



National College of Art and Design
A Recognised College of University College Dublin

Annual Report 2015-2016

National College of Art and Design Act, 1971 Section 16(1):

"An Bord shall make a report to the Minister annually of the proceedings under this Act during the previous academic year of the College and the Minister shall cause a copy of the report to be laid before each house of the Oireachtas."

An Bord (15/06/2015-01/03/2018)

Chairman of An Bord Professor Niamh Brennan

Members of An Bord Rian Coulter (to 4th February, 2016)
Mary Dorgan
Adrienne Eacrett
Karen Furlong
Grainne Murphy (from 5th February, 2016)
Ian Power
Professor Mark Rogers (to 30th March, 2017)
Blaise Smith
Rachel Tuffy
Oliver Whelan

Officer of An Bord Professor Declan McGonagle, Director and Ex officio Member of An Bord (to 31st December, 2015)
Dr Gary Granville, Interim Director and Ex officio Member of An Bord (from 1st January, 2016 to 28th February, 2016)
Bernard Hanratty, Acting Director and Ex officio Member of An Bord (from 1st March, 2016 to 4th August, 2017)

Damian Downes, Registrar/Secretary

ANNUAL REPORT 2015/2016

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Chairman's Introduction

This report covers the period during which Professor Niamh Brennan chaired the NCAD Board whose term of office was 15th June 2015 until 1st March 2018. This annual report was prepared subsequent to the completion of this Board's term of office. A new Board was appointed in April 2018 and held its first meeting on 1st May at which meeting Dr. Richard Thorn was nominated as Chairperson.

Professor Brennan has detailed in the Chairman's report for 2014/2015 the significant issues with the NCAD system for internal financial control identified by An Bord as they took up office in 2015. This report details the Governance Improvement Plan for NCAD put in place by An Bord and it is of paramount importance that the work required to underpin this critical work is a priority for the incoming Bord. I would like to take this opportunity to acknowledge the significant progress made Professor Brennan and the outgoing members of An Bord, and on behalf of NCAD to thank them for their hard work and dedication whilst in office.

This report outlines the considerable achievements of the staff and students during 2015/16 despite the resource constraints within the College during this time. On behalf of An Bord I would like to thank the staff and students for their for their commitment, creativity and dedication which is evident annually in our Graduate Showcase and recognised within this year by the visit by President Michael D. Higgins to view the work of the graduating students.

Finally, on behalf of An Bord I would like to thank the Department of Education and Skills and Higher Education Authority for their ongoing support of NCAD and we look forward to working with them over the coming years to ensure that NCAD continues to play a leading role in nurturing and developing the future of creativity within Ireland and internationally.

Dr Richard Thorn
Chairperson
NCAD

Post of Director

Professor Declan McGonagle announced his intention to retire from the post of Director of NCAD at the end of 2015 at the meeting of An Bord held on 11th September, 2015.

An Bord thanked Professor McGonagle for his dedication and commitment in achieving considerable change for the College during very challenging times and wished Professor McGonagle every success in his future endeavours.

Following the notification by Professor Declan McGonagle of his intention to retire on 31st December, 2015, An Bord decided to appoint an interim Director. At an incorporeal Board meeting held on 12th/13th December, 2015 An Bord unanimously approved the appointment of Dr Gary Granville to the post of Interim Director with effect from 1st January 2016 until such time as an Acting Director was appointed.

The recruitment of a new permanent Director would be critical to the future of NCAD and accordingly the recruitment process would take time. An Bord agreed that an Acting Director was required and approval was sought and received from the Higher Education Authority for this. Approval was also sought to commence the process for the recruitment of a new Director from the Minister for Education and Skills. An Bord agreed to the establishment of a Search Committee and a Selection Committee, both comprising external and internal representatives.

The post of Acting Director was advertised on publicjobs.ie and a number of applications were received, shortlisted and interviewed. The successful applicant, Mr Bernard Hanratty, was appointed to the post on 1st March, 2016.

Allianz Business to Arts Awards 2015

NCAD was shortlisted in four categories of the Allianz Business to Arts Awards 2015 for partnerships with the Abbey Theatre, Newbridge Silver and PwC, and an award for its portfolio of partnerships in general. NCAD won the award for Best Sponsorship/Partnership under €25,000 with PwC for the Business Calendar Project which was undertaken by the Department of Visual Communication for the last three years.

Institutional Review

An Institutional Review, conducted by UCD, was proposed for Spring 2017 with a self-evaluation report being prepared by NCAD in advance of that date.

Conferring

The annual Conferring Ceremony was held in the O'Reilly Hall on 9th November, 2015 where 277 students were conferred.

UCD Alliance

NCAD+UCD Report

An Bord received the NCAD+UCD Academic Alliance Report at its meeting on 29th April, 2016. The Report was jointly submitted to the Higher Education Authority and Department of Education and Skills on 24th June, 2016 and Bernard Hanratty, Acting Director of NCAD and Professor Andrew Deeks, President of UCD, in their joint letter to the HEA and Department said, "On foot of the valuable research contained in the report, the NCAD+UCD Strategic Management Committee has established two working groups to undertake the work necessary to further the recommendations of the joint report. One shall consider the future of our academic collaboration and the other shall focus on academic accreditation. The outputs of these working groups will inform the institutions approach to strategic dialogue conversations with the HEA beginning autumn 2016. They will also feed into the drafting of a new memorandum of agreement between NCAD and UCD to commence 1st September 2017".

An Bord formally noted at its meeting in April 2016 that the memorandum of agreements between UCD and all its Recognised Colleges were being extended for one year and at its meeting on 29th July 2016, An Bord formally approved the extension to the Memorandum of Agreement with UCD for 1 year to 31st August, 2017.

Dublin Creative Design Network Launched by NCAD and UCD

In a major strategic partnership, UCD and the National College of Art and Design have joined forces to create a new multidisciplinary initiative called the Dublin Creative Design Network.

The Dublin Creative Design Network partnership brings together the disciplines of design, engineering, technology and business to address future innovation challenges.

The initiative builds on the existing academic alliance, to create a new national centre of excellence to give designers, architects, engineers, technologists and business managers better understanding and broader skills to operate in tomorrow's markets.

Integrating creative art and design capability into other disciplines is critical to drive innovation, and the partnership will become an important source of competitive advantage for Ireland.

UCD and NCAD partnered with the Institute of Designers in Ireland <http://www.idi-design.ie/> to bring leading design thinker, John Thackara to Dublin to launch the initiative on 25th October, 2015, with a talk entitled "Thriving in a no growth economy".

The event was the first in a series of master classes which aim to generate debate, discussion and connections between people from various perspectives with an underlying idea that Design is what links Creativity to Innovation.

Interaction Design Association

A collaboration was established with the Dublin Interaction Design Association (IxDA) to organize and co-host a series of events. NCAD was the official education partner of the Rebase Conference (the inaugural Irish Interaction Design Conference), which was hosted in NCAD on 30th September and 1st October, 2015.

Academic Council

At its meeting held on 28th October, 2015, Academic Council awarded the title Professor Emeritus on Professor Gary Granville, former Head of School of Education. It also awarded the title Associate Fellow to Dr Paul O'Brien, former Lecturer in Visual Culture.

QS World University Rankings

NCAD retained its position as one of the top 100 art and design colleges in the world in the 2016 QS World University Rankings system.

NCAD Graduate Showcase 2016 – Discover Hidden Gems

The annual Graduate Show took place from 18th to 26th June with the official opening on 17th June. The College was honoured to welcome President Michael D. Higgins who visited the show on 17th June. A programme of events took place over the course of the nine days.

The 2016 show was the largest manifestation of art and design graduates presenting for examination in the history of the State.

NCAD's Distiller's Press

NCAD's Distiller's Press was featured on the internationally renowned Design Observer website in October 2015. The article 'Letter from Dublin' was penned by the Special Collections Librarian from Yale University, Tim Young, following his visit to the Distiller's Press in September.

On 5th November 2015, Jamie Murphy, Technical Officer in Visual Communication and Distiller's Press was awarded the Judges Choice Award by the Fine Press Book Association for his book 'Imagination Dead Imagine' produced at the press in collaboration with graduate and artist David O'Kane.

