

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

COLÁISTE NÁISIÚNTA EALAÍNE IS DEARTHA
NATIONAL COLLEGE OF ART AND DESIGN

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

College Information

Address National College of Art and Design
100 Thomas Street
Dublin 8
D08 K521

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

Bankers Bank of Ireland
85 James Street
Dublin 8

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

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Governance Statement and Board Members' Report

Governance

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

Responsibilities of An Bord

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

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

Standing items considered by An Bord include:

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

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

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

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

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

An Bord is responsible for approving the annual plan and budget. The annual budget for the financial year 2020/21 was approved by An Bord 22 September 2020.

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

An Bord considers that the financial statements of the National College of Art and Design give a true and fair view of the financial performance and the financial position of the College as at 30 September 2021.

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An Bord Structure

An Bord consists of a Chairperson, five ordinary members all of whom are appointed by the Minister for Further and Higher Education, Research, Innovation and Science, along with two academic staff representatives, two student representatives, the Director of the College and one non-academic staff observer. The members of An Bord are appointed for a period of three years and normally meet for a minimum of 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	Reappointed – April '21
Frederick Goltz	Ordinary Member	23 rd March 2018	Reappointed – April '21
Jane McDaid	Ordinary Member	23 rd March 2018	Reappointed – April '21
Darragh Hogan	Ordinary Member	23 rd March 2018	2 nd March 2021 retired
Sinéad Ryan	Ordinary Member	23 rd March 2018	Reappointed – April '21
Christine O'Donovan	Ordinary Member	23 rd March 2018	Reappointed – April '21
Sarah O'Connor	Student Rep.	23 rd September '21	
Declan Long	Academic Member	23 rd March 2018	2 nd March 2021 retired
Rachel Tuffy	Academic Member	15 th June 2015	2 nd March 2021 retired
Taffina Flood	Academic Member	20 th April '21	
Dr Patsey Bodkin	Academic Member	20 th April '21	
Grainne Murphy	Student Rep.	5 th February 2016	2 nd March 2021 retired
Sonia O'Dwyer	Student Rep.	23 rd March 2018	2 nd March 2021 retired
Bill Harris	Student Rep.	20 th April '21	
Mark Carroll	Non-Academic Obs	15 th June 2015	2 nd March 2021 retired
Leone Karakus	Non-Academic Obs	20 th April '21	
Sarah Glennie	Director	1 st January 2018	Reappointed – April '21

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An Bord Structure Cont.

An Bord Effectiveness and Evaluation Review was conducted by an external reviewer in 2020 in line with best practice and an internal review was conducted in 2021.

An Bord has established one committee, as follows:

1. Audit and Risk Committee (ARC): comprises three members of An Bord and can co-opt an independent member should the members deem it necessary. The role of the ARC is to support An Bord in relation to its responsibilities for issues of risk, control and governance and associated assurance. The ARC is independent from the financial management of the organisation. In particular, the Committee ensures that the internal control systems including audit activities are monitored actively and independently. The ARC reports to An Bord after each meeting, and formally in writing annually. At September 2020/21 the members of the Audit and Risk Committee were: Frederick Goltz (Chairperson), Sinéad Ryan and Séan Quigley, Darragh Hogan retired from the Board in March '21 who was also a member of the ARC until that date. Members were appointed 27 June 2018. A new member was appointed for 2021/22 Claire Dowling December '21, on foot of the retirement of Darragh Hogan. There were 6 meetings of the ARC in 2020/21.

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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 2020/21 is set out below including the expenses received by each member:

	An Bord	ARC	Expenses 2020/21
			€
Number of Meetings	Nine	Six	
Dr Richard Thorn	9		n/a
Frederick Goltz	9	6	n/a
Rachel Tuffy (retired 02/03/21)	0		n/a
Sarah Glennie	9	6	n/a
Grainne Murphy (retired 02/03/21)	5		n/a
Sean Quigley	n/a	6	n/a
Darragh Hogan (retired 02/03/21)	5	3	n/a
Dr Declan Long (retired 02/03/21)	5		n/a
Jane McDaid	6		n/a
Christine O'Donovan	7		n/a
Sonia O'Dwyer (retired 02/03/21)	5		n/a
Sinead Ryan	9	6	n/a
Taffina Flood (appointed 20/04/21)	2		n/a
Dr Patsey Bodkin (appointed 20/04/21)	2		n/a
Bill Harris (appointed 20/04/21)	1		n/a
Sarah O'Connor (appointed 23/09/21)	0		n/a

Key Personnel Changes

There were 5 new Board members appointed in 2021 as outlined above on page 6. There were no changes to key personnel amongst the College Executive.

