

**DUNDALK INSTITUTE OF TECHNOLOGY**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2020**

**DUNDALK INSTITUTE OF TECHNOLOGY**

**FINANCIAL STATEMENTS 2020**

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## DUNDALK INSTITUTE OF TECHNOLOGY

### CORPORATE GOVERNANCE STATEMENT YEAR ENDED 31 AUGUST 2020

#### Governing Body

The Governing Body was established under the Regional Technical Colleges Acts 1992 to 2001 and additional functions were assigned under the Institutes of Technology Act 2006. The Governing Body is accountable to the Minister for Further and Higher Education, Research, Innovation and Science and is responsible for ensuring good governance. The Governing Body is collectively responsible for leading and directing the Institutes' activities and fulfils key functions, including: reviewing and guiding strategic direction and major plans of action, risk management policies and procedures, annual budgets and business plans, setting performance objectives, monitoring implementation and Institute performance, and overseeing major capital expenditure and investment decisions. The Governing Body acts on a fully informed and ethical basis, in good faith, with due diligence and care, and in the best interest of the Institute, having due regard to its legal responsibilities and the objectives set by Government.

#### Strategic Plan, Annual Programmes and Budget

The Governing Body has formally undertaken an evaluation of actual performance, by reference to the Institute's Strategic Plan and Budget and has subsequently approved an Annual Programme and Budget for the Institute.

#### Compliance with Public Spending Code

The Governing Body confirms that Dundalk Institute of Technology adheres to the relevant aspects of the Public Spending Code and that the Governing Body has ensured robust and effective systems and procedures are in place to ensure compliance with the relevant principles, requirements and guidelines of the Public Spending Code including guidelines for achieving value for money.

#### Management of Capital Projects

Dundalk Institute of Technology confirms that its policies and procedures in the management of capital projects are compliant with the relevant principles, requirements and guidelines of the Public Spending Code and the Capital Works Management Framework.

#### Governing Body Meetings

During the period from 1st September 2019 to 31st August 2020 the Governing Body met on 12 separate occasions.

Figure 1.1 (a)

Schedule of Outgoing Governing Body Meetings and Governing Body Member's Attendance  
between 1 September 2019 & 31 March 2020

Governing Body Member	Role	No. of Governing Body meetings attended	No. of Governing Body meetings during the period
Cllr. Clifford Kelly	Chairperson	8	8
Cllr. Cathy Bennett	Member	1	8
Mr. Richard Crowley	Member - Academic Staff Representative	6	8
Mr. Brian Harten	Member	0	8
Ms. Maria Maguire	Member - DKIT Students Union Representative	2	8
Mr. Paddy Malone	Member & incoming Chairperson	6	8
Mr. Paddy Matthews	Member	4	8
Mr. Glen McCourt (replaced Mr. Aaron Geagan)	Member - DKIT Students Union Representative	2	8
Mr. Paschal McGuire	Member	8	8
Michael Mulvey PhD	President (Ex-Officio Member)	7	8
Ms. Sile O'Connor	Member	4	8
Ms. Antoinette O'Rourke	Member - Academic Staff Representative	6	8
Cllr. Tomas Sharkey	Member	5	8
Mr. Fergal Smyth	Member - Professional, Management & Support Staff Representative	5	8
Mr. Bill Sweeney	Member	7	8
Ms. Margaret Swords	Member	1	8
Ms. Kitty Warnock	Member	2	8
Ms. Sadie Ward McDermott	Member	6	8

Note:

The previous Governing Body's term ended on 31 March 2020 with the incoming Governing Body holding its inaugural meeting on 22 June 2020.

**DUNDALK INSTITUTE OF TECHNOLOGY**

**CORPORATE GOVERNANCE STATEMENT (CONTINUED)  
YEAR ENDED 31 AUGUST 2020**

Figure 1.1 (b)  
Schedule of Incoming Governing Body Meetings and Governing Body Member's Attendance  
between Inaugural Meeting on 22 June 2020 & 31 August 2020

Governing Body Member	Role	No. of Governing Body meetings attended	No. of Governing Body meetings during the period
Mr. Patrick W. Malone	Chairperson	4	4
Cllr. Clifford Kelly	Vice Chairperson	4	4
Ms. Cindy Andrews	Member - DKIT Students Union Representative	1	4
Ms. Aprilanna Barker	Member	4	4
Dr. Thomas Dooley	Member - Academic Staff Representative	3	4
Ms. Amanda-Jane Gainford	Member	3	4
Mr. Fergus Grimes	Member - Professional, Management & Support Staff Representative	4	4
Cllr. Nick Killian	Member	4	4
Dr. Fiona Lawless	Member - Academic Staff Representative	4	4
Dr. Michael Mulvey	President (Ex-Officio Member)	4	4
Mr. Alec McAllister	Member	4	4
Mr. Glen McCourt	Member - DKIT Students Union Representative	0	4
Cllr. Erin McGreehan	Member	1	4
Ms. Brenda McGeeney	Member	3	4
Mr. Aidan McKenna	Member	4	4
Ms. Isabell Murphy	Member	3	4
Ms. Anna Shakespeare	Member	3	4
Mr. Bill Sweeney	Member	4	4
Cllr. Sharon Tolan	Member	2	4
Ms. Sadie Ward McDermott	Member	2	4

Note:

Mr. Glen McCourt's term as SU President ceased at the end of June and his replacement was not appointed until September 2020.  
Cllr. Erin McGreehan was appointed a Senator 29 June 2020, therefore, only attended one meeting.  
Cllr. Sharon Tolan replaced Cllr. Erin McGreehan and her inaugural meeting was 28 July 2020.

Dundalk Institute of Technology can confirm that during the period the Governing Body met on 11 November 2020 without executive members or management present.

Dundalk Institute of Technology can confirm that fees and/or expenses paid to members of the Governing Body are in accordance with guidelines from the Department of Finance.

Figure 1.2  
Schedule of Governing Body Expenses 2019 - 2020

Governing Body Member	Employer			
	Fees	Expenses	PRSI	Total Paid
Cllr. Clifford Kelly	€8,700	€5,163	€50	€13,913
Mr. Pascal McGuire	€3,000	€3,362	€350	€6,712
Mr. William Sweeney	€2,400	€235	€247	€2,882
Cllr. Cathy Bennett	€300	€59	€26	€385

**Risk Management**

The Governing Body and its subcommittees approve the Institute's risk management framework and monitors its effectiveness, approval and oversight of Dundalk Institute of Technology's Risk Management Policy including structured and periodic reviews and updates to the Institute Corporate Risk Register by the Executive Management Team. This review includes an assessment of the principal risks, risk rating and associated mitigations for each of the risks set out in the Institute Corporate Risk Register.

**DUNDALK INSTITUTE OF TECHNOLOGY**

**CORPORATE GOVERNANCE STATEMENT (CONTINUED)  
YEAR ENDED 31 AUGUST 2020**

**Finance, Audit and Risk Committee (FAR)**

The Terms of Reference for the Finance, Audit and Risk Committee are set by the Governing Body of the Institute and include provision regarding:

- Membership
- Reporting Requirements
- Authority to investigate
- Meetings – timing, conduct and frequency
- Information requirements
- Value for money
- Governance and responsibilities regarding:
  - Risk Management
  - Internal Control
  - Internal Audit
  - External Audit
  - Review of its own effectiveness

The Chairperson of the Governing Body is satisfied that the Finance, Audit and Risk Committee has discharged its role effectively and efficiently and has met the requirements with regard to frequency of meetings in this academic year. See figures 1.3 (a) and (b) below for details of meetings held during the year.

**Figure 1.3 (a)**

**Schedule of Outgoing Finance, Audit and Risk Committee Meetings and Outgoing Finance, Audit and Risk Member's Attendance between 1 September 2019 & 31 March 2020**

Committee Member	Role	No. of FAR meetings attended	No. of FAR meetings during the period
Mr. Brian Harten	Chairperson / Governing Body Member	0	9
Mr. Bill Sweeney	Acting Chairperson from October 2018 & Governing Body Member	9	9
Cllr. Cathy Bennett	Governing Body Member	2	9
Mr. Ger Finn	Governing Body Member	6	9
Mr. Paschal McGuire	External Member	9	9
Mr. Brendan Murtagh	External Member	5	9

**Figure 1.3 (b)**

**Schedule of Incoming Finance, Audit and Risk Committee Meetings and Incoming Finance, Audit and Risk Member's Attendance between Inaugural Meeting on 9 August 2020 & 31 August 2020**

Committee Member	Role	No. of FAR meetings attended	No. of FAR meetings during the period
Mr. Bill Sweeney	Chairperson / Governing Body Member	2	2
Cllr. Clifford Kelly	Governing Body Member	2	2
Mr. Aidan McKenna	Governing Body Member	1	2
Mr. Brendan Murtagh	External Member	2	2
Ms. Caroline O'Rourke	External Member	0	2
Ms. Anna Shakespeare	Governing Body Member	2	2
Ms. Sadie Ward McDermott	Governing Body Member	0	2

**Figure 1.3 (c)**

**Schedule of Outgoing Land & Buildings Committee Meetings and Outgoing Land & Building Member's Attendance**

Committee Member	Role	No. of L & B meetings attended	No. of L & B meetings during the period
Cllr. Clifford Kelly	Chairperson / Governing Body Member	5	5
Dr. Michael Mulvey	President	5	5
Mr. Paddy Matthews	Governing Body Member	4	5
Ms. Sile O'Connor	Governing Body Member	5	5
Mr. Bill Sweeney	Governing Body Member	4	5
Ms. Maria Maguire	Governing Body Member	1	5
Ms. Antoinette O'Rourke	Governing Body Member	5	5

**Note:**

The inaugural meeting of the incoming Land & Building Committee was held on 10 November 2020

## DUNDALK INSTITUTE OF TECHNOLOGY

### CORPORATE GOVERNANCE STATEMENT (CONTINUED) YEAR ENDED 31 AUGUST 2020

#### Performance Evaluation of the Governing Body and its Committees

The Governing Body did not conduct a self-assessment of its own performance and the performance of its committees during the year ended 31 August 2020 on the basis the body was formed less than 12 months. A self-assessment will be performed during the year ended 31 August 2021.

