

# **HEA Funding Statement**

**For The Year Ended**

**30 September 2014**



The financial statements include elements of both recurrent and capital expenditure that has been funded or co-funded, in conjunction with the following agencies and funding programmes:



Clár Chisti Struchtúracha Aif  
na hÉireann 2007/2013

Comhaontuithe ag Rialtas na hÉireann  
agus ag an Aontas Eorpach



**EUROPEAN UNION  
STRUCTURAL FUNDS**



National Development Plan 2007-2013



A R I O I N É N | DEPARTMENT OF  
OIDEACHAIS | EDUCATION  
AGUS EOLAÍOCHTA | AND SCIENCE



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

**HEA**

**Higher Education Authority  
An tÚdarás um Ard-Oideachas**

*“Investing in your future”*

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## STATEMENT OF GOVERNING AUTHORITY 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.

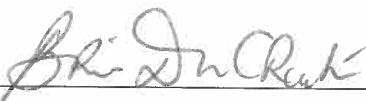
In preparing those accounts, the University is required to:

- 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



Professor Brian MacCraith

## INDEPENDENT AUDITOR'S REPORT

### **Report of the Auditors To the Governing Authority of Dublin City University**

We have audited the financial statements of Dublin City University for the year ended 30 September 2014 which comprise the Statement of Accounting Policies, the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 37. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the members of the Governing Authority of Dublin City University as a body. Our audit work has been undertaken so that we might state to the members of Governing Authority those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members of Governing Authority as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of University and auditors**

The University is responsible for preparing the financial statements, as set out in the Statement of Responsibilities, in accordance with Section 39 of the Universities Act 1997, the agreed accounting policies and harmonised format of financial statements for Irish Universities. The Harmonisation of Accounts Agreement is not in agreement with accounting standards issued by the Accounting Standards Board and published by Chartered Accountants Ireland (Generally Accepted Accounting Principles in Ireland).

Our responsibility, as independent auditors, is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with Irish statute comprising the University Act 1997, the agreed accounting policies and the harmonised format of financial statements for Irish Universities. We also report to you whether, in our opinion, proper books of account have been kept by the University. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the University's balance sheet is in agreement with the books of account.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the University in the preparation of the financial statements and of whether the accounting policies are appropriate to the University's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we evaluated the overall adequacy of the presentation of information in the financial statements.

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## INDEPENDENT AUDITOR'S REPORT

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### Opinion

In our opinion, the financial statements give a true and fair view in accordance with the provisions of the Universities Act 1997 and the agreed accounting policies and harmonised format of financial statements for Irish Universities of the state of affairs of Dublin City University as at 30 September 2014 and of its surplus for the year then ended and have been properly prepared on that basis.

We have obtained all the information and explanations we considered necessary for the purpose of our audit. In our opinion proper books of account have been kept by the University. The University's balance sheet and its income and expenditure are in agreement with the books of account.

  
**Mazars**  
**Chartered Accountants and Registered Auditors**  
**Dublin 2**

*7 May 2015*  
**7 May 2015**

## STATEMENT OF ACCOUNTING POLICIES

### **A. Financial Statements**

The Financial Statements reflect the teaching, research and related service activities of Dublin City University. The Financial Statements of the University's Trust Fund and of financially independent ancillary activities are prepared annually and audited separately.

### **B. Accounting Convention**

The Financial Statements are prepared under the historical cost convention, modified by the revaluation of certain lands and buildings. They are presented in accordance with the most recent 'Harmonisation of Accounts' format as adopted by all Irish Universities.

### **C. Unit of Currency**

The amounts in the Financial Statements are stated in Euro.

### **D. State Grants for Recurrent Expenditure**

Recurrent Grants have been recognised on an accruals basis. Recurrent Grants which have been used for the purchase of fixed assets and for the financing of the capital portion of lease charges are transferred to Fixed Assets and General Reserve.

### **E. State Grants for Capital Expenditure**

State Grants approved by the Higher Education Authority, the Department of Education & Skills, and the Department of Health & Children for capital expenditure are included in the Financial Statements of the period to the extent of cash received.

### **F. Fee Income**

Fee Income is accounted for on an accruals basis.

### **G. Approved Allocations**

The Income and Expenditure Account is prepared on an accruals basis except for recurrent funding allocated for capital purposes.

### **H. Fixed Assets and Depreciation**

Land has been valued on the existing use basis on 30 September 1999 at a valuation of €126,974 per acre.

Buildings acquired and constructed prior to 30 September 1999 have been valued on an existing use basis at a standard cost of €2,413 per square metre. All subsequent additions are stated at cost.

Prefabricated Buildings, Furniture and Equipment and Motor Vehicles are stated at cost less accumulated depreciation.

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

**STATEMENT OF ACCOUNTING POLICIES**

Buildings	50 years
Prefabricated Buildings	10 years
Furniture and Equipment (Pre 2005)	10 years
Furniture and Equipment	5 years
Computer Equipment	3 years
Motor vehicles	5 years
Leased Assets	Useful life or lease period if shorter

Assets costing less than €10,000 per individual item or group of related items are expensed in the year of acquisition.

