National College of Ireland

(A company limited by guarantee and not having a share capital)

Directors' report and financial statements

Year ended 30 June 2020

Registered number: 134303

National College of Ireland

(A company limited by guarantee and not having a share capital)

Directors' report and financial statements

Contents *Page*

National College of Ireland

Directors and other information

Directors	Fr Leonard Moloney S.J. (Chairman) Gina Quin (President) Michael Brady Barbara Cotter Jonathan Lambert Brendan McGinty Brigid McManus Fr Kevin O'Higgins S.J. Ms Maureen Brogan Prof Patrick Clancy Ms Sheila Nunan Dominic Carr (retired 31 August 2019) Ms Dajana Sinik (appointed 1 July 2019) Kevin Callinan (appointed 13 March 2020) Tish Gibbons (retired 9 December 2019) Dave Cormack (appointed 13 March 2020) Thomas O' Malley (appointed 21 May 2020)
President Emeritus	Professor Joyce O'Connor
Secretary	John McGarrigle
Registered office	Mayor Street International Financial Services Centre, Dublin 1
Auditor	KPMG Chartered Accountants 1 Stokes Place, St. Stephen's Green, Dublin 2
Bankers	Bank of Ireland Ranelagh, Dublin 6 Allied Irish Banks International Financial Services Centre, Dublin 1
Solicitors	Arthur Cox Earlsfort Centre, Earlsfort Terrace, Dublin 2 Ivor Fitzpatrick & Company Solicitors 44 - 45 St. Stephen's Green, Dublin 2
Company registered number	134303
Revenue CHY number	9928
Charity registered number	20024956

National College of Ireland

Directors' report

The directors present their directors' report and audited financial statements of National College of Ireland ("NCI", "the company" or "the college") for the year ended 30 June 2020.

Principal activities

The principal activities of the company are the provision of educational services. Since March 2020, due to the Covid-19 pandemic, all teaching and learning has moved online. This has resulted in significant additional costs in technology provision, staff training and building modifications, some of which were incurred in the final months of the financial year.

Business review

The college continues to perform well in a competitive market. In the past financial year, income grew by 2.3%, and the underlying surplus from operations was €3,188,745 *(2019: €2,688,911)*.

	2020	2019
	€	€
Income	**31,793,843**	31,077,204
Operating surplus before pension accounting adjustments	**3,188,745**	2,688,911
Non-cash/non-trading pension accounting adjustments*	**(829,752)**	(873,461)
Operating surplus after pension accounting adjustments	**2,358,993**	1,815,450
Bank interest payable, net	**(136,150)**	(86,854)
Pension accounting interest adjustments*	**(89,208)**	(131,994)
Surplus for the year retained	**2,133,635**	1,596,602

* Adjustments required by the accounting standard FRS102 S28 are non-trading, and have no cash effect.

National College of Ireland has continued the revenue growth of recent years. There have been some particular areas of note:

- Postgraduate programmes continue to perform strongly with international and domestic students, particularly in areas such as data analytics, computing, human resource management and business.
- Overall international student recruitment at undergraduate and postgraduate level has performed strongly in our main markets of India, China, Africa and South East Asia.
- The introduction of innovative accelerated degree programmes for part-time students in business management and human resources has been especially well received. Additionally, NCI's BA Psychology and CIPD HR programmes have recruited in large and growing numbers.
- NCI continues to be one of the largest providers of graduates under the Higher Education Authority (HEA) Springboard+ initiative, with programmes delivered on-campus and in blended learning/online modes in areas like data analytics, cybersecurity, software development and cloud computing.
- Operational improvements have allowed us to be more flexible in our delivery modes with more students starting programmes outside of the traditional academic year with, for example, large recruitments in January.

The directors are satisfied with the financial position as at 30 June 2020 as stated in the balance sheet on page 12.

Principal risks and uncertainties

On 11 March 2020, the World Health Organisation declared Coronavirus (Covid-19) outbreak to be a pandemic in recognition of its rapid spread across the globe. This has resulted in major economic uncertainty.

Covid-19 and the ongoing impact of the pandemic has created a significant threat to academic income, with International Student income (27% of gross income in 2019/2020) may reduce by upwards of 50%. While the domestic market will benefit from some Government stimuli for the HEI sector, this may not fully compensate for losses in part-time student income as the impact of unemployment and employer caution around support for educational fees for employees becomes apparent.

The space and capacity limits at our current IFSC campus remain a risk factor for the further development of the College, notwithstanding that online provision is likely to continue into 2021. Future growth will require a significant increase in the footprint of the College, although planning for this is severely hampered by Covid-19 impacts.

NCI welcomes the further easing of the historical limit of Free Fees students funded by the Department of Education and Skills to its current level of 1,150 students during the financial year. NCI will continue to engage with relevant stakeholders to move towards funding of all full-time CAO students and to address the College's overall funding allocation. The cap on numbers curtails NCI's ability to offer new full-time programmes and limits the number of student places it can offer on programmes, even where there is excess demand from potential students in NCI's catchment area. The funding cap, combined with a relatively low level of core grant income, places NCI at a financial disadvantage compared to institutions fully funded by the HEA.

