

FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30 SEPTEMBER
2020

COLÁISTE NÁISIÚNTA EALAÍNE IS DEARTHA
NATIONAL COLLEGE OF ART AND DESIGN

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

College Information

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

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

Governance Statement and Board Members' Report

Governance

An Bord of the National College of Art and Design was established under the National College of Art and Design Act, 1971. The functions of An Bord are set out in section 5 of this Act. An Bord is accountable to the Minister for Further and Higher Education, Research, Innovation and Science and is responsible for ensuring good governance and performs this task by setting strategic objectives and targets and taking strategic decisions on all key business issues. The regular day-to-day management, control and direction of the National College of Art and Design are the responsibility of the Director and the senior management team. The Director and the senior management team must follow the strategic direction set by An Bord, and must ensure that all members of An Bord have a clear understanding of the key activities and decisions related to the entity, and of any significant risks likely to arise. The Director acts as a direct liaison between An Bord and management of the National College of Art and Design.

Responsibilities of An Bord

The work and responsibilities of An Bord are set out in its Terms of Reference which also contain the matters specifically reserved for decision of An Bord. Standing items considered by An Bord include:

- declaration of interests,
- reports from committees,
- financial reports/management accounts,

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

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

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

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

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An Bord is responsible for approving the annual plan and budget. The annual budget for the financial year 2019/20 was approved by An Bord 25 June 2019.

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

An Bord considers that the financial statements of the National College of Art and Design give a true and fair view of the financial performance and the financial position of the College 30 September 2020.

An Bord Structure

An Bord consists of a Chairperson, five ordinary members all of whom are appointed by the Minister for Further and Higher Education, Research, Innovation and Science, along with two academic staff representatives, two student representatives, the Director of the College and one non-academic staff observer. The members of An Bord were appointed for a period of three years and normally meet for a minimum of 10 sessions a year.

The table below details the appointment period for current members:

Board Member	Role	Date appointed	Date of retirement or re-appointment
Richard Thorn	Chairman	23 rd March 2018	
Frederick Goltz	Ordinary Member	23 rd March 2018	
Jane McDaid	Ordinary Member	23 rd March 2018	
Darragh Hogan	Ordinary Member	23 rd March 2018	
Sinéad Ryan	Ordinary Member	23 rd March 2018	
Christine O'Donovan	Ordinary Member	23 rd March 2018	
Declan Long	Academic Member	23 rd March 2018	
Rachel Tuffy	Academic Member	15 th June 2015	23 rd March 2018– Re-appointment
Grainne Murphy	Student Representative	5 th February 2016	23 rd March 2018 – re-appointment
Sonia O'Dwyer	Student Representative	23 rd March 2018	
Mark Carroll	Non-Academic observer	15 th June 2015	23 rd March 2018– Re-appointment
Sarah Glennie	Director	1 st January 2018	

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An Bord Structure Cont.

An Bord commenced a Board Effectiveness and Evaluation Review in January 2018, which was the first review of this nature. A second review was undertaken by the current Board in the first half of 2019, an external review took place in 2020.

An Bord has established one committee, as follows:

1. Audit and Risk Committee (ARC): comprises three members of An Bord and one independent member. The role of the ARC is to support An Bord in relation to its responsibilities for issues of risk, control and governance and associated assurance. The ARC is independent from the financial management of the organisation. In particular, the Committee ensures that the internal control systems including audit activities are monitored actively and independently. The ARC reports to An Bord after each meeting, and formally in writing annually. The current members of the Audit and Risk Committee are: Frederick Goltz (Chairperson), Darragh Hogan, Sinéad Ryan and Séan Quigley. Members were appointed 27 June 2018. There were 8 meetings of the ARC in 2019/20.

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Schedule of Attendance, Fees and Expenses

Members An Bord do not receive a fee. A schedule of attendance at An Bord and Committee meetings for 2019/20 is set out below including the expenses received by each member:

	An Bord	ARC	Expenses 2019/20
			€
Number of Meetings	Eleven	Eight	
Dr Richard Thorn	10	-	€118
Frederick Goltz	10	8	
Rachel Tuffy	9	-	€30
Sarah Glennie	11	8	
Grainne Murphy	9	-	
Sean Quigley	-	8	
Darragh Hogan	10	8	
Dr Declan Long	9	-	€87
Jane McDaid	9	-	
Christine O'Donovan	11	-	
Sonia O'Dwyer	7	-	
Sinead Ryan	11	8	

Key Personnel Changes

A new Head of Corporate Services & College Registrar, was appointed to NCAD on 1 October 2019.

