

DUBLIN CITY UNIVERSITY

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2019

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GENERAL INFORMATION

REGISTERED AUDITOR

KPMG
Chartered Accountants
1 Stokes Place
St. Stephen's Green
Dublin 2

AUDITOR

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

PRINCIPAL BANKER

Allied Irish Banks Plc
7/12 Dame Street
Dublin 2

PRINCIPAL LEGAL ADVISORS

Arthur Cox
Arthur Cox Building
Earlsfort Terrace
Dublin 2

Ronan Daly Jermyn
The Exchange
George's Dock
IFSC
Dublin 1

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, its subsidiary companies and the results of DCU Educational Trust. The companies in which the University holds an interest are listed in note 14 to the Financial Statements, together with their principal activities and the University shareholding. DCU Commercial DAC 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 2019

The University's consolidated income, expenditure and results for the year to September 2019 are summarised as follows:

	2019	2018
	€'000	€'000
Income	252,736	241,996
Expenditure Net	(254,547)	(231,303)
(Deficit) / Surplus	<u>(1,811)</u>	<u>10,693</u>

The total income for the Group increased by 4.4% in the year.

The reported net reserves deficit movement for the year was (€1.8m), with accumulated group reserves standing at €239.7m. These reserves reflect accounting timing differences between non-capital grant funded infrastructural investment and associated depreciation costs, sinking fund requirements related to structured finance arrangements, the accounting treatment of non-government sourced capital funding under FRS102, restricted reserves of the DCU Educational Trust, and other longer term initiatives and commitments. Notwithstanding the continued reduction in State funding the University recorded a surplus of €20k 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 €13.4m. Land and building additions for the year including assets under construction reflect campus developments such as upgrade works, public realm, and the Student Hub redevelopment. Computer and other equipment purchases for the year were €3.1m.

Net cash outflows of €29.5m during the financial year have resulted in the group cash and cash equivalents (exclusive of restricted cash balances and term deposits) of €69.3m decreasing to €39.8m at year end. The net funds position of the Group at the balance sheet date after adjusting for debt, restricted cash balances, and term deposits, is €24.1m. Cash reserves mainly reflect monies committed to future expenditure; for example, student fees received in advance, student accommodation deposits, and research project income.

The University has approved loan facilities in place with both the European Investment Bank ("EIB") and the Ireland Strategic Investment Fund ("ISIF") to fund the University's Campus Development Plan. Funds to the value of €52m were drawn down from the EIB on 21 June 2019 (note 19) under the already approved loan facility, meaning that the facility is now fully drawn down, in total €76m. The loan covenants under the approved loan facilities were met during the financial year.

PRESIDENT'S REPORT

Post Balance Sheet Events

In the year 2000, DCU availed of an opportunity to purchase a 9.6 acre site close to the University on Griffith Avenue Dublin 9. The site was acquired to provide for the potential future expansion of the University.

Given the National Transportation Authority's (NTA) original proposal to locate an underground station for Dublin's Metro North below the DCU Griffith Avenue site, DCU agreed not to develop the site until the NTA had completed its planned development there. Following the public consultation in 2018, however, the NTA revised the proposed route of the metro in 2019 which meant that use of the DCU site by the NTA was no longer required.

In 2019 an opportunity arose to purchase an additional 9.7 acres of land contiguous to the DCU Glasnevin campus. Following detailed consideration, it was decided to avail of this significant strategic opportunity. The purchase was to be funded by the sale of the DCU 9.6 acre Griffith Avenue site. Contracts for both transactions have been exchanged and it is anticipated that both transactions will close in the first quarter of 2021.

The net effect of these two transactions is that DCU is effectively swapping a site separate from the DCU Glasnevin campus for a slightly larger site contiguous to the DCU Glasnevin campus. As a consequence, the University has maintained the ability to expand the university in an efficient fashion. As the site is contiguous to the University, DCU can avail of all of the related benefits of simply extending the DCU Glasnevin boundary to encompass the new site with all of DCU's services and utilities readily available. In addition, DCU has generated a net cash surplus on these two transactions for further investment in the University's infrastructure.

In line with the DCU Strategic Plan objective for the coordination of the activities and strengths of DCU in innovation, the DCU Ryan Academy operations have been transferred from its base in Citywest to the DCU Alpha Campus. This move has been very successful. DCU has no long term strategic interest in the Citywest location, as it is geographically distant from all of the other DCU campuses. The University is investigating the options for the future use of the building including its potential sale.

Future Outlook

The onset of the COVID-19 pandemic has had a very significant impact on the country as a whole. DCU academic activities were moved online when the country was first locked down in March 2020. The restrictions imposed since have designated education as an essential service and so all of the DCU campuses have remained open. DCU has operated a hybrid model for academic delivery during the 2020/21 academic year, with lectures continuing for the most part online with other activities such as practicals and lab based work continuing on campus. Given the significantly reduced footfall on campus the impact on the DCU commercial group of companies has been significant. DCU came into the pandemic in a strong financial position. As a consequence, notwithstanding the adverse impact of the pandemic the financial position of the DCU group remains strong and that provides the opportunity to trade through the current challenges.

Future Outlook (continued)

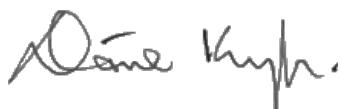
In September 2017, the University launched its Strategic Plan 2017 – 2022 ‘Talent, Discovery and Transformation’. This strategic plan builds on the successes of the previous strategic plan. Continued significant progress was made on the implementation of the strategic goals set out in the plan. Given the impact of the COVID-19 pandemic, the annual rolling approach to planning has been used to reassess the strategic objectives for the last two years of the current plan to 2020. Any such changes are approved annually by the DCU Governing Authority.

There has been no progress in the implementation of the recommendations regarding the funding of the third level sector as set out in the Report of The Expert Group On Future Funding For Higher Education, March 2016 (The Cassells Report). In December 2019, the Government announced that a contract was awarded by the Structural Reform Support Service (SRSS) of the European Commission for an economic review to be conducted on increasing future sustainability of higher and further education provision in Ireland and the associated assessment of future funding options for the tertiary education sector. Building on the Cassells Report and following on consultation with the Oireachtas Committee on Education, the SRSS review will undertake an economic evaluation of the future funding options for tertiary education in Ireland.

In November 2019, the Government launched the Human Capital Initiative fund of €300m over a five-year period. The key objectives of the fund are to develop new undergraduate places, as well as new conversion courses for graduates to meet identified areas of skills needs in the workforce and drive agility and innovation in the sector. DCU has attracted significant funding under this initiative both on its own account and as part of other groups which made successful submissions.

As Ireland’s University of Enterprise, DCU has 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 is ongoing with some significant infrastructural investments already completed providing additional academic space and a significantly enhanced IT network infrastructure. In 2019, DCU received planning permission for the construction of 1,240 student residences on the Glasnevin campus. In addition, work is continuing on the design for the new DCU ‘FutureTech’ building, which will accommodate over 1,000 additional students. The building, which is supported by Government funding, will be focussed on students on STEM subjects. A new campus master-planning exercise has commenced across all of the DCU campuses, including the new 9.7 acre site contiguous to the Glasnevin campus to determine the priorities for the next phase of capital development.



Prof. Daire Keogh
President / Chief Officer

Date: 18 December 2020

STATEMENT OF GOVERNING AUTHORITY'S RESPONSIBILITIES

The Governing Authority 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern.

The University is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and surplus or deficit for the University and which enable it to ensure that its financial statements comply with the Universities Act, 1997, and are prepared in accordance with FRS 102 "The Financial Reporting standard applicable in the UK and 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 of the University:



Prof. Daire Keogh
President / Chief Officer



Dr. Martin McAleese
Chancellor

Date: 18 December 2020

STATEMENT ON INTERNAL CONTROL**1. Governing Authority responsibility for system of internal control**

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

2. Reasonable assurance against material error

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.

3. Key procedures put in place designed to provide effective internal control

The following should be noted in relation to key University procedures, designed to ensure an appropriate control environment including the identification and management of business risks:

- 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 certain functions to the President and other staff with appropriate reporting and oversight. 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 of Chief Officer.
- 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 President is supported by a Senior Management Group which comprises the senior officers of the University who advise and oversee the coordination of University activities and strategic planning.
- Members of the Senior Management Group have clearly defined responsibilities.
- 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.
- An independent Internal Audit function is in place which carries out a number of audits each year with comprehensive audit reports with management comments and agreed action timelines submitted to the Governing Authority's Audit Committee.
- The University has a comprehensive Risk Management Policy in place. A separate Risk Committee operates as a sub-committee of the Governing Authority and it:
 - o monitors the effectiveness of the University's risk management processes and
 - o the effectiveness of the University's risk management strategy
 - o The chair of the Risk Committee is also a member of the University Audit Committee.
 - o The risk management process is under the control of the University's Chief Operations Officer. The process of risk management includes evaluation of the financial implications of business risks, as appropriate.
- Risk registers are compiled for all major units of the University with the most significant risks captured on the Institutional Risk Register which is prepared by the Executive and reviewed by the Risk Committee prior to its approval and adoption by the Governing Authority.

STATEMENT ON INTERNAL CONTROL

- A review of the Institutional Risk Register and the mitigating actions in place for each risk was carried out by the Risk Committee. The University President reports quarterly to the Governing Authority on the status of and mitigating steps taken to address these risks.
- 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 of the loan finance arrangements with the European Investment Bank and the Ireland Strategic Investment Fund.
- 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.
- The Budget Committee recommends to the Executive Committee the details of the University's budget and its allocation, and advises on other resourcing or budgeting issues as appropriate.
- The Budgetary Control system ensures that funds are allocated in-line with the approved budget. Spending against these allocations is monitored regularly and where necessary corrective action taken.
- Allocated budgets are delegated to Faculty Executive 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 from the financial IT system Agresso.
- The University makes extensive use of IT-based information systems to ensure effective controls are in place from financial management and 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 versus budget.
- Academic Council, subject to the financial constraints determined by Governing Authority, controls the academic affairs of the University, including the curriculum 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.
- An Approved Signing Authority Policy is in place which details the approval process, approval thresholds and the approved institutional signatories for all University documentation and legal contracts.