#### General Governance and Accountability Issues

Dundalk Institute of Technology can confirm that there are no governance and accountability issues that the Institute wish to bring to the attention of the Minister for Further & Higher Education, Research, Innovation & Science and the Higher Education Authority.

#### Asset Disposals

Dundalk Institute of Technology can confirm there were no disposals of assets or grants of access to property or infrastructure for commercial arrangements with third parties above the threshold of €150,000 which have not been subject to auction or competitive tendering process during the financial year.

#### Commercially Significant Developments affecting the Institute

Dundalk Institute of Technology incorporated a subsidiary in late August 2019, DKIT Connect DAC. DKIT Connect DAC's main purpose is to facilitate the application for capital funding in relation to the Regional Development Centre. There are also, to the Institute's knowledge, no major issues likely to arise in the short to medium term that will affect the Institute.

#### Summary of all Off-Balance Sheet Transactions of the Institute

##### Figure 1.4

Nature of the transaction	Purpose of the transaction	Financial impact of the transaction
There were no off-balance sheet transactions during the year ended 31 August 2020		

#### Code of Conduct for Members and Employees

Dundalk Institute of Technology can confirm that a Code of Conduct for both Members and Employees has been implemented. This includes clear conflict of interest and ethics in public office policies.

#### Compliance with Government Policy on Pay of the President and Institute Employees

Dundalk Institute of Technology can confirm that the Institute has complied with its obligations under the Government policy on the pay of the President and all other Institute employees.

Please also refer to financial statements disclosure note 9.

#### Statement of Compliance

The Chairperson of Dundalk Institute of Technology confirms that Government Pay Guidelines are being complied with in respect of such appointees who serve on the Governing Body and any subsidiaries of the Institute.

#### Confidential Disclosures

The Governing Body confirm that procedures for Confidential Disclosure Reporting have been implemented Dundalk Institute of Technology. These procedures allow employees, in confidence, to raise concerns about possible irregularities in financial reporting or any other matters, as well as ensuring that meaningful follow-up of matters raised this way takes place. The Confidential Disclosure Reporting in place at Dundalk Institute of Technology is in line with the Protected Disclosures Act 2014. An annual report of such disclosures is available on the Institute's website

There were two protected disclosures received by Dundalk Institute of Technology during the year ended 31 August 2020. The broad nature of these disclosures included a student examination concern and the usage of facilities.

#### Tax Laws

Dundalk Institute of Technology can confirm that the Institute has complied with its obligations under tax law.

Please also refer to financial statements disclosure note 11.

#### Legal Disputes

A breakdown of the legal costs/settlements is included in the financial statements disclosure note 10. Dundalk Institute of Technology has no legal disputes involving other State Bodies.

**DUNDALK INSTITUTE OF TECHNOLOGY**

**CORPORATE GOVERNANCE STATEMENT (CONTINUED)  
YEAR ENDED 31 AUGUST 2020**

**Institute Subsidiaries**

**Figure 1.5**  
**List of Institute Subsidiaries**

Subsidiary Name	Year of Incorporation	Purpose / Function
Dundalk Campus College Services Limited	1994	Operation of the college stationery shop, the provision of student printing and photocopying services.
DKIT Sport Limited	2015	Provision of leisure & sporting facilities
DKIT Connect Designated Activity Company	2019	Special purpose entity to facilitate the application for capital funding for the Regional Development Centre complex

These subsidiaries continue to operate solely for the purpose for which they were established, they remain in full compliance with the terms and conditions of the consent under which they were established.

An appropriate Code of Governance is in place with respect of trading subsidiaries. Annual financial statements were presented to the Governing Body post year end.

Please refer to the financial statements disclosure note 14 for additional detail.

**Intellectual Property (IP) and Conflict of Interest**

The Institute confirms there is a single IP policy in place, published on its website, which reflects the National IP Management Requirements of the National IP Protocol. This policy is reviewed on an annual basis.

The Institute confirms that there is a single Conflict of Interest Policy in place. This is published on its website and is also reviewed on an annual basis.

**Gender Balance, Diversity and Inclusion**

Dundalk Institute of Technology recognises the importance of diversity and inclusion for all staff and students of the Institute. To that regard the Institute has implemented a number of initiatives aimed at further promoting an inclusive environment, including the preparation of an application for Athena SWAN accreditation in November 2020.

With respect to the membership of the Governing Body, while the Institute can, and has, engaged in the appointments process, the appointment decisions are made by the Minister. As at 31 August 2020, the Governing Body had 9 (50%) female and 9 (50%) male members (note Student's Union male representative was vacant at this date). The Governing Body therefore meets the Government target of a minimum of 40% representation of each gender in the membership of boards of state bodies.

Please refer to Figure 1.1 for the listing of Governing Body members and their roles.

**Travel & Subsistence**

Dundalk Institute of Technology confirms that Government travel policy requirements are being complied with in all respects.

	<u>31 August 2020</u>	<u>31 August 2019</u>
	<u>€000's</u>	<u>€000's</u>
Domestic travel	309	423
International travel	122	270
	<u>431</u>	<u>693</u>

**Hospitality Expenditure**

	<u>31 August 2020</u>	<u>31 August 2019</u>
	<u>€000's</u>	<u>€000's</u>
Staff events	-	2
Student Events (excluding costs associated with conferring)	47	46
Other external events	48	100
	<u>95</u>	<u>148</u>

**Legal Costs/Settlements**

	<u>31 August 2020</u>	<u>31 August 2019</u>
	<u>€000's</u>	<u>€000's</u>
Professional fees	65	73
Settlements	-	-
	<u>65</u>	<u>73</u>

**DUNDALK INSTITUTE OF TECHNOLOGY**

**CORPORATE GOVERNANCE STATEMENT (CONTINUED)  
YEAR ENDED 31 AUGUST 2020**

**Consultancy Fees**

	<u>31 August 2020</u>	<u>31 August 2019</u>
	€000's	€000's
Professional Fees: Legal	65	73
Professional Fees: Tax and financial advisory	4	9
Professional Fees: Public relations/marketing	3	41
Professional Fees: Engineers		34
Professional Fees: Pensions and human resources	107	63
Professional Fees: Other	290	200
	<u>469</u>	<u>420</u>

**Annual Report and Financial Statements**

The Governing Body has reviewed and approved the Annual Report and Financial Statements and considers the Financial Statements to be a true and fair view of the Institute's financial performance and its financial position at the end of the year.

**Governing Body 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 Governing Body is required to:

- Select suitable accounting policies and apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- Prepare Financial Statements on the going concern basis, unless it is inappropriate to presume that the Institute will continue in operation.
- Disclose and explain any material departures from applicable accounting standards.

The Governing Body is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Institute and which enables it to ensure that the Consolidated 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.

**Chairman:**

  
Mr. Patrick W. Malone

**President:**

  
Dr. Michael Mulvey

**Date:**

14 December 2021



## **DUNDALK INSTITUTE OF TECHNOLOGY**

### **STATEMENT OF INTERNAL CONTROL YEAR ENDED 31 AUGUST 2020**

#### **Scope of Responsibility**

On behalf of the Governing Body of Dundalk Institute of Technology, we acknowledge our responsibility for ensuring that an effective system of internal controls is maintained and operated in the Institute and for putting in place processes and procedures for the purpose of ensuring that the system is effective. This responsibility reflects the requirements of the Code of Practice for the Governance of State Bodies (2016) as encapsulated by the THEA Code of Governance for Institutes of Technology.

#### **Purpose of the System of Internal Controls**

The system of internal controls is designed to manage risk to an acceptable level rather than to eliminate it. The system can therefore 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 detected in a timely way.

The system of internal controls, which accords with guidance issued by the Department of Public Expenditure and Reform, has been in place in Dundalk Institute of Technology for the year ended 31 August 2020 and up until the date of approval of the financial statements.

#### **Annual Review of the Effectiveness of Internal Control**

The Governing Body conducted an annual review of the effectiveness of the system of internal controls for the year ended 31 August 2020 on 24 November 2020.

