09/2027 |

Note: Mr Alan Barrett was Director of the ESRI and an ex officio member of the Council for the duration of his term as Director, to 31 May 2025. Prof. Martina Lawless was appointed Director with effect from 1 June 2025 and will be an ex officio member of the Council for the duration of her term as Director.

## COUNCIL MEMBERS' REPORT 2025 (CONT'D)

Mr Sean O'Driscoll's term as Chairperson came to an end on 26 May 2026. Prof. Ciaran Ó hÓgartaigh was appointed as Chairperson on 26 May 2026 for the remaining period of his second term as an ordinary member of the Council, to 29 September 2027.

Mr Shay Cody, Prof. Thia Hennessy, and Prof. Brigid Laffan were appointed for a second term of three years, ending on 28 February 2029, on 19 February 2026.

The Council has established three committees, as follows:

**Audit and Risk Committee ("ARC"):** comprises four Council members. The role of the Audit and Risk Committee (ARC) is to support the Council in its responsibilities for issues of risk, control, governance, and associated assurance. The ARC is independent of the organisation's financial management. In particular, the Committee ensures that internal control systems, including audit activities, are actively and independently monitored. The ARC reports to the Council after each meeting.

The members of the Audit and Risk Committee are Prof. Ciarán Ó hÓgartaigh (Chairperson), Prof. Sandra McNally, Prof. Thia Hennessy and Prof. Brigid Laffan. Prof. Martina Lawless attends the ARC in her capacity as Director of the Institute. There were five meetings of the ARC in 2025.

**Business and Operations Committee ("B&O"),** comprises four Council members and the Director. The members of this committee are Ms Anne O'Leary (Chairperson), Prof. Martina Lawless, Mr Shay Cody, Mr David Moloney and Prof. Katy Hayward. There were three meetings of this committee in 2025.

**Governance and Nominations Committee:** comprises five Council members and the Director. The members of this committee are Mr Sean O'Driscoll (Chairperson), Prof. Brigid Laffan, Prof. Ciarán Ó hÓgartaigh, Mr David Moloney, Prof. Martina Lawless and Prof. Thia Hennessy. There were no meetings of this Committee in 2025. Governance issues were dealt with by the Council. The Committee will be reactivated in 2026.

**COUNCIL MEMBERS' REPORT 2025 (CONT'D)**

## Schedule of Attendance, Fees and Expenses

A schedule of attendance / eligibility to attend at the Council and Committee meetings for 2025 is set out below:

| | Council | Audit and Risk Committee | Business & Operations Committee | Expenses |
|---|---|---|---|---|
| **Total no. of meetings** | **5** | **5** | **3** | |
| Mr Sean O'Driscoll | 5/5 | | | |
| Prof. Alan Barrett | 2/2 | | 1/1 | |
| Prof. Martina Lawless | 2/2 | | 2/2 | |
| Mr Shay Cody | 5/5 | | 3/3 | |
| Prof. Katy Hayward | 3/5 | | 0/3 | |
| Prof. Thia Hennessy | 2/5 | 2/5 | | |
| Prof. Brigid Laffan | 4/5 | 3/5 | | |
| Mr Gabriel Makhlouf | 1/5 | | | |
| Prof. Sandra McNally | 4/5 | 4/5 | | €208 |
| Mr David Moloney | 3/5 | | 3/3 | |
| Prof. Ciarán Ó hÓgartaigh | 5/5 | 5/5 | | €430 |
| Ms Anne O'Leary | 3/5 | | 2/3 | |
| Ms Anne Vaughan | 4/5 | | | |

Council members do not receive a fee. Members are repaid expenses incurred in attending Council and other committee meetings. Expenses of €638 (2024: €751) were incurred on behalf of Council members.

## Key Personnel Changes

Prof. Alan Barrett stood down as ESRI Director on 31 May 2025 on the conclusion of his term as Director. Prof. Martina Lawless was appointed ESRI Director in April 2025. This appointment follows an extensive search and a rigorous selection process, supported by PwC Executive Search. Prof. Lawless formally took up the position from 1 June 2025. Prof. Lawless has been an ex officio member of the Council since 1 June 2025.

**COUNCIL MEMBERS' REPORT 2025 (CONT'D)**

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

The Council is responsible for ensuring that the ESRI has complied with the requirements of the Code of Practice for the Governance of State Bodies ("the Code") as published by the Department of Public Expenditure and Infrastructure, Public Service Reform and Digitalisation in August 2016. The following disclosures are required by the Code:

### Consultancy Costs

Consultancy costs include external advice to management and exclude outsourced "business-as-usual" functions.

| | 2025<br>€ | 2024<br>€ |
|---|---|---|
| Legal | 10,813 | 14,037 |
| Financial | 41,548 | 27,811 |
| HR and Pension | 29,327 | 45,103 |
| Other | 62,339 | 27,774 |
| Total | **144,027** | **114,725** |

### Legal Costs and Settlements

No legal settlements or associated legal costs were incurred in 2025.

