

University College Dublin
National University of Ireland,
Dublin

Annual report, consolidated financial statements
and funding statement

Year ended 30 September 2014

University College Dublin

National University of Ireland, Dublin

President's report and financial statements

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University College Dublin National University of Ireland, Dublin

President's Report

Scope of the Financial Statements

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

The financial statements of UCD Foundation 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 17 to 53 have been prepared in accordance with generally accepted accounting standards.

The Funding Statement as set out on pages 55 to 72 is prepared in a format as agreed with the Higher Education Authority (HEA) arising from a "Harmonisation of Accounts" agreement as adopted by all Irish universities. The Funding Statement permits continued comparison across the university sector.

A reconciliation of the outturn in the Funding Statement to the outturn in the consolidated financial statements is shown on page 73.

Results for the Year

The University's consolidated income and expenditure account and net surplus for the year to 30 September 2014 are shown on page 22 of the financial statements. Total income increased by 4% during the year from €497.2m to €515m. Student fees showed an increase of €16.3m to €196.6m. State grant funding decreased during the year by 11% to €70.4m as a result of continuing cuts in funding made available to the University by the HEA.

Total expenditure increased by €6.8m to €492.0m (1%) in comparison to the expenditure in 2013. The overall result reported is a surplus after taxation of €23.0m for the year compared to a surplus position in the previous year of €12.2m.

Treasury Management

The University's bank and cash balances decreased during the year from €140.5m to €132.7m. In accordance with the University's Treasury Management policy, the University's investment objective is to achieve the best possible return while minimising risk. Long term borrowing decreased from €87.1m to €80.2m during the year.

Strategic Plan

The University's New Strategic Plan, *UCD Strategy 2015-2020*, was developed in 2014. The development process involved a wide-ranging open discussion with the UCD community and with our key stakeholders. The Strategic Plan was officially announced by the President, in the company of Minister for Education and Skills, Ms Jan O'Sullivan TD in late 2014.

UCD Strategy 2015-2020 identifies the University's mission, values and vision for 2020. It specifies ten key objectives to be pursued in achieving this vision. We expect that success in achieving our vision will see us solidly in the world top 100 universities by 2020.

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President's Report *(continued)*

Capital Expenditure

The University including its subsidiary companies incurred expenditure of €30.9m on land and buildings and a further €10.0m on equipment and fittings, bringing total capital expenditure to €40.9m for 2013/14.

Phase two of the UCD O'Brien Centre for Science was opened formally by the Minister for Education and Skills, Ruairi Quinn TD, in October 2013.

The UCD Sutherland School of Law was officially opened by the Minister for Education and Skills, Ruairi Quinn TD, in December 2013. The new building acts as a national resource of the highest international standard, designed to underpin innovation in legal education, research and practice.

The Minister for Research and Innovation, Sean Sherlock TD, officially opened the research facility for Systems Biology Ireland, in December 2013. These state of the art facilities enable the institute to continue its work to design new therapeutic approaches to diseases, with a focus on cancer.

New projects in development include the new UCD Confucius Institute for Ireland, with construction anticipated to commence on site in 2015 and the construction of a new 354 bedroom residence village to be located adjacent to the existing Belgrove Residence.

Student Population

One of the key objectives in the strategic plan is to attract and retain an excellent and diverse cohort of students, faculty and staff. In the current uncertain global and national economic conditions, it is positive news to report a student population growth of 3.2%. Student numbers on campus grew from 25,533 in 2013 to 26,354 in 2014.

The increase in graduate and international student numbers has contributed greatly to the diversity of the student population. Graduate student numbers rose by 7.4% and international numbers rose by 13.8%. In terms of how these student cohorts contribute to the overall student population, graduate and international students make up 30.5% and 24% respectively. The University also continued its efforts to increase the number of non-traditional student numbers which account for 23% of the student population at undergraduate level.

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President's Report (*continued*)

Internationalisation

The University has made progress attracting over 6,000 international students for the first time to our Irish campuses. Combined with some 5,000 taking UCD programmes abroad our global footprint is expanding.

UCD continued its investment in international student recruitment and is actively seeking to establish itself in South-East Asia, and to develop further partnerships in China. This income represents a valuable source of non-Exchequer funding.

Research & Innovation

UCD's role as a national leader in research funding has continued with an increase of 40% in competitive European Commission funding for research contracts signed in 2013/14 which equates to €114 million in funding. This represents a five year high and is a tremendous performance.

In October 2013, the Minister for Jobs, Enterprise and Innovation, Richard Bruton TD, launched a new report to highlight the economic impact of NovaUCD in Ireland and internationally, for the period 2003-2013. The report highlighted that start-up and commercialisation activities at NovaUCD, currently support a total of 1,341 jobs (direct and indirect) worldwide, of which 1,056 are based in Ireland. In addition, the activities at NovaUCD support an annual contribution of €47.7 million Gross Value Added (GVA) to the worldwide economy, of which €36.6 million is contributed to the Irish economy.

This year included many innovation successes, including award winning spin-outs and funding successes. During the past year our researchers reported a total of 59 inventions, numerous patent applications, licensing agreements and the formation of three New UCD spin-out companies.

Conclusion

The dedication and commitment that the staff, Alumni and supporters have to this great institution is evident to me. For UCD to prosper, we must harness that energy and work together towards a shared vision of the future. I trust that our new strategic plan will provide that focus to move us firmly into the vanguard of world class universities.



Andrew Deeks
President

20/10/2015

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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.

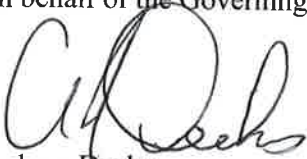
In preparing the financial statements, the Governing Authority is required to:

- 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 Financial Reporting Council 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,



Andrew Deeks
President



Gerry O'Brien
Vice-President for Finance

Date: 20/10/15

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Statement on Governance and Internal Control *for the financial year ended 30 September 2014*

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.

(i) Governance and Internal Control Environment

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 (FRAMC) and the Audit and Risk Management Committee (ARMC). The Governing Authority and its standing committees are chaired by independent Chairs (not members of staff or members of the student body). The Fifth Governing Authority (Thirty-Second Governing Body) commenced its term of office during the financial year (on 1 February 2014). The independent Chairs of FRAMC and ARMC are members of the Governing Authority.

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

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

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

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Statement on Governance and Internal Control *(continued)*
for the financial year ended 30 September 2014

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

The **University Management Team (UMT)** comprises the President and other officers and senior managers in the University. A number of UMT groups support the work of the University Management Team.

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

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

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

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

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

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

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

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

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

- (1) Ongoing review by the University Management Team and the provision of annual assurance statements by senior managers;
- (2) The Annual Report of the President to the Governing Authority;

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Statement on Governance and Internal Control *(continued)*
for the financial year ended 30 September 2014

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

- (3) The President's Routine Reports presented at each meeting of the Governing Authority;
- (4) 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;
- (5) Reports from Academic Council meetings which are placed before meetings of the Governing Authority;
- (6) Reports from the Audit and Risk Management Committee which are placed before meetings of the Governing Authority and the annual report of the Audit and Risk Management Committee which includes a summary of the work performed by the Internal Audit function during the year and comments arising from the committee's review of risk management and corporate governance arrangements;
- (7) 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;
- (8) Quality Assurance reports;
- (9) Communication of the results of other periodic reviews.

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

The above monitoring and review processes have been in place throughout the financial year ended 30 September 2014 and no issues have been identified which require disclosure in this statement.

Statutory Obligations

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

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.

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Statement on Governance and Internal Control *(continued)*
for the financial year ended 30 September 2014

Financially Significant Developments

Financially significant developments affecting UCD in the past year include:

(a) The Funding Statement showed a surplus for the year ended 30 September 2014. The accumulated surplus at year end was €331,000.

(b) A number of capital development projects were at various stages of progress during the year to 30 September 2014, including:

- UCD Sutherland School of Law (opened end of 2013)
- Refurbishment of Belgrove Residences (ongoing)
- Systems Biology Ireland (opened end of 2013)

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.

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

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

Procurement: UCD has put in place procurement policies and procedures and all non-pay expenditure is required to be procured in accordance with these policies and procedures. Instances of non-compliance identified by management or in Internal Audit reports are brought to the attention of the Head of the relevant School/Unit or budget-holder. In framing its procurement policies and procedures, UCD has applied a threshold of €60,000 above which all expenditure must be subject to tendering. UCD does not operate the €25,000 threshold set out in national public procurement guidelines as adherence to this level would be administratively challenging due to the limited procurement staffing resources available. The current threshold of €60,000 allows UCD to focus on getting best value from higher-value purchases. Expenditure under €60,000 requires competitive quotations to be obtained. In addition, the €25,000 threshold is applied to some research expenditure where this is required by the terms and conditions attaching to the particular research grant. The UCD Procurement Office runs tenders on behalf of the university and provides support and training to staff across the university. UCD has also implemented a centralised online purchasing system with trained buyers with the aim of enhancing the co-ordination of buyer activity across the university and of improving levels of compliance generally. The threshold for tenders will be kept under review as this system is further developed. UCD is also actively working with the Office of Government Procurement (OGP) to ensure that procurement activities are aligned with the work of the OGP.

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Statement on Governance and Internal Control *(continued)*
for the financial year ended 30 September 2014

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

There were seven suppliers identified in the 2013 financial year, for which national public procurement guidelines were not applied. The University is taking action to ensure that all identified instances of non-compliance are being addressed and procedures are reviewed and updated where practicable to ensure compliance with public procurement requirements.

Asset Disposal: No disposals of land/buildings took place during the period.

Guidelines for the Appraisal and Management of Capital Proposals

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

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.

The university has made no declarations to the Revenue regarding the underpayment of taxes since May 2009.

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 2014 was €25,479.86 and were paid in accordance with Department of Finance guidelines.

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.

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Statement on Governance and Internal Control *(continued)*
for the financial year ended 30 September 2014

Good Faith Reporting – Protected Disclosures Act 2014

University College Dublin has put in place a Protected Disclosures Policy in line with the Protected Disclosures Act 2014. This policy was approved in February 2015 following the enactment of the legislation in 2014.