NCI is the largest provider of graduates through the HEA's Springboard and ICT Skills funding initiatives. Through these programmes, NCI has significantly enhanced the ICT talent pool in an area that continues to be undersupplied with talent in the Irish economy. While we continue to engage positively with all stakeholders in this area, NCI notes that, should these programmes or their funding decline at any point in the future, this would have a significant impact on funding streams.

Future developments

In the longer term a key strategy of the Governing body is to address the physical space limitations of the current campus. Solutions will continue to be sought, while addressing the immediate priorities of the Covid-19 pandemic. The focus in the short term is to provide a safe and secure work and learning environment for students and staff.

Our mission is to change lives through education. We will continue to fulfil our mission by working with the local community, through our work with the Early Learning Initiative and by providing a significant range of access routes to education for students of all types. This work has become even more necessary as Covid-19 has significantly deepened disadvantage and educational poverty in the inner-city communities where ELI provides services.

We will continue to develop through industry and academic engagement and accreditation initiatives, faculty and curriculum development and partnerships with industry. Our provision of higher education will continue to be of the highest standard, relevant to the needs of the learner and the economy.

NCI will continue to provide highly effective programmes aimed at labour market activation and tackling National skills needs. We will continue to develop programmes and initiatives in alignment with the Government's Action Plan for Education and Action Plan for Jobs.

Future developments *(continued)*

In apprenticeships, NCI will build on existing offerings in the financial services area and grow new programmes in areas such as the NCI Recruitment Apprenticeship degree programme in partnership with the National Recruitment Federation. In computing, we continue to develop in new technology streams with programmes launching in Artificial Intelligence, Machine Learning and Blockchain. In our Education and Learning programmes we will also continue to innovate with initiatives such as new programmes in Early Childhood Education and programmes for teaching professionals.

Accounting records

The directors believe that they have complied with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to maintaining adequate accounting records by employing accounting personnel with appropriate expertise and by providing adequate resources to the finance function. The accounting records of the company are maintained at the company's premises at Mayor Street, International Financial Services Centre, Dublin 1.

Results

The surplus for the year is set out in the income and expenditure and other comprehensive income account on page 11 respectively.

Post balance sheet events

There have been no significant events affecting the company since the year end.

The outcome of the Covid-19 pandemic remains uncertain, however the directors are satisfied that there are no material uncertainties that may cast significant doubt upon the continuing use of the going concern basis of accounting.

Political donations

There were no political donations made during the year that would require disclosure under the Electoral Act, 1997.

Retirement benefits

The college operates a defined benefit pension scheme and a defined contribution pension scheme.

Defined benefit scheme

The defined benefit pension scheme continues to operate for staff who were members of that scheme as at 1 April 2014. The scheme has been closed to new members since that date. The contribution rates for the financial year, based on pensionable salaries, were 8.76% by members and 13.24% by the college.

Defined contribution scheme

A defined contribution pension scheme was put in place in April 2014. The college makes contributions to this scheme on a matching basis to those made by participating staff at rates of 4%, 6% or 8% (of gross salaries) as elected by each individual employee.

Legal status

National College of Ireland is a company incorporated under the Companies Act 2014 limited by guarantee and not having a share capital. The company is exempt from corporation tax. The company has been granted charitable status by the Revenue Commissioners (CHY number 9928), and is registered with the Charities Regulator (charity registered number 20024956).

Directors and secretary

The directors and the secretary serving during the year and subsequent to year end are as follows:

Fr Leonard Moloney S.J. (Chairman)
Gina Quin (President)
Michael Brady
Barbara Cotter
Dr Tish Gibbons (retired 9 December 2019)
Jonathan Lambert
Brendan McGinty
Brigid McManus
Fr Kevin O'Higgins S.J.
Dr Dominic Carr (retired 31 August 2019)
Ms Maureen Brogan
Prof Patrick Clancy
Ms Sheila Nunan
Ms Dajana Sinik (appointed 1 July 2019)
Mr Dave Cormack (appointed 13 March 2020)
Mr Kevin Callinan (appointed 13 March 2020)
Mr Thomas O' Malley (appointed 21 May 2020)

John McGarrigle (secretary)

Transactions involving directors

There were no contracts or arrangements of any significance in relation to the business of the company in which the directors had any interest, as defined in the Companies Act 2014, at any time during the year ended 30 June 2020.

Related party transactions

Details of related party transactions are disclosed in note 19 to the financial statements.

Relevant audit information

The directors believe they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the company's statutory auditor is aware of that information. In so far as they are aware, there is no relevant audit information of which the company's statutory auditor is unaware.

National College of Ireland

Directors' report *(continued)*

Auditor

In accordance with Section 383(2) of the Companies Act 2014, the auditor, KPMG, Chartered Accountants, will continue in office.

