

**University College Dublin
National University of Ireland,
Dublin**

**Annual report, consolidated financial statements
and funding statement**

Year ended 30 September 2017

University College Dublin National University of Ireland, Dublin

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University College Dublin National University of Ireland, Dublin

President's Report

Scope of the Financial Statements

The financial statements consolidate the result of University College Dublin National University of Ireland, Dublin (the "University" or "UCD") and its wholly owned subsidiary companies.

The financial statements of UCD Foundation and UCD Student's Union are prepared and audited separately and are not included in the consolidated results for the year as they are not controlled by the University.

The financial statements as set out on pages 17 to 58 have been prepared in accordance with FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The funding statement as set out on pages 60 to 76 is prepared in a format as agreed with the Higher Education Authority (HEA) arising from a "Harmonisation of Accounts" agreement as adopted by all Irish Universities. The Funding Statement permits continued comparison across the university sector.

A reconciliation of the outturn in the funding statement to the outturn in the consolidated financial statements is shown on page 77.

Results for the Year

The University's consolidated statement of comprehensive income and net surplus for the year to 30 September 2017 are shown on page 17 of the financial statements. Total income increased by 8.4% during the year from €480.5m to €520.8m. Academic fees showed an increase of €7.8m to €219.5m. State grant funding remained in line with the prior financial year at €62m.

Total expenditure increased by €29.3m to €489m (6.4%) in comparison to the expenditure in 2016. The overall result reported is a surplus after taxation of €32.1m for the year compared to a surplus position in the previous year of €21.3m.

Treasury Management

The University's bank and cash balances decreased during the year from €138m to €133.8m. In accordance with the University's treasury management policy, the University's investment objective is to achieve the best possible return while minimising risk. Borrowings decreased from €73.9m to €67.1m during the year.

Principle risk and uncertainties

UCD implements a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate these risks. Some of the principal risks and uncertainties are:

- The risk that Government funding will diminish further;
- The risk that the University fails to deliver a balanced portfolio of excellent programmes attracting the best students and
- The risk that campus development will occur in an unbalanced and unstructured format or will not be completed due to funding issues.

Strategic Plan

We have made significant progress towards the objectives of our strategy over the last year, and we have now set targets against the Key Performance Indicators agreed with the Governing Authority, allowing us to monitor this progress.

University College Dublin National University of Ireland, Dublin

President's Report (*continued*)

Global UCD

Since the launch of UCD's Global Engagement Strategy in September 2016, there has been a great deal of activity, and significant progress has been made in achieving our strategic objectives. International student numbers increased further to 7,549 and we now have over 130 different countries represented on our Dublin campuses.

Equality, Diversity and Inclusion

We recognise both the opportunities and the challenges associated with equality, diversity and inclusion. Our challenges include the need to remove barriers to equality which exist for members of our University community.

Capital Expenditure

The University including its subsidiary companies incurred expenditure of €24.7 on land and buildings and a further €7.4m on equipment and fittings, bringing total capital expenditure to €32.1m for 2016/17.

The *UCD Strategic Campus Development Plan 2016-2021-2026* guides the development of physical Estates. The plan communicates an ambitious vision to reimagine our campus and encompass a blend of new construction to support future growth, as well as the extensive refurbishment of older buildings.

Recent and planned capital developments include (1) the commencement of the extension to the Lochlann Quinn School of Business, providing a leading edge resource and a significant addition to the teaching resources of the UCD College of Business, (2) planning permission received for the UCD University Club, supporting the development of relationships with alumni and partners nationally and internationally, while completing the existing conference and events facilities in UCD O'Reilly Hall, and (3) the planning application submitted to An Bord Pleanála to grow our on-campus student accommodation by circa 3,000 bed spaces, forming part an ambitious UCD Student Residence Masterplan under the new strategic housing development (SHD) legislation.

In addition, a design team has been appointed to oversee the next phase of the refurbishment and extension of Ardmore House as part of the Programme for the Preservation of UCD Period Houses, and planning and preparatory works are also underway in the development of the Ulysses Centre, that sees UCD and the National Library of Ireland collaborating to create a new literary attraction with international appeal.

Finally, work is nearing completion on the UCD Confucius Institute for Ireland and will provide a unique space for Chinese language and cultural engagement in Ireland.

Education

The University-wide curriculum review, which concluded this year, involved an enormous collaborative effort to identify a set of improvements which will be implemented in the 2018 academic session. There has been a significant increase in collaborative teaching programmes across the University community, and the use of new technologies for more effective student learning and support.

This year UCD was ranked in the QS Graduate Employability rankings as number 1 in Ireland and number 75 in the world

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President's Report *(continued)*

Education *(continued)*

We continually seek to widen the range of routes of entry into UCD, to ensure we widen participation for under-represented groups, and there has been an improvement in achieving student diversity with the population now at 29%.

Research, Innovation and Impact

The past year has seen continuing strong performance by UCD in research, innovation and impact, with success in major funded programmes as well as in individual scholarships. UCD leads two of the four national research centres announced by Science Foundation Ireland (SFI) this year, the Beacon Bioeconomy Research Centre and the I-Form Advances Manufacturing Research Centre. Through successes such as these, research grants grew to the value of €97.5 million this year.

Strategic Partnerships

Over the last year we have made significant progress in building partnerships with organisations based here in Ireland and internationally in the areas of talent development, research and innovation and corporate social responsibility. Building partnerships with industry and other organisations is crucial to developing graduate recruitment and internships and enabling students to maximise opportunities.

Staffing Initiatives and HR Policy Development

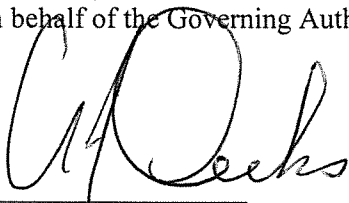
UCD Human Resources continues to focus on how we can best deliver a people strategy that is directly aligned with the University's 2020 strategy. In this last year, in addition to the delivery of many successful initiatives designed to develop the potential of our people we have delivered a simpler and more service-orientated offering in partnership with and serving the University community.

Our strategy supports the vision of growing through people and becoming an employer and university of choice.

Conclusion

2016/17 has been a busy but productive year. Student numbers continue to grow, both nationally and globally, reflecting our reputation for quality education and student experience.

On behalf of the Governing Authority,



Andrew Deeks
President

Date: 19/06/2018

University College Dublin

National University of Ireland, Dublin

Statement of Governance and Internal Control

for year ended 30 September 2017

(1) Responsibility for the System of Internal Control

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

(2) Reasonable Assurance Against Material Error

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve aims and objectives or to conduct University affairs in an orderly and legitimate manner. To that extent, such a system can only provide reasonable, but not absolute, assurance against material error or loss.

(3) Governance and Internal Control Environment

The Governing Authority is the principal University governance and decision-making body in accordance with the Universities Act, 1997, and is responsible for guiding the strategic direction of the University with particular emphasis on overseeing policy, monitoring the performance of senior management and working with the President to set the University's strategic aims. The Governing Authority is chaired by an independent Chairman appointed in accordance with s.17(3), Universities Act, 1997.

There are two permanently constituted standing committees of the Governing Authority: the Finance, Remuneration and Asset Management Committee (FRAMC) and the Audit and Risk Management Committee (ARMC). Both standing committees are chaired by external members of the Governing Authority who are not employees and are not members of the student body.

The Finance, Remuneration and Asset Management Committee (FRAMC) is responsible for supervising the financial affairs of the University and for advising the Governing Authority on matters relating to the financial management of the University. Membership of the committee comprises a number of members of the Governing Authority.

The Audit and Risk Management Committee (ARMC) is responsible for advising the Governing Authority on audit and risk management matters in the University. Membership of the committee comprises a number of members of the Governing Authority and additional external members.

The Academic Council is responsible, subject to the financial constraints determined by the Governing Authority and to review by the Governing Authority, and subject to the traditional principles of academic freedom, for controlling the academic affairs of the University including the curriculum of, and instruction and education provided by, the University.

The President is the Chief Officer of the University and is appointed by the Governing Authority. The President is responsible for managing and directing the academic, administrative, financial, personnel and other activities of the University.

The University Management Team (UMT) comprises the President and other officers and senior managers in the University. A number of UMT sub-groups support the work of the University Management Team (Research, Innovation and Impact Group; Education Group; Student Experience Group; Global Engagement Group; Capital Projects Group; Communications and Brand Group; Equality, Diversity and Inclusion Group; and University Business Planning Group).

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Statement of Governance and Internal Control *(continued)* *for year ended 30 September 2017*

(3) Governance and Internal Control Environment *(continued)*

Within a devolved management structure, Senior Officers, College Principals and Heads of Schools/Units are responsible for ensuring that internal controls are operating effectively for their respective areas of responsibility. Formal policies, procedures, regulations and guidelines are in place for all of the principal activities and major systems within the University.

(4) Processes used to identify business risks and to evaluate their financial implications

The University has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate these risks. A high-level University Risk Register is in place which is reviewed and updated by the University Management Team. Risk Registers are also in place for each College and the principal support units in the University. Updated risk registers are presented to the Audit and Risk Management Committee at each committee meeting. Risks relating to projects and major initiatives are considered as part of the planning and implementation processes relating to each project and major initiative.

(5) Details of the major information systems in place such as budgets and means of comparing actual results with budgets during the year

The University has a system in place for agreeing annual budgets as part of an annual budget process. Budgets are approved by the Finance, Remuneration and Asset Management Committee and by the Governing Authority. Following the adoption of the University Strategy 2015-2020 in late 2014, the University is moving to a Multi-Annual Budgeting model. Real-time management information is available throughout the year and monthly reports are issued to budget-holders. Quarterly management accounts / out-turns and updated estimates are reviewed by the Finance, Remuneration and Asset Management Committee.

(6) Best practice procedures for addressing the financial implications of major business risks

The University operates a system of delegated authorities for the approval of expenditure by budget-holders within agreed budgets. Detailed financial policies and procedures have been produced and are updated as required. Finance training sessions are available for Heads of Schools/Units and other budget-holders. The Finance Office and a network of Finance Managers across Colleges and Support Units provide ongoing support to senior managers and budget-holders.

(7) Procedures for Monitoring the Effectiveness of the Internal Control System

Monitoring and review of the system of internal control is conducted through the following processes:

- (i) Ongoing review by the University Management Team and the provision of annual assurance statements by senior managers;
- (ii) The Annual Report of the President to the Governing Authority;
- (iii) The President's Reports presented at each meeting of the Governing Authority;
- (iv) Reports from the Finance, Remuneration and Asset Management Committee meetings relating to personnel, finance and capital matters which are placed before meetings of the Governing Authority;

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Statement of Governance and Internal Control *(continued)*
for year ended 30 September 2017

(7) Procedures for Monitoring the Effectiveness of the Internal Control System *(continued)*

- (v) Reports from Academic Council meetings which are placed before meetings of the Governing Authority;
- (vi) Reports from the Audit and Risk Management Committee which are placed before meetings of the Governing Authority and the annual report of the Audit and Risk Management Committee which includes a summary of the work performed by the Internal Audit function during the year and comments arising from the committee's review of risk management and corporate governance arrangements;
- (vii) Management letters and reports from the University's external auditors and the Comptroller and Auditor General which are reviewed by the Audit and Risk Management Committee;
- (viii) Quality Assurance reports; and
- (ix) Communication of the results of other periodic reviews.

(8) Confirmation of Review of the Effectiveness of the System of Internal Control

UCD confirms that the above monitoring and review processes (in Section (7)) have been in place throughout the financial year ended 30 September 2017 and that no issues relating to the effectiveness of the system of internal control have been identified which require disclosure in this statement.

(9) Statutory Obligations

The Governing Authority acknowledges its responsibility to ensure compliance with statutory obligations and is satisfied that UCD management has processes in place to enable compliance with all statutory obligations applicable to the University.

(10) Code of Governance and Codes of Conduct

UCD adopted a Code of Governance in June 2007 based on the HEA/IUA Report "Governance of Irish Universities". The 2012 revised "Governance of Irish Universities" was adopted by the Governing Authority in December 2012. The University remains compliant with the Governance of Universities Code 2012 and is actively engaged through the IUA with the Higher Education Authority in respect of the development of a revised Code of Governance for the sector.

A Manual of the Structure, Code of Practice and Procedures of the Governing Authority which sets out the duties and responsibilities of Governing Authority members is in place. This Manual was most recently updated in October 2015.

Policies governing the conduct of staff are in place. The conduct of staff is primarily governed by the contract of employment. Employees are also required to comply with a range of policies and details of these policies are included in a starter pack issued to new employees with their contract of employment.

All UCD HR policies are available on the UCD website and a web-link to these policies is included in the contract of employment issued to all new members of staff.

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Statement of Governance and Internal Control *(continued)* *for year ended 30 September 2017*

(11) Financially Significant Developments

Financially significant developments affecting UCD in the past year include:

- (a) The Funding Statement showed a surplus for the year ended 30 September 2017. The accumulated surplus at year end was €1,860,000.
- (b) A number of capital development projects were at various stages of progress during the year to 30 September 2017; in particular, construction work on the Confucius Institute continued during the year.
- (c) A new company, *Newman House Literary Centre Company Limited by Guarantee*, was incorporated as a joint venture with the National Library of Ireland to establish, operate and manage the new Museum of Literature Ireland (MoLI), a dedicated educational and tourism centre relating to the life and works of James Joyce and other notable writers. The company was registered by the Companies Registration Office on 19 December 2016.

(12) Government Policy on Pay

UCD is complying with government policy on pay and with the departures framework for remuneration agreed with the HEA under s.25 of the Universities Act, 1997.

(13) Financial Reporting, Internal Audit, Procurement and Asset Disposals

All appropriate procedures for financial reporting, internal audit, procurement and asset disposals are being carried out.

Financial Reporting: Systems are in place to enable the production of the annual Consolidated Financial Statements for the University along with statutory financial statements for each of the subsidiary companies.

Internal Audit: An independent Internal Audit function is in place which reports to the Audit and Risk Management Committee (functionally) and to the President (administratively).

Procurement: The University has put in place procurement policies and procedures and all non-pay expenditure is required to be procured in accordance with these policies and procedures. These policies and procedures have been communicated to the faculty and staff of the University. The University endeavours to ensure full compliance with procurement procedures and guidelines. The University is actively working with the Office of Government Procurement (OGP) and with the Education Procurement Services (EPS) to ensure that procurement activities are taking place in accordance with the operating model put in place by the OGP. The implementation of this model is an ongoing process since 2013 and is being managed by the OGP. The University has no control over the process of OGP implementation. There has been ongoing delay in finalising a memorandum of understanding between the OGP and the Department of Education setting out the fundamentals of the revised procurement model.

