

DUBLIN CITY UNIVERSITY

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

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GENERAL INFORMATION

REGISTERED AUDITOR

MAZARS
Chartered Accountants
Harcourt Centre
Block 3 Harcourt Road
Dublin 2

Following a public procurement process organised in conjunction with the Office of Government Procurement, the auditors Mazars, Chartered Accountants, were appointed on 5 December 2021 (Outgoing auditors KPMG resigned on 4 December 2021).

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 13 to the Financial Statements, together with their principal activities and the University shareholding. DCU Educational Support Services 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 2021

The University's consolidated income, expenditure and results for the year to 30 September 2021 are summarised as follows:

	2021	2020
	€'000	€'000
Income	248,140	257,750
Expenditure Net	(248,166)	(251,995)
(Deficit) / surplus	<u>(26)</u>	<u>5,755</u>

The total income for the Group decreased by 3.7% in the year.

The reported net reserves deficit movement for the year was €26k with accumulated group reserves standing at €245.4m. 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 constraints in recurrent State funding the University recorded a surplus of €16k on the core activity.

Balance Sheet and Cash Flow Statement

The additions to tangible fixed assets for the year amounted to €47.5m. Land and building additions for the year including assets under construction reflect campus developments such as the new FutureTech building, and the Student Information System project, as well as the purchase of 9.7 acres contiguous to the Glasnevin Campus. Computer and other equipment purchases for the year were €3.4m.

Net cash outflows of €84.8m during the financial year have resulted in the group cash and cash equivalents (exclusive of restricted cash balances and term deposits) of €127.5m decreasing to €42.6m 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 €20.9m. 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. The loan covenants under the approved loan facilities were met during the financial year.

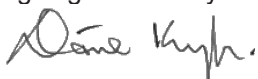
Future Outlook

The Minister for Further and Higher Education, Research, Innovation and Science's launch of 'Funding the Future' regarding the future of higher education is welcomed as an important step in addressing the significant underfunding 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).

2022 will represent the final year of the current DCU Strategic Plan 2017 – 2022 'Talent, Discovery and Transformation'. With the appointment of the new DCU president during 2020, the opportunity was taken to update the plan in the context of the changing priorities of the University in a Covid-19 environment. The changes were approved by the DCU Governing Authority. A new strategic planning process will begin during 2022.

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. The overall physical infrastructure development on the University's campuses is being funded through various supports, including those from philanthropic donations, government grants, a student levy and DCU's commercial activities, as well as loan capital from the European Investment Bank and the Ireland Strategic Investment Fund. The construction phase of the DCU Future Tech building commenced on the DCU Glasnevin campus in early 2022. Below ground work is nearing completion, with above ground work due to commence in October 2022. This state of the art 10,000m² science, technology, engineering and mathematics (STEM) facility, which is partly supported by Government funding, will have the capacity to accommodate over 3,000 students. This project will further advance DCU's international reputation for excellence in STEM disciplines.

Since March 2020 the impact of the COVID-19 pandemic has been significant on many aspects of DCU operations, its students and staff. The overriding objective of the University is to ensure the safety of the whole DCU community. DCU has supported the national effort against the pandemic in many ways including by providing The Helix at DCU as the North Dublin mass vaccination centre. While the financial impact of the COVID-19 pandemic has been significant, DCU remains in a strong financial position. This, coupled with direct support from Government, means that DCU has no immediate financial concerns, notwithstanding the ongoing uncertainty surrounding the pandemic.



Prof. Daire Keogh
President / Chief Officer

Date: 19 October 2022

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 Republic of Ireland" and the Statement of Recommended Practice ("SORP") - Accounting for Further and Higher Education (2019), issued by the HE/FE SORP Board in the UK.

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



Ms. Brid Horan
Chancellor

Date: 19 October 2022

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 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 (operational) 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 Strategic 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.
- In December 2019, the University adopted its first Risk Appetite statement which summarises its tolerance for risk across a range of activities. Consequently, it contributes to the University's commitment to uphold the highest standards of corporate governance and professional conduct, while also being consistent with, and maintaining, its credibility with a broad range of stakeholder groups.
- 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, which includes:
 - 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 Capital Projects Committee provides oversight to all capital projects (>€500k) and makes recommendations to Executive on major capital project approvals and associate project milestone approvals.
 - Health and Safety Committee provides oversight to all aspects of health and safety on campus.
- 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.
- The Academic Council, subject to the financial constraints determined by the 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.

STATEMENT ON INTERNAL CONTROL

- 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.
- 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 2021.
- There were no material losses or fraud in the financial year ending 30th September 2021.
- A fraud took place in a DCU Subsidiary company during the financial year ending 30 September 2022 totalling €10,000. The matter was reported to An Garda Síochána and investigated by DCU.
- The University confirms its compliance with the 2019 IUA/HEA Code of Governance in all material matters during the financial year. A Code of Governance for the wholly owned subsidiary companies is being developed in conjunction with the IUA.

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.
- Following each meeting of the Audit Committee, the Governing Authority receive an update on any matters relating to the effectiveness of Internal Control. On an annual basis, the Head of Internal Audit gives an opinion on the effectiveness of the Internal Control environment. On that basis the Governing Authority satisfies itself as to the effectiveness of the system of Internal Control.
- 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 at each Health & Safety Committee meeting and the Annual Health and Safety Report to the Governing Authority

5. Procurement**(i) Procurement Procedures**

The University seeks to be 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 Office of Government Procurement, and of the Education Procurement Service, whenever applicable.

STATEMENT ON INTERNAL CONTROL**(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.

(iii) Details of Non-Compliant Procurement

The University's team of internal qualified procurement specialists review expenditure requests over €25,000 from departments within the DCU Group on an on-going basis, as well as conducting an end of year self-compliance review in the format prescribed by the statutory auditor.

In its opinion, and based on the national and sectoral procurement frameworks in place, the University and its subsidiaries report a €Nil amount of non-compliant procurable expenditure for financial year 2020/21. The University continues to avail of a range of national and sectoral frameworks. The University continues to deploy resources to improve procurement processes with the objective of maximising procurement compliance.

(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 actively works with the Office of Government Procurement (OGP) to ensure that procurement activities are taking place in accordance with the requirements of the operating model that OGP has put in place.

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.

The University and its subsidiaries seek to optimise value for money on its expenditures, including through the OGP and other frameworks, and aggregation of expenditures where appropriate. Aggregation may take place at a national, sectoral, or institutional level.

Operating Units within the University and its subsidiaries are responsible for their own expenditure and may not have visibility of the expenditure requirement of other Operating Units. In addition, the timing of certain expenditures (e.g. related to research funding awards) is not predictable in a manner which would facilitate aggregation of procurement requirements. For these reasons, it is therefore not always possible to aggregate certain expenditure lines.

6. COVID-19

With the onset of the COVID-19 pandemic, a subcommittee of Governing Authority met with Senior management on a number of occasions to review the steps taken to address the wide range of issues from the pandemic. The subcommittee reported back to the full Governing Authority. DCU took a number of actions to ensure the maintenance of the internal control environment when most staff were working from home. The University also introduced new IT systems and procedures to provide greater protection against an increased cyber-attack threat.

STATEMENT ON INTERNAL CONTROL**7. Governing Authority Meetings**

The DCU Governing Authority met on six occasions in 2020/2021 on the following dates:

- 29th October 2020
- 11th February 2021
- 25th June 2021
- 4th December 2020
- 15th April 2021
- 9th September 2021

Please note the term of office for this Governing Authority ceased on 28th July 2021, and a new Governing Authority was constituted.

