



**Dublin City University**

**Consolidated Financial Statements**

**Year Ended 30 September 2014**

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**GENERAL INFORMATION**

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**REGISTERED AUDITORS**

Mazars  
Block 3, Harcourt Centre  
Harcourt Road  
Dublin 2

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**STATUTORY AUDITORS**

The Comptroller and Auditor General  
Treasury Block  
Dublin Castle  
Dublin 2

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**BANKERS**

Allied Irish Banks Plc  
7/12 Dame Street  
Dublin 2

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**LEGAL ADVISORS**

Arthur Cox  
Arthur Cox Building  
Earlsfort Terrace  
Dublin 2

Mason Hayes & Curran  
6th Floor  
South Bank House  
Barrow Street  
Dublin 4

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**TAXATION ADVISORS**

PricewaterhouseCoopers  
One Spencer Dock  
North Wall Quay  
Dublin 1

## PRESIDENT'S REPORT

### Scope of the Financial Statements

The Financial Statements comprise the consolidated results of the University and its subsidiary companies. The companies in which the University holds an interest are listed in note 12 to the Financial Statements, together with their principal activities and the University shareholding. DCU Commercial Limited which is 100% owned by the University, is the holding company through which the University channels company activities.

### Results for the Year Ended 30 September 2014

The University's Consolidated Income, Expenditure and Results for the year to September 2014 are summarised as follows:

|             | 2013/14<br>€'000 | 2012/13<br>€'000 |
|-------------|------------------|------------------|
| Income      | 182,688          | 176,848          |
| Expenditure | 176,822          | 173,661          |
| Profit      | 5,866            | 3,187            |

The University's overall total income increased by 3.3% in the year, reflecting increases in research revenues, ancillary income generated by subsidiary companies, and student enrolments.

The rate of increase in expenditure was 1.8%. Total pay costs inclusive of the FRS17 pension adjustment increased by 0.4% while non-pay costs increased by 3.8% reflecting increased income and related activity. When the effects of FRS17 are removed, total pay costs decreased by 0.7% during the financial year.

The reported net reserves movement for the year was €5.9m, with accumulated group reserves standing at €49.8m. These restricted reserves reflect accounting timing differences between non-capital grant funded infrastructural investment and associated depreciation costs; sinking fund requirements related to structured finance arrangements, and other longer term initiatives and commitments. Notwithstanding the continued reduction in State funding the University recorded a surplus of €2k on the core activity as set out in the Reconciliation with the HEA Funding Statement.

### Balance Sheet and Cash Flow Statement

The net additions to tangible fixed assets for the year amounted to €13.1m. Building additions for the year (€12.6m) including assets under construction reflect campus developments including the HEA PRTL funded Nano-Bioanalytical Research Facility and the development of the Innovation Campus. Equipment purchases for the year were €0.5m.

Cash outflows of €8.5m during the financial year have resulted in the group cash position of €37.9m decreasing to €29.4m at year end. The net debt position of the Group at the balance sheet date is €8.4m. Cash reserves mainly reflect monies committed to future expenditure; for example, student fees received in advance, student accommodation deposits, research project income, and structured finance sinking fund deposits.

### Future Outlook

The University continues to implement its Strategic Plan 2012 – 2017 (Transforming Lives and Societies), which was launched in September 2012. The strategic plan involves a process of Rolling Planning which enables the University to revise and update the strategic objectives where necessary while maintaining a focus on the stated strategic mission, vision and values.

With the continued reductions in Government funding to the university sector, DCU has continued to reduce expenditure to match funding available. In addition the University has sought to increase the revenues from non exchequer sources. In this regard the University continues to grow its relationship with Princess Nora Bint Abdulrahman University in the Kingdom of Saudi Arabia to deliver additional DCU programmes.

**PRESIDENT'S REPORT****Future Outlook (Continued)**

One of the key strategic DCU projects is the DCU Incorporation Project. The DCU Incorporation Project involves St Patrick's College Drumcondra, the Mater Dei Institute of Education and the Church of Ireland College of Education, being incorporated as part of DCU, subject to the final approval of the governing bodies of the respective institutions. The project is well advanced with all first year students entering courses of St Patrick's College Drumcondra and the Mater Dei Institute of Education, registering as DCU students in September 2015. The objective is that all students of the three institutions will register as students of DCU in September 2016.

With this incorporation project, this new DCU will establish a new Institute of Education and will lead to an enhanced capacity and consolidation in the Humanities and Social Sciences. The Institute of Education will educate excellent teachers for a pluralist society. This research-intensive Institute will integrate Initial Teacher Education and Continuous Professional Development for teachers across the full education continuum (from Early Childhood to Third Level) for the first time in Ireland. It will also carry out pioneering research in priority areas for 21st Century Education, such as Special Needs and Inclusive Education, Digital Learning, STEM Education, and Ethical and Values-based Education.

As Ireland's University of Enterprise, DCU has in 2014, for the 6th year in a row, been the highest-performing university for execution of licences of Intellectual Property. In addition, as a research-intensive University, DCU has been and will continue to be successful in attracting significant research funding.

The University's campus development plan outlines the capital investment required to grow and enhance campus facilities; to ensure the University caters for continued growth in student numbers and research activities. The financial strategy to fund this significant investment has been established. As part of this strategy, DCU engaged in a process with the European Investment Bank ("EIB") and the Ireland Strategic Investment Fund ("ISIF") to obtain funding for the capital expenditure required to implement the campus development plan. Following a detailed appraisal and due diligence process, the EIB approved a loan of €76m on 21 December 2015, with ISIF approving loans of €54m on 23 December 2015.

**STATEMENT OF GOVERNING AUTHORITY'S RESPONSIBILITIES**

The University is required to comply with the Universities Act, 1997, and to keep in such form as may be approved of by An t-Údarás um Ard-Oideachas all proper and usual accounts of money received and expended by it.

In preparing those accounts, the University is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards subject to any material departures being disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the University will continue in operation.

The University is responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the University and which enable it to ensure that its financial statements comply with the Universities Act, 1997, and are prepared in accordance with accounting standards generally accepted in Ireland.

The University is also responsible for ensuring that the business of the University is conducted in a proper and regular manner and for safeguarding all assets under its operational control and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Governing Authority



President



Chancellor

## STATEMENT OF GOVERNANCE AND INTERNAL CONTROL

The University adopted in 2012 the revised “HEA/IUA Code of Governance of Irish Universities (2012)”, which reflects the provisions of the Department of Finance issued 2009 Code of Practice for the Governance of State Bodies and updates the requirements, responsibilities and accountabilities of the 2007 document. The reporting requirements have been submitted on an annual basis to the HEA, as required by the Code.

The University is recognised as an independent legal entity under the Universities Act 1997. In accordance with Section 15 of the 1997 Act the University is required to have a Governing Authority established. The operation of the Governing Authority is governed by the Third Schedule of the Act.

In relation to the Code of Governance, the Governing Authority is primarily responsible for ensuring that its activities are governed by the ethical and other considerations enshrined in the code. This responsibility extends to good and proper management of the University, and to ensuring that appropriate procedures and controls are implemented.

The Governing Authority acknowledges that it has overall responsibility for the University’s system of internal control and formally approves this Statement of Governance and Internal control.

The University’s system of internal control covers all material controls including financial, operational and compliance controls and risk management systems, which support the achievement of the University’s policies, aims and objectives, while safeguarding the public and other funds and assets for which it is responsible.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives or to conduct affairs in an orderly and legitimate manner. To that extent the system therefore provides reasonable rather than absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically.

The following should be noted in relation to key University procedures, designed to ensure an appropriate control environment:

- The Governing Authority is the main governance and decision making entity within the University, as prescribed by the Universities Act 1997. Under Section 34 of the Universities Act 1997 the Governing Authority approves the strategic plan.
- In practice the Governing Authority delegates many of its functions to the President and other staff. The President is appointed by the Governing Authority to oversee the management of the University.
- The principal academic and administrative officer of the University is the President, who also carries the title, Chief Officer.
- The President is supported by a Senior Management Group which comprises the senior officers of the University who advise on the coordination of University activities and strategic planning.
- The Executive Committee, which is chaired by the President, is the executive decision making group in the University and includes the Senior Management Group, two elected staff members and the President of the Students Union. This group is charged with the task of advising the President and deciding on policy and strategy of the University.
- The Executive Committee has a number of sub-committees which assist the Executive Committee in the execution of its functions.
- The Budget Committee recommends to the Executive Committee the details of the University’s budget and its distribution, and other resourcing or budgeting issues as appropriate.
- The Budgetary Control system ensures that funds are allocated strategically and transparently. Spending against these allocations is monitored regularly and where necessary corrective action taken.
- Budgets are delegated to Faculty Deans, Heads of School, and Heads of Support Units, all of whom must deliver a balanced outcome against budget each year. This is monitored via monthly financial reports.
- Academic Council, subject to the financial constraints determined by Governing Authority, controls the academic affairs of the University, including the curriculum of, and instruction and education provided by, the University.