### Travel and Subsistence Expenditure

Travel and subsistence expenditure is categorised as follows:

| | 2025<br>€ | 2024<br>€ |
|---|---|---|
| **Domestic** | | |
| Council | 430 | 381 |
| Employees | 4,100 | 4,920 |
| **International** | | |
| Council | 208 | 370 |
| Employees | 51,673 | 52,708 |
| **Total** | **56,411** | **58,379** |

**COUNCIL MEMBERS' REPORT 2025 (CONT'D)**

### Hospitality Expenditure

The statement of income and expenditure includes the following expenditure:

| | 2025<br>€ | 2024<br>€ |
|---|---|---|
| Staff Sports & Social Fund / Hospitality | 11,540 | 11,374 |
| Client Hospitality | 59 | 257 |
| **Total** | **11,599** | **11,631** |

### Statement of Compliance

The ESRI 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 Infrastructure, Public Service Reform and Digitalisation in August 2016, with the following exceptions:

### The Procedures for the Identification and Selection of Board Members

The ESRI Council members are elected by the members of the Institute as set out in the Articles of Association and not appointed through the Public Appointments Service process.

Signed on behalf of the Council

**Sean O'Driscoll**
**Chairperson of the Council** **Date: 26 May 2026**

## STATEMENT ON INTERNAL CONTROL

### Scope of Responsibilities

On behalf of the Council of the Economic and Social Research Institute, 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.

### 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, not absolute, assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or detected in a timely manner.

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Infrastructure, Public Service Reform and Digitalisation, has been in place in the ESRI for the year ended 31 December 2025 and up to the date of approval of the financial statements, except for the internal control weaknesses outlined below.

### Capacity to Handle Risks

The ESRI has an Audit and Risk Committee (ARC) comprising four Council members with financial and audit expertise, one of whom is the Chair. The ARC met five times in 2025.

The ESRI has outsourced the internal audit function, which operates in accordance with a charter that takes account of the guidance set out in the Code of Practice for the Governance of State Bodies 2016. The internal audit work programme is informed by an analysis of the risks to which the Institute is exposed. The analysis of risk and the internal audit plans are endorsed by the ARC and approved by the Council.

The ARC has developed a risk management policy that sets out the Institute's risk appetite, the risk management processes in place, and the roles and responsibilities of staff in relation to risk. The policy has been issued to all staff who are expected to work within ESRI's risk management policies, to alert management to emerging risks, to control weaknesses, and to assume responsibility for risks and controls within their own area of work.

**STATEMENT ON INTERNAL CONTROL (CONT'D)**

**Risk and Control Framework**

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

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

The system of internal 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:

- A comprehensive budgeting system with an annual budget, which is reviewed and agreed by the Council.
- Regular reviews by the Council of periodic and annual financial reports, which indicate financial performance against forecasts.
- Setting targets to measure financial and other performance.
- Clearly defined capital investment control guidelines.
- Formal project management disciplines.
- Systems to safeguard the assets.

**Ongoing 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 Council, where relevant, in a timely manner. At least annually, the Internal Auditor provides the Council with a report of internal audit activity. The report includes the Internal Auditor's opinion on the sufficiency and operation of internal control to mitigate and/or manage risks.

I confirm that the following ongoing monitoring systems are in place:

i. 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.
ii. Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
iii. Regular reviews by senior management of periodic and annual performance and financial reports, which indicate performance against budgets/forecasts.

**STATEMENT ON INTERNAL CONTROL (CONT'D)**

**Procurement**

I confirm that the ESRI has procedures in place to ensure compliance with current procurement rules and guidelines, subject to the weaknesses identified below.

**Review of Effectiveness**

The Council's monitoring and review of the effectiveness of the system of internal control is informed by the work of the internal auditor, the Audit & Risk Committee which oversees the work of the internal auditor, the executive managers within the Institute who have responsibility for the development and maintenance of the financial control framework, and comments made by the Office of the Comptroller and Auditor General in management letters or other reports.

The Institute continues to develop its internal control system by refining business continuity procedures and further strengthening the risk management framework.

I confirm that, for the year ended 31 December 2025, the Council conducted a review of the effectiveness of its internal control system. The Council reviewed the effectiveness of internal control on 19 February 2026.

**Internal Control Issues**

Weaknesses in compliance with procurement rules and guidelines were identified, with €235,292 in expenditure incurred when procedures did not comply with the guidelines. €208,581 of this expenditure relates to contracts which terminated in May 2025; the Institute has therefore returned to compliance with procurement guidelines. A procurement process will commence in 2026 to address the remaining €26,711 of expenditure.

The Institute has also invested in a finance management system to assist with procurement monitoring. This new finance management system will be implemented in 2026.

Signed on behalf of the Council

S Ó Driscoll

**Sean O'Driscoll**
**Chairperson of the Council** **Date: 26 May 2026**

**Ard Reachtaire Cuntas agus Ciste**
**Comptroller and Auditor General**

## Report for presentation to the Houses of the Oireachtas

## Economic and Social Research Institute

### Opinion on the financial statements

I have audited the financial statements of the Economic and Social Research Institute (a company limited by guarantee and not having a share capital) for the year ended 31 December 2025 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 Economic and Social Research Institute at 31 December 2025 and of its income and expenditure for 2025
- 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 Institute 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 council members 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 of the going concern basis of accounting by the council members, and
- whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue as a going concern.