On behalf of the board

Brendan McGinty
Director

Gina Quin
President

23RD OCT. 2020

National College of Ireland

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company and of its profit or loss for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the company and enable them to ensure that the financial statements comply with the Companies Act 2014. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2014.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the board

Brendan McGinty
Director

Gina Quin
President

KPMG
Audit
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03
Ireland

Independent auditor's report to the members of National College of Ireland

Report on the audit of the financial statements

Opinion

We have audited the financial statements of National College of Ireland ("the company") for the year ended 30 June 2020 set out on pages 11 to 32, which comprise the income and expenditure account, other comprehensive income, the balance sheet, the statement of changes in equity, the cash flow statement and related notes, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 30 June 2020 and of its surplus for the year then ended;
- have been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements section* of our report. We are independent of the company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The directors are responsible for the other information presented in the directors' report together with the financial statements. The other information comprises the information included in the directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

KPMG

Independent auditor's report to the members of National College of Ireland
(continued)

Report on the audit of the financial statements *(continued)*

Other information *(continued)*

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information, we report that:

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements;
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2014.

Opinions on other matters prescribed by the Companies Act 2014

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; 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; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the members of National College of Ireland
(continued)

Respective responsibilities and restrictions on use *(continued)*

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) 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.

A fuller description of our responsibilities is provided on IAASA's website at https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsiblities_for_audit.pdf.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

28 October 2020

David Meagher
for and on behalf of
KPMG
Chartered Accountants, Statutory Audit Firm
1 Stokes Place
St. Stephen's Green
Dublin 2

National College of Ireland

Income and expenditure account
for the year ended 30 June 2020

	Note	Educational activities €	Enterprise €	2020 €	2019 €
Gross income	2	30,716,788	1,077,055	**31,793,843**	31,077,204
Operating expenses	3	(28,689,993)	(744,857)	**(29,434,850)**	(29,261,755)
Operating surplus		2,026,795	332,198	**2,358,993**	1,815,449
Interest receivable and similar income		1,081	-	**1,081**	196
Interest payable and similar charges	5	(226,439)	-	**(226,439)**	(219,043)
Surplus for the year retained	6	1,801,437	332,198	**2,133,635**	1,596,602

Gross income and operating surplus arose solely from continuing activities.

Other comprehensive income
for the year ended 30 June 2020

	Note	2020 €	2019 €
Surplus for the financial year		**2,133,635**	1,596,602
Other comprehensive income			
Remeasurement of the defined benefit pension scheme liability	14	**1,105,776**	1,035,088
Total comprehensive income for the year		**3,239,411**	2,631,690

National College of Ireland

Balance sheet
as at 30 June 2020

	Note	2020 €	2019 €
Fixed assets			
Tangible assets	7	**31,504,429**	32,303,363
Financial asset	8	**230**	230
		31,504,659	32,303,593
Current assets			
Debtors	9	**5,062,965**	3,517,308
Cash at bank and in hand	10	**14,094,986**	15,541,345
		19,157,951	19,058,653
Creditors: amounts falling due within one year	11	**(12,388,480)**	(15,496,167)
Net current assets		**6,769,471**	3,562,486
Total assets less current liabilities		**38,274,139**	35,866,079
Creditors: amounts falling due after more than one year	12	**(7,247,699)**	(7,476,707)
Net assets		**31,026,431**	28,389,372
Provisions for liabilities			
Pension scheme net deficit	14	**(6,760,135)**	(6,946,951)
Net assets		**24,266,296**	21,442,421
Reserves			
Development reserve		**14,079,748**	14,495,284
Accumulated surplus		**10,186,548**	6,947,137
Total reserves		**24,266,296**	21,442,421

On behalf of the board

Brendan McGinty
Director

Gina Quin
President

23RD OCT. 2020

National College of Ireland

Statement of changes in equity
for the year ended 30 June 2020

	Development reserve €	Accumulated surplus €	Total reserves €
Balance at 1 July 2018	14,910,820	4,315,447	19,226,267
Total comprehensive income for the year			
Surplus for the year	-	1,596,602	1,596,602
Transfer to income and expenditure account	(415,536)	-	(415,536)
Other comprehensive income (see page 11)	-	1,035,088	1,035,088
Total comprehensive (expense)/income for the year	(415,536)	2,631,690	2,216,154
Balance at 30 June 2019	**14,495,284**	**6,947,137**	**21,442,421**
Balance at 1 July 2019	14,495,284	6,947,137	21,442,421
Total comprehensive income for the year			
Surplus for the year	-	2,133,635	2,133,635
Transfer to income and expenditure account	(415,536)	-	(415,536)
Other comprehensive expense (see page 11)	-	1,105,776	1,105,776
Total comprehensive (expense)/income for the year	(415,536)	3,239,411	2,823,875
Balance at 30 June 2020	**14,079,748**	**10,186,548**	**24,266,296**

Total reserves at 30 June 2020, excluding the amount relating to the net pension liability of €6,760,135 *(2019: €6,946,951)*, amount to €31,026,431 *(2019: €28,389,372)*.