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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	2021 €000	2020 €000
Legal		27	26
Tax and Financial Advisory		89	86
Public Relations / Marketing		125	90
Strategy and Organisational Development		140	-
Pension and Human Resources		37	38
Student Access, Counselling & Medical Services		221	177
Health, Safety & Building Works		66	-
Research Project Spend		18	-
CoVid-19 Special Advisors		15	54
Other		132	36
Total	8	870	507

Termination Settlements – There were no termination settlements in NCAD for 2020/21

Travel and Subsistence Expenditure	Notes	2021 €000	2020 €000
National Travel		8	23
International Travel		1	18
Student Assistance & Disbursement of travel bursary			3
Total	8	9	44

Hospitality Expenditure	Notes	2021 €000	2020 €000
Staff hospitality		-	0.3
Client hospitality		-	1.0
Total	8	-	1.3

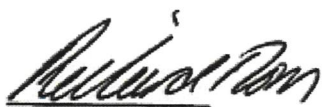
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

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 2022



Sarah Glennie,
Director

27 May 2022

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

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 2021 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 six times in 2020/21.

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 2020/21, 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. In 2020/2021 the ARC paid particular attention to the impact of CoVid-19 on the College.

Risk and Control Framework

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

The College redesigned its risk management process including revised risk appetite, risk management policies and an updated 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.

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Risk and Control Framework Cont.

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

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

CoVid-19

The impact of CoVid-19 continued into a second financial year. The College managed the impact that CoVid-19 had on the delivery of programmes. As in year 1 of the pandemic the impact CoVid-19 had on the operation of the College and the difficulties posed by CoVid-19 on the delivery of educational courses in Art & Design continued. For the year 2020/21 students attended the campus under a restricted and Covid-19 responsible methodology. Following Department of Further and Higher Education, Research, Innovation and Science guidance. In January '21 students returned to off Campus, on-line education. Final year students returned to the Campus in April '21 to enable the completion of their programmes.

On-going review of potential risks has resulted in the following high level items being detailed and monitored in our risk register.

Risk to Staff including the impact of New Variant and delivery of programmes.

Staff and Student mental wellbeing/risk of timeouts/stress related to leave

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

- a) Teaching & Learning
- b) Health & Safety / Operations including IT

Covid-19 is a recurring agenda item of both the ARC and Board, the impact of CoVid-19 is assessed under the following headings: operational, financial impact, reputational, educational, stakeholder and strategic stand point being taken into account.

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CoVid-19 Cont.

Revised Risk assessments were conducted for the College and each Department at the beginning of the academic year, these were based on individual requirements bespoke to a particular area and practice and also on most recent government advice. Many of the IT changes were planned in the previous year were implemented during 2020/2021. Many of the physical changes required to work in CoVid-19 environment were added to in 2020/2021. These included the rollout of HEPA filters and other practices to maintain social distancing.

Due to the requirements of social distancing additional teaching hours were again required in 2020/2021.

Additionally, the College has retained 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), with an additional top up of circa €0.25m (Jun 2021)) via the HEA (Higher Education Authority), Covering College expenditure from March '20 to September '21 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. The use of electronic signatures, electronic procurement procedures and electronic sign off, and a temporary derogation continued for staff to submit expenses. Authorisation limits and payment thresholds were not changed. The process around the posting and approval of journals has not changed as a result of the new working arrangements. Quarterly management accounts and associated reconciliations continue to be performed in a timely manner. Strong controls remain in place regarding the changing of employee and supplier bank details on the finance system.

At financial year end detailing planning was in place for a new cloud based finance system which will allow an electronic workflow for authorisations.

Budgeting and Forecasting

NCAD maintains a robust budgeting and forecasting process. Latest view budgets were presented to the Audit and Risk Committee and An Bord in December '20, March '21 and July '21. A particular focus was placed on the management of cash flow and impact of additional CoVid-19 costs on teaching and operational costs.