**I. Leased Assets**

The cost of fixed assets acquired under finance leases is included in Fixed Assets and written off over the estimated useful lives of the assets at the rates set out in the policy above, or over the lease period if shorter.

**J. General Reserve**

The general reserve represents the value of funding, after amortisation, applied for capital purposes.

**K. Research Grants and Projects**

Income from contract research grants is included in the Income and Expenditure Account to the extent that the related expenditure has been incurred. Fixed Assets purchased through Research Grants are included in Fixed Assets on the Balance Sheet.

**L. Stocks**

Stocks are stated at the lower of cost and net realisable value.

**M. 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. Accordingly, the financial statements do not provide for the University's liability in respect of contributions made by members of the scheme or its actuarial superannuation liability to the members of the scheme. The disclosure requirements of the accounting standard FRS 17 'Retirement Benefits' have not been adopted in these financial statements which are presented in accordance with the 'Harmonisation of Accounts' format as adopted by all Irish universities. Full compliance with the accounting standard has occurred in the consolidated financial statements.

**N. Taxation**

No provision has been made for taxation, as the University holds tax exempt status.

**O. Foreign Currencies**

Costs denominated in foreign currencies are translated at the exchange rates ruling at the dates of the transactions. Assets and liabilities denominated in foreign currencies are translated into Euro at the rates of exchange ruling at the Balance Sheet date. The resulting profits or losses are dealt within the Income and Expenditure account.



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

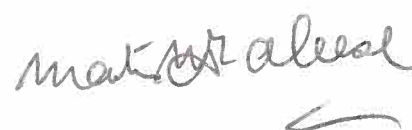
	Notes	2014 Euro '000	2013 Euro '000
<b>INCOME</b>			
State Grants	2	24,467	25,729
Student Fees	3	59,461	57,878
Other Income	4	6,985	6,803
		<u>90,913</u>	<u>90,410</u>
St. Patricks College, Drumcondra	1	33,347	18,453
Mater Dei Institute of Education	1	2,651	2,846
Research Grants and Projects	5	46,059	42,833
		<u>82,057</u>	<u>64,132</u>
Total Income		<u>172,970</u>	<u>154,542</u>
<b>EXPENDITURE</b>			
Academic Faculties and Departments	6	53,032	53,358
Academic and Other Services	7	5,686	5,748
Premises	8	7,456	7,908
Amount Allocated for Capital Purposes	9	2,702	1,865
Central Administration and Services	10	9,734	10,381
General Educational Expenditure	11	621	771
Student Services	12	5,383	5,169
Miscellaneous Expenditure	13	6,297	5,207
		<u>90,911</u>	<u>90,407</u>
St. Patricks College, Drumcondra	1	33,347	18,453
Mater Dei Institute of Education	1	2,651	2,846
Research Grants and Projects	5	46,059	42,833
		<u>82,057</u>	<u>64,132</u>
Total Expenditure	14	<u>172,968</u>	<u>154,539</u>
Surplus on Activities before Amortisation of Capital Reserves and Grants and Depreciation of Fixed Assets		2	3
Depreciation of Fixed Assets	15	(19,668)	(8,351)
General Reserve movement	16	<u>19,668</u>	<u>8,351</u>
Surplus for the year		<u>2</u>	<u>3</u>

The Statement of Accounting Policies, Cash Flow Statements and Notes 1 to 37 form part of the Financial Statements

Signed:

President

Chancellor

**BALANCE SHEET**  
**As At 30 September 2014**

	Notes	2014 Euro '000	2013 Euro '000
<b>FIXED ASSETS</b>	17	<u>258,642</u>	<u>249,587</u>
<b>INVESTMENTS</b>	18	<u>1</u>	<u>23,524</u>
<b>CURRENT ASSETS</b>			
Cash on hand and at bank		13,255	22,928
Debtors and Prepayments	19	42,429	30,609
Stocks	20	<u>142</u>	<u>166</u>
		<u>55,826</u>	<u>53,703</u>
<b>Less: CURRENT LIABILITIES</b>			
Creditors and Accrued Expenditure	21	93,379	91,211
Bank Overdraft		<u>712</u>	<u>-</u>
		<u>94,091</u>	<u>91,211</u>
<b>NET CURRENT LIABILITIES</b>		<u>(38,265)</u>	<u>(37,508)</u>
<b>LONG TERM LIABILITIES</b>			
Creditors due after one year	22	432	688
		<u>219,946</u>	<u>234,915</u>
<b>REPRESENTED BY:</b>			
General Reserve	25	219,608	209,288
Restricted Reserve	26	-	25,291
Revenue Reserve	27	<u>338</u>	<u>336</u>
		<u>219,946</u>	<u>234,915</u>

The Statement of Accounting Policies, Cash Flow Statement and Notes 1 to 37 form part of these Financial Statements.

