

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

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

**Year ended 30 September 2015**

# 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 these entities are not controlled by the University.

The financial statements as set out on pages 16 to 51 have been prepared in accordance with Irish generally accepted accounting standards.

The funding statement as set out on pages 53 to 70 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 71.

### Results for the Year

The University's consolidated income and expenditure account and net surplus for the year to 30 September 2015 are shown on page 16 of the financial statements. Total income increased slightly by 0.1% during the year from €515.0m to €515.1m. Student fees showed an increase of €2.4m to €199.0m. State grant funding decreased during the year by 10% to €63.4m as a result of continuing cuts in funding made available to the University by the HEA.

Total expenditure increased by €2.6m to €494.6m (1%) in comparison to expenditure in 2014. The overall result reported is a surplus after taxation of €20.7m for the year compared to a surplus position in the previous year of €23.0m.

### Treasury Management

The University's bank and cash balances decreased during the year from €132.7m to €130.7m. 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 €80.2m to €73.6m during the year.

### Strategic Plan

The University's New Strategic Plan, *UCD Strategy 2015-2020*, was launched by the Minister for Education and Skills, Ms Jan O'Sullivan TD in November 2014. The new plan will build on and strengthen the reputation of the University both in Ireland and abroad, making UCD truly Ireland's global university.

The *UCD Strategy 2015-2020* sets out a vision for 2020 and establishes 10 key objectives to be pursued in achieving this vision. In addition to supporting this vision, the Strategy outlines six major strategic initiatives which are being coordinated by the University Management Team (UMT).

Following external comparison and an extensive process of internal consultation and consideration, a set of new academic structures to align with and support the strategic plan were agreed for rollout in September 2015.

# University College Dublin National University of Ireland, Dublin

## President's Report *(continued)*

### **Global UCD**

In support of our Global Engagement Strategy (the 'Strategy'), 2014/15 saw the expansion of our network of Global Centres. In addition to the existing centres in New York and Beijing, new centres were opened in Chicago, San Francisco, New Delhi and Kuala Lumpur.

### **Capital Expenditure**

The University including its subsidiary companies incurred expenditure of €20.5m on land and buildings and a further €8.0m on equipment and fittings, bringing total capital expenditure to €28.5m for 2014/15.

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

### **Education**

A UCD education is highly valued, both in Ireland and internationally, as demonstrated by UCD being the *University of First Destination* for international students seeking to study in Ireland. UCD is now home to some 6,600 international students with a further 5,600 studying overseas.

The social diversity of the student body continues to grow with more students from under-represented groups and the increased diversity of the University's international student population. This diversity is a real strength for UCD, empowering a holistic education and the development of global citizens.

### **Research, Innovation and Impact**

Excellence in research and innovation is core to our Strategy and UCD researchers once again demonstrated their calibre by attracting €107 million in external competitive funding. With the reduction in State sponsored research, UCD's focus is on European Commission funding under Horizon 2020 which has grown to almost 20% of research income.

In May 2015, An Taoiseach Enda Kenny TD launched the report *Delivering Impact: The Economic, Cultural and Social Impact of University College Dublin*. The report underlines UCD's role as a major economic actor and employer in Dublin and Ireland. The key findings outlined in the report include an impressive, annual economic output of €1.3 billion, which has been generated by UCD and its students in Ireland. The total number of jobs supported is 8,914.

### **Staffing Initiatives and HR Policy Developments**

As set out in the Strategy, UCD values excellence and understands that excellent performance requires excellent people working in a supportive environment. The Strategy aims to put in place appropriate support measures to develop and retain the members of the UCD community so that the University can continue to attract excellent and diverse students, faculty and staff from around Ireland and the world

University College Dublin  
National University of Ireland, Dublin

President's Report *(continued)*

**Conclusion**

It has been a very satisfying and rewarding year highlighted by the engagement of faculty, staff, students and friends of UCD in the development and implementation of our Strategic Plan 2015-2020. I know that building on a very sound base we have the potential, the ability and the ambition to achieve a great deal together in the coming years.



Andrew Deeks  
*President*

28/06/ 2016

# University College Dublin National University of Ireland, Dublin

## Statement of Governing Authority's Responsibilities

The Governing Authority is required to comply with the Universities Act, 1997, and to keep in such form as may be approved of by An t-Údarás um Ard-Oideachas all proper and usual accounts of money received and expended by it. The Governing Authority is also responsible for preparing the President's report and the financial statements for each financial year which give a true and fair view of the state of affairs of the University and the University group and the surplus or deficit of the University group for that period. The Governing Authority is also responsible for preparing the HEA Funding Statement in accordance with the most recent Harmonisation of Accounts Agreement.

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

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

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

Date: 28/6/16

# University College Dublin National University of Ireland, Dublin

## Statement on Governance and Internal Control

*for the financial year ended 30 September 2015*

### **(1) Responsibility for the System of Internal Control**

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

### **(2) Reasonable Assurance Against Material Error**

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

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

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

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

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

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

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

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

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

# University College Dublin

## National University of Ireland, Dublin

### Statement on Governance and Internal Control *(continued)*

*for the financial year ended 30 September 2015*

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

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

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

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

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

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

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

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

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

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

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



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## Statement on Governance and Internal Control *(continued)*

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

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

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

UCD confirms that the above monitoring and review processes (in Section (7)) have been in place throughout the financial year ended 30 September 2015 and that no issues relating to the effectiveness of the system of internal control have been identified which require disclosure in this statement.

### **(9) Statutory Obligations**

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

### **(10) Code of Governance and Codes of Conduct**

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

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

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

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

# University College Dublin National University of Ireland, Dublin

## Statement on Governance and Internal Control *(continued)*

### **(11) Financially Significant Developments**

Financially significant developments affecting UCD in the past year include:

- (a) The Funding Statement showed a surplus for the year ended 30 September 2015. The accumulated surplus at year end was €796,000.
- (b) A number of capital development projects which were at various stages of progress during the year to 30 September 2015; in particular:
  - Construction of a new 354-bedroom student residence;
  - Ongoing phased refurbishment of Belgrove Student Residences and Merville Student Residences;
  - Site Clearance for the UCD Confucius Institute.

### **(12) Government Policy on Pay**

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

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

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

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

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

**Procurement:** The University has put in place procurement policies and procedures and all non-pay expenditure is required to be procured in accordance with these policies and procedures. These policies and procedures have been communicated to the faculty and staff of the University. The University endeavours to ensure full compliance with procurement procedures and guidelines. The University is actively working with the Office of Government Procurement (OGP) and with the Education Procurement Services (EPS) to ensure that procurement activities are taking place in accordance with the operating model put in place by the OGP. The implementation of this model is an ongoing process since 2013 and is being managed by OGP. The University has no control over the process of OGP implementation. A memorandum of understanding between the OGP and the Department of Education which sets out the fundamentals of this model is due to be finalized shortly. Under the OGP model the University is responsible for compliance with procurement guidelines while being required to use suppliers selected by the OGP. During the ongoing implementation phase of the OGP model and primarily due to resourcing and timing issues it is not always possible to match the output of the OGP process to the procurement requirements of the Universities. This leads to a risk that contracts will expire in advance of being retendered or that contracts will be extended temporarily beyond their original duration without going through the appropriate procurement processes.

# University College Dublin National University of Ireland, Dublin

## Statement on Governance and Internal Control *(continued)*

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

There is also a risk that where the OGP cannot deliver a procurement request that the University does not have the necessary resources available to it to complete the necessary process. The University continues to deploy its minimal procurement resources (following the loss of most of its staff to the OGP) to minimize this risk.

The UCD Procurement Office runs tenders on behalf of the University and provides support and training to staff across the University. UCD has also implemented a centralised online purchasing system with trained buyers with the aim of enhancing the co-ordination of buyer activity across the University and of improving levels of compliance generally. During the year ended 30 September 2015, the allocation of buyer resources was prioritised to procurement competitions with the best opportunities to deliver additional savings.

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

Asset Disposals: UCD has agreed the sale of a small strip of land on Avoca Avenue, Blackrock, Co. Dublin to Dún Laoghaire – Rathdown County Council for the local national school. This sale has not been finalised to date.

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

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

### **(15) Travel Policy**

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

### **(16) Value for Money**

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

### **(17) Tax Compliance**

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

### **(18) Child Protection**

The UCD Child Protection Policy has been recently approved and UCD has procedures and guidelines in place in relation to child protection.

# University College Dublin National University of Ireland, Dublin

## Statement on Governance and Internal Control *(continued)*

### **(19) Governing Authority Fees and Expenses**

No fees are paid to members of the Governing Authority. The aggregate expenses payable to external members of the Governing Authority in the year ended 30 September 2015 was €15,809 and these were paid in accordance with Department of Finance guidelines.

### **(20) Subsidiary Companies**

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

### **(21) Good Faith Reporting – Protected Disclosures Act 2014**

University College Dublin has put in place a Protected Disclosures Policy (approved in February 2015) in line with the Protected Disclosures Act, 2014.

