

University College Dublin
National University of Ireland,
Dublin

Annual report, consolidated financial statements
and funding statement

Year ended 30 September 2012

University College Dublin
National University of Ireland, Dublin

President's report and financial statements

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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, 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 11 to 46 have been prepared in accordance with generally accepted accounting standards.

The Funding Statement as set out on pages 50 to 67 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 68.

Results for the Year

The University's consolidated income and expenditure account and net surplus for the year to 30 September 2012 are shown on page 16 of the financial statements. Total income increased by 3% during the year from €479.1m to €491.1m. Student fees showed an increase of €12.7m to €175.7m. State grant funding decreased during the year by 9% to €85.9m as a result of the continuing poor economic climate.

Total expenditure decreased by €0.9m to €470.1m (0.2%) in comparison to the expenditure in 2011. The overall result reported is a surplus after taxation of €20.9m for the year compared to a surplus position in the previous year of €8.1m.

Treasury Management

The University's bank and cash balances increased during the year from €104.6m to €168.1m. 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 increased from €12.9m to €94.1m during the year.

Strategic Plan

Approaching the midpoint of the UCD Strategic Plan to 2014, Forming Global Minds, the University can reflect on significant progress made to date, including the further development of the UCD Horizons curriculum, the establishment of the UCD Ad Astra Academy, the prioritisation of the four major research themes that dovetail with national research policy objectives, the internationalisation agenda and the major campus infrastructure projects. The University seeks to further build on its reputation nationally and internationally, and contribute to Ireland's recovery by building on its excellence in teaching and research, and striving through its innovation agenda to translate its knowledge and expertise for the benefit of Ireland's economy, culture and society.

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President's Report *(continued)*

Key Initiatives and Successes

Phase one of UCD Science Centre was completed in September 2011, and opened by An Taoiseach Enda Kenny TD. As one of the key science developments taking place within the State, UCD Science Centre is an endorsement of those who research, innovate and teach science and applied sciences in the University. As it expands through phases two and three, it will support the delivery of cutting edge science by providing world-class facilities.

Capital Expenditure

The University including its subsidiary companies incurred expenditure of €62.9m on land and buildings and a further €8.6m on equipment and fittings, bringing total capital expenditure to €71.5m for 2011/12.

UCD's capital development plans are progressing well in enhancing the campus by developing academic, residential and leisure facilities. This year saw the opening of the new Student Centre, which is now a focus for social, creative and sporting activity on the Belfield Campus. This state-of-the-art facility, funded in large part by the students, will cater for a diverse range of student learning and leisure activities and form an integral part of UCD's mission to deliver a holistic educational experience.

Following the opening of phase one of the UCD Science Centre (as noted above), phase two is now under construction and planning for phase three is underway. When complete, the UCD Science Centre will be the largest capital investment in science in the history of the Irish State.

Construction contracts for the new UCD Sutherland School of Law building were signed in early 2012 with occupation of the building scheduled for late summer 2013. The building will benefit students, academics and the wider legal profession.

Student Population

The state of the economy, both national and global, has experienced little reprieve during the year. Conditions remain harsh, so it is very positive news to report that UCD's student population grew by 1.3% to 24,933 students. Graduate student numbers are up by 2.8%, and with the growth in international student numbers up by 9%, this is both timely and welcome. These students now represent 28.9% and 20.5% of the UCD student population, respectively. The University also continued its efforts to increase the number of non-traditional students, who now account for 23% of the student population at undergraduate level.

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President's Report *(continued)*

Internationalisation

UCD's focus on international students and partnerships is a key element of the Strategic Plan. By establishing such links the University not only attracts important sources of non-Exchequer income, but also raises its profile internationally while benefitting global society through research, job creation, economic ties and the spread of knowledge. In addition, the University provides a diverse range of study abroad and oversees volunteering opportunities for its Irish students.

Considerable progress has been made in this regard, with the agreement between UCD and Beijing University of Technology to establish a new world-class institution of higher education, the Beijing-Dublin International College. Work is ongoing to recruit the first cohort of students to the International College which will focus on areas relevant to successful enterprise development between China and Ireland, including innovation and entrepreneurship.

Research

UCD's role as a national leader in research funding continued with externally funded research contracts signed in 2011/12 valued at €75.1 million.


Innovation

The University's mission to enhance the value and quality of its innovation activities is being achieved through licensing agreements, patent filings and invention disclosures, as well as partnerships with industry. Notable successes during the year included the announcement of Elan Corporation plc professorships, scholarships and annual lecture series, the expansion plans for R&D and Innovation facilities at NovaUCD over the next three years for ResMed Inc. (a global leader in the development and manufacture of medical products) and the filing of 39 patent applications across all areas of life sciences, engineering and information communication technology. Such activities are maximising the impact for the University, its partners, and for social and economic life in Ireland and in the wider world.

Conclusion

The Governing Authority, under the chairmanship of Dermot Gallagher, continues to offer vital guidance and experience as we seek to realise UCD's strategic vision. It is also important to highlight the efforts of those staff who have taken on extra roles and responsibilities during the year. This considerable extra responsibility and effort ensures that the University continues to succeed in all its spheres of activity and that our students receive the highest standard of education.

The 2011/12 academic year was another challenging year, but we continue to tackle these challenges with positive results. As we seek to advance knowledge, pursue truth and foster learning, our UCD Strategic Plan to 2014, *Forming Global Minds*, shows that we are committed to pursuing excellence in education, research and innovation.



Hugh Brady
President

15 October 2013

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

Date: 15-10-13

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Statement of Governance and Internal Control *for the financial year ended 30 September 2012*

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 responsible for managing and directing the academic, administrative, financial, personnel and other activities of the University.

The **University Management Team (UMT)** comprises the President and other officers and senior managers in the University. The University Management Team structure includes an Executive and a number of UMT Groups (Plenary; Academic; Finance and Operations; Capital; and Communications, Marketing and Student Recruitment).

The key elements of the system of internal control include:

- Clearly defined management responsibilities and delegated authorities;
- Policies, procedures and regulations;
- Strategic planning processes;

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Statement of Governance and Internal Control *(continued)*
for the financial year ended 30 September 2012

- 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 University Management Team and the provision of annual assurance statements by senior managers;
- (ii) The Annual Report of the President to the Governing Authority;
- (iii) The President's 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.

These monitoring processes have been in place in relation to the financial year ended 30 September 2012 and no issues have been identified which may require disclosure in this statement.

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Statement of Governance and Internal Control *(continued)*
for the financial year ended 30 September 2012

Statutory Obligations

UCD management has processes in place to enable compliance with all statutory obligations applicable to the University.

Code of Governance and Codes of Conduct

UCD adopted a Code of Governance in June 2007 based on the HEA/IUA Report "Governance of Irish Universities". The 2012 revised "Governance of Irish Universities" was adopted by the Governing Authority in December 2012.

A Manual of the Structure, Code of Practice and Procedures of the Governing Authority which sets out the duties and responsibilities of Governing Authority members is in place.

Policies governing the conduct of staff are in place. The conduct of staff is primarily governed by the contract of employment. Employees are also required to comply with a range of policies and details of these policies are included in a starter pack issued to new employees with their contract of employment. All UCD HR policies are available on the UCD website and a web-link to these policies is included in the contract of employment issued to all new members of staff.

Financially Significant Developments

Financially significant developments affecting UCD in the past year include:

(a) The accumulated deficit in the Funding Statement at 30 September 2012 was €3.15m. Budgets and financial projections are framed to eliminate the accumulated deficit.

(b) A number of capital development projects were at various stages of progress during the year to 30 September 2012, including:

- UCD Student Learning, Leisure and Sports Complex (building opened during 2012)
- UCD Sutherland School of Law
- UCD Science Centre Redevelopment
- Refurbishment of Belgrove and Merville Residences

(c) UCD acquired shares in Penang Medical College (Malaysia) to bring the university's shareholding to 50% in 2011. The financial results of this joint venture with RCSI are included in the UCD Consolidated Financial Statements for year ended 30 September 2012.

(d) UCD drew down a loan facility of €90m from the European Investment Bank to finance capital developments at UCD.

Government Policy on Pay

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

Financial Reporting, Internal Audit, Procurement and Asset Disposals

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

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Statement of Governance and Internal Control *(continued)* *for the financial year ended 30 September 2012*

Procedures are reviewed and updated to ensure compliance with public procurement requirements and to address any instances of non-compliance.

Guidelines for the Appraisal and Management of Capital Proposals

UCD is adhering to the Guidelines for the Appraisal and Management of Capital Proposals where appropriate.

Travel Policy

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

Value for Money

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

Tax Compliance

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

Child Protection


UCD has procedures and guidelines in place in relation to child protection. These procedures and guidelines are being consolidated in a Child Protection Policy.

