

FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30 SEPTEMBER
2019

COLÁISTE NÁISIÚNTA EALAÍNE IS DEARTHÁ
NATIONAL COLLEGE OF ART AND DESIGN

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

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

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 2018/19 was noted by An Bord on 19th June 2018.

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 at 30th September 2019.

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 with an external review to take 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 on 27th June 2018. There were 5 meetings of the ARC in 2018/19.

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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 2018/19 is set out below including the expenses received by each member:

	An Bord	ARC	Expenses 2018/19
			€
Number of Meetings	Twelve	Five	
Dr Richard Thorn	12	-	-
Frederick Goltz	11	5	-
Rachel Tuffy	11	-	-
Sarah Glennie	12	5	-
Grainne Murphy	11	-	-
Sean Quigley	-	4	-
Darragh Hogan	9	5	-
Dr Declan Long	10	-	-
Jane McDaid	10	-	-
Christine O'Donovan	10	-	-
Siona O'Dwyer	11	-	-
Sinead Ryan	10	4	-

Key Personnel Changes

There were no key personnel changes during 2018/19

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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	2019 €000	2018 €000
Legal		60	16
Tax and Financial Advisory		29	42
Public Relations / Marketing		87	108
Pension and Human Resources		8	97
Student Access, Counselling & Medical Services		143	186
Other		71	98
Total	8	398	547

Termination Settlements	2019 €000	2018 €000
Severance Payment	98	-
Total	98	-

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

The Severance payment above, includes the payment of €21.5k for the legal costs of the Severe.

NCAD incurred legal costs of €3.9k, for the settlement

Travel and Subsistence Expenditure	Notes	2019 €000	2018 €000
National Travel		31	32
International Travel		22	16
Student Assistance & Disbursement of travel bursary		14	25
Total	8	67	73

Hospitality Expenditure	Notes	2019 €000	2018 €000
Staff hospitality		0.6	0.7
Client hospitality		5.1	5.7
Total	8	5.7	6.4

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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.

The following points have been fully implemented:

- a strategic plan for the National College of Art and Design was developed in early 2019, and was approved by An Bord in May 2019.
- the draft Statement of Internal Control is included in the Chairman's comprehensive report to the Minister for Further and Higher Education, Research, Innovation and Science.
- board packs are made available to all members of An Bord. Training for Board members took place in early 2019 and the packs were reviewed at that stage.
- codes of conduct are in place, and are published on the website
- the written charter setting out the roles and responsibilities of the ARC is was reviewed and deemed complete.
- a standard letter of appointment is being put in place for Members newly appointed to the ARC.
- contracts database for contracts in excess of €25k was completed before the end of 2019.

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
 - a performance management system is being developed and is expected to be rolled out to non-academic staff before the end of 2020.
 - 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

Date: 27 October 2020



Sarah Glennie,
Director

Date: 27 October 2020

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Statement on Internal Control

Scope of Responsibility

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

Purpose of the System of Internal Control

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

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform has been in place in the College for the year ended 30 September 2019 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 five times in 2018/19.

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 2018/19, the ARC considered three 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's risk register was completed in October 2017. This is reviewed and managed by both the College Management Team and the Audit and Risk committee. The Chief Risk Officer was nominated as the College Secretary and Head of Corporate Services by An Bord when the risk policy was approved in January 2017.

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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 either in place or under development with a completion date set for 2020:

- 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

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.

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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 2018/19. The Chair of the ARC reported the findings of the internal audit review of the internal financial controls in place at year end 2018/19 to the Board during the 14th January 2020 meeting for An Bord. This was then incorporated into the governance action plan which is the main driver for remediation works for corporate governance failings.

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 2019, a number of weaknesses in control persisted as outlined below:

Fixed Assets

While a fixed asset register is in place, assets are not tagged and the location of the asset is not recorded on the register. It is expected that this issue will be addressed by the end of 2020, subject to a successful recruitment campaign. 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.