Governing Authority Meetings

The Governing Authority held six meetings during the financial year ended 30 September 2014. Attendance at meetings of the Governing Authority during the financial year ended 30 September 2014 is set out below. It should be noted that the term of office of the Fourth Governing Authority of the University expired on 31 January 2014 and that the term of office of the Fifth Governing Authority of the University commenced on 1 February 2014. The attendance records therefore note both the number of meetings attended by each member and the number of meetings each member was eligible to attend. Where there was a change in membership during the period, the end date for outgoing members and the commencement date for incoming members is noted. Following the commencement of the term of the Fifth Governing Authority on 1 February 2014, and in accordance with the provisions of the Universities Act, 1997, the President chaired meetings of the Governing Authority until the appointment process for an independent Chair had been completed. Mr Eugene McCague was subsequently appointed Chair and has chaired the Governing Authority meetings since 21 October 2014.

| | | <u>Meetings attended</u> |
|---|------------------------|--------------------------|
| Chairman | | |
| Mr Dermot Gallagher | until 31 January 2014 | 2/2 |
| The President | | |
| Dr Hugh Brady | until 31 December 2013 | 2/2 |
| Professor Andrew J. Deeks | from 01 January 2014 | 4/4 |
| Senior Academic Officer (The Registrar) | | |
| Professor Mark Rogers | | 6/6 |
| Elected by the Professorial Academic Staff | | |
| Professor Thomas Brazil | until 31 January 2014 | 2/2 |
| Professor Joe Carthy | | 5/6 |
| Professor Pat Guiry | | 6/6 |
| Professor Dermot Moran | | 6/6 |
| Professor Patrick Shannon | until 31 January 2014 | 2/2 |
| Professor Alan Baird | from 01 February 2014 | 4/4 |
| Professor Orla Feely | from 01 February 2014 | 2/4 |
| Professor Imelda Maher | from 01 February 2014 | 4/4 |
| Elected by the Non-Professorial Academic Staff | | |
| Dr Joseph Brady | | 4/6 |
| Dr Marie Clarke | | 6/6 |
| Dr Rita Collins | until 31 January 2014 | 2/2 |
| Mr John Dunnion | | 6/6 |

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Statement on Governance and Internal Control *(continued)*
for the financial year ended 30 September 2014

Governing Authority Meetings *(continued)*

Elected by the Non-Professorial Academic Staff *(continued)*

| | | |
|------------------|-----------------------|-----|
| Dr Gerald Mills | until 31 January 2014 | 1/2 |
| Dr Russell Higgs | from 01 February 2014 | 3/4 |
| Dr Wolfgang Marx | from 01 February 2014 | 4/4 |

Elected by the Non-Academic Staff

| | | |
|----------------------|-----------------------|-----|
| Ms Thomond Coogan | until 31 January 2014 | 2/2 |
| Mr Robert French | until 31 January 2014 | 2/2 |
| Mr Hugo O'Donnell | | 6/6 |
| Ms Margaret Brindley | from 01 February 2014 | 4/4 |
| Mr Paul Harkin | from 01 February 2014 | 3/4 |

Elected Officers of the Student's Union

| | | |
|----------------------|--------------------|-----|
| Mr Micheál Gallagher | until 14 June 2014 | 5/5 |
| Mr Adam Carroll | until 14 June 2014 | 4/5 |
| Mr Cian Dowling | until 14 June 2014 | 5/5 |
| Mr Feargal Hynes | from 15 June 2014 | 1/1 |
| Ms Maeve DeSay | from 15 June 2014 | 1/1 |
| Ms Amy Fox | from 15 June 2014 | 1/1 |

Elected by the Postgraduate Students

| | | |
|----------------|--|-----|
| Mr Mark Stokes | until 30 November 2013 | 0/1 |
| Mr Dylan Gray | from 01 December 2013 until 14 June 2014 | 4/4 |

Nominations from Organisations

| | | |
|---------------------------|-----------------------|-----|
| Professor Patrick Dowling | until 31 January 2014 | 2/2 |
| Dr Eileen Fitzpatrick | until 31 January 2014 | 2/2 |
| Mr Michael Feeney | from 01 February 2014 | 4/4 |

Nominated by the Minister for Education

| | | |
|-----------------------|-----------------------|-----|
| Mr Dermot Fitzpatrick | until 31 January 2014 | 2/2 |
| Mr Noel Kelly | until 31 January 2014 | 1/2 |
| Ms Mary King | until 31 January 2014 | 2/2 |
| Mr Dermot Lacey | from 01 February 2014 | 3/4 |

Elected by the UCD Graduates of NUI

| | | |
|--------------------------------|-----------------------|-----|
| Ms Cliona de Bháldraithe Marsh | | 6/6 |
| Ms Mary Theresa O'Keeffe | until 31 January 2014 | 2/2 |
| Mr Séamus Mac Suibhne | until 31 January 2014 | 0/2 |
| Dr Michael Clark | from 01 February 2014 | 3/4 |
| Dr Maurice Treacy | from 01 February 2014 | 4/4 |

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Statement on Governance and Internal Control *(continued)*
for the financial year ended 30 September 2014

Governing Authority Meetings *(continued)*

The Lord Mayor of the City of Dublin

| | | |
|--------------------|--------------------|-----|
| Cllr Oisín Quinn | until 05 June 2014 | 0/5 |
| Cllr Christy Burke | from 06 June 2014 | 0/1 |

Nominated by the National University of Ireland

| | | |
|----------------------------|-----------------------|-----|
| Professor J. Ronan Fanning | until 31 January 2014 | 2/2 |
| Professor Patrick Gibbons | until 31 January 2014 | 2/2 |
| Mr Adrian Burke | from 10 April 2014 | 2/2 |
| Professor Emma Teeling | from 10 April 2014 | 1/2 |

Elected by the Association of County and City Councils

| | | |
|------------------------|-----------------------|-----|
| Mr Tom Ambrose | until 31 January 2014 | 2/2 |
| Ms Mary Barrett | | 6/6 |
| Mr David Daniels | | 6/6 |
| Mr Tom Harrington | until 31 January 2014 | 1/2 |
| Mr Pat Nugent | until 31 January 2014 | 2/2 |
| Mr Martin Phelan | until 31 January 2014 | 1/2 |
| Mr John Ryan | until 31 January 2014 | 2/2 |
| Mr Colm Wiley | until 31 January 2014 | 2/2 |
| Mr Gary Carville | from 01 February 2014 | 2/4 |
| Ms Mary Hilda Cavanagh | from 01 February 2014 | 3/4 |
| Mr Christy Curtin | from 01 February 2014 | 4/4 |
| Mr John Paul Feeley | from 01 February 2014 | 3/4 |
| Mr Luie McEntire | from 01 February 2014 | 3/4 |
| Mr Barry Ward | from 01 February 2014 | 3/4 |

Audit and Risk Management Committee Meetings

The Audit and Risk Management Committee held four meetings during the financial year ended 30 September 2014. Attendance at meetings of the Audit and Risk Management Committee during the financial year ended 30 September 2014 is set out below. Due to the transition from the Fourth Governing Authority of the University to the Fifth Governing Authority of the University (effective from 1 February 2014), there were changes in membership of the Audit and Risk Management Committee during the financial year ended 30 September 2014. The attendance records therefore note both the number of meetings attended by each member and the number of meetings each member was eligible to attend. Where there was a change in membership during the period, the end date for outgoing members and the commencement date for incoming members is noted.

| | <u>Meetings attended</u> |
|-------------------------|--------------------------|
| Mr Adrian Burke (Chair) | 4/4 |
| Ms Mary Barrett | 3/4 |
| Mr David Bergin | 4/4 |

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Statement of Governance and Internal Control (*continued*)
for the financial year ended 30 September 2014

Audit and Risk Management Committee Meetings (*continued*)

| | | |
|--------------------|-----------------------|-----|
| Mr Martin Cosgrove | | 2/4 |
| Mr Colm Wiley | until 31 January 2014 | 2/2 |
| Dr Russell Higgs | from 29 April 2014 | 2/2 |
| Mr Hugo O'Donnell | from 29 April 2014 | 2/2 |

Review of Governing Authority Performance

The Governing Authority reviews its performance and working arrangements on an ongoing basis and makes relevant changes as required. These changes include amendments to University Statutes and delegation to subcommittees of certain tasks. The Governing Authority will, over the next year, put in place and implement a plan to conduct formal internal and external reviews of its performance.

Salary of President

The President's salary for the year ended 30 September 2014 was as follows:

- €187,254 per annum for the period from 1 October 2013 to 31 December 2013 in respect of Professor Hugh Brady;
- €185,350 per annum for the period from 1 January 2014 to 30 September 2014 in respect of Professor Andrew Deeks.

Actual salary payments in respect of the office of President for the financial year ended 30 September 2014 therefore amounted to €185,826 (€187,254 x 3/12 + €185,350 x 9/12).

General Governance and Accountability Issues

University College Dublin has no further general governance and accountability issues to report in respect of the financial year ended 30 September 2014.


Andrew Deeks,
President

Date :

20/10/15



KPMG
Audit
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 2014 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).

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 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 2014.

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 2014 should be reduced by €654 million (ii) the pension receivable asset, net assets and revenue reserves at 30 September 2013 should be reduced by €530 million. The opening net assets as at 30 September 2012 should be reduced by €463 million.

Opinions and conclusions arising from our audit

1 Our opinion on the financial statements is qualified

In our opinion, except for the financial effect of the recognition of the receivable from the State referred to in the Basis for qualified opinion paragraph, the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the group and University as at 30 September 2014 and of its surplus for the year then ended; and
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland.



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

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

In our opinion the HEA funding statement on pages 55 to 71, which has been prepared in accordance with the accounting policies set out on pages 55 to 57, has been properly extracted from the books and records of the University.

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

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

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

3 We have nothing to report in respect of matters on which we are required to report by exception

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

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 13, 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.

Basis of our report, responsibilities and restrictions on use

As explained more fully in the Statement of Governing Authority's Responsibilities set out on page 4, the Governing Authority is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. They are also responsible for 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 Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

An audit undertaken in accordance with ISAs (UK & Ireland) 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.

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

Basis of our report, responsibilities and restrictions on use *(continued)*

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Whilst an audit conducted in accordance with ISAs (UK & Ireland) is designed to provide reasonable assurance of identifying material misstatements or omissions it is not guaranteed to do so. Rather the auditor plans the audit to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements does not exceed materiality for the financial statements as a whole. This testing requires us to conduct significant audit work on a broad range of assets, liabilities, income and expense as well as devoting significant time of the most experienced members of the audit team, in particular the engagement partner responsible for the audit, to subjective areas of the accounting and reporting.

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



Eamonn Russell

**for and on behalf of
KPMG**

Chartered Accountants, Statutory Audit Firm

1 Stokes Place

St. Stephen's Green

Dublin 2

20 October 2015

University College Dublin

National University of Ireland, Dublin

Statement of accounting policies *for the year ended 30 September 2014*

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 Financial Reporting Council, as promulgated by the Institute of Chartered Accountants in Ireland and the Statement of Recommended Practice: Accounting for Further and Higher Education Institutions.

The financial statements have been prepared on a going concern basis as the Governing Authority is satisfied that the University will have adequate resources to meet its obligations as they fall due for the foreseeable future.

Basis of consolidation

The financial statements consolidate the financial statements of the University and all of its subsidiary undertakings, made up to 30 September 2014.

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 are also excluded as it is not controlled by the University. Other undertakings in which the University has interests that are not material have not been consolidated.

Recognition of income

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

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

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.

University College Dublin

National University of Ireland, Dublin

Statement of accounting policies *(continued)*
for the year ended 30 September 2014

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.

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 Governing Authority 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.

University College Dublin

National University of Ireland, Dublin

Statement of accounting policies *(continued)*
for the year ended 30 September 2014

Tangible fixed assets *(continued)*

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

Leased assets

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

Financial assets

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

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 is 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.

University College Dublin

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Statement of accounting policies (*continued*)
for the year ended 30 September 2014

Deferred taxation

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

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

Provisions

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

Pensions

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

For defined benefit pension 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 a 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.

University College Dublin National University of Ireland, Dublin

Statement of accounting policies *(continued)*
for the year ended 30 September 2014

Joint venture undertakings *(continued)*

Joint ventures are accounted for using the gross equity method. The University's share of the profits less losses of joint ventures is included in the consolidated income and expenditure account. The University's interest in the net assets or liabilities is included as financial assets 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 a joint venture is dealt with as stated below.

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 date.

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 to be five years.