Access & Outreach Report

Student Shadowing Project

38 senior cycle pupils from seventeen linked access schools participated in the Student Shadowing Project. This project aims to promote peer-mentoring opportunities for fifth year pupils who wish to explore their options regarding higher education in art and design. Pupils spent two days shadowing art and design students in the studio and at lectures.

Access Day

Access Day took place in February, and 170 pupils from 14 secondary schools had the opportunity to experience two art and design workshops over the day. Workshops are designed and led by students from across NCAD.

Artist Mentoring Project

Nine secondary schools elected to participate in this after-schools project, where second year art/design and education students introduced a themed project, while also introducing elements of visual notebooks and contemporary arts practice. The pupils' artwork was showcased in the School of Education during April at an event that was attended by parents and teachers.

Portfolio Scholarships Awards

Eight scholarships to the CEAD Summer Portfolio Preparation Course were awarded to fifth-year pupils who attend linked access schools.

Tours of the Graduate Show

Approximately 700 primary school children from linked primary schools participated in a mediated tour of the graduate show.

Access Scheme

Twenty-six first year students registered with the Access Scheme.

Mary Cawley Travel Bursary

The Mary Cawley Travel Bursary is unique to NCAD and is open to students who are registered with the Access Office. Five recipients were awarded a bursary to support their research and study visits to Manifesta Zurich, Drop Everything Inis Oir, Joseph Cavalieri Studio, New York, Li Edelkoort Seminar New York, Barcelona.

Mary Black Exhibition Award

The Mary Black Exhibition Bursary supports students who are registered with the NCAD Access Office. The bursary was created through the will of Mary Black to assist students with costs associated with their final year exhibition at NCAD. Martina Shannon, Textiles Art and Artefact, was the first recipient of this bursary.

Future Creators & Future Cadets

Twenty two teenagers who attend schools in Dublin 8 successfully completed the Future Creators Programme, receiving Certificates of Achievement from NCAD in June. The Future Cadets project commenced in November, with twenty primary school children from local schools attending for one evening a week over the academic year.

Digital Pathways Erasmus +

NCAD Access has partnered with H2 Learning, Dublin, the Kryzowa Foundation, Poland and MFG, Germany in the Digital Skills Pathways for Youth across Europe project, funded by the EU Commission under Erasmus+. This project will run to January 2017.

Ballymun Creative Lab

NCAD Access collaborated with the Rediscovery Centre and the Axis Arts Centre in Ballymun in the design and delivery of a two week creative lab project focusing on digital technology, sustainable fashion and fine art. The project culminated in a showcase exhibition in July 2016.

Access 10 Year Celebration

NCAD Access celebrated ten years in December with the launch of a publication marking the development of the programme.

Clancy Quay Studio Award

Kennedy Wilson Ireland has sponsored NCAD Access through the provision of a commercial space located in Clancy Quay in Dublin 8. Graduates who have come through the NCAD Access Scheme were invited to apply for a supported studio space for nine months. The first recipients for this new scheme are Pat Curran, Neil Dunne, Eileen Kenny and Roisin Power Hackett.

European Access Network Conference, UCD May 2016

NCAD Access and the University of the Arts London collaborated in showcasing artwork from current students, graduates and researchers who were engaged in the NCAD's Access and the University of the Arts London's RAS (Retain, Achieve, Succeed) Programmes.

Rialto Youth Project

NCAD Access worked with young people from the Rialto Youth Project in the design and delivery of Easter and Summer Art Camps.

NCAD Gallery Activity

The NCAD Gallery hosted 10 diverse exhibitions during the period – including being open for Culture Night; SOLAS: An exhibition of Irish Glass; 'Of Shadow Of Ideas', a solo exhibition of artist Aurélien Froment; Rebase Conference - 3 days of design inspiration & education co-hosted by NCAD, and Dublin Gallery Weekend 2015. Full details can be found at <http://www.ncad.ie/about/gallery/>.

Irish Distillers

The College gratefully acknowledges the support received from Irish Distillers who sponsored the Walking Tour of some external points of interest on the campus and renovated/cleaned the Pot Stills in Red Square.

The NUI Art and Design Prize 2016

The NUI Purchase Prize is awarded each year for a piece of work by a graduate of NCAD who has distinguished him or herself. Final year students are automatically eligible for consideration for the Prize. The winner of the NUI Art and Design Prize for 2016 was Sean O'Rourke, a Painting graduate.

NCAD Staff Prize 2016

The NCAD Staff Prize for students was set up in 1994 and is funded by voluntary contributions from some of the NCAD staff. Students are nominated by their Schools/Departments for consideration for the award of the Prize in their final year, and from those nominated, a Selection Committee looks for one student who meets the criteria for the award. The 2016 Staff Prize, worth €1,500 was awarded to Liam Trumble, a final year Visual Communication student. The remaining eight nominated students each received €100 as runners-up.

The Edward Murphy Library and National Irish Visual Arts Library (NIVAL)

An Bord approved the application for funding to the Arts Council made by the National Irish Visual Arts Library at an incorporeal meeting of An Bord on 7th/8th October, 2015.

Strategic development/ Fund raising

The library has engaged in a Quality Assurance Review. Foremost among the recommendations is the provision of better and additional space for the Library and NIVAL and an increase and restructuring of staffing resources.

The Arts Council awarded revenue funding of €42,520 to NIVAL for the period April to December 2016. This represents stand-still funding on the precious year.

The Heritage Council awarded project funding of €4,500 to NIVAL toward the management and conservation of the Patrick Scott Archive.

NIVAL: Cataloguing | Digitisation

A large scale project has commenced to catalogue and conserve the Patrick Scott Archive including digitisation and online exhibition of the artist's extraordinary scrapbook.

The Egan Gallery Collection was fully digitised in NIVAL and ingested into the Digital Repository of Ireland.

Deposits | Bequests | Acquisitions

A number of significant collections were added to NIVAL through acquisition or deposit:

The archives of Lillias Mitchell and the Golden Fleece Award; material from the archives of artist George Campbell; records and design samples from the Shannon Velours Textile Factory; a large quantity of exhibition ephemera from Kieran Owens, former director of the Dublin Event Guide. Artists' books linking to the commemoration of the Easter Rising were acquired from Stoney Road Press, the Distillers' Press and artist Mary Plunkett. *Familiar Faces*, a hand-drawn and coloured booklet (c. 1910) by art student and revolutionary activist Grace Gifford Plunkett was acquired at auction. This is a rare and important piece of the history of the Dublin Metropolitan School of Art in the years before the Rising.

Outreach/ Exhibitions

NIVAL featured on RTÉ Radio 1 programme 'Altering States: 100 Years of the Arts in Ireland' produced by Clíodhna Ní Anluain.

Artist Emma Haugh was supported in the creation of an archive of her project *The Re-appropriation of Sensuality* at NCAD Gallery. NIVAL provided a space for public engagement with the archive including a round-table discussion.

Katie Blackwood and Aisling Conroy presented on the digitisation of the Kilkenny Design Workshops Archive and the Michael Healy Diary at the *Digital History Symposium* at the Hunt Museum.

Administration Report

Governance

The Chairman of An Bord agreed with the Higher Education Authority that An Bord would draw up a Governance Action Plan for the College, which would be integrated with the HEA's Governance Action for the College. The Governance Action Plan would become a working document overseen by the Audit and Risk Committee on behalf of An Bord and the HEA.

In an effort to address the serious governance/finance/HR deficits faced by the College, An Bord agreed to procure turnaround experts. The tenders for both Governance/Finance and HR were published, applications reviewed and the successful tenderers were Crowe Horwath for the Governance/Finance tender and Forde HR for the HR tender.

Progress in relation to policies and procedures was tracked by An Bord and at its meeting on 29th April, 2016, An Bord received an update on the NCAD Governance Project which included a list of policies and procedures which had either been completed or were in the process of being completed.

Audit and Risk Committee

An Bord approved the membership of the Audit and Risk Committee: Karen Furlong (Chairman), Mary Dorgan and Ian Power. Mr Sean Quigley of the Court Services, as a chartered accountant with experience in the education and public sector, joined the Committee as a financial expert.

The Audit and Risk Committee met on 28th August, 2015; 1st October, 2015; 13th November, 2015; 27th November, 2015; 15th January, 2016; 26th February 2016.