Procurement

Goods and services to the value of €495k 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 and established a contracts database for all contracts in excess of €25,000 in late 2019.

Absence of formal procedures

For the financial year 2018/19 HR and Payroll policies and procedures are operational, with a number of exceptions still in progress.

A small number of operational issues were identified during the review of 2019, in particular around standard operating procedures and cover in case of absence. These issues have now been resolved.

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Payroll and HR record keeping

A programme of training for staff in relation to the implementation of HR policies and procedures commenced in 2019.

In 2018 there were weaknesses in record keeping within the HR function, due to both the HR and Payroll functions being outsourced from 2015 until 2018, to external service providers. A programme of remediation commenced in September '18 with the appointment of a Head of HR. It is expected that a performance management and development system will be operational by the end of 2020.

The College also appointed a payroll administrator in 2018 and payroll processing was brought back within the College during 2018/2019. This too has enhanced controls and provides better assurance to all stakeholders.

Signed on behalf of the Board:



Sarah Glennie

Director

Date: 27 October 2020



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 2019 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 2019 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 Retirement Benefits and to the recognition as at 30 September 2019 of an asset of €92 million in respect of deferred pension funding.

The recognition of the deferred pension funding asset in respect of the Single Public Service Pension Scheme reflects statutory provisions relating to the funding of that scheme.

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

Emphasis of matter – going concern

Without qualifying my opinion on the financial statements, I draw attention to Note 1 (c) Going Concern. The College had an accumulated deficit of €983,000 at 30 September 2019. The note outlines the basis upon which the Board is satisfied that the College remains a going concern.

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.

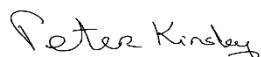
Report of the C&AG (continued)

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, the statement on internal control and (note 22) the statement on management of and accountability for grants from Exchequer funds.

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.



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

30 October 2020

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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STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Notes	2019 €000	2018 €000
INCOME			
State Grants	4	8,535	8,079
Academic Fees	3	7,840	7,408
Amortisation of Capital Fund		409	412
Research Grants and Other Contracts	5	309	377
Deferred Funding for Retirement Benefits	15(c)	1,645	1,681
Other Income	6	224	123
Total Income		18,962	18,080
EXPENDITURE			
Staff costs	7	11,169	10,585
Retirement benefit costs	15(a)	3,768	3,873
Other operating expenses	8	3,336	3,390
Depreciation	11	412	464
Total Expenditure		18,685	18,312
Surplus / (Deficit) for the year		277	(232)

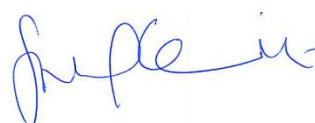
The Statement of Cash flows and notes 1-24 form part of these financial statements.

Signed on behalf of the Board:



Richard Thorn,
Chair of An Bord

Date: 27 October 2020



Sarah Glennie,
Director

Date: 27 October 2020

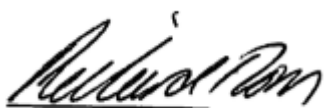
COLÁISTE NÁISIÚNTA EALAÍNE IS DEARTHÁ
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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Notes	2019	2018
		€000	€000
Surplus / (Deficit) for the year		277	(232)
Actuarial gains / (loss) on retirement benefit obligations	15(d)	(1,502)	(614)
Adjustment to deferred retirement benefits funding	15(b)	1,502	614
Total Comprehensive Income in the year		<u>277</u>	<u>(232)</u>

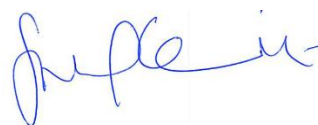
The Statement of Cash flows and notes 1-24 form part of these financial statements.