**STATEMENT OF GOVERNANCE AND INTERNAL CONTROL**

- The Quality Promotion Unit promotes and facilitates continuous quality improvement activities across academic and administrative units throughout the University. This is undertaken principally through the management of the University's Quality Review process for Schools, Faculties and Units.
- Published policies and procedures are in place in the University in support of the control environment including financial controls, delegation and segregation of duties. These provide reasonable but not absolute assurance for the prevention and detection of fraud.
- Internal control procedures are in place in order to safeguard all assets, protect and safeguard the interests of all relevant parties and ensure the production and integrity of the annual financial statements.
- A Risk Committee operates as a sub-committee of the Governing Authority and reports to it on its work and the status of the University's risk management processes. The chair of the Risk Committee is also a member of the University Audit Committee. The risk management process is under the control of the University's Risk and Compliance Officer. This process of risk management includes, as appropriate, evaluation of the financial implications of business risks.
- The Strategic Finance Advisory Committee held its inaugural meeting in March 2014. The overall objective of the Committee is to assist and advise management in putting in place optimal funding structures to provide the financial resources necessary to support the achievement of the University's Strategic Plan. The Committee, with written terms of reference, operates as a sub-committee of the Governing Authority and reports to it on the work undertaken by the Committee.
- An Audit Committee, with written terms of reference, operates as a sub-committee of the Governing Authority and reports to it on the work undertaken by the Committee.
- The procedures for monitoring the effectiveness of the internal control systems include: audit committee, management reviews, consultancy, inspection and review studies, internal audit, risk management and quality reviews.

The review of the effectiveness of the system of internal control is informed by the University's Internal Audit Function, which reports to the Audit Committee. The internal auditor submits reports which include an independent opinion on the adequacy and effectiveness of the University's system of internal control, with recommendations for improvement.

The review of the effectiveness of the system of internal control is also informed by the work of senior officers within the University, who have responsibility for the development and maintenance of internal control frameworks, and by recommendations made by the external auditors in their management letter.

The Governing Authority is responsible for and is satisfied that to its knowledge the University is in compliance with all statutory obligations applicable to the University that may be set out in legislation governing the establishment of the University or in other relevant legislation.

A Code of Conduct for members of Governing Authority and a Code of Conduct for staff has been put in place and implemented.

Other than as disclosed in the annual financial statements, no financially significant developments took place in the financial year to 30 September 2014. No new subsidiary companies were formed during the financial year. In the short to medium term, the establishment of other subsidiaries or joint ventures or acquisitions may arise from initiatives arising from the University's strategic plan.

In September 2012, the University announced that it had entered into a process with St Patrick's College, Drumcondra, Mater Dei Institute of Education and the Church of Ireland College of Education which, while respecting the identity of the individual institutions, will lead to the creation of a single university entity. On March 25<sup>th</sup> 2014, an Incorporation Board was formally established comprising the heads of the four incorporating institutions plus the Incorporation Workstream leaders. The Board meets on a fortnightly basis and is tasked with the execution of the Incorporation Programme by September 2016. The Incorporation Programme is listed on the University 2014 Institutional Risk Register and fortnightly updates on the risk status of the key objectives under each Workstream are provided to the Incorporation Board.

DCU has plans for the construction of two new floors (ca 4,000m<sup>2</sup>) on the F-Block building on the St. Patrick's College Drumcondra campus to provide additional lecturing and office space for the Incorporation Programme at an estimated cost of €15.4m.



**STATEMENT OF GOVERNANCE AND INTERNAL CONTROL**

DCU initiated discussions with both the European Investment Bank ("EIB") and the Ireland Strategic Investment Fund ("ISIF") with a view to applying for loan facilities to fund the University's Capital Development Plan. Following a detailed due diligence process and approval of the facilities by the Governing Authority, the EIB approved a loan of €76m on 21 December 2015, with ISIF approving loans of €54m on 23 December 2015. Further engagement with ISIF will take place in relation to provision of funding in support of new student accommodation developments.

In September 2014, All Hallows College issued a call for Expressions of Interest from parties who had an interest in partnering with the college and/or acquiring the All Hallows Campus. DCU submitted a proposal to All Hallows to acquire the College's 6.74 hectare campus in Drumcondra and, following a competitive tender process, DCU was selected as the 'preferred bidder'. On completion of detailed negotiations, contracts were signed on 18 June 2015 which will lead to the purchase by DCU of the site in Drumcondra. The campus will form an integral component of DCU at a time of rapid growth for the University. The purchase was completed on 8 April 2016.

The University to its knowledge complies with Government policy on pay and all appropriate procedures for financial reporting, internal audit, procurement and asset disposals are being carried out.

The University has procedures in place for the development, review and approval of capital projects. The University to its knowledge has been compliant with the Guidelines for the Appraisal and Management of Capital Proposals issued by the Department of Finance and has followed the Guidelines on Achieving Value for Money in Public Expenditure as set out in the address by the Minister for Finance of 20 October 2005 and communicated to the universities.

The University has adopted travel and subsistence policies which are consistent with Department of Finance guidelines.

The University seeks at all times to be compliant with all tax laws. The University is committed to ensuring that all known tax liabilities are paid in full at the relevant due date. The University has to its knowledge been compliant with tax laws in all material respects.

The University adopted the Child Protection Framework in 2008 and to its knowledge is fully compliant.

On September 14<sup>th</sup> 2014, the Governing Authority approved new University Anti-Fraud and Protected Disclosures policies.

The University confirms that fees and/or expenses paid to members of governing authority are in accordance with the guidelines from the Department of Public Expenditure and Reform and are presented in the University's Annual Report. The University Chancellor, Dr. Martin McAleese, received a stipend of €17,630 and no other fees or expenses were paid to external Governing Authority members in the year ending 30 September 2014.

The University maintains a Register of Interests of members of Governing Authority and staff in accordance with its legal obligations under the Ethics in Public Office Acts 1995 and 2001.

The University has in place procedures and controls regarding the establishment of subsidiaries all of which require the approval of the Governing Authority. The subsidiary companies comply with the University's Code of Governance as appropriate. Each company has a Board of Directors drawn from Senior Officers of the University and external members where appropriate. Each subsidiary prepares its own financial statements which are independently audited. All subsidiaries are included in the Consolidated Financial Statements of the Holding Company (DCU Commercial Ltd) and in the Consolidated Financial Statements of the University.

*Signed*



**Chief Officer**



## **Comptroller and Auditor General**

### **Report for presentation to the Houses of the Oireachtas**

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#### **Dublin City University**

I have audited the consolidated financial statements of Dublin City University for the year ended 30 September 2014 (the financial statements) under the Universities Act 1997. The financial statements to which this audit report relates and which have been prepared under the accounting policies set out therein, comprise the statement of accounting policies, the consolidated income and expenditure account, the consolidated and university balance sheets, the consolidated statement of total recognised gains and losses, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is that specified in the Universities Act 1997 and generally accepted accounting practice in Ireland.

#### **Responsibilities of the University**

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

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

My responsibility is to audit the financial statements and report on them in accordance with the Universities Act 1997.

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

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

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

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

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

I seek to rely on evidence from an audit of the financial statements by auditors engaged by the University. I also seek to obtain evidence about the regularity of financial transactions in the course of audit.

In addition, I assess the consistency of the other information presented with the financial statements. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

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

In my opinion, the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the University and of the University group as at 30 September 2014 and of the income and expenditure of the University group for the year then ended; and
- have been properly prepared in accordance with generally accepted accounting practice.

In my opinion, the accounting records of the University were sufficient to permit the financial statements to be readily and properly audited. The financial statements are in agreement with the accounting records.

#### **Relationship with Trust**

Without qualifying my opinion, I draw attention to the statement of accounting policies which discloses that the financial statements of Dublin City University Educational Trust have not been consolidated with those of the University group, on the basis that the Trust is not controlled by the University.

The Trust's main purpose is to engage in fundraising activities for the purposes of the furtherance of education and research carried out by the University, and it cooperates with the University in respect of specific development projects. It also owns the DCU Sports Campus, which it rents to the University for an annual charge of €175,000. At 31 December 2014, the Trust had accumulated reserves of €16 million.

#### ***Future pension arrangements***

Without qualifying my opinion on the financial statements, I draw attention to Note 30 and to the recognition as at 30 September 2014 of an asset of €495 million in respect of deferred pension funding.

The defined benefit pension arrangements operated by the University consist of two pay-as-you-go schemes approved under the Dublin City University Acts 1980 and 1989, and the Single Public Service Pension Scheme.

The recognition of the asset in respect of the pension schemes anticipates that funding will be provided by the State to meet pension liabilities as they fall due. Inherent in this accounting treatment is an assumption that any income generated by the University will in the first instance be applied towards current expenses and that State funding will meet any shortfall in resources to fund future pension liabilities.

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

I report by exception if

- I have not received all the information and explanations I required for my audit, or
- my audit noted any material instance where public money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the statement of governance and internal control does not reflect the University's compliance with the governance arrangements set out in the Code of Governance of Irish Universities, or
- I find there are other material matters relating to the manner in which public business has been conducted.

I have nothing to report in regard to those matters.



**Seamus McCarthy**  
**Comptroller and Auditor General**

**29 April 2016**

## STATEMENT OF ACCOUNTING POLICIES

The significant accounting policies adopted by the University are as follows:

### **Basis of preparation**

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland. Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by Chartered Accountants Ireland and issued by the Financial Reporting Council.

