

DUN LAOGHAIRE INSTITUTE OF ART, DESIGN & TECHNOLOGY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

**DUN LAOGHAIRE INSTITUTE OF ART, DESIGN & TECHNOLOGY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

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DUN LAOGHAIRE INSTITUTE OF ART, DESIGN & TECHNOLOGY
STATEMENT OF INSTITUTE'S RESPONSIBILITIES

The Institutes of Technology Acts 1992 to 2006 require the Institute to prepare financial statements in such form as may be approved by the Higher Education Authority and to submit them for audit to the Comptroller and Auditor General. In preparing these financial statements the Institute is required to:

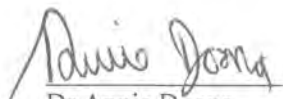
- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- Prepare the financial statements on a going concern basis, unless that basis is inappropriate
- Disclose and explain any material departures from applicable accounting standards

The Institute is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Institute and which enable it to ensure that the financial statements comply with the Institutes of Technology Acts 1992 to 2006. The Institute is also responsible for safeguarding its assets and for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Mr David Holohan
Chairperson

31/10/19
Date



Dr Annie Doona
President

31/10/19
Date

DUN LAOGHAIRE INSTITUTE OF ART, DESIGN & TECHNOLOGY STATEMENT ON INTERNAL CONTROL

Responsibility for the System of Internal Control

On behalf of the Governing Body, we acknowledge our responsibility for ensuring that an effective system of internal control is maintained and operated.

The system can only provide reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely manner.

Key Control Procedures

The Governing Body has taken steps to ensure an appropriate control environment by:

- Clearly defining and documenting management responsibilities and powers
- Establishing processes for identifying risks and evaluating their financial implications
- Establishing an Audit and Risk Committee with clear terms of reference
- Establishing formal procedures through various committee functions to monitor the activities and safeguard the assets of the organisation
- Developing a strong culture of accountability across all levels of the organisation

The system of internal control is based on a framework of regular management information, administrative procedures including segregation of duties and a system of delegation and accountability. In particular it includes:

- A comprehensive budgeting system with an annual budget which is reviewed and agreed by the Governing Body with authority delegated where appropriate, for managing and controlling the Annual Allocation as granted by the Higher Education Authority and other income and expenditure
- Management Information Systems in respect of financial management, HR records and management, library information, student records and academic administration and timetabling information. These systems provide information enabling comparisons of actual results against budgeted forecasts
- A resource allocation system
- A risk management system with regular reporting and reviews
- Regular reviews by the Governing Body of periodic and annual financial reports which indicate financial performance against forecasts
- Setting targets to measure financial and other performance
- An Academic Council which reports to the Governing Body
- An Academic Quality Framework with clearly defined academic and quality processes and control guidelines
- Clearly defined capital investment control guidelines
- Formal project management disciplines

The Institute has an outsourced internal audit function which operates in accordance with the Code of Governance of Irish Institutes of Technology. The work of internal audit is informed by analysis of the risk to which the body is exposed and annual internal audit plans are based on this analysis. The analysis of risk and the internal audit plans are endorsed and approved by the Governing Body Audit and Risk Committee. At least once annually the Internal Auditors provide the Governing Body Audit and Risk Committee with a report of internal audit activity. These reports highlight any deficiencies or weaknesses in the system of internal control and the recommended corrective measures to be taken where necessary. The Governing Body Audit and Risk Committee receives regular reports on the status of issues raised.

Continued...

DUN LAOGHAIRE INSTITUTE OF ART, DESIGN & TECHNOLOGY
STATEMENT ON INTERNAL CONTROL (continued)

The Governing Body adopted the THEA Code of Governance for Institutes of Technology 2018 at its meeting of 10 January 2018 and is working to achieve compliance with this code by 31 August 2019. The code outlines specific financial disclosure requirements, which have been reflected in the financial statements with the exception of reporting requirements related to remuneration, the full details of which are disclosed in Note 9 to the financial statements.

The Governing Body's monitoring and review of the effectiveness of the system of internal control is informed by the work of the Internal Auditors, the Governing Body Audit and Risk Committee which oversees the work of the Internal Auditors, the Executive Board who have responsibility for the development and maintenance of the financial control framework and comments made by the Comptroller and Auditor General in his management letters and other reports.

Annual Review of Controls

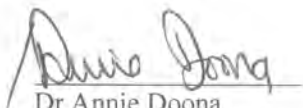
Through the Internal Audit structure and reporting, the Governing Body Audit and Risk Committee conducts a review of the internal controls operating in the Institute and reports on these with a confirmation that an appropriate control environment exists within the Institute.

The Governing Body Audit and Risk Committee reported on its activities for the year ended 31 August 2018 to the Governing Body on 7 November 2018. We confirm that the Governing Body conducted a review of the effectiveness of the system of internal control for the year ended 31 August 2018 on 7 November 2018.



