

DUNDALK INSTITUTE OF TECHNOLOGY

FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2016

DUNDALK INSTITUTE OF TECHNOLOGY

FINANCIAL STATEMENTS 2016

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DUNDALK INSTITUTE OF TECHNOLOGY

STATEMENT OF INSTITUTE RESPONSIBILITIES

The Institutes of Technology Acts 1992 to 2006 requires 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 it is inappropriate to presume the Institute will continue in operation
- 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.

CHAIRPERSON


Mr. Clifton Kelly
25th June 2018

PRESIDENT:


Dr. Michael Mulvey
25th June 2018

DUNDALK INSTITUTE OF TECHNOLOGY

STATEMENT ON INTERNAL CONTROL YEAR ENDED 31 AUGUST 2016

1. Governing body responsibility for system of internal control

The Governing Body of Dundalk Institute of Technology acknowledges its responsibility for ensuring that an effective system of internal control is maintained and operated.

2. Reasonable assurance against material error

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

3. Key procedures put in place designed to provide effective internal control - appropriate control environment

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

- Financial procedures and regulations are documented
- Reviews are carried out by the Governing Body of periodic and annual financial reports which include financial performance against budgets.
- Clearly defined capital investment control guidelines (Department of Education & Skills).
- Finance, Audit and Risk Committee has adopted a defined audit charter which deals with significant control issues.
- The Finance, Audit and Risk Committee receives reports from the Internal Auditors.

4. Key procedures put in place designed to provide effective internal control – business risks

The system of internal control consists of those processes used to identify, evaluate and manage the significant risks identified by the Institute in the management of its affairs.

The Institute has adopted a risk management policy and a risk register identifying key risks and responsibilities that is subject to review by management and the Finance, Audit and Risk Committee.

5. Key procedures put in place designed to provide effective internal control – information systems

The Institute approved an annual budget for 2016 on 25th April 2016. Monthly management reports are prepared showing actual results against budget. Annual financial statements are prepared and submitted for audit to the Comptroller and Auditor General. The first draft annual accounts for 2015/16 were submitted on the 7th March 2017 which was after the date set by the Comptroller and Auditor General of 31 December 2016.

6. Key procedures put in place designed to provide effective internal control – financial implications of major business risks

Financial procedures and regulations are documented, implemented and are reviewed regularly.

The Institute carries out a review of its Internal Financial Controls annually. This report on Internal Financial Controls also informs the annual review of Internal Controls carried out as part of internal audit.

The review of Internal Controls for the period was reported to the Finance, Audit and Risk Committee at its meetings on 17th January 2017 and 5th April 2017.

The Institute is currently working with the HEA on an agreed 3 year plan to return the Institute to financial stability. A system of monthly reporting, on progress against the plan's targets, has been implemented. This involves detailed monthly reporting on all aspects of the plan to the Executive Board, the Finance, Audit and Risk Committee, the Governing Body and the HEA.

A policy on Prevention and Detection of Fraud was adopted by the Governing Body on 27th July 2015.

7. Key procedures put in place designed to provide effective internal control – monitoring the effectiveness of the internal control system

The Governing Body, through Internal Audit, kept the adequacy and the effectiveness of the system of internal financial controls under active review. An Internal Audit Plan for 2015/16 was agreed by the Finance, Audit and Risk Committee on 8th March 2016.

Internal Audit reviewed the following areas and reported to The Finance, Audit and Risk Committee:

17th January 2017

- Student Retention Review
- Internal Audit Review of Staff Utilisation

5th April 2017

- Internal Audit Review of System of Internal Financial Controls
- Internal Audit Findings follow up review

8. Review of the effectiveness of the system of internal control

A review of internal controls was carried out by the Finance, Audit and Risk Committee on behalf of the Governing Body and reported to the Governing Body on 22nd May 2017.

DUNDALK INSTITUTE OF TECHNOLOGY

**STATEMENT ON INTERNAL CONTROL
YEAR ENDED 31 AUGUST 2016**

9. Procurement

The Institute ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines.

The Institute complied with the guidelines with the exception of 10 contracts in the value of €1,258,803 as follows: .

- 4 contracts with a total value of €442,228 relate to agents to recruit International students
- 2 contracts in the amount of €277,708 were for the Institute's insurances
- 1 contract in the amount of €426,544 relates to the annual cleaning contract
- 1 contract in the amount of €30,940 relates to the Institute's travel agent
- the 2 remaining contracts totalling €81,383 relate to the purchase of a postage franking machine and IT media consumables.

The Institute has since applied the appropriate procurement procedures to all of the above contracts with the exception of the 4 international agent contracts. For these contracts, public procurement consultants have been engaged to complete the procurement process. The planned date to have this process completed is the end of April 2018.


10. Weaknesses in internal control

Other than those outlined in 9 above, there were no weaknesses in internal control that have resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or the auditor's report on the financial statements.

Chairman:


Mr. Clifford Kelly

President:


Dr. Michael Mulvey

Name of Institute:

Dundalk Institute of Technology

Date:

25th June 2018



Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Dundalk Institute of Technology

Qualified opinion on the financial statements

I have audited the financial statements of Dundalk Institute of Technology for the year ending 31 August 2016 as required under the provisions of the Institutes of Technology Acts 1992 to 2006. The financial statements comprise

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

In my opinion, except for the effects of the matters described in the basis for qualified opinion section of this report, the financial statements give a true and fair view of the assets, liabilities and financial position of the Group and Institute at 31 August 2016 and of the income and expenditure of the Group 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 for qualified opinion

On the basis of a review of credit balances on research project accounts, the Institute has identified that income in previous accounting periods was underreported by an aggregate €812,000 (€684,000 income that should have been recognised prior to 1 September 2014 and €128,000 income that should have been recognised in the 2014/2015 year of account). The Institute has made the adjustment by increasing the level of research grant and contract income reported in the current year of account i.e. 2015/2016.