Governing Authority Fees and Expenses

No fees are paid to members of the Governing Authority. The aggregate expenses payable to external members of the Governing Authority in the year ended 30 September 2012 was €38,718.

Subsidiary Companies

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



Hugh Brady,
President

Date :

15/10/13



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 consolidated and University financial statements ("financial statements") of University College Dublin, National University of Ireland, Dublin for the year ended 30 September 2012 which comprise the consolidated income and expenditure account, consolidated statement of total recognised gains and losses, consolidated balance sheet and University balance sheet, consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

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 Governing Authority and auditor

As explained more fully in the Governing Authority's Responsibilities Statement set out on page 4 the Governing Authority is responsible for the preparation of the financial statements giving a true and fair view and the preparation of the HEA funding statement in accordance with the most recent harmonisation of accounts agreement. Our responsibility is to audit and express an opinion on the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Ethical Standards for Auditors issued by the Auditing Practices Board.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and University's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governing Authority; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Basis for qualified opinion on financial statements

As more fully explained in Note 30 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

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

Basis for qualified opinion on financial statements *(continued)*

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, in our view, appropriate to recognise the pension receivable pertaining to these deficits on the University's balance sheet at 30 September 2012.

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 2012 should be reduced by €463 million (ii) the pension receivable asset, net assets and revenue reserves at 30 September 2011 should be reduced by €358 million. The opening net assets as at 30 September 2010 should be reduced by €393 million.

Qualified opinion on financial statements

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 11 to 46 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 2012 and of the surplus of the University Group for the year then ended.

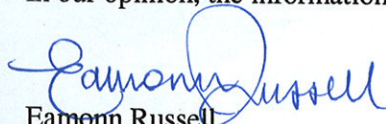
In our opinion the HEA funding statement on pages 50 to 67, which has been prepared in accordance with the most recent Harmonisation of Accounts Agreement, except for the treatment capital grants as outlined on page 50, has been properly extracted from the books and records of the University.

Matters on which we are required to report by exception

Under the Code of Governance for Irish Universities, we are required to report to you if the statement regarding governance and the system of internal financial control, as included in the Statement of Governance and Internal Control on pages 5 to 8, does not reflect the University's compliance with the Code and is not consistent with the information of which we are aware from our audit work on the financial statements, and we report if it does not.

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 information given in the President's Report is consistent with the financial statements.



Eamonn Russell

**For and on behalf of
KPMG**

Chartered Accountants, Statutory Audit Firm
1 Stokes Place
St. Stephen's Green
Dublin 2

15 October 2013

University College Dublin National University of Ireland, Dublin

Statement of accounting policies *for the year ended 30 September 2012*

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 2012.

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 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.

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.

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Statement of accounting policies *(continued)*
for the year ended 30 September 2012

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.

(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.

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Statement of accounting policies *(continued)*
for the year ended 30 September 2012

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.

Heritage assets

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

The period houses are part of the working infrastructure of the University campus and as such are capitalised in the balance sheet in line with FRS 15. Artwork purchased for the benefit of the University is capitalised in the balance sheet at original cost and is not depreciated.

Stocks

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

Taxation

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

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

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.

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Statement of accounting policies *(continued)*
for the year ended 30 September 2012

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.

The present value of the schemes' liabilities is disclosed as an asset/liability on the balance sheet. 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.

Pension Asset Receivable

As more fully referred to in note 30, 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.

Joint venture undertakings

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

Joint ventures are accounted for using the gross equity method. The University's share of the profits less losses of joint venture are included in the consolidated income and expenditure account. The University's interest in the net assets or liabilities are included as fixed asset investments in the consolidated balance sheet at the amount representing the University's share of post acquisition retained profits or losses. Goodwill arising on acquisition of joint ventures is dealt with as stated below.

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Statement of accounting policies *(continued)*
for the year ended 30 September 2012

Joint venture undertakings *(continued)*

The amounts included in the consolidated financial statements in respect of the post acquisition profits of joint ventures are taken from their latest audited financial statements made up to the balance sheet.

University

Investments in joint ventures are shown in the University balance sheet as financial fixed assets and are valued at cost less provision for impairment in value.

Goodwill

Goodwill arising on the acquisition of joint ventures is included in the consolidated balance sheet at its fair value at the date of acquisition and is amortised over the estimated useful economic life, which in the case of the University's Penang joint venture, has been determined by the University to be five years.

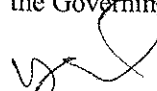
University College Dublin
National University of Ireland, Dublin

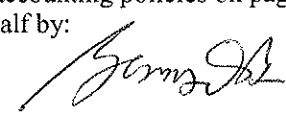
Consolidated income and expenditure account
for the year ended 30 September 2012

	Note	2012 €'000	2011 €'000 <i>As restated</i>
Income			
State grants	1	85,902	94,075
Academic fees	2	175,734	163,013
Research grants and contracts	3	84,361	76,979
Amortisation of deferred capital grants	19	14,755	14,747
Other income	4	62,042	61,500
Interest income	5	1,059	915
Deferred funding for pensions	30	67,238	67,834
Total income		491,091	479,063
Expenditure			
Staff costs	6	264,558	269,419
FRS 17 additional service cost	6, 30	5,922	7,999
Other operating expenses	7	108,690	104,695
Interest payable	8	1,853	1,195
FRS 17 interest cost	30	61,316	59,835
Depreciation	11	27,721	27,807
Total expenditure		470,060	470,950
Surplus on continuing operations after depreciation of fixed assets and before joint venture		21,031	8,113
Share of operating loss of joint venture	12	(181)	-
Surplus on continuing operations before taxation		20,850	8,113
Taxation	9	36	(2)
Surplus for the financial year	10	20,886	8,111

There is no difference between the surplus stated above and its historical cost equivalent.
The income and expenditure account of the Group relates wholly to continuing operations.

The financial statements on pages 16 to 46 and the accounting policies on pages 11 to 15 were approved by the Governing Authority and were signed on its behalf by:


Hugh Brady
President


Gerry O'Brien
Vice-President for Finance

University College Dublin
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Statement of total recognised gains and losses
for the year ended 30 September 2012

	<i>Note</i>	2012 €'000	2011 €'000
Surplus for the financial year		20,886	8,111
Experience gains and losses on liabilities	30	36,849	36,920
Changes in actuarial assumptions	30	(301,744)	111,896
Movement on pension receivable	30	264,895	(148,816)
Total recognised gains and losses in the financial year		20,886	8,111

Reconciliation of movement in revenue reserves
for the year ended 30 September 2012


	2012 €'000	2011 €'000
Total recognised gains and losses in the financial year	20,886	8,111
Opening revenue reserves	173,118	165,007
Closing revenue reserves	194,004	173,118

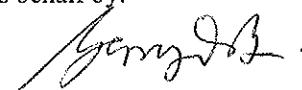
University College Dublin
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Consolidated and University balance sheet
at 30 September 2012

	Note	Consolidated		University	
		2012 €'000	2011 €'000	2012 €'000	2011 €'000
Fixed assets					
Tangible assets	11	676,519	632,739	656,604	616,922
Financial and heritage assets	12	1,211	1,065	8,211	8,065
Investment in Joint Ventures:	12(a)	-	-	2,608	-
Share of gross assets		3,082	-	-	-
Share of gross liabilities		(1,414)	-	-	-
Goodwill		667	-	-	-
		<u>680,065</u>	<u>633,804</u>	<u>667,423</u>	<u>624,987</u>
Current assets					
Stocks	13	2,344	2,389	2,344	2,389
Debtors	14	105,343	95,541	115,566	104,983
Cash at bank and in hand	15	168,108	104,583	166,877	104,520
		<u>275,795</u>	<u>202,513</u>	<u>284,787</u>	<u>211,892</u>
Creditors: amounts falling due within one year	16	(299,070)	(294,222)	(291,244)	(291,256)
Net current liabilities		<u>(23,275)</u>	<u>(91,709)</u>	<u>(6,457)</u>	<u>(79,364)</u>
Total assets less current liabilities		<u>656,790</u>	<u>542,095</u>	<u>660,966</u>	<u>545,623</u>
Creditors: amounts falling due after more than one year	17	(131,952)	(52,237)	(131,952)	(52,237)
Provisions for liabilities	20	(3,151)	(2,639)	(3,151)	(2,639)
Net assets excl. pension (liability)/receivable		<u>521,687</u>	<u>487,219</u>	<u>525,863</u>	<u>490,747</u>
Pension liability		(1,482,774)	(1,163,779)	(1,482,774)	(1,163,779)
Pension receivable		1,482,774	1,163,779	1,482,774	1,163,779
Net assets incl. pension (liability)/receivable		<u>521,687</u>	<u>487,219</u>	<u>525,863</u>	<u>490,747</u>
Deferred capital grants	19	327,683	314,101	345,797	330,408
Revenue reserves	21	194,004	173,118	180,066	160,339
Total		<u>521,687</u>	<u>487,219</u>	<u>525,863</u>	<u>490,747</u>

