

University College Dublin
National University of Ireland,
Dublin

Annual report, consolidated financial statements
and funding statement

Year ended 30 September 2010

University College Dublin National University of Ireland, Dublin

President's report and financial statements

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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 results of the University and its wholly owned subsidiary companies.

The financial statements of UCD Foundation, Pension Fund and Trust Funds, and 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 10 to 45 have been prepared in accordance with generally accepted accounting standards.

The Funding Statement as set out on pages 47 to 63 is prepared in a format as agreed with the Higher Education Authority 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 64.

Results for the Year

The University's consolidated income and expenditure account and net surplus for the year to 30 September 2010 are shown on page 15 of the financial statements. Total income decreased by 5.6% during the year from €462.9m to €436.8m. Student fees showed an increase of €18.0m to €160.9m. State grant funding decreased during the year by 19.9% to €117.6m. During the year the Exchequer Pay Rate Reductions led to a reduction in State Grant funding to UCD of €11m. The Grant allocation notified to UCD in February 2010 also contained reductions in excess of the public sector paycut of €7m due to the worsening economic climate.

Total expenditure decreased by €78.9m to €390.8m (16.8%), with staff costs decreasing by €64.9m (20.4%) to €252.9m. The reduction in staff costs was a result of the pay rate reductions applied to all staff from 1 January 2010 and also as a result of the Employment Control Framework, which was designed to reduce numbers in the university sector by 6% between December 2008 and December 2010.

The result for the year was impacted by a provision release of €41.6 million and a write off of a non-recoverable amount from research funding agencies of €8 million, both of which are associated with fixed term workers arrangements.

The overall result reported is a surplus after taxation of €46.0m for the year compared to a deficit position in the previous year of €6.8m.

Financial Measures (Miscellaneous Provisions) Act, 2009

The Financial Measures (Miscellaneous Provisions) Act, 2009 came into force on 26 June 2009. This Act makes legal provision for the State to underwrite the net pension liabilities of the UCD 1995 Contributory Pension Scheme and enables the scheme's assets to be transferred to the State (National Pension Reserve Fund). A Transfer Order relating to the UCD 1995 Contributory Pension Scheme to legally effect this transfer was executed on 31 March 2010 and assets totalling €501 million were transferred to the National Pension Reserve Fund. Consequently, from this date, the payment of pension obligations associated with the UCD 1995 Contributory Pension Scheme is guaranteed by the State and pension benefits will thereafter be paid on a pay-as-you-go basis.

University College Dublin National University of Ireland, Dublin

President's Report *(continued)*

Treasury Management

The University's bank and cash balances increased during the year from €112.6m to €116.4m. In accordance with the University's Treasury Management policy, the University's investment objective is to achieve the best possible return while minimising risk. Long term borrowing decreased from €19.9m to €16.1m during the year.

Strategic Plan

Last year saw the launch of UCD's new strategic plan to 2014, Forming Global Minds. The new plan sets out the strategic direction for UCD for the five years to 2014. A defining characteristic is to build on our excellence in teaching and research and to place greater emphasis on the impact which these activities have on the economic, environmental, social and political life of the nation. The plan will establish innovation as a third pillar of UCD's activity and identity, building on the achievements in education and research. The plan will also see UCD building on its all-island and international collaborations and developing programmes which will offer unprecedented opportunities in terms of student mobility, global research collaborations and development of university management expertise. Research at UCD will be focused strategically on priority themes that capture the range of current UCD research activity.

Capital Expenditure

The University including its subsidiary companies incurred expenditure of €51.1m on land and buildings and a further €9.1m on equipment and fittings, bringing total capital expenditure to €60.2m for 2009/10.

Several strategic infrastructure projects began or continued in 2009/10. These form part of a planned €300 million development that will inspire generations to engage in third level education, research and innovation. As set out in the Strategic Plan, the new Gateway Campus Masterplan is guiding the development of Belfield as a living, green and sustainable campus with new energy efficient buildings in an evolving landscape.

The following are some of the key developments underway:

- The UCD Science Centre redevelopment will help transform teaching, training, research and innovation activities in science and engineering. The Science Centre South building is due for completion in 2011. This will be followed by the construction of accommodation for undergraduate, taught postgraduate, outreach and the PRTL 5 interdisciplinary research and innovation activities;
- Funded by major philanthropic gifts, the National Development Plan and University resources, the UCD Sutherland School of Law building is scheduled for completion by early 2012;
- Construction is well advanced on the new UCD Student Learning, Leisure and Sports complex which will include facilities for debating, drama, societies, cinema, media, student health and leisure amenities with a new 50-metre swimming pool and gym. The new facility is expected to open in early 2012.

Some of the projects completed in 2010 include the Charles Institute for Dermatology, the new horticultural research accommodation at Rosemount and the extension of UCD Oakmount Creche.

University College Dublin National University of Ireland, Dublin

President's Report *(continued)*

Student Population

It is a national imperative to increase the numbers of our people in higher education. UCD has again played a major role in this national strategy, increasing its student population by almost 5% in the period 2009/10. Strong growth was recorded in international and graduate student numbers.

Internationalisation

Internationalisation remains a priority for UCD. The international student population on campus grew by a further 6.5% with the largest increase at taught graduate level (25%). The Centre for Study Abroad introduced a number of Junior Year Abroad programmes and the Summer Internship programme was rolled out university-wide. UCD is co-chairing the Universitas 21 Internationalisation Group and is chair of the Universitas 21 Teaching and Learning Group. UCD continues to be centrally and prominently involved in the activities of this important network.

Vision and Innovation

Our ambition is to more effectively link education, research and innovation to enable an increasing number of students convert knowledge, ideas and inventions into the development of life enhancing products, services and policies in a manner that will enrich all aspects of social and economic life in Ireland and beyond.

To this end, UCD continues to forge important strategic partnerships and key among these is the *TCD/UCD Innovation Alliance* which sees the two universities work with the State, the business and venture-capital communities and other stakeholders to develop a world-class ecosystem for innovation, thus playing a key role in driving enterprise development and sustainable high-value job creation.

Conclusion

In the formulation of the Strategic Plan and in carrying out the duties required of providing a world class education, UCD has benefited greatly from the guidance and experience of the Governing Authority under the chairmanship of Dermot Gallagher. Their advice and support have been invaluable to the Senior Management Team as we work to achieve UCD's strategic vision.

We can look back on another highly successful year, one that has advanced knowledge through high-quality research, scholarship and teaching. By working together, the new Strategic Plan will guide us as our students and alumni continue to build our reputation worldwide.



President

11/10/11
DATE 2011

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 which give a true and fair view of the state of affairs of the University and the University group and the surplus or deficit of the University group for that period. The Governing Authority is also responsible for preparing the HEA Funding Statement in accordance with the most recent Harmonisation of Accounts Agreement.

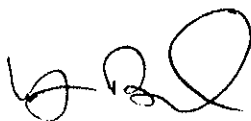
In preparing the financial statements, the Governing Authority is required to:

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

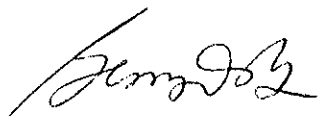
The Governing Authority is responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the University and which enable it to ensure that its financial statements comply with the Universities Act, 1997 and the Statement of Recommended Practice – Accounting for Further and Higher Institutions, and are prepared in accordance with accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in 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,



Hugh Brady
President



Gerry O'Brien
Vice-President for Finance

11/10/11

University College Dublin National University of Ireland, Dublin

Statement on the System of Internal Control *for the financial year ended 30 September 2010*

On behalf of the Governing Authority of University College Dublin, we acknowledge that 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.

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.

The **Governing Authority** is the principal university governance and decision-making body in accordance with the Universities Act, 1997. The Governing Authority 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. There are two permanently constituted standing committees of the Governing Authority: the Finance, Remuneration and Asset Management Committee, and the Audit and Risk Management Committee. The Governing Authority and its standing committees are chaired by independent Chairs.

The **Finance, Remuneration and Asset Management Committee** 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. The committee consists of members of the Governing Authority and external members. The **Audit and Risk Management Committee** is responsible for advising the Governing Authority on audit and risk management matters in the University. The committee consists of members of the Governing Authority and 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 Accounting Officer for the University as prescribed in the Universities Act, 1997, and is responsible for managing and directing the academic, administrative, financial, personnel and other activities of the University.

The **Senior Management Team (SMT)** comprises the President and other officers and senior managers in the University. The Senior Management Team operates through an Executive, an Academic Plenary Group and a number of specialist sub-committees dealing with academic matters, capital projects, university communications and marketing, and finance and operational issues.

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Statement on the System of Internal Control *(continued)*

The key elements of the system of internal control include:

- Clearly defined management responsibilities and delegated authorities;
- Policies, procedures and regulations;
- Strategic planning processes;
- Planning, resource allocation and budgetary control systems which are monitored through regular management reporting including the issuing of monthly reports to budget-holders and review by senior management throughout the year;
- Information systems to ensure timely management reporting;
- A risk management system which identifies and reports key risks and the management actions taken to address these risks.

Monitoring of the system of internal control is informed by the following processes:


- (i) Ongoing review by the Senior 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 Routine 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;
- (v) Reports from Academic Council meetings which are placed before meetings of the Governing Authority;
- (vi) The annual report of the Audit and Risk Management Committee to the Governing Authority and Finance, Remuneration and Asset 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;
- (vii) Quality Assurance reports;
- (ix) Communication of the results of other periodic reviews.