In my opinion, the appropriate accounting treatment, in compliance with FRS 102 Section 10 "Accounting Policies, Estimates and Errors", is to make a prior period adjustment with appropriate explanations in notes to the accounts. The accounting treatment applied by the Institute materially overstates the group income for 2015/2016, and is not in compliance with FRS 102.

Accordingly,

- the group surplus in the consolidated statement of income and expenditure for the year ended 31 August 2016 should be restated to a surplus of €23,000,
- the group deficit in the consolidated statement of income and expenditure for the year ended 31 August 2015 should be restated to a deficit of €1,335,000, and
- in the consolidated and Institute statement of financial position at 31 August 2015, the payables due within one year should be reduced by €812,000; and total net assets and the income and expenditure reserve should be increased by €812,000.

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 further 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 qualified opinion.

Emphasis of matter – future pension arrangements

Without qualifying my opinion on the financial statements in this regard, I draw attention to Note 1m Employee Benefits.

Employees of the Institute are members of two defined benefit pension schemes: the Single Public Service Pension Scheme and the Education Sector Superannuation Scheme 2015. The Institute has not provided in these financial statements for the cost of future benefits that have accrued to staff members under the schemes.

The Single Scheme applies to Institute staff that joined the public sector as new entrants on or after 1 January 2013. The Institute is prescribed in legislation as a relevant authority for the purposes of the Scheme, and consequently is liable to meet future pension payments. The Scheme states that Oireachtas funding will be provided to meet such obligations.

Employees recruited to the Institute before 1 January 2013 became members of the Education Sector Superannuation Scheme 2015. This provides that the payment of Scheme benefits is a function of the Institute. In reality, however, the payment and funding mechanisms have remained unchanged since the introduction of the Scheme i.e. pension payments continue to be funded directly under Vote 26 Education and Skills and are paid on the Department's behalf by the Payroll Shared Services Centre, on an agency basis.

The format of accounts working group of the Technological Higher Education Association (the representative body for institutes of technology in Ireland) has confirmed that institutes of technology will commence accounting for pension liabilities, in respect of both defined benefit schemes, in their financial statements for 2016/2017.

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

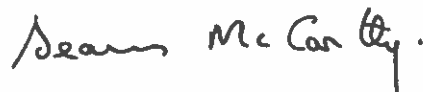
The Institute has presented certain other information together with the financial statements. This comprises the statement of Institute responsibilities and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

Procurement non-compliance

My audit identified payments totaling €1.3 million made to ten suppliers in the year under review in respect of goods and services for which the procurement arrangements did not comply with public procurement rules.

Review of the system of internal control

The statement on internal control discloses that the effectiveness of the internal control system was only reviewed by the Governing Body in May 2017, some nine months after the end of the 2015/2016 financial period.



**Seamus McCarthy
Comptroller and Auditor General**

29 June 2018

Appendix to the report

Responsibilities of Governing Body members

The statement of responsibility of the Institute sets out the Governing Body members' responsibilities. The Governing Body members are responsible for

- the preparation of financial statements in the form prescribed under the 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 there are 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 there is 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.

Consolidated Statement of Income and Expenditure
Year ended 31 August 2016

		Consolidated 31/08/16	Institute 31/08/16	Restated Consolidated 31/08/15	Restated Institute 31/08/15
	Note	€000's	€000's	€000's	€000's
Income					
State Grants	3	16,783	16,783	16,285	16,285
Tuition Fees	4	18,851	18,851	18,749	18,749
Research Grants & Contracts	5	4,039	4,039	5,222	5,222
Student Support Funding	7	349	349	292	292
Other Income	8	5,086	3,131	3,694	3,012
Amortisation of Deferred Capital Grants	18	2,766	2,766	3,034	3,034
Interest Income		2	2	2	2
Total Income		47,876	45,921	47,278	46,596
Expenditure					
Staff Costs	9	33,556	33,396	34,106	33,977
Other Operating Expenses	10	10,552	8,824	11,449	10,872
Depreciation	12	2,933	2,931	3,186	3,183
Total Expenditure		47,041	45,151	48,741	48,032
Surplus / (Deficit) before other gains / (losses) and Share of Surplus / (Deficit) in joint ventures & associates		835	770	(1,463)	(1,436)
Surplus / (Deficit) before Tax		835	770	(1,463)	(1,436)
Taxation	11	-	-	-	-
Surplus / (Deficit) for the year		835	770	(1,463)	(1,436)
Surplus / (Deficit) for the year after appropriations		835	770	(1,463)	(1,436)
Other Comprehensive Income		-	-	-	-
Total Comprehensive Income for the Year		835	770	(1,463)	(1,436)

All items of Income & Expenditure relate to continuing activities.
There are no surpluses or deficits other than those recognised above.
Notes 1 - 24 form part of the Consolidated Financial Statements.