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

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

Employee Short-Term Benefits Breakdown – See note 7

External Consultancy and Adviser Fees	Notes	2020 €000	2019 €000
Legal		26	60
Tax and Financial Advisory		86	29
Public Relations / Marketing		90	87
Pension and Human Resources		38	8
Student Access, Counselling & Medical Services		177	143
CoVid-19 Special Advisors		54	-
Other		36	71
Total	8	507	398

Termination Settlements	2020 €000	2019 €000
Severance Payment	-	98
Total	-	98

The termination settlement relates to a settlement with one person during the prior period.

The Severance payment above, includes the payment of €21.5k for the legal costs of the employee. NCAD incurred legal costs of €3.9k, for the settlement

Travel and Subsistence Expenditure	Notes	2020 €000	2019 €000
National Travel		23	31
International Travel		18	22
Student Assistance & Disbursement of travel bursary		3	14
Total	8	44	67

Hospitality Expenditure	Notes	2020 €000	2019 €000
Staff hospitality		0.3	0.6
Client hospitality		1.0	5.1
Total	8	1.3	5.7

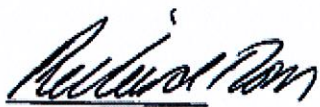
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

Statement of Compliance

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

Areas where compliance work is still on-going are:

- business and financial reporting – work is on-going to enhance management of asset disposals.
- remuneration and superannuation
 - rollout of a performance management system is being delayed due to a sectoral issue within the HEI sector around implementing PMDS
 - a register is being put in place of all Board positions of State funded bodies held by staff so that the Board can approve all such positions.



Richard Thorn,
Chair of An Bord

27 May 2021

Date



Sarah Glennie,
Director

27 May 2021

Date

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

Statement on Internal Control

Scope of Responsibility

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

Purpose of the System of Internal Control

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

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform has been in place in the College for the year ended 30 September 2020 and up to the date of approval of the financial statements except for the internal control issues outlined below.

Capacity to Handle Risk

The College has an Audit and Risk Committee (ARC) comprising three Board members, one of whom is the Chair, and one external member, with financial and audit expertise. The ARC met eight times in 2019/20.

The College has outsourced its internal audit function which conducts a programme of work agreed with the ARC to ensure a comprehensive and effective internal audit work programme is carried out. In 2019/20, the ARC considered two internal audit reports. The remainder of the Committee's time was focused on the corrective actions and remediation to ensure the College was making progress with governance, risk register and internal controls.

Risk and Control Framework

The College has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

The College redesigned its risk register in 2019/20. It was reviewed and managed by both the College Management Team and the Audit and Risk committee. The Chief Risk Officer is Head of Corporate Services. Risk is reviewed at every ARC meeting.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

Risk and Control Framework Cont.

The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff. I confirm that a control environment containing the following elements is either in place or under development with a completion date set for 2021:

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

CoVid-19

It would be very difficult to overestimate the impact that CoVid-19 had on the operation of the College and the difficulties posed by CoVid-19 had on the delivery of educational courses in Art & Design. In March 2020 all onsite classes ceased and NCAD had to pivot from an organisation in which 80% of delivery was workshop based to one where all 100% was delivered online. Following a review of potential risks, the following items were detailed and monitored in our risk register.

The initial challenges were

- a) Potential Financial impact of CoVid-19 for the academic year 2019/20 and into the future
- b) Potential Impact on student numbers in 2019/20 and following years
- c) Lack of cloud based solutions for administration support
- d) No College VLE (Virtual Learning).
- e) Lack of physical IT infrastructure to allow for online delivery

To manage this Critical Response four subcommittees of the College Management Team were established.

- a) Teaching & Learning
- b) Information Technology
- c) Health & Safety
- d) Communication

The initial focus was to ensure online delivery of programmes and as the year developed the progression of students from one year to the next, with a particular emphasis on final year students.

During the summer of 2020 the focus changed to returning students for the academic year 2020/21. A large programme of physical works was initiated to ensure the safe return of students and staff.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

CoVid-19 Cont.

Large scale investments were made in risk assessments for each department, these were based on individual requirements bespoke to a particular area and practice. Physical changes of campus to ensure social distancing and to reflect the recommendations from the risk assessments.

Due to the requirements of social distancing additional teaching hours were required (circa 196k).

Additionally, the College secured the services of three specific purpose roles

- a) CoVid-19 Manager
- b) Student CoVid-19 Manager
- c) Staff CoVid-19 liaison.

Funding was sourced (circa €1.12m (Oct 2020)) via the HEA (Higher Education Authority) which was vital in mitigating the financial risk posed by CoVid-19 related costs. This proved timely and very welcome.