At the 15 April 2021 meeting, the Governing Authority met for part of the meeting without any management present.

The attendance record for each member of the Authority ceasing on 28th July 2021 was as follows:

	Authority Member	Attendance Record
1.	Dr. Martin McAleese (Chancellor) (term ended 28th July 2021)	5/5
2.	Ms. Brid Horan (Chair Audit Committee) (Appointed Chancellor 9 September 2021)	5/5
3.	Prof Daire Keogh (President) (Appointed 14th July 2020)	5/5
4.	Prof. Lisa Looney (appointed 29th October 2021)	5/5
5.	Dr. Declan Raftery	5/5
6.	Prof. Dorothy Kenny (term ended 28th July 2021)	5/5
7.	Prof. Gary Murphy (term ended 28th July 2021)	5/5
8.	Dr. Caroline McMullan (term ended 28th July 2021)	5/5
9.	Dr. Noel Murphy (term ended 28th July 2021)	5/5
10.	Dr. Jean-Paul Mosnier (term ended 28th July 2021)	5/5
11.	Mr. Michael Burke (term ended 28th July 2021)	4/5
12.	Ms. Orla Nic Aodha (term ended 28th July 2021)	4/5
13.	Ms. Sharon McCooley (term ended 28th July 2021)	2/5
14.	Ms. Rachel Hussey (Chair of EDI)	5/5
15.	Mr. John Power (Chair DCU Commercial) (term ended 28th July 2021)	5/5
16.	Ms. Bernie Gray (Chair Risk Committee) (term ended 28th July 2021)	5/5
17.	Mr. Pat Gilroy (term ended 28th July 2021)	4/5
18.	Mr. Terence O'Rourke (Chair Strategic Finance Advisory Committee) (term ended 28th July 2021)	5/5
19.	Mr. James Corcoran (term ended 28th July 2021)	5/5
20.	Ms. Deirdre O'Connor	4/5
21.	Dr. Mary Shine Thompson (term ended 28th July 2021)	5/5
22.	Ms. Kara McCann	4/5
23.	Ms. Kathy Quinn	4/5
24.	Cllr. Jimmy Guerin	4/5
25.	Chloe McMorrow (Term ended 25th June 2021)	4/4
26.	Fearghal Lynch (Term ended 25th June 2021)	4/4
27.	Isabel Aust (Term ended 25th June 2021)	1/4
28.	Zainab Boladale (Appointed 29th October 2020)	4/5
29.	Terence Rooney (Appointed 25th June 2021)	1/1
30.	Kate Goodman (Appointed 25th June 2021)	1/1

STATEMENT ON INTERNAL CONTROL**8. Audit Committee meetings**

The Audit Committee met on the following dates in 2020/2021:

- 14th October 2020
- 26th November 2020
- 14th April 2021
- 17th June 2021

	Audit Committee Member	Attendance Record	Resignation Date	Appointment Date
1.	Ms. Brid Horan (Chair)	4/4	28th July 2021	11th Dec 2014
2.	Ms. Bernie Gray	3/4	28th July 2021	09th Dec 2016
3.	Mr. Cathal Marley	4/4	-	09th Dec 2016
4.	Ms. Marion O'Brien	4/4	28th July 2021	29th Nov 2011
5.	Mr. Pat Gilroy	2/3	28th July 2021	22nd June 2017

9. Governing Authority Risk Committee

The Governing Authority Risk Committee met on the following dates in 2020/2021:

- 16th October 2020
- 12th November 2020
- 25th November 2020
- 29th January 2021
- 26th March 2021
- 11th June 2021

	Governing Authority Risk Committee Member	Attendance Record	Resignation Date	Appointment Date
1.	Ms. Bernie Gray (Chair)	6/6	28th July 2021	09 Dec 2016
2.	Mr. Michael Burke	5/6	28th July 2021	09 Dec 2016
3.	Ms. Caroline McMullan	6/6	-	09 Dec 2016
4.	Ms. Marie Sinnott	6/6	-	22 June 2017
5.	Ms. Kathy Quinn	6/6	-	12 Oct 2018
6.	Mr. Pdraig McKeon	6/6	-	23 Nov 2018

Please note both the Audit and Risk Committees met during the year without University Management being present.

10. Governing Authority

A new Governing Authority started its term of office on July 29th 2021, and met on 9th September 2021.

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

	Authority Member	Attendance Record
1	Prof Daire Keogh (President)	1/1
2	Ms. Brid Horan (Appointed Chancellor 9 September 2021)	1/1
3	Prof. Lisa Looney	1/1
4	Dr. Declan Raftery	1/1
5	Mr Cathal Marley (Chair Audit Committee) (appointed 29th July 2021)	1/1
6	Prof Yvonne Daly (appointed 29th July 2021)	1/1
7	Prof James O'Higgins Norman (appointed 29th July 2021)	1/1
8	Dr Audrey Bryan (appointed 29th July 2021)	1/1
9	Dr Aisling de Paor (appointed 29th July 2021)	1/1

STATEMENT ON INTERNAL CONTROL

10. Governing Authority (continued)

	Authority Member	Attendance Record
10	Mr Justin Doyle (appointed 29th July 2021)	1/1
11	Ms Michele Pringle (appointed 29th July 2021)	1/1
12	Ms. Rachel Hussey (Chair of EDI)	1/1
13	Mr David Harney (appointed 29th July 2021)	1/1
14	Mr John Darby (appointed 29th July 2021)	1/1
15	Ms Carol Hanney (appointed 29th July 2021)	1/1
16	Ms Marie Sinnott (Chair of GARC) (appointed 29th July 2021)	1/1
17	Assoc Prof Ray Walshe (appointed 29th July 2021)	1/1
18	Ms. Deirdre O'Connor	1/1
19	Ms Marian Corcoran (Chair of DCU Commercial) appointed 29th July 2021)	1/1
20	Ms. Kara McCann	1/1
21	Ms. Kathy Quinn (Chair of Strategic Finance Advisory Committee)	0/1
22	Cllr. Jimmy Guerin	1/1
23	Ms Fiona Naughton (appointed 29th July 2021)	1/1
24	Mr Seamus Walsh (appointed 29th July 2021)	1/1
25	Mr Brian J. Smyth (appointed 29th July 2021)	1/1
26	Ms Zainab Boladale	1/1
27	Mr Terence Rooney	1/1
28	Ms Kate Goodman	1/1

11. Governance

An oversight agreement is in place between the Higher Education Authority and DCU which sets out the broad governance and accountability required of DCU by the Higher Education Authority.

The Governing Authority and its sub-committees carry out an evaluation of their performance on an annual basis through an anonymous questionnaire, the results of which are presented to the full authority and any agreed actions resulting are captured in the minutes of the meeting.

The Governing Authority of DCU approves the proposed financial budget on an annual basis and receives a detailed briefing on performance against the approved budget at each of its meetings.

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



Prof. Daire Keogh
President / Chief Officer



Ms. Brid Horan
Chancellor

Date: 19 October 2022



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 2021 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 2021 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 27 which relates to retirement benefits accrued by current and former staff up to 30 September 2021.

The recognition of a deferred pension funding asset (€41 million) in respect of the Single Public Service Pension Scheme reflects statutory provisions relating to the funding of that scheme.