National College of Ireland

Cash flow statement

for the year ended 30 June 2020

	Note	2020 €	2019 €
Cash flows from operating activities			
Operating surplus		**2,358,993**	1,815,449
Adjustments for:			
Depreciation		**1,458,965**	1,543,283
Profit on sale of fixed asset		**(15,000)**	-
Amortisation of capital grants		**(229,008)**	(229,008)
Amortisation of development reserve		**(415,536)**	(415,536)
(Increase)/Decrease in trade and other debtors		**(1,545,658)**	135,226
(Decrease)/Increase in trade and other creditors		**(3,082,850)**	1,921,437
Movement in defined benefit pension scheme		**918,960**	1,005,455
Net cash (used in) from operating activities		**(551,134)**	5,776,306
Cash flows from in investing activities			
Interest paid		**(226,403)**	(217,806)
Interest received		**1,081**	196
Finance lease interest paid		**(36)**	(1,237)
Acquisition of tangible fixed assets		**(660,031)**	(3,284,027)
Net cash used in investing activities		**(885,389)**	(3,502,874)
Cash flows from financing activities			
Finance lease repayment		**(24,836)**	(124,876)
Net cash used in financing activities		**(24,836)**	(124,876)
Net (decrease)/increase in cash and cash equivalents		**(1,446,359)**	2,148,556
Cash and cash equivalents at beginning of year		**15,541,345**	13,392,789
Cash and cash equivalents at end of year		**14,094,986**	15,541,345

Notes

forming part of the financial statements

1 Accounting policies

National College of Ireland ("the company" or "the college") is a company limited by guarantee and not having a share capital and incorporated, domiciled and registered in Ireland. The company's registered office is Mayor Street, IFSC, Dublin 1 and its registered number is 134303.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102"). There have been no material departures from the standards. The presentation currency of these financial statements is euro.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The financial statements have been prepared on a going concern basis.

The outcome of the Covid-19 pandemic remains uncertain, however the directors are satisfied that there are no material uncertainties that may cast significant doubt upon the continuing use of the going concern basis of accounting.

1.3 Basic financial instruments

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Investments in ordinary shares in subsidiaries

Investments in ordinary shares are measured initially at transaction price less attributable transaction costs. Subsequent to initial recognition, investments are measured at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

1 Accounting policies *(continued)*

1.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

Leases in which the company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the income and expenditure account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

- Buildings and car park 2%
- Artworks 2%
- Equipment, fixtures and fittings 20%
- Computer equipment 33.3%
- Motor vehicles 25%

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

1.5 Government grants

Government grants are included within accruals and deferred income in the balance sheet and credited to the income and expenditure account over the expected useful lives of the assets to which they relate or in periods in which the related costs are incurred.

1 Accounting policies *(continued)*

1.6 Impairment of assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through the income and expenditure statement is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment, an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in the income and expenditure statement. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the income and expenditure statement.

1.7 Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income and expenditure account in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The company determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability/(asset) taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and having maturity dates approximating to the terms of the company's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method. The company recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

1 Accounting policies *(continued)*

1.7 Employee benefits *(continued)*

Defined benefit plans *(continued)*

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined benefit liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in the income and expenditure statement.

Remeasurement of the net defined benefit liability/asset is recognised in other comprehensive income in the period in which it occurs.

1.8 Turnover

All income other than donations is accounted for on an accruals basis, and is recognised in the income and expenditure account as the relevant services are performed. Donations are accounted for when received or when their receipt is considered certain, and are recognised in the income and expenditure account as the related costs are incurred or when specific donor imposed conditions (if any) have been satisfied.

1.9 Operating leases

Payments (excluding costs for services and insurance) made under operating leases are recognised in the income and expenditure account on a straight-line basis over the term of the lease.

1.10 Interest

Interest income and interest payable are recognised in the income and expenditure statement as they accrue, using the effective interest rate method.

Notes *(continued)*

2 Gross income

	2020 €	2019 €
Student fees	**25,422,424**	25,055,905
Department of Education and Skills	**1,966,567**	1,966,507
Other income	**4,404,852**	4,054,792
	31,793,843	31,077,204
Educational activities	**30,716,788**	29,604,634
Enterprise	**1,077,055**	1,472,570
	31,793,843	31,077,204

3 Operating expenses

	2020 €	2019 €
Property expenses	**1,793,262**	1,613,726
Enterprise expenses	**788,962**	912,354
Academic costs	**19,056,162**	18,687,042
Central administration	**2,501,800**	2,600,427
Library	**1,008,485**	971,966
IT expenses	**2,043,213**	2,159,051
Student services	**642,299**	676,823
Accreditation bodies and miscellaneous costs	**786,246**	741,627
Depreciation	**1,458,965**	1,543,283
Amortisation of capital grants	**(229,008)**	(229,008)
Amortisation of development reserve	**(415,536)**	(415,536)
	29,434,850	29,261,755
Educational activities	**28,689,993**	28,349,401
Enterprise	**744,857**	912,354
	29,434,850	29,261,755

Notes *(continued)*

4 Employees and remuneration

The average number of persons (excluding associate lecturers) employed by the college in the financial year was 254 *(2019: 243)*. In addition, the college employed 125 *(2019: 147)* associate lecturers. All were engaged in the provision of educational services, research or administration.