### **(22) Governing Authority Meetings**

The Governing Authority held six meetings during the financial year ended 30 September 2015 and the attendance records for these meetings of the Governing Authority is set out below. The attendance records detail both the number of meetings attended by each member and the number of meetings each member was eligible to attend. Where there was a change in membership during the period, the end date for outgoing members and the commencement date for incoming members is noted.

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

# University College Dublin National University of Ireland, Dublin

## Statement on Governance and Internal Control *(continued)*

### **(22) Governing Authority Meetings** *(continued)*

#### *Elected by the Non-Academic Staff*

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

#### *Elected Officers of the Student's Union*

Mr Feargal Hynes	until 14 June 2015	5/5
Ms Maeve DeSay	until 14 June 2015	4/5
Ms Amy Fox	until 14 June 2015	5/5
Mr Marcus O'Halloran	from 15 June 2015	1/1
Ms Dannii Curtis	from 15 June 2015	1/1
Ms Clare O'Connor	from 15 June 2015	1/1

#### *Elected by the Postgraduate Students*

Ms Anabel Castañeda	until 14 June 2015	5/5
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#### Nominations from Organisations

Mr Charles Coase		6/6
Mr Michael Feeney		5/6

#### Nominated by the Minister for Education

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

#### Elected by the UCD Graduates of NUI

Dr Michael Clark		4/6
Ms Cliona de Bháldraithe Marsh		6/6
Dr Maurice Treacy		3/6

#### The Lord Mayor of the City of Dublin

Cllr Christy Burke		0/6
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#### Nominated by the National University of Ireland

Mr Adrian Burke		5/6
Professor Emma Teeling		6/6

#### Elected by the Association of County and City Councils

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

# University College Dublin National University of Ireland, Dublin

## Statement on Governance and Internal Control *(continued)*

### **(23) Audit and Risk Management Committee Meetings**

The Audit and Risk Management Committee held four meetings during the financial year ended 30 September 2015 and the attendance records for these meetings is set out below. The attendance records detail both the number of meetings attended by each member and the number of meetings each member was eligible to attend.

	Meetings attended
Mr Adrian Burke (Chair)	4/4
Ms Mary Barrett	2/4
Mr David Bergin	2/4
Mr Martin Cosgrove	2/4
Dr Russell Higgs	4/4
Mr Hugo O'Donnell	4/4

### **(24) Review of Governing Authority Performance**

The Governing Authority reviews its performance and working arrangements on an ongoing basis and makes relevant changes as required. These changes include amendments to University Statutes and delegation to subcommittees of certain tasks. The Governing Authority has commenced a process to conduct formal internal and external reviews of its performance, and this process will be further developed over the coming year.

### **(25) Salary of President**

The salary paid to the President, Professor Andrew J. Deeks, for the year ended 30 September 2015 was €185,350 per annum.

### **(26) General Governance and Accountability Issues**

University College Dublin has no further general governance and accountability issues to report in respect of the financial year ended 30 September 2015.



Andrew Deeks,  
President

Date : 28/6/16



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

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

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 2015 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).

### 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 2015 and of its surplus for the year then ended; and
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland.

#### **Basis for qualified opinion on financial statements**

As more fully explained in Note 31 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, and the enactment of the Public Service Pensions (Single Scheme and Other Provisions) Act 2012, caused the State to assume responsibility for any shortfall in funding arising in the UCD 1995 Contributory pension scheme operated by the University and in the Single Public Service Pension Scheme, such legislation does not specifically cover other defined benefit pension arrangements operated by the University. In the absence of the State's formal acceptance of the obligation to fund deficits associated with the University's other defined benefit pension arrangements, it is not, in our view, appropriate to recognise the pension receivable pertaining to these deficits on the University's balance sheet at 30 September 2015.

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 2015 should be reduced by €622 million (ii) the pension receivable asset, net assets and revenue reserves at 30 September 2014 should be reduced by €654 million (iii) 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.



## 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 53 to 70 which have been prepared in accordance with the accounting policies set out on pages 53 to 55, 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 12, 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*

*Ireland*

28 June 2016

University College Dublin  
National University of Ireland, Dublin

Consolidated income and expenditure account  
for the year ended 30 September 2015

	Note	2015 €'000	2014 €'000
<b>Income</b>			
State grants	2	63,421	70,449
Academic fees	3	198,986	196,586
Research grants and contracts	4	83,570	91,315
Amortisation of deferred capital grants	20	13,869	13,279
Other income	5	81,036	66,620
Interest income	6	168	432
Deferred funding for pensions	31	74,024	76,281
<b>Total income</b>		<b>515,074</b>	514,962
<b>Expenditure</b>			
Staff costs	7	271,104	267,925
FRS 17 additional service cost	7, 31	25,552	18,888
Other operating expenses	8	120,912	119,509
Interest payable	9	2,522	2,501
FRS 17 interest cost	31	48,472	57,393
Depreciation	12	25,998	25,789
<b>Total expenditure</b>		<b>494,560</b>	492,005
<b>Surplus on continuing operations before share of operating profit of joint venture</b>		<b>20,514</b>	22,957
Share of operating profit of joint venture	13(b)	378	157
<b>Surplus on continuing operations before taxation</b>		<b>20,892</b>	23,114
Taxation charge	10	(167)	(130)
<b>Surplus for the financial year</b>	11	<b>20,725</b>	22,984

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

The financial statements on pages 16 to 51 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 2015

	<i>Note</i>	<b>2015</b> <b>€'000</b>	2014 €'000
<b>Surplus for the financial year</b>		<b>20,725</b>	22,984
Experience gains and losses on liabilities	31	<b>30,642</b>	36,466
Changes in actuarial assumptions	31	<b>52,849</b>	(293,261)
Movement on pension receivable	31	<b>(83,491)</b>	256,795
<b>Total recognised gains and losses in the financial year</b>		<b>20,725</b>	22,984

Reconciliation of movement in revenue reserves  
for the year ended 30 September 2015

	<b>2015</b> <b>€'000</b>	2014 €'000
Total recognised gains and losses in the financial year	<b>20,725</b>	22,984
Opening revenue reserves	<b>229,188</b>	206,204
<b>Closing revenue reserves</b>	<b>249,913</b>	229,188

University College Dublin  
National University of Ireland, Dublin

Consolidated and University balance sheet  
as at 30 September 2015

	Note	Consolidated		University	
		2015 €'000	2014 €'000	2015 €'000	2014 €'000
<b>Fixed assets</b>					
Tangible assets	12	739,573	737,107	734,148	731,634
Financial and heritage assets	13	13,972	13,902	20,972	20,902
Investment in joint ventures:	13	-	-	2,608	2,608
Share of gross assets		3,210	3,420	-	-
Share of gross liabilities		(1,389)	(1,495)	-	-
Goodwill		166	333	-	-
		<b>755,532</b>	753,267	<b>757,728</b>	755,144
<b>Current assets</b>					
Stocks	14	2,751	2,678	2,751	2,678
Debtors	15	125,752	115,637	125,740	117,489
Cash at bank and in hand	16	130,680	132,666	129,856	131,006
		<b>259,183</b>	250,981	<b>258,347</b>	251,173
<b>Creditors:</b> amounts falling due within one year	17	<b>(264,521)</b>	(255,829)	<b>(260,806)</b>	(253,263)
<b>Net current liabilities</b>		<b>(5,338)</b>	(4,848)	<b>(2,459)</b>	(2,090)
<b>Total assets less current liabilities</b>		<b>750,194</b>	748,419	<b>755,269</b>	753,054
<b>Creditors:</b> amounts falling due after more than one year	18	<b>(96,955)</b>	(104,993)	<b>(96,955)</b>	(104,993)
<b>Provisions for liabilities and charges</b>	21	<b>(4,722)</b>	(4,446)	<b>(4,722)</b>	(4,446)
<b>Net assets excl. pension (liability)/receivable</b>		<b>648,517</b>	638,980	<b>653,592</b>	643,615
<b>Pension liability</b>	31	<b>(1,814,347)</b>	(1,823,687)	<b>(1,814,347)</b>	(1,823,687)
<b>Pension receivable</b>	31	<b>1,814,347</b>	1,823,687	<b>1,814,347</b>	1,823,687
<b>Net assets including pension (liability)/asset</b>		<b>648,517</b>	638,980	<b>653,592</b>	643,615
Deferred capital grants	20	398,604	409,792	420,205	429,608
Revenue reserves	22	249,913	229,188	233,387	214,007
<b>Total</b>		<b>648,517</b>	638,980	<b>653,592</b>	643,615

The financial statements on pages 16 to 51 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 2015

	Note	2015 €'000	2014 €'000
<b>Net cash inflow from operating activities</b>	24	<b>43,054</b>	49,721
Returns on investments and servicing of finance	25	<b>(2,354)</b>	(2,069)
Taxation paid		<b>(167)</b>	(130)
Capital expenditure and financial investment	26	<b>(25,582)</b>	(4,729)
		<hr/>	<hr/>
<b>Net cash inflow before use of liquid resources and financing</b>		<b>14,951</b>	42,793
Net cash outflow from financing activities	27	<b>(16,779)</b>	(50,792)
		<hr/>	<hr/>
<b>Decrease in cash in the year</b>		<b>(1,828)</b>	(7,999)
		<hr/> <hr/>	<hr/> <hr/>

Reconciliation of net cash flow to movement in net funds  
for the year ended 30 September 2015

	Note	2015 €'000	2014 €'000
Decrease in cash in the year		<b>(1,828)</b>	(7,999)
Cash outflow from decrease in debt and lease financing		<b>16,779</b>	50,792
		<hr/>	<hr/>
Movement in net funds in year		<b>14,951</b>	42,793
Net funds/(debt) at 1 October	28	<b>11,099</b>	(31,694)
		<hr/>	<hr/>
<b>Net funds at 30 September</b>	28	<b>26,050</b>	11,099
		<hr/> <hr/>	<hr/> <hr/>

# University College Dublin

## National University of Ireland, Dublin

### Notes

*forming part of the financial statements*

#### **Accounting Policies**

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 2015.

