



Dublin City University

Consolidated Financial Statements

Year Ended 30 September 2015

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GENERAL INFORMATION

REGISTERED AUDITORS

Mazars
Block 3, Harcourt Centre
Harcourt Road
Dublin 2

STATUTORY AUDITORS

The Comptroller and Auditor General
3A Mayor Street Upper
Dublin 1

BANKERS

Allied Irish Banks Plc
7/12 Dame Street
Dublin 2

LEGAL ADVISORS

Arthur Cox
Arthur Cox Building
Earlsfort Terrace
Dublin 2

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

TAXATION ADVISORS

PricewaterhouseCoopers
One Spencer Dock
North Wall Quay
Dublin 1

PRESIDENT'S REPORT

Scope of the Financial Statements

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

Results for the Year Ended 30 September 2015

The University's Consolidated Income, Expenditure and Results for the year to September 2015 are summarised as follows:

	2014/15 €'000	2013/14 €'000
Income	189,415	182,688
Expenditure	182,646	176,822
Profit	6,769	5,866

The University's overall total income increased by 3.7% in the year. This reflects increases in research revenues, ancillary income generated by subsidiary companies, and student enrolments.

Total net expenditure increased by 3.3%. Total pay costs inclusive of the FRS17 pension adjustment increased by 6% while operating costs exclusive of depreciation increased by 2.2%. When the effects of FRS17 are removed, total pay costs increased by 4.4% during the financial year reflecting increased activity.

The reported net reserves movement for the year was €6.8m, with accumulated group reserves standing at €56.6m. These restricted reserves reflect accounting timing differences between non-capital grant funded infrastructural investment and associated depreciation costs; sinking fund requirements related to structured finance arrangements, and other longer term initiatives and commitments. Notwithstanding the continued reduction in State funding the University recorded a surplus of €6k on the core activity as set out in the Reconciliation with the HEA Funding Statement.

Balance Sheet and Cash Flow Statement

The additions to tangible fixed assets for the year amounted to €11.7m. Land and building additions for the year (€7.9m) including assets under construction reflect campus developments such as the HEA PRTL funded Nano-Bioanalytical Research Facility and the development of the Innovation Campus. Computer and other equipment purchases for the year were €3.8m.

Net cash inflows of €2.5m during the financial year have resulted in the group cash position of €29.4m increasing to €31.9m at year end. The net debt position of the Group at the balance sheet date is €4.2m. Cash reserves mainly reflect monies committed to future expenditure; for example, student fees received in advance, student accommodation deposits, research project income, and structured finance sinking fund deposits.

Future Outlook

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

With the continued reductions in Government funding to the university sector, DCU has continued to reduce expenditure to match funding available. In addition the University has sought to increase the revenues from non-exchequer sources.

PRESIDENT'S REPORT

Future Outlook (Continued)

The University has continued to grow revenues from its commercial group of companies, research activities and student numbers both domestically and abroad. In particular in this regard the University continues to grow its relationship with Princess Nora Bint Abdulrahman University in the Kingdom of Saudi Arabia to deliver additional DCU programmes.

DCU continues to perform well in international rankings, most recently in the QS World Rankings for the top 50 universities under 50 years old. DCU maintained its position of being the only Irish University ranked in these rankings.

One of the key strategic DCU projects is the DCU Incorporation Project. The DCU Incorporation Project involves St Patrick's College Drumcondra, the Mater Dei Institute of Education and the Church of Ireland College of Education, being incorporated as part of DCU, subject to the final approval of the governing bodies of the respective institutions. The project is well advanced with completion expected by the end of September 2016.

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

As Ireland's University of Enterprise, DCU has in 2015, continued to remain at the forefront of the sector for the execution of licences of intellectual property. In addition, as a research-intensive University, DCU has been and will continue to be successful in attracting significant research funding.

The University's campus development plan outlines the capital investment required to grow the facilities in DCU to accommodate the continued growth in student numbers and further enhance campus facilities. The overall physical infrastructure development is being financed through support from students, philanthropic donations, government grants and loan capital. In this regard, in December 2015, the University signed a finance contract with the European Investment Bank and a loan facility agreement with the Ireland Strategic Investment Bank to fund the loan capital requirements for the project investment.

Following a competitive tender process, DCU was selected as the 'preferred bidder' for the acquisition of the 6.74 hectare All Hallows campus in Drumcondra. The All Hallows Trust and DCU signed contracts in June 2015 for the acquisition of the All Hallows campus by DCU, subject to the relevant regulatory and church authority approval. The transaction was completed on 8 April 2016. By September 2016 the DCU All Hallows campus will be an integral part of the DCU campus network.

STATEMENT OF GOVERNING AUTHORITY'S RESPONSIBILITIES

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

In preparing those accounts, the University is required to:

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

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

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

On behalf of the Governing Authority



President



Chancellor

Date: 27 April 2017

STATEMENT OF GOVERNANCE AND INTERNAL CONTROL**1. Statement from Governing Authority in relation to responsibility and compliance (Section 2.11.4(i))**

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

2. Code of Governance (Section 2.11.4(ii))

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

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

3. Code of Conduct for Members (Section 2.11.4(ii))

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

4. Code of Conduct for Employees (Section 2.11.4(ii))

A Code of Conduct for staff has been put in place and implemented.

5. Financially significant developments (Section 2.11.4(iii))

Other than as disclosed in the annual financial statements, no financially significant developments took place in the financial year to 30 September 2015.

No new subsidiary companies were formed during the financial year. In the short to medium term, the establishment of other subsidiaries or joint ventures or acquisitions may arise from initiatives arising from the University’s strategic plan.

The Incorporation Project

In September 2012, the University announced that it had entered into a process with St Patrick’s College, Drumcondra, Mater Dei Institute of Education and the Church of Ireland College of Education which, while respecting the identity of the individual institutions, will lead to the creation of a single university entity. On March 25th 2014, an Incorporation Board was formally established comprising the heads of the four incorporating institutions plus the Incorporation Workstream leaders. The Board meets on a fortnightly basis and is tasked with the execution of the Incorporation Programme by October 1st 2016. The Incorporation Programme is listed on the University 2015/2016 Institutional Risk Register and fortnightly updates on the risk status of the key objectives under each workstream are provided to the Incorporation Board.

It is planned that the legal Incorporation of SPD, CICE and MDI will be completed by October 1st 2016 when all staff from those institutions will transfer to DCU.

The construction of two new floors on the F-Block building on the St. Patrick’s College Drumcondra campus to provide additional lecturing and office space for the Incorporation Programme at a cost of €18m commenced in September 2015. The building is scheduled to be completed in November 2016 and will go-live for Semester 2 2016/2017.

Campus Development Plan (2016-2021)

In December 2015 the University concluded negotiations with the European Investment Bank (EIB) and the Ireland Strategic Investment Fund (ISIF) to provide loan facilities that are central to the funding of the €223m Campus Development Plan (CDP). Contracts were signed with the EIB for a loan facility of €76m and ISIF for €54m (with ISIF also indicating that they would be prepared to consider giving further facilities to DCU of €66m which would bring the total ISIF commitment to DCU to €120m). The balance of funding required for the CDP is being provided by students, philanthropic donations, Government support and through use of the University’s own resources.