	2020	2019
	€	€
Staff costs are comprised of:		
Wages and salaries	**15,358,400**	14,850,255
Social welfare	**1,620,232**	1,539,968
Retirement benefits	**1,709,528**	1,653,547
	18,688,160	18,043,770

5 Interest payable and similar charges

	2020	2019
	€	€
Finance lease interest	**36**	1,237
Bank interest & charges payable	**137,195**	85,812
Other financial charges on defined benefit scheme (Note 14)	**89,208**	131,994
	226,439	219,043

6 Surplus for the year

(a) The surplus for the year is stated after charging/(crediting):

	2020	2019
	€	€
Depreciation (note 7)	**1,458,965**	1,543,283
Amortisation of capital grants (note 13)	**(229,008)**	(229,008)
Amortisation of development reserve	**(415,536)**	(415,536)
Directors' remuneration – for management and academic services	**333,707**	365,234

Directors' remuneration

Number of directors	**4**	4
Directors' emoluments	**313,560**	344,945
Employer contributions to benefit schemes	**20,147**	20,289
Total directors' remuneration	333,707	365,234

6 Surplus for the year *(continued)*

(a) The surplus for the year is stated after charging/(crediting): *(continued)*

Members of the Board of Directors do not receive any remuneration for their services as directors. Directors' remuneration includes the remuneration of employees of the college who also serve on the Board of Directors.

(b) Auditor's remuneration

Remuneration for the statutory audit and other services carried out by the college's statutory auditor exclusive of VAT:

	2020	2019
	€	€
Statutory audit, including outlay	**60,800**	59,800
Non-audit services	**8,000**	7,900
	68,800	67,700

(c) Taxation

The college has been granted charitable status by the Revenue Commissioners and is exempt from corporation tax.

Notes *(continued)*

7 Tangible assets

	Leasehold buildings €	Research building €	Car park €	Gym & creche €	Artwork & sculpture €	Computer equipment €	Equipment, fixtures and fittings €	Motor vehicles €	Total €
Cost									
At 30 June 2019	24,395,998	12,434,631	4,427,243	2,718,762	757,158	5,101,540	2,699,575	83,754	52,618,661
Additions	-	-	-	-	-	456,454	203,577	-	660,031
Disposals	-	-	-	-	-	(1,210,947)	(27,890)	(83,754)	(1,322,591)
At 30 June 2020	**24,395,998**	**12,434,631**	**4,427,243**	**2,718,762**	**757,158**	**4,347,047**	**2,875,262**	**-**	**51,956,101**
Depreciation									
At 30 June 2019	8,118,918	3,832,078	1,328,173	44,993	255,285	4,794,557	1,857,540	83,754	20,315,298
Charge for the year	487,920	244,968	88,545	54,375	13,628	250,595	318,933	-	1,458,965
Disposals	-	-	-	-	-	(1,210,947)	(27,890)	(83,754)	(1,322,591)
At 30 June 2020	**8,606,838**	**4,077,046**	**1,416,718**	**99,368**	**268,913**	**3,834,205**	**2,148,583**	**-**	**20,451,672**
Net book value									
At 30 June 2020	**15,789,160**	**8,357,585**	**3,010,525**	**2,619,394**	**488,245**	**512,842**	**726,679**	**-**	**31,504,429**
At 30 June 2019	16,277,080	8,602,553	3,099,070	2,673,769	501,873	306,983	842,035	-	32,303,363

The Department of Education and Skills holds a charge on the leasehold buildings for 40 years from March 2003 as security for grants of €8,888,166 given by the department which would become repayable in the event of the disposal of the building or change of use.

8 Financial assets

	2020	2019
	€	€
Shares in North Wall Quay/Mayor Street Management	**130**	130
Shares in Campus Crèche Limited (note 19)	**100**	100
	230	230

The company has one subsidiary as follows:

Name of Undertaking	**Country of incorporation**	**Principal activity**	**Company's interest**	**Profit for year €**	**Net liabilities €**
Campus Crèche Limited	Ireland	Lease of Crèche	100%	3,500	26,533

The registered office of Campus Crèche Limited is Mayor Street, IFSC, Dublin 1.

Group accounts have not been prepared as, under Section 99 of FRS 102, a subsidiary may be excluded from consolidated accounts when its inclusion is not material for the purpose of giving a true and fair view. Shares held are classified as ordinary share capital.

9 **Debtors**: amounts falling due within one year

	2020	2019
	€	€
Department of Education and Skills grant	**983,250**	163,875
Prepaid expenses	**1,034,534**	934,419
Other debtors	**3,045,181**	2,419,014
	5,062,965	3,517,308

Debtors are stated net of a provision for impairment of €156,463 (*2019: €316,077)*.

10 Cash and cash equivalents

	2020	2019
	€	€
Cash at bank and in hand	**14,094,986**	15,541,345
Cash and cash equivalents per cash flow statement	**14,094,986**	15,541,345

Restrictions on cash and cash equivalents held include any funds donated towards the cost of operating the Early Learning Initiative.