STATEMENT ON INTERNAL CONTROL

- In line with the introduction of new GDPR legislation in May 2018, the University appointed a Data Protection Officer and introduced a new Data Privacy Policy and associated support information and training to ensure compliance with the new legislation.
- The Statement on Internal Control is reviewed by the University's Audit and Risk Committees before it is submitted to the Governing Authority for approval.
- There were no material breaches in control in the financial year ending 30th September 2019.
- A case involving the misrepresentation of expenses was detected during the financial year resulting in the repayment to the University of funds totaling €11,887 by a staff member. Also in accordance with Section 19 of the Criminal Justice Act 2011, the matter was formally reported to An Garda Síochána. There were no other material losses or fraud in the financial year ending 30th September 2019.
- The University confirms its compliance with the Code of Governance in all material matters during the financial year. The Statement on Internal Control is to be reviewed by the Comptroller and Auditor General to confirm that it reflects the University's compliance with the requirements of the 2012 Code of Governance of Irish Universities (as updated by the 2019 HEA/IUA Code effective February 2019) and is consistent with the information of which they are aware from their audit work on the financial statements and where this is not the case, the Comptroller and Auditor General should report on this in the audit report on the relevant financial statement.

4. Review of the Statement on Internal Control

- The Statement on Internal Control is reviewed by the University's Audit and Risk Committees before it is submitted to the Governing Authority for approval.
- The review is also informed by the work of senior officers within the University, who have responsibility for the development and maintenance of internal control frameworks. 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.
- Additional assurance provided on the effectiveness of internal controls includes:
 - a) the Internal Audit opinion on the effectiveness and adequacy of the system of internal controls
 - b) risk assessments
 - c) quality review reports and
 - d) health and safety reports

5. Procurement

(i) Procurement Procedures

The University seeks to be materially compliant with the current procurement legislation and rules, and all appropriate procedures for procurement have been developed, published to all relevant staff and are being carried out, including confirmation that the University is using the services and frameworks of the OGP, and of the EPS, whenever applicable.

(ii) Procurement Non-Compliance

Procedures are in place to detect non-compliance with procurement procedures including confirmation that a database with listings of all Purchase Orders in excess of €25,000 is in place to allow for monitoring and to flag potentially non-compliant procurement. In addition, the University's financial system (Agresso Business World) workflows purchasing requests over €25,000 for DCU procurement review prior to the Purchase Order being created.

STATEMENT ON INTERNAL CONTROL**(iii) Details of Non-Compliant Procurement**

The University and its subsidiaries substantially complied with procurement guidelines and policies in relation to expenditures in excess of €90m in the financial year. The University and its subsidiaries continue to work towards full compliance with all relevant guidelines.

(iv) Corporate Procurement Plan

The University confirms that the relevant procurement policy and procedures and the development and implementation of the Corporate Procurement Plan are being adhered to where appropriate. The University has put in place procurement policies and procedures for all non-pay expenditure.

(v) Office of Government Procurement

The University is actively working with the Office of Government Procurement (OGP) to ensure that procurement activities are taking place in accordance with requirements of the operating model being put in place by the OGP. The implementation of this model is an ongoing process since 2013 and is being managed by the OGP. The University has no control over the process of OGP implementation.

The subsidiaries of the University utilise DCU, OGP and other public procurements frameworks when organising purchasing requirements. Group companies avail of many of the DCU University contracts put in place for goods and services such as utilities and facilities management. In addition, in accordance with the EU Procurement Directive, sectoral related subsidiary company purchasing requirements are organised directly by the companies. Where this arises a private procurement process is followed that reflects the principles of public procurement guidelines.

STATEMENT ON INTERNAL CONTROL**6. Governing Authority Meetings**

The DCU Governing Authority met on six occasions in 2018/2019 on the following dates:

- 25th October 2018
- 7th December 2018
- 14th February 2019
- 25th April 2019
- 27th June 2019
- 5th September 2019

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. Eithne Guilfoyle	3/6
4.	Dr. Declan Raftery	6/6
5.	Ms. Brid Horan (Chair Audit Committee)	5/6
6.	Prof. Dorothy Kenny	6/6
7.	Prof. Gary Murphy	4/6
8.	Dr. Caroline McMullan	6/6
9.	Dr. Noel Murphy	5/6
10.	Dr. Jean-Paul Mosnier	6/6
11.	Mr. Michael Burke	6/6
12.	Ms. Orla Nic Aodha	5/6
13.	Ms. Sharon McCooey	4/6
14.	Ms. Rachel Hussey	6/6
15.	Mr. John Power (Chair DCU Commercial)	6/6
16.	Ms. Bernie Gray (Chair Risk Committee)	5/6
17.	Mr. Pat Gilroy	3/6
18.	Mr. Terence O'Rourke (Chair Strategic Finance Advisory Committee)	6/6
19.	Ms. Lynette Fay	2/6
20.	Mr. James Corcoran	2/6
22.	Ms. Deirdre O'Connor	4/6
23.	Dr. Mary Shine Thompson	6/6
24.	Ms. Karen Furlong (Resigned on 14th Feb 2019)	3/3
25.	Ms. Vito Moloney-Burke (Resigned on 25th April 2019)	4/4
26.	Ms. Aisling Fagan	5/6
27.	Mr. Peter Brennan (Resigned on 25th April 2019)	0/4
28.	Ms. Kara McCann	5/6
29.	Ms. Kathy Quinn	5/6
30.	Ms. Christine Farrell (Appointed 27 June 2019)	2/2
31.	Mr. Patrick Rodgers (Appointed 27 June 2019)	0/2

STATEMENT ON INTERNAL CONTROL**7. Audit Committee meetings**

The Audit Committee met on the following dates in 2018/2019:

- 3rd October 2018
- 21st November 2018
- 10th April 2019
- 30th May 2019

	Audit Committee Member	Attendance Record	Resignation Date	Appointment Date
1.	Ms. Brid Horan (Chair)	4/4	-	11th Dec 2014
2.	Ms. Bernie Gray	3/4	-	09th Dec 2016
3.	Mr. Cathal Marley	4/4	-	09th Dec 2016
4.	Ms. Marion O'Brien	2/4	-	29th Nov 2011
5.	Mr. Pat Gilroy	3/4	-	22nd June 2017

8. Governing Authority Risk Committee

The Governing Authority Risk Committee met on the following dates in 2018/2019:

- 3rd October 2018
- 12th October 2018
- 23rd November 2018
- 31st January 2019
- 10th April 2019
- 6th June 2019

	Governing Authority Risk Committee Member	Attendance Record	Resignation Date	Appointment Date
1.	Ms. Bernie Gray (Chair)	6/6	-	09 Dec 2016
2.	Mr. Michael Burke	6/6	-	09 Dec 2016
3.	Ms. Caroline McMullan	6/6	-	09 Dec 2016
4.	Ms. Marie Sinnott	5/6	-	22 June 2017
5.	Ms. Kathy Quinn	5/5	-	12 Oct 2018
6.	Mr. Pdraig McKeon	3/3	-	23 Nov 2018

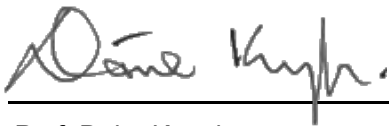
STATEMENT ON INTERNAL CONTROL**9. Strategic Finance Advisory Committee meetings**

The Strategic Finance Advisory Committee met on the following dates:

- 25th January 2019
- 4th September 2019
- 27th September 2019

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

	Committee Member	Attendance Record	Appointment Date	Resignation Date
1.	Mr. Terence O'Rourke (Chair)	3/3	13th Dec 2013	n/a
2.	Mr. James Corcoran	3/3	13th Dec 2013	n/a
3.	Dr. Noel Murphy	3/3	13th Dec 2013	n/a
4.	Mr. Ciaran McGivern	3/3	13th Dec 2013	n/a



Prof. Daire Keogh
President / Chief Officer



Dr. Martin McAleese
Chancellor

Date: 18 December 2020



Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Dublin City University

Opinion on the financial statements

I have audited the financial statements of Dublin City University for the year ended 30 September 2019 as required under the provisions of the Universities Act 1997. The financial statements comprise

- the consolidated and University statement of comprehensive income
- the consolidated and University statement of financial position
- the consolidated and University statement of changes in reserves
- the consolidated statement of cash flows, and
- the related notes, including a summary of significant accounting policies.

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 at 30 September 2019 and of the income and expenditure of the University and the University group for the year then ended in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

Emphasis of matter — deferred pension funding

Without qualifying my opinion on the financial statements, I draw attention to Note 28 Retirement Benefits, and to the recognition as at 30 September 2019 of an asset of €853 million in respect of deferred pension funding for retirement benefits accrued by current and former staff.

The recognition of a deferred pension funding asset in respect of the Single Public Service Pension Scheme (€37 million) reflects statutory provisions relating to the funding of that scheme.

The recognition of a deferred pension funding asset in respect of the University's other pension schemes (€816 million) 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 meet future pension liabilities.

Basis of opinion

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the University, and have fulfilled my other ethical responsibilities in accordance with the standards.

In conducting my audit, I seek to rely on evidence from an audit of the financial statements by auditors engaged by the University.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report of the C&AG (continued)

Report on information other than the financial statements, and on other matters

The University has presented certain other information together with the financial statements. This comprises the President's report, the statement of Governing Authority's responsibilities, the statement on internal control and a reconciliation between the financial statements and a university funding statement for 2018/2019 prepared for the Higher Education Authority.