Under the OGP model the University is responsible for compliance with procurement guidelines while being required to use suppliers selected by the OGP. During the ongoing implementation phase of the OGP model and primarily due to resourcing and timing issues it is not always possible to match the output of the OGP process to the procurement requirements of the University. This leads to a risk that contracts will expire in advance of being retendered or that contracts will be extended temporarily beyond their original duration without going through the appropriate procurement processes.

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Statement of Governance and Internal Control *(continued)* *for year ended 30 September 2017*

(13) Financial Reporting, Internal Audit, Procurement and Asset Disposals *(continued)*

There is also a risk that where the OGP cannot deliver a procurement request that the University does not have the necessary resources available to it to complete the necessary process. The University continues to deploy its minimal procurement resources (following the loss of most of its staff to the OGP in the expectation that the OGP model would encompass the full procurement requirements of the sector) to minimize this risk but, due to the slower transitioning of contracts to the OGP and the reduction in UCD Procurement staffing levels, UCD does not have adequate resources to handle the current volume of expenditure that needs to be procured on an open tender basis.

The UCD Procurement Office runs tenders on behalf of the University and provides support and training to staff across the University. UCD has also implemented a centralised online purchasing system with trained buyers with the aim of enhancing the co-ordination of buyer activity across the University and of improving levels of compliance generally. During the year ended 30 September 2017, the allocation of buyer resources was prioritised to procurement competitions with the best opportunities to deliver additional savings.

In framing its procurement policies and procedures, from 1 January 2016, UCD applies a threshold of €25,000 above which all expenditure must be subject to tendering. Prior to that date, UCD applied a threshold of €60,000. There are 70 suppliers identified in the 2017 financial year, with a combined transactions value of €4.6 million, for which national public procurement guidelines were not applied. The University's total non-pay expenditure, including both recurrent costs and capital costs during the year amounted to €162 million.

Instances of non-compliance with procurement policies that have been identified mostly relate to facilities management contracts. UCD is actively working with the OGP to address the outstanding contracts. On occasions where the OGP frameworks are found not to be suitable, UCD intends to run separate tenders in consultation with the OGP.

Asset Disposals: There were no disposals of land/buildings during the year.

(14) Guidelines for the Appraisal and Management of Capital Proposals

UCD is adhering to the Guidelines for the Appraisal and Management of Capital Proposals where appropriate. The UMT Capital Projects Group oversees the implementation of these guidelines.

(15) Travel Policy

UCD has a travel policy and associated procedures in place. The policy and procedures are made available to all staff on the University website. The policy and procedures have been developed having regard to the requirements of Department of Finance travel circulars and the requirements of the Revenue Commissioners in relation to employee expenses.

(16) Value for Money

UCD is following the guidelines on Achieving Value for Money in Public Expenditure.

(17) Tax Compliance

UCD is complying with tax laws and has processes in place to identify tax liabilities and ensure these liabilities are paid as they fall due.

(18) Child Protection

UCD has put in place a Child Safeguarding Statement, as per the updated National Guidelines.

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Statement of Governance and Internal Control *(continued)*
for year ended 30 September 2017

(19) Governing Authority Fees and Expenses

No fees are paid to members of the Governing Authority. The aggregate expenses payable to external members of the Governing Authority in the year ended 30 September 2017 was €18,545 and these were paid in accordance with Department of Finance guidelines. This figure includes €2,545 in respect of arrears relating to a prior financial year.

(20) Subsidiary Companies

The UCD Code of Governance applies to subsidiary companies. Each subsidiary company produces financial statements which are independently audited and are included in the UCD Consolidated Financial Statements. The subsidiary companies' audited statutory financial statements are presented to the Finance, Remuneration and Asset Management Committee and to the Audit and Risk Management Committee.

(21) Good Faith Reporting – Protected Disclosures Act 2014

University College Dublin has put in place a Protected Disclosures Policy in line with the Protected Disclosures Act, 2014.

(22) Governing Authority Meetings

The Governing Authority held six meetings during the financial year ended 30 September 2017 and the attendance record for these meetings of the Governing Authority is set out below. The attendance record details both the number of meetings attended by each member and the number of meetings each member was eligible to attend. Where there was a change in membership during the period, the end date for outgoing members and the commencement date for incoming members is noted.

	<u>Meetings attended</u>
<i>Chairman</i>	
Mr Eugene McCague	6/6
<i>The President</i>	
Professor Andrew J. Deeks	6/6
<i>Senior Academic Officer (The Registrar)</i>	
Professor Mark Rogers	3/6
<i>Elected by the Professorial Academic Staff</i>	
Professor Alan Baird	6/6
Professor Joe Carthy	6/6
Professor Orla Feely	3/6
Professor Pat Guiry	6/6
Professor Imelda Maher	6/6
Professor Dermot Moran	4/6
<i>Elected by the Non-Professorial Academic Staff</i>	
Associate Professor Joseph Brady	6/6
Associate Professor Marie Clarke	4/6
Associate Professor John Dunnion	5/6
Associate Professor Russell Higgs	5/6
Associate Professor Wolfgang Marx	3/6

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Statement of Governance and Internal Control *(continued)*
for year ended 30 September 2017

(22) Governing Authority Meetings *(continued)*

Elected by the Non-Academic Staff

Ms Margaret Brindley	5/6
Mr Paul Harkin	6/6
Mr Hugo O'Donnell	6/6

Elected Officers of the UCD Student's Union

Mr Conor Viscardi (to 14 June 2017)	5/5
Ms Lexi Kilmartin (to 14 June 2017)	5/5
Ms Róisín Ní Mhara (to 14 June 2017)	1/5
Ms Katie Ascough (from 15 June 2017)	1/1
Mr Eoin MacDomhnaill (from 15 June 2017)	1/1
Mr Robert Sweeney (from 15 June 2017)	1/1

Elected by the Postgraduate Students

Mr Eoghan Murphy	5/5
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Nominations from Organisations

Mr Charles Coase	6/6
Mr Michael Feeny	4/6

Nominated by the Minister for Education

Cllr Dermot Lacey	6/6
Dr Vincent McHale	6/6
Cllr Pat Nugent	5/6

Elected by the UCD Graduates of NUI

Dr Michael Clark	4/6
Ms Clíona de Bháldraithe Marsh	4/6
Dr Maurice Treacy	4/6

<i>The Lord Mayor of the City of Dublin</i>	0/6
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Nominated by the National University of Ireland

Mr Adrian Burke	6/6
Professor Emma Teeling	4/6

Elected by the Association of Irish Local Government

Ms Mary Barrett	5/6
Mr Gary Carville	3/6
Ms Mary Hilda Cavanagh	5/6
Mr Christy Curtin	6/6
Mr David Daniels	5/6
Mr John Paul Feeley	6/6
Mr Luie McEntire	4/6
Mr Barry Ward	1/6

University College Dublin
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Statement of Governance and Internal Control *(continued)*
for year ended 30 September 2017

(23) Audit and Risk Management Committee Meetings

The Audit and Risk Management Committee held five meetings during the financial year ended 30 September 2017 and the attendance record for these meetings is set out below. The attendance record details both the number of meetings attended by each member and the number of meetings each member was eligible to attend.

	<u>Meetings attended</u>
Mr Adrian Burke (Chair)	5/5
Ms Mary Barrett	5/5
Mr Martin Cosgrove	3/5
Ms Isabel Foley (appointed 21 March 2017)	1/1
Dr Russell Higgs	5/5
Mr Hugo O'Donnell	5/5

(24) Review of Governing Authority Performance

The Governing Authority reviews its performance and working arrangements on an ongoing basis and makes relevant changes as required. These changes include amendments to University Statutes and delegation to subcommittees of certain tasks.

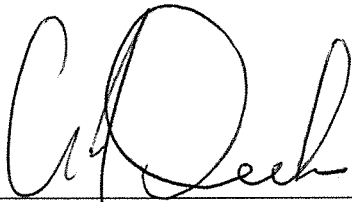
An internal self-evaluation review of the Governing Authority and its two standing committees was undertaken during the previous financial year (i.e. year ended 30 September 2016) and a process for the conduct of an external review is underway.

(25) Salary of President

The salary of the President, Professor Andrew J. Deeks, for the year ended 30 September 2017 was €187,791 (based on a salary of €185,350 per annum up to 31 March 2017 and a salary of €190,233 per annum from 1 April 2017).

(26) General Governance and Accountability Issues

University College Dublin has no further general governance and accountability issues to report in respect of the financial year ended 30 September 2017.



Andrew Deeks
President

Date: 19/06/2018

University College Dublin National University of Ireland, Dublin

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.

The Governing Authority is also responsible for preparing the President's Report and the financial statements for each financial year that give a true and fair view of the state of the affairs of the University and the University group for the period. The Governing Authority is also responsible for preparing the HEA Funding Statements in accordance with the most recent Harmonisation of Accounts Agreement.

In preparing those accounts, the Governing Authority 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the University will continue in operation.

The Governing Authority 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, the Statement of Recommended Practice on Accounting for Further and Higher Education Institutions and are prepared in accordance with FRS102 "*The Financial Reporting standard applicable in the UK and Republic of Ireland*".

The Governing Authority is 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



Andrew Deeks
President

Date: 19/06/2018



KPMG
Audit
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03
Ireland

Independent auditor's report to the Governing Authority of University College Dublin, National University of Ireland, Dublin

1 Report on the audit of the financial statements

Opinion

We have audited the consolidated and University financial statements ('financial statements') of University College Dublin, National University of Ireland, Dublin) for the year ended 30 September 2017, which comprise the consolidated statement of comprehensive income, consolidated and University statement of changes in reserves, consolidated and University statement of financial position, consolidated statement of cash flows and the related notes, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In our opinion, except for the effects of the matters described in the basis for qualified opinion section of our report, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Group and University as at 30 September 2017 and of the Group's surplus for the year then ended; and
- have been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Basis for qualified opinion

As more fully explained in Note 28 to the financial statements, an asset representing a receivable from the State, equivalent to the value of the University's net pension obligations in relation to its defined benefit pension schemes, has been recognised in the University's financial statements (and an equivalent amount recognised in revenue reserves) on the basis that the Governing Authority consider these pension liabilities to have always been guaranteed by the State. In addition, losses matching the decrease in these pension liabilities during the year have been recorded in the consolidated statement of comprehensive income.

In our opinion, while the enactment in June 2009 of the Financial Measures (Miscellaneous Provisions) Act, 2009 and the resulting Transfer Order dated 31 March 2010, and the enactment of the Public Service Pensions (Single Scheme and Other Provisions) Act 2012, caused the State to assume responsibility for any shortfall in funding arising in the University College Dublin, National University of Ireland, Dublin (Closed) Pension Scheme 2010 (formerly the UCD 1995 Contributory Pension Scheme) operated by the University and in the Single Public Service Pension Scheme, such legislation does not specifically cover other defined benefit pension arrangements operated by the University. In the absence of the State's formal acceptance of the obligation to fund deficits associated with the University's other defined benefit pension arrangements, it is not, in our view, appropriate to recognise the pension receivable pertaining to these deficits on the consolidated and University's balance sheets at 30 September 2017.

In our opinion, the treatment adopted for the deficits associated with the University's other defined benefit arrangements is not in accordance with the requirements of FRS 102 Section 21 "Provisions and Contingencies" as the receivable remains contingent in nature until the State formally accepts the obligation.



Independent auditor's report to the Governing Authority of University College Dublin, National University of Ireland, Dublin (*continued*)

Accordingly: in respect of the consolidated and University balance sheets, (i) the pension receivable asset, net assets and income and expenditure reserves at 30 September 2017 should be reduced by €604 million (ii) the pension receivable asset, net assets and income and expenditure reserves at 30 September 2016 should be reduced by €614 million and (iii) the pension receivable asset, net assets and income and expenditure reserves at 30 September 2015 should be reduced by €619 million. In addition, the consolidated total comprehensive income for the year ended 30 September 2017 should be increased to €39.986 million and the consolidated total comprehensive income for the year ended 30 September 2016 should be increased to €21.625 million.

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group and the University in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority ('IAASA'), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The Governing Authority is responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the President's Report, Statement of Governance and Internal Control and the Statement of Governing Authority's Responsibilities, the HEA Funding Statement and the Reconciliation of Consolidated Statement of Comprehensive Income to HEA Funding Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.



Independent auditor's report to the Governing Authority of University College Dublin, National University of Ireland, Dublin *(continued)*

Opinions on other matters on which we are required to report under the terms of our engagement are set out below

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

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

In our opinion the HEA Funding Statement on pages 60 to 76 which has been prepared in accordance with the accounting policies set out on pages 60 to 62, has been properly extracted from the books and records of the University.

Opinions on other matters on which we are required to report under the terms of our engagement are set out below (continued)

Under the Code of Governance for Irish Universities, we are required to report to you if the statement regarding governance and the system of internal financial control, as included in the Statement of Governance and Internal Control on pages 4 to 11, is not consistent with the information of which we are aware from our audit work on the financial statements, and we report if it does not.

Matters on which we are required to report by exception

ISAs (UK & Ireland) require that we report to you if, based on the knowledge we acquired during our audit, we have identified information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

2 Respective responsibilities and restrictions on use

Responsibilities of Governing Authority for the financial statements

As explained more fully in the Statement of Governing Authority's responsibilities statement set out on page 12, the Governing Authority is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for 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. They are also responsible for the preparation of the HEA Funding Statement in accordance with the most recent Harmonisation of Accounts Agreement.

In preparing the financial statements, the Governing Authority is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governing Authority either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.



Independent auditor's report to the Governing Authority of University College Dublin, National University of Ireland, Dublin (*continued*)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) 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.

A fuller description of our responsibilities is provided on IAASA's website at https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the members of the Governing Authority of University College Dublin, National University of Ireland, Dublin, as a body. Our audit work has been undertaken so that we might state to the members of the Governing Authority those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the members of the Governing Authority as a body, for our audit work, for this report, or for the opinions we have formed.

