

DUNDALK INSTITUTE OF TECHNOLOGY

FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023



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CORPORATE GOVERNANCE STATEMENT

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 1 September 2022 to 31 August 2023, the Governing Body met on 11 separate occasions, as follows:

CORPORATE GOVERNANCE STATEMENT (CONT'D)

Figure 1.1

Schedule of Governing Body meetings and member's attendance

Governing Body Member	Role	No. of Governing Body meetings attended	No. of Governing Body meetings eligible to attend
Mr. Patrick W. Malone	Chairperson	11	11
Ms. Aprilanna Barker	Member	10	11
Dr. Thomas Dooley	Member - Academic Staff	0	0
Ms. Niamh Fallon	Member - Student's Union	4	7
Ms. Amanda-Jane Gainford	Member	9	11
Mr. Fergus Grimes	Member - Non-Academic Staff	11	11
Clr. Clifford Kelly	Vice Chairperson	8	11
Clr. Nick Killian	Member	8	11
Dr. Fiona Lawless	Member - Academic Staff	9	11
Ms. Marianne Lyons	Member	7	9
Mr. Eddie Maguire	Member - Student's Union	4	7
Ms. Brenda McGeeney	Member	9	11
Dr. Michael Mulvey	President (Ex-Officio Member)	0	0
Mr. Aidan McKenna	Member	10	11
Dr. Gerard (Bob) McKiernan	President (Ex-Officio Member)	3	3
Ms. Isabell Murphy	Member	7	11
Dr. Diarmuid O'Callaghan	President (Ex-Officio Member)	6	6
Clr. Damien O'Reilly	Member	11	11
Ms. Anna Shakespeare	Member	9	11
Mr. Bill Sweeney	Member	11	11
Ms. Sadie Ward McDermott	Member	10	11

Dr. Thomas Dooley retired on 2 October 2022 and his membership of Governing Body ceased on that day.

Ms. Niamh Fallon and Mr. Eddie Maguire were appointed on 29 September 2022 and ceased being members on 30 June 2023, in line with their term as Student Union President and Vice President.

Dr. Michael Mulvey's term as President ended on 1 October 2022. Dr. Gerard McKiernan was appointed as President (on an interim basis) on 7 October 2022. Dr. McKiernan retired on 1 January 2023 with Dr. Diarmuid O'Callaghan being appointed as President on 2 January 2023. As ex-officio members their membership of Governing Body commenced and ceases in line with their term as President.

Ms. Marianne Lyons was appointed, as a replacement to Mr. Alex McAllister whose term ended in December 2021, on 29 September 2022.

Mr. Aidan McKenna resigned from the Governing Body on 25 July 2023.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

Vacancies on the Governing Body will be filled in line with the requirements of the Higher Education Authority Act (2022). This legislation has also resulted in the above Governing Body's term coming to an end and a reconstituted Governing Body being appointed on 7 November 2023. This process was in accordance with the procedures approved by the Governing Body and the Minister for Further and Higher Education, Research Innovation and Science during the year ended 31 August 2023.

Dundalk Institute of Technology can confirm that during the period the Governing Body met on one occasion 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, as follows:

Figure 1.2

Schedule of Governing Body Expenses for the year ended 31 August 2023

Governing Body Member	Interview		Employer	
	Fees	Expenses	PRSI	Total Paid
	€	€	€	€
Ms. Amanda Jane Gainford	1,200	-	119	1,319
ClIr. Clifford Kelly	300	-	2	302
Ms. Brenda McGeeney	3,300	-	318	3,618
Mr. Aidan McKenna	1,500	-	152	1,652
Mr. Patrick W. Malone	900	-	54	954
ClIr. Damien O'Reilly	600	133	59	792
Mr. Bill Sweeney	6,300	3,615	615	10,530

Risk Management

The Governing Body approves the Institute's risk management framework and monitors the 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 Board. This review includes an assessment of the principal risks, risk rating and associated mitigations for each of the risks set out in the Institute's Corporate Risk Register.

Finance, Audit and Risk Committee

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 structures
- Rights to discharge duties
- Access to third party stakeholders
- Meetings – timing, conduct and frequency
- Information requirements
- Responsibilities and areas it will provide advice to the Governing Body, to include, amongst others:
 - Strategic processes for risk, internal control and governance

CORPORATE GOVERNANCE STATEMENT (CONT'D)

- Accounting policies, the financial statements, and the Institute's annual report and the annual operating programmes and budgets, including the process for review of the financial statements prior to submission for audit, levels of error identified, and management's letter of representation to the Comptroller and Auditor General
- Planned activity and results of both internal and external audit
- Adequacy of management response to issues identified by audit activity, including Comptroller and Auditor General's management letter of representation
- Assurances relating to the management of risk and corporate governance requirements for the Institute
- Anti-fraud policies, protected disclosure processes, and arrangements for special investigations
- Periodically review its own effectiveness and report the results of that review to the Governing Body.

The Chairperson of 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 figure 1.3(a) below for details of meetings held during the period 1 September 2022 and 31 August 2023.

Figure 1.3 (a)

Schedule of Finance, Audit and Risk (FAR) Committee meetings and member's attendance

Committee Member	Role	No. of FAR meetings attended	No. of FAR meetings eligible to attend
Mr. Bill Sweeney	Chairperson / Governing Body Member	12	12
ClIr. Clifford Kelly	Governing Body Member	5	12
Ms. Celine McAnenly	External Member	4	4
Mr. Aidan McKenna	Governing Body Member	4	6
Mr. James McMahon	External Member	5	6
Mr. Brendan Murtagh	External Member	4	5
Ms. Anna Shakespeare	Governing Body Member	7	12
Ms. Sadie Ward McDermott	Governing Body Member	8	12

Ms. Celine McAnenly was appointed as an external member of the Finance Audit, & Risk Committee on 21 March 2023. Ms. McAnenly replaces Ms. Caroline O'Rourke who resigned as a member of the Committee in January 2021.

Mr. Brendan Murtagh resigned as an external member from the Committee on 6 December 2022 with Mr. James McMahon being appointed as a replacement on 31 January 2023.

Mr. Aidan McKenna resigned from the Committee on 24 January 2023. Mr. McKenna was not replaced on the Committee.

The THEA Code of Governance requires the Finance, Audit and Risk committee to meet on at least 4 occasions throughout the financial year. The Committee met on 12 separate occasions during the year ended 31 August 2023.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

Post year end (December 2023) the Finance, Audit & Risk Committee was split into two separate committees; Finance Committee and Audit, Risk & Compliance Committee. This new structure was adopted by Governing Body to adequately address the increased workload of subcommittees.

Other Committee Meetings

The Governing Body of Dundalk Institute of Technology has also engaged subcommittees with a focus on Land & Buildings, Equality, Diversity & Inclusion, Technological University Project Governance & Oversight and Transition & Nominations. The schedule of meetings and attendance by members is detailed below.

Dr. Tom Dooley membership of all committees ceased, in line with the date of his resignation from the Governing Body, on 2 October 2022.

Ms. Niamh Fallon membership of all committees commenced with her appointment to the Governing Body on 29 September 2022 and ceased on 30 June 2023, in line with her term as Student Union President.

Dr. Michael Mulvey, Dr. Gerard (Bob) McKiernan and Dr. Diarmuid O'Callaghan's membership of all committees commenced and / or ceased in line with the dates of their appointment and cessation of the Governing Body (refer to page 4).

