

FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30 SEPTEMBER
2022

**COLÁISTE NÁISIÚNTA EALAÍNE IS DEARHTHA
NATIONAL COLLEGE OF ART AND DESIGN**

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

College Information

Address	National College of Art and Design 100 Thomas Street Dublin 8 D08 K521
Auditors	Comptroller and Auditor General 3A Mayor Street Upper Dublin 1
Bankers	Bank of Ireland 85 James Street Dublin 8
Solicitors	St John Solicitors 14, City Gate Lower Bridge Street Dublin 8

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Governance Statement and Board Members' Report

Governance

The National College of Art and Design (NCAD) was established under the National College of Art and Design Act, 1971. NCAD has adopted a corporate governance regime in accordance with the provisions and requirements of the NCAD Act and other statutory obligations, such as the Ethics Acts; and has adopted the Department of Finance's Code of Practice for the Governance of State Bodies (2016). Where applicable, it complies with the requirements of the Governance of Irish Universities (2012), a code produced jointly by the Higher Education Authority and Irish Universities Association. Accordingly, An Bord has put in place, and keeps under review and updates, as required, the functions of An Bord as set out in section 5 of this Act. An Bord is accountable to the Minister for Further and Higher Education, Research, Innovation and Science and is responsible for ensuring good governance and performs this task by setting strategic objectives and targets and taking strategic decisions on all key business issues. The regular day-to-day management, control and direction of the National College of Art and Design are the responsibility of the Director with delegated responsibility assigned to the senior management team. The Director and the senior management team follow the strategic direction set by An Bord as outlined in the 5 year Strategic Plan, and must ensure that all members of An Bord have a clear understanding of the key activities and decisions related to the entity, and of any significant risks likely to arise. The Director acts as a direct liaison between An Bord and management of the National College of Art and Design.

Responsibilities of An Bord

The work and responsibilities of An Bord are set out in its Terms of Reference which also contain the matters specifically reserved for decision of An Bord. The role of An Bord is:

- Sets the strategic direction of the College, consistent with government policy.
- Approves significant decisions such as the annual budget and property transactions as part of its Schedule of Matters Reserved for Decision by An Bord (see Section 7 of that document).
- Monitors the activities and effectiveness of management.
- Supports and provides wise counsel to management.
- Ensures that the College has a robust system of internal controls.

Standing items considered by An Bord include:

- declaration of interests.
- risk management.
- reports from committees.
- financial reports/management accounts.

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Governance Statement and Board Members' Report (Continued)

Section 15 (1) of the National College of Art and Design Act, 1971 requires An Bord to keep, in such form as may be approved by the Minister for Further and Higher Education, Research, Innovation and Science, with consent of the Minister for Public Expenditure and Reform, all proper and usual accounts of all money received and expended by it.

In preparing these financial statements, An Bord is required to:

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that it will continue in operation, and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

An Bord is responsible for keeping adequate accounting records which disclose, with reasonable accuracy at any time, its financial position and enable it to ensure that the financial statements comply with Section 15 (1) of the National College of Art and Design Act, 1971. The maintenance and integrity of the corporate and financial information on the College's website is the responsibility of An Bord.

An Bord is responsible for approving the annual plan and budget. The annual budget for the financial year 2021/22 was approved by An Bord 21 September 2021.

An Bord is also responsible for safeguarding its assets and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

An Bord considers that the financial statements of the National College of Art and Design give a true and fair view of the financial performance and the financial position of the College as at 30 September 2022.

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Governance Statement and Board Members' Report (Continued)

An Bord Structure

An Bord consists of a Chairperson, five ordinary members all of whom are appointed by the Minister for Further and Higher Education, Research, Innovation and Science, along with two academic staff representatives, two student representatives, the Director of the College and one non-academic staff observer. The members of An Bord are appointed for a period of three years and normally meet for a minimum of 9 sessions a year.

The table below details the appointment period for current members:

Board Member	Role	Date appointed	Date of retirement or re-appointment
Richard Thorn	Chairman	23 rd March 2018 Reappointed – April '21	Retired from An Bord January '22
Christine O'Donovan	Chairman	22 nd November 2022	
Christine O'Donovan	Ordinary Member	23 rd March 2018	Reappointed – April '21
Frederick Goltz	Ordinary Member	23 rd March 2018	Reappointed – April '21
Jane McDaid	Ordinary Member	23 rd March 2018	Reappointed – April '21
Sinéad Ryan	Ordinary Member	23 rd March 2018	Reappointed – April '21
Claire Dowling	Ordinary Member	October '21	
Sarah O'Connor	Student Rep.	23 rd September '21	Retired from An Bord August '22
Taffina Flood	Academic Member	20 th April '21	
Dr Patsey Bodkin	Academic Member	20 th April '21	
Bill Harris	Student Rep.	20 th April '21	
Leone Karakus	Non-Academic Obs	20 th April '21	
Sarah Glennie	Director	23 rd March 2018	

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

Governance Statement and Board Members' Report (Continued)

An Bord Structure Cont.

An Bord effectiveness and evaluation review was conducted by an external reviewer in 2020 in line with best practice and an internal review was conducted in 2021. An internal effectiveness and evaluation review was conducted in 2022.

An Bord has established one committee, as follows:

1. Audit and Risk Committee (ARC): comprises three members of An Bord and can co-opt an independent member should the members deem it necessary. The role of the ARC is to support An Bord in relation to its responsibilities for issues of risk, control and governance and associated assurance. The ARC is independent from the financial management of the organisation. In particular, the Committee ensures that the internal control systems including audit activities are monitored actively and independently. The ARC reports to An Bord after each meeting, and formally in writing annually. At September 2021/22 the members of the Audit and Risk Committee were: Frederick Goltz (Chairperson), Sinéad Ryan and Claire Dowling. There were 5 meetings of the ARC in 2021/22.