Mr David Holohan
Chairperson

31/10/19
Date



Dr Annie Doona
President

31/10/19
Date



Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas Dun Laoghaire Institute of Art, Design and Technology

Opinion on the financial statements

I have audited the financial statements of Dun Laoghaire Institute of Art, Design and Technology for the year ended 31 August 2018 as required under the provisions of the Institutes of Technology Acts 1992 to 2006. The financial statements comprise

- the statement of comprehensive income
- the statement of changes in reserves and capital account
- the statement of financial position
- the statement of cash flows and
- the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of the Institute at 31 August 2018 and of its income and expenditure for the year then ended in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

Basis of opinion

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Institute and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report on information other than the financial statements, and on other matters

The Institute has presented certain other information together with the financial statements. This comprises the statement of Institute's responsibilities and the statement on internal control.

My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in regard to those matters.

Patricia Sheehan
For and on behalf of the
Comptroller and Auditor General

1 November 2019

Appendix to the report

Responsibilities of Governing Body members

The members are responsible for

- the preparation of financial statements in the form prescribed under Institutes of Technology Acts 1992 to 2006
- ensuring that the financial statements give a true and fair view in accordance with FRS102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under the Institutes of Technology Acts 1992 to 2006 to audit the financial statements of the Institute and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue as a

going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Institute to cease to continue as a going concern.

- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Reporting on other matters

My audit is conducted by reference to the special considerations which attach to bodies in receipt of substantial funding from the State in relation to their management and operation. I report if I identify material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them. I also report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

**DUN LAOGHAIRE INSTITUTE OF ART, DESIGN & TECHNOLOGY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	2018 €000	2017 €000
INCOME			
State Grant	3	8,286	8,718
Tuition Fees	4	8,885	8,414
Amortisation of Deferred Capital Grants	17	1,813	1,697
Research Grants and Contracts	5	466	711
Student Support Funding Income Recognised	6	267	272
Interest Income		19	21
Deferred Pension Funding	10	4,868	4,222
Other Income	7	1,235	1,006
		<u>25,839</u>	<u>25,061</u>
EXPENDITURE			
Staff Costs	9	14,768	13,474
Retirement Benefit Cost	10	4,868	4,222
Other Operating Expenses	12	5,048	4,300
Depreciation	14	1,813	1,697
		<u>26,497</u>	<u>23,693</u>
OPERATING (DEFICIT)/SURPLUS		<u>(658)</u>	<u>1,368</u>
Experience Loss on Retirement Benefit Obligations	10	(1,190)	0
Reduction in Pension Liabilities arising from Retirements in the Year	10	626	0
Changes in Assumptions underlying the Present Value of Retirement Benefit Obligations	10	(337)	1,353
TOTAL ACTUARIAL (LOSSES)/GAINS IN THE YEAR		<u>(901)</u>	<u>1,353</u>
ADJUSTMENT TO DEFERRED RETIREMENT BENEFITS FUNDING		10	<u>901</u>
TOTAL COMPREHENSIVE (LOSS)/INCOME		<u>(658)</u>	<u>1,368</u>

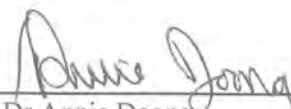
The Statement of Comprehensive Income includes all gains and losses recognised in the year.
Notes 1 to 24 form part of the financial statements.

Signed on behalf of the Governing Body:



Mr David Holohan
Chairperson

31/10/19
Date



Dr Annie Doona
President

31/10/19
Date

**DUN LAOGHAIRE INSTITUTE OF ART, DESIGN & TECHNOLOGY
STATEMENT OF CHANGES IN RESERVES AND CAPITAL ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Capital Account €000	Capital Development Reserve €000	Revenue Reserve €000	Total €000
AT 1 SEPTEMBER 2016	41,077	1,626	5,628	48,331
Operating Surplus	0	0	1,368	1,368
Allocated from Recurrent Grant	6	0	0	6
Allocated from Minor Works Grant	367	0	0	367
Allocated from Project Income	18	0	0	18
Amortisation in line with Asset Depreciation	(1,697)	0	0	(1,697)
Transfer between Reserves	0	(1,626)	1,626	0
MOVEMENT FOR THE YEAR	(1,306)	(1,626)	2,994	62
AT 31 AUGUST 2017	39,771	0	8,622	48,393
Operating Deficit	0	0	(658)	(658)
Allocated from Recurrent Grant	671	0	0	671
Allocated from Minor Works Grant	571	0	0	571
Allocated from Project Income	0	0	0	0
Amortisation in line with Asset Depreciation	(1,813)	0	0	(1,813)
Transfer between Reserves	0	4,000	(4,000)	0
MOVEMENT FOR THE YEAR	(571)	4,000	(4,658)	(1,229)
AT 31 AUGUST 2018	39,200	4,000	3,964	47,164

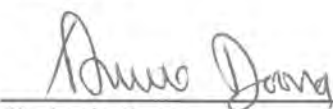
Notes 1 to 24 form part of the financial statements.