Figure 1.3 (b)

Schedule of Land and Buildings (L & B) Committee meetings and member's attendance

Committee Member	Role	No. of L & B meetings attended	No. of L & B meetings eligible to attend
Cllr. Clifford Kelly	Chairperson / Governing Body Member	7	7
Dr. Tom Dooley	Governing Body Member	0	0
Mr. Fergus Grimes	Governing Body Member	6	7
Cllr. Nick Killian	Governing Body Member	1	1
Ms. Marianne Lyons	Governing Body Member	3	6
Ms. Brenda McGeeney	Governing Body Member	4	6
Mr. Joe McGrath	External Member	6	7
Dr. Gerard (Bob) McKiernan	President	2	2
Dr. Michael Mulvey	President	0	0
Dr. Diarmuid O'Callaghan	President	5	5
Ms. Berni Power	External Member	4	6
Mr. Bill Sweeney	Governing Body Member	7	7

Cllr. Nick Killian resigned from the Committee on 25 October 2022 and was appointed to the Equality, Diversity and Inclusion Committee on that date.

Ms. Marianne Lyons and Ms. Brenda McGeeney were appointed as governing body members to the Committee on 29 November 2022. Ms. Berni Power was appointed as an external member on 29 November 2022.

The Committee met on 7 separate occasions during the year ended 31 August 2023.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

Figure 1.3 (c)

Schedule of Equality, Diversity & Inclusion (EDI) Committee meetings and member's attendance

Committee Member	Role	No. of EDI meetings attended	No. of EDI meetings eligible to attend
Dr. Fiona Lawless	Chairperson / Governing Body Member	4	4
Ms. Aprilanna Barker	Governing Body Member	4	4
Ms. Niamh Fallon	Governing Body Member	0	4
Cllr. Nick Killian	Governing Body Member	0	3
Dr. Gerard (Bob) McKiernan	President	1	2
Dr. Michael Mulvey	President	0	0
Ms. Isabel Murphy	Governing Body Member	2	4
Mr. Hugh Nolan	Vice President for Finance, Resources & Diversity	4	4
Dr. Diarmuid O'Callaghan	President	2	2

Cllr. Nick Killian was appointed as a governing body member on 25 October 2022.

The Committee met on 4 separate occasions during the year ended 31 August 2023.

Figure 1.3 (d)

Schedule of Technological University Project Governance and Oversight Committee (TUPGOC) meetings and member's attendance

Governing Body Member	Role	No. of TUPGOC meetings attended	No. of TUPGOC meetings eligible to attend
Ms. Sadie Ward McDermott	Chairperson / Governing Body Member	2	2
Dr. Thomas Dooley	Chairperson / Governing Body Member	0	0
Ms Naimh Fallon	Governing Body Member	1	2
Mr. Fergus Grimes	Governing Body Member	1	2
Dr. Fiona Lawless	Governing Body Member	2	2
Mr. Patrick W. Malone	Chairperson of the Governing Body	2	2
Dr. Michael Mulvey	President	0	0
Mr. Aidan McKenna	Governing Body Member	1	2
Dr. Gerard (Bob) McKieran	President	1	1
Dr. Diarmuid O'Callaghan	President	1	1
Ms. Anna Shakespeare	Governing Body Member	2	2

Ms. Sadie Ward McDermott was appointed Chairperson by the Governing Body on 25 October 2022.

Mr. Aidan McKenna resigned from the Committee on 25 July 2023. Mr. McKenna was not replaced on the Committee.

The Committee met on 2 separate occasions during the year ended 31 August 2023.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

Figure 1.3 (e)

Schedule of Transition and Nominations Committee (T&N) meetings and member's attendance

Governing Body Member	Role	No. of T&N meetings attended	No. of T&N meetings eligible to attend
Mr. Aidan McKenna	Chairperson / Governing Body Member	4	6
Ms. Anna Shakespeare	Chairperson / Governing Body Member	3	6
Mr. Clifford Kelly	Governing Body Member	1	6
Mr. Bill Sweeney	Governing Body Member	6	6
Ms. Sadie Ward McDermott	Governing Body Member	4	6

The Governing Body established a Transition and Nominations Committee on 28 February 2023. The committee was formed to address requirements arising from the Higher Education Authority Act 2022. All members of the Committee were appointed on this date.

Mr. Aidan McKenna resigned from the Committee on 25 July 2023. Ms. Anna Shakespeare was appointed Chairperson of the Committee on this date.

The Committee met on 6 separate occasions during the year ended 31 August 2023.

Performance Evaluation of the Governing Body and its Committees

The Governing Body conducted a self-assessment of its own performance during August 2022. This review was to cover the period from September 2021 to August 2022. The Governing Body utilised the self-assessment evaluation questionnaire contained within the THEA Code of Governance for this purpose and used an on-line survey tool to ensure all responses were anonymous.

The collation and review of the various member's responses took place post year end and a list of recommendations was considered and subsequently adopted by the Governing Body in February 2023. These recommendations also address the responses from the prior self-assessment, for the period ended 31 August 2021.

A Governing Body self-assessment of their performance did not take place for the year ended 31 August 2023. The last external review that was carried out on the Governing Body and its committee's performance was for the period 2018 – 2020.

General Governance and Accountability Issues

Dundalk Institute of Technology can confirm that the Chief Officer has informed the Higher Education Authority of any governance issues, concerns or major risks.

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 that have not been subject to auction, independent valuation or competitive tendering process and which do not comply with departmental circulars during the financial year.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

Commercially Significant Developments affecting the Institute

Dundalk Institute of Technology can confirm that there were no commercially significant developments that affected the Institute in the year that have not been reported to the Higher Education Authority. The Institute has recorded, and is forecasting to record, financial deficits. The Governing Body and the Executive Board is currently working alongside the Higher Education Authority, in line with an externally commissioned report, to return to a breakeven / surplus generating position. Outside of the above financial situation there are, to the Institute's knowledge, no major issues likely to arise in the short to medium term that will affect the Institute.

There were no new subsidiaries, joint ventures established and nor were there any acquisitions of companies.

Summary of all Off-Balance Sheet Transactions of the Institute

There were no off-balance sheet transactions during the year ended 31 August 2023.

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. A Code of Conduct, specifically for Governing Body members, was adopted by the Governing Body on 26 October 2021.

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 statement's 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 Disclosure Reporting

The Governing Body confirm that procedures for Confidential Disclosure Reporting have been implemented in 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 Institute is currently reviewing its Protected Disclosure Policy in line with the Protected Disclosures (Amendment) Act 2022.

The Governing Body also confirm that the annual report, as required under section 22(1) of the Act has been published.

There were no disclosures made under the Confidential Disclosures process during the year ended 31 August 2023. One investigation, relating to a disclosure in the previous year found, post year end, no relevant wrongdoing (as defined in the Protected Disclosures Act 2014 and the Institute's Protected Disclosure Policy) had taken place.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

Tax Laws

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

Please also refer to financial statement's disclosure note 11.

Legal Disputes

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

Institute Subsidiaries

Dundalk Institute of Technology has three subsidiaries that operate for the following purposes:

Figure 1.4

List of Institute Subsidiaries

<u>Subsidiary Name</u>	<u>Year of Incorporation</u>	<u>Purpose / Function</u>
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 construction and operation of a Connected Health and Wellbeing Innovation and Learning Hub

The Governing Body, on 25 October 2022, adopted a proposal from the Board of Directors of Dundalk College Campus Services Limited to commence the process to cease its operations on the grounds the entity is no longer commercially viable. The company ceased ordinary trade operations in December 2022. The process of winding up the company is on-going at the time of preparing the financial statements.