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Governance Statement and Board Members' Report (Continued)

Schedule of Attendance, Fees and Expenses

Members An Bord do not receive a fee. A schedule of attendance at An Bord and Committee meetings for 2021/22 is set out below including the expenses received by each member:

	An Bord	ARC	Expenses 2021/22 €
Number of Meetings	Nine	Five	
Dr Richard Thorn	7		€148
Frederick Goltz	9	5	n/a
Sarah Glennie	8	5	n/a
Jane McDaid	9		n/a
Claire Dowling	8	5	n/a
Christine O'Donovan	7		n/a
Sean Quigley		2	n/a
Sinead Ryan	8	5	n/a
Taffina Flood	5		n/a
Dr Patsey Bodkin	9		n/a
Bill Harris	6		n/a
Sarah O'Connor	6		n/a

Key Personnel Changes

Dr Richard Thorn stepped down from An Bord and as Chairman in January 2022 and Christine O'Donovan was appointed as Chairman in November of 2022. Claire Dowling was appointed to An Bord in October '21 and became a member of the Audit and Risk committee at that time. Sean Quigley (ARC only) stepped down 25th January 2022. The Head of Education retired in August '22. An interim head was appointed for the new academic year while the process of replacement is ongoing.

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Governance Statement and Board Members' Report (Continued)

Disclosures Required by Code of Practice for the Governance of State Bodies (2016)

An Bord is responsible for ensuring that the College has complied with the requirements of the Code of Practice for the Governance of State Bodies ("the Code"), as published by the Department of Public Expenditure and Reform in August 2016. The following disclosures are required by the Code:

Employee Short-Term Benefits Breakdown – See note 7

External Consultancy and Adviser Fees	Notes	2022 €000	2021 €000
Legal		31	27
Tax and Financial Advisory		134	89
Public Relations / Marketing		106	125
Strategy and Organisational Development		243	140
Pension and Human Resources		173	37
Student Access, Counselling & Medical Services		217	221
Health, Safety & Building Works		-12	66
Research Project Spend		17	18
CoVid-19 Special Advisors		0	15
Other		29	132
Total		938	870

Termination Settlements – There were no termination settlements in NCAD for 2021/22

Travel and Subsistence Expenditure	Notes	2022 €000	2021 €000
National Travel		15	8
International Travel		19	1
Total	8	34	9

Hospitality Expenditure	Notes	2022 €000	2021 €000
Staff hospitality		1	-
Client hospitality		6	-
Total	8	7	-

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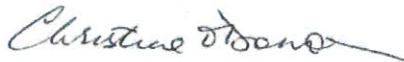
Governance Statement and Board Members' Report (Continued)

Statement of Compliance

An Bord has adopted the Code of Practice for the Governance of State Bodies (2016) and has put procedures in place to ensure compliance with the Code. An Bord has reviewed its compliance with the Code and has identified a number of areas where it is not fully compliant and the necessary steps are being undertaken to address these.

Areas where compliance work is still on-going are:

- business and financial reporting – work is on-going to enhance management of asset disposals.
- remuneration and superannuation
 - rollout of a performance management system has been developed by academic year end, progress is being made regarding piloting the new system in academic departments.
 - a register is being put in place of all Board positions of State funded bodies held by staff so that the Board can approve all such positions.



Christine O'Donovan,
Chair of An Bord
6th April 2023



Sarah Glennie,
Director
6th April 2023

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Statement on Internal Control

Scope of Responsibility

On behalf of the National College of Art and Design we acknowledge An Bord's responsibility for ensuring that an effective system of internal control is maintained and operated. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016).

Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it. The system can therefore only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded and that material errors or irregularities are either prevented or detected in a timely way.

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform has been in place in the College for the year ended 30 September 2022 and up to the date of approval of the financial statements except for the internal control issues outlined below.

Capacity to Handle Risk

The College has an Audit and Risk Committee (ARC) comprising three Board members, one of whom is the Chair, and one external member, with financial and audit expertise. Sean Quigley retired as external member to the ARC January '22. A new external member to the ARC was appointed in November' 22. The ARC met five times in 2021/22.

The College has outsourced its internal audit function which conducts a programme of work agreed with the ARC to ensure a comprehensive and effective internal audit work programme is carried out. In 2021/22, the ARC considered two internal audit reports. The remainder of the Committee's time was focused on the management of risk and the application of good corporate governance within the College.

Risk and Control Framework

The College has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks. Risk is a standing item on the agenda of both An Bord and ARC and the register is updated quarterly for their information.

The Board annually review both the risk appetite and risk policy.

The Chief Risk Officer is Head of Corporate Services.

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Statement on Internal Control (Continued)

Risk and Control Framework Cont.

The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff. I confirm that a control environment containing the following elements is in place:

- procedures for all key business processes have been documented
- financial responsibilities have been assigned at management level
- there is an appropriate budgeting system with an annual budget which is kept under review by senior management
- there are systems aimed at ensuring the security of the information and communication technology systems
- there are systems in place to safeguard the assets
- there is a Resource Allocation Model within the College to ensure equitable utilisation of resources – In development.

Covid-19

On 22 January 2022, the Government removed most COVID-19 restrictions. Face masks, protective measures and the majority of restrictions were finally removed 28 February 2022. This allowed for full access to the campus. Given the potential for disruption to changing the timetable mid-year, we maintained 50% of classes online but with the added advantage of full access to studios, library and the other services offered by the College. The financial significance was that additional teaching was required to maintain the timetable.

For the first time in three years, the Graduation Show took place in June of 2022. This was a very important opportunity for students to demonstrate their work. In total 1,500-2,000 people visited the campus during the one-week period in June.

The College has taken learnings from this experience and the development of many teaching practices during the remote learning phase of the College have been retained due to their ability to enhance the learning experience for the students within the College.

New Finance Management System

In October '21 the College implemented a new Finance Management System which has a fully integrated electronic purchase ordering system and fixed asset register. The Purchase Ordering System was not devolved out across the College until October '22, however, the finance team piloted the procurement system for a number of months to ensure a smooth transition from paper to digital for the campus. The investment in the FMS will introduce a better level of reporting, governance and oversight for many years to come.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

Statement on Internal Control (Continued)

Financial Controls

Roles and responsibilities have remained the same throughout and there continues to be segregation of duties across all of the finance operations. The use of electronic signatures, electronic procurement procedures and electronic sign off, and a temporary derogation continued for staff to submit expenses. Authorisation limits and payment thresholds were not changed. The process around the posting and approval of journals has not changed as a result of the new working arrangements. Quarterly management accounts and associated reconciliations continue to be performed in a timely manner. Strong controls remain in place regarding the changing of employee and supplier bank details on the finance system.