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National University of Ireland, Dublin

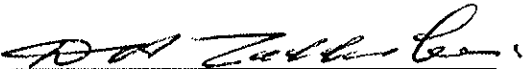
Statement on the System of Internal Control *(continued)*

These monitoring processes have been in place in relation to the financial year ended 30 September 2010 and no issues have been identified which may require disclosure in this statement.

On behalf of the Governing Authority,



Hugh Brady
President



Dermot Gallagher
Chairman of the Governing Authority

11/10/11



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

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

We have audited the financial statements on pages 10 to 45. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the members of the Governing Authority of University College Dublin, National University of Ireland, Dublin, as a body. Our audit 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 our 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 members of the Governing Authority, as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of the Governing Authority and auditor

The Governing Authority's responsibility for preparing the President's report and the financial statements in accordance with the Universities Act, 1997, and accounting standards issued by the Accounting Standards Board as promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland) is set out on page 4 in the Statement of the Governing Authority's Responsibilities.

It is the Governing Authority's responsibility for ensuring that the HEA Funding Statement is prepared in accordance with the most recent Harmonisation of Accounts Agreement.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with Generally Accepted Accounting Practice in Ireland. We report to you whether, in our opinion, proper books of accounts have been kept by the University. We state whether we have obtained all the information and explanations we consider necessary for the purposes of our audit.

We report to you whether, in our opinion, the HEA Funding Statement has been prepared in accordance with the most recent Harmonisation of Accounts Agreement.

We read the President's Report and consider any implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the members of the Governing Authority in the preparation of the financial statements, and of whether the accounting policies are appropriate to the University's circumstances, consistently applied and adequately disclosed.

We planned our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error.

In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.



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

Qualified opinion arising from disagreement

As more fully explained in Note 32 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, gains matching the increase in these pension liabilities during the year have been recorded in the profit and loss account and statement of total recognised gains and losses for the year.

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, provides a mechanism for the State to assume responsibility for any shortfall in funding arising in the UCD 1995 Contributory pension scheme operated by the University, 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 appropriate to recognise the pension receivable pertaining to these deficits on the University's balance sheet at 30 September 2010.

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 12 "Provisions, Contingent Liabilities and Assets" as the receivable remains contingent in nature until the State formally accepts the obligation.

Accordingly: (i) the pension receivable asset, net assets and revenue reserves at 30 September 2010 should be reduced by €393 million (ii) the pension receivable asset, net assets and revenue reserves at 30 September 2009 should be reduced by €290 million. The opening net assets as at 30 September 2008 should be reduced by €490 million as the Financial Measures (Miscellaneous Provisions) Act, 2009 was not virtually certain to be enacted at 30 September 2008.

Except for the financial effect of the recognition of the receivable from the State referred to in the preceding paragraph, in our opinion the financial statements on pages 10 to 45 give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of affairs of the University and the University Group at 30 September 2010 and of the surplus of the University Group for the year then ended.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the University. The balance sheet of the University is in agreement with the books of account.

In our opinion the HEA funding statement on pages 47 to 63, which has been prepared in accordance with the most recent Harmonisation of Accounts Agreement, except for the treatment capital grants as outlined on page 47, has been properly extracted from the books and records of the University.

In our opinion, the information given in the President's Report is consistent with the financial statements.

Chartered Accountants
Registered Auditor

23 December 2011

University College Dublin

National University of Ireland, Dublin

Statement of accounting policies *for the year ended 30 September 2010*

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

The financial statements are prepared under the historical cost convention, in accordance with Generally Accepted Accounting Practice in Ireland, comprising applicable accounting standards issued by the Accounting Standards Board, as promulgated by the Institute of Chartered Accountants in Ireland and the Statement of Recommended Practice: Accounting for Further and Higher Education Institutions.

Basis of consolidation

The financial statements consolidate the financial statements of the University and all of its subsidiary undertakings, made up to 30 September 2010.

The results of the subsidiary undertakings acquired or disposed of in the year are included in the consolidated income and expenditure account from the date of acquisition or up to the date of disposal.

In accordance with FRS 2 – Accounting for Subsidiary Undertakings, the activities of the Students' Union of University College Dublin have not been consolidated because the University does not control those activities. The financial statements of UCD Foundation, Pension Fund and Trust Fund are also excluded as they are not controlled by the University. Other undertakings in which the University has an interest have not been consolidated on the grounds that they are not material.

Recognition of income

Recurrent grants from the Higher Education Authority are recognised in the period in which they are receivable.

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

Income from research grants, contracts and other services rendered is included to the extent of the completion of the contract or service concerned. This is generally equivalent to the sum of the relevant expenditure incurred during the year and any related contributions towards overhead costs.

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

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

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Statement of accounting policies *(continued)*
for the year ended 30 September 2010

Foreign currency translation

Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions or at a contracted rate. The resulting monetary assets and liabilities are translated at the balance sheet rate or the contracted rate and the exchange differences are dealt with in the income and expenditure account.

Exceptional items

The University has adopted an income and expenditure account format in the current year that seeks to highlight significant items within the University's results. In the current year this includes the impact of an arrangement reached by the University with the HEA in the context of Fixed Term Worker Act obligations. Judgement is used by the University in assessing particular significant items, which by virtue of their scale and nature, should be presented in the consolidated income and expenditure account and disclosed in the related notes as exceptional items.

Tangible fixed assets

(a) Land and buildings

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. Leasehold buildings are included in the balance sheet at cost and depreciated over the term of the lease. Freehold land is not depreciated.

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

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable.

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

The University Group has considered the application of FRS 5 "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 tangible fixed assets.

University College Dublin National University of Ireland, Dublin

Statement of accounting policies *(continued)*
for the year ended 30 September 2010

Tangible fixed assets *(continued)*

(b) 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 grants it is capitalised and depreciated in accordance with the above policy, with the related grant 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.

(c) 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 University Group would treat as tangible fixed assets, are capitalised at their current value and depreciated in accordance with the policy set out above. The value of the donation is treated as a deferred capital grant.

Leased assets

Tangible fixed assets acquired under finance leases are included in the balance sheet at their equivalent capital value and are depreciated over the shorter of the lease term and their useful lives. The corresponding liabilities are recorded as a creditor and the interest element of the finance lease rentals is charged to the profit and loss account on an annuity basis. Operating lease rentals are charged to the profit and loss account on a straight line basis over the lease term.

Financial assets

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

Stocks

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

University College Dublin National University of Ireland, Dublin

Statement of accounting policies *(continued)*
for the year ended 30 September 2010

Taxation

As an exempt charity, the University is not liable for corporation tax or income 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 activity within the University falls into the VAT net, any input or output tax relating to this activity is returned to the Revenue by the University.

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

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 differences can be deducted.

Provisions

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

Pensions

The University operates defined benefit pension schemes for all eligible employees.

For defined benefit schemes the amount charged to the income and expenditure account is the actuarially determined cost of pension benefits promised to employees during the year plus any benefit improvements granted to members by the University during the year.

Other finance charges/income in the income and expenditure account includes a credit equivalent to the company's expected return on the pension schemes' assets (where relevant) over the year, offset by a charge equal to the expected interest in the schemes' liabilities over the year. The difference between the market value of the schemes' assets (where relevant) and the present value of the schemes' liabilities is disclosed as an asset/liability on the balance sheet. Any difference between the expected return on assets and that actually achieved, and any changes in the liabilities over the year due to changes in assumptions or experience within the schemes, are recognised in the statement of total recognised gains and losses.

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Statement of accounting policies *(continued)*
for the year ended 30 September 2010

Pensions *(continued)*

Pension Asset Receivable

As more fully referred to in note 32, 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 income and expenditure account or statement of total recognised gains and losses in order to equal the underlying movement in the pension liability. The financial statements reflect the actual pension costs to the University.

Government grants

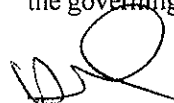
Non-capital government grants are credited to the income and expenditure account to offset the matching expenditure.

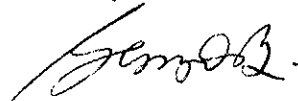
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National University of Ireland, Dublin

Consolidated income and expenditure account
for the year ended 30 September 2010

		2010		2009	
	Note	Before exceptional item €'000	Exceptional item (note 3) €'000	Total €000	€'000
Income					
State grants	1	117,566	-	117,566	146,792
Academic fees	2	160,925	-	160,925	142,904
Research grants and contracts	4	95,141	(7,956)	87,185	98,183
Amortisation of deferred capital grants	21	14,730	-	14,730	17,983
Other income	5	55,205	-	55,205	54,332
Interest income	6	1,201	-	1,201	2,697
Total income		444,768	(7,956)	436,812	462,891
Expenditure					
Staff costs	7	294,524	(41,583)	252,941	317,853
Other operating expenses	8	108,727	-	108,727	121,302
Interest payable	9	1,399	-	1,399	1,638
Other finance expense	10	-	-	-	-
Depreciation	13	27,713	-	27,713	28,903
Total expenditure		432,363	(41,583)	390,780	469,696
Surplus/(deficit) on continuing operations after depreciation of fixed assets and before taxation		12,405	33,627	46,032	(6,805)
Taxation	11	4	-	4	(20)
Surplus/(deficit) for the financial year	12	12,409	33,627	46,036	(6,825)

The financial statements on pages 15 to 45 and the accounting policies on pages 10 to 14 were approved by the governing authority and were signed on its behalf by:


Hugh Brady
President


Gerry O'Brien
Vice-President for Finance

11/10/11

University College Dublin
National University of Ireland, Dublin

Statement of total recognised gains and losses
for the year ended 30 September 2010