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 Students' Union of University College Dublin, UCD Student Union Limited, have not been consolidated because the University does not control this entity. 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**

State grants which consist of recurrent grants from the Higher Education Authority and grants from the Health Service Executive 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.

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

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

## Notes (continued)

### 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.

#### (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.

# University College Dublin

## National University of Ireland, Dublin

### Notes *(continued)*

#### **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

## National University of Ireland, Dublin

### Notes *(continued)*

#### **Deferred taxation**

In subsidiary companies, which 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 31, 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

## Notes *(continued)*

### **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.

### **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.

University College Dublin  
National University of Ireland, Dublin

Notes (continued)

<b>2 State grants</b>	<b>2015</b>	<b>2014</b>
	<b>€'000</b>	<b>€'000</b>
State grants allocated for recurrent purposes	<b>63,421</b>	70,449

Grant income of €2,762,767 (2014: €2,861,952) was received from the Health Service Executive in 2015. All other grant income was received from the Higher Education Authority (HEA).

<b>3 Academic fees</b>	<b>2015</b>	<b>2014</b>
	<b>€'000</b>	<b>€'000</b>
Academic fee income	<b>198,986</b>	196,586

A total of €46,221,837 (2014: €49,545,330) included in academic fee income was received directly from the HEA.

<b>4 Research grants and contracts</b>	<b>2015</b>	<b>2014</b>
	<b>€'000</b>	<b>€'000</b>
State and semi-state	<b>50,826</b>	55,392
European Union	<b>14,010</b>	15,956
Industry	<b>3,027</b>	3,415
Science Foundation Ireland overheads grant	<b>6,473</b>	5,543
Other	<b>9,234</b>	11,009
	<b>83,570</b>	91,315

<b>5 Other income</b>	<b>2015</b>	<b>2014</b>
	<b>€'000</b>	<b>€'000</b>
Catering and conferences	<b>2,164</b>	2,274
Residences	<b>20,153</b>	17,284
Other rental income	<b>2,840</b>	2,219
Medical testing income	<b>14,926</b>	14,109
Academic facilities and departments	<b>27,475</b>	21,602
Other operating income	<b>13,478</b>	9,132
	<b>81,036</b>	66,620

University College Dublin  
National University of Ireland, Dublin

Notes (continued)

<b>6 Interest income</b>	<b>2015</b>	2014
	<b>€'000</b>	€'000
Interest income	<b>168</b>	432

**7 Staff costs**

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

	<b>2015</b>	2014
	<b>No. of</b>	No. of
	<b>employees</b>	employees
Teaching and research	<b>3,383</b>	3,150
Technical	<b>236</b>	228
Central administration and services	<b>1,077</b>	1,011

<b>4,696</b>	4,389
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	<b>2015</b>	2014
	<b>€'000</b>	€'000
Salaries and wages	<b>225,223</b>	225,953
Social welfare costs	<b>17,574</b>	16,927
Employer pension costs*	<b>28,307</b>	25,045

<b>271,104</b>	267,925
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<b>Pension related costs</b>	<b>2015</b>	2014
	<b>€'000</b>	€'000

*Employer pension costs	<b>28,307</b>	25,045
Incremental pension costs undertaken by the State	<b>25,552</b>	18,888

Current service cost (note 31)	<b>53,859</b>	43,933
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University College Dublin  
National University of Ireland, Dublin

Notes (continued)

<b>8 Other operating expenses</b>	<b>2015</b>	<b>2014</b>
	<b>€'000</b>	<b>€'000</b>
Research (non-pay)	<b>18,760</b>	18,372
Maintenance and security	<b>17,567</b>	18,310
Lab supplies	<b>8,210</b>	7,163
Professional fees	<b>5,295</b>	5,482
External contract costs	<b>6,162</b>	6,692
Travel and hospitality	<b>9,564</b>	8,704
Computer supplies	<b>4,717</b>	3,479
Printing, stationery and audio visual	<b>3,340</b>	3,241
Books and periodicals	<b>3,101</b>	3,267
Light and heat	<b>6,863</b>	7,360
Student facilities	<b>3,389</b>	2,992
Rates and insurance	<b>4,017</b>	5,100
Equipment	<b>4,337</b>	4,311
Training and development	<b>12,068</b>	11,484
Communications	<b>952</b>	900
Advertising and promotions	<b>2,078</b>	2,623
Other expenses	<b>10,492</b>	10,029
	<b>120,912</b>	119,509
Other operating expenses include:		
Auditors' remuneration:		
- External audit of University Group	<b>222</b>	187
- External audit of pension funds	<b>7</b>	7
- Taxation and secretarial	<b>19</b>	10
- Other services	<b>10</b>	3

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.

<b>9 Interest payable</b>	<b>2015</b>	<b>2014</b>
	<b>€'000</b>	<b>€'000</b>
On bank loans, overdrafts and other loans repayable wholly or partly in more than 5 years	<b>2,522</b>	2,501

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

University College Dublin  
National University of Ireland, Dublin

Notes (continued)

<b>10 Taxation</b>	<b>2015</b> <b>€'000</b>	2014 €'000
Current taxation:		
Irish corporation tax on subsidiaries profits for the year	<b>62</b>	77
Current tax charge for the year	<b>62</b>	77
Deferred tax:		
Origination and reversal of timing differences	-	-
	<b>62</b>	77
Share of joint venture tax	<b>105</b>	53
	<b>167</b>	130

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:

	<b>2015</b> <b>€'000</b>	2014 €'000
Surplus for year before taxation	<b>20,892</b>	23,114
Surplus before taxation at the corporation tax rate for the year of 12.5%	<b>2,612</b>	2,889
<i>Effects of:</i>		
Amounts not subject to Irish corporation tax	<b>(2,550)</b>	(2,812)
<b>Current tax charge for the year</b>	<b>62</b>	77

University College Dublin  
National University of Ireland, Dublin

Notes *(continued)*

<b>11 Surplus on continuing operations for the year</b>	<b>2015 €'000</b>	<b>2014 €'000</b>
The surplus for the year on continuing operations is made up as follows:		
University's surplus for the year	<b>19,380</b>	21,429
Surplus generated by subsidiary and other undertakings	<b>1,345</b>	1,555
	<hr/>	<hr/>
<b>Surplus on continuing operations for the year</b>	<b>20,725</b>	22,984
	<hr/>	<hr/>

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

**Notes (continued)**

<b>12 Tangible fixed assets</b>	<b>Land and buildings €'000</b>	<b>Assets in course of construction €'000</b>	<b>Minor works €'000</b>	<b>Computer equipment €'000</b>	<b>Equipment €'000</b>	<b>Fixtures and fittings €'000</b>	<b>Total €'000</b>
<b>Consolidated</b>							
<i>Cost</i>							
At 1 October 2014	908,046	4,791	5,680	16,367	152,304	1,251	1,088,439
Additions in year	8,587	11,907	-	584	7,253	133	28,464
Transfers from assets in course of construction	1,619	(1,619)	-	-	-	-	-
Disposals in year	-	-	-	(759)	(1,096)	-	(1,855)
<b>At 30 September 2015</b>	<b>918,252</b>	<b>15,079</b>	<b>5,680</b>	<b>16,192</b>	<b>158,461</b>	<b>1,384</b>	<b>1,115,048</b>
<b>Depreciation</b>							
At 1 October 2014	192,520	-	5,680	15,960	135,967	1,205	351,332
Charge for year	18,269	-	-	437	7,241	51	25,998
Eliminated on disposals	-	-	-	(759)	(1,096)	-	(1,855)
<b>At 30 September 2015</b>	<b>210,789</b>	<b>-</b>	<b>5,680</b>	<b>15,638</b>	<b>142,112</b>	<b>1,256</b>	<b>375,475</b>
<b>Net book value</b>							
<b>At 30 September 2015</b>	<b>707,463</b>	<b>15,079</b>	<b>-</b>	<b>554</b>	<b>16,349</b>	<b>128</b>	<b>739,573</b>
At 1 October 2014	715,526	4,791	-	407	16,337	46	737,107

Details of capital grant funding received in respect of tangible fixed assets are detailed in note 20.

Land and buildings includes €11.6 million (2014: €11.6 million) in respect of freehold land which is not depreciated. This category also includes €37 million (2014: €46 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.