The recognition of a deferred pension funding asset (€885 million) in respect of the University's other pension schemes anticipates that funding will be provided by the State to meet pension liabilities as they fall due. Inherent in this accounting treatment is an assumption that any income generated by the University will in the first instance be applied towards current expenses and that State funding will meet any shortfall in resources required to 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, a statement of Governing Authority's responsibilities and a statement on internal control.

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

25 October 2022

Appendix to the report

Responsibilities of Governing Authority members

The members of the Governing Authority are responsible for

- the preparation of annual 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.

I 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.

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.

CONSOLIDATED AND UNIVERSITY STATEMENT OF COMPREHENSIVE INCOME

Year Ended 30 September

	Notes	Consolidated 2021 €'000	University 2021 €'000	Consolidated 2020 €'000	University 2020 €'000
State Grants	2	47,566	47,566	43,449	43,449
Academic Fees	3	100,881	100,953	100,434	100,510
Research Grants & Projects	4	44,166	42,983	43,862	42,597
Other Operating Income	5	14,904	3,275	25,807	3,060
Investment Income	6	217	611	217	637
Grant Amortisation	20	6,916	6,439	7,255	6,779
Pension Funding	27	33,490	33,490	36,726	36,726
Total Income		248,140	235,317	257,750	233,758
Staff Costs	7	177,555	172,968	175,164	166,265
Other Operating Expenses	8	53,545	46,937	58,821	48,636
Interest & Other Finance Costs	9	1,890	890	2,134	1,141
Depreciation	11	16,381	11,955	16,431	12,015
Amortisation of intangible assets	12	94	83	94	83
Total Expenditure		249,465	232,833	252,644	228,140
(Deficit)/Surplus before other gains/(losses)		(1,325)	2,484	5,106	5,618
(Deficit)/Surplus before taxation and non-controlling interest		(1,325)	2,484	5,106	5,618
Gain on Investment		965	-	211	-
Gain on disposal of fixed asset investment	13	550	550	946	946
Taxation	10	(216)	(216)	(508)	(574)
(Deficit)/Surplus for the year		(26)	2,818	5,755	5,990
Actuarial adjustments in respect of retirement benefits	27	(49,027)	(49,027)	55,256	55,256
Movement on retirement benefits receivable	27	49,027	49,027	(55,256)	(55,256)
(Deficit)/Surplus for the year		(26)	2,818	5,755	5,990


All items of income and expenditure related to continuing activities.

CONSOLIDATED AND UNIVERSITY STATEMENT OF FINANCIAL POSITION

Year Ended 30 September

	Notes	Consolidated 2021 €'000	University 2021 €'000	Consolidated 2020 €'000	University 2020 €'000
Non-current Assets					
Tangible fixed assets	11	466,315	339,279	435,154	306,102
Intangible fixed assets	12	11	-	105	83
Financial Assets	13	7,856	1	6,894	1
		<u>474,182</u>	<u>339,280</u>	<u>442,153</u>	<u>306,186</u>
Current Assets					
Inventories	14	585	343	560	308
Trade and other receivables	15	27,917	80,876	33,976	94,922
Cash at bank	21	42,623	18,221	127,459	108,618
Term Deposits	16	69,000	69,000	-	-
Restricted Cash	22	4,372	-	3,688	-
		<u>144,497</u>	<u>168,440</u>	<u>165,683</u>	<u>203,848</u>
Payables falling due within one year	17	(126,316)	(116,512)	(110,441)	(117,750)
Net current assets		<u>18,181</u>	<u>51,928</u>	<u>55,242</u>	<u>86,098</u>
Total Assets Less Current liabilities		<u>492,363</u>	<u>391,208</u>	<u>497,395</u>	<u>392,284</u>
Payables falling due after one year	18	(93,310)	(73,163)	(95,036)	(74,254)
Deferred government capital funding	20	(153,646)	(146,089)	(156,926)	(148,892)
<i>Provisions for liabilities</i>					
Retirement benefit receivable	27	925,501	925,501	838,420	838,420
Retirement benefit provisions	27	(925,501)	(925,501)	(838,420)	(838,420)
Total net assets		<u>245,407</u>	<u>171,956</u>	<u>245,433</u>	<u>169,138</u>
Capital reserves					
Income and expenditure account		230,196	171,956	231,491	169,138
Restricted retained reserves		15,211	-	13,942	-
Total reserves		<u>245,407</u>	<u>171,956</u>	<u>245,433</u>	<u>169,138</u>

The financial statements on pages 17 to 54 were approved by the Governing Authority on 19 October 2022 and signed on its behalf by:



Prof. Daire Keogh
President / Chief Officer



Ms. Brid Horan
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 2019	226,164	13,514	239,678
Surplus from the income and expenditure account	5,327	428	5,755
Balance at 30 September 2020	231,491	13,942	245,433
(Deficit) / surplus from the income and expenditure account	(1,295)	1,269	(26)
Balance at 30 September 2021	230,196	15,211	245,407

University	Income & Expenditure Reserve €'000	Restricted Reserve €'000	Total €'000
Balance at 1 October 2019	163,148	-	163,148
Surplus from the income and expenditure account	5,990	-	5,990
Balance at 30 September 2020	169,138	-	169,138
Surplus from the income and expenditure account	2,818	-	2,818
Balance at 30 September 2021	171,956	-	171,956

CONSOLIDATED STATEMENT OF CASHFLOWS

Year Ended 30 September 2021

	2021	2020
	€'000	€'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Deficit)/Surplus for the year	(26)	5,755
Adjustments for non-cash items		
Depreciation of tangible assets	16,381	16,431
Amortisation of intangible assets	94	94
Amortisation of deferred capital grants	(6,916)	(7,255)
Gain on disposal of equity investment	(550)	(946)
Gain on investments portfolio	(965)	(211)
Income on investment portfolio	(52)	(53)
Fees on investment portfolio	54	50
Adjustment for working capital items		
(Increase)/decrease in inventories	(25)	16
Decrease/(increase) in trade receivables	5,962	(3,240)
Increase in payables and accruals	10,349	3,399
Adjustments for investing, financing and taxation		
Investment income	-	(34)
Interest payable	1,890	2,134
Adjustment for capital donations and levies	(1,339)	(489)
Adjustment for taxation charge	216	508
Income taxes paid	(227)	(1,120)
Net cash inflow from operating activities	<u>24,846</u>	<u>15,039</u>
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Payment to acquire and/or construct tangible fixed assets	(47,000)	(19,900)
Transfer (to)/from term deposits	(69,000)	92,017
Proceeds on sale of investment	-	946
Government capital grants received	4,982	12,563
Capital donations & levies	5,599	3,689
Net cash (outflow)/inflow from investing activities	<u>(105,419)</u>	<u>89,315</u>

CONSOLIDATED STATEMENT OF CASHFLOWS (continued)

Year Ended 30 September 2021	2021	2020
	€	€
CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES		
Interest paid	(1,758)	(1,784)
Interest received	-	34
Additions to new sinking fund	(15)	(401)
Capital repayments on loans	(1,769)	(12,940)
Capital element of finance lease payments	(24)	(37)
Interest element of finance lease payments	(6)	(4)
Restricted cash	(691)	(1,546)
Net cash outflow from financing activities	<u>(4,263)</u>	<u>(16,678)</u>
(Decrease)/increase in cash and cash equivalents	(84,836)	87,676
Cash and cash equivalents at beginning of year	127,459	39,783
Cash and cash equivalents at 30 September	<u>42,623</u>	<u>127,459</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 the 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 13).