STATEMENT OF GOVERNANCE AND INTERNAL CONTROL**Campus Development Plan (Continued)**

The first Phase of the CDP will provide for investment in academic facilities including the construction of additional teaching capacity on the Glasnevin and St. Patrick's College campuses, investment in core IT Infrastructure and the construction of a new Student Centre. Other Phase I projects include:

1. Replacement of the roof and refurbishment of the eastern section of the Albert College building (€3m)
2. New Student Centre to start construction in August 2016 (€18m)
3. Buy-back of the Section 50 funded College Park Campus Residences (€34m)
4. Extension to Stokes Building to commence in July 2016 (€10m)
5. IT Transformation Programme (€8m)
6. Construction of two new Floors on the F-Block on the St. Patrick's Campus (€18m) to help facilitate the Incorporation Project.
7. Upgrade facilities and compliance works on the All Hallows Campus (€2.9m)
8. Teaching Equipment Renewal (€5m)
9. Upgrade to Sports Facilities (€3m)

The second phase of the Campus Development Plan will see the construction of additional on-campus student accommodation for 850 students and an extension to the Lonsdale building on the Glasnevin Campus.

The Higher Education Authority has been briefed in detail on the financing of the CDP and has provided formal written approval for the University to exceed the existing HEA Borrowing Framework.

Purchase of the All Hallows College Campus

DCU signed the contract for the purchase of the 16 acre All Hallows Campus on 17th June 2015 and completed the legal transfer of ownership to DCU on April 8th 2016 following receipt of consent from the Holy See (7th December 2015) and the Charities Regulatory Authority (27th February 2016). Eleven All Hallows' staff transferred to DCU on April 8th 2016 under TUPE legislation.

6. Pay (Sections 2.6.1 and 2.11.4(iv))

The University confirms that Government policy on pay is being complied with, including the Agreed Framework between the universities and the HEA for Departures from Approved Levels of Remuneration, Fees, Allowances and Expenses for University Employees.

7. Financial reporting (Section 2.11.4(v))

The University confirms that all appropriate financial reporting procedures are in place. The University's Financial Accounts are audited on an annual basis by external independent auditors and by the University's statutory auditors, the Comptroller and Auditor General.

8. Internal audit (Section 2.11.4(v))

The University has in place an independent Internal Audit function which reports to the Audit Committee of the Governing Authority. The work of Internal Audit complies with current good practice and is augmented, as required, through the co-sourcing of audits in specialists fields e.g. Information Technology.

9. Procurement (Section 2.11.4(v))

DCU confirms that appropriate procedures for procurement are in place. A Corporate Procurement Plan has been developed and is being adhered to, and that with the exception of non-material matters highlighted in internal and external audit reports, there is material compliance with national procurement guidelines where appropriate.

10. Asset disposals (Section 2.11.4(v))

DCU confirms that all appropriate procedures for the disposal of assets are being carried out.

11. Guidelines for the Appraisal and Management of Capital Proposals (Section 2.11.4(vi))

The University adopted a new Framework for the Management of Major Capital Projects in November 2015. This Framework details the necessary procedures for the development, review and approval of capital projects in accordance with the Department of Public Expenditure and Reform Public Spending Code.

STATEMENT OF GOVERNANCE AND INTERNAL CONTROL**12. Travel policy (Section 2.11.4(vii))**

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

13. Guidelines on Achieving Value for Money in Public Expenditure (Section 2.11.4(viii))

The University confirms that Value for Money in Public Expenditure guidelines in accordance with the Department of Public Expenditure and Reform Public Spending Code are being followed.

14. Tax laws (Section 2.11.4(ix))

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

15. Child protection policy (Section 2.11.4(x))

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

16. Fees and expenses in accordance with guidelines from the Department of Finance (Section 2.11.4(xi))

The University confirms that fees and/or expenses paid to members of governing authority are in accordance with the guidelines from the Department of Public Expenditure and Reform. The University Chancellor, Dr. Martin McAleese, received a stipend of €17,980 and no other fees or expenses were paid to external Governing Authority members in the year ending 30 September 2015.

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

17. Fees and expenses presented in Annual Report (Section 2.11.4(xi))

The University confirms that all fees and/or expenses paid to members of governing authority are presented in the University's Annual Report.

18. Note on schedule of fees and aggregate expenses (Section 2.11.4(xi))

No fees or expenses were paid to any member of the Governing Authority in the financial year ending 30th September 2015. The Chancellor received a stipend totalling €17,980 in the financial year.

19. Code of governance for trading subsidiaries (Section 2.11.4(xii))

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

20. Non-compliance (Section 2.11.5)

No material non-compliance matters were noted.

21. Good Faith Reporting – Protected Disclosures Act 2014 (Section 3.1.1.20)

In September 2014, the Governing Authority approved a Protected Disclosures policy in line with the Protected Disclosures Act 2014.

22. Governing authority responsibility for system of internal control (Section 3.4.1)

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

23. Reasonable assurance against material error (Section 3.4.2)

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

STATEMENT OF GOVERNANCE AND INTERNAL CONTROL**24. Key procedures put in place designed to provide effective internal control - appropriate control environment (Section 3.4.3 (i))**

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

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

25. Key procedures put in place designed to provide effective internal control – business risks (Section 3.4.3 (ii))

The University has in place an effective risk identification and management process (and if required, risk escalation process) involving all key units, academic and non-academic, across the University. Both institutional and unit level risks are captured and assessed, with mitigating actions identified and tracked. At the institutional level, the risks are reviewed by senior management on an on-going basis and reported up to Governing Authority through its Risk Committee. In 2016, a new system of quarterly reporting by the President to the Governing Authority on the risks contained within the Institutional Risk Register is being introduced.

26. Key procedures put in place designed to provide effective internal control – information systems (Section 3.4.3 (iii))

DCU makes extensive use of IT-based information systems to ensure effective controls are in place from financial management, procurement through to student records and exams results. The DCU Finance System, Agresso, provides full user access to all financial information relevant to their role. In addition, monthly budget updates are sent to all units heads showing expenditure to date vs budget.

27. Key procedures put in place designed to provide effective internal control – financial implications of major business risks (Section 3.4.3 (iv))

The Institutional-level Risk Register (IRR) is compiled from the individual unit level registers with institutional level risk assessment criteria applied. One of these criteria is the financial risk to the institution. The IRR is reviewed by senior management on an on-going basis and reported up to Governing Authority through its Risk Committee. In addition, each risk on the IRR is assigned to a member of the senior management team.