I have nothing to report in that regard.

### Opinion on other matters prescribed by the Companies Act 2014

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

- the information given in the council members' report is consistent with the financial statements, and
- the council members' report has been prepared in accordance with the applicable legal requirements.

I have obtained all the information and explanations that, to the best of my knowledge and belief, are necessary for the purposes of my audit.

In my opinion, the Institute'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)

Based on the knowledge and understanding of the Institute and its environment obtained in the course of the audit, I have not identified any material misstatements in the council members' report.

The Companies Act 2014 also requires me to report if, in my opinion, the disclosures of council members' remuneration and transactions required by sections 305 to 312 of the Act are not complied with by the Institute.

I have nothing to report in that regard.

## Reporting on other information

The council members are responsible for other information they have presented with the financial statements. This comprises the annual report, the council members' 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.

**John Crean**

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

**28 May 2026**

**REPORT OF THE C&AG (CONT'D)**

## Appendix to the Report

### Responsibilities of the council members

As detailed in the council members' report, the council members are responsible for

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

### Responsibilities of the Comptroller and Auditor General

I am required under section 5 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the financial statements of the Economic and Social Research Institute and to report thereon to the Houses of the Oireachtas.

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

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

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Institute to cease being a going concern.
- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

### Information other than the financial statements

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

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

### Reporting on other matters

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

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

## STATEMENT OF INCOME AND EXPENDITURE AND RETAINED REVENUE RESERVES FOR THE YEAR ENDED 31 DECEMBER 2025

| | *Notes* | 2025<br>€ | 2024<br>€ |
|---|---|---|---|
| **Income** | | | |
| Oireachtas Grant - Department of Public Expenditure and Infrastructure, Public Service Reform and Digitalisation. Vote 11 Subhead A3 | | 3,900,000 | 3,750,000 |
| Research Income | 2 | 8,374,960 | 7,670,265 |
| Miscellaneous Income | 3 | 1,041,219 | 947,266 |
| Total Income | | 13,316,179 | 12,367,531 |
| | | | |
| **Expenditure** | | | |
| Remuneration | 4 | 10,822,411 | 9,613,150 |
| Direct Project Expenses | 5 | 519,713 | 433,600 |
| Establishment | 6 | 1,050,019 | 1,137,737 |
| Administration | 7 | 800,326 | 751,389 |
| Total Expenditure | | 13,192,469 | 11,935,876 |
| | | | |
| Surplus for the Year before Appropriations/Transfers | | 123,710 | 431,655 |
| | | | |
| Transfer from Capital Reserve | 19 | 85,000 | 85,000 |
| Surplus for the Year after Appropriations /Transfers | | 208,710 | 516,655 |
| | | | |
| Balance Brought Forward at 1 January | 19 | 2,957,504 | 2,440,849 |
| | | | |
| Balance Carried Forward at 31 December | 19 | 3,166,214 | 2,957,504 |

The Statement of Cash Flows and notes numbered 1 to 22 form an integral part of these financial statements and should be read in conjunction therewith.

**Sean O'Driscoll**
**Chairperson of the Council** **Date: 26 May 2026**

**Martina Lawless**
**Director and Council Member** **Date: 26 May 2026**

## STATEMENT OF COMPREHENSIVE INCOME

| | 2025 € | 2024 € |
|---|---|---|
| Surplus/(deficit) for the year after appropriations/transfers | 208,710 | 516,655 |
| Experience gains/(losses) on pension scheme liabilities | 524,000 | (1,181,000) |
| Change in pension liability assumptions | 6,132,000 | 3,434,000 |
| Total actuarial gain/(loss) in the year | 6,656,000 | 2,253,000 |
| Adjustment to deferred Exchequer pension funding | (6,656,000) | (2,253,000) |
| Total gains/(losses) recognised for the year | 208,710 | 516,655 |

The Statement of Cash Flows and notes numbered 1 to 22 form an integral part of these financial statements and should be read in conjunction therewith.

S Ó Driscoll

**Sean O'Driscoll**
**Chairperson of the Council** **Date: 26 May 2026**

Martina Lawless

**Martina Lawless**
**Director and Council Member** **Date: 26 May 2026**

## STATEMENT OF FINANCIAL POSITION
## AS AT 31 DECEMBER 2025

| | Notes | 2025 | 2024 |
|---|---|---|---|
| | | € | € |
| FIXED ASSETS | | | |
| Property, Plant and Equipment | 8 | 9,410,874 | 9,744,441 |
| | | | |
| CURRENT ASSETS | | | |
| Inventory | | - | - |
| Receivables | 9 | 3,208,191 | 3,292,192 |
| Cash and cash equivalents | 10 | 2,964,615 | 4,135,260 |
| | | 6,172,806 | 7,427,452 |
| CURRENT LIABILITIES | | | |
| Payables | | | |
| (Amounts falling due within one year) | 11 | 4,933,145 | 6,146,856 |
| | | | |
| NET CURRENT ASSETS | | 1,239,661 | 1,280,596 |
| | | | |
| TOTAL ASSETS less CURRENT LIABILITIES | | 10,650,535 | 11,025,037 |
| | | | |
| Long Term Loans | 12 | 4,854,321 | 5,352,533 |
| (Amounts falling due after one year) | | | |
| | | | |
| Long-Term Pension Liability | 17 | (60,468,000) | (65,002,000) |
| Less | | | |
| Deferred Pension Asset | 17 | 60,468,000 | 65,002,000 |
| | | | |
| NET ASSETS | | 5,796,214 | 5,672,504 |
| | | | |
| Representing | | | |
| Retained Revenue Reserves | 19 | 3,166,214 | 2,957,504 |
| Capital Reserve | 19 | 2,630,000 | 2,715,000 |
| | | 5,796,214 | 5,672,504 |