11 **Creditors**: amounts falling due within one year

	2020	2019
	€	€
Academic fees received in advance	**6,141,250**	8,230,088
Other income received in advance	**1,126,813**	1,203,941
PAYE/PRSI	**528,837**	609,471
Other creditors and accruals	**3,926,917**	4,763,168
Amounts owed to Origin 8 Partnership relating to the purchase of the Research Building and car park (note 17)	**435,655**	435,655
Obligations under finance leases	-	24,836
Deferred income - capital grants (note 13)	**229,008**	229,008
	12,388,480	15,496,167

12 **Creditors**: amounts falling due after more than one year

	2020	2019
	€	€
Deferred income - capital grants (note 13)	**7,247,699**	7,476,707
	7,247,699	7,476,707

13 Deferred income – capital grants

	2020	2019
	€	€
At beginning of year	**7,705,707**	7,934,715
Amortised during the year	**(229,008)**	(229,008)
At end of year	**7,476,699**	7,705,707
Included on the balance sheet as:		
Creditors – amounts falling due within one year	**229,008**	229,008
Creditors – amounts falling due after more than one year	**7,247,691**	7,476,707
	7,476,699	7,705,715

Capital grants are in respect of the college's IFSC campus and are taken to income over the expected useful lives of the related assets.

14 Retirement benefit

(a) Defined benefit scheme

During the year the college operated a defined benefit pension scheme with assets held in an externally administered fund. The scheme is externally funded and is contributory. The scheme was closed to new members with effect from 1 April 2014, and has been amended to align retirement ages with the State Pension. The fund is valued at least every three years by a professionally qualified independent actuary on both discontinuance and going concern basis. The rates of contribution are calculated by the actuary using the projected unit method. The actuary reviews the rates for continued appropriateness in the intervening years.

The employer contributions payable to the scheme at the year-end date were €27,903 *(2019: €29,985)*.

In addition to making contributions for retirement benefits, the college also pays insurance premiums for the death in service and disability benefits associated with each member in the pension scheme.

A full actuarial valuation of the scheme, on which the amounts recognised in the financial statements are based, was carried out at 30 June 2020, by a qualified independent actuary.

The following amounts recognised in the balance sheet were measured in accordance with the requirements of Financial Reporting Standard 102 Section 28:

	2020	2019
	€	€
Total market value of assets	**15,839,248**	15,083,643
Present value of scheme's liabilities	**(22,599,383)**	(22,030,594)
Net retirement benefit liability	**(6,760,135)**	(6,946,951)

The following amounts have been recognised in the performance statements for the year ended 30 June 2020 and 30 June 2019 under the requirements of FRS 102.

Notes *(continued)*

14 Retirement benefit *(continued)*

(a) Defined benefit scheme *(continued))*

	2020 €	2019 €
Charged to operating result		
Current service cost	**(1,239,024)**	(1,327,884)
Charged to other financial charges		
Expected return on pension scheme assets	**206,129**	275,850
Interest on retirement benefit scheme liabilities	**(295,337)**	(407,844)
Net charge	**(89,208)**	(131,994)
Analysis of amount recognised in the statement of total recognised gains and losses		
Actual return less expected return on pension scheme assets	**250,920**	825,705
Experience gains and losses arising on the scheme liabilities	**(265,652)**	643,577
Changes in assumptions underlying the present value of the scheme liabilities	**1,120,508**	(434,194)
Actuarial gain recognised in the statement of total recognised gains and losses	**1,105,776**	1,035,088

The cumulative actuarial loss recognised in the statement of total recognised gains and losses up to and including the financial year ended 30 June 2020 is €2,897,211 *(2019: €4,002,987)*.

The fair value of assets in the scheme were:

	Market value at 30 June 2020 €	Market value at 30 June 2019 €
Equities	**11,603,833**	11,127,965
Bonds	**4,235,415**	3,955,678
	15,839,248	15,083,643

14 Retirement benefit *(continued)*

(a) Defined benefit scheme *(continued)*

Basis of expected return on scheme assets

The expected return on scheme assets was determined by considering the expected returns available on each of the assets underlying the current investment policy. Expected returns on fixed interest investments are based on gross redemption yields at the reporting date. Expected returns on equity and property investments reflect long-term real rates of return experienced in the respective markets.

The main financial assumptions used in the valuation were:

Annual	**2020**	2019
Rate of increase in salaries	**2.25%**	2.4%
Rate of increase in pensions in payment	**1.25%**	1.4%
Discount rate	**1.4%**	1.35%
Inflation rate	**1.25%**	1.4%

Assumptions regarding future mortality are set based on advice from published statistics and experience. The average life expectancy in years for a pensioner retiring aged 65 is as follows:

	2020	2019
Male – currently aged 65	**21.5**	21.4
Female – currently aged 65	**24.0**	23.9
Male – currently aged 45	**23.9**	23.9
Female – currently aged 45	**26.2**	26.2