Signed on behalf of the Governing Body:



Mr David Holohan
Chairperson

31/10/19
Date



Dr Annie Doona
President

31/10/19
Date

**DUN LAOGHAIRE INSTITUTE OF ART, DESIGN & TECHNOLOGY
STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2018**

	Note	2018 €000	2017 €000
NONCURRENT ASSETS			
Property, Plant and Equipment	14	39,200	39,771
CURRENT ASSETS			
Receivables	15	515	426
Cash and Cash Equivalents		9,074	9,791
		<u>9,589</u>	<u>10,217</u>
PAYABLES			
Amounts falling due within one Year	16	(1,625)	(1,595)
		<u>7,964</u>	<u>8,622</u>
RETIREMENT BENEFITS			
Retirement Benefit Obligations	10	(72,548)	(66,115)
Deferred Retirement Benefit Funding Asset	10	72,548	66,115
		<u>47,164</u>	<u>48,393</u>
TOTAL NET ASSETS			
		<u><u>47,164</u></u>	<u><u>48,393</u></u>
REPRESENTED BY			
Capital Account	17	39,200	39,771
Capital Development Reserve	18	4,000	0
Revenue Reserve		3,964	8,622
		<u>47,164</u>	<u>48,393</u>

Notes 1 to 24 form part of the financial statements.

Signed on behalf of the Governing Body:



Mr David Holohan
Chairperson

31/10/19
Date



Dr Annie Doona
President

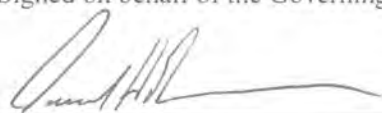
31/10/19
Date

**DUN LAOGHAIRE INSTITUTE OF ART, DESIGN & TECHNOLOGY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018**

	2018	2017
	€000	€000
NET CASH FLOW FROM OPERATING ACTIVITIES		
Operating (Deficit)/Surplus	(658)	1,368
Interest Income	(19)	(21)
Depreciation	1,813	1,697
Amortisation of Deferred Capital Grants	(1,813)	(1,697)
(Increase)/Decrease in Debtors	(86)	706
Increase/(Decrease) in Creditors	30	(123)
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	<u>(733)</u>	<u>1,930</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest Received	<u>16</u>	<u>18</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments to acquire Property, Plant and Equipment	<u>(1,242)</u>	<u>(391)</u>
CASH FLOWS FROM FINANCING		
State Recurrent Grants spent on Property, Plant and Equipment	671	6
State Minor Works Grant spent on Property, Plant and Equipment	571	367
Other Funds spent on Property, Plant and Equipment	0	18
NET CASH INFLOW FROM FINANCING	<u>1,242</u>	<u>391</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(717)	1,948
CASH AND CASH EQUIVALENTS AT 1 SEPTEMBER	9,791	7,843
CASH AND CASH EQUIVALENTS AT 31 AUGUST	<u>9,074</u>	<u>9,791</u>

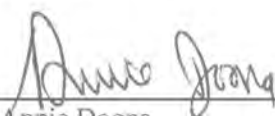
Notes 1 to 24 form part of the financial statements.

Signed on behalf of the Governing Body:



Mr David Holohan
Chairperson

31/10/19
Date



Dr Annie Doona
President

31/10/19
Date

**DUN LAOGHAIRE INSTITUTE OF ART, DESIGN & TECHNOLOGY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) General Information and Statement of Compliance

The primary objectives of the Institute are to provide third level education and other associated activities.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council, and promulgated for use in Ireland by Chartered Accountants Ireland and with the requirements of the Higher Education Authority.

The functional currency for Dun Laoghaire Institute of Art, Design & Technology (IADT) is considered to be Euro because that is the currency of the primary economic environment in which the Institute operates. Any foreign operations are included in accordance with the policies set out below.

(b) Property, Plant & Equipment

i) Land and Buildings

Land and buildings are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all land and buildings, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Asset Category	Years
Freehold Buildings	50

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

ii) Equipment

From 1 September 2009, equipment and computer hardware and software costing less than €3,000 per individual item is written off to the Statement of Comprehensive Income in the year of acquisition. All other equipment is capitalised at cost. Capitalised equipment is depreciated over its useful economic life as follows:

Asset Category	Years
Prefabricated Buildings, Fixtures and Fittings	10
Computer Hardware and Software	3
Furniture and Equipment	5

All equipment funded from Research Grants and Contracts is depreciated over the life of the assets in line with the policy for all other fixed assets.

Continued...

**DUN LAOGHAIRE INSTITUTE OF ART, DESIGN & TECHNOLOGY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Taxation

As an exempt charity, the Institute is not liable for corporation tax or income tax on any of its charitable activities. It is registered for value added tax (VAT), 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 Institute fall within the scope of VAT and any input or output tax relating to these activities is returned to the Revenue by the Institute.

(d) Recognition of Income

i) State Grants

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

Non-recurrent grants from the Higher Education Authority or other bodies received in respect of the acquisition or construction of property, plant and equipment are credited to capital account and amortised in line with depreciation over the life of the assets.

The Minister for Education and Skills introduced a Minor Capital Works scheme to devolve responsibility to the Institute for summer and other capital works. In all cases this funding is recognised in the period received.

ii) Fee Income

Fee income is accounted for on an accruals basis.

iii) Research Grants and Contracts

Income from research grants and contracts is matched to expenditure and is included in the income of the year in which the related expenditure has been incurred. The most common classes of such transactions are:

- **Donations with no Restrictions**
Donations with no restrictions include amounts given to the Institute by way of cash or asset with no restriction as to how the donation should be used. Such donations are recorded in the Statement of Comprehensive Income on entitlement to the income.
- **Donations with Restrictions**
Donations with restrictions are recorded within the Statement of Comprehensive Income on entitlement to the income. The restricted income received is held in the temporarily restricted reserve until such time that the expenditure is incurred in accordance with the restrictions.