University College Dublin  
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Notes (continued)

12 Tangible fixed assets (continued)

University	Land and buildings €'000	Assets in course of construction €'000	Minor works €'000	Computer equipment €'000	Equipment and fittings €'000	Total €'000
<b>Cost</b>						
At 1 October 2014	904,606	2,383	5,680	16,373	151,214	1,080,256
Additions in year	8,587	11,536	-	584	7,196	27,903
Transfers from assets in course of construction	1,619	(1,619)	-	-	-	-
Disposals in year	-	-	-	(759)	(1,096)	(1,855)
<b>At 30 September 2015</b>	<b>914,812</b>	<b>12,300</b>	<b>5,680</b>	<b>16,198</b>	<b>157,314</b>	<b>1,106,304</b>
<b>Depreciation</b>						
At 1 October 2014	191,026	-	5,680	15,933	135,983	348,622
Charge for year	18,129	-	-	437	6,823	25,389
Eliminated on disposals	-	-	-	(759)	(1,096)	(1,855)
<b>At 30 September 2015</b>	<b>209,155</b>	<b>-</b>	<b>5,680</b>	<b>15,611</b>	<b>141,710</b>	<b>372,156</b>
<b>Net book value</b>						
<b>At 30 September 2015</b>	<b>705,657</b>	<b>12,300</b>	<b>-</b>	<b>587</b>	<b>15,604</b>	<b>734,148</b>
At 30 October 2014	713,580	2,383	-	440	15,231	731,634

# University College Dublin National University of Ireland, Dublin

## Notes (continued)

### 12 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 relief availed of in relation to the University group's properties was:

- a) "Section 50" relief which was availed of in relation to the Proby student residences, Roebuck Hall and Glenomena 3 properties. 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 2015 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 €23.357 million (2014: €24.748 million) included in the balance sheet relating to the obligations associated with these residences is included in note 18 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.

13 Financial and heritage assets	Consolidated		University	
	2015 €'000	2014 €'000	2015 €'000	2014 €'000
<i>Investments held are as follows:</i>				
Investment in subsidiaries	-	-	7,000	7,000
Other investments	837	848	837	848
Heritage assets (a)	13,135	13,054	13,135	13,054
	<hr/>	<hr/>	<hr/>	<hr/>
	13,972	13,902	20,972	20,902
Investment in joint venture (b)	1,987**	2,258	2,608*	2,608
	<hr/>	<hr/>	<hr/>	<hr/>
	15,959	16,160	23,580	23,510
	<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.

# University College Dublin

## National University of Ireland, Dublin

### Notes *(continued)*

#### 13 Financial and heritage assets *(continued)*

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

Subsidiary undertakings	Principal activity	Interest	Retained surplus at 30 Sep 2015 €,000
UCD O'Reilly Hall Ltd	Management of O'Reilly Hall	100%	61
UCD Student Centre Ltd	Dormant	100%	-
UCD Property Development Company Ltd	Property Development	100%	80
UCD Nova Ltd	Development of Nova Building	100%	102
Foster Residences Ltd	Accommodation rental	100%	230
Campus Trust Ltd	Dormant	100%	-
UCD Global Ltd	Dormant	100%	-
UCD Campus Sport and Leisure Ltd	Leisure and Educational Facilities	100%	201

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

During the year a 100% subsidiary, NUI Dublin PTE LTD was formed with its registered office and place of business in Singapore. Its principal activity is education and it has recently commenced trading.

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

#### Associated undertakings

Molecular Medicine Ireland National Institute for Bioprocessing	Research	20%	Belfield, Dublin 4
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.

# University College Dublin National University of Ireland, Dublin

## Notes *(continued)*

### 13 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 stages of development of the University. It is the policy of UCD to capitalise those heritage assets which constitute capital assets and are part of the working infrastructure of the university campus. As such, the period houses and subsequent refurbishments are included in the balance sheet 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 2015 costs associated with heritage buildings captured and capitalised on the University and group balance sheet since 1997 were €11.5 million (2014: €11.5 million).

#### **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 University and group balance sheet. As at 30 September 2015 the historic costs of artworks amounted to €1.6 million (2014: €1.5 million).

#### **Other Paintings and Artefacts**

Additional assets and collections belonging to the University have not been capitalised as these are, in effect, inalienable, held in perpetuity, and are 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 €5.3 million.

University College Dublin  
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Notes (continued)

13 Financial and heritage assets (continued)

	Buildings €'000	Other paintings €'000	Artworks €'000	Total €'000
<b>Cost</b>				
<b>At 1 October 2014</b>	11,523	-	1,531*	13,054
Additions	-	-	81	81
<b>At 30 September 2015</b>	<b>11,523</b>	<b>-</b>	<b>1,612</b>	<b>13,135</b>

\*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

	2011 €'000	2012 €'000	2013 €'000	2014 €'000	2015 €'000
<b>Cost</b>					
At 1 October	11,855	12,225	12,721	12,863	13,054
Additions					
- Purchases	201	177	142	191	81
- Refurbishment	169	319	-	-	-
<b>Cost at 30 September</b>	<b>12,225</b>	<b>12,721</b>	<b>12,863</b>	<b>13,054</b>	<b>13,135</b>
Valuation of other paintings and artefacts	2,724	2,724	2,724	3,984	3,984
<b>Total at 30 September</b>	<b>14,949</b>	<b>15,445</b>	<b>15,587</b>	<b>17,038</b>	<b>17,119</b>

University College Dublin  
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Notes (continued)

13 Financial and heritage assets (continued)

(b) Joint venture undertakings

UCD holds a 50% interest in Penang Medical College, with the Royal College of Surgeons in Ireland holding the remaining 50% interest. The carrying value of this joint venture of €2.0 million is included on UCD's consolidated balance sheet and consists of the purchase cost incurred, UCD's share of the entity's profits and losses and a goodwill amortisation charge for the relevant periods.

Name	Country of incorporation	Details of investments	Proportion held by	Principal Activity
Penang Medical College	Malaysia	1,700,000 ordinary share of RMI	50%	Education
			<b>2015</b>	2014
			<b>€'000</b>	<b>€'000</b>
<b>Share of net assets at fair value:</b>				
At beginning of year			<b>1,925</b>	1,748
Share in joint venture profit in year (before tax €378k)			<b>273</b>	103
Movement on currency translation			<b>(377)</b>	74
			<b>1,821</b>	1,925
			<b>2015</b>	2014
			<b>€'000</b>	<b>€'000</b>
The group's share of the investment in net assets of this joint venture comprises:				
Share of fixed assets			<b>1,916</b>	2,323
Share of current assets			<b>1,294</b>	1,097
Share of current liabilities			<b>(710)</b>	(665)
Share of non-current liabilities			<b>(679)</b>	(830)
			<b>1,821</b>	1,925
<b>Share of net assets at end of year</b>			<b>1,821</b>	1,925
<b>Goodwill</b>				
At beginning of year			<b>333</b>	500
Amortisation in year			<b>(167)</b>	(167)
			<b>166</b>	333
<b>At end of year</b>			<b>166</b>	333
<b>Total investment in joint venture</b>			<b>1,987</b>	2,258

University College Dublin  
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Notes (continued)

14 Stocks	Consolidated		University	
	2015 €'000	2014 €'000	2015 €'000	2014 €'000
Raw materials and consumables	1,255	1,253	1,255	1,253
Finished goods for resale	1,496	1,425	1,496	1,425
	<b>2,751</b>	2,678	<b>2,751</b>	2,678

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

15 Debtors	Consolidated		University	
	2015 €'000	2014 €'000	2015 €'000	2014 €'000
Trade debtors	7,918	8,536	6,133	7,157
Research grants and contracts receivable	11,711	9,712	11,711	9,712
State grant receivable	16,393	17,353	16,393	17,353
Other capital funding receivable	7,521	13,076	7,521	13,076
Academic fees receivable	8,611	7,918	8,611	7,918
Prepayments	196	408	151	353
Amounts due from subsidiary undertakings	-	-	2,079	3,860
Other debtors	73,402	58,634	73,141	58,060
	<b>125,752</b>	115,637	<b>125,740</b>	117,489

Included within other debtors is an amount of €64 million relating to pension receivable in respect of the University College Dublin, National University of Ireland, Dublin (Closed) Pension Scheme 2010, formerly the UCD 1995 Contributory Pension Scheme (2014: €52 million).

# University College Dublin

## National University of Ireland, Dublin

### Notes (continued)

16 Cash at bank and in hand	Consolidated		University	
	2015 €'000	2014 €'000	2015 €'000	2014 €'000
Cash at bank including balances held on short term deposit	130,680	132,666	129,856	131,006
	<b>130,680</b>	132,666	<b>129,856</b>	131,006
17 Creditors: amounts falling due within one year	Consolidated		University	
	2015 €'000	2014 €'000	2015 €'000	2014 €'000
Trade creditors	1,436	964*	1,316	817*
Research grants and contracts in advance	40,224	42,074	40,224	42,074
Academic fees received in advance	52,669	54,503	52,669	54,503
State grant received in advance	8,898	10,533	8,897	10,533
Other capital funding received in advance	14,217	16,471	14,217	16,471
Accruals	16,804	18,347	16,645	18,078
Bank overdrafts (note 19)	922	1,080	922	1,080
Bank loans (note 19)	6,753	6,982	6,753	6,982
Amounts owed to subsidiary undertakings	-	-	4,130	4,012
Other taxation and social security	7,874	8,024	7,838	7,960
Other creditors	75,923	54,199	75,812	54,097
Other lease obligations – FRS 5 (note 12)	-	8,512	-	8,512
Other amounts received in advance	27,747	23,358	20,329	17,362
Deferred income from Trust Funds	11,054	10,782	11,054	10,782
	<b>264,521</b>	255,829	<b>260,806</b>	253,263

Included within other creditors is an amount of €54 million relating to the pension payable in respect of the Pay-as-you-go UCD Model Pension Scheme (2014: €41 million).