Signed on behalf of the Governing Body:


Mr. Clifford Kelly, Chairman


Dr. Michael Mulvey, President

Date:

25th June 2018

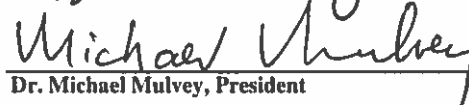
Consolidated Statement of Changes in Reserves and Capital Account
Year ended 31 August 2016

	Deferred Capital Grants €000's	Revenue Reserves €000's	Total €000's
Balance at 31 August 2014 As Restated	93,835	3,760	97,595
Deficit for the year <i>before appropriations</i>	-	(1,463)	(1,463)
Amortisation of Deferred Capital Grants	(3,018)	-	(3,018)
State Grant Allocated to Capital	413	-	413
Other Grant Allocated to Capital	40	-	40
Restatement of Fixed Assets 2014 / 15	(16)	-	(16)
Balance at 31 August 2015 As Restated	91,254	2,297	93,551
Surplus for the year <i>before appropriations</i>	-	835	835
Amortisation of Deferred Capital Grants	(2,766)	-	(2,766)
State Grant Allocated to Capital	172	-	172
Other Grant Allocated to Capital	82	-	82
Restatement of Fixed Assets 2015 / 16	(1)	1	-
Balance at 31 August 2016	88,741	3,133	91,874

Notes 1 - 24 form part of these Financial Statements.

Signed on behalf of the Governing Body:


Mr. Clifford Kelly, Chairman


Dr. Michael Mulvey, President

Date:

25th June 2018


Consolidated and Institute Statement of Financial Position
Year ended 31 August 2016

	Note	Consolidated 31/08/16 €000's	Restated Consolidated 31/08/15 €000's	Institute 31/08/16 €000's	Restated Institute 31/08/15 €000's
Non Current Assets					
Fixed Assets	12	94,412	97,091	94,412	97,089
Investments	13	-	-	-	-
		<u>94,412</u>	<u>97,091</u>	<u>94,412</u>	<u>97,089</u>
Current Assets					
Inventory	14	22	16	-	-
Receivables	15	1,774	2,650	1,716	2,787
Cash and Cash Equivalents	16	2,885	2,627	2,697	2,394
		<u>4,681</u>	<u>5,293</u>	<u>4,413</u>	<u>5,181</u>
Less Payables ; Amounts due within 1 year	17	(7,218)	(8,833)	(6,969)	(8,666)
Net Current Liabilities		<u>(2,537)</u>	<u>(3,540)</u>	<u>(2,556)</u>	<u>(3,485)</u>
Total Assets less Current Liabilities		<u>91,875</u>	<u>93,551</u>	<u>91,856</u>	<u>93,604</u>
Provisions for Liabilities & charges		-	-	-	-
Total Net Assets		<u>91,875</u>	<u>93,551</u>	<u>91,856</u>	<u>93,604</u>
Deferred Capital Grants	18	88,742	91,254	88,736	91,248
Capital Development Reserve		<u>88,742</u>	<u>91,254</u>	<u>88,736</u>	<u>91,248</u>
Unrestricted Reserves					
Income and Expenditure Reserve		3,133	2,297	3,120	2,356
Total		<u>91,875</u>	<u>93,551</u>	<u>91,856</u>	<u>93,604</u>

Notes 1 - 24 form part of these Financial Statements.

Signed on behalf of the Governing Body:


Mr. Clifford Kelly, Chairman


Dr. Michael Mulvey, President

Date:

25th June 2018

Consolidated Statement of Cash Flows
Year ended 31 August 2016

	Year Ended 31/08/16 €000's	Restated Year Ended 31/08/15 €000's
Net Cash Inflow/(Outflow) from Operating Activities		
Excess income over expenditure	835	(1,463)
Depreciation of fixed assets	2,933	3,186
Amortisation of deferred capital grants	(2,766)	(3,034)
(Increase)/decrease in Inventory	(6)	5
(Increase)/decrease in Receivables	876	(284)
(Decrease) in Payables	(1,615)	(1,183)
Interest income	(2)	(2)
State funds allocated to capital	172	413
Other funds allocated to capital	82	40
Net Cash Inflow/(Outflow) from Operating Activities	509	(2,322)
Cash Flows from Investing Activities		
Payments to acquire tangible fixed assets	(253)	(453)
Net Cash Flows from Investing Activities	(253)	(453)
Cash Flows from Financing activities		
Interest received	2	2
Net Cash Flows from Financing Activities	2	2
Net Increase/(Decrease) in cash equivalents in the year	258	(2,773)
Cash and cash equivalents at 1 September	2,627	5,400
Cash and cash equivalents at 31 August	2,885	2,627

Notes 1 - 24 form part of these Financial Statements.

Signed on behalf of the Governing Body:


 Mr. Clifford Kelly, Chairman


 Dr. Michael Mulvey, President

Date:

25th June 2018

DUNDALK INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2016

1. STATEMENT OF ACCOUNTING POLICIES

A. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE

DkIT was established in 1970 and became an autonomous institute in 1993 and was designated an institute of technology in 1998. It provides higher educational opportunities at a variety of levels through full-time and part-time programmes.

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

This is the first year in which the financial statements have been prepared under FRS 102. The prior year financial statements were restated for material adjustments on adoption of FRS 102 in the current year. For more information see note 19.

The consolidated financial statements are presented in euro because that is the currency of the primary economic environment in which the Institute operates. Foreign operations are included in accordance with the policies set out below.

B. Going Concern

The Governing Body is satisfied that the Institute has adequate resources to meet its obligations as they fall due for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

C. BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Institute and its subsidiaries, Dundalk Campus College Services Limited and DkIT Sport Ltd (note 13- Investments).

The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed.

Where necessary adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Institute. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

D. RECOGNITION OF INCOME

(a) 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 fixed assets are treated as deferred capital grants and amortised in line with depreciation over the life of the assets.

(b) MINOR CAPITAL WORKS

The Minister for Education and Skills introduced a scheme to devolve responsibility to the Institute for Summer and other Capital Works. Where devolved grant monies in respect of this scheme have not been expended, they are treated as deferred income, provided the projects to which they are committed have been approved by the Governing Body are fully defined, time phased and with estimates of costs.

In all other cases, devolved grant funding is recognised in the period received.