Signed on behalf of the Board:



Richard Thorn,
Chair of An Bord

Date: 27 October 2020



Sarah Glennie,
Director

Date: 27 October 2020


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NATIONAL COLLEGE OF ART AND DESIGN

STATEMENT OF CHANGES IN RESERVES AND CAPITAL ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Capital Account €000	Restricted Reserves €'000	Income and Expenditure Reserve €000	Total €000
Balance at 1 October 2017	19,666	194	(1,027)	18,833
Surplus / (Deficit) from the Statement of Income and Expenditure	-	-	(232)	(232)
Amortisation of capital account	(412)	-	-	(412)
State grant allocated to capital	308	-	-	308
Transfers between Reserves	-	-	-	-
Balance at 30 September 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

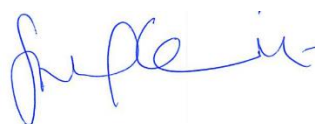
The Statement of Cash flows and notes 1-24 form part of these financial statements.

Signed on behalf of the Board:



Richard Thorn,
 Chairperson of An Bord

Date: 27 October 2020



Sarah Glennie,
 Director

Date: 27 October 2020


COLÁISTE NÁISIÚNTA EALAÍNE IS DEARTHÁ
NATIONAL COLLEGE OF ART AND DESIGN

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Notes	2019 €000	2018 €000
Fixed Assets			
Property, plant and equipment	11	19,416	19,551
Heritage assets	12	20	20
		19,436	19,571
Current Assets			
Receivables	13	1,354	1,788
Cash and cash equivalents	16	1,948	636
Net Current Assets		3,302	2,424
Current Liabilities: amounts falling due within one year	14	(4,096)	(3,498)
		(4,096)	(3,498)
Total current assets less current liabilities		(794)	(1,074)
Total Assets less Current Liabilities		18,642	18,497
Retirement Benefits			
Deferred Pension Funding	15 (d)	92,065	88,918
Pension Liabilities	15 (b)	(92,065)	(88,918)
Total net assets		18,642	18,497
Reserves and Capital Account			
Capital Account		19,430	19,562
Restricted Reserves		177	194
Income and Expenditure Reserve		(965)	(1,259)
		18,642	18,497


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 October 2020



Sarah Glennie,
Director

Date: 27 October 2020

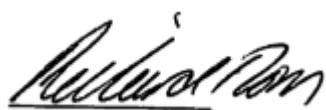
COLÁISTE NÁISIÚNTA EALAÍNE IS DEARTHÁ
NATIONAL COLLEGE OF ART AND DESIGN

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Notes	2019 €000	2018 €000
Net cash flow from operating activities			
Surplus / (Deficit) for the year		277	(232)
Adjustment for non-cash items			
Depreciation	11	412	464
Amortisation of capital account		(409)	(412)
State funds allocated to capital	4	277	308
Decrease / (Increase) in receivables		433	(665)
(Decrease) / Increase in payables		598	185
Net cash flows from operating activities		1,588	(352)
Cash flows from investing activities			
Payments to acquire property, plant, equipment & Heritage Assets	11 & 12	(277)	(308)
Net cash flows from investing activities		(277)	(308)
Rounding movement on cash flow to reconcile to bank			
			(1)
Net increase/(decrease) in cash and cash equivalents in the year		1,311	(661)
Cash and cash equivalents at 1 October 2018	16	636	1,297
Cash and cash equivalents at 30 September 2019	16	1,948	636

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 October 2020



Sarah Glennie,
Director

Date: 27 October 2020

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

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 company. Monetary amounts in these financial statements are rounded to the nearest €1,000.

(b) Basis of preparation

The financial statements have been prepared under the historical cost convention, except for certain assets and liabilities that are measured at fair values as explained in the accounting policies below. The financial statements are in the form approved by the Minister for 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 €277,000 (2018: deficit of €232,000) and an income and expenditure reserve deficit of €965,000 (2018: deficit of €1,259,000). 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.