\*An amount of €9.67 million has been reclassified from trade creditors to other creditors, representing refinanced funds received from the European Commission earmarked for third party research partners. The treatment adopted is consistent with the current year.



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Notes (continued)

18 Creditors: amounts falling due after one year	Consolidated		University	
	2015 €'000	2014 €'000	2015 €'000	2014 €'000
Bank loans (note 19)	73,598	80,245	73,598	80,245
Other lease obligations – FRS 5 (note 12)	23,357	24,748	23,357	24,748
	<b>96,955</b>	104,993	<b>96,955</b>	104,993

19 Borrowings	Consolidated		University	
	2015 €'000	2014 €'000	2015 €'000	2014 €'000
<b>Bank loans and overdrafts</b>				
Bank loans and overdrafts are repayable as follows;				
In one year or less - Bank overdrafts	922	1,080	922	1,080
- Bank loans	6,753	6,982	6,753	6,982
	<b>7,675</b>	8,062	<b>7,675</b>	8,062
Amounts falling due after more than one year				
Between one and two years – bank loans	6,457	6,545	6,457	6,545
Between two and five years – bank loans	14,267	16,276	14,267	16,276
In five years or more – bank loans	52,874	57,424	52,874	57,424
	<b>73,598</b>	80,245	<b>73,598</b>	80,245
Total	<b>81,273</b>	88,307	<b>81,273</b>	88,307

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

20 Deferred capital grants	State €'000	Other grants and benefactors €'000	Total €'000
<b>Consolidated</b>			
<b>At 1 October 2014</b>			
Buildings	266,727	131,989	398,716
Equipment	4,221	6,855	11,076
	<hr/>	<hr/>	<hr/>
<b>Total</b>	<b>270,948</b>	<b>138,844</b>	<b>409,792</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Cash received in year</b>			
Buildings	(4,921)	1,221	(3,700)
Equipment	1,615	4,766	6,381
	<hr/>	<hr/>	<hr/>
<b>Total</b>	<b>(3,306)</b>	<b>5,987</b>	<b>2,681</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Amortised to income and expenditure in year</b>			
Buildings	6,120	3,110	9,230
Equipment	1,414	3,225	4,639
	<hr/>	<hr/>	<hr/>
<b>Total</b>	<b>7,534</b>	<b>6,335</b>	<b>13,869</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>At 30 September 2015</b>			
Buildings	255,686	130,100	385,786
Equipment	4,422	8,396	12,818
	<hr/>	<hr/>	<hr/>
<b>Total</b>	<b>260,108</b>	<b>138,496</b>	<b>398,604</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

University College Dublin  
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Notes (continued)

20 Deferred capital grants (continued)

	State €'000	Other grants and benefactors €'000	Total €'000
<b>University</b>			
<b>At 1 October 2014</b>			
Buildings	266,727	151,805	418,532
Equipment	4,221	6,855	11,076
	<hr/>	<hr/>	<hr/>
<b>Total</b>	<b>270,948</b>	<b>158,660</b>	<b>429,608</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Cash received in year</b>			
Buildings	(4,921)	3,520	(1,401)
Equipment	1,615	4,766	6,381
	<hr/>	<hr/>	<hr/>
<b>Total</b>	<b>(3,306)</b>	<b>8,286</b>	<b>4,980</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Amortised to income and expenditure in year</b>			
Buildings	6,120	3,624	9,744
Equipment	1,414	3,225	4,639
	<hr/>	<hr/>	<hr/>
<b>Total</b>	<b>7,534</b>	<b>6,849</b>	<b>14,383</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>At 30 September 2015</b>			
Buildings	255,686	151,701	407,387
Equipment	4,422	8,396	12,818
	<hr/>	<hr/>	<hr/>
<b>Total</b>	<b>260,108</b>	<b>160,097</b>	<b>420,205</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

In addition, amounts received in advance and not yet spent are included in creditors (note 17). 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 2015, are as follows:

	State €'000	Other grants and benefactors €'000	Total €'000
Buildings	4,067	14,217	18,284
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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Notes (continued)

<b>21 Provisions for liabilities and charges</b>	<b>2015</b>	<b>2014</b>
	<b>€'000</b>	<b>€'000</b>
<b>Consolidated and University</b>		
At 1 October 2014	<b>4,446</b>	3,033
Provided during the year	<b>276</b>	1,413
	<hr/>	<hr/>
At 30 September 2015	<b>4,722</b>	4,446
	<hr/> <hr/>	<hr/> <hr/>

The provision of €4.7 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.

<b>22 Reconciliation of movement of revenue reserves</b>	<b>2015</b>	<b>2014</b>
	<b>€'000</b>	<b>€'000</b>
<b>Consolidated</b>		
At beginning of year	<b>229,188</b>	206,204
Surplus in year	<b>20,725</b>	22,984
	<hr/>	<hr/>
<b>At end of year</b>	<b>249,913</b>	229,188
	<hr/> <hr/>	<hr/> <hr/>
	<b>2015</b>	<b>2014</b>
	<b>€'000</b>	<b>€'000</b>
<b>University</b>		
At beginning of year	<b>214,007</b>	192,578
Surplus in year	<b>19,380</b>	21,429
	<hr/>	<hr/>
<b>At end of year</b>	<b>233,387</b>	214,007
	<hr/> <hr/>	<hr/> <hr/>

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Notes (continued)

23 Capital commitments	Consolidated		University	
	2015 €'000	2014 €'000	2015 €'000	2014 €'000
Contracted for but not provided	31,000	24,699	33,434	28,261
Authorised but not contracted	37,336	53,787	32,369	53,787
	<b>68,336</b>	<b>78,486</b>	<b>65,803</b>	<b>82,048</b>
24 Reconciliation of operating surplus to net cash inflow from operating activities			2015 €'000	2014 €'000
Surplus on continuing operations			20,892	23,114
Depreciation of tangible fixed assets			25,998	25,789
Amortisation of deferred capital grants			(13,869)	(13,279)
Increase in stocks			(73)	(237)
Increase in debtors			(10,115)	(9,506)
Increase in creditors			17,591	20,358
Increase in provisions			276	1,413
Interest income			(168)	(432)
Interest payable			2,522	2,501
Net cash inflow from operating activities			<b>43,054</b>	<b>49,721</b>

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Notes (continued)

<b>25 Returns on investments and servicing of finance</b>	<b>2015</b>	<b>2014</b>
	<b>€'000</b>	<b>€'000</b>
Other interest received	<b>168</b>	432
Interest paid	<b>(2,522)</b>	(2,501)
	<hr/>	<hr/>
<b>Net cash outflow from returns on investments and servicing of finance</b>	<b>(2,354)</b>	(2,069)
	<hr/> <hr/>	<hr/> <hr/>
<b>26 Capital expenditure and financial investment</b>	<b>2015</b>	<b>2014</b>
	<b>€'000</b>	<b>€'000</b>
Purchase of tangible fixed assets	<b>(28,464)</b>	(40,897)
Purchase of investments	<b>201</b>	(1,036)
Capital grants received	<b>2,681</b>	37,204
	<hr/>	<hr/>
<b>Net cash outflow from capital expenditure and financial investment</b>	<b>(25,582)</b>	(4,729)
	<hr/> <hr/>	<hr/> <hr/>
<b>27 Net cash flow from financing activities</b>	<b>2015</b>	<b>2014</b>
	<b>€'000</b>	<b>€'000</b>
<i>Debt due within one year:</i>		
Decrease in short term borrowings	<b>(229)</b>	(223)
Decrease in short term lease liabilities	<b>(8,512)</b>	(32,243)
<i>Debt due after one year:</i>		
Decrease in long term borrowings	<b>(6,647)</b>	(6,813)
Decrease in long term lease liabilities	<b>(1,391)</b>	(11,513)
	<hr/>	<hr/>
	<b>(16,779)</b>	(50,792)
	<hr/> <hr/>	<hr/> <hr/>

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Notes (continued)

<b>28 Analysis of changes in net funds</b>	At 1 Oct 2014 €'000	Cashflows €'000	At 30 Sept 2015 €'000
Cash at bank	132,666	(1,986)	<b>130,680</b>
Bank overdrafts	(1,080)	158	<b>(922)</b>
	<hr/>	<hr/>	<hr/>
	131,586	(1,828)	<b>129,758</b>
	<hr/>	<hr/>	<hr/>
Bank debt due within 1 year	(6,982)	229	<b>(6,753)</b>
Bank debt due after 1 year	(80,245)	6,647	<b>(73,598)</b>
Lease liabilities due within 1 year	(8,512)	8,512	-
Lease liabilities due after 1 year	(24,748)	1,391	<b>(23,357)</b>
	<hr/>	<hr/>	<hr/>
<b>Net funds</b>	11,099	14,951	<b>26,050</b>
	<hr/>	<hr/>	<hr/>

**29 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 year, €80,000 was UCD's contribution for research projects undertaken by MMI and €92,547 was earned by the University from MMI in respect of rental of premises. At 30 September 2015, €46,273 was due from MMI to the University and €80,000 was payable by the University to MMI.