DUNDALK INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31ST AUGUST 2016

(c) 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 is incurred. Full provision is made for foreseeable losses. The most common classes of such transactions are:

(i) 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 Income and Expenditure on entitlement to the income.

(ii) Donations with restrictions

Donations with restrictions are recorded within the Statement of Income and Expenditure 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.

(iii) Research grants from non-government sources

Income from grants from non-government sources is recognised in the Statement of Income and Expenditure when performance related conditions are met.

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 Income and Expenditure.

Grants with restrictions are recorded within the Statement of Income and Expenditure 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.

(d) FEE INCOME

Fee Income is accounted for on an accruals basis. All fee income is included under this heading including International Student Fee Income, Life Long Learning and Other Fees.

(e) INTEREST INCOME

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

(f) DONATIONS

The Institute receives on occasion benefits in kind such as gifts of equipment. Items of significant value donated to the Institute, 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 recognition of income is accounted for in accordance with the accounting policy set out below.

E. STOCKS

Expenditure on books and consumable stocks is charged to the Statement of Income and Expenditure as incurred. Stock is stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to net realisable value. Provision is made for obsolete, slow moving or defective items where appropriate.

F. PROPERTY, PLANT & EQUIPMENT AND DEPRECIATION

Tangible fixed assets, with the exception of land, are stated at historical cost or valuation less accumulated depreciation. Land is stated at historical cost or valuation.

(a) COST OR VALUATION

Tangible fixed assets in existence on 1 January 1993 (date of commencement order) are stated at valuation. Subsequent additions are stated at cost.

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

(b) EQUIPMENT

During the financial year, equipment costing less than €3,000 per individual item was written off to the Statement of Income and Expenditure in the year of acquisition. Where individual items of equipment purchased were below the capitalisation limit (€3,000) and the total purchase invoice was in excess of the limit, these items were individually capitalised in the normal way.

DUNDALK INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31ST AUGUST 2016**

(c) DEPRECIATION

All assets purchased before 1 September 2008 and capitalised will continue to be treated as fixed assets and depreciated to the end of their useful life. All assets purchased thereafter are treated as set out below. Depreciation is provided on tangible fixed asset, excluding land, on a straight line basis so as to write off their historical costs or valuations over their estimated useful lives.

The estimated useful lives assigned to tangible fixed assets are as follows:	Years
Buildings	50
Prefabricated buildings, fixtures, plant and machinery	10
Other computer equipment	3
Educational and administrative equipment	5
Furniture	5
Motor Vehicles	5

Art works are included in Equipment and are not depreciated as they have an infinite useful economic life and a high residual value. All assets, other than equipment funded from research grants and contracts are depreciated over the life of the asset as outlined above. Equipment funded by research grants and contracts is depreciated over the life of the project.

Leased Land and Buildings are depreciated over the life of the lease.

(d) IMPAIRMENT OF ASSETS

Assets, other than those measured at fair value, are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in surplus or deficit as described below.

G. RECEIVABLES

Short term receivables are measured at transaction price, less any impairment.

H. CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

I. FINANCIAL INSTRUMENTS

The Institute only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors.

J. PAYABLES

Short term payables are measured at the transaction price.

K. NON-FINANCIAL ASSETS

An asset is impaired where there is objective evidence that, because of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units ("CGU") of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment being recognised.

Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

L. 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 reporting date or at forward contract rates where such contracts exist.

DUNDALK INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED 31ST AUGUST 2016

M. EMPLOYEE BENEFITS

(a) RETIREMENT BENEFITS

All employees of the Institute recruited from 1st January 2013 are members of the Single Public Sector Pension Scheme and all other pension entitlements of staff are conferred under the Education Sector Superannuation Scheme 2015. Pension obligations are met by the Exchequer as they arise. The Institute does not make contributions towards the scheme.

The Single Public Service Pension Scheme (Single Scheme) is the defined benefit pension 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. Deductions made from employees under the Single Scheme are remitted by the Institute to the Department of Public Expenditure and Reform.

The Institute is prescribed in S.I. No 581 of 2012 as a relevant authority for the purposes of the Single Scheme. The Institute had 49 members of the Single Scheme at 31 August 2016. Future benefits accruing to Scheme members have not been provided for in these financial statements. 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 Department of Public Expenditure and Reform is assessing the current arrangements in respect of the Single Scheme and is considering a number of options in relation to the future payment of benefits and financing of those benefits.

(b) SHORT-TERM BENEFITS

Short-term benefits such as holiday pay are recognised as an expense in the year as required under FRS102, and benefits that accrued at year end are included in the Payables figure in the Statement of Financial Position. There is no accrual for holiday pay for Academic staff at year end due to the nature of their contracts.

N. DEFERRED CAPITAL GRANTS

Deferred Capital Grants represent the unamortised value of accumulated funds allocated for fixed assets.

O. CAPITAL DEVELOPMENT RESERVE

The Capital Development Reserve represents funds set aside by the Institute for specified capital development purposes. Such funds arise from Student Registration Fees, non-State capital donations, Banking Facility Fees and transfers from Revenue Reserves, in the latter case which have had the prior approval of the Higher Education Authority, together with bank interest earned on these monies. Such funds shall be retained in the Capital Development Reserve Account provided the defined projects to which they are committed are in line with the Institute's Capital Development Plan, have been approved by the Governing Body, time phased and with estimates of costs.

P. LEASED ASSETS

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.

Q. TAXATION

(i) Corporation tax and Value Added Tax

As an exempt body, the Institute is not liable for corporation tax or income tax on any of its 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 Institute fall into the VAT net, any input or output tax relating to these activities is returned to the Revenue by the Institute. Certain trading activities undertaken by the Institute are administered through a number of its subsidiary companies and joint ventures, which as commercial organisations are liable to corporation tax.