	<i>Note</i>	2010 €'000	2009 €'000
Surplus/(deficit) for the financial year		46,036	(6,825)
Actual return less expected return on assets	32	1,376	(49,821)
Experience gains and losses on liabilities	32	(15,910)	23,021
Changes in actuarial assumptions	32	(254,848)	100,376
Movement on pension receivable	32	269,382	(73,576)
Total recognised gains and losses in the financial year		46,036	(6,825)

Reconciliation of movement in revenue reserves
for the year ended 30 September 2010

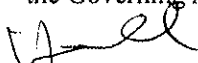
	2010 €'000	2009 €'000
Total recognised gains and losses in the financial year	46,036	(6,825)
Opening revenue reserves	118,971	125,796
Closing revenue reserves	165,007	118,971

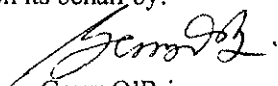
University College Dublin
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Consolidated and University balance sheet
at 30 September 2010

	Note	Consolidated		University	
		2010 €'000	2009 €'000	2010 €'000	2009 €'000
Fixed assets					
Tangible assets	13	595,811	563,352	574,969	551,074
Financial assets	14	861	817	7,861	7,817
		<u>596,672</u>	<u>564,169</u>	<u>582,830</u>	<u>558,891</u>
Current assets					
Stocks	15	1,993	2,023	1,993	2,023
Debtors	16	79,113	101,392	91,984	108,910
Cash at bank and in hand	17	116,394	112,618	114,671	112,598
		<u>197,500</u>	<u>216,033</u>	<u>208,648</u>	<u>223,531</u>
Creditors: Amounts falling due within one year	18	<u>(271,451)</u>	<u>(238,710)</u>	<u>(265,332)</u>	<u>(237,789)</u>
Net current liabilities		<u>(73,951)</u>	<u>(22,677)</u>	<u>(56,684)</u>	<u>(14,258)</u>
Total assets less current liabilities		<u>522,721</u>	<u>541,492</u>	<u>526,146</u>	<u>544,633</u>
Creditors: Amounts falling due after more than one year	19	<u>(57,000)</u>	<u>(99,262)</u>	<u>(57,000)</u>	<u>(99,262)</u>
Provisions for liabilities and charges	22	<u>(2,249)</u>	<u>(27,763)</u>	<u>(2,249)</u>	<u>(27,763)</u>
Net assets excluding pension (liability)/asset		<u>463,472</u>	<u>414,467</u>	<u>466,897</u>	<u>417,608</u>
Pension liability	32	<u>(1,253,233)</u>	<u>(442,413)</u>	<u>(1,253,233)</u>	<u>(442,413)</u>
Pension receivable	32	<u>1,253,233</u>	<u>442,413</u>	<u>1,253,233</u>	<u>442,413</u>
Net assets including pension (liability)/asset		<u>463,472</u>	<u>414,467</u>	<u>466,897</u>	<u>417,608</u>
Deferred capital grants	21	298,465	295,496	313,109	308,715
Revenue reserves	23	165,007	118,971	153,788	108,893
Total		<u>463,472</u>	<u>414,467</u>	<u>466,897</u>	<u>417,608</u>

The financial statements on pages 15 to 45 and the accounting policies on pages 10 to 14 were approved by the Governing Authority on and were signed on its behalf by:


Hugh Brady
President


Gerry O'Brien
Vice-President for Finance

11/10/11

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Consolidated cash flow statement
for the year ended 30 September 2010

	<i>Note</i>	2010 €'000	2009 €'000
Net cash inflow/(outflow) from operating activities	25	48,617	(10,111)
Returns on investments and servicing of finance	26	(198)	1,059
Taxation paid		4	(20)
Capital expenditure and financial investment	27	(38,917)	(18,975)
		<hr/>	<hr/>
Net cash inflow/(outflow) before use of liquid resources and financing		9,506	(28,047)
Net cash outflow from financing activities	28	(3,673)	(3,523)
		<hr/>	<hr/>
Increase/(decrease) in cash in the year		5,833	(31,570)
		<hr/> <hr/>	<hr/> <hr/>

Reconciliation of net cash flow to movement in net funds
for the year ended 30 September 2010

		2010 €'000	2009 €'000
Increase/(decrease) in cash in the year		5,833	(31,570)
Cash outflow from decrease in debt and lease financing		3,673	3,523
		<hr/>	<hr/>
Movement in net funds in year	29	9,506	(28,047)
Net funds at 1 October	29	80,256	108,303
		<hr/>	<hr/>
Net funds at 30 September	29	89,762	80,256
		<hr/> <hr/>	<hr/> <hr/>

University College Dublin

National University of Ireland, Dublin

Notes

forming part of the financial statements

1 State grants

	2010 €'000	2009 €'000
State grants allocated for recurrent purposes	117,566	146,792

Grant income of €4,620,501 (2009:€5,182,771) was received from the Health Service Executive in 2010. All other grant income was received from the Higher Education Authority (HEA).

2 Academic fees

	2010 €'000	2009 €'000
Academic fee income	160,925	142,904

A total of €57,176,765 (2009:€54,954,655) included in academic fee income was paid directly by the HEA.

3 Exceptional item

	2010 €'000	2009 €'000
Write back of provision/accrual for fixed term workers' benefits (note 7)	41,583	-
Write off of pension research receivable (note 4)	(7,956)	-
	33,627	-

4 Research grants and contracts

	2010 €'000	2009 €'000
State and semi-state*	51,970	65,342
European Union	9,563	7,312
Industry	5,884	7,208
SFI Overheads grant	4,385	3,380
Other	15,383	14,941
	87,185	98,183

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Notes *(continued)*

4 Research grants and contracts *(continued)*

*Included in State and semi-state research income is the write off of an amount of €7.956 million which had been accrued as due from the funding agencies to recover certain obligations arising under the Fixed Term Workers Act, as it is no longer recoverable following an agreement reached with the HEA in the context of Fixed Term Worker funding. An offsetting liability was included within the pension provision and was released as a credit to income during the year.

5 Other income

	2010 €'000	2009 €'000
Catering and conferences	2,275	2,687
Residences	9,416	9,179
Other rental income	2,722	3,065
Medical testing income	12,480	14,759
Academic facilities and departments	22,584	21,599
Other operating income	5,728	3,043
	<hr/> 55,205 <hr/>	<hr/> 54,332 <hr/>

6 Interest income

	2010 €'000	2009 €'000
Interest income	1,201	2,697
	<hr/> 1,201 <hr/>	<hr/> 2,697 <hr/>

7 Staff costs

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

	2010 No. of employees	2009 No. of employees
Teaching and Research	2,506	2,599
Technical	383	408
Central administration and services	1,192	1,194
Other	309	344
	<hr/> 4,390 <hr/>	<hr/> 4,545 <hr/>

University College Dublin
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Notes (continued)

7 Staff costs (continued)

	2010 €'000	2009 €'000
Salaries and wages	247,843	265,005
Social welfare costs	16,771	18,372
Employer pension costs (a)	29,910	34,476
	<hr/>	<hr/>
	294,524	317,853
Write back of provision/accrual for fixed term workers' benefits (see below)	(41,583)	-
	<hr/>	<hr/>
	252,941	317,853
	<hr/> <hr/>	<hr/> <hr/>

An EU Directive, the Protection of Employee Acts 2001 and 2003 extended pension benefits to part-time and fixed term workers and was incorporated into local legislation in 2003. The Act resulted in additional obligations for the University in terms of the provision of pension and other benefits to certain categories of employees. While awaiting resolution of the related funding issue, the University estimated the potential maximum costs arising under this legislation and provided for these obligations as they arose from 2003 to 2009.

Subsequent sectoral discussions in the context of broader pension scheme cash funding discussions, led to an agreement that UCD would release certain provisions relating to Fixed Term Workers obligations. Accordingly, the University has released €41.5 million back to the Income and Expenditure Statement in the current year.

(a) Pension costs	2010 €'000	2009 €'000
Current service cost (note 32)	30,790	32,589
Movement on pension receivable (note 32)	(880)	1,887
	<hr/>	<hr/>
	29,910	34,476
	<hr/> <hr/>	<hr/> <hr/>

University College Dublin
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Notes (continued)

8 Other operating expenses	2010	2009
	€'000	€'000
Research (non-pay)	23,902	31,370
Maintenance and security	15,579	14,842
Lab supplies	8,154	10,941
Professional fees	3,756	6,804
External contract costs	7,690	6,814
Travel and hospitality	6,869	8,732
Computer supplies	3,659	3,554
Printing, stationery and audio visual	3,000	3,289
Books and periodicals	4,792	3,997
Light and heat	4,955	5,893
Student facilities	3,885	2,965
Rates and insurance	2,375	3,078
Equipment	5,013	6,192
Training and development	4,617	1,975
Communications	1,390	1,465
Advertising and promotions	1,875	1,950
Other expenses	7,216	7,441
	<u>108,727</u>	<u>121,302</u>
	2010	2009
	€'000	€'000

Other operating expenses include:

Auditors' remuneration:		
- External audit of University Group	220	232
- External audit of Pension and Trust Funds	40	44
- Taxation and secretarial	6	20
- Other services	38	-
	<u>304</u>	<u>306</u>

The University has an Internal Audit function and the associated payroll costs have been included as part of staff costs for the year.

9 Interest payable	2010	2009
	€'000	€'000
On bank loans, overdrafts and other loans repayable wholly or partly in more than 5 years	1,399	1,638
	<u>1,399</u>	<u>1,638</u>

Interest is payable on loans drawn down to fund residential accommodation for students. This activity is carried out by the University's subsidiary undertakings.