28. Key procedures put in place designed to provide effective internal control – monitoring the effectiveness of the internal control system (Section 3.4.3 (v))

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

- The Governing Authority is the main governance and decision making entity within the University, as prescribed by the Universities Act 1997. Under Section 34 of the Universities Act 1997 the Governing Authority approves the strategic plan.
- In practice the Governing Authority delegates many of its functions to the President and other staff, with appropriate reporting in place. The President is appointed by the Governing Authority to oversee the management of the University.
- The principal academic and administrative officer of the University is the President, who also carries the title, Chief Officer.
- The President is supported by a Senior Management Group which comprises the senior officers of the University who advise on the coordination of University activities and strategic planning.
- Members of the Senior Management Group have clearly defined responsibilities.
- The Executive Committee, which is chaired by the President, is the executive decision making group in the University and includes the Senior Management Group, two elected staff members and the President of the Students Union. This group is charged with the task of advising the President and deciding on policy and strategy of the University.
- The Executive Committee has a number of sub-committees which assist the Executive Committee in the execution of its functions.

STATEMENT OF GOVERNANCE AND INTERNAL CONTROL

- The Budget Committee recommends to the Executive Committee the details of the University's budget and its distribution, and other resourcing or budgeting issues as appropriate.
- The Budgetary Control system ensures that funds are allocated strategically and transparently. Spending against these allocations is monitored regularly and where necessary corrective action taken.
- Budgets are delegated to Faculty Deans, Heads of School, and Heads of Support Units, all of whom must deliver a balanced outcome against budget each year. This is monitored via monthly financial reports.
- Academic Council, subject to the financial constraints determined by Governing Authority, controls the academic affairs of the University, including the curriculum of, and instruction and education provided by, the University.
- The Quality Promotion Unit promotes and facilitates continuous quality improvement activities across academic and administrative units throughout the University. This is undertaken principally through the management of the University's Quality Review process for Schools, Faculties and Units.
- Published policies and procedures are in place in the University in support of the control environment including financial controls, delegation and segregation of duties. These provide reasonable but not absolute assurance for the prevention and detection of fraud.
- Internal control procedures are in place in order to safeguard all assets, protect and safeguard the interests of all relevant parties and ensure the production and integrity of the annual financial statements.
- In November 2015, the University introduced a new Approved Signing Authority Policy which details the approval process, approval thresholds and the approved institutional signatories for all University documentation and legal contracts.
- A Risk Committee operates as a sub-committee of the Governing Authority and reports to it on its work and the status of the University's risk management processes. The chair of the Risk Committee is also a member of the University Audit Committee. The risk management process is under the control of the University's Risk and Compliance Officer. This process of risk management includes evaluation of the financial implications of business risks, as appropriate. An external review of the University's Risk Management Processes will be carried out in 2017.
- The Strategic Finance Advisory Committee operates as a sub-committee of the Governing Authority and its role is to assist and advise management in putting in place optimal funding structures to provide the financial resources necessary to support the achievement of the University's Strategic Plan. The Committee, with written terms of reference, operates as a sub-committee of the Governing Authority and reports to it on the work undertaken by the Committee. This committee played a central role in reviewing in detail, and recommending acceptance to the Governing Authority, the loan finance arrangements proposed by the European Investment Bank and the Ireland Strategic Investment Fund.
- An Audit Committee, with written terms of reference, operates as a sub-committee of the Governing Authority and reports to it on the work undertaken by the Committee.
- Reports are provided by the President and Senior Officers (Finance Director, Vice-President Academic Affairs, Director of Human Resources and the Chief Operations Officer) at each Governing Authority meeting.
- The procedures for monitoring the effectiveness of the internal control systems include: audit committee, management reviews, consultancy, inspection and review studies, internal audit, risk management and quality reviews.

29. Review of the effectiveness of the system of internal control (Section 3.4.4)

A review of the effectiveness of the system of internal control is carried out by Internal Audit as part of its annual audit opinion on the adequacy and effectiveness of the University's system of internal control, with recommendations for improvement, contained within its Annual Report that is submitted via the Audit Committee to the Governing Authority.

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

STATEMENT OF GOVERNANCE AND INTERNAL CONTROL

In addition, annual written assurance is provided from each member of the senior management team confirming that to their knowledge, there has been no material deviation from the University's policies and procedures relating to internal controls in the period concerned.

30. Weaknesses in internal control (Section 3.4.5)

No material weaknesses in internal control were noted.

31. Description of the action taken to correct weaknesses (Section 3.4.6)

No material weaknesses were noted.

32. Governing Authority meetings

The DCU Governing Authority met on six occasions in 2014/2015 on the following dates:

- 23rd October 2014
- 11th December 2014
- 12th February 2015
- 7th May 2015
- 18th June 2015
- 10th September 2015

The attendance record for each member of the Authority was as follows:

	Authority Member	Attendance Record
1.	Dr. Martin McAleese (Chancellor)	6/6
2.	Prof. Brian MacCraith (President)	6/6
3.	Prof. Sean Farren	6/6
4.	Dr. Declan Raftery	6/6
5.	Ms. Margaret Sweeney (Chair Audit Committee)	5/6
6.	Prof. Eithne Guilfoyle	5/6
7.	Dr. Andrew McGrady	5/6
8.	Dr. Noel Murphy	6/6
9.	Prof. Gary Murphy	6/6
10.	Mr John Power	4/6
11.	Mr. James Corcoran	4/6
12.	Ms Cliodhna Daly	2/6
13.	Mr. Kenneth Brown	3/6
14.	Ms. Regina Moran	0/6
15.	Ms. Mairead Dunne	0/6
16.	Ms Brid Horan	5/6
17.	Dr. Patrick McDevitt	1/6
18.	Prof. Daire Keogh	5/6
19.	Mr. Paul Smith	3/6
20.	Mr Declan Moylan	5/6
21.	Ms. Orlaith McBride	3/6
22.	Dr. Shirley Coyle	6/6
23.	Prof. Fiona Regan	5/6
24.	Ms. Phylomema McMorrow	6/6
25.	Dr. Caroline McMullan	3/6
26.	Mr John Smith	4/6
27.	Mr. Tom McCarthy (Chair Risk Committee)	6/6
28.	Mr. Terence O'Rourke (Chair Strategic Finance Advisory Committee)	3/6
29.	Mr. Owen Keegan	4/6
30.	Ms. Eve Kerton	4/6

STATEMENT OF GOVERNANCE AND INTERNAL CONTROL

33. Audit Committee meetings

The Audit Committee met on the following dates in 2014/2015:

- 26 November 2014
- 7th January 2015
- 25th March 2015
- 18th June 2015
- 23rd September 2015

Audit Committee Member		Attendance Record
1.	Ms Margaret Sweeney (Chair)	5/5
2.	Ms. Marion O'Brien	3/5
3.	Ms. Brid Horan (Joined in January 2015)	3/4
4.	Mr. Tom McCarthy	5/5

34. Review of Governing Authority performance

A Review of the Effectiveness of the DCU Governing Authority was carried out in 2013 with a special Governing Authority Workshop held on June 20th 2013. The review was led by the Chancellor Dr. Martin McAleese.

A number of recommendations that resulted from that review have now been implemented and include:

1. The establishment of a Governing Authority Risk Committee.
2. The establishment of a Governing Authority Strategic Finance Advisory Committee.
3. The appointment of a member of the Authority as Chair of DCU Commercial Ltd.
4. An enhanced Governance and Nominations Committee.
5. A number of new procedures were adopted to streamline the effectiveness of Authority meetings and enhance the provision of information on the University, in particular, to external members of the University.

