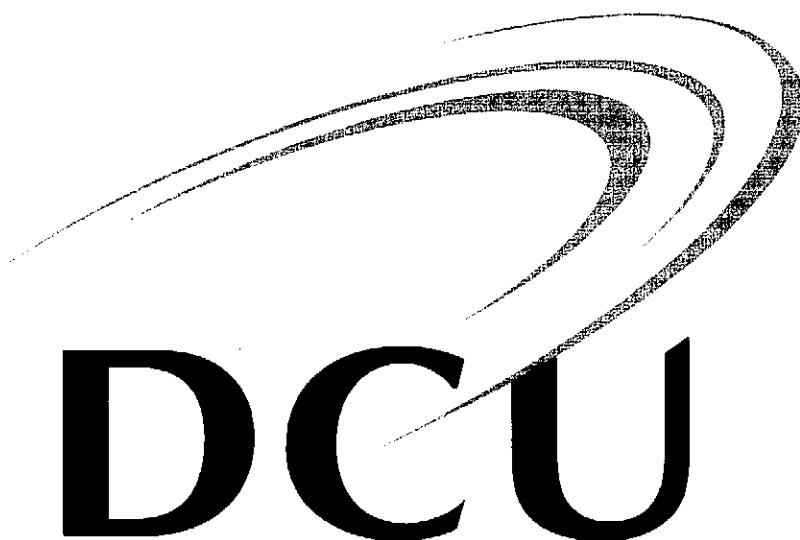


# **HEA Funding Statement**

**For The Year Ended**

**30 September 2012**

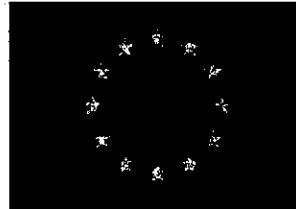


The financial statements include elements of both recurrent and capital expenditure that has been funded or co-funded, in conjunction with the following agencies and funding programmes:



Clár Chisti Struchtúracha AE  
na hÉireann 2007-2013

Cómhaoiniú ag Rialtas na hÉireann  
agus ag an Aontas Eorpach



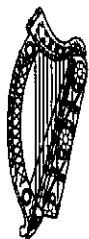
**EUROPEAN UNION  
STRUCTURAL FUNDS**



National Development Plan 2007 - 2013



AN ROINN OIDEACHAIS AGUS EOLAÍOCHTA  
DEPARTMENT OF EDUCATION 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, agreed accounting policies and the harmonised format of financial statements for Irish Universities.

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 2012 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 directors 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 Financial Reporting Commission 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.

*Continued on the next page/*

## INDEPENDENT AUDITOR'S REPORT

*/Continued from previous page*

### Opinion

In our opinion, the financial statements give a true and fair view in accordance with the provisions of the University 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 2012 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

*11 April 2013*  
11 April 2013

## **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.

### **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.

## STATEMENT OF ACCOUNTING POLICIES

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
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