Signed:

  
 President
   
 Chancellor

**CASHFLOW STATEMENT**  
**Year Ended 30 September 2014**

	Notes	2014 Euro '000	2013 Euro '000
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	28	2,459	11,625
<b>NET INCREASE/(DECREASE) IN ALLOCATIONS FROM RELATED COMPANIES</b>		821	(40)
<b>NET INCREASE IN FUNDS ADVANCED TO RELATED COMPANIES</b>		(9,702)	(1,190)
<b>RETURN ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Interest received		362	416
Interest element of Lease and Loan Payments		(48)	(53)
<b>INVESTING ACTIVITIES</b>			
Investments		-	-
Capital Projects Expenditure		(5,171)	(4,323)
<b>NET CASH (OUTFLOW)/INFLOW BEFORE FINANCING</b>		(11,279)	6,435
<b>FINANCING ACTIVITIES</b>			
HEA Capital Grants		561	157
Non-HEA Capital Grants		613	572
Bank Borrowings		(231)	(218)
Capital Element of Finance Leases		(49)	(109)
<b>NET CASH (OUTFLOW)/INFLOW AFTER FINANCING ACTIVITIES</b>		(10,385)	6,837
<b>(DECREASE)/INCREASE IN CASH OR CASH EQUIVALENTS</b>		(10,385)	6,837

## NOTES TO THE ACCOUNTS

### 1 General

Dublin City University is a statutory body established by the Dublin City University Act, 1989 as amended by the Universities Act, 1997.

In the context of the linkage between Dublin City University and St. Patricks College, Drumcondra, the University received a state grant of €33.3m in the year ended 30 September 2014 (2013: €18.5m). The grant is included in current expenditure and is transferred on receipt to St. Patricks College, which is responsible for its day-to-day administration.

In the context of the linkage between Dublin City University and Mater Dei Institute of Education, the University received a state grant of €2.6m in the year ended 30 September 2014 (2013: €2.8m). The grant is included in current expenditure and is transferred on receipt to Mater Dei Institute of Education, which is responsible for its day-to-day administration.

### 2 State Grant

	2014 €'000	2013 €'000
Recurrent Grant	23,475	24,733
IT Investment Fund	85	85
Minor Works	46	32
Skills Programmes	861	879
	<u>24,467</u>	<u>25,729</u>
HEA Core Grant Deferred Income Analysis		
State grant received in respect of calendar year	15,244	17,451
State grant deferred from prior accounting year	4,066	4,458
State grant deferred to subsequent accounting years	<u>(3,620)</u>	<u>(4,066)</u>
State grant per financial statements	<u>15,690</u>	<u>17,843</u>

State funding is received on a calendar year basis. The University financial year is based on the academic year from October to September. In accordance with the University's accounting policies recurrent grants have been recognised on an accruals basis.

## NOTES TO THE ACCOUNTS

### 3 Student Fees

	2014 €'000	2013 €'000
Fees paid by state (HEA)	27,079	26,840
Fees paid by student or third party	29,533	28,136
Capitation Levy	1,300	1,283
Development Levy	807	809
Total Academic Fees	58,719	57,068
Miscellaneous Fee Income	742	810
	59,461	57,878

### 4 Other Income

	2014 €'000	2013 €'000
Interest Receivable	362	416
Non-EU Fees	1,663	1,296
Research Projects Contribution	203	177
Pension Income	2,704	2,868
Miscellaneous income	2,053	2,046
	6,985	6,803

### 5 Research Grants and Projects

	2014 €'000	2013 €'000
Research Grants	33,959	34,302
Other Contracted Projects	2,533	2,778
Other Funded Projects	9,567	5,743
	46,059	42,833

Income from research grants and projects is included in the Income and Expenditure Account to the extent that the related expenditure has been incurred.

## NOTES TO THE ACCOUNTS

### 6 Academic Faculties and Departments

	<b>2014</b>			<b>2013</b>
	<b>Staff Costs</b>	<b>Non Pay</b>	<b>Total</b>	<b>Total</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Academic	35,107	-	35,107	35,755
Technical	3,405	-	3,405	3,518
Administration Support	3,889	-	3,889	4,054
Departmental Materials, Equipment & Travel	-	8,547	8,547	8,061
Distance Education	1,350	695	2,045	1,928
Miscellaneous	-	39	39	42
	<b>43,751</b>	<b>9,281</b>	<b>53,032</b>	<b>53,358</b>

### 7 Academic and Other Services

	<b>2014</b>			<b>2013</b>
	<b>Staff Costs</b>	<b>Non Pay</b>	<b>Total</b>	<b>Total</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Computing Services	2,048	751	2,799	2,915
Library	1,436	1,177	2,613	2,552
Industrial Liaison	199	75	274	281
	<b>3,683</b>	<b>2,003</b>	<b>5,686</b>	<b>5,748</b>