The financial statements on pages 16 to 46 and the accounting policies on pages 11 to 15 were approved by the Governing Authority on and were signed on its behalf by:


Hugh Brady
President


Gerry O'Brien
Vice-President for Finance

University College Dublin
National University of Ireland, Dublin

Consolidated cash flow statement
for the year ended 30 September 2012

	<i>Note</i>	2012 €'000	2011 €'000
Net cash inflow from operating activities	23	26,127	22,882
Returns on investments and servicing of finance	24	(794)	(280)
Taxation paid		36	(2)
Capital expenditure and financial investment	25	(42,045)	(30,911)
		<hr/>	<hr/>
Net cash outflow before use of liquid resources and financing		(16,676)	(8,311)
Net cash inflow/(outflow) from financing activities	26	86,008	(3,793)
		<hr/>	<hr/>
Increase/(decrease) in cash in the year		69,332	(12,104)
		<hr/> <hr/>	<hr/> <hr/>

Reconciliation of net cash flow to movement in net funds
for the year ended 30 September 2012

	<i>Note</i>	2012 €'000	2011 €'000
Increase/(decrease) in cash in the year		69,332	(12,104)
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing		(86,008)	3,793
		<hr/>	<hr/>
Movement in net funds in year		(16,676)	(8,311)
Net funds at 1 October	27	81,451	89,762
		<hr/>	<hr/>
Net funds at 30 September	27	64,775	81,451
		<hr/> <hr/>	<hr/> <hr/>

University College Dublin
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Notes
forming part of the financial statements

1 State grants

	2012 €'000	2011 €'000
State grants allocated for recurrent purposes	85,902	94,075

Grant income of €3,324,150 (2011:€3,616,367) was received from the Health Service Executive in 2012. All other grant income was received from the Higher Education Authority (HEA).

2 Academic fees

	2012 €'000	2011 €'000
Academic fee income	175,734	163,013

A total of €53,652,709 (2011:€57,606,576) included in academic fee income was received directly from the HEA.

3 Research grants and contracts

	2012 €'000	2011 €'000
State and semi-state	56,843	46,658
European Union	10,763	10,092
Industry	4,595	3,675
SFI Overheads grant	6,073	5,309
Other	6,087	11,245
	<u>84,361</u>	<u>76,979</u>

University College Dublin
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Notes (continued)

4 Other income

	2012 €'000	2011 €'000
Catering and conferences	2,701	2,279
Residences	15,952	14,544
Other rental income	2,388	2,667
Medical testing income	14,646	12,914
Academic facilities and departments	20,457	22,055
Other operating income	5,898	7,041
	<u>62,042</u>	<u>61,500</u>

5 Interest income

	2012 €'000	2011 €'000
Interest income	1,059	915
	<u>1,059</u>	<u>915</u>

6 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:

	2012 No. of employees	2011 No. of employees*
Teaching and Research	2,682	2,750
Technical	348	365
Central administration and services	1,170	1,186
	<u>4,200</u>	<u>4,301</u>

*The prior year employee numbers have been restated so as to ensure consistent presentation with the current year.

University College Dublin
National University of Ireland, Dublin

Notes (continued)

6 Staff costs (continued)

	2012 €'000	2011 €'000
Salaries and wages	222,598	227,736
Social welfare costs	16,470	16,314
Employer pension costs*	25,490	25,369
	<hr/>	<hr/>
	264,558	269,419
	<hr/> <hr/>	<hr/> <hr/>

Pension related costs

	2012 €'000	2011 €'000
*Employer pension costs	25,490	25,369
Incremental pension costs undertaken by State	5,922	7,999
	<hr/>	<hr/>
Current service costs (note 30)	31,412	33,368
	<hr/> <hr/>	<hr/> <hr/>

7 Other operating expenses

	2012 €'000	2011 €'000
Research (non-pay)	17,536	19,746
Maintenance and security	16,295	13,634
Lab supplies	8,651	7,907
Professional fees	4,976	3,780
External contract costs	7,774	7,453
Travel and hospitality	6,994	7,517
Computer supplies	5,646	3,628
Printing, stationery and audio visual	3,216	3,063
Books and periodicals	2,442	3,135
Light and heat	7,508	5,038
Student facilities	3,678	3,411
Rates and insurance	4,393	5,106
Equipment	3,250	3,259
Training and development (a)	8,458	4,047
Communications	941	1,145
Advertising and promotions	2,496	1,858
Other expenses	4,436	10,968
	<hr/>	<hr/>
	108,690	104,695
	<hr/> <hr/>	<hr/> <hr/>

(a) In 2012, costs associated with scholarships amounting to €4 million, have been presented within training and development costs. In 2011, these costs were presented within staff costs.

University College Dublin
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Notes (continued)

7 Other operating expenses (continued)

	2012 €'000	2011 €'000
Other operating expenses include:		
Auditor's remuneration:		
- External audit of University Group	181	178
- External audit of Pension Funds	8	41
- Taxation and secretarial	14	11
- Other services	20	3
	<u> </u>	<u> </u>

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

8 Interest payable

	2012 €'000	2011 €'000
On bank loans, overdrafts and other loans repayable wholly or partly in more than 5 years	1,853	1,195
	<u> </u>	<u> </u>

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

University College Dublin
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Notes (continued)

9 Taxation

	2012 €'000	2011 €'000
Current taxation:		
Irish corporation tax on subsidiaries profits for the year	8	2
Current tax charge for the year	<u>8</u>	<u>2</u>
Deferred tax:		
Origination and reversal of timing differences	-	-
	<u>8</u>	<u>2</u>
Share of joint venture tax	<u>(44)</u>	<u>-</u>
	<u>(36)</u>	<u>2</u>

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

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

	2012 €'000	2011 €'000
Surplus for year before taxation	<u>20,850</u>	<u>8,113</u>
Surplus before taxation at the corporation tax rate for the year of 12.5%	2,606	1,014
<i>Effects of:</i>		
Amounts not subject to Irish corporation tax	<u>(2,598)</u>	<u>(1,012)</u>
Current tax charge for the year	<u>8</u>	<u>2</u>

University College Dublin
National University of Ireland, Dublin

Notes (continued)

10 Surplus on continuing operations for the year

	2012 €'000	2011 €'000
The surplus for the year on continuing operations is made up as follows:		
University's surplus for the year	19,727	6,551
Surplus generated by subsidiary undertakings	1,159	1,560
	<hr/>	<hr/>
Surplus on continuing operations for the year	20,886	8,111
	<hr/> <hr/>	<hr/> <hr/>

University College Dublin
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11 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 2011	691,137	64,974	5,680	18,988	134,405	1,108	916,292
Additions in year	14,543	48,356	-	239	8,286	77	71,501
Transfers from assets in course of construction	64,479	(64,479)	-	-	-	-	-
Disposals in year	-	-	-	(295)	(1,731)	-	(2,026)
At 30 September 2012	770,159	48,851	5,680	18,932	140,960	1,185	985,767
Depreciation							
At 1 October 2011	143,339	-	5,680	18,249	115,328	957	283,553
Charge for year	15,112	-	-	899	11,512	198	27,721
Eliminated on disposals	-	-	-	(295)	(1,731)	-	(2,026)
At 30 September 2012	158,451	-	5,680	18,853	125,109	1,155	309,248
Net book value							
At 30 September 2012	611,708	48,851	-	79	15,851	30	676,519
At 1 October 2011	547,798	64,974	-	739	19,077	151	632,739

Details of capital grant funding received in respect of tangible fixed assets are detailed in note 19.

Land and buildings includes €11.6 million in respect of freehold land which is not depreciated. This category also includes €87 million (2011: €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.