On this basis, taking account of the impact of COVID-19 restrictions on the College (see Note 24), and combined with the cash reserves held by the College, the Members of An Bord consider it appropriate to have prepared these financial statements on a Going Concern basis.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(d) (i) Land and Buildings

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

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

(d) (ii) Property, plant and equipment

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

Asset Category	Depreciation rate
Land	0% per annum
Buildings	2% per annum
Revalued Buildings at 01/10/2014	4.4% per annum
Leasehold Improvements	25% per annum
Plant and Equipment	10% per annum
Furniture, Fixtures and Fittings	20% per annum
Computer Equipment	33.33% per annum

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

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

(e) Heritage Assets

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

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

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

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(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.

(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 24.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Depreciation and Residual Values

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

Retirement Benefit Obligation

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

The assumptions can be affected by:

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

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3 TUITION FEES	'Whole time equivalents' (WTEs)	2019	'Whole time equivalents' (WTEs)	2018
		€000		€000
Full-time Tuition Fees	962	4,902	903	4,636
Student Contribution	867	2,601	797	2,391
Part-time Tuition Fees	19	60	29	75
Continuing Education in Art & Design Fees	694	278	709	306
		7,840		7,408

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

4 STATE GRANTS	2019 Allocated for Recurrent Expenditure €000	2019 Allocated for Capital Expenditure €000	2019 Total €000	2018 Total €000
Higher Education Authority				
Recurrent Grants	7,598	277	7,875	7,391
Information Technology	40		40	40
Disability & Financial Assistance Grants	74		74	95
Improved Access and Progression	179		179	168
Irish Language	3		3	3
Other State Grants				
Arts Council	62		62	55
*Ubuntu	-		-	9
Student Assistance	66		66	44
Literacy and Numeracy	21		21	45
Educational Sustainable Development	22		22	3
Other Grants	470		470	534
Total 2019	8,535	277	8,812	8,387
Total 2018	8,079	308	8,387	

*Ubuntu income has been moved to within section 5 on Research Income as a more accurate presentation

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

RESEARCH GRANTS AND OTHER

5 CONTRACTS	2019	2018
	€000	€000
Income		
State and semi-state	213	236
European Union	17	8
Industry	61	123
Other	18	10
Total income	<u>309</u>	<u>377</u>
Expenditure		
Staff Costs	83	150
Other Operating Costs	199	200
Total costs	<u>282</u>	<u>350</u>
Net Outcome	<u>27</u>	<u>27</u>

6 OTHER INCOME	2019	2018
	€000	€000
Continuing Professional Development	13	15
Sponsorship/Donations	16	-
Event Income	5	1
Student Charges	39	44
Photocopy Income	63	51
Miscellaneous Income	88	12
	<u>224</u>	<u>123</u>

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:

	2019	2018
	No. of	No. of
	employees	employees
Teaching	75.1	67.4
Research	1.2	1.6
Technical, Support and Central Administration	76.4	67
	<u>152.7</u>	<u>136</u>

	2019	2018
	€000	€000
Salaries and wages	10,095	9,558
Social welfare costs	1,074	1,027
Employer welfare costs	-	-
	<u>11,169</u>	<u>10,585</u>

Note for the purposes of transparency, pay has increased from 2018 to 2019 by €654k. This is attributable to Pay Restoration within the Public Sector, a pay restitution exercise which was required during 2019, the impact of the implementation of a WRC agreement and also the payment of severance pay as outlined in disclosures to these financial statements on page 9.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

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:

	2019	2018
	No. of staff	No. of staff
€60,001 to €70,000 p.a.	22	11
€70,001 to €80,000 p.a.	6	8
€80,001 to €90,000 p.a.	25	22
€90,001 to €100,000 p.a.	6	6
€100,001 to €110,000 p.a.	4	4
€110,001 to €120,000 p.a.	2	-
€120,001 to €130,000 p.a.	-	-
€130,001 to €140,000 p.a.	-	-
Over €140,000 p.a.	1	1
	66	52

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 and Board members. The total remuneration of key management personnel is made up as follows:

	2019	2018
	€000	€000
Salaries and wages	256	252
Social welfare costs	26	28
Benefits in Kind	-	-
	282	280

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

	2019	2018
	€000	€000
Salaries and wages	147	146
Social welfare costs	15	16
Benefits in Kind	-	-
	162	162

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.

