

GRANGEGORMAN DEVELOPMENT AGENCY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

GRANGEGORMAN DEVELOPMENT AGENCY

REPORTS AND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2017

CONTENTS	Page
Board Members and Other Information	2-3
Governance Statement	4 -13
Statement on Internal Control	14 -17
Report of the Comptroller and Auditor General	18
Statement of Income and Expenditure and Retained Revenue Reserves	19
Statement of Comprehensive Income	20
Statement of Financial Position	21
Statement of Cash Flows	22
Notes to the Financial Statements	23 - 39

GRANGEGORMAN DEVELOPMENT AGENCY

BOARD MEMBERS AND OTHER INFORMATION

BOARD MEMBERS:

Mr Oliver Cussen	Chairperson	(re-appointed 9 th September 2018)
Mr Gerrard Casey	Chief Executive Officer	(re-appointed 9 th November 2018)
Cllr Janice Boylan		(re-appointed 9 th November 2018)
Mr Jim Curran		(re-appointed 9 th November 2018)
Ms Elva Duffy BL		(re-appointed 30 th November 2018)
Ms Denise Dunphy		(re-appointed 9 th November 2018)
Ms Penelope Kenny FCA		(re-appointed 30 th November 2018)
Dr Noel O'Connor		(re-appointed 9 th November 2018)
Ms Mary Walshe		(appointed 21 Feb 2018 & re-appointed 9 th November 2018)
Mr Paul Clegg		(appointed 9 November 2018)
Ms Louise Keegan		(appointed 30 November 2018)
Mr Ciaran McCaffrey		(appointed 30 November 2018)
Prof Terri Scott		(appointed 30 November 2018)
Mr Jack MacGowan		(appointed 30 November 2018)
Mr Gerry O'Neill		(resigned 21 February 2018)
Prof J Owen Lewis		(term concluded 8 th Sept 2018)
Mr Alec Darragh		(term concluded 8 th Sept 2018)
Dr Berna Grist BL		(term concluded 8 th Sept 2018)
Mr Damien Kilgannon		(term concluded 8 th Sept 2018)
Mr John O'Hara		(term concluded 8 th Sept 2018)
Ms Deirdre Prince		(term concluded 8 th Sept 2018)

*On expiration of Board term on 8th September 2018

REGISTERED OFFICE: The Clock Tower
Grangegorman Lower
Dublin 7
D07 XT95

AUDITORS: Comptroller and Auditor General
3A Mayor Street Upper
Dublin 1

GOVERNANCE STATEMENT

BANKERS:	Bank of Ireland College Green Dublin 2	AIB plc 1 Lower Baggot Street Dublin 2
SOLICITORS:	McCann Fitzgerald Riverside One Sir Johns Rogerson’s Quay Dublin D02 X576	

Governance Statement and Grangegorman Development Agency Members' Report

Governance

The Grangegorman Development Agency (GDA) was established under the GDA Act 2005 for the purpose of developing the Grangegorman site for the benefit of DIT, HSE and the local community. The Board is accountable to the Minister for Education and Skills and the matters reserved for Board decisions as per its enabling legislation are listed below. Operational management and day to day control is the responsibility of the CEO (Accounting officer under the Act) and the executive team. The CEO acts as a direct liaison between the Board and management of the GDA.

The GDA operates under a Corporate Governance framework that reflects best practice and is aligned with the Strategic and operational needs of our stakeholders and the Grangegorman Development Agency Act 2005.

The Agency consists of 15 members appointed by the Minister for Education and Skills, one of whom is appointed as Chairperson.

Agency Responsibilities

The work and responsibilities of the Agency are set out in the The Grangegorman Development Agency Act 2005.

The aim of the Act is to facilitate the development of the 73 acre Grangegorman site in Dublin as a modern campus for the DIT, to provide the HSE with upgraded primary health and social care facilities and to provide community access /facilities.

The GDA's overall function is to project manage the development in an integrated and sustainable manner. In broad terms, the functions of the Agency are to:

- Accept the Grangegorman site and DIT properties;
- Prepare a strategic plan;
- Decide appropriate procurement strategy;
- Consult with relevant organisations, representative groups and the local community;
- Carry out construction;
- Return properties to DIT/HSE and any other educational body.

Section 33(4) of the Grangegorman Development Agency Act 2005 requires the accounts of the Agency for each financial year to be kept in such a form and manner as may be specified by the Minister and be prepared by the Chief Executive and approved by the Agency as soon as practicable after the end of the financial year to which they relate for submission to the Comptroller and Auditor General for audit.

In preparing the financial statements the Agency is required to:

- select suitable accounting policies and apply them consistently;

GOVERNANCE STATEMENT

- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, including Financial Reporting Standard No. 102, (FRS 102), have been followed subject to any material departures disclosed and explained in the financial statements;
- disclose and explain any material departures from applicable accounting standards;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Agency will continue in business.

The Board confirm it has complied with the above requirements in preparing the financial statements. The Board is also responsible for safeguarding the assets of the Agency and for taking reasonable steps to prevent and detect fraud and other irregularities.

The Agency is responsible for keeping adequate accounting records which disclose, with reasonable accuracy at any time, its financial position and enables it to ensure that the financial statements comply with Section 33 - 36 of the GDA 2005 Act.

Matters reserved for the Board

- Approval of the long-term objectives and strategies of the GDA.
- Establishment, terms of reference, membership, procedures and dissolution of Board committees.
- Approval of the annual report and accounts of the GDA.
- Confirm annually to the Minister that the State Body has a system of internal financial control in place.
- Adoption of Strategic Plan (Section 12(4) GDA Act 2005).
- Implementation of adopted strategy through annual planning and budgeting cycle.
- Approval of the annual plan and budget, and formal evaluation of performance by reference to the plan and budget on an annual basis for inclusion in the annual report where appropriate.
- Borrowing by the GDA (Section 15 GDA Act 2005).
- Determination of contract award procedures for GDA Service, Supply and Works Contracts, in line with procurement procedures.
- Review of the GDA's overall corporate governance arrangements and terms of reference of sub committees.
- Approve the risk management framework and monitor its effectiveness. The board should review material risk incidents and note or approve management's actions, as appropriate.
- Approval of the appointment of and succession planning for, the Chief Executive Officer.
- Determining strategic policy with respect to the prosecution, defence or settlement of litigation.

GOVERNANCE STATEMENT

- Acquisition and disposal of land, interest in land or any other property subject to the consent of the Minister for Education and Science (Section 8(2) GDA Act 2005).
- Acquisition, disposal and retirement of assets with an anticipated value at or above a threshold level of €150,000.
- Preparation of superannuation scheme for submission to the Minister for Education and Science and approval of significant amendments to the scheme (which may require Ministerial approval).
- Responsibility for delegating authority levels, treasury and risk management policies.
- Ensuring compliance with statutory and administrative requirements in relation to the approval of the number, grading, and conditions of appointment of all staff, in line with Department of Finance circulars and sanctions.
- Acquiring shares in limited liability companies to exploit any research, consultancy or development work undertaken by the Agency (Section 9(1) (b) GDA Act).
- Vesting of lands and premises to be occupied by the Health Service Executive, the Dublin Institute of Technology or other educational body, at the completion of the construction phase, into the ownership of the respective authority, institute or other body (Section 9(1) (l) GDA Act).
- Review of its own operation and seek to identify ways of improving its effectiveness and identify if there are gaps in competencies and ways these could be addressed.