University College Dublin
National University of Ireland, Dublin

11 Tangible fixed assets (continued)

University	Land and buildings €'000	Assets in course of construction €'000	Minor works €'000	Computer equipment €'000	Equipment and fittings €'000	Total €'000
Cost						
At 1 October 2011	687,420	52,021	5,680	18,963	134,299	898,383
Additions in year	14,543	45,304	-	239	6,979	67,065
Transfers from assets in course of construction	64,479	(64,479)	-	-	(1,731)	-
Disposals in year	-	-	-	(295)	(1,731)	(2,026)
At 30 September 2012	766,442	32,846	5,680	18,907	139,547	963,422
Depreciation						
At 1 October 2011	142,196	-	5,680	18,222	115,363	281,461
Charge for year	14,995	-	-	899	11,489	27,383
Eliminated on disposals	-	-	-	(295)	(1,731)	(2,026)
At 30 September 2012	157,191		5,680	18,826	125,121	306,818
Net book value						
At 30 September 2012	609,251	32,846	-	81	14,426	656,604
At 30 October 2011	545,224	52,021	-	741	18,936	616,922

University College Dublin National University of Ireland, Dublin

Notes (continued)

11 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 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 2014, 2016 and 2016 respectively. These properties have been reflected in the balance sheet at 30 September 2012 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 of €37.856m (2011: €39.346m) included in the balance sheet relating to the obligations associated with these residences is included in note 17 to the financial statements.
- b) "Section 843" relief which was availed of in relation to the Conway Institute of Biomedical and Biomolecular Research which includes the Dublin Molecular Medicine Centre. Full legal ownership of these properties is expected to pass to the University under option agreements in the 2013 financial year. These properties have been reflected in the balance sheet at 30 September 2012, 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 of €40.751m (2011: €40.551m) is included in note 16 to the financial statements.

In connection with this arrangement, the University has restricted bank balances of €37.009m (2011: €38.137m) on deposit with a financial institution and this is included in note 15 of the financial statements. The deposits will generate income and the total amount will enable the University to acquire the full ownership of the buildings, as expected under the terms of the option agreement.

National University of Ireland, Dublin

Notes (continued)

12 Financial and heritage assets

	Consolidated		University	
	2012 €'000	2011 €'000	2012 €'000	2011 €'000
<i>Investments held are as follows:</i>				
Investment in subsidiaries	-	-	7,000	7,000
Other investments/heritage assets	1,211	1,065	1,211	1,065
	<hr/>	<hr/>	<hr/>	<hr/>
	1,211	1,065	8,211	8,065
Investment in joint venture (a)	2,335**	-	2,608*	-
	<hr/>	<hr/>	<hr/>	<hr/>
	3,546	1,065	10,819	8,065
	<hr/>	<hr/>	<hr/>	<hr/>

*The University has accounted for its investment in joint ventures at cost in accordance with FRS 9.

** The joint venture has been accounted for in accordance with FRS 9 at cost adjusted for the group's share of profits or losses and goodwill amortisation.

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

Subsidiary undertakings	Principal activity	Interest	Retained surplus
Mapleview Ltd	Accommodation rental	100%	(314,456)
UCD O'Reilly Hall Ltd	Management of O'Reilly Hall	100%	(51,497)
UCD Student Centre Ltd	Management of Student Centre	100%	2,047
UCD Property Development Company Ltd	Property Development	100%	569
UCD Nova Ltd	Development of Nova Building	100%	(3,935)
Foster Residences Ltd	Accommodation rental	100%	1,766
UCD Educational Services Ltd	Dormant	100%	0
Campus Trust Ltd	Dormant	100%	0
Young Scientist and Technology Exhibition Ltd	Sponsorship	100%	460
UCD Campus Sport and Leisure Ltd	Leisure and Educational Facilities	100%	12,531

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

Joint venture undertaking

Penang Medical College	Education	50%	Penang, Malaysia
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Associated undertakings

Molecular Medicine Ireland	Research	20%	Belfield, Dublin 4
National Institute for Bioprocessing Research and Training Limited	Research and training	25%	Belfield, Dublin 4
National Digital Research Centre	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 is €Nil.

National University of Ireland, Dublin

Notes (continued)

12 Financial and heritage assets (continued)

(a) Joint venture undertakings

During the year, UCD acquired an additional interest in the Penang Medical College such that it now holds 50% of the College, with RCSI holding the residual 50% interest. The carrying value of this joint venture of €2.3m is included in other investments in UCD's consolidated balance sheet and consists of the purchase cost incurred, UCD's share of Penang's loss in the year (€137,000) and a goodwill amortisation charge (€136,000).

Name	Country of incorporation	Details of investments	Proportion held by subsidiary	Principal activity
Penang Medical College	Malaysia	1,700,000 ordinary share of RM1	50%	Education
			2012	2011
			€'000	€'000
Share of net assets at fair value:				
At beginning of year			-	-
Acquired in year			1,805	
Share in joint venture loss in year (before tax €181k)			(137)	-
At end of year			1,668	-
The group's share of the investment in net assets of this joint venture comprises:				
			2012	2011
			€'000	€'000
Share of fixed assets			2,011	-
Share of current assets			1,071	-
Share of current liabilities			(1,155)	-
Share of non-current liabilities			(259)	-
Share of net assets at end of year			1,668	-
Goodwill				
At beginning of year			-	-
Arising on acquisition			803	
Amortisation in year			(136)	-
At end of year			667	-
Total investment in joint venture			2,335	-

University College Dublin
National University of Ireland, Dublin

Notes (continued)

13 Stocks

	Consolidated		University	
	2012 €'000	2011 €'000	2012 €'000	2011 €'000
Raw materials and consumables	1,563	1,593	1,563	1,593
Finished goods for resale	781	796	781	796
	<u>2,344</u>	<u>2,389</u>	<u>2,344</u>	<u>2,389</u>

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

14 Debtors

	Consolidated		University	
	2012 €'000	2011 €'000	2012 €'000	2011 €'000
Trade debtors	9,574	9,502	9,221	9,087
Research grants and contracts receivable	50,245	54,349	50,245	54,349
State grant receivable	1,778	8,173	1,778	8,173
Academic fees receivable	4,708	3,538	4,708	3,538
Prepayments	205	186	145	159
Amounts due from subsidiary undertakings	-	-	11,321	10,001
Other debtors	38,833	19,793	38,148	19,676
	<u>105,343</u>	<u>95,541</u>	<u>115,566</u>	<u>104,983</u>

University College Dublin
National University of Ireland, Dublin

Notes (continued)

15 Cash at bank and in hand

	Consolidated		University	
	2012 €'000	2011 €'000	2012 €'000	2011 €'000
Cash at bank including balances held on short term deposit	131,099	66,446	129,868	66,383
Restricted bank balances	37,009	38,137	37,009	38,137
	<u>168,108</u>	<u>104,583</u>	<u>166,877</u>	<u>104,520</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 including the Dublin Molecular Medicine Centre. 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 11 to the financial statements.

16 Creditors: amounts falling due within one year

	Consolidated		University	
	2012 €'000	2011 €'000	2012 €'000	2011 €'000
Trade creditors	3,800	7,493	3,345	7,211
Research grants and contracts in advance	79,030	88,261	79,030	88,261
Academic fees received in advance	47,499	44,236	47,499	44,236
State grant received in advance	23,368	27,233	23,368	27,233
Other capital funding received in advance	23,489	14,535	23,489	14,535
Accruals	16,198	14,804	15,582	13,578
Bank overdrafts (note 18)	1,133	6,940	1,133	6,940
Bank loans (note 18)	8,104	3,301	8,104	3,301
Amounts owed to subsidiary undertakings	-	-	4,181	5,196
Other taxation and social security	7,888	8,325	7,866	8,108
Other creditors	43,335	33,653	32,421	27,216
Other lease obligations – FRS 5 (note 11)	40,751	40,551	40,751	40,551
Other amounts received in advance	4,475	4,890	4,475	4,890
	<u>299,070</u>	<u>294,222</u>	<u>291,244</u>	<u>291,256</u>

University College Dublin National University of Ireland, Dublin

Notes (continued)

17 Creditors: amounts falling due after more than one year

	Consolidated		University	
	2012 €'000	2011 €'000	2012 €'000	2011 €'000
Bank loans (note 18)	94,096	12,891	94,096	12,891
Other lease obligations – FRS 5 (note 11)	37,856	39,346	37,856	39,346
	<u>131,952</u>	<u>52,237</u>	<u>131,952</u>	<u>52,237</u>

18 Borrowings

	Consolidated		University	
	2012 €'000	2011 €'000	2012 €'000	2011 €'000
Bank loans and overdrafts				
Bank loans and overdrafts are repayable as follows;				
In one year or less - Bank overdrafts	1,133	6,940	1,133	6,940
- Bank loans	8,104	3,301	8,104	3,301
	<u>9,237</u>	<u>10,241</u>	<u>9,237</u>	<u>10,241</u>
Amounts falling due after more than one year:				
Between one and two years – bank loans	7,801	3,301	7,801	3,301
Between two and five years – bank loans	20,102	6,602	20,102	6,602
In five years or more – bank loans	66,193	2,988	66,193	2,988
	<u>94,096</u>	<u>12,891</u>	<u>94,096</u>	<u>12,891</u>
Total	<u>103,333</u>	<u>23,132</u>	<u>103,333</u>	<u>23,132</u>

In November 2011 the University secured loan financing of €90m from the European Investment Bank ('EIB') to provide part of the funding necessary for the University's capital expenditure programme over the next three years. This funding was drawn down in full in April 2012 and is secured against two of UCD's student residences, Merville Student Residences and Belgrove Student Residences, together with the new UCD Sports and Leisure building. Security over certain bank accounts attaching to these properties was also granted in favour of the bank. The facility is repayable over a maximum of 20 years (2032) and currently incurs interest at Euribor plus a margin.