#### **Disclosure of Breaches in Internal Control, Weakness in Internal Control and Material Losses or Frauds**

A staff member received a duplicate salary payment for numerous pay periods during the year ended 31 August 2020. The duplication of payment was as a result of a technical error and was identified by a staff member as part of a review process. The staff member concerned was notified and a repayment plan was agreed. This repayment plan is currently being reviewed to reduce the period of recoupment of the overpayment. In order to avoid a similar situation in the future the relevant HR and Payroll Teams are completing more regular analytical review of variances between pay periods along with performing additional checks when staff members move to a new post.

#### **Review of Statement of Internal Control**

We confirm that the Statement of System of Internal Control is reviewed by the Finance, Audit and Risk Committee and the Governing Body to ensure it accurately reflects the control system in operation during the reporting period.

#### **Appropriate Control Environment**

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

- 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.
- Establishing procedures for reporting significant control failures and ensuring corrective action is taken.
- Adopting and adhering to the Code of Practice for the Governance of State Bodies as encapsulated by the THEA Code of Governance for Institutes of Technology.
- Ensuring the control environment includes an active Finance, Audit and Risk Committee and regular reporting to the Governing Body on financial results.

#### **Business Risks**

Dundalk Institute of Technology has developed processes to identify and evaluate business risks. This is achieved in a number of ways including:

- Developing annual and longer term targets and reporting on results achieved.
- Implementation of an Internal Control Framework.
- A comprehensive budgeting system with an annual budget which is reviewed and agreed by the Governing Body.
- Regular reviews by the Governing Body and its committees of periodic and annual financial reports which indicate financial performance against forecasts.
- Clearly defined capital investment control guidelines.

**DUNDALK INSTITUTE OF TECHNOLOGY**

**STATEMENT OF INTERNAL CONTROL - CONTINUED  
YEAR ENDED 31 AUGUST 2020**

**Information Systems**

Dundalk Institute of Technology has implemented a number of Management Information Systems to provide a means of comparing actual results to targets and forecasts. These systems include:

- Financial Management – Agresso
- Human Resources and Payroll Management – CoreHR
- Travel and Expenses – CoreHR
- Student Administration – Banner
- Resource Allocation – Akari
- Timetabling – Syllabus Plus

**Financial Implications of Major Business Risks**

Dundalk Institute of Technology employs a range of actions to reduce the potential for fraudulent activity. Dundalk Institute of Technology's internal control policy framework includes written policies and procedures requiring transactions to be properly authorised and providing for sufficient segregations of duties.

**Compliance with Procurement Rules and Guidelines**

Weaknesses in relation to compliance with procurement rules and guidelines were identified totalling €103k. Such expenditure was incurred where the procedures employed did not comply with the guidelines. In order to mitigate against similar weaknesses the Institute have upgraded the procurement system, Agresso, and a monthly report is now generated to identify, in advance, when thresholds may be breached. This report was implemented in September 2020.

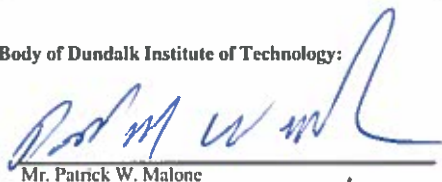
**Review of the Effectiveness of the Internal Control System**

We confirm that Dundalk Institute of Technology has procedures to monitor the effectiveness of its risk management and control procedures. The Governing Body's monitoring and review of the effectiveness of the system of internal control is informed by the work of the Institute Executive and Management who have responsibility for the development and maintenance of the internal control framework, the Finance, Audit and Risk Committee, the Internal Auditors and comments made by the Comptroller and Auditor General in their

Dundalk Institute of Technology has an outsourced internal audit function, which is in accordance with the Internal Audit Terms of Reference approved by the Governing Body and the THEA Code of Governance for Institutes of Technology.

Signed on behalf of the Governing Body of Dundalk Institute of Technology:

Chairman:



Mr. Patrick W. Malone

President:



Dr. Michael Mulvey

Date:

14 December 2021



## **Ard Reachtaire Cuntas agus Ciste** **Comptroller and Auditor General**

**Report for presentation to the Houses of the Oireachtas**

**Dundalk Institute of Technology**

### **Opinion on the financial statements**

I have audited the financial statements of Dundalk Institute of Technology for the year ended 31 August 2020 as required under the provisions of the Institutes of Technology Acts 1992 to 2006. The financial statements comprise

- the consolidated and Institute statement of comprehensive income
- the consolidated and Institute 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, the financial statements give a true and fair view of the assets, liabilities and financial position of the group and the Institute at 31 August 2020 and of the income and expenditure of the group and the Institute 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 corporate governance statement 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 that regards.

**Andrew Harkness**  
**For and on behalf of the**  
**Comptroller and Auditor General**

**20 December 2021**

## 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.

DUNDALK INSTITUTE OF TECHNOLOGY

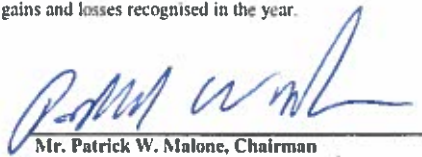
CONSOLIDATED AND INSTITUTE STATEMENT OF COMPREHENSIVE INCOME  
YEAR ENDED 31 AUGUST 2020


	Note	Current Year		Previous Year	
		Consolidated 31/08/20 €000's	Institute 31/08/20 €000's	Consolidated 31/08/19 €000's	Institute 31/08/19 €000's
<b>Income</b>					
State Grants	3	22,740	22,740	21,217	21,217
Tuition Fees and Student Contribution	4	19,199	19,199	19,252	19,252
Research Grants & Contracts	5	4,571	4,571	4,043	4,043
Student Support Funding	7	409	409	396	396
Other Income	8	4,294	2,956	4,736	2,917
Amortisation of Deferred Capital Grants	20	3,158	3,158	3,061	3,061
Interest Income		(1)	(1)	(8)	(8)
Deferred Pension Funding	25	13,264	13,264	12,462	12,462
<b>Total Income</b>		<b>67,634</b>	<b>66,296</b>	<b>65,159</b>	<b>63,340</b>
<b>Expenditure</b>					
Staff costs	9	40,426	40,319	38,153	38,044
Retirement Benefit Cost	25	13,264	13,264	12,462	12,462
Other Operating Expenses	10	10,743	9,564	10,497	8,888
Depreciation	13	3,296	3,296	3,196	3,196
<b>Total Expenditure</b>		<b>67,729</b>	<b>66,443</b>	<b>64,308</b>	<b>62,590</b>
<b>Surplus / (Deficit) before other gains / (losses) and Share of Surplus / (Deficit) in joint ventures &amp; associates</b>		<b>(95)</b>	<b>(147)</b>	<b>851</b>	<b>750</b>
<b>Surplus / (Deficit) before Tax</b>		<b>(95)</b>	<b>(147)</b>	<b>851</b>	<b>750</b>
Taxation	11	7	-	10	-
<b>Surplus / (Deficit) for the year</b>		<b>(102)</b>	<b>(147)</b>	<b>841</b>	<b>750</b>
<b>Actuarial Gains</b>					
Experience (losses)/gains on retirement benefit obligations		4,218	4,218	(215)	(215)
Reduction in pension liabilities arising from retirements in the year		4,661	4,661	1,162	1,162
Changes in assumptions underlying the present value of retirement benefit obligations	25	5,835	5,835	(29,560)	(29,560)
<b>Total Actuarial Gains in the year</b>		<b>14,714</b>	<b>14,714</b>	<b>(28,613)</b>	<b>(28,613)</b>
Adjustment to Deferred Retirement Benefits Funding	25	(14,714)	(14,714)	28,613	28,613
<b>Total Comprehensive (Loss)/Income for the year</b>		<b>(102)</b>	<b>(147)</b>	<b>841</b>	<b>750</b>

The Consolidated Statement of Comprehensive Income includes all gains and losses recognised in the year.

Notes 1 - 27 form part of the Consolidated Financial Statements.