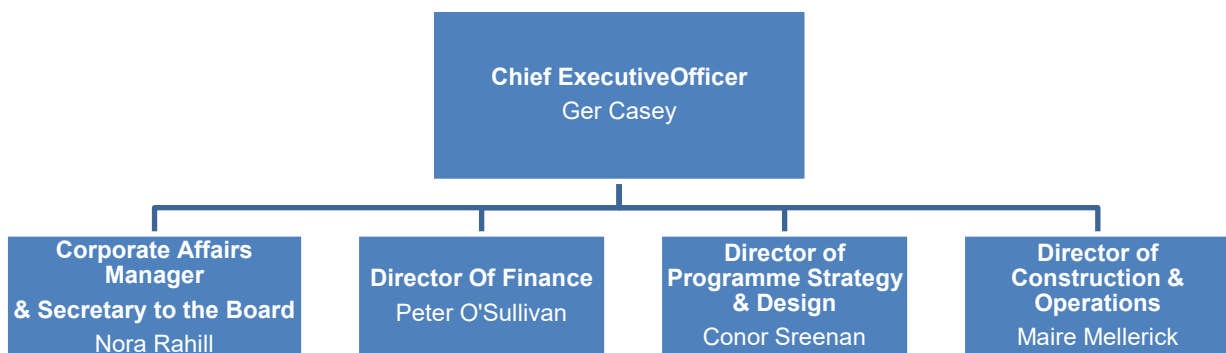
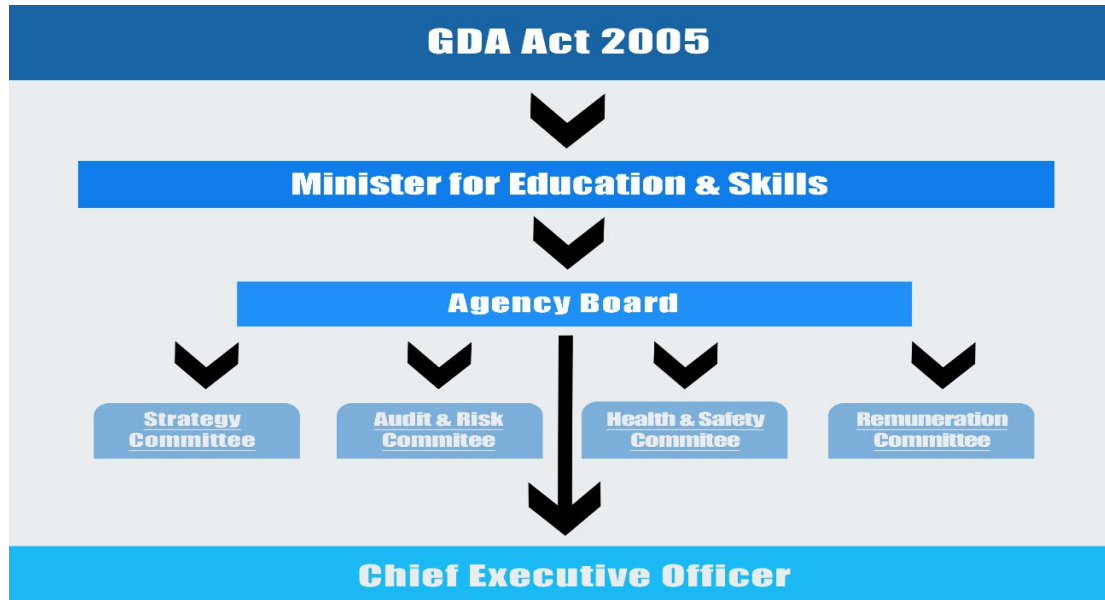
Terms of reference are also agreed for each Board sub-committee.

In addition to regular meetings of the Agency members, the CEO holds regular formal meetings with the stakeholders including the Department of Education & Skills, DIT and the HSE.



Agency Structure

Organisational Structure of the GDA – December 2017



Agency Structure

The Agency consists of a Chairperson and 14 ordinary members, all of whom are appointed by the Minister for Education & Skills. The Members of the Agency are appointed for period not exceeding three years and meet on a monthly basis (excluding the month of August). The table below details the appointment period for current Members:

Agency Member	Representing	Date Appointed
Mr Oliver Cussen (Chairperson)	Minister for DOES	Re-appointed 9 September 2018
Mr Gerard Casey (CEO)	Minister for DOES	13 July 2016
Cllr Janice Boylan	City Manager DCC	Re-appointed 9 November 2018
Mr Jim Curran	Minister for Health	Re-appointed 9 November 2018
Ms Elva Duffy BL	Minister for DOES	Re-appointed 30 November 2018
Ms Denise Dunphy	President DIT	Re-appointed 9 November 2018
Ms Penelope Kenny FCA	Minister for DOES	Re-appointed 30 November 2018
Dr Noel O'Connor	President DIT	Re-appointed 9 November 2018
Ms Mary Walshe (2018)	Minister for Health	Re-appointed 9 November 2018
Mr Paul Clegg	City Manager DCC	Appointed 9 November 2018
Ms Louise Keegan	Community	Appointed 9 November 2018
Mr Ciaran McCaffrey	Minister for DOES	Appointed 9 November 2018
Prof Terri Scott	Minister for DOES	Appointed 30 November 2018
Mr Jack McGowan	Minister for DOES	Appointed 30 November 2018
Mr Gerry O'Neill	Minister for Health	Term concluded 21 February 2018
Prof J Owen Lewis	Minister for DOES	Term concluded 8 September 2018
Mr Alec Darragh	Community	Term concluded 8 September 2018
Dr Berna Grist BL	Minister for DOES	Term concluded 8 September 2018
Mr Damien Kilgannon	Minister for DOES	Term concluded 8 September 2018
Mr John O'Hara	City Manager DCC	Term concluded 8 September 2018
Ms Deirdre Price	Minister for DOES	Term concluded 8 September 2018

The term of office of the Board expired on 8th September 2018, in accordance with section 17 of the GDA Act 2015. The new Board term will conclude on 8th September 2021.

The Agency has established four committees, as follows:

1. Audit and Risk Committee: comprises of four Agency Members. The role of the Audit and Risk Committee (ARC) is to support the Agency 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 ARC ensures that the internal control systems including audit activities are monitored actively and independently. The ARC reports to the Agency after each meeting, and formally in writing annually.

The Members of the ARC are: Penelope Kenny FCA (Chairperson), Denise Dunphy, John O'Hara and Gerry O'Neill (*Mary Walshe replaced Gerry O'Neill from 21 Feb 2018*). There were 5 meetings of the ARC in 2017.

2. Health & Safety Committee: comprises of three Agency Members. The role of the Health & Safety Committee (H&SC) is to monitor and review existing health and safety procedures and provide strategic direction and leadership to ensure the delivery of the Grangegorman project. The H&S Committee sets out to assist in achieving the GDA vision "Our aim is to adopt a collaborative Health & Safety approach across boundaries". Recommendations from the committee are submitted to the Board.

The Members of the H&SC are: Damien Kilgannon (Chairperson), Janice Boylan and Deirdre Price. There were 3 meetings of the H&SC in 2017.