Eamonn Russell

**for and on behalf of
KPMG**

Chartered Accountants, Statutory Audit Firm

*1 Stokes Place
St. Stephen's Green
Dublin 2
Ireland*

28 June 2018

University College Dublin
National University of Ireland, Dublin

Consolidated Statement of Comprehensive Income
Year ended 30 September 2017

	Note	2017 €'000	2016 €'000 (as restated note 5)
Income			
Academic fees	4	219,454	211,682
State grants	3	62,028	61,952
Research grants and contracts	5	84,087	81,659
Other income	6	100,967	88,416
Interest income	7	-	24
Amortisation of state capital grants	21	10,019	10,287
Deferred funding for pensions	28	44,294	26,489
Total income		520,849	480,509
Expenditure			
Staff costs	8	286,629	278,927
Pension service costs	28	44,556	26,968
Other operating expenses	9	129,526	123,949
Depreciation	13	26,948	28,227
Interest payable	10	1,626	2,091
Pension interest (income), net	28	(262)	(479)
Total expenditure		489,023	459,683
Surplus before other gains/losses and share of surplus in joint ventures and associates		31,826	20,826
Share of operating surplus in joint venture	14	466	570
Surplus before tax		32,292	21,396
Taxation	11	(226)	(124)
Surplus for the year	12	32,066	21,272
Actuarial gain in respect of pension schemes	28	44,294	26,489
Movement on pension receivable from the State	28	(44,294)	(26,489)
Total comprehensive income for the year		32,066	21,272
Represented by:			
Endowment comprehensive income for the year		-	-
Restricted comprehensive income for the year		-	-
Unrestricted comprehensive income for the year		32,066	21,272
		32,066	21,272

All items of income and expenditure relate to continuing activities.

**University College Dublin
National University of Ireland, Dublin**

**Consolidated and University Statement of Changes in Reserves
Year ended 30 September 2017**

Consolidated	Income and expenditure reserve			Total
	Endowment €'000	Restricted €'000	Unrestricted €'000	€'000
Balance at 1 October 2015	-	-	380,013	380,013
Prior year adjustment (note 30)	-	-	8,234	8,234
Restated balance at 1 October 2015	-	-	388,247	388,247
Surplus from income and expenditure	-	-	21,272	21,272
Balance at 30 September 2016 (restated)	-	-	409,519	409,519
Surplus from income and expenditure	-	-	32,066	32,066
Total comprehensive income for the year	-	-	32,066	32,066
Balance at 30 September 2017	-	-	441,585	441,585

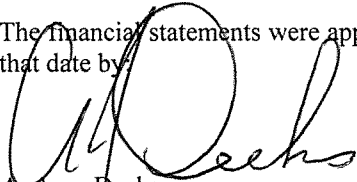
University	Income and expenditure reserve			Total
	Endowment €'000	Restricted €'000	Unrestricted €'000	€'000
Balance at 1 October 2015	-	-	385,088	385,088
Prior year adjustment (note 30)	-	-	8,234	8,234
Restated balance at 1 October 2015	-	-	393,322	393,322
Surplus from income and expenditure	-	-	21,580	21,580
Balance at 30 September 2016 (restated)	-	-	414,902	414,902
Surplus from income and expenditure	-	-	30,438	30,438
Total comprehensive income for the year	-	-	30,438	30,438
Balance at 30 September 2017	-	-	445,340	445,340


University College Dublin
National University of Ireland, Dublin

Consolidated and University Statement of Financial Position
For the year ended 30 September 2017

	Note	Consolidated		University	
		2017 €'000	2016 €'000 (as restated note 16 & 18)	2017 €'000	2016 €'000 (as restated note 16 & 18)
Non-current assets					
Fixed assets	13	747,384	742,238	745,512	737,368
Heritage assets	14	13,293	13,224	13,293	13,224
Investments	14	53	53	7,053	7,053
Investments in joint ventures	14	2,598	2,432	2,608	2,608
Pension receivable	28	1,966,431	2,194,846	1,966,431	2,194,846
		<u>2,729,759</u>	<u>2,952,793</u>	<u>2,734,897</u>	<u>2,955,099</u>
Current assets					
Stocks	15	3,002	3,159	3,002	3,159
Debtors	16	69,418	75,594	70,089	77,147
Cash at bank and in hand	17	133,821	137,970	129,201	135,304
		<u>206,241</u>	<u>216,723</u>	<u>202,292</u>	<u>215,610</u>
Creditors: amounts falling due within one year	18	<u>(213,432)</u>	<u>(236,952)</u>	<u>(210,882)</u>	<u>(232,786)</u>
Net current liabilities		<u>(7,191)</u>	<u>(20,229)</u>	<u>(8,590)</u>	<u>(17,176)</u>
Total assets less current liabilities		<u>2,722,568</u>	<u>2,932,564</u>	<u>2,726,307</u>	<u>2,937,923</u>
Creditors: amounts falling due after more than one year					
Provisions for liabilities	22	(3,736)	(3,739)	(3,736)	(3,739)
Pension liability	28	(1,966,431)	(2,194,846)	(1,966,431)	(2,194,846)
Total net assets		<u>441,585</u>	<u>409,519</u>	<u>445,340</u>	<u>414,902</u>
Unrestricted reserves					
Income and expenditure reserve – unrestricted		441,585	409,519	445,340	414,902
Total Reserves		<u>441,585</u>	<u>409,519</u>	<u>445,340</u>	<u>414,902</u>

The financial statements were approved by the Governing Body on 19 June 2018 and were signed on its behalf on that date by


Andrew Deeks
President


David Kelly
Vice-President for Finance

19/06/2018

University College Dublin
National University of Ireland, Dublin

Consolidated Statement of Cash Flows

For the year ended 30 September 2017

	2017 €'000	2016 €'000 (as restated)
Cash flow from operating activities		
Surplus for year	32,066	21,272
Adjustment for non-cash items		
Depreciation	26,948	28,227
Amortisation of State capital grants	(10,019)	(10,287)
Interest income	-	(24)
Interest payable	1,626	2,091
Operating cashflow before movement in working capital	<u>50,621</u>	<u>41,279</u>
Decrease/(increase) in stock	157	(408)
Decrease/(increase) in debtors	6,176	(4,374)
Increase in creditors	306	3,752
Decrease in provision	(3)	(983)
Other movements		
Non-government Capital grants recognised	(4,230)	302
Net cash inflow from operating activities	<u>53,027</u>	<u>39,568</u>
Cash flows from investing activities		
Capital grants received	5,532	9,159
Purchase of investments	(235)	251
Purchase of tangible fixed assets	(32,095)	(30,892)
Investment income	-	24
	<u>(26,798)</u>	<u>(21,458)</u>
Cash flows from financing activities		
<i>Debt due within one year:</i>		
Decrease in short term borrowings	(1,645)	(422)
(Decrease)/increase in short term lease liabilities	(21,965)	21,965
<i>Debt due after one year:</i>		
Decrease in long term borrowings	(5,195)	(6,529)
Decrease in long term liabilities	-	(23,357)
Interest payable	(1,626)	(2,091)
	<u>(30,431)</u>	<u>(10,434)</u>
(Decrease)/increase in cash and cash equivalents in the year	<u>(4,202)</u>	7,676
Cash and cash equivalents at beginning of year	137,434	129,758
Cash and cash equivalents at end of year	<u>133,232</u>	<u>137,434</u>

Note 25

University College Dublin

National University of Ireland, Dublin

Notes to the financial statements

For the year ended 30 September 2017

1. Significant accounting policies

The accounting policies which are considered material in relation to the financial statement are summarised below. They have all been applied consistently throughout the year and to the preceding year.

a. General information and basis of accounting

University College Dublin was originally constituted in 1908 by a Charter under the Irish Universities Act, 1908 as a constituent college of the National University of Ireland. It was reconstituted as a University under the Universities Act, 1997 with the name National University of Ireland, Dublin. The name was then changed to University College Dublin, National University of Ireland, Dublin by Statutory Instrument number 447 of 1998, National University of Ireland, Dublin (Change of Name of University) Order, 1998.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education, issued by the Higher Education Further Education SORP Board in the UK, which has been voluntarily adopted by the University.

The consolidated financial statements are presented in Euro because that is the currency of the primary economic environment in which the University operated. Foreign operations are included in accordance with the policies set out below.

b. Basis of consolidation

The Group financial statements consolidate the financial statements of the University and its subsidiary undertakings made up to 30 September 2017.

The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed.

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

The activities of the UCD Student's Union have not been consolidated because the University does not control those activities. The financial statements of UCD Foundation are also excluded as they are not controlled by the University. Other undertakings in which the University has interests that are not material have not been consolidated.

The net assets of the UCD Foundation at 30 September 2017 amounted to €0.3 million and are therefore not considered material. The financial statements of the University have recognised all the financial transactions that have taken place with the UCD Foundation during the year. The University will continue to review on an annual basis its relationship with the UCD Foundation and the provisions of FRS 102.

During the period, the University provided the Foundation with office accommodation, use of office equipment and administration services. In addition, the University incurred expenditure of €1.6 million payable to the Foundation in respect of other administration expenses incurred by the Foundation from third parties. At 30 September 2017, an amount of €3.0 million was due to the Foundation in this regard.

During the same period, the University received from the Foundation €15.9 million for the furtherance of education and research. Furthermore, the University has recognised under Other capital funding receivable within debtors an amount of €2.5 million in respect of capital projects. In addition, the University has recognised under Other capital funding received in advance within creditors an amount of €10.0 million also in respect of capital projects.

University College Dublin National University of Ireland, Dublin

Notes to the financial statements *(continued)*

For the year ended 30 September 2017

1. Significant accounting policies *(continued)*

c. Going concern

The Governing Authority is satisfied that the University group has adequate resources to meet its obligations as they fall due for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

d. Tangible fixed assets

(i) Land and buildings

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimate residual value, of each asset on a straight –line basis over its expected useful life, as follows:

Freehold buildings	50 years
Leasehold land and buildings	term of lease

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Where land and buildings are acquired with the aid of specific grants they are capitalised and depreciated as above. The related grants are credited to a deferred capital grant account and are released to the income and expenditure account as follows:

- (1) State capital grants are released over the expected useful economic life of the related asset on a basis consistent with the depreciation policy and
- (2) Non-government grants are released when the University is entitled to the income subject to any performance related conditions being met.

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

(ii) Equipment and minor works

Equipment costing less than €5,000 per individual item is written off to the income and expenditure account in the year of acquisition. All other equipment is capitalised at cost. Capitalised equipment is depreciated over its useful economic life as follows:

Leased assets	20 years or primary lease period, if shorter
Computer equipment	3 years
Equipment, fixtures and fittings	5 years
Minor works	10 years

Where equipment is acquired with the aid of specific State grants it is capitalised and depreciated in accordance with the above policy, with the related grants being credited to a deferred capital grant account and released to the income and expenditure account over the expected useful economic life of the related equipment. Where the related grant is from non-government sources it is released when the University is entitled to the income subject to any performance related conditions being met.

University College Dublin

National University of Ireland, Dublin

Notes to the financial statements *(continued)*

For the year ended 30 September 2017

1. Significant accounting policies *(continued)*

d. Tangible fixed assets *(continued)*

(iii) Donations

The University receives on occasion benefits in kind such as gifts of equipment. Items of a significant value donated to the University, which if purchased, the group 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 accounting policy set out below) see note 1(k)).

e. Heritage assets

The University has acquired many assets of unqualified historic and cultural importance to the State. The UCD collection includes period houses, artworks and other paintings and artefacts.

The period houses are part of the working infrastructure of the University Campus and as such are capitalised in the balance sheet in line with FRS 102. Artwork purchased for the benefit of the University is capitalised in the balance sheet at original cost and is not depreciated.

f. Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a part to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. Subsequent to initial recognition, these are measured at amortised cost using the effective interest method. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Non-current debt instruments which meet the following conditions, are subsequently measured at amortised cost using the effective interest method:

- (a) Returns to the holder are (i) a fixed amount; or (ii) a fixed rate of return over the life of the instrument; or (iii) a variable return that, throughout the life of the instrument, is equal to a single referenced quoted or observable interest rate; or (iv) some combination of such fixed rate and variable rates, providing that both rates are positive.
- (b) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (c) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in relevant taxation or law.
- (d) There are no conditional returns or repayment provisions except for the variable rate return described in (a) and prepayment provisions described in (c).

Debt instruments that are classified as payable or receivable within one year and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

University College Dublin
National University of Ireland, Dublin

Notes to the financial statements (continued)
For the year ended 30 September 2017

1. Significant accounting policies (continued)

f. Financial instruments (continued)

(i) Financial assets and liabilities (continues)

Other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(ii) Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, an entity estimates the fair value by using a valuation technique.

g. Joint venture undertakings

Joint venture undertakings are those undertakings over which the University exercises control jointly with another party.

Group

In the Group financial statements, joint venture undertakings are accounted for using the equity method. Investments in joint venture undertakings are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the Group's share of the profit or loss and other comprehensive income of the associate.

University

In the University financial statements, investments in joint venture undertakings are accounted for at the cost less impairment.

Goodwill

Goodwill arising on the acquisition of joint venture undertakings, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is determined to be five years. Any unamortised balance of goodwill is included in the carrying value of the investment in joint venture undertakings

University College Dublin
National University of Ireland, Dublin

Notes to the financial statements *(continued)*

For the year ended 30 September 2017

1. Significant accounting policies *(continued)*

h. Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Cost is calculated using the FIFO (first-in, first-out) method.

Provision is made for obsolete, slow-moving or defective items where appropriate.

Expenditure incurred by the University on books and consumable stocks financed from recurrent grants is charged to the consolidated statements of comprehensive income.

i. Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators or impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, because of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units ("CGU") of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value has no impairment been recognised.

University College Dublin

National University of Ireland, Dublin

Notes to the financial statements (*continued*)

For the year ended 30 September 2017

1. Significant accounting policies (*continued*)

j. Taxation

(i) Corporate tax and Value Added Tax

As an exempt charity, the University is not liable for corporation tax on any of its charitable activities. It is registered for value added tax, but since the supply of education is an exempt activity on which no output tax is charged it is unable to recover input tax on the majority of its purchases. Certain research and commercial activities within the University falls into the VAT net, any input or output relating to these activities is returned to the Revenue Commissioners by the University.

Certain trading activities undertaken by the University are administered through a number of its subsidiary companies and joint ventures, which as commercial organisations are liable to corporation tax.

(ii) Deferred taxation

In subsidiary companies, who do not hold a charitable status and are therefore liable to corporation tax, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Provision is made at the rates expected to apply when the timing differences reverse. Timing differences are differences between taxable profits and results as stated in the financial statements that arise from the inclusion of gains and losses in taxable profits in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and, therefore, recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

k. Recognition of income

State grants

Grants from the Higher Education Authority and other government bodies are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Recurrent and non-recurrent grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants from the Higher Education Authority or other government bodies received in respect of the acquisition or construction of fixed assets are recognised over the useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Academic fees

Academic fees are recognised in the period to which they relate.