**Belfield Emergency Veterinary Hospital Ltd (BEVH)**

In 2013, UCD advanced a loan to BEVH in the amount of €24,490. In 2015 the outstanding amount of €14,490 was fully repaid.

**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 2015, there were no amounts due to the University by NIBRT.

**National Digital Research Centre (NDRC)**

There were no related party transactions between the University and NDRC during the year. At 30 September 2015, €1,176 was due to the University by NDRC and €5,111 was owed by the University to the NDRC.

# University College Dublin National University of Ireland, Dublin

## Notes *(continued)*

### **30 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.

### **31 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 Single Public Service Pension Scheme is also in operation and applies to new public sector entrants from 1 January 2013 (see below for further information).

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)*

### 31 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 2015, 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 €619 million (2014: €654 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.

#### **Single Public Service Pension Scheme**

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

#### ***FRS 17 Valuation - UCD Dublin (Closed) Pension Scheme 2010, UCD Model Pension Scheme, Pension Supplementation and the Single Public Service Pension Scheme***

As noted above, the University operates two pension schemes providing benefits based on final pensionable pay and also the Single Public Service Pension Scheme. The FRS 17 valuation arrangements together 'the scheme' was prepared by a qualified independent actuary in order to assess the liabilities as at 30 September 2015 for these, details of which are provided below.

University College Dublin  
National University of Ireland, Dublin

Notes (continued)

31 Retirement benefits (continued)

The University and group has reported a net pension liability at 30 September 2015 and 2014 as follows:

	2015 €'000	2014 €'000
Present value of scheme liabilities	(1,814,347)	(1,823,687)
Total market value of assets	-	-
	<u>(1,814,347)</u>	<u>(1,823,687)</u>
<b>Pension liability</b>	<b>(1,814,347)</b>	<b>(1,823,687)</b>

The pension receivable and net deficit at 30 September 2015 and 2014 is as follows:

	2015 €'000	2014 €'000
Pension receivable	1,814,347	1,823,687
	<u>1,814,347</u>	<u>1,823,687</u>
<b>Net pension deficit</b>	<b>-</b>	<b>-</b>

*Movement in present value of defined benefit obligation*

	2015 €'000	2014 €'000
At 1 October	1,823,687	1,499,599
Current service cost	53,859	43,933
Interest cost	48,472	57,393
Plan members' contributions	9,688	7,951
Actuarial (gain)/loss	(83,491)	256,795
Benefits paid	(43,016)	(41,984)
Transfers in – SPSPS liability	5,148	-
	<u>1,814,347</u>	<u>1,823,687</u>
<b>At 30 September</b>	<b>1,814,347</b>	<b>1,823,687</b>

University College Dublin  
National University of Ireland, Dublin

Notes (continued)

31 Retirement benefits (continued)

The total gain recognised in the statement of total recognised gains and losses in respect of actuarial gains and losses is €83.5 million (2014: loss €256.8 million). This has been offset by a movement in the matching pension scheme asset receivable.

The scheme assets as at 31 March 2010, were transferred to the National Pension Reserve Fund.

The movement in the pension receivable for the current year includes a matching receivable of €5.148 million in respect of the SPS pension scheme.

<i>Analysis of movement in pension receivable during the year</i>	<b>2015</b> <b>€'000</b>	2014 €'000
Pension receivable at beginning of year	<b>1,823,687</b>	1,499,599
Actuarial (gain)/loss	<b>(83,491)</b>	256,795
State funded underwritten pension cost (note 6)	<b>25,552</b>	18,888
State underwritten finance charge	<b>48,472</b>	57,393
Employer contributions	<b>28,307</b>	25,045
Member contributions	<b>9,688</b>	7,951
Benefits paid	<b>(43,016)</b>	(41,984)
Transfers in – SPSPS liability	<b>5,148</b>	-
	<hr/>	<hr/>
<b>Pension receivable at end of year</b>	<b>1,814,347</b>	1,823,687
	<hr/> <hr/>	<hr/> <hr/>

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

	<b>2015</b> <b>%</b>	2014 %
Discount rate	<b>2.60</b>	2.60
Rate of compensation increase	<b>3.10</b>	3.25
Pension increases	<b>2.10</b>	2.25
Inflation	<b>1.60</b>	1.75
Expected return on plan assets	-	-

In valuing the liabilities of the scheme at 30 September 2015, 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 2015 would have increased by €53 million.

University College Dublin  
National University of Ireland, Dublin

Notes (continued)

31 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:

	<b>2015</b>	2014
	<b>Years</b>	Years
Male member age 65 (current life expectancy)	<b>23.5</b>	23.5
Female member age 65 (current life expectancy)	<b>24.9</b>	24.9
Male member age 45 (life expectancy at age 65)	<b>26.0</b>	26.0
Female member age 45 (life expectancy age 65)	<b>27.0</b>	27.0

History of plan

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

	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Defined benefit obligation	<b>(1,814,347)</b>	(1,823,687)	(1,499,599)	(1,482,774)	(1,163,779)
Fair value of plan assets	-	-	-	-	-
<b>Deficit</b>	<b>(1,814,347)</b>	(1,823,687)	(1,499,599)	(1,482,774)	(1,163,779)

Difference between expected and actual return on plan assets:

	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Amount	-	-	-	-	-
% of plan assets	N/A*	N/A*	N/A*	N/A*	N/A*

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

Experience (gains)/ losses on plan liabilities:

	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Amount	<b>(30,642)</b>	(36,466)	(119,665)	(36,849)	(36,920)
% of plan liabilities	<b>2%</b>	2%	8%	2%	3%

University College Dublin  
National University of Ireland, Dublin

Notes *(continued)*

**31 Retirement benefits** *(continued)*

(Gains)/losses resulting from changes in actuarial assumptions:

	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Amount	<b>(52,849)</b>	293,261	65,847	301,744	(111,869)
% of plan liabilities	<b>3%</b>	16%	4%	20%	10%

**32 Post balance sheet events**

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

**33 Approval of financial statements**

The financial statements were approved by the Governing Authority on 28 June 2016.

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

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

**Year ended 30 September 2015**

University College Dublin  
National University of Ireland, Dublin

Additional information not forming part of the consolidated financial statement

<b>1 Deferred income</b>	<b>2015</b>	2014
	<b>€'000</b>	€'000
State recurrent grant:		
- received in respect of current year	<b>61,032</b>	71,986
- deferred in prior accounting year	<b>6,188</b>	4,651
- deferred to subsequent accounting years	<b>(3,799)</b>	(6,188)
	<hr/>	<hr/>
State recurrent grant per financial statements (Note 1)	<b>63,421</b>	70,449
	<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 2015**



University College Dublin  
National University of Ireland, Dublin

Funding statement

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Balance sheet	58
Cash flow statement	59
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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 2015

	Note	2015 €'000	2014 €'000
<b>Income</b>			
State grants	1	63,421	70,429
Academic fees	2	197,478	190,084
Other income	3	22,991	18,017
		<hr/>	<hr/>
Contract research	4	283,890 70,890	278,530 71,448
		<hr/>	<hr/>
Total income		354,780	349,978
		<hr/>	<hr/>
<b>Expenditure</b>			
Academic faculties and departments	5	179,481	174,080
Academic and other services	6	18,078	19,306
Premises	7	21,170	22,669
Amount allocated for capital purposes	8	4,163	8,018
Central administration and services	9	35,747	28,777
General educational expenditure	10	10,758	12,485
Student services	11	4,696	4,627
Pension supplementation		7,532	7,837
Term loan interest		1,800	542
		<hr/>	<hr/>
Contract research	4	283,425 70,890	278,341 71,448
		<hr/>	<hr/>
Total expenditure	12	354,315	349,789
		<hr/>	<hr/>

University College Dublin  
National University of Ireland, Dublin

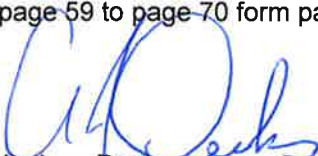
Funding statement

Revenue account *(continued)*

Year ended 30 September 2015

	Note	2015 €'000	2014 €'000
<b>Surplus for year before amortisation of capital reserves and grants, ancillary services and depreciation of fixed assets (after transfer to strategic initiative)</b>		<b>465</b>	189
Surplus on ancillary services	13	881	1,925
Depreciation of fixed assets	15	(24,320)	(24,425)
General reserve movement	14	23,439	22,500
		<hr/>	<hr/>
Net surplus for the year		<b>465</b>	189
Revenue reserves at start of year	20	<b>331</b>	142
		<hr/>	<hr/>
Revenue reserves at end of year	20	<b>796</b>	331
		<hr/> <hr/>	<hr/> <hr/>

The statement of accounting policies on pages 53 to 55 and the cash flow statement and notes from page 59 to page 70 form part of the funding statement.