3. Strategy Committee: comprises of four Agency Members. The role of the Strategy Committee (SC) is to monitor & review the delivery of the Strategic Plan, in particular items which have the potential to impact on the Planning Scheme or the Strategic Plan; consider and advise on potential opportunities and challenges for the Agency; consider and advise on opportunities or initiatives to promote the project. Report to the Board on issues arising and the strategy options that are available.

The Members of the SC are: Berna Grist BL (Chairperson), Jim Curran, Prof J Owen Lewis and Dr Noel O'Connor. There were 3 meetings of the SC in 2017.

4. Remuneration Committee: comprises of five Agency Members. The role of the Remuneration Committee (RC) is to advise the Agency and make recommendations on workforce matters. The RC reports to the Agency after each meeting, and formally in writing annually.

The Members of the RC are: Dr Noel O'Connor (Chairperson), Jim Curran, Elva Duffy BL, and Damien Kilgannon. There was 1 meeting of the RC in 2017.

New Board Members

The GDA has an induction process for new Board Members. It is designed to ensure they are familiar with the statutory obligations of the Agency and how the Board conducts its business. It includes relevant briefing material, details of the Agency's strategic plans, and also includes a programme of main Board and sub-committee meetings.

Schedule of Attendance, Fees and Expenses

A schedule of attendance at the Agency and ARC meetings for 2017 is set out below including the fees and expenses received by each Member:

Board and Board Committee members and meeting attendance in 2017							
	Board	Audit & Risk attendance	Health & Safety	Strategy	Remuner -ation	Fees € 2017	Expenses € 2017
Number of meetings	11	5	3	3	1		
Mr Oliver Cussen (Chair)	9					8,978	0
Mr Ger Casey	11						
ClIr Janice Boylan	3		2			5,985	
Mr Jim Curran	8			3	1		
Ms Elva Duffy BL	10				1	5,985	
Mr Alec Darragh	9					5,985	
Ms Denise Dunphy	10	5					
Dr Berna Grist BL	10			3 (Chair)		5,985	
Ms Penelope Kenny FCA	10	5				5,985	
Mr Damien Kilgannon	6		2 (Chair)		1		
Prof J Owen Lewis	11			3		5,985	
Dr Noel O'Connor	9			3	1 (Chair)		
Mr John O'Hara	8	3					
Mr Gerry O'Neill	6	5					
Ms Deirdre Prince	10		3			5,985	
Total						50,873	0

Six members of the Agency, Mr Jim Curran, Ms Denise Dunphy, Mr Damien Kilgannon, Dr Noel O'Connor, Mr John O'Hara and Mr Gerry O'Neill did not receive a fee under the One Person One Salary (OPOS) principle. Mr Gerrard Casey, as CEO, did not receive a fee.

Key Personnel Changes

There were no key personnel changes in the year 2017.

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

The Agency is responsible for ensuring that the Grangegorman Development Agency has complied with the requirements of the Code. The following disclosures are required by the Code:

Consultancy Costs

Consultancy costs include the cost of external advice to management.

	2017	2016
	€	€
Legal settlement	6,375	0
Legal advice	208,421	325,161
Design consultancy	1,978,856	3,462,882
Professional fees – Project co-ordinators.	5,893	76,285
Financial Advice	31,253	948
Health & Safety Advice	56,410	193,415
Surveys	17,518	245,756
PR & Communications	<u>16,402</u>	<u>0</u>
Total Consultancy Costs	<u>2,321,128</u>	<u>4,304,447</u>
Contract	76,646	400,188
Project Costs	672,933	2,777,286
Current Overheads	130,020	32,431
Capitalised	<u>1,441,529</u>	<u>1,094,542</u>
Total	<u>2,321,128</u>	<u>4,304,447</u>

Legal Costs and Settlements

The legal settlement of €6,375 in 2017 was paid in relation to one minor fall incident. There were no legal settlements in 2016.

Travel and Subsistence Expenditure

Travel and subsistence expenditure is categorised as follows:

2017	2016
------	------

	€	€
Domestic		
Agency Board Members	0	79
Employees	1,061	4,649
International		
Agency Board Members	0	0
Employees	0	1,175
Total	1,061	5,903

Hospitality Expenditure

The Income and Expenditure Account includes the following hospitality expenditure:

	2017	2016
	€	€
Staff & Board hospitality	2,332	2,107
Client hospitality	0	0
Total	2,332	2,107

Statement of Compliance

The GDA has, since September 2016, reviewed its level of compliance with the new code and has, where necessary put in place arrangements to ensure compliance. It also has agreed a small number of derogations with the DoES. GDA is reporting in accordance with the enhanced reporting requirements in the new code in the Financial Statements for the year ended 2017.

Derogations have been agreed on

- (i) Secretary of the Board: On the basis that that the GDA Act supersedes the Code of Practice and those functions that are typically carried out by a Company Secretary are delegated by the CEO and performed by Corporate Affairs and other Executive Staff. All statutory functions have been undertaken, as per the GDA Act 2005 , by the Chairperson, the Board and the CEO.

GOVERNANCE STATEMENT

- (ii) Periodic Critical Review: derogation until guidelines issued by DPER
- (iii) Conduct of Review: derogation until guidelines issued by DPER
- (iv) Annual Report: Deadline for publication of annual report and financial statements. Deadline extension has been agreed until the later of six months from year end or one month following signing of the Financial Statements by the C&AG.

On behalf of the Members of the Agency;

Mr Oliver Cussen

Chairperson

Date:

Mr Gerrard Casey

Board Member

Date:

GRANGEGORMAN DEVELOPMENT AGENCY

STATEMENT ON INTERNAL CONTROL

Scope of Responsibility

On behalf of the Grangegorman Development Agency I acknowledge the Agency'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 Agency for the year ended 31 December 2017 and up to the date of approval of the financial statements.

Capacity to Handle Risk

The Agency has an Audit and Risk Committee ("ARC") comprising four Members of the Agency with financial and audit expertise. The ARC met five times in 2017.

The Agency engages an independent Internal Auditor that operates in accordance with the terms of reference for the ARC and reports to the ARC. An Internal Audit Plan is approved by the ARC and revised annually. The Internal Audit Plan is developed using a risk based approach.

The Agency has set the organisations risk appetite and this is laid out in a Risk Appetite Statement included in its Strategy document. The ARC has developed a Risk Management Policy which sets out the Risk Management Processes in place and details the roles and responsibilities of staff in relation to risk. The policy has been issued to all staff who are expected to work within the Agency's Risk Management Policies, to alert management on emerging risks and control weaknesses and assume responsibility for risks and controls within their own area of work.

STATEMENT ON INTERNAL CONTROL

Risk and Control Framework

The Agency has implemented a Risk Management System which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

Risk management is a standing item on the agenda of both the ARC and the Agency. A Risk Register is in place which identifies the key risks facing the Agency and these have been identified, evaluated and graded according to their significance. The Agency on an annual basis, review all the risks identified on the Risk Register and the management plan for mitigating the identified risks. Risks identified throughout the year are added to the Risk Register on an on-going basis. In addition, the high ranking risks (those rated as amber or red), new risks and changing risks on the Risk Register are reviewed a further twice during the year by the Agency. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

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

- procedures for all key business processes have been documented,
- financial responsibilities have been assigned at management level with corresponding accountability,
- there is an appropriate budgeting system with an annual budget which is kept under review by senior management and the Agency,
- there are systems aimed at ensuring the security of the information and communication technology systems and
- there are systems in place to safeguard the Agency's assets.

