

DUNDALK INSTITUTE OF TECHNOLOGY

FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

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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 2021 to 31 August 2022, the Governing Body met on 15 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	15	15
Cllr. Clifford Kelly	Vice Chairperson	10	15
Ms. Aprilanna Barker	Member	13	15
Ms. Caitlin Connor	Member - DkIT Students Union Representative	8	11
Dr. Thomas Dooley	Member - Academic Staff Representative	13	15
Ms. Amanda-Jane Gainford	Member	12	15
Mr. Fergus Grimes	Member - Professional, Management & Support Staff Representative	15	15
Cllr. Nick Killian	Member	5	15
Dr. Fiona Lawless	Member - Academic Staff Representative	13	15
Dr. Michael Mulvey	President (Ex-Officio Member)	14	14
Mr. Alec McAllister	Member	3	6
Ms. Brenda McGeeney	Member	12	15
Mr. Aidan McKenna	Member	11	15
Ms. Isabell Murphy	Member	10	15
Mr. Christopher O'Neill	Member - DkIT Students Union Representative	6	11
Cllr. Damien O'Reilly	Member	3	4
Ms. Anna Shakespeare	Member	8	15
Mr. Bill Sweeney	Member	13	15
Ms. Sadie Ward McDermott	Member	14	15
Cllr. Sharon Tolan	Member	3	4

Ms. Caitlin Connor and Mr. Christopher O'Neill's terms, as student representatives, ended on 30 June 2022 with Ms. Niamh Fallon and Mr. Eddie Maguire being appointed as replacements on 29 September 2022.

Cllr. Sharon Tolan's term ended in December 2021 with Cllr. Damien O'Reilly appointed as a replacement on 26 April 2022.

Mr. Alec McAllister's term also ended in December 2021 with Ms. Marianne Lyons appointed as a replacement on 29 September 2022.

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:

CORPORATE GOVERNANCE STATEMENT (CONT'D)

Figure 1.2

Schedule of Governing Body Expenses for the year ended 31 August 2022

Governing Body Member	Interview		Employer	
	Fees €	Expenses €	PRSI €	Total Paid €
Mr. Patrick W. Malone	1,500	-	132	1,632
Cllr. Clifford Kelly	5,700	671	32	6,403
Ms. Amanda-Jane Gainford	900	-	79	979
Cllr. Nick Killian	1,800	-	140	1,940
Mr. Alec McAllister	1,500	27	132	1,659
Mr. Aidan McKenna	3,000	-	278	3,278
Mr. Bill Sweeney	7,200	-	667	7,867
Cllr. Sharon Tolan	2,100	-	223	2,323

Risk Management

The Governing Body approves the Institute's risk management framework and monitors its effectiveness, approval and oversight of Dundalk Institute of Technology's Risk Management Policy including structured and periodic reviews and updates to the Institute Corporate Risk Register by the Executive Management Team. This review includes an assessment of the principal risks, risk rating and associated mitigations for each of the risks set out in the Institute Corporate Risk Register. An updated Corporate Risk Register was adopted by the Finance, Audit & Risk Committee on 19 July 2022.

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
 - 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.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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 2021 and 31 August 2022.

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	14	14
Cllr. Clifford Kelly	Governing Body Member	4	14
Mr. Aidan McKenna	Governing Body Member	12	14
Mr. Brendan Murtagh	External Member	13	14
Ms. Anna Shakespeare	Governing Body Member	10	14
Ms. Sadie Ward McDermott	Governing Body Member	12	14

The process to recruit an additional external member, to replace Ms. Caroline O'Rourke who resigned as a member of the Finance, Audit and Risk Committee in January 2021, was ongoing at 31 August 2022.

The THEA Code of Governance requires the Finance, Audit and Risk committee to meet on at least 4 occasions throughout the financial year.

Other Committee Meetings

The Governing Body of Dundalk Institute of Technology has also engaged subcommittees with a focus on Land and Buildings, Equality, Diversity and Inclusion and Technological University Project Governance and Oversight. The schedule of meetings and attendance by members were as follows:

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	8
Dr. Tom Dooley	Governing Body Member	6	8
Mr. Fergus Grimes	Governing Body Member	8	8
Mr. Joe McGrath	External Member	8	8
Dr. Michael Mulvey	President	8	8
Cllr. Nick Killian	Governing Body Member	3	8
Mr. Bill Sweeney	Governing Body Member	7	8
Cllr. Sharon Tolan	Governing Body Member	1	3

Cllr. Sharon Tolan's term as a Governing Body member ended in December 2021 with no replacement identified for the Land and Buildings committee by 31 August 2022.

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	2	2
Ms. Aprilanna Barker	Governing Body Member	1	2
Mr. Alec McAllister	Governing Body Member	0	0
Dr. Michael Mulvey	President	0	2
Ms. Isabel Murphy	Governing Body Member	1	2
Mr. Hugh Nolan	Vice President for Finance, Resources & Diversity / Secretary to the Governing Body	2	2
Mr. Christopher O'Neill	Governing Body Member	1	2

Mr. Alec McAllister's term as a Governing Body member ended in December 2021 with no replacement identified for the Equality, Diversity Committee by 31 August 2022.