HEA Compact

Representatives from the College met with senior HEA staff on 16th September, 2015. The main focus of the meeting was to discuss the College's Self-Evaluation Report, submitted in June 2015, which set out goals in the 2014 Compact under the seven key domains of the Compact.

The College received a letter from the HEA on 3rd June 2016 stating that the HEA Board was satisfied that the progress made by NCAD was sufficient to warrant a release of the 2% performance funding which had earlier been reserved given NCAD's performance and subsequent placement in Category 3.

Protected Disclosure Policy

The NCAD Protected Disclosure Policy was published in April 2016.

Buildings Report

Campus Space Issues

A proposed development for student accommodation on the Alkin site was considered, however, at its meeting in October, 2015, An Bord decided that it was not a good time to undertake such a development until the Campus Development Plan had been updated.

The College served notice of termination of the lease to the landlord of the leased building on John Street West on 7th March 2016 and vacated the premises at the end of December, 2016 which resulted in the re-location of a number of departments in the College.

A campus survey was completed during the year with a full set of digital plans being produced.

Selected Student/Graduate Achievements

Red Dot Design Award

Medical Device Design graduate Rory O'Callaghan won a Red Dot Design Concept Award for his Endoscopic Ultrasound Fine Needle Aspiration device. This concept was produced as part of a collaborative project between Medical Device Design and Cook Medical three years ago.

Institute of Designers in Ireland Awards

The IDI Graduate Design Award for Craft and Furniture Design went to Genevieve Howard from Jewellery and Metalwork. The Award for Textile Design went to Gill Thorpe, Textile Surface Design.

SDC International Design Competition 2015

This year's result signifies a third year in a row that an NCAD student has won the grand final. Previous winners were Rachel White in 2013 and Orla McCarthy in 2014.

Aoife Mullane, a Printed Textiles graduate won the SDC International Design Competition 2015.

The announcement was made at a prestigious awards event held at the Fashion and Textile Museum in London. The competition judges were internationally acclaimed designer Dame Zandra Rhodes, knitwear designer Laduma Ngxokolo from South Africa and Duncan Neil from Turnbull Prints.

Aoife was chosen over the other finalists representing Hong Kong, India, UK, Singapore, Thailand, Bangladesh, China, Portugal, New Zealand and South Africa. All entries had to show evidence of using colour as an integral component of the design process as well as incorporating this year's theme of Buy Less, Choose Well.

Undergraduate Awards

Visual Communication graduate Stephanie McDermott's submission received Highly Commended by the Undergraduate Awards Programme 2015 in the Visual Arts and Design category.

Thomas Dammann Junior Memorial Trust Art and Design Research Awards 2016

Thomas Dammann Junior Memorial Trust Art and Design Research Awards for 2016 were awarded to undergraduate and postgraduate students and staff: Alannah Clegg, Jaki Coffey, Brendon Deacy, Darragh Dempsey, Fiona Dunne, Liza Foley, Saidhbhin Gibson, Niamh Hussey, Sean Molloy, Cecilia Moore, Elva Mulchrone, Sarah O'Neill and Sven Sandberg.

Galerie Marzee International Graduate Award 2015

Following the exhibition of her work at New Designers Exhibition in London, Genevieve Howard, a Jewellery and Metalwork graduate, was chosen to exhibit in the *Galerie Marzee's Annual Graduate Show* in the Netherlands. Genevieve was awarded the *Galerie Marzee International Graduate Award 2015*. Over forty countries were represented and over one hundred students work was exhibited with only seven prizes awarded.

Brown Thomas 'Designer to Watch' Bursary

Daniel Roden, a final year Fashion student was the winner of the inaugural €4,000 Brown Thomas 'Designer to Watch' bursary presented at the NCAD Fashion Show held in the Westbury Hotel in May 2015.

Showcase 2016

Grainne Walley, a final year Fashion student, won the Emerging Designer prize for the Knitwear Project at Showcase 2016.

RSA Student Design Awards

Four final year Industrial Design students at NCAD won RSA Student Design Awards.

Mirna Maye and Alan MacFarlane won the RBS sponsored Best Business Case award of £1000 with their project 'Watercooler: a community based service designed to get people in Dublin into a creative mindset and thinking more clearly'.

Sarah Twaddell and Megan Sands competed under the GSK sponsored project brief AfricaPack that asked students to improve the way medicines are protected, dispensed, distributed and/or taken in Sub Saharan Africa. They won this category with their project 'Positive Future: a packaging design, awareness campaign and mobile network support system for patients taking antiretroviral medicine in Sub Saharan Africa'. Their prize was an internship to the value of £2600.

Fixpert Future Makers Award

The Design and Crafts Council of Ireland's Future Makers Fixperts Creative Award was given to five 2nd year NCAD Design students – Sarah Madden, Alana McDonough and Laura Lowry (all Visual Communication students), and Nathan Joyce and Maverick Andaloc (Product Design students) – for their collaborative project entitled 'IndePEN – a penholder for Donal'. This is the 3rd year in a row that NCAD students have won this award.

Newbridge Silverware

Third year Jewellery and Metals student Hazel Kenny won the Newbridge Silverware NCAD Jewellery Designer of the Year 2016. She received €1000 with her work going into production at Newbridge Silverware.

Future Makers Awards

Ciana Keating, 3rd Year Fashion, awarded the Design Award of €1,000.

Conaill O'Dwyer, 3rd Year Fashion, awarded a Residency Support of €1000.

Annemarie Reinhold, 4th Year Jewellery & Metals, awarded a Residency Support of €1,000.

Fiona White, 4th Year Textile Surface Design, awarded a Material Support of €500.

Mittelmoda

Aideen Gaynor, Fashion Design, was winner of Mittelmoda's 23rd Edition Absolute prize for the most creative collection.

River Island

Will Shannon Doyle won the River Island prize 2016 of €3500 and a paid internship in London for 3 months.

Student Statistics

1. Number of Undergraduate Certificate & Diploma Students: (Part-Time)

	2012/13	2013/14	2014/15	2015/16
Male	43	33	28	31
Female	131	119	109	127
Total	174	152	137	158

2. Number of Full-Time Undergraduate Students: (BA & BDes)

	2012/13	2013/14	2014/15	2015/16
Male	253	295	329	309
Female	531	621	719	766
Total	784	916	1048	1075

3. Number of Full-Time Postgraduate Students:

	2012/13	2013/14	2014/15	2015/16
Male	48	51	36	52
Female	141	121	116	106
Total	189	172	152	158

4. Number of Continuing Education Students:

	2012/13	2013/14	2014/15	2015/16
Total	573**	436**	347**	592**

** Non-Credit Short Courses

5. Full-Time Students:

	2012/13	2013/14	2014/15	2015/16
Undergraduate	768	909	1048	1075
Postgraduate	146	135	125	143
Total	914	1044	1173	1218

6. Part-Time Students:

	2012/13	2013/14	2014/15	2015/16
Undergraduate	16	7	0	0
Postgraduate	43	37	27	15
Total	59	44	27	15

Financial Statements

The audited financial statements for the year ended 30 September 2016 form part of this report.

NCAD DUBLIN

National College of Art and Design

FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30 SEPTEMBER
2016

COLÁISTE NÁISIÚNTA EALAÍNE IS DEARTHÁ
NATIONAL COLLEGE OF ART AND DESIGN
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

College Information

Address National College of Art and Design
100 Thomas Street
Dublin 8

Auditors Comptroller and Auditor General
3A Mayor Street Upper
Dublin 1

Bankers Bank of Ireland
85 James Street
Dublin 8

Solicitors St John Solicitors
14, City Gate
Lower Bridge Street
Dublin 8

COLÁISTE NÁISIÚNTA EALAÍNE IS DEARHTHA
NATIONAL COLLEGE OF ART AND DESIGN
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

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COLÁISTE NÁISIÚNTA EALAÍNE IS DEARTHÁ
NATIONAL COLLEGE OF ART AND DESIGN
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

STATEMENT OF RESPONSIBILITIES OF AN BORD

Under Section 15 (1) of the National College of Art and Design Act, 1971, An Bord is required to prepare financial statements in such form as may be approved by the Minister for Education and Skills with the consent of the Minister for Finance.