The Statement of Cash Flows and notes numbered 1 to 22 form an integral part of these financial statements and should be read in conjunction therewith.

S Ó Driscoll

**Sean O'Driscoll**
**Chairperson of the Council** Date: 26 May 2026

Martina Lawless

**Martina Lawless**
**Director and Council Member** Date: 26 May 2026

## STATEMENT OF CASH FLOWS
## FOR THE YEAR ENDED 31 DECEMBER 2025

| | 2025 | 2024 |
|---|---|---|
| **Net Cash Flows from Operating Activities** | **€** | **€** |
| Excess income over expenditure | 123,710 | 431,655 |
| Depreciation and impairment of property, plant and equipment | 359,790 | 359,614 |
| (Increase)/decrease in receivables | 84,001 | (1,199,791) |
| Increase/(decrease) in payables | (1,306,954) | 822,677 |
| (Increase)/decrease) in inventory | - | - |
| Interest payment on the mortgage in the year | 180,986 | 301,948 |
| Net cash inflow/(outflow) from Operating Activities | (558,467) | 716,103 |
| | | |
| **Cash Flows from Investing Activities** | | |
| Payments to acquire property, plant and equipment | (26,223) | (59,919) |
| Net cash flows from Investing Activities | (26,223) | (59,919) |
| | | |
| **Cash Flows from Financing Activities** | | |
| Mortgage repayments in the year | (404,969) | (325,195) |
| Interest payment on the mortgage in the year | (180,986) | (301,948) |
| Net Cash Flows from Financing Activities | (585,955) | (627,143) |
| | | |
| **Net Increase/(Decrease) in cash and cash equivalents** | (1,170,645) | 29,041 |
| | | |
| Cash and cash equivalents at 1 January | 4,135,260 | 4,106,219 |
| **Cash and cash equivalents at 31 December** | 2,964,615 | 4,135,260 |

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

## 1. Accounting Policies

The principal accounting policies adopted by the Institute in determining the amounts included in the Statement of Financial Position and in determining the results for the year are as follows. They have all been applied consistently throughout the year and for the preceding year.

### a) General Information

The Institute was established on 24 June 1960 as a Company Limited by Guarantee, then known as the Economic Research Institute. The Institute’s title was later changed to the Economic and Social Research Institute. The head office is at Whitaker Square, Sir John Rogerson’s Quay, Dublin 2.

The Institute produces research that contributes to understanding economic and social change in the new international context and that informs public policymaking and civil society in Ireland.

### b) Statement of Compliance

The financial statements of the Institute for the year ended 31 December 2025 have been prepared in compliance with the applicable legislation, and with FRS 102, the financial reporting standard applicable in the UK and the Republic of Ireland, issued by the Financial Reporting Council in the UK.

### c) Basis of Preparation

The financial statements have been prepared under the historical cost convention, except for certain assets and liabilities, which are measured at fair value, as explained in the accounting policies below. The financial statements are prepared in accordance with the Companies Acts and generally accepted accounting principles (GAAP). The following accounting policies have been applied consistently in dealing with items considered material to the Institute’s financial statements.

### d) Revenue

<u>Oireachtas Grants</u>

Revenue is recognised on an accruals basis; one exception is Oireachtas Grants, which are recognised on a cash receipts basis.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)**

Research Income

Research income represents the value of work completed on individual projects during the year. Where the value of work completed on a project exceeds the amounts received or invoiced, the difference is included in the Statement of Financial Position under receivables as work in progress. If the value of work completed is less than the amounts received, the difference is included in the Statement of Financial Position under creditors as deferred income.

Capital Grants

Capital grants from the Department of Public Expenditure and Infrastructure, Public Service Reform and Digitalisation received towards the cost of tangible assets are transferred to the Capital Reserve and amortised in line with depreciation on the associated assets.

Rental Income

A portion of the Institute's building is leased to a commercial entity. Income from the lease is recognised in the period to which it relates.

**e) Property, Plant and Equipment**

Property, Plant and Equipment are stated at cost less accumulated depreciation, adjusted for any impairment provision. Depreciation is provided on all property, plant and equipment, other than freehold land and artwork, 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 lives, as follows:

| | |
|---|---|
| Computer equipment | 33.33% |
| Other equipment, fixtures and fittings | 20.00% |
| Building | 2.00% |

Residual value represents the estimated amount which would currently be obtained from the 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.

**f) 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 Institute 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.

