

HEA Funding Statement

For The Year Ended

30 September 2008

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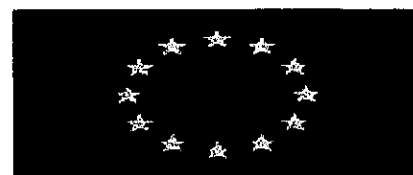
DCU



NATIONAL DEVELOPMENT PLAN

HEA

Higher Education Authority
An tÚdarás um Ard-Oideachas



**EUROPEAN UNION
STRUCTURAL FUNDS**

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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.

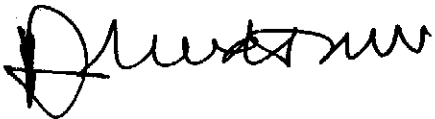
In preparing those accounts, the University is required to:

- 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, the Statement of Recommended Practice – “Accounting for Further and Higher Education Institutions” 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 Ferdinand von Prondzynski

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 2008 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 Accounting Standards Board and published by the Institute of Chartered Accountants in 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 (continued)

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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 the Dublin City University as at 30 September 2008 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

7 April 2009
7 April 2009

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 has been used for the purchase of fixed assets and for the financing of the capital portion of lease charges is 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 & Science, 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 lives 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.

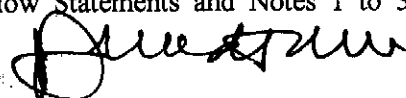
INCOME AND EXPENDITURE ACCOUNT

Year Ended 30 September 2008

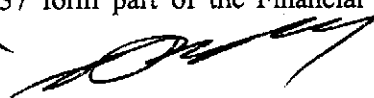
	Notes	2008 Euro '000	2007 Euro '000
INCOME			
State Grants	2	42,040	39,269
Student Fees	3	47,075	39,622
Other Income	4	5,591	4,695
		<u>94,706</u>	<u>83,586</u>
St. Patricks College, Drumcondra	1	23,115	22,583
Mater Dei Institute of Education	1	3,702	4,157
Irish Universities Quality Board	1	381	350
Research Grants and Projects	5	47,863	39,962
		<u>75,061</u>	<u>67,052</u>
Total Income		<u>169,767</u>	<u>150,638</u>
EXPENDITURE			
Academic Faculties and Departments	6	57,300	51,333
Academic and Other Services	7	6,283	6,445
Premises	8	7,954	7,027
Amount Allocated for Capital Purposes	9	4,484	2,198
Central Administration and Services	10	10,492	10,587
General Educational Expenditure	11	443	428
Student Services	12	4,424	3,290
Miscellaneous Expenditure	13	2,552	2,280
		<u>93,932</u>	<u>83,588</u>
St. Patricks College, Drumcondra	1	23,115	22,583
Mater Dei Institute of Education	1	3,702	4,157
Irish Universities Quality Board	1	381	350
Research Grants and Projects	5	47,863	39,962
		<u>75,061</u>	<u>67,052</u>
Total Expenditure	14	<u>168,993</u>	<u>150,640</u>
Surplus/(Deficit) on Activities before Amortisation of Capital Reserves and Grants and Depreciation of Fixed Assets		774	(2)
Depreciation of Fixed Assets	15	(11,860)	(8,854)
General Reserve movement	16	<u>11,860</u>	<u>8,854</u>
Surplus/(Deficit) for the year		<u>774</u>	<u>(2)</u>

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

Signed:



President



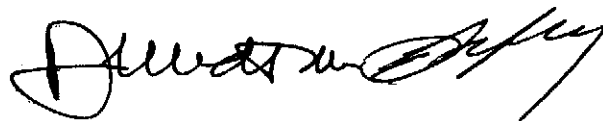
Director of Finance

BALANCE SHEET
As At 30 September 2008

	Notes	2008 Euro '000	2007 Euro '000
FIXED ASSETS	17	<u>222,789</u>	<u>222,115</u>
INVESTMENTS	18	<u>47,987</u>	<u>47,571</u>
CURRENT ASSETS			
Cash on hand and at bank		533	4,633
Debtors and Prepayments	19	54,414	42,135
Stocks	20	<u>266</u>	<u>268</u>
		55,213	47,036
Less: CURRENT LIABILITIES			
Creditors and Accrued Expenditure	21	64,042	62,216
Bank Overdraft		<u>6,349</u>	<u>3,075</u>
		70,391	65,291
NET CURRENT LIABILITIES		<u>(15,178)</u>	<u>(18,255)</u>
LONG TERM LIABILITIES			
Creditors due after one year	22	2,315	3,593
		<u>253,283</u>	<u>247,838</u>
REPRESENTED BY:			
General Reserve	25	207,591	207,602
Restricted Reserve	26	45,622	40,940
Revenue Reserve	27	<u>70</u>	<u>(704)</u>
		<u>253,283</u>	<u>247,838</u>

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

Signed:



President

Director of Finance

CASHFLOW STATEMENT
Year Ended 30 September 2008

	Notes	2008 Euro '000	2007 Euro '000
NET CASH INFLOW FROM OPERATING ACTIVITIES	28	5,684	15,084
NET INCREASE IN ALLOCATIONS FROM RELATED COMPANIES		575	59
NET INCREASE IN FUNDS ADVANCED TO RELATED COMPANIES		(10,515)	(10,484)
RETURN ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		321	204
Interest element of Lease and Loan Payments		(242)	(195)
INVESTING ACTIVITIES			
Investments		(416)	(1,843)
Capital Projects Expenditure		(12,534)	(6,539)
Capital Project Receipts		1,163	2,968
NET CASH OUTFLOW BEFORE FINANCING		(15,964)	(746)
FINANCING ACTIVITIES			
HEA Capital Grants		1,325	12,426
Non-HEA Capital Grants		10,147	3,191
Bank Borrowings		(167)	(158)
Capital Element of Finance Lease Repayments		(2,715)	(2,303)
NET CASH (OUTFLOW)/INFLOW AFTER FINANCING ACTIVITIES		(7,374)	12,410
(DECREASE)/INCREASE IN CASH OR CASH EQUIVALENTS		(7,374)	12,410

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 €23.1m in the year ended 30 September 2008 (2007: €22.6m). 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 €3.7m in the year ended 30 September 2008 (2007: €4.2m). 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 €0.4m in the year ended 30 September 2008 (2007: €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

	2008 €'000	2007 €'000
Recurrent Grant	40,733	38,139
IT Investment Fund	95	172
Targeted Funding for Special Initiatives	-	427
Minor Works	20	59
Skills Programmes	1,192	472
	<u>42,040</u>	<u>39,269</u>
HEA Core Grant Deferred Income Analysis		
State grant received in respect of calendar year	33,266	32,322
State grant deferred from prior accounting year	8,080	6,335
State grant deferred to subsequent accounting years	<u>(8,316)</u>	<u>(8,080)</u>
State grant per financial statements	<u>33,030</u>	<u>30,577</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

	2008 €'000	2007 €'000
Fees paid by state	19,886	18,223
Fees paid by student or third party	24,477	19,398
Capitation Levy	1,019	847
Development Levy	683	539
Total Academic Fees	46,065	39,007
Miscellaneous Fee Income	1,010	615
	47,075	39,622
Student Service Charge		
Income from student service charge	3,203	2,805
Expenditure		
Student service costs (note 12)	(4,424)	(3,290)
Examination costs (note 11)	(443)	(428)
Space costs associated with student facilities	(263)	(238)
Costs relating to registration, fees, admissions and records	(1,564)	(1,591)
Total Expenditure	(6,694)	(5,547)
Shortfall	(3,491)	(2,742)

The student service charge is an artificially constructed and de-facto fee, and represents part of the inherent service provided by the University. As illustrated above it falls significantly short of meeting the costs it purports to fund.

4 Other Income

	2008 €'000	2007 €'000
Interest Receivable	321	204
Non-EU Fees	1,743	1,325
Research Projects Contribution	149	190
Miscellaneous income	3,378	2,976
	5,591	4,695

NOTES TO THE ACCOUNTS

5 Research Grants and Projects

	2008 €'000	2007 €'000
Research Grants	35,483	25,959
Other Contracted Projects	6,376	7,420
Other Funded Projects	6,004	6,583
	<u>47,863</u>	<u>39,962</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.