Budgeting and Forecasting

NCAD maintains a robust budgeting and forecasting process. Latest view budgets were presented to the Audit and Risk Committee and An Bord in Sept '21, April '22 and August '22.

Risk Management

The Risk Register is updated quarterly. The Risk Register was presented to An Bord at every meeting. Items that were identified were included in the SIC for 2021/22.

In 2022, a process of assurance mapping started. The aim is to ensure there is a centralised mechanism for establishing assurance for the functions within the College. It is anticipated that this process will be established during 2023.

Information Technology

In the latter end of 2022, a new centralised security model was introduced. Active Directory and VPN for administration staff was rolled out to over 100 devices, initially those which use MS Windows. It is planned for 2023 to continue this process with Apple based devices which account for approx. 50% devices on campus.

A pilot started in September of 2022 for a new Virtual Learning Tool. In the first instance it will be rolled out to first year students and it will ultimately replace Google Class room.

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Statement on Internal Control (Continued)

Ongoing Monitoring and Review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and An Bord, where relevant, in a timely way. I confirm that the following ongoing monitoring systems are in place:

- key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies.
- there are regular reviews by senior management of periodic and annual performance and financial reports which indicate performance against budgets/forecasts for the College as a whole.

The following monitoring systems are in development:

- devolved reporting arrangements are being established at all levels where responsibility for financial management is being delegated, and a system of reporting on same, has been purchased and was rolled out in 2021/22.

Procurement

I confirm that the College has procedures in place to ensure compliance with current procurement rules and guidelines. In 21/22 the College had non-compliant expenditure of €96k or 1.56% of all non-pay spending within the College. This was made up of 3 suppliers, two of which have since been resolved.

Review of Effectiveness

The College's monitoring and review of the effectiveness of the system of internal control is informed by the work of the internal and external auditors, the Audit and Risk Committee which oversees their work, and the senior management within the College responsible for the development and maintenance of the internal financial control framework.

I confirm that the Board conducted an annual review of the effectiveness of the internal controls for 2021/22. The Chair of the ARC presented the findings of the internal audit review, on the internal financial controls in place at NCAD, for year end 2021/22 to the Board during the 24th January 2023 meeting for An Bord. An internal audit tracker is updated each year and movements are presented to the ARC.

Signed on behalf of the Board:



Sarah Glennie

Director **Date:** 6th April 2023



Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

National College of Art and Design

Opinion on the financial statements

I have audited the financial statements of the National College of Art and Design for the year ended 30 September 2022 as required under the provisions of the National College of Art and Design Act 1971. The financial statements comprise

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

In my opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of the College at 30 September 2022 and of its income and expenditure for the year then ended in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

Basis of opinion

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

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

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

The College has presented certain other information together with the financial statements. This comprises the governance statement and Board members' report, 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.

Georgina O Mahony
For and on behalf of the
Comptroller and Auditor General

13 April 2023

Appendix to the report

Responsibilities of Board members

The members are responsible for

- the preparation of annual financial statements in the form prescribed under section 15 (1) of the National College of Art and Design Act 1971
- 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 section 15 (2) of the National College of Art and Design Act 1971 to audit the financial statements of the College 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 College'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 College 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.

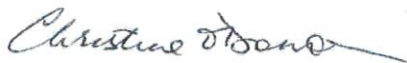
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STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	2022 €000	2021 €000
INCOME			
State Grants	4	12,201	11,100
Academic Fees	3	8,945	8,479
Amortisation of Capital Fund		782	662
Research Grants and Other Contracts	5	289	251
Deferred Funding for Retirement Benefits	15(c)	1,697	1,299
Other Income	6	39	74
Total Income		23,953	21,865
EXPENDITURE			
Staff costs	7	13,711	12,712
Retirement benefit costs	15(a)	4,514	3,890
Other operating expenses	8	4,502	4,000
Depreciation	11	782	662
Total Expenditure		23,509	21,264
Surplus / (Deficit) for the year		444	601

The Statement of Cash flows and notes 1-24 form part of these financial statements.

Signed on behalf of the Board:



Christine O'Donovan
Chair of An Bord
6th April 2023



Sarah Glennie,
Director
6th April 2023

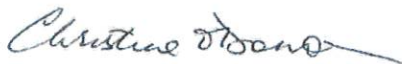
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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	2022	2021
		€000	€000
Surplus / (Deficit) for the year		444	601
Actuarial gains / (loss) on retirement benefit obligations	15(d)	28,517	(7,064)
Adjustment to deferred retirement benefits funding	15(b)	(28,517)	7,064
Total Comprehensive Income in the year		<u>444</u>	<u>601</u>

The Statement of Cash flows and notes 1-24 form part of these financial statements.

Signed on behalf of the Board:



Christine O'Donovan,
Chair of An Bord
6th April 2023



Sarah Glennie,
Director
6th April 2023

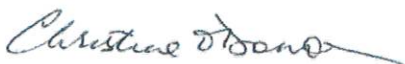
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STATEMENT OF CHANGES IN RESERVES AND CAPITAL ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Capital Account	Restricted Reserves	Income and Expenditure Reserve	Total
	€000	€'000	€000	€000
Balance at 1 October 2020	19,431	146	(606)	18,971
Surplus / (Deficit) from the Statement of Income and Expenditure			601	601
Amortisation of capital account	(662)			(662)
State grant allocated to capital	1,796			1,796
Movement on Reserve	-	70		70
Transfers between Reserves	-	(15)	15	-
Balance at 30 September 2021	20,565	201	10	20,776
Surplus / (Deficit) from the Statement of Income and Expenditure			444	444
Amortisation of capital account	(782)			(782)
State grant allocated to capital	1,854			1,854
Transfers between Reserves				-
Balance at 30 September 2022	21,637	201	454	22,292

The Statement of Cash flows and notes 1-24 form part of these financial statements.