Signed on behalf of the Governing Body:

  
Mr. Patrick W. Malone, Chairman

  
Dr. Michael Mulvey, President

Date:

14 December 2021

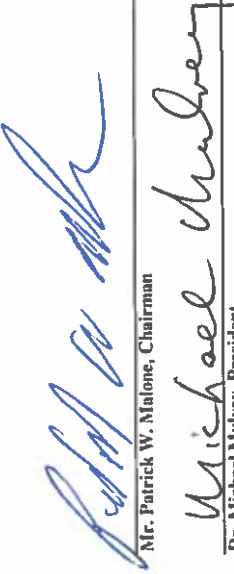
DUNDALK INSTITUTE OF TECHNOLOGY

CONSOLIDATED AND INSTITUTE STATEMENT OF CHANGES IN RESERVES AND CAPITAL ACCOUNT  
YEAR ENDED 31 AUGUST 2020

	Note 20 Consolidated Capital Grants €000's	Note 20 Institute Deferred Capital Grants €000's	Note 21 Consolidated Capital Development Reserve €000's	Note 21 Institute Capital Development Reserve €000's	I&E Consolidated Revenue Reserves €000's	I&E Institute Revenue Reserves €000's	Consolidated Total Reserves €000's	Institute Total Reserves €000's
Balance at 31 August 2018	85,038	85,032	766	766	5,568	5,425	91,372	91,223
Surplus for the year <i>before appropriations</i>	-	-	-	-	841	750	841	750
Amortisation of Deferred Capital Grants	(3,061)	(3,061)	-	-	-	-	(3,061)	(3,061)
State Grant Allocated to Capital	421	421	-	-	-	-	421	421
Other Grant Allocated to Capital	253	253	-	-	-	-	253	253
Restatement of Fixed Assets	(11)	(11)	-	-	11	11	-	-
Transfer to Capital Development Reserve	-	-	600	600	(600)	(600)	-	-
Balance at 31 August 2019	82,640	82,634	1,366	1,366	5,820	5,587	89,826	89,587
Surplus for the year <i>before appropriations</i>	-	-	-	-	(102)	(147)	(102)	(147)
Amortisation of Deferred Capital Grants	(3,158)	(3,158)	-	-	-	-	(3,158)	(3,158)
State Grant Allocated to Capital	1,250	1,250	-	-	-	-	1,250	1,250
Other Grant Allocated to Capital	157	157	-	-	-	-	157	157
Restatement of Fixed Assets	(9)	(9)	-	-	9	9	-	-
Transfer to Capital Development Reserve	-	-	-	-	-	-	-	-
Balance at 31 August 2020	80,880	80,874	1,366	1,366	5,727	5,449	87,973	87,689

Notes 1 - 27 form part of the Consolidated Financial Statements.

Signed on behalf of the Governing Body:



Mr. Patrick W. Malone, Chairman

Dr. Michael Mulvey, President

14 December 2021

Date:

DUNDALK INSTITUTE OF TECHNOLOGY

CONSOLIDATED AND INSTITUTE STATEMENT OF FINANCIAL POSITION  
AS AT 31 AUGUST 2020

	Note	Current Year		Previous Year	
		Consolidated 31/08/20 €000's	Institute 31/08/20 €000's	Recalssified Consolidated 31/08/19 €000's	Institute 31/08/19 €000's
<b>Non Current Assets</b>					
Fixed Assets	13	85,998	85,998	87,887	87,887
		<u>85,998</u>	<u>85,998</u>	<u>87,887</u>	<u>87,887</u>
<b>Current Assets</b>					
Inventory	15	13	-	11	-
Receivables	16	3,464	3,447	2,210	2,229
Cash and Cash Equivalents	17	8,933	8,737	7,699	7,501
		<u>12,410</u>	<u>12,184</u>	<u>9,920</u>	<u>9,730</u>
Less Payables: amounts falling due within 1 year	18	(10,435)	(10,493)	(7,981)	(8,030)
Net Current Assets		<u>1,975</u>	<u>1,691</u>	<u>1,939</u>	<u>1,700</u>
Total Assets less Current Liabilities		<u>87,973</u>	<u>87,689</u>	<u>89,826</u>	<u>89,587</u>
<b>Provision for Amounts and Charges:</b>					
Retirement Benefits					
Retirement Benefit Obligations	25	(236,837)	(236,837)	(236,239)	(236,239)
Deferred Retirement Benefit Funding Asset	25	236,837	236,837	236,239	236,239
Total Net Assets		<u>87,973</u>	<u>87,689</u>	<u>89,826</u>	<u>89,587</u>
Deferred Capital Grants	20	80,880	80,874	82,640	82,634
<b>Unrestricted Reserves</b>					
Income & Expenditure Reserve		5,727	5,449	5,820	5,587
Capital Development Reserve		1,366	1,366	1,366	1,366
Total		<u>87,973</u>	<u>87,689</u>	<u>89,826</u>	<u>89,587</u>

Notes 1 - 27 form part of these Financial Statements.

Signed on behalf of the Governing Body:

Mr. Patrick W. Malone, Chairman



Dr. Michael Mulvey, President

Date:

14 December 2021

**DUNDALK INSTITUTE OF TECHNOLOGY**

**CONSOLIDATED STATEMENT OF CASHFLOWS  
YEAR ENDED 31 AUGUST 2020**

	Year Ended 31/08/20 €000's	Year Ended 31/08/19 €000's
<b>Net Cash Inflow/Outflow from Operating Activities</b>		
Excess income over expenditure	(102)	841
Depreciation of fixed assets	3,296	3,196
Amortisation of deferred capital grants	(3,158)	(3,061)
(Increase)/decrease in Inventory	(2)	11
(Increase)/decrease in Receivables	(1,254)	142
Increase/(decrease) in Payables	2,454	143
Interest income	1	8
State funds allocated to capital	1,250	421
Other funds allocated to capital	157	253
	<hr/>	<hr/>
<b>Net Cash Inflow from Operating Activities</b>	<b><u>2,642</u></b>	<b><u>1,954</u></b>
<b>Cash Flows from Investing Activities</b>		
Payments to acquire property, plant & equipment	(1,407)	(674)
	<hr/>	<hr/>
<b>Net Cash Flows from Investing Activities</b>	<b><u>(1,407)</u></b>	<b><u>(674)</u></b>
<b>Cash Flows from Financing Activities</b>		
Interest received	(1)	(7)
	<hr/>	<hr/>
<b>Net Cash Flows from Financing Activities</b>	<b><u>(1)</u></b>	<b><u>(7)</u></b>
<b>Net (Decrease)/ Increase in cash equivalents in the year</b>	<b>1,234</b>	<b>1,273</b>
Cash and cash equivalents at 1 September	7,699	6,426
	<hr/>	<hr/>
<b>Cash and cash equivalents at 31 August</b>	<b><u>8,933</u></b>	<b><u>7,699</u></b>

Notes 1 - 27 form part of these Financial Statements.

Signed on behalf of the Governing Body:

  
Mr. Patrick W. Malone, Chairman

  
Dr. Michael Mulvey, President

Date:

14 December 2021



## DUNDALK INSTITUTE OF TECHNOLOGY

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

#### 1. Significant Accounting Policies

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

##### A. General Information

DkIT was established in 1970 and became an autonomous Institute in 1993 and was designated an Institute of Technology in 1998. The primary objective of the Institute is to provide third level education and other associated activities.

##### B. Basis for Accounting

The financial statements have been prepared under the historical cost convention, and in accordance with generally accepted accounting principles and comply with applicable Financial Reporting Standards 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 under FRS 102 for Dundalk Institute of Technology is considered to be Euro because that is the currency of the primary economic environment in which the Institute operates. The consolidated financial statements are also presented in Euro. Foreign operations are included in accordance with the policies set out below.

##### C. Basis of Consolidation

The consolidated financial statements include the financial statements of the Institute and its subsidiaries, Dundalk Campus College Services Limited, DkIT Sport Limited and DKIT Connect DAC (note 14 - 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. Property, Plant and Equipment

###### (i) Land and Buildings

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, 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:

Freehold buildings	50 years
--------------------	----------

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.

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.

###### (ii) Equipment

From 1 September 2009, equipment costing less than €3,000 per individual item is written off to the Statement of Comprehensive Income in the year of acquisition. Where individual items of equipment purchased are below the capitalisation limit (€3,000) and the total purchase invoice is in excess of the limit, these items are individually capitalised in the normal way. All other equipment is capitalised at cost. Capitalised equipment is depreciated on a straight-line basis over its useful economic life as follows:

**DUNDALK INSTITUTE OF TECHNOLOGY**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
YEAR ENDED 31 AUGUST 2020**

**1. Significant Accounting Policies (continued)**

	<b>Years</b>
Prefabricated buildings, fixtures, plant and machinery	10
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.

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

**E. Inventory**

Expenditure on books and consumable stocks is charged to the Statement of Comprehensive Income as incurred.

**F. Impairment of Assets**

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

**G. Taxation**

**(i) Corporation tax and Value Added Tax**

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, 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 falls 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, which as commercial organisations are liable to corporation tax.

**(ii) Deferred taxation**

In subsidiary companies, who do not hold a charitable status and are therefore liable to corporation tax, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position 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.

**H. 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. Capital Grants from the Higher Education Authority or other state bodies received in respect of the acquisition or construction of Fixed Assets are treated as deferred State Capital Grants and amortised in line with depreciation over the life of the assets.

**(ii) Fee Income**

Fee Income is accounted for on an accruals basis. Fee income categorised under this heading includes International Student Fee Income, Life Long Learning and Other Fees.

## DUNDALK INSTITUTE OF TECHNOLOGY

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED YEAR ENDED 31 AUGUST 2020

#### 1. Significant Accounting Policies (continued)

##### (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 is incurred unless the grant has performance related conditions or restrictions associated with it. Full provision is made for foreseeable losses. The most common classes of such transactions are set out below:

##### (a) 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.

##### (b) 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.

##### (c) 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 a restriction is 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) Minor Capital Works

The Minister for Further and Higher Education, Research, Innovation and Science 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.

##### (v) 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.

##### (vi) 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.

#### I. 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 Service 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).

## DUNDALK INSTITUTE OF TECHNOLOGY

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED YEAR ENDED 31 AUGUST 2020

#### 1. Significant Accounting Policies (continued)

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 (i) the Education Sector Superannuation Scheme 2015, are retained by the Institute and (ii) 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.