Financial Controls

Roles and responsibilities have remained the same throughout and there continues to be segregation of duties across all of the finance operations. A paper was presented to An Bord to allow for electronic signatures, electronic procurement procedures and electronic sign off, additionally a temporary derogation was given for an extended time for staff to submit expenses. Authorisation limits and payment thresholds were not changed. A note was sent to all staff outlining the agreed revised procedures operating during CoVid-19 restrictions. The process around the posting and approval of journals has not changed as a result of the new working arrangements. Monthly management accounts and associated reconciliations continue to be performed in a timely manner. Strong controls remain in place regarding the changing of employee and supplier bank details on the finance system.

Budgeting and Forecasting

The potential financial impact of CoVid-19 was identified as a key risk to the latter part of the financial year 2019/20. NCAD maintains a robust budgeting and forecasting process and during the latter half of the year revised budgets and forecasts have been produced on a monthly basis for internal and external bodies including the HEA and An Bord. Latest view budgets were presented to the Audit and Risk Committee and An Bord, this happened in March '20, June '20 and September '20. A particular focus was placed on cash flow and impact of additional CoVid-19 costs on teaching and operational costs.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

Risk Management

The 2019 Risk Register was updated in 2020 to reflect the risks associated with CoVid-19. The Risk Register was presented to the Audit and Risk Committee and An Bord in March '20, June '20 and September '20 and risk is a standing item on both the ARC and An Bord agendas. Items that were identified were included in the SIC for 2019/20.

Information Technology

Thanks to the support of the HEA, significant investment was made in 2020 to upgrade the College Wi-Fi network with additional capacity provided on the physical network with the aim of increasing resilience on campus, which allowed for facilities for the additional requirements for online learning. A review took place during the later end of 2020 to review NCAD model of security on campus via the introduction of Active Directory and Microsoft Azure including cloud based backups. Additionally, a roadmap was created for the introduction of cloud based solutions for VLE, Finance and HR systems. Encrypted laptop and Mac computers were provided to the vast majority of staff. Staff who worked from home were offered and provided with the correct tools in line with HSA guidelines on remote working. Training and guidance has been offered to all staff via the appointment of Digital Champions to promote and help digital delivery and support in the use of IT.

Ongoing Monitoring and Review

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

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

The following monitoring systems are in development:

- devolved reporting arrangements are being established at all levels where responsibility for financial management is being delegated, and a system of reporting on same, being created.

Procurement

I confirm that the College has procedures in place to ensure compliance with current procurement rules and guidelines. Matters arising regarding controls over procurement are highlighted under internal control issues below.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 20

Review of Effectiveness

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

I confirm that the Board conducted an annual review of the effectiveness of the internal controls for 2019/20 including the impact on the control environment of the move to remote working referenced above. The Chair of the ARC has reported the findings of the internal audit review of the internal financial controls in place at year end 2019/20 to the Board during the 15 December 2020 meeting for An Bord. An internal audit tracker is updated each quarter and movements are presented to the ARC every six months.

Internal Control Issues

NCAD has completed a number of actions that aimed to address governance issues that were originally identified in 2014 as part of the audit of the 2011/2012 financial statements. During 2020, a number of weaknesses in control persisted as outlined below:

Fixed Assets

While a fixed asset register is in place, and the locations of assets are recorded on the register, assets are not tagged. It is expected that this final issue will be addressed during 2020/21. In addition, NCAD have identified a need to improve the communications by management of fixed asset disposals to the fixed asset register custodian. NCAD is currently recruiting a member of staff to manage the fixed asset register and fixed asset disposal recordings. Recruitment has been delayed due to the restrictions in place for CoVid-19.

Procurement

Goods and services to the value of €207k were procured in circumstances where the procedure employed did not fully comply with government and EU rules. NCAD is continuing to progress actions to ensure full compliance with procurement rules a contracts databased for all contracts in excess of €25,000 was established in late 2019.

Additional to the €207k spend above, the following spend was outside the contracted period.

1. Security €75k – Delays in obtaining TUPE information from the incumbent supplier resulted in delayed tendering
2. Cleaning €43k – A new framework was due from the OGP, we were advised to wait for its implementation

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Absence of formal procedures

All formal procedures were completed and are in place by financial year end 2020.

There are sectoral issues around implementing PMDS in the HEI sector. In the absence of PMDS, increments are awarded following managerial sign off.

Payroll and HR record keeping

Due to the onset of CoVid-19 NCAD was closed to non-essential staff from March 2020. Remote working procedures and revised processes were established to ensure segregation of duties were maintained and appropriate oversight.

Significant improvements have occurred year on year following the establishment of a HR/Payroll function within NCAD. It is an ongoing process of continuous improvement. In 2019/20 there were minor weaknesses identified relating to the documentation process of starters/leavers. As a result additional mitigation has been implemented which will reduce the possibility of this potentially occurring again.