Signed on behalf of the Board:



Christine O'Donovan,
 Chair of An Bord
 6th April 2023



Sarah Glennie,
 Director
 6th April 2023

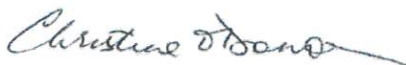
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STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	2022 €000	2021 €000
Fixed Assets			
Property, plant and equipment	11	21,622	20,549
Heritage assets	12	20	20
		<u>21,642</u>	<u>20,569</u>
Current Assets			
Receivables	13	1,740	2,544
Cash and cash equivalents	16	4,692	3,624
		<u>6,432</u>	<u>6,168</u>
Current Liabilities: amounts falling due within one year	14	(5,782)	(5,961)
		<u>(5,782)</u>	<u>(5,961)</u>
Net Current Assets		650	207
Total Assets less Current Liabilities		<u>22,292</u>	<u>20,776</u>
Retirement Benefits			
Deferred Pension Funding	15 (d)	73,303	100,123
Pension Liabilities	15 (b)	(73,303)	(100,123)
Total net assets		<u>22,292</u>	<u>20,776</u>
Reserves and Capital Account			
Capital Account		21,637	20,565
Restricted Reserves		201	201
Income and Expenditure Reserve		454	10
		<u>22,292</u>	<u>20,776</u>

The Statement of Cash-flows and notes 1-24 form part of these financial statements.

Signed on behalf of the Board:



Christine O'Donovan,
Chair of An Bord
6th April 2023



Sarah Glennie,
Director
6th April 2023

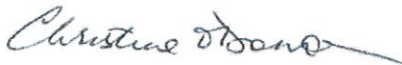
COLÁISTE NÁISIÚNTA EALAÍNE IS DEARTHÁ
NATIONAL COLLEGE OF ART AND DESIGN

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	2022 €000	2021 €000
Net cash flow from operating activities			
Surplus / (Deficit) for the year		444	601
Adjustment for non-cash items			
Depreciation	11	782	662
Amortisation of capital account		(782)	(662)
State funds allocated to capital	4	1,854	1,796
Decrease / (Increase) in receivables		804	(1,108)
(Decrease) / Increase in payables		(179)	1,247
Net cash flows from operating activities		2,923	2,536
Cash flows from investing activities			
Payments to acquire property, plant, equipment & Heritage Assets	11 & 12	(1,854)	(1,796)
Net cash flows from investing activities		(1,854)	(1,796)
Cash flows on restricted reserves movements		0	70
Net increase/(decrease) in cash and cash equivalents in the year		1,069	810
Cash and cash equivalents at 1 October 2021	16	3,624	2,811
Rounding issue		(1)	3
Cash and cash equivalents at 30 September 2022	16	4,692	3,624

The Statement of Cash-flows and notes 1-24 form part of these financial statements.

Signed on behalf of the Board:



Christine O'Donovan,
 Chair of An Bord
 6th April 2023



Sarah Glennie,
 Director
 6th April 2023

COLÁISTE NÁISIÚNTA EALAÍNE IS DEARTHÁ
NATIONAL COLLEGE OF ART AND DESIGN

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

1 SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

(a) General information and Statement of Compliance

The College was set up under the National College of Art and Design Act 1971 with its Head Office located on 100 Thomas Street, Dublin 8.

NCAD working vision: NCAD is the force driving critical practise and radical innovation through excellence in art and design. NCAD shapes the material world domestically and internationally through inclusivity, public discourse and cultural engagement.

The financial statements have been prepared in compliance with the applicable legislation, and with FRS102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland, issued by the Financial Reporting Council in the UK.

The College is a public benefit entity and has therefore applied the relevant public benefit entity requirements of FRS102.

The accounts are prepared in Euro, which is the functional currency of the College. Monetary amounts in these financial statements are rounded to the nearest €1,000.

Certain comparative figures for the prior period have been reclassified in line with the current year.

(b) Basis of preparation

The financial statements have been prepared under the historical cost convention, except for certain assets and liabilities that are measured at fair values as explained in the accounting policies below. The financial statements are in the form approved by the Minister for Further and Higher Education, Research, Innovation and Science with the concurrence of the Minister for Finance under Section 15(1) of the National College of Art and Design Act, 1971.

(c) Going concern

The College has sustained several years of operating surplus which has resulted in a cumulative surplus being carried forward for two years.

The financial statements of the College show a surplus for the year of €444,000 (2021: surplus of €601,000) and an income and expenditure reserve surplus of €454,000 (2021: surplus of €10,000). A managed approach to growth in student recruitment year on year is projected by the College, it is expected to support the College in strengthening the financial position going forward.

HEA financial support for the necessary investments in IT equipment, additional staffing and health and safety measure which have arisen as a direct result of Covid-19 has been very much appreciated and it has ensured that the College continues to operate at a highly effective level.

On this basis, taking account of the reducing impact of Covid-19 restrictions on the College, and combined with the cash reserves held by the College, the Members of An Bord consider it appropriate to have prepared these financial statements on a Going Concern basis.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(d) (i) Land and Buildings

Land and buildings are stated at cost less accumulated depreciation, adjusted for any provision of impairment.

A valuation of College land and buildings was carried out by McNally Handy and Partners, Chartered Surveyors at an effective date of 1 October 2014, being the transition date for reporting under FRS 102. The College has elected to use this valuation as the deemed cost of College Land and Buildings as at the transition date.

(d) (ii) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation, adjusted for any provision for impairment. Depreciation is provided on all property, plant and equipment, other than freehold land, at rates estimated to write off the cost less the estimated residual value of each asset on a straight line basis over their estimates useful lives, as follows:

Asset Category	Depreciation rate
Land	0% per annum
Buildings	2% per annum
Revalued Buildings at 01/10/2014	4.4% per annum
Leasehold Improvements	The life of the Lease per annum
Professional fees in relation to building projects/Leasehold improvements	10% per annum
Plant and Equipment	10% per annum
Furniture, Fixtures and Fittings	20% per annum
Computer Equipment	33.33% per annum

Professional fees associated with building works are depreciated over 10 years. Professional fees associated with leasehold improvement works are depreciated over 10 years or over the life of the lease if the life of the lease is shorter than 10 years.

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

If there is objective evidence of impairment of the value of an asset, an impairment loss is recognised in the Statement of Income and Expenditure.

(e) Heritage Assets

The College holds and maintains heritage assets such as books, paintings and artwork. Heritage assets acquired pre 1 October 2015 are not capitalised in the financial statements because it is considered that no reasonable value can be attributed to them owing to the lack of information on the original purchase cost. All costs incurred in relation to preservation and conservation are expensed as incurred.