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

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- Prepare the financial statements on the going concern basis.
- Follow applicable accounting standards, subject to any material departures disclosed and explained in the financial statements.

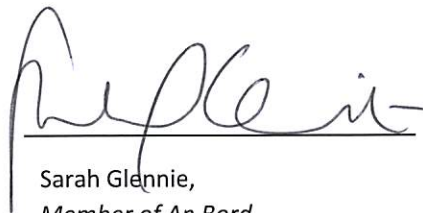
An Bord is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the National College of Art and Design and which enable it to ensure that the financial statements comply with the statutory requirements. An Bord is also responsible for safeguarding the assets of the National College of Art and Design and for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Richard Thorn,
Chair of An Bord

19/6/18

Date



Sarah Glennie,
Member of An Bord

19/6/18

Date



Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

National College of Art and Design

Opinion on financial statements

I have audited the financial statements of the National College of Art and Design for the year ending 30 September 2016 as required under the provisions of the National College of Art and Design Act 1971. The financial statements comprise

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

In my opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of the College at 30 September 2016 and of its income and expenditure for the year then ended in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

Emphasis of matter – deferred pension funding

Without qualifying my opinion on the financial statements, I draw attention to Note 17 Retirement Benefits and to the recognition as at 30 September 2016 of an asset of €87 million in respect of deferred pension funding.

The pension schemes operated by the College are on a defined benefit basis and consist of an unfunded superannuation scheme and the Single Public Service Pension Scheme (Single Scheme).

The recognition of the deferred pension funding asset in respect of the Single Scheme reflects statutory provisions relating to the funding of that scheme. The recognition of an asset in respect of the other scheme anticipates that funding will be provided by the State to meet pension liabilities as they fall due. Inherent in this accounting treatment is an assumption that any income generated by the College will in the first instance be applied towards current expenses and that State funding will meet any shortfall in resources required to meet future pension liabilities.

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 further described in the appendix to this report. I am independent of the College and have fulfilled my other ethical responsibilities in accordance with the standards.

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

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

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

Procurement non-compliance

The statement on the system of internal financial control disclose that the College made payments totalling €642,000 to 12 suppliers in the year under review in respect of goods and services for which the procurement procedures employed did not comply with public procurement guidelines.

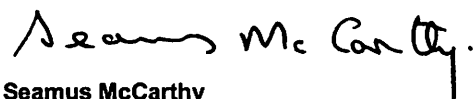
Other governance issues

The statement on the system of internal financial control discloses a number of governance issues in respect of the year ended 30 September 2016, including

- fixed assets were not tagged and locations were not recorded on the asset register,
- there was no risk register in place, and
- the College was not in full compliance with the Code of Practice for the Governance of State Bodies.

Non-effective expenditure

The statement on the system of internal financial control discloses information in relation to the Board's decision to discontinue a human resources management project that was initiated in 2014. Direct project expenditure of €138,000 was non-effective, in that it did not achieve the intended objective.



Seamus McCarthy
Comptroller and Auditor General

21 June 2018

Appendix to the report

Responsibilities of Members of An Bord

The statement of responsibilities of An Bord sets out the responsibilities of the members of An Bord of the National College of Art and Design. The members of An Bord are responsible for

- the preparation of financial statements in such form as may be approved by the Minister for Education and Skills with the consent of the Minister for Finance
- ensuring that the financial statements give a true and fair view in accordance with FRS102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under Section 15 of the National College of Art and Design Act 1971 to audit the financial statements of the National College of Art and Design and to report on them in a report for presentation 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 International Standards on Auditing (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, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the College to cease to continue as a going concern.
- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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 in the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Reporting on other matters

My audit is conducted by reference to the special considerations which attach to bodies in receipt of substantial funding from the State in relation to their management and operation. I report if there are material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if there is any material instance where money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I also report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

STATEMENT ON THE SYSTEM OF INTERNAL FINANCIAL CONTROL

Responsibility for the System of Internal Financial Control

An Bord acknowledges that it is responsible for ensuring that an adequate system of internal financial control is maintained and operated effectively in the College.

Given the need for controls to be commensurate with the level of risk, a system can only provide reasonable but not absolute assurance that: assets are safeguarded, transactions are authorised and properly recorded, and that material errors or other irregularities are either prevented or would be detected in a timely manner.

The current An Bord was appointed in April 2018. An Bord in situ for the period of account were appointed in June 2015 and found that there were considerable deficiencies in the NCAD system of internal financial control which would take some time to remedy. These deficiencies were being remedied during the 2015/16 period.

An Bord and senior management remain focussed on addressing these control weaknesses. The previous An Bord and the previous Audit & Risk Committee met 33 and 20 times respectively during their term of office. A governance action plan has been put in place. Based on the board's initial assessment of internal control deficiencies within the College, it was decided to seek external technical expertise in governance, finance and HR. The objective was to request these resources to design and implement a governance, finance, internal control and HR framework with supporting policies and procedures. While this process is underway and almost complete, part 1 (the development of the framework and policies) took considerably longer than expected due to the lack of resources and competencies in the College to assist and drive this forward. This has highlighted a further issue with respect to part 2 - the implementation and embedding of these new policies and way of working. With the existing resources and competencies available, implementation of a new governance framework will be challenging and incremental. This however will be supported by a determined Board.

Background Information

For reasons explained elsewhere, there has been a time-lag in presenting year-end financial statements. There have been significant changes in staff within the finance function. The chart of accounts was reformed in time for the preparation of the 2014/15 financial statements which meant that greater reliance could be placed upon the information contained within the accounts package. In early 2015, the Executive Team and the then Chairman of NCAD appeared before the Public Accounts Committee (PAC) following the identification of fundamental flaws in the internal financial control environment for year ended 2012. The timing of this appearance was such that some but not all necessary changes to eliminate financial flaws were implemented. This continues as a work in progress.

STATEMENT ON THE SYSTEM OF INTERNAL FINANCIAL CONTROL (CONTINUED)

Preparation practices for 2015/16 financial statements

Overview

The National College of Art and Design (NCAD) 2010/11, 2011/12, 2012/13, 2013/14 and 2014/15 financial statements were qualified by the Comptroller and Auditor General for reasons including not keeping adequate accounting records.

However, by 2015/16 the NCAD had updated the chart of accounts and introduced some new financial policies and procedures which resulted in the financial statements for 2015/16 being based on information contained within a trial balance which was generated from the accounts package. There are still process improvements to be filtered through but the corrections to systems of internal control are starting to take effect.

Specific Disclosure in relation to Internal Controls and Accounting Records

NCAD acknowledges that control weaknesses were identified in August 2014 during the 2011/12 audit process, with the following areas being considered to be of particular concern: Fixed Assets; Audit Committee; Purchasing and Procurement; Documented Procedures; Risk Register; certain book-keeping practices; HR and payroll controls; and student fee record keeping. These could not all be addressed sufficiently early to make improvements in the 2015/16 accounting year. Specific disclosures in respect of 2015/16 are listed below.

Disclosures in respect of on-going weaknesses in the accounting system as identified in the C&AG's Special Report Number 85 on NCAD, August 2014

Fixed Assets

Prior to 2014, there was no written fixed assets policy, leading to significant inconsistencies in accounting for fixed assets.

During the 2012/13 financial statement preparation a fixed asset register was prepared for the chattel assets of the College, which tied back fully to the financial statements. This still has some weaknesses as the assets are not tagged and their locations are not recorded on the register. Progress has been made in remediating these weaknesses and they will be fully addressed in 2018.

Code of Governance for State Bodies (2009)

An Bord is responsible for ensuring that the College is compliant with the Code of Practice for the Governance for State Bodies. However, the College is not in full compliance with the Code. The College has conducted an assessment of its compliance across the entire Code. The areas of non-compliance are being addressed on a risk rated basis by the College and a gap analysis will be carried out in 2018 to identify further work to ensure compliance with the 2016 code.

STATEMENT ON THE SYSTEM OF INTERNAL FINANCIAL CONTROL (CONTINUED)

Audit and Risk Committee and Internal Audit

The Audit and Risk Committee met nine times during the 2015/16 financial period.