### **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.



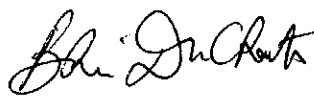
# INCOME AND EXPENDITURE ACCOUNT

## Year Ended 30 September 2012

	Notes	2012 Euro '000	2011 Euro '000
<b>INCOME</b>			
State Grants	2	29,397	30,679
Student Fees	3	54,759	53,856
Other Income	4	4,554	4,700
		<u>88,710</u>	<u>89,235</u>
St. Patricks College, Drumcondra	1	17,010	21,727
Mater Dei Institute of Education	1	3,180	3,359
Irish Universities Quality Board	1	245	330
Research Grants and Projects	5	44,045	42,202
		<u>64,480</u>	<u>67,618</u>
Total Income		<u>153,190</u>	<u>156,853</u>
<b>EXPENDITURE</b>			
Academic Faculties and Departments	6	51,924	53,451
Academic and Other Services	7	5,588	5,949
Premises	8	7,549	7,781
Amount Allocated for Capital Purposes	9	1,596	1,855
Central Administration and Services	10	9,523	8,992
General Educational Expenditure	11	555	662
Student Services	12	4,609	4,655
Miscellaneous Expenditure	13	7,357	5,830
		<u>88,701</u>	<u>89,175</u>
St. Patricks College, Drumcondra	1	17,010	21,727
Mater Dei Institute of Education	1	3,180	3,359
Irish Universities Quality Board	1	245	330
Research Grants and Projects	5	44,045	42,202
		<u>64,480</u>	<u>67,618</u>
Total Expenditure	14	<u>153,181</u>	<u>156,793</u>
Surplus on Activities before Amortisation of Capital Reserves and Grants and Depreciation of Fixed Assets		9	60
Depreciation of Fixed Assets	15	(10,382)	(10,473)
General Reserve movement	16	<u>10,382</u>	<u>10,473</u>
Surplus for the year		<u>9</u>	<u>60</u>

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

Signed:

  
President

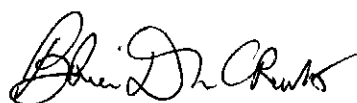
  
Chancellor

**BALANCE SHEET**  
**As At 30 September 2012**

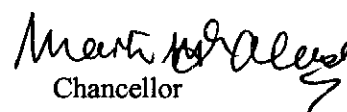
	Notes	2012 Euro '000	2011 Euro '000
<b>FIXED ASSETS</b>	17	<u>253,338</u>	<u>259,444</u>
<b>INVESTMENTS</b>	18	<u>23,524</u>	<u>23,524</u>
<b>CURRENT ASSETS</b>			
Cash on hand and at bank		16,269	16,616
Debtors and Prepayments	19	33,304	37,645
Stocks	20	<u>166</u>	<u>203</u>
		<u>49,739</u>	<u>54,464</u>
<b>Less: CURRENT LIABILITIES</b>			
Creditors and Accrued Expenditure	21	84,918	89,708
Bank Overdraft		<u>178</u>	<u>-</u>
		<u>85,096</u>	<u>89,708</u>
<b>NET CURRENT LIABILITIES</b>		<u>(35,357)</u>	<u>(35,244)</u>
<b>LONG TERM LIABILITIES</b>			
Creditors due after one year	22	796	1,041
		<u>240,709</u>	<u>246,683</u>
<b>REPRESENTED BY:</b>			
General Reserve	25	215,085	221,068
Restricted Reserve	26	25,291	25,291
Revenue Reserve	27	<u>333</u>	<u>324</u>
		<u>240,709</u>	<u>246,683</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 2012**

	<b>Notes</b>	<b>2012 Euro '000</b>	<b>2011 Euro '000</b>
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	28	629	14,230
<b>NET DECREASE IN ALLOCATIONS FROM RELATED COMPANIES</b>		(18)	(34)
<b>NET DECREASE/(INCREASE) IN FUNDS ADVANCED TO RELATED COMPANIES</b>		106	(1,310)
<b>RETURN ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Interest received		512	422
Interest element of Lease and Loan Payments		(92)	(513)
<b>INVESTING ACTIVITIES</b>			
Investments		-	-
Capital Projects Expenditure		(4,276)	(3,565)
<b>NET CASH (OUTFLOW)/INFLOW BEFORE FINANCING</b>		(3,139)	9,230
<b>FINANCING ACTIVITIES</b>			
HEA Capital Grants		1,112	2,254
Non-HEA Capital Grants		1,709	551
Bank Borrowings		(207)	(197)
<b>NET CASH (OUTFLOW)/INFLOW AFTER FINANCING ACTIVITIES</b>		(525)	11,838
<b>(DECREASE)/INCREASE IN CASH OR CASH EQUIVALENTS</b>		(525)	11,838

## 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 €17m in the year ended 30 September 2012 (2011: €21.7m). 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 €3.1m in the year ended 30 September 2012 (2011: €3.4m). 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.