University College Dublin
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Notes (continued)

19 Deferred capital grants

	State	Other grants and benefactors	Total
	€'000	€'000	€'000
Consolidated			
At 1 October 2011			
Buildings	197,923	104,308	302,231
Equipment	3,157	8,713	11,870
	<hr/>	<hr/>	<hr/>
Total	201,080	113,021	314,101
	<hr/>	<hr/>	<hr/>
Cash received during year			
Buildings	23,294	567	23,861
Equipment	2,472	2,004	4,476
	<hr/>	<hr/>	<hr/>
Total	25,766	2,571	28,337
	<hr/>	<hr/>	<hr/>
Amortised to income and expenditure in year			
Buildings	4,966	2,378	7,344
Equipment	2,484	4,927	7,411
	<hr/>	<hr/>	<hr/>
Total	7,450	7,305	14,755
	<hr/>	<hr/>	<hr/>
At September 2012			
Buildings	216,251	102,497	318,748
Equipment	3,145	5,790	8,935
	<hr/>	<hr/>	<hr/>
Total	219,396	108,287	327,683
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

University College Dublin
National University of Ireland, Dublin

Notes (continued)

19 Deferred capital grants (continued)

	State €'000	Other grants and benefactors €'000	Total €'000
University:			
At 1 October 2011			
Buildings	197,923	120,615	318,538
Equipment	3,157	8,713	11,870
	<hr/>	<hr/>	<hr/>
Total	201,080	129,328	330,408
<hr/>			
Cash received in year			
Buildings	23,294	2,790	26,084
Equipment	2,472	2,004	4,476
	<hr/>	<hr/>	<hr/>
Total	25,766	4,794	30,560
<hr/>			
Amortised to income and expenditure in year			
Buildings	4,966	2,794	7,760
Equipment	2,484	4,927	7,411
	<hr/>	<hr/>	<hr/>
Total	7,450	7,721	15,171
<hr/>			
At 30 September 2012			
Buildings	216,251	120,611	336,862
Equipment	3,145	5,790	8,935
	<hr/>	<hr/>	<hr/>
Total	219,396	126,401	345,797
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Amounts received in advance and not yet spent are included in creditors (note 16). 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 2012, are as follows:

	State €'000	Other grants and benefactors €'000	Total €'000
Buildings	8,608	23,489	32,097
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

University College Dublin
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Notes (continued)

20 Provisions for liabilities

	2012 €'000	2011 €'000
Consolidated and University		
At 1 October 2011	2,639	2,249
Provided during the year	512	390
	<hr/>	<hr/>
At 30 September 2012	3,151	2,639
	<hr/> <hr/>	<hr/> <hr/>

The provision of €3.2 million relates to amounts owed by the University in respect of pension contributions associated with employees on fixed term contracts where the University has received funding for these additional pension costs from external funding sources.

21 Reconciliation of movement in revenue reserves

	2012 €'000	2011 €'000
Consolidated		
At beginning of year	173,118	165,007
Surplus in year	20,886	8,111
	<hr/>	<hr/>
At end of year	194,004	173,118
	<hr/> <hr/>	<hr/> <hr/>
University		
At beginning of year	160,339	153,788
Surplus in year	19,727	6,551
	<hr/>	<hr/>
At end of year	180,066	160,339
	<hr/> <hr/>	<hr/> <hr/>

University College Dublin
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Notes (continued)

22 Capital commitments

	Consolidated		University	
	2012 €'000	2011 €'000	2012 €'000	2011 €'000
Contracted for but not provided	179,060	127,952	174,178	140,390
Authorised but not contracted	17,084	49,715	39,289	51,144
	<u>196,144</u>	<u>177,667</u>	<u>213,467</u>	<u>191,534</u>

23 Reconciliation of operating surplus to net cash inflow from operating activities

	2012 €'000	2011 €'000
Surplus on continuing operations	20,850	8,113
Depreciation of tangible fixed assets	27,721	27,807
Amortisation of deferred capital grants	(14,755)	(14,747)
Decrease/(increase) in stocks	45	(396)
Increase in debtors	(9,802)	(16,472)
Increase in creditors	762	17,907
Increase in provisions	512	390
Interest income	(1,059)	(915)
Interest payable	1,853	1,195
	<u>26,127</u>	<u>22,882</u>

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Notes (continued)

24 Returns on investments and servicing of finance

	2012 €'000	2011 €'000
Other interest received	1,059	915
Interest paid	(1,853)	(1,195)
	<hr/>	<hr/>
Net cash outflow from returns on investments and servicing of finance	(794)	(280)
	<hr/> <hr/>	<hr/> <hr/>

25 Capital expenditure and financial investment

	2012 €'000	2011 €'000
Purchase of tangible fixed assets	(67,901)	(50,617)
Purchase of investments	(2,481)	(204)
Capital grants received	28,337	19,910
	<hr/>	<hr/>
Net cash outflow from capital expenditure and financial investment	(42,045)	(30,911)
	<hr/> <hr/>	<hr/> <hr/>

26 Net cash flow from financing activities

	2012 €'000	2011 €'000
<i>Debt due within one year:</i>		
Increase/(decrease) in short term borrowings	4,803	(589)
<i>Debt due after one year:</i>		
Increase/(decrease) in long term borrowings	81,205	(3,204)
	<hr/>	<hr/>
	86,008	(3,793)
	<hr/> <hr/>	<hr/> <hr/>

University College Dublin
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Notes (continued)

27 Analysis of changes in net debt

	At 1 Oct 2011 €'000	Cashflows €'000	At 30 Sept 2012 €'000
Cash at bank (including restricted cash)	104,583	63,525	168,108
Bank overdrafts	(6,940)	5,807	(1,133)
	<hr/>	<hr/>	<hr/>
	97,643	69,332	166,975
	<hr/>	<hr/>	<hr/>
Bank debt due within 1 year	(3,301)	(4,803)	(8,104)
Bank debt due after 1 year	(12,891)	(81,205)	(94,096)
	<hr/>	<hr/>	<hr/>
Net funds (including restricted cash)	81,451	(16,676)	64,775
	<hr/>	<hr/>	<hr/>

28 Related parties

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

UCD has identified the parties outlined below as related parties under the definition in 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, €0.104m was contributed by UCD for research projects being undertaken by MMI, and €0.093m was received by the University from MMI for rental of premises. At 30 September 2012, €0.093m was due from MMI to the University.

National Institute for Bioprocessing Research and Training (NIBRT)

During the period, NIBRT utilised University resources at a cost of €0.038m. Furthermore, the University carried out research projects which were funded by NIBRT for which €0.067m was received in the period in respect of amounts due in the previous year. At 30 September 2012, there were no amounts due to the University by NIBRT in relation to the research projects or University resources utilised.

National Digital Research Centre (NDRC)

During the period, the University carried out research projects which were funded by the NDRC for which €0.037m was recognised as research income and €0.026m was recognised as research expenditure for the year. At 30 September 2012, €0.065m was due to the University by NDRC and €0.005m was owed by the University to the NDRC.

University College Dublin National University of Ireland, Dublin

Notes *(continued)*

29 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.

30 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 administered 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 formerly payable by the UCD 1995 Contributory Pension Scheme. Following the passing of a Transfer Order, Statute 123/2010, on 31 March 2010, the scheme's assets were transferred to the State.

The Transfer Order for the UCD 1995 Contributory Scheme was executed on 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 National University of Ireland, Dublin

Notes *(continued)*

30 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 year ended 30 September 2012, and years prior to that, 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 €463 million (2011: €358 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.

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. The FRS 17 valuation was prepared by a qualified independent actuary in order to assess the liabilities as at 30 September 2012 for both schemes, detail of which are provided below.

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Notes *(continued)*

30 Retirement benefits *(continued)*

The University has reported a net pension liability at 30 September 2012 and 2011 as follows:

	2012 €'000	2011 €'000
Present value of the defined benefit obligations	(1,482,774)	(1,163,779)
Total market value of assets	-	-
	<u> </u>	<u> </u>
Pension liability	<u>(1,482,774)</u>	<u>(1,163,779)</u>

The pension receivable and net deficit at 30 September 2012 and 2011 is as follows:

Pension receivable from Irish State	<u>1,482,774</u>	<u>1,163,779</u>
Net pension deficit	<u>-</u>	<u>-</u>

Movement in present value of defined benefit obligation

	2012 €'000	2011 €'000
At 1 October	1,163,779	1,253,233
Current service cost	31,412	33,368
Interest cost	61,316	59,835
Plan members' contributions	6,539	7,162
Actuarial loss/(gain)	264,895	(148,816)
Benefits paid	(45,167)	(41,003)
	<u> </u>	<u> </u>
At 30 September	<u>1,482,774</u>	<u>1,163,779</u>

Reclassification of income and expenditure account pension presentation

The University has changed the presentation, in the 2011 income and expenditure account, to disclose the finance expense and additional service cost as line items in the income and expenditure account within the expenditure caption, with the matching funding presented within the income caption.

