

# **HEA Funding Statement**

**For The Year Ended**

**30 September 2015**



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

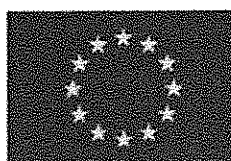
Cómhaoiniú ag Rialtas na hÉireann  
agus ag an Aontas Eorpach



AIR IOLLAIR  
OIDEACHAIS  
AGUS EOLAÍOCHTA | DEPARTMENT OF  
EDUCATION  
AND SCIENCE



HIGHER EDUCATION AUTHORITY  
AN t-ÚDARÁS um AIRD-OIDEACHAIS



EUROPEAN REGIONAL  
DEVELOPMENT FUND



An Roinn Post, Fiontar agus Nuálaíochta  
Department of Jobs, Enterprise and Innovation

*“Investing in your future”*



Ireland's European Structural and  
Investment Funds Programmes  
2014-2020

Co-funded by the Irish Government  
and the European Union

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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.

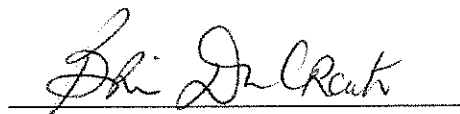
In preparing those accounts, the University is required to:

- 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

**Report of the Independent 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 2015 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 39. 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 Financial Reporting Council 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 accounting records.

**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.

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

**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 2015 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 accounting records have been kept by the University. The University's balance sheet and its income and expenditure are in agreement with the accounting records.



**Mazars**

**Chartered Accountants and Registered Auditors**

**Dublin 2**

*28 April 2016*  
**28 April 2016**

## 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	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.

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.

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.

### **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 Irish Corporation Tax or Income Tax, as the University holds tax exempt status. The University is registered for Value Added Tax.

## STATEMENT OF ACCOUNTING POLICIES

### **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.

### **P. Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs, and subsequently accounted for on an amortised cost basis using the effective interest method. Under the effective interest method, the difference between the redemption value of the borrowing and the initial proceeds (net of related issue costs) is amortised through the profit and loss account to the date of maturity.

**INCOME AND EXPENDITURE ACCOUNT**  
**Year Ended 30 September 2015**

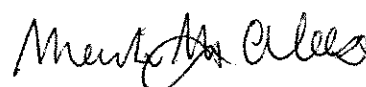
	Notes	2015 Euro '000	2014 Euro '000
<b>INCOME</b>			
State Grants	2	23,409	24,467
Student Fees	3	61,445	59,461
Other Income	4	8,352	6,985
		<u>93,206</u>	<u>90,913</u>
St. Patricks College, Drumcondra	1	20,874	33,347
Mater Dei Institute of Education	1	2,299	2,651
Research Grants and Projects	5	50,275	46,059
		<u>73,448</u>	<u>82,057</u>
Total Income		<u>166,654</u>	<u>172,970</u>
<b>EXPENDITURE</b>			
Academic Faculties and Departments	6	52,952	53,032
Academic and Other Services	7	5,619	5,686
Premises	8	7,297	7,456
Amount Allocated for Capital Purposes	9	3,769	2,702
Central Administration and Services	10	10,588	9,734
General Educational Expenditure	11	752	621
Student Services	12	5,538	5,383
Miscellaneous Expenditure	13	6,685	6,297
		<u>93,200</u>	<u>90,911</u>
St. Patricks College, Drumcondra	1	20,874	33,347
Mater Dei Institute of Education	1	2,299	2,651
Research Grants and Projects	5	50,275	46,059
		<u>73,448</u>	<u>82,057</u>
Total Expenditure	14	<u>166,648</u>	<u>172,968</u>
Surplus on Activities before Amortisation of Capital Reserves and Grants and Depreciation of Fixed Assets		6	2
Depreciation of Fixed Assets	15	(7,627)	(19,668)
General Reserve movement	16	<u>7,627</u>	<u>19,668</u>
Surplus for the year		<u>6</u>	<u>2</u>

The Statement of Accounting Policies, Cash Flow Statements and Notes 1 to 39 form part of the Financial Statements

Signed:

President

Chancellor

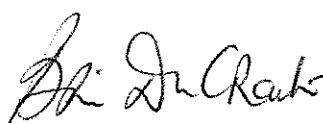



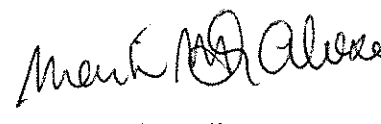
**BALANCE SHEET**  
As At 30 September 2015

	Notes	2015 Euro '000	2014 Euro '000
<b>FIXED ASSETS</b>	17	<u>267,371</u>	<u>258,642</u>
<b>INVESTMENTS</b>	18	<u>1</u>	<u>1</u>
<b>CURRENT ASSETS</b>			
Cash on hand and at bank		13,845	13,255
Debtors and Prepayments	19	41,302	42,429
Stocks	20	<u>226</u>	<u>142</u>
		<u>55,373</u>	<u>55,826</u>
<b>Less: CURRENT LIABILITIES</b>			
Creditors and Accrued Expenditure	21	100,212	93,379
Bank Overdraft		<u>-</u>	<u>712</u>
		<u>100,212</u>	<u>94,091</u>
<b>NET CURRENT LIABILITIES</b>		<u>(44,839)</u>	<u>(38,265)</u>
<b>LONG TERM LIABILITIES</b>			
Creditors due after one year	22	<u>68</u>	<u>432</u>
		<u>222,465</u>	<u>219,946</u>
<b>REPRESENTED BY:</b>			
General Reserve	25	222,121	219,608
Restricted Reserve	26	-	-
Revenue Reserve	27	<u>344</u>	<u>338</u>
		<u>222,465</u>	<u>219,946</u>

The Statement of Accounting Policies, Cash Flow Statement and Notes 1 to 39 form part of these Financial Statements.

Signed:

  
President

  
Chancellor

**CASHFLOW STATEMENT**  
**Year Ended 30 September 2015**

	Notes	2015 Euro '000	2014 Euro '000
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	28	6,266	2,459
<b>NET INCREASE IN ALLOCATIONS FROM RELATED COMPANIES</b>		675	821
<b>NET DECREASE/(INCREASE) IN FUNDS ADVANCED TO RELATED COMPANIES</b>		5,128	(9,702)
<b>RETURN ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Interest received		213	362
Interest element of Lease and Loan Payments		(54)	(48)
<b>INVESTING ACTIVITIES</b>			
Capital Projects Receipts		6	-
Capital Projects Expenditure		(13,711)	(5,171)
<b>NET CASH OUTFLOW BEFORE FINANCING</b>		(1,477)	(11,279)
<b>FINANCING ACTIVITIES</b>			
HEA Capital Grants		1,013	561
Non-HEA Capital Grants		2,062	613
Bank Borrowings		(243)	(231)
Capital Element of Finance Leases		(53)	(49)
<b>NET CASH INFLOW/(OUTFLOW) AFTER FINANCING ACTIVITIES</b>		1,302	(10,385)
<b>INCREASE/(DECREASE) IN CASH OR CASH EQUIVALENTS</b>		1,302	(10,385)

## 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 €20.9m in the year ended 30 September 2015 (2014: €33.3m). 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 €2.3m in the year ended 30 September 2015 (2014: €2.7m). 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

	2015 €'000	2014 €'000
Recurrent Grant	22,808	23,475
IT Investment Fund	85	85
Minor Works	29	46
Skills Programmes	487	861
	<u>23,409</u>	<u>24,467</u>
HEA Core Grant Deferred Income Analysis		
State grant received in respect of calendar year	14,187	15,244
State grant deferred from prior accounting year	3,620	4,066
State grant deferred to subsequent accounting years	<u>(3,430)</u>	<u>(3,620)</u>
State grant per financial statements	<u>14,377</u>	<u>15,690</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

	2015 €'000	2014 €'000
Fees paid by state (HEA)	26,276	27,079
Fees paid by student or third party	32,134	29,533
Capitation Levy	1,427	1,300
Development Levy	834	807
Total Academic Fees	<u>60,671</u>	<u>58,719</u>
Miscellaneous Fee Income	<u>774</u>	<u>742</u>
	<u>61,445</u>	<u>59,461</u>

### 4 Other Income

	2015 €'000	2014 €'000
Interest Receivable	213	362
Non-EU Fees	1,825	1,663
Research Projects Contribution	147	203
Pension Income	2,611	2,704
Miscellaneous income	<u>3,556</u>	<u>2,053</u>
	<u>8,352</u>	<u>6,985</u>