## NOTES TO THE ACCOUNTS

### 8 Premises

	<b>2014</b>			<b>2013</b>
	<b>Staff Costs</b>	<b>Non Pay</b>	<b>Total</b>	<b>Total</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Premises Maintenance	942	1,495	2,437	2,319
General Services	660	1,333	1,993	2,035
Minor Works	-	46	46	32
Rent and Rates	-	196	196	184
Insurance	-	510	510	658
Energy Costs	-	2,274	2,274	2,680
	<b>1,602</b>	<b>5,854</b>	<b>7,456</b>	<b>7,908</b>

### 9 Allocated for Capital Purposes

	<b>2014</b>			<b>2013</b>
	<b>Staff Costs</b>	<b>Non Pay</b>	<b>Total</b>	<b>Total</b>
	<b>€ '000</b>	<b>€ '000</b>	<b>€ '000</b>	<b>€'000</b>
Building and Equipment	-	2,702	2,702	1,865
	-	2,702	2,702	1,865

### 10 Central Administration and Services

	<b>2014</b>			<b>2013</b>
	<b>Staff Costs</b>	<b>Non Pay</b>	<b>Total</b>	<b>Total</b>
	<b>€ '000</b>	<b>€ '000</b>	<b>€ '000</b>	<b>€ '000</b>
Administration	6,583	-	6,583	7,071
Other Expenses	-	2,295	2,295	2,422
Professional Charges	-	445	445	480
Miscellaneous	-	411	411	408
	<b>6,583</b>	<b>3,151</b>	<b>9,734</b>	<b>10,381</b>

## NOTES TO THE ACCOUNTS

### 11 General Educational Expenditure

	<b>2014</b>			<b>2013</b>
	<b>Staff Costs</b>	<b>Non Pay</b>	<b>Total</b>	<b>Total</b>
	<b>€ '000</b>	<b>€ '000</b>	<b>€ '000</b>	<b>€ '000</b>
Examination Expense	145	214	359	437
Scholarships/Prizes	-	127	127	205
Miscellaneous Expense	-	135	135	129
	<b>145</b>	<b>476</b>	<b>621</b>	<b>771</b>

### 12 Student Services

	<b>2014</b>			<b>2013</b>
	<b>Staff Costs</b>	<b>Non Pay</b>	<b>Total</b>	<b>Total</b>
	<b>€ '000</b>	<b>€ '000</b>	<b>€ '000</b>	<b>€ '000</b>
Capitation grants	-	2,107	2,107	2,092
Student Services	2,279	740	3,019	2,753
Careers Office	-	25	25	31
Sports and Recreation	-	59	59	48
Health and Counselling	-	173	173	245
	<b>2,279</b>	<b>3,104</b>	<b>5,383</b>	<b>5,169</b>

### 13 Miscellaneous Expenditure

	<b>2014</b>			<b>2013</b>
	<b>Staff Costs</b>	<b>Non Pay</b>	<b>Total</b>	<b>Total</b>
	<b>€ '000</b>	<b>€ '000</b>	<b>€ '000</b>	<b>€ '000</b>
Pensions	6,297	-	6,297	5,207
	<b>6,297</b>	<b>-</b>	<b>6,297</b>	<b>5,207</b>



## NOTES TO THE ACCOUNTS

## 14 Composition of Total Expenditure

	2014			2013
	Staff Costs	Non Pay	Total	Total
	€ '000	€ '000	€ '000	€ '000
Academic and Related Services	64,340	26,571	90,911	90,407
Research Grants and Projects	29,539	16,520	46,059	42,833
	<u>93,879</u>	<u>43,091</u>	<u>136,970</u>	<u>133,240</u>
St. Patricks College, Drumcondra			33,347	18,453
Mater Dei Institute of Education			<u>2,651</u>	<u>2,846</u>
			<u>172,968</u>	<u>154,539</u>

## 15 Depreciation of Fixed Assets

	2014	2013
	€ '000	€ '000
Buildings	5,712	5,302
Computer Equipment	732	195
Furniture and Equipment	<u>13,224</u>	<u>2,854</u>
	<u>19,668</u>	<u>8,351</u>

## 16 General Reserve Movement

	2014	2013
	€ '000	€ '000
Amortisation in line with depreciation	<u>19,668</u>	<u>8,351</u>
	<u>19,668</u>	<u>8,351</u>

NOTES TO THE ACCOUNTS

17 Fixed Assets

	LAND € '000	BUILDINGS € '000	COMPUTER EQUIPMENT € '000	FURNITURE and EQUIPMENT € '000	LEASED ASSETS € '000	TOTAL € '000
<b>Cost/Valuation at 30 September 2013</b>						
Cost	41,983	198,339	16,237	58,477	7,687	322,723
Valuation	3,849	67,784	-	-	-	71,633
Total	45,832	266,123	16,237	58,477	7,687	394,356
<b>Additions at cost</b>	-	15,948	721	12,025	29	28,723
<b>Disposals</b>	-	-	(87)	(630)	-	(717)
<b>Net Additions</b>	-	15,948	634	11,395	29	28,006
<b>Cost/Valuation at 30 September 2014</b>						
Cost	41,983	214,287	16,871	69,872	7,716	350,729
Valuation	3,849	67,784	-	-	-	71,633
Total	45,832	282,071	16,871	69,872	7,716	422,362
<b>Depreciation</b>						
Depreciation at 1 October 2013	-	65,032	16,107	56,081	7,549	144,769
Depreciation for Year	-	5,712	732	13,080	144	19,668
Disposals	-	-	(87)	(630)	-	(717)
Depreciation at 30 September 2014	-	70,744	16,752	68,531	7,693	163,720
<b>Net Book Value 30 September 2014</b>	45,832	211,327	119	1,341	23	258,642
<b>Net Book Value 30 September 2013</b>	45,832	201,091	130	2,396	138	249,587