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Consolidated income and expenditure account
for the year ended 30 September 2014

| | Note | 2014 €'000 | 2013 €'000 |
|---|-------|----------------|---------------|
| Income | | | |
| State grants | 1 | 70,449 | 78,954 |
| Academic fees | 2 | 196,586 | 180,251 |
| Research grants and contracts | 3 | 91,315 | 80,589 |
| Amortisation of deferred capital grants | 19 | 13,279 | 13,340 |
| Other income | 4 | 66,620 | 66,846 |
| Interest income | 5 | 432 | 1,051 |
| Deferred funding for pensions | 30 | 76,281 | 76,133 |
| Total income | | 514,962 | 497,164 |
| Expenditure | | | |
| Staff costs | 6 | 267,925 | 265,979 |
| FRS 17 additional service cost | 6, 30 | 18,888 | 15,599 |
| Other operating expenses | 7 | 119,509 | 115,287 |
| Interest payable | 8 | 2,501 | 2,711 |
| FRS 17 interest cost | 30 | 57,393 | 60,534 |
| Depreciation | 11 | 25,789 | 25,067 |
| Total expenditure | | 492,005 | 485,177 |
| Surplus on continuing operations after depreciation of fixed assets and before joint venture | | 22,957 | 11,987 |
| Share of operating profit of joint venture | 12(b) | 157 | 349 |
| Surplus on continuing operations before taxation | | 23,114 | 12,336 |
| Taxation charge | 9 | (130) | (136) |
| Surplus for the financial year | 10 | 22,984 | 12,200 |

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 22 to 53 and the accounting policies on pages 17 to 21 were approved by the Governing Authority and were signed on its behalf by:


Andrew Deeks
President


Gerry O'Brien
Vice-President for Finance

University College Dublin
National University of Ireland, Dublin

Statement of total recognised gains and losses
for the year ended 30 September 2014

| | <i>Note</i> | 2014 €'000 | 2013 €'000 |
|--|-------------|-----------------------------|---------------|
| Surplus for the financial year | | 22,984 | 12,200 |
| Experience gains and losses on liabilities | <i>30</i> | 36,466 | 119,665 |
| Changes in actuarial assumptions | <i>30</i> | (293,261) | (65,847) |
| Movement on pension receivable | <i>30</i> | 256,795 | (53,818) |
| Total recognised gains and losses in the financial year | | 22,984 | 12,200 |

Reconciliation of movement in revenue reserves
for the year ended 30 September 2014

| | 2014 €'000 | 2013 €'000 |
|---|-----------------------------|---------------|
| Total recognised gains and losses in the financial year | 22,984 | 12,200 |
| Opening revenue reserves | 206,204 | 194,004 |
| Closing revenue reserves | 229,188 | 206,204 |


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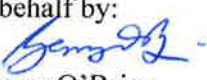
Consolidated and University balance sheet

as at 30 September 2014

| | Note | Consolidated | | University | |
|--|------|--------------------|--------------------------|--------------------|--------------------------|
| | | 2014 | 2013 | 2014 | 2013 |
| | | €'000 | €'000 | €'000 | €'000 |
| | | | (as restated Note 14) | | (as restated Note 14) |
| Fixed assets | | | | | |
| Tangible assets | 11 | 737,107 | 721,999 | 731,634 | 710,614 |
| Financial & heritage assets | 12 | 13,902 | 12,876 | 20,902 | 19,876 |
| Investment in joint ventures: | 12 | - | - | 2,608 | 2,608 |
| Share of gross assets | | 3,420 | 2,710 | - | - |
| Share of gross liabilities | | (1,495) | (962) | - | - |
| Goodwill | | 333 | 500 | - | - |
| | | 753,267 | 737,123 | 755,144 | 733,098 |
| Current assets | | | | | |
| Stocks | 13 | 2,678 | 2,441 | 2,678 | 2,441 |
| Debtors | 14 | 115,637 | 106,131 | 117,489 | 110,393 |
| Cash at bank and in hand | 15 | 132,666 | 140,454 | 131,006 | 139,852 |
| | | 250,981 | 249,026 | 251,173 | 252,686 |
| Creditors: amounts falling due within one year | 16 | (255,829) | (267,726) | (253,263) | (262,533) |
| Net current liabilities | | (4,848) | (18,700) | (2,090) | (9,847) |
| Total assets less current liabilities | | 748,419 | 718,423 | 753,054 | 723,251 |
| Creditors: amounts falling due after more than one year | 17 | (104,993) | (123,319) | (104,993) | (123,319) |
| Provisions for liabilities | 20 | (4,446) | (3,033) | (4,446) | (3,033) |
| Net assets excl. pension (liability)/receivable | | 638,980 | 592,071 | 643,615 | 596,899 |
| Pension liability | | (1,823,687) | (1,499,599) | (1,823,687) | (1,499,599) |
| Pension receivable | | 1,823,687 | 1,499,599 | 1,823,687 | 1,499,599 |
| Net assets including pension (liability)/asset | | 638,980 | 592,071 | 643,615 | 596,899 |
| Deferred capital grants | 19 | 409,792 | 385,867 | 429,608 | 404,321 |
| Revenue reserves | 21 | 229,188 | 206,204 | 214,007 | 192,578 |
| Total | | 638,980 | 592,071 | 643,615 | 596,899 |

The financial statements on pages 22 to 53 and the accounting policies on pages 17 to 21 were approved by the Governing Authority and were signed on its behalf by:


Andrew Deeks
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 2014

| | <i>Note</i> | 2014 €'000 | 2013 €'000 |
|---|-------------|-----------------------------|---------------|
| Net cash inflow/(outflow) from operating activities | 23 | 49,721 | (9,066) |
| Returns on investments and servicing of finance | 24 | (2,069) | (1,660) |
| Taxation paid | | (130) | (136) |
| Capital expenditure and financial investment | 25 | (4,729) | (7,000) |
| | | <hr/> | <hr/> |
| Net cash inflow/(outflow) before use of liquid resources and financing | | 42,793 | (17,862) |
| Net cash outflow from financing activities | 26 | (50,792) | (9,528) |
| | | <hr/> | <hr/> |
| Decrease in cash in the year | | (7,999) | (27,390) |
| | | <hr/> <hr/> | <hr/> <hr/> |

Reconciliation of net cash flow to movement in net funds/(debt)
for the year ended 30 September 2014

| | <i>Note</i> | 2014 €'000 | 2013 €'000 |
|--|-------------|-----------------------------|---------------|
| Decrease in cash in the year | | (7,999) | (27,390) |
| Cash outflow from decrease in debt and lease financing | | 50,792 | 9,528 |
| | | <hr/> | <hr/> |
| Movement in net funds/(debt) in year | | 42,793 | (17,862) |
| Net debt at 1 October | 27 | (31,694) | (13,832) |
| | | <hr/> | <hr/> |
| Net funds/(debt) at 30 September | 27 | 11,099 | (31,694) |
| | | <hr/> <hr/> | <hr/> <hr/> |

University College Dublin
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Notes
forming part of the financial statements

| 1 State grants | 2014 | 2013 |
|---|---------------|--------|
| | €'000 | €'000 |
| State grants allocated for recurrent purposes | 70,449 | 78,954 |

Grant income of €2,861,952 (2013 €3,157,423) was received from the Health Service Executive in 2014. All other grant income was received from the Higher Education Authority (HEA).

| 2 Academic fees | 2014 | 2013 |
|------------------------|----------------|---------|
| | €'000 | €'000 |
| Academic fee income | 196,586 | 180,251 |

A total of €49,545,330 (2013:€51,720,190) included in academic fee income was received directly from the HEA.

| 3 Research grants and contracts | 2014 | 2013 |
|--|---------------|--------|
| | €'000 | €'000 |
| State and semi-state | 55,392 | 55,932 |
| European Union | 15,956 | 10,670 |
| Industry | 3,415 | 2,467 |
| SFI overheads grant | 5,543 | 5,164 |
| Other | 11,009 | 6,356 |
| | 91,315 | 80,589 |

University College Dublin
National University of Ireland, Dublin

Notes (continued)

| | | |
|---|----------------------|----------------------|
| 4 Other income | 2014 | 2013 |
| | €'000 | €'000 |
| Catering and conferences | 2,274 | 1,986 |
| Residences | 17,284 | 14,802 |
| Other rental income | 2,219 | 2,306 |
| Medical testing income | 14,109 | 14,402 |
| Academic facilities and departments | 21,602 | 24,232 |
| Other operating income | 9,132 | 9,118 |
| | <u>66,620</u> | <u>66,846</u> |
| | <u><u>66,620</u></u> | <u><u>66,846</u></u> |
| 5 Interest income | 2014 | 2013 |
| | €'000 | €'000 |
| Interest income | 432 | 1,051 |
| | <u>432</u> | <u>1,051</u> |
| | <u><u>432</u></u> | <u><u>1,051</u></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: | | |
| | 2014 | 2013 |
| | No. of | No. of |
| | employees | employees |
| Teaching and research | 3,150 | 2,902 |
| Technical | 228 | 268 |
| Central administration and services | 1,011 | 995 |
| | <u>4,389</u> | <u>4,165</u> |
| | <u><u>4,389</u></u> | <u><u>4,165</u></u> |

University College Dublin
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Notes (continued)

| 6 Staff costs (continued) | 2014 | 2013 |
|---|----------------|----------------|
| | €'000 | €'000 |
| Salaries and wages | 225,953 | 222,626 |
| Social welfare costs | 16,927 | 16,764 |
| Employer pension costs* | 25,045 | 26,589 |
| | <u>267,925</u> | <u>265,979</u> |
| Pension related costs | 2014 | 2013 |
| | €'000 | €'000 |
| *Employer pension costs | 25,045 | 26,589 |
| Incremental pension costs undertaken by the state | 18,888 | 15,599 |
| | <u>43,933</u> | <u>42,188</u> |
| Current service cost (note 30) | 43,933 | 42,188 |
| | <u>43,933</u> | <u>42,188</u> |
| 7 Other operating expenses | 2014 | 2013 |
| | €'000 | €'000 |
| Research (non-pay) | 18,372 | 21,440 |
| Maintenance and security | 18,310 | 18,812 |
| Lab supplies | 7,163 | 7,381 |
| Professional fees | 5,482 | 4,695 |
| External contract costs | 6,692 | 6,355 |
| Travel and hospitality | 8,704 | 8,044 |
| Computer supplies | 3,479 | 3,454 |
| Printing, stationery and audio visual | 3,241 | 2,950 |
| Books and periodicals | 3,267 | 3,028 |
| Light and heat | 7,360 | 8,331 |
| Student facilities | 2,992 | 2,257 |
| Rates and insurance | 5,100 | 5,077 |
| Equipment | 4,311 | 3,264 |
| Training and development | 11,484 | 10,663 |
| Communications | 900 | 930 |
| Advertising and promotions | 2,623 | 2,417 |
| Other expenses | 10,029 | 6,189 |
| | <u>119,509</u> | <u>115,287</u> |
| | <u>119,509</u> | <u>115,287</u> |

University College Dublin
National University of Ireland, Dublin

Notes (continued)

| | | |
|---|--------------|--------------|
| 7 Other operating expenses (continued) | 2014 | 2013 |
| | €'000 | €'000 |
| Other operating expenses include: | | |
| Auditors' remuneration: | | |
| - External audit of University Group | 187 | 184 |
| - External audit of pension funds | 7 | 7 |
| - Taxation and secretarial | 10 | 14 |
| - Other services | 3 | 22 |
| | <hr/> <hr/> | <hr/> <hr/> |