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
Dr. Thomas Dooley	Chairperson / Governing Body Member	9	9
Mr. Fergus Grimes	Governing Body Member	7	9
Dr. Fiona Lawless	Governing Body Member	8	9
Mr. Patrick W. Malone	Chairperson of the Governing Body	8	9
Dr. Michael Mulvey	President	9	9
Mr. Aidan McKenna	Governing Body Member	8	9
Ms. Anna Shakespeare	Governing Body Member	2	9
Ms. Sadie Ward McDermott	Governing Body Member	8	9
Mr. Christopher O'Neill	Governing Body Member	1	5
Cllr. Sharon Tolan	Governing Body Member	2	3

Cllr. Sharon Tolan's term as a Governing Body member ended in December 2021 with no replacement identified for the Technological University Project Governance and Oversight committee by 31 August 2022.

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.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

The collation and review of the various member's responses took place post year end and a list of recommendations were reviewed 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.

The last external review that was carried out on the Governing Body and its committee's performance was for the period 2018 – 2020. The results of this external review were finalised in March 2021.

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.

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, in order 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 2022.

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 statements disclosure note 9.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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 Confidential Disclosure Reporting in place at Dundalk Institute of Technology is in line with the Protected Disclosures Act 2014. The Governing Body also confirm that the annual report, as required under section 22(1) of the Act has been published. The Institute is currently reviewing its Protected Disclosure Policy in line with the Protected Disclosures (Amendment) Act 2022.

There were two investigations under the Confidential Disclosures process regarding disclosures that were made during 2022. One investigation found, post year end, no relevant wrongdoing (as defined in the Protected Disclosures Act 2014 and the Institute's Protected Disclosure Policy) took place. The second disclosure is in relation to governance issues and the investigation is on-going at the time of preparing the financial statements.

Tax Laws

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

Please also refer to financial statements disclosure note 11.

Legal Disputes

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

Institute Subsidiaries

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

Figure 1.4

List of Institute Subsidiaries

Subsidiary Name	Year of Incorporation	Purpose / Function
Dundalk Campus College Services Limited	1994	Operation of the college stationery shop, the provision of student printing and photocopying services.
DKIT Sport Limited	2015	Provision of leisure & sporting facilities
DKIT Connect Designated Activity Company	2019	Special purpose entity to facilitate the construction and operation of a Connected Health and Wellbeing Innovation and Learning Hub

CORPORATE GOVERNANCE STATEMENT (CONT'D)

These subsidiaries 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 is in place with respect of trading subsidiaries, with annual financial statements provided to the Governing Body for each subsidiary. Please refer to the financial statements disclosure note 14 for additional detail.

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.

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.

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.

With respect to the membership of the Governing Body, while the Institute can, and has, engaged in the appointments process, the appointment decisions are made by the Minister. As at 31 August 2022, the Governing Body had 7 (44%) female and 9 (56%) male members; there were three 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.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

Travel & subsistence	31 August 2022 €000's	31 August 2021 €000's
Domestic	216	69
International	160	5
	376	74

Hospitality	31 August 2022 €'000	31 August 2021 €'000
Hospitality: Staff events	-	0
Hospitality: Student events	33	3
Hospitality: Other external	72	37
	105	40

Legal Costs	31 August 2022 €000's	31 August 2021 €000's
Legal costs: Professional fees	204	127
Legal Costs: Settlements	-	-
	204	127

Professional fees	31 August 2022 €000's	31 August 2021 €000's
Professional fees: Legal	204	127
Professional fees: Tax & financial advisory	19	11
Professional fees: Public relations/marketing	33	27
Professional fees: Pensions & human resources	36	19
Professional fees: Other	177	189
	469	373

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

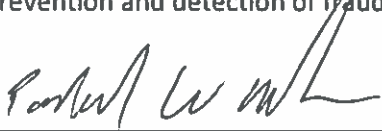
The Institutes of Technology Acts 1992 to 2006 require the Institute to prepare financial statements in such form as may be approved by the Higher Education Authority and to submit them for audit to the Comptroller and Auditor General. In preparing these financial statements, the Governing Body is required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

CORPORATE GOVERNANCE STATEMENT (CONT'D)

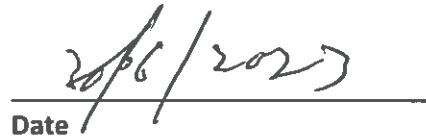
- Select suitable accounting policies and apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- Prepare financial statements on the going concern basis, unless it is inappropriate to presume that the Institute will continue in operation.
- Disclose and explain any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



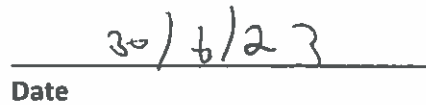
Patrick W. Malone
Chairperson



Date



Dr. Diarmuid O'Callaghan
President



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 2022 and up until the date of approval of the financial statements.

Annual Review of the Effectiveness of Internal Control

The Finance, Audit and Risk committee conducted an annual review of the effectiveness of the system of internal control for the year ended 31 August 2022 on 15 November 2022 and this was presented to, and approved by, the Governing Body on 29 November 2022.

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 €285,277 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 14 instances of overpayment of wages to members of staff. These overpayments totalled €35,357 with €23,600 fully repaid by 31 August 2022. Repayment plans are under discussion with the remainder of staff members concerned. Each instance of salary overpayment are investigated with additional internal controls being initiated where appropriate.