In relation to Heritage asset additions acquired subsequent to 1 October 2015, the College capitalises these at either their cost (in the case of acquisitions made by the College) or their fair value (in the case of donations). Fair value is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. While valuations are completed by appropriate experts, given the characteristics of the assets and the diverse nature of the collection in what is invariably a limited transaction market, there is a high level of judgement involved in assigning fair values to the collection.

**COLÁISTE NÁISIÚNTA EALAÍNE IS DEARTHA
NATIONAL COLLEGE OF ART AND DESIGN**

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Donated heritage assets are capitalised with reference to their insurance value, as this approximates their fair value. Heritage assets valued at less than €5,000 are not capitalised in the financial statements.

(f) Receivables

Receivables are recognised at fair value.

(g) Taxation

As an exempt charity, the College is not liable for corporation tax or income tax on any of its charitable activities. It is registered for value added tax. However, 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 College are liable for VAT. Any input or output tax relating to these activities is returned to the Revenue by the College.

(h) Recognition of Income

State grants

State Grants for recurrent expenditure are allocated by the HEA on a calendar year basis. The grant reported in the Statement of Income and Expenditure is the amount determined to be appropriate to the relevant academic year, based on a 75%/25% split of the calendar year grant.

State capital grants

Capital grants from the HEA 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 over the life of the assets.

Other state grants are recognised on an accruals basis in line with the level of activity in the year.

Academic Fee Income

Academic Fee Income (including for Continuing Education in Art & Design), is recognised in the academic year to which it relates.

State research grants

Income from research grants and other contracts from the state is matched to expenditure and is included in the income of the year in which the related expenditure has been incurred.

Non-State research grants

Income from grants from non-state sources is recognised in the Statement of Income and Expenditure when performance related terms are met. If a restriction in use is specified but no performance related condition exists, the income is recorded in the Statement of Income and Expenditure when the College becomes entitled to the income.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

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

Donations and Endowments

Non exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed restrictions are recognised in income when the College is entitled to the income. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer. Donations with no restrictions are recognised in income when the College is entitled to the funds.

Interest Income

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

Short term benefits

Short term benefits such as holiday pay are recognised as an expense in the year, and the benefits that are accrued at the year-end are included in the payables figure in the Statement of Financial Position. There is no accrual for holiday pay in the year for academic staff as it is not necessary due to the terms and conditions specified of their contracts.

Retirement benefits

• **Defined Benefit Pension Scheme**

The National College of Art and Design operates a defined benefit pension scheme, which is funded annually on a pay as you go basis from monies available to it including monies provided by the Higher Education Authority and from pension contributions deducted from staff salaries.

Pension costs reflect pension benefits earned by employees in the period and are shown net of staff contributions which are retained by the College. An amount corresponding to the pension charge is recognised as income to the extent that it is recoverable and offset by grants received in the year to discharge pension payments.

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

Pension Liabilities represent the present value of future payments earned by staff to date. Deferred pension funding represents the corresponding asset to be recoverable in future periods from the Higher Education Authority.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

• **Single Public Service Pension Scheme (SPSPS)**

The National College of Art and Design also operates the Single Public Service Pension Scheme (Single Scheme) which is the defined benefit pension scheme for pensionable public servants appointed on or after 1 January 2013. Single Scheme member's contributions are paid over to the Department of Public Expenditure and Reform.

(j) Operating Leases

Rental expenditure under operating leases is recognised in the Statement of Income and Expenditure over the life of the lease. Expenditure is recognised on a straight-line basis over the lease period, except where there are rental increases linked to the expected rate of inflation, in which case these increases are recognised when incurred. Any lease incentives received are recognised over the life of the lease.

(k) 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 financial year end are reported at the rates of exchange prevailing at that date.

(l) Capital Account

The capital account represents the unamortised value of State funding allocated for property, plant, equipment and heritage assets purchased after the 1 October 2015.

(m) Agency arrangements

The College acts as an agent in the collection and payment of support funds. Related payments received from HEA and subsequent disbursements to students are included in the Statement of Income and Expenditure and are also shown separately in Note 21.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for income and expenditure during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements.

Depreciation and Residual Values

The Directors have reviewed the asset lives and associated residual values of all fixed asset classes, and have concluded that asset lives and residual values are appropriate.

Retirement Benefit Obligation

The assumptions underlying the actuarial valuations for which the amounts recognised in the financial statements are determined (including discount rates, rates of increase in future compensation levels, mortality rates and inflation trend rates) are updated annually based on current economic conditions, and for any relevant changes to the terms and conditions of the pension and post-retirement plans.

The assumptions can be affected by:

- (i) the discount rate, changes in the rate of return on high-quality corporate bonds;
- (ii) future compensation levels, future labour market conditions; and
- (iii) inflation, the difference in yields on fixed-interest and index-linked bonds as at the accounting date
- (iv) demographic, life expectancy post- retirement.

As further explained in note 15 to the financial statements, NCAD has recognised a deferred pension asset in respect of the Staff Superannuation Scheme and a Spouses' and Children's Pension Scheme on the basis that it anticipates that funding will be provided by the State to meet retirement benefit obligations as they fall due. This accounting treatment assumes that any income generated by NCAD will in the first instance be applied towards current expenses and that State funding will meet any shortfall in resources to fund future retirement benefit liabilities.