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 | 2014 | 2013 |
| | €'000 | €'000 |
| On bank loans, overdrafts and other loans repayable wholly or partly in more than 5 years | 2,501 | 2,711 |
| | <hr/> <hr/> | <hr/> <hr/> |

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

| | 2014 €'000 | 2013 €'000 |
|--|----------------------|---------------|
| Current taxation: | | |
| Irish corporation tax on subsidiaries profits for the year | 77 | 34 |
| Current tax charge for the year | <u>77</u> | <u>34</u> |
| Deferred tax: | | |
| Origination and reversal of timing differences | - | - |
| | <u>77</u> | <u>34</u> |
| Share of joint venture tax | <u>53</u> | <u>102</u> |
| | <u>130</u> | <u>136</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:

| | 2014 €'000 | 2013 €'000 |
|---|----------------------|---------------|
| Surplus for year before taxation | 23,114 | 12,336 |
| Surplus before taxation at the corporation tax rate for the year of 12.5% | 2,889 | 1,542 |
| <i>Effects of:</i> | | |
| Amounts not subject to Irish corporation tax | (2,812) | (1,508) |
| Current tax charge for the year | <u>77</u> | <u>34</u> |

University College Dublin
National University of Ireland, Dublin

Notes *(continued)*

| 10 Surplus on continuing operations for the year | 2014 | 2013 |
|--|---------------|-------------|
| | €'000 | €'000 |
| The surplus for the year on continuing operations is made up as follows: | | |
| University's surplus for the year | 21,429 | 12,512 |
| Surplus/(deficit) generated by subsidiary and other undertakings | 1,555 | (312) |
| | <hr/> | <hr/> |
| Surplus on continuing operations for the year | 22,984 | 12,200 |
| | <hr/> <hr/> | <hr/> <hr/> |

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Notes (continued)

| 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 2013 | 794,130 | 87,779 | 5,680 | 16,488 | 143,599 | 1,205 | 1,048,881 |
| Additions in year | 15,519 | 15,409 | - | 591 | 9,332 | 46 | 40,897 |
| Transfers from assets in course of construction | 98,397 | (98,397) | - | - | - | - | - |
| Disposals in year | - | - | - | (712) | (627) | - | (1,339) |
| At 30 September 2014 | 908,046 | 4,791 | 5,680 | 16,367 | 152,304 | 1,251 | 1,088,439 |
| Depreciation | | | | | | | |
| At 1 October 2013 | 174,505 | - | 5,680 | 16,351 | 129,191 | 1,155 | 326,882 |
| Charge for year | 18,015 | - | - | 321 | 7,403 | 50 | 25,789 |
| Eliminated on disposals | - | - | - | (712) | (627) | - | (1,339) |
| At 30 September 2014 | 192,520 | - | 5,680 | 15,960 | 135,967 | 1,205 | 351,332 |
| Net book value | | | | | | | |
| At 30 September 2014 | 715,526 | 4,791 | - | 407 | 16,337 | 46 | 737,107 |
| At 1 October 2013 | 619,625 | 87,779 | - | 137 | 14,408 | 50 | 721,999 |

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

Land and buildings includes €11.6 million (2013: €11.6 million) in respect of freehold land which is not depreciated. This category also includes €46 million (2013: €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 Financial Reporting Council. These land and buildings are legally owned by special purpose finance companies/private investors. The commercial effect of the transactions associated with the sale and ultimate repurchase of these buildings is that the University continues to bear all significant benefits and risks relating to these land and buildings. Further details of these arrangements are provided below.

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Notes (continued)

| 11 Tangible fixed assets (continued) | Land and buildings €'000 | Assets in course of construction €'000 | Minor works €'000 | Computer equipment €'000 | Equipment and fittings €'000 | Total €'000 |
|---|-----------------------------|---|----------------------|-----------------------------|---------------------------------|------------------|
| University Cost | | | | | | |
| At 1 October 2013 | 790,690 | 79,833 | 5,680 | 16,494 | 142,612 | 1,035,309 |
| Additions in year | 15,519 | 20,947 | - | 591 | 9,229 | 46,286 |
| Transfers from assets in course of construction | 98,397 | (98,397) | - | - | - | - |
| Disposals in year | - | - | - | (712) | (627) | (1,339) |
| At 30 September 2014 | 904,606 | 2,383 | 5,680 | 16,373 | 151,214 | 1,080,256 |
| Depreciation | | | | | | |
| At 1 October 2013 | 173,128 | - | 5,680 | 16,324 | 129,563 | 324,695 |
| Charge for year | 17,898 | - | - | 321 | 7,047 | 25,266 |
| Eliminated on disposals | - | - | - | (712) | (627) | (1,339) |
| At 30 September 2014 | 191,026 | - | 5,680 | 15,933 | 135,983 | 348,622 |
| Net book value | | | | | | |
| At 30 September 2014 | 713,580 | 2,383 | - | 440 | 15,231 | 731,634 |
| At 30 October 2013 | 617,562 | 79,833 | - | 170 | 13,049 | 710,614 |

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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 Financial Reporting Council.

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 Roebuck Hall and Glenomena 3 is expected to pass to the University under option agreements in 2016. These properties have been reflected in the balance sheet at 30 September 2014 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 €24.748m (2013: €36.261m) included in the balance sheet relating to the obligations associated with these residences is included in note 17 to the financial statements.

In February 2015, the University acquired full legal ownership of the Proby student residences through the unwinding of the “Section 50” relief structure, for a consideration of €8.512m. The liability associated with this has been recognised in creditors due within one year (note 16).

- b) During the financial year, the University acquired full legal ownership of the Conway Institute of Biomedical and Biomolecular Research which includes the Dublin Molecular Medicine Centre through the unwinding of the “Section 843” relief structure, for a consideration of €40.755m.

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Notes (continued)

12 Financial and heritage assets

| | Consolidated | | University | |
|---|---------------|---------------|---------------|---------------|
| | 2014 €'000 | 2013 €'000 | 2014 €'000 | 2013 €'000 |
| <i>Investments held are as follows:</i> | | | | |
| Investment in subsidiaries | - | - | 7,000 | 7,000 |
| Other investments | 848 | 13 | 848 | 13 |
| Heritage assets (a) | 13,054 | 12,863 | 13,054 | 12,863 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Investment in joint venture (b) | 13,902 | 12,876 | 20,902 | 19,876 |
| | 2,258** | 2,248 | 2,608* | 2,608 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 16,160 | 15,124 | 23,510 | 22,484 |
| | <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% | - |
| UCD O'Reilly Hall Ltd | Management of O'Reilly Hall | 100% | €40,682 |
| UCD Student Centre Ltd | Management of Student Centre | 100% | €160,533 |
| UCD Property Development Company Ltd | Property Development | 100% | €77,940 |
| UCD Nova Ltd | Development of Nova Building | 100% | €20,147 |
| Foster Residences Ltd | Accommodation rental | 100% | €226,200 |
| UCD Educational Services Ltd | Dormant | 100% | - |
| Campus Trust Ltd | Dormant | 100% | €316 |
| UCD Global Limited | Dormant | 100% | - |
| UCD Campus Sport and Leisure Ltd | Leisure and Educational Facilities | 100% | €185,838 |

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

Joint Ventures

| | | | Place of business |
|--|-----------------------|-----|--------------------|
| Penang Medical College | Education | 50% | Penang, Malaysia |
| 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 |
| Belfield Emergency Vet Hospital Ltd | Veterinary Services | 49% | Belfield, Dublin 4 |

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

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Notes *(continued)*

12 Financial and heritage assets *(continued)*

(a) Heritage assets

As an educational institution since 1854 University College Dublin has acquired many assets of unqualified historic and cultural importance to the State. The UCD collections include Georgian houses complete with outstanding artistic stucco plasterwork; print material from the 1830's stored in specific library conditions and multiple examples of historic and contemporary artworks. UCD has a clear duty of care for these assets and aims to make them available for the enjoyment and education of the public as far as 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. It is the policy of UCD to capitalise those heritage assets which constitute capital assets and are part of the working infrastructure of the university campus. As such, the period houses and subsequent refurbishments are included in the balance sheet in line with FRS15. The University's buildings are stated at cost less accumulated depreciation. Freehold buildings are depreciated over their expected useful economic life to the University of 50 years.

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

As at 30 September 2014 costs associated with heritage buildings captured and capitalised on the Balance Sheet since 1997 were €11.5m (2013: €11.5m).

Artworks

Since 2006 UCD's policy has been to capitalise all artworks purchased for the benefit of the university. Invoices are coded to one specific account which is then reported under financial assets in the balance sheet. As at 30 September 2014 the historic costs of artworks amounted to €1.5m (2013: €1.3m).

Other paintings and artefacts

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

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Notes (continued)

12 Financial and heritage assets (continued)

| | Buildings €'000 | Other paintings €'000 | Art works €'000 | Total €'000 |
|-----------------------------|--------------------|-----------------------------|--------------------|----------------|
| Cost | | | | |
| At 1 October 2013 | 11,523 | - * | 1,340* | 12,863 |
| Additions | - | - | 191 | 191 |
| At 30 September 2014 | 11,523 | - | 1,531 | 13,054 |

*Other Paintings and artworks are valued at €5.324m per a 2013 valuation provided by Adam's Valuers & Auctioneers. As previously stated, €3.984m of this valuation is not capitalised on the balance sheet as the University does not have a revaluation accounting policy.

Five year summary of heritage assets

| | 2010 €'000 | 2011 €'000 | 2012 €'000 | 2013 €'000 | 2014 €'000 |
|---|---------------|---------------|---------------|---------------|---------------|
| Cost | | | | | |
| At 1 October | 11,761 | 11,855 | 12,225 | 12,721 | 12,863 |
| Additions | | | | | |
| - Purchases | 44 | 201 | 177 | 142 | 191 |
| - Refurbishment | 50 | 169 | 319 | - | - |
| Cost at 30 September | 11,855 | 12,225 | 12,721 | 12,863 | 13,054 |
| Valuation of other paintings and artefacts | 2,724 | 2,724 | 2,724 | 2,724 | 3,984 |
| Total at 30 September | 14,579 | 14,949 | 15,445 | 15,587 | 17,038 |

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Notes (continued)

12 Financial and heritage assets (continued)

(b) Joint venture undertakings

UCD holds a 50% interest in Penang Medical College, with RCSI holding the remaining 50% interest. The carrying value of this joint venture of €2.3 million is included on UCD's consolidated balance sheet and consists of the purchase cost incurred, UCD's share of Penang's profits and losses and a goodwill amortisation charge for the relevant periods.

| Name | Country of incorporation | Details of investments | Proportion held by | Principal Activity |
|------------------------|--------------------------|------------------------------------|--------------------|--------------------|
| Penang Medical College | Malaysia | 1,700,000 ordinary share of RMI | 50% | Education |

| | 2014 €'000 | 2013 €'000 |
|--|---------------|---------------|
| Share of net assets at fair value: | | |
| At beginning of year | 1,748 | 1,668 |
| Share in joint venture profit in year (before tax €157k) | 103 | 247 |
| Movement on currency translation | 74 | (167) |
| | <u>1,925</u> | <u>1,748</u> |