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income 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.

NOTES TO THE ACCOUNTS - continued**Recognition of income (continued)***Government Wage Subsidy and Business Support Schemes*

Government wage subsidy schemes are recognised when there is reasonable assurance conditions attaching to the subsidy will be complied with, and are accounted for on an accruals basis. The wage subsidy is recognised against wages and salaries incurred during the period.

Government business support schemes, such as the COVID Restrictions Support Scheme (CRSS), are recognised as income in the period when there is reasonable assurance conditions attaching to the support scheme will be met, and are accounted for on an accruals basis.

Academic Fees

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

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 statement of comprehensive income in the period in which it is earned.

NOTES TO THE ACCOUNTS - continued**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.

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 the 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

Financial assets

Fixed asset investments, other than investments in joint ventures or start-up companies, are carried at fair market value. Equity investments in start-up companies under commercialisation, entrepreneurial, and/or innovation funding support programmes, are recognised at a nil value given the uncertain nature of any valuation or return.

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 provides 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 2021 €'000	University 2021 €'000	Consolidated 2020 €'000	University 2020 €'000
State	47,566	47,566	43,449	43,449

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

HEA Core Grant Income Analysis:	Consolidated 2021 €'000	University 2021 €'000	Consolidated 2020 €'000	University 2020 €'000
Opening deferral	2,297	2,297	676	676
Grants received	45,003	45,003	45,070	45,070
Amounts recognised as income	(47,566)	(47,566)	(43,449)	(43,449)
Closing deferral	<u>(266)</u>	<u>(266)</u>	<u>2,297</u>	<u>2,297</u>

3 Academic Fees	Consolidated 2021 €'000	University 2021 €'000	Consolidated 2020 €'000	University 2020 €'000
Academic fee income	100,383	100,455	98,631	98,707
Miscellaneous fee income	498	498	1,803	1,803
Total	<u>100,881</u>	<u>100,953</u>	<u>100,434</u>	<u>100,510</u>

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

Higher Education Authority	38,239	38,239	37,474	37,474
Department of Health	<u>373</u>	<u>373</u>	<u>373</u>	<u>373</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 2021 €'000	University 2021 €'000	Consolidated 2020 €'000	University 2020 €'000
State and semi state	29,051	29,051	26,877	26,877
European Union	5,969	5,969	8,619	8,619
Industry	4,487	4,487	4,340	4,340
Other	4,659	3,476	4,026	2,761
Total	<u>44,166</u>	<u>42,983</u>	<u>43,862</u>	<u>42,597</u>

NOTES TO THE ACCOUNTS - continued

5 Other operating income	Consolidated	University	Consolidated	University
	2021	2021	2020	2020
	€'000	€'000	€'000	€'000
Retail and office supplies	904	-	2,104	-
Catering	371	-	2,618	-
ELT and translation services	937	-	3,171	-
Arts Centre	379	-	1,557	-
Rental and related income	3,191	610	3,727	1,061
Residences	4,389	-	9,047	-
Sports facilities	679	-	1,149	-
Other income	2,715	1,865	1,945	1,999
Capital Donation & Levies	1,339	800	489	-
Total	14,904	3,275	25,807	3,060

The Student Centre (the U Building) redevelopment was completed in September 2018. The project is funded by philanthropic donations and annual student levy contributions (as voted for by the Student Body). The current year student levies recognised amounted to €539,000 (2020: €488,915).

6 Investment income	Consolidated	University	Consolidated	University
	2021	2021	2020	2020
	€'000	€'000	€'000	€'000
Interest income	-	-	34	31
Income from investment fund	52	-	53	-
Intercompany interest	-	446	-	476
Net return on retirement benefit scheme	165	165	130	130
Total	217	611	217	637

7 Staff costs	Consolidated	University	Consolidated	University
	2021	2021	2020	2020
	€'000	€'000	€'000	€'000
Wages and salaries	131,609	126,176	125,028	117,149
Social security costs	12,258	11,750	11,590	10,763
Employment Wage Subsidy	(1,628)	-	-	-
Other retirement benefit costs	34,918	34,735	38,403	38,222
Termination benefits	398	307	143	131
Total	177,555	172,968	175,164	166,265

The remuneration (excluding amounts payable under the DCU Model public sector pension scheme) of the University President in the financial year is €200,000. The University Chancellor received a stipend of €14,984 in the period to 31 July 2021, with a stipend of €1,222 payable to the new incoming chancellor taking up office on 9 September 2021. No other fees or expenses were paid to external Governing Authority members in the year ending 30 September 2021.

Total staff costs includes an amount of variable pay totalling €42,615 (2020: €0) payable to certain subsidiary company staff as part of incentivisation plans to deliver non-exchequer income generation within the DCU commercial group of companies.

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 (excluding amounts payable under the DCU Model public sector pension scheme) amounted to €1.95m (2020: €1.99m).

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 for the year is provided as follows:

	Consolidated 2021 Number	University 2021 Number	Consolidated 2020 Number	University 2020 Number
Salary bands				
€60,000 - €69,999	184	171	200	181
€70,000 - €79,999	168	160	161	151
€80,000 - €89,999	252	248	237	231
€90,000 - €99,999	103	99	139	137
€100,000 - €109,999	87	84	30	28
€110,000 - €119,999	34	31	29	25
€120,000 - €129,999	21	20	15	12
€130,000 - €139,999	7	6	16	16
€140,000 - €149,999	17	17	10	9
€150,000 - €159,999	39	38	34	34
€160,000 - €169,999	4	4	3	2
€170,000 - €179,999	2	2	1	1
€180,000 - €189,999	-	-	1	1
€190,000 - €199,999	1	-	1	-
€200,000+	1	1	-	-
Total	920	881	877	828

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

	Consolidated 2021	University 2021	Consolidated 2020	University 2020
Teaching	723	723	714	714
Research	444	444	426	426
Technical, central administration and services	588	588	599	599
Subsidiary entities	128	-	224	-
Total	1,883	1,755	1,963	1,739

NOTES TO THE ACCOUNTS - continued

8 Other operating expenses	Consolidated	University	Consolidated	University
	2021	2021	2020	2020
	€'000	€'000	€'000	€'000
Travel & Subsistence	500	558	2,098	2,091
Facility Management, Cleaning, Security & Insurance	11,956	8,015	11,726	8,018
Catering and Retail	1,123	140	2,998	581
Scholarships, Student Activities & Course Materials	11,961	11,772	10,334	10,191
Equipment, Hardware, Software & Licenses	6,754	6,599	6,372	6,132
Library, Books, E-Resources & Periodicals	1,555	1,555	1,416	1,416
Memberships, Intermediary & Commission Fees	2,216	1,822	2,435	2,164
Postage, Print and Stationery Supplies	1,017	921	1,379	1,242
Rent, Rates & Property Tax	379	472	1,491	468
Employee Related	983	1,057	1,112	940
Events, Advertising & Marketing	1,977	1,697	2,671	1,990
Professional Fees including Consultancy	3,088	2,882	3,782	3,514
Research Materials & Equipment	2,229	2,241	1,876	1,881
Heat, Light, Water, Power	3,246	2,064	3,332	2,388
Other expenses	4,561	5,142	5,799	5,620
Total	53,545	46,937	58,821	48,636

Other operating expenses above includes the following expenditure:

(i) Auditors' remuneration

	Consolidated	University	Consolidated	University
	2021	2021	2020	2020
	€'000	€'000	€'000	€'000
Comptroller and Auditor General statutory audit	40	40	40	40
Registered auditor financial audit of group	116	63	92	51
Registered auditor other services	18	8	3	3
	174	111	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 2021 €'000	University 2021 €'000	Consolidated 2020 €'000	University 2020 €'000
Domestic & international taxation services	273	264	464	432
Legal including patent filings**	852	826	592	559
IT infrastructure support & design, and business process improvement/consolidation	171	171	505	505
Research and Technology Transfer	590	590	466	466
Estate including Energy Efficiency	41	44	117	113
Other professional services*	939	845	1,415	1,294
Amounts recognised as revenue expenditure	<u>2,866</u>	<u>2,740</u>	<u>3,559</u>	<u>3,369</u>
Professional fees relating to, and capitalised, as part of capital projects includes:				
Legal	67	67	9	9
Building and System implementation related professional services	2,583	1,820	5,653	1,926
Amounts recognised as capital expenditure	<u>2,650</u>	<u>1,887</u>	<u>5,662</u>	<u>1,935</u>
Total professional fees	<u>5,516</u>	<u>4,627</u>	<u>9,221</u>	<u>5,304</u>

* Other professional services include transnational education programme support which contributes to enabling the University to generate non-exchequer sources of income, as well as a wide range of other general professional services.

** The University and its subsidiary companies engage legal firms to provide a range of services, including to ensure that the group is compliant with laws both in a domestic and international setting, to protect the group in its commercial engagements with third parties, as well as to defend claims made by third parties.

During the past financial year the total expenditure for all Professional Fees amounted to €2.9m and the total for all Consultancy Fees amounted to €0.2m.

Equally, in the normal course of business, claims against the University and subsidiary company insurance policies may arise. These claims are assessed in conjunction with insurance companies, and may as a result require the engagement of legal firms.

On review of the aggregated amount of any settlements (including any third party legal fees borne) on legal cases, excluding any such amounts that may arise in the normal course of operation of the insurance policies and the industrial relations frameworks, made during the financial year by the University and its subsidiaries, there was one legal case matter where expenditures exceeded €50,000. In this matter, third party legal costs borne by the University as part of the settlement agreed by the parties amounted to €55,350, including VAT.

NOTES TO THE ACCOUNTS - continued

8 Other operating expenses (continued)

(iii) Travel

	Consolidated 2021 €'000	University 2021 €'000	Consolidated 2020 €'000	University 2020 €'000
Domestic travel	332	392	870	881
UK and international travel	168	166	1,228	1,210
Amounts recognised as revenue expenditure	<u>500</u>	<u>558</u>	<u>2,098</u>	<u>2,091</u>

Travel expenditure reflects approved business travel undertaken by staff and third parties. It includes the cost of accommodation, conference fees (including on-line 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 2021 €'000	University 2021 €'000	Consolidated 2020 €'000	University 2020 €'000
Staff hospitality	24	30	44	43
Total	<u>24</u>	<u>30</u>	<u>44</u>	<u>43</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.

9 Interest Payable

	Consolidated 2021 €'000	University 2021 €'000	Consolidated 2020 €'000	University 2020 €'000
Interest and similar charges on bank overdraft and other facilities	102	55	57	41
Loan Interest	1,782	829	2,073	1,096
Finance lease interest	6	6	4	4
Total	<u>1,890</u>	<u>890</u>	<u>2,134</u>	<u>1,141</u>

NOTES TO THE ACCOUNTS - continued

10 Taxation	Consolidated	University	Consolidated	University
	2021	2021	2020	2020
	€'000	€'000	€'000	€'000
Adjustments in respect of prior periods - subsidiary	-	-	(66)	-
Foreign taxation	216	216	574	574
Total current tax	<u>216</u>	<u>216</u>	<u>508</u>	<u>574</u>
Tax on surplus on ordinary activities	<u>216</u>	<u>216</u>	<u>508</u>	<u>574</u>
	Consolidated	University	Consolidated	University
	2021	2021	2020	2020
	€'000	€'000	€'000	€'000
Reconciliation of effective tax rate:				
(Deficit)/Surplus for the year	(26)	2,818	5,755	5,990
Total tax expense	<u>216</u>	<u>216</u>	<u>508</u>	<u>574</u>
Surplus excluding taxation	<u>190</u>	<u>3,034</u>	<u>6,263</u>	<u>6,564</u>
Irish Corporation Tax 12.5%	24	379	783	821
Profits charged at higher rates of tax	149	-	131	-
Activities not subject to taxation	(192)	(266)	(798)	(522)
Differences in effective overseas rates	103	103	275	275
Non-deductible expenses	22	-	50	-
Over provided in prior years	-	-	(66)	-
Depreciation in advance of capital	215	-	226	-
Prior year losses previously unrecognised	-	-	(37)	-
Capital allowances in excess of depreciation	(3)	-	-	-
Trading losses carried forward	(102)	-	(56)	-
Total Tax expense	<u>216</u>	<u>216</u>	<u>508</u>	<u>574</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 Educational Support Services 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 €444,241 (2020: €472,340) 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.

NOTES TO THE ACCOUNTS - continued

11 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 2020	57,036	502,454	107,181	13,003	679,674
Additions	34,585	886	2,037	10,034	47,542
Transfer	-	4,044	1,439	(5,483)	-
As at 30 September 2021	<u>91,621</u>	<u>507,384</u>	<u>110,657</u>	<u>17,554</u>	<u>727,216</u>
Depreciation					
As at 01 October 2020	-	149,754	94,766	-	244,520
Charge for the year	-	10,707	5,674	-	16,381
As at 30 September 2021	<u>-</u>	<u>160,461</u>	<u>100,440</u>	<u>-</u>	<u>260,901</u>
Net Book Value					
At 30 September 2021	<u>91,621</u>	<u>346,923</u>	<u>10,217</u>	<u>17,554</u>	<u>466,315</u>
At 30 September 2020	<u>57,036</u>	<u>352,700</u>	<u>12,415</u>	<u>13,003</u>	<u>435,154</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 €6.4m (2020: €7.3m) completed during the year are reclassified from "Assets in course of Construction", (with a VAT exclusive construction cost of €5.5m), they are regarded as additions in the year and depreciated from the date when brought into use.

NOTES TO THE ACCOUNTS - continued

11 Tangible fixed assets

University	Land €'000	Buildings €'000	Equipment €'000	AUC €'000	Total €'000
Cost or Valuation					
As at 01 October 2020	48,917	343,444	89,421	4,569	486,351
Additions	34,585	4,460	2,530	3,557	45,132
Transfer	-	-	686	(686)	-
As at 30 September 2021	<u>83,502</u>	<u>347,904</u>	<u>92,637</u>	<u>7,440</u>	<u>531,483</u>
Depreciation					
As at 01 October 2020	-	100,369	79,880	-	180,249
Charge for the year	-	7,114	4,841	-	11,955
As at 30 September 2021	<u>-</u>	<u>107,483</u>	<u>84,721</u>	<u>-</u>	<u>192,204</u>
Net Book Value					
At 30 September 2021	<u>83,502</u>	<u>240,421</u>	<u>7,916</u>	<u>7,440</u>	<u>339,279</u>
At 30 September 2020	<u>48,917</u>	<u>243,075</u>	<u>9,541</u>	<u>4,569</u>	<u>306,102</u>
		Consolidated	University	Consolidated	University
Tangible assets held under finance leases are as follows		2021	2021	2020	2020
		€'000	€'000	€'000	€'000
Net book value at 30 September		<u>-</u>	<u>-</u>	<u>3</u>	<u>3</u>
Depreciation charge for the year		<u>3</u>	<u>3</u>	<u>14</u>	<u>14</u>