**g) Employee Benefits**

Short- term Benefits

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

Retirement Benefits

A defined benefit scheme is in place for all ESRI employees, as appropriate. The assets of the Institute's pension schemes were transferred to the National Pension Reserve Fund (NPRF) on 30 June 2010 under the provisions of the *Financial Measures (Miscellaneous Provisions) Act, 2009*. The scheme continues to operate for existing members with no change to benefits or associated provision for members.

The Institute 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 Infrastructure, Public Service Reform and Digitalisation.

Pension costs reflect pension benefits earned by employees and are shown net of staff pension contributions, which are remitted to the Department of Public Expenditure and Infrastructure, Public Service Reform and Digitalisation. An amount corresponding to the pension charge is recognised as income to the extent that it is recoverable.

The Institute is required to make an annual employer contribution to the Department of Public Expenditure and Infrastructure, Public Service Reform and Digitalisation in respect of the schemes transferred to the NPRF.

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 Public Expenditure and Infrastructure, Public Service Reform and Digitalisation.

The financial statements reflect, at fair value, the assets and liabilities arising from the Institute's pension obligations and any related funding and recognise 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.

**h) Loans**

Loans are recognised initially at the transaction price (present value of cash payable, including transaction costs). Loans are subsequently stated at amortised cost. Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Loans are classified as current liabilities unless there is a right to defer settlement of the loan for at least 12 months from the reporting date.

**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.

Impairment of Property, Plant and Equipment

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell, or value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets that suffer impairment are reviewed for possible reversal of the impairment at each reporting date.

Depreciation and Residual Values

The Directors have reviewed the asset lives and associated residual values of all fixed asset classes, in particular the useful economic lives and residual values of fixtures and fittings and have concluded that the asset lives and residual values are appropriate.

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, mortality rates and healthcare 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 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;
iii. health care cost trend rates, the rate of medical cost inflation in the relevant regions.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)**

## 2. Research Income

| | 2025 | 2024 |
|---|---|---|
| | € | € |
| Commissioned research | 535,186 | 643,502 |
| Research grants | 1,884,774 | 1,870,003 |
| Research programme | 5,955,000 | 5,156,760 |
| | 8,374,960 | 7,670,265 |

## 3. Miscellaneous Income

| | 2025 | 2024 |
|---|---|---|
| | € | € |
| Rental income | 327,591 | 355,201 |
| Fundraising income | 454,293 | 451,168 |
| Teaching income | 60,000 | 77,121 |
| Other income | 199,335 | 63,776 |
| | 1,041,219 | 947,266 |

## 4. Remuneration

4.1 Aggregate Employee Benefits

| | 2025 | 2024 |
|---|---|---|
| | € | € |
| Short-term benefits (note 4.3) | 9,077,170 | 7,978,036 |
| Retirement benefit costs (note 17 b) | 699,035 | 665,379 |
| Other fees and permanent health insurance | 69,835 | 124,760 |
| Employer contribution to social welfare | 976,371 | 844,975 |
| | 10,822,411 | 9,613,150 |

4.2 The average number of people employed (full-time equivalents) in the financial year was 112 (2024:103). The full–time equivalent figure for staff employed at 31 December 2025 was 115: 56 staff (2024: 55) on open-ended/permanent contracts, and 59 (2024: 53) on fixed-term or specified-purpose contracts.

4.3 Staff Short-Term Benefits:

| | 2025 | 2024 |
|---|---|---|
| | € | € |
| Basic pay | 8,600,888 | 7,540,865 |
| Allowances | 476,282 | 437,171 |
| | 9,077,170 | 7,978,036 |

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)**

4.4 The charge to salaries includes costs of €2,509 (2024: €2,450) incurred in respect of the production of *The Economic and Social Review* by Economic and Social Studies. (See Note 15)

4.5 Remuneration of Key Management Personnel

Director

| | 2025 € | 2024 € |
|---|---|---|
| Salary | 231,108 | 223,767 |
| Employer's pension contribution | 43,695 | 54,529 |
| Income continuance costs (employer) | 2,778 | 2,693 |
| | 277,581 | 280,989 |

Note that the figures above for 2025 are combined for the Directors position, which was held by two separate people in 2025, as per the key personnel changes in the Council members' report.

Pension entitlements do not exceed the standard entitlements provided in the model public sector defined benefit superannuation scheme.

The Director's travel and subsistence expenses in 2025 amounted to:

- Alan Barrett: €171 (2024: €257)
- Martina Lawless: €nil.

No bonuses or perquisites were paid to the Director(s) in 2025.

Management Committee

Since 1 April 2025, the Management Committee has consisted of the Director, the Head of Economic Analysis, the Head of Social, and the Head of Governance and Corporate Services.

In 2025, the Head of Finance, the Head of HR and the Strategy and Operations Manager served on the Management Committee until 31 March 2025.

| | 2025 € | 2024 € |
|---|---|---|
| Salary | 770,585 | 847,685 |
| Allowances | 46,203 | 43,427 |
| Total | 816,788 | 891,112 |

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)**

4.6 Council Members' Fees and Expenses

The members of the Council do not receive fees. Council members do not travel on official business as members of the Institute. They are entitled to claim travel and subsistence expenses for attending board meetings. Expenses incurred by the Council members in 2025 amounted to €638 (2024: €751).