6 Academic Faculties and Departments

	2008			2007
	Staff Costs €'000	Non Pay €'000	Total €'000	Total €'000
Academic	35,757	-	35,757	32,273
Technical	3,432	-	3,432	3,677
Administration Support	5,150	-	5,150	4,763
Departmental Materials, Equipment & Travel	-	10,361	10,361	7,778
Distance Education	1,677	856	2,533	2,739
Miscellaneous	-	67	67	103
	<u>46,016</u>	<u>11,284</u>	<u>57,300</u>	<u>51,333</u>

7 Academic and Other Services

	2008			2007
	Staff Costs €'000	Non Pay €'000	Total €'000	Total €'000
Computing Services	2,148	514	2,662	2,740
Library	1,733	1,090	2,823	2,659
Education Services	230	115	345	520
Industrial Liaison	184	269	453	526
	<u>4,295</u>	<u>1,988</u>	<u>6,283</u>	<u>6,445</u>

NOTES TO THE ACCOUNTS

8 Premises

	2008			2007
	Staff Costs €'000	Non Pay €'000	Total €'000	Total €'000
Premises Maintenance	1,012	1,438	2,450	2,295
General Services	649	1,691	2,340	1,776
Minor Works	-	20	20	48
Rent and Rates	-	162	162	197
Insurance	-	627	627	755
Energy Costs	-	2,355	2,355	1,956
	1,661	6,293	7,954	7,027

9 Allocated for Capital Purposes

	2008			2007
	Staff Costs € '000	Non Pay € '000	Total € '000	Total €'000
Building and Equipment	-	4,484	4,484	2,198
	-	4,484	4,484	2,198

10 Central Administration and Services

	2008			2007
	Staff Costs € '000	Non Pay € '000	Total € '000	Total € '000
Administration	6,178	-	6,178	5,982
Other Expenses	-	2,889	2,889	3,454
Professional Charges	-	995	995	703
Miscellaneous	-	430	430	448
	6,178	4,314	10,492	10,587

NOTES TO THE ACCOUNTS

11 General Educational Expenditure

	2008			2007
	Staff Costs € '000	Non Pay € '000	Total € '000	Total € '000
Examination Expense	147	138	285	292
Scholarships/Prizes	-	66	66	16
Miscellaneous Expense	-	92	92	120
	147	296	443	428

12 Student Services

	2008			2007
	Staff Costs € '000	Non Pay Euro	Total Euro	Total € '000
Capitation grants	-	1,702	1,702	1,386
Student Services	1,800	540	2,340	1,591
Careers Office	4	31	35	33
Sports and Recreation	-	83	83	79
Health and Counselling	-	264	264	201
	1,804	2,620	4,424	3,290

13 Miscellaneous Expenditure

	2008			2007
	Staff Costs € '000	Non Pay € '000	Total € '000	Total € '000
Pensions	2,552	-	2,552	2,280
	2,552	-	2,552	2,280

NOTES TO THE ACCOUNTS

14 Composition of Total Expenditure

	2008			2007
	Staff Costs € '000	Non Pay € '000	Total € '000	Total € '000
Academic and Related Services	62,653	31,279	93,932	83,588
Research Grants and Projects	25,019	22,844	47,863	39,962
	<u>87,672</u>	<u>54,123</u>	<u>141,795</u>	<u>123,550</u>
St. Patricks College, Drumcondra			23,115	22,583
Mater Dei Institute of Education			3,702	4,157
Irish Universities Quality Board			381	350
			<u>168,993</u>	<u>150,640</u>

15 Depreciation of Fixed Assets

	2008 € '000	2007 € '000
Buildings	4,704	4,030
Computer Equipment	1,483	1,429
Furniture and Equipment	<u>5,673</u>	<u>3,395</u>
	<u>11,860</u>	<u>8,854</u>

16 General Reserve Movement

	2008 € '000	2007 € '000
Amortisation in line with depreciation	<u>11,860</u>	<u>8,854</u>
	<u>11,860</u>	<u>8,854</u>