NOTES TO THE ACCOUNTS - continued

11 Tangible fixed assets - continued

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

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

12 Intangible assets	Consolidated	University	Consolidated	University
	2021	2021	2020	2020
	€'000	€'000	€'000	€'000
At 01 October	105	83	199	166
Additions	-	-	-	-
Amortisation	(94)	(83)	(94)	(83)
At 30 September	<u>11</u>	<u>-</u>	<u>105</u>	<u>83</u>

13 Financial assets

	Consolidated	University	Consolidated	University
	2021	2021	2020	2020
	€'000	€'000	€'000	€'000
Investment Fund	7,856	-	6,894	-
Investment in Subsidiaries	-	1	-	1
Total	<u>7,856</u>	<u>1</u>	<u>6,894</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

13 Financial assets - continued

	Consolidated 2021 €'000	University 2021 €'000	Consolidated 2020 €'000	University 2020 €'000
The investment fund is represented by:				
Cash	395	-	362	-
Bonds	2,703	-	2,456	-
Multi asset strategies, absolute return and structured products funds	708	-	809	-
Property	388	-	378	-
Commodities	95	-	102	-
Equity	3,567	-	2,787	-
Total	<u>7,856</u>	<u>-</u>	<u>6,894</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 Educational Support Services DAC	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 DESS (Indirect subsidiary undertakings)			
Campus Property DAC	Retail & Property	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**13 Financial assets - continued**

The following associated undertakings are not consolidated.

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

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. During the year one of these investments that was disposed of gave rise to a gain of €550k (2020: €946k).

The DCU Ryan Academy DAC provides supports to start-up companies through the entrepreneurial programmes that it provides. Through these programmes, the company may be assigned an equity stake in the participating start-up companies. All such investments are recognised for the purposes of these accounts at nil value, given the uncertain nature of any valuation or return.

In addition to the interests outlined above within note 13, the University is also a member of a number of sectoral related companies limited by guarantee with no shareholding.

NOTES TO THE ACCOUNTS - continued

14 Inventories	Consolidated	University	Consolidated	University
	2021	2021	2020	2020
	€'000	€'000	€'000	€'000
Raw materials and consumables	343	343	308	308
Finished goods for resale	242	-	252	-
Total	<u>585</u>	<u>343</u>	<u>560</u>	<u>308</u>

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

15 Trade and other receivables	Consolidated	University	Consolidated	University
	2021	2021	2020	2020
	€'000	€'000	€'000	€'000
Trade receivables, prepayments, other receivables	8,661	6,558	11,861	7,739
Research grants and contracts receivable	14,039	14,039	15,297	15,297
State capital grants receivable	4,935	4,935	6,283	6,283
Taxation Debtors	282	-	535	-
Amounts due from subsidiary companies	-	55,344	-	65,603
Total	<u>27,917</u>	<u>80,876</u>	<u>33,976</u>	<u>94,922</u>

16 Term deposits	Consolidated	University	Consolidated	University
	2021	2021	2020	2020
	€'000	€'000	€'000	€'000
Short Term Deposits	69,000	69,000	-	-
Total	<u>69,000</u>	<u>69,000</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 trade receivables, prepayments, other receivables in note 15.

NOTES TO THE ACCOUNTS - continued

17 Payables: amounts falling due within one year

	Consolidated 2021 €'000	University 2021 €'000	Consolidated 2020 €'000	University 2020 €'000
Research grants and contracts in advance	41,761	41,761	31,537	31,537
Bank loans	1,809	1,096	1,769	1,084
Obligations under finance leases	19	19	22	22
State recurrent grants in advance	2,767	2,767	6,282	6,282
Deferred Income	13,425	9,960	7,758	5,488
Trade creditors, accruals, other creditors	24,310	20,341	24,775	19,373
Taxation creditors	5,428	5,119	6,981	6,680
Student Fees in advance	35,052	35,052	29,828	29,828
Security Deposits	1,745	-	1,489	-
Amounts due to subsidiary companies	-	397	-	17,456
Total	<u>126,316</u>	<u>116,512</u>	<u>110,441</u>	<u>117,750</u>

18 Payables: amounts falling due after one year

	Consolidated 2021 €'000	University 2021 €'000	Consolidated 2020 €'000	University 2020 €'000
Bank loans	93,309	73,162	95,014	74,232
Obligations under finance leases	1	1	22	22
Total	<u>93,310</u>	<u>73,163</u>	<u>95,036</u>	<u>74,254</u>

NOTES TO THE ACCOUNTS - continued

19 Borrowings	Consolidated 2021 €'000	University 2021 €'000	Consolidated 2020 €'000	University 2020 €'000
Bank loans and overdrafts				
Amounts due within one year	1,809	1,096	1,769	1,084
Amounts due after one year	93,309	73,162	95,014	74,232
Total	95,118	74,258	96,783	75,316

The weighted average effective interest rate during the financial year of Group loans was 2.12% (2020 2.23%).

Net finance lease obligations	Consolidated 2021 €'000	University 2021 €'000	Consolidated 2020 €'000	University 2020 €'000
Lease amounts due within one year	19	19	22	22
Lease amounts due after one year	1	1	22	22
Total	20	20	44	44

20 Deferred government capital grants	Consolidated 2021 €'000	University 2021 €'000	Consolidated 2020 €'000	University 2020 €'000
At 01 October	156,926	148,892	160,887	152,377
Additions / (transfers)	3,636	3,636	3,294	3,294
Amortisation release	(6,916)	(6,439)	(7,255)	(6,779)
At 30 September	153,646	146,089	156,926	148,892

At 30 September 2021 an amount of €6.7m (University €6.2m) is due for release to the consolidated statement of comprehensive income during the next financial year as grant amortisation.

21 Cash and cash equivalents (Consolidated)

	1 Oct 2020 €'000	Cashflows €'000	30 Sep 2021 €'000
Cash at Bank	127,459	(84,836)	42,623
Total	127,459	(84,836)	42,623

NOTES TO THE ACCOUNTS - continued

22 Restricted cash	Consolidated	University	Consolidated	University
	2021	2021	2020	2020
	€'000	€'000	€'000	€'000
At 01 October	3,688	-	1,741	-
Interest	(22)	-	-	-
Additions/(Transfers) DCU Educational Trust	691	-	1,546	-
Additions to ISIF sinking fund	15	-	401	-
At 30 September	<u>4,372</u>	<u>-</u>	<u>3,688</u>	<u>-</u>

Under the terms of the ISIF loan facility agreement, Campus Residences DAC is required to maintain a sinking fund of €2m 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.

23 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 Educational Support Services DAC, the holding company, without the prior written consent of Allied Irish Bank plc.

24 Capital commitments	Consolidated	University	Consolidated	University
	2021	2021	2020	2020
	€'000	€'000	€'000	€'000
Contracted but not provided for	10,377	9,147	14,693	12,219
Authorised but not contracted for	20,967	18,495	15,877	15,352
Total	<u>31,344</u>	<u>27,642</u>	<u>30,570</u>	<u>27,571</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.