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

| | 2014 €'000 | 2013 €'000 |
|---|---------------|---------------|
| Share of fixed assets | 2,323 | 1,748 |
| Share of current assets | 1,097 | 962 |
| Share of current liabilities | (665) | (696) |
| Share of non-current liabilities | (830) | (266) |
| | <u>1,925</u> | <u>1,748</u> |
| Share of net assets at end of year | 1,925 | 1,748 |
| Goodwill | | |
| At beginning of year | 500 | 667 |
| Amortisation in year | (167) | (167) |
| | <u>333</u> | <u>500</u> |
| At end of year | 333 | 500 |
| Total investment in joint venture | 2,258 | 2,248 |

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Notes (continued)

| 13 Stocks | Consolidated | | University | |
|-------------------------------|---------------|---------------|---------------|---------------|
| | 2014 €'000 | 2013 €'000 | 2014 €'000 | 2013 €'000 |
| Raw materials and consumables | 1,253 | 1,627 | 1,253 | 1,627 |
| Finished goods for resale | 1,425 | 814 | 1,425 | 814 |
| | 2,678 | 2,441 | 2,678 | 2,441 |

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

| 14 Debtors | Consolidated | | University | |
|--|----------------|--------------------------------|----------------|--------------------------------|
| | 2014 €'000 | 2013 €'000 (as restated) | 2014 €'000 | 2013 €'000 (as restated) |
| Trade debtors | 8,536 | 8,878 | 7,157 | 7,841 |
| Research grants and contracts receivable | 9,712 | 11,772* | 9,712 | 11,772* |
| State grant receivable | 17,353 | 17,975 | 17,353 | 17,975 |
| Other capital funding receivable | 13,076 | 2,431 | 13,076 | 2,431 |
| Academic fees receivable | 7,918 | 6,274 | 7,918 | 6,274 |
| Prepayments | 408 | 207 | 353 | 155 |
| Amounts due from subsidiary undertakings | - | - | 3,860 | 5,867 |
| Other debtors | 58,634 | 58,594 | 58,060 | 58,078 |
| | 115,637 | 106,131 | 117,489 | 110,393 |

*Research grants and contracts receivable as at 30 September 2013, have been restated by reducing the balance by €44.386 million so as to ensure consistent presentation with the current year. The corresponding amount has been included within research grants and contracts in advance (note 16), and is in relation to the treatment of deferred income from the overhead investment plan and grouped research accounts.

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Notes (continued)

| 15 Cash at bank and in hand | Consolidated | | University | |
|--|----------------|----------------|----------------|----------------|
| | 2014 €'000 | 2013 €'000 | 2014 €'000 | 2013 €'000 |
| Cash at bank including balances held on short term deposit | 132,666 | 103,445 | 131,006 | 102,843 |
| Restricted bank balances | - | 37,009 | - | 37,009 |
| | 132,666 | 140,454 | 131,006 | 139,852 |

Restricted bank balances represented 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. As mentioned in note 11, during the financial year, the University acquired full legal ownership through the unwinding of the "Section 843" relief structure with amounts included within restricted cash paid to the seller under the terms of the agreement.

| 16 Creditors: amounts falling due within one year | Consolidated | | University | |
|---|----------------|--------------------------------|----------------|--------------------------------|
| | 2014 €'000 | 2013 €'000 (as restated) | 2014 €'000 | 2013 €'000 (as restated) |
| Trade creditors | 10,634 | 11,689 | 10,487 | 11,566 |
| Research grants and contracts in advance | 42,074 | 50,953* | 42,074 | 50,953* |
| Academic fees received in advance | 54,503 | 52,543 | 54,503 | 52,543 |
| State grant received in advance | 10,533 | 10,480 | 10,533 | 10,480 |
| Other capital funding received in advance | 16,471 | 11,430 | 16,471 | 11,430 |
| Accruals | 18,347 | 16,228 | 18,078 | 15,308 |
| Bank overdrafts (note 18) | 1,080 | 869 | 1,080 | 869 |
| Bank loans (note 18) | 6,982 | 7,205 | 6,982 | 7,205 |
| Amounts owed to subsidiary undertakings | - | - | 4,012 | 3,252 |
| Other taxation and social security | 8,024 | 7,970 | 7,960 | 7,789 |
| Other creditors | 44,529 | 35,092* | 44,427 | 32,415* |
| Other lease obligations – FRS 5 (note 11) | 8,512 | 40,755 | 8,512 | 40,755 |
| Other amounts received in advance | 23,358 | 22,512* | 17,362 | 17,968* |
| Deferred income from Trust Funds | 10,782 | - | 10,782 | - |
| | 255,829 | 267,726 | 253,263 | 262,533 |

*As set out in note 14, research grants and contracts in advance as at September 2013 have been restated resulting in a decrease of €44.386 million. In addition, an amount of €18.357 million has been reclassified from other creditors to other amounts received in advance, so as to ensure consistent presentation with the current year. Additionally, an amount of €3.388 million has been reclassified from trade debtors to other creditors representing an amount that should have been set off against a credit balance, consistent with the current year.

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Notes (continued)

| 17 Creditors: amounts falling due after one year | Consolidated | | University | |
|---|----------------|---------------|----------------|---------------|
| | 2014 €'000 | 2013 €'000 | 2014 €'000 | 2013 €'000 |
| Bank loans (note 18) | 80,245 | 87,058 | 80,245 | 87,058 |
| Other lease obligations – FRS 5 (note 11) | 24,748 | 36,261 | 24,748 | 36,261 |
| | 104,993 | 123,319 | 104,993 | 123,319 |
| | | | | |
| 18 Borrowings | Consolidated | | University | |
| | 2014 €'000 | 2013 €'000 | 2014 €'000 | 2013 €'000 |
| Bank loans and overdrafts | | | | |
| Bank loans and overdrafts are repayable as follows; | | | | |
| In one year or less – Bank overdrafts | 1,080 | 869 | 1,080 | 869 |
| - Bank loans | 6,982 | 7,205 | 6,982 | 7,205 |
| | 8,062 | 8,074 | 8,062 | 8,074 |
| Amounts falling due after more than one year | | | | |
| Between one and two years – bank loans | 6,545 | 6,704 | 6,545 | 6,704 |
| Between two and five years – bank loans | 16,276 | 18,314 | 16,276 | 18,314 |
| In five years or more – bank loans | 57,424 | 62,040 | 57,424 | 62,040 |
| | 80,245 | 87,058 | 80,245 | 87,058 |
| | | | | |
| Total | 88,307 | 95,132 | 88,307 | 95,132 |

The European Investment Bank ('EIB') provided part of the funding necessary for the University's capital expenditure programme. This funding is secured against two of UCD's student residences Merville Student Residences and Belgrove Student Residences, together with the UCD 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.

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Notes (continued)

19 Deferred capital grants

| Consolidated | State €'000 | Other grants and benefactors €'000 | Total €'000 |
|--|------------------------|---|------------------------|
| At 1 October 2013 | | | |
| Buildings | 258,010 | 120,259 | 378,269 |
| Equipment | 3,261 | 4,337 | 7,598 |
| | <hr/> | <hr/> | <hr/> |
| Total | 261,271 | 124,596 | 385,867 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| Cash received in year | | | |
| Buildings | 14,935 | 14,816 | 29,751 |
| Equipment | 2,075 | 5,378 | 7,453 |
| | <hr/> | <hr/> | <hr/> |
| Total | 17,010 | 20,194 | 37,204 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| Amortised to income and expenditure in year | | | |
| Buildings | 6,218 | 3,086 | 9,304 |
| Equipment | 1,115 | 2,860 | 3,975 |
| | <hr/> | <hr/> | <hr/> |
| Total | 7,333 | 5,946 | 13,279 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| At September 2014 | | | |
| Buildings | 266,727 | 131,989 | 398,716 |
| Equipment | 4,221 | 6,855 | 11,076 |
| | <hr/> | <hr/> | <hr/> |
| Total | 270,948 | 138,844 | 409,792 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

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Notes (continued)

19 Deferred capital grants (continued)

| | State €'000 | Other grants and benefactors €'000 | Total €'000 |
|--|----------------|---|----------------|
| University | | | |
| At 1 October 2013 | | | |
| Buildings | 258,010 | 138,713 | 396,723 |
| Equipment | 3,261 | 4,337 | 7,598 |
| | <hr/> | <hr/> | <hr/> |
| Total | 261,271 | 143,050 | 404,321 |
| | <hr/> | <hr/> | <hr/> |
| Cash received in year | | | |
| Buildings | 14,935 | 16,686 | 31,621 |
| Equipment | 2,075 | 5,378 | 7,453 |
| | <hr/> | <hr/> | <hr/> |
| Total | 17,010 | 22,064 | 39,074 |
| | <hr/> | <hr/> | <hr/> |
| Amortised to income and expenditure in year | | | |
| Buildings | 6,218 | 3,594 | 9,812 |
| Equipment | 1,115 | 2,860 | 3,975 |
| | <hr/> | <hr/> | <hr/> |
| Total | 7,333 | 6,454 | 13,787 |
| | <hr/> | <hr/> | <hr/> |
| At 30 September 2014 | | | |
| Buildings | 266,727 | 151,805 | 418,532 |
| Equipment | 4,221 | 6,855 | 11,076 |
| | <hr/> | <hr/> | <hr/> |
| Total | 270,948 | 158,660 | 429,608 |
| | <hr/> | <hr/> | <hr/> |

In addition, 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 2014, are as follows:

| | State €'000 | Other grants and benefactors €'000 | Total €'000 |
|-----------|----------------|---|----------------|
| Buildings | 5,404 | 16,471 | 21,875 |
| | <hr/> | <hr/> | <hr/> |

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Notes (continued)

| 20 Provisions for liabilities and charges | 2014 | 2013 |
|--|--------------|--------------|
| | €'000 | €'000 |
| Consolidated and University | | |
| At 1 October 2013 | 3,033 | 3,151 |
| Provided/(released) during the year | 1,413 | (118) |
| | <hr/> | <hr/> |
| At 30 September 2014 | 4,446 | 3,033 |
| | <hr/> | <hr/> |

The provision of €4.4 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 financing sources.

| 21 Reconciliation of movement of revenue reserves | 2014 | 2013 |
|--|----------------|--------------|
| | €'000 | €'000 |
| Consolidated | | |
| At beginning of year | 206,204 | 194,004 |
| Surplus in year | 22,984 | 12,200 |
| | <hr/> | <hr/> |
| At end of year | 229,188 | 206,204 |
| | <hr/> | <hr/> |
| University | | |
| At beginning of year | 192,578 | 180,066 |
| Surplus in year | 21,429 | 12,512 |
| | <hr/> | <hr/> |
| At end of year | 214,007 | 192,578 |
| | <hr/> | <hr/> |

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Notes *(continued)*

| 22 Capital commitments | Consolidated | | University | |
|--|---------------------|--------------|-------------------|--------------|
| | 2014 | 2013 | 2014 | 2013 |
| | €'000 | €'000 | €'000 | €'000 |
| Contracted for but not provided | 24,699 | 65,076 | 28,261 | 68,704 |
| Authorised but not contracted | 53,787 | 24,531 | 53,787 | 30,174 |
| | 78,486 | 89,607 | 82,048 | 98,878 |
| 23 Reconciliation of operating surplus to net cash inflow/(outflow) from operating activities | | | 2014 | 2013 |
| | | | €'000 | €'000 |
| Surplus on continuing operations | | | 23,114 | 12,336 |
| Depreciation of tangible fixed assets | | | 25,789 | 25,067 |
| Amortisation of deferred capital grants | | | (13,279) | (13,340) |
| Increase in stocks | | | (237) | (97) |
| Increase in debtors | | | (9,506) | (48,562) |
| Increase in creditors | | | 20,358 | 13,988 |
| Increase/(decrease) in provisions | | | 1,413 | (118) |
| Interest income | | | (432) | (1,051) |
| Interest payable | | | 2,501 | 2,711 |
| Net cash inflow/(outflow) from operating activities | | | 49,721 | (9,066) |