DkIT Sport Limited and DkIT Connect Designated Activity Company continue to operate solely for the purpose for which they were established and they remain in full compliance with the terms and conditions of the consent under which they were established.

An appropriate Code of Governance was adopted post year end with respect of trading subsidiaries, with annual financial statements provided to the Governing Body for each subsidiary. Please refer to the financial statement's disclosure note 14 for additional detail.

Intellectual Property (IP) and Conflict of Interest

- The Institute confirms that the Institute has in place a single IP policy, published on its website, which reflects the National IP Management Requirements of the national IP Protocol
- The Institute confirms that the Institute has in place a single Conflict of Interest Policy, and that this is published on its website

The Institute confirms that the Governing Body reviews all IP commercialisation and conflicts of interest policies on an annual basis.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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 achievement of Athena SWAN accreditation in April 2021 along with forming both an Executive and Governing Body subcommittee to continuously monitor the Institute's performance in this area.

As at 31 August 2023, the Governing Body had 8 (53%) female and 7 (47%) male members; there were 4 vacancies at that 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 and Subsistence

Dundalk Institute of Technology confirms that Government travel policy requirements are being adhered to.

Schedule of travel and subsistence expenses:

	31 August 2023 €'000	31 August 2022 €'000
Domestic	387	216
International	146	160
	533	376

Schedule of hospitality expenses:

	31 August 2023 €'000	31 August 2022 €'000
Hospitality: Staff events	-	-
Hospitality: Student events	31	33
Hospitality: Other external	104	72
	135	105

Schedule of legal costs:

	31 August 2023 €'000	31 August 2022 €'000
Legal Costs: Professional Fees	151	204
Legal Costs: Settlements	-	-
	151	204

CORPORATE GOVERNANCE STATEMENT (CONT'D)

Schedule of professional fees:

	31 August 2023 €'000	31 August 2022 €'000
Professional Fees: Legal	151	204
Professional Fees: Tax & financial advisory	22	19
Professional Fees: Public relations/ marketing	43	33
Professional Fees: Pensions & human resources	38	36
Professional Fees: Other	122	177
	376	469

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.



Prof. Thomas Collins
Chairperson

11 JUNE 2024

Date



Dr. Diarmuid O'Callaghan
President

11 JUNE 2024

Date

STATEMENT ON SYSTEM OF INTERNAL CONTROLS

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 2023 and up until the date of approval of the financial statements.

Annual Review of the Effectiveness of Internal Control

The Finance, Audit & Risk committee conducted an annual review of the effectiveness of the system of internal control for the year ended 31 August 2023 on 31 October 2023 and this was presented to and approved by the Governing Body on 7 November 2023.

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

No breaches or weaknesses in internal control, which would have resulted in any material losses or fraud, were identified that consequently would have required disclosure in the Institute's Statement of System of Internal Controls.

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.
- 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, internal audit function and regular reporting to the Governing Body, via the Finance, Audit and Risk Committee, on financial results.

STATEMENT ON SYSTEM OF INTERNAL CONTROLS (CONT'D)

Business Risks

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

- Adoption of a Risk Management Policy and development of a Risk Register.
- Identifying key risks, risk owners and the controls to mitigate these risks.
- Developing annual and longer-term targets and reporting on results achieved.
- Development of an Internal Control Framework.
- A comprehensive budgeting system with an annual budget that is reviewed and agreed by the Governing Body.
- Regular reviews by the Governing Body and its committees of periodic and annual financial reports that indicate financial performance against forecasts.
- Setting targets to measure financial and other performances.
- Clearly defined capital investment control guidelines.

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

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 with €146,976 of expenditure being incurred where the procedures employed did not comply with the guidelines. Each instance of non-compliance identified is being investigated with mitigating actions being enacted to reduce any futures instances of non-compliance.

Salary Overpayments

The Institute have identified 13 instances of overpayment of wages to members of staff. These overpayments totalled €23,761 with €14,213 fully repaid by 31 August 2023. Repayment plans have been agreed with the remainder of staff members concerned. Each instance of a salary overpayment is investigated with additional internal controls being initiated where appropriate.

Internal Audit

A number of internal audit recommendations remain open (in-progress etc.) across a variety of internal audit reports. The Executive, in conjunction with the Finance, Audit & Risk Committee and

STATEMENT ON SYSTEM OF INTERNAL CONTROLS (CONT'D)

Governing Body, have reviewed and prioritised these recommendations to ensure high impact actions are being progressed without delay. The Audit Risk & Compliance Committee receive regular updates from the Executive and are satisfied a suitable plan is in place to address these recommendations.

Bank Accounts

The Executive Board and Governing Body became aware of six bank accounts (a cumulative balance of €29,187 at 31 August 2022) that were in existence across the Institute for a number of years in June 2022. These bank accounts were closed during the year ended 31 August 2023.

The Executive Board undertook a communications campaign during the year ended 31 August 2023 highlighting the need for the Finance Team to be made aware of any additional bank accounts in place across the Institute. As a result of this communication campaign a further 13 bank accounts were identified.

Of the 13 bank accounts, 8 bank accounts were classified as being closed/dormant and 4 bank accounts did not relate to the Institute's activities (the Institute's postal address was being used incorrectly on the bank accounts). One bank account with a balance of €868 related to historical activities within DkIT. The Institute will close this bank account post year end.

A Treasury Policy has been developed and approved by the Governing Body. This policy is widely available and outlines the process of the opening and closing of bank accounts or any other banking arrangements.

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 his management letter.

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:



Prof. Thomas Collins
Chairperson

11 JUNE 2024

Date



Dr. Diarmuid O'Callaghan
President

11 JUNE 2024

Date



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 2023 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 2023 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.

Going concern

The members of the Governing Body have prepared the financial statements on a 'going concern' basis, as explained in note 2(a).

The Institute incurred an operating deficit of €1.08 million in the year of account, and had also incurred deficits in each of the previous three years. These deficits have resulted in a reduction in the Institute's income and expenditure reserve.

An independent consultant was appointed to review the situation. A report including 29 recommendations was furnished to the Institute in September 2022, and a sustainability plan was adopted by the Governing Body in November 2022. Implementation of the plan is ongoing.

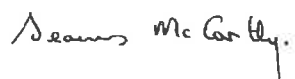
Up-dated financial projections forecast that the Institute will return to a breakeven position in 2023/2024. Based on this, the members of the Governing Body are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

Report of the C&AG (continued)

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 annual report, 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 regard.

A handwritten signature in black ink that reads "Seamus McCarthy". The signature is written in a cursive style with a small dot at the end.

Seamus McCarthy
Comptroller and Auditor General

18 June 2024

Appendix to the report

Responsibilities of Governing Body members

The corporate governance statement sets out the Governing Body's for

- the preparation of annual 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.

I 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.

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.