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Notes *(continued)*

10 Other finance (expense)/income	2010	2009
	€'000	€'000
Expected return on pension assets (note 32)	16,061	34,793
Interest on pension liabilities (note 32)	(56,887)	(61,974)
	<u>(40,826)</u>	<u>(27,181)</u>
Movement on pension receivable to offset pension expense (note 32)	40,826	27,181
	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>-</u></u>
11 Taxation	2010	2009
	€'000	€'000
Current taxation:		
Irish corporation tax on subsidiaries profits for the year	(4)	20
	<u>(4)</u>	<u>20</u>
Current tax (credit)/charge for the year	(4)	20
	<u>(4)</u>	<u>20</u>
Deferred tax:		
Origination and reversal of timing differences	-	-
	<u>-</u>	<u>-</u>
	(4)	20
	<u><u>(4)</u></u>	<u><u>20</u></u>

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

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

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National University of Ireland, Dublin

Notes (continued)

11 Taxation (continued)

	2010	2009
	€'000	€'000
Surplus/(deficit) for year before taxation	46,032	(6,805)
Surplus/(deficit) before taxation at the corporation tax rate for the year of 12.5%	5,754	(851)
<i>Effects of:</i>		
Amounts not subject to Irish corporation tax	(5,764)	863
Disallowable expenses	-	1
Capital allowances in excess of depreciation	1	5
Other amounts	5	2
Current tax (credit)/charge for the year	(4)	20

12 Surplus/ (deficit) on continuing operations for the year

	2010	2009
	€'000	€'000
The surplus/(deficit) for the year on continuing operations is made up as follows:		
University's surplus/(deficit) for the year	44,895	(8,363)
Surplus generated by subsidiary undertakings	1,141	1,538
Surplus/(deficit) on continuing operations for the year	46,036	(6,825)

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13 Tangible fixed assets	Land and buildings €'000	Assets in course of construction €'000	Minor works €'000	Computer equipment €'000	Equipment €'000	Fixtures and fittings €'000	Total €'000
Consolidated							
Cost							
At 1 October 2009	622,531	21,978	5,680	17,462	122,768	1,009	791,428
Additions in year	10,100	41,003	-	851	8,165	53	60,172
Transfers from assets in course of construction	2,253	(2,253)	-	-	-	-	-
At 30 September 2010	634,884	60,728	5,680	18,313	130,933	1,062	851,600
Depreciation							
At 1 October 2009	117,397	-	5,680	16,628	87,676	695	228,076
Charge for year	12,440	-	-	812	14,320	141	27,713
At 30 September 2010	129,837	-	5,680	17,440	101,996	836	255,789
Net book value							
At 30 September 2010	505,047	60,728	-	873	28,937	226	595,811
At 30 September 2009	505,134	21,978	-	834	35,092	314	563,352

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

Land and buildings includes €11.6 million in respect of freehold land which is not depreciated. This category also includes €90.6 million (2009: €87 million) in relation to land and buildings which have been accounted for in accordance with the Financial Reporting Standard 5 - *Reporting the Substance of Transactions*, issued by the Accounting Standards Board. These land and buildings are 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 is that the University continues to bear all significant benefits and risks relating to these land and buildings. Further details of these arrangements are provided below.

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13 Tangible fixed assets (<i>continued</i>)	Land and buildings €'000	Assets in course of construction €'000	Minor works €'000	Computer equipment €'000	Equipment and fittings €'000	Total €'000
University						
Cost						
At 1 October 2009	618,814	12,995	5,680	17,437	122,662	777,588
Additions in year	10,100	32,201	-	851	8,165	51,317
Transfers from assets under construction	2,253	(2,253)	-	-	-	-
At 30 September 2010	631,167	42,943	5,680	18,288	130,827	828,905
Depreciation						
At 1 October 2009	116,511	-	5,680	16,602	87,721	226,514
Charge for year	12,300	-	-	811	14,311	27,422
At 30 September 2010	128,811	-	5,680	17,413	102,032	253,936
Net book value						
At 30 September 2010	502,356	42,943	-	875	28,795	574,969
At 30 September 2009	502,303	12,995	-	835	34,941	551,074

University College Dublin National University of Ireland, Dublin

Notes *(continued)*

13 Tangible fixed assets *(continued)*

Tax based property schemes

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

Transactions associated with all relevant tax based property schemes where legal title to the relevant property has not yet passed to the University have been included in the financial statements at historical cost in accordance with Financial Reporting Standard No. 5 – Reporting the Substance of Transactions, as issued by the Accounting Standards Board.

The principal reliefs availed of in relation to the University group's properties are as follows:

- a) "Section 50" relief which was availed of in relation to the Glenomena Phase 1, and 2, Proby student residences; Roebuck Hall and Glenomena 3. Full legal ownership of Proby student residences, Roebuck Hall and Glenomena 3 is expected to pass to the University under option agreements in the years 2012, 2013, 2014 and 2016 respectively. These properties have been reflected in the balance sheet at 30 September 2010 in accordance with Financial Reporting Standard No. 5 – Reporting the Substance of Transactions, reflecting the commercial substance of the arrangement rather than the legal form, as the risks and rewards of ownership accrue to the University over these periods. The relevant liability included in the balance sheet (as is relevant for Proby only) is detailed in note 18 to the financial statements.
- b) "Section 843" relief which was availed of in relation to the Conway Institute of Biomedical and Biomolecular Research, the Dublin Molecular Medicine Centre and the Institute for the Study of Social Change property. Full legal ownership of these properties is expected to pass to the University under option agreements in the 2011 financial year. These properties have been reflected in the balance sheet at 30 September 2010, in accordance with Financial Reporting Standard No. 5 – Reporting the Substance of Transactions, reflecting the commercial substance of the arrangement rather than the legal form, as the risks and rewards of ownership accrue to the University over these periods. The related lease liability is included in note 18 to the financial statements.

Under the legal form, the University has restricted bank balances of €41.997million on deposit with a financial institution. The deposits will generate funds to enable the University to acquire the full ownership of the building, as expected under the terms of the option agreement.

Belgrove student residence

On 24 September 2010, the University acquired full legal ownership of the Belgrove student residences for a €Nil consideration.

National University of Ireland, Dublin

Notes (continued)

14 Financial assets	Consolidated		University	
	2010 €'000	2009 €'000	2010 €'000	2009 €'000
<i>Investments at the year end were held as follows:</i>				
Investment in subsidiaries	-	-	7,000	7,000
Other investments	861	817	861	817
	<u>861</u>	<u>817</u>	<u>7,861</u>	<u>7,817</u>

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

Subsidiary undertakings	Principal activity	Interest	Registered office/ place of business
Mapleview Limited	Accommodation rental	100%	Belfield, Dublin 4
UCD O'Reilly Hall Limited	Management of O'Reilly Hall	100%	Belfield, Dublin 4
UCD Student Centre Limited	Management of Student Centre	100%	Belfield, Dublin 4
UCD Property Development Company Limited	Property Development	100%	Belfield, Dublin 4
UCD Nova Limited	Development of Nova Building	100%	Belfield, Dublin 4
Foster Residences Limited	Accommodation rental	100%	Belfield, Dublin 4
UCD Educational Services Limited	Dormant	100%	Belfield, Dublin 4
Campus Trust Limited	Dormant	100%	Belfield, Dublin 4
Associated undertakings			
Molecular Medicine Centre	Research	20%	Belfield, Dublin 4
National Institute for Bioprocessing	Research and training	25%	Belfield, Dublin 4
National Digital	Research Centre	20%	Crane St. Dublin 8

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

15 Stocks	Consolidated		University	
	2010 €'000	2009 €'000	2010 €'000	2009 €'000
Raw materials and consumables	1,329	1,349	1,329	1,349
Finished goods for resale	664	674	664	674
	<u>1,993</u>	<u>2,023</u>	<u>1,993</u>	<u>2,023</u>

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

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Notes (continued)

16 Debtors	Consolidated		University	
	2010 €'000	2009 €'000	2010 €'000	2009 €'000
Trade debtors	4,834	5,018	4,578	5,018
Research grants and contracts receivable	48,605	61,495	48,605	61,495
State grant receivable	12,802	4,031	12,802	4,031
Other capital funding receivable	2,321	5,113	2,321	5,113
Academic fees receivable	6,261	3,095	6,261	3,095
Prepayments	346	1,734	286	1,684
Amounts due from subsidiary undertakings	-	-	12,094	8,834
Other debtors	3,944	20,906	5,037	19,640
	<u>79,113</u>	<u>101,392</u>	<u>91,984</u>	<u>108,910</u>
	<u><u>79,113</u></u>	<u><u>101,392</u></u>	<u><u>91,984</u></u>	<u><u>108,910</u></u>
17 Cash at bank and in hand	Consolidated		University	
	2010 €'000	2009 €'000	2010 €'000	2009 €'000
Cash at bank including balances held on short term deposit	74,397	70,670	72,674	70,650
Restricted bank balances	41,997	41,948	41,997	41,948
	<u>116,394</u>	<u>112,618</u>	<u>114,671</u>	<u>112,598</u>
	<u><u>116,394</u></u>	<u><u>112,618</u></u>	<u><u>114,671</u></u>	<u><u>112,598</u></u>

Restricted bank balances represent amounts set aside as sinking funds under the terms of the financing agreement associated with the Section 843 funding of the Conway Institute of Biomedical and Biomolecular Research, the Dublin Molecular Medicine Centre and the Institute of the Study of Social Change. The purpose of these sinking funds is to generate sufficient funds to acquire full ownership of these assets at future dates as detailed in note 13 to the financial statements.