In January 2015, a follow up review was carried out to assess how these recommendations were working and to examine ways in which the overall operation of the Authority might be improved. This review resulted in five additional recommendations to further enhance the operation and effectiveness of the Governing Authority being adopted.

This Governing Authority's term of office expires on July 28th 2016. The next review of the Governing Authority will be carried out after the new Authority has been formed and has been in operation for a minimum of 12 months.

35. Salary of the University President

The salary of the President in the 2014/2015 financial year was €179,808.


36. General governance and accountability issues

No material general governance and accountability issues were noted.

Signed:



 President / Chief Officer



 Chancellor

Date: 27 April 2017



Comptroller and Auditor General Report for presentation to the Houses of the Oireachtas

Dublin City University

I have audited the consolidated financial statements of Dublin City University for the year ended 30 September 2015 under the Universities Act 1997. The financial statements comprise the statement of accounting policies, the consolidated income and expenditure account, the consolidated and university balance sheets, the consolidated statement of total recognised gains and losses, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is that specified in the Universities Act 1997 and generally accepted accounting practice.

Responsibilities of the Governing Authority

The Governing Authority is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and report on them in accordance with applicable law.

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

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

Scope of audit of the financial statements

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

- whether the accounting policies are appropriate to the University's circumstances, and have been consistently applied and adequately disclosed

- the reasonableness of significant accounting estimates made in the preparation of the financial statements, and
- the overall presentation of the financial statements.

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

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

Opinion on the financial statements

In my opinion, the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the University and of the University group as at 30 September 2015 and of the income and expenditure of the University group for the year then ended; and
- have been properly prepared in accordance with generally accepted accounting practice.

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

Relationship with Trust

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

The Trust's main purpose is to engage in fundraising activities for the purposes of the furtherance of education and research carried out by the University, and it cooperates with the

University in respect of specific development projects. It also owns the DCU Sports Campus, which it rents to the University for an annual charge of €175,000. At 31 December 2015, the Trust had accumulated reserves of €16.1 million.

Future pension arrangements

Without qualifying my opinion on the financial statements, I draw attention to Note 30 and to the recognition as at 30 September 2015 of an asset of €418 million in respect of deferred pension funding.

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

The Single Public Service Pension Scheme applies to all new staff that have joined the public sector as new entrants on or after 1 January 2013. All employee contributions for this scheme are paid into a State pension account. The Public Service Pensions (Single Scheme and Other Provisions) Act 2012 provides for all pension payments for the scheme to be made by the University from funds provided by the Oireachtas for that purpose. The recognition of a deferred pension funding asset reflects that statutory provision.

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

Matters on which I report by exception

I report by exception if I have not received all the information and explanations I required for my audit, or if I find

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

I have nothing to report in regard to those matters upon which reporting is by exception.



Seamus McCarthy
Comptroller and Auditor General

28 April 2017

STATEMENT OF ACCOUNTING POLICIES

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

Basis of preparation

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

Accounting convention

The consolidated financial statements have been prepared under the historical cost convention, except for certain assets and liabilities which are measured at valuations explained in accounting policies below.

Basis of consolidation

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

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

Unit of currency

The accounts in the Financial Statements are stated in Euro.

Recognition of income

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

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

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

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

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

Foreign currency translation

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

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 income and expenditure account to the date of maturity.

STATEMENT OF ACCOUNTING POLICIES

Tangible fixed assets

(a) Land and buildings

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

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

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

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

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

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

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

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

(b) Equipment and minor works

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

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

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

(c) Donations

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

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

STATEMENT OF ACCOUNTING POLICIES**(d) Leased assets**

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

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

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

Financial assets

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

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

Stocks

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

Taxation

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

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

Deferred taxation

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

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

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

Liquid resources

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

STATEMENT OF ACCOUNTING POLICIES

Provisions

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

Pensions

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

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

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

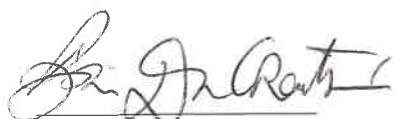
Actuarial gains or losses arising on the scheme liabilities are reflected in the Statement of Recognised Gains and Losses and a corresponding adjustment is recognised in the amount recoverable from the Higher Education Authority.

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

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
Year Ended 30 September 2015

	Notes	Consolidated 2015 €'000	Consolidated 2014 €'000
Income			
State grants	1	16,725	18,170
Academic fees	2	66,425	64,539
Research grants and contracts	3	47,257	43,768
Amortisation of deferred capital grants	18	6,772	6,251
Other operating income	4	23,135	19,496
Interest income	5	76	260
Funding for pensions	30b	29,025	30,204
Total income		<u>189,415</u>	<u>182,688</u>
Expenditure			
Staff costs	6	112,458	106,051
Other operating expenses	7	46,848	45,854
Interest payable	8	133	187
Interest on Pension Liabilities	30c	13,778	15,692
Depreciation	11	9,032	8,856
Total expenditure		<u>182,249</u>	<u>176,640</u>
Profit for the year before taxation and minority interest		7,166	6,048
Share of operating loss in joint ventures		(76)	(96)
Taxation	9	(265)	(86)
Minority Interest	29	(56)	-
Profit for the year after taxation and minority interest	10	6,769	5,866
General reserve at beginning of year		49,787	43,921
General reserve at end of year		<u>56,556</u>	<u>49,787</u>

The profit for the year arose from continuing operations. The historical cost profit is the same as the profit shown above. The financial statements on pages 15 to 39 were approved by the Governing Authority on 23 June 2016 and were signed on its behalf on 27 April 2017 by:



President

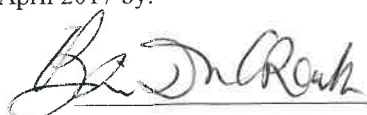


Chancellor

CONSOLIDATED BALANCE SHEETS
As at 30 September 2015

	Notes	Consolidated		University	
		2015 €'000	2014 €'000	2015 €'000	2014 €'000
Fixed assets					
Tangible assets	11	324,272	321,573	218,784	208,699
Financial assets	12	-	-	1	1
<i>Investment in Joint Ventures</i>					
Share of Gross Assets	12	201	166	-	-
Share of Gross Liabilities	12	(373)	(262)	-	-
		<u>324,100</u>	<u>321,477</u>	<u>218,785</u>	<u>208,700</u>
Current assets					
Stocks	13	409	391	226	207
Debtors	14	30,750	15,681	48,712	38,827
Cash at bank		22,723	21,366	13,845	13,255
Restricted cash	27	9,693	9,692	-	-
		<u>63,575</u>	<u>47,130</u>	<u>62,783</u>	<u>52,289</u>
Creditors: Amounts falling due within one year	15	<u>(70,357)</u>	<u>(63,204)</u>	<u>(60,485)</u>	<u>(53,047)</u>
Net current (liabilities) /assets		<u>(6,782)</u>	<u>(16,074)</u>	<u>2,298</u>	<u>(758)</u>
Total assets less current liabilities		317,318	305,403	221,083	207,942
Creditors: Amounts falling due after one year	16	<u>(34,615)</u>	<u>(36,221)</u>	<u>(68)</u>	<u>(432)</u>
Deferred Pension Funding	30d	418,133	495,098	418,133	495,098
Pension Liabilities	30e	(418,133)	(495,098)	(418,133)	(495,098)
Net assets		<u>282,703</u>	<u>269,182</u>	<u>221,015</u>	<u>207,510</u>
CAPITAL AND RESERVES					
DEFERRED CAPITAL GRANTS	18	<u>226,017</u>	<u>219,321</u>	<u>177,525</u>	<u>168,806</u>
Represented by:					
Revenue Reserves	19	56,556	49,787	43,490	38,704
Minority Interest	29	130	74	-	-
Total		<u>282,703</u>	<u>269,182</u>	<u>221,015</u>	<u>207,510</u>