My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.



Seamus McCarthy
Comptroller and Auditor General

9 April 2021

Appendix to the report

Responsibilities of Governing Authority members

The members of the Governing Authority are responsible for

- the preparation of financial statements in the form prescribed under the Universities Act 1997
- ensuring that the financial statements give a true and fair view in accordance with FRS102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under the Universities Act 1997 to audit the financial statements of the University and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.

- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the University to cease to continue as a going concern.
- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Reporting on other matters

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. I report if I identify material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them. I also report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

CONSOLIDATED AND UNIVERSITY STATEMENT OF COMPREHENSIVE INCOME

Year Ended 30 September

		Consolidated	University	Consolidated	University
		2019	2019	2018	2018
	Notes	€'000	€'000	€'000	€'000
State Grants	2	36,642	36,642	34,995	34,995
Academic Fees	3	98,741	98,672	93,624	93,603
Research Grants & Projects	4	41,660	41,892	39,266	38,723
Other Operating Income	5	44,290	5,073	42,743	5,547
Investment Income	6	332	700	269	658
Grant Amortisation	21	7,263	6,787	7,323	6,841
Pension Funding	28	23,808	23,808	23,776	23,776
Total Income		252,736	213,574	241,996	204,143
Staff Costs	7	158,560	146,033	149,159	137,716
Other Operating Expenses	8	71,664	53,412	66,251	51,217
Interest & Other Finance Costs	9	1,851	818	1,784	762
Depreciation	12	15,860	11,557	14,396	10,251
Amortisation of intangible assets	13	94	83	11	-
Total Expenditure		248,029	211,903	231,601	199,946
Surplus before other gains/(losses)		4,707	1,671	10,395	4,197
Profit on Tangible Asset Disposal	10	-	-	4	-
Net Reduction in Asset Value	29	(1,240)	(1,240)	-	-
Net Land Swap Asset Release	29	(4,659)	(4,659)	-	-
(Deficit)/Surplus before taxation and non-controlling interest		(1,192)	(4,228)	10,399	4,197
Gain on Investment		389	-	331	-
Proceeds on sale of investment	14	-	-	634	634
Taxation	11	(1,008)	(772)	(671)	(568)
(Deficit)/Surplus for the year		(1,811)	(5,000)	10,693	4,263
Actuarial adjustments in respect of retirement benefits	28	(145,164)	(145,164)	48,253	48,253
Movement on retirement benefits receivable	28	145,164	145,164	(48,253)	(48,253)
(Deficit)/Surplus for the year		(1,811)	(5,000)	10,693	4,263

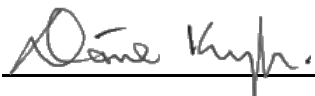
All items of income and expenditure related to continuing activities

CONSOLIDATED AND UNIVERSITY STATEMENT OF FINANCIAL POSITION

Year Ended 30 September

		Consolidated	University	Consolidated	University
		2019	2019	2018	2018
Notes	€'000	€'000	€'000	€'000	€'000
Non-current Assets					
Tangible fixed assets	12	431,029	305,936	439,354	313,996
Intangible fixed assets	13	199	166	44	-
Financial Assets	14	6,679	1	6,292	1
		<u>437,907</u>	<u>306,103</u>	<u>445,690</u>	<u>313,997</u>
Current Assets					
Inventories	15	576	208	419	213
Trade and other receivables	16	40,003	95,112	49,140	101,871
Cash at bank	22	39,783	26,848	69,303	46,030
Term Deposits	17	92,017	74,016	-	-
Restricted Cash	23	1,741	-	1,885	-
		<u>174,120</u>	<u>196,184</u>	<u>120,747</u>	<u>148,114</u>
Payables falling due within one year	18	(114,922)	(111,510)	(96,632)	(110,292)
Net current assets		<u>59,198</u>	<u>84,674</u>	<u>24,115</u>	<u>37,822</u>
Total Assets Less Current liabilities		<u>497,105</u>	<u>390,777</u>	<u>469,805</u>	<u>351,819</u>
Payables falling due after one year	19	(96,540)	(75,252)	(59,376)	(23,818)
Deferred government capital funding	21	(160,887)	(152,377)	(168,940)	(159,853)
<i>Provisions for liabilities</i>					
Retirement benefit receivable	28	853,103	853,103	673,873	673,873
Retirement benefit provisions	28	(853,103)	(853,103)	(673,873)	(673,873)
Total net assets		<u>239,678</u>	<u>163,148</u>	<u>241,489</u>	<u>168,148</u>
Capital reserves					
Income and expenditure account		226,164	163,148	227,273	168,148
Restricted retained reserves		13,514	-	14,216	-
Total reserves		<u>239,678</u>	<u>163,148</u>	<u>241,489</u>	<u>168,148</u>

The financial statements on pages 18 to 54 were approved by the Governing Authority on 4 December 2020 and signed on its behalf on 18 December 2020 by:



Prof. Daire Keogh
President / Chief Officer



Dr. Martin McAleese
Chancellor

CONSOLIDATED AND UNIVERSITY STATEMENT OF CHANGES IN RESERVES

Year Ended 30 September

Consolidated	Income & Expenditure Reserve €'000	Restricted Reserve €'000	Total €'000
Balance at 1 October 2017	216,841	13,955	230,796
Surplus from the income and expenditure account	10,432	261	10,693
Balance at 30 September 2018	227,273	14,216	241,489
Deficit from the income and expenditure account	(1,109)	(702)	(1,811)
Balance at 30 September 2019	226,164	13,514	239,678

University	Income & Expenditure Reserve €'000	Restricted Reserve €'000	Total €'000
Balance at 1 October 2017	163,885	-	163,885
Surplus from the income and expenditure account	4,263	-	4,263
Balance at 30 September 2018	168,148	-	168,148
Deficit from the income and expenditure account	(5,000)	-	(5,000)
Balance at 30 September 2019	163,148	-	163,148

CONSOLIDATED STATEMENT OF CASHFLOWS

Year Ended 30 September 2019

	2019	2018
	€	€
CASH FLOW FROM OPERATING ACTIVITIES		
(Deficit)/Surplus for the year	(1,811)	10,693
Adjustments for non-cash items		
Depreciation of tangible assets	15,860	14,396
Amortisation of intangible assets	94	11
Amortisation of deferred capital grants	(7,263)	(7,323)
Loss/(Profit) on disposal of tangible fixed assets	-	(4)
Proceeds of sale of investment	-	(634)
Adjustment for land valuation	5,899	-
Gain on investments portfolio	(389)	(331)
Income on investment portfolio	(45)	(31)
Fees on investment portfolio	47	42
Adjustment for working capital items		
(Increase)/decrease in inventories	(157)	45
Decrease/(increase) in trade receivables	6,800	(7,884)
Increase in payables and accruals	5,348	4,745
Adjustments for investing, financing and taxation		
Investment income	(17)	(3)
Interest payable	1,851	1,784
Adjustment for capital donations and levies	(491)	(480)
Adjustment for taxation charge	1,008	671
Income taxes paid	(603)	(299)
Net cash inflow from operating activities	<u>26,131</u>	<u>15,398</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Payment to acquire and/or construct tangible fixed assets	(13,049)	(25,443)
Payment to acquire intangible assets	(249)	(55)
Transfer to term deposits	(92,017)	-
Proceeds of sale investments	-	634
Government capital grants received	1,547	6,760
Capital donations & levies	491	480
Proceeds from asset disposals	-	4
Net cash outflow from investing activities	<u>(103,277)</u>	<u>(17,620)</u>

CONSOLIDATED CASHFLOW (continued)

Year Ended 30 September 2019

	2019	2018
	€	€
CASH FLOWS FROM/USED IN FINANCING ACTIVITIES		
Interest paid	(1,782)	(1,680)
Interest received	17	3
Loan draw down	52,000	-
Additions to new sinking fund	(411)	(800)
Capital repayments on loans	(2,724)	(1,974)
Capital element of finance lease payments	(21)	(45)
Interest element of finance lease payments	(8)	(10)
Restricted cash	555	(278)
Net cash inflow/(outflow) from financing activities	<u>47,626</u>	<u>(4,784)</u>
Decrease in cash and cash equivalents	(29,520)	(7,006)
Cash and cash equivalents at 1 October	<u>69,303</u>	<u>76,309</u>
Cash and cash equivalents at 30 September	<u>39,783</u>	<u>69,303</u>

NOTES TO THE ACCOUNTS**1 Statement of Accounting Policies****Basis of preparation**

The financial statements have been prepared in accordance with Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice ("SORP") - Accounting for Further and Higher Education (2015), issued by the HE/FE SORP Board in the UK, which has been voluntarily adopted by the University. The University is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable accounting standards.

The following exemption(s) has been availed of in these financial statements:

- The University has taken the exemption under 1.12 (b) of FRS 102 to not produce a cash flow statement for the University as it is the ultimate parent entity.

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, its subsidiary undertakings and other undertakings in which the University has a financial interest (as indicated in note 14).

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.

Unit of currency

The financial statements have been presented in Euro (€) which is also the functional currency of the University.

Recognition of income*State grants*

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. Government grants supporting the acquisition of land are recognised when performance conditions attaching to the grant are met.

Academic Fees

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

NOTES TO THE ACCOUNTS - continued*Research grants and contracts*

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 and any related contributions towards overhead costs.

Donations and Endowments

Investment income and appreciation of endowments are recorded in income in the year in which they arise, and as either restricted or unrestricted income, according to the terms applied to the individual endowment fund. The types of donations and endowments within reserves include:

(i) No restrictions

Donations with no restrictions include amounts given by way of cash or asset with no restriction as to how the donation should be used. Such donations are recorded in the Statement of Comprehensive Income on entitlement to the income.