STATEMENT ON SYSTEM OF INTERNAL CONTROLS (CONT'D)

Internal Audit

A number of internal audit recommendations remain open (in-progress etc.) across a number of internal audit reports. The Executive, in conjunction with the Finance, Audit and Risk Committee and Governing Body, are currently reviewing these recommendations with a view to progressing their completion.

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 six bank accounts had been opened and operated by various Schools and Departments, outside of the Institute's normal control and reporting environment. None of the six bank accounts were previously recorded in Institute's financial records or financial statements.

The six bank accounts were predominately opened and operated to collect contributions from students and donors for financing a number of extra-curriculum activities such as; the purchase of sportswear, payments to professional awarding bodies, educational trips, supporting international student integration and inclusion etc. Four of the six accounts were opened between 1999 and 2002, one was opened in 2011 and one was opened at an unknown time, estimated to be in the early 2000's.

The Finance, Audit and Risk Committee engaged a third party audit and assurance firm to complete an independent review of the accounts. The scope of the engagement included a review of the bank account activity, the quality of books and records maintained, the controls that were in operation (and how these aligned to the Institute's controls), and an opinion on the potential for fraud and / or misappropriation of funds.

The Finance, Audit and Risk Committee considered the above report in of the third party April 2023. Based on the work performed by the third party, and the limited available documentation available, the report detailed a lack adequate controls over the six identified bank accounts by the relevant Schools and Departments. The report noted that each bank account was opened and operated outside of the Institute's current normal operating procedures for bank accounts. The report also noted regular bank reconciliations were not prepared and complete records to explain and support each transaction in the bank accounts were not maintained and the quality of books and records available for the identified bank accounts was inadequate. The report detailed, from what evidence was available for the various bank accounts, the activity therein was not inconsistent with the stated purpose of the accounts in question. This opinion was limited given the quality of books and records maintained. While the potential for fraud or misappropriation of funds was heightened for these accounts the third party found no evidence to indicate that fraud or misappropriation had occurred.

The various Schools and Department were only able to make limited books and records available in respect of all six identified bank accounts. These records consisted of incomplete bank statements, limited sales invoices/receipts, partial confirmation for the receipt of contributions or donations, insufficient email correspondence and partial bank confirmations. Overall, the records maintained in

STATEMENT ON SYSTEM OF INTERNAL CONTROLS (CONT'D)

respect of the six identified bank accounts was found to be incomplete. The records varied from bank account to bank account and did not constitute adequate books and records.

In order to avoid a repeat of the above situation the Institute's Executive Board have communicated the requirement for all bank accounts to be controlled by the central finance function to their various teams. Furthermore, the Executive Board have cascaded the need for any additional bank accounts to be brought to the Institute's attention immediately. No additional bank accounts were identified as part of this process.

The combined balance of all six bank account totalled €29,187 at 31 August 2022. All bank accounts are in the process of being closed at the time of signing the financial statements. The balance of funds in the bank accounts is now recorded on the Institute's Statement of Financial Position.

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.

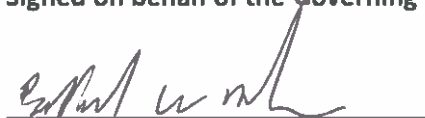
Dundalk Institute of Technology has an outsourced internal audit function, which is in accordance with the Internal Audit Terms of Reference approved by the Governing Body and the THEA Code of Governance for Institutes of Technology.

Covid 19

The international pandemic, Covid 19, has resulted in a loss of both student and commercial income for the Institute. Additional funding streams provided by the Higher Educational Authority assisted in alleviating additional costs borne from the pandemic however, loss in income streams were managed solely by the Institute. Challenges were also experienced engaging students with their studies and this has resulted in lower than expected progression rates from one year of study to the next. Student and staff supports were under continuous review throughout the academic / financial year to address these challenges.

These impacts and associated mitigations have been considered by the Governing Body.

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



Patrick W. Malone
Chairperson

30/08/2022
Date



Dr. Diarmuid O'Callaghan
President

30/8/23
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 2022 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 2022 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 has incurred operating deficits in each of the last three years, resulting in a reduction in the Institute's income and expenditure reserve. Financial projections forecast that the Institute would only return to a breakeven position in 2024/2025. 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 and up-dated financial projections have been adopted. On that basis, the members of the Governing Body are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

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.

Report of the C&AG (continued)

Unauthorised bank accounts

The statement on internal control discloses the discovery in June 2022 of six bank accounts which were not previously recorded in the Institute's financial statements and therefore operated outside the Institute's normal control and reporting environment. The Institute has stated that the six bank accounts were opened and operated by various schools and departments, and were utilised to collect contributions from students and donors for financing certain extra-curricular activities. The combined balances of the six bank accounts was €29,187 at 31 August 2022, and they are recorded in the Institute's statement of financial position at the year-end. The Institute is now in the process of closing the accounts.

The statement on internal control describes the steps taken by the Institute to investigate the operation of the accounts and to avoid a re-occurrence of the issue.

Termination of employment payments

Note 9 to the financial statements discloses that the value of severance payments by the Institute was €69,393 in the year of account. In addition, prior to receiving a severance payment, an individual received salary payments totaling €205,405 while on an extended period of administrative leave.



Seamus McCarthy
Comptroller and Auditor General

30 June 2023

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.