### **Accounting convention**

The consolidated financial statements have been prepared under the historical cost convention.

### **Basis of consolidation**

The consolidated financial statements include the University and its subsidiary undertakings and other undertakings in which the University has a financial interest, as indicated in note 12. The results of subsidiaries acquired or disposed of during the period are included in the consolidated income and expenditure account from the date of acquisition or up to the date of disposal. Intra-group sales and profits are eliminated fully on consolidation. Joint venture undertakings are accounted for on an equity basis.

The financial statements of DCU Educational Trust are not consolidated in accordance with FRS 2, as the entity is not controlled by the University.

### **Unit of currency**

The accounts in the Financial Statements are stated in Euro.

### **Recognition of income**

Recurrent grants from the Higher Education Authority are recognised in the period in which they are receivable and accounted for on an accruals basis.

Non-recurrent grants from the Higher Education Authority or other bodies received in respect of the acquisition or construction of fixed assets are treated as deferred capital grants and amortised in line with depreciation over the life of the assets. These grants are included as deferred capital grants to the extent that the grant is receivable.

Income from research grants, contracts and other services rendered is included to the extent of the completion of the contract or service concerned. This is generally equivalent to the sum of the relevant expenditure incurred during the year, plus income related to any related contributions towards overhead costs as earned. All income from short-term deposits is credited to the income and expenditure account in the period in which it is earned.

Income from specific endowments and donations is included to the extent of the relevant expenditure incurred during the year, together with any related contributions toward overhead costs.

Fee income and all other income is accounted for on an accruals basis.

### **Foreign currency translation**

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Euro at the rates of exchange at the year end Balance Sheet date. The resulting exchange differences are dealt with in the determination of income and expenditure for the financial year.

## STATEMENT OF ACCOUNTING POLICIES

### Tangible fixed assets

#### (a) Land and buildings

Land has been stated at cost, and not depreciated. Buildings are stated on the balance sheet at historical cost less accumulated depreciation, and are depreciated over their expected useful economic life with a full year's depreciation charge provided for in the year of acquisition.

Where land and buildings are acquired with the aid of specific grants they are capitalised and depreciated as above. The related grants are credited to a deferred capital grant account and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Finance and legal costs, which are directly attributable to the construction of land and buildings, are capitalised as part of the cost of those assets.

Buildings under construction are accounted for at cost, based on the value of architects' certificates and other direct costs incurred to the financial year end. They are not depreciated until they are brought into use.

Buildings being acquired using structured finance (s.843 and s.50) arrangements are accounted for at cost less the investors' tax break foregone. Although the buildings are in use, they are not depreciated until the option period ceases. Equipment assets within s.843 structured finance arrangements are depreciated over the lesser of the structured finance lease term or useful economic life generally attributable to that asset category. The related grants are credited to a deferred capital grant account, and are amortised on a basis consistent with the depreciation policy.

The estimated useful life of fixed assets by reference to which depreciation has been calculated on a straight-line basis is as follows:

|                           |  |
|---------------------------|--|
| Buildings                 | 50 years   |
| Leased Assets             | Years of asset category or lease period if shorter             |
| Structured Finance Assets | Remaining useful life following cessation of the option period |

Works of art and other valuable artefacts valued at over €150,000 are capitalised and recognised at their cost or value where reasonably obtainable. Heritage assets are not depreciated as their long economic life and high residual value mean that any depreciation would not be material.

#### (b) Equipment and minor works

Furniture, Equipment and Motor Vehicles are stated at cost less accumulated depreciation. Leased Equipment, Furniture and Fixtures, and Motor Vehicles are included on the balance sheet at cost and depreciated over the term of the lease. A full year depreciation charge is provided for in the year of acquisition.

The estimated useful life of fixed assets by reference to which depreciation has been calculated on a straight-line basis is as follows:

|                                    |  |
|------------------------------------|--|
| Furniture and Equipment            | 5 years  |
| Furniture and Equipment (Pre 2005) | 10 years   |
| Computer Equipment                 | 3 years  |
| Motor vehicles                     | 5 years  |
| Leased Assets                      | Years of asset category or lease period if shorter |

#### (c) Donations

The University may receive on occasion benefits in kind such as gifts of equipment or other fixed assets. Items of a significant value donated to the University, which, if purchased, the University would treat as tangible fixed assets, are capitalised at their current value and depreciated in accordance with the policy set out above. The value of the donation is treated as a deferred capital grant.

The current value of other donated items, if significant, is reflected in the income and expenditure account as a donation received and also as part of other operating expenses.

## STATEMENT OF ACCOUNTING POLICIES

### (d) Leased assets

Leasing agreements that transfer to the University substantially all the benefits and risks of ownership of an asset, are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged to the income and expenditure account in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease term or the useful economic lives of equivalent owned assets.

Assets, which are held under hire purchase contracts, which have the characteristics of finance leases, are depreciated over their useful lives.

Rental costs under operating leases are charged to Income and Expenditure Account in equal annual amounts over the period of the lease.

### Financial assets

Fixed asset investments that are listed on a recognised stock exchange are carried at market value. Those that are not listed are carried at historical cost less any provision for any deemed impairment in their value.

Current asset investments are included in the balance sheet at the lower of their original cost and net realisable value.

### Stocks

Stocks are stated at the lower of their cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stock. Expenditure incurred by the University on books and consumable stocks financed from recurrent grants are charged to the Income and Expenditure account.

### Taxation

As an exempt charity, the University is not liable for Corporation Tax or Income Tax on any of its charitable activities. The University is registered for Value Added Tax but as a partially exempt organisation for VAT purposes it is not entitled to recover input tax on the vast majority of its purchases.

Certain trading activities undertaken by the University are administered through its subsidiary companies, which as commercial organisations are liable to Corporation Tax. Some of the subsidiary companies are registered charities for taxation purposes and are not liable for Corporation Tax or Income Tax on any of their charitable activities. All subsidiary companies are registered for Value Added Tax but some carry on exempt activities on which no output tax is charged. They are unable to recover input tax on the majority of their purchases.

### Deferred taxation

In subsidiary companies, who do not hold a charitable status, deferred taxation is provided on all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Timing differences are temporary differences between profits as computed for taxation purposes and profits as stated in the financial statements, which arise because certain items of income and expenditure in the financial statements are dealt with in different periods for taxation purposes.

Deferred tax is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not discounted.

### Liquid resources

Liquid resources include sums on short-term deposits with recognised banks and building societies and government securities.

## STATEMENT OF ACCOUNTING POLICIES

### Provisions

Provisions are recognised when the University has a present legal or constructive obligation as a result of a past event and it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

### Pensions

Superannuation benefits are conferred by the National Institute For Higher Education Dublin, Superannuation Scheme 1985 and the Spouses' and Children's Pension Scheme 1985 which are approved under the National Institute for Higher Education, Dublin Act 1980 and the Dublin City University Act, 1989. The schemes, which provide for defined benefits, are non-funded and benefits are met from current revenue as they arise. The University holds a commitment from the Higher Education Authority to meet the liabilities of the scheme.

There are no employee contributions paid to the scheme in relation to employees funded by the core grant and income of the University. The employee contributions of these employees are netted against payroll charges, as state grants allocated to the University are net of pension contributions. In accordance with the Employment Control Framework, employer contributions are made in respect of employees who are funded by research income and similar projects, or self-funded. These employer and related employee contributions are payable to the HEA. The Public Service Pensions (Single Scheme and Other Provisions) Act 2012 became effective on 01 January 2013. Pensionable staff recruited on or after the effective date will be members of the Single Public Service Pension scheme. Single scheme member contributions are remitted monthly to the Department of Public Expenditure and Reform.

Pension liabilities represent the present value of future pension payments earned by staff to date. Deferred pension funding represents the corresponding asset which will be recovered in future periods from the Higher Education Authority.

Actuarial gains or losses arising on the scheme liabilities are reflected in the Statement of Recognised Gains and Losses and a corresponding adjustment is recognised in the amount recoverable from the Higher Education Authority.

Pension benefits provided to employees in subsidiary companies are met by payments to a defined contribution fund, which is independent and held separately from the companies. Contributions are charged to the income and expenditure account in the year in which they fall due.