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Notes (continued)

| | | |
|--|-----------------|----------------|
| 24 Returns on investments and servicing of finance | 2014 | 2013 |
| | €'000 | €'000 |
| Other interest received | 432 | 1,051 |
| Interest paid | (2,501) | (2,711) |
| | <hr/> | <hr/> |
| Net cash outflow from returns on investments and servicing of finance | (2,069) | (1,660) |
| | <hr/> <hr/> | <hr/> <hr/> |
| 25 Capital expenditure and financial investment | 2014 | 2013 |
| | €'000 | €'000 |
| Purchase of tangible fixed assets | (40,897) | (78,469) |
| Purchase of investments | (1,036) | (55) |
| Capital grants received | 37,204 | 71,524 |
| | <hr/> | <hr/> |
| Net cash outflow from capital expenditure and financial investment | (4,729) | (7,000) |
| | <hr/> <hr/> | <hr/> <hr/> |
| 26 Net cash flow from financing activities | 2014 | 2013 |
| | €'000 | €'000 |
| <i>Debt due within one year:</i> | | |
| Decrease in short term borrowings | (223) | (899) |
| (Decrease)/increase in short term lease liabilities | (32,243) | 4 |
| <i>Debt due after one year:</i> | | |
| Decrease in long term borrowings | (6,813) | (7,038) |
| Decrease in long term lease liabilities | (11,513) | (1,595) |
| | <hr/> | <hr/> |
| | (50,792) | (9,528) |
| | <hr/> <hr/> | <hr/> <hr/> |

University College Dublin National University of Ireland, Dublin

Notes (continued)

| 27 Analysis of changes in net funds/(debt) | At 1 Oct 2013 €'000 | Cashflows €'000 | At 30 Sept 2014 €'000 |
|--|---------------------------|--------------------|-----------------------------|
| Cash at bank (including restricted cash) | 140,454 | (7,788) | 132,666 |
| Bank overdrafts | (869) | (211) | (1,080) |
| | <u>139,585</u> | <u>(7,999)</u> | <u>131,586</u> |
| Bank debt due within 1 year | (7,205) | 223 | (6,982) |
| Bank debt due after 1 year | (87,058) | 6,813 | (80,245) |
| Lease liabilities due within 1 year | (40,755) | 32,243 | (8,512) |
| Lease liabilities due after 1 year | (36,261) | 11,513 | (24,748) |
| | <u>(31,694)</u> | <u>42,793</u> | <u>11,099</u> |

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 UCD employees being representatives on the governing boards of these entities.

The following entities are considered to be related parties:

Molecular Medicine Ireland (MMI) (formerly DMMC)

During the period, €0.123 million was contributed by UCD for research projects undertaken by MMI and €0.093 million was received by the University from MMI for rental of premises. At 30 September 2014, there were no amounts due from MMI to the University.

Belfield Emergency Veterinary Hospital Ltd (BEVH)

In FY 2013, UCD advanced a loan to BEVH in the amount of €0.024 million. An amount of €0.014 million (2013: €0.024 million) of this loan remains outstanding at 30 September 2014.

National Institute for Bioprocessing Research and Training (NIBRT)

There were no related party transactions between the University and NIBRT during the year. At 30 September 2014, there were no amounts due to the University by NIBRT.

National Digital Research Centre (NDRC)

During the period, the University carried out research projects which were funded by the NDRC for which €0.057 million was recognised as research expenditure for the year. At 30 September 2014, €0.001 million was due to the University by NDRC and €0.005 million 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 administrated as an Exempt Approved Scheme in the terms of Chapter II of Part 1 of the Finance Act 1972.

Ongoing discussions over a number of years between the University sector, the HEA and the government in relation to a long term permanent revision to the pension arrangements in the sector concluded in 2009 with significant legislative changes being introduced in the form of the Financial Measures (Miscellaneous Provisions) Act, 2009. This Act came into force on 26 June 2009 and covers only the UCD 1995 Contributory Pension Scheme (and not other defined benefit related obligations that the University has). It makes legal provision for the State to underwrite the net pension liabilities of the University's Pension Scheme and enabled the scheme's assets to be transferred to the State (National Pension Reserve Fund). It also includes provision for the continued payment of benefits 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 recognised a pension receivable in the financial statements for the year ended 30 September 2014, 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 €654 million (2013: €530 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 2014 for both schemes, details of which are provided below.

University College Dublin
National University of Ireland, Dublin

Notes *(continued)*

30 Retirement benefits *(continued)*

The university has reported a net pension liability at 30 September 2014 and 2013 as follows:

| | 2014 €'000 | 2013 €'000 |
|-------------------------------------|-----------------------------|---------------|
| Present value of scheme liabilities | (1,823,687) | (1,499,599) |
| Total market value of assets | - | - |
| | <hr/> | <hr/> |
| Pension liability | (1,823,687) | (1,499,599) |
| | <hr/> <hr/> | <hr/> <hr/> |

The pension receivable and net deficit at 30 September 2014 and 2013 is as follows:

| | 2014 €'000 | 2013 €'000 |
|---------------------|-----------------------------|---------------|
| Pension receivable | 1,823,687 | 1,499,599 |
| | <hr/> | <hr/> |
| Net pension deficit | - | - |
| | <hr/> <hr/> | <hr/> <hr/> |

Movement in present value of defined benefit obligation

| | 2014 €'000 | 2013 €'000 |
|-----------------------------|-----------------------------|---------------|
| At 1 October | 1,499,599 | 1,482,774 |
| Current service cost | 43,933 | 42,188 |
| Interest cost | 57,393 | 60,534 |
| Plan members' contributions | 7,951 | 8,864 |
| Actuarial loss/(gain) | 256,795 | (53,818) |
| Benefits paid | (41,984) | (40,943) |
| | <hr/> | <hr/> |
| At 30 September | 1,823,687 | 1,499,599 |
| | <hr/> <hr/> | <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 €256.8 million (2013: gain €53.8 million). This has been offset by a movement in the matching pension scheme asset.

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

Analysis of movement in pension receivable during the year

| | 2014 €'000 | 2013 €'000 |
|---|------------------|------------------|
| Pension receivable at beginning of year | 1,499,599 | 1,482,774 |
| Actuarial loss/(gain) | 256,795 | (53,818) |
| State funded underwritten pension cost (note 6) | 18,888 | 15,599 |
| State underwritten finance charge | 57,393 | 60,534 |
| Employer contributions | 25,045 | 26,589 |
| Member contributions | 7,951 | 8,864 |
| Benefits paid | (41,984) | (40,943) |
| | <hr/> | <hr/> |
| Pension receivable at end of year | 1,823,687 | 1,499,599 |
| | <hr/> | <hr/> |

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

| | 2014 % | 2013 % |
|--------------------------------|-----------|-----------|
| Discount rate | 2.60 | 3.75 |
| Rate of compensation increase | 3.25 | 3.50 |
| Pension increases | 2.25 | 2.50 |
| Inflation | 1.75 | 2.00 |
| Expected return on plan assets | - | - |

In valuing the liabilities of the pension fund at 30 September 2014, 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 2014 would have increased by €54 million.

University College Dublin

National University of Ireland, Dublin

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:

| | 2014 | 2013 |
|--|--------------|-------|
| | Years | Years |
| Male member age 65 (current life expectancy) | 23.5 | 23.3 |
| Female member age 65 (current life expectancy) | 24.9 | 24.7 |
| Male member age 45 (life expectancy at age 65) | 26.0 | 25.9 |
| Female member age 45 (life expectancy age 65) | 27.0 | 26.9 |

History of plan

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

| | 2014 | 2013 | 2012 | 2011 | 2010 |
|----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | €000 | €000 | €000 | €000 | €000 |
| Defined benefit obligation | (1,823,687) | (1,499,599) | (1,482,774) | (1,163,779) | (1,253,233) |
| Fair value of plan assets | - | - | - | - | - |
| Deficit | (1,823,687) | (1,499,599) | (1,482,774) | (1,163,779) | (1,253,233) |

Difference between expected and actual return on plan assets:

| | 2014 | 2013 | 2012 | 2011 | 2010 |
|------------------|-------------|-------------|-------------|-------------|-------------|
| | €000 | €000 | €000 | €000 | €000 |
| Amount | - | - | - | - | 1,376 |
| % of plan assets | N/A* | N/A* | N/A* | N/A* | N/A* |

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

Experience (gains)/ losses on plan liabilities:

| | 2014 | 2013 | 2012 | 2011 | 2010 |
|-----------------------|-------------|-------------|-------------|-------------|-------------|
| | €000 | €000 | €000 | €000 | €000 |
| Amount | (36,466) | (119,665) | (36,849) | (36,920) | 15,910 |
| % of plan liabilities | 2% | 8% | 2% | 3% | 1% |

University College Dublin
National University of Ireland, Dublin

Notes *(continued)*

30 Retirement benefits *(continued)*

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

| | 2014 | 2013 | 2012 | 2011 | 2010 |
|-----------------------|-------------|-------------|-------------|-------------|-------------|
| | €000 | €000 | €000 | €000 | €000 |
| Amount | 293,261 | 65,847 | 301,744 | (111,869) | 254,848 |
| % of plan liabilities | 16% | 4% | 20% | 10% | 20% |

31 Post balance sheet events

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

32 Approval of financial statements

The financial statements were approved by the Governing Authority on 20 October 2015.

University College Dublin
National University of Ireland, Dublin

Additional information not forming part
of the consolidated financial statements

Year ended 30 September 2014

University College Dublin
National University of Ireland, Dublin

Additional information not forming part of the consolidated financial statements

| 1 Deferred income | 2014 | 2013 |
|---|----------------|-------------|
| | €'000 | €'000 |
| State recurrent grant: | | |
| - received in respect of current year | 71,986 | 68,969 |
| - deferred in prior accounting year | 4,651 | 14,636 |
| - deferred to subsequent accounting years | (6,188) | (4,651) |
| | <hr/> | <hr/> |
| State recurrent grant per financial statements (Note 1) | 70,449 | 78,954 |
| | <hr/> <hr/> | <hr/> <hr/> |

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

University College Dublin
National University of Ireland, Dublin

HEA Funding Statement and Reconciliation

(not forming part of the financial statements)

Year ended 30 September 2014

University College Dublin
National University of Ireland, Dublin

Funding statement

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University College Dublin National University of Ireland, Dublin

Funding statement

Statement of accounting policies

Scope of funding statement

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

Accounting convention

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

Ancillary services

The ancillary services are activities which do not 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.