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 OTHER OPERATING EXPENSES	Notes	2019	2018
		€000	€000
Books, Catalogues and Periodicals		113	104
Materials and consumables		166	139
Student services		212	214
Student travel funded externally		122	99
Examination and Registration Fees		79	57
Examiner fees and expenses		35	10
Exhibitions, Seminars and Catering		24	30
Research costs		199	200
Gallery		13	10
Light, Heat and Power		294	302
Repairs and maintenance		329	248
Cleaning costs		283	283
Security		148	129
Rent and Rates		115	136
Telephone		58	51
Lease of equipment		44	44
Stationery Supplies and Printing		51	54
Photocopying Costs		24	16
Postage and Courier		11	13
IT Expenditure		235	275
Professional Fees		339	417
Memberships and Subscriptions		15	25
Staff development and training		60	32
Auditors' Remuneration		66	80
Travel and Subsistence		67	73
Advertising and PR		64	55
Insurance		130	118
Safety Costs		15	26
Entertainment Expenditure		6	6
Miscellaneous		(9)	128
Bad Debt write off		28	16
		<hr/>	<hr/>
		3,336	3,390

Other operating expenses include:		2019	2018
		€000	€000
Auditors remuneration		30	70
External audit - C&AG		36	10
Internal audit - Mazars			

Hire of assets under operating leases (full year expense)	18	44	44
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As per note 18, other leases at 2018 year end are €36k due to the cessation of a lease agreement mid-year.

Rental of premises under lease (part of rent & rates expense above)	18	64	46
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COLÁISTE NÁISIÚNTA EALAÍNE IS DEARTHÁ
NATIONAL COLLEGE OF ART AND DESIGN

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

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		
	2019	2019	2019	2018
	€000	€000	€000	€000
Academic Departments	7,604	334	7,938	8,162
Academic & Other Central Services	704	426	1,130	548
Premises	697	892	1,589	1,247
Central Administration	1,637	1,048	2,685	2,822
General Education Expenses	-	79	79	57
Student Facilities and Amenities	444	358	802	789
Research Expenditure	83	199	282	350
Total 2019	<u>11,169</u>	<u>3,336</u>	<u>14,505</u>	<u>13,975</u>
Total 2018	<u>10,585</u>	<u>3,390</u>		
Depreciation			412	464
Retirement benefit costs			3,768	3,873
			<u>18,685</u>	<u>18,312</u>

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

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 2018	20,318	306	309	301	996	22,230
Additions	-	-	43	151	83	277
Disposals	-	-	-	-	(4)	(4)
Revaluation Adjustment	-	-	-	-	-	-
Balance at 30 th September 2019	20,318	306	352	452	1,075	22,503
Depreciation						
Balance at 1 st October 2018	1,025	306	188	244	915	2,678
Charge for year	261	-	7	55	89	412
Disposals	-	-	-	-	(3)	(3)
Revaluation Adjustment	-	-	-	-	-	-
Total Depreciation for 2019	1,286	306	195	299	1,001	3,087
Net Book Value 30 th September 2019	19,032	-	157	153	74	19,416
Net Book Value 30 th September 2018	19,294	-	119	57	81	19,551

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	-	-	-
	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 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13 RECEIVABLES

	2019	2018
	€000	€000
Academic fees receivable	89	129
State grants receivable	806	1,197
Trade receivables	61	71
Research grants and contracts receivable	132	176
Prepayments	234	195
Other receivables	32	20
	<u>1,354</u>	<u>1,788</u>

14 CURRENT LIABILITIES

	2019	2018
	€000	€000
Contracts deferred	65	205
Research grants and other contracts in advance	170	250
Deferred other income	4	94
Tuition fees received in advance	1,421	1,302
CEAD fees received in advance	196	205
State grant received in advance	1,267	378
Accruals	520	671
Other tax and social security	331	280
Other payables	122	113
	<u>4,096</u>	<u>3,498</u>

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

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.