Clár Chisti Struchturachta Aif  
na hÉireann 2007-2013

Comhaoinithe ag Rialtas na hÉireann  
agus ag an Aontas Eorpach



**EUROPEAN UNION  
STRUCTURAL FUNDS**



An Roinn Fiontar, Trádála agus Nuálaíochta  
Department of Enterprise, Trade and Innovation



National Development Plan 2007 - 2013



AN ROINN  
OIDEACHAIS  
AGUS EOLAÍOCHTA | DEPARTMENT OF  
EDUCATION  
AND SCIENCE

**HEA**

Higher Education Authority  
An tÚdarás um Ard-Oideachas

**CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT**  
**Year Ended 30 September 2014**

|  | Notes | Consolidated<br>2014<br>€'000 | Consolidated<br>2013<br>€'000 |
|--|-------|-------------------------------|-------------------------------|
| <b>Income</b>  |       |                               |                               |
| State grants   | 1     | 18,170                        | 20,552                        |
| Academic fees  | 2     | 64,539                        | 59,591                        |
| Research grants and contracts                                    | 3     | 43,768                        | 42,830                        |
| Amortisation of deferred capital grants                          | 18    | 6,251                         | 7,285                         |
| Other operating income   | 4     | 19,496                        | 16,964                        |
| Interest income  | 5     | 260                           | 363                           |
| Funding for pensions   | 30b   | 30,204                        | 29,293                        |
| <b>Total income</b>  |       | <b>182,688</b>                | <b>176,848</b>                |
| <b>Expenditure</b>   |       |                               |                               |
| Staff costs  | 6     | 106,051                       | 105,674                       |
| Other operating expenses   | 7     | 45,854                        | 42,126                        |
| Interest payable   | 8     | 187                           | 269                           |
| Interest on Pension Liabilities                                  | 30c   | 15,692                        | 15,775                        |
| Depreciation   | 30b   | 8,856                         | 9,818                         |
| <b>Total expenditure</b>   |       | <b>176,640</b>                | <b>173,662</b>                |
| <b>Profit for the year before taxation and minority interest</b> |       | <b>6,048</b>                  | <b>3,186</b>                  |
| Share of operating loss in joint ventures                        | 12    | (96)                          | -                             |
| Taxation   | 9     | (86)                          | -                             |
| Minority Interest  | 29    | -                             | 1                             |
| <b>Profit for the year after taxation and minority interest</b>  | 10    | <b>5,866</b>                  | <b>3,187</b>                  |
| <b>General reserve at beginning of year</b>                      |       | <b>43,921</b>                 | <b>40,734</b>                 |
| <b>General reserve at end of year</b>                            |       | <b>49,787</b>                 | <b>43,921</b>                 |

The profit for the year arose from continuing operations. The historical cost profit is the same as the profit shown above. The financial statements on pages 11 to 35 were approved by the Governing Authority on 28 April 2016 and were signed on its behalf by:



President



Chancellor



**CONSOLIDATED BALANCE SHEETS**

As at 30 September 2014

|   | Notes | Consolidated    |                 | University      |                 |
|---|-------|-----------------|-----------------|-----------------|-----------------|
|   |       | 2014<br>€'000   | 2013<br>€'000   | 2014<br>€'000   | 2013<br>€'000   |
| <b>Fixed assets</b>                                   |       |                 |                 |                 |                 |
| Tangible assets                                       | 11    | 321,573         | 317,332         | 208,699         | 212,441         |
| Financial assets                                      | 12    | -               | -               | 1               | 1               |
| <i>Investment in Joint Ventures</i>                   |       |                 |                 |                 |                 |
| Share of Gross Assets                                 | 12    | 166             | -               | -               | -               |
| Share of Gross Liabilities                            | 12    | (262)           | -               | -               | -               |
|   |       | <u>321,477</u>  | <u>317,332</u>  | <u>208,700</u>  | <u>212,442</u>  |
| <b>Current assets</b>                                 |       |                 |                 |                 |                 |
| Stocks  | 13    | 391             | 394             | 207             | 210             |
| Debtors   | 14    | 15,681          | 16,710          | 38,827          | 29,883          |
| Cash at bank  |       | <u>31,058</u>   | <u>41,694</u>   | <u>13,255</u>   | <u>22,928</u>   |
|   |       | 47,130          | 58,798          | 52,289          | 53,021          |
| <b>Creditors: Amounts falling due within one year</b> | 15    | <u>(63,204)</u> | <u>(70,190)</u> | <u>(53,047)</u> | <u>(58,368)</u> |
| <b>Net current liabilities</b>                        |       | <u>(16,074)</u> | <u>(11,392)</u> | <u>(758)</u>    | <u>(5,347)</u>  |
| <b>Total assets less current liabilities</b>          |       | 305,403         | 305,940         | 207,942         | 207,095         |
| <b>Creditors: Amounts falling due after one year</b>  | 16    | <u>(36,221)</u> | <u>(37,838)</u> | <u>(432)</u>    | <u>(688)</u>    |
| Deferred Pension Funding                              | 30d   | 495,098         | 397,278         | 495,098         | 397,278         |
| Pension Liabilities                                   | 30e   | (495,098)       | (397,278)       | (495,098)       | (397,278)       |
| <b>Net assets</b>                                     |       | <u>269,182</u>  | <u>268,102</u>  | <u>207,510</u>  | <u>206,407</u>  |
| <b>CAPITAL AND RESERVES</b>                           |       |                 |                 |                 |                 |
| <b>DEFERRED CAPITAL GRANTS</b>                        | 18    | <u>219,321</u>  | <u>224,107</u>  | <u>168,806</u>  | <u>171,441</u>  |
| <b>Represented by:</b>                                |       |                 |                 |                 |                 |
| Revenue Reserves                                      | 19    | 49,787          | 43,921          | 38,704          | 34,966          |
| Minority Interest                                     | 29    | <u>74</u>       | <u>74</u>       | -               | -               |
| <b>Total</b>  |       | <u>269,182</u>  | <u>268,102</u>  | <u>207,510</u>  | <u>206,407</u>  |

The financial statements on pages 11 to 35 were approved by the Governing Authority on 28 April 2016 and were signed on its behalf by:



President



Chancellor

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**Year Ended 30 September 2014**

|   | Notes   | 2014<br>€'000 | 2013<br>€'000 |
|---|---------|---------------|---------------|
| Gains on operations after depreciation of assets, disposal of assets, tax and minority interest | 10      | 5,866         | 3,187         |
| Experience gains on pension scheme liabilities  | 30f     | 11,907        | 27,932        |
| Changes in actuarial assumptions  | 30f     | (83,420)      | (36,791)      |
| Adjustment to deferred pension funding  | 30d/30f | 71,513        | 8,859         |
|   |         | <hr/>         | <hr/>         |
| Total recognised gains relating to the period   |         | <u>5,866</u>  | <u>3,187</u>  |
| <b>Reconciliation</b>   |         |               |               |
| Opening reserves  |         | 43,921        | 40,734        |
| Total recognised gains for the year   |         | <u>5,866</u>  | <u>3,187</u>  |
| Closing reserves  |         | <u>49,787</u> | <u>43,921</u> |

**CONSOLIDATED CASH FLOW STATEMENT**  
**Year Ended 30 September 2014**

|  | Notes | 2014<br>€'000   | 2013<br>€'000   |
|--|-------|-----------------|-----------------|
| Net cash inflow from operating activities                              | 23    | 4,778           | 14,539          |
| Returns on investments and servicing of finance                        | 24    | 73              | 94              |
| Taxation paid  | 9     | (86)            | -               |
| Capital expenditure and financial investment                           | 25    | <u>(11,603)</u> | <u>(4,333)</u>  |
| Net cash (outflow)/inflow before use of liquid resources and financing |       | (6,838)         | 10,300          |
| Financing  | 26    | <u>(1,672)</u>  | <u>(1,875)</u>  |
| (Decrease)/Increase in cash in the period                              |       | <u>(8,510)</u>  | <u>8,425</u>    |
| <b>Reconciliation of net cash flow to movement in net funds/debt</b>   |       |                 |                 |
| (Decrease)/Increase in cash in the period                              |       | (8,510)         | 8,425           |
| Cash outflow from decrease in debt and lease financing                 |       | <u>1,672</u>    | <u>1,875</u>    |
| Change in net debt resulting from cashflows                            |       | (6,838)         | 10,300          |
| New finance leases   |       | <u>(29)</u>     | <u>(278)</u>    |
| Movement in net debt in period   | 27    | (6,867)         | 10,022          |
| Net debt at 1 October  | 27    | <u>(1,495)</u>  | <u>(11,517)</u> |
| Net debt at 30 September   | 27    | <u>(8,362)</u>  | <u>(1,495)</u>  |

## NOTES TO THE ACCOUNTS

|  |              |              |
|--|--------------|--------------|
| <b>1 State grants</b>  | <b>2014</b>  | <b>2013</b>  |
|  | <b>€'000</b> | <b>€'000</b> |
| State grants allocated for recurrent purposes                                      | 18,170       | 20,522       |
| The above grant income was received from the Higher Education Authority.           |              |              |
| <b>2 Academic fees</b>   | <b>2014</b>  | <b>2013</b>  |
|  | <b>€'000</b> | <b>€'000</b> |
| Academic fee income  | 63,797       | 58,781       |
| Miscellaneous fee income   | 742          | 810          |
| Total fees paid by or on behalf of individual students                             | 64,539       | 59,591       |
| Fee income includes payments on behalf of students from the following authorities; |              |              |
| Higher Education Authority   | 28,064       | 27,488       |
| Department of Health   | 387          | 328          |
| <b>3 Research grants and contracts</b>   | <b>2014</b>  | <b>2013</b>  |
|  | <b>€'000</b> | <b>€'000</b> |
| State/Semi State   | 28,680       | 30,747       |
| European Union   | 7,294        | 5,277        |
| Industry   | 2,773        | 2,453        |
| Other  | 5,021        | 4,353        |
|  | 43,768       | 42,830       |
| <b>4 Other income</b>  | <b>2014</b>  | <b>2013</b>  |
|  | <b>€'000</b> | <b>€'000</b> |
| Rental/Space Income  | 1,243        | 864          |
| Residences   | 3,389        | 3,062        |
| Arts Centre  | 1,864        | 2,003        |
| Retail/Office Supplies   | 1,801        | 1,739        |
| Translation & ELT Services   | 4,195        | 2,678        |
| Sports Facilities  | 1,881        | 1,660        |
| Catering   | 3,298        | 2,473        |
| Other income   | 1,825        | 2,485        |
|  | 19,496       | 16,964       |