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Risk Management

The Risk Register is updated quarterly to reflect the risks associated with CoVid-19. The Risk Register was presented to An Bord at every meeting. Items that were identified were included in the SIC for 2020/21.

Information Technology

Thanks to the continued support of the HEA, the network security was improved and additional capacity/resilience provided, all network switches were replaced during the summer of 2021. Active Directory rollout started in September of 2021. Planning for the introduction of Cloud based storage solutions and improved security was undertaken from January to June of 2021 and were also rolled out in September 2021.

New VLE, Finance and HR systems were selected in 2021. The process of piloting and implementation shall take place during 2022.

Ongoing Monitoring and Review

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

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

The following monitoring systems are in development:

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

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.

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.

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I confirm that the Board conducted an annual review of the effectiveness of the internal controls for 2020/21 including the impact on the control environment of the move to remote working referenced above. The Chair of the ARC reported the findings of the internal audit review of the internal financial controls in place at year end 2020/21 to the Board during the 25th January 2022 meeting for An Bord. An internal audit tracker is updated each year and movements are presented to the ARC.

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 2021, the last of the weaknesses in control were resolved as outlined below:

Fixed Assets

Fixed asset tagging was conducted by an external provider of this service and a log of all assets with tags is now in place on same. While a fixed asset register is in place, and the locations of assets are recorded on the register and assets are now tagged, the tag numbers are not reflected on the fixed asset register. However, a cross matching process can now be carried out between the log and the register.

Procurement

Goods and services to the value of €161k 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.

Absence of formal procedures

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 – Completed; Extensive work was undertaken by the HR department to collate employee records onto Excel workbooks which track all employee movements, service and contracts

Signed on behalf of the Board:



Sarah Glennie
Director
Date: 27 May 2022



Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

National College of Art and Design

Opinion on the financial statements

I have audited the financial statements of the National College of Art and Design for the year ended 30 September 2021 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 2021 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 2021.

The recognition of a deferred pension funding asset in respect of the Single Public Service Pension Scheme (€3.5 million) reflects statutory provisions relating to the funding of that scheme.

The recognition of an asset in respect of the Staff Superannuation Scheme (€96.6 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.

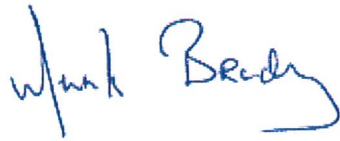
Report of the C&AG (continued)

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 blue ink, reading "Mark Brady". The signature is written in a cursive style with a large, stylized 'M' and 'B'.

Mark Brady
For and on behalf of the
Comptroller and Auditor General

31 May 2022

Responsibilities of Board members

The members are responsible for

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

Responsibilities of the Comptroller and Auditor General

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

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

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

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

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

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

I report by exception if, in my opinion,

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

Information other than the financial statements

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

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

Reporting on other matters

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

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

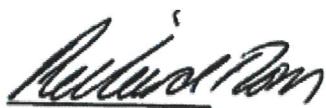
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NATIONAL COLLEGE OF ART AND DESIGN

STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	2021 €000	2020 €000
INCOME			
State Grants	4	11,100	8,851
Academic Fees	3	8,479	8,315
Amortisation of Capital Fund		662	456
Research Grants and Other Contracts	5	251	174
Deferred Funding for Retirement Benefits	15(c)	1,299	1,023
Other Income	6	74	127
Total Income		21,865	18,946
EXPENDITURE			
Staff costs	7	12,595	11,650
Retirement benefit costs	15(a)	3,890	3,068
Other operating expenses	8	4,117	3,433
Depreciation	11	662	456
Total Expenditure		21,264	18,607
Surplus / (Deficit) for the year		601	338

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 2022



Sarah Glennie,
Director

27 May 2022

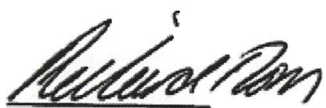
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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	2021 €000	2020 €000
Surplus / (Deficit) for the year		601	338
Actuarial gains / (loss) on retirement benefit obligations	15(d)	(7,064)	1,328
Adjustment to deferred retirement benefits funding	15(b)	7,064	(1,328)
Total Comprehensive Income in the year		<u>601</u>	<u>338</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 2022