Continued...

**DUN LAOGHAIRE INSTITUTE OF ART, DESIGN & TECHNOLOGY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

• **Research Grants from Non-Government Sources**

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

Grants with unfulfilled performance related conditions are held as deferred income until such time as the conditions are met, at which point the income is recorded in the Statement of Comprehensive Income.

Grants with restrictions are recorded within the Statement of Comprehensive Income on entitlement to the income and subsequently retained within a restricted reserve until such time that the expenditure is incurred in line with the restriction.

iv) Income from Short Term Deposits

All income from short term deposits is credited to the Statement of Comprehensive Income in the period in which it is earned.

(e) Employee Benefits

i) Retirement Benefits

Pension entitlements of staff recruited prior to 1 January 2013 are conferred under a defined benefit pension scheme established under the Education Sector Superannuation Scheme 2015. The scheme is operated on a Pay-as-You-Go basis, with superannuation deductions made from employees being retained by the Institute as an agreed part of its funding.

The Institute also operates the Single Public Services Pension Scheme (Single Scheme), which is the defined benefit scheme for pensionable public servants appointed on or after 1 January 2013, in accordance with the Public Service Pensions (Single Scheme and Other Provisions) Act 2012. Single Scheme members' contributions are paid over by the Institute to the Department of Public Expenditure and Reform (DPER).

Pension costs charged to expenditure in the year reflect the benefits earned by current employees during the year and are shown net of staff pension contributions which, in respect of the Education Sector Superannuation Scheme 2015, are retained by the Institute and in respect of the Single Scheme, are remitted to DPER. An amount corresponding to the pension cost is recognised as income to the extent that it is recoverable.

Actuarial gains or losses arising on scheme liabilities are reflected in the Statement of Comprehensive Income and a corresponding adjustment is recognised in the amount recoverable by the Institute from the Higher Education Authority.

Continued...

**DUN LAOGHAIRE INSTITUTE OF ART, DESIGN & TECHNOLOGY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

The financial statements reflect, at fair value, the assets and liabilities arising from the Institute's pension obligations in respect of its current staff only and any related funding. The costs of providing pension benefits are recognised in the accounting periods in which they are earned by employees. Pension liabilities in respect of former employees who are in receipt of pension are excluded because pension payments are charged to the appropriation account of the Department of Education and Skills. The reduction in liability arising from members who retire during the year is reflected as an experience gain.

Retirement benefit scheme liabilities are measured on an actuarial basis using the projected unit credit method.

ii) Short Term Benefits

Short-term benefits such as holiday pay are recognised as an expense in the year, and benefits that are accrued at year end are included in the Payables figure in the Statement of Financial Position.

(f) Foreign Currencies

Transactions denominated in foreign currencies are translated into Euro and recorded at the rates of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Euro at the rates of exchange ruling at the year-end date.

(g) Leases

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

(h) Deferred State Capital Grants

Deferred State Capital Grants represents the unamortised value of accumulated funds allocated for property, plant and equipment.

(i) Capital Development Reserve

The Capital Development Reserve represents amounts set aside for specified capital development purposes. Such funds shall be retained in the Capital Development Reserve provided the defined projects to which they are committed are in line with the Institute's capital development plans, have been approved by the Governing Body, are time phased and with estimates of costs.

2. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Continued...

**DUN LAOGHAIRE INSTITUTE OF ART, DESIGN & TECHNOLOGY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

2. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

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

The following are the significant estimates and assumptions that the Governing Body has made in the process of applying the Institute's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

(a) Going Concern

There is no material uncertainty regarding the Institute's ability to meet its liabilities as they fall due and to continue as a going concern. On this basis the Institute considers it appropriate to prepare financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the Institute was unable to continue as a going concern.

(b) Establishing Lives for Property, Plant and Equipment Depreciation Purposes

Long lived assets, consisting primarily of property, plant and equipment, comprise a significant portion of the total assets of the Institute. The annual depreciation charge depends on the estimated expected useful life of each type of asset and estimates of residual values. The Institute regularly reviews these expected useful lives and changes them as necessary to reflect generally accepted norms for the relevant asset category. Changes in expected useful lives can have a significant impact on depreciation charges for the period. Details of expected useful lives for all asset categories are included in Note 1.

(c) Retirement Benefit Obligation

The assumptions underlying the actuarial valuations for which the amounts recognised in the financial statements are determined (including discount rates, rates of increase in future compensation levels and mortality rates) are updated annually based on current economic conditions, and for any relevant changes to the terms and conditions of the pension and post-retirement plans. The assumptions can be affected by the discount rate eg changes in the rate of return on high-quality corporate bonds and future compensation levels eg future labour market conditions.