Pension liabilities represent the present value of future pension payments earned to date. The retirement benefit funding asset reflects the expectation that the Department of Further and Higher Education, Research, Innovation and Science will continue to pay pensions and retirement lump sums as they fall due.

Actuarial gains or losses arising on scheme liabilities are reflected in the Statement of Comprehensive Income and a corresponding adjustment is recognised in the retirement benefit funding asset.

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 pensions are excluded because pension payments are charged to the appropriation account of the Department of Further and Higher Education, Research, Innovation and Science. 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.

Subsidiary staff are not part of the Public Sector schemes.

#### (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. There is no accrual for holiday pay for Academic staff at year-end due to the nature of their contracts.

#### J. Foreign Currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Statement of Financial Position date are reported at the rates of exchange prevailing at that date.

#### K. 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.

#### L. Deferred State Capital Grants

Deferred State capital grants represent the unamortised value of accumulated funds from State sources used for the acquisition or construction of fixed assets.

Capital Grants from the Higher Education Authority or other State bodies received in respect of the acquisition or construction of fixed assets are treated as deferred State capital grants and amortised in line with the depreciation charged over the life of the assets.

#### M. Reserves

##### 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.

## DUNDALK INSTITUTE OF TECHNOLOGY

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED YEAR ENDED 31 AUGUST 2020

#### 2. Critical Accounting Judgements and Key Sources of Estimation

In the application of the Institute's accounting policies, which are described in pages 17 to 20, 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.

#### Critical Judgements in Applying the Institute's Accounting Policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Governing Body has made in the progress 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 value and classification of assets and liabilities that may arise if the Institute was unable to continue as a going concern.

##### B. Operational and Financial Impact of COVID-19

The COVID-19 crisis has created major business challenges for all third level institutions. The Institute has engaged continuously with the Department of Further and Higher Education, Research, Innovation and Science and the Higher Education Authority in conjunction with the Technological Higher Education Association, in assessing the evolving and projected financial and operational impacts.

A review of the expected financial impact of COVID-19 was conducted and responses provided to the Higher Education Authority illustrating the Institute's financial and operational position with reference to a set of assumptions and guidelines. This was also provided to Governing Body. The Institute developed a comprehensive Operational Plan with the Governing Body being informed through a detailed presentation. The Governing Body was assured that there will be sufficient funding for the Institute 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.

The evolving financial and operational impacts of COVID-19 will be continuously reviewed and monitored by the Governing Body through the Finance, Audit and Risk Committee.

##### C. Provision for Doubtful Debts

The Institute makes an estimate of the recoverable value of trade debtors and other debtors. The Institute uses estimates based on historical experience in determining the level of debts, which may not be collected. These estimates includes such factors as the current rating of the debtor, the ageing profile of debtors and historical experience. The level of provision required is reviewed on an on-going basis.

##### D. 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, mortality rates and healthcare cost trend 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:

- (i) the discount rate, changes in the rate of return on high-quality corporate bonds
- (ii) future compensation levels, future labour market conditions
- (iii) health-care cost trend rates, the rate of medical cost inflation in the relevant regions

**DUNDALK INSTITUTE OF TECHNOLOGY**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
YEAR ENDED 31 AUGUST 2020**

**2. Critical Accounting Judgements and Key Sources of Estimation (continued)**

**E. Holiday Pay Accrual**

The holiday pay accrual is calculated by reference to the days' holidays outstanding at the year end. Academic staff do not require an accrual at year end due to the nature of their contract.

**F. Capital Funding**

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.

**G. Substance of Transactions**

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.

**H. Research Income**

Per 1H(iii) 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.

**I. Pension Liabilities**

As more fully referred to above in Note 26, 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.

DUNDALK INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
YEAR ENDED 31 AUGUST 2020

3 State Grants

	Allocated for Recurrent Expenditure €000's	Allocated for Capital Expenditure €000's	2020 Total €000's	2019 Total €000's
Recurrent Expenditure - HEA	22,740	1,250	23,990	21,638
EU Funded Capital Grants	-	8	8	119
Capital Expenditure - Other	-	149	149	134
<b>Total 2020</b>	<b>22,740</b>	<b>1,407</b>	<b>24,147</b>	<b>21,891</b>
<b>Total 2019</b>	<b>21,217</b>	<b>674</b>	<b>21,891</b>	

Included in the recurrent grant allocation from the HEA in 2020 an amount of €435,992 relates to funding specifically associated with meeting the extra costs incurred in response to COVID-19.

4 Tuition Fees

	2020		2020		Reclassified 2019		Reclassified 2019	
	Students WTE	State Funded €000's	Non State Funded €000's	Total €000's	Students WTE	State Funded €000's	Non State Funded €000's	Total €000's
Fees paid by State	3,124	3,755	-	3,755	3,277	3,641	-	3,641
Fees paid by other State agencies	-	281	-	281	-	257	-	257
Non EU Fees	456	-	3,653	3,653	450	-	3,636	3,636
Fees paid by students or on behalf of students	264	-	383	383	224	-	401	401
Life Long Learning and other fees	621	115	674	789	582	91	657	748
Student Contribution incl. repeat exam fees	-	5,747	4,591	10,338	-	6,290	4,280	10,570
	<b>4,465</b>	<b>9,898</b>	<b>9,301</b>	<b>19,199</b>	<b>4,532</b>	<b>10,278</b>	<b>8,974</b>	<b>19,252</b>
<b>Student Numbers / Net Fee Income</b>	<b>4,465</b>	<b>9,898</b>	<b>9,301</b>	<b>19,199</b>	<b>4,532</b>	<b>10,278</b>	<b>8,974</b>	<b>19,252</b>

The Higher Education Authority paid tuition fees in the year of €1,390,149 (2019: €1,324,009) for full time Level 8 degree courses, €262,625 (2019: €308,500) for higher certificate and ordinary degree courses and €330,148 (2019: €330,770) for Springboard/ICT Skills, the total costs of which are part funded by the ESF.

The Higher Education Authority paid €1,771,985 (2019: €1,677,301) in respect of the tuition fee element for full time nursing degree students. Fáilte Ireland paid €Nil (2019: €51,280) in respect of the tuition fee element for full time hospitality course students.

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

2019 figures have been reclassified to reflect the re-categorisation of Springboard/ICT Skills fees and other Nursing fee income previously included in Note 8 Other Income.

DUNDALK INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
YEAR ENDED 31 AUGUST 2020

5 Research Grants & Contracts	2020	2019
	Total €000's	Total €000's
<b>Income</b>		
State and Semi State	1,325	1,593
European Union	3,008	2,216
Industry	84	12
Other	154	222
<b>Total Income</b>	<b>4,571</b>	<b>4,043</b>
<b>Expenditure</b>		
Pay Costs	2,908	2,751
Non Pay Costs	1,858	1,288
<b>Total Expenditure</b>	<b>4,766</b>	<b>4,039</b>
<b>Net Outcome</b>	<b>(195)</b>	<b>4</b>

6 Analysis of State Derived Income

Name of Grantor	Op Deferral 1 Sept 2019 €000's	Grant Received 2019/20 €000's	CL Deferral 31 Aug 2020 €000's	I&E 2020 €000's	I&E 2019 €000's
<b>Note 3 - State Grant</b>					
HEA	(202)	26,153	(1,804)	24,147	22,565
Allocated for Capital Expenditure	-	(1,407)	-	(1,407)	(674)
<b>Total State Income</b>	<b>(202)</b>	<b>24,746</b>	<b>(1,804)</b>	<b>22,740</b>	<b>21,891</b>
<b>Note 4 - Tuition Fees / Student Contribution Charges</b>					
Higher Education Authority	-	3,755	-	3,755	3,641
Health Service Executive	-	281	-	281	257
Life Long Learning & other fees	-	115	-	115	91
Student Universal Support Ireland	-	5,747	-	5,747	6,290
<b>Total State Income</b>	<b>0</b>	<b>9,898</b>	<b>0</b>	<b>9,898</b>	<b>10,278</b>
<b>Note 5 - Research &amp; Contracts</b>					
Department of Education & Skills	(27)	128	40	141	85
Enterprise Ireland	357	374	(339)	392	462
Environmental Protection Agency	(87)	37	127	77	101
Higher Education Authority	272	718	(699)	291	175
Health Service Executive	59	2	(38)	23	0
Irish Research Council	10	61	(11)	60	32
Louth County Council	11	-	(10)	1	77
Marine Institute	(2)	(3)	18	13	161
National Forum for the Enhancement of Teaching & Learning	(29)	40	(3)	8	80
Sustainable Energy Authority of Ireland	29	(2)	-	27	11
Science Foundation Ireland	(231)	231	292	292	410
Royal Irish Academy	2	-	(2)	0	0
Cork Institute of Technology	-	-	-	0	1
<b>Total State Income</b>	<b>364</b>	<b>1,586</b>	<b>(625)</b>	<b>1,325</b>	<b>1,593</b>
<b>Note 7 - Student Support Funding</b>					
Higher Education Authority	8	404	(3)	409	396
<b>Total State Income</b>	<b>8</b>	<b>404</b>	<b>(3)</b>	<b>409</b>	<b>396</b>