Sarah Glennie,
Director

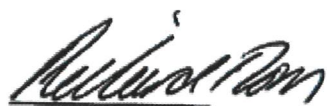
27 May
2022

STATEMENT OF CHANGES IN RESERVES AND CAPITAL ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2021

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

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 2022



Sarah Glennie,
Director
27 May 2022

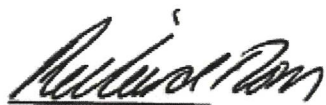
COLÁISTE NÁISIÚNTA EALAÍNE IS DEARTHATHA
NATIONAL COLLEGE OF ART AND DESIGN

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	2021 €000	2020 €000
Fixed Assets			
Property, plant and equipment	11	20,549	19,417
Heritage assets	12	20	20
		<u>20,569</u>	<u>19,437</u>
Current Assets			
Receivables	13	2,544	1,436
Cash and cash equivalents	16	3,624	2,811
		<u>6,168</u>	<u>4,247</u>
Current Liabilities: amounts falling due within one year			
	14	(5,961)	(4,714)
		<u>(5,961)</u>	<u>(4,714)</u>
Net Current Assets		207	(466)
Total Assets less Current Liabilities		<u>20,776</u>	<u>18,971</u>
Retirement Benefits			
Deferred Pension Funding	15 (d)	100,123	91,760
Pension Liabilities	15 (b)	(100,123)	(91,760)
Total net assets		<u>20,776</u>	<u>18,971</u>
Reserves and Capital Account			
Capital Account		20,565	19,431
Restricted Reserves		201	146
Income and Expenditure Reserve		10	(606)
		<u>20,776</u>	<u>18,971</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 2022



Sarah Glennie,
Director
 27 May 2022

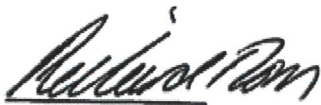
COLÁISTE NÁISIÚNTA EALAÍNE IS DEARHTHA
NATIONAL COLLEGE OF ART AND DESIGN

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	2021 €000	2020 €000
Net cash flow from operating activities			
Surplus / (Deficit) for the year		601	338
Adjustment for non-cash items			
Depreciation	11	662	456
Amortisation of capital account		(662)	(456)
State funds allocated to capital	4	1,796	457
Decrease / (Increase) in receivables		(1,108)	(82)
(Decrease) / Increase in payables		1,247	618
Net cash flows from operating activities		2,536	1,330
Cash flows from investing activities			
Payments to acquire property, plant, equipment & Heritage Assets	11 & 12	(1,796)	(457)
Net cash flows from investing activities		(1,796)	(457)
Cash flows on restricted reserves movements		70	(10)
Net increase/(decrease) in cash and cash equivalents in the year		810	863
Cash and cash equivalents at 1 October 2020	16	2,811	1,948
Rounding issue		3	
Cash and cash equivalents at 30 September 2021	16	3,624	2,811

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 2022



Sarah Glennie,
Director

27 May 2022

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

NOTES TO THE FINANCIAL STATEMENTS

1 SIGNIFICANT ACCOUNTING POLICIES

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

(a) General information and Statement of Compliance

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

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

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

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

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

(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 €601,000 (2020: surplus of €338,000) and an income and expenditure reserve surplus of €10,000 (2020: deficit of €606,000). Growth in student recruitment year on year projected by the College, is expected to support the College in strengthening the financial position going forward.

The College took 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 2021

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 2021

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.

State capital grants

Capital grants from the HEA or other state bodies received in respect of the acquisition or construction of fixed assets are treated as deferred State Capital Grants and amortised in line with the depreciation over the life of the assets.