  
Andrew Deeks  
President

  
Gerry O'Brien  
Vice-President for Finance

28 June 2016

University College Dublin  
National University of Ireland, Dublin

Funding statement


Balance sheet

as at 30 September 2015

	Note	2015 €'000	2014 €'000
<b>Fixed assets</b>	15	<b>754,295</b>	752,488
<b>Investments</b>		<b>9,970</b>	10,410
<b>Current assets</b>			
Bank balances and cash		<b>123,161</b>	129,503
Debtors and prepayments	16	<b>147,835</b>	138,307
Stocks	17	<b>582</b>	444
		<b>271,578</b>	268,254
<b>Current liabilities</b>			
Creditors and accrued expenditure	18	<b>(303,574)</b>	(320,210)
<b>Net current liabilities</b>		<b>(31,996)</b>	(51,956)
<b>Total assets less net current liabilities</b>		<b>732,269</b>	710,942
<b>Long term liabilities</b>			
Long term loans		<b>(73,599)</b>	(80,245)
		<b>658,670</b>	630,697
<b>Represented by:</b>			
General reserve	19	<b>657,874</b>	630,366
Revenue reserves	20	<b>796</b>	331
		<b>658,670</b>	630,697

The statement of accounting policies, on pages 53 to 55 and the cash flow statement and notes from page 59 to page 70 form part of the funding statement.

  
Andrew Deeks  
President

  
Gerry O'Brien  
Vice-President for Finance

28 June 2016

University College Dublin  
National University of Ireland, Dublin

Funding statement

Cash flow statement

year ended 30 September 2015

	<i>Note</i>	<b>2015</b> <b>€'000</b>	2014 €'000
<b>Net cash (outflow)/inflow from operating activities</b>	21	<b>(22,545)</b>	30,878
<b>Returns on investments and services of finance</b>			
Interest received		<b>571</b>	406
Interest paid		<b>(1,800)</b>	(542)
<b>Capital expenditure</b>			
Payments to acquire tangible fixed assets		<b>(26,127)</b>	(54,367)
Payments to acquire investments		<b>440</b>	(504)
<b>Net cash outflow before financing</b>		<b>(49,461)</b>	(24,129)
<b>Financing</b>			
HEA capital grants		<b>(3,334)</b>	13,407
Non HEA capital funding		<b>46,331</b>	37,397
Recurrent funding transfer		<b>6,997</b>	8,332
Decrease in long term loans		<b>(6,875)</b>	(7,037)
<b>Net cash inflow from financing</b>		<b>43,119</b>	52,099
<b>Net cash (outflow)/inflow after financing</b>		<b>(6,342)</b>	27,970
<b>(Decrease)/increase in cash and cash equivalents</b>	22	<b>(6,342)</b>	27,970

The notes on pages 59 to 70 form part of the funding statement.



University College Dublin  
National University of Ireland, Dublin

Funding statement

Notes

<b>1 State grants</b>	<b>2015</b>	<b>2014</b>
	<b>€'000</b>	<b>€'000</b>
Recurrent grant	<b>63,276</b>	70,275
Minor works grant	<b>145</b>	154
	<hr/>	<hr/>
Total	<b>63,421</b>	70,429
	<hr/> <hr/>	<hr/> <hr/>
<b>2 Academic fees</b>	<b>2015</b>	<b>2014</b>
	<b>€'000</b>	<b>€'000</b>
Academic fees	<b>197,431</b>	190,047
Miscellaneous fee income	<b>47</b>	37
	<hr/>	<hr/>
Total	<b>197,478</b>	190,084
	<hr/> <hr/>	<hr/> <hr/>
A total of €46.222m (2014:€49.545m) included in academic fee income was paid directly by the Higher Education Authority.		
<b>3 Other income</b>	<b>2015</b>	<b>2014</b>
	<b>€'000</b>	<b>€'000</b>
Interest receivable (net)	<b>571</b>	406
Funded posts	<b>9,349</b>	4,896
Rent, concessions and other charges	<b>3,511</b>	4,043
Contribution from subsidiary companies	<b>131</b>	231
Contract research contribution	<b>9,429</b>	8,441
	<hr/>	<hr/>
Total	<b>22,991</b>	18,017
	<hr/> <hr/>	<hr/> <hr/>

University College Dublin  
National University of Ireland, Dublin

Funding statement

Notes (continued)

**4 Contract research**

	<b>2015</b> <b>€'000</b>	2014 €'000
Research grants income	<b>70,890</b>	71,448
Research grant expenditure	<b>(70,890)</b>	(71,448)
Deficit	<u>-</u>	<u>-</u>

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

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

**5 Academic faculties and departments**

	<b>2015</b> <b>Staff Costs</b> <b>€'000</b>	<b>2015</b> <b>Non Pay</b> <b>€'000</b>	<b>2015</b> <b>Total</b> <b>€'000</b>	2014 Total €'000
Academic staff	<b>116,352</b>	-	<b>116,352</b>	112,034
Technical staff	<b>9,373</b>	-	<b>9,373</b>	9,733
Administration support staff	<b>30,226</b>	-	<b>30,226</b>	27,879
Departmental materials, equipment and travel	-	<b>23,530</b>	<b>23,530</b>	24,434
Total	<u><b>155,951</b></u>	<u><b>23,530</b></u>	<u><b>179,481</b></u>	<u>174,080</u>

University College Dublin  
National University of Ireland, Dublin

Funding statement

Notes (continued)

**6 Academic and other services**

	2015 Staff costs €'000	2015 Non pay €'000	2015 Total €'000	2014 Total €'000
Computer services incl Audio Visual	5,518	2,892	8,410	8,761
Library	4,961	3,010	7,971	7,848
Electron microscopy unit	229	(27)	202	271
Biomedical facility	550	(40)	510	545
Archives	277	42	319	205
University industry programme	-	-	-	1,167
Lyons Estate field station	900	(234)	666	509
	<hr/>	<hr/>	<hr/>	<hr/>
Total	12,435	5,643	18,078	19,306
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**7 Premises**

	2015 Staff costs €'000	2015 Non pay €'000	2015 Total €'000	2014 Total €'000
Premises maintenance	2,010	6,344	8,354	8,076
General services	1,529	5,524	7,053	7,972
Devolved Grant & Minor works	-	145	145	154
Insurance	-	767	767	960
Energy costs	-	4,851	4,851	5,507
	<hr/>	<hr/>	<hr/>	<hr/>
Total	3,539	17,631	21,170	22,669
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**8 Amount allocated for capital purposes**

	2015 Staff costs €'000	2015 Non pay €'000	2015 Total €'000	2014 Total €'000
Capital projects	-	2,586	2,586	6,199
Equipment	-	1,577	1,577	1,819
	<hr/>	<hr/>	<hr/>	<hr/>
Total	-	4,163	4,163	8,018
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University College Dublin  
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Notes (continued)

**9 Central administration and services**

	2015 Staff costs €'000	2015 Non pay €'000	2015 Total €'000	2014 Total €'000
Administration staff	19,819	-	19,819	20,598
Expenses	-	13,363	13,363	5,402
Professional charges	-	1,676	1,676	2,178
Miscellaneous	655	234	889	599
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<b>20,474</b>	<b>15,273</b>	<b>35,747</b>	<b>28,777</b>
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**10 General educational expenditure**

	2015 Staff costs €'000	2015 Non pay €'000	2015 Total €'000	2014 Total €'000
Examination expenses	1,999	1,115	3,114	3,186
Scholarships/prizes/fellowships	-	4,472	4,472	5,820
NUI capitation	-	550	550	564
Miscellaneous expenses	1,031	1,591	2,622	2,915
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Total	<b>3,030</b>	<b>7,728</b>	<b>10,758</b>	<b>12,485</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**11 Student services**

	2015 Staff costs €'000	2015 Non pay €'000	2015 Total €'000	2014 Total €'000
Capitation and other grants	-	1,688	1,688	1,614
Student services	1,282	(20)	1,262	1,352
Careers office	842	(28)	814	691
Health and counselling	873	(157)	716	668
Sports facilities and recreation	852	(636)	216	302
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<b>3,849</b>	<b>847</b>	<b>4,696</b>	<b>4,627</b>
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University College Dublin  
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Funding statement

Notes (continued)

12 Composition of total expenditure

	2015 Staff costs €'000	2015 Non pay €'000	2015 Total €'000	2014 Total €'000
Academic and related services	206,810	76,615	283,425	278,341
Research grants	51,760	19,130	70,890	71,448
	<u>258,570</u>	<u>95,745</u>	<u>354,315</u>	<u>349,789</u>

A contribution from subsidiary companies of €130,589 (2014: €231,070) is included in other income (note 3) to cover interest arising on term loans of €1,779,960 (2014: €541,433) included above. Included above are pension supplementation costs of €7,531,945 (2014: €7,837,460).