## DUNDALK INSTITUTE OF TECHNOLOGY

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED YEAR ENDED 31 AUGUST 2020

#### 7 Student Support Funding

	2020 Disabilities €000's	2020 Assistance €000's	2020 Total €000's	2019 Total €000's
Balance at 1 September	-	-	-	8
<b>Receipts:</b>				
Higher Education Authority	162	250	412	396
<b>Total Receipts</b>	<b>162</b>	<b>250</b>	<b>412</b>	<b>404</b>
<b>Amounts Applied:</b>				
Pay Costs	16	-	16	21
Non Pay Costs	138	250	388	375
<b>Total Expenditure</b>	<b>154</b>	<b>250</b>	<b>404</b>	<b>396</b>
Equipment	5	-	5	8
<b>Balance at 31 August</b>	<b>3</b>	<b>-</b>	<b>3</b>	<b>0</b>

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

	Consolidated 2020 Total €000's	Reclassified Consolidated 2019 Total €000's
Superannuation Deductions retained	1,792	1,732
Bank Concession Fee	190	190
Sundry Income	915	995
Subsidiary Company Income	1,397	1,819
<b>Net Outcome</b>	<b>4,294</b>	<b>4,736</b>

Sundry income comprises numerous miscellaneous items including Erasmus income, Social Welfare income, Bursaries, Career fairs, parking receipts, contribution from catering and vending facilities.

## DUNDALK INSTITUTE OF TECHNOLOGY

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED YEAR ENDED 31 AUGUST 2020

#### 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:

	2020 No. of employees	2019 No. of employees
Teaching and research	321	307
Technical	43	42
Central administration and services	179	179
	<u>543</u>	<u>528</u>

The THEA Code of Governance for Institutes of Technology 2019 requires salaries and wages to be analysed between basic pay, overtime and allowances for all staff as follows:

	2020 €'000	2019 €'000
Basic Pay (including Employer welfare costs €3,349k (2019: €3,115k))	39,894	37,698
Overtime	103	100
Allowances	95	92
Employer pension costs	227	154
Subsidiary staff costs	107	109
	<u>40,426</u>	<u>38,153</u>

#### Key management compensation

For the purposes of this note, key management personnel in the Institute include the President, members of the Executive Management and members of the Governing Body

	WTE	Salary 2020 €'000	Overtime / Allowance 2020 €'000	WTE	Restated Salary 2019 €'000	Overtime / Allowance 2019 €'000
Governing Body Members	18	-	-	17	-	-
President	1	162	-	1	153	-
Executive Management	6	709	-	6	676	-
	<u>25</u>	<u>871</u>	<u>-</u>	<u>24</u>	<u>829</u>	<u>-</u>

#### Post employment benefits of key management staff

The President and the current six members of Executive Management are members of the education sector 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 only.

## DUNDALK INSTITUTE OF TECHNOLOGY

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED YEAR ENDED 31 AUGUST 2020

#### 9 Staff Costs - continued

##### Termination Payments

There were no termination payments made to staff of the Institute in the period

##### Employee Benefits

The table below provides details of employees earning €60,000 or more in salary bands of €10,000:

Salary Bands	Year Ended 31 August 2020	Year Ended 31 August 2019
60,000 - 70,000	57	33
70,001 - 80,000	50	57
80,001 - 90,000	147	136
90,001 - 100,000	21	21
100,001 - 110,000	11	15
110,001 - 120,000	6	0
120,001 - 130,000	0	0
130,001 - 140,000	0	0
140,001 - 150,000	0	0
150,001 - 160,000	0	1
160,001 - 170,000	1	0
<b>Grand Total</b>	<b>293</b>	<b>263</b>

The overall figure for employer pension contribution in the year was €227,435 (2019: €154,245).

FRS102 Holiday Pay Accrual for 2020 is €680,083 (2019: €569,252).

**DUNDALK INSTITUTE OF TECHNOLOGY**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
YEAR ENDED 31 AUGUST 2020**

**10 Other Operating Expenses**

	2020	2020	2020	2020	2019
	Pay Costs	Depreciation	Other Operating	Total	Total
	€000's	€000's	Expenses	€000's	€000's
			€000's		
Capital projects	-	2,959	-	2,959	2,926
Research Grants and Contracts	2,908	220	1,858	4,986	4,222
Academic Department	27,974	38	1,125	29,137	27,313
Academic Services	1,937	11	416	2,364	2,323
Facilities Costs	1,143	20	1,918	3,081	3,378
Central Administration and Services	5,342	28	3,062	8,432	7,728
General Education Expenses	53	0	76	129	186
Student Services	946	14	721	1,681	1,651
Student Support	16	6	388	410	401
Subsidiary Undertakings	107	-	1,179	1,286	1,718
<b>Total Expenditure</b>	<b>40,426</b>	<b>3,296</b>	<b>10,743</b>	<b>54,465</b>	<b>51,846</b>
<b>Total 2019</b>	<b>38,153</b>	<b>3,196</b>	<b>10,497</b>		

## DUNDALK INSTITUTE OF TECHNOLOGY

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED YEAR ENDED 31 AUGUST 2020

#### 10 Other Operating Expenses - continued

	Consolidated 2020 €000's	Consolidated 2019 €000's
Materials & Other Consumables	5	6
Light, Heat & Power	575	750
Library Materials	188	192
Travel & Subsistence	431	693
Printing, Stationery, Postage and other Office Expenses	173	252
Equipment Maintenance	9	5
Premises Maintenance	413	504
Premises Contract Alarms	59	30
Grounds	31	67
Computer Costs	454	429
Class & Library Materials	403	421
Rent, Rates and Insurance Costs	388	348
Recruitment, Training etc.	53	51
External Audit Fees	36	34
Internal Audit Fees	3	38
Student Support Funding	789	733
Health Service	75	73
Subsidiary Undertakings	1,179	1,609
Communications	96	123
Equipment	352	143
Transfer to Project Partners	1,266	355
Advertising & Marketing	507	442
Professional Fees	469	420
Laboratory Costs	96	133
Research Costs	227	107
Courses, Conferences	25	69
Catering	95	148
Cleaning	573	604
Training/ Seminars	80	100
Security, Health & Safety	265	200
Bank Charges	62	59
General Education	1,172	1,070
Impairment of Student Receivables	(140)	49
Other Expenses	334	240
<b>Total Other Operating Expenses</b>	<b>10,743</b>	<b>10,497</b>

#### Other Operating Expenses Include:

##### Auditors Remuneration

Audit of the Institute by the C&AG	36	34
Internal Audit Services provided by a Third Party	3	38
External Audit of Subsidiaries	6	6
<b>Total</b>	<b>45</b>	<b>78</b>

# DUNDALK INSTITUTE OF TECHNOLOGY

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED YEAR ENDED 31 AUGUST 2020

### 10 Other Operating Expenses - continued

	<b>Consolidated 2020 €000's</b>	<b>Consolidated 2019 €000's</b>
<b>Travel &amp; Subsistence</b>		
Travel: Domestic	309	423
Travel: International	122	270
	<u>431</u>	<u>693</u>
	<b>Consolidated 2020 €000's</b>	<b>Consolidated 2019 €000's</b>
<b>Hospitality</b>		
Hospitality: Staff Events	-	2
Hospitality: Student Events	47	46
Hospitality: Other External	48	100
	<u>95</u>	<u>148</u>
	<b>Consolidated 2020 €000's</b>	<b>Consolidated 2019 €000's</b>
<b>Legal Costs</b>		
Legal Costs: Professional Fees	65	73
Legal Costs: Settlements	-	-
	<u>65</u>	<u>73</u>
	<b>Consolidated 2020 €000's</b>	<b>Consolidated 2019 €000's</b>
<b>Professional Fees</b>		
Professional Fees: Legal	65	73
Professional Fees: Tax and financial advisory	4	9
Professional Fees: Engineers	-	34
Professional Fees: Public relations/marketing	3	41
Professional Fees: Pensions and human resources	107	63
Professional Fees: Other	290	200
	<u>469</u>	<u>420</u>

# DUNDALK INSTITUTE OF TECHNOLOGY

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED YEAR ENDED 31 AUGUST 2020

### 11 Taxation

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

Corporation Tax is applied to the profits of the subsidiary companies of Dundalk Institute of Technology. DKIT Sport Ltd reported a Corporation Tax charge of €6,854 (2019: €10,062) for the year ending 31st August 2020. There was no Corporation Tax charge in Dundalk College Campus Services Ltd for the year ending 31st August 2020. There was also no Corporation Tax charge in DKIT Connect DAC for the year ending 31st August 2020.