	2019	2018
	€000	€000
(a) Analysis of Total Pension Costs Charged to Expenditure		
Current service cost	2,529	2,693
Interest on scheme liabilities	1,595	1,559
Employee pension contributions	(356)	(379)
	<u>3,768</u>	<u>3,873</u>
(b) Analysis of Movement in Scheme Liability during the Year		
	2019	2018
	€000	€000
Scheme Liability at Start of Year	88,918	86,266
Adjustment to prior year liability	-	358
Current Service Cost	2,529	2,693
Interest on Scheme Liabilities	1,595	1,559
Benefits Paid in the Year	(2,479)	(2,572)
Actuarial Loss / (Gain) recognised in the Statement of Total Recognised Gains and Losses	1,502	614
Scheme Liability at End of Year	<u>92,065</u>	<u>88,918</u>

(c) Deferred Funding for Pensions

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

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

	2019	2018
	€000	€000
Funding recoverable in respect of current year costs	4,124	4,253
Grants from tÚdarás um Ard-Oideachas applied to pay pension benefits	(2,479)	(2,572)
Net Deferred Funding for Pensions in year	<u>1,645</u>	<u>1,681</u>

The deferred funding asset for pensions as at 30th September 2019 amounted to €92,065,000 (2018: 88,918,000)

(d) History of Deferred Benefit Obligations

	2019	2018	2017	2016	2015
	€000	€000	€000	€000	€000
Deferred Benefit Obligations	92,065	88,918	86,266	87,362	72,757
Experience gains/(losses) on Scheme Liabilities Amount	1,502	614	(2,788)	12,686	(4,226)
Percentage of Scheme Liabilities	1.6%	0.7%	(3.2%)	14.5%	(5.8%)

The valuation used for FRS102 disclosures has been based on an actuarial valuation at 30 September 2019 by a qualified actuary taking account of the requirements of FRS102 in order to assess the scheme liabilities at 30 September 2019.

Single scheme members are included in the pension liability at 30 September 2019, the actuarial calculations took into account the differing entitlements that apply to that scheme.

The principal actuarial assumptions were as follows:

Assumption	2019	2018
Discount rate	0.75%	1.80%
Salary increase assumption	2.20%	2.80%
Pension increase assumption	2.20%	2.80%
Price inflation	1.20%	1.80%

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

	2019	2018
Male aged 65	21.3	21.5
Female aged 65	23.9	23.9

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NATIONAL COLLEGE OF ART AND DESIGN

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 ANALYSIS OF CASH AND CASH EQUIVALENTS

	At 01/10/2018	Cash-flows	At 30/09/2019
	€000	€000	€000
Cash at Bank and on Hand	636	1,312	1,948
	<u>636</u>	<u>1,312</u>	<u>1,948</u>

17 CAPITAL COMMITMENTS

Capital commitments at 30 September 2019 amounted to €120k (2018: €Nil). This has arisen as quantity surveying work and other professional works have been undertaken prior to going to tender for a capital project approved by the HEA worth €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	
	2019	2018	2019	2018
	€000	€000	€000	€000
Future minimum lease payments due:				
Not later than one year	48	46	9	36
Later than one year and not later than five years	30	-	1	55
Later than five years	-	-	-	-
	<u>78</u>	<u>46</u>	<u>10</u>	<u>91</u>

The College lease premises at James Street, Dublin 8. It is a four year lease which was due to expire 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 '19 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 2019

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 2019.