## NOTES TO THE ACCOUNTS - continued

|          |                        |              |              |
|----------|------------------------|--------------|--------------|
| <b>5</b> | <b>Interest income</b> | <b>2014</b>  | <b>2013</b>  |
|          |                        | <b>€'000</b> | <b>€'000</b> |

|                 |     |     |
|-----------------|-----|-----|
| Interest income | 260 | 363 |
|-----------------|-----|-----|

|          |                    |
|----------|--------------------|
| <b>6</b> | <b>Staff costs</b> |
|----------|--------------------|

The average weekly number of persons employed by the Group during the period, expressed as full-time equivalent was 1,456 (2013: 1,442). Average staff numbers are analysed as follows:

|  | <b>2014</b>   | <b>2013</b>   |
|--|---------------|---------------|
|  | <b>Number</b> | <b>Number</b> |
| Teaching                                       | 446           | 457           |
| Research                                       | 372           | 347           |
| Technical, Central administration and services | 413           | 424           |
| Companies                                      | 225           | 214           |
|  | <u>1,456</u>  | <u>1,442</u>  |

|                      | <b>2014</b>    | <b>2013</b>    |
|----------------------|----------------|----------------|
|                      | <b>€'000</b>   | <b>€'000</b>   |
| Salaries and wages   | 85,983         | 86,728         |
| Social welfare costs | 6,839          | 6,754          |
| Other pension costs  | 13,229         | 12,192         |
| Net Payroll Cost     | <u>106,051</u> | <u>105,674</u> |

|          |                                 |              |              |
|----------|---------------------------------|--------------|--------------|
| <b>7</b> | <b>Other operating expenses</b> | <b>2014</b>  | <b>2013</b>  |
|          |                                 | <b>€'000</b> | <b>€'000</b> |

|   |               |               |
|---|---------------|---------------|
| Arts Centre expenses                    | 1,106         | 1,355         |
| Student Residences expenses             | 1,010         | 1,112         |
| Energy & Utility expenses               | 2,258         | 2,658         |
| Library                                 | 1,169         | 1,013         |
| Academic Consumables & related expenses | 8,138         | 7,334         |
| Premises Repairs & General Maintenance  | 3,555         | 3,590         |
| Research Materials & related expenses   | 13,554        | 12,633        |
| Professional expenses                   | 1,221         | 1,273         |
| Office Supplies                         | 1,394         | 1,217         |
| Student Services expenses               | 2,297         | 2,251         |
| Other expenses                          | <u>10,152</u> | <u>7,690</u>  |
|   | <u>45,854</u> | <u>42,126</u> |

Other operating expenses above includes auditors' remuneration:

|   |           |          |
|---|-----------|----------|
| Comptroller and Auditor General Statutory Audit                 | 30        | 30       |
| External Registered Auditor Financial Audit of University Group | 92        | 92       |
| External Registered Auditor Other Services                      | <u>15</u> | <u>9</u> |

Auditor remuneration disclosed above excludes VAT. The University has an Internal Audit function and the associated payroll costs for the financial year have been reported within staff costs.

## NOTES TO THE ACCOUNTS - continued

| 8 Interest payable                              | 2014<br>€'000 | 2013<br>€'000 |
|---|---------------|---------------|
| Interest payable on bank overdraft              | 24            | 21            |
| On bank loans and other loans:                  |               |               |
| Repayable within 5 years                        | 94            | 59            |
| Repayable wholly or partly in more than 5 years | 19            | 64            |
|   | 137           | 144           |
| On finance leases                               | 50            | 125           |
| Total   | 187           | 269           |

Interest is payable on loans taken out to build residential accommodation for students, a student centre, car parking facilities, a research and development facility, and sports facilities. Apart from the biotech research and development facility, these activities are carried out by subsidiary undertakings.

| 9 Taxation   | 2014<br>€'000 | 2013<br>€'000 |
|--|---------------|---------------|
| <i>Current taxation:</i>                                 |               |               |
| Irish Corporation tax on profits of subsidiary companies | 22            | -             |
| Foreign taxation   | 64            | -             |
| Tax charge for the year                                  | 86            | -             |

The university holds tax exempt status as does several subsidiary companies which have charitable exemption from tax purposes under Section 207 and 208 TCA 1997.

The current tax charge for the year is lower than the current charge that would result in applying the standard rate of 12.5% to relevant profits for the year.

|   | 2014<br>€'000 | 2013<br>€'000 |
|---|---------------|---------------|
| Profit before tax (including results of Joint Ventures) for the year          | 5,952         | 3,186         |
| Notional tax at standard rate of Irish Corporation Tax of 12.5% (2013: 12.5%) | 744           | 398           |
| Profits not subject to taxation   | (533)         | (379)         |
| Differences in effective overseas rates                                       | (42)          | -             |
| Expenses/Amortisation allowed for tax purposes                                | (92)          | (133)         |
| Donations to approved charity   | (115)         | (8)           |
| Capital Allowances for the year   | 181           | 139           |
| Income taxed at higher rate   | (16)          | (7)           |
| Losses carried forward  | (41)          | (1)           |
| Effective of utilisation of group losses                                      | -             | (9)           |
| Current tax charge for the year   | 86            | -             |

In accordance with FRS19, certain companies within the group have not recognised a potential deferred tax asset of €708k (2013: €751k) to the extent that it cannot be considered more probable than not that it can be recovered. The deferred tax asset relates primarily to losses carried forward.

## NOTES TO THE ACCOUNTS - continued

**10 Profit on operations for the period**

| <b>2014</b>  | <b>2013</b>  |
|--------------|--------------|
| <b>€'000</b> | <b>€'000</b> |

The profit on continuing operations for the period is made up as follows:

|   |              |              |
|---|--------------|--------------|
| Profit generated by the University              | 3,738        | 2,140        |
| Profit generated by the subsidiary undertakings | <u>2,128</u> | <u>1,047</u> |
|   | <u>5,866</u> | <u>3,187</u> |

Profits generated by the University and subsidiary companies reflect the out-turn in the year reported by each legal entity within the group. Intra group transactions are eliminated on consolidation.

## NOTES TO THE ACCOUNTS - continued

## 11 Tangible fixed assets

## CONSOLIDATED

## Cost or valuation

|                      |        |         |        |        |         |          |         |
|----------------------|--------|---------|--------|--------|---------|----------|---------|
| At 1 October 2013    | 41,983 | 295,840 | 20,150 | 75,974 | 3,624   | 60,612   | 498,183 |
| Additions            | -      | 1,166   | 135    | 339    | 11,457  | -        | 13,097  |
| Disposals            | -      | -       | (87)   | (630)  | -       | -        | (717)*  |
| Reclassifications    | -      | 17,573  | 600    | 14,654 | (6,120) | (26,707) | -       |
| At 30 September 2014 | 41,983 | 314,579 | 20,798 | 90,337 | 8,961   | 33,905   | 510,563 |

## Depreciation

|                       |   |        |        |        |   |          |         |
|-----------------------|---|--------|--------|--------|---|----------|---------|
| At 1 October 2013     | - | 76,350 | 19,793 | 72,153 | - | 12,555   | 180,851 |
| Depreciation for year | - | 6,674  | 766    | 13,971 | - | (12,555) | 8,856   |
| Disposals             | - | -      | (87)   | (630)  | - | -        | (717)   |
| At 30 September 2014  | - | 83,024 | 20,472 | 85,494 | - | -        | 188,990 |

## Net book value

|                      |        |         |     |       |       |        |         |
|----------------------|--------|---------|-----|-------|-------|--------|---------|
| At 1 October 2013    | 41,983 | 219,490 | 357 | 3,821 | 3,624 | 48,057 | 317,332 |
| At 30 September 2014 | 41,983 | 231,555 | 326 | 4,843 | 8,961 | 33,905 | 321,573 |

The Structured Finance Assets relate to buildings and equipment, which have been accounted for in accordance with the Financial Reporting Standard 5, Reporting the Substance of Transactions, issued by the Financial Reporting Council. These buildings and equipment are legally owned by external funding institutions and investors through special purpose companies. The commercial effect of the transactions surrounding the sale and ultimate repurchase of these buildings is that the University continues to bear all significant benefits and risks relating to the buildings and equipment.

Assets with a VAT inclusive cost of €6.9m (2013: €1.2m) completed during the year are reclassified from "Assets in course of Construction", (with a VAT exclusive construction cost of €6.1m), and are depreciated from the date when brought into use.