In the context of the linkage between Dublin City University and the Irish Universities Quality Board, the University received a state grant of €0.2m in the year ended 30 September 2012 (2011: €0.4m). The grant is included in current expenditure and is transferred on receipt to the Irish Universities Quality Board, which is responsible for its day-to-day administration.

### 2 State Grant

	2012 €'000	2011 €'000
Recurrent Grant	28,411	29,042
IT Investment Fund	80	90
Minor Works	28	83
Skills Programmes	878	1,464
	<u>29,397</u>	<u>30,679</u>
HEA Core Grant Deferred Income Analysis		
State grant received in respect of calendar year	18,673	20,075
State grant deferred from prior accounting year	4,748	5,930
State grant deferred to subsequent accounting years	<u>(4,458)</u>	<u>(4,748)</u>
State grant per financial statements	<u>18,963</u>	<u>21,257</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

	<b>2012</b>	<b>2011</b>
	<b>€'000</b>	<b>€'000</b>
Fees paid by state (HEA)	26,969	27,385
Fees paid by student or third party	25,052	23,834
Capitation Levy	1,223	1,151
Development Levy	783	785
Total Academic Fees	<u>54,027</u>	<u>53,155</u>
Miscellaneous Fee Income	732	701
	<u>54,759</u>	<u>53,856</u>

The responsibility for allocation of funding on relevant Nursing programmes transferred to the HEA during the financial year 2011.

### 4 Other Income

	<b>2012</b>	<b>2011</b>
	<b>€'000</b>	<b>€'000</b>
Interest Receivable	512	422
Non-EU Fees	1,196	1,346
Research Projects Contribution	141	156
Miscellaneous income	<u>2,705</u>	<u>2,776</u>
	<u>4,554</u>	<u>4,700</u>

### 5 Research Grants and Projects

	<b>2012</b>	<b>2011</b>
	<b>€'000</b>	<b>€'000</b>
Research Grants	35,318	33,632
Other Contracted Projects	2,990	4,414
Other Funded Projects	<u>5,737</u>	<u>4,156</u>
	<u>44,045</u>	<u>42,202</u>

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>2012</b>			<b>2011</b>
	<b>Staff Costs €'000</b>	<b>Non Pay €'000</b>	<b>Total €'000</b>	<b>Total €'000</b>
Academic	34,054	-	34,054	34,528
Technical	3,284	-	3,284	3,278
Administration Support	4,134	-	4,134	4,165
Departmental Materials, Equipment & Travel	-	8,304	8,304	9,376
Distance Education	1,271	795	2,066	2,040
Miscellaneous	-	82	82	64
	<b>42,743</b>	<b>9,181</b>	<b>51,924</b>	<b>53,451</b>

### 7 Academic and Other Services

	<b>2012</b>			<b>2011</b>
	<b>Staff Costs €'000</b>	<b>Non Pay €'000</b>	<b>Total €'000</b>	<b>Total €'000</b>
Computing Services	1,955	778	2,733	2,751
Library	1,469	897	2,366	2,597
Industrial Liaison	187	302	489	601
	<b>3,611</b>	<b>1,977</b>	<b>5,588</b>	<b>5,949</b>

### 8 Premises

	<b>2012</b>			<b>2011</b>
	<b>Staff Costs €'000</b>	<b>Non Pay €'000</b>	<b>Total €'000</b>	<b>Total €'000</b>
Premises Maintenance	856	1,349	2,205	2,115
General Services	813	1,176	1,989	2,455
Minor Works	-	28	28	96
Rent and Rates	-	181	181	200
Insurance	-	797	797	737
Energy Costs	-	2,349	2,349	2,178
	<b>1,669</b>	<b>5,880</b>	<b>7,549</b>	<b>7,781</b>