In 2015/16, the Audit and Risk Committee considered three internal audit reports completed by Internal Audit. The remainder of the Committee's time was focused with the College on corrective actions and remediation working to ensure the College was making progress with governance and internal controls.

Following a public tender, in January 2015 RSM McClure Watters (RSM) were appointed as the College's internal auditors for a 3-year term. They are working closely with the Audit and Risk Committee of An Bord to ensure a comprehensive and effective internal audit work programme is being carried out within the College. RSM completed a review of the College's Internal Financial Controls in place at year end 2015/16 and presented their findings to the College's Audit and Risk Committee. The chair of the Audit and Risk Committee subsequently reported the review of Internal Financial Controls findings onward to the Board. This was then incorporated into the governance action plan which is the main driver for remediation works within the College for corporate governance failings.

Procurement

Management acknowledges that during the 2015/16 Financial Year, National Procurement Guidelines were not consistently complied with. Due to control issues 12 suppliers were not procured in compliance with government and EU guidelines. These suppliers were paid a total of €642k. Further developmental work is on-going within the College to ensure greater compliance year on year.

Lack of Formal Procedures

Management acknowledges that prior to 2014, there were no written procedures for confidential disclosures, avoidance of conflicts of interest, related party transactions, procurement, fraud, credit cards, travel and subsistence, information technology, banking or processing of journal entries.

Written policies were drafted for all these areas in 2015 and 2016, and are in the process of being finalised and implemented.

Lack of Risk Register

Management acknowledges that a Risk Register was not in place in NCAD during the financial year 2015/16. The College has recently completed its draft strategic plan and the risk register is being created in the context of this document.

STATEMENT ON THE SYSTEM OF INTERNAL FINANCIAL CONTROL (CONTINUED)

Issues with Accounting and Bookkeeping Practices as well as Management and Information Systems

(a) Sub-optimal use of other Management Information Systems

There were significant control weaknesses around reporting functionality from the payroll system.

(b) Weaknesses in respect of accounting for Research Income and Expenditure

In 2014 Research income and expenditure was coded within the same income and expense codes as all other income and expenditure. Consequently, it was difficult to accurately reflect research related transactions as research expenditure had to be extracted from total operating expenditure. An exercise was undertaken to extract research income and expenditure relating to specific projects when preparing the 2013/14 financial statements. All research projects commencing in 2015 and 2016 have been allocated their own unique code so that income and expenditure can be posted accordingly. However, some uncertainties remain around older projects and the system is being further developed to clearly categorise Other Income and Research Income for reporting purposes.

(c) Weak controls in relation to Payroll / HR

Policies and procedures have been drafted but implementation remains an issue.


(d) Ineffective Expenditure – Non Implementation of the Core HR System

In June 2014, NCAD purchased the Core HR system to correct some of the weaknesses in control over HR and Payroll records. NCAD management did not manage this project competently and consequently management never fully implemented the project. As costs continued to escalate, the current Board decided in August 2017 to terminate this project due to non-delivery of the end product. In total €138k was invested directly with Core HR over the 3 year project implementation.

Annual Review on the effectiveness of the System of Internal Financial Control

A review on the effectiveness of the System of Internal Financial Control was completed in September 2016 for the financial year end 2015/16. The failings found have been incorporated into the issues highlighted above.

Signed on behalf of An Bord:



Sarah Glennie
Director
Date: 19/6/18

COLÁISTE NÁISIÚNTA EALAÍNE IS DEARHTHA
 NATIONAL COLLEGE OF ART AND DESIGN
 STATEMENT OF INCOME AND EXPENDITURE
 FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Notes	2016 €000	As restated 2015 €000
INCOME			
State Grants	4	6,605	6,582
Academic Fees	3	9,162	7,802
Amortisation of Capital Account		375	358
Research Grants and Other Contracts	5	305	368
Deferred Funding for Retirement Benefits	17(c)	1,926	2,081
Other Income	6	242	227
Investment income	7	-	1
Total Income		18,615	17,419
EXPENDITURE			
Staff costs	8	10,146	9,457
Retirement benefit costs	17(a)	3,814	4,057
Other operating expenses	9	3,686	3,293
Depreciation	12	402	378
Total Expenditure		18,048	17,185
Surplus for the year		567	234

The Statement of Cashflows and notes 1-26 form part of these financial statements.

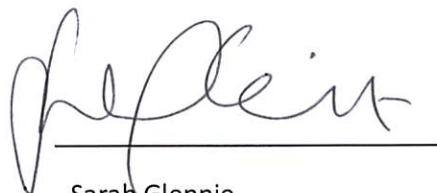
Signed on behalf of An Bord:



Richard Thorn,
 Chair of An Bord

19/6/18

 Date



Sarah Glennie,
 Member of An Bord

19/6/18

 Date

COLÁISTE NÁISIÚNTA EALAÍNE IS DEARTH
 NATIONAL COLLEGE OF ART AND DESIGN
 STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Notes	2016 €000	As restated 2015 €000
Surplus for the year		567	234
Actuarial (loss) / gains on retirement benefit obligations	17(d)	(12,686)	4,226
Adjustment to deferred retirement benefits funding	17 (b)	12,686	(4,226)
Total Comprehensive Income in the year		<u>567</u>	<u>234</u>

The Statement of Cashflows and notes 1-26 form part of these financial statements.

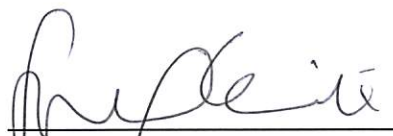
Signed on behalf of An Bord:



Richard Thorn,
 Chair of An Bord

19/6/18

 Date



Sarah Glennie,
 Member of An Bord

19/6/18

 Date

COLÁISTE NÁISIÚNTA EALAÍNE IS DEARHTHA
 NATIONAL COLLEGE OF ART AND DESIGN
 STATEMENT OF CHANGES IN RESERVES AND CAPITAL ACCOUNT
 FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Capital Account €000	Restricted Reserves €'000	Income and Expenditure Reserve €000	Total €000
Balance at 1 October 2014	20,106	228	(1,418)	18,916
Surplus from the Statement of Income and Expenditure	-	-	234	234
Amortisation of capital account	(358)	-	-	(358)
State grant allocated to capital	289	-	-	289
Balance at 30 September 2015	20,037	228	(1,184)	19,081
Surplus from the Statement of Income and Expenditure	-	-	567	567
Amortisation of capital account	(375)	-	-	(375)
State grant allocated to capital	177	-	-	177
Restricted Funds Received	-	7	(7)	-
Transfers between Reserves	-	(10)	10	-
Balance at 30 September 2016	19,839	225	(614)	19,450

The Statement of Cashflows and notes 1-26 form part of these financial statements.

Signed on behalf of An Bord:



Richard Thorn,
 Chairperson of An Bord

19/6/18

Date



Sarah Glennie,
 Member of An Bord

19/6/18

Date

COLÁISTE NÁISIÚNTA EALAÍNE IS DEARHTHA
 NATIONAL COLLEGE OF ART AND DESIGN
 STATEMENT OF FINANCIAL POSITION
 FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Notes	2016 €000	As restated 2015 €000
Fixed Assets			
Property, plant and equipment	12	19,942	20,048
Heritage assets	13	9	-
		<u>19,951</u>	<u>20,048</u>
Current Assets			
Receivables	14	1,153	1,341
Cash and cash equivalents	18	2,196	2,054
		<u>3,349</u>	<u>3,395</u>
Current Liabilities: amounts falling due within one year	15	(3,850)	(4,362)
		<u>(3,850)</u>	<u>(4,362)</u>
Total current assets less current liabilities		(501)	(967)
		<u>19,450</u>	<u>19,081</u>
Total Assets less Current Liabilities			
Retirement Benefits			
Deferred Pension Funding	17 (d)	87,362	72,757
Pension Liabilities	17 (b)	(87,362)	(72,757)
		<u>19,450</u>	<u>19,081</u>
Total net assets			
Reserves and Capital Account			
Capital Account		19,839	20,037
Restricted Reserves		225	228
Income and Expenditure Reserve		(614)	(1,184)
		<u>19,450</u>	<u>19,081</u>

The Statement of Cashflows and notes 1-26 form part of these financial statements.