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 the Agency, 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,
- reporting arrangements have been established at all levels where responsibility for financial management has been assigned, and

STATEMENT ON INTERNAL CONTROL

- there are regular reviews by senior management and the Agency of periodic and annual performance and financial reports which indicate performance against budgets and/or forecasts.

Procurement

I confirm that the Agency has procedures in place to ensure compliance with the Public Spending Code and that in 2017 the Agency complied with these procedures.

In terms of performance for the 2017 period the following is noted in relation to the final run out of existing frameworks.

Due to the delay in procuring new framework professional services consultants, a number of the key existing/legacy frameworks have exceeded the originally intended timespan, as well as exceeding the notified values indicated in the original contract notices. The services were in the areas relating to advisory functions to fulfil the agency's requirements in transport, planning, property and financial consultancy.

In the main the invoice and purchase order activity related to continuation of previous drawdown appointments carried out under the original framework terms and were necessary to provide necessary safeguards in delivery and in particular maintain clear channels of responsibility and liability on consultant performance/delivery items.

The invoiced activity in respect of these professional consultancy services in 2017 amounted to some €647k against a total of 24 separate purchase orders. Some of the purchase orders were issued before the expiry of the originally intended framework timespan but the service delivery was spread out beyond the period.

The continued appointments linked to the original frameworks continued with the incumbent suppliers until the appointment of the new framework members in 2018. The expenditure in 2018 amounts to some €205k.

Replacement consultants have now been appointed following public procurement processes in these areas and these will be monitored in accordance with policy and procedure requirements.

Review of Effectiveness

I confirm that the Agency has procedures to monitor the effectiveness of its Risk Management and Control Procedures. The Agency's monitoring and review of the effectiveness of the system of internal financial 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 Agency responsible for the development and maintenance of the internal financial control framework.

GRANGEGORMAN DEVELOPMENT AGENCY

STATEMENT ON INTERNAL CONTROL

I confirm that the Members of the Agency conducted an annual review of the effectiveness of the Internal Controls for 2017.

Internal Control Issues

No material weaknesses in Internal Control were identified in relation to 2017.

On behalf of the Members of the Agency;

Mr Oliver Cussen

Chairperson

Date:

Mr Gerrard Casey

Board Member

Date:

GRANGEGORMAN DEVELOPMENT AGENCY

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL

GRANGEGORMAN DEVELOPMENT AGENCY

STATEMENT OF INCOME AND EXPENDITURE AND RETAINED REVENUE RESERVES

	Notes	Year ended 31 December 2017 €	Year ended 31 December 2016 €
INCOME			
Income	2	3,773,336	12,612,116
Net deferred funding for retirement benefits	8(c)	163,931	187,495
Other income	3	<u>20,237,253</u>	<u>3,374,621</u>
		24,174,520	16,174,232
Transfer of land & buildings from the Agency	13	(23,472,910)	0
Transfer from / (to) capital account	4	<u>5,272,934</u>	<u>(1,043,151)</u>
		<u>5,974,544</u>	<u>15,131,081</u>
EXPENDITURE			
CONTRACT AND PROJECT COSTS			
Contract costs	5	664,039	7,076,662
Project costs	6	<u>1,681,223</u>	<u>4,159,413</u>
		<u>2,345,262</u>	<u>11,236,075</u>
GROSS CONTRIBUTION		<u>3,629,282</u>	<u>3,895,006</u>
GENERAL OVERHEADS			
Staff costs	7	1,371,289	1,226,897
Retirement costs	8(d)	129,336	162,965
Board members' remuneration and expenses	12	50,873	50,967
Establishment costs	9	338,433	406,643
Professional services	10	133,773	52,260
General operating expenses	11	90,071	93,310
Communications & PR		49,707	58,750
Depreciation	13	1,340,111	1,515,857
Audit fees		<u>22,000</u>	<u>18,500</u>
		<u>3,525,593</u>	<u>3,586,149</u>
SURPLUS FOR THE YEAR		103,689	308,857
Balance brought forward at 1 January		<u>400,413</u>	<u>91,556</u>
BALANCE CARRIED FORWARD AS AT 31 DECEMBER		<u>504,102</u>	<u>400,413</u>

The Statement of Cash Flows and notes 1 to 23 form part of these Financial Statements.

ON BEHALF OF THE BOARD:

Mr Oliver Cussen

Chairperson

Date:

Mr Gerrard Casey

Board Member

Date:

GRANGEGORMAN DEVELOPMENT AGENCY

STATEMENT OF COMPREHENSIVE INCOME

	Notes	Year Ended 31 December 2017 €	Year Ended 31 December 2016 €
Surplus for the year		<u>103,689</u>	<u>308,857</u>
Actuarial gain	8(f)	91,000	73,000
Adjustment to retirement benefit funding		<u>(91,000)</u>	<u>(73,000)</u>
Total comprehensive income for the year		<u>103,689</u>	<u>308,857</u>

The Statement of Cash Flows and notes 1 to 23 form part of these Financial Statements.

ON BEHALF OF THE BOARD:

Mr Oliver Cussen

Chairperson

Date:

Mr Gerrard Casey

Board Member

Date:

GRANGEGORMAN DEVELOPMENT AGENCY**STATEMENT OF FINANCIAL POSITION**

	Notes	31 December 2017 €	31 December 2016 €
FIXED ASSETS			
Property, plant and equipment	13	<u>93,575,646</u>	<u>116,782,740</u>
CURRENT ASSETS			
Work in progress	14	241,369	616,951
Receivables and prepayments	15	238,390	684,161
Cash at bank and in hand		<u>18,433,656</u>	<u>17,443,913</u>
		18,913,415	18,745,025
CURRENT LIABILITIES			
Amounts falling due within one year	16	<u>(4,035,134)</u>	<u>(5,296,795)</u>
NET CURRENT ASSETS		<u>14,878,281</u>	<u>13,448,230</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>108,453,927</u>	<u>130,230,970</u>
LONG TERM LIABILITIES			
Amounts falling due after more than one year	17	(17,281,340)	(33,889,138)
Retirement benefit liabilities	8(b)	(1,090,051)	(1,017,120)
Deferred retirement benefit funding	8(b)	<u>1,090,051</u>	<u>1,017,120</u>
TOTAL ASSETS LESS LIABILITIES		<u>91,172,587</u>	<u>96,341,832</u>
REPRESENTING			
Retained revenue reserves	18	504,102	400,413
Capital account	4	<u>90,668,485</u>	<u>95,941,419</u>
		<u>91,172,587</u>	<u>96,341,832</u>

The Statement of Cash Flows and notes 1 to 23 form part of these Financial Statements.