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Notes (continued)

18 Creditors: Amounts falling due within one year

	Consolidated		University	
	2010	2009	2010	2009
	€'000	€'000	€'000	€'000
Trade creditors	7,571	2,484	7,176	2,287
Research grants and contracts in advance	74,289	83,670	74,289	83,670
Academic fees received in advance	44,357	45,034	44,357	45,034
State grant received in advance	19,758	22,380	19,758	22,380
Other capital funding received in advance	14,169	13,393	14,169	13,393
Accruals	14,357	18,555	12,793	17,816
Bank overdrafts (note 20)	6,647	8,704	6,647	8,701
Bank loans (note 20)	3,890	3,758	3,890	3,758
Amounts owed to subsidiary undertakings	-	-	4,513	4,124
Other taxation and social security	7,900	8,756	7,769	8,756
Other creditors	29,421	22,824	20,882	18,718
Other lease obligations – FRS 5 (note 13)	44,411	3,860	44,411	3,860
Other amounts received in advance	4,681	5,292	4,678	5,292
	<u>271,451</u>	<u>238,710</u>	<u>265,332</u>	<u>237,789</u>

19 Creditors: Amounts falling due after one year

	Consolidated		University	
	2010	2009	2010	2009
	€'000	€'000	€'000	€'000
Bank loans (note 20)	16,095	19,900	16,095	19,900
Other lease obligations – FRS 5 (note 13)	40,905	79,362	40,905	79,362
	<u>57,000</u>	<u>99,262</u>	<u>57,000</u>	<u>99,262</u>

University College Dublin
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Notes (continued)

20 Borrowings

	Consolidated		University	
	2010 €'000	2009 €'000	2010 €'000	2009 €'000
Bank loans and overdrafts				
Bank loans and overdrafts are repayable as follows:				
In one year or less - Bank overdrafts	6,647	8,704	6,647	8,701
- Bank loans	3,890	3,758	3,890	3,758
	<hr/>	<hr/>	<hr/>	<hr/>
	10,537	12,462	10,537	12,459
<i>Amounts falling due after more than one year</i>				
Between one and two years - Bank loans	3,890	3,756	3,890	3,756
Between two and five years - Bank loans	7,779	7,511	7,779	7,511
In five years or more - Bank loans	4,426	8,633	4,426	8,633
	<hr/>	<hr/>	<hr/>	<hr/>
	16,095	19,900	16,095	19,900
	<hr/>	<hr/>	<hr/>	<hr/>
Total	26,632	32,362	26,632	32,359
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

21 Deferred capital grants

	State €'000	Other grants and benefactors €'000	Total €'000
Consolidated			
At 1 October 2009			
Buildings	185,125	86,971	272,096
Equipment	8,507	14,893	23,400
	<hr/>	<hr/>	<hr/>
Total	193,632	101,864	295,496
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Cash received in year			
Buildings	11,861	2,779	14,640
Equipment	121	2,938	3,059
	<hr/>	<hr/>	<hr/>
Total	11,982	5,717	17,699
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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Notes (continued)

21 Deferred capital grants (continued)

	State €'000	Other grants and benefactors €'000	Total €'000
Released to income and expenditure in year			
Buildings	4,305	1,986	6,291
Equipment	2,895	5,544	8,439
	<u>7,200</u>	<u>7,530</u>	<u>14,730</u>
At 30 September 2010			
Buildings	192,681	87,764	280,445
Equipment	5,733	12,287	18,020
	<u>198,414</u>	<u>100,051</u>	<u>298,465</u>

In addition, amounts received in advance 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 2010, are as follows:

	State €'000	Other grants and benefactors €'000	Total €'000
Buildings	<u>9,159</u>	<u>14,169</u>	<u>23,328</u>

University College Dublin
National University of Ireland, Dublin

Notes (continued)

21 Deferred capital grants (continued)

University	State €'000	Other grants and benefactors €'000	Total €'000
At 1 October 2009			
Buildings	185,125	100,190	285,315
Equipment	8,507	14,893	23,400
	<hr/>	<hr/>	<hr/>
Total	193,632	115,083	308,715
Cash received in year			
Buildings	11,861	4,534	16,395
Equipment	121	2,938	3,059
	<hr/>	<hr/>	<hr/>
Total	11,982	7,472	19,454
Released to income and expenditure in year			
Buildings	4,305	2,316	6,621
Equipment	2,895	5,544	8,439
	<hr/>	<hr/>	<hr/>
Total	7,200	7,860	15,060
At 30 September 2010			
Buildings	192,681	102,408	295,089
Equipment	5,733	12,287	18,020
	<hr/>	<hr/>	<hr/>
Total	198,414	114,695	313,109
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

University College Dublin
National University of Ireland, Dublin

Notes (continued)

22 Provisions for liabilities and charges

	2010	2009
	€'000	€'000
Consolidated and University		
At 1 October 2009	27,763	26,469
Provided during the year	-	1,294
Released during the year	(25,514)	-
	<hr/>	<hr/>
At 30 September 2010	2,249	27,763
	<hr/> <hr/>	<hr/> <hr/>

Since the introduction of the Protection of Employees (Fixed-Term Work) Act, 2003 (FTWA), the University has provided for the estimated pension obligation arising in respect of University employees on fixed term contracts as under the terms of the legislation the University is required to make financial provision for pension costs in respect of these employees.

It has been the University's view, that as no additional funding was received from the HEA to fund these liabilities, some form of reimbursement from the HEA was required. However in the absence of the acceptance of this obligation by the HEA, the University continued to make financial provision in accordance with the terms of the legislation.

During the current year, a sectoral agreement was reached in relation to this funding position and as a consequence, the University has released €25.51 million of its provision to the income statement in the current year. Further amounts totalling €16m, of which €8m related to researchers (see note 4), and previously accounted for within accruals in prior periods, have also been released in the current year.

The remaining provision of €2.2 million relates to amounts owed by the University in respect of pension contributions for employees on fixed term contracts where the University has received funding for these additional pension costs from external sources.

23 Reconciliation of movement of revenue reserves

	2010	2009
	€'000	€'000
Consolidated		
At beginning of year	118,971	125,796
Surplus/(deficit) in year	46,036	(6,825)
	<hr/>	<hr/>
At end of year	165,007	118,971
	<hr/> <hr/>	<hr/> <hr/>

University College Dublin
National University of Ireland, Dublin

Notes (continued)

23 Reconciliation of movement of revenue reserves (continued)

	2010 €'000	2009 €'000
University		
At beginning of year	108,893	117,256
Surplus/(deficit) in year	44,895	(8,363)
	<hr/>	<hr/>
At end of year	153,788	108,893
	<hr/> <hr/>	<hr/> <hr/>

24 Capital commitments

	Consolidated		University	
	2010 €'000	2009 €'000	2010 €'000	2009 €'000
Contracted for but not provided	67,077	49,506	83,772	55,823
Authorised but not contracted	47,819	43,914	49,469	46,839
	<hr/>	<hr/>	<hr/>	<hr/>
	114,896	93,420	133,241	102,662
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

25 Reconciliation of operating surplus/(deficit) to net cash inflow/(outflow) from operating activities

	2010 €'000	2009 €'000
Surplus/(deficit) on continuing operations	46,032	(6,805)
Depreciation of tangible fixed assets	27,713	28,903
Amortisation of deferred capital grants	(14,730)	(17,983)
Decrease/(increase) in stocks	30	(1,134)
Decrease/(increase) in debtors	14,323	(37,187)
Increase in creditors	7,366	23,826
Increase in provisions	1,312	1,294
Interest income	(1,201)	(2,697)
Interest payable	1,399	1,638
Loss on disposal of fixed assets	-	34
Write back of FTW provision/accruals (net)	(33,627)	-
	<hr/>	<hr/>
Net cash inflow/(outflow) from operating activities	48,617	(10,111)
	<hr/> <hr/>	<hr/> <hr/>

University College Dublin
National University of Ireland, Dublin

Notes (continued)

26 Returns on investments and servicing of finance	2010	2009
	€'000	€'000
Other interest received	1,201	2,697
Interest paid	(1,399)	(1,638)
	<hr/>	<hr/>
Net cash inflow from returns on investments and servicing of finance	(198)	1,059
	<hr/>	<hr/>
27 Capital expenditure and financial investment	2010	2009
	€'000	€'000
Purchase of tangible fixed assets	(56,572)	(52,291)
Purchase of investments	(44)	(183)
Capital grants received	17,699	33,499
	<hr/>	<hr/>
Net cash outflow from capital expenditure and financial investment	(38,917)	(18,975)
	<hr/>	<hr/>
28 Net cash flow from financing activities	2010	2009
	€'000	€'000
<i>Debt due within one year:</i>		
Increase in short term borrowings	132	129
<i>Debt due after year:</i>		
Decrease in long term borrowings	(3,805)	(3,652)
	<hr/>	<hr/>
Net cash outflow from financing	(3,673)	(3,523)
	<hr/>	<hr/>

University College Dublin
National University of Ireland, Dublin

Notes (continued)

29 Analysis of changes in net debt	At 1 Oct 2009 €'000	Cashflows €'000	At 30 Sept 2010 €'000
Cash at bank and in hand	112,618	3,776	116,394
Bank overdrafts	(8,704)	2,057	(6,647)
	-----	-----	-----
	103,914	5,833	109,747
	-----	-----	-----
Bank debt due within 1 year	(3,758)	(132)	(3,890)
Bank debt due after 1 year	(19,900)	3,805	(16,095)
	-----	-----	-----
Net funds	80,256	9,506	89,762
	=====	=====	=====
30 Related parties			

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

UCD have identified the parties outlined below as related parties under the definition of in FRS 8 "Related Party Disclosures", by virtue of the UCD Vice President of Research, being a representative on the governing boards of these entities.