DUN LAOGHAIRE INSTITUTE OF ART, DESIGN & TECHNOLOGY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

3 State Grants

	Allocated to Recurrent Expenditure €000	Allocated to Capital Expenditure €000	Total 2018 €000	Total 2017 €000
State Grant for:				
Recurrent Expenditure	8,267	671	8,938	8,501
Minor Works	19	571	590	590
Total 2018	<u>8,286</u>	<u>1,242</u>	<u>9,528</u>	<u>9,091</u>
Total 2017	<u>8,718</u>	<u>373</u>		

The total cost of certain higher certificate and ordinary degree courses is subvented by the European Social Fund (ESF) at national level. State Grants for Recurrent Expenditure are partly funded from this European Union assistance. With effect from 1 February 2007 the Higher Education Authority took over responsibility from the Department of Education and Skills for the funding of non-nursing recurrent expenditure.

4 Tuition Fees

	2018 Student Nos	2018 €000	2017 Student Nos	2017 €000
State Funded:				
Tuition Fees	1,933	1,459	1,905	1,431
Life Long Learning and Other Fees	70	395	52	236
Student Contribution		2,159		2,510
	<u>2,003</u>	<u>4,013</u>	<u>1,957</u>	<u>4,177</u>
Non State Funded:				
Student Contribution		3,519		3,077
Non-EU Fees	1	12	2	24
Fees Paid by or on behalf of Students	230	798	198	673
Life Long Learning and Other Fees	234	543	187	463
	<u>465</u>	<u>4,872</u>	<u>387</u>	<u>4,237</u>
	<u>2,468</u>	<u>8,885</u>	<u>2,344</u>	<u>8,414</u>

The Higher Education Authority paid tuition fees in the year of €1,386,158 (2017: €1,337,427) for full time honours degree courses and €50,125 (2017: €57,375) for higher certificate and ordinary degree courses, the total costs of which are part funded by the ESF.

Student numbers are stated as whole time equivalents based on enrolled credits.

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FOR THE YEAR ENDED 31 AUGUST 2018

5 Research Grants and Contracts	2018	2017
	€000	€000
State	390	530
European Union	1	128
Industry	59	61
Other	16	10
	<u>466</u>	<u>729</u>
Contract and Project Income	466	729
Allocated to Capital Expenditure	0	(18)
	<u>466</u>	<u>711</u>
Staff Costs	78	258
Non-Pay Costs	296	251
	<u>374</u>	<u>509</u>
Expenditure	374	509
	<u>92</u>	<u>202</u>
Net Outturn	92	202

Included in Contract and Project Income is an amount of €15,000 (2017: €12,151) in respect of overhead recovery. The balance represents direct costs recovered for research work undertaken as outlined under expenditure headings above.

6 Student Support Funding	Disability	Assistance	2018	2017
	€000	€000	€000	€000
Receipts:				
Higher Education Authority	160	107	267	272
Amounts Applied	(160)	(107)	(267)	(272)
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Funding is provided by the Higher Education Authority under the National Development Plan and is part funded by the European Social Fund.

7 Other Income	2018	2017
	€000	€000
Superannuation Deductions Retained	830	647
Facilities Income Recognised	330	250
Print Charges	42	46
International Student Income	8	16
Miscellaneous	25	47
	<u>1,235</u>	<u>1,006</u>

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FOR THE YEAR ENDED 31 AUGUST 2018

8 Analysis of State Derived Income

	Deferred Balance at 1 September 2017 €000	Amount Received €000	Deferred Balance at 31 August 2018 €000	Statement of Comp- rehensive Income €000
State Grant (Note 3):				
Higher Education Authority	0	9,528	0	9,528
Allocated to Capital Expenditure	0	(1,242)	0	(1,242)
Total State Income	0	8,286	0	8,286
Tuition Fees (Note 4):				
Higher Education Authority	0	1,831	0	1,831
Student Universal Support Ireland	0	2,159	0	2,159
IADT Scholarships	0	23	0	23
Total State Income	0	4,013	0	4,013
Research Grants and Contracts (Note 5):				
Enterprise Ireland	0	111	0	111
Higher Education Authority	140	197	237	100
Intertrade Ireland	9	0	0	9
Irish Aid	76	0	76	0
Screen Ireland	9	5	9	5
National Centre for Technology in Education	38	18	0	56
National Forum for Enhancement of Teaching and Learning	0	3	0	3
Pobal	(17)	15	0	(2)
Tusla	0	9	0	9
University College Dublin	0	88	48	40
Dublin City University	0	73	40	33
Dun Laoghaire Rathdown County Council	0	10	0	10
Solas	0	12	0	12
Other	0	4	0	4
Total State Income	255	545	410	390
Student Support Funding (Note 6):				
Higher Education Authority	7	266	6	267
Total State Income	7	266	6	267

**DUN LAOGHAIRE INSTITUTE OF ART, DESIGN & TECHNOLOGY
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9 Staff Costs

The average number of persons (including senior post holders) employed by the Institute during the year, expressed in whole time equivalents was:

	2018	2017
	Employee	Employee
	Nos	Nos
Teaching and Research	127	124
Technical	16	15
Central Administration and Services	71	66
	<u>214</u>	<u>205</u>
	2018	2017
	€000	€000
Salaries and Wages	13,544	12,357
Social Welfare Costs	1,224	1,117
	<u>14,768</u>	<u>13,474</u>

The THEA Code of Governance for Institutes of Technology 2018 requires salaries and wages to be broken down between basic pay, overtime and allowances for all staff. This information is not disclosed in these accounts as the data cannot be extracted from the Institute's ICT systems. The Institute will make the required amendments to these systems to facilitate compliance for 2019 and future years.