Included in buildings are assets under construction of €1.9m (2013: Nil) that are depreciated from the date when brought into use.

## NOTES TO THE ACCOUNTS

## 18 Investments

	2014 € '000	2013 € '000
Financial Assets	<u>1</u>	<u>23,524</u>
	1	23,524

These amounts represent funds deposited on a medium/long term basis in relation to specific capital projects, and include principal and interest. The purpose of these deposits is to generate sufficient funds to acquire ownership of the Science Research PRTL1 1 Project at a future date. (Note 26)

*The Science Research PRTL1 1 Project*

In November 2002, the University entered into arrangements with a financial institution for the financing of its Science Research PRTL1 1 Project. These assets were constructed by the University's subsidiary, Dublin Software Park Limited, at a cost of €23.5m (€27.5m including VAT) and sold to the financial institution for that amount. The assets are leased to the University at a rent which reflects the availability to the financial institution of tax reliefs associated with the assets. Any rental charge falling due under the arrangement for the current financial year has been offset against any interest receivable on the sinking fund.

The University is required under the arrangements to establish a sinking fund in order to generate sufficient funds to acquire the assets in the future. The fund, along with any interest earned thereon, is charged in favour of the financial institution, pending the acquisition of the assets by the University.

The University received to date HEA Capital grants of €10.2m and private donations of €15.1m towards the acquisition of these assets. These grants and donations have been credited to the restricted reserves (see Note 26).

During the year the University reacquired the abovementioned assets under the exercise of a Put and Call option. These assets have been included in asset additions for the year (note 17)

## 19 Debtors and Prepayments

	2014 € '000	2013 € '000
Contract Research Grants and Projects Recoverable	10,112	9,513
State Grant for Recurrent Expenditure Due	-	67
Amounts Due from Subsidiary Companies	28,165	16,056
Other Debtors and Prepayments	<u>4,152</u>	<u>4,973</u>
	42,429	30,609

## NOTES TO THE ACCOUNTS

### 20 Stocks

	2014 € '000	2013 € '000
Class Materials	130	151
Other	12	15
	<u>142</u>	<u>166</u>
	<u><u>142</u></u>	<u><u>166</u></u>

### 21 Creditors and Accrued Expenditure

	2014 € '000	2013 € '000
Contract Research Grants and Projects Unexpended	62,178	64,931
State Grant for Recurrent Expenditure received in Advance	1,126	563
Amounts Due to Subsidiary Companies	3,170	763
Lease Obligations	51	46
Loan Obligations	231	231
Other Creditors & Accruals	26,623	24,677
	<u>93,379</u>	<u>91,211</u>
	<u><u>93,379</u></u>	<u><u>91,211</u></u>

### 22 Creditors Due After One Year

	2014 € '000	2013 € '000
Lease Obligations	97	122
Loan Obligations	335	566
	<u>432</u>	<u>688</u>
	<u><u>432</u></u>	<u><u>688</u></u>

### 23 Bank Borrowings and Overdraft Facilities

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.

### 24 Finance Leases

An amount of €15,363 (2013: €23,247) has been charged in the financial statements in respect of finance charges on finance leases.

## NOTES TO THE ACCOUNTS

### 25 General Reserve

	Opening Balance € '000	Reserves Transfer € '000	Current Year Movement € '000	Closing Balance € '000
Revaluation Fixed Assets	71,634	-	-	71,634
State Capital Grants	155,529	10,200	561	166,290
Recurrent transfers	34,093	-	2,702	36,795
Capital Donations	47,460	15,091	-	62,551
Revaluation Ministerial Property	11,579	-	-	11,579
Campus Company Donations	43	-	821	864
Research Equipment	39,435	-	613	40,048
Disposals (Note 17)	(5,713)	-	(717)	(6,430)
	354,060	25,291	3,980	383,331
Amortisation	150,485	-	19,668	170,153
Disposals (Note 17)	(5,713)	-	(717)	(6,430)
	209,288	25,291	(14,971)	219,608

### 26 Restricted Reserve

	2014 € '000	2013 € '000
Opening balance	25,291	25,291
<i>Transferred from/(to) General Reserves:</i>		
State Capital Grants	(10,200)	-
Capital Contributions	(15,091)	-
	-	25,291
Movement on Sinking Fund	-	-
Balance at end of year	-	25,291

These funds comprise monies allocated by the University to fund the Science Research PRTL1 1 Project.