CONSOLIDATED AND INSTITUTE STATEMENT OF COMPREHENSIVE INCOME

	Note	Current Year 31 August 2023		Previous Year 31 August 2022	
		Consolidated €000's	Institute €000's	Consolidated €000's	Institute €000's
Income					
State grants	3	29,946	29,946	27,318	27,318
Tuition fees and student contribution	4	20,294	20,294	19,759	19,759
Research grants & contracts	5	5,219	5,219	5,349	5,349
Student support funding	7	591	591	657	657
Other income	8	5,629	3,651	5,325	3,449
Amortisation of deferred capital grants	19	3,629	3,629	3,515	3,515
Interest income		1	1	-	-
Deferred pension funding	25	14,825	14,825	13,742	13,742
Total Income					
		80,134	78,156	75,665	73,789
Expenditure					
Staff costs	9	48,348	48,049	45,175	44,863
Retirement benefit cost	25	14,825	14,825	13,742	13,742
Other operating expenses	10	14,284	12,524	14,339	12,769
Depreciation	13	3,757	3,757	3,646	3,646
Total Expenditure					
		81,214	79,155	76,902	75,020
Surplus / (deficit) for the year before tax and other gains and losses		(1,080)	(999)	(1,237)	(1,231)
Taxation	11	-	-	-	-
Surplus / (deficit) for the year before other gains and losses					
		(1,080)	(999)	(1,237)	(1,231)
Actuarial Gains					
Experience (losses)/gains on retirement benefit obligations		-	-	-	-
Reduction in pension liabilities arising from retirements in the year		7,779	7,779	10,451	10,451
Changes in assumptions underlying the present value of retirement benefit obligations	25	17,418	17,418	72,540	72,540
Total actuarial gains in the year					
		25,197	25,197	82,991	82,991
Adjustment to deferred retirement benefits funding	25	(25,197)	(25,197)	(82,991)	(82,991)
Total comprehensive (loss)/income for the year		(1,080)	(999)	(1,237)	(1,231)

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

CONSOLIDATED AND INSTITUTE STATEMENT OF COMPREHENSIVE INCOME (CONT'D)

Notes 1-28 form part of these financial statements.

Signed on behalf of the Governing Body



Chairperson: Prof. Thomas Collins



President: Dr. Diarmuid O'Callaghan

Date: 11 JUNE 2024

Date: 11 JUNE 2024

CONSOLIDATED AND INSTITUTE STATEMENT OF CHANGES IN RESERVES AND CAPITAL

	Note 19 Consolidated Deferred Capital Grants €000's	Note 19 Institute Deferred Capital Grants €000's	Note 20 Consolidated Capital Develop. Reserve €000's	Note 20 Institute Capital Develop. 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 2021	80,034	79,927	1,268	1,268	4,850	4,523	86,152	85,718
Surplus for the year before appropriations	-	-	-	-	(1,237)	(1,231)	(1,237)	(1,231)
Amortisation of deferred capital grants	(3,515)	(3,515)	-	-	-	-	(3,515)	(3,515)
State grant allocated to capital	4,719	4,719	-	-	-	-	4,719	4,719
Other grant allocated to capital	296	163	-	-	-	-	296	163
Restatement of fixed assets	-	-	-	-	-	-	-	-
Transfer from Capital Development Reserve	-	-	(98)	(98)	-	-	(98)	(98)
Balance at 31 August 2022	81,534	81,294	1,170	1,170	3,613	3,292	86,317	85,756
Surplus for the year before appropriations	-	-	-	-	(1,080)	(999)	(1,080)	(999)
Amortisation of deferred capital grants	(3,629)	(3,629)	-	-	-	-	(3,629)	(3,629)
State grant allocated to capital	6,791	6,791	-	-	-	-	6,791	6,791
Other grant allocated to capital	204	196	-	-	-	-	204	196
Restatement of fixed assets	-	-	-	-	-	-	-	-
Transfer from Capital Development Reserve	-	-	-	-	-	-	-	-
Balance at 31 August 2023	84,900	84,652	1,170	1,170	2,533	2,293	88,603	88,115

Notes 1-28 form part of these financial statements.

CONSOLIDATED AND INSTITUTE STATEMENT OF CHANGES IN RESERVES AND CAPITAL (CONT'D)

Signed on behalf of the Governing Body:



Chairperson: Prof. Thomas Collins

Date: 11 JUNE 2024



President: Dr. Diarmuid O'Callaghan

Date: 11 JUNE 2024


Dundalk Institute of Technology
Financial Statements for the year ended 31 August 2023

CONSOLIDATED AND INSTITUTE STATEMENT OF FINANCIAL POSITION

	Note	Current Year 31 August 2023		Previous Year 31 August 2022	
		Consolidated €000's	Institute €000's	Consolidated €000's	Institute €000's
Non Current Assets					
Fixed Assets	13	89,430	89,189	86,192	85,959
		89,430	89,189	86,192	85,959
Current Assets					
Inventory		-	-	5	-
Receivables	15	5,826	5,947	4,078	4,051
Cash and Cash Equivalents	16	11,189	10,627	10,311	9,569
		17,015	16,574	14,394	13,620
Less Payables: amounts falling due within 1 year	17	(17,842)	(17,648)	(14,269)	(13,823)
Net Current Assets / (Liabilities)		(827)	(1,074)	125	(203)
Total Assets less Current Liabilities		88,603	88,115	86,317	85,756
Provision for Amounts and Charges:					
Retirement Benefits					
Retirement Benefit Obligations	25	(177,690)	(177,690)	(185,645)	(185,645)
Deferred Retirement Benefit Funding Asset	25	177,690	177,690	185,645	185,645
Total Net Assets		88,603	88,115	86,317	85,756
Deferred Capital Grants	19	84,900	84,652	81,534	81,294
Unrestricted Reserves					
Income & Expenditure Reserve		2,533	2,293	3,613	3,292
Capital Development Reserve	20	1,170	1,170	1,170	1,170
Total		88,603	88,115	86,317	85,756

Notes 1-28 form part of these financial statements

Signed on behalf of the Governing Body


Chairperson: Prof. Thomas Collins


President: Dr. Diarmuid O'Callaghan

Date: 11 JUNE 2024

Date: 11 JUNE 2024


Dundalk Institute of Technology
Financial Statements for the year ended 31 August 2023


CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended 31 August 2023 €000's	Year ended 31 August 2022 €000's
Net Cash Inflow/Outflow from Operating Activities		
Excess income over expenditure	(1,080)	(1,237)
Depreciation of fixed assets	3,757	3,646
(Profit) / loss on the disposal of property, plant & equipment	-	(50)
Amortisation of deferred capital grants	(3,629)	(3,515)
(Increase)/decrease in inventory	5	8
(Increase)/decrease in receivables	(1,748)	(453)
Increase/(decrease) in payables	3,573	209
Interest income	(1)	-
State funds allocated to capital	6,791	4,719
Other funds allocated to capital	204	296
Capital Development Reserve movement	-	(98)
Net Cash Inflow from Operating Activities	7,872	3,525
Cash Flows from Investing Activities		
Payments to acquire property, plant & equipment	(6,995)	(5,015)
Proceeds on the disposal of property, plant & equipment	-	250
Net Cash Flows from Investing Activities	(6,995)	(4,765)
Cash Flows from Financing Activities		
Interest received	1	-
Net Cash Flows from Financing Activities	1	-
Net (Decrease)/ Increase in cash equivalents in the year	878	(1,240)
Cash and cash equivalents at 1 September	10,311	11,551
Cash and cash equivalents at 31 August	11,189	10,311

Notes 1-28 form part of these financial statements.

Signed on behalf of the Governing Body


Chairperson: Prof. Thomas Collins


President: Dr. Diarmuid O'Callaghan

Date: 11 JUNE 2024

Date: 11 JUNE 2024

NOTES TO THE FINANCIAL STATEMENTS

1. Significant Accounting Policies

The accounting policies that 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

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 (€) given 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 group financial statements consolidate the financial statements of the Institute and its subsidiary undertakings made up to 31 August 2023.

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

There were no foundations or trusts in operation at 31 August 2023.