### 12 Financial Result for the year

	<b>2020</b>	<b>2019</b>
	<b>€'000</b>	<b>€'000</b>
Institute (deficit)/surplus for the year	(147)	750
Surplus generated by subsidiaries and other undertakings	<u>45</u>	<u>91</u>
<b>(Deficit)/Surplus for the year</b>	<b><u>(102)</u></b>	<b><u>841</u></b>

**DUNDALK INSTITUTE OF TECHNOLOGY**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
YEAR ENDED 31 AUGUST 2020**

**13 Property, Plant and Equipment  
Consolidated**

	Land and buildings €'000	Assets under Construction €'000	Furniture €'000	Equipment €'000	Computer Equipment €'000	Motor Vehicles €'000	Subsidiary Equipment €'000	Total €'000
<b>Cost</b>								
At 1 September 2019	126,374	-	823	10,119	5,848	46	96	143,306
Additions in year	-	448	-	376	583	-	-	1,407
Disposals in year	-	-	-	(209)	(80)	-	-	(289)
<b>At 31 August 2020</b>	<b>126,374</b>	<b>448</b>	<b>823</b>	<b>10,286</b>	<b>6,351</b>	<b>46</b>	<b>96</b>	<b>144,424</b>
<b>Depreciation</b>								
At 1 September 2019	40,420	-	819	8,934	5,140	10	96	55,419
Charge for year	2,513	-	1	313	460	9	-	3,296
Eliminated on disposals	-	-	-	(209)	(80)	-	-	(289)
<b>At 31 August 2020</b>	<b>42,933</b>	<b>-</b>	<b>820</b>	<b>9,038</b>	<b>5,520</b>	<b>19</b>	<b>96</b>	<b>58,426</b>
<b>Net book value</b>								
<b>At 31 August 2020</b>	<b>83,441</b>	<b>448</b>	<b>3</b>	<b>1,248</b>	<b>831</b>	<b>27</b>	<b>0</b>	<b>85,998</b>
<b>At 1 September 2019</b>	<b>85,954</b>	<b>0</b>	<b>4</b>	<b>1,185</b>	<b>708</b>	<b>36</b>	<b>0</b>	<b>87,887</b>

Lease commitments at 31 August 2020 amounted to €48,000 (2019: €88,000).



**DUNDALK INSTITUTE OF TECHNOLOGY**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
YEAR ENDED 31 AUGUST 2020**

**13 Property, Plant and Equipment - in respect of prior year  
Consolidated**

	Land and buildings	Furniture	Equipment	Computer Equipment	Motor Vehicles	Subsidiary Equipment	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Cost</b>							
At 1 September 2018	126,374	827	9,858	5,608	21	96	142,784
Additions in year	-	-	315	334	25	-	674
Disposals in year	-	(4)	(54)	(94)	-	-	(152)
<b>At 31 August 2019</b>	<b>126,374</b>	<b>823</b>	<b>10,119</b>	<b>5,848</b>	<b>46</b>	<b>96</b>	<b>143,306</b>
<b>Depreciation</b>							
At 1 September 2018	37,907	821	8,731	4,815	5	96	52,375
Charge for year	2,513	2	257	419	5	-	3,196
Eliminated on disposals	-	(4)	(54)	(94)	-	-	(152)
<b>At 31 August 2019</b>	<b>40,420</b>	<b>819</b>	<b>8,934</b>	<b>5,140</b>	<b>10</b>	<b>96</b>	<b>55,419</b>
<b>Net book value</b>							
<b>At 31 August 2019</b>	<b>85,954</b>	<b>4</b>	<b>1,185</b>	<b>708</b>	<b>36</b>	<b>0</b>	<b>87,887</b>
<b>At 1 September 2018</b>	<b>88,467</b>	<b>6</b>	<b>1,127</b>	<b>793</b>	<b>16</b>	<b>0</b>	<b>90,410</b>

Lease commitments at 31 August 2019 amounted to €88,000 (2018: €176,000).

## DUNDALK INSTITUTE OF TECHNOLOGY

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED YEAR ENDED 31 AUGUST 2020

#### 13 Property, Plant and Equipment Institute Only

	Land and buildings €'000	Assets under Construction €'000	Furniture €'000	Equipment €'000	Computer Equipment €'000	Motor Vehicles €'000	Total €'000
<b>Cost</b>							
At 1 September 2019	126,374	-	823	10,119	5,848	46	143,210
Additions in year	-	448	-	376	583	-	1,407
Disposals in year	-	-	-	(209)	(80)	-	(289)
<b>At 31 August 2020</b>	<b>126,374</b>	<b>448</b>	<b>823</b>	<b>10,286</b>	<b>6,351</b>	<b>46</b>	<b>144,328</b>
<b>Depreciation</b>							
At 1 September 2019	40,420	-	819	8,934	5,140	10	55,323
Charge for year	2,513	-	1	313	460	9	3,296
Eliminated on disposals	-	-	-	(209)	(80)	-	(289)
<b>At 31 August 2020</b>	<b>42,933</b>	<b>-</b>	<b>820</b>	<b>9,038</b>	<b>5,520</b>	<b>19</b>	<b>58,330</b>
<b>Net book value</b>							
<b>At 31 August 2020</b>	<b>83,441</b>	<b>448</b>	<b>3</b>	<b>1,248</b>	<b>831</b>	<b>27</b>	<b>85,998</b>
<b>At 1 September 2019</b>	<b>85,954</b>	<b>0</b>	<b>4</b>	<b>1,185</b>	<b>708</b>	<b>36</b>	<b>87,887</b>

Lease commitments at 31 August 2020 amounted to nil (2019: nil).

## DUNDALK INSTITUTE OF TECHNOLOGY

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED YEAR ENDED 31 AUGUST 2020

#### 13 Property, Plant and Equipment - in respect of prior year Institute Only

	Land and buildings €'000	Furniture €'000	Equipment €'000	Computer Equipment €'000	Motor Vehicles €'000	Total €'000
<b>Cost</b>						
At 1 September 2018	126,374	827	9,858	5,608	21	142,688
Additions in year	0	0	315	334	25	674
Disposals in year	0	(4)	(54)	(94)	0	(152)
<b>At 31 August 2019</b>	<b>126,374</b>	<b>823</b>	<b>10,119</b>	<b>5,848</b>	<b>46</b>	<b>143,210</b>
<b>Depreciation</b>						
At 1 September 2018	37,907	821	8,731	4,815	5	52,279
Charge for year	2,513	2	257	419	5	3,196
Eliminated on disposals	0	(4)	(54)	(94)	0	(152)
<b>At 31 August 2019</b>	<b>40,420</b>	<b>819</b>	<b>8,934</b>	<b>5,140</b>	<b>10</b>	<b>55,323</b>
<b>Net book value</b>						
<b>At 31 August 2019</b>	<b>85,954</b>	<b>4</b>	<b>1,185</b>	<b>708</b>	<b>36</b>	<b>87,887</b>
<b>At 1 September 2018</b>	<b>88,467</b>	<b>6</b>	<b>1,127</b>	<b>793</b>	<b>16</b>	<b>90,410</b>

Lease commitments at 31 August 2019 amounted to nil (2018: nil).

## DUNDALK INSTITUTE OF TECHNOLOGY

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED YEAR ENDED 31 AUGUST 2020

#### 14 Subsidiary Undertakings and Investments

<b>Name:</b>	Dundalk Campus College Services Ltd
<b>Registered Office:</b>	Dundalk Institute of Technology, Dublin Road, Dundalk, Co. Louth.
<b>% owned by Dundalk Institute of Technology</b>	100%
<b>Activities:</b>	DCCS Ltd is involved in the operation of the college stationery shop, the provision of student printing and photocopying services.
<b>Loss for the year:</b>	€3,086
<b>Net Assets at statement of financial position 31 August 2020:</b>	€27,644

<b>Name:</b>	DKIT Sport Ltd
<b>Registered Office:</b>	Dundalk Institute of Technology, Dublin Road, Dundalk, Co. Louth.
<b>% owned by Dundalk Institute of Technology</b>	100%
<b>Activities:</b>	DKIT Sport Limited is involved in the provision of leisure facilities.
<b>Profit for the year:</b>	€47,976
<b>Net Assets at statement of financial position 31 August 2020:</b>	€251,164

<b>Name:</b>	DKIT Connect DAC
<b>Registered Office:</b>	Dundalk Institute of Technology, Dublin Road, Dundalk, Co. Louth.
<b>% owned by Dundalk Institute of Technology</b>	100%
<b>Activities:</b>	DKIT Connect DAC was established in 2019. It was set up for the sole purpose of an application for capital funding for the RDC complex.
<b>Profit for the year:</b>	Nil
<b>Net Assets at statement of financial position date:</b>	€100

#### Investments

The Institute holds minority shareholdings in a two private companies. The percentage shareholding is listed below along with a brief description of the companies' activities:

Company	Nature of Business	Shareholding %
Nova Leah Limited	Provides a software platform which allows medical device manufacturers quickly automate the process of identifying and mitigating potential vulnerabilities within their product portfolios.	3.12
Tapa Healthcare DAC	Provides several services for hospital managements through its READS software platform. READS is a bedside clinical assessment tool that provides proactive patient safety.	1.75

Note:

The vesting of a Employee Share Ownership Plan will reduce the Institute's shareholding in Nova Leah Limited to 2.25% in the coming periods.

#### 15 Inventory

Dundalk Campus College Services Ltd holds stationery stock for resale.