University College Dublin National University of Ireland, Dublin

Notes (continued)

30 Retirement benefits (continued)

The impact of this change on the 2011 income and expenditure account is as follows:

	€'000
Total income at 30 September 2011 (as previously stated)	411,229
<i>Impact of restatement:</i>	
Deferred funding for pensions	67,834
	<hr/>
Total income at 30 September 2011 (as restated)	479,063
	<hr/>
Total expenditure at 30 September 2011 (as previously stated)	(403,116)
<i>Impact of restatement:</i>	
FRS 17 additional service cost	(7,999)
FRS 17 interest cost	(59,835)
	<hr/>
Total expenditure at 30 September 2011 (as restated)	470,950
	<hr/>

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

	2012	2011
	€'000	<i>As restated</i> €'000
Staff costs – employer pension costs	25,490	25,369
FRS 17 additional service cost	5,922	7,999
	<hr/>	<hr/>
Current service costs	31,412	33,368
FRS 17 interest cost – interest cost	61,316	59,835
	<hr/>	<hr/>
	92,728	93,203
	<hr/>	<hr/>
Movement on pension receivable – interest cost	(61,316)	(59,835)
Additional service cost	(5,922)	(7,999)
	<hr/>	<hr/>
Deferred funding for pensions	(67,238)	(67,834)
	<hr/>	<hr/>
Total pension expenses recognised in income and expenditure account	25,490	25,369
	<hr/>	<hr/>

University College Dublin National University of Ireland, Dublin

Notes (continued)

30 Retirement benefits (continued)

The total loss recognised in the statement of total recognised gains and losses in respect of actuarial gains and losses is €264.9 m (2011: gain €148.8m). This has been offset by a movement in the matching pension scheme asset.

The scheme assets were transferred to the National Pension Reserve Fund on the 31 March 2010.

Analysis of movement in pension receivable during the year

	2012 €'000	2011 €'000
Pension receivable at beginning of year	1,163,779	1,253,233
Actuarial loss/(gain)	264,895	(148,816)
State funded underwritten pension cost	5,922	7,999
State underwritten finance charge	61,316	59,835
Employer contributions	25,490	25,369
Member contributions	6,539	7,162
Benefits paid	(45,167)	(41,003)
	<hr/>	<hr/>
Pension receivable at end of year	1,482,774	1,163,779
	<hr/> <hr/>	<hr/> <hr/>

Principal actuarial assumptions (expressed as weighted averages) used in the valuation of the defined benefit obligations at the year end were as follows:

	2012 %	2011 %
Discount rate	4.00	5.20
Rate of compensation increase	3.50	3.50
Pension increases	2.50	2.50
Inflation	2.00	2.00
Expected return on plan assets	-	-

In valuing the liabilities of the pension fund at 30 September 2012, 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 2012 would have increased by €39.5m.

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Notes (continued)

30 Retirement benefits (continued)

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:

	2012 Years	2011 Years
Male member age 65 (current life expectancy)	23.2	23.0
Female member age 65 (current life expectancy)	24.6	24.5
Male member age 45 (life expectancy at age 65)	25.8	25.7
Female member age 45 (life expectancy age 65)	26.8	26.7

History of plan

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

	2012 €'000	2011 €'000	2010 €'000	2009 €'000	2008 €'000
Defined benefit obligation	(1,482,774)	(1,163,779)	(1,253,233)	(930,605)	(997,417)
Fair value of plan assets	-	-	-	488,192	506,722
Deficit	(1,482,774)	(1,163,779)	(1,253,233)	(442,413)	(490,695)

Difference between expected and actual return on plan assets:

	2012 €'000	2011 €'000	2010 €'000	2009 €'000	2008 €'000
Amount	-	-	1,376	(49,821)	(254,950)
% of plan assets	N/A*	N/A*	N/A*	(10%)	(50%)

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

Experience (gains)/losses on plan liabilities:

	2012 €'000	2011 €'000	2010 €'000	2009 €'000	2008 €'000
Amount	(36,849)	(36,920)	15,910	(23,021)	49,067
% of plan liabilities	2%	3%	1%	2%	5%

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Notes (continued)

30 Retirement benefits (continued)

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

	2012 €'000	2011 €'000	2010 €'000	2009 €'000	2008 €'000
Amount	301,744	(111,869)	254,848	(100,376)	(107,339)
% of plan liabilities	20%	10%	20%	11%	11%

31 Approval of financial statements

The financial statements were approved by the Governing Authority on 15 October 2013.

University College Dublin
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Dublin

Additional information not forming part
of the consolidated financial statements

Year ended 30 September 2012

University College Dublin
National University of Ireland, Dublin

Additional information not forming part of the consolidated financial statements

1 Deferred income

	2012 €'000	2011 €'000
State recurrent grant:		
- received in respect of current year	88,992	96,105
- deferred in prior accounting year	11,666	9,636
- deferred to subsequent accounting years	(14,756)	(11,666)
	<hr/>	<hr/>
State recurrent grant per financial statements (Note 1)	85,902	94,075
	<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 Heritage assets

As an educational institution since 1854 University College Dublin has acquired many assets of unquantifiable historic and cultural importance to the State. The UCD collections include Georgian houses complete with outstanding artistic stucco plasterwork; print material from the 1830's stored in specific library conditions and multiple examples of historic and contemporary artworks. UCD has a clear duty of care for these assets and aims to make them available for the enjoyment and education of the public as far as is possible, commensurate with their long term care and preservation. The highest possible standards of collection management are applied, and the assets are made available as widely as possible to facilitate all enquiries and requests for information, subject to appropriate security and data protection guidelines.

For example, appointments can be made to view printed and archival library materials held under specialist conditions and guided tours are available in limited circumstances of heritage buildings such as Newman House.

Period houses

The most significant element of these assets comprises the University's period houses which date from the 1730's onwards. UCD has acquired these houses over a significant period of time, and throughout various incarnations of the university itself. As noted in the accounting policies in the financial statements, the period houses and subsequent refurbishments are included in the balance sheet in line with FRS 15. 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. Although it is not general UCD policy to dispose of capital assets, in 2007 University Buildings at Earlsfort Terrace were sold to the State. Disposal costs of €2.2m were incurred on the disposal and the audited financial statements in 2007 detail the gain made of €56.9m.

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Additional information not forming part of the consolidated financial statements
(continued)

2 Heritage assets (continued)

Period houses (continued)

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

As at 30 September 2012 costs associated with heritage buildings captured and capitalised on the balance sheet since 1997 were €11.5m.

Artworks

Since 2006 UCD's policy has been to capitalise all artworks purchased for the benefit of the University in its financial statements. Invoices are coded to one specific account which is then reported under financial assets in the balance sheet. As at 30 September 2012 the historic cost of artworks amounted to €1.2m.

Other paintings & artefacts

Additional assets and collections belonging to the University have not been capitalised as these are, in effect, inalienable, held in perpetuity, and are mostly irreplaceable. They are neither disposed of for financial gain nor encumbered in any manner. A valuation from Adam's Auctioneers and Valuers in 2005 valued these assets at €2.7m. There were very few transactions across collections during the periods. In the University's view, the value of these transactions is not material and obtaining a current valuation would involve disproportionate cost. The tables below illustrate those heritage assets for which costs and valuations have been obtained.