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
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Residual value represents the estimated amount that 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. These assets are not depreciated until they are brought into use.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

(ii) Equipment

From 1 September 2009, equipment costing less than €3,000 per individual item is written off to the income and expenditure account 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. The only exception to this policy is laptops as all such devices are capitalised in the financial statements. All other equipment is capitalised at cost. Capitalised equipment is depreciated on a straight-line basis over its useful economic life as follows:

Fixtures and fittings including prefabs	10 years
Computer equipment	3 years
Educational and administrative equipment	5 years
Furniture	5 years
Motor vehicles	5 years

All equipment funded from research grants and contracts are depreciated over the life of the assets in line with the policy for all other fixed assets.

Artworks 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.

e. Inventory

Inventory is stated at lower of cost and net realisable value.

f. Impairment of assets

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

Financial Assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

g. Taxation

(i) Corporation Tax & VAT

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, 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 period's difference 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 state 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 the depreciation charged over the life of the assets.

(ii) Fee Income

Fee income is accounted for on an accruals basis.

(iii) Research Grants and Contracts

Income from research grants and contracts is matched to expenditure and included in the year the expenditure is incurred unless the grant has performance related conditions or restrictions associated with it. 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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.

In all cases minor capital works funding is matched to expenditure and included in the year the expenditure is incurred.

(v) Income from Short-Term Deposits

All income from short-term deposits is credited to the income and expenditure account in the period in which it is earned.

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).

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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 scheme and each company operates its own private scheme.

(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

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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.

I. 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 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 and are time phased and with estimates of costs.

2. Critical Accounting Judgements and Key Sources of Estimation

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

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 process of applying the Institute's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

a. Going Concern

The Institute recorded deficits for the financial years 2019/20, 2020/21, 2021/22 and 2022/23 (current year). Current projections forecast the Institute will return to a break-even situation in 2023/24. On foot of these financial deficits the Institute engaged with the Higher Education Authority and an independently appointed third party to review the current financial projections and also to prepare a Sustainability Plan. This engagement and field work took place between May and July 2022 with a report being furnished to the Institute in September 2022.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

The Institute has adopted the above report and 29 recommendations therein. A Sustainability Plan, in addition to updated financial projections, were developed by the Executive Board and adopted by the Finance, Audit and Risk Committee and Governing Body in November 2022. The Finance Committee are taking an active role in monitoring the progress of the Institute in implementing this Sustainability Plan.

Updated financial projections, including cash-flow forecasts, were approved by the Governing Body in March 2024 as part of the Programmes and Budgets process. The Governing Body are satisfied, having reviewed these detailed projections, and the Institute's progress in implementing the Sustainability Plan, 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 continues to assess the ongoing and projected financial and operational impacts. The Governing Body have conducted a review of the expected financial impact of COVID-19 and was satisfied that there is sufficient funding for the Institute to meet its liabilities as they fall due and to continue as a going concern. The Governing Body further considered this matter on the approval of the financial statements. 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 Governing Body will continue to monitor the evolving financial and operational impacts of COVID-19.

c. **Provision for Doubtful Debts**

The Institute makes an estimate of the recoverable value of student fees owing 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 and mortality rates) are updated annually based on current economic conditions, and for any relevant changes to the terms and conditions of the pension and post-retirement plans.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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.

e. Holiday Pay

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. Establishing Lives for Property, Plant and Equipment Depreciation Purposes

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. State Grants

	Allocated for recurrent expenditure €000's	Allocated for capital expenditure €000's	2023 Total €000's	2022 Total €000's
Recurrent Expenditure - HEA	27,627	207	27,834	23,897
State Grant - HCI Pillar 2 funding	313	-	313	285
State Grant - Pay claim	1,067	-	1,067	-
State Grant - Operational costs	241	-	241	-
State Grant - HEA COVID support	-	-	-	1,124
State Grant - Apprentice syllabus	-	-	-	47
State Grant - Apprentice equipment	-	-	-	50
State Grant - Minor capital works - HEA	698	423	1,121	3,236
State Grant - Capital Works	-	6,161	6,161	3,398
EU funded capital grants	-	38	38	45
Capital expenditure - other	-	158	158	118
Total 2023	29,946	6,987	36,933	32,200
Total 2022	27,318	4,882	32,200	

Included in the recurrent grant allocation from the HEA in 2023 an amount of €nil (2022: €1,123,685) relates to funding specifically associated with meeting the extra costs incurred in response to COVID-19.

4. Tuition Fees and Student Contribution

	2023				2022			
	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	2,975	4,339	-	4,339	3,134	4,634	-	4,634
Fees paid by other state agencies	-	110	-	110	-	161	-	161
Non EU Fees	535	-	4,246	4,246	411	-	3,202	3,202
Fees paid by students or on behalf of students	431	-	473	473	295	-	317	317
Life Long Learning and other fees	666	133	671	804	599	111	615	726
Student Contribution incl. repeat exam fees	-	6,539	3,783	10,322	-	5,596	5,123	10,719
Student Numbers / Net Fee Income	4,607	11,121	9,173	20,294	4,439	10,502	9,257	19,759

The Higher Education Authority paid tuition fees in the year of €1,433,743 (2022: €1,529,265) for full time Level 8-degree courses, €208,875 (2022: €223,250) for higher certificate and ordinary degree courses and €645,798 (2022: €750,403) for Springboard/ICT Skills, the total costs of which are part funded by the ESF. €285,395 was received in 2023 (2022: €249,792) as part of the Human Capital Initiative Pillar I funding and €26,784 (2022: €23,589) was received from the HEA as part of the July Stimulus programme.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

The Higher Education Authority paid €1,738,892 in the year ended 31 August 2023 (2022: €1,857,966) in respect of the tuition fee element for full time nursing degree students.

SUSI paid student contribution fees in the year of €6,538,797 in the year ended 31 August 2023 (2022: €5,596,109).

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

5. Research Grants and Contracts

	2023 Total €000's	2022 Total €000's
Income		
State and semi state	3,804	2,241
European Union	1,253	2,861
Industry	46	15
Other	116	232
Total income	5,219	5,349
Expenditure		
Pay costs	3,605	3,406
Non-pay costs	1,937	2,124
Total expenditure	5,542	5,530
Net Outcome	(323)	(181)

Refer to note 6 for an analysis of state and semi-state grants and contracts

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. Analysis of State Derived Income

Name of Grantor	Op Deferral 1 Sept. 2022 €000's	Grant Received €000's	CL Deferral 31 Aug. 2023 €000's	I&E 2023 €000's	I&E 2022 €000's
Note 3 - State Grant					
HEA	1,759	38,121	(3,143)	36,737	32,037
Other State funding	-	196	-	196	163
Allocated for capital expenditure	-	(6,987)	-	(6,987)	(4,882)
Total State Income	1,759	31,330	(3,143)	29,946	27,318
Note 4 - Tuition Fees / Student Contribution Charges					
Higher Education Authority	-	4,339	-	4,339	4,634
Health Service Executive	-	110	-	110	161
Life Long Learning and other fees	-	133	-	133	111
Student Universal Support Ireland	-	6,539	-	6,539	5,596
Total State Income	-	11,121	-	11,121	10,502
Note 5 - Research & Contracts					
An Foram Uisce	(13)	32	(5)	14	41
Department of Further and Higher Education, Research, Innovation & Science	(28)	171	31	174	150
Enterprise Ireland	979	659	(410)	1,228	820
Environmental Protection Agency	(8)	17	(9)	-	(4)
Higher Education Authority	777	3,186	(1,827)	2,136	1,055
Health Service Executive	18	-	(18)	-	6
Irish Research Council	10	61	(22)	49	23
Louth County Council	-	3	(3)	-	3
Marine Institute	(3)	-	3	-	3
Public Water Forum	4	-	(3)	1	2
Sustainable Energy Authority of Ireland	(4)	(3)	59	52	48
Science Foundation Ireland	(137)	699	(414)	148	88
Royal Irish Academy	4	-	(2)	2	6
Total State Income	1,599	4,825	(2,620)	3,804	2,241
Note 7 - Student Support Funding					
Higher Education Authority	3	591	(3)	591	657
Total State Income	3	591	(3)	591	657