The following entities are considered to be related parties:

Molecular Medicine Ireland (MMI) (formerly DMMC)

During the period €0.165m was contributed by UCD to research projects being undertaken by MMI, and €0.093m was received by the University from MMI for rental of premises. At 30 September 2010, €0.046m was due from MMI to the University.

National Institute for Bioprocessing Research and Training (NIBRT)

During the period, the University provided facilities to NIBRT for research purposes for which it received a rent of €0.052m. In addition, NIBRT utilised University resources during the period, and at 30 September 2010, €0.026m was due to the University.

National Digital Research Centre (NDRC)

During the period, the University carried out research projects which were funded by the NDRC for which €0.411m was recognised as research income and expenditure for the year. At 30 September 2010, €0.161m was due to the University by NDRC.

University College Dublin National University of Ireland, Dublin

Notes *(continued)*

31 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.

32 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 the Pay-as-you-go UCD Model Pension Scheme (February 2005).

The University's 1995 scheme was a separately administered defined benefit pension scheme which was established under Statute XCVI and amended by Statute 4, and was administrated as an Exempt Approved Scheme in the terms of Chapter II of Part 1 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 liabilities 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 formally 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 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 obligation 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.

University College Dublin

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Notes *(continued)*

32 Retirement benefits *(continued)*

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 years ended 30 September 2009 and 30 September 2010 matching the pension liability reported.

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 arrangements 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 defined benefit pension arrangements for each reporting period. The University is continuing 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 FRS 17, Retirement Benefits, is estimated by the University to be €393 million (2009: €290 million).

The UCD Model Pension Scheme was set up in 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 defined benefit pension arrangement which operates on a pay-as-you-go basis from the University's core funding.

University College Dublin
National University of Ireland, Dublin

Notes (continued)

32 Retirement benefits (continued)

FRS 17 Valuation - UCD Dublin (Closed) Pension Scheme 2010 and UCD Model Pension Scheme

The University operates two pension schemes providing benefits based on final pensionable pay. FRS 17 valuation was prepared by a qualified independent actuary in order to assess the liabilities as at 30 September 2010 for both schemes.

	2010 €'000	2009 €'000
Present value of scheme liabilities	(1,253,233)	(930,605)
Total market value of assets	-	488,192
	<hr/>	<hr/>
Net pension liability	(1,253,233)	(442,413)
	<hr/>	<hr/>
The pension receivable and net deficit at 30 September 2010 and 2009 is as follows:		
Pension receivable	1,253,233	442,413
	<hr/>	<hr/>
Net pension deficit	-	-
	<hr/>	<hr/>
<i>Movement in present value of defined benefit obligation</i>		
	2010 €'000	2009 €'000
At 1 October	930,605	997,417
Current service cost	30,790	32,589
Interest cost	56,887	61,974
Plan members' contributions	9,237	9,912
Actuarial loss/(gain)	270,758	(123,397)
Benefits paid	(45,044)	(47,874)
Premiums paid	-	(16)
	<hr/>	<hr/>
At 30 September	1,253,233	930,605
	<hr/>	<hr/>

University College Dublin
National University of Ireland, Dublin

Notes (continued)

32 Retirement benefits (continued)

Movement in fair value of plan assets

	2010 €'000	2009 €'000
At 1 October	488,192	506,722
Expected return on plan assets	16,061	34,793
Actual return less expected return on assets	1,376	(49,821)
Employer contributions	15,244	34,476
Member contributions	4,774	9,912
Benefits paid from plan	(24,471)	(47,874)
Premiums paid	-	(16)
Transfer to National Pension Reserve Fund at 31 March 2010	(501,176)	-
	<hr/>	<hr/>
At 30 September	-	488,192
	<hr/> <hr/>	<hr/> <hr/>

Expense recognised in income and expenditure statements

	2010 €'000	2009 €'000
Current service cost	30,790	32,589
Interest cost	56,887	61,974
Expected return on plan assets	(16,061)	(34,793)
	<hr/>	<hr/>
Total pension expense recognised in income and expenditure statement before movement on pension receivable	71,616	59,770
	<hr/> <hr/>	<hr/> <hr/>

University College Dublin
National University of Ireland, Dublin

Notes (continued)

32 Retirement benefits (continued)

The total expense above is recognised in the following line items in the income and expenditure statement:

	2010 €'000	2009 €'000
Staff costs	30,790	32,589
Other finance expense	40,826	27,181
	<u>71,616</u>	<u>59,770</u>
Movement on pension receivable	(41,706)	(25,294)
Total pension expense recognised in income and expenditure account	<u>29,910</u>	<u>34,476</u>

The total loss recognised in the statement of total recognised gains and losses in respect of actuarial gains and losses is €269,382,000 (2009: gain €82,999,000). This has been offset by a matching asset (2009: matching liability).

The allocation of plan assets is as follows:

	2010 %	2009 %
Equities	-	68%
Bonds	-	18%
Property	-	5%
Cash/other	-	9%
	<u>-</u>	<u>100%</u>
Actual return on plan assets (€'000)	<u>-</u>	<u>(5,605)</u>

The scheme assets were transferred to the National Pension Reserve Fund on the 31 March 2010. In 2009 the expected rate of return on plan assets was based on market expectations at the beginning of the period for investment returns over the entire life of the related obligation. The overall expected rate of return was calculated by weighting the individual rates in accordance with the anticipated balance in the plan's investment portfolio.

University College Dublin
National University of Ireland, Dublin

Notes (continued)

32 Retirement benefits (continued)

Principal actuarial assumptions (expressed as weighted averages) at the year end were as follows:

	2010	2009
	%	%
Discount rate	4.70	6.00
Rate of compensation increase	3.50	3.50
Pension increases	2.50	2.50
Inflation	2.00	2.00
Expected return on plan assets	-	6.89

In valuing the liabilities of the pension fund at 30 September 2010, mortality assumptions have been made as indicated below. If life expectancy had been changed to assume that all members of the fund lived for one year longer, the value of reported liabilities at 30 September 2010 would have increased by €32,478,000.

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables. The assumptions are equivalent to expecting a 65 year old to live for a number of years as follows:

	2010	2009
	Years	Years
Male member age 65 (current life expectancy)	22.8	21.6
Female member age 65 (current life expectancy)	24.4	24.7
Male member age 40 (life expectancy at age 65)	25.6	22.7
Female member age 40 (life expectancy age 65)	26.6	25.7

University College Dublin
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Notes (continued)

32 Retirement benefits (continued)

History of plan

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

	2010	2009	2008	2007	2006
	€000	€000	€000	€000	€000
Defined benefit obligation	1,253,233	(930,605)	(997,417)	(998,943)	(1,022,828)
Fair value of plan assets	-	488,192	506,722	711,228	658,177
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Deficit	(1,253,233)	(442,413)	(490,695)	(287,715)	(364,651)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Difference between expected and actual return on plan assets:

	2010	2009	2008	2007	2006
	€000	€000	€000	€000	€000
Amount	1,376	(49,821)	254,950	(9,953)	(39,208)
% of plan assets	N/A*	(10%)	50%	(1%)	(6%)

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

Experience losses/(gains) on plan liabilities:

	2010	2009	2008	2007	2006
	€000	€000	€000	€000	€000
Amount	15,910	(23,021)	49,067	(19,124)	(9,949)
% of plan liabilities	1%	(2%)	5%	(2%)	(1%)

Changes in Actuarial Assumptions:

	2010	2009	2008	2007	2006
	€000	€000	€000	€000	€000
Amount	(254,848)	(100,376)	(107,339)	98,012	120,588
% of plan liabilities	20%	(11%)	(11%)	10%	12%

University College Dublin
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Notes (continued)

32 Retirement benefits (continued)

Analysis of movement in pension receivable during the year

	2010	2009
	€'000	€'000
Pension receivable at beginning of year	442,413	490,695
Actuarial loss/(gain)	269,382	(73,576)
State funded underwritten pension cost	880	(1,887)
State underwritten finance charge	40,826	27,181
Transfer from pension scheme to National Pension Reserve Fund	501,176	-
Employer contributions post 31 March 2010	14,666	-
Member contributions post 31 March 2010	4,463	-
Benefits paid post 31 March 2010	(20,573)	-
	<hr/>	<hr/>
Pension receivable at end of year	1,253,233	442,413
	<hr/> <hr/>	<hr/> <hr/>

33 Approval of financial statements

The financial statements were approved by the Governing Authority on 11 October 2011.

University College Dublin
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Additional information not forming part of the consolidated financial statements

1 Deferred income

	2010	2009
	€'000	€'000
State recurrent grant:		
- received in respect of current year	115,653	139,317
- deferred from prior accounting year	11,549	19,024
- deferred to subsequent accounting years	(9,636)	(11,549)
	<hr/>	<hr/>
State recurrent grant per financial statements (Note 1)	117,566	146,792
	<hr/> <hr/>	<hr/> <hr/>

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.

2 Student services charge

	2010	2009
	€'000	€'000
<i>Income</i>		
Income from student services charge	22,244	11,608
Less reduction in state grant	(13,248)	(4,887)
	<hr/>	<hr/>
	8,996	6,721
	<hr/>	<hr/>
<i>Expenditure</i>		
Student services costs	5,663	7,250
Examination costs	2,348	3,292
Space costs associated with student facilities	1,627	1,808
Costs relating to registration, admissions and records	4,768	2,350
	<hr/>	<hr/>
Total expenditure	14,406	14,700
	<hr/>	<hr/>
Shortfall	(5,410)	(7,979)
	<hr/> <hr/>	<hr/> <hr/>

University College Dublin
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HEA Funding Statement and Reconciliation

(not forming part of the financial statements)

Year ended 30 September 2010

University College Dublin
National University of Ireland, Dublin

Funding statement

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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 Pension Fund, 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 receive 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 and reported at EU fee levels. Non EU Fee income is included up to the EU level with any excess (up to the 2009/2010 related unit cost) being reported under other income. The unit cost is the average unit cost per student in each subject grouping across the University sector, as communicated by the HEA.