Signed on behalf of the Board:



Richard Thorn,
 Chair of An Bord

Date

19/6/18



Sarah Glennie,
 Member of An Bord

Date

19/6/18

COLÁISTE NÁISIÚNTA EALAÍNE IS DEARTHATHA
 NATIONAL COLLEGE OF ART AND DESIGN
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Notes	2016 €000	As restated 2015 €000
Net cash flow from operating activities			
Surplus for the year		567	234
Adjustment for non-cash items			
Depreciation	12	402	378
Amortisation of capital account		(375)	(358)
State funds allocated to capital	4	177	289
Decrease / (Increase) in receivables		188	(801)
(Decrease) / Increase in payables		(512)	50
Adjustment for investing activities			
Investment income	7	-	(1)
Net cash flows from operating activities		447	(209)
Cash flows from investing activities			
Payments to acquire property, plant and equipment	12	(305)	(320)
Investment income		-	1
Net cash flows from investing activities		(305)	(319)
Net increase/(decrease) in cash and cash equivalents in the year		142	(528)
Cash and cash equivalents at 1 October 2015	18	2,054	2,582
Cash and cash equivalents at 30 September 2016	18	2,196	2,054

The Statement of Cashflows and notes 1-26 form part of these financial statements.

Signed on behalf of the Board:



Richard Thorn,
 Chair of An Bord

19/6/18
 Date



Sarah Glennie,
 Member of An Bord

19/6/18
 Date

COLÁISTE NÁISIÚNTA EALAÍNE IS DEARTHÁ
NATIONAL COLLEGE OF ART AND DESIGN
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016
NOTES TO THE FINANCIAL STATEMENTS

1 SIGNIFICANT ACCOUNTING POLICIES

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

(a) General information and Statement of Compliance

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

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

The financial statements have been prepared in accordance with FRS102, the financial reporting standard applicable in the UK and Ireland issued by the Financial Reporting Council (FRC), as promulgated by Chartered Accountants Ireland. These are the first set of financial statements prepared in accordance with FRS102. The date of transition to FRS102 is 1 October 2014. Details of changes arising due to the transition are included in note 25. Prior year figures have been restated where necessary.

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

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

(b) Basis of preparation

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

(c) Going concern

The college incurred a series of operating deficits prior to 2014 which resulted in a cumulative deficit being carried forward for a number of years. The main factors contributing to the College's financial position were the decrease in State Funding of recurrent activities and the ongoing funding of the Staff Pension Liability by the College.

The College has been engaged in ongoing discussions with the Higher Education Authority regarding the financial position of the College and has taken on a significant cost cutting programme and additional necessary steps to ensure that it operates with an income and expenditure reserve surplus in future periods.

The financial statements of the College show a surplus for the year of €567,000 (2015: €234,000) and an income and expenditure reserve deficit of €614,000 (2015: deficit of €1,184,000).

On this basis and combined with the cash reserves held by the College, the Members of An Bord consider it appropriate to have prepared these financial statements on a Going Concern basis.

COLÁISTE NÁISIÚNTA EALAÍNE IS DEARTHÁ
NATIONAL COLLEGE OF ART AND DESIGN
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(d) (i) Land and Buildings

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

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

(d) (ii) Property, plant and equipment

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

Asset Category	Depreciation rate
Land	0% per annum
Buildings	2% per annum
Leasehold Improvements	25% per annum
Plant and Equipment	10% per annum
Furniture, Fixtures and Fittings	20% per annum
Computer Equipment	33.33% per annum

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

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

(e) Heritage Assets

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

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

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

COLÁISTE NÁISIÚNTA EALAÍNE IS DEARTHÁ
NATIONAL COLLEGE OF ART AND DESIGN
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(f) Receivables

Receivables are recognised at fair value, less provision for doubtful debts. The provision for doubtful debts is a specific provision, and is established when there is objective evidence that the College will not be able to collect all amounts owed to it. All movements in provision for doubtful debts are recognised in the Statement of Income and Expenditure.

(g) Taxation

As an exempt charity, the College is not liable for corporation tax or income tax on any of its charitable activities. It is registered for value added tax. However, since the supply of education is an exempt activity on which no output tax is charged it is unable to recover input tax on the majority of its purchases. Certain research and commercial activities within the College are liable for VAT. Any input or output tax relating to these activities is returned to the Revenue by the College.

(h) Recognition of Income

State grants

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

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

Academic Fee Income

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

State research grants

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

Non-State research grants

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

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

COLÁISTE NÁISIÚNTA EALAÍNE IS DEARTHÁ
NATIONAL COLLEGE OF ART AND DESIGN
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

Donations and Endowments

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

Interest Income

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

(i) Employee benefits

Short term benefits

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

Retirement benefits

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

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

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

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

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

COLÁISTE NÁISIÚNTA EALAÍNE IS DEARTHÁ
NATIONAL COLLEGE OF ART AND DESIGN
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(j) Operating Leases

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

(k) Foreign Currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the financial year end are reported at the rates of exchange prevailing at that date.

(l) Capital Account

The capital account represents accumulated funds allocated for property, plant and equipment.

(m) Agency arrangements

The College acts as an agent in the collection and payment of support funds. Related payments received from HEA and subsequent disbursements to students are excluded from the Statement of Income and Expenditure and are shown separately in Note 24. Income received for the administration of this process is included in the Statement of Income and Expenditure.

2 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Depreciation and Residual Values

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

Retirement Benefit Obligation

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

The assumptions can be affected by:

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

COLÁISTE NÁISIÚNTA EALAÍNE IS DEARTHÁ
NATIONAL COLLEGE OF ART AND DESIGN
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3 ACADEMIC FEES	WTE	2016	WTE	2015
		€000		€000
Full-time Tuition Fees	1,229	5,884	1,163	4,705
Student Contribution	994	2,981	965	2,652
Part-time Tuition Fees	19	51	42	94
Continuing Education in Art & Design Fees	610	246	617	351
		9,162		7,802

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

4 STATE GRANTS	2016	2016	2016	2015
	Allocated for	Allocated for	Total	Total
	Recurrent	Capital	Total	Total
	Expenditure	Expenditure	€000	€000
	€000	€000	€000	€000
Higher Education Authority				
Recurrent Grants	6,026	177	6,203	6,187
Information Technology	40	-	40	40
Disability & Financial Assistance Grants	64	-	64	92
Skills Conversion	26	-	26	41
Improved Access and Progression	167	-	167	166
Irish Language	3	-	3	3
Other State Grants				
Arts Council	35	-	35	57
Digital Repository Ireland	-	-	-	3
Student Assistance	40	-	40	35
Literacy and Numeracy	41	-	41	23
Science Without Borders	-	-	-	50
Strategic Innovation	78	-	78	-
Other Grants	85	-	85	174
Total 2016	6,605	177	6,782	6,871
Total 2015	6,582	289	6,871	

5 RESEARCH GRANTS AND OTHER CONTRACTS	2016	2015
	€000	€000
Income		
State and semi-state	169	110
European Union	90	188
Industry	46	4
Other	-	66
Total income	305	368
Expenditure		
Staff Costs	169	185
Other Operating Costs	181	139
Total costs	350	324
Net Outcome	(45)	44

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6 OTHER INCOME	2016	2015
	€000	€000
Continuing Professional Development	8	2
Sponsorship	9	0
Event Income	11	10
Student Charges	22	20
Photocopy Income	8	17
Staff secondment	17	20
Diageo Contribution to Capital Works	119	31
Miscellaneous Income	48	127
	<u>242</u>	<u>227</u>

7 INVESTMENT INCOME	2016	2015
	€000	€000
Bank interest	-	1
	<u>-</u>	<u>1</u>

8 STAFF COSTS

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

	2016	2015
	No. of	No. of
	employees	employees
Teaching	63.4	62.5
Research	1.0	-
Technical, Support and Central Administration	64.8	61.0
	<u>129.2</u>	<u>123.5</u>

	2016	2015
	€000	€000
Salaries and wages	9,161	8,539
Social welfare costs	985	918
Employer welfare costs	-	-
	<u>10,146</u>	<u>9,457</u>

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8 STAFF COSTS (continued)

The number of staff who received annual emoluments in the following ranges was:

	2016	2015
	No. of staff	No. of staff
€60,001 to €70,000 p.a.	10	10
€70,001 to €80,000 p.a.	18	18
€80,001 to €90,000 p.a.	9	9
€90,001 to €100,000 p.a.	1	2
€100,001 to €110,000 p.a.	1	-
€110,001 to €120,000 p.a.	-	-
€120,001 to €130,000 p.a.	-	-
€130,001 to €140,000 p.a.	1	1
Over €140,000 p.a.	-	-
	<hr/> 40	<hr/> 40

Key management compensation

Key management personnel in the College consists of the Director, Registrar and Board members. The total remuneration of key management personnel is made up as follows:

	2016	2015
	€000	€000
Salaries and wages	227	225
Social welfare costs	24	24
	<hr/> 251	<hr/> 249

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

	2016	2015
	€000	€000
Salaries and wages	135	135
Social welfare costs	15	15
	<hr/> 150	<hr/> 150

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9 OTHER OPERATING EXPENSES	2016	2015
	€000	€000
Books, Catalogues and Periodicals	83	63
Materials and consumables	185	189
Student services	193	367
Examination and Registration Fees	35	57
Examiner fees and expenses	18	9
Exhibitions, Seminars and Catering	29	74
Research costs	181	139
Gallery	7	52
Light, Heat and Power	295	324
Repairs and maintenance	373	201
Cleaning costs	315	262
Security	168	149
Rent and Rates	222	320
Telephone	62	58
Lease of equipment	51	46
Stationery Supplies and Printing	82	51
Photocopying Costs	4	3
Postage and Courier	22	24
IT Expenditure	304	254
Professional Fees	532	155
Memberships and Subscriptions	46	41
Staff development and training	24	23
Auditors' Remuneration	73	91
Travel and Subsistence	124	68
Advertising and PR	51	83
Insurance	109	103
Safety Costs	35	46
Entertainment Expenditure	10	12
Miscellaneous	29	25
Bad Debt write off	24	4
	3,686	3,293
	2016	2015
	€000	€000
Other operating expenses include:		
Auditors remuneration		
External audit - C&AG	36	36
Internal audit - current auditors	15	5
Internal audit - previous auditors	-	4
Hire of assets under operating leases	51	46

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10 TAXATION

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

11 ANALYSIS OF EXPENDITURE	Staff Costs	Other Operating Expenses	Total	Total
	2016	2016	2016	2015
	€000	€000	€000	€000
Academic Departments	7,263	309	7,572	6,786
Academic & Other Central Services	579	83	662	593
Premises	689	1,493	2,182	2,035
Central Administration	1,285	1,345	2,630	2,556
General Education Expenses	-	35	35	32
Student Facilities and Amenities	161	240	401	424
Research Expenditure	169	181	350	324
Total 2016	10,146	3,686	13,832	12,750
Total 2015	9,457	3,217		
Depreciation			402	718
Retirement benefit costs			3,814	4,057
			18,048	17,525

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12 PROPERTY, PLANT AND EQUIPMENT

	Land & Buildings €000	Guinness Fit Out €000	Plant & Equipment €000	Fixtures & Fittings €000	Computer Equipment €000	Total €000
Cost						
Balance at 1 October 2015	20,000	159	195	218	760	21,332
Additions	13	136	37	61	55	302
Disposals	-	-	(1)	-	(5)	(6)
Balance at 30 September 2016	<u>20,013</u>	<u>295</u>	<u>231</u>	<u>279</u>	<u>810</u>	<u>21,628</u>
Depreciation						
Balance at 1 October 2015	255	40	122	168	699	1,284
Charge for year	256	55	12	26	56	405
Disposals	-	-	-	-	(3)	(3)
Balance at 30 September 2016	<u>511</u>	<u>95</u>	<u>134</u>	<u>194</u>	<u>752</u>	<u>1,686</u>
Net Book Value 30th September 2016	<u>19,502</u>	<u>200</u>	<u>97</u>	<u>85</u>	<u>58</u>	<u>19,942</u>
Net Book Value 30th September 2015	<u>19,745</u>	<u>119</u>	<u>73</u>	<u>50</u>	<u>61</u>	<u>20,048</u>

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12 PROPERTY , PLANT AND EQUIPMENT (CONTINUED)	Land & Buildings €000	Guinness Fit Out €000	Plant & Equipment €000	Fixtures & Fittings €000	Computer Equipment €000	Total €000
Cost						
Cost at 1 October 2014	29,751	-	144	175	693	30,763
FRS 102 Transition Adjustment	(9,751)	-	-	-	-	(9,751)
Restated Opening Balance at 1 October 2014	20,000	-	144	175	693	21,012
Additions	-	159	51	43	67	320
Disposals	-	-	-	-	-	-
Balance at 30 September 2015	20,000	159	195	218	760	21,332
Depreciation						
Balance at 1 October 2014	16,358	-	109	154	643	17,264
FRS 102 Transition Adjustment	(16,358)	-	-	-	-	(16,358)
Restated Opening Balance at 1 October 2014	-	-	109	154	643	906
Charge for year	255	40	13	14	56	378
Disposals	-	-	-	-	-	-
Balance at 30 September 2015	255	40	122	168	699	1,284
Net Book Value 30th September 2015	19,745	119	73	50	61	20,048
Net Book Value 30th September 2014	13,393	-	35	21	50	13,499

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

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13 HERITAGE ASSETS

	Purchased €000	Donated €000	Total €000
1 October 2015 to 30 September 2016	9	-	9
	<u>9</u>	<u>-</u>	<u>9</u>

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

Post 1 October 2015 heritage assets acquired are being capitalised in the financial statements. The College purchased a book entitled "Grace Gifford Plunkett (1888-1955) Familiar Faces" in the year which is held in the National Irish Visual Arts Library (NIVAL). The book was funded by bequests made to the College.

An exercise is planned for 2017/18 in which all heritage assets will be recorded in a heritage asset register and items with a cost or fair value greater than €5,000 will be capitalised in the financial statements of the College. There were no disposals of heritage assets in the year.

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

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14 RECEIVABLES	2016	2015
	€000	€000
Academic fees receivable	137	80
State grants receivable	480	816
Research Grants and Other Contracts Accrued Income	100	91
Other Accrued Income	28	82
Prepayments	245	187
Diageo Contribution	150	31
Other receivables	13	54
	1,153	1,341

15 CURRENT LIABILITIES	As restated	
	2016	2015
	€000	€000
Trade payables	282	325
Research Grants and Other Contracts Deferred	189	175
Deferred Other Income	124	139
Academic fees received in advance	1,280	1,545
CEAD fees received in advance	27	107
State grant received in advance	386	1,027
Accruals	1,107	633
Other tax and social security	283	242
Other payables	172	169
	3,850	4,362

16 FINANCIAL INSTRUMENTS

The carrying values of the College's financial instruments at 30 September

	2016	2015
Financial assets	€000	€000
Debt instruments measured at amortised cost	908	1,154
Financial Liabilities		
Measured at amortised cost	1,561	1,127

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17 RETIREMENT BENEFITS

A Staff Superannuation Scheme and a Spouses' and Children's Pension Scheme set up under Section 20 of the National College of Art and Design Act, 1971 were approved in January 1984 and September 1987 respectively. The College's pension schemes are unfunded schemes. Staff contribute at a rate of 5% to the Staff Superannuation Scheme and 1.5% to the Spouses' and Children's Pension Scheme. The scheme provides a pension (eightieths per year of service), a lump sum (three eightieths per year of service) and spouses' and children's pensions. Normal retirement age is a members 65th birthday and pre-2004 members have an entitlement to retire without actuarial reduction from age 60. Pensions in payment (and deferment) normally increase in line with general public sector pay increases.