Dundalk Institute of Technology
Financial Statements for the year ended 31 August 2022

CONSOLIDATED AND INSTITUTE STATEMENT OF COMPREHENSIVE INCOME

	Note	Current Year 31 August 2022		Previous Year 31 August 2021	
		Consolidated €000's	Institute €000's	Consolidated €000's	Institute €000's
Income					
State grants	3	27,318	27,318	23,816	23,816
Tuition fees and student contribution	4	19,759	19,759	19,510	19,510
Research grants & contracts	5	5,349	5,349	4,243	4,243
Student support funding	7	657	657	491	491
Other income	8	5,325	3,449	4,158	3,212
Amortisation of deferred capital grants	19	3,515	3,515	3,365	3,365
Interest income		-	-	2	2
Deferred pension funding	25	13,742	13,742	13,200	13,200
Total Income		75,665	73,789	68,785	67,839
Expenditure					
Staff costs	9	45,175	44,863	42,473	42,272
Retirement benefit cost	25	13,742	13,742	13,200	13,200
Other operating expenses	10	14,339	12,769	10,480	9,799
Depreciation	13	3,646	3,646	3,504	3,504
Total Expenditure		76,902	75,020	69,657	68,775
Surplus / (deficit) for the year before tax and other gains and losses		(1,237)	(1,231)	(872)	(936)
Taxation	11	-	-	15	-
Surplus / (deficit) for the year before other gains and losses		(1,237)	(1,231)	(887)	(936)
Actuarial Gains					
Experience (losses)/gains on retirement benefit obligations		-	-	(2,929)	(2,929)
Reduction in pension liabilities arising from retirements in the year		10,451	10,451	10,574	10,574
Changes in assumptions underlying the present value of retirement benefit obligations	25	72,540	72,540	(8,112)	(8,112)
Total actuarial gains in the year		82,991	82,991	(467)	(467)
Adjustment to deferred retirement benefits funding	25	(82,991)	(82,991)	467	467
Total comprehensive (loss)/income for the year		(1,237)	(1,231)	(887)	(936)

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

Notes 1-28 form part of these financial statements.

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

Signed on behalf of the Governing Body



Chairperson: Patrick W. Malone



President: Dr. Diarmuid O'Callaghan

Date: 30/06/2023

Date: 30/6/23


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 2020	80,880	80,874	1,366	1,366	5,727	5,449	87,973	87,689
Surplus for the year before appropriations	-	-	-	-	(887)	(936)	(887)	(936)
Amortisation of deferred capital grants	(3,365)	(3,365)	-	-	-	-	(3,365)	(3,365)
State grant allocated to capital	2,335	2,335	-	-	-	-	2,335	2,335
Other grant allocated to capital	194	93	-	-	-	-	194	93
Restatement of fixed assets	(10)	(10)	-	-	10	10	-	-
Transfer from Capital Development Reserve	-	-	(98)	(98)	-	-	(98)	(98)
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

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: Patrick W. Malone

Date: 20/6/22


President: Dr. Diarmuid O'Callaghan

Date: 30/6/22

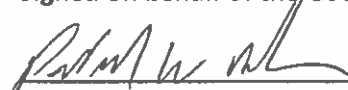
Dundalk Institute of Technology
Financial Statements for the year ended 31 August 2022

CONSOLIDATED AND INSTITUTE STATEMENT OF FINANCIAL POSITION

	Note	Current Year 31 August 2022		Previous Year 31 August 2021	
		Consolidated €000's	Institute €000's	Consolidated €000's	Institute €000's
Non Current Assets					
Fixed Assets	13	86,192	85,959	85,023	84,923
		86,192	85,959	85,023	84,923
Current Assets					
Inventory		5	-	13	-
Receivables	15	4,078	4,051	3,625	3,600
Cash and cash equivalents	16	10,311	9,569	11,551	11,122
		14,394	13,620	15,189	14,722
Less Payables: amounts falling due within 1 year	17	(14,269)	(13,823)	(14,060)	(13,927)
Net Current Assets		125	(203)	1,129	795
Total Assets less Current Liabilities		86,317	85,756	86,152	85,718
Provision for Amounts and Charges:					
Retirement Benefits					
Retirement benefit obligations	25	(185,645)	(185,645)	(252,644)	(252,644)
Deferred retirement benefit funding asset	25	185,645	185,645	252,644	252,644
Total Net Assets		86,317	85,756	86,152	85,718
Deferred Capital Grants	19	81,534	81,294	80,034	79,927
Unrestricted Reserves					
Income & Expenditure Reserve		3,613	3,292	4,850	4,523
Capital Development Reserve	20	1,170	1,170	1,268	1,268
Total		86,317	85,756	86,152	85,718

Notes 1-28 form part of these financial statements

Signed on behalf of the Governing Body


Chairperson: Patrick W. Malone

Date: 30/6/2023


President: Dr. Diarmuid O'Callaghan

Date: 30/6/23

Dundalk Institute of Technology
Financial Statements for the year ended 31 August 2022

CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended 31 August 2022 €000's	Year ended 31 August 2021 €000's
Net Cash Inflow/Outflow from Operating Activities		
Excess income over expenditure	(1,237)	(887)
Depreciation of fixed assets	3,646	3,504
(Profit) / loss on the disposal of property, plant & equipment	(50)	-
Amortisation of deferred capital grants	(3,515)	(3,365)
(Increase)/decrease in inventory	8	-
(Increase)/decrease in receivables	(453)	(161)
Increase/(decrease) in payables	209	3,625
Interest income	-	(2)
State funds allocated to capital	4,719	2,335
Other funds allocated to capital	296	194
Capital Development Reserve movement	(98)	(98)
Net Cash Inflow from Operating Activities	3,525	5,145
Cash Flows from Investing Activities		
Payments to acquire property, plant & equipment	(5,015)	(2,529)
Proceeds on the disposal of property, plant & equipment	250	-
Net Cash Flows from Investing Activities	(4,765)	(2,529)
Cash Flows from Financing Activities		
Interest received	-	2
Net Cash Flows from Financing Activities	-	2
Net (Decrease)/ Increase in cash equivalents in the year	(1,240)	2,618
Cash and cash equivalents at 1 September	11,551	8,933
Cash and cash equivalents at 31 August	10,311	11,551

Notes 1-28 form part of these financial statements.