25 Financial commitments	Consolidated	University	Consolidated	University
	2021	2021	2020	2020
	€'000	€'000	€'000	€'000
Operating leases commitments	<u>25,426</u>	<u>25,413</u>	<u>25,616</u>	<u>25,581</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**26 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.

27 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 Superannuation Scheme (following completion of the incorporation process)

The valuation used for the FRS102 disclosure has been based on the actuarial valuation at 30 September 2021 by a qualified independent actuary to take account of the requirements of FRS102 in order to assess the schemes liabilities at 30 September 2021.

The financial assumptions used to calculate scheme liabilities at 30 September 2021 are:

DCU Superannuation Scheme and the Single Public Service Pension Scheme

	2021	2020	2019
Rate of increase in salaries	3.35%	2.75%	2.75%
Rate of increase in pensions in payment	2.35%	1.75%	1.75%
Discount rate	1.65%	1.45%	1.20%
Revaluation in deferment	2.35%	1.75%	1.75%
Price Inflation	1.85%	1.25%	1.25%

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

	2021	2020	2019
	Years	Years	Years
Pensioners- implied life expectancy for a 65 year old			
Male member age 65 (current life expectancy)	22.40	22.50	22.90
Female member age 65 (current life expectancy)	24.10	24.40	24.90
Actives / deferrals - implied life expectancy for a 45 year old			
Male member age 45 (life expectancy at age 65)	24.10	24.30	25.70
Female member age 45 (life expectancy at age 65)	26.00	26.30	27.70

NOTES TO THE ACCOUNTS - continued

27 Retirement benefits (continued)

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

	2021	2020	2019
Rate of increase in salaries	3.35%	2.75%	2.75%
Rate of increase in pensions in payment	2.35%	1.75%	1.75%
Discount rate	1.65%	1.45%	1.20%
Revaluation in deferment	2.35%	1.75%	1.75%
Price Inflation	1.85%	1.25%	1.25%

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

	2021 Years	2020 Years	2019 Years
Pensioners- implied life expectancy for a 65 year old			
Male member age 65 (current life expectancy)	22.40	22.50	22.90
Female member age 65 (current life expectancy)	24.10	24.40	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)	24.10	24.30	25.70
Female member age 45 (life expectancy at age 65)	26.00	26.30	27.70

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

	2021	2020	2019
Rate of increase in salaries	3.35%	2.75%	2.75%
Rate of increase in pensions in payment	2.35%	1.75%	1.75%
Discount rate	1.65%	1.45%	1.20%
Revaluation in deferment	2.35%	1.75%	1.75%
Price Inflation	1.85%	1.25%	1.25%

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

	2021 Years	2020 Years	2019 Years
Pensioners- implied life expectancy for a 65 year old			
Male member age 65 (current life expectancy)	22.40	22.50	22.90
Female member age 65 (current life expectancy)	24.10	24.40	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)	24.10	24.30	25.70
Female member age 45 (life expectancy at age 65)	26.00	26.30	27.70

NOTES TO THE ACCOUNTS - continued

27 Retirement benefits (continued)

Changes in the present value of defined retirement obligations

	Consolidated 2021 €'000	University 2021 €'000	Consolidated 2020 €'000	University 2020 €'000
Obligation at start of the period	838,420	838,420	853,103	853,103
Current service cost	34,735	34,735	38,222	38,222
Interest cost	12,047	12,047	10,157	10,157
Contributions by scheme participants	6,423	6,423	5,595	5,595
Benefits paid	(15,151)	(15,151)	(13,401)	(13,401)
Effect of experience adjustments	(18,040)	(18,040)	435	435
Change in financial assumptions	67,067	67,067	(55,691)	(55,691)
Obligations at end of period	<u>925,501</u>	<u>925,501</u>	<u>838,420</u>	<u>838,420</u>

Changes in the present value of defined retirement reimbursement rights:

	Consolidated 2021 €'000	University 2021 €'000	Consolidated 2020 €'000	University 2020 €'000
Reimbursements at start of the period	838,420	838,420	853,103	853,103
Interest income	12,212	12,212	10,287	10,287
Employer contributions	16,231	16,231	14,766	14,766
Contributions by scheme participants	6,423	6,423	5,595	5,595
Benefit payments from employer	(15,151)	(15,151)	(13,401)	(13,401)
Pension income rights recognised	34,570	34,570	38,092	38,092
Change in actuarial assumptions reflected in reimbursement rights	32,796	32,796	(70,022)	(70,022)
Reimbursements at end of the period	<u>925,501</u>	<u>925,501</u>	<u>838,420</u>	<u>838,420</u>

NOTES TO THE ACCOUNTS - continued

27 Retirement benefits (continued)

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

	Consolidated 2021 €'000	University 2021 €'000	Consolidated 2020 €'000	University 2020 €'000
DCU Superannuation Scheme	698,577	698,577	621,832	621,832
Single Public Service Pension Scheme	40,507	40,507	46,274	46,274
Colleges of Education Superannuation Scheme	186,417	186,417	170,314	170,314
Total	<u>925,501</u>	<u>925,501</u>	<u>838,420</u>	<u>838,420</u>

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 2021 €'000	Consolidated 2020 €'000
Amounts included in pension funding income	33,490	36,726
Amounts included Staff Costs	(34,735)	(38,222)
Amounts included in Investment Income	165	130
Contributions adjustment	1,080	1,366

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 2021 €'000	University 2021 €'000	Consolidated 2020 €'000	University 2020 €'000
Pension costs	<u>183</u>	<u>-</u>	<u>181</u>	<u>-</u>

NOTES TO THE ACCOUNTS - continued**28 Post Balance Sheet Events****1) Land Disposal**

While a competitive tender process was completed in 2020 for the approved disposal of the 9.6 acre site at Griffith Avenue, the winning tenderer however did not subsequently complete the contract for sale. DCU received a €3.76m non-refundable deposit through this tender process during financial year 2020/21. In September 2021, the winning tenderer issued legal proceedings seeking the return of the non-refundable deposit. A further disposal process for the 9.6 acre site will be commenced in due course.

2) Ukraine

The outbreak of war in the Ukraine in February 2022 has had a range of impacts, including locally on a humanitarian level, and globally, both in terms of the geopolitical situation and the international economic impacts such as increasing energy and other prices and disruption to supply chains.

The University continues to work with the sector to provide appropriate supports and to support the Government's response to the situation.

The University, and its subsidiary companies, do not have activities in either the Ukraine or Russia, and as a result are not directly impacted by the outbreak of war. However, like all organisations, the indirect effect on inflation and energy prices in particular, is impacting costs incurred by the University and its subsidiaries in 2022.

Given the inherent uncertainties, it is not practicable at this time to determine the impact of the evolving conflict in the Ukraine on the University and its subsidiaries, or to provide a quantitative estimate of the impact, for this post balance sheet event in 2022.

29 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 continued impact of COVID-19 on the University and its subsidiaries, or to provide a quantitative estimate of this potential future impact. The results presented in these financial statements reflects the impact of COVID-19 on operations during financial year ending 30 September 2021.