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

Academic Fee Income

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

State research grants

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

Non-State research grants

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

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

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

Donations and Endowments

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

Interest Income

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

(i) Employee benefits

Short term benefits

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

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

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 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 2021

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3 TUITION FEES	'Whole time equivalents ' (WTEs)	2021 €000	'Whole time equivalents ' (WTEs)	2020 €000
Full-time Tuition Fees	1,228	5,328	1,021	5,280
Student Contribution	964	2,843	916	2,686
Part-time Tuition Fees	27	84	21	61
Continuing Education in Art & Design Fees	407	224	615	288
		8,479		8,315

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

4 STATE GRANTS	2021 Allocated for Recurrent Expenditure €000	2021 Allocated for Capital Expenditure €000	2021 Total €000	2020 Total €000
Higher Education Authority				
Recurrent Grants	9,149	363	9,512	7,980
Information Technology	10		10	40
Disability & Financial Assistance				
Grants	94		94	57
Improved Access and Progression	222		222	199
Irish Language	3		3	3
CoVid-19 Financial Supports	459	395	854	348
Student Assistance	97		97	63
Grants for onward dispersal to students	296		296	-
Literacy and Numeracy	-		-	55
Educational Sustainable Development	11		11	-
Other Grants	680	25	705	498
Capital Funding	-	1,013	1,013	-
Other State Grants				
Arts Council	79		79	65
Total 2021	11,100	1,796	12,896	9,308
Total 2020	8,851	457	9,308	

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

RESEARCH GRANTS AND OTHER		
5 CONTRACTS	2021 €000	2020 €000
Income		
State and semi-state	155	123
European Union	24	43
Industry	25	(3)
Other	47	11
Total income	251	174
Expenditure		
Staff Costs	162	70
Other Operating Costs	73	107
Total costs	235	177
Net Outcome	16	(3)
6 OTHER INCOME	2021 €000	2020 €000
Continuing Professional Development	-	-
Sponsorship/Donations	-	-
Event Income	-	5
Student Charges	18	14
Photocopy Income	4	41
Miscellaneous Income	52	67
	74	127

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:

	2021 No. of employees	2020 No. of employees
Teaching	78.4	76.5
Research	3.0	1.2
Technical, Support and Central Administration	79.8	77.4
	161.2	155.1
	2021 €000	2020 €000
Salaries and wages	11,464	10,635
Social welfare costs	1,131	1,015
Employer welfare costs	-	-
	12,595	11,650

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

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:

	2021	2020
	No. of staff	No. of staff
€60,001 to €70,000 p.a.	22	20
€70,001 to €80,000 p.a.	6	6
€80,001 to €90,000 p.a.	19	24
€90,001 to €100,000 p.a.	10	9
€100,001 to €110,000 p.a.	0	3
€110,001 to €120,000 p.a.	5	2
€120,001 to €130,000 p.a.	-	-
€130,001 to €140,000 p.a.	-	-
€140,000 to €150,000 p.a.	-	-
€150,000 to €160,000 p.a.	1	1
Over €160,000 p.a.	-	-
	<u>63</u>	<u>65</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:

	2021	2020
	€000	€000
Salaries and wages	252	243
Social welfare costs	27	26
	<u>279</u>	<u>269</u>

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

	2021	2020
	€000	€000
Salaries and wages	154	149
Social welfare costs	15	16
	<u>170</u>	<u>165</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 DEARTHA
NATIONAL COLLEGE OF ART AND DESIGN

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 OTHER OPERATING EXPENSES	Notes	2021	2020
		€000	€000
Books, Catalogues and Periodicals		142	120
Materials and consumables		117	132
Student services		296	276
Student travel & grants funded externally		168	228
Examination and Registration Fees		111	106
Examiner fees and expenses		24	25
Exhibitions, Seminars and Catering		9	18
Research costs		73	107
Gallery		7	6
Light, Heat and Power		247	218
Repairs and maintenance		373	234
Cleaning costs		267	171
Security		118	116
Rent and Rates		76	184
Telephone		138	62
Lease of equipment		29	31
Stationery Supplies and Printing		20	21
Photocopying Costs		16	18
Postage and Courier		26	9
IT Expenditure		383	249
Professional Fees		757	435
Agency Staff		117	-
Memberships and Subscriptions		49	48
Staff development and training		73	37
Auditors' Remuneration		51	105
Travel and Subsistence		8	44
Advertising and PR		93	72
Insurance		111	145
Safety Costs		71	94
Entertainment Expenditure		-	1
Miscellaneous		82	102
Bad Debt write off		65	19
		4,117	3,433

Other operating expenses include:

		2021	2020
		€000	€000
Auditors remuneration			
External audit - C&AG		41	61
Internal audit - Mazars		10	44
Hire of assets under operating leases (full year expense)	18	29	31
Rental of premises under lease (part of rent & rates expense above)	18	62	144

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

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.