ON BEHALF OF THE BOARD:

Mr Oliver Cussen
Chairperson

Mr Gerrard Casey
Board Member

Date:

Date:

GRANGEGORMAN DEVELOPMENT AGENCY

STATEMENT OF CASH FLOWS

	Notes	Year ended 31 December 2017 €	Year ended 31 December 2016 €
Cash flows from operating activities			
Operating surplus for the year		103,689	308,857
Depreciation	13	1,340,111	1,515,857
Interest receivable	3	(8,578)	(10,931)
Decrease in work in progress	14	375,582	142,992
Decrease in receivables	15	445,771	239,429
Decrease in payables	16	(1,261,661)	(1,496,038)
Transfer (from) / to capital account	4	(5,272,934)	1,043,151
Transfer of assets to DIT	13	4,149,508	0
Advanced payments on construction activities		<u>2,715,604</u>	<u>3,518,730</u>
Net cash inflow from operating activities		<u>2,587,093</u>	<u>5,262,047</u>
Cash flows from investing activities			
Payments to acquire tangible fixed assets	13	(1,605,928)	(2,664,596)
Interest received	3	<u>8,578</u>	<u>10,931</u>
Net cash flow from investing activities		<u>(1,597,350)</u>	<u>(2,653,665)</u>
Increase in cash and cash equivalents		989,743	2,608,382
Cash and cash equivalents at 1 January		<u>17,443,913</u>	<u>14,835,531</u>
Cash and cash equivalents at 31 December		<u>18,433,656</u>	<u>17,443,913</u>

The Statement of Cash Flows and notes 1 to 23 form part of these Financial Statements.

1. STATEMENT OF ACCOUNTING POLICIES

The Agency's role is to promote the development of the Grangegorman site as a location for education, health and other facilities. Lands at the Grangegorman site were transferred to the Agency from the HSE in accordance with section 13 of the Grangegorman Development Agency Act 2005 on 24th February 2012.

Funding is provided by the Department of Education and Skills, the Health Service Executive, (HSE) and Dublin Institute of Technology, (DIT), as follows:

- DIT – Funding is provided in relation to the construction of educational facilities. The funding is recognised as a long term creditor and the related assets as tangible fixed assets in the Agency's financial statements, (see note 13 and note 17).
- HSE – funds the costs associated with the development of healthcare facilities at the site, (see note 5).
- Department of Education and Skills provides capital and current funding for the development of the Grangegorman campus and the operational costs of the Agency.

The following accounting policies are applied consistently in dealing with items which are considered material in relation to the Agency's financial statements:

i) BASIS OF ACCOUNTING

The financial statements of the Agency for the year ended 31 December 2017 have been prepared in accordance with FRS 102, the financial reporting standard applicable in the UK and Ireland issued by the Financial Reporting Council (FRC), as promulgated by Chartered Accountants Ireland.

The preparation of financial statements in conformity with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Agency's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed on page 25 note ix.

ii) REVENUE RECOGNITION

The Agency receives both current and capital grants from the Department of Education and Skills which are recognised as follows:

- Grants provided to fund current expenditure are accounted for on an accruals basis.
- Grants provided to fund capital development are accounted for on a cash receipts basis.

The Agency carries out construction and development work on behalf of its stakeholders. Where legal title to a building is with a stakeholder and the Agency incurs the associated contract costs, the Agency invoices those costs to the relevant stakeholder. Income is recognised in line with amounts invoiced. On other building projects, income is recognised when the significant risks and rewards of ownership and effective control over the underlying building transfers to the stakeholders.

iii) COST AND ASSET RECOGNITION

The Agency distinguishes between project costs and contract costs.

Project costs

This includes pre and post commencement costs where the costs do not result in the creation of an asset from which the Agency can derive future economic benefit. Such costs are charged to the Income and Expenditure and Retained Revenue Reserves account in the year in which they arise (Note 6).

Project costs include set-up costs for Public Private Partnership (PPP) projects in respect of the development of educational facilities within the Grangegorman site. The agreement with the PPP operator for the design, build, finance and maintain basis when it is signed will be with the Department of Education and Skills in return for unitary charge payments over a 25 year period. Consequently, given the Agency are not the grantor for the purposes of FRS 102 (section 34.12), the Agency's financial statements will not recognise the associated assets and liabilities under the PPP agreement.

Contract costs

This includes expenditure incurred on behalf of third parties (Note 5). These costs are invoiced to third parties in line with the stage of completion of the project. Relevant expenditure and income is recognised in the Statement of Income and Expenditure and Retained Revenue Reserves on the basis of amounts invoiced to the third party. Expenditure incurred which has not been invoiced to the third party is included as work in progress at the year end (Note 14).

Assets in development and construction

Costs related to assets in development and construction are capitalised where, in the opinion of the Board, the related project is likely to be successfully developed and the economic benefits arising from future operations will at least equal the amount of capitalised expenditure incurred to date.

Costs capitalised to assets in development relate to costs incurred in bringing the asset to the stage where it is ready for construction to commence. Costs associated with completing this stage include planning application costs, enabling works and consultative studies. Construction costs relate to costs incurred in bringing the asset to completed construction, (Note 13).

The Agency de-recognise assets when it concludes that effective control of the relevant asset has passed to another entity. In some cases this may pre-date the formal transfer of title to the other entity but where the risks and rewards of ownership may have passed to that entity and/or GDA has entered into agreement to transfer ownership at a future date and as a result no longer has control of the relevant asset.

iv) WORK IN PROGRESS

Work in progress represents the un-invoiced element of contract costs and is stated at cost to the stage of completion of the contract. Provision is made for all known or expected losses on contracts, (Note 14).

v) RETIREMENT BENEFITS

The Agency operates a defined benefit retirement scheme, funded annually on a pay-as-you-go basis from monies provided by the Department of Education and Skills and from contributions deducted from staff and members salaries. The Agency also operates a Single Public Services Pension Scheme, (“Single Scheme”), which is a defined benefit scheme for pensionable public servants appointed on or after 1 January 2013. All members’ contributions are paid over to the Department of Education and Skills and Department of Public Expenditure and Reform.

Retirement benefit costs reflect retirement benefits earned by employees in the period and are shown net of pension contributions which are remitted to the Department of Education and Skills and the Department of Public Expenditure and Reform. An amount corresponding to the retirement charge is recognised as income, to the extent it is recoverable, and offset by grants received in the year to discharge retirement benefit 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 Department of Education and Skills.

Retirement benefit liabilities represent the present value of future retirement benefit payments earned by staff to date. Deferred retirement benefit funding represents the corresponding asset to be recovered in the future periods from the Department of Education and Skills.

vi) TANGIBLE FIXED ASSETS AND DEPRECIATION

Freehold land, buildings, assets in development and construction, fixtures and office equipment are stated at cost, net of accumulated depreciation and impairment losses. Costs include expenditure that is directly attributable to the acquisition and construction associated with bringing assets into working condition for their intended use.

Freehold land, assets in development and construction are not depreciated. Depreciation of assets in development and construction commences when the asset is substantially complete and ready for its intended use. Full provision is made for any impairment in the value of the asset. Land is not depreciated.

Depreciation is calculated to write off the cost, less estimated residual value, of all other assets as follows:

Public realm, site infrastructure and buildings	2% Straight Line
Fixtures and office equipment	25% Straight Line

Fixed Assets are disposed of when the significant risks and rewards of ownership and effective control over the underlying assets are transferred.

vii) CAPITAL ACCOUNT

The Capital Account represents the unamortised amount of income used to purchase tangible fixed assets.

viii) ADVANCE PAYMENTS ON CONSTRUCTION ACTIVITIES

The Agency receives financing from the DIT for the purposes of the construction and development of educational facilities at Grangegorman. DIT provides funding in advance of the Agency making the related payments. The Agency recognises a long term creditor in line with the DIT funding received which will be extinguished on transfer of the completed assets to DIT.