Stocks

Expenditure on books and consumable 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 horticulture 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 statements

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
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Funding statement

Revenue account

Year ended 30 September 2010

	Notes	2010 €'000	2009 €'000
Income			
State grants	1	116,287	143,982
Academic fees	2	142,151	126,900
Other income	3	18,900	27,014
		<hr/>	<hr/>
Contract research	4	277,338 84,816	297,896 90,938
		<hr/>	<hr/>
Total income		362,154	388,834
Expenditure			
Academic faculties and departments	5	165,456	184,523
Academic and other services	6	23,002	24,683
Premises	7	23,266	27,888
Amount allocated for capital purposes	8	5,041	3,978
Central administration and services	9	25,578	26,956
General educational expenditure	10	12,387	10,699
Student services	11	5,618	7,250
Pension supplementation		11,949	12,845
Term loan interest		891	1,108
		<hr/>	<hr/>
Contract research	4	273,188 84,816	299,930 90,938
		<hr/>	<hr/>
Total expenditure	12	358,004	390,868
		<hr/>	<hr/>
Surplus/(deficit) for year before amortisation of capital reserves and grants, ancillary services and depreciation of fixed assets (after transfer to strategic initiative)		4,150	(2,034)

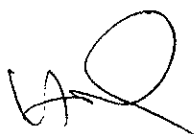
University College Dublin
National University of Ireland, Dublin

Funding statement

Revenue account *(continued)*
Year ended 30 September 2010

	Notes	2010 €'000	2009 €'000
Surplus/(deficit) for year before amortisation of capital reserves and grants, ancillary services and depreciation of fixed assets (after transfer to strategic initiative)		4,150	(2,034)
Surplus on ancillary services	13	1,885	(626)
Depreciation of fixed assets	15	(28,337)	(26,001)
General reserve movement	14	26,452	26,627
		<hr/>	<hr/>
Net surplus/(deficit) for the year		4,150	(2,034)
Revenue reserves at start of year	20	(45,066)	(43,032)
Adjustment to opening revenue reserves	20	33,166	-
		<hr/>	<hr/>
Revenue reserves at end of year	20	(7,750)	(45,066)
		<hr/> <hr/>	<hr/> <hr/>

The statement of accounting policies on pages 47 to 49 and the cash flow statement and notes from page 54 to page 63 form part of the funding statement.



Hugh Brady
President



Gerry O'Brien
Vice-President for Finance

11/10/11

University College Dublin
National University of Ireland, Dublin

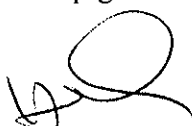
Funding statement

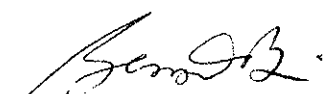
Balance sheet

as at 30 September 2010

	Notes	2010 €'000	2009 €'000
Fixed assets	15	572,074	551,157
Investments		7,819	7,775
Current assets			
Bank balances and cash		69,768	65,712
Debtors and prepayments	16	57,840	47,207
Stocks	17	974	882
		128,582	113,801
Current liabilities			
Creditors and accrued expenditure	18	(220,488)	(225,766)
Net current liabilities		(91,906)	(111,965)
Total assets less net current liabilities		487,987	446,967
Long term liabilities			
Creditors due after one year		-	-
Long term loans		(16,218)	(19,891)
		471,769	427,076
Represented by:			
General reserve	19	479,519	472,142
Revenue reserves	20	(7,750)	(45,066)
		471,769	427,076

The statement of accounting policies, on pages 47 to 49 and the cash flow statement and notes from page 54 to page 63 form part of the funding statement.


Hugh Brady
President


Gerry O'Brien
Vice-President for Finance

11/10/11

University College Dublin
National University of Ireland, Dublin

Funding statements

Cash flow statement

Year ended 30 September 2010

	<i>Notes</i>	2010 €'000	2009 €'000
Net cash inflow/(outflow) from operating activities	<i>21</i>	24,968	(5,147)
Returns on investments and services of finance			
Interest received		1,315	2,341
Interest paid		(891)	(1,108)
Capital expenditure			
Payments to acquire tangible fixed assets		(49,254)	(46,786)
Payments to acquire investments		(44)	(183)
		<hr/>	<hr/>
Net cash outflow before financing		(23,906)	(50,883)
		<hr/>	<hr/>
Financing			
HEA capital grants		12,451	18,826
Non HEA capital funding		13,816	(9,081)
Recurrent funding transfer		5,368	16,768
New long term loans		(3,673)	(3,525)
		<hr/>	<hr/>
Net cash inflow from financing		27,962	22,988
		<hr/>	<hr/>
Net cash inflow/(outflow) after financing		4,056	(27,895)
		<hr/>	<hr/>
Increase/(decrease) in cash and cash equivalents	<i>22</i>	4,056	(27,895)
		<hr/>	<hr/>

The notes on pages 54 to 63 form part of the funding statement.

University College Dublin
National University of Ireland, Dublin

Funding statement

Notes

forming part of the funding statement

1 State grants	2010	2009
	€'000	€'000
Recurrent grant	111,593	140,722
Minor works grant	4,694	3,260
	<hr/>	<hr/>
Total	116,287	143,982
	<hr/> <hr/>	<hr/> <hr/>
2 Academic fees	2010	2009
	€'000	€'000
Academic fees	142,118	126,878
Miscellaneous fee income	33	22
	<hr/>	<hr/>
Total	142,151	126,900
	<hr/> <hr/>	<hr/> <hr/>
A total of €57.2m (2009:€55.0m) included in academic fee income was paid directly by the Higher Education Authority.		
3 Other income	2010	2009
	€'000	€'000
Interest receivable (net)	1,315	2,341
Funded posts	1,392	2,698
Rent, concessions and other charges	390	638
Non-EU fees	6,299	5,572
Contract research contribution	852	1,307
Proceed from the sale of property	-	8,000
Contribution from subsidiary companies	8,652	6,458
	<hr/>	<hr/>
Total	18,900	27,014
	<hr/> <hr/>	<hr/> <hr/>
4 Contract research	2010	2009
	€'000	€'000
Research grants income	84,816	90,938
Research grant expenditure	(84,816)	(90,938)
	<hr/>	<hr/>
Deficit	-	-
	<hr/> <hr/>	<hr/> <hr/>

University College Dublin
National University of Ireland, Dublin

Funding statements

Notes (continued)

4 Contract research (continued)

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 is included in other income.

5 Academic faculties and departments

	2010 Staff costs €'000	2010 Non pay €'000	2010 Total €'000	2009 Total €'000
Academic staff	116,523	-	116,523	132,662
Technical staff	12,640	-	12,640	14,982
Administration support staff	25,998	-	25,998	29,466
Departmental materials, equipment and travel	-	8,597	8,597	6,792
Devolved Grant	-	1,342	1,342	-
Miscellaneous	-	356	356	621
	-----	-----	-----	-----
Total	155,161	10,295	165,456	184,523

6 Academic and other services

	2010 Staff costs €'000	2010 Non pay €'000	2010 Total €'000	2009 Total €'000
Computer services incl Audio Visual	6,980	2,521	9,501	10,890
Library	6,243	4,279	10,522	10,346
Electron microscopy unit	143	9	152	189
Biomedical facility	657	(18)	639	869
Archives	326	79	405	437
University industry programme	-	945	945	1,000
Lyons Estate field station	902	(64)	838	952
	-----	-----	-----	-----
Total	15,251	7,751	23,002	24,683

University College Dublin
National University of Ireland, Dublin

Funding statement

Notes (continued)

7 Premises

	2010	2010	2010	2009
	Staff costs	Non pay	Total	Total
	€'000	€'000	€'000	€'000
Premises maintenance	2,371	957	3,328	6,192
General services	3,116	7,427	10,543	9,595
Devolved Grant & Minor works	-	3,352	3,352	3,260
Insurance	-	834	834	909
Energy costs	-	5,209	5,209	7,932
	<hr/>	<hr/>	<hr/>	<hr/>
Total	5,487	17,779	23,266	27,888
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

8 Amount allocated for capital purposes

	2010	2010	2010	2009
	Staff costs	Non pay	Total	Total
	€'000	€'000	€'000	€'000
Capital projects	-	1,597	1,597	713
Equipment	-	3,444	3,444	3,265
	<hr/>	<hr/>	<hr/>	<hr/>
Total	-	5,041	5,041	3,978
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

9 Central administration and services

	2010	2010	2010	2009
	Staff costs	Non pay	Total	Total
	€'000	€'000	€'000	€'000
Administration staff	20,521	-	20,521	22,370
Expenses	-	1,754	1,754	2,560
Professional charges	-	2,003	2,003	697
Miscellaneous	493	807	1,300	1,329
	<hr/>	<hr/>	<hr/>	<hr/>
Total	21,014	4,564	25,578	26,956
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

University College Dublin
National University of Ireland, Dublin

Funding statement

Notes (continued)

10 General educational expenditure

	2010	2010	2010	2009
	Staff costs	Non pay	Total	Total
	€'000	€'000	€'000	€'000
Examination expenses	2,277	1,114	3,391	3,292
Scholarships/prizes/fellowships	-	6,036	6,036	3,706
NUI capitation	-	541	541	697
Miscellaneous expenses	1,023	1,396	2,419	3,004
	<hr/>	<hr/>	<hr/>	<hr/>
Total	3,300	9,087	12,387	10,699
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

11 Student services

	2010	2010	2010	2009
	Staff costs	Non pay	Total	Total
	€'000	€'000	€'000	€'000
Capitation and other grants	-	1,768	1,768	1,608
Student services	1,668	167	1,835	3,020
Careers office	437	32	469	494
Health and counselling	1,169	(206)	963	1,272
Sports facilities and recreation	1,155	(572)	583	856
	<hr/>	<hr/>	<hr/>	<hr/>
Total	4,429	1,189	5,618	7,250
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

12 Composition of total expenditure

	2010	2010	2010	2009
	Staff costs	Non pay	Total	Total
	€'000	€'000	€'000	€'000
Academic and related services	216,591	56,597	273,188	299,930
Research grants	28,166	56,650	84,816	90,938
	<hr/>	<hr/>	<hr/>	<hr/>
	244,757	113,247	358,004	390,868
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

A contribution from subsidiary companies of €8,652,000 (2009: €6,458,000) is included in other income (note 3) to cover interest arising on term loans of €891,000 (2009: €1,108,000) included above. Included above are pension supplementation costs of €11,949,000 (2009: €12,845,000).