(ii) Deferred taxation

In subsidiary companies, who do not hold a exempt body 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 reporting 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.

R. COMPARATIVES

The comparative figures have been regrouped and restated where necessary on the same basis as those of the current period.

DUNDALK INSTITUTE OF TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31ST AUGUST 2016**

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Institute's accounting policies, which are described in pages 13 to 16, the members of 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 the historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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.

A. CRITICAL JUDGEMENTS IN APPLYING THE INSTITUTE'S ACCOUNTING POLICIES

The following are the critical judgements 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.

- (1) An analysis performed by the Institute indicates that there is no strict legal obligation to meet performance criteria with private donors and that capital funding received meets the definition of donations with no terms and conditions imposed by the donor in relation to the funds provided. Once a building is in use, the performance criteria can be deemed to be met.
- (2) As more fully referred to above in 1(M), the Institute considers that its pension liabilities are guaranteed by the State. As a consequence, the Institute considers that the liability of the pension schemes is matched by the equivalent amount receivable by the Institute from the State.
- (3) Per 1 D(c) above, the Institute recognises research income, only to the extent that relevant fully qualifying expenditure is incurred, which is fully refundable by the research funding agency. This accounting methodology is based on the performance obligations required under the contract and is the agreed funding mechanism with the research funding bodies.
- (4) The Governing Body has considered the application of reporting the substance of transactions with regard to certain assets used by the Institute where the legal form of all transactions would indicate that all or part of the assets are not owned by the Institute. 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 the fixed assets.

Dundalk Institute of Technology

Notes to the Financial Statements
Year ended 31 August 2016

3 State Grants

	Allocated for Recurrent Expenditure €000's	Allocated for Capital Expenditure €000's	2016 Total €000's	2015 Total €000's
Recurrent Expenditure - HEA	16,783	172	16,955	16,610
EU funded Capital Grants	-	10	10	40
Capital Expenditure - Enterprise Ireland	-	72	72	88
Total 2016	16,783	254	17,037	16,738
Total 2015	16,285	453	16,738	

4 Tuition Fees

	2016 Students WTE	2016 State Funded €000's	2016 Non State Funded €000's	2016 Total €000's	2015 Students WTE	2015 State Funded €000's	2015 Non State Funded €000's	2015 Total €000's
Fees paid by State	3,497	3,179	-	3,179	3,485	3,591	-	3,591
Fees paid by other State agencies	-	85	-	85	-	-	-	0
Non EU Fees	504	-	3,857	3,857	488	-	4,071	4,071
Fees paid by students or on behalf of Students	237	-	267	267	83	-	47	47
Life Long Learning and other fees	299	79	292	371	368	-	469	469
Student Contribution inc repeat exam fees	-	7,287	4,171	11,458	-	6,578	3,593	10,171
Student Facilities Fee	-	-	(366)	(366)	-	-	400	400
	4,537	10,630	8,221	18,851	4,424	10,169	8,580	18,749
Student Numbers / Net Fee Income	4,537	10,630	8,221	18,851	4,424	10,169	8,580	18,749

The Department of Education and Skills paid tuition fees in the year of €1,288,320 (2015: €1,551,852) for full time degree courses and €397,563 (2015: €320,047) for higher certificate and ordinary degree courses, the total costs of which are part funded by the ESF. The Health Service Executive paid €1,492,531 (2015: €1,581,228) in respect of the tuition fee element for full time nursing degree students. Failte Ireland paid €0 (2015: €9,853) in respect of the tuition fee element for full time hospitality course students.

Student numbers are stated as wholetime equivalents, based on enrolled credits.

Dundalk Institute of Technology

Notes to the Financial Statements - (continued)
Year ended 31 August 2016

5	Research Grants & Contracts	2016 Total €000's	2015 Total €000's
	Income		
	State & semi state	2,174	2,451
	European Union	823	2,272
	Industry	165	116
	Other	877	383
		<u>4,039</u>	<u>5,222</u>
	Expenditure		
	Pay Costs	1,834	2,748
	Non Pay Costs	1,706	2,657
	Capital Expenditure - Enterprise Ireland	-	-
		<u>3,540</u>	<u>5,405</u>
	Net Outcome	<u>499</u>	<u>(183)</u>

6 Analysis of State Derived Income

Name of Grantor	Op Deferral 01/09/15	received 2015/16	CL Deferral 31/08/16	I&E 2016
Note 3 - State Grant				
Higher Education Authority	3,199	14,155	317	17,037
Allocated for Capital Expenditure	-	-	-	(254)
Total State Income	<u>3,199</u>	<u>14,155</u>	<u>317</u>	<u>16,783</u>

Note 4 - Tuition Fees / Student Contribution Charges

Higher Education Authority	-	3,179	-	3,179
Health Service Executive	-	180	-	180
Faite Ireland	-	196	-	196
Dept of Education & Skills	-	15	-	15
Teagasc	-	3	-	3
Student Universal Support Ireland	-	7,037	-	7,037
Projects (funded from State Agencies)	-	20	-	20
Total State Income	<u>-</u>	<u>10,630</u>	<u>-</u>	<u>10,630</u>