	Staff	Other		
	Costs	Operatin	Total	Total
1	2021	g	2021	2020
0 ANALYSIS OF EXPENDITURE	€000	Expenses	€000	€000
Academic Departments	9,425	768	10,193	8,902
Academic & Other Central Services	965	383	1,348	605
Premises	673	954	1,627	1,245
Central Administration	754	1,192	1,946	2,825
CoVid-19 Specific operating costs	116	168	284	244
Student Facilities and Amenities	500	444	944	121
General Education Expenses	-	135	135	965
Research Expenditure	162	73	235	176
Total 2021	12,595	4,117	16,712	15,083
Total 2020	11,650	3,433		
Depreciation			662	456
Retirement benefit costs			3,890	3,068
			21,264	18,607

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 PROPERTY, PLANT AND EQUIPMENT

	Land & Buildings €000	Guinness Fit Out €000	Plant & Equip. €000	Furniture €000	Fixtures & Fittings €000	Computer Equipment €000	Total €000
Cost							
Balance at 1 st October 2020	20,319	306	535	229	380	1,189	22,958
Additions	973	-	163	24	107	529	1,796
Disposals	-	-	-	-	-	-	-
Revaluation Adjustment	-	-	-	-	-	-	-
Balance at 30 th September 2021	21,292	306	698	253	487	1,718	24,754
Depreciation							
Balance at 1 st October 2020	1,547	306	226	120	261	1,083	3,543
Charge for year	281	-	46	30	62	243	662
Disposals	-	-	-	-	-	-	-
Revaluation Adjustment	-	-	-	-	-	-	-
Total Depreciation for 2021	1,828	306	272	150	323	1,326	4,205
Net Book Value 30 th September 2021	19,464	-	426	103	164	392	20,549
Net Book Value 30 th September 2020	18,772	-	309	110	119	106	19,416

1

2 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.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13 RECEIVABLES

	2021	2020
	€000	€000
Academic fees receivable	109	103
State grants receivable	1,946	980
Trade receivables	3	7
Research grants and contracts receivable	99	114
Prepayments	318	220
Other receivables	69	12
	<u>2,544</u>	<u>1,436</u>

14 CURRENT LIABILITIES

	2021	2020
	€000	€000
Contracts deferred	72	184
Research grants and other contracts in advance	124	54
Deferred other income	4	6
Tuition fees received in advance	1,494	1,015
State grant received in advance	1,507	2,071
Accruals	2,181	892
Other tax and social security	417	350
Other payables	162	142
	<u>5,961</u>	<u>4,714</u>

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

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 2021, the actuarial calculations took into account the differing entitlements that apply to that scheme. €3.5m of the €100.1m liability at 30 September relates to the Single Scheme

	2021 €000	2020 €000
(a) Analysis of Total Pension Costs Charged to Expenditure		
Current service cost	3,155	2,714
Interest on scheme liabilities	1,056	692
Employee pension contributions	(321)	(338)
	<u>3,890</u>	<u>3,068</u>
(b) Analysis of Movement in Scheme Liability during the Year		
	2021 €000	2020 €000
Scheme Liability at Start of Year	91,760	92,065
Current Service Cost	3,155	2,714
Interest on Scheme Liabilities	1,056	692
Benefits Paid in the Year	(2,912)	(2,383)
Actuarial Loss / (Gain) recognised in the Statement of Total Recognised Gains and Losses	7,064	(1,328)
Scheme Liability at End of Year	<u>100,123</u>	<u>91,760</u>

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

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:

	2021	2020
	€000	€000
Funding recoverable in respect of current year costs	4,211	3,406
Grants from tÚdarás um Ard-Oideachas applied to pay pension benefits	(2,912)	(2,383)
Net Deferred Funding for Pensions in year	<u>1,299</u>	<u>1,023</u>

The deferred funding asset for pensions as at 30th September 2021 amounted to €100,123k (2020: 91,760k)

(d)
) History of Deferred Benefit Obligations

	2021	2020	2019	2018	2017
	€000	€000	€000	€000	€000
Deferred Benefit Obligations	100,123	91,760	92,065	88,918	86,266
Experience gains/(losses) on Scheme Liabilities Amount	7,064	(1,328)	1,502	614	(2,788)
Percentage of Scheme Liabilities	7.1%	(1.5%)	1.6%	0.7%	(3.2%)

The valuation used for FRS102 disclosures has been based on an actuarial valuation at 30 September 2021 by a qualified actuary taking account of the requirements of FRS102 in order to assess the scheme liabilities at 30 September 2021.