Research grants and contracts

Income from research grants and contracts from non-government sources is recognised based on the performance model i.e. income is recognised to the extent that performance-related conditions have been met. The most common classes of such transactions are:

(i) Donations with no restrictions

Donations with no restrictions include amounts given to the University 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.

University College Dublin
National University of Ireland, Dublin

Notes to the financial statements *(continued)*
For the year ended 30 September 2017

1. Significant accounting policies *(continued)*

k. Recognition of income *(continued)*

(ii) Research grants from non-government sources

Income from grants from non-government sources is recognised in the Statement of Comprehensive Income when performance related conditions are met. If a restriction in use but no performance related conditions exist, the income is recorded in the Statement of Comprehensive Income when the University becomes entitled to the income.

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.

Income from short-term deposits

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

Rental income

Rental income from licence fees is recognised on a straight-line basis over the lease term.

l. Retirement benefits

For defined benefit schemes the amounts charged to operating surplus are the costs arising from employee services rendered during the period and the cost of plan instructions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to profit or loss and included within finance costs. Re-measurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

For defined benefit schemes, the difference between the market value of the scheme's assets (if any) and the actuarially assessed present value of the scheme's liabilities, is calculated using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

Other long-term employee benefits are measured at the present value of the benefit obligation at the reporting date.

Pension Asset Receivable

As more fully referred to in note 28, the University considers that its pension liabilities are guaranteed by the State. As a consequence, the liability of the pension schemes is matched by an equivalent amount receivable by the University from the State.

Movements on this pension receivable are included in the statement of comprehensive income in order to equal the underlying movement in the pension liability. The financial statements reflect the actual pension costs to the University.

University College Dublin
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Notes to the financial statements *(continued)*
For the year ended 30 September 2017

1. Significant accounting policies *(continued)*

m. Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the operating net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

Other exchange differences are recognised in profit and loss in the period in which they arise except for:

- Exchange differences on transactions entered into to hedge certain foreign currency risks (see above);
- Exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income; and
- In the case of the consolidated financial statements, exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned or likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reported under equity.

n. Leases

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the statement of comprehensive income over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rental under operating leases are charged on straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

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Notes to the financial statements *(continued)*

For the year ended 30 September 2017

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 1, the members of the Governing Authority are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future financial periods.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Governing Authority has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

- (1) An analysis performed by the University indicates that there is no strict legal obligation to meet performance criteria with private donors and that capital funding received meets the definition of donations with no terms and conditions imposed by the donor in relation to the funds provided. Once a building is in use, the performance criteria can be deemed to be met.
- (2) As more fully referred to in note 28, the University considers that its pension liabilities are guaranteed by the State. As a consequence, the liability of the pension schemes is matched by an equivalent amount receivable by the University from the State.
- (3) The University recognises research income, only to the extent that relevant fully qualifying expenditure is incurred, which is fully refundable by the research funding agency. This accounting methodology is based on historical practice and has always fairly reflected the performance obligations required under the contract and is the agreed funding mechanism with the research funding bodies.
- (4) The Governing Authority has considered the application of reporting the substance of transactions with regard to certain assets used by the University where the legal form of all transactions would indicate that all or part of the assets are not owned by the group. The financial substance of all transactions has been reflected in the consolidated financial statements and as such the full value of these assets is included in fixed assets.

Key sources of estimation uncertainty

The pension liability is calculated annually, based on actuarial assumptions provided by a qualified independent actuary. The actuarial assumptions include discount rates, salary increases, pension increases and inflation rates.

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Notes to the financial statements *(continued)*
For the year ended 30 September 2017

3. State grants

	2017 €'000	2016 €'000
State grants allocated for recurrent purposes	62,028	61,952

Grant income of €2,893,250 (2016: €2,897,812) was received from the Health Service Executive (HSE) in 2017. All other grant income was received from the Higher Education Authority (HEA).

4. Academic fees

	2017 €'000	2016 €'000
Academic fee income	219,454	211,682

A total of €43,820,874 (2016: €43,409,790) included in academic fee income was received directly from the HEA.

5. Research grants and contracts

	2017 €'000	2016 €'000 (as restated)
State and semi-state	49,556	47,151
European Union	13,937	14,511
Industry	2,371	4,050
Science Foundation Ireland Overheads grant	6,074	5,828
Other	12,149	10,119*
	84,087	81,659

*As set out in note 30, research grants and contracts has been restated by increasing the income by €0.356 million.

6. Other income

	2017 €'000	2016 €'000
Catering and conferences	2,708	2,420
Rental income from residences on campus	27,581	22,360
Other rental income	1,439	1,532
Medical testing income	16,905	16,797
Academic facilities and departments	35,296	33,939
Other operating income	12,808	11,368
Non-government capital grants recognised	4,230	-
	100,967	88,416

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Notes to the financial statements (continued)
For the year ended 30 September 2017

7. Interest income

	2017	2016
	€'000	€'000
Interest income	-	24
	<u> </u>	<u> </u>

8. Staff costs

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

	2017	2016
	No. of	No. of
	Employees	Employees
Teaching and research	3,412	3,428
Technical	234	240
Central administration and services	1,232	1,238
	<u> </u>	<u> </u>
	4,878	4,906
	<u> </u>	<u> </u>

	2017	2016
	€'000	€'000
Salaries and wages	241,697	232,627
Social welfare costs	19,669	18,326
Employer pension costs	25,263	27,974
	<u> </u>	<u> </u>
	286,629	278,927
	<u> </u>	<u> </u>

Pension related costs

	2017	2016
	€'000	€'000
Employer pension costs	25,263	27,974
Incremental pension costs underwritten by the State	44,556	26,968
	<u> </u>	<u> </u>
Current service cost (note 28)	69,819	54,942
	<u> </u>	<u> </u>

Key management compensation

Key management personnel are represented by those persons on the University Management Team (UMT). The UMT comprises of the President, the six College Principals and the Vice-presidents (Bursar, Registrar, VP Research, Global Engagement and the director of Human Resources). The compensation consists of salary and benefits including employer's pension contribution and social costs.

The total compensation for key management personnel for the year totalled €1,988,480 (2016: €1,939,181).

University College Dublin
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Notes to the financial statements (continued)
For the year ended 30 September 2017

8. Staff costs (continued)

Salaries above €60,000

The University is required by Circular 13/2014 issued by the Department of Public Expenditure and Reform to disclose the number of staff whose remuneration fell within each band of €10,000 from €60,000 upwards. Staff numbers, whose remuneration is in salary bands of €10,000 are as follows:

Salary Bands		
€	2017	2016
60,000 – 70,000	284	293
70,001 – 80,000	340	355
80,001 – 90,000	286	282
90,001 – 100,000	140	97
100,001 – 110,000	70	70
110,001 – 120,000	45	21
120,001 – 130,000	17	47
130,001 – 140,000	106	67
140,001 – 150,000	4	8
150,001 – 160,000	6	3
160,001 – 170,000	4	4
170,001 – 180,000	1	1
180,001 – 190,000	8	5
190,001 – 200,000	3	4
200,001 – 210,000	1	0
210,001 – 220,000	0	1
220,001 – 230,000	3	4
230,001 – 240,000	0	0
240,001 – 250,000	0	1
250,001 – 320,000	1	0
260,001 – 270,000	1	0
320,001 – 330,000	0	1
330,001 – 340,000	1	0
	<hr/>	<hr/>
Grand Total	1,321	1,264
	<hr/> <hr/>	<hr/> <hr/>

Total employer pension contributions in respect of the above numbered employees amounted to €10,810,034 in the year ended 30 September 2017 (2016: €10,349,289).

University College Dublin
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Notes to the financial statements (continued)
For the year ended 30 September 2017

9. Other operating expenses

	2017	2016
	€'000	€'000
		(as restated)
Research (non-pay)	18,108	17,792
Maintenance and security	17,996	18,241*
Lab supplies	9,889	8,766
Professional fees	5,418	6,002
External contract costs	7,636	7,437
Travel and hospitality	11,414	10,450
Computer supplies	3,984	3,748
Printing, stationary and audio visual	2,850	3,386
Books and periodicals	3,356	3,536
Light and heat	5,682	5,937
Student facilities	4,334	4,121
Rates and insurance	4,953	5,177*
Equipment	2,838	2,525
Training, development and scholarships	18,952	15,252
Communications	886	910
Advertising and promotions	2,635	2,321
Other expenses	8,595	8,348
	<u>129,526</u>	<u>123,949</u>

* The prior year Maintenance and security and Rates and insurance amounts have both been restated by €1.5 million with no impact on total other operating expenses, to ensure consistent presentation with the current year.

	2017	2016
	€'000	€'000
Other operating expenses include:		
Auditor's remuneration:		
- External audit of University Group	187	187
- External audit of Pension funds	7	7
- Taxation and secretarial	19	10
- Other services	2	4
	<u>215</u>	<u>208</u>

Auditor's remuneration disclosed above excludes VAT. The University has an Internal Audit function and the associated payroll costs have been included as part of staff costs for the year.

10. Interest payable

	2017	2016
	€'000	€'000
On bank loans, overdrafts and other loans		
Repayable wholly or partly in more than 5 years	1,626	2,091
	<u>1,626</u>	<u>2,091</u>

Interest is payable on loans drawn down to fund residential accommodation for students and other capital investment programmes.

University College Dublin
National University of Ireland, Dublin

Notes to the financial statements (continued)
For the year ended 30 September 2017

11. Taxation

	2017 €'000	2016 €'000
The tax charge comprises:		
Current tax on profit on ordinary activities		
Irish corporation tax on profits of subsidiaries for the year	118	15
Total current tax	<u>118</u>	<u>15</u>
Deferred tax		
Origination and reversal of timing differences	-	-
Total deferred tax	<u>-</u>	<u>-</u>
Share of joint venture tax	108	109
Total current tax charge on ordinary activities	<u><u>226</u></u>	<u><u>124</u></u>

Corporation tax arises in the current year on profits earned by a number of the University's subsidiaries.

The current tax charge for the year is lower than the current charge that would result from applying the standard rate of Irish corporation tax to the surplus for the year. The differences are explained below:

	2017 €'000	2016 €'000
Surplus for year before taxation	32,292	21,396
Surplus for the year before taxation at standard Irish corporation tax rate of 12½%	<u>4,037</u>	<u>2,675</u>
Effects of:		
- Amounts not subject to Irish Corporation Tax	(3,919)	(2,660)
Total current tax charge for the year	<u><u>118</u></u>	<u><u>15</u></u>

12. Surplus for the year

The surplus for the year on continuing operations is made up as follows:

	2017 €'000	2016 €'000
University surplus for the year	30,438	21,580
Surplus/(deficit) generated by subsidiaries and other undertakings	1,628	(308)
Surplus on continuing operations for the year	<u><u>32,066</u></u>	<u><u>21,272</u></u>

University College Dublin National University of Ireland, Dublin

Notes to the financial statements (continued) For the year ended 30 September 2017

13. Tangible fixed assets

Consolidated	Land and Buildings €'000	Assets in course of construction €'000	Minor works €'000	Computer equipment €'000	Equipment €'000	Fixtures & Fittings €'000	Total €'000
Cost							
At 1 October 2016	949,693	6,795	5,680	16,788	164,162	2,173	1,145,291
Additions in year	9,792	14,909	-	384	6,437	594	32,116
Transfers from assets in course of construction	4,538	(4,538)	-	-	-	-	-
Disposals in year	-	-	-	(5)	(1,356)	(148)	(1,509)
At 30 September 2017	964,023	17,166	5,680	17,167	169,243	2,619	1,175,898
Depreciation							
At 1 October 2016	229,703	-	5,680	16,252	149,272	2,146	403,053
Charge for year	19,238	-	-	487	7,148	75	26,948
Elimination on disposals	-	-	-	(5)	(1,345)	(137)	(1,487)
At 30 September 2017	248,941	-	5,680	16,734	155,075	2,084	428,514
Net book value							
At 30 September 2017	715,082	17,166	-	433	14,168	535	747,384
At 1 October 2016	719,990	6,795	-	536	14,890	27	742,238

Details of capital grant funding received in respect of tangible fixed assets are detailed in note 21.

Land and buildings includes €12.5 million (2016: €12.5 million) in respect of freehold land which is not depreciated. In 2016, this category also included €37 million in relation to land and buildings which were legally owned by special purpose finance companies/private investors. The commercial effect of the transactions associated with the sale and ultimate repurchase of these buildings was that the University bore all significant benefits and risk relating to these land and buildings. In 2017, the University legally acquired ownership of these buildings. Further details of these arrangements are provided below.

University College Dublin National University of Ireland, Dublin

Notes to the financial statements (continued) For the year ended 30 September 2017

13. Tangible fixed assets – in respect of prior year

Consolidated	Land and Buildings €'000	Assets in course of construction €'000	Minor works €'000	Computer equipment €'000	Equipment €'000	Fixtures & Fittings €'000	Total €'000
Cost							
At 1 October 2015	918,252	15,079	5,680	16,192	158,461	1,384	1,115,048
Additions in year	3,425	19,732	-	629	6,317	789	30,892
Transfers from assets in course of construction	28,016	(28,016)	-	-	-	-	-
Disposals in year	-	-	-	(33)	(616)	-	(649)
At 30 September 2016	949,693	6,795	5,680	16,788	164,162	2,173	1,145,291
Depreciation							
At 1 October 2015	210,789	-	5,680	15,638	142,112	1,256	375,475
Charge for year	18,914	-	-	647	7,776	890	28,227
Elimination on disposals	-	-	-	(33)	(616)	-	(649)
At 30 September 2016	229,703	-	5,680	16,252	149,272	2,146	403,053
Net book value							
At 30 September 2016	719,990	6,795	-	536	14,890	27	742,238
At 1 October 2015	707,463	15,079	-	554	16,349	128	739,573

Details of capital grant funding received in respect of tangible fixed assets are detailed in note 21.