Key Management Compensation

Key management personnel in the Institute consists of the President, Members of the Executive Management and Governing Body Members.

	2018	2017	2018	2017
	Headcount	Headcount	€000	€000
President	1	1	147	143
Executive Management	5	5	511	481
Governing Body	18	17	0	0
	<u>24</u>	<u>23</u>	<u>658</u>	<u>624</u>

Continued...

**DUN LAOGHAIRE INSTITUTE OF ART, DESIGN & TECHNOLOGY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

9 Staff Costs (continued)

Higher Paid Staff

The Institute has adopted a starting value of €60,000 to identify higher paid staff. Staff remuneration, in salary bands of €10,000, using €60,000 as the starting value, is as follows:

	2018	2017
	Employee	Employee
	Nos	Nos
€60,000-€70,000	22	20
€70,001-€80,000	24	32
€80,001-€90,000	41	33
€90,001-€100,000	9	4
€100,001-€110,000	1	2
€110,001-€120,000	1	0
€120,001-€130,000	0	0
€130,001-€140,000	0	0
€140,001-€150,000	1	1
€150,001+	0	0
	<u>99</u>	<u>92</u>

Termination Payments

In 2018 the Institute issued one severance payment to the value of €84,842, comprising of €17,604 statutory redundancy and €67,238 enhanced redundancy as agreed with the Department of Education and Skills.

In 2017 the Institute issued one severance payment that amounted to less than €10,000 in accordance with statutory redundancy provisions.

10 Retirement Benefit Cost

Retirement benefit obligations were accounted for the first time in the 2017 financial statements. The opening position at 1 September 2016 was estimated by the actuary, based on market conditions at that time.

Description of Schemes

Education Sector Superannuation Scheme:

The pension scheme is a defined benefit final salary pension arrangement with benefits and contributions defined by reference to current “model” public sector scheme regulations. The scheme provides a pension (one eightieth per year of service), a gratuity or lump sum (three eightieths per year of service) and spouse’s and children’s pensions. Normal retirement age is a member’s 65th birthday, and pre 2004 members have an entitlement to retire without actuarial reduction from age 60. Pensions in payment (and deferment) normally increase in line with general public sector salary inflation. Deductions from staff are retained by the Institute.

Single Scheme:

New entrant staff, employed by the Institute after 1 January 2013 are members of the Single Public Service Pension Scheme (Single Scheme) in accordance with Public Service Pensions (Single Scheme and Other Provisions) Acts 2012. Deductions from staff salaries under the Single Scheme are transferred to the Department of Public Expenditure and Reform on a monthly basis in accordance with that Act.

The Single Scheme is the occupational pension scheme for new entrant public servants hired since 1 January 2013. It is a defined benefit scheme, with retirement benefits based on career-average pay. The scheme generates pension credits and retirement lump sum credits for each scheme member. These money credits, known as “referable amounts”, accrue as percentages of pay on an ongoing basis. The referable amounts accrued each year are revalued annually until retirement in line with inflation increases (Consumer Price Index). The annual pension awarded on retirement is the cumulative total of a scheme member’s pension referable amounts, and the retirement lump sum awarded is, similarly, the total of the scheme member’s lump sum referable amounts.

Valuation:

The valuation used for FRS 102 disclosures has been based on a full actuarial valuation by a qualified independent actuary taking account of the requirements of the FRS in order to assess the scheme liabilities at 31 August 2018. On retirement, members’ pensions are paid by the National Shared Services Office on behalf of the Department of Education and Skills and those payments are charged to that Department’s appropriation account. Therefore, former employees of the Institute who are in receipt of pension have been excluded from the valuation. The reduction in liability arising from members who retire during the year is reflected as an experience gain and is separately identified in the liability reconciliation.

The principal actuarial assumptions used to calculate the components of the defined benefit cost for the year ended 31 August 2018 were as follows:

Continued...

DUN LAOGHAIRE INSTITUTE OF ART, DESIGN & TECHNOLOGY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

10 Retirement Benefit Cost (continued)

	2018	2017
Discount Rate	1.95%	2.10%
Inflation Rate	1.80%	1.70%
Salary Increases	3.05%	3.20%
Pension Increases	2.55%	2.70%

The mortality basis adopted allows for improvements in life expectancy over time, so that life expectancy at retirement will depend on the year in which a member attains retirement age (age 65). The number of members in the scheme and the number of deaths are too small to analyse and produce any meaningful scheme-specific estimates of future levels of mortality. Average future life expectancy according to the mortality tables used to determine the pension liabilities are:

	2018	2017
	Years	Years
Male Aged 65	21.5	21.4
Female Aged 65	24.0	23.9

Analysis of Total Retirement Benefit Costs Charged to the Statement of Comprehensive Income