The principal actuarial assumptions were as follows:

Assumption	2021	2020
Discount rate	1.40%	1.15%
Salary increase assumption	2.95%	2.35%
Pension increase in payment	2.95%	2.35%
Pension increase in deferment	2.95%	2.35%
Price inflation	1.95%	1.35%

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

2021 **2020**

Male aged 65	21.5	21.4
Female aged 65	24.1	24.0

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1

6 ANALYSIS OF CASH AND CASH EQUIVALENTS

	At 01/10/2020 €000	Cash- flows €000	At 30/09/2021 €000
Cash at Bank and on Hand	2,811	813	3,624
	2,811	813	3,624

17 CAPITAL COMMITMENTS

Capital commitments at 30 September 2021 amounted to €1.4m (2020: €nil). 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	
	2021 €000	2020 €000	2021 €000	2020 €000
Future minimum lease payments due:				
Not later than one year	46	48	29	27
Later than one year and not later than five years	-	-	51	-
Later than five years	-	-	-	-
	46	48	80	27

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

The College 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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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

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 2021.

21 AMOUNTS DISBURSED AS AGENT

	2021	2020
	€000	€000
HEA Grants received	183	252
Less: Administration expenses	(23)	(24)
	160	228
Disbursed to students	(168)	(228)
Balance unspent at 30 September	(8)	-

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

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) 01/10/20 €000	Cash Received 20/21 €000	Returned/to be returned to Grantor / Disbursed to sub- partners €000	Taken to Income 20/21 €000	Grant Deferred/ (Due) 30/09/21 €000
Recurrent Grants							
HEA (Recurrent)	Dept. of Education & Skills		971	9,172	0	(10248)	(105)
HEA (Erasmus)	Dept. of Education & Skills		209	121	(65)	(20)	245
HEA (Non- Core)	Dept. of Education & Skills		(98)	1,682	(37)	(2,141)	(594)
*Pillar 3 - CFA	Dept. of Education & Skills		-	2,654	(2,247)	(407)	-
Total Exchequer Recurrent Grants		4	1,082	13,629	(2,349)	(12,816)	(454)
Academic Fees							
HEA	Dept. of Education & Skills		-	4,331	-	(4,331)	-
S.U.S.I.	Dept. of Education & Skills		-	1,302	-	(1,302)	-
Total Exchequer funded Fees		3	-	5,633	-	(5,633)	-
Research and Other							
Arts Council	Dept. of Culture, Heritage, and Gaeltacht Affairs		9	85	-	(79)	15
ISGNE	European Commission		(20)	-	-	-	(20)
PartGo	European Commission		(7)	10	-	(10)	(7)
Our Many Europes	European Commission		(3)	10	-	(14)	(7)
Enterprise Ireland	D.B.E.I.		(63)	226	-	(149)	14
Strokelink (SlainteCare)	Dept. of Health		-	46	-	(46)	-
Ubuntu	Dept. of Foreign Affairs & Trade		2	2	-	-	4
HSE – N.F.M.H.	Dept. of Health		(8)	8	-	-	-
HEA Path 1	Dept. of Education & Skills		37	-	-	(6)	31
UCD & DCU	Dept. of Education & Skills		(1)	-	-	1	-
Brand Dublin	Dublin City Council		-	2	-	(2)	-
Total Exchequer Research & Other Grants		4 & 5	(54)	389	-	(305)	30
Total Exchequer Grants			1,028	19,651	(2,349)	(18,754)	(424)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

23 APPROVAL OF ACCOUNTS

The accounts for the year ended 30th September 2021 were approved by the Board at its meeting on 24th May 2022.

24 POST BALANCE SHEET EVENTS

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