Note 5 - Research & Contracts

Dept of Education & Skills	-	-	(30)	30
Dept of Enterprise, Trade and Innovation	(22)	18	-	(4)
Dundalk Institute of Technology	-	454	-	454
Enterprise Ireland	(129)	1,040	224	687
Environmental Protection Agency	71	13	(14)	98
Faite Ireland	-	3	3	-
Horizon 2020	-	300	289	11
Higher Education Authority	(160)	242	22	60
Health Service Executive	146	16	77	85
Intertrade Ireland	46	94	7	133
Institutes of Technology Ireland	(26)	90	(9)	73
Irish Research Council	19	11	8	22
Irish Research Council for Science Engineering and Technology	9	20	25	4
Louth County Council	(7)	-	-	(7)
Marine Institute	-	22	10	12
Miscellaneous Water Schemes	-	7	(6)	13
National Forum for the Enhancement of Teaching and Learning	26	104	65	65
Regional Development Centre Rental income	-	145	-	145
Sustainable Energy Authority of Ireland	-	29	(17)	46
Science Foundation Ireland	(89)	242	(94)	247
Royal Irish Academy	3	-	3	-
University of Limerick	9	(9)	-	-
Total State Income	<u>(104)</u>	<u>2,841</u>	<u>563</u>	<u>2,174</u>

Note 7 - Student Support Funding

Higher Education Authority	27	349	27	349
Total State Income	<u>27</u>	<u>349</u>	<u>27</u>	<u>349</u>

7 Student Support Funding

	2016 Disabilities €000's	2016 Assistance €000's	2016 Total €000's	2015 Total €000's
Balance at 1 September	22	5	27	19
Receipts:				
Higher Education Authority	123	226	349	300
Total Receipts	145	231	376	319
Amounts Applied:				
Pay Costs	10	-	10	14
Non Pay Costs	113	226	339	276
Total Expenditure	123	226	349	290
Equipment	-	-	-	2
Balance at 31 August	22	5	27	27

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

8 Other Income

	2016 Total €000's	2015 Total €000's
Superannuation Deductions retained	1,743	1,743
Bank Concession Fee	190	190
Springboard Income	534	276
Sundry Income	664	803
Subsidiary Company Income	1,955	682
Net Outcome	5,086	3,694

Dundalk Institute of Technology

**Notes to the Financial Statements - (continued)
For the year ended 31 August 2016**

9 Staff Costs

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

	2016 No. of employees	2015 No. of employees
Teaching and research	283	275
Technical	38	38
Central administration and services	156	163
	<u>477</u>	<u>476</u>
	2016 €'000	2015 €'000
Salaries and wages	30,833	31,399
Social welfare costs	2,563	2,544
Subsidiary staff costs	160	163
	<u>33,556</u>	<u>34,106</u>

Key management compensation

The total remuneration for key management personnel for the year 2016 totalled €149,310 (2015: €144,658).

The key management personnel in the Institute consists of the President only

FRS102 Holiday Pay Accrual for 2016 is €346,586 (2015: €298,394)

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:

Salary Bands	Year Ended 31 August 2016	Year Ended 31 August 2015
60,000 - 70,000	67	77
70,001 - 80,000	146	146
80,001 - 90,000	23	25
90,001 - 100,000	13	15
100,001 - 110,000	1	1
110,001 - 120,000	0	0
120,001 - 130,000	0	0
130,001 - 140,000	0	0
140,001 - 150,000	1	1
Grand Total	<u>251</u>	<u>265</u>

Notes to the Financial Statements - (continued)
Year ended 31 August 2016

10 Other Operating Expenses

	2016	2016	2016	2016	2015
	Pay Costs	Depreciation	Other Operating	Total	Total
	€000's	€000's	Expenses	€000's	€000's
			€000's		
Capital projects	-	2,615	-	2,615	2,756
Research Grants and Contracts	1,834	130	1,706	3,670	5,589
Academic Department	23,575	106	791	24,472	24,922
Academic Services	1,812	25	349	2,186	2,054
Facilities Costs	1,059	17	2,113	3,189	4,244
Central Administration and Services	4,239	15	2,869	7,123	6,352
General Education Expenses	72	-	109	181	259
Student Services	795	17	548	1,360	1,559
Student Support	10	6	339	355	297
Subsidiary Undertakings	160	2	1,728	1,890	709
Total Expenditure	33,556	2,933	10,552	47,041	48,741
Total 2015	34,106	3,186	11,449		

Dundalk Institute of Technology

Notes to the Financial Statements - (continued)
Year ended 31 August 2016

10 Other Operating Expenses - Continued

	Consolidated 2016 €000's	Consolidated 2015 €000's
Materials & Other Consumables	17	7
Light, Heat & Power	793	924
Periodicals, Books and Printed materials	201	219
Travel & Subsistence	559	739
Printing, Stationery, Postage and other Office Expenses	252	295
Equipment Maintenance	7	6
Premises Maintenance	461	1,010
Premises Contract Alarms	46	38
Grounds	77	66
Computer Maintenance & Software	302	454
Class & Library Materials	243	266
Rent, Rates and Insurance Costs	376	419
Recruitment, Training etc.	35	43
External Audit Fees	27	26
Internal Audit Fees	53	92
Student Support Funding	633	582
Health Service	84	90
Subsidiary Undertakings	1,728	577
Communications	115	141
Equipment	59	172
Transfer to Project Partners	781	652
Advertising & Marketing	210	316
Professional Fees	218	571
Laboratory Costs	73	107
Research Costs	242	749
Courses, Conferences	16	13
Catering	87	138
Cleaning	542	531
Training/ Seminars	76	114
Security, Health & Safety	197	378
Bank Charges	62	31
General Education	1,248	1,382
Impairment of Student Receivables	394	-
Other Expenses	336	301
Total Other Operating Expenses	10,552	11,449

Dundalk Institute of Technology

Notes to the Financial Statements - (continued)
For the year ended 31 August 2016

11 Taxation

Dundalk Institute of Technology is exempt from Corporation Tax under a charitable status order.