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 statement

Statement of accounting policies *(continued)*

Research grants

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

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

Finance leases

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

Pensions

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

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

Taxation

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

Restricted reserves

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

University residences

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

University College Dublin
National University of Ireland, Dublin

Funding statement

Revenue account

Year ended 30 September 2014

| | <i>Note</i> | 2014 €'000 | 2013 €'000 (as restated note 1) |
|---------------------------------------|-------------|---------------------------------|--|
| Income | | | |
| State grants | <i>1a</i> | 70,429 | 78,588 |
| Academic fees | <i>2</i> | 190,084 | 178,261 |
| Other income | <i>3</i> | 18,017 | 21,223 |
| | | <hr/> | <hr/> |
| Contract research | <i>4</i> | 278,530 71,448 | 278,072 73,042 |
| | | <hr/> | <hr/> |
| Total income | | 349,978 | 351,114 |
| Expenditure | | | |
| Academic faculties and departments | <i>5</i> | 174,081 | 173,858 |
| Academic and other services | <i>6</i> | 19,306 | 19,907 |
| Premises | <i>7</i> | 22,669 | 21,456 |
| Amount allocated for capital purposes | <i>8</i> | 8,018 | 3,778 |
| Central administration and services | <i>9</i> | 28,777 | 29,361 |
| General educational expenditure | <i>10</i> | 12,485 | 12,145 |
| Student services | <i>11</i> | 4,627 | 4,671 |
| Pension supplementation | | 7,837 | 8,719 |
| Term loan interest | | 541 | 884 |
| | | <hr/> | <hr/> |
| Contract research | <i>4</i> | 278,341 71,448 | 274,779 73,042 |
| | | <hr/> | <hr/> |
| Total expenditure | <i>12</i> | 349,789 | 347,821 |
| | | <hr/> <hr/> | <hr/> <hr/> |

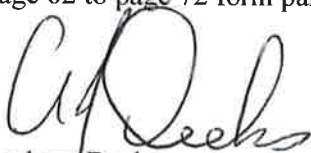
University College Dublin
National University of Ireland, Dublin


Funding statement

Revenue account *(continued)*

| | <i>Note</i> | 2014 €'000 | 2013 €'000 |
|--|-------------|----------------------|---------------|
| Surplus for year before amortisation of capital reserves and grants, ancillary services and depreciation of fixed assets (after transfer to strategic initiative) | | 189 | 3,293 |
| Surplus on ancillary services | <i>13</i> | 1,925 | 3,330 |
| Depreciation of fixed assets | <i>15</i> | (24,425) | (18,887) |
| General reserve movement | <i>14</i> | 22,500 | 15,557 |
| | | <hr/> | <hr/> |
| Net surplus for the year | | 189 | 3,293 |
| Revenue reserves at start of year | <i>20</i> | 142 | (3,151) |
| | | <hr/> | <hr/> |
| Revenue reserves at end of year | <i>20</i> | 331 | 142 |
| | | <hr/> <hr/> | <hr/> <hr/> |

The statement of accounting policies, on pages 55 to 57 and the cash flow statement and notes from page 62 to page 72 form part of the funding statement.


Andrew Deeks
President


Gerry O'Brien
Vice-President for Finance

20 October 2015
[DATE]

University College Dublin
National University of Ireland, Dublin

Funding statement


Balance sheet

as at 30 September 2014

| | <i>Note</i> | 2014 €'000 | 2013 €'000 |
|--|-------------|----------------------|---------------|
| Fixed assets | <i>15</i> | 752,488 | 722,546 |
| Investments | | 10,410 | 9,906 |
| Current assets | | | |
| Bank balances and cash | | 129,503 | 101,533 |
| Debtors and prepayments | <i>16</i> | 138,307 | 127,834 |
| Stocks | <i>17</i> | 444 | 556 |
| | | 268,254 | 229,923 |
| Current liabilities | | | |
| Creditors and accrued expenditure | <i>18</i> | (320,210) | (283,754) |
| Net current liabilities | | (51,956) | (53,831) |
| Total assets less net current liabilities | | 710,942 | 678,621 |
| Long term liabilities | | | |
| Long term loans | | (80,245) | (87,060) |
| | | 630,697 | 591,561 |
| Represented by: | | | |
| General reserve | <i>19</i> | 630,366 | 591,419 |
| Revenue reserves | <i>20</i> | 331 | 142 |
| | | 630,697 | 591,561 |

The statement of accounting policies, on pages 55 to 57 and the cash flow statement and notes from page 62 to page 72 form part of the funding statement.


Andrew Deeks
President


Gerry O'Brien
Vice-President for Finance

20 October 2015
[DATE]

University College Dublin
National University of Ireland, Dublin

Funding statement

Cash flow statement

Year ended 30 September 2014

| | <i>Note</i> | 2014 €'000 | 2013 €'000 |
|--|-------------|----------------------|---------------|
| Net cash inflow/(outflow) from operating activities | <i>21</i> | 30,877 | (3,028) |
| Returns on investments and services of finance | | | |
| Interest received | | 406 | 1,151 |
| Interest paid | | (541) | (884) |
| Capital expenditure | | | |
| Payments to acquire tangible fixed assets | | (54,367) | (84,696) |
| Payments to acquire investments | | (504) | 380 |
| | | <hr/> | <hr/> |
| Net cash outflow before financing | | (24,129) | (87,077) |
| | | <hr/> | <hr/> |
| Financing | | | |
| HEA capital grants | | 13,407 | 48,581 |
| Non HEA capital funding | | 37,397 | 28,593 |
| Recurrent funding transfer | | 8,332 | (1,608) |
| Decrease in long term loans | | (7,037) | (7,937) |
| | | <hr/> | <hr/> |
| Net cash inflow from financing | | 52,099 | 67,629 |
| | | <hr/> | <hr/> |
| Net cash inflow/(outflow) after financing | | 27,970 | (19,448) |
| | | <hr/> | <hr/> |
| Increase/(decrease) in cash and cash equivalents | <i>22</i> | 27,970 | (19,448) |
| | | <hr/> | <hr/> |

The notes on pages 62 to 72 form part of the funding statement.

University College Dublin National University of Ireland, Dublin

Funding statement

Notes

forming part of the funding statement

1 Restatement of prior year figures

Certain items of income and expenditure have been reclassified in the revenue account in the current year. Where applicable, the previous year's figures have been restated on the same basis. The surplus of €3,293,000 for 2013 as previously reported remains unchanged

| | | |
|--------------------------|--------------|-------------|
| 1a State grants | 2014 | 2013 |
| | €'000 | €'000 |
| Recurrent grant | 70,275 | 78,428 |
| Minor works grant | 154 | 160 |
| | <hr/> | <hr/> |
| Total | 70,429 | 78,588 |
| | <hr/> <hr/> | <hr/> <hr/> |
| 2 Academic fees | 2014 | 2013 |
| | €'000 | €'000 |
| Academic fees | 190,047 | 178,226 |
| Miscellaneous fee income | 37 | 35 |
| | <hr/> | <hr/> |
| Total | 190,084 | 178,261 |
| | <hr/> <hr/> | <hr/> <hr/> |

A total of €49.545m (2013:€51.720m) included in academic fee income was paid directly by the Higher Education Authority.

| | | |
|--|--------------|-------------|
| 3 Other income | 2014 | 2013 |
| | €'000 | €'000 |
| Interest receivable (net) | 406 | 1,151 |
| Funded posts | 4,896 | 6,946 |
| Rent, concessions and other charges | 4,043 | 4,018 |
| Contribution from subsidiary companies | 231 | 335 |
| Contract research contribution | 8,441 | 8,773 |
| | <hr/> | <hr/> |
| Total | 18,017 | 21,223 |
| | <hr/> <hr/> | <hr/> <hr/> |

University College Dublin
National University of Ireland, Dublin

Funding statement

Notes (continued)

| | | |
|----------------------------|-----------------|--------------|
| 4 Contract research | 2014 | 2013 |
| | €'000 | €'000 |
| Research grants income | 71,448 | 73,042 |
| Research grant expenditure | (71,448) | (73,042) |
| | <hr/> | <hr/> |
| Deficit | - | - |
| | <hr/> | <hr/> |

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 | 2014 | 2014 | 2014 | 2013 |
| | Staff Costs | Non Pay | Total | Total |
| | €'000 | €'000 | €'000 | €'000 |
| Academic staff | 112,035 | - | 112,035 | 111,614 |
| Technical staff | 9,733 | - | 9,733 | 10,409 |
| Administration support staff | 27,879 | - | 27,879 | 27,361 |
| Departmental materials, equipment and travel | - | 24,434 | 24,434 | 24,474 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total | 149,647 | 24,434 | 174,081 | 173,858 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| 6 Academic and other services | 2014 | 2014 | 2014 | 2013 |
| | Staff Costs | Non Pay | Total | Total |
| | €'000 | €'000 | €'000 | €'000 |
| Computer services incl Audio Visual | 5,863 | 2,898 | 8,761 | 8,735 |
| Library | 5,215 | 2,633 | 7,848 | 8,119 |
| Electron microscopy unit | 233 | 38 | 271 | 210 |
| Biomedical facility | 610 | (65) | 545 | 548 |
| Archives | 285 | (80) | 205 | 325 |
| University industry programme | - | 1,167 | 1,167 | 1,236 |
| Lyons Estate field station | 890 | (381) | 509 | 734 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total | 13,096 | 6,210 | 19,306 | 19,907 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

University College Dublin
National University of Ireland, Dublin

Funding statement

Notes (continued)

| 7 Premises | 2014 Staff Costs €'000 | 2014 Non Pay €'000 | 2014 Total €'000 | 2013 Total €'000 |
|--|---------------------------------------|-----------------------------------|---------------------------------|---------------------------------|
| Premises maintenance | 1,960 | 6,116 | 8,076 | 7,380 |
| General services | 1,541 | 6,431 | 7,972 | 7,335 |
| Devolved Grant & Minor works | - | 154 | 154 | 160 |
| Insurance | - | 960 | 960 | 898 |
| Energy costs | - | 5,507 | 5,507 | 5,683 |
| Total | 3,501 | 19,168 | 22,669 | 21,456 |
| 8 Amount allocated for capital purposes | 2014 Staff Costs €'000 | 2014 Non Pay €'000 | 2014 Total €'000 | 2013 Total €'000 |
| Capital projects | - | 6,199 | 6,199 | 3,317 |
| Equipment | - | 1,819 | 1,819 | 461 |
| Total | - | 8,018 | 8,018 | 3,778 |
| 9 Central administration and services | 2014 Staff Costs €'000 | 2014 Non Pay €'000 | 2014 Total €'000 | 2013 Total €'000 |
| Administration staff | 20,598 | - | 20,598 | 20,413 |
| Expenses | - | 5,402 | 5,402 | 6,825 |
| Professional charges | - | 2,178 | 2,178 | 1,469 |
| Miscellaneous | 451 | 148 | 599 | 654 |
| Total | 21,049 | 7,728 | 28,777 | 29,361 |

University College Dublin
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Funding statement

Notes (continued)

| 10 General educational expenditure | 2014 Staff Costs €'000 | 2014 Non Pay €'000 | 2014 Total €'000 | 2013 Total €'000 |
|--|---------------------------------------|-----------------------------------|---------------------------------|---------------------------------|
| Examination expenses | 1,980 | 1,206 | 3,186 | 3,529 |
| Scholarships/prizes/fellowships | - | 5,820 | 5,820 | 5,299 |
| NUI capitation | - | 564 | 564 | 553 |
| Miscellaneous expenses | 1,253 | 1,662 | 2,915 | 2,764 |
| Total | 3,233 | 9,252 | 12,485 | 12,145 |
| 11 Student services | 2014 Staff Costs €'000 | 2014 Non Pay €'000 | 2014 Total €'000 | 2013 Total €'000 |
| Capitation and other grants | 38 | 1,576 | 1,614 | 1,767 |
| Student services | 1,503 | (151) | 1,352 | 1,254 |
| Careers office | 722 | (31) | 691 | 644 |
| Health and counselling | 871 | (203) | 668 | 843 |
| Sports facilities and recreation | 932 | (630) | 302 | 163 |
| Total | 4,066 | 561 | 4,627 | 4,671 |
| 12 Composition of total expenditure | 2014 Staff Costs €'000 | 2014 Non Pay €'000 | 2014 Total €'000 | 2013 Total €'000 |
| Academic and related services | 194,591 | 83,750 | 278,341 | 274,779 |
| Research grants | 51,183 | 20,265 | 71,448 | 73,042 |
| | 245,774 | 104,015 | 349,789 | 347,821 |

A contribution from subsidiary companies of €231,070 (2013: €334,679) is included in other income (note 3) to cover interest arising on term loans of €541,433 (2013: €883,534) included above. Included above are pension supplementation costs of €7,837,460 (2013: €8,718,825).