	Buildings €'000	Other paintings and artefacts €'000	Art works €'000	Total €'000
Cost or Valuation At 1 October 2011	11,204	2,724*	1,071	14,999
Additions				
- Purchases	-	-	127	127
- Refurbishment	319	-	-	319
At 30 September 2012	<u>11,523</u>	<u>2,724</u>	<u>1,198</u>	<u>15,445</u>

Source: *Paintings & Artefacts are per the 2005 valuation provided by Adam's Valuers & Auctioneers

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Additional information not forming part of the consolidated financial statements

2 Heritage Assets *(continued)*

Five year financial summary of heritage asset transactions

	2008 €'000	2009 €'000	2010 €'000	2011 €'000	2012 €'000
Cost or Valuation					
At 1 October	11,621	13,315	14,485	14,579	14,999
Additions:					
- Purchases	302	139	44	251	127
- Refurbishment	1,392	1,031	50	169	319
Disposals	-	-	-	-	-
At 30 September	13,315	14,485	14,579	14,999	15,445

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HEA Funding Statement and Reconciliation

(not forming part of the financial statements)

Year ended 30 September 2012

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 2011/2012 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
National University of Ireland, Dublin

Funding statement

Revenue account

Year ended 30 September 2012

	Notes	2012 €'000	2011 €'000
Income			
State grants	1	85,008	92,462
Academic fees	2	152,504	143,243
Other income	3	26,010	23,483
		<hr/>	<hr/>
Contract research	4	263,522 75,026	259,188 73,115
		<hr/>	<hr/>
Total income		338,548	332,303
		<hr/>	<hr/>
Expenditure			
Academic faculties and departments	5	160,472	163,096
Academic and other services	6	19,104	20,681
Premises	7	21,562	20,974
Amount allocated for capital purposes	8	4,715	1,772
Central administration and services	9	29,037	25,563
General educational expenditure	10	10,029	9,711
Student services	11	4,655	5,217
Pension supplementation		10,005	10,176
Term loan interest		608	734
		<hr/>	<hr/>
Contract research	4	260,187 75,026	257,924 73,115
		<hr/>	<hr/>
Total expenditure	12	335,213	331,039
		<hr/>	<hr/>
Surplus for year before amortisation of capital reserves and grants, ancillary services and depreciation of fixed assets (after transfer to strategic initiative)		3,335	1,264

University College Dublin
National University of Ireland, Dublin

Funding statement

Revenue account *(continued)*

Year ended 30 September 2012

	<i>Notes</i>	2012 €'000	2011 €'000
Surplus for year before amortisation of capital reserves and grants, ancillary services and depreciation of fixed assets (after transfer to strategic initiative)		3,335	1,264
Surplus on ancillary services	13	2,683	57
Depreciation of fixed assets	15	(25,044)	(27,893)
General reserve movement	14	22,361	27,836
		<hr/>	<hr/>
Net surplus for the year		3,335	1,264
Revenue reserves at start of year	20	(6,486)	(7,750)
		<hr/>	<hr/>
Revenue reserves at end of year	20	(3,151)	(6,486)
		<hr/> <hr/>	<hr/> <hr/>

The statement of accounting policies on pages 50 to 52 and the cash flow statement and notes from page 56 to page 67 form part of the funding statement.



Hugh Brady
President



Gerry O'Brien
Vice-President for Finance

15-10-13

[DATE]


University College Dublin
National University of Ireland, Dublin

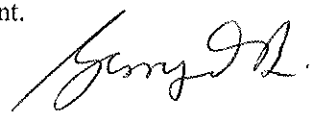
Funding statement

Balance sheet
as at 30 September 2012

	Notes	2012 €'000	2011 €'000
Fixed assets	15	656,737	604,096
Investments		10,286	8,022
Current assets			
Bank balances and cash		120,981	59,308
Debtors and prepayments	16	83,037	71,332
Stocks	17	1,273	1,212
Current liabilities		205,291	131,852
Creditors and accrued expenditure	18	(266,587)	(240,784)
Net current liabilities		(61,296)	(108,932)
Total assets less net current liabilities		605,727	503,186
Long term liabilities			
Long term loans		(94,098)	(12,892)
Represented by:			
General reserve	19	514,780	496,780
Revenue reserves	20	(3,151)	(6,486)
		511,629	490,294

The statement of accounting policies, on pages 50 to 52 and the cash flow statement and notes from page 56 to page 67 form part of the funding statement.


Hugh Brady
President


Gerry O'Brien
Vice-President for Finance

15-10-13

[DATE]

University College Dublin
National University of Ireland, Dublin

Funding statement

Cash flow statement

Year ended 30 September 2012

	<i>Notes</i>	2012 €'000	2011 €'000
Net cash inflow from operating activities	<i>21</i>	1,681	9,536
Returns on investments and services of finance			
Interest received		1,438	1,508
Interest paid		(608)	(734)
Capital expenditure			
Payments to acquire tangible fixed assets		(77,685)	(59,915)
Payments to acquire investments		(2,264)	(203)
		<hr/>	<hr/>
Net cash outflow before financing		(77,438)	(49,808)
		<hr/>	<hr/>
Financing			
HEA capital grants		29,232	8,879
Non HEA capital funding		18,515	27,184
Recurrent funding transfer		5,355	6,611
Increase/(decrease) in long term loans		86,009	(3,326)
		<hr/>	<hr/>
Net cash inflow from financing		139,111	39,348
		<hr/>	<hr/>
Net cash inflow/(outflow) after financing		61,673	(10,460)
		<hr/> <hr/>	<hr/> <hr/>
Increase/(decrease) in cash and cash equivalents	<i>22</i>	61,673	(10,460)
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 57 to 67 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	2012	2011
	€'000	€'000
Recurrent grant	83,148	90,720
Minor works grant	1,860	1,742
	<hr/>	<hr/>
Total	85,008	92,462
	<hr/> <hr/>	<hr/> <hr/>
2 Academic fees	2012	2011
	€'000	€'000
Academic fees	152,464	143,206
Miscellaneous fee income	40	37
	<hr/>	<hr/>
Total	152,504	143,243
	<hr/> <hr/>	<hr/> <hr/>
A total of €53.652m (2011:€57.6m) included in academic fee income was paid directly by the Higher Education Authority.		
3 Other income	2012	2011
	€'000	€'000
Interest receivable (net)	1,438	1,508
Funded posts	7,342	5,213
Rent, concessions and other charges	27	342
Non-EU fees	7,483	6,774
Contract research contribution	9,108	8,918
Contribution from subsidiary companies	612	728
	<hr/>	<hr/>
Total	26,010	23,483
	<hr/> <hr/>	<hr/> <hr/>
4 Contract research	2012	2011
	€'000	€'000
Research grants income	75,026	73,115
Research grant expenditure	(75,026)	(73,115)
	<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

	2012 Staff Costs €'000	2012 Non Pay €'000	2012 Total €'000	2011 Total €'000
Academic staff	113,579	-	113,579	111,966
Technical staff	11,326	-	11,326	11,964
Administration support staff	26,170	-	26,170	25,743
Departmental materials, equipment and travel	-	9,253	9,253	12,435
Miscellaneous	8	136	144	988
	<hr/>	<hr/>	<hr/>	<hr/>
Total	151,083	9,389	160,472	163,096
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

6 Academic and other services

	2012 Staff Costs €'000	2012 Non Pay €'000	2012 Total €'000	2011 Total €'000
Computer services incl Audio Visual	6,455	2,397	8,852	9,547
Library	5,507	2,114	7,621	8,410
Electron microscopy unit	225	(65)	160	135
Biomedical facility	634	(73)	561	565
Archives	311	20	331	336
University industry programme	-	837	837	900
Lyons Estate field station	859	(117)	742	788
	<hr/>	<hr/>	<hr/>	<hr/>
Total	13,991	5,113	19,104	20,681
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

University College Dublin
National University of Ireland, Dublin

Funding statement

Notes (continued)

7 Premises

	2012 Staff Costs €'000	2012 Non Pay €'000	2012 Total €'000	2011 Total €'000
Premises maintenance	2,135	3,111	5,246	3,733
General services	1,810	4,648	6,458	8,941
Devolved grant & minor works	-	1,860	1,860	1,742
Insurance	-	1,038	1,038	1,028
Energy costs	-	6,960	6,960	5,530
Total	3,945	17,617	21,562	20,974

8 Amount allocated for capital purposes

	2012 Staff Costs €'000	2012 Non Pay €'000	2012 Total €'000	2011 Total €'000
Capital projects	-	2,963	2,963	950
Equipment	-	1,752	1,752	822
Total	-	4,715	4,715	1,772

9 Central administration and services

	2012 Staff Costs €'000	2012 Non Pay €'000	2012 Total €'000	2011 Total €'000
Administration staff	20,415	-	20,415	20,380
Expenses	-	5,701	5,701	2,470
Professional charges	-	2,461	2,461	2,023
Miscellaneous	455	5	460	690
Total	20,870	8,167	29,037	25,563

University College Dublin
National University of Ireland, Dublin

Funding statement

Notes (continued)

10 General educational expenditure

	2012 Staff Costs €'000	2012 Non Pay €'000	2012 Total €'000	2011 Total €'000
Examination expenses	2,182	1,232	3,414	3,467
Scholarships/prizes/fellowships	-	3,240	3,240	2,941
NUI capitation	-	542	542	570
Miscellaneous expenses	1,096	1,737	2,833	2,733
	<hr/>	<hr/>	<hr/>	<hr/>
Total	3,278	6,751	10,029	9,711
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

11 Student services

	2012 Staff Costs €'000	2012 Non Pay €'000	2012 Total €'000	2011 Total €'000
Capitation and other grants	2	1,832	1,834	1,741
Student services	1,439	(440)	999	1,740
Careers office	556	10	566	497
Health and counselling	963	(161)	802	853
Sports facilities and recreation	1,065	(531)	534	386
Restaurant	1,356	(1,436)	(80)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total	5,381	(726)	4,655	5,217
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

12 Composition of total expenditure

	2012 Staff Costs €'000	2012 Non Pay €'000	2012 Total €'000	2011 Total €'000
Academic and related services	198,548	61,639	260,187	257,924
Research grants	52,238	22,788	75,026	73,115
	<hr/>	<hr/>	<hr/>	<hr/>
	250,786	84,427	335,213	331,039
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

A contribution from subsidiary companies of €612,000 (2011: €728,000) is included in other income (note 3) to cover interest arising on term loans of €608,000 (2011: €734,000) included above. Included in expenditure are pension supplementation costs of €10,005,000 (2011: €10,176,000).