4.7 Employee benefits breakdown

Range of total employee benefits (number of employees)

| From | To | 2025 | 2024 |
|---|---|---|---|
| €60,000 | €69,999 | 4 | 6 |
| €70,000 | €79,999 | 10 | 5 |
| €80,000 | €89,999 | 6 | 5 |
| €90,000 | €99,999 | 3 | 3 |
| €100,000 | €109,999 | 5 | 9 |
| €110,000 | €119,999 | 5 | 6 |
| €120,000 | €129,999 | 6 | 3 |
| €130,000 | €139,999 | 4 | - |
| €140,000 | €149,999 | 3 | 6 |
| €150,000 | €159,999 | 1 | 1 |
| €160,000 | €169,999 | 1 | 1 |
| €170,000 | €179,999 | 2 | 3 |
| €180,000 | €189,999 | 1 | 3 |
| €190,000 | €199,999 | 3 | - |
| €200,000 | €209,999 | 1 | - |
| €210,000 | €219,999 | 1 | - |
| €220,000 | €229,999 | - | 1 |

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)**

## 5. Direct Project Expenses

| | 2025 € | 2024 € |
|---|---|---|
| Consultants and network partners | 26,576 | 33,291 |
| Field staff fees | 183,446 | 146,203 |
| Other direct costs | 253,918 | 196,478 |
| Travel- domestic | 4,100 | 4,920 |
| Travel- foreign | 51,673 | 52,708 |
| | 519,713 | 433,600 |

## 6. Establishment Costs

| | 2025 € | 2024 € |
|---|---|---|
| Rent & rates | 1,624 | 1,697 |
| Interest costs | 180,986 | 301,948 |
| Heat, light, maintenance and cleaning | 507,619 | 474,478 |
| Depreciation | 359,790 | 359,614 |
| | 1,050,019 | 1,137,737 |

## 7. Administration

| | 2025 € | 2024 € |
|---|---|---|
| Printing and stationery | 20,339 | 22,886 |
| Postage, insurance, telephone and general expenses[1] | 211,967 | 196,982 |
| Computer costs (including license fees) | 322,895 | 323,038 |
| Travel | 62,660 | 59,525 |
| Library books and subscriptions | 18,438 | 16,133 |
| Professional Fees- Legal | 10,813 | 14,037 |
| -Tax and financial | 41,548 | 27,811 |
| -Pension and HR | 29,327 | 45,103 |
| -Other | 62,339 | 27,774 |
| Audit fees | 20,000 | 18,100 |
| | 800,326 | 751,389 |

[1] Included in the figure are €81,396 (2024: €73,639), which relates to staff canteen and other staff-related costs, conference and other events and €11,540 (2024: €11,374), which relates to a contribution to the employee's sports and social club activities.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)**

## 8. Property, Plant and Equipment

| Cost | Computer equipment | Equipment, fixtures and fittings | Building | Total |
|---|---|---|---|---|
| | € | € | € | € |
| At the beginning of the year | 753,351 | 760,561 | 15,582,273 | 17,096.185 |
| Additions | 26,223 | - | - | 26,223 |
| Disposals | (381,690) | (137,834) | - | (519,524) |
| At the end of the year | 397,884 | 622,727 | 15,582,273 | 16,602,884 |
| Accumulated Depreciation: | | | | |
| At the beginning of the year | 710,103 | 728,304 | 5,913,337 | 7,351,744 |
| Provided in the year | 32,016 | 16,129 | 311,645 | 359,790 |
| Disposals | (381,690) | (137,834) | - | (519,524) |
| At the end of the year | 360,429 | 606,599 | 6,224,982 | 7,192,010 |
| Net book value at the beginning of the year | 43,248 | 32,257 | 9,668,936 | 9,744,441 |
| **Net book value at the end of the year** | **37,455** | **16,128** | **9,357,291** | **9,410,874** |

## 9. Receivables

| | 2025 | 2024 |
|---|---|---|
| | € | € |
| Revenue from projects | 1,001,516 | 1,179,370 |
| Work-in-progress | 1,766,704 | 1,761,989 |
| Other debtors and prepaid expenses | 439,971 | 350,833 |
| | 3,208,191 | 3,292,192 |

## 10. Cash and Cash Equivalents

| | 2025 | 2024 |
|---|---|---|
| | € | € |
| Bank accounts | 2,964,560 | 4,135,205 |
| Cash | 55 | 55 |
| | 2,964,615 | 4,135,260 |

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)**

## 11. Payables (amounts falling due within one year)

| | 2025 | 2024 |
|---|---|---|
| | € | € |
| Payroll taxes | 331,828 | 307,402 |
| Value Added Tax | 72,155 | 74,517 |
| Deferred income | 2,884,697 | 4,140,416 |
| Trade creditors | 37,478 | 36,566 |
| HPO advanced funds | 711,810 | 711,810 |
| Accrued expenses | 476,934 | 551,145 |
| Mortgage | 418,243 | 325,000 |
| | 4,933,145 | 6,146,856 |

The Institute has provided no security in respect of the above creditors, except for the mortgage.