NOTES TO THE ACCOUNTS

17 Fixed Assets

	LAND	BUILDINGS	COMPUTER EQUIPMENT	FURNITURE and EQUIPMENT	LEASED ASSETS	TOTAL
	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000
Cost/Valuation at 1 October 2007						
Cost	41,983	133,717	14,813	38,614	8,717	237,844
Valuation	3,849	67,784	-	-	-	71,633
Total	45,832	201,501	14,813	38,614	8,717	309,477
Additions at cost	-	1,378	928	10,228	-	12,534
Disposals	-	-	-	-	-	-
Net Additions	-	1,378	928	10,228	-	12,534
Cost/Valuation at 30 September 2008						
Cost	41,983	135,095	15,741	48,842	8,717	250,378
Valuation	3,849	67,784	-	-	-	71,633
Total	45,832	202,879	15,741	48,842	8,717	322,011
Depreciation						
Depreciation at 1 October 2007	-	36,091	14,742	32,222	4,307	87,362
Depreciation for Year	-	4,704	440	4,050	2,666	11,860
Disposals	-	-	-	-	-	-
Depreciation at 30 September 2008	-	40,795	15,182	36,272	6,973	99,222
Net Book Value 30 September 2008	45,832	162,084	559	12,570	1,744	222,789
Net Book Value 30 September 2007	45,832	165,410	71	6,392	4,410	222,115

Equipment for Research & Development Projects is capitalised in accordance with the most recent 'University Harmonisation of Accounts'. Prior to 1998/99 this expenditure was written off in the year of purchase.

NOTES TO THE ACCOUNTS

18 Investments

	2008 € '000	2007 € '000
Money Market Deposits	47,987	47,571
	<u>47,987</u>	<u>47,571</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 (i) the Library & Information Resource Centre and Extension to the School of Computer Applications and (ii) the Science Research PRTL1 Project at future dates. (Note 26)

(i) The Library & Information Resource Centre and Extension to the School of Computer Applications

In 2000, the University entered into arrangements with a financial institution for the financing of its Library & Information Resource Centre and an extension to its School of Computer Applications. These assets were constructed by the University's subsidiary, Dublin Software Park Limited, at a cost of €24.25m 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. The rent in respect of the current financial year is €1.74m (2007: €1.35m) and this is included under the heading Reserves in the financial statements.

The University received to date HEA Capital grants of €11m and private donations of €11m 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, in 2009.

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 funds so invested, including interest, are included in Investments. Interest earned in respect of the current financial year is €1.34m (2007: €1.32m) of which €0.25m (2007: €1.05m) is invested in the sinking fund.

(ii) The Science Research PRTL1 Project

In November 2002, the University entered into arrangements with a financial institution for the financing of its Science Research PRTL1 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. The rent in respect of the 2008 calendar year is €0.72m (2007: €0.73m).

The University received to date HEA Capital grants of €10.2m and private donations of €12.5m 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, in 2009.

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 funds so invested including interest are included in Investments. Interest earned in respect of the 2008 calendar year is €0.92m (2007: €0.93m) of which €0.32 (2007: €0.33m) is invested in the sinking fund.

NOTES TO THE ACCOUNTS

19 Debtors and Prepayments

	2008 € '000	2007 € '000
Contract Research Grants and Projects Recoverable	15,842	11,301
Amounts Due from Subsidiary Companies	33,809	25,019
Other Debtors and Prepayments	4,763	5,815
	<u>54,414</u>	<u>42,135</u>

20 Stocks

	2008 € '000	2007 € '000
Class Materials	208	218
Other	58	50
	<u>266</u>	<u>268</u>

21 Creditors and Accrued Expenditure

	2008 € '000	2007 € '000
Contract Research Grants and Projects Unexpended	32,278	30,576
State Grant for Recurrent Expenditure received in Advance	2,525	2,250
Amounts Due to Subsidiary Companies	2,864	4,589
Lease Obligations	1,847	2,294
Loan Obligations	170	164
Other Creditors & Accruals	24,358	22,343
	<u>64,042</u>	<u>62,216</u>

22 Creditors Due After One Year

	2008 € '000	2007 € '000
Lease Obligations	704	1,809
Loan Obligations	1,611	1,784
	<u>2,315</u>	<u>3,593</u>

NOTES TO THE ACCOUNTS

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 €135,344 (2007: €102,102) has been charged in the financial statements in respect of finance charges on finance leases.