The University exercised a Put and Call option during the financial year to reacquire the Science Research building.

# NOTES TO THE ACCOUNTS

## 27 Revenue Reserve

	2014 € '000	2013 € '000
Opening balance	336	333
Surplus for the year	2	3
Closing balance	338	336

## 28 Net Cash Flow from Operating Activities

	2014 € '000	2013 € '000
Surplus for the year	2	3
Add: Recurrent transfers to capital	2,702	1,865
Less: Interest received	(362)	(416)
	2,342	1,452
Depreciation of Fixed Assets	19,668	8,351
Amortisation of General Reserves	(19,668)	(8,351)
Loan Interest paid	33	30
Lease Interest paid	15	23
Decrease/(Increase) in Debtors and Prepayments	289	(1,574)
Decrease in Stocks	24	-
(Decrease)/Increase in Creditors and Accruals	(244)	11,694
Net Cash Inflow from Operating Activities	2,459	11,625

## 29 Analysis of Changes in Net Funds

	At 30 September 2013 € '000	Cashflow During 2014 € '000	At 30 September 2014 € '000
Cash	22,928	(10,385)	12,543
Leases	(168)	20	(148)
Loans	(797)	231	(566)
Total	21,963	(10,134)	11,829

## NOTES TO THE ACCOUNTS

### 30 Analysis of Changes in Cash and Cash Equivalents

	2014 € '000	2013 € '000
Balance at beginning of year	22,928	16,091
Net cash (outflow)/inflow	(10,385)	6,837
Balance at end of year	12,543	22,928

### 31 Capital Commitments

	2014 € '000	2013 € '000
DCU Commitments contracted at 30 September	4,112	11,488
Subsidiary Commitments contracted at 30 September	809	4,681
Authorised but not contracted at 30 September	3,094	2,040
	8,015	18,209

### 32 Pensions

Salaries and wages for relevant staff were previously charged net of employees' pension contributions of 6.5%. Following a request from the HEA to update the presentation of the contributions, these amounts are now credited to other income. Comparatives have been restated on a consistent basis. Pension benefits are met from current revenue as they arise. The total employee pension contributions in the period were €3.4m (2013: €3.7m). The scheme is a defined benefit scheme.

The Public Service Pensions (Single Scheme and Other Provisions) Act 2012 became effective on 01 January 2013. Relevant 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, with relevant staff costs reflected gross in the financial statements.

# NOTES TO THE ACCOUNTS

## 32 Pensions (Cont'd)

### Pension Control Account

	2014 €'000	2013 €'000
<b>Opening Balance - Grants payable to / (receivable from) the HEA</b>	<u>535</u>	<u>(192)</u>
<i><u>Income</u></i>		
Employer Contributions	1,495	1,582
Employee Contributions	551	676
Pension Transfers In	-	-
Supplementation Income	4,040	3,870
Income in respect of purchase of service	354	469
Other	<u>-</u>	<u>-</u>
<b>Total Income</b>	<u>6,440</u>	<u>6,597</u>
<i><u>Expenditure</u></i>		
Pensions in payment (including supplementation)	4,676	4,440
Lump sum payments on retirement/termination	1,647	888
Death in service payments	-	-
Pension transfers out (cash payments)	-	-
Refunds of contributions	57	87
Administration and other costs	413	455
<b>Total Expenditure</b>	<u>6,793</u>	<u>5,870</u>
<b>Surplus in year</b>	<u>353</u>	<u>727</u>
<b>Closing Balance – Grants payable to the HEA</b>	<u>182</u>	<u>535</u>

Employee contributions included in the pension control account reflect those contributions of relevant staff engaged on research and similar projects.



## NOTES TO THE ACCOUNTS

### 33 Related Companies

Dublin City University owns shares in the following companies as at 30 September 2014:

<u>Company Name</u>	<u>Percentage of Shareholding</u>
DCU Commercial Limited (DCUCL)	100%
Dunroamin Properties Ltd	100%
Fluorocap Ltd (FL)	65%
3U Collaboration Ltd	33 <sup>1/3</sup> %
Centre for Software Engineering Ltd	25%
Gas Sensor Solutions Ltd (GSS)	5%

#### **Gas Sensor Solutions Limited**

Gas Sensor Solutions was incorporated on 9 July 2003.

#### **Fluorocap Limited**

Fluorocap Limited was incorporated on 30 October 2002.

#### **Centre for Software Engineering Limited**

This company was established as one of the Department of Science and Technology's Programmes in Advanced Technology (PAT).

#### **3U Collaboration Ltd**

The company was incorporated on 13 March 2013. The principal activity of the company is to develop world class educational and research opportunities through a collaborative approach among the three institutions of Royal College of Surgeons, Dublin City University, and NUI Maynooth.

#### **Invent Patronage**

Under the Patron Funding arrangement, where an equity stake is taken in companies located in the Invent centre, 5% of the equity is allocated to the patrons (1% for each patron). The University's 1% holding is held in trust by Invent.