### 5 Research Grants and Projects

	2015 €'000	2014 €'000
Research Grants	35,917	33,959
Other Contracted Projects	2,518	2,533
Other Funded Projects	<u>11,840</u>	<u>9,567</u>
	<u>50,275</u>	<u>46,059</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

	2015			2014
	Staff Costs €'000	Non Pay €'000	Total €'000	Total €'000
Academic	35,128	-	35,128	35,107
Technical	3,357	-	3,357	3,405
Administration Support	3,971	-	3,971	3,889
Departmental Materials, Equipment & Travel	-	8,569	8,569	8,547
Distance Education	1,269	597	1,866	2,045
Miscellaneous	-	61	61	39
	43,725	9,227	52,952	53,032

### 7 Academic and Other Services

	2015			2014
	Staff Costs €'000	Non Pay €'000	Total €'000	Total €'000
Computing Services	2,023	765	2,788	2,799
Library	1,392	1,235	2,627	2,613
Industrial Liaison	203	1	204	274
	3,618	2,001	5,619	5,686

# NOTES TO THE ACCOUNTS

## 8 Premises

	2015			2014
	Staff Costs €'000	Non Pay €'000	Total €'000	Total €'000
Premises Maintenance	947	1,485	2,432	2,437
General Services	625	1,225	1,850	1,993
Minor Works	-	29	29	46
Rent and Rates	-	204	204	196
Insurance	-	512	512	510
Energy Costs	-	2,270	2,270	2,274
	1,572	5,725	7,297	7,456

## 9 Allocated for Capital Purposes

	2015			2014
	Staff Costs € '000	Non Pay € '000	Total € '000	Total €'000
Building and Equipment	-	3,769	3,769	2,702
	-	3,769	3,769	2,702

## 10 Central Administration and Services

	2015			2014
	Staff Costs € '000	Non Pay € '000	Total € '000	Total € '000
Administration	7,060	-	7,060	6,583
Other Expenses	-	2,542	2,542	2,295
Professional Charges	-	563	563	445
Miscellaneous	-	423	423	411
	7,060	3,528	10,588	9,734

# NOTES TO THE ACCOUNTS

## 11 General Educational Expenditure

	2015			2014
	Staff Costs € '000	Non Pay € '000	Total € '000	Total € '000
Examination Expense	156	221	377	359
Scholarships/Prizes	-	234	234	127
Miscellaneous Expense	-	141	141	135
	156	596	752	621

## 12 Student Services

	2015			2014
	Staff Costs € '000	Non Pay € '000	Total € '000	Total € '000
Capitation grants	-	2,261	2,261	2,107
Student Services	2,252	777	3,029	3,019
Careers Office	-	44	44	25
Sports and Recreation	-	58	58	59
Health and Counselling	-	146	146	173
	2,252	3,286	5,538	5,383

## 13 Miscellaneous Expenditure

	2015			2014
	Staff Costs € '000	Non Pay € '000	Total € '000	Total € '000
Pensions	6,685	-	6,685	6,297
	6,685	-	6,685	6,297

## NOTES TO THE ACCOUNTS

### 14 Composition of Total Expenditure

	2015			2014
	Staff Costs € '000	Non Pay € '000	Total € '000	Total € '000
Academic and Related Services	65,068	28,132	93,200	90,911
Research Grants and Projects	33,402	16,873	50,275	46,059
	<u>98,470</u>	<u>45,005</u>	<u>143,475</u>	<u>136,970</u>
St. Patricks College, Drumcondra			20,874	33,347
Mater Dei Institute of Education			2,299	2,651
			<u>166,648</u>	<u>172,968</u>

### 15 Depreciation of Fixed Assets

	2015 € '000	2014 € '000
Buildings	5,954	5,712
Computer Equipment	624	732
Furniture and Equipment	<u>1,049</u>	<u>13,224</u>
	<u>7,627</u>	<u>19,668</u>

### 16 General Reserve Movement

	2015 € '000	2014 € '000
Amortisation in line with depreciation	<u>7,627</u>	<u>19,668</u>
	<u>7,627</u>	<u>19,668</u>