	Pension assets €000	**Pension liabilities €000**	**Pension deficit €000**
Movement in scheme assets and liabilities - 2020			
At 30 June 2019	15,084	(22,031)	(6,947)
Current service cost	-	(1,239)	(1,239)
Interest on scheme liabilities	-	(295)	(295)
Expected return on scheme assets	206	-	206
Actual less expected return on scheme assets	251	-	251
Experience gains on liabilities	-	(266)	(266)
Change in actuarial assumptions	-	1,121	1,121
Contributions by plan participants	269	(269)	-
Risk premium	(72)	72	-
Payments out	(308)	308	-
Employer contributions paid (including risk premium)	409	-	409
At 30 June 2020	**15,839**	**(22,599)**	**(6,760)**

14 Pension scheme *(continued)*

	Pension assets €000	Pension liabilities €000	Pension deficit €000
Movement in scheme assets and liabilities - 2019			
At 30 June 2018	13,537	(20,514)	(6,977)
Current service cost	-	(1,328)	(1,328)
Interest on scheme liabilities	-	(408)	(408)
Expected return on scheme assets	276	-	276
Actual less expected return on scheme assets	826	-	826
Experience gains on liabilities	-	644	644
Change in actuarial assumptions	-	(434)	(434)
Contributions by plan participants	299	(299)	-
Risk premium	(66)	66	-
Payments out	(242)	242	-
Employer contributions paid (including risk premium)	454	-	454
At 30 June 2019	**15,084**	**(22,031)**	**(6,947)**

Employer contributions expected to be paid to the scheme in the next financial year total €437,000 *(2019: €372,000)*.

The actual return on pension scheme assets for the year was €475,049 *(2019: €1,101,555)*.

(b) Defined contribution scheme

The college operates a defined contribution scheme to provide benefits to new employees and existing employees who were not already members of the defined benefit scheme. The college pays contributions to this scheme on a matching basis to those made by participating staff at rates of 4%, 6% or 8% as elected by each individual employee. The defined contribution pension charge is based on contributions made to the defined contribution scheme during the year which amounted to €318,751 *(2019: €232,898)*. Contributions payable at the year-end amounted to €27,433 *(2019: €24,151)*.

15 Student numbers

During the year there were 2,800 *(2019: 2,800)* full time day students in the college. The total number of students attending courses was 5,800 *(2019: 5,900)*.

Notes *(continued)*

16 IFSC Campus

In 1997, the college entered into a number of agreements for the construction and financing of a new college campus in the Dublin Docklands area on lands provided by the Dublin Docklands Development Authority ("DDDA"). DDDA subsequently transferred the site to the college under two leases with 200 year terms:

- one lease is for the original site which DDDA agreed to grant to the college, free of charge, subject to the rental referred to below and,
- the second lease is for an additional adjoining site, which DDDA agreed to grant to the college for €2.86m.

The rent for the original site is a nominal amount for the first twenty years from 13 July 2003, provided the college continued to provide educational and related services on the site. After 20 years, the annual rent will be permanently reduced to a nominal amount. In the event that educational and related services are not provided the rent of the site will be €761,843 per annum, subject to five yearly upward reviews. The annual rent for the additional site is a nominal amount.

The college sub-contracted its obligations under the development agreement with DDDA to Origin 8 Partnership and Origin 8 Development Limited ("Origin 8"). The college granted one lease of the entire site to Origin 8 for 200 years less 3 days on the same terms and conditions as the college agreed with the DDDA. Origin 8 constructed a new college campus for the college on the site, including a research building, student residence, car park and crèche.

Origin 8 sub-leased the college element of the development to the college on a lease which expires in 2196 at a premium of €25.39 million and a nominal annual rent.

The college agreed to loan €29.20m to Origin 8 free of interest with repayment no later than 30 September 2013. This loan was fully drawn down by Origin 8. €3.8m of this loan was written off in the year ended 30 June 2010. The remainder of the loan (€25.39m) was offset against the amount of the lease premium on the college element of the development as provided for in the terms of the loan agreement.

The college purchased the research building and car park for €15.2m in the year to 30 June 2005. Up to 30 June 2007, the college paid €14.8m in part payment for these assets. The balance of the purchase price is €0.4m and will be paid from donations as they are received.

The college had a call option to purchase the remainder of the campus, being the student residence and crèche, 10 years after completion of the development works (being no later than 30 September 2013), for €26.2m (or €24.9m if the crèche was not included). The college did not exercise the option to purchase the remainder of the campus. In March 2017 the outstanding loans on the student residences were purchased from the Special Liquidator to Irish Bank Resolution Corporation (IBRC) by a third party.

As a consequence of all of the above transactions, the college holds the lands under a lease expiring in 2196 at a nominal rent.