**University College Dublin
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Notes to the financial statements (continued)
For the year ended 30 September 2017

13. Tangible fixed assets

University	Land and Buildings €'000	Assets in course of construction €'000	Minor works €'000	Computer equipment €'000	Equipment €'000	Total €'000
Cost						
At 1 October 2016	946,253	4,123	5,680	16,794	163,651	1,136,501
Additions in year	9,792	17,593	-	384	6,763	34,532
Transfers from assets in course of construction	4,538	(4,538)	-	-	-	-
Disposals in year	-	-	-	(5)	(1,356)	(1,361)
At 30 September 2017	960,583	17,178	5,680	17,173	169,058	1,169,672
Depreciation						
At 1 October 2016	227,921	-	5,680	16,225	149,307	399,133
Charge for year	19,091	-	-	487	6,800	26,378
Elimination on disposals	-	-	-	(5)	(1,346)	(1,351)
At 30 September 2017	247,012	-	5,680	16,707	154,761	424,160
Net book value						
At 30 September 2017	713,571	17,178	-	466	14,297	745,512
At 1 October 2016	718,332	4,123	-	569	14,344	737,368

University College Dublin National University of Ireland, Dublin

Notes to the financial statements *(continued)* For the year ended 30 September 2017

13. Tangible fixed assets – in respect of prior year

University	Land and Buildings €'000	Assets in course of construction €'000	Minor works €'000	Computer equipment €'000	Equipment €'000	Total €'000
Cost						
At 1 October 2015	914,812	12,300	5,680	16,198	157,314	1,106,304
Additions in year	3,425	19,839	-	629	6,953	30,846
Transfers from assets in course of construction	28,016	(28,016)	-	-	-	-
Disposals in year	-	-	-	(33)	(616)	(649)
At 30 September 2016	946,253	4,123	5,680	16,794	163,651	1,136,501
Depreciation						
At 1 October 2015	209,155	-	5,680	15,611	141,710	372,156
Charge for year	18,766	-	-	647	8,213	27,626
Elimination on disposals	-	-	-	(33)	(1,616)	(649)
At 30 September 2016	227,921	-	5,680	16,225	149,307	399,133
Net book value						
At 30 September 2016	718,332	4,123	-	569	14,344	737,368
At 1 October 2015	705,657	12,300	-	587	15,604	734,148

**University College Dublin
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Notes to the financial statements (continued)
For the year ended 30 September 2017

13. Tangible fixed assets (continued)

Tax based property schemes

The University entered into arrangements with various investors whereby the investors obtained tax relief arising on qualifying construction costs of buildings and shared the benefit of this relief with the University.

Transactions associated with all relevant tax-based property schemes where legal title to the relevant property had not yet passed to the University had been included in the financial statements at historical cost.

In March 2017, the University acquired full legal ownership of Roebuck Hall residences through the unwinding of the "Section 50" relief structure, for a consideration of €14.524 million. In June 2017, Glenomena 3 was similarly acquired for a consideration of €5.067 million.

14. Financial and heritage assets

	Consolidated		University	
	2017 €'000	2016 €'000	2017 €'000	2016 €'000
<i>Investments held as follows:</i>				
Investments in subsidiaries	-	-	7,000	7,000
Other investments	53	53	53	53
	<u>53</u>	<u>53</u>	<u>7,053</u>	<u>7,053</u>
Heritage assets (a)	13,293	13,224	13,293	13,224
Investment in joint ventures (b)	2,598**	2,432	2,608*	2,608
	<u>15,944</u>	<u>15,709</u>	<u>22,954</u>	<u>22,885</u>

*The University has accounted for its investment in joint ventures at cost less impairment in accordance with FRS102.

**The joint venture has been accounted for in accordance with FRS102 at cost adjusted for the group's share of profits or losses, other comprehensive income and goodwill amortisation.

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Notes to the financial statements (continued)
For the year ended 30 September 2017

14. Financial and heritage assets – (Continued)

The University holds an interest in the following subsidiary, associate undertakings and joint ventures:

Subsidiary undertakings	Principal activity	Interest	Retained surplus at 30 September 2017
UCD Property Development Company Limited	Property development	100%	€ 81,774
UCD Nova Limited	Development of Nova Building	100%	€351,226
Foster Residences Limited	Accommodation rental	100%	€ 150
UCD Global Limited	Education	100%	€ 66,580
UCD Campus Sport and Leisure Limited	Leisure and Educational Facilities	100%	€921,302

All of the above listed subsidiary undertakings have their offices and place of business in Belfield, Dublin 4.

Subsidiary undertakings	Principal activity	Interest	Retained surplus/(deficit) at 30 September 2017
NUI Dublin PTE Limited	Education	100%	€ 77,020
IGU North America Limited	Education	100%	€ 50,082
Newman House Literary Centre Company	Education and tourism	100%	€(24,198)

NUI Dublin PTE Limited has its registered office and place of business in Singapore and IGU North America Limited has its registered office and place of business in New York. Newman House Literary Centre Company is a company limited by guarantee and has its registered office and place of business in Newman House, St. Stephen's Green, Dublin 2.

Joint Ventures	Principal activity	Interest	Place of business
Penang Medical College	Education	50%	Penang, Malaysia

Associated undertakings	Principal activity	Interest	Place of business
Molecular Medicine Ireland	Research	20%	Belfield, Dublin 4
National Institute of Bioprocessing Research and Training Limited	Research and training	25%	Belfield, Dublin 4
National Digital Research Centre	Research Centre	20%	Crane St. Dublin 8
Belfield Emergency Veterinary Hospital Limited	Veterinary Services	49%	Belfield, Dublin 4

The University holds minority shareholdings in a number of campus companies. The carrying value of such investments in the University financial statements are € Nil.

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Notes to the financial statements *(continued)* For the year ended 30 September 2017

14. Financial and heritage assets – *(Continued)*

(a) Heritage assets

As an educational institute since 1854 University College Dublin has acquired many assets of unqualified historic and cultural importance to the State. The UCD collections include Georgian houses complete with outstanding artistic stucco plasterwork; print material from the 1830's stored in specific library conditions and multiple examples of historic and contemporary artworks. UCD has a clear duty of care for these assets and aims to make them available for the enjoyment and education of the public as far as possible, commensurate with their long-term care and preservation. The highest possible standards of collection management are applied, and the assets are made available as widely as possible to facilitate all enquiries and requests for information, subject to appropriate security and data protection guidelines. For example, appointments can be made to view printed and archival library materials held under specialist conditions and guided tours are available in limited circumstances of heritage buildings such as Newman House.

Period Houses

The most significant element of these assets comprises the University's period houses which date from the 1730's onwards. UCD has acquired these houses over a significant period of time, and throughout various stages of development of the University. It is the policy of UCD to capitalise those heritage assets which constitute capital assets and are part of the working infrastructure of the university campus. As such, the period houses and subsequent refurbishments are included in the balance sheet. The University's buildings are stated at cost less accumulated depreciation. Freehold buildings are depreciated over their expected useful economic life to the University of 50 years.

Detailed refurbishment costs associated with many of the heritage buildings are included in UCD's balance sheet but separately identifying the original purchase costs has not been practicable due to the timeframes involved since acquisition.

As at 30 September 2017 costs associated with heritage buildings captured and capitalised on balance sheet since 1997 were €11.5 million (2016: €11.5million).

Artworks

Since 2006 UCD's policy has been to capitalise all artworks purchased for the benefit of the University. Invoices are coded to one specific account which is then reported under heritage assets in the balance sheet. As at 30 September 2017 the historic costs of artworks amounted to €1.8 million (2016: €1.7 million).

Other paintings and artefacts

Additional assets and collections belonging to the University have not been capitalised as these are, in effect, inalienable, held in perpetuity, and are most irreplaceable. They are neither disposed of for financial gain nor encumbered in any manner. A valuation from Adam's Auctioneers and Valuers in 2013 valued these assets along with the artworks, as noted above, purchased since 2006 at €5.3 million.

	Buildings €'000	Other paintings €'000	Art works €'000	Total €'000
Cost				
At 1 October 2016	11,523	-	1,701	13,224
Additions	-	-	69	69
At 30 September 2017	11,523	- *	1,770*	13,293

*Other paintings and artworks are valued as €5.324 million, as per a 2013 valuation provided by Adam's Valuers & Auctioneers. As previously stated, €3.984 million of this valuation is not capitalised on the statement of financial position.

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Notes to the financial statements (continued)
For the year ended 30 September 2017

14. Financial and heritage assets – (Continued)

Five year summary of heritage assets

	2013	2014	2015	2016	2017
	€'000	€'000	€'000	€'000	€'000
Cost					
At 1 October	12,721	12,863	13,054	13,135	13,224
Additions					
-Purchases	142	191	81	89	69
-Refurbishment	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Cost at 30 September	12,863	13,054	13,135	13,224	13,293
Valuation of other paintings and artefacts	2,724	3,984	3,984	3,984	3,984
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total at 30 September	15,587	17,038	17,119	17,208	17,277
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

(b) Joint venture undertakings

UCD holds a 50% interest in Penang Medical College, with the Royal College of Surgeons in Ireland holding the remaining 50% interest. The carrying value of this joint venture of €2.6 million is included on UCD's consolidated balance sheet and consists of the purchase cost incurred, UCD's share of the entity's profits and losses and a goodwill amortisation charge for the relevant periods.

Name	County of Incorporation	Details of investment	Proportion held	Principal activity
Penang Medical College	Malaysia	1,700,000 Ordinary shares	50%	Education
			2017	2016
			€'000	€'000
Share of net assets at fair value:				
At beginning of year			2,432	1,821
Share in Joint Venture profit in year (profit before tax €466,000 (2016: €570,000))			358	461
Movement on currency translation			(192)	150
			<hr/>	<hr/>
			2,598	2,432
			<hr/> <hr/>	<hr/> <hr/>

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Notes to the financial statements (continued)
For the year ended 30 September 2017

14. Financial and heritage assets – (Continued)

The group's share of the investment in net assets of this joint venture comprises:

	2017	2016
	€'000	€'000
Share of fixed assets	1,882	2,035
Share of current assets	2,280	2,043
Share of current liabilities	(914)	(966)
Share of non-current liabilities	(650)	(680)
Share of net assets at end of year	2,598	2,432
Goodwill		
At beginning of year	-	166
Amortisation in year	-	(166)
At end of year	-	-
Total investment in joint venture	2,598	2,432

15. Stocks	Consolidated		University	
	2017	2016	2017	2016
	€'000	€'000	€'000	€'000
Raw materials and consumables	1,448	1,460	1,448	1,460
Finished goods for resale	1,554	1,699	1,554	1,699
	3,002	3,159	3,002	3,159

There is no material difference between the carrying value of stock in the balance sheet and its replacement cost.

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Notes to the financial statements (continued)
For the year ended 30 September 2017

16. Debtors	Consolidated		University	
	2017 €'000	2016 €'000 (as restated)	2017 €'000	2016 €'000 (as restated)
Trade debtors	13,659	11,456	11,397	9,594
Research grants and contracts receivable	13,501	14,028*	13,501	14,028*
State grant receivable	8,712	14,113	8,712	14,113
Other capital funding receivable	2,705	3,307	2,705	3,307
Academic fees receivable	10,214	9,326	10,214	9,326
Prepayments	330	212	219	138
Amounts due from subsidiary undertakings	-	-	3,091	3,752
Other debtors	20,297	23,152	20,250	22,889
	69,418	75,594	70,089	77,147

* As set out in note 30, Research grants and contracts receivable has been restated by reducing the balance by €1 million.

17. Cash at bank and in hand	Consolidated		University	
	2017 €'000	2016 €'000	2017 €'000	2016 €'000
Cash at bank including balances held on short term deposit	133,821	137,970	129,201	135,304
	133,821	137,970	129,201	135,304

The University has provided an irrevocable standby letter of credit in favour of the U.S. Department of Education in compliance with the rules and regulations of the Federal Student Aid programme. The University has secured the letter of credit facility with a first legal charge over deposits in the amount of \$1,038,881 held in the name of the University with the Bank of Ireland.

18. Creditors: amounts falling due within one year	Consolidated		University	
	2017 €'000	2016 €'000 (as restated)	2017 €'000	2016 €'000 (as restated)
Trade creditors	639	846	614	794
Research grants and contracts in advance	37,020	37,036*	37,020	37,036*
Academic fees received in advance	57,402	55,428	57,402	55,428
State grant received in advance	3,636	4,156	3,636	4,156
Other capital funding received in advance	21,267	13,240	21,267	13,240
Accruals	19,152	17,156	17,251	16,979
Bank overdrafts (note 20)	589	536	589	536
Bank loans (note 20)	4,686	6,331	4,686	6,331
Amounts owed to subsidiary undertakings	-	-	2,463	4,161
Other tax and social security	8,644	7,802	8,492	7,756
Other creditors	13,926	23,157	13,791	23,157
Other lease obligations	-	21,965	-	21,965
Other amounts received in advance	25,150	27,185	22,358	19,141
Deferred income from Trust Funds	11,302	11,827	11,302	11,827
Deferred capital grants (note 21)	10,019	10,287	10,011	10,279
	213,432	236,952	210,882	232,786

* As set out in note 30, Research grants and contracts in advance has been restated by reducing the balance by €9.6 million.

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19. Creditors: amounts falling due after more than one year	Consolidated		University	
	2017 €'000	2016 €'000	2017 €'000	2016 €'000
Bank loans (note 20)	61,874	67,069	61,874	67,069
Deferred capital grants (note 21)	248,942	257,391	248,926	257,367
	<u>310,816</u>	<u>324,460</u>	<u>310,800</u>	<u>324,436</u>

20. Borrowings	Consolidated		University	
	2017 €'000	2016 €'000	2017 €'000	2016 €'000
Bank loans and overdrafts				
Bank loans and overdrafts are repayable as follows:				
In one year or less - Bank overdraft	589	536	589	536
- Bank loans	<u>4,686</u>	<u>6,331</u>	<u>4,686</u>	<u>6,331</u>
	<u>5,275</u>	<u>6,867</u>	<u>5,275</u>	<u>6,867</u>
Amounts falling due after more than one year:				
Between one and two years – bank loans	4,500	5,018	4,500	5,018
Between two and five years – bank loans	13,500	13,676	13,500	13,676
In five years or more – bank loans	<u>43,874</u>	<u>48,375</u>	<u>43,874</u>	<u>48,375</u>
	<u>61,874</u>	<u>67,069</u>	<u>61,874</u>	<u>67,069</u>
Total	<u>67,149</u>	<u>73,936</u>	<u>67,149</u>	<u>73,936</u>

The European Investment Bank (EIB) has provided part of the funding necessary for the University's capital expenditure programme. This funding is secured against two of UCD's student residences, Merville Student Residences and Belgrove Student residences, together with the UCD Sport and Leisure buildings. Security over certain bank accounts attaching to these properties were also granted in favour of the bank. The facility is repayable over a maximum of 20 years (2032) and currently incurs interest at Euribor plus a margin.