University College Dublin
National University of Ireland, Dublin

Funding statement

Notes *(continued)*

| 13 Ancillary services summary | 2014 | 2014 | 2014 | 2013 |
|---|-----------------|----------------------|--------------------------------|-------------------------------|
| | Income €'000 | Expenditure €'000 | Surplus/ (Deficit) €'000 | Surplus (Deficit) €'000 |
| Catering | - | - | - | (70) |
| Student residences | 12,296 | (12,099) | 197 | 541 |
| Other activities (including property development) | 48,896 | (47,168) | 1,728 | 2,859 |
| | <u>61,192</u> | <u>(59,267)</u> | <u>1,925</u> | <u>3,330</u> |
| Surplus – ancillary services for the year | | | <u>1,925</u> | <u>3,330</u> |
| | | | | |
| 14 General reserve movement | | 2014 €'000 | 2013 €'000 | |
| Amortisation in line with depreciation | | 24,425 | 18,887 | |
| Surplus on ancillary services from revenue account to general revenue account | | (1,925) | (3,330) | |
| | | <u>22,500</u> | <u>15,557</u> | |
| Movement in general reserves in year | | <u>22,500</u> | <u>15,557</u> | |

University College Dublin
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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 |
|-----------------------------|-----------------------------|------------------------------------|----------------------|-----------------------------|--------------------|------------------|
| <i>Cost</i> | | | | | | |
| At beginning of year | 784,826 | 95,110 | 5,325 | 16,487 | 144,178 | 1,045,926 |
| Additions in year | 135,883 | (90,018) | - | (121) | 8,623 | 54,367 |
| At end of year | 920,709 | 5,092 | 5,325 | 16,366 | 152,801 | 1,100,293 |
| <i>Depreciation</i> | | | | | | |
| At beginning of year | 170,349 | - | 5,325 | 16,319 | 131,387 | 323,380 |
| Charge for year | 18,650 | - | - | (391) | 6,166 | 24,425 |
| At end of year | 188,999 | - | 5,325 | 15,928 | 137,553 | 347,805 |
| <i>Net book value</i> | | | | | | |
| At 30 September 2014 | 731,710 | 5,092 | - | 438 | 15,248 | 752,488 |
| At 30 September 2013 | 614,477 | 95,110 | - | 168 | 12,791 | 722,546 |

Fixed assets have been stated at historical cost.

University College Dublin
National University of Ireland, Dublin

Funding statement

Notes (continued)

| | | |
|---|----------------|----------------|
| 16 Debtors and prepayments | 2014 | 2013 |
| | €'000 | €'000 |
| Contract research grants and projects recoverable | 28,496 | 31,232 |
| State capital grant receivable | 18,987 | 16,837 |
| Academic fees receivable | 12,010 | 9,864 |
| Other debtors and prepayments | 27,613 | 19,069 |
| Internal balances: | | |
| - Pension fund | 50,793 | 50,821 |
| - Trust fund | 408 | 11 |
| | <hr/> | <hr/> |
| | 138,307 | 127,834 |
| | <hr/> <hr/> | <hr/> <hr/> |
| 17 Stocks | 2014 | 2013 |
| | €'000 | €'000 |
| Livestock | 135 | 187 |
| Horticulture and farm stock | 80 | 80 |
| Restaurant stock | 25 | 25 |
| Sundry stock | 44 | - |
| Chemistry laboratory | 67 | 58 |
| Gift Shop | 93 | 206 |
| | <hr/> | <hr/> |
| | 444 | 556 |
| | <hr/> <hr/> | <hr/> <hr/> |

University College Dublin
National University of Ireland, Dublin

Funding statement

Notes (continued)

| | | | |
|---|------------------------|------------------------------|----------------|
| 18 Creditors and accrued expenditure | | 2014 | 2013 |
| | | €'000 | €'000 |
| Contract research grants and projects unexpended | | 77,007 | 78,467 |
| State grant for recurrent expenditure received in advance | | 7,292 | 6,948 |
| State capital grant received and accruals | | 21,877 | 16,012 |
| Academic fees received in advance | | 55,899 | 53,849 |
| Other creditors and accruals | | 94,901 | 77,045 |
| Bank loans | | 6,982 | 7,205 |
| Internal balances: | | | |
| - Unexpended approved allocations | | 4,985 | 3,507 |
| - Departmental Funds | | 7,489 | 6,136 |
| - Model pension scheme creditor | | 43,778 | 34,585 |
| | | 320,210 | 283,754 |
| 19 General reserve | Opening balance | Current year movement | 2014 |
| | €'000 | €'000 | €'000 |
| State capital grants | 424,855 | 13,407 | 438,262 |
| Recurrent funding transfer from October 1996 | 105,663 | 8,332 | 113,995 |
| Capital reserves | 351,670 | 32,305 | 383,975 |
| Student centre levy | 18,476 | 5,092 | 23,568 |
| Ancillary services | 14,137 | 4,236 | 18,373 |
| | 914,801 | 63,372 | 978,173 |
| Amortisation | | | |
| Amortisation | (305,211) | - | (305,211) |
| Amortisation to revenue account for year | (18,887) | (24,425) | (43,312) |
| Amortisation - leased assets | 716 | - | 716 |
| | 591,419 | 38,947 | 630,366 |

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 | | 2014 | 2013 |
| | | €'000 | €'000 |
| At start of year | | 142 | (3,151) |
| Surplus for year | | 189 | 3,293 |
| | | <hr/> | <hr/> |
| At end of year | | 331 | 142 |
| | | <hr/> | <hr/> |
| 21 Reconciliation of revenue account surplus to net cash inflow/(outflow) from operating activities | | 2014 | 2013 |
| | | €'000 | €'000 |
| Net surplus for the year | | 189 | 3,293 |
| Interest received | | (406) | (1,151) |
| Interest paid | | 541 | 884 |
| Depreciation of fixed assets | | 24,425 | 18,887 |
| Amortisation of general reserve | | (24,425) | (18,887) |
| Surplus on ancillary services | | 1,925 | 3,330 |
| Transfer from Ancillary reserve to General reserve | | 2,311 | 16,630 |
| (Increase) in debtors | | (10,473) | (44,797) |
| Decrease in stocks | | 112 | 717 |
| Increase in creditors and accruals | | 36,678 | 18,066 |
| | | <hr/> | <hr/> |
| Net cash inflow/(outflow) from operating activities | | 30,877 | (3,028) |
| | | <hr/> | <hr/> |
| 22 Analysis of net funds | At 1 Oct | Cashflow | At 30 Sept |
| | 2013 | | 2014 |
| | €'000 | €'000 | €'000 |
| Cash at bank and in hand | 101,533 | 27,970 | 129,503 |
| Debt due within one year | (7,205) | 223 | (6,982) |
| Debt due after one year | (87,060) | 6,815 | (80,245) |
| | <hr/> | <hr/> | <hr/> |
| Net funds | 7,268 | 35,008 | 42,276 |
| | <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 | (50,821) | 34,585 |
| Er Contributions | 10,257 | 4,038 |
| EE Contributions | 3,921 | 3,366 |
| ER Contributions 20% | - | 2,913 |
| Supplementation income | 7,837 | - |
| Purchase of added years | 615 | 48 |
| Other | 15 | 19 |
| Reimbursement from HEA | 19,429 | - |
| | <hr/> | <hr/> |
| Total income | 42,074 | 10,384 |
| | <hr/> | <hr/> |
| <i>Expenditure</i> | | |
| Pension in payment (including supplementation) | 37,464 | 493 |
| Lump sum payments on Retirement | 3,925 | 102 |
| Administration & Other Costs | 657 | 596 |
| | <hr/> | <hr/> |
| Total expenditure | 42,046 | 1,191 |
| | <hr/> | <hr/> |
| (Deficit)/surplus in year | (50,793) | 43,778 |
| | <hr/> | <hr/> |

Grant receivable from the HEA relating to the Funded Scheme amounting to €50.8m is included in debtors and prepayments (see note 16).

Grant payable to the HEA relating to the Model Scheme amounting to €43.8m is included in other creditors and accruals (see note 18)

24 Comparative amounts

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

25 Approval of the funding statement

The funding statement accounts were approved by the Governing Authority on

20 October 2015
[DATE].

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

**Reconciliation of HEA Funding Statement
with Consolidated Financial Statements**

Year ended 30 September 2014

University College Dublin
National University of Ireland, Dublin

Reconciliation of Surplus in HEA Funding Statement with Consolidated
Financial Statements
for the year ended 30 September 2014

| | Consolidated financial statements €'000 | Subsidiary companies* €'000 | Unincorporated ancillary activities* €'000 | GAAP adjustments** €'000 | HEA funding statement €'000 |
|--|--|-----------------------------------|---|--------------------------------|--------------------------------------|
| Income | | | | | |
| State grants | 70,449 | - | - | (20) | 70,429 |
| Academic fees | 196,586 | - | - | (6,502) | 190,084 |
| Research grants and contracts | 91,315 | - | - | (19,867) | 71,448 |
| Amortisation of deferred capital grants | 13,279 | - | - | (13,279) | - |
| Other operating income | 66,620 | (5,758) | (28,203) | (15,048) | 17,611 |
| Interest income | 432 | - | - | (26) | 406 |
| Deferred funding for pensions | 76,281 | - | - | (76,281) | - |
| Total income | 514,962 | (5,758) | (28,203) | (131,023) | 349,978 |
| Expenditure | | | | | |
| Staff costs | 267,925 | (2,183) | (7,230) | (12,738) | 245,774 |
| Other operating expenses | 119,509 | (1,858) | (15,129) | (23,473) | 79,049 |
| Interest payable | 2,501 | - | (41) | (1,919) | 541 |
| Depreciation | 25,789 | (523) | - | (841) | 24,425 |
| Share of operating profit/gains In Joint Venture | (157) | - | - | 157 | - |
| FRS 17 additional service cost | 18,888 | - | - | (18,888) | - |
| FRS 17 Interest cost | 57,393 | - | - | (57,393) | - |
| Total expenditure | 491,848 | (4,564) | (22,400) | (115,095) | 349,789 |
| Surplus for the year before taxation and disposal | 23,114 | (1,194) | (5,803) | (15,928) | 189 |

*Results of subsidiaries and ancillaries not included in the HEA funding statement.

**Adjustments required to reconcile the consolidated financial statements to the HEA funding statement as this is not prepared in accordance with Irish GAAP.