Signed on behalf of the Governing Body


Chairperson: Patrick W. Malone

Date:

20/06/2022


President: Dr. Diarmuid O'Callaghan

Date:

30/6/23

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 2022.

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 2022.

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 are 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 is 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 is currently recording, and projected to record, financial deficits. Current projections forecast the Institute will return to a break-even situation in 2024/25. 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, Audit and Risk 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 2023 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	2022 Total €000's	2021 Total €000's
Recurrent expenditure - HEA	23,809	88	23,897	21,829
State Grant - HEA COVID support	1,124	-	1,124	1,487
State Grant - Apprentice syllabus	47	-	47	136
State Grant - Apprentice equipment	50	-	50	0
State Grant - HCI Pillar 2 funding	285	-	285	113
State Grant - Minor capital works - HEA	2,003	1,233	3,236	1,744
State Grant - Capital works	-	3,398	3,398	842
EU funded capital grants	-	45	45	23
Capital expenditure - other	-	118	118	70
Total 2022	27,318	4,882	32,200	26,244
Total 2021	23,816	2,428	26,244	

Included in the recurrent grant allocation from the HEA in 2022 an amount of €1,123,685 (2021: €1,486,730) relates to funding specifically associated with meeting the extra costs incurred in response to COVID-19.

4. Tuition Fees and Student Contribution

	2022				2021			
	Students WTE	State Funded €000's	Non State Funded €000's	Total €000's	Students WTE	State Funded €000's	Non State Funded €000's	Total €000's
Fees paid by State	3,134	4,634	-	4,634	3,274	4,561	-	4,561
Fees paid by other state agencies	-	161	-	161	-	196	-	196
Non EU Fees	411	-	3,202	3,202	386	-	3,152	3,152
Fees paid by students or on behalf of students	295	-	317	317	258	-	379	379
Life Long Learning and other fees	599	111	615	726	451	95	664	759
Student Contribution incl. repeat exam fees	-	5,596	5,123	10,719	-	5,863	4,600	10,463
Student Numbers / Net Fee Income	4,439	10,502	9,257	19,759	4,369	10,715	8,795	19,510

The Higher Education Authority paid tuition fees in the year of €1,529,265 (2021: €1,497,052) for full time Level 8 degree courses, €223,250 (2021: €263,430) for higher certificate and ordinary degree courses and €750,403 (2021: €637,002) for Springboard/ICT Skills, the total costs of which are part funded by the ESF. €249,792 was received in 2022 (2021: €213,670) as part of the Human Capital Initiative Pillar I funding and €23,589 (2021: €100,491) was received from the HEA as part of the July Stimulus programme.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

The Higher Education Authority paid €1,857,966 (2021: €1,849,753) in respect of the tuition fee element for full time nursing degree students.

SUSI paid student contribution fees in the year of €5,596,109 in year ended 31 August 2022 (2021: €5,863,489).

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

5. Research Grants and Contracts

	2022 Total €000's	2021 Total €000's
Income		
State and semi state	2,241	1,735
European Union	2,861	2,277
Industry	15	106
Other	232	125
Total income	5,349	4,243
Expenditure		
Pay costs	3,406	3,127
Non-pay costs	2,124	1,468
Total expenditure	5,530	4,595
Net Outcome	(181)	(352)

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

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. Analysis of State Derived Income

Name of Grantor	Op Deferral 1 Sept 2021 €000's	Grant Received €000's	CL Deferral 31 Aug 2022 €000's	I&E 2022 €000's	I&E 2021 €000's
Note 3 - State Grant					
HEA	2,107	31,689	(1,759)	32,037	26,151
Other State funding	-	163	-	163	93
Allocated for Capital Expenditure	-	(4,882)	-	(4,882)	(2,428)
Total State Income	2,107	26,970	(1,759)	27,318	23,816
Note 4 - Tuition Fees / Student Contribution Charges					
Higher Education Authority	-	4,634	-	4,634	4,561
Health Service Executive	-	161	-	161	196
Life Long Learning and other fees	-	111	-	111	95
Student Universal Support Ireland	-	5,596	-	5,596	5,863
Total State Income	-	10,502	-	10,502	10,715
Note 5 - Research & Contracts					
An Foram Uisce	1	27	13	41	50
Department of Education & Skills	(24)	146	28	150	136
Enterprise Ireland	977	822	(979)	820	592
Environmental Protection Agency	(24)	12	8	(4)	4
Higher Education Authority	1,599	233	(777)	1,055	814
Health Service Executive	19	5	(18)	6	13
Irish Research Council	11	22	(10)	23	15
Louth County Council	3	-	-	3	10
Marine Institute	(7)	7	3	3	7
National Forum for the Enhancement of Teaching & Learning	-	6	(4)	2	3
Sustainable Energy Authority of Ireland	(17)	61	4	48	32
Science Foundation Ireland	(301)	252	137	88	57
Royal Irish Academy	-	10	(4)	6	2
Total State Income	2,237	1,603	(1,599)	2,241	1,735
Note 7 - Student Support Funding					
Higher Education Authority	3	657	(3)	657	491
Total State Income	3	657	(3)	657	491