## 12. Long Term Loans (amounts falling due after one year)

| | 2025 | 2024 |
|---|---|---|
| | € | € |
| Mars Capital mortgage: Euribor +1% | | |
| Due after one year | 4,854,321 | 5,352,533 |

The 30-year mortgage loan commenced in 2006. Mars Capital Finance Ireland DAC has the first legal charge over the property at Whitaker Square, Sir John Rogerson's Quay, Dublin 2.

## 13. Taxation

The company is exempt from liability to corporation tax under Section 227 of Schedule 4 of the *Taxes Consolidation Act, 1997*.

## 14. Commitments – Capital and Others

The Institute had no capital or other commitments at the reporting date.

## 15. Related Company

At 31 December 2025, the following related undertaking was in existence.

Economic and Social Studies (ESS):

This is an associated company established in 1969 at the initiative of the ESRI to foster and promote the education of the Irish public in the social and economic sciences, with particular reference to economic and social conditions in or affecting Ireland. ESS's main activity is publishing *The Economic and Social Review* journal. The ESRI provides administrative services to ESS on a pro bono basis (See Note 4.5).

During the year, the ESRI paid expenses of €13,647 (2024: €20,243) on behalf of ESS, and €9,500 was received from ESS (2024: €9,500). As at 31 December 2025, an amount of €45,346 (2024: €41,200) was owing to the ESRI from ESS.

## 16. Contingent Liabilities and Other Matters

The Council members are not aware of any material contingent liabilities at the reporting date.

## 17. Pensions

(a) Pension Liability and Asset

As outlined in Accounting Policy (g) above, the assets of the Institute's pension schemes were transferred to the National Pension Reserve Fund (NPRF) on 30 June 2010 in accordance with the provisions of the *Financial Measures (Miscellaneous Provisions) Act, 2009*.

Following the transfer of scheme assets, the Institute is required to pay the Department of Public Expenditure and Infrastructure, Public Service Reform and Digitalisation an annual pension contribution after taking account of pension benefits paid by the Institute. The Act enables the Minister to make good any deficiency in the relevant pension scheme if contributions paid by members and the employer are insufficient to meet the obligations of that scheme.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)**

The ESRI is subject to the *Public Service Pensions (Single Scheme and other Provisions) Act, 2012*. Since 2012, new entrants joining the Institute become members of the Single Public Services Pension Scheme. Section 44 of the Act provides for payments from the Exchequer or vote to the employer for scheme obligations.

The Institute has adapted the treatment and disclosures required by the accounting standard Financial Reporting Standard 102 (Retirement Benefits) to reflect the arrangements in operation. While the funding arrangement operates on a net pay over basis with the Department, the Institute believes the nature of the arrangement is akin to a full reimbursement of the pension liability when those liabilities fall due for payment and therefore recognises its right to the reimbursement to a separate asset in an amount equal to the liability at the year-end.

The FRS 102 pension liability at 31 December 2025 is €60,468,000 (2024: €65,002,000) based on an actuarial valuation of the pension liabilities in respect of Institute staff as at 31 December 2025, carried out by a qualified independent actuary for the purpose of FRS 102.

A deferred funding asset of €60,468,000 equal to the liability at 31 December 2025 is recognised as a separate asset in the Statement of Financial Position.

Movement in Pension Liability

| | **2025** | **2024** |
|---|---:|---:|
| | **€** | **€** |
| Present value of scheme obligations at beginning of year | 65,002,000 | 65,234,000 |
| Current service cost | 1,651,000 | 1,581,000 |
| Interest cost | 2,209,000 | 2,151,000 |
| Actuarial (gain)/loss | (6,656,000) | (2,253,000) |
| Benefits paid | (1,738.000) | (1,711,000) |
| Present value of scheme obligations at end of year | 60,468,000 | 65,002,000 |

The net effect on the Statement of Income and Expenditure and Retained Revenue Reserves of the above is €nil.

(b) Pension Costs

The pension costs for the year, measured under FRS 102, amounted to €3,860,000. A corresponding amount of funding receivable offsets these. The net impact on the Statement of Income and Expenditure and Retained Revenue Reserves is as set out below.

| | **2025** | **2024** |
|---|---|---|
| | **€** | **€** |
| Current service cost | 1,651,000 | 1,581,000 |
| Interest | 2,209,000 | 2,151,000 |
| Pension payments not offset | 43,654 | 54,144 |
| Adjustment to deferred funding | (3,860,000) | (3,732,000) |
| Employer contributions | 655,381 | 633,253 |
| Employer contribution adjustment | - | (22,018) |
| | 699,035 | 665,379 |

The Institute made payments of €43,654 (2024: €54,144) to individual defined benefit plans (pre-1974 employees) from its own resources, which are not offset against the amount payable under the *Financial Measures (Miscellaneous Provisions) Act, 2009*.

(c) Contributions Paid to the Department of Public Expenditure and Infrastructure, Public Service Reform and Digitalisation

The Institute paid over total contributions of €1,130,228 (2024: €1,071,910) to the Department of Public Expenditure and Infrastructure, Public Service Reform and Digitalisation before taking account of pension benefits amounting to €1,641,852 (2024: €1,679,328) paid in the year. The difference between the benefits paid by the Institute over contributions due in 2025 of €511,624 was refunded to the Institute.