University College Dublin
National University of Ireland, Dublin

Funding statements

Notes (continued)

13 Ancillary services summary

	2012	2012	2012	2011
	Income	Expenditure	Surplus/ (Deficit)	Surplus (Deficit)
	€'000	€'000	€'000	€'000
Catering	1,480	1,638	(158)	(145)
Student residences	13,611	13,181	430	293
Other activities (including property development)	63,327	60,916	2,411	(91)
	<u>78,418</u>	<u>75,735</u>	<u>2,683</u>	<u>57</u>
Surplus – ancillary services for the year			<u>2,683</u>	<u>57</u>

14 General reserve movement

	2012	2011
	€'000	€'000
Amortisation in line with depreciation	25,044	27,893
Surplus on ancillary services from revenue account to general revenue account	(2,683)	(57)
Movement in general reserves in year	<u>22,361</u>	<u>27,836</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	656,627	66,765	5,325	18,959	135,869	883,545
Additions in year	91,998	(19,443)	-	(113)	5,243	77,685
At end of year	748,625	47,322	5,325	18,846	141,112	961,230
Depreciation						
At beginning of year	139,201	-	5,325	17,990	116,933	279,449
Charge for year	15,007	-	-	297	9,740	25,044
At end of year	154,208	-	5,325	18,287	126,673	304,493
Net book value						
At 30 September 2012	594,417	47,322	-	559	14,439	656,737
At 30 September 2011	517,426	66,765	-	969	18,936	604,096

Fixed assets are reported at historical cost.

University College Dublin
National University of Ireland, Dublin

Funding statement

Notes (continued)

16 Debtors and prepayments

	2012 €'000	2011 €'000
Contract research grants and projects recoverable	26,068	27,347
State recurrent grant receivable	-	3,606
State capital grant receivable	1,777	4,567
Academic fees receivable	8,800	7,630
Other debtors and prepayments	9,121	8,742
Internal balances:		
- Pension fund	37,252	18,706
- Trust fund	19	734
	<hr/>	<hr/>
	83,037	71,332
	<hr/> <hr/>	<hr/> <hr/>

17 Stocks

	2012 €'000	2011 €'000
Livestock	225	258
Horticulture and farm stock	80	71
Restaurant stock	25	25
Virus Reference Laboratory	620	802
Chemistry Laboratory	55	56
Gift Shop	268	-
	<hr/>	<hr/>
	1,273	1,212
	<hr/> <hr/>	<hr/> <hr/>

University College Dublin
National University of Ireland, Dublin

Funding statement

Notes (continued)

18 Creditors and accrued expenditure

	2012 €'000	2011 €'000
Contract research grants and projects unexpended	64,391	66,732
State grant for recurrent expenditure received in advance	16,142	13,552
State capital grant received and accruals	32,098	29,863
Academic fees received in advance	48,233	44,235
Other creditors and accruals	61,543	55,749
Bank loans	8,104	3,301
Internal balances:		
- Unexpended approved allocations	6,355	5,154
- Departmental Funds	4,439	2,252
- Model pension scheme creditor	25,282	19,946
	<hr/>	<hr/>
	266,587	240,784
	<hr/> <hr/>	<hr/> <hr/>

19 General reserve

	Opening balance €'000	Current year movement €'000	2012 €'000
State capital grants	347,042	29,232	376,274
Recurrent funding transfer from October 1996	101,916	5,355	107,271
Capital reserves	309,759	17,447	327,206
Student centre levy	13,279	1,068	14,347
Ancillary services	4,235	(10,058)	(5,823)
	<hr/>	<hr/>	<hr/>
	776,231	43,044	819,275
Amortisation			
Amortisation	(280,167)	(25,044)	(305,211)
Amortisation at end of year	716	-	716
	<hr/>	<hr/>	<hr/>
	496,780	18,000	514,780
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

	2012 €'000	2011 €'000
At start of year	(6,486)	(7,750)
Surplus for year	3,335	1,264
At end of year	<u>(3,151)</u>	<u>(6,486)</u>

University College Dublin
National University of Ireland, Dublin

Funding statement

Notes (continued)

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

	2012 €'000	2011 €'000
Net surplus for the year	3,335	1,264
Interest received	(1,438)	(1,508)
Interest paid	608	734
Depreciation of fixed assets	25,044	27,893
Amortisation of general reserve	(25,044)	(27,893)
Surplus on ancillary services	2,683	57
Transfer (to)/from Ancillary reserve to General reserve	(12,741)	2,423
(Increase) in debtors	(11,705)	(13,492)
(Increase) in stocks	(61)	(238)
Increase in creditors and accruals	21,000	20,296
	<hr/>	<hr/>
Net cash inflow from operating activities	1,681	9,536
	<hr/>	<hr/>

22 Analysis of net debt

	At 1 Oct 2011 €'000	Cashflow €'000	At 30 Sept 2012 €'000
Cash at bank and in hand	59,308	61,673	120,981
Debt due within one year	(3,301)	(4,803)	(8,104)
Debt due after one year	(12,892)	(81,206)	(94,098)
	<hr/>	<hr/>	<hr/>
Net funds	43,115	(24,336)	18,779
	<hr/>	<hr/>	<hr/>

University College Dublin
National University of Ireland, Dublin

Funding statement

Notes (continued)

23 Pensions Control Account

	Funded Scheme €'000	Model Scheme €'000
Opening balance	(18,706)	19,962
Employer Contributions	11,838	2,953
Employee Contributions	4,456	2,083
Employer Contributions 20%	-	694
Supplementation income	10,005	-
Purchase of added years	450	18
Total income	26,749	5,748
<i>Expenditure</i>		
Pension in payment (including supplementation)	37,894	-
Lump sum payments on retirement	7,175	98
Administration & other costs	226	330
Total expenditure	45,295	428
(Deficit)/surplus at end of year	(37,252)	25,282

Grant receivable from the HEA relating to the Funded Scheme amounting to €37.3m is included in debtors and prepayments (see note 16). Grant payable to the HEA relating to the Model Scheme amounting to €25.3m 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

15-10-13

The funding statement accounts were approved by the Governing Authority on [DATE].

University College Dublin
National University of Ireland, Dublin

Reconciliation of HEA Funding Statement
with Consolidated Financial Statements

Year ended 30 September 2012

University College Dublin
National University of Ireland, Dublin

Reconciliation of HEA Funding Statement with Consolidated Financial Statements
for the year ended 30 September 2012

	Consolidated financial statements €'000	Subsidiary companies €'000	Unincorporated ancillary activities €'000	GAAP adjustments €'000	HEA funding statement €'000
Income					
State grants	85,902	-	-	(894)	85,008
Academic fees	175,734	-	-	(23,230)	152,504
Research grants and contracts	84,361	-	-	(9,335)	75,026
Amortisation of deferred capital grants	14,755	-	-	(14,755)	-
Other operating income	62,042	(5,760)	(25,194)	(6,516)	24,572
Interest income	1,059	-	-	379	1,438
Deferred funding for pensions	67,238	-	-	(67,238)	-
Total income	491,091	(5,760)	(25,194)	(121,589)	338,548
Expenditure					
Staff costs	264,558	(1,170)	(6,148)	(6,454)	250,786
Other operating expenses	108,690	(2,818)	(14,630)	(32,467)	58,775
Interest payable	1,853	-	-	(1,245)	608
Depreciation	27,721	(331)	-	(2,346)	25,044
Share of operating loss in Joint Venture	181	-	-	(181)	-
FRS 17 additional service cost	5,922	-	-	(5,922)	-
FRS 17 Interest cost	61,316	-	-	(61,316)	-
Total expenditure	470,241	(4,319)	(20,778)	(109,931)	335,213
Surplus for the year before taxation and disposal	20,850	(1,441)	(4,416)	(11,658)	3,335