(ii) With restrictions

Donations with restrictions are recorded within the Statement of Comprehensive Income on entitlement to the income. The restricted income received is held in the temporarily restricted reserve until such time that the expenditure is incurred in accordance with the restrictions.

(iii) Performance Related Conditions

Non-exchange transactions without performance-related conditions include donations and endowments. Donations and endowments with donor-imposed restrictions are recognised within the consolidated statement of comprehensive income when the University is entitled to the funds. Income is retained within the restricted reserve until such time it is utilised in line with such restrictions at which point the income is released to unrestricted reserves through a reserve transfer.

Grants with unfulfilled performance related conditions are held as deferred income until such time as the conditions are met, at which point the income is recorded in the Statement of Comprehensive Income.

Grants with restrictions are recorded within the Statement of Comprehensive Income on entitlement to the income and subsequently retained within a restricted reserve until such time that the expenditure is incurred in line with the restriction.

Income from short-term deposits

All income from short-term deposits is credited to the income and expenditure account in the period in which it is earned.

Accounting Estimates and Judgements

In the preparation of the financial statements various estimates, judgements and assumptions have been made that impact on amounts reported as assets, liabilities, income and expenditure. Estimates and assumptions used are reviewed on an ongoing basis.

1. Property, Plant and Equipment

Depreciation is calculated based on estimates and assumptions on the useful economic life and expected residual value of the asset.

NOTES TO THE ACCOUNTS - continued**Accounting Estimates and Judgements (continued)****2. Impairments**

Judgement is used to determine whether there has been any indication of impairment to the Group's assets.

3. Recoverability of Bad Debts

The provision for bad debt is calculated based on management's expectation on the recoverability of debt. In calculating the provision for bad debt the following factors are considered: age of the debt, the default history and current situation of the debtor and current market conditions.

4. Employee Benefits

The accrual for holidays earned but not taken is based on estimates of total holiday leave less leave taken.

5. Pension Provisions

The pension provision is calculated based on actuarial assumptions provided by an actuary annually. The actuarial assumptions include discount rates, salary increases, pension increases and inflation rates.

Tangible assets**(a) Land and buildings**

Land has been stated at cost, and is 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.

Finance, professional fees, 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 acquired using structured finance (s.843 of the Taxes Consolidation Act, 1997 and section 50 relief as described in s.372AK to s.372AV of the Taxes Consolidation Act 1997) 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 estimated useful life of fixed assets by reference to which depreciation has been calculated on a straight-line basis is as follows:

Building and building improvements	10 to 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.

NOTES TO THE ACCOUNTS - continued**Tangible assets (continued)****(b) Equipment**

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
Computer Equipment	3 years
Motor vehicles	5 years
Leased Assets	Years of asset category or lease period if shorter

(c) Donated assets

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

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

(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 statement of comprehensive income 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 statement of comprehensive income in equal annual amounts over the period of the lease.

Intangible Assets

Intangible assets acquired separately from a business are capitalised at cost.

Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment. Intangible assets are amortised on a straight line basis over their estimated useful life. The carrying value of intangible assets is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

NOTES TO THE ACCOUNTS - continued**Intangible Assets (continued)**

The useful economic lives of intangible assets are as follows:

Intangible assets	3 to 15 years
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Financial assets

Fixed asset investments, other than investments in joint ventures, are carried at fair market value.

Inventories

Inventories are stated at the lower of their cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective inventory. Expenditure incurred by the University on books and consumable inventory funded from recurrent grants are charged to the statement of comprehensive income.

Impairments of assets, other than financial instruments

Where there is objective evidence that the recoverable amount of an asset is less than its carrying value the carrying amount of the asset is reduced to its recoverable amount resulting in an impairment loss. Impairment losses are recognised immediately in the statement of comprehensive income.

The recoverable amount of tangible fixed assets is the higher of the fair value less cost to sell the asset and its value in use. The value in use of these assets is the present value of the cash flows expected to be derived from those assets.

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 statement of comprehensive income to the date of maturity.

Taxation

As an exempt charity, the University is not liable for Corporation Tax or Income Tax on any of its charitable activities in Ireland. University activities undertaken outside of Ireland may be subject to tax which is calculated at rates enacted or substantially enacted by the Balance Sheet date. 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 undertakings are registered charities for taxation purposes and are not liable for Corporation Tax or Income Tax on any of their charitable activities in Ireland. 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.

NOTES TO THE ACCOUNTS - continued**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.

Financial instruments

Cash includes cash in hand, deposits repayable on demand and overdrafts.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. An investment qualifies as a cash equivalent when it has a maturity of 3 months or less from the date of acquisition.

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.

Retirement benefits

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 this scheme.

There are no employee contributions paid into the unfunded scheme. 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 1 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. The employer and employee funding contributions are reclassified to the pension asset and liability on the Balance Sheet recognised as part of accounting for defined benefit pension schemes.

Following the incorporation project, on 1 October 2016 DCU commenced administration of the Colleges of Education Scheme as it pertains for staff incorporating from St. Patrick's College Drumcondra and the Church of Ireland College of Education Rathmines. The scheme, which provide for defined benefits, is non-funded and benefits are met from current revenue as they arise.

NOTES TO THE ACCOUNTS - continued**Retirement benefits (continued)**

Retirement benefit liabilities represent the present value of future retirement benefit payments earned by staff to date. Deferred retirement benefit 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 comprehensive income and a corresponding adjustment is recognised in the amount recoverable from the Higher Education Authority.

Retirement benefits provided to employees in subsidiary undertakings are met by payments to a defined contribution fund, which is independent and held separately from the undertakings. Contributions are charged to the statement of comprehensive income in the year in which they fall due.

NOTES TO THE ACCOUNTS - continued

2 State Grants	Consolidated 2019 €'000	University 2019 €'000	Consolidated 2018 €'000	University 2018 €'000
State	36,642	36,642	34,995	34,995

The above grant income was received from the Higher Education Authority.

HEA Core Grant Income Analysis:	Consolidated 2019 €'000	University 2019 €'000	Consolidated 2018 €'000	University 2018 €'000
Opening deferral	(3,662)	(3,662)	(1,510)	(1,510)
Grants received	40,980	40,980	32,843	32,843
Amounts recognised as income	(36,642)	(36,642)	(34,995)	(34,995)
Closing deferral	<u>676</u>	<u>676</u>	<u>(3,662)</u>	<u>(3,662)</u>

3 Academic Fees	Consolidated 2019 €'000	University 2019 €'000	Consolidated 2018 €'000	University 2018 €'000
Academic fee income	96,710	96,641	91,654	91,633
Miscellaneous fee income	2,031	2,031	1,970	1,970
Total	<u>98,741</u>	<u>98,672</u>	<u>93,624</u>	<u>93,603</u>

Fee income includes payments on behalf of students from the following authorities:

Higher Education Authority	36,285	36,285	35,206	35,206
Department of Health	<u>362</u>	<u>362</u>	<u>391</u>	<u>391</u>

The amount of grant in lieu of fees funding from the HEA recognised in the year represents the cash received in that year by the University, and therefore no closing grant deferral position arises.

4 Research grants and projects	Consolidated 2019 €'000	University 2019 €'000	Consolidated 2018 €'000	University 2018 €'000
State and semi state	23,896	23,896	24,665	24,665
European Union	7,083	7,083	5,632	5,632
Industry	5,179	5,179	3,542	3,542
Other	5,502	5,734	5,427	4,884
Total	<u>41,660</u>	<u>41,892</u>	<u>39,266</u>	<u>38,723</u>

NOTES TO THE ACCOUNTS - continued

5 Other operating income	Consolidated	University	Consolidated	University
	2019	2019	2018	2018
	€'000	€'000	€'000	€'000
Retail and office supplies	2,984	-	1,559	-
Catering	6,291	-	6,481	-
ELT and translation services	11,552	-	8,579	-
Arts Centre	2,592	-	2,336	-
Rental and related income	4,101	2,094	3,376	2,144
Residences	12,354	-	11,786	-
Sports facilities	1,828	-	1,925	-
Other income	2,097	2,979	2,280	3,403
Capital Donation & Levies	491	-	4,421	-
Total	44,290	5,073	42,743	5,547

Capital donations and levies reflect philanthropic and annual student capital levy contributions towards the funding of the Student hub redevelopment project, known as the U Building. On practical completion of the project in September 2018, accumulated philanthropic donations and student capital levy contributions to date were released to the Statement of Comprehensive Income.

6 Investment income	Consolidated	University	Consolidated	University
	2019	2019	2018	2018
	€'000	€'000	€'000	€'000
Interest income	17	16	3	-
Income from investment fund	45	-	31	-
Intercompany interest	-	414	-	423
Net return on retirement benefit scheme	270	270	235	235
Total	332	700	269	658

7 Staff costs	Consolidated	University	Consolidated	University
	2019	2019	2018	2018
	€'000	€'000	€'000	€'000
Wages and salaries	120,971	109,623	112,577	102,179
Social security costs	10,759	9,717	9,842	8,901
Other retirement benefit costs	26,830	26,693	26,740	26,636
Total	158,560	146,033	149,159	137,716

The salary of the University President for the financial year was €195,667. The University Chancellor received a stipend of €17,981, and no other fees or expenses were paid to external Governing Authority members in the year ending 30 September 2019.

NOTES TO THE ACCOUNTS - continued

7 Staff costs (continued)

Key management compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. The University's "key management personnel" are members of the senior management team. The total remuneration for key management personnel for the year 2019 amounted to €2.02m (2018: €1.96m).