Signed on behalf of the Board:



Sarah Glennie

Director

Date: 27 May 2021



Ard Reachtair Cuntas agus Ciste **Comptroller and Auditor General**

Report for presentation to the Houses of the Oireachtas

National College of Art and Design

Opinion on the financial statements

I have audited the financial statements of the National College of Art and Design for the year ended 30 September 2020 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 2020 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 asset

Without qualifying my opinion on the financial statements, I draw attention to Note 15 which relates to retirement benefits accrued by current and former staff up to 30 September 2020.

The recognition of a deferred pension funding asset in respect of the Single Public Service Pension Scheme (€2.5 million) reflects statutory provisions relating to the funding of that scheme.

The recognition of an asset in respect of the Staff Superannuation Scheme (€89.3 million) 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 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.

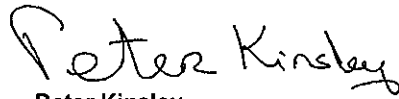
Report of the C&AG (continued)

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

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

My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in regard to those matters.

A handwritten signature in black ink that reads "Peter Kinsley". The signature is written in a cursive style with a large initial 'P'.

Peter Kinsley
For and on behalf of the
Comptroller and Auditor General

28 May 2021

Appendix to the report

Responsibilities of Board members

The members are responsible for

- the preparation of financial statements in the form prescribed under section 15 (1) of the National College of Art and Design Act 1971
- ensuring that the financial statements give a true and fair view in accordance with FRS102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 15 (2) of the National College of Art and Design Act 1971 to audit the financial statements of the College and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue as a

going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the College to cease to continue as a going concern.

- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Reporting on other matters

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

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them. I also report by exception if, in my opinion,

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

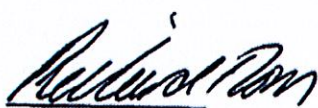
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NATIONAL COLLEGE OF ART AND DESIGN

STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Notes	2020 €000	2019 €000
INCOME			
State Grants	4	8,851	8,535
Academic Fees	3	8,315	7,840
Amortisation of Capital Fund		456	409
Research Grants and Other Contracts	5	174	377
Deferred Funding for Retirement Benefits	15(c)	1,023	1,681
Other Income	6	127	224
Total Income		18,946	18,962
EXPENDITURE			
Staff costs	7	11,650	11,169
Retirement benefit costs	15(a)	3,068	3,768
Other operating expenses	8	3,433	3,336
Depreciation	11	456	412
Total Expenditure		18,607	18,685
Surplus / (Deficit) for the year		338	277

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

Signed on behalf of the Board:



Richard Thorn,
Chair of An Bord

27 May 2021

Date



Sarah Glennie,
Director

27 May 2021

Date


COLÁISTE NÁISIÚNTA EALAÍNE IS DEARTHA
NATIONAL COLLEGE OF ART AND DESIGN

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Notes	2020 €000	2019 €000
Surplus / (Deficit) for the year		338	277
Actuarial gains / (loss) on retirement benefit obligations	15(d)	1,328	(1,502))
Adjustment to deferred retirement benefits funding	15(b)	(1,328)	1,502
Total Comprehensive Income in the year		<u>338</u>	<u>277</u>

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

Signed on behalf of the Board:



Richard Thorn,
Chair of An Bord

27 May 2021

Date



Sarah Glennie,
Director

27 May 2021

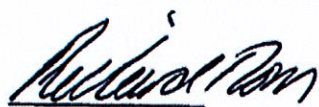
Date

STATEMENT OF CHANGES IN RESERVES AND CAPITAL ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Capital Account €000	Restricted Reserves €'000	Income and Expenditure Reserve €000	Total €000
Balance at 1 October 2018	19,562	194	(1,259)	18,497
Surplus / (Deficit) from the Statement of Income and Expenditure	-	-	277	277
Amortisation of capital account	(409)	-	-	(409)
State grant allocated to capital	277	-	-	277
Transfers between Reserves	-	(17)	17	-
Balance at 30 September 2019	19,430	177	(965)	18,642
Surplus / (Deficit) from the Statement of Income and Expenditure			338	338
Amortisation of capital account	(456)			(456)
State grant allocated to capital	457			457
Movements on Reserve	-	(10)		(10)
Transfers between Reserves	-	(21)	21	-
Balance at 30 September 2020	19,431	146	(606)	18,971

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

Signed on behalf of the Board:



Richard Thorn,
Chairperson of An Bord

27 May 2021

Date



Sarah Glennie,
Director

27 May 2021

Date

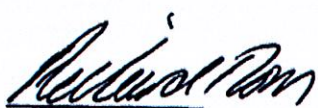
COLÁISTE NÁISIÚNTA EALAÍNE IS DEARTHA
NATIONAL COLLEGE OF ART AND DESIGN

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Notes	2020 €000	2019 €000
Fixed Assets			
Property, plant and equipment	11	19,417	19,416
Heritage assets	12	20	20
		<u>19,437</u>	<u>19,436</u>
Current Assets			
Receivables	13	1,436	1,354
Cash and cash equivalents	16	2,811	1,948
Net Current Assets		<u>4,247</u>	<u>3,302</u>
Current Liabilities: amounts falling due within one year	14	(4,714)	(4,096)
		<u>(4,714)</u>	<u>(4,096)</u>
Total current assets less current liabilities		(466)	(794)
Total Assets less Current Liabilities		<u>18,971</u>	<u>18,642</u>
Retirement Benefits			
Deferred Pension Funding	15 (d)	91,760	92,065
Pension Liabilities	15 (b)	(91,760)	(92,065)
Total net assets		<u>18,971</u>	<u>18,642</u>
Reserves and Capital Account			
Capital Account		19,431	19,430
Restricted Reserves		146	177
Income and Expenditure Reserve		(606)	(965)
		<u>18,971</u>	<u>18,642</u>

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

Signed on behalf of the Board:



Richard Thorn,
Chair of An Bord

Date: 27 May 2021



Sarah Glennie,
Director

Date: 27 May 2021

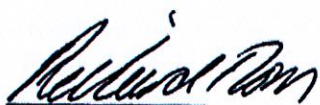
COLÁISTE NÁISIÚNTA EALAÍNE IS DEARTHA
NATIONAL COLLEGE OF ART AND DESIGN

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Notes	2020 €000	2019 €000
Net cash flow from operating activities			
Surplus / (Deficit) for the year		338	277
Adjustment for non-cash items			
Depreciation	11	456	412
Amortisation of capital account		(456)	(409)
State funds allocated to capital	4	457	277
Decrease / (Increase) in receivables		(82)	433
(Decrease) / Increase in payables		618	598
Net cash flows from operating activities		1,330	1,588
Cash flows from investing activities			
Payments to acquire property, plant, equipment & Heritage Assets	11 & 12	(457)	(277)
Net cash flows from investing activities		(457)	(277)
Cash flows on restricted reserves movements		(10)	-
Net increase/(decrease) in cash and cash equivalents in the year		863	1,311
Cash and cash equivalents at 1 October 2019	16	1,948	636
Cash and cash equivalents at 30 September 2020	16	2811	1,948

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

Signed on behalf of the Board:



Richard Thorn,
Chair of An Bord

27 May 2021

Date



Sarah Glennie,
Director

27 May 2021

Date

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS

1 SIGNIFICANT ACCOUNTING POLICIES

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

(a) General information and Statement of Compliance

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

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

The financial statements have been prepared in 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.

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

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

(b) Basis of preparation

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

(c) Going concern

The College incurred a series of operating deficits which has resulted in a cumulative deficit being carried forward for a number of years.

The financial statements of the College show a surplus for the year of €338,000 (2019: surplus of €277,000) and an income and expenditure reserve deficit of €606,000 (2019: deficit of €965,000). Growth in student recruitment year on year projected by the College, is expected to support the College in addressing its reserves deficit in full by the year 2025.

The College has been engaged in ongoing discussions with the Higher Education Authority regarding the financial position of the College. The College has taken on a non-pay cost cutting programme, and additional necessary steps such as a comprehensive budget setting programme, with monthly performance review by senior management to ensure that it operates with an income and expenditure reserves surplus in future periods.

The College continues to work under the health and safety restrictions in place due to CoVid-19 and the College community of Staff and Students have all responded well to these restrictions staying within compliance of the measures and responding responsibly when exposure may have occurred.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

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

(d) (i) Land and Buildings

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

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

(d) (ii) Property, plant and equipment

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

Asset Category	Depreciation rate	
Land	0%	per annum
Buildings	2%	per annum
Revalued Buildings at 01/10/2014	4.4%	per annum
Leasehold Improvements	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

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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.

(f) Receivables

Receivables are recognised at fair value.

(g) Taxation

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

(h) Recognition of Income

State grants

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

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.

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.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 deducted from staff salaries.