## NOTES TO THE ACCOUNTS

### 9 Allocated for Capital Purposes

	2012			2011
	Staff Costs € '000	Non Pay € '000	Total € '000	Total €'000
Building and Equipment	-	1,596	1,596	1,855
	-	1,596	1,596	1,855

### 10 Central Administration and Services

	2012			2011
	Staff Costs € '000	Non Pay € '000	Total € '000	Total € '000
Administration	6,638	-	6,638	6,300
Other Expenses	-	1,998	1,998	1,825
Professional Charges	-	518	518	371
Miscellaneous	-	369	369	496
	6,638	2,885	9,523	8,992

### 11 General Educational Expenditure

	2012			2011
	Staff Costs € '000	Non Pay € '000	Total € '000	Total € '000
Examination Expense	153	222	375	415
Scholarships/Prizes	-	63	63	64
Miscellaneous Expense	-	117	117	183
	153	402	555	662

### 12 Student Services

	2012			2011
	Staff Costs € '000	Non Pay € '000	Total € '000	Total € '000
Capitation grants	-	2,006	2,006	1,936
Student Services	1,757	495	2,252	2,377
Careers Office	-	40	40	51
Sports and Recreation	-	53	53	53
Health and Counselling	-	258	258	238
	1,757	2,852	4,609	4,655

## NOTES TO THE ACCOUNTS

### 13 Miscellaneous Expenditure

	2012			2011
	Staff Costs € '000	Non Pay € '000	Total € '000	Total € '000
Pensions	7,357	-	7,357	5,830
	7,357	-	7,357	5,830

### 14 Composition of Total Expenditure

	2012			2011
	Staff Costs € '000	Non Pay € '000	Total € '000	Total € '000
Academic and Related Services	63,928	24,773	88,701	89,175
Research Grants and Projects	27,060	16,985	44,045	42,202
	90,988	41,758	132,746	131,377
St. Patricks College, Drumcondra			17,010	21,727
Mater Dei Institute of Education			3,180	3,359
Irish Universities Quality Board			245	330
			153,181	156,793

### 15 Depreciation of Fixed Assets

	2012 € '000	2011 € '000
Buildings	5,270	5,226
Computer Equipment	221	321
Furniture and Equipment	4,891	4,926
	10,382	10,473

### 16 General Reserve Movement

	2012 € '000	2011 € '000
Amortisation in line with depreciation	10,382	10,473
	10,382	10,473



NOTES TO THE ACCOUNTS

17 Fixed Assets

	LAND	BUILDINGS	COMPUTER EQUIPMENT	FURNITURE and EQUIPMENT	LEASED ASSETS	TOTAL
	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000
<b>Cost/Valuation at 30 September 2011</b>						
Cost	41,983	193,532	16,703	58,625	8,717	319,560
Valuation	3,849	67,784	-	-	-	71,633
Total	45,832	261,316	16,703	58,625	8,717	391,193
Additions at cost	-	2,163	124	1,989	-	4,276
Net Additions	-	2,163	124	1,989	-	4,276
<b>Cost/Valuation at 30 September 2012</b>						
Cost	41,983	195,695	16,827	60,614	8,717	323,836
Valuation	3,849	67,784	-	-	-	71,633
Total	45,832	263,479	16,827	60,614	8,717	395,469
<b>Depreciation</b>						
Depreciation at 1 October 2011	-	55,330	16,440	51,262	8,717	131,749
Depreciation for Year	-	5,270	221	4,891	-	10,382
Depreciation at 30 September 2012	-	60,600	16,661	56,153	8,717	142,131
Net Book Value 30 September 2012	45,832	202,879	166	4,461	-	253,338
Net Book Value 30 September 2011	45,832	205,986	263	7,363	-	259,444

## NOTES TO THE ACCOUNTS

## 18 Investments

	2012 € '000	2011 € '000
Money Market Deposits	23,524	23,524
	<u>23,524</u>	<u>23,524</u>

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 future 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).