COLÁISTE NÁISIÚNTA EALAÍNE IS DEARTHÁ
NATIONAL COLLEGE OF ART AND DESIGN

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3 TUITION FEES	'Whole time equivalents' (HCs)	2022	'Whole time equivalents' (WTEs)	2021
		€000		€000
Full-time Tuition Fees	1,230	5,719	1,228	5,328
Student Contribution	987	2,856	964	2,843
Part-time Tuition Fees	224	255	27	84
Continuing Education in Art & Design (CEAD) Non Credit Fees	-	115	407	224
		8,945		8,479

Student numbers are stated as whole time equivalents based on enrolled credits in 2021. In 2022 they are based on head count due to a change in the data collection details

4 STATE GRANTS	2022 Allocated for Recurrent Expenditure	2022 Allocated for Capital Expenditure	2022 Total	2021 Total
	€000	€000	€000	€000
Higher Education Authority				
Recurrent Grants	9,501	345	9,846	9,512
Information Technology	40		40	10
Disability & Financial Assistance Grants	121	1	122	94
Improved Access and Progression	263		263	222
Irish Language	3		3	3
CoVid-19 Financial Supports	900	27	927	854
Student Assistance	94		94	97
Grants for onward dispersal to students	320		320	296
Literacy and Numeracy	110		110	-
Educational Sustainable Development	-		-	11
Other Grants	779	3	782	705
Capital Funding	-	1,478	1,478	1,013
Other State Grants				
Arts Council	70		70	79
Total 2022	12,201	1,854	14,055	12,896
Total 2021	11,100	1,796	12,896	

COLÁISTE NÁISIÚNTA EALAÍNE IS DEARTHÁ
NATIONAL COLLEGE OF ART AND DESIGN

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

RESEARCH GRANTS AND OTHER		
5 CONTRACTS	2022	2021
	€000	€000
Income		
State and semi-state	162	155
European Union	32	24
Industry	77	25
Other	18	47
Total income	289	251
Expenditure		
Staff Costs	157	162
Other Operating Costs	114	73
Total costs	271	235
Net Outcome	18	16
6 OTHER INCOME	2022	2021
	€000	€000
Continuing Professional Development	-	-
Sponsorship/Donations	1	-
Event Income	-	-
Student Charges	24	18
Photocopy Income	-	4
Miscellaneous Income	14	52
	39	74
7 STAFF COSTS		
The average number of persons (including senior post-holders) employed by the College during the year, expressed in full-time equivalent is:		
	2022	2021
	No. of	No. of
	employees	employees
Teaching	85.6	78.4
Research	3.4	3.0
Technical, Support and Central Administration	80.9	79.8
	169.9	161.2
	2022	2021
	€000	€000
Salaries and wages	12,257	11,464
Social welfare costs	1,225	1,131
Employer welfare costs	-	-
Total NCAD pay	13,482	12,595
Agency Pay	229	117
Total Pay	13,711	12,712

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 STAFF COSTS (continued)

The number of staff who received emoluments including benefits in kind, in the following ranges was:

	2022	2021
	No. of staff	No. of staff
€60,001 to €70,000 p.a.	22	22
€70,001 to €80,000 p.a.	5	6
€80,001 to €90,000 p.a.	20	19
€90,001 to €100,000 p.a.	11	10
€100,001 to €110,000 p.a.	2	0
€110,001 to €120,000 p.a.	4	5
€120,001 to €130,000 p.a.	-	-
€130,001 to €140,000 p.a.	-	-
€140,001 to €150,000 p.a.	-	-
€150,001 to €160,000 p.a.	1	1
Over €160,001 p.a.	-	-
	65	63

Note: For the purposes of this disclosure, short-term employee benefits in relation to services rendered during the reporting period include salary, overtime allowances and other payments made on behalf of the employee, but exclude employer's PRSI.

Key management compensation

Key management personnel in the College consists of the Director, Head of Corporate Services/Registrar. The total remuneration of key management personnel is made up as follows:

	2022	2021
	€000	€000
Salaries and wages	259	252
Social welfare costs	27	27
	286	279

The above compensation includes amounts payable to the Director (who is the highest paid member) of:

	2022	2021
	€000	€000
Salaries and wages	156	154
Social welfare costs	16	16
	172	170

The Director is a member of the NCAD Superannuation Pension Scheme and her entitlements in that regard do not extend beyond the terms of that scheme.

COLÁISTE NÁISIÚNTA EALAÍNE IS DEARTHÁ
NATIONAL COLLEGE OF ART AND DESIGN

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 OTHER OPERATING EXPENSES	Notes	2022	2021
		€000	€000
Books, Catalogues and Periodicals		165	142
Materials and consumables		246	117
Student services		431	296
Student travel & grants funded externally		319	168
Examination and Registration Fees		119	111
Examiner fees and expenses		45	24
Exhibitions, Seminars and Catering		46	9
Research costs		114	73
Gallery		23	7
Light, Heat and Power		251	247
Repairs and maintenance		136	373
Cleaning costs		334	267
Security		130	118
Rent and Rates		254	76
Telephone		115	138
Lease of Equipment		-	29
Bank Negative Interest, Charges and PPI		46	27
Stationery Supplies and Printing		38	20
Photocopying Costs		31	16
Postage and Courier		13	26
IT Expenditure		487	383
Professional Fees		521	757
Memberships and Subscriptions		68	49
Staff development and training		55	73
Auditors' Remuneration		67	51
Travel and Subsistence		29	8
Advertising and PR		125	93
Insurance		130	111
Safety Costs		53	71
Entertainment Expenditure		2	-
Miscellaneous		50	55
Bad Debt write off		59	65
		4,502	4,000
Other operating expenses include:		2022	2021
Auditors remuneration		€000	€000
External audit - C&AG		47	41
Internal audit - Mazars		20	10
Hire of assets under operating leases (full year expense)	18	-	29
Rental of premises under lease (part of rent & rates expense above)	18	127	62

COLÁISTE NÁISIÚNTA EALAÍNE IS DEARTHÁ
NATIONAL COLLEGE OF ART AND DESIGN

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 TAXATION

The National College of Art and Design is exempt from Corporation Tax under a charitable status order.