21 AMOUNTS DISBURSED AS AGENT

	2019	2018
	€000	€000
HEA Grants received	195	118
Less: Administration expenses	(46)	(18)
	<hr/> 149	<hr/> 100
Disbursed to students	(122)	(99)
	<hr/> 27	<hr/> 1
Balance unspent at 30 September 2019		

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NATIONAL COLLEGE OF ART AND DESIGN

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

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) 01/10/2018 €000	Cash Received 2018/19 €000	Taken to Income 2018/19 €000	Grant Deferred/(Due) 30/09/2019 €000
Recurrent Grants						
HEA (Recurrent)	Dept. of Education & Skills		(921)	9,698	(8,399)	378
HEA (Erasmus)	Dept. of Education & Skills		259	180	(195)	244
HEA (Non-Core)	Dept. of Education & Skills		(69)	98	(127)	(98)
Total Exchequer Recurrent Grants		4	(731)	9,976	(8,721)	524
Academic Fees						
HEA	Dept. of Education & Skills		-	3,806	(3,806)	-
S.U.S.I.	Dept. of Education & Skills		-	1,317	(1,317)	-
Total Exchequer funded Fees		3	-	5,123	(5,123)	-
Research and Other						
Irish Research Council	Dept. of Education & Skills		-	27	(27)	-
Arts Council	Dept. of Culture, Heritage, and Gaeltacht Affairs		-	-	(62)	(62)
TFE	European Commission		96	-	4	100
ISGNE	European Commission		-	1	(5)	(4)
In Public In Particular	European Commission		(4)	-	(9)	(13)
Our Many Europes	European Commission		-	10	(7)	3
Enterprise Ireland	D.B.E.I.		(24)	95	(98)	(27)
Erasmus + Digital Pathways	Dept. of Education & Skills		(26)	36	(10)	-
Future Creators	Digital Hub Development		(64)	64	-	-
Ubuntu	Dept. of Foreign Affairs & Trade		-	8	(7)	1
TCD – Amber	Dept. of Education & Skills		(2)	-	2	-
HSE – N.F.M.H.	Dept. of Health		(1)	-	(5)	(6)
UCD NYU & NOVA	Dept. of Education & Skills		-	3	(3)	-
EPA	D.C.C.A.E		2	-	(2)	-
NUIG – Tight Alright	Dept. of Education & Skills		1	-	(1)	-
HEA Path 1 - 3	Dept. of Education & Skills		119	(5)	(104)	10
Total Exchequer Research & Other Grants		4 & 5	97	239	(334)	2
Total Exchequer Grants			(634)	15,338	(14,178)	526

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23 APPROVAL OF ACCOUNTS

The accounts for the year ended 30th September 2019 were approved by the Board at its meeting on 27th October 2020.

24 POST BALANCE SHEET EVENTS

Covid 19

Every effort is being made by both the Board of the College and the Executive of the College to address the implications of Covid 19 on both the day to day operations of the College and the wider picture of on-going student recruitment and educational offering. A Covid 19 task force has been set up and the risks that have been identified have been raised, discussed in detail and ratified at Board Level. NCAD is working closely with the HEA, the HEI sector as a whole, and the Department of Education to address the many issues as they arise. In line with Government guidelines, the College moved its educational offering to an off campus provision on 12th March 2020. This involved some emergency procurement predominately focused on IT equipment and 'home office' set-up. A new cost centre was set up so that all Covid-19 related costs can be captured and isolated if required. Additional staffing needs have also been identified and costed while this new educational model is being rolled out, which is reflected in NCAD's revised budgets and cash-flows.

The Covid 19 task force, has addressed the operational requirements of the College so that students received the appropriate level of education for the 19/20 academic year and they are now focused on enabling the 20/21 academic year to proceed with the same high standard of education offered by NCAD under an adapted form of teaching and learning.

Student recruitment to NCAD remains strong with 22 more 1st years starting for 20/21 academic year when compared to 19/20. The increased student numbers also counter any loss from a drop in international student recruitment numbers. This along with the Covid 19 support grant which has been issued by the HEA ensures that NCAD does not expect any detrimental funding impacts from Covid 19.