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. Student Support Funding

	2022 Disabilities €000's	2022 Assistance €000's	2022 Total €000's	2021 Total €000's
Balance at 1 September	3	-	3	3
Receipts:				
Higher Education Authority	140	517	657	491
Total Receipts	143	517	660	494
Amounts Applied:				
Pay Costs	17	-	17	19
Non Pay Costs	115	517	632	472
Total Expenditure	132	517	649	491
Equipment	8	-	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 2022		31 August 2021	
	Consolidated €000's	Institute €000's	Consolidated €000's	Institute €000's
Superannuation deductions retained	1,786	1,786	1,828	1,828
Bank concession fee	190	190	190	190
Sundry income	1,408	1,473	1,129	1,194
Subsidiary company income	1,941		1,011	
Net Outcome	5,325	3,449	4,158	3,212

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:

	2022 No. of employees	2021 No. of employees
Teaching and research	338	324
Technical	44	43
Central administration and services	193	182
	575	549

	31 August 2022 €'000	31 August 2021 €'000
Salaries & wages (including employers PRSI)	44,490	41,967
Overtime	146	91
Allowances	84	75
Employer pension costs	143	139
Subsidiary staff costs (including employers PRSI)	312	201
	45,175	42,473

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.

	2022						2021	
	WTE	Salary €'000	Fees €'000	Employee Benefits €'000	Post - Employ. Benefits €'000	Termin. Payments €'000	Total Compen. €'000	Total Compen. €'000
Governing Body Members	18	-	24	-	-	-	24	20
President	1	166	-	-	-	-	166	164
Executive Management	7	891	-	-	-	-	891	755
	26	1,057	24	-	-	-	1,081	939

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.

The President is a member of public service pension scheme and his 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 severance payments to staff during the year was €69,393. Prior to being paid a severance payment, the staff member received gross salary payments totalling €205,405 whilst on Administrative Leave. Administrative Leave is where an employee is temporarily removed from their position and all of their work duties. Employees are not allowed to attend their workplace for the duration of Administration Leave and access to all facilities, including IT, is normally withdrawn.

The above salary amounts were paid in line with the Institute's relevant policies, as agreed with all staff unions and relevant Government Departments. These salary amounts were also in accordance with the agreed salary scales as issued by the Minister for Further and Higher Education, Research, Innovation and Science.

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 2022:

Salary Bands	Year Ended 31 August 2022		Year Ended 31 August 2021
	Consolidated	Institute Only	Consolidated
€60,000 - €70,000	68	68	64
€70,001 - €80,000	57	57	37
€80,001 - €90,000	51	51	59
€90,001 - €100,000	126	126	119
€100,001 - €110,000	10	10	14
€110,001 - €120,000	4	4	4
€120,001 - €130,000	2	2	1
€130,001 - €140,000	0	0	0
€140,001 - €150,000	0	0	0
€150,001 - €160,000	0	0	0
€160,001 - €170,000	1	1	1
Grand Total	319	319	299

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10. Operating Expenses

	2022			Total €000's	2021 Total €000's
	Pay Costs €000's	Depreciation €000's	Operating Expenses €000's		
Capital projects	-	2,944	-	2,944	2,919
Research grants and contracts	3,406	243	2,124	5,773	4,827
Academic department	31,495	44	1,207	32,746	30,208
Academic services	1,944	11	633	2,588	2,550
Facilities costs	1,234	17	2,252	3,503	3,070
Central administration and services	5,504	365	5,107	10,976	9,726
General education expenses	98	4	59	161	58
Student services	1,165	7	755	1,927	1,717
Student support	17	11	632	660	500
Subsidiary undertakings	312	-	1,570	1,882	201
Total Expenditure	45,175	3,646	14,339	63,160	55,776
Total 2021	42,473	3,504	10,480		

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Analysis of other Operating Expenditure

	Consolidated 2022 €000's	Consolidated 2021 €000's
Materials & other consumables	12	14
Light, heat & power	701	664
Library materials	218	418
Travel & subsistence	376	74
Printing, stationery, postage and other office expenses	219	131
Equipment maintenance	11	3
Premises maintenance	593	496
Premises contract alarms	9	35
Grounds	87	76
Computer costs	964	982
Class & library materials	657	320
Rent, rates and insurance costs	495	437
Recruitment, training etc.	73	43
External audit fees	52	42
Internal audit fees	58	23
Student support funding	990	886
Health service	76	75
Subsidiary undertakings	1,570	681
Communications	54	48
Equipment	1,095	311
Transfer to project partners	1,258	677
Advertising & marketing	590	489
Professional fees	469	373
Laboratory costs	138	109
Research costs	138	366
Courses, conferences	47	83
Catering	105	40
Cleaning	670	501
Training/ seminars	109	124
Security, health & safety	448	346
Bank charges	67	40
General education	1,307	1,165
Impairment of student receivables	153	(28)
Profit on disposal of fixed assets	(50)	-
Other expenses	580	436
Total other operating expenses	14,339	10,480

Auditors Remuneration	Consolidated 2022 €000's	Consolidated 2021 €000's
Audit of the Institute by the C&AG	52	42
Internal audit services provided by a third party	58	23
External audit of subsidiaries	9	8
Total	119	73

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 €nil (2021: €14,609) for the year ended 31 August 2022. There was a €nil corporation tax charge in Dundalk College Campus Services Ltd for the year ended 31 August 2022. There was also a €nil corporation tax charge in DKIT Connect DAC for the year ended 31 August 2022.