10 ANALYSIS OF EXPENDITURE	Staff	Other	Total	Total
	Costs	Operating		
	2022	2022	2022	2021
	€000	€000	€000	€000
Academic Departments	9,705	640	10,345	10,193
Academic & Other Central Services	858	406	1,264	1,348
Premises	715	782	1,497	1,627
Central Administration	1,385	1,647	3,032	1,946
CoVid-19 Specific operating costs	142	286	428	284
Student Facilities and Amenities	754	582	1,336	944
General Education Expenses	-	45	45	135
Research Expenditure	152	114	266	235
Total 2022	13,711	4,502	18,213	16,712
Total 2021	12,712	4,000		
Depreciation			782	662
Retirement benefit costs			4,514	3,890
			23,509	21,264

COLÁISTE NÁISIÚNTA EALAÍNE IS DEARTHÁ
NATIONAL COLLEGE OF ART AND DESIGN

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 PROPERTY, PLANT AND EQUIPMENT

	Land & Buildings €000	Lease Property Fit Out €000	Plant & Equip. €000	Furniture €000	Fixtures & Fittings €000	Computer Equipment €000	Total €000
Cost							
Balance at 1 st October 2021	21,292	306	698	253	487	1,718	24,754
Additions	1,130	299	139	86	24	176	1,854
Disposals	-	-	-	-	-	-	-
Revaluation Adjustment	-	-	-	-	-	-	-
Balance at 30 th September 2022	22,422	605	837	339	511	1,894	26,608
Depreciation							
Balance at 1 st October 2021	1,828	306	272	149	324	1,325	4,204
Charge for year	309	16	72	48	64	273	782
Disposals	-	-	-	-	-	-	-
Revaluation Adjustment	-	-	-	-	-	-	-
Total Depreciation for 2022	2,137	322	344	197	388	1,598	4,986
Net Book Value 30 th September 2022	20,285	283	493	142	123	296	21,622
Net Book Value 30 th September 2021	19,464	-	426	104	163	393	20,549

12 HERITAGE ASSETS

	Purchased €000	Donated €000	Total €000
1 October 2015 to 30 September 2016	9	-	9
1 October 2016 to 30 September 2017	-	-	-
1 October 2017 to 30 September 2018	11	-	11
1 October 2018 to 30 September 2019	-	-	-
1 October 2019 to 30 September 2020	-	-	-
1 October 2020 to 30 September 2021	-	-	-
1 October 2021 to 30 September 2022	-	-	-
	20	-	20

The National College of Art and Design holds a collection (known as the National Irish Visual Arts Library) of books, manuscripts, and art work that it has acquired mainly through donations and bequests. Items acquired pre 1 October 2015 have not been treated as fixed assets in the financial statements as no meaningful value can be attributed to them owing to the lack of information on the original purchase cost and the fact that these assets are not readily realisable.

An exercise was started in 2017/18 in which all heritage assets are being recorded in a heritage asset register. There were no disposals of heritage assets in the year.

All costs incurred in relation to preservation and conservation are expensed as incurred.

COLÁISTE NÁISIÚNTA EALAÍNE IS DEARTHÁ
NATIONAL COLLEGE OF ART AND DESIGN

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13 RECEIVABLES	2022	2021
	€000	€000
Academic fees receivable	111	109
State grants receivable	1,043	1,946
Trade receivables	8	3
Research grants and contracts receivable	86	99
Prepayments	382	318
Other receivables	110	69
	1,740	2,544

14 CURRENT LIABILITIES	2022	2021
	€000	€000
Contracts deferred	309	72
Research grants and other contracts in advance	188	124
Deferred other income	9	4
Tuition fees received in advance	1,531	1,494
State grant received in advance	1,646	1,507
Accruals	786	1,890
Other tax and social security	562	417
Human Capital Initiative - Pillar III	583	291
Other payables	168	162
	5,782	5,961

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 RETIREMENT BENEFITS

A Staff Superannuation Scheme and a Spouses' and Children's Pension Scheme set up under Section 20 of the National College of Art and Design Act, 1971 were approved in January 1984 and September 1987 respectively. The College's pension schemes are unfunded schemes. Staff contribute at a rate of 5% to the Staff Superannuation Scheme and 1.5% to the Spouses' and Children's Pension Scheme. The scheme provides a pension (eightieths per year of service), a lump sum (three eightieths per year of service) and spouses' and children's pensions. Normal retirement age is a members 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 pay increases.

The Single Public Service Pension Scheme (Single Scheme) is the defined benefit pension scheme for pensionable public servants appointed on or after 1 January 2013 in accordance with the Public Service Pension (Single Scheme and Other Provisions) Act 2012. The scheme provides for a pension and retirement lump sum based on career-average pensionable remuneration, and spouse's and children's pensions. The minimum pension age is 66 years (rising in line with State pension age changes). It includes an actuarially-reduced early retirement facility from age 55. Pensions in payment increase in line with the consumer price index.

Single Scheme members are included in the pension liability at 30 September 2022, the actuarial calculations took into account the differing entitlements that apply to that scheme. €3.3m of the €73.3m in assessed obligations at 30 September relates to the Single Scheme members.

	2022	2021
	€000	€000
(a) Analysis of Total Pension Costs Charged to Expenditure		
Current service cost	3,503	3,155
Interest on scheme liabilities	1,404	1,056
Employee pension contributions	(393)	(321)
	<u>4,514</u>	<u>3,890</u>
(b) Analysis of Movement in Scheme Liability during the Year		
	€000	€000
Scheme Liability at Start of Year	100,123	91,760
Current Service Cost	3,503	3,155
Interest on Scheme Liabilities	1,404	1,056
Benefits Paid in the Year	(3,210)	(2,912)
Actuarial Loss / (Gain) recognised in the Statement of Total Recognised Gains and Losses	(28,517)	7,065
Scheme Liability at End of Year	<u>73,303</u>	<u>100,123</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(c) Deferred Funding for Pensions

The National College of Art and Design recognises these amounts as an asset corresponding to the unfunded deferred liability for pensions on the basis of a set of assumptions described in this note and a number of past events. These events include the statutory basis for the establishment of the pension 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. NCAD has no evidence that this funding policy will not continue to meet such sums in accordance with current practice.

The Net Deferred Funding for Pensions recognised in the Income and Expenditure Account was as follows:

	2022	2021
	€000	€000
Funding recoverable in respect of current year costs	4,907	4,211
Grants from tÚdarás um Ard-Oideachas applied to pay pension benefits	(3,210)	(2,912)
Net Deferred Funding for Pensions in year	<u>1,697</u>	<u>1,299</u>

The deferred funding asset for pensions as at 30th September 2022 amounted to €73,303,000 (2021: €100,123,000)

(d) History of Deferred Benefit Obligations

	2022	2021	2020	2019	2018
	€000	€000	€000	€000	€000
Deferred Benefit Obligations	73,303	100,123	91,760	92,065	88,918
Experience gains/(losses) on Scheme Liabilities Amount	(28,517)	7,064	(1,328)	1,502	614
Percentage of Scheme Liabilities	(39%)	7.1%	(1.5%)	1.6%	0.7%

The valuation used for FRS102 disclosures has been based on an actuarial valuation at 30 September 2022 by a qualified actuary taking account of the requirements of FRS102 in order to assess the scheme liabilities at 30 September 2022.