13 Ancillary services summary

	2015 Income €'000	2015 Expenditure €'000	2015 Surplus/ (Deficit) €'000	2014 Surplus/ (Deficit) €'000
Student residences	17,776	(17,817)	(41)	197
Other activities (including property development)	38,816	(37,894)	922	1,728
	<u>56,592</u>	<u>55,711</u>	<u>881</u>	<u>1,925</u>
Surplus – ancillary services for the year			<u>881</u>	<u>1,925</u>

14 General reserve movement

	2015 €'000	2014 €'000
Amortisation in line with depreciation	24,320	24,425
Surplus on ancillary services from revenue account to general revenue account	(881)	(1,925)
Movement in general reserves in year	<u>23,439</u>	<u>22,500</u>

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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
<b>Cost</b>						
At beginning of year	920,709	5,092	5,325	16,366	152,801	1,100,293
Additions in year	12,973	7,229	-	(175)	6,100	26,127
<b>At end of year</b>	<b>933,682</b>	<b>12,321</b>	<b>5,325</b>	<b>16,191</b>	<b>158,901</b>	<b>1,126,420</b>
<b>Depreciation</b>						
At beginning of year	188,999	-	5,325	15,928	137,553	347,805
Charge for year	18,908	-	-	(322)	5,734	24,320
<b>At end of year</b>	<b>207,907</b>	<b>-</b>	<b>5,325</b>	<b>15,606</b>	<b>143,287</b>	<b>372,125</b>
<b>Net book value At 30 September 2015</b>	<b>725,775</b>	<b>12,321</b>	<b>-</b>	<b>585</b>	<b>15,614</b>	<b>754,295</b>
At 30 September 2014	731,710	5,092	-	438	15,248	752,488

Fixed assets have been stated at historical cost.

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Funding statement

Notes (continued)

**16 Debtors and prepayments**

	<b>2015</b>	2014
	<b>€'000</b>	€'000
Contract research grants and projects recoverable	<b>31,081</b>	28,496
State capital grant receivable	<b>15,393</b>	18,987
Academic fees receivable	<b>13,403</b>	12,010
Other debtors and prepayments	<b>24,981</b>	27,613
Internal balances:		
- Funded Pension Scheme	<b>62,977</b>	50,793
- Trust fund	-	408
	<hr/>	<hr/>
	<b>147,835</b>	138,307
	<hr/> <hr/>	<hr/> <hr/>

**17 Stocks**

	<b>2015</b>	2014
	<b>€'000</b>	€'000
Livestock	<b>264</b>	135
Horticulture and farm stock	<b>80</b>	80
Restaurant stock	<b>25</b>	25
Sundry stock	<b>65</b>	44
Chemistry Laboratory	<b>70</b>	67
Gift Shop	<b>78</b>	93
	<hr/>	<hr/>
	<b>582</b>	444
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Notes (continued)

18 Creditors and accrued expenditure

	2015 €'000	2014 €'000
Contract research grants and projects unexpended	64,934	77,007
State grant for recurrent expenditure received in advance	5,179	7,292
State capital grant received and accruals	19,585	21,877
Academic fees received in advance	50,051	55,899
Other creditors and accruals	94,999	94,901
Bank loans	6,753	6,982
Internal balances:		
- Unexpended approved allocations	206	4,985
- Departmental Funds	7,795	7,489
- Model pension scheme creditor	54,072	43,778
	<u>303,574</u>	<u>320,210</u>

19 General reserve

	Opening balance €'000	Current year movement €'000	2015 €'000
State capital grants	438,262	(3,334)	434,928
Recurrent funding transfer from October 1996	113,995	6,997	120,992
Capital reserves	383,975	41,034	425,009
Student centre levy	23,568	5,297	28,865
Ancillary services	18,373	1,834	20,207
	<u>978,173</u>	<u>51,828</u>	<u>1,030,001</u>
<b>Amortisation</b>			
Amortisation	(348,523)	-	(348,523)
Amortisation to revenue account for year	-	(24,320)	(24,320)
Amortisation - leased assets	716	-	716
	<u>630,366</u>	<u>27,508</u>	<u>657,874</u>

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



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Notes (continued)

**20 Revenue reserves**

	<b>2015</b> €'000	2014 €'000
At start of year	331	142
Surplus for year	465	189
At end of year	<u>796</u>	<u>331</u>

**21 Reconciliation of revenue account surplus to net cash (outflow)/inflow from operating activities**

	<b>2015</b> €'000	2014 €'000
Net surplus for the year	465	189
Interest received	(571)	(406)
Interest paid	1,800	542
Depreciation of fixed assets	24,320	24,425
Amortisation of general reserve	(24,320)	(24,425)
Surplus on ancillary services	881	1,925
Transfer from Ancillary reserve to General reserve	953	2,311
Increase in debtors	(9,528)	(10,473)
(Increase)/decrease in stocks	(138)	112
(Decrease)/increase in creditors and accruals	(16,407)	36,678
<b>Net cash (outflow)/inflow from operating activities</b>	<b><u>(22,545)</u></b>	<b><u>30,878</u></b>

**22 Analysis of net funds**

	<b>At 1 Oct</b> <b>2014</b> €'000	<b>Cashflow</b> €'000	<b>At 30 Sept</b> <b>2015</b> €'000
Cash at bank and in hand	129,503	(6,342)	123,161
Debt due within one year	(6,982)	229	(6,753)
Debt due after one year	(80,245)	6,646	(73,599)
Net funds	<u>42,276</u>	<u>533</u>	<u>42,809</u>

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Funding statement

Notes (continued)

23 Pensions Control Account

	Funded scheme €'000	Model scheme €'000	SPS scheme €'000
Opening Balance	(50,793)	43,778	-
Employer Contributions	9,592	3,557	1,628
Employee Contributions	3,818	3,264	2,073
Employer Contributions 20%	-	4,509	3,117
Supplementation income	7,532	-	-
Purchase of added years	515	18	-
Other	103	-	-
Reimbursement from HEA	9,300	-	-
Payments to DPER (Department of Public Expenditure and Reform)	-	-	(4,215)
	<hr/>	<hr/>	<hr/>
<b>Total income</b>	<b>30,860</b>	<b>11,348</b>	<b>2,603</b>
	<hr/>	<hr/>	<hr/>
<i>Expenditure</i>			
Pension in payment (including supplementation)	38,236	495	-
Lump sum payments on Retirement	4,226	60	-
Administration & Other Costs	582	499	366
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<b>Total expenditure</b>	<b>43,044</b>	<b>1,054</b>	<b>366</b>
	<hr/>	<hr/>	<hr/>
<b>(Deficit)/surplus in year</b>	<b>(62,977)</b>	<b>54,072</b>	<b>2,237</b>
	<hr/>	<hr/>	<hr/>

Grant receivable from the HEA relating to the Funded Scheme amounting to €62.98m is included in debtors and prepayments (see note 16)

Grant payable to the HEA relating to the Model Scheme amounting to €54.1m is included in other creditors and accruals (see note 18)

Grant payable to the DPER relating to the SPS Scheme amounting to €2.2m is included within other creditors and accruals (see note 18)

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Funding statement

Notes *(continued)*

**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 28 June 2016.

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

Reconciliation of HEA Funding Statement  
with consolidated financial statements

**Year ended 30 September 2015**

University College Dublin  
National University of Ireland, Dublin

Reconciliation of HEA Funding Statement with consolidated financial statements

for the year ended 30 September 2015

	Consolidated financial statements €'000	Subsidiary companies* €'000	Unincorporated ancillary activities* €'000	GAAP adjustments** €'000	HEA funding statement €'000
<b>Income</b>					
State grants	63,421	-	-	-	63,421
Academic fees	198,986	-	-	(1,508)	197,478
Research grants and contracts	83,570	-	-	(12,680)	70,890
Amortisation of deferred capital grants	13,869	-	-	(13,869)	-
Other operating income	81,036	(9,453)	(32,716)	(16,447)	22,420
Interest income	168	-	-	403	571
Share of operating profit in joint venture	378	-	-	(378)	-
Deferred funding for pensions	74,024	-	-	(74,024)	-
<b>Total income</b>	<b>515,452</b>	<b>(9,453)</b>	<b>(32,716)</b>	<b>(118,503)</b>	<b>354,780</b>
<b>Expenditure</b>					
Staff costs	271,104	(2,373)	(7,177)	(1,942)	259,612
Other operating expenses	121,079	(4,219)	(16,669)	(31,608)	68,583
Interest payable	2,522	-	(8)	(714)	1,800
Depreciation	25,998	(610)	-	(1,068)	24,320
FRS 17 additional service cost	25,552	-	-	(25,552)	-
FRS 17 Interest cost	48,472	-	-	(48,472)	-
<b>Total expenditure</b>	<b>494,727</b>	<b>(7,202)</b>	<b>(23,854)</b>	<b>(109,356)</b>	<b>354,315</b>
<b>Surplus for the year before taxation and disposal</b>	<b>20,725</b>	<b>(2,251)</b>	<b>(8,862)</b>	<b>(9,147)</b>	<b>465</b>

\*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.