Where the funding is utilised to discharge costs incurred in the acquisition and construction of assets, these costs are recorded as fixed assets in the Statement of Financial Position. When depreciation is charged on these assets, a matching funding amount is credited to the Statement of Income and Expenditure and Retained Revenue Reserves by way of a reduction in the long term creditor amount.

Where the funding is utilised to discharge project costs, such costs are charged to the Statement of Income and Expenditure and Retained Revenue Reserves with the matching funding credited to the Statement of Income and Expenditure and Retained Revenue Reserves, thereby reducing the long term creditor.

ix) CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTIES

The preparation of the financial statements in conformity with generally accepted accounting principles requires the Agency to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. In this regard, the Board Members believe that the critical accounting policies where judgements or estimations are necessarily applied, are summarised below.

Depreciation and residual values

The Board Members have reviewed the asset lives and associated residual values of all fixed asset classes and, in particular, the useful economic life and residual values of land and buildings and fixtures and fittings, and have concluded that asset lives and residual values are appropriate.

Retirement Benefit Obligation

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

2. INCOME

The Department of Education and Skills (Vote 26) and the Health Service Executive (HSE) made the following funds available to the Agency during the year:

	2017	2016
	€	€
Department of Education and Skills – Current (Subhead C. 14)	2,772,033	3,029,744
Department of Education and Skills – Capital (Subhead D. 4)	374,495	2,532,745
Retirement benefit contributions remitted to DoES / DPER	(37,231)	(27,035)
HSE – Contract costs	<u>664,039</u>	<u>7,076,662</u>
	<u>3,773,336</u>	<u>12,612,116</u>

3. OTHER INCOME

	2017	2016
	€	€
Dublin Institute of Technology	870,291	3,267,241
Dublin Institute of Technology Transfer of Buildings	19,323,407	0
Recoupment of other costs	34,977	96,449
Bank interest	<u>8,578</u>	<u>10,931</u>
	<u>20,237,253</u>	<u>3,374,621</u>

During the year, control over the Greenway Hub, Adaptive Reuse Cluster, (Rathdown House, Glasmanogue, St. Laurences and Bradogue) passed to DIT. The transaction resulted in a recognition of income from DIT and a matching reduction in long term liability to DIT.

This transfer of buildings was reflected within assets disposed of with Fixed Assets (Note 13)

4. CAPITAL ACCOUNT	2017	2016
	€	€
Balance at 1 January	<u>95,941,419</u>	<u>94,898,268</u>
Transfer from the Statement of Income and Expenditure and Retained Revenue Reserves:		
- Funds allocated to acquire land and buildings	0	2,167,940
- Funds allocated to assets in development and construction	0	56,280
- Funds allocated to acquire fixed assets	16,880	0
- Disposal of fixed assets to DIT	<u>(4,149,508)</u>	<u>0</u>
	(4,132,628)	2,224,220
- Amortised in line with asset depreciation	<u>(1,140,306)</u>	<u>(1,181,069)</u>
Total movement in the year	<u>(5,272,934)</u>	<u>1,043,151</u>
Balance at 31 December	<u>90,668,485</u>	<u>95,941,419</u>

The capital account balance represents the unamortised amount of income, received from the Department of Education and Skills, used to contribute to the purchase of tangible fixed assets. Owing to the nature in which the Agency is funded and revenue is recognised, a timing delay can arise between the recording of a fixed asset cost and receipt of associated funding.

5. CONTRACT COSTS	2017	2016
	€	€
Contract costs	<u>664,039</u>	<u>7,076,662</u>

Up to 31 December 2017, the Agency had incurred contract costs which had been invoiced to the HSE totalling €33,520,889. Further expenditure of €241,369 has not been charged to the Statement of Income and Expenditure and Retained Revenue Reserves and is included in work in progress. All of these costs relate to contracts with the HSE in respect of the development of healthcare facilities. A breakdown of the costs charged to the Statement of Income and Expenditure and Retained Revenue Reserves is included below:

	Opening Balance	2017	Closing Balance
	€	€	€
Legal and professional	3,391,750	76,305	3,468,055
Enabling and construction works	28,554,854	581,786	29,136,640
Fit out and landscaping	804,071	0	804,071
Refurbishment and relocation	58,333	0	58,333
Estate management & maintenance	36,358	5,948	42,306
Sundry	5,214	0	5,214
Project promotion and public relations	<u>6,280</u>	<u>0</u>	<u>6,280</u>
Total contract costs reimbursed by the HSE at 31 December 2017	<u>32,856,860</u>	<u>664,039</u>	<u>33,520,889</u>

6. PROJECT COSTS	2017	2016
	€	€
Legal services	121,771	376,569
Design consultancy	451,835	1,948,377
Professional fees – Project co-ordinators.	398,553	453,719
Enabling and construction works	497,945	1,109,839
Consultation, communications and advertising costs	301	42,020
Estate management & maintenance	210,683	228,763
General project overheads	<u>135</u>	<u>126</u>
	<u>1,681,223</u>	<u>4,159,413</u>

Project costs of €1,681,223 (2016: €4,159,413) include €555,642 (2016: €373,345) incurred in connection with ongoing PPP project set up costs in respect of the development of educational facilities within the Grangegorman site.

The Agency are procuring two academic buildings for the Grangegorman campus by way of a PPP process. The Department of Education and Skills will enter into a Project Agreement which will provide the DIT Grangegorman campus with two buildings on a design, build, finance and maintain basis in return for Unitary Charge payments over a 25 year period. Planning permission was applied for and granted by Dublin City Council on 17th July 2015.

The Agency are working with the National Development Finance Agency (NDFA) in this regard. The set up costs of procuring the PPP project are funded by the Department of Education and Skills and are written off as project costs as incurred. The Agency's commitments relating to the set up costs for these PPP projects are included in note 20 capital commitments. PPP procurement costs include design and legal fees. The tendering process has concluded and a preferred bidder was appointed in February 2015,

however a legal challenge was made against the appointment by one of the losing bidders in March 2015. In October 2016, the High Court found in favour of the NDFA. Construction on the project commenced on 28th March 2018.

Up to 31 December 2017, the Agency had incurred total project costs of €29,503,724, which includes €7,268,144 in connection with PPP set up costs and are included in the total non-capitalised costs associated with the development of education and healthcare facilities. A breakdown by major components is set out below:

	€
Masterplan, Strategic Development and Strategic Development Zone (SDZ) planning scheme	8,425,215
Site infrastructure and public realm	417,583
Non capitalised costs associated with the development of education and healthcare facilities	<u>20,660,926</u>
	<u>29,503,724</u>

The legal settlement of €6,375 in 2017 was paid in relation to one minor fall incident. There were no legal settlements in 2016.

7. STAFF COSTS	2017	2016
	€	€
Wages and salaries	744,553	606,467
Seconded & agency staff	505,626	528,741
Employer's PRSI	74,103	61,903
Staff training and recruitment	<u>47,007</u>	<u>29,786</u>
	<u>1,371,289</u>	<u>1,226,897</u>

Number of employees

An average of 12 (2016: 10) staff were directly employed by the Agency during the year.

An average of 7 (2016: 8) staff were employed by way of secondment or through third party service providers during the year.