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Notes to the financial statements (continued)
For the year ended 30 September 2017

21. Deferred capital grants	Consolidated €'000	University €'000
At 1 October 2016		
Buildings	254,016	254,016
Equipment	13,662	13,630
Total	267,678	267,646
Cash receivable in year		
Buildings	187	187
Equipment	1,115	1,115
Total	1,302	1,302
Amortised to income and expenditure in year		
Buildings	6,214	6,214
Equipment	3,805	3,797
Total	10,019	10,011
At 30 September 2017		
Buildings	247,989	247,989
Equipment	10,972	10,948
Total	258,961	258,937

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Notes to the financial statements (continued)
For the year ended 30 September 2017

21. Deferred capital grants (continued) In respect of prior year	Consolidated €'000	University €'000
At 1 October 2015		
Buildings	255,686	255,686
Equipment	12,818	12,818
Total	268,504	268,504
Cash receivable in year		
Buildings	4,541	4,541
Equipment	4,920	4,880
Total	9,461	9,421
Amortised to income and expenditure in year		
Buildings	6,211	6,211
Equipment	4,076	4,068
Total	10,287	10,279
At 30 September 2016		
Buildings	254,016	254,016
Equipment	13,662	13,630
Total	267,678	267,646
The deferred capital grants can be analysed as follows:		
	2017	2016
	€'000	€'000
Consolidated		
Creditors falling due within one year	10,019	10,287
Creditors falling due after one year	248,942	257,391
At 30 September	258,961	267,678
	2017	2016
	€'000	€'000
University		
Creditors falling due within one year	10,011	10,279
Creditors falling due after one year	248,926	257,367
At 30 September	258,937	267,646

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For the year ended 30 September 2017

21. Deferred capital grants (continued)

In addition, amounts received in advance and not yet spent are included in creditors (note 18). These balances represent monies received in advance of the commencement of construction works and have not been amortised. Amounts received in advance, not amortised at 30 September 2017, are as follows:

	State €'000	Other grants & Benefactors €'000	Total €'000
Buildings	714	21,267	21,981
	<u>714</u>	<u>21,267</u>	<u>21,981</u>

22. Provisions for liabilities

	2017 €'000	2016 €'000
Consolidated and University		
At 1 October 2016	3,739	4,722
Released during year	(3)	(983)
At 30 September 2017	<u>3,736</u>	<u>3,739</u>

The provision of €3.7 million at 30 September 2017 relates to amounts owed by the University in respect of pension contributions associated with employees on fixed term contracts where the University has received funding for these additional pension costs from external funding sources.

	Consolidated		University	
	2017 €'000	2016 €'000	2017 €'000	2016 €'000
23. Capital commitments				
Contracted for but not provided	8,316	22,731	8,316	22,753
Authorised but not contracted	33,335	33,033	33,335	33,011
	<u>41,651</u>	<u>55,764</u>	<u>41,651</u>	<u>55,764</u>

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Notes to the financial statements (continued)
For the year ended 30 September 2017

24. Financial instruments

The carrying values of the Group's and University's financial assets and liabilities are summarised by category below:

	Consolidated		University	
	2017	2016	2017	2016
	€'000	€'000	€'000	€'000
		<i>(as restated)</i>		<i>(as restated)</i>
Financial assets				
<i>Measured at fair value through profit and loss</i>				
- Investments in listed equity instruments	-	-	-	-
<i>Measured at amortised cost</i>				
- Trade and other debtors	69,418	75,594*	66,998	73,395*
- Amounts due from subsidiary undertakings	-	-	3,091	3,752
<i>Equity instruments measured at cost less impairment</i>				
- Current asset unlisted investments	2,651	2,485	2,661	2,661
Financial liabilities				
<i>Measured at amortised cost</i>				
Loans payable	66,560	73,400	66,560	73,400
Obligations under finance leases	-	21,965	-	21,965
<i>Measured at undiscounted amount payable</i>				
Bank overdraft	589	536	589	536
Trade and other creditors	208,157	208,120 **	203,144	199,793**
Amounts owed to subsidiary companies	-	-	2,463	4,161

* As set out in note 30 and disclosed in note 16, Research grants and contracts receivable have been restated thereby reducing Trade and other debtors by €1 million.

** As set out in note 30 and disclosed in note 18, Research grants and contracts in advance have been restated thereby reducing Trade and other creditors by €9.6 million.

The Group's income, expense, gains and losses in respect of financial instruments are summarised below:

	2017	2016
	€'000	€'000
<i>Interest income and expense</i>		
Total interest income for financial assets at amortised cost	-	24
Total interest expense for financial liabilities at amortised cost	1,626	2,091

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Notes to the financial statements (continued)
For the year ended 30 September 2017

25. Analysis of changes in net funds	At 1 October	Cashflows	At 30 September
	2016		2017
	€'000	€'000	€'000
Cash at bank	137,970	(4,149)	133,821
Bank overdrafts	(536)	(53)	(589)
	<u>137,434</u>	<u>(4,202)</u>	<u>133,232</u>
Bank debt due within 1 year	(6,331)	1,645	(4,686)
Bank debt due after 1 year	(67,069)	5,195	(61,874)
Lease liabilities due within 1 year	(21,965)	21,965	-
Net Funds	<u>42,069</u>	<u>24,603</u>	<u>66,672</u>

26. Related parties

Transactions with subsidiaries of the University have been eliminated on consolidation and no disclosure of these transactions has therefore been given.

UCD has identified the parties outlined below as related parties under the definition in Section 33 of FRS 102, by virtue of UCD employees being representatives on the governing boards of these entities.

The following entities are considered to be related parties:

Molecular Medicine Ireland (MMI) (formerly DMMC)

There were no related party transactions between the University and MMI during the year. At 30 September 2017, there were no amounts due to the University from MMI and there were no amounts payable (2016: €90,000) to MMI by the University.

Belfield Emergency Veterinary Hospital Ltd (BEVH)

During the period, total sales of €26,668 were made by the University to Belfield Emergency Veterinary Hospital Ltd (BEVH). At 30 September 2017, €16,982 (2016: € nil) was due to the University from BEVH.

National Institute for Bioprocessing Research and Training (NIBRT)

During the period, sales of €487 (2016: €962) were made by the University to NIBRT. At 30 September 2017, €325 (2016: €460) was due to the University from NIBRT.

National Digital Research Centre (NDRC)

There were no related party transactions between the University and NDRC during the year. At 30 September 2017, there were no amounts payable (2016: €5,111) by the University to the NDRC.

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Notes to the financial statements (*continued*) For the year ended 30 September 2017

27. Contingent liabilities

The University is involved in a number of legal actions arising in the ordinary course of business. No material adverse impact on the financial position of the University is expected to arise from the ultimate resolution of these actions.

28. Retirement benefits

Background

The University operates two defined benefit pension schemes, the University College Dublin, National University of Ireland, Dublin (Closed) Pension Scheme 2010, formerly the UCD 1995 Contributory Pension Scheme and Pay-as-you-go UCD Model Pension Scheme (February 2005). The Single Public Service Pension Scheme is also in operation and applies to new public service entrants from 1 January 2013 (see below for further information).

The University's 1995 scheme was a separately administered defined pension scheme which was established under Statute XCVI and amended by Statute 4, and was administered as a Exempt Approved Scheme in the terms of Chapter II of Part I of the Finance Act 1972.

Ongoing discussions over a number of years between the University sector, the HEA and the government in relation to a long term permanent revision to the pension arrangements in the sector concluded in 2009 with significant legislative changes being introduced in the form of the Financial Measures (Miscellaneous Provisions) Act, 2009. This act came into force on 26 June 2009 and covers only the UCD 1995 Contributory Pension Scheme (and not other defined benefit related obligations that the University has). It makes legal provision for the State to underwrite the net pension liability of the University's Pension Scheme and enabled the scheme's assets to be transferred to the State (National Pension Reserve Fund). It also includes provision for the continued payment of benefits formerly payable by the UCD 1995 Contributory Pension Scheme. Following the passing of a Transfer Order, Statute 123/2010, on 31 March 2010, the scheme's assets were transferred to the State.

The Transfer Order for the UCD 1995 Contributory Scheme was executed on the 31 March 2010, and as provided for in the enabling legislation:

- The pension assets were transferred to the National Pension Reserve Fund on that date;
- The pension scheme ceased to exist and was replaced by the University College Dublin, National University of Ireland, Dublin (Closed) Pension Scheme 2010;
- The University and each member continues to contribute at the same rate as previously, and these contributions are made for the benefit of the exchequer;
- The obligations to pay benefits in accordance with the pension scheme rules remains an obligation of the University in relation to the scheme; and
- If the aggregate of the members and employer's contributions paid or withheld are insufficient to meet the University's obligations to pay these benefits in accordance with the scheme, the Minister for Finance shall make good the deficiency by payments to the University from funds provided by the Oireachtas for this purpose. Hence the payments of pension obligations of the UCD 1995 Contributory Pension Scheme are guaranteed by the State and they will be paid on a pay-as-you-go-basis.

Further to the above, the Governing Authority is of the opinion that the discussions between the sector, the HEA and the government in advance of the enabling legislation being introduced represented assurances that the State would guarantee all pension liabilities of the University (those liabilities associated with the former UCD 1995 Contributory Pension Scheme and other defined benefit pension arrangements that the University has in place), and accordingly the University has booked a pension receivable in the financial statements for the year ended 30 September 2017, and years prior to that, matching the pension liability reported.

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Notes to the financial statements (continued)
For the year ended 30 September 2017

28. Retirement benefits – (continued)

Although the legislation relates specifically to the UCD 1995 Contributory Pension Scheme, the University has been advised by the Department of Finance and the HEA that the State would be meeting all future pension liabilities of all defined benefit schemes and arrangement on a pay-as-you-go basis for all categories of staff. Accordingly, the University has recognised a matching pension receivable referred to above in the balance sheet at an amount equivalent to the full pension liability associated with all its discussions with the Department of Finance and the HEA in relation to formalising guarantee arrangements associated with its remaining defined benefit pension arrangements.

The University’s other defined benefit pension arrangements comprise the obligations associated with pension supplementation and obligations arising from the pay-as-you-go UCD Model Pension Scheme. The liability associated with these pension benefits and calculated on the basis of the requirements of FRS102 is estimated by the University to be €604 million (2016: €614 million).

The UCD Model Pension Scheme was set up in the 2005, following approval from the Department of Finance and the Department of Education and Skills. Although the scheme operates under an agreed set of rules, its establishment was never formalised under statute or under the terms of a Trust Deed, however the University is obliged by the HEA to provide pension benefits under the rules of the scheme to new staff appointed from 1 January 2005. This scheme is an unfunded deficit pension arrangement which operates on a pay-as-you-go basis from the University’s core funding.

Single Public Service Pension Scheme

The Single Public Service Pension Scheme (“SPSPS”) is effective for new public sector entrants from 1 January 2013. The University is responsible for the collection of pension contributions and the remittance of these to the Exchequer for those employees who are members of the scheme. This scheme falls to be accounted for as a defined-benefit scheme as the legislation places the liability to pay the pension benefits with the employer. The legislation also notes that the funds required under this scheme to service the pension accrual will be provided to the employer by the Government and accordingly a pension asset receivable has been recorded by the University to match the pension liability arising under this scheme.

Retirement benefit scheme valuation – UCD Dublin (Closed) Pension Scheme 2010, UCD Model Pension Scheme and Single Public Service Pension Scheme

As noted above, the University operates two pension schemes providing benefits based on final pensionable pay and also the Single Public Services Pension Scheme. The schemes valuations were prepared by a qualified independent actuary in order to assess the liabilities as at 30 September 2017 for all the schemes, details of which are provided below.

The University has reported a net pension liability at 30 September 2017 and 2016 as follows:

	2017 €'000	2016 €'000
Present value of the schemes liabilities	(1,966,431)	(2,194,846)
Total market value of assets	-	-
Pension liability	(1,966,431)	(2,194,846)

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Notes to the financial statements (continued)
For the year ended 30 September 2017

28. Retirement benefits – (continued)

The pension receivable and net deficit at 30 September 2017 and 2016 is as follows:

	2017 €'000	2016 €'000
Pension receivable	(1,966,431)	(2,194,846)
Net pension deficit	<u>-</u>	<u>-</u>

Movement in present value of defined benefit obligation

	2017 €'000	2016 €'000
At 1 October	2,194,846	1,814,347
Current service cost	69,819	54,942
Interest cost	32,586	46,595
Plan members – contributions	9,730	8,912
Actuarial (gain)/loss	(295,593)	314,549
Benefits paid	(44,957)	(44,499)
At 30 September	<u>1,966,431</u>	<u>2,194,846</u>

The total gain recognised in the consolidated statement of comprehensive income in respect of actuarial gains and losses is €295.6 million (2016: loss €314.5 million). This has been offset by a movement in the matching pension scheme asset.

The Scheme assets were transferred to the National Pension Reserve Fund on 31 March 2010. However, under FRS102, UCD recognises its right to reimbursement from the State and thus has recognised a return on plan's assets and interest income. These are shown in the analysis of movement in the pension receivable during the year noted below.

Analysis of movement in pension receivable during the year

	2017 €'000	2016 €'000
Pension receivable at beginning of year	2,194,846	1,814,347
Return on plan's assets	(251,299)	341,038
Interest income	32,848	47,074
Employer contributions	25,263	27,974
Plan members contributions	9,730	8,912
Benefits paid	(44,957)	(44,499)
Pension receivable at end of year	<u>1,966,431</u>	<u>2,194,846</u>

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Notes to the financial statements (continued)
For the year ended 30 September 2017

28. Retirement benefits – (continued)

Classification of income and expenditure pension presentation

The University discloses the finance expense and additional service cost as line items in the consolidated statement of comprehensive income within the expenditure caption, with the matching funding presented within the income caption.

	2017	2016
	€'000	€'000
Current service cost	69,819	54,942
Less: employer contributions	(25,263)	(27,974)
	<hr/>	<hr/>
Incremental pension cost underwritten by the State	44,556	26,968
	<hr/>	<hr/>
Interest cost	32,586	46,595
Less: Interest income	(32,848)	(47,074)
	<hr/>	<hr/>
Pension interest cost (income) underwritten by the State	(262)	(479)
	<hr/>	<hr/>
Deferred funding for pensions	44,294	26,489
	<hr/>	<hr/>

The principal actuarial assumptions at the year end were as follows:

	2017	2016
	%	%
Discount rate	2.20	1.50
Rate of compensation increase	3.25	3.00
Pension increases	2.25	2.00
Inflation	1.75	1.50
Expected return on plan assets	-	-

In valuing the liabilities of the pension fund at 30 September 2017, mortality assumptions have been made as indicated below.