25 General Reserve

	Opening Balance € '000	Current Year Movement € '000	Closing Balance € '000
Revaluation Fixed Assets	71,634	-	71,634
State Capital Grants	135,371	(3,541)	131,830
Recurrent transfers	19,131	4,484	23,615
Capital Donations	37,487	-	37,487
Revaluation Ministerial Property	11,579	-	11,579
Campus Company Donations	3,502	575	4,077
Research Equipment	16,263	10,331	26,594
	<u>294,967</u>	<u>11,849</u>	<u>306,816</u>
Amortisation	87,365	11,860	99,225
	<u>207,602</u>	<u>(11)</u>	<u>207,591</u>

NOTES TO THE ACCOUNTS

26 Restricted Reserve

	2008 € '000	2007 € '000
Opening balance	40,940	39,375
State Capital Grants	4,866	1,289
	<u>45,806</u>	<u>40,664</u>
Movement on Sinking Fund	(184)	276
Balance at end of year	<u>45,622</u>	<u>40,940</u>

These funds comprise monies allocated by the University to fund a range of capital developments including (i) the Library and Information Resource Centre and extension to the School of Computer Applications, and (ii) the Science Research PRTL1 1 Project. (Note 18)

27 Revenue Reserve

	2008 € '000	2007 € '000
Opening balance	(704)	(702)
Surplus/(Deficit) for the year	774	(2)
Closing balance	<u>70</u>	<u>(704)</u>

28 Net Cash Flow from Operating Activities

	2008 € '000	2007 € '000
Surplus/(Deficit) for the year	774	(2)
Add: Recurrent transfers to capital	4,484	2,384
Less: Interest received	<u>(321)</u>	<u>(204)</u>
	4,937	2,178
Depreciation of Fixed Assets	11,860	8,854
Amortisation of General Reserves	(11,860)	(8,854)
Loan Interest paid	107	93
Lease Interest paid	135	102
(Increase)/Decrease in Debtors and Prepayments	(3,489)	422
Decrease in Stocks	2	10
Increase in Creditors and Accruals	<u>3,992</u>	<u>12,279</u>
Net Cash Inflow from Operating Activities	<u>5,684</u>	<u>15,084</u>

NOTES TO THE ACCOUNTS

29 Analysis of Changes in Net Funds

	At 30 September 2007 € '000	Cashflow During 2008 € '000	At 30 September 2008 € '000
Cash	1,558	(7,374)	(5,816)
Loans	(1,948)	167	(1,781)
Finance Leases	(4,103)	1,552	(2,551)
Total	(4,493)	(5,655)	(10,148)

30 Analysis of Changes in Cash and Cash Equivalents

	2008 € '000	2007 € '000
Balance at beginning of year	1,558	(10,852)
Net cash (outflow)/inflow	(7,374)	12,410
Balance at end of year	(5,816)	1,558

31 Capital Commitments

	2008 € '000	2007 € '000
DCU Commitments contracted at 30 September	-	-
Subsidiary Commitments contracted at 30 September	1,365	6,532
Authorised but not contracted at 30 September	-	-
	1,365	6,532

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 €3.7m (2007: €3.4m). 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

33 Related Companies

Dublin City University owns shares in the following companies as at 30 September 2008:

<u>Company Name</u>	<u>Percentage of Shareholding</u>
City Research & Development Ltd (CR&D)	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

Incorporated in 1992, this company was established as one of the Department of Science and Technology's Programmes in Advanced Technology (PAT).

Biouetikon Limited

The company was incorporated in January 1998. Its principal activities are contract manufacture and research for the biotechnology and pharmaceutical industries. In 2006 a 25 year property lease arrangement was put in place with the entity, with an initial rental stream of €300,000 per annum accruing to the University.

Slidepath Limited

The company was incorporated in 2004 and its principle activity is the delivery of software for digital slide and life sciences informatics. The University's equity holding is 11.6%.

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.