## NOTES TO THE ACCOUNTS - continued

## 11 Tangible fixed assets – continued

## UNIVERSITY

## Cost

|                      |        |         |        |        |          |         |
|----------------------|--------|---------|--------|--------|----------|---------|
| At 1 October 2013    | 41,983 | 198,338 | 19,585 | 62,814 | 26,707   | 349,427 |
| Additions            | -      | 1,790   | 121    | 105    | -        | 2,016   |
| Disposals            | -      | -       | (87)   | (630)  | -        | (717)   |
| Reclassifications    | -      | 14,158  | 600    | 11,949 | (26,707) | -       |
| At 30 September 2014 | 41,983 | 214,286 | 20,219 | 74,238 | -        | 350,726 |

## Depreciation

|                       |   |        |        |        |          |         |
|-----------------------|---|--------|--------|--------|----------|---------|
| At 1 October 2013     | - | 44,696 | 19,455 | 60,280 | 12,555   | 136,986 |
| Depreciation for year | - | 4,357  | 732    | 13,224 | (12,555) | 5,758   |
| Disposals             | - | -      | (87)   | (630)  | -        | (717)   |
| At 30 September 2014  | - | 49,053 | 20,100 | 72,874 | -        | 142,027 |

## Net book value

|                      |        |         |     |       |        |         |
|----------------------|--------|---------|-----|-------|--------|---------|
| At 1 October 2013    | 41,983 | 153,642 | 130 | 2,534 | 14,152 | 212,441 |
| At 30 September 2014 | 41,983 | 165,233 | 119 | 1,364 | -      | 208,699 |

Included in buildings are assets under construction of €1.9m (2013: €1.9m) that are depreciated from the date when brought into use. Tangible assets held under finance leases are as follows:

|                                  | Consolidated<br>2014<br>€'000 | University<br>2013<br>€'000 |
|----------------------------------|-------------------------------|-----------------------------|
| Net book value at 30 September   | 70                            | 140                         |
| Depreciation charge for the year | 255                           | 138                         |

## NOTES TO THE ACCOUNTS - continued

## 11 Tangible Fixed Assets (Continued)

The University holds and maintains certain heritage assets, such as paintings, sculptures and other artworks. There are no heritage assets capitalised in the financial statements as each individual item is valued at less than the €150,000 threshold. The University conserves these assets for research and teaching, and for interaction between the University and its staff and the public. All costs in relation to preservation, conservation and protection are expensed as incurred. There were no additions or disposals of heritage assets between 01 October 2013 and 30 September 2014.

The University operates an on-going preservation programme in respect of the different formats and media under its curation, with relevant items held in secure locations. The University library maintains a secure vault for archival materials. The University holds the personal archive of former Taoiseach Charles J Haughey and the archives of Professor Colum Kenny which contains correspondence from Patrick Pearse, Roger Casement, Arthur Griffith and other prominent figures from Irish history. The archives were donated to the University. It is considered that the uniqueness and historical significance of such assets is such, that no meaningful valuation can be attributed to them.

## 12 Financial assets

|   | Consolidated |          | University |          |
|---|--------------|----------|------------|----------|
|   | 2014         | 2013     | 2014       | 2013     |
|   | €'000        | €'000    | €'000      | €'000    |
| Investments at the year end were held as follows: |              |          |            |          |
| Subsidiary companies                              | -            | -        | 1          | 1        |
| Investment in Joint Ventures                      | (96)         | -        | -          | -        |
| Other   | -            | -        | -          | -        |
|   | <u>(96)</u>  | <u>-</u> | <u>1</u>   | <u>1</u> |

The University held the following subsidiary and associate undertakings at the balance sheet date:

| Subsidiary undertakings                          | Principal activity                     | Interest %    | Registered office/place of business |
|--|--|---------------|-------------------------------------|
| <b>Incorporated</b>                              |  |               |                                     |
| DCU Commercial Limited (DCL)                     | Holding Company & Facility Operator    | 100%          | Earlsfort Terrace, Dublin 2         |
| Fluorocap Limited                                | Technology Licensing                   | 65%           | Earlsfort Terrace, Dublin 2         |
| Dunroamin Properties Limited                     | Property Rental                        | 100%          | Earlsfort Terrace, Dublin 2         |
| <b>Holding Company Incorporated Subsidiaries</b> |  | <b>of DCL</b> |                                     |
| Campus Property Limited                          | Retail & Property Rental               | 100%          | Earlsfort Terrace, Dublin 2         |
| Campus Residences Limited                        | Student Residences                     | 100%          | Earlsfort Terrace, Dublin 2         |
| DCU Executive Education Limited                  | Executive Education                    | 100%          | Earlsfort Terrace, Dublin 2         |
| DCU Healthy Living Centre Limited                | Delivery of Healthcare Services        | 100%          | Earlsfort Terrace, Dublin 2         |
| DCU Ryan Academy                                 | Entrepreneurship                       | 100%          | Earlsfort Terrace, Dublin 2         |
| DCULS Limited                                    | Translation Services                   | 100%          | Earlsfort Terrace, Dublin 2         |
| Dublin Business School Fund Limited              | Property Rental                        | 100%          | Earlsfort Terrace, Dublin 2         |
| Dublin Software Park Limited                     | Property Development & Property Rental | 100%          | Earlsfort Terrace, Dublin 2         |
| Invent DCU Limited                               | Business Incubation                    | 100%          | Earlsfort Terrace, Dublin 2         |
| Trispace Limited                                 | Catering & Sports                      | 100%          | Earlsfort Terrace, Dublin 2         |
| UAC Management Limited                           | Arts Centre                            | 100%          | Earlsfort Terrace, Dublin 2         |

## NOTES TO THE ACCOUNTS - continued

**Associated undertakings (DCU)**

|   |                      |                     |                             |
|---|----------------------|---------------------|-----------------------------|
| 3U Collaboration Ltd                    | Education & Research | 33 <sup>1/3</sup> % | North Wall Quay, Dublin 1   |
| Centre for Software Engineering Limited | Software Training    | 25%                 | Earlsfort Terrace, Dublin 2 |
| Gas Sensors Solutions Limited           | Sensor Systems       | 5%                  | Earlsfort Terrace, Dublin 2 |

The associated undertakings are not consolidated.

3U Collaboration Ltd is a joint venture between the Royal College of Surgeons, Dublin City University, and NUI Maynooth; with the principal activity of the company to develop world class educational and research opportunities through a collaborative approach among the three institutions.

| 13 Stocks | 2014<br>€'000 | Consolidated<br>2013<br>€'000 | 2014<br>€'000 | University<br>2013<br>€'000 |
|-----------|---------------|-------------------------------|---------------|-----------------------------|
| Stocks    | 391           | 394                           | 207           | 210                         |
|           | <u>391</u>    | <u>394</u>                    | <u>207</u>    | <u>210</u>                  |

There is no material difference between the balance sheet amount of stocks and its replacement cost.

| 14 Debtors                               | 2014<br>€'000 | Consolidated<br>2013<br>€'000 | 2014<br>€'000 | University<br>2013<br>€'000 |
|--|---------------|-------------------------------|---------------|-----------------------------|
| <b>Due within one year</b>               |               |                               |               |                             |
| Trade debtors/prepayments                | 8,412         | 9,068                         | 6,575         | 7,316                       |
| Research grants and contracts receivable | 7,257         | 7,276                         | 7,257         | 7,276                       |
| Amounts due from subsidiary undertakings | -             | -                             | 24,995        | 15,291                      |
|  | <u>15,669</u> | <u>16,344</u>                 | <u>38,827</u> | <u>29,883</u>               |
| <b>Due after one year</b>                |               |                               |               |                             |
| Other Debtors                            | 12            | 366                           | -             | -                           |
|  | <u>15,681</u> | <u>16,710</u>                 | <u>38,827</u> | <u>29,883</u>               |

| 15 Creditors: Amounts falling due within one year | 2014<br>€'000 | Consolidated<br>2013<br>€'000 | 2014<br>€'000 | University<br>2013<br>€'000 |
|---|---------------|-------------------------------|---------------|-----------------------------|
| Overdraft (note 17)                               | 1,637         | 3,763                         | 712           | -                           |
| Research grants and contracts in advance          | 22,502        | 27,541                        | 22,502        | 27,541                      |
| Bank loan (note 17)                               | 1,488         | 1,463                         | 230           | 230                         |
| Obligations under finance leases (note 17)        | 74            | 125                           | 51            | 46                          |
| State grants in advance                           | 1,126         | 496                           | 1,126         | 496                         |
| Structured finance creditor                       | -             | 3,184                         | -             | 3,184                       |
| Trade creditors, accruals, other creditors        | <u>36,377</u> | <u>33,618</u>                 | <u>28,426</u> | <u>26,871</u>               |
|   | <u>63,204</u> | <u>70,190</u>                 | <u>53,047</u> | <u>58,368</u>               |

## NOTES TO THE ACCOUNTS - continued

| 16 Creditors: Amounts falling due after one year | Consolidated  |               | University    |               |
|--|---------------|---------------|---------------|---------------|
|  | 2014<br>€'000 | 2013<br>€'000 | 2014<br>€'000 | 2013<br>€'000 |
| Bank loans (note 17)                             | 2,219         | 3,788         | 335           | 566           |
| Amounts due to investors                         | 33,905        | 33,905        | -             | -             |
| Obligations under finance leases (note 17)       | 97            | 145           | 97            | 122           |
|  | <u>36,221</u> | <u>37,838</u> | <u>432</u>    | <u>688</u>    |

Under the structured finance arrangement, the new Student Residences facility with a total value of €37.745m (VAT exclusive) was transferred to investors in 2005. This building is accounted for in accordance with Financial Reporting Standard 5 and has been reflected at the option price on repurchase from investors of €33.905m.

| 17 Borrowings | Consolidated  |               | University    |               |
|---------------|---------------|---------------|---------------|---------------|
|               | 2014<br>€'000 | 2013<br>€'000 | 2014<br>€'000 | 2013<br>€'000 |

## (a) Bank loans and overdrafts

Bank loans and overdrafts are repayable as follows:

|                       |              |              |              |            |
|-----------------------|--------------|--------------|--------------|------------|
| Overdraft             | 1,637        | 3,763        | 712          | -          |
| In one year or less   | 1,488        | 1,463        | 230          | 230        |
| Greater than one year | <u>2,219</u> | <u>3,788</u> | <u>335</u>   | <u>566</u> |
| Total                 | <u>5,344</u> | <u>9,014</u> | <u>1,277</u> | <u>796</u> |

The group has entered into certain negative covenants with Allied Irish Banks plc restricting the creation of mortgages or charges over its assets.