	2018	2017
	€000	€000
Current Service Cost Including Employee Contributions	4,101	3,789
Interest on Retirement Benefit Scheme Liabilities	1,431	1,159
Employee Contributions	(664)	(726)
	<u>4,868</u>	<u>4,222</u>

Movement in Net Retirement Benefit Obligations during the Financial Year

Net Retirement Benefit Obligation at 1 September	66,115	62,520
Current Service Cost	3,437	3,063
Employee Contributions	664	726
Interest Cost	1,431	1,159
Experience Losses on Retirement Obligations	1,190	0
Reduction in Pension Liabilities arising from Retirements in the Year	(626)	0
Changes in Actuarial Assumptions	337	(1,353)
Net Retirement Benefit Obligations at 31 August	<u>72,548</u>	<u>66,115</u>

Analysed as follows:

Education Sector Superannuation Scheme	71,193	64,996
Single Scheme	1,355	1,119
	<u>72,548</u>	<u>66,115</u>

Continued...

DUN LAOGHAIRE INSTITUTE OF ART, DESIGN & TECHNOLOGY
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10 Retirement Benefit Cost (continued)

Deferred Retirement Benefit Funding Asset

The Institute is prescribed in S.I. No 581 of 2012 as a relevant authority for the purposes of the Single Scheme. It is the Institute's opinion (in accordance with Section 44 of the 2012 Act) that any liability in respect of the Single Scheme would be offset by an equivalent asset in respect of future state funding.

The Institute recognises amounts owing from the State for the unfunded deferred liability for retirement benefits relating to the Education Sector Superannuation Scheme 2015 on the basis of the set of assumptions described above and a number of past events. These events include the statutory basis for the establishment of the retirement benefit scheme, and the policy and practice currently in place in relation to funding public service pensions including contributions by employees and the annual estimates process. The Institute has no evidence that this funding policy will not continue to meet such sums in accordance with current practice.

The net deferred funding for retirement benefits recognised in the Statement of Comprehensive Income was as follows:

	2018	2017
	€000	€000
Funding recoverable in respect of Current Year Retirement Benefit Costs	<u>4,868</u>	<u>4,222</u>

The deferred funding liabilities for retirement benefit as at 31 August 2018 amounted to €72,548,000 (2017: €66,115,000).

History of Defined Benefit Obligations

Defined Benefit Obligations	<u>72,548</u>	<u>66,115</u>
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11 Single Public Service Pension Scheme

	2018	2017
	Employee	Employee
	Nos	Nos
Number of Single Public Service Pension Scheme Members	<u>87</u>	<u>41</u>

DUN LAOGHAIRE INSTITUTE OF ART, DESIGN & TECHNOLOGY
 NOTES TO THE FINANCIAL STATEMENTS
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12 Analysis of Expenditure

	Staff Costs €000	Other Operating Expenses €000	Total 2018 €000	Total 2017 €000
Academic Departments	10,034	801	10,835	9,753
Academic Services	362	132	494	458
Facilities Costs	583	1,432	2,015	1,715
Central Administration and ICT Services	3,067	1,296	4,363	3,848
General Educational Expenses	131	283	414	423
Student Services	513	541	1,054	796
Research Grants and Contracts	78	296	374	509
Student Support Funding Income Applied	0	267	267	272
Total 2018	<u>14,768</u>	<u>5,048</u>	<u>19,816</u>	<u>17,774</u>
Total 2017	<u>13,474</u>	<u>4,300</u>		

Continued...

DUN LAOGHAIRE INSTITUTE OF ART, DESIGN & TECHNOLOGY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

	2018	2017
	€000	€000
12		
Analysis of Expenditure (continued)		
Analysis of Other Operating Expenses:		
Research Expenditure	296	251
Materials and other Consumables	379	331
Equipment	366	264
National Film School	56	53
Stationery and Office Materials	30	32
Hospitality	42	31
Recruitment	63	55
Travel and Subsistence: Domestic	14	28
Travel and Subsistence: International	59	35
Expenditure on Extra Mural Courses	38	40
Books and Periodicals	115	115
Cleaning	294	264
Maintenance	257	137
Security	140	120
Insurance	117	105
Grounds and Landscaping	40	26
Energy and Water	536	510
ICT Maintenance	347	301
Publicity and Promotion	198	179
Enrolment, Exams and Conferring	74	109
Communications	50	56
Legal Fees	44	0
External Audit Fees	28	27
Other Professional Fees	116	111
Financial Expenses	20	19
Staff Development	113	121
Subscriptions to Professional Bodies	78	88
Expenditure on Facilities for Hire	113	113
Student Services	541	363
Student Support Funding Income Applied	267	272
Irrecoverable Tuition Fees	125	42
Other	92	102
	<u>5,048</u>	<u>4,300</u>

13 **Taxation**

Dun Laoghaire Institute of Art, Design & Technology is exempt from Corporation Tax under a charitable status order.