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

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

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

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

(j) Operating Leases

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

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(k) Foreign Currency

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

(l) Capital Account

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

(m) Agency arrangements

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

2 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Depreciation and Residual Values

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

Retirement Benefit Obligation

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

The assumptions can be affected by:

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

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	'Whole time equivalents' (WTEs)	2020 €000	'Whole time equivalents' (WTEs)	2019 €000
3 TUITION FEES				
Full-time Tuition Fees	1,021	5,280	962	4,902
Student Contribution	916	2,686	867	2,601
Part-time Tuition Fees	21	61	19	60
Continuing Education in Art & Design Fees	615	288	694	278
		8,315		7,840

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

	2020 Allocated for Recurrent Expenditure €000	2020 Allocated for Capital Expenditure €000	2020 Total €000	2019 Total €000
4 STATE GRANTS				
Higher Education Authority				
Recurrent Grants	7,523	457	7,980	7,875
Information Technology	40		40	40
Disability & Financial Assistance Grants	57		57	74
Improved Access and Progression	199		199	179
Irish Language	3		3	3
CoVid-19 Financial Supports	348		348	-
Student Assistance	63		63	66
Literacy and Numeracy	55		55	21
Educational Sustainable Development	-		-	22
Other Grants	498		498	470
Other State Grants				
Arts Council	65		65	62
Total 2020	8,851	457	9,308	8,812
Total 2019	8,535	277	8,812	

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

RESEARCH GRANTS AND OTHER

5 CONTRACTS	2020	2019
	€000	€000
Income		
State and semi-state	123	213
European Union	43	17
Industry	(3)	61
Other	11	18
Total income	174	309
Expenditure		
Staff Costs	70	83
Other Operating Costs	107	199
Total costs	177	282
Net Outcome	(3)	27

6 OTHER INCOME	2020	2019
	€000	€000
Continuing Professional Development	-	13
Sponsorship/Donations	-	16
Event Income	5	5
Student Charges	14	39
Photocopy Income	41	63
Miscellaneous Income	67	88
	127	224

7 STAFF COSTS

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

	2020	2019
	No. of	No. of
	employees	employees
Teaching	76.5	75.1
Research	1.2	1.2
Technical, Support and Central Administration	77.4	76.4
	155.1	152.7

	2020	2019
	€000	€000
Salaries and wages	10,635	10,095
Social welfare costs	1,015	1,074
Employer welfare costs	-	-
	11,650	11,169

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 STAFF COSTS (continued)

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

	2020	2019
	No. of staff	No. of staff
€60,001 to €70,000 p.a.	20	22
€70,001 to €80,000 p.a.	6	6
€80,001 to €90,000 p.a.	24	25
€90,001 to €100,000 p.a.	9	6
€100,001 to €110,000 p.a.	3	4
€110,001 to €120,000 p.a.	2	2
€120,001 to €130,000 p.a.	-	-
€130,001 to €140,000 p.a.	-	-
Over €140,000 p.a.	1	1
	<u>65</u>	<u>66</u>

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

Key management compensation

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

	2020	2019
	€000	€000
Salaries and wages	243	256
Social welfare costs	26	26
	<u>269</u>	<u>282</u>

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

	2020	2019
	€000	€000
Salaries and wages	149	147
Social welfare costs	16	15
	<u>165</u>	<u>162</u>

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

COLÁISTE NÁISIÚNTA EALAÍNE IS DEARHTHA
NATIONAL COLLEGE OF ART AND DESIGN

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 OTHER OPERATING EXPENSES	Notes	2020	2019
		€000	€000
Books, Catalogues and Periodicals		120	113
Materials and consumables		132	166
Student services		276	212
Student travel funded externally		228	122
Examination and Registration Fees		106	79
Examiner fees and expenses		25	35
Exhibitions, Seminars and Catering		18	24
Research costs		107	199
Gallery		6	13
Light, Heat and Power		218	294
Repairs and maintenance		234	329
Cleaning costs		171	283
Security		116	148
Rent and Rates		184	115
Telephone		62	58
Lease of equipment		31	44
Stationery Supplies and Printing		21	51
Photocopying Costs		18	24
Postage and Courier		9	11
IT Expenditure		249	235
Professional Fees		435	339
Memberships and Subscriptions		48	15
Staff development and training		37	60
Auditors' Remuneration		105	66
Travel and Subsistence		44	67
Advertising and PR		72	64
Insurance		145	130
Safety Costs		94	15
Entertainment Expenditure		1	6
Miscellaneous		102	(9)
Bad Debt write off		19	28
		3,433	3,336
Other operating expenses include:		2020	2019
Auditors remuneration		€000	€000
External audit - C&AG		61	30
Internal audit - Mazars		44	36
Hire of assets under operating leases (full year expense)	18	31	44
Rental of premises under lease (part of rent & rates expense above)	18	144	64