#### 16 Receivables

	Consolidated		Institute	
	2020 €'000	2019 €'000	2020 €'000	2019 €'000
Research grants and contracts receivable	2,460	1,575	2,460	1,575
State Grant Receivable	436	-	436	-
Academic Fees receivable	218	474	218	474
Impairment of Student Receivables	(225)	(365)	(225)	(365)
Prepayments and accrued income	274	233	274	233
Trade Receivables	118	102	118	102
Other receivables	129	86	60	62
Other capital funding receivable	54	105	54	105
Amounts due from subsidiary undertakings	-	-	52	43
	<b>3,464</b>	<b>2,210</b>	<b>3,447</b>	<b>2,229</b>

## DUNDALK INSTITUTE OF TECHNOLOGY

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED YEAR ENDED 31 AUGUST 2020

#### 17 Cash and Cash Equivalents

	Consolidated		Institute	
	2020	2019	2020	2019
	€'000	€'000	€'000	€'000
Cash at bank including balances held on short term deposit	8,933	7,699	8,737	7,501
	<u>8,933</u>	<u>7,699</u>	<u>8,737</u>	<u>7,501</u>

#### 18 Payables: Amounts falling due within one year

	Consolidated		Institute	
	2020	Reclassified 2019	2020	Reclassified 2019
	€000's	€000's	€000's	€000's
Research grants and contracts in advance	2,081	1,715	2,081	1,715
Deferred income student support funding	53	62	53	62
Trade payables	376	321	108	8
State grants received in advance	1,804	(202)	1,804	(202)
Other tax and social security	1,003	941	1,003	941
Other payables	889	621	941	710
Accruals	1,820	1,258	1,820	1,258
Tuition fees received in advance	1,269	1,795	1,269	1,795
Other amounts received in advance	1,092	1,382	1,092	1,381
Leases (note 20)	48	88	-	-
Amounts owed to subsidiary undertakings	-	-	322	362
<b>Total Creditors</b>	<u>10,435</u>	<u>7,981</u>	<u>10,493</u>	<u>8,030</u>

#### 19 Lease Commitments

DkIT Sport Limited has entered into a lease contract with Third Level Fitness Ltd for the supply of fitness equipment. The following is a schedule of the future payments under this operating lease.

	Consolidated 2020	Consolidated 2019
	€000's	€000's
<b>Operating Leases</b>		
Total future minimum lease payments under non-cancellable operating leases are as follows:		
Within 1 Year	48	88
Between 2 and 5 years	0	0
<b>Total Commitments</b>	<u>48</u>	<u>88</u>

**DUNDALK INSTITUTE OF TECHNOLOGY**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
YEAR ENDED 31 AUGUST 2020**

**20 Deferred Capital Grants**

	<b>Consolidated 2020 €000's</b>	<b>2019 €000's</b>	<b>Institute 2020 €000's</b>	<b>2019 €000's</b>
<b>At 1 September</b>				
<b>Opening Balance</b>	<b>82,640</b>	<b>85,038</b>	<b>82,634</b>	<b>85,032</b>
<b>State Capital Grants received in year</b>				
Allocated from State Recurrent Grant - HEA	417	213	417	213
State Grant for Minor Capital Works - HEA	386	208	386	208
State Grant for Capital Works	447	-	447	-
EU funded	8	119	8	119
Other Funding	149	134	149	134
<b>Total</b>	<b><u>1,407</u></b>	<b><u>674</u></b>	<b><u>1,407</u></b>	<b><u>674</u></b>
<b>Amortised to Income and expenditure in year</b>				
Amortised in line with Depreciation	(3,296)	(3,196)	(3,296)	(3,196)
Restatement of Fixed Assets	(9)	(11)	(9)	(11)
Reduction in Amortisation of Deferred Capital	138	135	138	135
<b>Total</b>	<b><u>(3,167)</u></b>	<b><u>(3,072)</u></b>	<b><u>(3,167)</u></b>	<b><u>(3,072)</u></b>
<b>At 31 August</b>				
<b>Closing Balance</b>	<b><u>80,880</u></b>	<b><u>82,640</u></b>	<b><u>80,874</u></b>	<b><u>82,634</u></b>

## DUNDALK INSTITUTE OF TECHNOLOGY

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED YEAR ENDED 31 AUGUST 2020

#### 21 Capital Development Reserve

	Consolidated		Institute	
	2020	2019	2020	2019
	€000's	€000's	€000's	€000's
Opening Balance	1,366	766	1,366	766
Transfer from Revenue Reserves	-	600	-	600
Closing Balance	<u>1,366</u>	<u>1,366</u>	<u>1,366</u>	<u>1,366</u>

#### 22 Capital Commitments

	Consolidated		Institute	
	2020	2019	2020	2019
	€000's	€000's	€000's	€000's
Contracted for but not provided	238	-	238	-
Authorised but not contracted	-	-	-	-
	<u>238</u>	<u>-</u>	<u>238</u>	<u>-</u>

A contract was entered into by Dundalk Institute of Technology on 5 August 2020 in relation to enablement works / ground works as part of an extension to an existing building. The works were completed in full by April 2021.

#### 23 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 Institutes of Technology 2019 in relation to the disclosure of interests by members of the Board and the Institute has complied with these procedures during the year.

#### 24 Contingent Liabilities

There were no contingent liabilities existing at 31 August 2020.

## DUNDALK INSTITUTE OF TECHNOLOGY

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED YEAR ENDED 31 AUGUST 2020

#### 25 Retirement Benefit Costs

##### (i) *Staffing*

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

Examination of records may identify changes to members' records in the future and these are reflected as past service costs (see (iii) below).

##### (ii) *Description of Scheme*

###### *Institute 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 pension scheme is a defined benefit final salary pension arrangement with benefits and contributions (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 in accordance with the Public Sector 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 the 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 2020. On retirement members' pensions are paid by the National Shared Services Office on behalf of the Department of Further and Higher Education, Research, Innovation and Science and the payments are charged to that Department's appropriation account. Therefore, former employees of the Institute who are in receipt of a pension have been excluded from the valuation. The reduction in the liability arising from members who retired during the year is reflected as an experience gain and is separately identified in the liability reconciliation.



# DUNDALK INSTITUTE OF TECHNOLOGY

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED YEAR ENDED 31 AUGUST 2020

### 25 Retirement Benefit Costs (continued)

The principal actuarial assumptions used to calculate the components of the defined benefit cost for the year ended 31 August 2020 were as follows:

	31-Aug-20	31-Aug-19
Discount rate	1.10%	0.90%
Inflation rate	1.40%	1.30%
Salary increases	2.65%	2.55%
Pension increases - Superannuation Scheme	2.15%	2.05%
Pension increases - Single Scheme	1.40%	1.30%

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:

	31-Aug-20 Years	31-Aug-19 Years
Male Aged 65	21.7	21.7
Female Aged 65	24.1	24.1

### (iii) Analysis of total retirement benefit costs charged to the Statement of Comprehensive Income

	31-Aug-20 €000's	31-Aug-19 €000's
Current service cost	13,127	10,869
Employee contributions / (benefits paid)	(2,048)	(2,380)
Interest on retirement benefit scheme liabilities	2,185	3,973
	<u>13,264</u>	<u>12,462</u>

## DUNDALK INSTITUTE OF TECHNOLOGY

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED YEAR ENDED 31 AUGUST 2020

#### 25 Retirement Benefit Costs (continued)

##### (iv) Movement in net retirement benefit obligations during the financial year

	31-Aug-20 €000's	31-Aug-19 €000's
Net retirement benefit obligation at 1 September	236,239	193,214
Current service costs	11,079	8,489
Employee contributions	2,048	2,380
Interest costs	2,185	3,973
Reduction in pension liabilities arising from retirements in the year	(4,661)	(1,162)
Experience Loss/(Gain) on liabilities	(4,218)	(215)
(Gain)/Loss in actuarial assumptions	(5,835)	29,560
Net retirement benefit obligations at 31 August	<u>236,837</u>	<u>236,239</u>
<i>Split between</i>		
SPSPS	3,918	2,813
Education Sector Superannuation Scheme	<u>232,919</u>	<u>233,426</u>
	<u>236,837</u>	<u>236,239</u>

##### (v) Deferred funding asset for retirement benefits

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:

	31-Aug-20 €000's	31-Aug-19 €000's
Funding recoverable in respect of current year retirement		
Benefit costs	13,264	12,462
Benefits paid in year	-	-
	<u>13,264</u>	<u>12,462</u>

The deferred funding liabilities for retirement benefit as at 31 August 2020 amounted to €236,837,000 (2019: €236,239,000).

##### (vi) History of defined benefits obligations

	31-Aug-20 €000's	31-Aug-19 €000's
Defined benefit obligations	236,837	236,239
Experience losses/(gains) on deferred benefit scheme liabilities	(4,218)	(215)

## **DUNDALK INSTITUTE OF TECHNOLOGY**

### **NOTES TO THE FINANCIAL STATEMENTS - CONTINUED YEAR ENDED 31 AUGUST 2020**

#### **26 Foundations and Trusts**

The Institute does not have any foundations or trusts which could have implications for these financial statements.

#### **27 Approval of Financial Statements**

The financial statements were approved by the Governing Body on 14 December 2021