National College of Ireland

Notes *(continued)*

17 Capital commitments

The college had the following capital commitments as at 30 June 2020:

	2020	2019
	€	€
Contracted for	**-**	-
Authorised but not contracted for	**506,051**	26,519
	506,051	26,519

18 Grants and grants-in-aid

Name of grant making	Name of grant programme	Total grant allowed €	Term of grant	Grant accounted for in the current financial statements €	Whether and how the use of the grant is restricted
Department of Education and Skills	Grant in lieu of tuition fees	3,776,852	Sept 19 - Jun 20	3,776,852	Restricted to recoupment of undergraduate fees for academic year 2019/2020 in respect of eligible students attending full time undergraduate courses
Department of Education and Skills	Core Grant	1,966,567	Jan 19 - Dec 19	988,310	Educational activities
Department of Education and Skills	Core Grant	1,966,567	Jan 20 - Dec 20	978,224	Educational activities
Tusla Child and Family Agency	Area Based Childhood Programme	1,705,658	Nov 18 – Dec 20	847,158	Restricted solely to the ABC Programme
Department of Education	HEA Tutor Support	45,433	Jan 19 - Dec 19	15,981	Restricted solely to tutor support service
Department of Education	HEA Tutor Support	45,433	Jan 20 - Dec 20	28,990	Restricted solely to tutor support service
HEA, Department of Education and Skills.	HEA Student Assistance Fund	94,127	Sept 18 - Aug 19	7,941	Restricted to provision of financial aid to students experiencing financial hardship

Notes *(continued)*

18 Grants and grants-in-aid *(continued)*

Name of grant making	Name of grant programme	Total grant allowed €	Term of grant	Grant accounted for in the current financial statements €	Whether and how the use of the grant is restricted
HEA, Department of Education and Skills, European Social Fund	HEA Student Assistance Fund	94,127	Sept 19 - Aug 20	85,759	Restricted to provision of financial aid to students experiencing financial hardship
HEA, Department of Education and Skills, European Social Fund	HEA Fund for Students with Disabilities	231,983	Sept 18 - Aug 19	49,724	Restricted to provision of learning aids to students with disabilities
HEA, Department of Education and Skills, European Social Fund	HEA Fund for Students with Disabilities	184,640	Sept 19 - Aug 20	-	Restricted to provision of learning aids to students with disabilities
HEA, Department of Education and Skills	Springboard (including ICT)	2,361,750	May 18 – Dec 20	1,020,505	Provision of training and education programmes to the unemployed and other suitably qualified applicants.
HEA, Department of Education and Skills	Springboard (including ICT)	2,921,000	May 19 - Dec 21	1,837,343	Provision of training and education programmes to the unemployed and other suitably qualified applicants.
European Commission	Horizon 2020	555,885	Mar 15 – Aug 19	122,323	Funding of Newton Project
Irish Research Council	CHIST-ERA 2017	148,600	Apr 19 – Mar 22	42,000	Funding of Spumoni Project
Enterprise Ireland	European Development Fund	135,042	Jul 19 – Aug 20	119,051	Funding of Glantus Project

Notes *(continued)*

19 Related party transactions

Included in debtors is €3,750 *(2019 (€17,750))* being the excess of expenditure over receipts from Campus Crèche Limited, a wholly owned subsidiary of the college. During the year, the college paid annual rent of €95,000 *(2019: €95,000)* and other administrative costs totalling €2,771*(2019: €2,608)* on behalf of Campus Crèche Limited.

Transactions between the college and NCI Foundation Limited are classified as related party transactions, as a result of both entities being subject to common influence. During the year, the college did not receive any funds from NCI Foundation Limited. There was no balance payable to or receivable from NCI Foundation Limited at 30 June 2020 *(2019: €Nil)*.

Total remuneration in respect of key management personnel was €1,830,848 *(2019: €1,865,171)*. Key management personnel includes the executive management team of the college and other employees of the college serving on the Board of Directors.

20 Significant accounting estimates and judgements

Retirement benefit assumptions

The assumptions underpinning the valuations for the defined benefit pension scheme liability, which are subject to significant risk, and related income statement charges are as set out in note 15.

21 Significant post balance sheet events

There have been no post balance sheet events since the year end that would require disclosure in, or adjustment to, the financial statements.

22 Approval of financial statements

The financial statements were approved by the Governing Body on 23 October 2020.

National College of Ireland

Unaudited Appendix

Appendix 1 – Segmented Accounts

NCI is in receipt of funding from TUSLA. Particulars of the grant received from Tusla are detailed in the table below:

Agency	TUSLA - Child and Family Agency	
Type of Funding	Grant	
Grant Programme	Area Based Childhood Programme	
Purpose of Grant	Improved long term outcomes for children & families in the Dublin Docklands and East Inner City	
Total Grant	€1,705,658	
Grant taken to I&E	€795,683	
Received in Period	€795,658	
Amounts deferred at Year End	€nil	
Expenditure	€847,158	
Term	26 months (Nov 2018 to Dec 2020)	
Date Received:		
	26/07/2019	€69,418
	30/08/2019	€69,418
	27/09/2019	€69,418
	25/10/2019	€69,418
	29/11/2019	€69,418
	13/12/2019	€69,418
	31/01/2020	€63,196
	28/02/2020	€63,196
	27/03/2020	€63,196
	24/04/2020	€63,196
	25/05/2020	€63,196
	19/06/2020	€63,196
Capital Grant	€Nil	
Restriction on use	Restricted to use on ABC Program only	