€35,582 (2016: €29,515) was deducted from staff by way of pension levy and was paid over to the Department of Education and Skills.

Management and staff related hospitality expenses were € Nil (2016: €1,258). Total foreign travel expenditure incurred in respect of the CEO and staff was € Nil, (2016: €1,139).

Employee benefits breakdown*

Range of total employee benefits		Number of employees	
From	To	2017	2016
€20,000 - €29,999		1	0
€30,000 - €39,999		1	0
€40,000 - €49,999		0	1
€50,000 - €59,999		4	3
€60,000 - €69,999		4	4
€70,000 - €79,999		1	1
€80,000 - €89,999		0	0
€90,000 - €99,999		1	1

*Applies to staff directly employed by the Agency.

8. RETIREMENT BENEFIT COSTS**a) Retirement Benefit Scheme**

The Agency operates an unfunded defined benefit superannuation scheme for staff. Superannuation entitlements arising under the Scheme are paid out of current income. Employee superannuation contributions are payable to the Department of Education and Skills in respect of the main scheme and to the Department of Public Expenditure and Reform in respect of the Single public sector scheme.

The Scheme is a defined benefit final salary retirement benefit arrangement with benefits and contributions defined by reference to current “model” public sector scheme regulations. The Scheme provides a retirement benefit (eightieths per year of service), a gratuity or lump sum (three eightieths per year of service) and spouse’s and children’s pensions. Normal Retirement Age is a member’s 65th birthday, and pre 2004 members have an entitlement to retire without actuarial reduction from age 60. Retirement benefit payment (and deferment) increase on a discretionary basis in line with general salary inflation.

With effect from 1 January 2013, new entrants become members of the Single Public Service Retirement Benefit Scheme. This provides career-average revalued earnings related benefits revalued in line with increases in the Consumer Price Index. The Scheme’s minimum retirement age will be linked to the State Pension age.

The results set out below are based on an actuarial valuation of the liabilities in respect of the serving, retired and deferred staff of the Agency as at 31st December 2016.

This valuation was carried out by a qualified independent actuary for the purposes of the accounting standard, FRS 102 – Retirement Benefits. The financial assumptions used to calculate scheme liabilities under FRS 102 are:

	2017	2016
Discount rate	1.85%	1.85%
Rate of increase in salaries	2.50%	2.50%
Rate of increase in retirement benefits	2.50%	2.50%
Inflation	1.75%	1.75%

b) Statement of Financial Position Recognition

The amounts recognised in the Statement of Financial Position are as follows:

	2017 €	2016 €
Present value of defined benefit obligations that are wholly unfunded	1,090,051	1,017,120
Present value of defined benefit obligations that are wholly or partly funded	0	0
Deferred retirement benefit funding	(1,090,051)	(1,017,120)
Net liability recognised in the Statement of Financial Position at 31 December	<u>0</u>	<u>0</u>

c) Net deferred funding for retirement benefits in year

	2017 €	2016 €
Funding recoverable in respect of current year retirement benefit costs	171,000	190,000
Less: retirement benefit payments	(7,069)	(2,505)
	<u>163,931</u>	<u>187,495</u>

d) Analysis of total retirement benefit costs charged to expenditure

	2017 €	2016 €
Current service cost	149,000	165,000
Interest cost	22,000	25,000
Employees contributions & refunds	(41,664)	(27,035)

Expenses recognised in the income and expenditure and retained revenue reserves account	<u>129,336</u>	<u>162,965</u>
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e) Deferred funding liability for retirement benefits

The Agency recognises amounts owing from the state for the unfunded deferred liability for retirement benefits on the basis of a number of past events. These events include the statutory backing for the superannuation scheme, and the policy and practice in relation to funding public service retirement benefits including the annual estimates process. Whilst there is no formal agreement and therefore no guarantee regarding these specific amounts with the Department of Education and Skills, the Agency has no evidence that this funding policy will not continue to progressively meet this amount in accordance with current practice. The deferred funding liability for retirement benefits as at 31 December 2017 amounted to €1,090,051 (31st December 2016 - €1,017,120) (31st December 2015 - €902,625).

The scheme is a defined benefit final salary retirement benefit arrangement with benefits and contributions defined by reference to current model public sector scheme regulations.

f) Movement in defined benefit obligation

Changes in the present value of the defined benefit obligation are as follows:

	2017	2016
	€	€
Present value of defined benefit obligation at 1st January	1,017,120	902,625
Current service cost	149,000	165,000
Interest cost	22,000	25,000
Benefits paid in the year	(7,069)	(2,505)
Actuarial (gain) / loss	<u>(91,000)</u>	<u>(73,000)</u>
Present value of defined benefit obligation at 31st December	<u>1,090,051</u>	<u>1,017,120</u>

9. ESTABLISHMENT COSTS

	2017	2016
	€	€
Repairs and maintenance	52,049	18,081
Cleaning	22,078	22,997
Rodent and pest control	1,025	1,230
Insurance	47,246	46,869
Rent	15,858	27,099
Rates	0	16,406

GOVERNANCE STATEMENT

Light and heat	190,743	254,008
Waste management	828	842
Security	<u>8,606</u>	<u>19,111</u>
	<u>338,433</u>	<u>406,643</u>
10. PROFESSIONAL SERVICES	2017	2016
	€	€
Legal settlement	6,375	0
Legal services	98,745	(1,710)
Accountancy / Financial advisory	8,498	948
Consultancy (including property advisory)	4,146	33,193
Internal Audit fees	5,843	10,854
Pension advisory fee	3,598	3,597
Other Professional fees	<u>6,568</u>	<u>5,378</u>
	<u>133,773</u>	<u>52,260</u>
The legal settlement of €6,375 was paid in relation to one minor fall incident.		
11. GENERAL OPERATING COSTS	2017	2016
	€	€
Printing, postage and stationery	22,160	22,209
Telephone	4,000	5,170
Bank charges	709	405
Website and IT expenses	38,235	25,752
Office expenses	5,941	12,622
Meeting expenses	7,427	5,816
Newspapers, journals and reference material	1,106	418
Subscriptions	9,432	15,094
Travel and subsistence	<u>1,061</u>	<u>5,824</u>
	<u>90,071</u>	<u>93,310</u>
12. BOARD MEMBER FEES AND CEO SALARY	2017	2016
	€	€
Chairperson's remuneration	8,978	9,057
Board member fees	<u>41,895</u>	<u>41,910</u>
	<u>50,873</u>	<u>50,967</u>

Chief Executive Officer	2017	2016
	€	€
Basic Salary	<u>88,823</u>	<u>90,977</u>
Travel subsistence and professional subscriptions	<u>256</u>	<u>4,479</u>

The CEO is a member of an unfunded defined benefit public sector scheme and his retirement benefits do not extend beyond the standard entitlements in the public sector defined benefit superannuation scheme.