The principal actuarial assumptions were as follows:

Assumption	2022	2021
Discount rate	3.80%	1.40%
Salary increase assumption	3.40%	2.95%
Pension increase in payment	3.40%	2.95%
Pension increase in deferment	3.40%	2.95%
Price inflation	2.40%	1.95%

Average future life expectancy according to the mortality tables used to determine the pension liabilities:

	2022	2021
Male aged 65	21.6	21.5
Female aged 65	24.2	24.1

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 ANALYSIS OF CASH AND CASH EQUIVALENTS

	At 01/10/2021 €000	Cash-flows €000	At 30/09/2022 €000
Cash at Bank and on Hand	3,624	1,068	4,692
	<u>3,624</u>	<u>1,068</u>	<u>4,692</u>

17 CAPITAL COMMITMENTS

Capital commitments at 30 September 2022 amounted to €1M (2021: €1.4M). Site survey works commenced in Apr 2021 on College the refurbishment project, funded by HEA for €2.9m. This project is currently on target to come be completed on budget in 2023.

18 LEASE COMMITMENTS

At 30 September the College had minimum lease payments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2022 €000	2021 €000	2022 €000	2021 €000
Future minimum lease payments due:				
Not later than one year	216	48	-	29
Later than one year and not later than five years	680	-	-	51
Later than five years	2,385	-	-	-
	<u>3,281</u>	<u>48</u>	<u>-</u>	<u>80</u>

The College lease premises at James Street, Dublin 8, from Diageo. It is a four-year lease which expired in June 2019. This lease has been rolled over on an annual basis for 19/20, 20/21 and again for 21/22

The College entered a new lease agreement with Tagaste for Grace Clifford House, St John's Lane West for 20 years which expires in May '42

The College no longer leases photocopiers, they have been purchased by the College under the new OGP agreement

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19 RELATED PARTY DISCLOSURES

The National College of Art and Design adopts procedures in accordance with the guidelines issued by the Department of Public Expenditure and Reform covering the personal interests of Board members. In the normal course of business, the College may approve Grants or enter into other contractual arrangements with entities in which the College Board members are employed or are otherwise interested. In cases of potential conflict of interest, Board members do not receive Board documentation or otherwise participate in or attend discussions regarding these transactions. A register is maintained and available on request of all such instances.

20 CONTINGENT LIABILITIES

There are no contingent liabilities at the end of 30th September 2022.

21 AMOUNTS DISBURSED AS AGENT

	2022	2021
	€000	€000
HEA Grants received	320	183
Less: Administration expenses	(26)	(23)
	<hr/> 294	<hr/> 160
Disbursed to students	(290)	(168)
	<hr/> 4	<hr/> (8)

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22 Circular 13/2014 – Management of and Accountability for Grants from Exchequer Funds

Grantor	Government Funding Department / Office	Notes	Grant Deferred/ (Due) 01/10/21 €000	Cash Received 21/22 €000	Returned/to be returned to Grantor / Disbursed to sub-partners €000	Taken to Income 21/22 €000	Grant Deferred/ (Due) 30/09/22 €000
Recurrent Grants							
HEA (Recurrent)	Dept. of Education & Skills		(105)	11,978	-	(10,975)	898
HEA (Erasmus)	Dept. of Education & Skills		247	204	(2)	(171)	278
HEA (Non-Core)	Dept. of Education & Skills		(594)	2,302	(36)	(2,332)	(660)
*Pillar 3 - CFA	Dept. of Education & Skills		241	2,158	(1,284)	(508)	607
Total Exchequer Recurrent Grants		4	(211)	16,642	(1,322)	(13,986)	1,123
Academic Fees							
HEA	Dept. of Education & Skills		-	4,265	-	(4,265)	-
S.U.S.I.	Dept. of Education & Skills		-	1,292	-	(1,292)	-
Total Exchequer funded Fees		3	-	5,557	-	(5,557)	-
Research and Other							
Arts Council	Dept. of Culture, Heritage, and Gaeltacht Affairs		15	116	-	(70)	62
SpaceX	European Commission		-	-	-	(2)	(2)
ISGNE	European Commission		(20)	-	-	-	(20)
PartGo	European Commission		(7)	14	-	(30)	(23)
Our Many Europes	European Commission		(7)	-	-	-	(7)
Enterprise Ireland	D.B.E.I.		14	165	-	(145)	34
Strokelink (SlainteCare)	Dept. of Health		-	33	-	(11)	22
Ubuntu	Dept. of Foreign Affairs & Trade		4	12	-	(4)	12
HSE – Corp 1000	Dept. of Health		-	2	-	(2)	-
HEA Path 1	Dept. of Education & Skills		31	22	-	(17)	36
Care & Creativity	Dept. of Foreign Affairs & Trade		-	2	-	(1)	1
Total Exchequer Research & Other Grants		4 & 5	30	366	-	(282)	115
Total Exchequer Grants			(181)	22,565	(1,322)	(19,825)	1,238

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*NCAD is the lead partner in a Pillar 3 Human Capital Initiative, Creative Futures Academy, (CFA) which is funded through the Higher Education Authority. Funding in the amount of €10,018,527 was awarded in October 2020 across the three partner institutions NCAD, IADT and UCD. The funded element of CFA runs to 1 April 2025. The core objectives of Creative Futures Academy are to:

- Respond to emerging and future skills needs
- Build competencies to address the sustainability of careers in the creative sector
- Develop new frameworks and formats that offer flexible learning through micro-credentialed modules.
- Bridge gaps between HEI provision and the Creative and Cultural Industries.

These objectives link to Human Capital Initiative priorities and are core to the Future Jobs Ireland strategy and the programme for Government.

23 APPROVAL OF ACCOUNTS

The accounts for the year ended 30th September 2022 were approved by the Board at its meeting on 7th March 2023.

24 POST BALANCE SHEET EVENTS

There were no significant events since the year-end which could have implications for these financial statements.