The total contributions comprised employer contributions of €655,381 (2024: €633,253) and employee contributions of €474,847 (2024: €438,657). The employee contributions comprise €239,338 (2024: €213,318) in respect of members of the Single Pension Scheme and €235,509 (2024: €225,339) in respect of members of the Institute's pension schemes.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)**

From 1 January 2019 onwards, members of public service defined benefit pension schemes pay an additional superannuation contribution (ASC) arising from the Public Service Stability Agreement (2018- 2020) and the *Public Service Pay and Pensions Act, 2017*. ASC replaced the pension-related deduction (PRD), which ceased at the end of 2018. While PRD was a temporary emergency measure, ASC is a permanent contribution in respect of pensionable remuneration. €328,149 of ASC was paid over to the Department of Public Expenditure and Infrastructure, Public Service Reform and Digitalisation in 2025 (2024: €297,848).

(d) Description of Scheme and Actuarial Assumptions

The ESRI confers pension benefits under three pension schemes:

- Supervisors, Clerical and Other Administrative Staff
- Research Staff Scheme

These are defined benefit schemes. Employer and employee contributions are paid to the Department of Public Expenditure and Infrastructure, Public Service Reform and Digitalisation. Pensions under both schemes are subject to the pension reduction provisions of the *Financial Emergency Measures in the Public Interest (No. 2) Act, 2010*.

- Single Public Service Pension Scheme

This is a defined benefit scheme. Employee contributions are paid to the Department of Public Expenditure and Infrastructure, Public Service Reform and Digitalisation.

Actuarial Assumptions

The principal Financial Assumptions used at 31 December 2025 and 31 December 2024 are shown in the table below.

The assumptions as at the reporting date are used to determine the Pension Asset/Liability at that date and the pension expense for the following year.

| Valuation Date | 31/12/2025 | 31/12/2024 |
|---|---|---|
| Discount rate | 3.9% | 3.4% |
| Salary increase | 2.5% | 2.6% |
| Pension increase | 2.5%/2.00% | 2.6%/2.1% |
| Inflation (CPI) | 2.00% | 2.1% |

e) Funding of pensions

Estimated employer and employee pension contributions of €937,369 will be due to the Department of Public Expenditure and Infrastructure, Public Service Reform and Digitalisation in respect of 2026 before deduction of estimated pension benefits of €1,762,955, which will be paid by the Institute in 2026. The net difference of €825,586 will be due to the ESRI from the Department.

## 18. Irish Fiscal Advisory Council

The Irish Fiscal Advisory Council (Fiscal Council) is an independent statutory body established by the Irish Government in June 2011. It assesses the appropriateness of the Government's macroeconomic, budgetary, and fiscal projections and stance. The Council also examines the extent of compliance with legislated fiscal rules. The Institute provides administrative support to the Council.

An amount of €22,979 is included in the financial statements in Receivables representing an amount due to the ESRI by the Fiscal Council at 31 December 2025 in relation to administrative support provided during the year (2024: €21,652).

## 19. Reserves

| | **Retained Revenue Reserves €** | **Capital Reserve €** | **Total Reserves €** |
|---|---|---|---|
| Balance as at 1 January 2025 | 2,957,504 | 2,715,000 | 5,672,504 |
| Surplus for the Year after pension appropriation to DPER | 123,710 | - | 123,710 |
| Transfer from Capital Reserve | 85,000 | (85,000) | - |
| Balance as at 31 December 2025 | 3,166,214 | 2,630,000 | 5,796,214 |

The capital reserve represents capital grants received from the Department of Finance in 2008 and from the Economic and Social Research Trust in 2016 to assist the Institute in funding its premises. The grant amounts are amortised in line with depreciation on the building.

## 20. Related Party Disclosures

Key management personnel at the ESRI include the Director and the members of the Council. Total compensation paid to key management personnel, including Council members' expenses and total director remuneration, amounted to €280,751 (2024: €288,612).

For a breakdown of remuneration and expenses paid to key management personnel, please refer to Notes 4.5 and 4.6.

The Council adopted procedures in accordance with the guidelines issued by the Department of Public Expenditure and Infrastructure, Public Service Reform and Digitalisation, 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 which the Council members had an interest.

## 21. Events after the Reporting Date and Going Concern

There are no events between the reporting date and the date of approval of these financial statements for issue that require adjustment to the financial statements.

After making enquiries and on the basis that the Oireachtas grant continues at the appropriate level, the Directors consider that the Institute has adequate resources to continue operating for the foreseeable future. For this reason, they have continued to use the going-concern basis in preparing the financial statements.

The Council agreed to formally commence the process of disposing of the Institute building (located at Whitaker Square, Sir John Rogerson's Quay, Dublin 2) at a meeting on 19 February 2026. At the time the financial statements were signed, the building had not been actively marketed as being for sale.

## 22. Approval of Financial Statements

The Financial Statements were approved by the Council on 26 May 2026.

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