13. PROPERTY, PLANT AND EQUIPMENT

	Land, public realm, site infrastructure and buildings €	Assets in development and construction €	Fixtures and office equipment €	Total €
COST				
At 1st January 2017	117,964,427	948,712	308,530	119,221,669
Additions	0	1,589,047	16,880	1,605,927
Disposal	<u>(24,457,442)</u>	<u>0</u>	<u>0</u>	<u>(24,457,442)</u>
At 31st December 2017	<u>93,506,985</u>	<u>2,537,759</u>	<u>325,410</u>	<u>96,370,154</u>
DEPRECIATION				
At 1st January 2017	2,187,992	0	250,937	2,438,929
Charge for the year	1,320,515	0	19,596	1,340,111
Disposals	<u>(984,532)</u>	<u>0</u>	<u>0</u>	<u>(984,532)</u>
At 31st December 2017	<u>2,523,975</u>	<u>0</u>	<u>270,533</u>	<u>2,794,508</u>
NET BOOK VALUE				
At 31st December 2017	<u>90,983,010</u>	<u>2,537,759</u>	<u>54,877</u>	<u>93,575,646</u>
At 31st December 2016	<u>115,776,435</u>	<u>948,712</u>	<u>57,593</u>	<u>116,782,740</u>

During the year, control over the Greenway Hub, Adaptive Reuse Cluster, (Rathdown House, Glasmanogue, St. Laurence's and Bradogue) passed to DIT and is reflected within assets disposed of above. The transaction resulted in a matching reduction in long term liability to DIT of €23,323,402. €4,149,508 of the assets disposed of were financed by the Department of Education & Skills.

Disposals	Cost	Dep	NBV
Greenway Hub	16,869,093	564,048	16,305,045
Adaptive Reuse (Cluster)	7,588,349	420,484	7,167,865
	<u>24,457,442</u>	<u>984,532</u>	<u>23,472,910</u>

Financed By :

DIT Long Term Account (note 17)	19,323,402
Capital Account (note 4)	4,149,508
	<u>23,472,910</u>

In accordance with the Grangegorman Development Agency Act 2005, land within the Grangegorman site is to be made available to the Agency for the purposes of building health and educational facilities. In the years 2012 – 2014 approximately 55 acres of land was transferred to the Agency from the HSE for nominal consideration of €20.

The Grangegorman site has a total area of 72 acres of which:

- Approximately 17 acres will be used for health projects and will remain in the ownership of the HSE.
- In total 55 acres are intended to be used for educational and sports projects. One acre of this land was transferred to the DIT in the year 2017.

14. WORK IN PROGRESS	2017	2016
	€	€
Work in progress	<u>241,369</u>	<u>616,951</u>
15. RECEIVABLES AND PREPAYMENTS	2017	2016
Amounts falling due within one year	€	€
Trade receivables	63,164	59,458
Amounts due from the Health Service Executive	0	0
Amounts due from the Dublin Institute of Technology	122,667	171,009
Accrued income	3,500	50,099
Sundry receivables and prepayments	<u>49,059</u>	<u>403,595</u>
	<u>238,390</u>	<u>684,161</u>

All receivable balances are deemed recoverable within one year.

16. CURRENT LIABILITIES	2017	2016
Amounts falling due within one year	€	€
Trade payables	600,729	1,202,469
Amounts due to the Dublin Institute of Technology	57,325	0
Professional services withholding tax	131,009	114,386
Value added taxation	54,574	205,278
RCT	6,369	0
Paye / prsi	33,573	21,214
Retirement benefit contributions	9,222	5,006
Accruals	1,433,001	1,473,596
Deferred income	998,481	353,630
Retentions held on construction operations	540,900	1,749,101
Sundry payables	<u>169,951</u>	<u>172,115</u>
	<u>4,035,134</u>	<u>5,296,795</u>
17. LONG TERM LIABILITIES	2017	2016
Amounts falling due after more than one year	€	€
Advanced payments on construction activities	<u>17,281,340</u>	<u>33,889,138</u>

Dublin Institute of Technology make funds available to the Agency by way of advanced payments in respect of the construction and development of educational facilities at Grangegorman. At 31st December 2017, a total (net of disposals) of €5,254,277 (2016: €22,673,973) has been used to discharge costs incurred in the construction and development of educational facilities, which are included within fixed assets. On transfer of the completed asset to the DIT, the creditor balance will be extinguished.

	2017	2016
	€	€
Balance at 1st January	33,889,138	30,370,408
Advanced in year	3,400,000	6,414,192
Project costs expended in year	(482,289)	(2,598,053)
Transfer of Assets to DIT	(19,323,402)	0
Depreciation	<u>(202,107)</u>	<u>(297,409)</u>
Balance at 31st December	<u>17,281,340</u>	<u>33,889,138</u>
The balance is made up of	2017	2016
	€	€
Funding provided not utilised at year end	12,027,063	11,215,165

Cumulative funding used for asset development	<u>5,254,277</u>	<u>22,673,973</u>
Balance at 31st December	<u>17,281,340</u>	<u>33,889,138</u>

The funding provided not utilised at year end is included in Agency's bank balance. As outlined in the accounting policy, the costs of assets constructed are included in tangible assets pending their transfer to the DIT (Note 13).

The transfer to DIT in 2017 (€23.47 million) comprises €19.32 million funded from moneys advanced from DIT and the excess amount €4.15 million has been funded from the Capital account.

18. RETAINED REVENUE RESERVES	2017	2016
	€	€
At 1st January	400,413	91,556
Surplus for year	<u>103,683</u>	<u>308,857</u>
At 31st December	<u>504,096</u>	<u>400,413</u>

Balance on the Statement of Income and Expenditure and Retained Revenue Reserves

Much of the income in the Statement of Income and Expenditure and Retained Revenue Reserves is state grants, which is provided to meet liabilities maturing during the year as opposed to expenditure incurred during the year. Expenditure is recorded on an accruals basis. As a result, the balance on the Income and Expenditure and Retained Revenue Reserves account does not represent normal operating surplus or deficits but is largely attributable to the difference between expenditure on an accruals basis and funding on a cash basis.

19. BOARD MEMBER INTERESTS

The Agency adopted procedures in accordance with guidelines issued by the Department of Finance in relation to the disclosures of interests by Board Members and these procedures have been adhered to during the year. There were no transactions of any significance in the year in relation to the Board's activities in which a Board Member had any beneficial interest.

20. CAPITAL COMMITMENTS

Details of capital commitments at the accounting date are as follows:

	2017	2016
	€	€
Contracted for but not provided for in the financial statements		
PPP set up costs	1,807,221	1,986,114
Non PPP	<u>3,021,607</u>	<u>2,144,874</u>
	<u>4,828,828</u>	<u>4,130,988</u>

21. ANALYSIS OF CHANGES IN NET FUNDS

	Opening balance €	Cash flows €	Closing balance €
Cash at bank and in hand	<u>17,443,913</u>	<u>989,743</u>	<u>18,433,656</u>
Net funds	<u>17,443,913</u>	<u>989,743</u>	<u>18,433,656</u>

22. RELATED PARTY DISCLOSURES

Dublin Institute of Technology is a related party by virtue of commonality of certain Board members.

HSE is a related party owing to a number of senior HSE employees being members of the Agency's Board.

There were no related party transactions of any significance in the year other than those disclosed within notes 5, 12 and 16.

Key management personnel in the Agency consist of the CEO and members of the Board. Total compensation paid to key management personnel, including Board members' fees and expenses and total CEO remuneration, amounted to €139,952, (2016: €146,423).

23. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board on December 2018

Mr Oliver Cussen
Chairperson

Mr Gerrard Casey
Board Member

GRANGEGORMAN DEVELOPMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS