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 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>Additions at cost/valuation</b>	800	12,075	1,639	1,826	30	16,370
<b>Disposals</b>	-	(21)	(12,980)	(19,292)	(2,201)	(34,494)
<b>Net Additions/(Disposals)</b>	800	12,054	(11,341)	(17,466)	(2,171)	(18,124)
<b>Cost/Valuation at 30 September 2015</b>						
Cost	41,983	224,541	5,530	52,406	5,545	330,005
Valuation	4,649	69,584	-	-	-	74,233
Total	46,632	294,125	5,530	52,406	5,545	404,238
<b>Depreciation</b>						
Depreciation at 1 October 2014	-	70,744	16,752	68,531	7,693	163,720
Depreciation for Year	-	5,954	624	1,038	11	7,627
Disposals	-	(10)	(12,979)	(19,290)	(2,201)	(34,480)
Depreciation at 30 September 2015	-	76,688	4,397	50,279	5,503	136,867
<b>Net Book Value 30 September 2015</b>	46,632	217,437	1,133	2,127	42	267,371
<b>Net Book Value 30 September 2014</b>	45,832	211,327	119	1,341	23	258,642

Included in buildings are assets under construction and advance payments of €1.0m (2014: €1.9m) that are depreciated from the date the asset is brought into use/acquired.

## NOTES TO THE ACCOUNTS

### 18 Investments

	2015 € '000	2014 € '000
Financial Assets	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

This amount reflects the equity held in Dunroamin Properties Limited, a wholly owned subsidiary of the University.

### 19 Debtors and Prepayments

	2015 € '000	2014 € '000
Contract Research Grants and Projects Recoverable	11,266	10,112
Amounts Due from Subsidiary Companies	22,169	28,165
Other Debtors and Prepayments	<u>7,867</u>	<u>4,152</u>
	<u>41,302</u>	<u>42,429</u>

### 20 Stocks

	2015 € '000	2014 € '000
Class Materials	210	130
Other	<u>16</u>	<u>12</u>
	<u>226</u>	<u>142</u>

## NOTES TO THE ACCOUNTS

### 21 Creditors and Accrued Expenditure

	2015 € '000	2014 € '000
Contract Research Grants and Projects Unexpended	60,706	62,178
State Grant for Recurrent Expenditure received in Advance	1,701	1,126
Amounts Due to Subsidiary Companies	2,302	3,170
Lease Obligations	57	51
Loan Obligations	323	231
Other Creditors & Accruals	35,123	26,623
	<u>100,212</u>	<u>93,379</u>

### 22 Creditors Due After One Year

	2015 € '000	2014 € '000
Lease Obligations	68	97
Loan Obligations	-	335
	<u>68</u>	<u>432</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.

The University 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. Loans drawn down by the University under these agreements will be reported on the University's balance sheet as and when drawdowns occur. The ISIF borrowings are secured against the student accommodation residences on the Glasnevin Campus, as a condition subsequent against student accommodation residences on the All-Hallows and St. Patrick's campuses, and also on the shareholding in Campus Residences Limited through which these residences are operated. Campus Residences Ltd is wholly owned by DCU Commercial Ltd, which in turn is wholly owned by Dublin City University.

### 24 Finance Leases

An amount of €13,237 (2014: €15,363) 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	166,290	-	1,013	167,303
Recurrent transfers	36,795	-	3,769	40,564
Capital Donations	62,551	-	2,701	65,252
Revaluation Ministerial Property	11,579	-	-	11,579
Campus Company Donations	864	-	675	1,539
Research Equipment	40,048	-	1,996	42,044
Disposals (Note 17)	(6,430)	-	(34,494)	(40,924)
	383,331	-	(24,340)	358,991
Amortisation	170,153	-	7,627	177,780
Disposals (Note 17)	(6,430)	-	(34,480)	(40,910)
	219,608	-	2,513	222,121

### 26 Restricted Reserve

	2015 € '000	2014 € '000
Opening balance	-	25,291
<i>Transferred to General Reserves:</i>		
State Capital Grants	-	(10,200)
Capital Contributions	-	(15,091)
		-
Movement on Sinking Fund	-	-
Balance at end of year	-	-

The reserve includes monies provided to the University to fund the Science Research PRTL1 capital project.

In 2014 the University exercised a Put and Call option to reacquire the Science Research building, and related funding was reclassified to General Reserves.

## NOTES TO THE ACCOUNTS

### 27 Revenue Reserve

	2015 € '000	2014 € '000
Opening balance	338	336
Surplus for the year	6	2
Closing balance	344	338

### 28 Net Cash Flow from Operating Activities

	2015 € '000	2014 € '000
Surplus for the year	6	2
Add: Recurrent transfers to capital	3,769	2,702
Less: Interest received	(213)	(362)
	3,562	2,342
Depreciation of Fixed Assets	7,627	19,668
Amortisation of General Reserves	(7,627)	(19,668)
Loan Interest paid	41	33
Lease Interest paid	13	15
(Increase)/Decrease in Debtors and Prepayments	(4,869)	289
(Increase)/Decrease in Stocks	(84)	24
Increase/(Decrease) in Creditors and Accruals	7,603	(244)
Net Cash Inflow from Operating Activities	6,266	2,459

### 29 Analysis of Changes in Net Funds

	At 30 September 2014 € '000	Cashflow During 2015 € '000	At 30 September 2015 € '000
Cash	12,543	1,302	13,845
Leases	(148)	33	(115)
Loans	(566)	244	(322)
Total	11,829	1,579	13,408

## NOTES TO THE ACCOUNTS

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

	2015 € '000	2014 € '000
Balance at beginning of year	12,543	22,928
Net cash inflow/(outflow)	1,302	(10,385)
Balance at end of year	13,845	12,543

### 31 Capital Commitments

	2015 € '000	2014 € '000
DCU Commitments contracted at 30 September	29,113	4,112
Subsidiary Commitments contracted at 30 September	404	809
Authorised but not contracted at 30 September	31,568	3,094
	61,085	8,015

Capital commitments reflect the University's campus development plan which provides the capital investment required to grow and enhance campus facilities. This investment ensures the University can cater for continued growth in student numbers and research activities.

### 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. Pension benefits are met from current revenue as they arise. The total employee pension contributions in the period were €3.7m (2014: €3.4m). 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

	2015 €'000	2014 €'000
Opening Balance - Grants payable to / (receivable from) the HEA	<u>182</u>	<u>535</u>
<i>Income</i>		
Employer Contributions	1,370	1,495
Employee Contributions	505	551
Supplementation Income	4,441	4,040
Income in respect of purchase of service	734	354
<b>Total Income</b>	<u>7,050</u>	<u>6,440</u>
<i>Expenditure</i>		
Pensions in payment (including supplementation)	5,026	4,676
Lump sum payments on retirement/termination	1,534	1,647
Death in service payments	118	-
Refunds of contributions	7	57
Administration and other costs	464	413
<b>Total Expenditure</b>	<u>7,149</u>	<u>6,793</u>
<b>(Deficit)/Surplus in year</b>	<u>(99)</u>	<u>353</u>
<b>Closing Balance – Grants payable to the HEA</b>	<u>83</u>	<u>182</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 2015:

<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 dissolved on 17 February 2016.

#### **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 €13,074,254 (2014: €13,433,382), which includes the Sports Complex of €1,688,472 (2014: €1,753,414) and Student Residence Blocks of €11,385,782 (2014: €11,679,968). 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 2015 was €391,815 (2014: €859,771). The proceeds have been utilised to carry out capital works on the campus. An accumulated profit of €51,271 (2014: €17,298) was reported in its financial statements at 30 September 2015.

## 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 €5,585,297 (2014: €5,887,346) which includes the student centre of €5,277,967 (2014: €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 €1,176,291 (2014: €1,040,355) was reported in its financial statements at 30 September 2015.

#### **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 €38,178,680 (2014: €38,401,507) which includes Student Residence Blocks of €37,484,630 (2014: €37,588,417) and the restaurant extension of €117,176 (2014: €359,458). These assets were funded by a mixture of loans and leases, which in turn are funded by future income streams.

An accumulated surplus of €12,975,988 (2014: €11,721,601) was reported in its financial statements at 30 September 2015.

#### **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 2015 was €825,747 (2014: €1,009,246). The proceeds have been utilised to carry out capital works on the campus.

An accumulated surplus of €Nil (2014: €Nil) was reported in its financial statements at 30 September 2015.

#### **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 (2014: €1,034,046) was reported in its financial statements at 30 September 2015.