As part of these arrangements the University has entered into a Put and Call option under which it is expected that it will acquire the assets, at cost, during financial year 2013.

## 19 Debtors and Prepayments

	2012 € '000	2011 € '000
Contract Research Grants and Projects Recoverable	9,686	9,105
State Grant for Recurrent Expenditure Due	199	-
Amounts Due from Subsidiary Companies	20,325	25,231
Other Debtors and Prepayments	<u>3,094</u>	<u>3,309</u>
	<u>33,304</u>	<u>37,645</u>

## NOTES TO THE ACCOUNTS

### 20 Stocks

	2012 € '000	2011 € '000
Class Materials	138	182
Other	28	21
	<u>166</u>	<u>203</u>

### 21 Creditors and Accrued Expenditure

	2012 € '000	2011 € '000
Contract Research Grants and Projects Unexpended	52,279	49,230
State Grant for Recurrent Expenditure received in Advance	3,519	4,085
Amounts Due to Subsidiary Companies	6,222	11,022
Loan Obligations	219	181
Other Creditors & Accruals	<u>22,679</u>	<u>25,190</u>
	<u>84,918</u>	<u>89,708</u>

### 22 Creditors Due After One Year

	2012 € '000	2011 € '000
Lease Obligations	-	-
Loan Obligations	<u>796</u>	<u>1,041</u>
	<u>796</u>	<u>1,041</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 €NIL (2011: €393,363) 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	154,260	-	1,112	155,372
Recurrent transfers	30,632	-	1,596	32,228
Capital Donations	47,597	-	(137)	47,460
Revaluation Ministerial Property	11,579	-	-	11,579
Campus Company Donations	101	-	(18)	83
Research Equipment	37,017	-	1,846	38,863
	352,820	-	4,399	357,219
Amortisation	131,752	-	10,382	142,134
	221,068	-	(5,983)	215,085

### 26 Restricted Reserve

	2012 € '000	2011 € '000
Opening balance	25,291	22,720
<i>Transferred from/(to) General Reserves:</i>		
State Capital Grants	-	-
Capital Contributions	-	2,571
	25,291	25,291
Movement on Sinking Fund	-	-
Balance at end of year	25,291	25,291

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

The University expects to exercise a Put and Call option in financial year 2013 to reacquire the Science Research building.

## NOTES TO THE ACCOUNTS

### 27 Revenue Reserve

	2012 € '000	2011 € '000
Opening balance	324	264
Surplus for the year	9	60
Closing balance	<u>333</u>	<u>324</u>

### 28 Net Cash Flow from Operating Activities

	2012 € '000	2011 € '000
Surplus for the year	9	60
Add: Recurrent transfers to capital	1,596	1,855
Less: Interest received	<u>(512)</u>	<u>(422)</u>
	1,093	1,493
Depreciation of Fixed Assets	10,382	10,473
Amortisation of General Reserves	(10,382)	(10,473)
Loan Interest paid	92	120
Lease Interest paid	-	393
(Increase)/Decrease in Debtors and Prepayments	(565)	10,064
Decrease in Stocks	37	62
(Decrease)/Increase in Creditors and Accruals	<u>(28)</u>	<u>2,098</u>
Net Cash Inflow from Operating Activities	<u>629</u>	<u>14,230</u>

### 29 Analysis of Changes in Net Funds

	At 30 September 2011 € '000	Cashflow During 2012 € '000	At 30 September 2012 € '000
Cash	16,616	(525)	16,091
Loans	(1,222)	207	(1,015)
Total	<u>15,394</u>	<u>(318)</u>	<u>15,076</u>

## NOTES TO THE ACCOUNTS

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

	2012 € '000	2011 € '000
Balance at beginning of year	16,616	4,778
Net cash (outflow)/inflow	(525)	11,838
Balance at end of year	<u>16,091</u>	<u>16,616</u>