COLÁISTE NÁISIÚNTA EALAÍNE IS DEARTHÁ
NATIONAL COLLEGE OF ART AND DESIGN

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 TAXATION

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

10 ANALYSIS OF EXPENDITURE	Staff	Other	Total	Total
	Costs	Operating Expenses		
	2020	2020	2020	2019
	€000	€000	€000	€000
Academic Departments	8,543	359	8,902	7,938
Academic & Other Central Services	315	290	605	1,130
Premises	676	569	1,245	1,589
Central Administration	1,541	1284	2,825	2,685
CoVid-19 Specific operating costs	16	228	244	
General Education Expenses	489	476	965	79
Student Facilities and Amenities	-	121	121	802
Research Expenditure	70	106	176	282
Total 2020	<u>11,650</u>	<u>3,433</u>	<u>15,083</u>	<u>14,505</u>
Total 2019	<u>11,169</u>	<u>3,336</u>		
Depreciation			456	412
Retirement benefit costs			3,068	3,768
			<u>18,607</u>	<u>18,685</u>

COLÁISTE NÁISIÚNTA EALAÍNE IS DEARTHA
NATIONAL COLLEGE OF ART AND DESIGN

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 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 st October 2019	20,318	306	351	453	1,075	22,503
Additions	-	-	184	156	117	457
Disposals	-	-	-	-	-	-
Revaluation Adjustment	-	-	-	-	-	-
Balance at 30 th September 2020	20,318	306	535	609	1,192	22,960
Depreciation						
Balance at 1 st October 2019	1,286	306	195	299	1,001	3,087
Charge for year	261	-	31	80	84	456
Disposals	-	-	-	-	-	-
Revaluation Adjustment	-	-	-	-	-	-
Total Depreciation for 2020	1,547	306	226	379	1,085	3,543
Net Book Value 30 th September 2020	18,771	-	309	229	108	19,417
Net Book Value 30 th September 2019	19,032	-	157	153	74	19,416

12 HERITAGE ASSETS

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

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

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

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

COLÁISTE NÁISIÚNTA EALAÍNE IS DEARTHA
NATIONAL COLLEGE OF ART AND DESIGN

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13 RECEIVABLES

	2020	2019
	€000	€000
Academic fees receivable	103	89
State grants receivable	980	806
Trade receivables	7	61
Research grants and contracts receivable	114	132
Prepayments	220	234
Other receivables	12	32
	1,436	1,354

14 CURRENT LIABILITIES

	2020	2019
	€000	€000
Contracts deferred	184	65
Research grants and other contracts in advance	54	170
Deferred other income	6	4
Tuition fees received in advance	1,015	1,617
State grant received in advance	2,071	1,267
Accruals	892	520
Other tax and social security	350	331
Other payables	142	122
	4,714	4,096

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 RETIREMENT BENEFITS

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

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

Single Scheme members are included in the pension liability at 30 September 2020, the actuarial calculations took into account the differing entitlements that apply to that scheme. €2.5m of the €91.8m liability at 30 September relates to the Single Scheme

	2020	2019
	€000	€000
(a) Analysis of Total Pension Costs Charged to Expenditure		
Current service cost	2,714	2,529
Interest on scheme liabilities	692	1,595
Employee pension contributions	(338)	(356)
	<u>3,068</u>	<u>3,768</u>
(b) Analysis of Movement in Scheme Liability during the Year		
	€000	€000
Scheme Liability at Start of Year	92,065	88,918
Current Service Cost	2,714	2,529
Interest on Scheme Liabilities	692	1,595
Benefits Paid in the Year	(2,383)	(2,479)
Actuarial Loss / (Gain) recognised in the Statement of Total Recognised Gains and Losses	(1,328)	1,502
Scheme Liability at End of Year	<u>91,760</u>	<u>92,065</u>

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(c) Deferred Funding for Pensions

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

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

	2020	2019
	€000	€000
Funding recoverable in respect of current year costs	3,406	4,124
Grants from tÚdarás um Ard-Oideachas applied to pay pension benefits	(2,383)	(2,479)
Net Deferred Funding for Pensions in year	<u>1,023</u>	<u>1,645</u>

The deferred funding asset for pensions as at 30th September 2020 amounted to €91,760,000 (2019: 92,065,000)

(d) History of Deferred Benefit Obligations

	2020	2019	2018	2017	2016
	€000	€000	€000	€000	€000
Deferred Benefit Obligations	91,760	92,065	88,918	86,266	87,362
Experience gains/(losses) on Scheme Liabilities Amount	(1,328)	1,502	614	(2,788)	12,686
Percentage of Scheme Liabilities	(1.5%)	1.6%	0.7%	(3.2%)	14.5%

The valuation used for FRS102 disclosures has been based on an actuarial valuation at 30 September 2020 by a qualified actuary taking account of the requirements of FRS102 in order to assess the scheme liabilities at 30 September 2020.