#### **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 €33.5m, which includes €1.8m of assets under construction.

These include the following;

Institute of Education Building Project	€0.8m
Other Projects	€1.0m

## NOTES TO THE ACCOUNTS

### 33 Related Companies (*continued*)

DSPL owns and operates the Multi-storey Car Park which has a net book value of €8.24m (2014: €8.5m), and owns The Helix which has a net book value of €25.3m (2014: €26m).

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 2015 was €Nil (2014: €23,834). The proceeds have been utilised to carry out capital works on the campus.

An accumulated loss of (€1,992,466) (2014: (€1,929,632)) was reported in its financial statements at 30 September 2015.

#### **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 office space and facilities to start-up, technology and university companies. The net book value of its tangible assets is €8,137,708 (2014: €7,516,094) which includes the Invent Centre of €4,244,898 (2014: €4,361,833) and DCU Alpha of €3,425,000 (2014: €2,662,453). These assets were funded through a mix of donations, grants, patron funding and rental income streams.

An accumulated loss of (€1,997,283) (2014: (€1,532,952)) was reported in its financial statements at 30 September 2015.

#### **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 €115,951 (2014: €132,910).

An accumulated surplus/ (deficit) of €316,267 (2014: (€63,268)) was reported in its financial statements at 30 September 2015.

#### **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 €180,111 (2014: €167,325) was reported in its financial statements at 30 September 2015.

#### **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 €7,042,249 (2014: €7,352,358) which includes the swimming pool of €4,055,415 (2014: €4,345,088).

An accumulated surplus of €607,694 (2014: €99,145) was reported in its financial statements at 30 September 2015.

## 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 €105,732,195 (2014: €107,265,202).

The Net Asset Value including Capital Grants of all DCU Commercial Limited group of companies amounted to €64,970,182 (2014: €64,615,073).

As at 30 September 2015 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 €325,549 (2014: €282,792) from Campus Property Limited during the year ended 30 September 2015.

At 30 September 2015, the balance due to Campus Property Limited from the University amounted to €204,963. An amount of €113,906 is due to Campus Property in respect of stationery & office supplies purchased.

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

At 30 September 2015, the balance due by the university to DCULS Limited amounted to €557,580. The company donated €873,927 to the University during the year.

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

At 30 September 2015, the balance due to the University by DCU Commercial Limited amounted to €16,831,998.

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

The university paid €17,429 in respect of interest and similar charges to Dublin Business School Fund Ltd during the year.

At 30 September 2015, the balance due to Dublin Business School Fund Limited from the University amounted to €52,365.

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

At 30 September 2015, the balance due to Campus Residences Limited from the University amounted to €265,870.

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

At 30 September 2015, 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 2015, the balance due from Dublin Software Park Limited to the University amounted to €374,192.

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

At 30 September 2015, the balance due from Invent DCU Limited to the University amounted to €3,372,221.

During the year the company made interest payments of €129,345 to the University.

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

At 30 September 2015, the balance due to UAC Management Limited from the University amounted to €216,574.

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

The University contributed €834,200 to the financing of the infrastructure.

At 30 September 2015, the balance due to Trispace Limited from the University amounted to €522,747.

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

At 30 September 2015, the balance due from The DCU Ryan Academy to the University amounted to €8,575.

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

At 30 September 2015, there were no outstanding balances between these companies.

### 35 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 €16.9m (2014: €16.1m). The amount owed by the Trust to the University at the reporting date is €1.32m (2014: €1.16m).

### 36 Post Balance Sheet Event

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, preliminary contracts were signed on 18 June 2015. The agreement secured the educational mission of the campus and facilitates existing students in the completion of their studies. The purchase was completed on 8 April 2016 and costs incurred in acquiring the campus will be reflected in fixed assets. The campus will form an integral component of DCU at a time of rapid growth for the University.

### 37 Comparative Figures

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

## NOTES TO THE ACCOUNTS

### 38 Contingent Liabilities

There are no contingent liabilities as at 30 September 2015, 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 2015 amounted to €0.4m (2014: €0.9m), Dublin Business School Fund Limited (balance outstanding as at 30 September 2015 amounted to €0.8m (2014: €1.0m)) and Dublin Software Park Limited (outstanding balance as at 30 September 2015 amounted to €0.008m (2014: €0.02m)). (Note 33)

### 39 Approval of Financial Statements

The accounts were approved by Governing Authority on 28 April 2016.