Dundalk Institute of Technology

Notes to the Financial Statements - (continued)
For the year ended 31 August 2016

12 Tangible fixed assets
Consolidated

	Land and buildings	Furniture	Equipment	Computer Equipment	Motor Vehicles	Subsidiary Equipment	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Cost							
At 1 September 2015	126,319	855	9,027	4,568	-	96	140,865
Additions in year	53	9	64	123	5	-	254
Assets Written Off	-	(1)	(79)	(86)	-	-	(166)
At 31 August 2016	126,372	863	9,012	4,605	5	96	140,953
Depreciation							
At 1 September 2015	30,368	841	8,051	4,420	-	94	43,774
Charge for year	2,513	13	295	109	1	2	2,933
Assets Written Off	-	(1)	(79)	(86)	-	-	(166)
At 31 August 2016	32,881	853	8,267	4,443	1	96	46,541
Net book value							
At 31 August 2016	93,491	10	745	162	4	-	94,412
At 1 September 2015	95,951	14	976	148	-	2	97,091

Dundalk Institute of Technology

Notes to the Financial Statements - (continued)
For the year ended 31 August 2016

12 Tangible fixed assets - in respect of prior year
Consolidated

	Land and buildings	Furniture	Equipment	Computer Equipment	Subsidiary Equipment	Total
	€'000	€'000	€'000	€'000	€'000	€'000
Cost						
At 1 September 2014	126,219	1,793	13,643	5,589	96	147,340
Additions in year	100	-	262	91	-	453
Assets Written Off	-	(938)	(4,878)	(1,112)	-	(6,928)
At 31 August 2015	126,319	855	9,027	4,568	96	140,865
Depreciation						
At 1 September 2014	27,854	1,722	12,488	5,361	91	47,516
Charge for year	2,514	57	441	171	3	3,186
Assets Written Off	-	(938)	(4,878)	(1,112)	-	(6,928)
At 31 August 2015	30,368	841	8,051	4,420	94	43,774
Net book value						
At 31 August 2015	95,951	14	976	148	2	97,091
At 1 September 2014	98,365	71	1,155	228	5	99,824

Dundalk Institute of Technology

Notes to the Financial Statements - (continued)
For the year ended 31 August 2016

12 Tangible fixed assets
Institute Only

	Land and buildings	Furniture	Equipment	Computer Equipment	Motor Vehicles	Total
	€'000	€'000	€'000	€'000	€'000	€'000
Cost						
At 1 September 2015	126,319	855	9,027	4,568	-	140,769
Additions in year	53	9	64	123	5	254
Assets Written Off	-	(1)	(79)	(86)	-	(166)
At 31 August 2016	126,372	863	9,012	4,605	5	140,857
Depreciation						
At 1 September 2015	30,368	841	8,051	4,420	-	43,680
Charge for year	2,513	13	295	109	1	2,931
Assets Written Off	-	(1)	(79)	(86)	-	(166)
At 31 August 2016	32,881	853	8,267	4,443	1	46,445
Net book value						
At 31 August 2016	93,491	10	745	162	4	94,412
At 1 September 2015	95,951	14	976	148	-	97,089

Dundalk Institute of Technology

**Notes to the Financial Statements - (continued)
For the year ended 31 August 2016**

**12 Tangible fixed assets - in respect of prior year
Institute Only**

	Land and buildings	Furniture	Equipment	Computer Equipment	Total
	€'000	€'000	€'000	€'000	€'000
Cost					
At 1 September 2014	126,219	1,793	13,643	5,589	147,244
Additions in year	100	-	262	91	453
Assets Written Off	-	(938)	(4,878)	(1,112)	(6,928)
At 31 August 2015	126,319	855	9,027	4,568	140,769
Depreciation					
At 1 September 2014	27,854	1,722	12,488	5,361	47,425
Charge for year	2,514	57	441	171	3,183
Assets Written Off	-	(938)	(4,878)	(1,112)	(6,928)
At 31 August 2015	30,368	841	8,051	4,420	43,680
Net book value					
At 31 August 2015	95,951	14	976	148	97,089
At 1 September 2014	98,365	71	1,155	228	99,819

Dundalk Institute of Technology

**Notes to the Financial Statements - (continued)
For the year ended 31 August 2016**

13 Investments

The Institute holds an interest in the following subsidiaries:

Subsidiary undertakings

Dundalk Campus College Services Limited
DKIT Sport Limited

Principal

Dundalk Campus College Services Limited is involved in the operation of the college stationery shop, the provision of student printing and photocopying services and the booking of facilities within the college. DKIT Sport Limited is involved in the provision of leisure facilities.

Interest	100%
Retained Surplus/(Deficit)	€'000s
Dundalk Campus College Services Limited	3
DKIT Sport Limited	(3)
	<u> </u>
	<u> </u>

The above subsidiary undertakings have their registered offices at Dundalk Institute of Technology.

14 Inventory

Dundalk Campus College Services Limited holds stationery stock for resale.