#### **Dunroamin Properties Limited**

The company was acquired on 22 December 2009 as part of the unwinding of structured finance arrangements the University had entered into with KBC Bank Plc in relation to the library & information resource centre, and extension to the computer applications building. The company ceased trading in December 2009.

#### **DCU Commercial Limited**

DCUCL is wholly owned by Dublin City University and acts as a holding company for all other related companies (other companies are wholly owned by DCUCL). DCUCL owns the Sports Complex and two Student Residence Blocks. The net book value of its tangible assets is €13,433,382 (2013: €13,794,078), which includes the Sports Complex of €1,753,414 (2013: €1,818,356) and Student Residence Blocks of €11,679,968 (2013: €11,943,613). These assets were funded by a mixture of loans and leases, and tax based structured finance, which in turn are funded by future income streams, including Student Levies and Student lettings.

The university has given a letter of comfort to facilitate bank borrowing. The balance outstanding by the company as at 30 September 2014 was €859,771 (2013: €1,328,019). The proceeds have been utilised to carry out capital works on the campus. An accumulated profit of €17,298 (2013: €13,032) was reported in its financial statements at 30 September 2014.

## NOTES TO THE ACCOUNTS

### 33 Related Companies (*continued*)

#### **Campus Property Limited**

This company is a wholly owned subsidiary of DCUCL. It owns and manages the Campus Social Centre and operates the Campus Shops. The net book value of its tangible assets is €5,887,346 (2013: €6,179,559) which includes the student centre of €5,849,656 (2013: €5,849,656). These assets were funded by a mixture of loans and leases, which in turn are funded by future income streams.

It generates income by letting units to third parties who provide student facilities on campus, operating the spar shop and a stationery supply business. An accumulated surplus of €1,040,355 (2013: €1,046,810) was reported in its financial statements at 30 September 2014.

#### **Campus Residences Limited**

This company is a wholly owned subsidiary of DCUCL and was set up to manage and lease the student residences. The net book value of its tangible fixed assets is €38,401,507 (2013: €38,644,964), which includes Student Residence Blocks of €37,588,417 (2013: €37,692,200) and the restaurant extension of €359,458 (2013: €601,740). These assets were funded by a mixture of loans and leases, which in turn are funded by future income streams.

An accumulated surplus of €11,721,601 (2013: €10,417,254) was reported in its financial statements at 30 September 2014.

#### **Dublin Business School Fund Limited**

This entity was a financing vehicle for the Business School Development and is a wholly owned subsidiary of DCUCL. In 2010, the assets and associated capital grants of the company were transferred under trust deed at book value to the University.

The University has given a letter of comfort to facilitate bank borrowing by the company. The balance outstanding as at 30 September 2014 was €1,009,246 (2013: €1,192,745). The proceeds have been utilised to carry out capital works on the campus.

An accumulated surplus of €Nil (2013: €Nil) was reported in its financial statements at 30 September 2014.

#### **Dublin City University Language Services Limited**

This company was set up in April 1992 and is a wholly owned subsidiary of DCUCL. DCULS provides language courses, interpretation and translation services for companies and the general public.

An accumulated surplus of €1,034,046 (2013: €1,034,046) was reported in its financial statements at 30 September 2014.

#### **Dublin Software Park Limited**

Established as a vehicle for future developments, DSPL is a wholly owned subsidiary of DCUCL. The company's activities are to develop a number of properties relating to the ongoing development of the university campus.

The net book value of its tangible assets is €41.6m, which includes €7.1m of assets under construction.

These include the following;

Bio-Nano Analytical Research Building	€6.3m
Other Projects	€0.8m

## NOTES TO THE ACCOUNTS

### 33 Related Companies (*continued*)

DSPL owns and operates the Multi-storey Car Park which has a net book value of €8.5m (2013: €8.7m), and owns The Helix which has a net book value of €26.0m (2013: €26.7m).

These assets are being funded by a mixture of donations, loans and leases, which in turn are being funded by future income streams.

The university has given a letter of comfort to facilitate bank borrowing. The loan balance outstanding by the company as at 30 September 2014 was €23,834 (2013: €39,723). The proceeds have been utilised to carry out capital works on the campus.

An accumulated loss of (€1,929,632) (2013: (€1,860,309)) was reported in its financial statements at 30 September 2014.

#### **DCU Executive Education Limited**

This company is a wholly owned subsidiary of DCUCL and was set up to provide executive education courses. The company ceased to trade on 1 January 2006.

#### **Invent DCU Limited**

This company is a wholly owned subsidiary of DCUCL. Its principal activity is the rental of space to start-up and university companies. The net book value of its tangible assets is €7,516,094 (2013:€4,936,927) which includes the Invent Centre of €4,361,833 (2013: €4,478,767). These assets were funded by donation, grants and patron funding.

An accumulated loss of (€1,532,952) (2013: (€871,542)) was reported in its financial statements at 30 September 2014.