Higher paid staff

The University has adopted a starting value of €60,000 to identify higher paid staff. Group staff remuneration (excluding employer's pension contributions, and employer's PRSI) in bands of €10,000 is provided as follows:

Salary bands	Consolidated	University	Consolidated	University
	2019	2019	2018	2018
	Number	Number	Number	Number
€60,000 - €69,999	149	136	137	128
€70,000 - €79,999	153	143	146	142
€80,000 - €89,999	256	248	248	245
€90,000 - €99,999	103	97	81	78
€100,000 - €109,999	34	31	32	29
€110,000 - €119,999	35	30	38	31
€120,000 - €129,999	19	18	11	10
€130,000 - €139,999	9	9	5	4
€140,000 - €149,999	29	29	34	34
€150,000 - €159,999	10	10	2	2
€160,000 - €169,999	3	2	1	1
€170,000 - €179,999	-	-	1	-
€180,000 - €189,999	-	-	1	1
€190,000 - €199,999	2	1	1	-
€200,000+	-	-	-	-
Total	<u>802</u>	<u>754</u>	<u>738</u>	<u>705</u>

The average weekly number of persons (including senior post holders) employed by the Group during the period, expressed as full-time equivalent, was:

	Consolidated	University	Consolidated	University
	2019	2019	2018	2018
Teaching	707	707	665	665
Research	400	400	351	351
Technical, central administration and services	590	590	533	533
Companies	359	-	325	-
Total	<u>2,056</u>	<u>1,697</u>	<u>1,874</u>	<u>1,549</u>

NOTES TO THE ACCOUNTS - continued

8 Other operating expenses	Consolidated	University	Consolidated	University
	2019	2019	2018	2018
	€'000	€'000	€'000	€'000
Travel & Subsistence	4,282	4,288	4,367	4,324
Facility Management, Cleaning, Security & Insurance	13,931	8,862	13,075	8,509
Catering and Retail	5,875	1,223	5,101	1,124
Scholarships, Student Activities & Course Materials	10,537	9,600	10,216	9,298
Equipment, Hardware, Software & Licenses	5,625	5,319	4,213	3,804
Library, Books, E-Resources & Periodicals	1,332	1,332	1,370	1,370
Memberships, Intermediary & Commission Fees	1,952	1,441	2,346	1,414
Postage, Print and Stationery Supplies	2,018	1,855	1,866	1,713
Rent, Rates & Property Tax	4,293	1,048	2,721	1,045
Employee Related	1,235	1,074	1,280	1,106
Events, Advertising & Marketing	5,064	4,221	3,511	2,643
Professional Fees including Consultancy	4,315	3,959	4,489	4,147
Research Materials & equipment	1,585	1,585	1,952	1,948
Heat, Light, Water, Power	3,720	2,331	4,194	2,897
Other expenses	5,900	5,274	5,550	5,875
Total	71,664	53,412	66,251	51,217

Other operating expenses above includes the following expenditure:

(i) Auditors' remuneration

	Consolidated	University	Consolidated	University
	2019	2019	2018	2018
	€'000	€'000	€'000	€'000
Comptroller and Auditor General statutory audit	40	40	40	40
Registered auditor financial audit of group	92	51	92	51
Registered auditor other services	3	3	3	3
	135	94	135	94

Auditor remuneration disclosed above is exclusive of VAT, where appropriate. The university has an Internal Audit function and the associated payroll costs for the financial year have been reported within staff costs.

In addition, research grants and projects are subject to regular reviews and audits by independent auditors appointed by, or on behalf of, an external funding authority.

NOTES TO THE ACCOUNTS - continued

8 Other operating expenses (continued)

(ii) Professional fees and consultancy expenditure (excluding auditor remuneration, research grants and projects audit fees, and other audit fees)

In supporting the University's strategic objectives as stipulated in the Universities Act 1997, as well as ensuring the University is in compliance with all of its regulatory, legal, tax, health & safety and other requirements (both domestic and international), the University and its subsidiary companies engage with third party service providers as required and where the appropriate specific skills sets are not available within the organisation. Expenditure incurred on such external professional service fees (inclusive of VAT where appropriate) in the financial year was as follows:

	Consolidated 2019 €'000	University 2019 €'000	Consolidated 2018 €'000	University 2018 €'000
Domestic & international taxation services	189	167	246	177
Legal including patent filings	806	780	962	847
IT infrastructure support & design, and business process improvement/consolidation	919	919	1,328	1,328
Other professional services*	2,164	1,933	1,611	1,497
	<u>4,078</u>	<u>3,799</u>	<u>4,147</u>	<u>3,849</u>
Amounts recognised as revenue expenditure	<u>4,078</u>	<u>3,799</u>	<u>4,147</u>	<u>3,849</u>
Professional fees relating to, and capitalised, as part of capital projects includes:				
Legal	18	18	21	11
Building and System implementation related professional services	2,133	596	1,766	-
	<u>2,151</u>	<u>614</u>	<u>1,787</u>	<u>11</u>
Amounts recognised as capital expenditure	<u>2,151</u>	<u>614</u>	<u>1,787</u>	<u>11</u>
Total professional fees	<u>6,229</u>	<u>4,413</u>	<u>5,934</u>	<u>3,860</u>

* Other professional services include required external supports on research projects, technology transfer and commercialisation projects, transnational education programme support which contribute to enabling the University to generate non-exchequer sources of income, as well as a wide range of other general professional services.

NOTES TO THE ACCOUNTS - continued

8 Other operating expenses (continued)

(iii) Travel

	Consolidated 2019 €'000	University 2019 €'000	Consolidated 2018 €'000	University 2018 €'000
Domestic travel	2,046	2,088	1,799	1,767
UK and international travel	2,236	2,200	2,568	2,557
	<hr/>	<hr/>	<hr/>	<hr/>
Amounts recognised as revenue expenditure	<u>4,282</u>	<u>4,288</u>	<u>4,367</u>	<u>4,324</u>

Travel expenditure reflects approved business travel undertaken by staff and third parties. It includes the cost of accommodation, conference fees, and VAT where appropriate. As a University involved in research consortiums with domestic and international partners, staff exchange programmes, delivering educational programmes abroad, as well as undertaking student work placement reviews as part of programme requirements, approved business travel is an essential part of the operational delivery of the University's objectives as described within the Universities Act 1997.

(iv) Staff hospitality

	Consolidated 2019 €'000	University 2019 €'000	Consolidated 2018 €'000	University 2018 €'000
Staff hospitality	43	41	34	27
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>43</u>	<u>41</u>	<u>34</u>	<u>27</u>

Any hospitality costs including catering required as part of the delivery of services to students and customers, such as the hosting of academic conferences, the running of residential programmes for students or the delivery of research programmes, is excluded from the above disclosure in line with the definition and reporting requirements of staff hospitality provided by the Department of Public Expenditure and Reform.

NOTES TO THE ACCOUNTS - continued

9 Interest Payable	Consolidated	University	Consolidated	University
	2019	2019	2018	2018
	€'000	€'000	€'000	€'000
Interest and similar charges on bank overdraft and other facilities	108	69	-	-
Loan Interest	1,735	741	1,774	752
Finance lease interest	8	8	10	10
Total	<u>1,851</u>	<u>818</u>	<u>1,784</u>	<u>762</u>

10 Profit/(Loss) on disposal of tangible fixed assets

	Consolidated	University	Consolidated	University
	2019	2019	2018	2018
	€'000	€'000	€'000	€'000
Profit on tangible asset disposal	-	-	4	-
Total	<u>-</u>	<u>-</u>	<u>4</u>	<u>-</u>

Fully depreciated garden equipment was replaced during the previous year with the proceeds of the disposal giving rise to a profit on asset disposal.

NOTES TO THE ACCOUNTS - continued

11 Taxation	Consolidated	University	Consolidated	University
	2019	2019	2018	2018
	€'000	€'000	€'000	€'000
Current Tax - subsidiary companies	241	-	106	-
Adjustments in respect of prior periods - subsidiary	(5)	-	(3)	-
Foreign taxation	772	772	568	568
Total current tax	<u>1,008</u>	<u>772</u>	<u>671</u>	<u>568</u>
Tax on surplus on ordinary activities	<u>1,008</u>	<u>772</u>	<u>671</u>	<u>568</u>
	Consolidated	University	Consolidated	University
	2019	2019	2018	2018
	€'000	€'000	€'000	€'000
Reconciliation of effective tax rate:				
(Deficit)/Surplus for the year	(1,811)	(5,000)	10,693	4,263
Total tax expense	<u>1,008</u>	<u>772</u>	<u>671</u>	<u>568</u>
(Deficit)/Surplus excluding taxation	<u>(803)</u>	<u>(4,228)</u>	<u>11,364</u>	<u>4,831</u>
Irish Corporation Tax 12.5%	(100)	(528)	1,420	603
Profits charged at higher rates of tax	137	-	59	-
Activities not subject to taxation	433	881	(1,261)	(373)
Differences in effective overseas rates	419	419	338	338
Non-deductible expenses	(12)	-	61	-
(Over)/under provided in prior years	(5)	-	(3)	-
Depreciation in advance of capital	225	-	134	-
Prior year losses previously	(89)	-	(77)	-
Total Tax expense	<u>1,008</u>	<u>772</u>	<u>671</u>	<u>568</u>

The university holds Irish tax exempt status as do several subsidiary companies which have charitable exemption for tax purposes under Section 207 and 208 TCA 1997. The subsidiary undertakings with charitable tax exemption include, DCU Commercial DAC, Campus Residences DAC, Campus Property DAC, Dublin Business School Fund DAC and the DCU Educational Trust.

The subsidiary companies group has not recognised a potential deferred tax asset of €468,304 (2018: €555,954) to the extent it cannot be considered more probable than not that it will be recovered. The deferred tax asset relates primarily to losses carried forward.