City Research and Development Limited

CR&D is wholly owned by Dublin City University and acts as a holding company for all other related companies (other companies are wholly owned by CR&D Ltd.). CR&D owns the Sports Complex and two Student Residence Blocks. The net book value of its tangible assets is €15,449,363 (2007: €15,764,680), which includes the Sports Complex of €2,143,062 (2007: €2,208,003) and Student Residence Blocks of €12,883,083 (2007: €13,133,459). 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 2008 was €3,566,112 (2007: €3,859,598). The proceeds have been utilised to carry out capital works on the campus.

An accumulated surplus of €1,739,867 (2007: €2,554,257) was reported in its financial statements at 30 September 2008.

NOTES TO THE ACCOUNTS

33 Related Companies (*continued*)

Campus Property Limited

This company is a wholly owned subsidiary of CR&D. It owns and manages the Campus Social Centre and operates the Campus Shops. The net book value of its tangible assets is €7,054,850 (2007: €7,103,582), which includes the student centre of €6,698,053 (2007: €6,905,545). 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 €412,291 (2007: €315,480) was reported in its financial statements at 30 September 2008.

Campus Residences Limited

This company is a wholly owned subsidiary of CR&D and was set up to manage and lease the student residences. The net book value of its tangible fixed assets is €40,191,056 (2007: €40,612,006), which includes Student Residence Blocks of €38,157,142 (2007: €38,256,018) and the restaurant extension of €1,810,609 (2007: €2,052,384). These assets were funded by a mixture of loans and leases, which in turn are funded by future income streams.

An accumulated surplus of €6,593,203 (2007: €5,326,241) was reported in its financial statements at 30 September 2008.

Dublin Business School Fund Limited

This entity is a financing vehicle for the Business School Development and a wholly owned subsidiary of CR&D. This company owns two buildings, Business School and Block X, with a net book value of €20,815,811 (2007: €7,085,995). These assets were funded by bank loans, which in turn are funded by future income streams.

The University has given a letter of comfort to facilitate bank borrowing by the company. The balance outstanding as at 30 September 2008 was €2,110,241 (2007: €2,293,741). The proceeds have been utilised to carry out capital works on the campus.

An accumulated surplus of €3,222,631 (2007: €2,824,832) was reported in its financial statements at 30 September 2008.

Dublin City University Language Services Limited

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

An accumulated surplus of €744,783 (2007: €525,704) was reported in its financial statements at 30 September 2008.

Dublin Software Park Limited

Established as a vehicle for future developments, DSPL is a wholly owned subsidiary of CR&D. 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 €42.4m, which includes €2.2m of assets under construction.

NOTES TO THE ACCOUNTS

33 Related Companies (*continued*)

These include the following;

Facility Enhancement Scheme	€0.7m
Other Projects	€1.5m

DSPL owns and operates the Multi-storey Car Park which has a net book value of €9.9m (2007: €10m), and owns The Helix which has a net book value of €30.1m (2007: €30.7m).

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 2008 was €187,491 (2007: €187,491). The proceeds have been utilised to carry out capital works on the campus.

An accumulated loss of (€1,057,711) (2007: (€870,393)) was reported in its financial statements at 30 September 2008.

DCU Executive Education Limited

This company is a wholly owned subsidiary of CR&D 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 CR&D. Its principal activity is the rental of space to start-up and university companies. The net book value of its tangible assets is €5,670,084 (2007: €5,805,146) which includes the Innovation Centre of €5,069,107 (2007: €5,180,371). These assets were funded by donation, grants and patron funding. A portion of the Patron Funding is outstanding.

An accumulated loss of (€609,610) (2007: (€681,332)) was reported in its financial statements at 30 September 2008.

UAC Management Limited

This company, incorporated on 6th March 2002, is a wholly owned subsidiary of CR&D. 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 €14,506 (2007: €51,109).

An accumulated loss of €7,360,030 (2007: (€7,213,222)) was reported in its financial statements at 30 September 2008.

The DCU Ryan Academy Limited

This company, incorporated on 16th May 2002, is a wholly owned subsidiary of CR&D. The principal activities of the company are the provision of consultancy, research and niche training programmes.

An accumulated loss of (€1,873,355) (2007: (€1,387,780)) was reported in its financial statements at 30 September 2008.