The financial statements on pages 15 to 39 were approved by the Governing Authority on 23 June 2016 and were signed on its behalf on 27 April 2017 by:



President



Chancellor

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
Year Ended 30 September 2015

	Notes	2015 €'000	2014 €'000
Gains on operations after depreciation of assets, disposal of assets, tax and minority interest	10	6,769	5,866
Experience gains on pension scheme liabilities	30f	37,173	11,907
Changes in actuarial assumptions	30f	66,149	(83,420)
Adjustment to deferred pension funding	30d/30f	(103,322)	71,513
		<u>6,769</u>	<u>5,866</u>
Total recognised gains relating to the period		<u>6,769</u>	<u>5,866</u>
Reconciliation			
Opening reserves		49,787	43,921
Total recognised gains for the year		<u>6,769</u>	<u>5,866</u>
Closing reserves		<u>56,556</u>	<u>49,787</u>

CONSOLIDATED CASH FLOW STATEMENT
Year Ended 30 September 2015

	Notes	2015 €'000	2014 €'000
Net cash inflow from operating activities	23	10,389	4,779
Returns on investments and servicing of finance	24	(58)	72
Taxation paid	9	(265)	(86)
Capital expenditure and financial investment	25	<u>(5,888)</u>	<u>(11,603)</u>
Net cash inflow/(outflow) before use of liquid resources and financing		4,178	(6,838)
Financing	26	<u>(1,658)</u>	<u>(2,650)</u>
Increase/(decrease) in cash in the period		<u>2,520</u>	<u>(9,488)</u>
Reconciliation of net cash flow to movement in net funds/debt			
Increase/(decrease) in cash in the period		2,520	(9,488)
Cash outflow from decrease in debt and lease financing		1,658	1,672
Cash inflow from restricted cash balance		1	978
		<u>4,179</u>	<u>(6,838)</u>
Change in net debt resulting from cashflows		4,179	(6,838)
New finance leases		<u>(30)</u>	<u>(29)</u>
Movement in net debt in period	27	4,149	(6,867)
Net debt at 1 October	27	<u>(8,362)</u>	<u>(1,495)</u>
Net debt at 30 September	27	<u>(4,213)</u>	<u>(8,362)</u>

NOTES TO THE ACCOUNTS

1 State grants	2015	2014
	€'000	€'000
State grants allocated for recurrent purposes	<u>16,725</u>	<u>18,170</u>
The above grant income was received from the Higher Education Authority.		
 2 Academic fees	 2015	 2014
	€'000	€'000
Academic fee income	65,651	63,797
Miscellaneous fee income	<u>774</u>	<u>742</u>
Total fees paid by or on behalf of individual students	<u>66,425</u>	<u>64,539</u>
Fee income includes payments on behalf of students from the following authorities;		
Higher Education Authority	26,327	28,064
Department of Health	<u>374</u>	<u>387</u>
 3 Research grants and contracts	 2015	 2014
	€'000	€'000
State/Semi State	31,005	28,680
European Union	8,482	7,294
Industry	3,309	2,773
Other	<u>4,461</u>	<u>5,021</u>
	<u>47,257</u>	<u>43,768</u>
 4 Other income	 2015	 2014
	€'000	€'000
Rental/Space Income	1,847	1,243
Residences	3,660	3,389
Arts Centre	2,116	1,864
Retail/Office Supplies	1,729	1,801
Translation & ELT Services	4,863	4,195
Sports Facilities	1,892	1,881
Catering	3,732	3,298
Other income	<u>3,296</u>	<u>1,825</u>
	<u>23,135</u>	<u>19,496</u>

NOTES TO THE ACCOUNTS - continued

5 Interest income	2015 €'000	2014 €'000
Interest income	<u>76</u>	<u>260</u>

6 Staff costs

The average weekly number of persons employed by the Group during the period, expressed as full-time equivalent was 1,493 (2014: 1,456). Average staff numbers are analysed as follows:

	2015 Number	2014 Number
Teaching	455	446
Research	385	372
Technical, Central administration and services	418	413
Companies	<u>235</u>	<u>225</u>
	<u>1,493</u>	<u>1,456</u>

	2015 €'000	2014 €'000
Salaries and wages	89,758	85,983
Social welfare costs	7,187	6,839
Other pension costs	<u>15,513</u>	<u>13,229</u>
Net Payroll Cost	<u>112,458</u>	<u>106,051</u>

7 Other operating expenses	2015 €'000	2014 €'000
Arts Centre expenses	1,223	1,106
Student Residences expenses	1,209	1,010
Energy & Utility expenses	2,248	2,258
Library	1,226	1,169
Academic Consumables & related expenses	8,118	8,138
Premises Repairs & General Maintenance	3,424	3,555
Research Materials & related expenses	13,787	13,554
Professional expenses	1,347	1,221
Office Supplies	1,454	1,394
Student Services expenses	2,451	2,297
Other expenses	<u>10,361</u>	<u>10,152</u>
	<u>46,848</u>	<u>45,854</u>
Other operating expenses above includes auditors' remuneration:		
Comptroller and Auditor General Statutory Audit	31	30
External Registered Auditor Financial Audit of University Group	99	92
External Registered Auditor Other Services	<u>10</u>	<u>15</u>

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

NOTES TO THE ACCOUNTS - continued

8 Interest payable	2015	2014
	€'000	€'000
Interest payable and similar charges on bank overdraft	35	24
On bank loans and other loans:		
Repayable within 5 years	72	94
Repayable wholly or partly in more than 5 years	-	19
	<u>107</u>	<u>137</u>
On finance leases	26	50
Total	<u>133</u>	<u>187</u>

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

9 Taxation	2015	2014
	€'000	€'000
<i>Current taxation:</i>		
Irish Corporation tax on profits of subsidiary companies	21	22
Foreign taxation	244	64
Tax charge for the year	<u>265</u>	<u>86</u>

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

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

	2015	2014
	€'000	€'000
Profit before tax (including results of Joint Ventures) for the year	7,034	5,952
Notional tax at standard rate of Irish Corporation Tax of 12.5% (2014: 12.5%)	879	744
Profits not subject to taxation	(672)	(533)
Differences in effective overseas rates	195	(42)
Expenses/Amortisation allowed for tax purposes	(161)	(92)
Donations to approved charity	(109)	(115)
Capital allowances for the year	194	181
Income taxed at higher rate	8	(16)
Utilisation of losses carried forward	(70)	(41)
Under provision of prior year charge	<u>1</u>	<u>-</u>
Current tax charge for the year	<u>265</u>	<u>86</u>

In accordance with FRS19, certain companies within the group have not recognised a potential deferred tax asset of €638k (2014: €708k) to the extent that it cannot be considered more probable than not that it can be recovered. The deferred tax asset relates primarily to losses carried forward.