The principal actuarial assumptions were as follows:

Assumption	2020	2019
Discount rate	1.15%	0.75%
Salary increase assumption	2.35%	2.20%
Pension increase in payment	2.35%	2.20%
Pension increase in deferment	2.35%	2.20%
Price inflation	1.35%	1.20%

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

	2020	2019
Male aged 65	21.4	21.3
Female aged 65	24.0	23.9

NATIONAL COLLEGE OF ART AND DESIGN

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 ANALYSIS OF CASH AND CASH EQUIVALENTS

	At 01/10/2019 €000	Cash-flows €000	At 30/09/2020 €000
Cash at Bank and on Hand	1,948	863	2,811
	<u>1,948</u>	<u>863</u>	<u>2,811</u>

17 CAPITAL COMMITMENTS

Capital commitments at 30 September 2020 amounted to €Nil (2019: €120k). Site survey works commenced in Apr 2021 on College the refurbishment project, funded by HEA for €2.2m.

18 LEASE COMMITMENTS

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

	Land and buildings		Other	
	2020 €000	2019 €000	2020 €000	2019 €000
Future minimum lease payments due:				
Not later than one year	48	48	27	9
Later than one year and not later than five years	-	30	-	1
Later than five years	-	-	-	-
	<u>48</u>	<u>78</u>	<u>27</u>	<u>10</u>

The College lease premises at James Street, Dublin 8. It is a four year lease which expired in June 2019. This lease was renewed for a 1 year period in August 2019. The College entered an additional 1 year lease with a premises on Thomas Street, Dublin 8 in August '20 which will cover the next academic year.

The College also lease photocopiers. Each lease has a three year period which is renewed on expiry, following a procurement process via OGP.

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NATIONAL COLLEGE OF ART AND DESIGN

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19 RELATED PARTY DISCLOSURES

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

20 CONTINGENT LIABILITIES

There are no contingent liabilities at the end of 30th September 2020.

21 AMOUNTS DISBURSED AS AGENT

	2020	2019
	€000	€000
HEA Grants received	252	195
Less: Administration expenses	(24)	(46)
	<hr/> 228	<hr/> 100
Disbursed to students	(228)	(122)
	<hr/>	<hr/>
Balance unspent at 30 September	-	27

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NATIONAL COLLEGE OF ART AND DESIGN

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

Grantor	Government Funding Department/Office	Notes	Grant Deferred/(Due) 01/10/2019 €000	Cash Received 2019/20 €000	Taken to Income 2019/20 €000	Grant Deferred/(Due) 30/09/2020 €000
Recurrent Grants						
HEA (Recurrent)	Dept. of Education & Skills		378	9,202	(8,484)	1,096
HEA (Erasmus)	Dept. of Education & Skills		244	197	(222)	219
*HEA (Non-Core)	Dept. of Education & Skills		(112)	457	(603)	(258)
Total Exchequer Recurrent Grants		4	510	9,856	(9,309)	1,057
Academic Fees						
HEA	Dept. of Education & Skills		-	4,057	(4,057)	-
S.U.S.I.	Dept. of Education & Skills		-	1,306	(1,306)	-
Total Exchequer funded Fees		3	-	5,363	(5,363)	-
Research and Other						
Arts Council	Dept. of Culture, Heritage, and Gaeltacht Affairs		(62)	136	(65)	9
**TFE	European Commission		-	-	-	-
ISGNE	European Commission		(4)	1	(17)	(20)
In Public In Particular	European Commission		(13)	13	-	-
Our Many Europes	European Commission		3	-	(6)	(3)
PartGo	European Commission		-	-	(7)	(7)
Enterprise Ireland	D.B.E.I.		(27)	87	(123)	(63)
Ubuntu	Dept. of Foreign Affairs & Trade		1	10	(9)	2
HSE – N.F.M.H.	Dept. of Health		(6)	-	(2)	(8)
UCD & DCU	Dept. of Education & Skills		-	10	(10)	(1)
HEA Path 1	Dept. of Education & Skills		24	16	(3)	37
*HEA Path 2 - 3	Dept. of Education & Skills		-	-	-	-
Total Exchequer Research & Other Grants		4 & 5	(84)	273	(243)	(54)
Total Exchequer Grants			426	15,492	(14,915)	1,003

*Path 2 and Path 3 funding has been moved up to HEA (non-core) grants as disbursement of funds are not Research Income.

** TFE has been moved to a restricted reserve as the funds are for Partner groups and not NCAD

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23 APPROVAL OF ACCOUNTS

The accounts for the year ended 30th September 2020 were approved by the Board at its meeting on 25th May 2021.

24 POST BALANCE SHEET EVENTS

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