12. Financial Result for the year

	Year ended 31 August 2022 €'000	Year ended 31 August 2022 €'000
Institute (deficit)/surplus for the year	(1,231)	(936)
(Loss)/surplus generated by subsidiaries and other undertakings	(6)	49
(Deficit)/Surplus for the year	(1,237)	(887)

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 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 period 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 we 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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

basis we 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).

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 vehicules €'000	Subsidiary equipment €'000	Total €'000
Cost								
At 1 September 2020	126,374	448	823	10,286	6,351	46	96	144,424
Additions in year	-	842	-	467	1,120	-	100	2,529
Disposals in year	-	-	-	-	-	-	-	-
At 31 August 2021	126,374	1,290	823	10,753	7,471	46	196	146,953
Depreciation								
At 1 September 2020	42,933	-	820	9,038	5,520	19	96	58,426
Charge for year	2,514	-	1	354	627	8	-	3,504
Eliminated on disposals	-	-	-	-	-	-	-	-
At 31 August 2021	45,447	0	821	9,392	6,147	27	96	61,930
Net book value								
At 31 August 2021	80,927	1,290	2	1,361	1,324	19	100	85,023
At 1 September 2020	83,441	448	3	1,248	831	27	-	85,998

Operating lease / equipment rental commitments at 31 August 2021 (re DkIT Sport Limited), in line with the above, amounted to €nil (2020: €48,000).

Dundalk Institute of Technology
Financial Statements for the year ended 31 August 2022

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 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 / equipment rental commitments at 31 August 2022 (institute only) amounted to €nil (2021: €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 2020	126,374	448	823	10,286	6,351	46	144,328
Additions in year	-	842	-	467	1,120	-	2,429
Disposals in year	-	-	-	-	-	-	-
At 31 August 2021	126,374	1,290	823	10,753	7,471	46	146,757
Depreciation							
At 1 September 2020	42,933	-	820	9,038	5,520	19	58,330
Charge for year	2,514	-	1	354	627	8	3,504
Eliminated on disposals	-	-	-	-	-	-	-
At 31 August 2021	45,447	-	821	9,392	6,147	27	61,834
Net book value							
At 31 August 2021	80,927	1,290	2	1,361	1,324	19	84,923
At 1 September 2020	83,441	448	3	1,248	831	27	85,998

Operating lease commitments / equipment rental at 31 August 2021 (institute only), in line with the above, amounted to €nil (2020: €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:	(€33,807)
Net Assets/(Liabilities) at statement of financial position 31 August 2022:	(€9,240)

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:	€26,992
Net Assets at statement of financial position 31 August 2022:	€330,415

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 2022:	€100

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

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:

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Financial Statements for the year ended 31 August 2022

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 vulnerabilities within their product portfolios.	1.77
Tapa Healthcare DAC	Provides several services for hospital managements through its READS software platform. READS is a bedside clinical assessment tool that provides proactive patient safety.	1.75

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 are therefore included in the financial statements at cost (€nil).

Nova Leah Limited carried out a share issue during the year ended 31 August 2022. Dundalk Institute of Technology did not purchase any additional shares and although the Institute continues to hold 8,695 shares in the company this now represents 1.77% of the total issued shares at 31 August 2022 (2021: 3.12%).

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

15. Receivables

	Consolidated		Institute	
	2022 €'000	2021 €'000	2022 €'000	2021 €'000
Research grants and contracts receivable	1,551	2,948	1,551	2,948
State grant receivable	164	72	164	72
Academic fees receivable	366	268	366	268
Impairment of student receivables	(350)	(196)	(350)	(196)
Prepayments and accrued income	369	283	369	283
Trade receivables	94	77	94	77
Other receivables	243	141	143	63
Other capital funding receivable	1,641	32	1,641	32
Amounts due from subsidiary undertakings	-	-	73	53
	4,078	3,625	4,051	3,600

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

16. Cash and Cash Equivalents

	Consolidated		Institute	
	2022	2021	2022	2021
	€'000	€'000	€'000	€'000
Cash at bank including balances held on short term deposit	10,311	11,551	9,569	11,122
	10,311	11,551	9,569	11,122

17. Payables: Amounts falling due within one year

	Consolidated		Institute	
	2022	2021	2022	2021
	€000's	€000's	€000's	€000's
Research grants and contracts in advance	2,370	3,485	2,370	3,485
Deferred income student support funding	108	172	108	172
Trade payables	162	130	162	130
State grants received in advance	1,759	2,107	1,759	2,107
Other tax and social security	1,276	1,121	1,276	1,121
Other payables	1,058	1,619	344	1,049
Accruals	3,826	2,106	3,826	2,106
Tuition fees received in advance	2,549	1,802	2,549	1,802
Other amounts received in advance	1,113	1,518	1,113	1,518
Leases (note 18)	48	-	-	-
Amounts owed to subsidiary undertakings	-	-	316	437
	14,269	14,060	13,823	13,927