15 Receivables

	Consolidated 2016 €'000	Consolidated 2015 €'000	Institute 2016 €'000	Institute 2015 €'000
Trade Receivables	590	147	492	147
Tuition Fee receivable	589	5	589	5
Impairment of Student Receivables	(394)	-	(394)	-
Research grants and contracts receivable	554	1,665	554	1,665
Other capital funding receivable	1	11	1	11
Prepayments	427	638	425	638
Amounts due from subsidiary undertakings	-	-	49	164
Other receivables	7	184	-	157
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>1,774</u>	<u>2,650</u>	<u>1,716</u>	<u>2,787</u>

16 Cash & cash equivalents

	Consolidated 2016 €'000	Consolidated 2015 €'000	Institute 2016 €'000	Institute 2015 €'000
Cash at bank including balances held on short term deposit	2,885	2,627	2,697	2,394
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>2,885</u>	<u>2,627</u>	<u>2,697</u>	<u>2,394</u>

Dundalk Institute of Technology

Notes to the Financial Statements - (continued)
For the year ended 31 August 2016

17 Payables: amounts falling due within one year	Consolidated 2016 €000's	Consolidated 2015 €000's	Institute 2016 €000's	Institute 2015 €000's
Trade payables	555	40	25	40
Research grants and contracts in advance	1,200	1,353	1,200	1,353
Tuition fees received in advance	1,375	960	1,375	960
State grants received in advance	318	3,322	318	3,322
Accruals	858	456	858	456
Amounts owed to subsidiary undertakings	-	-	291	-
Other tax and social security	912	876	902	876
Other payables	577	711	577	544
Other amounts received in advance	1,423	1,115	1,423	1,115
Total Creditors	7,218	8,833	6,969	8,666

Dundalk Institute of Technology

Notes to the Financial Statements - (continued)
For the year ended 31 August 2016

18 Deferred Capital Grants

	Consolidated 2016 €000's	Restated 2015 €000's	Institute 2016 €000's	Restated 2015 €000's
At 1 September				
Opening Balance	91,254	93,835	91,248	93,829
Cash received in year				
Allocated from State Recurrent Grant - HEA	152	199	152	199
State Grant for Minor Capital Works - HEA	20	126	20	126
EU funded	10	40	10	40
Enterprise Ireland	-	88	-	88
Other Funding	72	-	72	-
Total	254	453	254	453
Amortised to Income and expenditure in year				
Amortised in line with depreciation	(2,766)	(3,183)	(2,766)	(3,183)
Restatement of Fixed Assets 2014/15	-	(16)	-	(16)
Reduction in Amortisation of Deferred Capital	-	165	-	165
Total	(2,766)	(3,034)	(2,766)	(3,034)
At 31 August				
Closing Balance	88,742	91,254	88,736	91,248

In addition, amounts received in advance and not yet spent are included in Payables (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 31 August 2016, are as follows:

	State €000's	Other Grants & benefactors €000's	Total €000's
Buildings	-	-	-

Dundalk Institute of Technology

Notes to the Financial Statements - (continued)

For the year ended 31 August 2016

19 Explanation of Transition to FRS 102

This is the first year that the Institute has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under previous Irish GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 was therefore 1 September 2014. As a consequence of adopting FRS 102, a number of accounting policies have changed to comply with that standard.

The Institute has elected to use the transition provisions in Section 35 of FRS 102 in relation to property, plant and equipment, whereby the previous GAAP valuation may be used as "deemed cost" going forward.

Under previous Irish GAAP, items of a significant value donated to the Institute, from non-government sources, which if purchased, the group would treat as tangible fixed assets, were capitalised and the value of the donation was treated as a deferred capital grant. The tangible fixed asset was depreciated in accordance with the group's accounting policies and the capital grant amortised over the expected life of the asset. Under FRS102, income from grants from non-government sources is recognised in the Statement of Comprehensive Income when performance related conditions are met. The impact of the recognition of income, and consequent impact on grant amortisation is set out below:

Reconciliation of Reserves

On transition to FRS 102, the following reclassifications have occurred within reserves:

	Deferred Capital Grants €000's	Revenue Reserves €000's	Total €000's
Reserves reported under previous Irish GAAP at 01 Sept 2014	99,824	(1,926)	97,898
Restatements of Non State Funded Assets :			
Adjustment from Deferred Capital Grants to Revenue Reserves	(5,989)	5,989	-
FRS 102 Holiday Pay Accrual	-	(303)	(303)
Reserves reported under FRS102 at 01 Sept 2014	93,835	3,760	97,595
Reserves reported under previous Irish GAAP at 01 Sept 2015	97,094	(3,240)	93,854
Restatements of Non State Funded Assets :			
Adjustment from Deferred Capital Grants to Revenue Reserves	(5,989)	5,989	-
Restatement of Fixed Assets 2014/15	(16)	16	-
Reduction in Amortisation of Deferred Capital	165	(165)	-
FRS 102 Holiday Pay Accrual	-	(303)	(303)
Reserves reported under FRS102 at 01 Sept 2015	91,254	2,297	93,551
Reconciliation of deficit for the year ended 31 August 2015	€000's		
Operating deficit for the financial year under previous Irish GAAP	(1,314)		
Restatement of non-State funded assets - reduction in amortisation of DCC	(165)		
Restatement of fixed assets	16		
Operating deficit for the financial year under FRS 102	(1,463)		

Dundalk Institute of Technology

**Notes to the Financial Statements - (continued)
For the year ended 31 August 2016**

20 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 Code of Governance of Irish Institute's of Technology in relation to the disclosure of interests by members of the Board and the Institute has complied with these procedures during the year.

21 Contingent Liabilities

There were no contingent liabilities existing at 31 August 2016.

22 Post Balance Sheet Events

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

23 Going Concern

Dundalk Institute of Technology incurred operating deficits in years ended 31 August 2013, 31 August 2014 and 31 August 2015. While a surplus was made in 2016, the Institute is aware that further deficits may result in depletion of reserves that could call into question the going concern status of the Institute in the medium term. Concerted effort has been made in 2015/16, 2016/17 and 2017/18 to overcome this issue in line with HEA requirements. The going concern basis has been adopted in preparing the financial statements, as the Governing Body are of the view that the Institute has sufficient resources to meet projected expenditure for at least twelve months from the signing of the financial statements.

24 Approval of Financial Statements

The financial statements were approved by the Governing Authority on 28th May 2018.