### 31 Capital Commitments

	2012 € '000	2011 € '000
DCU Commitments contracted at 30 September	22	355
Subsidiary Commitments contracted at 30 September	-	-
Authorised but not contracted at 30 September	<u>-</u>	<u>-</u>
	<u>22</u>	<u>355</u>

### 32 Pensions

Salaries and wages are charged net of employees' pension contributions of 6.5% (note 14). Pension benefits are met from current revenue as they arise. The total employee pension contributions in the period were €3.6m (2011: €3.7m). The scheme is a defined benefit scheme.

The University has no liability in respect of the Protection of Employees (Fixed Term Workers) Act 2003 or the Protection of Employees (Part Time Workers) Act 2001.

# NOTES TO THE ACCOUNTS

## 32 Pensions (Cont'd)

### Pension Control Account

	2012 €'000	2011 €'000
<b>Opening Balance - Grants payable to the HEA</b>	<u>1,739</u>	<u>2,690</u>
<i><u>Income</u></i>		
Employer Contributions	553	627
Employee Contributions	691	702
Pension Transfers In	-	-
Supplementation Income	3,727	3,006
Income in respect of purchase of service	455	544
Other	<u>-</u>	<u>-</u>
<b>Total Income</b>	<u>5,426</u>	<u>4,879</u>
<i><u>Expenditure</u></i>		
Pensions in payment (including supplementation)	4,040	3,103
Lump sum payments on retirement	3,204	2,534
Death in service payments	50	46
Pension transfers out (cash payments)	-	-
Refunds of contributions	63	147
Administration and other costs	<u>-</u>	<u>-</u>
<b>Total Expenditure</b>	<u>7,357</u>	<u>5,830</u>
<b>Deficit in year</b>	<u>(1,931)</u>	<u>(951)</u>
<b>Closing Balance – Grants (receivable from) / payable to the HEA</b>	<u>(192)</u>	<u>1,739</u>

Employee contributions included in the pension control account reflect those contributions of 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 2012:

<u>Company Name</u>	<u>Percentage of Shareholding</u>
DCU Commercial Limited (DCUCL)	100%
Dunroamin Properties Ltd	100%
Fluorocap Ltd (FL)	65%
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).

**Invent Patronage**

Under the Patron Funding arrangement, 5% of the equity in companies located in the Invent centre 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 €14,165,391 (2011: 14,486,384), which includes the Sports Complex of €1,883,297 (2011: €1,948,238) and Student Residence Blocks of €12,184,801 (2011: €12,375,669). 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 2012 was €1,790,991 (2011: €2,194,129). The proceeds have been utilised to carry out capital works on the campus. An accumulated profit of €66,524 (2011: (€619,503)) was reported in its financial statements at 30 September 2012.



## 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 €6,459,937 (2011: €6,631,430), which includes the student centre of €6,120,720 (2011: €6,282,901). 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 €914,576 (2011: €785,965) was reported in its financial statements at 30 September 2012.

#### **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 €38,859,971 (2011: €39,242,880), which includes Student Residence Blocks of €37,795,988 (2011: €37,899,776) and the restaurant extension of €843,516 (2011: €1,085,292). These assets were funded by a mixture of loans and leases, which in turn are funded by future income streams.

An accumulated surplus of €9,644,118 (2011: €9,521,408) was reported in its financial statements at 30 September 2012.

#### **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 2012 was €1,376,244 (2011: €1,467,994). The proceeds have been utilised to carry out capital works on the campus.

An accumulated surplus of €Nil (2011: €Nil) was reported in its financial statements at 30 September 2012.

#### **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 €789,016 (2011: €449,360) was reported in its financial statements at 30 September 2012.