Trispace Limited

This company, incorporated on 17th July 2002, is a wholly owned subsidiary of CR&D. 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 €9,286,141 (2007: €10,236,828) which includes the swimming pool of €6,083,498 (2007: €6,357,253).

NOTES TO THE ACCOUNTS

33 Related Companies (*continued*)

An accumulated loss of (€641,094) (2007: (€281,177)) was reported in its financial statements at 30 September 2008.

DCU Healthy Living Centre Limited

This company, incorporated on 25th August 2006, is a wholly owned subsidiary of CR&D. It commenced trading during the financial year and the principal activity of the company is the provision of healthcare services. An accumulated loss of (€49,263) (2007: €NIL) was reported in its financial statements at 30 September 2008.

All Subsidiaries

The Net Written Down Value of Fixed Assets of all subsidiary companies amounted to €138,697,681 (2007: €127,773,704).

The Net Book Value of all City Research & Development Limited group of companies amounted to €60,348,726 (2007: €61,608,540)

As at 30 September 2008 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 €409,225 (2007: €470,268) from Campus Property Ltd. during the year ended 30 September 2008.

The university donated €34,280 to Campus Property Ltd. during the year ended 30 September 2008 as a contribution towards infrastructural expenses.

At 30 September 2008, the balance due to Campus Property Ltd. from the university amounted to €59,779. An amount of €74,269 is due to Campus Property in respect of stationery & office supplies purchased.

Dublin City University and DCULS Limited

At 30 September 2008, the balance due to the university from DCULS Ltd amounted to €17,827. The company donated €40,000 to the University during the year.

Dublin City University and City Research and Development Limited

The university received an allocation of €634,400 from City Research and Development Ltd. during the year ended 30 September 2008. This allocation is consequent on a condition of the company's charitable status whereby it cannot accumulate funds over a period.

At 30 September 2008, the balance due to the University by City Research and Development Ltd. amounted to €32,819,379.

Dublin City University and Dublin Business School Fund Limited

The university paid €1,087,801 in respect of rent to Dublin Business School Fund Ltd.

At 30 September 2008, there are no outstanding balances between these companies.

Dublin City University and Campus Residences Limited

At 30 September 2008, the balance due from Campus Residences Ltd. to the university amounted to €423,931.

NOTES TO THE ACCOUNTS

34 Related Party Disclosures *(continued)*

Dublin City University and Dublin Software Park Limited

At 30 September 2008, the balance due to Dublin Software Park Ltd. by the university amounted to €994,258.

Dublin City University and DCU Executive Education Limited

At 30 September 2008, there are no outstanding balances between these companies.

Dublin City University and Invent DCU Limited

At 30 September 2008, the balance due to Invent DCU Limited from the university amounted to €510,848. During the year the company made interest payments of €76,000 to the University.

Dublin City University and UAC Management Limited

At 30 September 2008, the balance due to UAC Management Limited from the university amounted to €524,890.

Dublin City University and Trispace Limited

The University contributed €683,173 to the financing of the Sports Complex, from funds generated by the Development Levy.

At 30 September 2008, the balance due to Trispace Limited from the university amounted to €287,544.

Dublin City University and The Ryan Academy

At 30 September 2008, the balance due to DCU Ryan Academy Limited from the university amounted to €4,742.

Dublin City University and The Healthy Living Centre

At 30 September 2008, the balance due to the university from DCU Healthy Living Centre Limited amounted to €26,042.

Dublin City University and Flourocap Limited

At 30 September 2008, the balance due to the university from Flourocap Limited amounted to €40,022.

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 2008, except to the extent that DCU has issued letters of comfort to facilitate bank borrowing in three subsidiary companies, namely City Research and Development Limited (outstanding balance as at 30 September 2008 amounted to €3.6m (2007: €3.9m)), Dublin Business School Fund Limited (balance outstanding as at 30 September 2008 amounted to €2.1m (2007: €2.3m)) and Dublin Software Park Limited (outstanding balance as at 30 September 2008 amounted to €0.2m (2007: €0.2m)). (Note 33)

37 Approval of Financial Statements

The accounts were approved by Governing Authority on 07 April 2009.