DUBLIN CITY UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30TH SEPTEMBER 2019

NOTES TO THE ACCOUNTS - continued

12 Tangible fixed assets

	Land €'000	Buildings €'000	Equipment €'000	Assets in course of construction €'000	Total €'000
Consolidated					
Cost or Valuation					
As at 01 October 2018	62,060	488,014	100,246	2,665	652,985
Additions	16	768	3,072	9,588	13,444
Valuation Adjustment (note 29)	(5,040)	(859)	-	-	(5,899)
Disposals	-	-	(1,067)	-	(1,067)
Transfer	-	7,971	158	(8,129)	-
As at 30 September 2019	<u>57,036</u>	<u>495,894</u>	<u>102,409</u>	<u>4,124</u>	<u>659,463</u>
Depreciation					
As at 01 October 2018	-	128,034	85,597	-	213,631
Charge for the year	-	10,376	5,484	-	15,860
Disposals	-	-	(1,057)	-	(1,057)
Transfer	-	19	(19)	-	-
As at 30 September 2019	<u>-</u>	<u>138,429</u>	<u>90,005</u>	<u>-</u>	<u>228,434</u>
Net Book Value					
At 30 September 2019	<u>57,036</u>	<u>357,465</u>	<u>12,404</u>	<u>4,124</u>	<u>431,029</u>
At 30 September 2018	<u>62,060</u>	<u>359,980</u>	<u>14,649</u>	<u>2,665</u>	<u>439,354</u>

Loan finance provided by the Ireland Strategic Investment Fund ("ISIF") in relation to Student Accommodation Facilities is secured against residences on the Glasnevin Campus, and as a condition subsequent against student accommodation residences on the All Hallows and St. Patrick's campuses.

Assets with a VAT inclusive cost of €9.3m (2018: €27.8m) completed during the year are reclassified from "Assets in course of Construction", (with a VAT exclusive construction cost of €8.1m), and are regarded as additions in the year and depreciated from the date when brought into use.

DUBLIN CITY UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30TH SEPTEMBER 2019

NOTES TO THE ACCOUNTS - continued

12 Tangible fixed assets

University	Land €'000	Buildings €'000	Equipment €'000	AUC €'000	Total €'000
Cost or Valuation					
As at 01 October 2018	53,941	334,067	84,049	-	472,057
Additions	16	6,291	2,213	876	9,396
Valuation Adjustment (note 29)	(5,040)	(859)	-	-	(5,899)
Disposals	-	-	(1,039)	-	(1,039)
As at 30 September 2019	<u>48,917</u>	<u>339,499</u>	<u>85,223</u>	<u>876</u>	<u>474,515</u>
Depreciation					
As at 01 October 2018	-	85,398	72,663	-	158,061
Charge for the year	-	7,054	4,503	-	11,557
Disposals	-	-	(1,039)	-	(1,039)
As at 30 September 2019	<u>-</u>	<u>92,452</u>	<u>76,127</u>	<u>-</u>	<u>168,579</u>
Net Book Value					
At 30 September 2019	<u>48,917</u>	<u>247,047</u>	<u>9,096</u>	<u>876</u>	<u>305,936</u>
At 30 September 2018	<u>53,941</u>	<u>248,669</u>	<u>11,386</u>	<u>-</u>	<u>313,996</u>

	Consolidated 2019 €'000	University 2019 €'000	Consolidated 2018 €'000	University 2018 €'000
Tangible assets held under finance leases are as follows				
Net book value at 30 September	<u>17</u>	<u>17</u>	<u>90</u>	<u>90</u>
Depreciation charge for the year	<u>25</u>	<u>25</u>	<u>42</u>	<u>42</u>

NOTES TO THE ACCOUNTS - continued

12 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 in the financial year.

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.

13 Intangible assets	Consolidated	University	Consolidated	University
	2019	2019	2018	2018
	€'000	€'000	€'000	€'000
At 01 October	44	-	-	-
Additions	249	249	55	-
Amortisation	(94)	(83)	(11)	-
At 30 September	<u>199</u>	<u>166</u>	<u>44</u>	<u>-</u>

14 Financial assets

	Consolidated	University	Consolidated	University
	2019	2019	2018	2018
	€'000	€'000	€'000	€'000
Investment Fund	6,679	-	6,292	-
Investment in Subsidiaries	-	1	-	1
Total	<u>6,679</u>	<u>1</u>	<u>6,292</u>	<u>1</u>

The investment fund represents the investments held by the DCU Educational Trust. All investments are carried at their fair value.

NOTES TO THE ACCOUNTS - continued

14 Financial assets - continued

	Consolidated 2019 €'000	University 2019 €'000	Consolidated 2018 €'000	University 2018 €'000
The investment fund is represented by:				
Cash	689	-	799	-
Bonds	2,275	-	1,965	-
Multi asset strategies, absolute return and structured products funds	470	-	640	-
Property	387	-	214	-
Commodities	49	-	38	-
Equity	2,809	-	2,636	-
Total	<u>6,679</u>	<u>-</u>	<u>6,292</u>	<u>-</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 (Direct subsidiary undertaking)			
DCU Commercial DAC (DCL)	Holding Company & Facility Operator	100%	George's Dock, Dublin 1
Dunroamin Properties DAC	Not Trading	100%	George's Dock, Dublin 1
DCU Educational Trust	Promotion of Education	0%	Dublin City University
Holding Company Incorporated Subsidiaries of DCL (Indirect subsidiary undertakings)			
Campus Property DAC	Retail & Property Rental	100%	George's Dock, Dublin 1
Campus Residences DAC	Student Residences	100%	George's Dock, Dublin 1
DCU Executive Education DAC	Not Trading	100%	George's Dock, Dublin 1
DCU Healthy Living Centre DAC	Not Trading	100%	George's Dock, Dublin 1
The DCU Ryan Academy DAC	Entrepreneurship	100%	George's Dock, Dublin 1
DCULS DAC	ELT & Translation Services	100%	George's Dock, Dublin 1
Dublin Business School Fund DAC	Support Campus Developments	100%	George's Dock, Dublin 1
Dublin Software Park DAC	Campus Infrastructure Development	100%	George's Dock, Dublin 1
DCU Invent DAC	Office space and facilities rental	100%	George's Dock, Dublin 1
Trispace DAC	Catering & Sports	100%	George's Dock, Dublin 1
UAC Management DAC	Arts Centre	100%	George's Dock, Dublin 1

While DCU does not hold a direct equity interest in DCU Educational Trust, it is accounted for as a subsidiary undertaking in accordance with the requirements of FRS 102 and the SORP.

NOTES TO THE ACCOUNTS - continued**14 Financial assets - continued**

The following associated undertakings are not consolidated.

Subsidiary undertakings	Principal activity	Interest %	Registered office/place of business
Centre for Software Engineering	Software Training	25%	Earlsfort Terrace, Dublin 2

3U Collaboration DAC was 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. As a result of a restructuring of the collaboration activities within the three institutions the company ceased trading on 9 April 2018.

Other equity interests held in third parties

DCU Invent is the university's commercialisation and technology transfer unit which works with companies to bring university research to the marketplace. DCU Invent provides supports to start-up companies through the Invent Centre facility on the Glasnevin Campus. Under the patron funding arrangement in place for the Invent Centre facility, where DCU Invent takes an equity stake in companies located in the facility, the relevant percentage of the equity is allocated to the patrons, and held in trust for the patrons by DCU Invent DAC. All such investments are recognised for the purposes of these accounts at nil value, given the uncertain nature of any valuation or return. In the previous year one of these investments was disposed of giving rise to a gain of €634k.

In addition to the interests outlined above within note 14, the University is also a member of a number of sectoral related companies limited by guarantee with no shareholding.

NOTES TO THE ACCOUNTS - continued

15 Inventories	Consolidated	University	Consolidated	University
	2019	2019	2018	2018
	€'000	€'000	€'000	€'000
Raw materials and consumables	208	208	236	213
Finished goods for resale	368	-	183	-
Total	<u>576</u>	<u>208</u>	<u>419</u>	<u>213</u>

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

16 Trade and other receivables	Consolidated	University	Consolidated	University
	2019	2019	2018	2018
	€'000	€'000	€'000	€'000
Trade receivables, prepayments, other receivables	12,092	8,505	12,216	8,350
Research grants and contracts receivable	12,144	12,144	15,328	15,328
State recurrent grants receivable	-	-	3,709	3,709
State capital grants receivable	15,550	15,550	17,887	17,887
Taxation Debtors	217	-	-	-
Amounts due from subsidiary companies	-	58,913	-	56,597
Total	<u>40,003</u>	<u>95,112</u>	<u>49,140</u>	<u>101,871</u>

17 Term deposits	Consolidated	University	Consolidated	University
	2019	2019	2018	2018
	€'000	€'000	€'000	€'000
Term Deposits > 3 months < 12 months	92,017	74,016	-	-
Total	<u>92,017</u>	<u>74,016</u>	<u>-</u>	<u>-</u>

Term deposits with more than 3 months to maturity at inception are held with financial institutions licensed by the Central Bank. The interest rates for these deposits are typically fixed for the duration of the deposit at time of placement.

The fair value of these deposits is not materially different from the book value. Fixed term deposits of 3 months or less to maturity at inception are recognised as 'Cash at Bank' on the balance sheet.

The deposits shown in this note exclude accrued interest, which is included within other receivables in note 16.

NOTES TO THE ACCOUNTS - continued

18 Payables: amounts falling due within one year

	Consolidated 2019 €'000	University 2019 €'000	Consolidated 2018 €'000	University 2018 €'000
Research grants and contracts in advance	25,008	25,008	23,817	23,817
Bank loans	12,863	537	724	-
Obligations under finance leases	52	52	39	39
State recurrent grants in advance	6,677	6,677	6,065	6,065
Deferred Income	9,298	3,829	7,721	1,794
Trade creditors, accruals, other creditors	19,350	15,420	23,430	19,595
Taxation creditors	6,948	6,391	5,310	4,990
Student Fees in advance	32,868	32,868	27,815	27,815
Security Deposits	1,858	-	1,711	-
Amounts due to subsidiary companies	-	20,728	-	26,177
Total	<u>114,922</u>	<u>111,510</u>	<u>96,632</u>	<u>110,292</u>

19 Payables: amounts falling due after one year

	Consolidated 2019 €'000	University 2019 €'000	Consolidated 2018 €'000	University 2018 €'000
Bank loans	96,510	75,222	59,312	23,754
Obligations under finance leases	30	30	64	64
Total	<u>96,540</u>	<u>75,252</u>	<u>59,376</u>	<u>23,818</u>

NOTES TO THE ACCOUNTS - continued

20 Borrowings	Consolidated 2019 €'000	University 2019 €'000	Consolidated 2018 €'000	University 2018 €'000
Bank loans and overdrafts				
Amounts due within one year	12,863	537	724	-
Amounts due after one year	96,510	75,222	59,312	23,754
Total	<u>109,373</u>	<u>75,759</u>	<u>60,036</u>	<u>23,754</u>

The weighted average effective interest rate during the financial year of Group loans was 2.77% (2018 2.79%).