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	Consolidated
	2022	2021
	€000's	€000's
Within 1 Year	48,000	-
Between 2 and 5 years	144,000	-
Greater than 5 years	-	-
	192,000	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

19. Deferred State Capital Grants

	Consolidated		Institute	
	2022	2021	2022	2021
	€000's	€000's	€000's	€000's
Opening balance at 1 September	80,034	80,880	79,927	80,874
State Capital Grants received in year				
Allocated from State recurrent grant - HEA	88	756	88	756
State Grant - Minor capital works - HEA	1,233	737	1,233	737
State grant - capital works	3,398	842	3,398	842
EU funded capital grants	45	23	45	23
Capital expenditure - other	251	171	118	70
Total	5,015	2,529	4,882	2,428
Amortised to Income and expenditure in year				
Amortised in line with depreciation	(3,646)	(3,504)	(3,646)	(3,504)
Restatement of fixed assets	-	(10)	-	(10)
Reduction in amortisation of deferred capital	131	139	131	139
Total	(3,515)	(3,375)	(3,515)	(3,375)
Closing balance at 31 August	81,534	80,034	81,294	79,927

20. Capital Development Reserve

	Consolidated		Institute	
	2022	2021	2022	2021
	€000's	€000's	€000's	€000's
Opening balance	1,268	1,366	1,268	1,366
Transfer re DkIT Connect DAC	(98)	(98)	(98)	(98)
Closing balance	1,170	1,268	1,170	1,268

21. Capital Commitments

	Consolidated		Institute	
	2022	2021	2022	2021
	€000's	€000's	€000's	€000's
Contracted for but not provided	2,744	5,380	2,744	5,380
Authorised but not contracted	-	-	-	-
	2,744	5,380	2,744	5,380

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

A contract was entered into by Dundalk Institute of Technology on 23 July 2021 in relation to the STEM building extension. €2,636,250 has been invoiced by and paid to the contractor during the year ended 31 August 2022. The works were ongoing at the time of preparing the financial statements with a projected completion date of July 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 2022.

24. Technological University

Dundalk Institute of Technology are committed to achieving Technological University (TU) status. Although the Institute has progressed significantly towards achieving TU metrics, and continues to engage with the Higher Educational Authority, it is unlikely this will be achieved in line with the Institute's Strategic Plan 2020-2022. 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.

€760,000 was awarded to the Institute under the Technological University Transformation Fund (TUTF) Year 1 allocation. The costs directly associated with TUTF included in the accounts for the year ended 31 August 2022 amount to €438,953 (31 August 2021: €59,667).

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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 2022. 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 2022 were as follows:

	Year ended 31 August 2022	Year ended 31 August 2021
Discount rate	3.60%	1.40%
Inflation rate	2.45%	1.85%
Salary increases	3.70%	3.10%
Pension increases - Superannuation Scheme	3.20%	2.60%
Pension increases - Single Scheme	2.45%	1.85%
Revaluation in deferment	2.45%	1.85%

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:

	Year ended 31 August 2022 Years	Year ended 31 August 2021 Years
Male aged 65	21.8	21.8
Female aged 65	24.1	24.1

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

	Year ended 31 August 2022 €000's	Year ended 31 August 2021 €000's
Current service cost	12,727	12,665
Employee contributions / (benefits paid)	(2,250)	(2,140)
Interest on retirement benefit scheme liabilities	3,265	2,675
	13,742	13,200

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

	Year ended 31 August 2022 €000's	Year ended 31 August 2021 €000's
Net retirement benefit obligation at 1 September	252,644	236,837
Current service costs	10,477	10,525
Employee contributions	2,250	2,140
Interest costs	3,265	2,675
Reduction in pension liabilities arising from retirements in the year	(10,451)	(10,574)
Experience loss/(gain) on liabilities	-	2,929
(Gain)/loss in actuarial assumptions	(72,540)	8,112
Net retirement benefit obligations at 31 August	185,645	252,644
Split between		
SPSPS	5,477	5,716
Education Sector Superannuation Scheme	180,168	246,928
	185,645	252,644

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

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

The Institute recognises amounts owing from the State for the unfunded deferred liability for retirement benefits relating to the Education Sector Superannuation Scheme 2015 on the basis of the set of assumptions described above and a number of past events. These events include the statutory basis for the establishment of the retirement benefit scheme, and the policy and practice currently in place in relation to funding public service pensions including contributions by employees and the annual estimates process.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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 2022 €000's	Year ended 31 August 2021 €000's
Funding recoverable in respect of current year retirement		
Benefit costs	13,742	13,200
Benefits paid in year	-	-
	13,742	13,200

The deferred funding liabilities for retirement benefit as at 31 August 2022 amounted to €185,645,000 (2021: €252,644,000).

(vi) History of defined benefits obligations

	Year ended 31 August 2022 €000's	Year ended 31 August 2021 €000's
Defined benefit obligations	185,645	252,644
Experience losses/(gains) on deferred benefit scheme liabilities	-	2,929

26. Post Balance Sheet Events

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. Dundalk College Campus Services Limited ceased trading in December 2023 and the process of formally winding up the company is underway at time of signing the 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 27 June 2023.