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. Student Support Funding

	2023 Disabilities €000's	2023 Assistance €000's	2023 Total €000's	2022 Total €000's
Balance at 1 September	3	-	3	3
Receipts:				
Higher Education Authority	159	432	591	657
Total Receipts	162	432	594	660
Amounts Applied:				
Pay costs	26	-	26	17
Non-pay costs	133	432	565	632
Total Expenditure	159	432	591	649
Equipment	-	-	-	8
Balance at 31 August	3	-	3	3

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

	31 August 2023		31 August 2022	
	Consolidated €000's	Institute €000's	Consolidated €000's	Institute €000's
Superannuation deductions retained	1,846	1,846	1,786	1,786
Bank concession fee	190	190	190	190
Sundry income	1,591	1,615	1,408	1,473
Subsidiary company income	2,002	-	1,941	-
Net Outcome	5,629	3,651	5,325	3,449

Sundry income comprises numerous miscellaneous items including Erasmus income, social welfare income, bursaries, career fairs, parking receipts, contribution from catering and vending facilities.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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:

	2023 No. of employees	2022 No. of employees
Teaching and research	350	338
Technical	45	44
Central administration and services	184	193
	579	575

	31 August 2023 €'000	31 August 2022 €'000
Salaries & wages (including employers PRSI)	47,683	44,490
Overtime	168	146
Allowances	87	84
Employer pension costs	111	143
Subsidiary staff costs (including employers PRSI)	299	312
	48,348	45,175

Key management compensation

For the purposes of this note, key management personnel in the Institute includes the Governing Body, President, Vice President for Academic Affairs and Registrar, Vice President for Finance, Resources and Diversity, Vice President for Strategy, Communications and Development and the four Heads of School.

		2023						2022
	WTE	Salary €'000	Fees €'000	Employee Benefits €'000	Post - Employ. Benefits €'000	Termin. Payments €'000	Total Compen. €'000	Total Compen. €'000
Governing Body Members	17	-	14	-	-	-	14	24
President (1 Sept. 2022 - 1 Oct. 2022)	0	27	-	-	-	-	27	166
President (7 Oct. 2022 - 1 Jan. 2023)	0	41	-	-	-	-	41	0
President (2 Jan. 2023 onwards)	1	110	-	-	-	-	110	0
Executive Board	7	853	-	-	-	-	853	891
	25	1,031	14	-	-	-	1,045	1,081

Post-employment benefits of key management and the President

Seven members of the executive management team are members of the relevant educational sector pension scheme. The pension scheme is a defined benefit final salary pension arrangement

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

with benefits and contributions defined by reference to current model public sector scheme regulations only.

All Presidents were members of public service pension scheme and their entitlement does not extend beyond the terms of this scheme. The value of their retirement benefit earned in the period is not included in the above.

Termination payments

The value of terminate payments to staff during the year was €65,133 (2022: €69,393). These payments relate to staff previously employed by a subsidiary company. No staff member employed by the Institute received a severance payment during the year ended 31 August 2023.

Employee Benefits

The table below provides details of employees earning €60,000 or more in salary bands of €10,000. The below is based on pro rata earnings for the year ended 31 August 2023:

	Year ended 31 August 2023		Year ended
	Consolidated	Institute Only	31 August 2022 Consolidated
€60,000 - €70,000	54	53	68
€70,001 - €80,000	52	52	57
€80,001 - €90,000	27	26	51
€90,001 - €100,000	139	139	126
€100,001 - €110,000	19	19	10
€110,001 - €120,000	12	13	4
€120,001 - €130,000	3	3	2
€130,001 - €140,000	3	3	0
€140,001 - €150,000	0	0	0
€150,001 - €160,000	0	0	0
€160,001 - €170,000	0	0	1
€170,001 - €180,000	1	1	0
€180,001 +	0	0	0
Grand Total	310	309	319

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10. Operating Expenses

	2023				2022
	Pay Costs €000's	Depreciation €000's	Operating Expenses €000's	Total €000's	Total €000's
Capital projects	-	2,955	-	2,955	2,944
Research grants and contracts	3,605	224	1,937	5,766	5,773
Academic department	33,798	53	1,332	35,183	32,746
Academic services	1,955	7	674	2,636	2,588
Facilities costs	1,315	15	2,564	3,894	3,503
Central administration and services	5,921	486	4,641	11,048	10,976
General education expenses	157	-	73	230	161
Student services	1,272	8	738	2,018	1,927
Student support	26	9	565	600	660
Subsidiary undertakings	299	-	1,760	2,059	1,882
Total Expenditure	48,348	3,757	14,284	66,389	63,160
Total 2022	45,175	3,646	14,339		

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Analysis of other Operating Expenditure

	Consolidated 2023 €000's	Consolidated 2022 €000's
Materials & other consumables	9	12
Light, heat & power	798	701
Library materials	217	218
Travel & subsistence	533	376
Printing, stationery, postage and other office expenses	278	219
Equipment maintenance	4	11
Premises maintenance	652	593
Premises contract alarms	36	9
Grounds	93	87
Computer costs	794	964
Class & library materials	674	657
Rent, rates and insurance costs	566	495
Recruitment, training etc.	53	73
External audit fees	27	52
Internal audit fees	42	58
Student support funding	931	990
Health service	75	76
Subsidiary undertakings	1,760	1,570
Communications	64	54
Equipment	388	1,095
Transfer to project partners	640	1,258
Advertising & marketing	549	590
Professional fees	376	469
Laboratory costs	199	138
Research costs	67	138
Courses, conferences	40	47
Catering	135	105
Cleaning	685	670
Training/ seminars	102	109
Security, health & safety	239	448
Bank charges	37	67
General education	2,527	1,307
Impairment of student receivables	46	153
Impairment provision for a subsidiary balance owing	114	-
Loss/(profit) on disposal of fixed assets	-	(50)
Other expenses	534	580
Total other operating expenses	14,284	14,339
Auditors Remuneration		
Audit of the Institute by the C&AG	41	52
Internal audit services provided by a third party	27	58
External audit of subsidiaries	9	9
Total	77	119

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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 €74 (2022: €nil) for the year ended 31 August 2023. There was a €nil corporation tax charge in Dundalk College Campus Services Ltd for the year ended 31 August 2023 (2022: €nil). There was also a €nil corporation tax charge in DKIT Connect DAC for the year ended 31 August 2023 (2022: €nil).

12. Financial Result for the year

	Year ended 31 August 2023 €'000	Year ended 31 August 2022 €'000
Institute (deficit)/surplus for the year	(999)	(1,231)
(Loss)/surplus generated by subsidiaries and other undertakings	(81)	(6)
(Deficit)/Surplus for the year	(1,080)	(1,237)

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
Cost								
At 1 September 2022	126,192	4,688	823	11,423	8,267	46	329	151,768
Additions in year	-	6,161	-	593	233	-	8	6,995
Disposals in year	-	-	-	(126)	(57)	-	-	(183)
At 31 August 2023	126,192	10,849	823	11,890	8,443	46	337	158,580
Depreciation								
At 1 September 2022	47,949	-	821	9,798	6,877	35	96	65,576
Charge for year	2,502	-	-	447	802	6	-	3,757
Eliminated on disposals	-	-	-	(126)	(57)	-	-	(183)
At 31 August 2023	50,451	-	821	10,119	7,622	41	96	69,150
Net book value								
At 31 August 2023	75,741	10,849	2	1,771	821	5	241	89,430
At 1 September 2022	78,243	4,688	2	1,625	1,390	11	233	86,192

Operating lease / equipment rental commitments at 31 August 2023 amounted to €144,000 (2022: €192,000).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

13. Property, Plant and Equipment (continued) in respect prior year – consolidated

	Land and buildings €'000	Assets under construction €'000	Furniture €'000	Equipment €'000	Computer Equipment €'000	Motor Vehicles €'000	Subsidiary Equipment €'000	Total €'000
Cost								
At 1 September 2021	126,374	1,290	823	10,753	7,471	46	196	146,953
Additions in year	18	3,398	-	670	796	-	133	5,015
Disposals in year	(200)	-	-	-	-	-	-	(200)
At 31 August 2022	126,192	4,688	823	11,423	8,267	46	329	151,768
Depreciation								
At 1 September 2021	45,447	-	821	9,392	6,147	27	96	61,930
Charge for year	2,502	-	-	406	730	8	-	3,646
Eliminated on disposals	-	-	-	-	-	-	-	-
At 31 August 2022	47,949	-	821	9,798	6,877	35	96	65,576
Net book value								
At 31 August 2022	78,243	4,688	2	1,625	1,390	11	233	86,192
At 1 September 2021	80,927	1,290	2	1,361	1,324	19	100	85,023

During the year ended 31 August 2022 an item of property was sold by way of a 950-year lease. This lease includes a covenant that the lessee must develop the property within eight years of the start of the lease. If this covenant is breached, DkIT have the right to reclaim this piece of land. In considering accounting treatment for the sale the Institute have considered the transfer of risks and rewards and have concluded that the sale does transfer substantially all of the risks and rewards to lessee. On this basis DkIT have recognised the disposal of the property in the current period and the gain / loss is recognised in the statement of comprehensive income.

Operating lease / equipment rental commitments at 31 August 2022 (re DkIT Sport Limited) amounted to €192,000 (2021: €nil).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

13. Property, Plant and Equipment (continued) in respect of current year – Institute only

	Land and buildings €'000	Assets under construction €'000	Furniture €'000	Equipment €'000	Computer Equipment €'000	Motor Vehicles €'000	Total €'000
Cost							
At 1 September 2022	126,192	4,688	823	11,423	8,267	46	151,439
Additions in year	-	6,161	-	593	233	-	6,987
Disposals in year	-	-	-	(126)	(57)	-	(183)
At 31 August 2023	126,192	10,849	823	11,890	8,443	46	158,243
Depreciation							
At 1 September 2022	47,949	-	821	9,798	6,877	35	65,480
Charge for year	2,502	-	-	447	802	6	3,757
Eliminated on disposals	-	-	-	(126)	(57)	-	(183)
At 31 August 2023	50,451	-	821	10,119	7,622	41	69,054
Net book value							
At 31 August 2023	75,741	10,849	2	1,771	821	5	89,189
At 1 September 2022	78,243	4,688	2	1,625	1,390	11	85,959

Operating lease / equipment rental commitments at 31 August 2023 (Institute only) amounted to €nil (2022: €nil).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

13. Property, Plant and Equipment (continued) in respect prior year – Institute only

	Land and buildings €'000	Assets under construction €'000	Furniture €'000	Equipment €'000	Computer Equipment €'000	Motor Vehicles €'000	Total €'000
Cost							
At 1 September 2021	126,374	1,290	823	10,753	7,471	46	146,757
Additions in year	18	3,398	-	670	796	-	4,882
Disposals in year	(200)	-	-	-	-	-	(200)
At 31 August 2022	126,192	4,688	823	11,423	8,267	46	151,439
Depreciation							
At 1 September 2021	45,447	-	821	9,392	6,147	27	61,834
Charge for year	2,502	-	-	406	730	8	3,646
Eliminated on disposals	-	-	-	-	-	-	-
At 31 August 2022	47,949	-	821	9,798	6,877	35	65,480
Net book value							
At 31 August 2022	78,243	4,688	2	1,625	1,390	11	85,959
At 1 September 2021	80,927	1,290	2	1,361	1,324	19	84,923

Operating lease commitments / equipment rental at 31 August 2022 (Institute only), in line with the above, amounted to €nil (2021: €nil).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

14. Subsidiary Undertakings and Investments

The Institute holds an interest in the following subsidiaries and joint ventures:

Name:	Dundalk Campus College Services Limited
Registered Office:	Dundalk Institute of Technology, Dublin Road, Dundalk, Co. Louth.
% owned by Dundalk Institute of Technology:	100%
Activities:	Dundalk Campus College Services Limited's principal activity is the sale of stationery, text books and related services.
Profit/(Loss) for the year:	(€103,904)
Net Assets/(Liabilities) at statement of financial position 31 August 2023:	(€113,143)

Name:	DkIT Sport Ltd
Registered Office:	Dundalk Institute of Technology, Dublin Road, Dundalk, Co. Louth.
% owned by Dundalk Institute of Technology:	100%
Activities:	DkIT Sport Limited's principal activity is the operation and management of a gym and leisure complex.
Profit for the year:	€23,528
Net Assets at statement of financial position 31 August 2023:	€353,943

Name:	DkIT Connect DAC
Registered Office:	Dundalk Institute of Technology, Dublin Road, Dundalk, Co. Louth.
% owned by Dundalk Institute of Technology:	100%
Activities:	DkIT Connect DAC's principal activity is the construction and operation of a Connected Health and Wellbeing Innovation and Learning Hub located on land leased from Dundalk Institute of Technology.
Profit for the year:	€nil
Net Assets at statement of financial position 31 August 2023:	€100

Refer to the Corporate Governance Statement section "Institute subsidiaries" for additional detail.

Refer to note 15 regarding the provision for a potential impairment of a balance owing to Dundalk Institute of Technology from Dundalk Campus College Services Limited.

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:

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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	1.79
Tapa Healthcare DAC	Provides several services for hospital managements through its READS software platform. READS is a bedside clinical assessment tool that provides	1.75

The above investments are held in private limited companies meaning a market value would be subjective and not easily obtained by the Governing Body. The value of the investments is therefore included in the financial statements at cost (€nil).

The financial statements for the year ended 31 August 2022 incorrectly reflected the DkIT's shareholding as being 1.77%. The correct shareholding is 1.79%.

Tapa Healthcare DAC has ceased trading and is currently in the process of being liquidated by the Directors of the company.