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)
		01/10/2020	2020/21	2020/21	30/09/2021
		€'000	€'000	€'000	€'000
Dept of Agriculture, Food and the Marine	Dept of Agriculture, Food and the Marine	15	705	360	360
Dept of Arts, Heritage, Regional, Rural and Gaeltacht Affairs	Dept of Arts, Heritage, Regional, Rural and Gaeltacht Affairs	85	374	344	115
Dept of Communications, Climate Action and Environment	Dept of Communications, Climate Action and Environment	77	579	436	220
Dept of Education	Dept of Education	407	1,319	1,123	603
Enterprise Ireland	Dept of Enterprise, Trade and Employment	5,063	3,716	5,003	3,776
HEA	Dept of Education	2,994	13,529	5,438	11,085
HEA PRTLTI	Dept of Enterprise, Trade and Employment	(1,672)	642	(1,030)	0
Health Research Board	Dept of Health	305	615	464	456
Health Service Executive	Dept of Health	227	43	244	26
IRC	Dept of Education	845	3,582	2,471	1,956
Development & InterCultural Education	Dept of Foreign Affairs	230	162	261	131
Other Irish Government/State Agencies	Various Departments	738	1,965	1,716	987
The Marine Institute	Dept of Agriculture, Food and the Marine	(52)	147	195	(100)
Science Foundation Ireland	Dept of Enterprise, Trade and Employment	(6,746)	15,422	11,778	(3,102)
Total Exchequer Funding		2,516	42,800	28,803	16,513
Total Non-Exchequer Funding		56,754	17,709	24,130	50,333
Total per Research and Project Accounts		59,270	60,509	52,933	66,846
Other Adjustments		(43,030)	(6,044)	(9,950)	(39,124)
Research Grants and Contracts per Consolidated Financial Statements		16,240	54,465	42,983	27,722

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 €1.5m for the FutureTech Building, SEAI capital funding of €0.2m, equipment grants of €0.7m, and €2.6m under the Devolved Capital Grants programme, 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 US Department of Education Financial Responsibility Supplemental Schedule

In satisfaction of its obligations to facilitate students' access to US federal financial aid, the University is required, by the US Department of Education, to present the following Supplemental Schedule in a prescribed format. The values in the schedule are presented in accordance with the FRS102 accounting framework.

			Consolidated	
Primary reserve ratio			2021	2020
Expendable Net Assets:			€'000	€'000
Statement of Financial Position	Statement of Financial Position – Unrestricted Reserves	Net assets without donor restrictions	230,196	231,491
Statement of Financial Position	Statement of Financial Position – Restricted Reserves	Net Assets with donor restrictions	15,211	13,942
N/A	N/A	Secured and Unsecured related party receivable	-	-
N/A	N/A	Unsecured related party receivable	-	-
11	Statement of Financial Position – Tangible Assets, net	Property, plant and equipment, net (includes Construction in progress)	466,315	435,154
N/A	N/A	Property, plant and equipment – post- implementation with outstanding debt for original purchase	-	-
11	Statement of Financial Position – Tangible Assets, net	Construction in progress	17,554	13,003
N/A	N/A	Lease right-of-use asset, net	-	-
N/A	N/A	Lease right-of- use asset pre-implementation	-	-
N/A	N/A	Lease right-of- use asset post-implementation	-	-

NOTES TO THE ACCOUNTS - continued

31 US Department of Education Financial Responsibility Supplemental Schedule - continued

			Consolidated	
			2021	2020
Expendable Net Assets (continued):			€'000	€'000
12	Statement of Financial Position – Intangible Assets	Intangible assets	11	105
27	Statement of Financial Position – Post-employment and Pension Liabilities	Post-employment and pension liabilities	-	-
18	Statement of Financial Position– Loans	Long-term debt – for long term purposes	95,118	96,783
N/A	N/A	Line of Credit for CIP	-	-
N/A	N/A	Lease right-of-use asset liability	-	-
N/A	N/A	Pre-implementation right-of-use leases	-	-
N/A	N/A	Post-implementation right-of-use leases	-	-
N/A	N/A	Annuities with donor restrictions	-	-
N/A	N/A	Term endowments with donor restrictions	-	-
N/A	N/A	Life income funds with donor restrictions	-	-
Statement of Financial Position	Statement of Financial Position– Endowment Reserve	Net assets with donor restrictions: restricted in perpetuity	15,211	13,942
Total Expenses and Losses:				
Statement of Comprehensive Income	Statement of Comprehensive Income – Total Expenditure Total expenditure (€249,465k) less restricted reserve expenditure (€4,932k)	Total expenses without donor restrictions	244,533	249,819
Statement of Comprehensive Income	Statement of Comprehensive Income – (Investment Income (€217K), plus Gain on Investments (€965k), plus Profit on disposal of investments (€550k), plus Deferred Funding for Pension (€33,490k) less Pension service cost (€34,735k), plus Employer Contributions (€16,231k) less Pension Interest expense (€12,047k.)	Non-Operating and Net Investment (loss)	4,671	4,487

NOTES TO THE ACCOUNTS - continued

31 US Department of Education Financial Responsibility Supplemental Schedule - continued

			Consolidated	
			2021	2020
			€'000	€'000
Total Expenses and Losses: (continued)				
Statement of Comprehensive Income	Statement of Comprehensive Income – Gain/(Loss) on investments	Net investment Gains/(Losses)	965	211
N/A	Statement of Comprehensive Income and Expenditure – Actuarial loss in respect of pension scheme – pension gains are not included	Pension -related changes other than net periodic costs	-	-
Total Expenses and Losses:			250,169	254,517
Equity Ratio				
Modified Net Assets				
Statement of Financial Position	Statement of Financial Position – Unrestricted Reserves and Non-Controlling Interest	Net assets without donor restrictions	230,196	231,491
Statement of Financial Position	Statement of Financial Position – Restricted Reserves	Net assets with donor restrictions	15,211	13,942
12	Statement of Financial Position – Intangible Assets	Intangible assets	11	105
N/A	N/A	Secured and Unsecured related party receivable	-	-
N/A	N/A	Unsecured related party receivables	-	-
Statement of Financial Position	Statement of Financial Position – Total Assets	Total assets	618,679	607,836
N/A	N/A	Lease right-of- use asset pre-implementation	-	-
N/A	N/A	Pre-implementation right-of-use leases	-	-
12	Statement of Financial Position– Intangible Assets	Intangible assets	11	105
N/A	N/A	Secured and Unsecured related party receivable	-	-
N/A	N/A	Unsecured related party receivables	-	-
Total Modified Net Assets:			864,108	853,479

NOTES TO THE ACCOUNTS - continued

31 US Department of Education Financial Responsibility Supplemental Schedule - continued

			Consolidated	
Net Income Ratio			2021	2020
Change in Net Assets without Donor Restrictions:			€'000	€'000
Statement of Comprehensive Income	Statement of Comprehensive Income – Total Comprehensive Income and Revaluation Reserve Income (€26k loss) less Restricted Comprehensive Income (€1,269k)	Change in Net Assets Without Donor Restrictions	(1,295)	5,327
Total Change in Net Assets without Donor Restrictions:			(1,295)	5,327
Total Revenue and Gains without donor restrictions:				
Statement of Comprehensive Income	Statement of Comprehensive Income and Expenditure – Total income (€248,140k), less Investment Income (€217k), plus Property Revaluation Gain of property €Nil, Gain on Sale of Tangible Fixed Assets €Nil, Unrealised Gain on Revaluation of Land and Buildings €Nil, less Deferred Funding for Pensions (€33,490k) Losses are not included	Total Revenues and Gains	214,433	220,807
Total Revenue and Gains without donor restrictions:			214,433	220,807

32 Comparatives

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

33 Approval of financial statements

The financial statements were approved by the Governing Authority on 19 October 2022, and were signed on its behalf on 19 October 2022.