#### **UAC Management Limited**

This company is a wholly owned subsidiary of DCUCL. The principal activity of the company is the management of the University's Art Centre, The Helix. The company commenced trading in October 2003. The net book value of its tangible assets is €132,910 (2013: €136,803).

An accumulated deficit of (€63,268) (2013: (€243,878)) was reported in its financial statements at 30 September 2014.

#### **The DCU Ryan Academy Limited**

This company is a wholly owned subsidiary of DCUCL. The principal activities of the company are the provision of consultancy, research and niche training programmes.

An accumulated surplus of €167,325 (2013: €72,623) was reported in its financial statements at 30 September 2014.

#### **Trispace Limited**

This company is a wholly owned subsidiary of DCUCL. The principal activities of the company are the provision of catering and sporting facilities on campus. The net book value of its tangible assets is €7,352,358 (2013: €5,460,713) which includes the swimming pool of €4,345,088 (2013: €4,634,010).

An accumulated surplus of €99,145 (2013: (€250,648)) was reported in its financial statements at 30 September 2014.

## NOTES TO THE ACCOUNTS

### 33 Related Companies (*continued*)

#### **DCU Healthy Living Centre Limited**

This company, incorporated on 25th August 2006, is a wholly owned subsidiary of DCUCL. The principal activity of the company was the provision of healthcare services. The company ceased to trade on 1 April 2012.

#### **All Subsidiaries**

The Net Written Down Value of Fixed Assets of all subsidiary companies amounted to €107,265,202 (2013: €104,630,391).

The Net Asset Value including Capital Grants of all DCU Commercial Limited group of companies amounted to €64,615,073 (2013: €64,648,594).

As at 30 September 2014 the University had no liability in respect of any of its related companies.

### 34 Related Party Disclosures

#### **Dublin City University and Campus Property Limited**

The university purchased stationery, office supplies, equipment and furniture to the value of €282,792 (2013: €193,692) from Campus Property Ltd. during the year ended 30 September 2014.

At 30 September 2014, the balance due to Campus Property Ltd. from the university amounted to €90,004. An amount of €34,419 is due to Campus Property in respect of stationery & office supplies purchased.

#### **Dublin City University and DCULS Limited**

At 30 September 2014, the balance due by the university to DCULS Ltd amounted to €233,114. The company donated €920,597 to the University during the year.

#### **Dublin City University and DCU Commercial Limited**

At 30 September 2014, the balance due to the University by DCU Commercial Ltd. amounted to €23,780,656.

#### **Dublin City University and Dublin Business School Fund Limited**

The university paid €22,638 in respect of interest and similar charges to Dublin Business School Fund Ltd during the year.

At 30 September 2014, the balance due to Dublin Business School Fund Ltd. from the university amounted to €33,553.

#### **Dublin City University and Campus Residences Limited**

At 30 September 2014, the balance due from Campus Residences Ltd. to the university amounted to €186,931.

#### **Dublin City University and DCU Executive Education Limited**

At 30 September 2014, there are no outstanding balances between these companies.

## NOTES TO THE ACCOUNTS

### 34 Related Party Disclosures *(continued)*

#### **Dublin City University and Dublin Software Park Limited**

At 30 September 2014, the balance due to Dublin Software Park Ltd. from the university amounted to €1,458,551.

#### **Dublin City University and Invent DCU Limited**

At 30 September 2014, the balance due from Invent DCU Limited to the university amounted to €2,514,932.

During the year the company made interest payments of €67,700 to the University.

#### **Dublin City University and UAC Management Limited**

At 30 September 2014, the balance due to UAC Management Limited from the university amounted to €404,724.

#### **Dublin City University and Trispace Limited**

The University contributed €807,282 to the financing of the Sports Complex, from funds generated by the Development Levy.

At 30 September 2014, the balance due from Trispace Limited to the university amounted to €393,696.

#### **Dublin City University and The DCU Ryan Academy Limited**

At 30 September 2014, the balance due to The DCU Ryan Academy from the University amounted to €74,094.

#### **Dublin City University and The Healthy Living Centre Limited**

At 30 September 2014, there were no outstanding balances between these companies.

#### **Dublin City University and Flourocap Limited**

At 30 September 2014, there were no outstanding balances between these companies.

### 35 Comparative Figures

The comparative figures have been reorganised and restated on the same basis as the current year figures.

### 36 Contingent Liabilities

There are no contingent liabilities as at 30 September 2014, except to the extent that DCU has issued letters of comfort to facilitate bank borrowing in three subsidiary companies, namely DCU Commercial Limited (outstanding balance as at 30 September 2014 amounted to €0.9m (2013: €1.3m)), Dublin Business School Fund Limited (balance outstanding as at 30 September 2014 amounted to €1.0m (2013: €1.2m)) and Dublin Software Park Limited (outstanding balance as at 30 September 2014 amounted to €0.02m (2013: €0.04m)). (Note 33)

### 37 Approval of Financial Statements

The accounts were approved by Governing Authority on 07 May 2015.