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

	2016	2015
	€000	€000
(a) Analysis of Total Pension Costs Charged to Expenditure		
Current service cost	2,429	2,648
Interest on scheme liabilities	1,717	1,798
Employee pension contributions	(332)	(389)
	<u>3,814</u>	<u>4,057</u>
(b) Analysis of Movement in Scheme Liability during the Year		
	2016	2015
	€000	€000
Scheme Liability at Start of Year	72,757	74,902
Current Service Cost	2,429	2,648
Interest on Scheme Liabilities	1,717	1,798
Benefits Paid in the Year	(2,227)	(2,365)
Actuarial Loss / (Gain) recognised in the Statement of Total Recognised Gains and Losses	12,686	(4,226)
Scheme Liability at End of Year	<u>87,362</u>	<u>72,757</u>

(c) Deferred Funding for Pensions

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

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

	2016	2015
	€000	€000
Funding recoverable in respect of current year costs	4,153	4,446
Grants from tÚdarás um Ard-Oideachas applied to pay pension benefits	(2,227)	(2,365)
Net Deferred Funding for Pensions in year	<u>1,926</u>	<u>2,081</u>

The deferred funding asset for pensions as at 30th September 2016 amounted to €87,362,000 (2015: €72,757,000)

(d) History of Deferred Benefit Obligations

	2016	2015	2014	2013	2012
	€000	€000	€000	€000	€000
Deferred Benefit Obligations	87,362	72,757	74,902	65,689	69,496
Experience gains/(losses) on Scheme Liabilities Amount	12,686	(4,226)	6,603	(6,451)	16,327
Percentage of Scheme Liabilities	14.5%	-5.8%	-8.8%	9.8%	-23.5%

The valuation used for FRS102 disclosures has been based on an actuarial valuation at 30 September 2016 by a qualified actuary taking account of the requirements of FRS102 in order to assess the scheme liabilities at 30 September 2016.

Single scheme members are included in the pension liability at 30 September 2015, but the actuarial calculations did not take into account the differing entitlements that apply to that scheme. The effect on the figure in the financial statements is not material.

The principal actuarial assumptions were as follows:

Assumption	2016	2015
Discount rate	1.13%	2.36%
Salary increase assumption	2.30%	2.60%
Pension increase assumption	2.30%	2.60%
Price inflation	1.30%	1.60%

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

	2016	2015
Male aged 65	21.2	21.1
Female aged 65	22.6	22.4

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18 ANALYSIS OF CASH AND CASH EQUIVALENTS

	At 01/10/2015 €000	Cashflows €000	At 30/09/2016 €000
Cash at Bank and on Hand	1,953	243	2,196
Short-term deposits	101	(101)	0
	<u>2,054</u>	<u>142</u>	<u>2,196</u>

19 CAPITAL COMMITMENTS

Capital commitments at 30 September 2016 amounted to €Nil (2015: €Nil)

20 LEASE COMMITMENTS

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

	Land and buildings		Other	
	2016 €000	2015 €000	2016 €000	2015 €000
Future minimum lease payments due:				
Not later than one year	65	165	84	15
Later than one year and not later than five years	54	119	165	7
Later than five years	-	-	-	-
	<u>119</u>	<u>284</u>	<u>249</u>	<u>22</u>

The College lease premises at John Street West, Dublin 8. The lease is due to expire in December 2016 and will not be renewed. Estimated dilapidation costs of €250k will be due by the College to restore the premises to its original condition.

The College lease premises at James Street, Dublin 8. It is a four year lease which is due to expire in June 2019.

A rent free period was awarded for year one with the first rent payment being due in year two.

The total lease commitment has been recognised over the four year period.

The College also lease photocopiers and computers. Each lease has a three year period which is renewed on expiry.

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21 RELATED PARTY DISCLOSURES

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

In the year it was found that no member of the Board had an interest in any contracts or awards given by the College nor derived any interest or benefit or had any conflict of interest in relation to any of the College's operations in the year.

22 CONTINGENT LIABILITIES

There were no contingent liabilities existing at 31 August 2016.

23 POST BALANCE SHEET EVENTS

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

24 AMOUNTS DISBURSED AS AGENT

	2016	2015
	€000	€000
HEA Grants received	91	119
Less: Administration income	(12)	(23)
	<hr/> 79	<hr/> 96
Disbursed to students	(48)	(66)
	<hr/> 31	<hr/> 30
Balance unspent at 30 September		

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25 TRANSITION TO FRS102

The year ended 30 September 2016 is the first year that the College has presented its financial statements under FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous Irish GAAP were for the year ended 30 September 2015 and the date of transition to FRS102 was therefore 1 October 2014. As a consequence of adopting FRS 102, a number of accounting policies have changed to comply with the standard. An explanation of how the transition to FRS102 has affected the College's financial position, financial performance and cashflows, is set out below.

Reconciliation of Reserves

	Note	At 1 October 2014				At 30 September 2015			
		Capital €000	Restricted Reserves €'000	Income and Expenditure €000	Total €000	Capital €000	Restricted Reserves €'000	Income and Expenditure €000	Total €000
Financial Position									
Capital and reserves under previous Irish GAAP		13,499	-	(1,418)	12,081	13,101	-	(1,195)	11,906
Restatement of Land & Buildings at Deemed Cost	(a)	6,607	-	-	6,607	6,607	-	-	6,607
Reduction in Depreciation Charge	(b)	-	-	-	-	340	-	-	340
Restricted Reserves Received	(c)	-	228	-	228	-	228	-	228
Reduction in State Grant Allocated	(d)	-	-	-	-	(31)	-	31	-
Reduction in Amortisation	(d)	-	-	-	-	20	-	(20)	-
		<u>20,106</u>	<u>228</u>	<u>(1,418)</u>	<u>18,916</u>	<u>20,037</u>	<u>228</u>	<u>(1,184)</u>	<u>19,081</u>

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**Reconciliation of Income and Expenditure Surplus
for the Financial period ended 30 September 2015**

	Note	2015 €000
Surplus as reported under previous Irish GAAP		223
Adjustments arising from transition to FRS 102:		
Decrease in Amortisation of Capital Account	(b)	(340)
Decrease in Depreciation Charge	(b)	340
Decrease in Amortisation of Capital Accounts	(d)	(20)
Increase in State Grants	(d)	<u>31</u>
Surplus as reported under FRS 102		<u>234</u>

(a) Restatement of Land and Buildings at Deemed Cost

The College has availed of the transitional arrangements to value land and buildings at fair value at the date of transition and to adopt this valuation as deemed cost at that date. The Land and Buildings were valued by McNally Handy & Partners, Chartered Valuation Surveyors at 1 October 2014 at €20 million. This has resulted in an increase the Net Book Value of Land and Buildings at 1 October 2014 of €6,607,000 (reflecting the net adjustment to cost and accumulated depreciation on transition) and a corresponding increase in the Capital Reserves.

(b) Adjustments to Depreciation

As a result of the restatement of the deemed cost the depreciation charge on buildings has reduced by €340,000 in the year. This reduction is matched by the amortisation of the capital account and had no net impact on the reported surplus in the year. The capital reserves have increased by the amount of the reduction

(c) Redesignation of Restricted Funds

The College has historically received funds from benefactors under terms that do not impose specified future performance-related conditions on the College but which do direct how such funds may be expended. Previously these funds were accounted for as Deferred Income. Where the terms of such receipts do not impose a performance-related condition on the College under FRS102 the College will recognise the income when the legacy is receivable and hold these funds in a separate Restricted Fund. Transfers will be made out of this fund as resources are expended in accordance with the terms of the donations.

(d) Recognition of Diageo Contribution to Capital Works

The College received a Capital Contribution from Diageo for the Leasehold Improvements made to leasehold premises at James Street, Dublin 8. Under FRS102 this grant was recognised when receivable. 2015: €31,000 and 2016: €119,000.

This receipt reduced the amount of State Grant allocated to the Capital Account and accordingly increased the amount of State Grant recognised in the Income and Expenditure Account.

In addition the amortisation charge previously made to the capital account has been reduced to reflect the lower level of state funded capital grants allocated to capital in the period.

(e) Holiday Pay Accrual

The College had previously not accrued for holiday pay earned by employees but not availed of at the reporting date. Under FRS 102, the financial statements must recognise such accruals. On calculating the holiday pay accrual, it was found to be immaterial at the date of transition and 30 September 2015. The financial statements have therefore not been restated in this respect. A holiday pay accrual has been included in the 2015/16 year in line with FRS102.

26 APPROVAL OF FINANCIAL STATEMENTS

The financial statements for the year ended 30th September 2016 were approved by the Board at its meeting on 29th May 2018.