DUN LAOGHAIRE INSTITUTE OF ART, DESIGN & TECHNOLOGY
NOTES TO THE FINANCIAL STATEMENTS
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14 Property, Plant and Equipment

	Total €000	Land and Buildings €000	Assets under Con- struction €000	Fixtures and Fittings €000	Computer Hardware €000	Furniture and Equipment €000
Cost						
At 1 September 2017	70,905	48,800	188	2,282	10,960	8,675
Additions	1,242	337	77	33	402	393
Transfers	0	0	(61)	0	61	0
Disposals	(201)	0	0	0	(67)	(134)
At 31 August 2018	<u>71,946</u>	<u>49,137</u>	<u>204</u>	<u>2,315</u>	<u>11,356</u>	<u>8,934</u>
Depreciation						
At 1 September 2017	31,134	10,544	0	1,778	10,699	8,113
Charge for the Year	1,813	819	0	77	347	570
Disposals	(201)	0	0	0	(67)	(134)
At 31 August 2018	<u>32,746</u>	<u>11,363</u>	<u>0</u>	<u>1,855</u>	<u>10,979</u>	<u>8,549</u>
Net Book Value						
At 31 August 2018	<u>39,200</u>	<u>37,774</u>	<u>204</u>	<u>460</u>	<u>377</u>	<u>385</u>
At 1 September 2017	<u>39,771</u>	<u>38,256</u>	<u>188</u>	<u>504</u>	<u>261</u>	<u>562</u>
Cost						
At 1 September 2016	70,695	48,778	193	2,212	10,896	8,616
Additions	391	22	77	70	125	97
Transfers	0	0	(82)	0	82	0
Disposals	(181)	0	0	0	(143)	(38)
At 31 August 2017	<u>70,905</u>	<u>48,800</u>	<u>188</u>	<u>2,282</u>	<u>10,960</u>	<u>8,675</u>
Depreciation						
At 1 September 2016	29,618	9,732	0	1,704	10,538	7,644
Charge for the Year	1,697	812	0	74	304	507
Disposals	(181)	0	0	0	(143)	(38)
At 31 August 2017	<u>31,134</u>	<u>10,544</u>	<u>0</u>	<u>1,778</u>	<u>10,699</u>	<u>8,113</u>
Net Book Value						
At 31 August 2017	<u>39,771</u>	<u>38,256</u>	<u>188</u>	<u>504</u>	<u>261</u>	<u>562</u>
At 1 September 2016	<u>41,077</u>	<u>39,046</u>	<u>193</u>	<u>508</u>	<u>358</u>	<u>972</u>

**DUN LAOGHAIRE INSTITUTE OF ART, DESIGN & TECHNOLOGY
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	2018	2017
	€000	€000
15		
Receivables		
Tuition Fees	193	74
Prepayments and Accrued Income	36	33
Accrued Interest	7	4
Research Grants and Contracts	0	87
Other Debtors	279	228
	<u>515</u>	<u>426</u>
16		
Payables		
Amounts falling due within one year		
Payments received in advance:		
Tuition Fees and Student Contributions	220	176
Research Grants and Contracts	464	298
Student Support Funding	6	7
	<u>690</u>	<u>481</u>
Accruals	391	629
Trade Creditors	26	51
PAYE/PRSI	393	346
Other Creditors	125	88
	<u>935</u>	<u>1,114</u>
	<u>1,625</u>	<u>1,595</u>

**DUN LAOGHAIRE INSTITUTE OF ART, DESIGN & TECHNOLOGY
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	2018	2017
	€000	€000
17 Capital Account		
At 1 September	39,771	41,077
Allocated from Recurrent Grant	671	6
Allocated from Minor Works Grant	571	367
Allocated from Project Income	0	18
	<u>41,013</u>	<u>41,468</u>
Amortisation in line with Asset Depreciation	(1,813)	(1,697)
At 31 August	<u><u>39,200</u></u>	<u><u>39,771</u></u>
18 Capital Development Reserve		
At 1 September	0	1,626
Transfer to Revenue Reserve	4,000	(1,626)
At 31 August	<u><u>4,000</u></u>	<u><u>0</u></u>

In accordance with the Institute's accounting policy the Governing Body, at its meeting of 12 December 2018, approved the transfer to Capital Development Reserve of €4,000,000 towards the future fit-out costs of a Digital Media Building currently in the planning stages and which will be delivered through a Public Private Partnership (PPP) process.

19 Capital Commitments

The Institute had commitments of €1,021,228, (2017: €371,746) for capital expenditure at the balance sheet date.

20 Contingent Liabilities

There were no contingent liabilities at the balance sheet date.

21 Related Parties

In the normal course of business the Institute may enter into contractual arrangements with undertakings in which the Institute's Governing Body members are employed or otherwise interested. The Institute has adopted procedures in accordance with the THEA Code of Governance for Institutes of Technology 2018 in relation to the disclosure of interests by members of the Governing Body and these procedures have been adhered to.

22 Post Balance Sheet Events

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

**DUN LAOGHAIRE INSTITUTE OF ART, DESIGN & TECHNOLOGY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

23 Comparative Figures

Where necessary the comparative figures have been regrouped and reclassified on the same basis as the current year figures.

24 Approval of Financial Statements

The financial statements were approved by the Governing Body on 2 October 2019.