NOTES TO THE ACCOUNTS - continued

10 Profit on operations for the period	2015	2014
	€'000	€'000

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

Profit generated by the University	4,786	3,738
Profit generated by the subsidiary undertakings	<u>1,983</u>	<u>2,128</u>
	<u>6,769</u>	<u>5,866</u>

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

NOTES TO THE ACCOUNTS - continued

11 Tangible fixed assets	Land €'000	Buildings €'000	Computer equipment €'000	Equipment €'000	Assets in course of construction €'000	Structured Finance Assets €'000	Total €'000
CONSOLIDATED							
Cost or valuation							
At 1 October 2014	41,983	314,579	20,798	90,337	8,961	33,905	510,563
Additions	800	2,290	1,607	2,186	4,860	-	11,743
Disposals	-	(1,153)	(14,531)	(22,313)	-	-	(37,997)
Reclassifications	-	10,831	-	-	(10,831)	-	-
At 30 September 2015	42,783	326,547	7,874	70,210	2,990	33,905	484,309
Depreciation							
At 1 October 2014	-	83,024	20,472	85,494	-	-	188,990
Depreciation for year	-	6,847	621	1,564	-	-	9,032
Disposals	-	(1,141)	(14,531)	(22,313)	-	-	(37,985)
At 30 September 2015	-	88,730	6,562	64,745	-	-	160,037
Net book value							
At 1 October 2014	41,983	231,555	326	4,843	8,961	33,905	321,573
At 30 September 2015	42,783	237,817	1,312	5,465	2,990	33,905	324,272

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

Assets with a VAT inclusive cost of €12.3m (2014: €6.9m) completed during the year are reclassified from "Assets in course of Construction", (with a VAT exclusive construction cost of €10.8m), and are depreciated from the date when brought into use.

Disposals reflect long lived aged assets, substantially all fully depreciated, derecognised from the accounts as part of the implementation of the Group's new Fixed Asset Register system.

NOTES TO THE ACCOUNTS - continued

11 Tangible fixed assets – continued

UNIVERSITY

Cost or valuation

	Land €'000	Buildings €'000	Computer equipment €'000	Equipment €'000	Structured Finance Assets €'000	Total €'000
At 1 October 2014	41,983	214,286	20,219	74,238	-	350,726
Additions	800	12,075	1,640	1,856	-	16,371
Disposals	-	(21)	(14,423)	(20,051)	-	(34,495)
Reclassifications	-	-	-	-	-	-
At 30 September 2015	42,783	226,340	7,436	56,043	-	332,602

Depreciation

At 1 October 2014	-	49,053	20,100	72,874	-	142,027
Depreciation for year	-	4,598	625	1,049	-	6,272
Disposals	-	(10)	(14,422)	(20,049)	-	(34,481)
At 30 September 2015	-	53,641	6,303	53,874	-	113,818

Net book value

At 1 October 2014	41,983	165,233	119	1,364	-	208,699
At 30 September 2015	42,783	172,699	1,133	2,169	-	218,784

Included in buildings are assets under construction and advance payments of €1m (2014: €1.9m) that are depreciated from the date when brought into use. Tangible assets held under finance leases are as follows:

	Consolidated 2015 €'000	Consolidated 2014 €'000	University 2014 €'000
Net book value at 30 September	42	70	23
Depreciation charge for the year	59	255	144

NOTES TO THE ACCOUNTS - continued

11 Tangible Fixed Assets (Continued)

The University holds and maintains certain heritage assets, such as paintings, sculptures and other artworks. There are no heritage assets capitalised in the financial statements as each individual item is valued at less than the €150,000 threshold. The University conserves these assets for research and teaching, and for interaction between the University and its staff and the public. All costs in relation to preservation, conservation and protection are expensed as incurred. There were no additions or disposals of heritage assets between 01 October 2014 and 30 September 2015.

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

12 Financial assets	Consolidated			University
	2015 €'000	2014 €'000	2015 €'000	2014 €'000
Investments at the year end were held as follows:				
Subsidiary companies	-	-	1	1
Investment in Joint Ventures	(172)	(96)	-	-
Other	-	-	-	-
	<u>(172)</u>	<u>(96)</u>	<u>1</u>	<u>1</u>

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

Subsidiary undertakings	Principal activity	Interest %	Registered office/place of business
Incorporated			
DCU Commercial Limited (DCL)	Holding Company & Facility Operator	100%	Earlsfort Terrace, Dublin 2
Fluorocap Limited	Technology Licensing	65%	Earlsfort Terrace, Dublin 2
Dunroamin Properties Limited	Not Trading	100%	Earlsfort Terrace, Dublin 2
Holding Company Incorporated Subsidiaries of DCL			
Campus Property Limited	Retail & Property Rental	100%	Earlsfort Terrace, Dublin 2
Campus Residences Limited	Student Residences	100%	Earlsfort Terrace, Dublin 2
DCU Executive Education Limited	Not Trading	100%	Earlsfort Terrace, Dublin 2
DCU Healthy Living Centre Limited	Not Trading	100%	Earlsfort Terrace, Dublin 2
DCU Ryan Academy	Entrepreneurship	100%	Earlsfort Terrace, Dublin 2
DCULS Limited	Translation Services	100%	Earlsfort Terrace, Dublin 2
Dublin Business School Fund Limited	Property Rental	100%	Earlsfort Terrace, Dublin 2
Dublin Software Park Limited	Property Development & Property Rental	100%	Earlsfort Terrace, Dublin 2

NOTES TO THE ACCOUNTS - continued

Invent DCU Limited	Office space and facilities rental	100%	Earlsfort Terrace, Dublin 2
Trispace Limited	Catering & Sports	100%	Earlsfort Terrace, Dublin 2
UAC Management Limited	Arts Centre	100%	Earlsfort Terrace, Dublin 2
Associated undertakings (DCU)			
3U Collaboration Ltd	Education & Research	33 ^{1/3} %	North Wall Quay, Dublin 1
Centre for Software Engineering Limited	Software Training	25%	Earlsfort Terrace, Dublin 2
Gas Sensors Solutions Limited	Sensor Systems	5%	Earlsfort Terrace, Dublin 2

The associated undertakings are not consolidated.