The main demographic assumption impacting on the scheme liabilities and resulting accounting disclosures is the mortality assumption applied.

The number of members in the plan and the number of deaths have been too small to analyse and generate any meaningful scheme specific estimates of future levels of mortality. Accordingly, standard tables have been used.

The best current estimate assumption for mortality is 100% of S2PMA (men)/S2PFA (women) CMI 2013 (1.5%). In valuing the liabilities, a proxy to this standard table has been used as follows:

80% of S2PMA for males and 75% of S2PFA for females, and mortality improvements for each year between 2007 and the year in which normal pension date (year of valuation for pensioners) falls as follows:

- 0.75% per annum (male with no spouse's pension)
- 0.60% per annum (female with no spouse's pension)
- 0.60% per annum (male or female with spouse's pension)

All other demographic assumptions are unchanged from last year's accounting disclosures.

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Notes to the financial statements (continued)
For the year ended 30 September 2017

28. Retirement benefits – (continued)

History of plan

The history of the plan for the current and prior years is as follows:

	2017	2016	2015	2014	2013
	€'000	€'000	€'000	€'000	€'000
Defined benefit obligation	(1,966,431)	(2,194,846)	(1,814,347)	(1,823,687)	(1,499,599)
Fair value of plan assets	-	-	-	-	-
Deficit	<u>(1,966,431)</u>	<u>(2,194,846)</u>	<u>(1,814,347)</u>	<u>(1,823,687)</u>	<u>(1,499,599)</u>

Difference between expected and actual return on plan assets

	2017	2016	2015	2014	2013
	€'000	€'000	€'000	€'000	€'000
Amount	-	-	-	-	-
% of plan assets	N/A*	N/A*	N/A*	N/A*	N/A*

*Scheme assets were transferred to the National Pension Reserve Fund at 31 March 2010.

Experience (gains)/losses on plan liabilities:

	2017	2016	2015	2014	2013
	€'000	€'000	€'000	€'000	€'000
Amount	(106,674)	(43,864)	(30,642)	(36,466)	(119,665)
% of plan liabilities	5%	2%	2%	2%	8%

Losses/(gains) resulting from changes in actuarial assumptions:

	2017	2016	2015	2014	2013
	€'000	€'000	€'000	€'000	€'000
Amount	(188,919)	358,413	(52,849)	293,261	65,847
% of plan liabilities	10%	16%	3%	16%	4%

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For the year ended 30 September 2017

29. Post balance sheet events

There were no significant events since the balance sheet date which could have implications for these financial statements.

30. Restatement of research balances in prior years

Research projects are funded both by external and internal sources. Various schools and colleges within the University will fund particular relevant worthwhile studies. Any internal transfers that are booked into a research account are reversed for generally accepted accounting principles out of operational costs and excluded from research income to reflect only valid costs to and income from, third parties.

An issue was identified during the year whereby internal funds that were transferred to research accounts had not been spent. The unused portion of this internal transfer remains as a research amount received in advance and also results in research income being understated.

The internal research balances identified are as follows:

	2017	2016
	€'000	€'000
Credit balances	(10,132)	(9,607)
Debit balances	785	1,017
	<hr/>	<hr/>
Net balances	(9,347)	(8,590)

The 2016 financial statements have been impacted as follows:

	Reported previously in 2016 financial statements	Adjustment to previous reported figures	Reported as per current comparatives
	€'000	€'000	€'000
Research grants and contracts receivable	15,045	(1,017)	14,028
Research grants and contracts in advance	46,643	(9,607)	37,036
Research grants and contracts income	81,303	356	81,659
Revenue reserves as at 30 September 2016	400,929	8,590	409,519
Revenue reserves as at 1 October 2015	380,013	8,234	388,247
Surplus for the year	20,916	356	21,272
Cash flow from operating activity:			
- Surplus for the year	20,916	356	21,272
- Increase in debtors	(4,990)	616	(4,374)
- Increase in creditors	4,724	(972)	3,752

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Notes to the financial statements (continued)
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31. Grants from Exchequer Funds

All amounts noted are in respect of the group.

(a) Fee Income and Recurrent Grants (accruals basis) for period 1 October 2016 to 30 September 2017:

Funding Agency	HEA €'000	HSE €'000	Total €'000
Academic fee income received (excluding student contribution)	43,821	3,320	47,141
State grants:			
-Recurrent grant received	51,145	-	51,145
-Recurrent minor works received	146	-	146
-Supplementary grant received	7,844	2,893	10,737
Total	<u>102,956</u>	<u>6,213</u>	<u>109,169</u>

(b) Capital Grants (accrual basis) for period 1 October 2016 to 30 September 2017:

Funding Agency	HEA €'000
Amount of grant recognised as income in period	7,514
Cash received in period	5,036
Grant amount deferred at period end	254,820
Grant amount due at period end	7,555
	<u> </u>

**University College Dublin
National University of Ireland, Dublin**

Notes to the financial statements (continued)
For the year ended 30 September 2017

31. Grants from Exchequer Funds (continued)

(c) Exchequer and Non Exchequer Funded Research (cash receipts basis):

Analysis of Cash Receipts

	Total	Exchequer	Non Exchequer
	€'000	€'000	€'000
Funding Agency			
Science Foundation Ireland	25,454	25,454	
European Commission	19,318		19,318
State Non-commercial	9,245	9,245	
Other State agencies	5,921	5,921	
Irish Foundations	4,101		4,101
Enterprise Ireland	7,667	7,667	
Health Research Board	4,323	4,323	
Foreign foundations	3,317		3,317
Teagasc	2,458	2,458	
Foreign Business	2,496		2,496
Irish Business	3,850		3,850
Wellcome Trust	1,220		1,220
TOTAL	89,370	55,068	34,302

Note

Research income in the consolidated statement of comprehensive income is calculated on a full accruals basis.

Cash receipts include amounts received in respect of the funding of overhead cost (indirect cost), some of which may be deferred (along with other cash receipts during the year) and taken to income at a future date. These are included in research grants and contracts in advance in note 18 to the financial statements.

32. Approval of financial statements

The financial statements were approved by the Governing Authority on 19 June 2018.

**University College Dublin
National University of Ireland,
Dublin**

**Additional information not forming part
of the consolidated financial statements**

Year ended 30 September 2017

University College Dublin

National University of Ireland, Dublin

Additional information not forming part of the consolidated financial statements

1 Deferred income

	2017 €'000	2016 €'000
State recurrent grant:		
Received in respect of current year	60,248	61,698
Deferred in prior accounting year	3,545	3,799
Deferred to subsequent accounting years	(1,765)	(3,545)
	<hr/>	<hr/>
State recurrent grant per financial statements (Note 3)	<u>62,028</u>	<u>61,952</u>

State funding is received on a calendar year basis. The University financial year is based on the academic year from October to September. In accordance with the University's accounting policies, recurrent grants have been recognised on an accruals basis. In any accounting year, therefore, an element of funding will be deferred to subsequent accounting periods in order to match the funding to the related expenditure.

**University College Dublin
National University of Ireland, Dublin**

HEA Funding Statement and Reconciliation

(not forming part of the financial statements)

Year ended 30 September 2017

University College Dublin
National University of Ireland, Dublin

Funding Statement

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Notes to the funding statement	67 - 76

University College Dublin

National University of Ireland, Dublin

Funding Statement

Statement of accounting policies

Scope of funding statement

The funding statement reflects the teaching, research and related service activities of the University. The net results of ancillary services (as defined below) are included in the Revenue account and shown as a movement on the General reserve, reflecting the most recent “Harmonisation of Accounts” agreement as adopted by all Irish universities. The financial statements of the University’s Trust Funds, Foundations and of financially independent ancillary activities (incorporated subsidiary undertakings) are prepared and audited separately.

Accounting convention

The funding statements are prepared under the historical cost convention. They are presented in accordance with the existing Harmonisation of Accounts Agreement as adopted for all Irish universities, except for capital grants, which are recognised on an accruals basis rather than on a cash receipts basis.

Ancillary services

The ancillary services are activities which do not received direct HEA funding. Such activities support core services on a cost recovery basis or are operated on a commercial basis. The net results for such activities are shown in the Revenue account with a matching amount shown in debtors and creditors.

State grants for recurrent expenditure

The recurrent grant has been recognised on an accruals basis. The recurrent grant, which has been used for the purchase of fixed assets, is transferred to the General reserve.

State grants for capital expenditure

State grants approved by the HEA for capital expenditure are included in the funding statement in the period on an accruals basis.

Approved allocations and departmental funds

The revenue account is charged with approved allocations within particular headings. The amounts unspent at the year end are recorded as departmental funds within creditors. Departmental fund debit balances are recorded within debtors.

General reserve

The General reserve represents the value of funding, after amortisation, applied for capital purposes together with the results from 1 October 1996 on ancillary services.

Amortisation of capital funding and reserves

Capital funding and reserves included in the general reserve are amortised at the same level as the related fixed assets are depreciated.

University College Dublin National University of Ireland, Dublin

Funding Statement

Statement of accounting policies *(continued)*

Fee income

Fee income is accounted for on an accruals basis.

Stocks

Expenditure on books and consumables stocks financed by recurrent grants are charged in full to the Revenue account as incurred. Farm, horticulture and restaurant stocks are shown in the balance sheet and are valued as follows;

Livestock - Cattle	Market value less 40%
- Other	Market value less 25%
Farm and horticultural stock	Lower of cost or market value
Restaurant stock	Lower of cost or market value

Investments

Quoted and unquoted investments are shown in the balance sheet using the following valuation basis: lower of cost and net realisable value.

Foreign currency

Income and expenditure denominated in foreign currencies are translated at the exchange rates ruling at the dates of the transactions. Assets and liabilities denominated in foreign currencies are translated into Euro at the rate of exchange ruling at the balance sheet date. The resulting profits or losses are dealt with in the revenue account.

Fixed assets and depreciation

All fixed assets are stated at cost and depreciation is charged on all fixed assets excluding land. The estimated useful lives of fixed assets by reference to which depreciation has been calculated on a straight-line basis are as follows:

Buildings	50 years
Minor works	10 years
Equipment	5 years
Computer equipment	3 years
Leased assets	20 years or primary lease period, if shorter

University College Dublin National University of Ireland, Dublin

Funding Statement

Statement of accounting policies *(continued)*

Research grants

Income from contract research grants is included in the revenue account to the extent that the related expenditure has been incurred in the period. Expenditure is shown net of the contribution to indirect costs which is included in other income.

From 1 October 1997 fixed assets financed from research grants are capitalised in the balance sheet.

Finance leases

Assets held under finance leases are capitalised in the balance sheet and depreciated over the life of the primary lease. Finance lease payments are met from recurrent income.

Pensions

The basic retirement benefits of staff are funded by contributions from the University to the Pension Fund at a pre-determined rate of pensionable pay and are included under the various salary and wage headings of the revenue account.

Increases to the initial pension of staff are charged as pension supplementation in the revenue account as incurred.

Taxation

No provision has been made for taxation as the University holds tax-exempt status.

Restricted reserves

Restricted reserves comprise the unused portion of funds made available to the University for specified purposes.

University residences

University residences and the related financing are accounted for in accordance with the legal form rather than the commercial substance of these transactions.

University College Dublin
National University of Ireland, Dublin

Funding Statement

Revenue account

Year ended 30 September 2017

	Notes	2017 €'000	2016 €'000
Income			
State grants	1	62,028	61,952
Academic fees	2	214,981	205,348
Other income	3	19,364	22,049
		<hr/>	<hr/>
		296,373	289,349
Contract research	4	71,510	70,126
		<hr/>	<hr/>
Total income		367,883	359,475
		<hr/>	<hr/>
Expenditure			
Academic faculties and departments	5	187,662	178,617
Academic and other services	6	18,596	18,404
Premises	7	23,921	22,477
Amount allocated for capital purposes	8	2,962	3,997
Central administration and services	9	36,922	38,659
General educational expenditure	10	12,176	12,788
Student services	11	5,546	5,094
Pension supplementation		6,913	7,234
Term loan interest		1,161	1,529
		<hr/>	<hr/>
		295,859	288,799
Contract research	4	71,510	70,126
		<hr/>	<hr/>
Total expenditure	12	367,369	358,925
		<hr/>	<hr/>

University College Dublin
National University of Ireland, Dublin

Funding Statement

Revenue account (*continued*)
Year ended 30 September 2017

	Notes	2017 €'000	2016 €'000
Surplus for year before amortisation of capital reserves and grants, ancillary services and depreciation of fixed assets (after transfer to strategic initiative)		514	550
(Deficit)/surplus on ancillary services	13	(2,919)	2,765
Depreciation of fixed assets	15	(25,879)	(27,709)
General reserve movement	14	28,798	24,944
Net surplus for the year		514	550
Revenue reserves at start of year	20	1,346	796
Revenue reserves at end of year	20	1,860	1,346

The statement of accounting policies on pages 60 to 62 and the cash flow statement and notes from page 66 to page 76 form part of the Funding Statement.



Andrew Deeks

President



David Kelly

Vice-President for Finance

19/06/2018

University College Dublin
National University of Ireland, Dublin

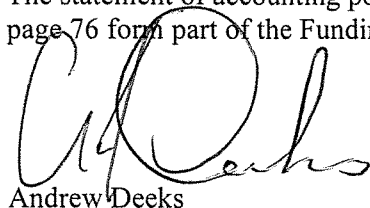
Funding Statement

Balance sheet

As at 30 September 2017

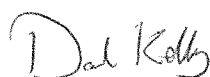
	Notes	2017 €'000	2016 €'000
Fixed assets	15	762,893	754,905
Investments		<u>8,823</u>	<u>8,787</u>
Current assets			
Bank balances and cash		124,661	127,397
Debtors and prepayments	16	111,510	108,391
Stocks	17	504	450
		<u>236,675</u>	<u>236,238</u>
Current liabilities			
Creditors and accrued expenditure	18	<u>(284,210)</u>	<u>(267,163)</u>
Net current liabilities		<u>(47,535)</u>	<u>(30,925)</u>
Total assets less net current liabilities		<u>724,181</u>	<u>732,767</u>
Long term liabilities			
Long term loans		<u>(61,874)</u>	<u>(67,069)</u>
		<u>662,307</u>	<u>665,698</u>
Represented by:			
General reserve	19	660,447	664,352
Revenue reserve	20	1,860	1,346
		<u>662,307</u>	<u>665,698</u>

The statement of accounting policies, on pages 60 to 62 and the cash flow statement and notes from page 66 to page 76 form part of the Funding Statement.