## (b) Finance leases

The net finance lease obligations to which the institution is committed are:

|                       | Consolidated  |               | University    |               |
|-----------------------|---------------|---------------|---------------|---------------|
|                       | 2014<br>€'000 | 2013<br>€'000 | 2014<br>€'000 | 2013<br>€'000 |
| In one year or less   | 74            | 125           | 51            | 46            |
| Greater than one year | <u>97</u>     | <u>145</u>    | <u>97</u>     | <u>122</u>    |
| Total                 | <u>171</u>    | <u>270</u>    | <u>148</u>    | <u>168</u>    |

## NOTES TO THE ACCOUNTS - continued

## 18 Deferred capital grants

| <b>Analysis of Deferred Capital Grants &amp; Reserves</b> | <b>HEA</b>    | <b>Other grants<br/>&amp; benefactors</b> | <b>Total</b>   |
|---|---------------|---|----------------|
| <b>Consolidated</b>                                       | <b>€'000</b>  | <b>€'000</b>                              | <b>€'000</b>   |
| <b>At 1 October 2013</b>                                  |               |   |                |
| Buildings   | 90,069        | 129,963                                   | 220,032        |
| Equipment   | 2,318         | 1,757                                     | 4,075          |
| <b>Total</b>  | <b>92,387</b> | <b>131,720</b>                            | <b>224,107</b> |
| <b>Grants receivable</b>                                  |               |   |                |
| Buildings   | 561           | 304                                       | 865            |
| Equipment   | -             | 600                                       | 600            |
| <b>Total</b>  | <b>561</b>    | <b>904</b>                                | <b>1,465</b>   |
| <b>Released to income and expenditure</b>                 |               |   |                |
| Buildings   | 2,134         | 3,003                                     | 5,137          |
| Equipment   | 279           | 835                                       | 1,114          |
| <b>Total</b>  | <b>2,413</b>  | <b>3,838</b>                              | <b>6,251</b>   |
| <b>At 30 September 2014</b>                               |               |   |                |
| Buildings   | 88,496        | 127,264                                   | 215,760        |
| Equipment   | 2,039         | 1,522                                     | 3,561          |
| <b>Total</b>  | <b>90,535</b> | <b>128,786</b>                            | <b>219,321</b> |

## NOTES TO THE ACCOUNTS - continued

## 18 Deferred capital grants – continued

| University                                | HEA<br>€'000  | Other grants<br>& benefactors<br>€'000 | Total<br>€'000 |
|---|---------------|--|----------------|
| <b>At 1 October 2013</b>                  |               |  |                |
| Buildings                                 | 85,188        | 81,951                                 | 167,139        |
| Equipment                                 | 2,316         | 1,986                                  | 4,302          |
| <b>Total</b>                              | <b>87,504</b> | <b>83,937</b>                          | <b>171,441</b> |
| <b>Grants receivable</b>                  |               |  |                |
| Buildings                                 | 561           | 821                                    | 1,382          |
| Equipment                                 | -             | 97                                     | 97             |
| <b>Total</b>                              | <b>561</b>    | <b>918</b>                             | <b>1,479</b>   |
| <b>Released to income and expenditure</b> |               |  |                |
| Buildings                                 | 1,854         | 1,542                                  | 3,396          |
| Equipment                                 | 279           | 439                                    | 718            |
| <b>Total</b>                              | <b>2,133</b>  | <b>1,981</b>                           | <b>4,114</b>   |
| <b>At 30 September 2014</b>               |               |  |                |
| Buildings                                 | 83,895        | 81,230                                 | 165,125        |
| Equipment                                 | 2,037         | 1,644                                  | 3,681          |
| <b>Total</b>                              | <b>85,932</b> | <b>82,874</b>                          | <b>168,806</b> |

## NOTES TO THE ACCOUNTS - continued

## 19 Reconciliation of movement of reserves

|                      | 2014<br>€'000 | 2013<br>€'000 |
|----------------------|---------------|---------------|
| <b>Consolidated</b>  |               |               |
| At 1 October         | 43,921        | 40,734        |
| Profit on operations | 5,866         | 3,187         |
| At 30 September      | <u>49,787</u> | <u>43,921</u> |
| <b>University</b>    |               |               |
| At 1 October         | 34,966        | 32,826        |
| Profit on operations | 3,738         | 2,140         |
| At 30 September      | <u>38,704</u> | <u>34,966</u> |

## 20 Contingencies

There are no contingent liabilities except on certain bank borrowings and structured finance arrangements.

DCU Commercial Limited has guaranteed the obligations of Campus Residences Limited under an agreement entered into by it with the investors in relation to fit out and management of the student residences.

Dublin Business School Fund Limited has issued a letter of guarantee in respect of a finance lease held by DCU Commercial Limited with AIB Financing Limited, the amount currently owed is €NIL (2013: €0.03m).

In relation to working capital facilities, the University has given a negative pledge to Allied Irish Banks plc that it will not create, agree to create or permit any mortgage, charge or other encumbrance of any nature over any of its assets, without first discussing it with Allied Irish Banks plc. The University has undertaken not to dispose of the shareholding in DCU Commercial Limited, the holding company, without the prior written consent of Allied Irish Bank plc.

## NOTES TO THE ACCOUNTS - continued

|    |  |              |            |
|----|--|--------------|------------|
| 21 | Capital commitments  | Consolidated | University |
|    |  | 2014         | 2013       |
|    |  | €'000        | €'000      |
|    | Contracted for but not provided  | 4,921        | 11,488     |
|    | Authorised but not contracted out  | 3,094        | 2,040      |
|    |  | 8,015        | 13,528     |
| 22 | Financial commitments  | 2014         | 2013       |
|    |  | €'000        | €'000      |
|    | At 30 September the group had annual commitments under non-cancellable operating leases of:  | 17           | 103        |
| 23 | Reconciliation of consolidated operating profit to net cash inflow from operating activities | 2014         | 2013       |
|    |  | €'000        | €'000      |
|    | Profit on operations after depreciation of assets  | 6,048        | 3,186      |
|    | Depreciation   | 8,856        | 9,818      |
|    | Deferred capital grants released to income   | (6,251)      | (7,285)    |
|    | Interest payable   | 187          | 269        |
|    | Decrease in stocks   | 3            | 33         |
|    | Decrease/(increase) in debtors   | 1,029        | (809)      |
|    | (Decrease)/increase in creditors   | (4,834)      | 9,690      |
|    | Interest receivable  | (260)        | (363)      |
|    | Net cash inflow from operating activities  | 4,778        | 14,539     |
| 24 | Returns on investments and servicing of finance  | 2014         | 2013       |
|    |  | €'000        | €'000      |
|    | Other interest received  | 260          | 363        |
|    | Interest paid  | (137)        | (144)      |
|    | Interest element of finance lease rental payment   | (50)         | (125)      |
|    | Net cash inflow from returns on investments and servicing of finance                         | 73           | 94         |
| 25 | Capital expenditure and financial investment   | 2014         | 2013       |
|    |  | €'000        | €'000      |
|    | Purchase of tangible fixed assets  | (13,068)     | (5,646)    |
|    | Deferred capital grants received   | 1,465        | 1,313      |
|    | Net cash outflow from capital expenditure and financial investment                           | (11,603)     | (4,333)    |



## NOTES TO THE ACCOUNTS - continued

| 26 Financing                                     | 2014<br>€'000  | 2013<br>€'000  |
|--|----------------|----------------|
| Debt due within one year:                        |                |                |
| Increase in short term borrowings                | 25             | 129            |
| Debt due beyond one year:                        |                |                |
| Decrease in long term borrowings                 | (1,569)        | (1,634)        |
| Capital element of finance lease rental payments | <u>(128)</u>   | <u>(370)</u>   |
| Net cash outflow from financing                  | <u>(1,672)</u> | <u>(1,875)</u> |

| 27 Analysis of changes in net debt | At<br>1 October<br>2013<br>€'000 | Cashflows<br>€'000 | Other<br>changes<br>€'000 | At<br>30 September<br>2014<br>€'000 |
|------------------------------------|----------------------------------|--------------------|---------------------------|-------------------------------------|
| Cash at bank                       | 41,694                           | (10,636)           | -                         | 31,058                              |
| Overdraft                          | <u>(3,763)</u>                   | <u>2,126</u>       | <u>-</u>                  | <u>(1,637)</u>                      |
|                                    | 37,931                           | (8,510)            | -                         | 29,421                              |
| Debt due within 1 year             | (1,463)                          | (25)               | -                         | (1,488)                             |
| Debt due after 1 year              | (37,693)                         | 1,569              | -                         | (36,124)                            |
| Finance leases                     | <u>(270)</u>                     | <u>128</u>         | <u>(29)</u>               | <u>(171)</u>                        |
| Total                              | <u>(1,495)</u>                   | <u>(6,838)</u>     | <u>(29)</u>               | <u>(8,362)</u>                      |