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

13 Stocks	Consolidated			University
	2015 €'000	2014 €'000	2015 €'000	2014 €'000
Stocks	409	391	226	207
	<u>409</u>	<u>391</u>	<u>226</u>	<u>207</u>

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

14 Debtors	Consolidated			University
	2015 €'000	2014 €'000	2015 €'000	2014 €'000
Due within one year				
Trade debtors/prepayments	12,226	8,412	10,321	6,575
Research grants and contracts receivable	10,882	7,257	10,882	7,257
State grants receivable	7,642	-	7,642	-
Amounts due from subsidiary undertakings	-	-	19,867	24,995
	<u>30,750</u>	<u>15,669</u>	<u>48,712</u>	<u>38,827</u>
Due after one year				
Other Debtors	-	12	-	-
	<u>30,750</u>	<u>15,681</u>	<u>48,712</u>	<u>38,827</u>

15 Creditors: Amounts falling due within one year	Consolidated			University
	2015 €'000	2014 €'000	2015 €'000	2014 €'000
Overdraft (note 17)	474	1,637	-	712
Research grants and contracts in advance	20,915	22,502	20,915	22,502
Bank loan (note 17)	1,482	1,488	323	230
Obligations under finance leases (note 17)	57	74	57	51
State grants in advance	1,702	1,126	1,702	1,126
Trade creditors, accruals, other creditors	45,727	36,377	37,488	28,426
	<u>70,357</u>	<u>63,204</u>	<u>60,485</u>	<u>53,047</u>

NOTES TO THE ACCOUNTS - continued

16 Creditors: Amounts falling due after one year	Consolidated			University
	2015 €'000	2014 €'000	2015 €'000	2014 €'000
Bank loans (note 17)	642	2,219	-	335
Amounts due to investors	33,905	33,905	-	-
Obligations under finance leases (note 17)	68	97	68	97
	<u>34,615</u>	<u>36,221</u>	<u>68</u>	<u>432</u>

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

17 Borrowings	Consolidated			University
	2015 €'000	2014 €'000	2015 €'000	2014 €'000

(a) Bank loans and overdrafts

Bank loans and overdrafts are repayable as follows:

Overdraft	474	1,637	-	712
In one year or less	1,482	1,488	323	230
Greater than one year	642	2,219	-	335
Total	<u>2,598</u>	<u>5,344</u>	<u>323</u>	<u>1,277</u>

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.

(b) Finance leases

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

	Consolidated			University
	2015 €'000	2014 €'000	2015 €'000	2014 €'000
In one year or less	57	74	57	51
Greater than one year	68	97	68	97
Total	<u>125</u>	<u>171</u>	<u>125</u>	<u>148</u>

NOTES TO THE ACCOUNTS - continued

18 Deferred capital grants

Analysis of Deferred Capital Grants & Reserves	HEA	Other grants & benefactors	Total
Consolidated	€'000	€'000	€'000
At 1 October 2014			
Land and Buildings	88,496	127,264	215,760
Equipment	<u>2,039</u>	<u>1,522</u>	<u>3,561</u>
Total	<u>90,535</u>	<u>128,786</u>	<u>219,321</u>
Grants receivable			
Land and Buildings	8,160	3,415	11,575
Equipment	<u>495</u>	<u>1,398</u>	<u>1,893</u>
Total	<u>8,655</u>	<u>4,813</u>	<u>13,468</u>
Released to income and expenditure			
Land and Buildings	2,320	2,948	5,268
Equipment	<u>507</u>	<u>997</u>	<u>1,504</u>
Total	<u>2,827</u>	<u>3,945</u>	<u>6,772</u>
At 30 September 2015			
Land and Buildings	94,336	127,731	222,067
Equipment	<u>2,027</u>	<u>1,923</u>	<u>3,950</u>
Total	<u>96,363</u>	<u>129,654</u>	<u>226,017</u>

NOTES TO THE ACCOUNTS - continued

18 Deferred capital grants – continued

University	HEA €'000	Other grants & benefactors €'000	Total €'000
At 1 October 2014			
Land and Buildings	83,895	81,230	165,125
Equipment	<u>2,037</u>	<u>1,644</u>	<u>3,681</u>
Total	<u>85,932</u>	<u>82,874</u>	<u>168,806</u>
Grants receivable			
Land and Buildings	8,160	3,260	11,420
Equipment	<u>495</u>	<u>1,398</u>	<u>1,893</u>
Total	<u>8,655</u>	<u>4,658</u>	<u>13,313</u>
Released to income and expenditure			
Land and Buildings	2,039	1,572	3,611
Equipment	<u>507</u>	<u>476</u>	<u>983</u>
Total	<u>2,546</u>	<u>2,048</u>	<u>4,594</u>
At 30 September 2015			
Land and Buildings	90,016	82,918	172,934
Equipment	<u>2,025</u>	<u>2,566</u>	<u>4,591</u>
Total	<u>92,041</u>	<u>85,484</u>	<u>177,525</u>

NOTES TO THE ACCOUNTS - continued

19 Reconciliation of movement of reserves

	2015 €'000	2014 €'000
Consolidated		
At 1 October	49,787	43,921
Profit on operations	<u>6,769</u>	<u>5,866</u>
At 30 September	<u>56,556</u>	<u>49,787</u>
University		
At 1 October	38,704	34,966
Profit on operations	<u>4,786</u>	<u>3,738</u>
At 30 September	<u>43,490</u>	<u>38,704</u>

20 Contingencies

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

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

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

NOTES TO THE ACCOUNTS - continued

21 Capital commitments	Consolidated		University	
	2015 €'000	2014 €'000	2015 €'000	2014 €'000
Contracted for but not provided	29,517	4,921	29,113	4,112
Authorised but not contracted out	31,568	3,094	16,907	1,054
	<u>61,085</u>	<u>8,015</u>	<u>46,020</u>	<u>5,166</u>

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.

22 Financial commitments	2015 €'000	2014 €'000
At 30 September the group had annual commitments under non-cancellable operating leases of:		
	<u>14</u>	<u>17</u>

23 Reconciliation of consolidated operating profit to net cash inflow from operating activities	2015 €'000	2014 €'000
Profit on operations after depreciation of assets	7,166	6,048
Depreciation	9,032	8,856
Deferred capital grants released to income	(6,773)	(6,251)
Interest payable	133	187
(Increase)/decrease in stocks	(18)	3
(Increase)/decrease in debtors	(7,427)	1,029
Increase/(decrease) in creditors	8,339	(4,834)
Loss on disposal of fixed assets	12	-
Interest receivable	(75)	(259)
Net cash inflow from operating activities	<u>10,389</u>	<u>4,779</u>

24 Returns on investments and servicing of finance	2015 €'000	2014 €'000
Other interest received	75	259
Interest paid	(107)	(137)
Interest element of finance lease rental payment	(26)	(50)
Net cash (outflow)/inflow from returns on investments and servicing of finance	<u>(58)</u>	<u>72</u>

25 Capital expenditure and financial investment	2015 €'000	2014 €'000
Purchase of tangible fixed assets	(11,714)	(13,068)
Deferred capital grants received	5,826	1,465
Net cash outflow from capital expenditure and financial investment	<u>(5,888)</u>	<u>(11,603)</u>