Net finance lease obligations	Consolidated 2019 €'000	University 2019 €'000	Consolidated 2018 €'000	University 2018 €'000
Lease amounts due within one year	52	52	39	39
Lease amounts due after one year	30	30	64	64
Total	<u>82</u>	<u>82</u>	<u>103</u>	<u>103</u>

21 Deferred government capital grants	Consolidated 2019 €'000	University 2019 €'000	Consolidated 2018 €'000	University 2018 €'000
At 01 October 2018	168,940	159,853	172,925	163,641
Additions / (transfers)	(790)	(689)	3,338	3,053
Amortisation release	(7,263)	(6,787)	(7,323)	(6,841)
At 30 September 2019	<u>160,887</u>	<u>152,377</u>	<u>168,940</u>	<u>159,853</u>

At 30 September 2019 an amount of €7.1m (University €6.7m) is due for release to the consolidated statement of comprehensive income during the next financial year as grant amortisation.

22 Cash and cash equivalents (Consolidated)

	1 Oct 2018 €'000	Cashflows €'000	30 Sep 2019 €'000
Cash at Bank	69,303	(29,520)	39,783
Total	<u>69,303</u>	<u>(29,520)</u>	<u>39,783</u>

NOTES TO THE ACCOUNTS - continued

23 Restricted cash	Consolidated	University	Consolidated	University
	2019	2019	2018	2018
	€'000	€'000	€'000	€'000
At 01 October	1,885	-	807	-
(Transfers)/Additions DCU Educational Trust	(555)	-	278	-
Additions to ISIF sinking fund	411	-	800	-
At 30 September	<u>1,741</u>	<u>-</u>	<u>1,885</u>	<u>-</u>

Under the terms of the ISIF loan facility agreement, Campus Residencies DAC is required to maintain a sinking fund of €1.6m at the reporting date. These funds are not available to the company for current purposes.

The funds held by DCU Educational Trust are not available to the University for current purposes, until such funds are distributed to the University to fund projects and initiatives.

24 Contingencies

There are no contingent liabilities except on certain bank borrowings.

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 DAC, the holding company, without the prior written consent of Allied Irish Bank plc.

25 Capital commitments	Consolidated	University	Consolidated	University
	2019	2019	2018	2018
	€'000	€'000	€'000	€'000
Contracted but not provided for	15,065	11,352	14,008	7,101
Authorised but not contracted for	23,148	20,549	24,560	22,860
Total	<u>38,213</u>	<u>31,901</u>	<u>38,568</u>	<u>29,961</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.

26 Financial commitments	Consolidated	University	Consolidated	University
	2019	2019	2018	2018
	€'000	€'000	€'000	€'000
Operating leases commitments	<u>25,827</u>	<u>25,769</u>	<u>25,900</u>	<u>25,900</u>

As part of the process of incorporation with St. Patrick's College Drumcondra (SPD), DCU entered into a 150 year lease with the Dublin Archdiocese for the St. Patrick's campus with effect from 1 October 2016. Under the operating lease arrangement an annual amount of €175,000 is payable by DCU, and the associated future lease commitments are included in the values provided in this disclosure note.

NOTES TO THE ACCOUNTS - continued**27 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 had no other material related party transactions which require disclosure under FRS 102.

28 Retirement benefits**University****(a) Defined benefit pension scheme**

The university operates the following defined benefit pension schemes which are unfunded:

1. DCU Superannuation Scheme
2. Single Public Service Pension Scheme
3. Colleges of Education Scheme (following completion of the incorporation process)

The valuation used for the FRS102 disclosure has been based on the actuarial valuation at 30 September 2019 by a qualified independent actuary to take account of the requirements of FRS102 in order to assess the schemes liabilities at 30 September 2019.

The financial assumptions used to calculate scheme liabilities at 30 September 2019 are:

DCU Superannuation Scheme and the Single Public Service Pension Scheme

	2019	2018	2017
Rate of increase in salaries	2.75%	3.30%	3.30%
Rate of increase in pensions in payment	1.75%	2.30%	2.30%
Discount rate	1.20%	2.50%	2.40%
Revaluation in deferment	1.75%	2.40%	2.30%
Price Inflation	1.25%	1.75%	1.75%

The weighted average life expectancy for mortality tables used to determine benefit obligations are as follows:

	2019	2018	2017
	Years	Years	Years
Pensioners- implied life expectancy for a 65 year old			
Male member age 65 (current life expectancy)	22.90	22.90	22.90
Female member age 65 (current life expectancy)	24.90	24.90	24.90
Actives / deferrals - implied life expectancy for a 40 year old			
Male member age 40 (life expectancy at age 65)	25.70	25.70	25.70
Female member age 40 (life expectancy at age 65)	27.70	27.70	27.70

NOTES TO THE ACCOUNTS - continued

28 Retirement benefits (continued)

Colleges of Education Superannuation Scheme (St. Patrick's College Drumcondra)

	2019	2018	2017
Rate of increase in salaries	2.75%	3.30%	3.30%
Rate of increase in pensions in payment	1.75%	2.30%	2.30%
Discount rate	1.20%	2.50%	2.40%
Revaluation in deferment	1.75%	2.40%	2.30%
Price Inflation	1.25%	1.75%	1.75%

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

	2019 Years	2018 Years	2017 Years
Pensioners- implied life expectancy for a 65 year old			
Male member age 65 (current life expectancy)	22.90	22.90	22.90
Female member age 65 (current life expectancy)	24.90	24.90	24.90
Actives / deferrals - implied life expectancy for a 45 year old retiring in 20 years' time at age 65			
Male member age 45 (life expectancy at age 65)	25.70	25.70	25.70
Female member age 45 (life expectancy at age 65)	27.70	27.70	27.70

Colleges of Education Superannuation Scheme (Church of Ireland Education Rathmines)

	2019	2018	2017
Rate of increase in salaries	2.75%	3.30%	3.30%
Rate of increase in pensions in payment	1.75%	2.30%	2.30%
Discount rate	1.20%	2.50%	2.40%
Revaluation in deferment	1.75%	2.40%	2.30%
Price Inflation	1.25%	1.75%	1.75%

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

	2019 Years	2018 Years	2017 Years
Pensioners- implied life expectancy for a 65 year old			
Male member age 65 (current life expectancy)	22.90	22.90	22.90
Female member age 65 (current life expectancy)	24.90	24.90	24.90

NOTES TO THE ACCOUNTS - continued

28 Retirement benefits (continued)

Changes in the present value of defined retirement obligations

	Consolidated 2019 €'000	University 2019 €'000	Consolidated 2018 €'000	University 2018 €'000
Obligation at start of the period	673,873	673,873	686,704	686,704
Current service cost	26,693	26,693	26,636	26,636
Interest cost	16,336	16,336	15,993	15,993
Contributions by scheme participants	5,199	5,199	5,098	5,098
Benefits paid	(14,162)	(14,162)	(12,305)	(12,305)
Effect of experience adjustments	(39)	(39)	82	82
Change in financial assumptions	145,203	145,203	(48,335)	(48,335)
Obligations at end of period	<u>853,103</u>	<u>853,103</u>	<u>673,873</u>	<u>673,873</u>

Changes in the present value of defined retirement reimbursement rights:

	Consolidated 2019 €'000	University 2019 €'000	Consolidated 2018 €'000	University 2018 €'000
Reimbursements at start of the period	673,873	673,873	686,704	686,704
Interest income	16,606	16,606	16,228	16,228
Employer contributions	16,777	16,777	14,930	14,930
Contributions by scheme participants	5,199	5,199	5,098	5,098
Benefit payments from employer	(14,162)	(14,162)	(12,305)	(12,305)
Pension income rights recognised	26,423	26,423	26,401	26,401
Change in actuarial assumptions reflected in reimbursement rights	128,387	128,387	(63,183)	(63,183)
Reimbursements at end of the period	<u>853,103</u>	<u>853,103</u>	<u>673,873</u>	<u>673,873</u>

NOTES TO THE ACCOUNTS - continued

28 Retirement benefits (continued)

Analysis of the present value of defined retirement obligations by scheme:

	Consolidated 2019 €'000	University 2019 €'000	Consolidated 2018 €'000	University 2018 €'000
DCU Superannuation Scheme	639,682	639,682	507,502	507,502
Single Public Service Pension Scheme	36,974	36,974	18,734	18,734
Colleges of Education Scheme	176,447	176,447	147,637	147,637
Total	853,103	853,103	673,873	673,873

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 schemes, and the policy and practice in relation to funding public service pensions including the annual estimates process. In addition, the University holds a commitment from the Higher Education Authority to meet the liabilities of the DCU superannuation scheme.