University College Dublin
National University of Ireland, Dublin

Funding statements

Notes (continued)

13 Ancillary services summary

	2010 Income €'000	2010 Expenditure €'000	2010 Deficit €'000	2009 Deficit €'000
Catering	1,247	1,287	(40)	(361)
Student residences	8,994	9,346	(352)	(1,368)
Other activities (including property development)	44,242	41,965	2,277	1,103
	<u>54,483</u>	<u>52,598</u>	<u>1,885</u>	<u>(626)</u>
Surplus/(deficit) – ancillary services for the year			<u>1,885</u>	<u>(626)</u>

14 General reserve movement

	2010 €'000	2009 €'000
Amortisation in line with depreciation	28,337	26,001
(Surplus)/deficit on ancillary services from revenue account to general revenue account	(1,885)	626
Movement in general reserves in year	<u>26,452</u>	<u>26,627</u>

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	599,940	27,445	5,325	17,433	124,233	774,376
Additions in year	10,010	30,228	-	851	8,165	49,254
At end of year	609,950	57,673	5,325	18,284	132,398	823,630
Depreciation						
At beginning of year	113,801	-	5,325	16,350	87,743	223,219
Charge for year	12,233	-	-	1,059	15,045	28,337
At end of year	126,034	-	5,325	17,409	102,788	251,556
Net book value						
At 30 September 2010	483,916	57,673	-	875	29,610	572,074
At 30 September 2009	486,139	27,445	-	1,083	36,490	551,157

Fixed assets have been stated at historical cost.

University College Dublin
National University of Ireland, Dublin

Funding statement

Notes (continued)

16 Debtors and prepayments

	2010	2009
	€'000	€'000
Contract research grants and projects recoverable	26,540	31,160
State recurrent grant receivable	8,740	1,037
State capital grant receivable	-	(5,470)
Academic fees receivable	7,939	-
Other debtors and prepayments	9,167	10,232
Internal balances:		
- Pension fund	5,464	9,912
- Trust fund	(10)	336
	<hr/>	<hr/>
	57,840	47,207
	<hr/> <hr/>	<hr/> <hr/>

17 Stocks

	2010	2009
	€'000	€'000
Livestock	130	133
Horticulture and farm stock	71	121
Restaurant stock	23	19
Virus Reference Laboratory	750	609
	<hr/>	<hr/>
	974	882
	<hr/> <hr/>	<hr/> <hr/>

University College Dublin
National University of Ireland, Dublin

Funding statement

Notes (continued)

18 Creditors and accrued expenditure

	2010	2009
	€'000	€'000
Contract research grants and projects unexpended	57,621	53,643
State grant for recurrent expenditure received in advance	12,181	15,532
State capital grant received and accruals	27,886	21,372
Academic fees received in advance	44,355	41,394
Other creditors and accruals	54,605	80,531
Bank loans	3,768	3,768
Internal balances:		
- Unexpended approved allocations	6,510	6,903
- Departmental Funds	178	(884)
- Model pension scheme creditor	13,384	3,507
	220,488	225,766

19 General reserve

	Opening balance	Current year movement	2010
	€'000	€'000	€'000
State capital grants	325,712	12,451	338,163
Recurrent funding transfer from October 1996	89,937	5,368	95,305
Capital reserves	268,762	13,813	282,575
Student centre levy	13,279	-	13,279
Ancillary services	(2,327)	4,082	1,755
	695,363	35,714	731,077
Amortisation			
Amortisation	(223,937)	(28,337)	(252,274)
Amortisation at end of year	716	-	716
Amortisation - leased assets	-	-	-
	472,142	7,377	479,519

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

	2010 €'000	2009 €'000
At start of year	(45,066)	(43,032)
Adjustment to opening revenue reserves*	33,166	-
Surplus/ (deficit) for year	4,150	(2,034)
	<hr/>	<hr/>
At end of year	(7,750)	(45,066)
	<hr/> <hr/>	<hr/> <hr/>

*An EU Directive, the Protection of Employee Acts 2001 and 2003, extended pension benefits to part-time and fixed term workers and was incorporated into local legislation in 2003. The Act resulted in additional obligations for the University in terms of the provision of pension and other benefits to certain categories of employees. While awaiting resolution of the related funding issue, the University estimated the potential maximum costs arising under this legislation and provided for these obligations as they arose from 2003 to 2009.

Subsequent discussions between the University sector, the HEA and certain government departments in the context of broader pension scheme cash funding discussions, led to the University being released from certain Fixed Term Workers obligations.

University College Dublin
National University of Ireland, Dublin

Funding statement

Notes (continued)

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

	2010	2009
	€'000	€'000
Net Surplus/(deficit) for the year	4,150	(2,034)
Interest received	(1,315)	(2,341)
Interest paid	891	1,108
Depreciation of fixed assets	28,337	26,001
Amortisation of general reserve	(28,337)	(25,265)
Surplus/(deficit) on ancillary services	1,885	(10,470)
Transfer from Ancillary reserve to General reserve	2,196	-
(Increase) in debtors	(10,634)	(9,866)
(Increase)/decrease in stocks	(94)	254
(Decrease)/increase in creditors and accruals	(5,278)	17,466
Adjustment to opening revenue reserves	33,167	-
	<hr/>	<hr/>
Net cash inflow/(outflow) from operating activities	24,968	(5,147)
	<hr/> <hr/>	<hr/> <hr/>

22 Analysis of net debt

	At 1 Oct	Cashflow	At 30 Sept
	2009		2010
	€'000	€'000	€'000
Cash at bank and in hand	65,712	4,056	69,768
Debt due within one year	(3,768)	-	(3,768)
Debt due after one year	(19,891)	3,673	(16,218)
	<hr/>	<hr/>	<hr/>
Net funds	42,053	7,729	49,782
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

University College Dublin
National University of Ireland, Dublin

Funding statement

Notes (*continued*)

23 Pensions Control Account

	2010	2010
	Funded Scheme	Model Scheme
	€'000	€'000
Opening Balance (01 April 2010)	-	12,616
Er Contributions	6,361	1,887
EE Contributions	2,251	1,277
Supplementation income	6,043	-
Purchase of Added Years	626	-
	<hr/>	<hr/>
Total Income	15,281	15,780
	<hr/>	<hr/>
<i>Expenditure</i>		
Pension in payment (including supplementation)	18,971	-
Lump sum payments on Retirement	1,186	-
Administration & Other Costs	593	161
	<hr/>	<hr/>
Total Expenditure	20,750	161
	<hr/>	<hr/>
(Deficit)/Surplus in year	(5,469)	15,619
	<hr/>	<hr/>

Grant receivable from the HEA relating to the Funded Scheme amounting to €5.5m is included in other debtors and prepayments (see note 16).

Grant payable to the HEA relating to the Model Scheme amounting to €15.6m is included in other creditors and accruals (see note 18)

24 Comparative amounts

Comparative amounts have been regrouped/restated on a basis consistent with that in the current period.

25 Approval of the funding statement

The funding statement accounts were approved by the Governing Authority on 11 October 2011.

University College Dublin
National University of Ireland, Dublin

Reconciliation of HEA Funding Statement
with Consolidated Financial Statements

Year ended 30 September 2010

University College Dublin
National University of Ireland, Dublin

Reconciliation of HEA Funding Statement with Consolidated Financial Statements
for the year ended 30 September 2010

	Consolidated financial statements €'000	Subsidiary companies €'000	Unincorporated ancillary activities €'000	GAAP adjustments €'000	HEA funding statement €'000
Income					
State grants	117,566	-	-	(1,278)	116,287
Academic fees	160,925	-	-	(18,775)	142,151
Research grants and contracts	87,185	-	-	(2,369)	84,816
Amortisation of deferred capital grants	14,730	-	-	(14,730)	
Other operating income	55,205	(4,647)	(17,924)	(15,049)	17,585
Interest income	1,201	-	-	114	1,315
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total income	436,812	(4,647)	(17,924)	(52,087)	362,154
Expenditure					
Staff costs	252,941	(721)	(6,421)	(1,042)	244,757
Other operating expenses	108,727	(2,372)	(9,723)	(12,783)	83,849
Interest payable	1,399	-	-	(338)	1,061
Depreciation	27,713	(287)	-	911	28,337
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditure	390,780	(3,380)	(16,144)	(13,252)	358,004
Surplus for the year before taxation and disposal	46,032	(1,267)	(1,780)	(38,835)	4,150
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>