15. Receivables

	Consolidated		Institute	
	2023	2022	2023	2022
	€'000	€'000	€'000	€'000
Research grants and contracts receivable	1,624	1,551	1,624	1,551
State grant receivable	533	164	533	164
Academic fees receivable	439	366	439	366
Impairment of student receivables	(396)	(350)	(396)	(350)
Prepayments and accrued income	493	369	493	369
Trade receivables	429	94	429	94
Other receivables	393	243	299	143
Other capital funding receivable	2,311	1,641	2,311	1,641
Amounts due from subsidiary undertakings	-	-	215	73
	5,826	4,078	5,947	4,051

Amounts due from subsidiary undertakings includes an amount of €197,503 owing from Dundalk Campus College Services Limited to Dundalk Institute of Technology. Dundalk Campus College Services Limited is in the process of being wound up and therefore the Institute has reason to believe €114,130 of this balance owing will not be recoverable. An impairment for this amount has been provided for in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

16. Cash and Cash Equivalents

	Consolidated		Institute	
	2023	2022	2023	2022
	€'000	€'000	€'000	€'000
Cash at bank including balances held on short term deposit	11,189	10,311	10,627	9,569
	11,189	10,311	10,627	9,569

17. Payables: Amounts falling due within one year

	Consolidated		Institute	
	2023	2022	2023	2022
	€000's	€000's	€000's	€000's
Research grants and contracts in advance	3,571	2,370	3,571	2,370
Deferred income student support funding	118	108	118	108
Trade payables	10	162	10	162
State grants received in advance	3,143	1,759	3,143	1,759
Other tax and social security	1,328	1,276	1,328	1,276
Other payables	1,134	1,058	604	344
Accruals	3,298	3,826	3,298	3,826
Tuition fees received in advance	3,370	2,549	3,370	2,549
Other amounts received in advance	1,822	1,113	1,822	1,113
Leases (note 18)	48	48	-	-
Amounts owed to subsidiary undertakings	-	-	384	316
Total Creditors	17,842	14,269	17,648	13,823

18. Lease Commitments

DkIT Sport Limited had entered into a lease / equipment rental contract with Third Level Fitness Ltd for the supply of fitness equipment.

The following is a schedule of the payments under this contract:

	Consolidated		Institute	
	2023	2022	2023	2022
	€000's	€000's	€000's	€000's
Within 1 Year	48	48	-	-
Between 2 and 5 years	96	144	-	-
Greater than 5 years	-	-	-	-
	144	192	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

19. Deferred State Capital Grants

	Consolidated		Institute	
	2023	2022	2023	2022
	€000's	€000's	€000's	€000's
Opening balance at 1 September	81,534	80,034	81,294	79,927
State Capital Grants received in year				
Allocated from State recurrent grant - HEA	207	88	207	88
State grant - Minor capital works - HEA	423	1,233	423	1,233
State grant - Capital works	6,161	3,398	6,161	3,398
EU funded capital grants	38	45	38	45
Capital expenditure - Other	166	251	158	118
Total	6,995	5,015	6,987	4,882
Amortised to Income and expenditure in year				
Amortised in line with Depreciation	(3,757)	(3,646)	(3,757)	(3,646)
Reduction in amortisation of deferred capital	128	131	128	131
Total	(3,629)	(3,515)	(3,629)	(3,515)
Closing Balance at 31 August	84,900	81,534	84,652	81,294

20. Capital Development Reserve

	Consolidated		Institute	
	2023	2022	2023	2022
	€000's	€000's	€000's	€000's
Opening Balance	1,170	1,268	1,170	1,268
Transfer re DkIT Connect DAC	-	(98)	-	(98)
Closing Balance	1,170	1,170	1,170	1,170

21. Capital Commitments

	Consolidated		Institute	
	2023	2022	2023	2022
	€000's	€000's	€000's	€000's
Contracted for but not provided	534	2,744	534	2,744
Authorised but not contracted	1,019	-	1,019	-
	1,553	2,744	1,553	2,744

A contract was entered into by Dundalk Institute of Technology on 23 July 2021 in relation to the STEM building extension. The works were substantially completed in July 2023. At 31 August 2023 an amount of €212,520 had not yet been invoiced.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Two contracts for minor works were entered into in June and July 2023. The combined value of these two contracts was €321,376. These works were not completed or invoiced until after 31 August 2023.

The Finance, Audit & Risk Committee approved a contract with a supplier for capital works with a value of €1,019,328 on 18 July 2023. The Institute subsequently formally entered into a contract for these work on 28 September 2023.

22. Related Parties

In the normal course of business, the Institute may enter into contractual arrangements with undertakings in which the Institute's Governing Body members are employed or otherwise interested. The Institute has adopted procedures in accordance with the Code of Governance of Irish 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.

23. Contingent Liabilities

There were no contingent liabilities existing at 31 August 2023.

24. Technological University / University Status

Dundalk Institute of Technology are committed to achieving Technological University / University status. Although the Institute has progressed towards achieving this strategic ambition it is unlikely this will be achieved in line with the Institute's Strategic Plan 2020-2023. The Governing Body formed the Technological University Project Governance and Oversight Committee in December 2020 to work alongside the Executive Board in achieving this strategic ambition.

€2,301,732 was awarded to the Institute under the Technological University Transformation Fund (TUTF) Years 2 and 3 allocations (€760,000 – Year 1 allocation). The costs directly associated with TUTF included in the accounts for the year ended 31 August 2023 amount to €1,503,135 (31 August 2022: €438,953).

25. Retirement Benefit Costs

(i) Staffing

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 scheme provides a pension (one-eightieth per year of service), a gratuity or lump sum (three-eightieths per year of service) and spouse's and children's pensions. Normal Retirement Age is a member's 65th birthday, and pre 2004 members have an entitlement to retire without actuarial reduction from age 60. Pensions in payment (and deferment) normally increase in line with general public sector salary inflation. Deductions from staff are retained by the Institute.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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 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 2023. 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.

The principal actuarial assumptions used to calculate the components of the defined benefit cost for the year ended 31 August 2023 were as follows:

	Year ended 31 August 2023	Year ended 31 August 2022
Discount rate	4.20%	3.60%
Inflation rate	2.60%	2.45%
Salary increases	3.85%	3.70%
Pension increases - Superannuation Scheme	3.35%	3.20%
Pension increases - Single Scheme	2.60%	2.45%
Revaluation in deferment	2.60%	2.45%

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:

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

	Year ended 31 August 2023 Years	Year ended 31 August 2022 Years
Male aged 65	21.8	21.8
Female aged 65	24.1	24.1

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

	Year ended 31 August 2023 €000's	Year ended 31 August 2022 €000's
Current service cost	10,559	12,727
Employee contributions / (benefits paid	(2,417)	(2,250)
Interest on retirement benefit scheme li	6,683	3,265
	14,825	13,742

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

	Year ended 31 August 2023 €000's	Year ended 31 August 2022 €000's
Net retirement benefit obligation at 1 September	185,645	252,644
Current service costs	8,142	10,477
Employee contributions	2,417	2,250
Interest costs	6,683	3,265
Reduction in pension liabilities arising from retirements in the year	(7,779)	(10,451)
Experience loss/(gain) on liabilities	-	-
(Gain)/loss in actuarial assumptions	(17,418)	(72,540)
Net retirement benefit obligations at 31 August	177,690	185,645
Split between		
SPSPS	7,051	5,477
Education Sector Superannuation Scheme	170,639	180,168
	177,690	185,645

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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:

	Year ended 31 August 2023 €000's	Year ended 31 August 2022 €000's
Funding recoverable in respect of current year retirement		
Benefit costs	14,825	13,742
Benefits paid in year	-	-
	14,825	13,742

The deferred funding liabilities for retirement benefit as at 31 August 2023 amounted to €177,690,000 (2022: €185,645,000).

(vi) History of defined benefits obligations

	Year ended 31 August 2023 €000's	Year ended 31 August 2022 €000's
Defined benefit obligations	177,690	185,645
Experience losses/(gains) on deferred benefit scheme liabilities	-	-

26. Post Balance Sheet Events

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

27. Foundations and Trusts

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

28. Approval of Financial Statements

The financial statements were approved by the Governing Body on 11 June 2024.