## 28 Related parties

Transactions with subsidiaries of the University have been eliminated on consolidation and no disclosure of these transactions has therefore been given. The University has no related party transactions which require disclosure under FRS 8.

| 29 Minority Interest   | 2014<br>€'000 | Consolidated<br>2013<br>€'000 | 2014<br>€'000 | University<br>2013<br>€'000 |
|------------------------|---------------|-------------------------------|---------------|-----------------------------|
| At 1 October           | 74            | 75                            | -             | -                           |
| Share of loss for year | <u>-</u>      | <u>(1)</u>                    | <u>-</u>      | <u>-</u>                    |
| At 30 September        | <u>74</u>     | <u>74</u>                     | <u>-</u>      | <u>-</u>                    |

This relates to the minority interest in Fluorocap Limited (35%).

## NOTES TO THE ACCOUNTS - continued

## 30 Retirement benefits

University

## (a) Defined benefit pension scheme

The University operates a defined benefit pension scheme which is unfunded.

The valuation used for the FRS17 disclosure has been based on the actuarial valuation at 30 September 2014 by a qualified independent actuary to take account of the requirements of FRS17 in order to assess the schemes liabilities at 30 September 2014. The financial assumptions used to calculate scheme liabilities at 30 September 2014 under FRS17 are;

|   | 2014  | 2013  | 2012  |
|---|-------|-------|-------|
| Rate of increase in salaries            | 3.75% | 4.25% | 4.25% |
| Rate of increase in pensions in payment | 2.75% | 3.25% | 3.25% |
| Discount rate                           | 2.75% | 3.90% | 4.30% |
| Revaluation in deferment                | 2.75% | 3.25% | 3.25% |

Weighted average life expectancy for mortality tables used to determine benefit obligations:

|   | 2014<br>Years | 2013<br>Years | 2012<br>Years |
|---|---------------|---------------|---------------|
| <u>Pensioners- implied life expectancy for a 65 year old</u>  |               |               |               |
| Male member age 65 (current life expectancy)  | 23.5          | 23.3          | 23.2          |
| Female member age 65 (current life expectancy)  | 24.9          | 24.8          | 24.6          |
| <u>Actives / deferrals – implied life expectancy for a 40 year old retiring in 25 years' time at age 65</u> |               |               |               |
| Male member age 40 (life expectancy at age 65)  | 26.5          | 26.4          | 26.3          |
| Female member age 40 (life expectancy at age 65)  | 27.5          | 27.4          | 27.3          |

## (b) Net deferred funding for pensions in year

|  | 2014<br>€'000 | 2013<br>€'000 |
|--|---------------|---------------|
| Funding recoverable in respect of current year pension costs | 30,204        | 29,293        |
| State grant applied to pay pensions                          | (6,297)       | (5,207)       |
| Net pension funding  | <u>23,907</u> | <u>24,086</u> |

## NOTES TO THE ACCOUNTS - continued

## (c) Analysis of total pension costs for the year

|  | 2014<br>€'000 | 2013<br>€'000 |
|--|---------------|---------------|
| Current service cost                   | 16,912        | 16,245        |
| Interest on pension scheme liabilities | 15,692        | 15,775        |
| Employee contributions                 | (3,772)       | (4,142)       |
|  | <u>28,832</u> | <u>27,878</u> |

## (d) Deferred funding asset for pensions

The University recognises amounts owing from the State for the unfunded deferred liability for pensions on the basis of a number of past events. These events include the statutory backing for the superannuation scheme, and the policy and practice in relation to funding public service pensions including the annual estimates process. The University holds a commitment from the Higher Education Authority to meet the liabilities of the scheme. The deferred funding asset as at 30 September 2014 amounted to €495m (2013: €397m).

## (e) Movement in net pension liability during the financial year

|   | 2014<br>€'000  | 2013<br>€'000  |
|---|----------------|----------------|
| Net pension liability at 1 <sup>st</sup> October    | 397,278        | 361,606        |
| Current service cost                                | 16,912         | 16,245         |
| Interest costs                                      | 15,692         | 15,775         |
| Actuarial loss                                      | 71,513         | 8,859          |
| Pensions paid in year                               | (6,297)        | (5,207)        |
| Net pension liability at 30 <sup>th</sup> September | <u>495,098</u> | <u>397,278</u> |

## (f) History of experience gains and losses

|   | 2014<br>€'000 | 2013<br>€'000 | 2012<br>€'000 |
|---|---------------|---------------|---------------|
| Experience (gains)/losses on scheme liabilities                         | (11,907)      | (27,932)      | 43,997        |
| Percentage of the present value of scheme liabilities                   | (2.40%)       | (7.03%)       | 12.17%        |
| Total amount recognised in Statement of Total Recognised Gains & Losses | 71,513        | 8,859         | 113,732       |
| Percentage of the present value of scheme liabilities                   | 14.44%        | 2.23%         | 31.45%        |
| Net effect in Statement of Total Recognised Gains & Losses              | -             | -             | -             |

**NOTES TO THE ACCOUNTS - continued****30 Retirement benefits (Continued)****Subsidiary Companies****(a) Defined contribution pension scheme**

The total pension payments made by subsidiary companies in respect of the defined contribution fund were as follows;

|               | 2014<br>€'000 | 2013<br>€'000 |
|---------------|---------------|---------------|
| Pension Costs | 89            | 89            |

**31 DCU Educational Trust**

The Trust was formed on 18 October 1988. One of the main objectives of the Trust is the promotion of improved education for both undergraduate and postgraduate students of Dublin City University. The Trust is a charitable trust within the meaning of s207 of the Taxes Consolidation Act, 1997. As a separate legal entity to the University, the trustees of the Educational Trust are responsible for the governance of the Trust.

The net assets of the Trust amount to €16.1m (2013: €15.8m). The amount owed by the Trust to the University at the reporting date is €1.16m (2013: €1.5m).

**32 Comparative Figures**

Comparative amounts have been restated, where necessary, on the same basis as those for the current year.

**33 Approval of financial statements**

The financial statements were approved by the Governing Authority on 28 April 2016.



**Dublin City University**

**Year ended 30 September 2014**

**Reconciliation with HEA Funding Statement**

|   | Consolidated<br>financial<br>statements<br>€'000 | Subsidiary<br>Adjustments<br>€'000 | GAAP<br>adjustments<br>€'000 | HEA funding<br>statement<br>€'000 |
|---|--|------------------------------------|------------------------------|-----------------------------------|
| <b>INCOME</b>                                   |  |                                    |                              |                                   |
| State grants                                    | 18,170   | -                                  | 6,297                        | 24,467                            |
| Academic fees                                   | 64,539   | (344)                              | (4,734)                      | 59,461                            |
| Research grants and contracts                   | 43,768   | -                                  | 2,291                        | 46,059                            |
| Amortisation of deferred capital<br>Grants      | 6,251  | (2,137)                            | 15,554                       | 19,668                            |
| Other operating income                          | 19,496   | (17,407)                           | 4,534                        | 6,623                             |
| Interest income                                 | 260  | 102                                | -                            | 362                               |
| Pension income                                  | 30,204   | -                                  | (30,204)                     | -                                 |
| <b>Total income</b>                             | <b>182,688</b>                                   | <b>(19,786)</b>                    | <b>(6,262)</b>               | <b>156,640</b>                    |
| <b>EXPENDITURE</b>                              |  |                                    |                              |                                   |
| Staff costs                                     | 106,051  | (7,389)                            | (4,783)                      | 93,879                            |
| Other operating expenses                        | 45,854   | (6,914)                            | 4,151                        | 43,091                            |
| Interest payable                                | 187  | (139)                              | (48)                         | -                                 |
| Interest on Pension Liabilities                 | 15,692   | -                                  | (15,692)                     | -                                 |
| Depreciation                                    | 8,856  | (3,098)                            | 13,910                       | 19,668                            |
| <b>Total expenditure</b>                        | <b>176,640</b>                                   | <b>(17,540)</b>                    | <b>(2,462)</b>               | <b>156,638</b>                    |
| Profit for the year before<br>Minority interest | 6,048  | (2,246)                            | (3,800)                      | 2                                 |
| Share of Joint Venture                          | (96)   | 96                                 | -                            | -                                 |
| Taxation  | (86)   | 22                                 | 64                           | -                                 |
| Minority Interest                               | -  | -                                  | -                            | -                                 |
| <b>Profit for the year after<br/>taxation</b>   | <b>5,866</b>                                     | <b>(2,128)</b>                     | <b>(3,736)</b>               | <b>2</b>                          |