	Consolidated 2019 €'000	Consolidated 2018 €'000
Amounts included in pension funding income	23,808	23,776
Amounts included Staff Costs	(26,693)	(26,636)
Amounts included in Investment Income	270	235
Contributions adjustment	2,615	2,625

Subsidiary Undertakings**Defined contribution pension scheme**

The total pension payments made by subsidiary undertakings in respect of the defined contribution funds were as follows:

	Consolidated 2019 €'000	University 2019 €'000	Consolidated 2018 €'000	University 2018 €'000
Pension costs	137	-	125	-

NOTES TO THE ACCOUNTS - continued**29 Post Balance Sheet Events and Asset Impairments****1) Fixed Assets**

As set out in the President's report two events occurred subsequent to the financial year end relating to land and buildings.

To avail of a strategic opportunity to acquire additional land contiguous to the University, DCU sold its 9.6 acre site on Griffith Avenue Dublin to fund the acquisition of a slightly larger site of 9.7 acres contiguous to the DCU Glasnevin campus. The net effect of these two transactions has been to maintain land within DCU's ownership for the future expansion of the university, to enable DCU to avail of the benefits of simply extending services and utilities to a site contiguous to the University, and the net transactions have generated a net cash surplus for investment in the University's infrastructure.

In 2019, in line with the DCU Strategic Plan objective of the coordination of the activities and strengths of DCU in innovation the DCU Ryan Academy was moved from its Citywest location. As DCU had no ongoing strategic interest in maintaining the Citywest location, DCU is investigating the options for the future use of the building, including its potential sale.

As both of these post balance sheet events have provided objective evidence regarding the recoverable amounts of the related assets, an impairment review was undertaken of both of these assets in accordance with FRS102.

a. Site at Griffith Avenue Dublin 9

The 9.6 acre site at Griffith Avenue was purchased in the year 2000 at a total cost of €41,898,277. The sale of the site in 2020 has provided objective evidence that the historic carrying value of the site in the DCU financial statements has been impaired, based on current market conditions. In accordance with the accounting standard FRS102, the asset should be carried at the lower of its cost or recoverable amount. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. As the site was being held for the future expansion of the university it was not in use, consequently, the only consideration is the recoverable amount. Given that contracts for the sale have been exchanged the recoverable amount is readily obtainable and is €37,239,773. While this transaction took place after the year end, in accordance with FRS 102 any impairment in the carrying value of the asset must be recognised immediately in the financial statements to 30 September 2019. As a consequence, an impairment loss of €4,658,503 has been recognised in the Statement of Comprehensive Income for the current year.

b. Land and Building at Citywest

The DCU Ryan Academy had full use of the building at Citywest Dublin from the time it was constructed at no rental cost to DCU. In the financial year ended 30 September 2015 the building and the site on which it stands were gifted to the university. At that point in time it was intended that the DCU Ryan Academy operations would remain in Citywest. The property was valued at the time of the gift through an independent external valuation and the land and building in Citywest were recognised in the DCU Financial Statements for the year ended 30 September 2015 at €0.8m and €1.8m respectively with the total of €2.6m recognised in deferred capital funding.

As part of the adoption of FRS102 a transition adjustment was made in the DCU Financial Statements for the year ended 30 September 2016 whereby the balance of the deferred capital reserve related to the gift of the Citywest land and building was transferred to revenue reserves as it was a gift that emanated from a non-government grant.

NOTES TO THE ACCOUNTS - continued**29 Post Balance Sheet Events and Asset Impairments (continued)**

As part of the DCU objective in the 2017 to 2022 DCU Strategic Plan to coordinate the activities and strengths of DCU in innovation, the activities of the DCU Ryan Academy have been moved from Citywest to the DCU Alpha campus. As a consequence, DCU is considering its options in relation to the future use of the building, including its potential sale.

Any proposed sale of the Citywest building would give rise to a number of significant restrictions on the sale, including any proposed change in the approved use of the building. These restrictions potentially have a material impact on the value of the building. In the context of the potential sale of the building, an impairment review was undertaken.

An updated valuation was obtained in 2020 based on an assumption that the building would be sold. On the basis of that valuation, the recoverable amount is estimated at €1.17m. As a consequence, in accordance with FRS 102, given the net carrying value of €2.4m a technical impairment loss of €1.24m has been recognised in the statement of comprehensive income for the current year, albeit that the asset was originally gifted to the university.

The impairment review undertaken in January 2020 showed no other events or changes in circumstances which would have a negative impact on the recoverable amount of any other tangible assets held by DCU.

2) COVID-19 Outbreak

In early 2020, the existence of a new coronavirus (COVID-19) was confirmed. The coronavirus has subsequently spread across the world, resulting in a pandemic. In addition to the loss of life and impact on societies, the outbreak has caused significant disruption to business and economic activity, resulting in global challenges and uncertainties.

In line with announcements from Government and the Health Service Executive, the University and its subsidiaries have taken the necessary measures to protect students, staff, customers, and operations. Equally, as part of business continuity planning and service continuation, all undergraduate and postgraduate teaching transitioned to on-line delivery from Monday 16 March 2020. The University also continues to engage with state agencies and government departments to support the national efforts in response to the outbreak, as well as to ensure the continued service delivery of educational activities in line with the Universities Act 1997.

The University and its subsidiaries will continue to monitor and manage the situation closely as it evolves, adjusting plans and measures as appropriate.

Given the inherent uncertainties, it is not practicable at this time to determine the impact of COVID-19 on the University and its subsidiaries, or to provide a quantitative estimate of this impact.

DUBLIN CITY UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30TH SEPTEMBER 2019

NOTES TO THE ACCOUNTS - continued

30 Circular 13/2014 - Management of and Accountability for Grants from Exchequer Funds

Research and Other Project Grant Funding

Grantor	Government Funding Department	Grant Deferred/ (Due)	Cash Received	Taken to income	Grant Deferred/ (Due)
		01/10/2018	2018/19	2018/19	30/09/2019
		€'000	€'000	€'000	€'000
Dept of Agriculture, Food and the Marine	Dept of Agriculture, Food and the Marine	(24)	62	42	(4)
Dept of Arts, Heritage, Regional, Rural and Gaeltacht Affairs	Dept of Arts, Heritage, Regional, Rural and Gaeltacht Affairs	11	180	160	31
Dept of Communications, Climate Action and Environment	Dept of Communications, Climate Action and Environment	57	818	502	373
Dept of Education and Skills	Dept of Education and Skills	180	1,432	952	660
Enterprise Ireland	Dept of Jobs Enterprise and Innovation	1,255	4,931	3,502	2,684
HEA	Dept of Education and Skills	442	3,332	2,285	1,489
HEA PRTL I	Dept of Jobs Enterprise and Innovation	(2,028)	254	(59)	(1,715)
Health Research Board	Dept of Health	242	302	466	78
Health Service Executive	Dept of Health	761	342	540	563
IRC	Dept of Education and Skills	201	2,430	1,806	825
Other Irish Government/State Agencies	Various Departments	546	1,687	1,819	414
The Marine Institute	Dept of Agriculture, Food and the Marine	(2)	72	83	(13)
Science Foundation Ireland	Dept of Jobs Enterprise and Innovation	(2,660)	10,855	11,787	(3,592)
Total Exchequer Funding		(1,019)	26,697	23,885	1,793
Total Non-Exchequer Funding		52,710	30,632	28,024	55,318
Total per Research and Project Accounts		51,691	57,329	51,909	57,111
Other Adjustments		(43,202)	(11,062)	(10,017)	(44,247)
Research Grants and Contracts per Consolidated Financial Statements		8,489	46,267	41,892	12,864

NOTES TO THE ACCOUNTS - continued**30 Circular 13/2014 - Management of and Accountability for Grants from Exchequer Funds - continued****Capital Grants**

The University received grant income of €2m under Incorporation project funding, €0.1m under the programme for research in Third Level Institutions (PRTL I V), equipment grants of €0.2m, and €0.1m energy efficiency initiatives supported by the Sustainable Energy Authority of Ireland, in the period. Returns are made by DCU to Funding Bodies based upon the actual expenditure incurred. All such expenditure incurred is in line with the specific terms and conditions of the capital grant.

All exchequer capital and research funding received by the University is treated in line with the specific terms and conditions as set out by the relevant Government Department/Body and is also in line with Government policies and guidelines.

31 Comparatives

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

32 Approval of financial statements

The financial statements were approved by the Governing Authority on 4 December 2020, and were signed on its behalf on 18 December 2020.

Dublin City University

For the year ended 30th September 2019

Additional Information

	Consolidated Financial Statements €'000	Subsidiary Undertaking Adjustments €'000	GAAP Adjustments €'000	HEA Funding Statement €'000
State Grants	36,642	-	14,206	50,848
Academic Fees	98,741	(69)	(9,590)	89,082
Research Grants & Projects	41,660	231	10,018	51,909
Other Income	44,290	(39,215)	3,031	8,106
Investment Income	332	368	(700)	-
Grant Amortisation	7,263	(476)	6,432	13,219
Pension Funding	23,808	-	(23,808)	-
Total Income	252,736	(39,161)	(411)	213,164
Staff Costs	158,560	(12,526)	(5,201)	140,833
Other Operating Expenses	71,664	(18,251)	5,679	59,092
Interest & Other Finance Costs	1,851	(1,033)	(818)	-
Depreciation	15,860	(4,303)	1,579	13,136
Amortisation of intangible assets	94	(11)	-	83
Total Expenditure	248,029	(36,124)	1,239	213,144
Surplus before other gains/(losses)	4,707	(3,037)	(1,650)	20
Reduction in Asset Value	(1,240)	-	1,240	-
Land Swap Asset Release	(4,659)	-	4,659	-
Deficit before taxation and non-controlling interest	(1,192)	(3,037)	4,249	20
Gain on Investment	389	(389)	-	-
Taxation	(1,008)	237	771	-
Deficit for the year	(1,811)	(3,189)	5,020	20
Actuarial adjustments in respect of retirement benefits	(145,164)	-	145,164	-
Movement on retirement benefits receivable	145,164	-	(145,164)	-
Deficit for the year	(1,811)	(3,189)	5,020	20