NOTES TO THE ACCOUNTS - continued

26 Financing	2015 €'000	2014 €'000
Debt due within one year:		
(Decrease)/increase in short term borrowings	(6)	25
Increase in restricted cash balance	-	(978)
Debt due beyond one year:		
Decrease in long term borrowings	(1,576)	(1,569)
Capital element of finance lease rental payments	(76)	(128)
Net cash outflow from financing	<u>(1,658)</u>	<u>(2,650)</u>

27 Analysis of changes in net debt	At 1 October 2014 €'000	Cashflows €'000	Other changes €'000	At 30 September 2015 €'000
Cash at bank	21,366	1,357	-	22,723
Restricted cash	9,692	1	-	9,693
Overdraft	<u>(1,637)</u>	<u>1,163</u>	<u>-</u>	<u>(474)</u>
	29,421	2,521	-	31,942
Debt due within 1 year	(1,488)	6	-	(1,482)
Debt due after 1 year	(36,124)	1,576	-	(34,548)
Finance leases	<u>(171)</u>	<u>76</u>	<u>(30)</u>	<u>(125)</u>
Total	<u>(8,362)</u>	<u>4,179</u>	<u>(30)</u>	<u>(4,213)</u>

Restricted bank balances represent amounts set aside as a sinking fund under the terms of the financing agreement associated with the Section 50 funding of the College Park student residences. These funds are not available for current purposes and will be utilised in 2017 as part of the unwind of the structured finance arrangement to reacquire the College Park residences.

28 Related parties

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

29 Minority Interest	2015 €'000	Consolidated 2014 €'000	2015 €'000	University 2014 €'000
At 1 October	74	74	-	-
Share of income for year	<u>56</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 30 September	<u>130</u>	<u>74</u>	<u>-</u>	<u>-</u>

This relates to the minority interest in Fluorocap Limited (35%). Fluorocap Limited was dissolved on 17 February 2016.

NOTES TO THE ACCOUNTS - continued

30 Retirement benefits

University

(a) Defined benefit pension scheme

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

The valuation used for the FRS17 disclosure has been based on the actuarial valuation at 30 September 2015 by a qualified independent actuary to take account of the requirements of FRS17 in order to assess the schemes liabilities at 30 September 2015. The financial assumptions used to calculate scheme liabilities at 30 September 2015 under FRS17 are;

	2015	2014	2013
Rate of increase in salaries	3.10%	3.75%	4.25%
Rate of increase in pensions in payment	2.10%	2.75%	3.25%
Discount rate	2.80%	2.75%	3.90%
Revaluation in deferment	2.10%	2.75%	3.25%

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

	2015 Years	2014 Years	2013 Years
<u>Pensioners- implied life expectancy for a 65 year old</u>			
Male member age 65 (current life expectancy)	22.9	23.5	23.3
Female member age 65 (current life expectancy)	24.9	24.9	24.8
<u>Actives / deferrals – implied life expectancy for a 40 year old retiring in 25 years' time at age 65</u>			
Male member age 40 (life expectancy at age 65)	25.7	26.5	26.4
Female member age 40 (life expectancy at age 65)	27.7	27.5	27.4

(b) Net deferred funding for pensions in year

	2015 €'000	2014 €'000
Funding recoverable in respect of current year pension costs	29,025	30,204
State grant applied to pay pensions	(6,684)	(6,297)
Net pension funding	<u>22,341</u>	<u>23,907</u>

NOTES TO THE ACCOUNTS - continued

(c) Analysis of total pension costs for the year

	2015 €'000	2014 €'000
Current service cost	19,263	16,912
Interest on pension scheme liabilities	13,778	15,692
Employee contributions	<u>(4,449)</u>	<u>(3,772)</u>
	<u>28,592</u>	<u>28,832</u>

(d) Deferred funding asset for pensions

The University recognises amounts owing from the State for the unfunded deferred liability for pensions on the basis of a number of past events. These events include the statutory backing for the superannuation scheme, and the policy and practice in relation to funding public service pensions including the annual estimates process. The University holds a commitment from the Higher Education Authority to meet the liabilities of the scheme. The deferred funding asset as at 30 September 2015 amounted to €418m (2014: €495m).

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

	2015 €'000	2014 €'000
Net pension liability at 1 st October	495,098	397,278
Current service cost	19,263	16,912
Interest costs	13,778	15,692
Actuarial (gain)/loss	(103,322)	71,513
Pensions paid in year	<u>(6,684)</u>	<u>(6,297)</u>
Net pension liability at 30 th September	<u>418,133</u>	<u>495,098</u>

(f) History of experience gains and losses

	2015 €'000	2014 €'000	2013 €'000
Experience (gains)/losses on scheme liabilities	(37,173)	(11,907)	(27,932)
Percentage of the present value of scheme liabilities	(8.89%)	(2.40%)	(7.03%)
Total amount recognised in Statement of Total Recognised Gains & Losses	(103,322)	71,513	8,859
Percentage of the present value of scheme liabilities	24.71%	14.44%	2.23%
Net effect in Statement of Total Recognised Gains & Losses	-	-	-

NOTES TO THE ACCOUNTS - continued

30 Retirement benefits (Continued)**Subsidiary Companies****(a) Defined contribution pension scheme**

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

	2015	2014
	€'000	€'000
Pension Costs	100	89

31 DCU Educational Trust

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

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

During the year DCU processed and paid administration costs of €1.2m on behalf of the Trust, with such amounts recoverable from the Trust. In addition the Trust disbursed €2.0m to the University in relation to the funding of specific projects and the reimbursement of processed administration costs. The university contributed funding of €0.4m to the Trust during the year in support of specific fund raising activities and for the use of Trust lands for university purposes.

32 Comparative Figures

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

33 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.

34 Approval of financial statements

The financial statements were approved by the Governing Authority on 23 June 2016.

Dublin City University

Year ended 30 September 2015

Reconciliation with HEA Funding Statement

	Consolidated financial statements €'000	Subsidiary Adjustments €'000	GAAP adjustments €'000	HEA funding statement €'000
INCOME				
State grants	16,725	-	6,684	23,409
Academic fees	66,425	158	(5,138)	61,445
Research grants and contracts	47,257	96	2,922	50,275
Amortisation of deferred capital Grants	6,772	(2,178)	3,033	7,627
Other operating income	23,135	(19,265)	4,269	8,139
Interest income	76	137	-	213
Pension income	29,025	-	(29,025)	-
Total income	189,415	(21,052)	(17,255)	151,108
EXPENDITURE				
Staff costs	112,458	(8,037)	(5,951)	98,470
Other operating expenses	46,848	(8,040)	6,197	45,005
Interest payable	133	(79)	(54)	-
Interest on Pension Liabilities	13,778	-	(13,778)	-
Depreciation	9,032	(2,760)	1,355	7,627
Total expenditure	182,249	(18,916)	(12,231)	151,102
Profit/(Loss) for the year before Minority interest	7,166	(2,136)	(5,024)	6
Share of Joint Venture	(76)	76	-	-
Taxation	(265)	21	244	-
Minority Interest	(56)	56	-	-
Profit/(Loss) for the year after taxation	6,769	(1,983)	(4,780)	6