#### **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 €37.5m, which includes €1.2m of assets under construction.

These include the following;

Bio-Nano Analytical Research Building	€0.5m
Other Projects	€0.7m

## NOTES TO THE ACCOUNTS

### 33 Related Companies *(continued)*

DSPL owns and operates the Multi-storey Car Park which has a net book value of €8.9m (2011: €9.2m), and owns The Helix which has a net book value of €27.4m (2011: €28.0m).

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 2012 was €55,612 (2011: €71,501). The proceeds have been utilised to carry out capital works on the campus.

An accumulated loss of (€1,809,165) (2011: (€1,777,381)) was reported in its financial statements at 30 September 2012.

#### **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 €5,072,960 (2011: €5,194,012) which includes the Innovation Centre of €4,595,701 (2011: €4,712,635). These assets were funded by donation, grants and patron funding.

An accumulated loss of (€540,159) (2011: (€581,706)) was reported in its financial statements at 30 September 2012.

#### **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 €164,298 (2011: €201,725).

An accumulated deficit of (€363,008) (2011: (€256,497)) was reported in its financial statements at 30 September 2012.

#### **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 €39,401 (2011: (€8,378)) was reported in its financial statements at 30 September 2012.

#### **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 €5,628,796 (2011: €5,836,360) which includes the swimming pool of €4,923,682 (2011: €5,213,354).

An accumulated loss of (€332,061) (2011: (€420,129)) was reported in its financial statements at 30 September 2012.

## 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 is the provision of healthcare services. The company transferred its operation, assets and liabilities to Dublin City University on 1 April 2012.

An accumulated loss of €2 (2011: (€164,328)) was reported in its financial statements at 30 September 2012.

#### **All Subsidiaries**

The Net Written Down Value of Fixed Assets of all subsidiary companies amounted to €106,748,932 (2011: €108,889,461).

The Net Asset Value including Capital Grants of all DCU Commercial Limited group of companies amounted to €64,777,807 (2011: €64,928,236)

As at 30 September 2012 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 €259,204 (2011: €270,296) from Campus Property Ltd. during the year ended 30 September 2012.

At 30 September 2012, the balance due to Campus Property Ltd. from the university amounted to €65,601. An amount of €41,356 is due to Campus Property in respect of stationery & office supplies purchased.

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

At 30 September 2012, the balance due to the university from DCULS Ltd amounted to €264,417. The company donated €82,000 to the University during the year.

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

At 30 September 2012, the balance due to the University by DCU Commercial Ltd. amounted to €19,395,868.

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

The university paid €43,312 in respect of interest and similar charges to Dublin Business School Fund Ltd during the year.

At 30 September 2012, the balance due to Dublin Business School Fund Ltd. from the university amounted to €71,707.

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

At 30 September 2012, the balance due from Campus Residences Ltd. to the university amounted to €182,960.

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

At 30 September 2012, 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 2012, the balance due to Dublin Software Park Ltd. by the university amounted to €5,045,162.

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

At 30 September 2012, the balance due to Invent DCU Limited from the university amounted to €87,564.

During the year the company made interest payments of €60,000 to the University.

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

At 30 September 2012, the balance due to UAC Management Limited from the university amounted to €139,067.

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

The University contributed €783,030 to the financing of the Sports Complex, from funds generated by the Development Levy.

At 30 September 2012, the balance due to Trispace Limited from the university amounted to €264,387.

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

At 30 September 2012, the balance due to DCU Ryan Academy Limited from the university amounted to €67,114.

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

At 30 September 2012, there are no outstanding balances between these companies.

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

At 30 September 2012, there are 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 2012, 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 2012 amounted to €1.8m (2011: €2.2m), Dublin Business School Fund Limited (balance outstanding as at 30 September 2012 amounted to €1.4m (2011: €1.5m)) and Dublin Software Park Limited (outstanding balance as at 30 September 2012 amounted to €0.05m (2011: €0.1m)). (Note 33)

### 37 Approval of Financial Statements

The accounts were approved by Governing Authority on 11<sup>th</sup> April 2013.