Andrew Deeks

President



David Kelly

Vice-President for Finance

19/06/2018

University College Dublin
National University of Ireland, Dublin

Funding Statement

Cash flow statement

Year ended 30 September 2017

	Notes	2017 €'000	2016 €'000
Net cash inflow from operating activities	21	19,779	3,511
Returns on investments and services of finance			
Interest received		532	601
Interest paid		(1,161)	(1,529)
Capital expenditure			
Payments to acquire tangible fixed assets		(33,867)	(28,319)
Payments to acquire investments		(36)	1,183
Net cash outflow before financing		<u>(14,753)</u>	<u>(24,553)</u>
Financing			
HEA capital grants		(938)	1,439
Non HEA capital funding		10,603	26,392
Recurrent funding transfer		9,193	7,909
Decrease in term loans		<u>(6,841)</u>	<u>(6,951)</u>
Net cash inflow from financing		<u>12,017</u>	<u>28,789</u>
Net cash (outflow)/inflow after financing		<u>(2,736)</u>	<u>4,236</u>
(Decrease)/increase in cash and cash equivalents	22	<u>(2,736)</u>	<u>4,236</u>

The notes on pages 67 to 76 form part of the Funding Statement.

University College Dublin
National University of Ireland, Dublin

Funding Statement

Notes

1 State grants	2017	2016
	€'000	€'000
Recurrent grant	61,882	61,806
Minor works grant	146	146
	<hr/>	<hr/>
Total	62,028	61,952
	<hr/>	<hr/>
2 Academic fees	2017	2016
	€'000	€'000
Academic fees	214,964	205,308
Miscellaneous fee income	17	40
	<hr/>	<hr/>
Total	214,981	205,348
	<hr/>	<hr/>
A total of €43.821m (2016: €43.41m) included in academic fee income was paid directly by the Higher Education Authority.		
3 Other income	2017	2016
	€'000	€'000
Interest receivable (net)	532	601
Funded posts	6,263	8,201
Rent, concessions and other charges	3,842	4,467
Contribution from subsidiary companies	-	88
Contract research contribution	8,727	8,692
	<hr/>	<hr/>
Total	19,364	22,049
	<hr/>	<hr/>

University College Dublin
National University of Ireland, Dublin

Funding Statement

Notes (continued)

4 Contract research

	2017	2016
	€'000	€'000
Research grants income	71,510	70,126
Research grant expenditure	(71,510)	(70,126)
Deficit	<u>-</u>	<u>-</u>

Income from contract research grants is included in the Revenue Account to the extent that the related expenditure has been incurred in the period.

Expenditure is shown net of University contribution. Contract research contribution to the University's indirect costs are included in other income.

5 Academic faculties and departments

	2017	2017	2017	2016
	Staff Costs	Non Pay	Total	Total
	€'000	€'000	€'000	€'000
Academic staff	127,417	-	127,417	120,142
Technical staff	9,042	-	9,042	9,178
Administration support staff	33,476	-	33,476	33,812
Departmental materials, equipment and travel	-	17,727	17,727	15,485
Total	<u>169,935</u>	<u>17,727</u>	<u>187,662</u>	<u>178,617</u>

University College Dublin
National University of Ireland, Dublin

Funding Statement

Notes *(continued)*

6 Academic and other services

	2017 Staff Costs €'000	2017 Non Pay €'000	2017 Total €'000	2016 Total €'000
Computer services incl. Audio Visual	5,788	3,098	8,886	8,576
Library	4,871	3,344	8,215	8,185
Electron microscopy unit	234	(7)	227	193
Biomedical facility	556	(97)	459	525
Archives	213	18	231	198
Lyons Estate field station	807	(229)	578	727
Total	<u>12,469</u>	<u>6,127</u>	<u>18,596</u>	<u>18,404</u>

7 Premises

	2017 Staff Costs €'000	2017 Non Pay €'000	2017 Total €'000	2016 Total €'000
Premises maintenance	2,240	7,174	9,414	9,478
General services	1,479	5,965	7,444	7,217
Devolved grant and minor works	-	146	146	146
Insurance	-	1,036	1,036	952
Energy costs	-	5,881	5,881	4,684
Total	<u>3,719</u>	<u>20,202</u>	<u>23,921</u>	<u>22,477</u>

8 Amount allocated for capital purposes

	2017 Staff Costs €'000	2017 Non Pay €'000	2017 Total €'000	2016 Total €'000
Capital projects	-	2,022	2,022	2,709
Equipment	-	940	940	1,288
Total	<u>-</u>	<u>2,962</u>	<u>2,962</u>	<u>3,997</u>

University College Dublin
National University of Ireland, Dublin

Funding Statement

Notes *(continued)*

9 Central administration and services

	2017 Staff Costs €'000	2017 Non Pay €'000	2017 Total €'000	2016 Total €'000
Administration staff	23,950	-	23,950	22,367
Expenses	-	10,769	10,769	13,169
Professional charges	-	1,340	1,340	2,298
Miscellaneous	827	36	863	825
Total	24,777	12,145	36,922	38,659

10 General educational expenditure

	2017 Staff Costs €'000	2017 Non Pay €'000	2017 Total €'000	2016 Total €'000
Examination expenses	2,056	829	2,885	3,014
Scholarships/prizes/fellowships	-	5,292	5,292	4,933
NUI capitation	-	549	549	540
Miscellaneous	1,430	2,020	3,450	4,301
Total	3,486	8,690	12,176	12,788

11 Student services

	2017 Staff Costs €'000	2017 Non Pay €'000	2017 Total €'000	2016 Total €'000
Capitation and other grants	-	1,953	1,953	2,138
Student services	1,487	(66)	1,421	1,029
Careers office	960	114	1,074	941
Health and counselling	1,006	(126)	880	752
Sports facilities and recreation	544	(326)	218	234
Total	3,997	1,549	5,546	5,094

University College Dublin
National University of Ireland, Dublin

Funding Statement

Notes *(continued)*

12 Composition of total expenditure

	2017 Staff Costs €'000	2017 Non Pay €'000	2017 Total €'000	2016 Total €'000
Academic and related services	225,296	70,563	295,859	288,799
Research grants	52,983	18,527	71,510	70,126
Total	278,279	89,090	367,369	358,925

A contribution from subsidiary companies of nil (2016: €88,000) is included in other income (note 3) to cover interest arising on term loans of €1,161,000 (2016: €1,529,000) included above. Included above are pension supplementation costs of €6,913,000 (2016: €7,234,000).

13 Ancillary services summary

	2017 Income €'000	2017 Expenditure €'000	2017 Surplus/ (deficit) €'000	2016 Surplus/ (deficit) €'000
Student residences	24,159	28,812	(4,653)	3,401
Other activities (including property development)	43,234	41,500	1,734	(636)
Total	67,393	70,312	(2,919)	2,765

14 General reserve movement

	2017 Total €'000	2016 Total €'000
Amortisation in line with depreciation	25,879	27,709
Deficit/(surplus) on ancillary services from revenue amount to general revenue account	2,919	(2,765)
Movement in general reserves in year	28,798	24,944

University College Dublin National University of Ireland, Dublin

Funding Statement

Notes (continued)

15 Fixed Assets	Land and Buildings €'000	Assets under construction €'000	Minor works €'000	Computer equipment €'000	Equipment €'000	Total €'000
Cost						
At beginning of year	963,971	4,123	5,325	16,787	164,533	1,154,739
Additions in year	14,323	13,055	-	379	6,110	33,867
At end of year	978,294	17,178	5,325	17,166	170,643	1,188,606
Depreciation						
At beginning of year	227,405	-	5,325	16,220	150,884	399,834
Charge for year	19,802	-	-	482	5,595	25,879
At end of year	247,207	-	5,325	16,702	156,479	425,713
Net book value						
At 30 September 2017	731,087	17,178	-	464	14,164	762,893
At 30 September 2016	736,566	4,123	-	567	13,649	754,905

Fixed assets have been stated at historical cost.

University College Dublin
National University of Ireland, Dublin

Funding Statement

Notes *(continued)*

16 Debtors and prepayments

	2017	2016
	€'000	€'000
Contract research grants and projects recoverable	44,732	38,754
State capital grant receivable	7,555	14,023
Academic fees receivable	15,656	14,767
Other debtors and prepayments	25,903	28,253
Internal balance:		
- Funded/Model Pension Scheme (Note 23)	17,664	12,594
	111,510	108,391

17 Stocks

	2017	2016
	€'000	€'000
Livestock	200	167
Horticulture and farm stock	80	80
Restaurant stock	25	25
Sundry stock	69	50
Chemistry Laboratory	63	65
Gift Shop	67	63
	504	450

University College Dublin
National University of Ireland, Dublin

Funding Statement

Notes (continued)

18 Creditors and accrued expenditure

	2017 €'000	2016 €'000
Contract research grants and projects unexpected	82,424	73,818
State grant for recurrent expenditure received in advance	2,686	3,750
State capital grant received and accruals	23,282	15,063
Academic fees received in advance	57,438	56,925
Other creditors and accruals	104,304	102,621
Bank loans	4,686	6,331
Internal balances:		
- Unexpected approved allocation	-	-
- Departmental Funds	9,390	8,655
	<u>284,210</u>	<u>267,163</u>

Bank loans due in less than one year together with long term loans of €61.9 million (2016: €67.1 million) are secured on certain properties and bank accounts held by the University.

19 General reserve	Opening balance €'000	Current year movement €'000	Closing Balance €'000
State capital grants	436,367	(938)	435,429
Recurrent funding transfer from October 1996	128,901	9,193	138,094
Capital reserves	445,375	4,440	449,815
Student centre levy	34,891	6,163	41,054
Ancillary services	18,654	3,116	21,770
	<u>1,064,188</u>	<u>21,974</u>	<u>1,086,162</u>
Amortisation			
Amortisation	(399,836)	-	(399,836)
Amortisation to revenue account for year	-	(25,879)	(25,879)
	<u>664,352</u>	<u>(3,905)</u>	<u>660,447</u>

Capital reserves represent capital donations, surpluses on disposal of property, recurrent grants allocated to capital expenditure up to 1 October 1996 and funding from research grants after 1 October 1997 for the purchase of equipment.

University College Dublin
National University of Ireland, Dublin

Funding Statement

Notes *(continued)*

20 Revenue reserves

	2017 €'000	2016 €'000
At start of year	1,346	796
Surplus for year	514	550
At end of year	<u>1,860</u>	<u>1,346</u>

21 Reconciliation of revenue account surplus to net cash inflow from operating activities

	2017 €'000	2016 €'000
Net surplus for the year	514	550
Interest received	(532)	(601)
Interest paid	1,161	1,529
Depreciation of fixed assets	25,878	27,709
Amortisation of general reserve	(25,878)	(27,709)
(Deficit)/surplus on ancillary services	(2,919)	2,765
Transfer from/(to) ancillary reserve to general reserve	6,034	(4,318)
Increase in debtors	(3,118)	(14,628)
(Increase)/decrease in stocks	(54)	132
Increase in creditors and accruals	18,693	18,082
Net cash inflow from operating activities	<u>19,779</u>	<u>3,511</u>

22 Analysis of net funds

	At 1 Oct 2016 €'000	Cashflow €'000	At 30 Sept 2017 €'000
Cash at bank and in hand	127,397	(2,736)	124,661
Debt due within one year	(6,331)	1,645	(4,686)
Debt due after one year	(67,069)	5,195	(61,874)
Net funds	<u>53,997</u>	<u>4,104</u>	<u>58,101</u>

University College Dublin
National University of Ireland, Dublin

Funding Statement

Notes (continued)

23 Pension control account

	Funded Scheme €'000	Model Scheme €'000	SPS Scheme €'000
Opening Balance	(77,712)	65,118	5,802
<i>Income</i>			
Employer Contributions	8,998	-	-
Employee Contributions	3,571	2,991	2,540
Employer Contributions 20%	-	5,664	3,689
Supplementary income	6,913	-	-
Purchase of added years	530	96	-
Other	3	-	-
Reimbursement from HEA	12,000	-	-
Payment to DPER	-	-	-
Total income	32,015	8,751	6,229
<i>Expenditure</i>			
Pension payments (including supplementation)	39,961	465	-
Lump sum payments on retirement	4,430	101	-
Administration and other costs	448	431	599
Total expenditure	44,839	997	599
Closing balance	(90,536)	72,872	11,432

Grant payable to the HEA relating to the Model Scheme amounting to €72.9m is netted off against the grant receivable from the HEA relating to the Funded Scheme amounting to €90.5m. The net figure is included in debtors and prepayments (see note 16).

Grant payable to the Department of Public Expenditure and Reform (DPER) relating to the SPS Scheme amounting to €11.4m is included within other creditors and accruals (see note 18).

**University College Dublin
National University of Ireland, Dublin**

Reconciliation of HEA Funding Statement
with Consolidated Financial Statements

Year ended 30 September 2017

University College Dublin
National University of Ireland, Dublin

Reconciliation of HEA Funding Statement with Consolidated Financial Statements
For the year ended 30 September 2017

	Consolidated Financial Statements €'000	Subsidiary companies* €'000	Unincorporated ancillary activities* €'000	GAAP Adjustments** €'000	HEA Funding statement €'000
Income					
State grants	62,028	-	-	-	62,028
Academic fees	219,454	-	-	(4,473)	214,981
Research grants and contracts	84,087	-	-	(12,577)	71,510
Amortisation of deferred					
Capital grants	10,019	-	-	(10,019)	-
Other operating income	100,967	(7,083)	(44,222)	(30,830)	18,832
Interest income	-	-	-	532	532
Deferred funding for pensions	44,294	-	-	(44,294)	-
Total income	520,849	(7,083)	(44,222)	(101,661)	367,883
Expenditure					
Staff costs	286,629	(3,921)	(5,885)	1,456	278,279
Other operating expenses	129,526	(3,413)	(19,722)	(44,341)	62,050
Interest payable	1,626	-	(8)	(457)	1,161
Depreciation	26,948	(571)	-	(498)	25,879
Additional pension service cost	44,556	-	-	(44,556)	-
Pension interest cost	(262)	-	-	262	-
Total expenditure	489,023	(7,905)	(25,615)	(88,134)	367,369
Share of operating profit in Joint Venture	466	-	-	(466)	-
Surplus/(deficit) for the year before taxation	32,292	822	(18,607)	(13,993)	514

*Results of subsidiaries and ancillaries not included in the HEA Funding Statement

**Adjustments required to reconcile the consolidated financial statements to the HEA Funding Statements as this is not prepared in accordance with Irish GAAP (FRS 102).