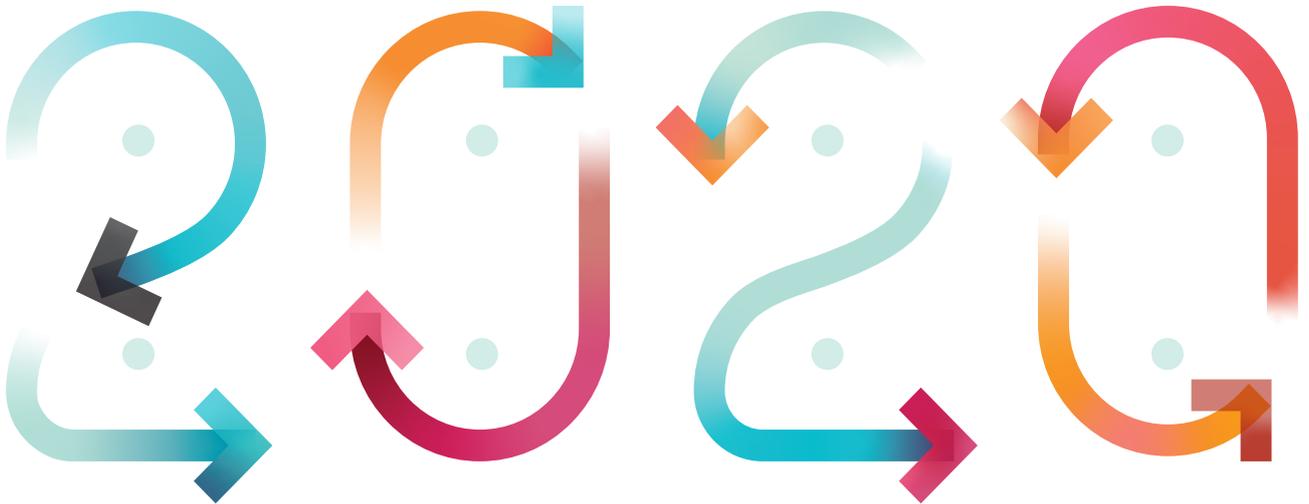


The Digital Hub  
Annual Report 2020



THE DIGITAL HUB



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# CHAIRMAN'S STATEMENT



**As Chair of the Digital Hub Development Agency (DHDA), I present the Annual Report and Financial Statements for 2020.**

**The year was dominated by the emergence of the global Covid-19 pandemic, the effects of which were felt in every country and in every sector. Like every other organisation, we entered into uncharted territory.**

I can report, however, that the executive team in the Agency, with the backing of the Board, responded magnificently. First, we took pro-active steps to safeguard the health and safety of staff, clients, suppliers, and visitors. Second, we endeavoured to preserve and support the enterprise cluster as far as possible and to work with our client companies to help them deal with the difficult trading conditions. And third, we worked creatively with our clients and suppliers to minimise the inevitable impacts on the Agency's finances. Throughout, the executive team under CEO Fiach Mac Conghail worked efficiently and effectively in very trying conditions, and greatly enhanced The Digital Hub's standing among its stakeholder community. I thank them for their outstanding efforts.

While the pandemic had a noticeable impact on delivering the educational, training and awareness-raising programmes that have been such a valued part of our relationship with the Dublin 8 community, we continued to provide as many of these as possible online.

The Board also had to adapt to a new way of working during the pandemic, and continued to provide the Agency with support, advice, and guidance, on both strategic and operational matters throughout the year. I thank them for their valuable insights and their readiness to share expertise and experience.

Our business strategy presented in 2018 outlined our ambition to foster the development of enterprise clusters focused on societal needs, such as health and well-being and responses to the climate emergency. In the years since the Agency was founded, it has become increasingly clear that not all technological developments benefit society as a whole, and our aim was to attract into The Digital Hub businesses employing 'technology for good' to develop and deploy real solutions to real-world problems. Work progressed on this during the year, and new initiatives were



devised with the aim of bringing more companies into the ambit of the enterprise cluster.

In pursuing our responsibility to manage and develop our property portfolio we built on our relationship with the Land Development Agency, and during the year signed a Memorandum of Understanding aimed at developing a masterplan for The Digital Hub properties. Our interests and ambitions for the development of our portfolio and the interests and ambitions of the LDA are very closely aligned, with both parties recognising the relationship as mutually beneficial. Neither wants to see the imposition on the area of a commercial development that is divorced from the local needs and the local community.

With our established relationships with the local enterprise base, the local educational establishments, the local health care providers and the local community groups, the development of our property can be integrated into the locality and sustainable for the long-term, greatly facilitating the continued regeneration and revitalisation of the area.

In response to our business strategy, which we presented to the Department of the Environment, Climate & Communications in 2018, the Department embarked on a review of the Agency and its functions. A consultant's report was commissioned to inform the review; this was finalised and presented to the Department in July 2020 and set out a number of options for the future of the Agency. The benefits and costs of each option were assessed, along with a number of qualitative criteria. The Board was pleased to note that the option which scored highest, both in quantitative and qualitative terms, was the one most closely aligned with the strategy we presented to the Department two years earlier.

The Board was then surprised and disappointed in April 2021 to learn of the Government's decision to dissolve the Agency. Over the coming months, during the wind-down of our operations, the Agency will endeavour to continue our support for our client companies and our local community.

**Paul Holden**  
Chair

# CEO'S REPORT



**2020 truly was a year like no other, and the Covid-19 pandemic reinforced how important the concept of community is. Almost overnight our staff and our member companies were forced to completely reimagine how to interact with each other, as our physical community in Dublin 8 became largely a virtual one.**

While our campus remained open throughout 2020 to support our companies, the pivot to online and remote working in such short order showed an admirable level of resilience.

Over the last number of years, The Digital Hub has attracted a vibrant subcluster of companies who operate in the healthtech sector. With the onset of Covid-19, it was with great pride we witnessed some of these use their knowledge and expertise to deliver solutions to fight the Covid-19 pandemic.

patientMpower quickly pivoted their technology in the early months of Covid-19, to develop a system for the HSE that would allow remote monitoring at home of patients with moderate symptoms and thereby freeing up vital space in our hospitals. To date, the patientMpower system is being used in almost every Irish hospital and by over 2,000 Covid

patients. patientMpower also released a new platform in Summer 2020 specifically designed to reduce the risk for cystic fibrosis patients by monitoring their condition at home, away from potentially high-risk care settings.

Akara Robotics continue to go from strength to strength with the launch of its latest robot, Violet, in December. Violet has significant potential to improve capacity and turnaround times in healthcare settings through intelligent and effective cleaning of wards and hospital rooms using ultraviolet light to disinfect surfaces.

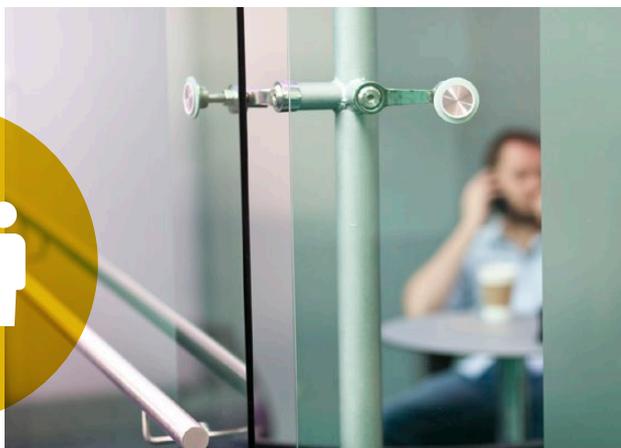
MEG Support Tools, who specialize in healthcare quality management and compliance software, created a "Covid-19 Hospital Toolkit", and offered free setup and support for healthcare staff during the pandemic. MEG Support Tool's solutions include PPE compliance audits, mobile push notifications for healthcare staff and a content hub for document management and information sharing.

The efforts of The Digital Hub staff and our response to Covid-19 should also be recognised. For a campus which prides itself on community and collegiality, there was excellent work done in ensuring that our offices could remain open and, most importantly, safe for those who needed to use them throughout the year. We recognise that the Covid-19 pandemic will change how people work and interact going forward but are invigorated by both our own internal response and the feedback from our member companies that The Digital Hub will continue to adapt to future needs.



I'm also very pleased that many of our regular community initiatives were able to continue to take place throughout the year. Our D8 Surfers programme moved online to weekly Zoom meetings and was a welcome source of connection and interaction for elderly residents in the Liberties. Our partnership with the Virgin Media Dublin International Film Festival, Screen8, continued with a short film highlighting the struggles around mental health faced by young people during the pandemic. Writing, casting, and producing a short film over Zoom is a commendable achievement.

One particular community initiative in which The Digital Hub is playing a lead role is Smart D8, one of the most unique community health projects underway in Ireland. In 2020 The Digital Hub's Lead Partner role was confirmed, alongside St. James's Hospital, Dublin City Council and Smart Dublin. Orla Veale was hired as Project Lead for Smart D8, and community research was carried out at the end of the year to inform the initial direction of the project by identifying what the most pressing health and wellbeing concerns are for the people of Dublin 8.



Our commitment to empowering women in the technology sector continues to develop. Our partnership with Teen Turn through the Technovation Challenge continued and looks to inspire tomorrow's female founders through mentoring sessions. The Digital Hub is also one of two Irish partners in WITECH, an EU Erasmus+ initiative that seeks to encourage female scientists, engineers, and technologists across Europe to develop businesses based on their expertise. Equality, Diversity, and Inclusion (EDI) remains a key pillar for us, and The Digital Hub board and staff members have adopted an EDI policy with an action plan for 2021 to meet our goals.

The Digital Hub's artist in residence programme, now in its third year, continues with Elaine Hoey, an award-winning

artist who explores people's evolving relationship with the screen and digital practices and the politics of digital humanity. Elaine will commission a series of online talks with NCAD in early 2021 as part of her residency.



Over the past five years, I witnessed how The Digital Hub supported visionary entrepreneurs and technology companies solving problems to the betterment of Irish society. The Digital Hub played a vital role in job creation and in supporting a vibrant enterprise eco-system, while at the same time engaging with our local community and partners in providing innovative and creative learning programmes to all generations in Dublin 8. It was with shock and sadness that I learned of the Government's decision to close The Digital Hub and dissolve the Agency. I, the staff, and the Board will continue to support our companies and local community, as we always do, up until our closure in 2022.

I would like to thank our many valued stakeholders who work with The Digital Hub, including Minister Ryan and his officials at the Department of the Environment, Climate & Communications, Dublin City Council, IDA Ireland, Enterprise Ireland, the Local Enterprise Office, our member companies, schools and colleges in Dublin 8, community groups and all our friends and neighbours.

On a personal note, I would like to offer a heartfelt thanks to the staff of the Agency who continue to work tirelessly on behalf of the Agency and The Digital Hub's member companies.

Finally, I would like to thank the members of the Board and in particular our Chairman, Paul Holden.

**Fiach Mac Conghail**  
Chief Executive Officer

# HOW DHDA RESPONDED TO COVID-19 CHALLENGES

**The experience of The Digital Hub and its member companies during the Covid-19 pandemic is illustrative of the experience of Ireland and the wider world in 2020. Following Covid-19 restrictions, three quarters of companies at The Digital Hub began remote working. There was a reduction in the number of employees on campus — from hundreds of people on-site daily to a few dozen people visiting offices each week. Some buildings were entirely empty by the end of March.**

Without delay DHDA established a Covid-19 working group to ensure a safe environment was provided for both client companies and DHDA staff. This group ensured that companies at The Digital Hub received timely information on how DHDA would implement additional cleaning, reduce the capacity of its meeting rooms and common spaces in line with social distancing guidelines, and communicated official HSE guidance as it was updated. This immediately reassured companies that DHDA was responding appropriately and

gave a level of reassurance for which companies have since commended DHDA's Client Services team.

Covid-19 restrictions had a negative impact on one third of our companies immediately and DHDA acted fast to support our member companies during a chaotic time. By the end of 2020, there were 36 companies with occupancy below 50%.

It was anticipated that companies would seek help with their rent obligations, and so DHDA began communicating with companies and supported a number of them with tailored solutions to assist with cash flow.

By June, no companies at The Digital Hub defaulted on payments, and any departing companies left on very good terms, with some explicitly stating that DHDA's prompt measures had saved jobs and even the company itself. DHDA kept in regular contact with companies who left, to ensure a seamless return to The Digital Hub when their situation improves.

There was a cohort of companies at The Digital Hub, operating in the healthtech sector, who were able to play a role in Ireland's response to Covid-19, and DHDA was able to support these businesses by providing a safe office environment so they could continue to do their important work from the campus. Through social media and press activity, DHDA was also able to promote their tech solutions and how they were being applied in the fight against Covid-19. You can read more about these companies in the 'Focus on the enterprise cluster' section.



## **A cohort of companies at The Digital Hub, operating in the healthtech sector, were able to play a role in Ireland's response to Covid-19**

**By June, no companies at The Digital Hub defaulted on payments, and any departing companies left on very good terms, with some explicitly stating that DHDA's prompt measures had saved jobs and even the company itself.**

At the end of 2020, DHDA conducted a telephone survey of current companies, including those who left but were most likely to return. All respondents had adapted efficiently to remote working but expressed a strong desire to establish a hybrid working model where employees work a few days in the office and the remainder remotely. It was acknowledged that some activities are best done face-to-face, such as staff training, creative collaboration, and sales meetings. It was also acknowledged by many respondents that there is a difficulty in sustaining company culture and staff cohesion if everyone is working from home. All companies reported a high level of satisfaction with DHDA's response to Covid-19 and appreciation of the support offered by DHDA staff.





## THE CAMPUS

**By the end of 2020, The Digital Hub campus had just over 72,000 sq. ft. of useable office space located across nine buildings.**

Despite the challenges brought about by the Covid-19 pandemic, The Digital Hub is committed and constantly driven to develop a diverse and creative digital technology quarter in Dublin 8 that realises tangible social, economic and community benefits for Ireland, while regenerating this historic part of Dublin city.

### Energy Usage

The public sector has targets to improve its energy efficiency. As part of the process, public bodies, such as DHDA, are required to report annual energy efficiency data to the Sustainable Energy Authority of Ireland (SEAI) which manages the reporting process on behalf of the Department of the Environment, Climate & Communications.

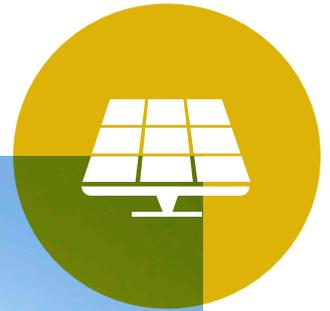
Energy Usage (kWh)	2020	2019
Electricity (MPRN)	1,255	1,267
Gas (GPRN)	1,109	1,036
Non-MPRN/GPRN Energy		704
Gasoil	74	86
<b>Total Consumption</b>	<b>2,438</b>	<b>3,093</b>

### Green Team

The DHDA has formed a Green Team with the vision of The Digital Hub taking a leadership role in the application of practical green technologies and solutions to make our campus environmentally sustainable. The DHDA will also strive to attract companies and entrepreneurs that seek to combat climate change through innovative products and services.

The Green Team's objective for 2020 was to mobilise DHDA staff to create green goals and create a detailed plan of how these goals will be achieved over a six-year period. One of the first projects is a plan to install an 11kw rooftop solar Photovoltaics (PV) system on the Digital Depot building. This solar installation will produce electricity which will offset the need to buy that electricity from the power grid and it is estimated that over the lifetime of the system (25 years), the total savings to the DHDA would be over six times the initial investment. This pilot is part of a larger project that may see additional solar PVs installed throughout The Digital Hub campus in the future following public procurement.

This pilot project will also provide DHDA with the basis for developing relationships and collaborations with sustainable energy businesses and other businesses in the green tech sector.





## FOCUS ON THE ENTERPRISE CLUSTER

**Since the onset of the Covid-19 pandemic in early 2020, the DHDA has faced challenges in engaging in cluster development activities. However, DHDA remains committed to supporting Irish society and business in determining new ways of working.**

By year end there were 36 established businesses within the cluster, with companies employing approximately 322 people throughout the year.

In 2020, the digital health and creative digital media sub-clusters that began to emerge in 2019 continued to grow. DHDA will continue to foster the development of enterprise clusters in innovative and creative sectors of specific advantage.

Irish digital healthcare company patientMpower, who provide technology solutions across a range of therapy areas including lung disease, kidney and lung transplantation and kidney dialysis, applied their technology for the HSE's Covid-19 home monitoring programme.

The patientMpower app measures patients' vital signs including oxygen saturation – a marker of how well a patient's lungs are working. If all the signals are good, the patient can continue to recover at home. However, if there are signs that the patient may not be recovering as anticipated, they can be quickly brought back into hospital for treatment.

The company is one of a sub-cluster in The Digital Hub which played a key role in the State's response to the Covid-19 pandemic. Fellow Digital Hub company Akara Robotics developed and deployed their robot, Violet, which emits ultraviolet light to rid healthcare settings of viruses, bacteria,

and germs quickly and thoroughly. The technology was initially tested by the HSE in two acute hospitals around Ireland to identify the impact it can have in the fight against Covid-19 and has since been widely deployed.

MEG Support Tools which provide digital quality management solutions for hospitals created the 'Covid-19 hospital toolkit', a feature bundle in their app. It includes quality monitoring tools, Covid-19 related content and onboarding guidance and standard operating procedures for staff redeployed into infection prevention and control roles.

Other companies pivoted to seize the opportunity for their business that pandemic has presented. Campsited, the online booking platform for campsites, made additional hires across finance, marketing and customer service to cope with a surge in demand experienced, as holidaymakers looked for staycations in their own country and a preference for outdoor living due to the Covid-19 pandemic. The company expects strong growth again in the summer of 2021 due to pent-up demand to get away and enjoy time with family and friends in a secure, safe, and open environment.

Two further companies are supporting the global transition to blended and online learning brought about by the COVID-19 pandemic. The Academy of Code, who have delivered classroom and summer-camp coding courses to approximately 3,500 students since their launch in 2014, transitioned their summer 2020 courses to take place solely online when schools closed earlier in the year. The Academy of Code delivered coding courses to more than 750 individual students entirely online in countries around the world, from the EU to the United States and Qatar.

H2 Learning, set up by former primary school teachers in 2002, has expanded into the American market, delivering workshops to educators in Washington state on how to plan for the transition to a blend of learning between online and classroom. Workshops are delivered via H2 Learning's TeachNimble platform, which empowers educators to design a bespoke, tailored blended learning experience

that meets the unique needs of their context. In addition, H2 has successfully delivered a range of workshops to the Association for Community and Comprehensive Schools in Ireland and is working with the Further Education Support Service and several Education & Training Boards to roll out the TeachNimble Programme.



## WITECH

DHDA, along with TU Dublin, is the Irish partner in WITECH — an EU Erasmus+ initiative that seeks to encourage female scientists, engineers, and technologists across Europe to develop businesses based on their expertise.

A MOOC (Massive Open Online Course) will be at the heart of WITECH, which, following development and testing of its modules during 2022, will be made available online. This blended learning course will build skills and confidence in women with STEM qualifications and lead them to create their own innovative businesses. The Digital Hub is taking the lead on the creation of a website to promote WITECH and this is currently in development and will be launched in 2021.

## Smart D8 Initiative

DHDA is one of the lead partners in the Smart D8 initiative. Smart D8 has the purpose of investigating how new and innovative approaches can be used to improve and sustain citizens' health and wellbeing in Dublin 8.

Smart D8 brings together local authorities, academia, healthcare providers, local community, and industry in a partnership model to address real-world issues. The lead partners are The Digital Hub, Smart Dublin, Dublin City Council and St. James's Hospital. The Dublin 8 area, with The Digital Hub and a number of Ireland's leading hospitals and research institutes and an already well-established vibrant start-up community, is the ideal location for a Smart District focused on the health and wellbeing of citizens. In late 2020, a Smart D8 Community Survey was launched to capture the needs and priorities of the local community. The findings have been used to form the foundation of the project. Initial health and wellbeing themes identified in consultation with the community include mental health, the impact of Covid-19, population health, environment, and positive and healthy ageing. Smart D8 will be officially launched and make its first call for pilot projects in early 2021.



## FOCUS ON COMMUNITY LEARNING INITIATIVES

**DHDA values the interaction with and input of the local community with our various learning initiatives. The Covid-19 pandemic and resulting public health guidance resulted in many of activities being suspended. DHDA was, however, able to work with its partners to bring four important learning programmes online.**

### The D8 Surfers Club

The D8 Surfers Club, which has been running at The Digital Hub since 2015, has turned virtual. The participants log onto their devices once a week to connect with each other and their tutor. While it was a challenge to get all participants onto Zoom initially, the participants persevered and now look forward to the weekly virtual session. D8 Surfers has been a valuable source of connection and interaction for many in the area throughout Covid-19.

### The Liber8 Music Project

The Digital Hub and BIMM Institute Dublin, who have run 'The Liber8 Music Project' since 2017, recognised the challenges in continuing with the programme in its usual format.

The experience of learning a musical instrument and live performance is most fully realised in-person. As with so much this year, a creative pivot was essential to continue with an important programme. It was decided to focus on delivering a music production and software introductory module online.

Aimed at students aged 15 years or older, the 5-week course

took students through the basics of Ableton software and music production techniques, enabling them to create their own tracks.

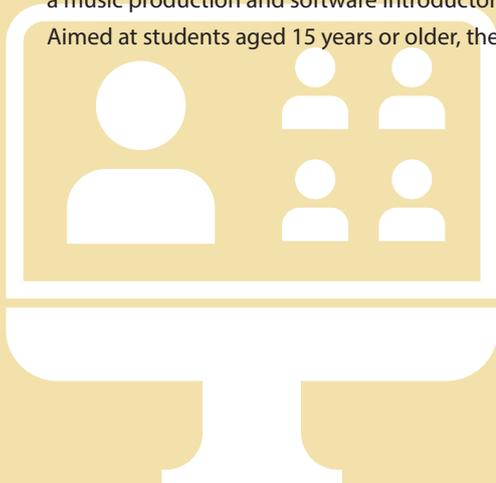
### Screen8

The Digital Hub and the Dublin International Film Festival's partnership on the Screen8 filmmaking programme continued for a second year. Screen8 is a free out-of-school programme designed to give young people an opportunity to be creative and develop filmmaking skills and talents for a possible future career in film.

Screen8 was led this year by Helen Flanagan, an award-winning filmmaker who has had numerous short films commissioned for RTE, TG4 and several film festivals. The programme had to cease in-person classes and switch to an online format, using weekly Zoom calls for all planning, casting and scriptwriting activities. When restrictions were eased and it was safe to do so, filming was wrapped up over 14 weeks in the winter of 2020. The short film is set in the current world of Covid-19 and reflects the doubts and disappointments experienced by teenagers during the pandemic. The film addresses the themes of friendship, self-esteem, and mental health and it will be screened as part of the Dublin International Film Festival's Young People's Short Film Programme, in March 2021.

### Teen-Turn

The Digital Hub continues to support the work of Teen-Turn in two afterschool programmes: Project Squad and the Technovation Challenge. Teen-Turn aims to provide teenage girls the opportunity to gain hands-on STEM experience so that they can visualize themselves in those kinds of careers and make third level course choices accordingly.



## FOCUS ON ENGAGEMENT WITH ARTISTIC & CREATIVE COMMUNITY

### Artist-in-Residence

The Digital Hub provides an intersection between innovation, art, and technology to the benefit of enterprises at The Digital Hub and the residents of the Liberties community. The Digital Hub's Artist-in-Residence Programme, operating since 2018, is a vital element of that intersection. Award-winning artist Elaine Hoey became The Digital Hub's third artist in residence in 2020. Elaine specialises in creating experiences which explore people's evolving relationship with the screen and digital practices and the politics of digital humanity. As part of her residency Elaine will programme a series of events in early 2021 that explore the discourse surrounding the ethics and challenges of AI in art and business.

### Supporting artists

DHDA's support of the arts is further reflected in The Digital Hub's sponsorship of the Dublin Fringe Festival and Dublin Theatre Festival, in a year of hardship for many artists and arts organisations.

Digital technology can be utilised by artists to expand the possibilities of their art form and to reach new audiences in

innovative ways, so The Digital Hub was delighted to be the Dublin Fringe Festival's Official Digital Partner and supported four 'born-digital' projects.

DHDA was one of the supporters of Outlandish Theatre's D-Project which was part of the Dublin Theatre Festival. D-Project was an R&D performance project that explored truth-seeking and politics from the local to the global. Working collaboratively with international, interdisciplinary artists, Outlandish Theatre interrogated the virtual and geographic spaces where art and journalism collide.

### Supporting creative media graduates

DHDA continued its sponsorship of The Digital Hub Award at TU Dublin's annual graduate show — Kaleidoscope. The winner of the 2020 award was "The Game" by Lisa Fallon, a TU Dublin Creative Digital Media graduate. Her project was a 3D Hologram arcade installation that uses a homemade acrylic trapezoid hologram projector. It features a collection of different old-school mini games and interactive visuals that take inspiration from the 1980's/90's as well as specific philosophies and concepts.

## FOCUS ON EQUALITY, DIVERSITY & INCLUSION

The Digital Hub Development Agency recognises that, as a leading Irish State agency and enterprise cluster for the technology sector, it will and has to play a key role in promoting equality, diversity, and inclusion within its sector, as well as its national and local community.

In 2019 DHDA appointed an Equality, Diversity, and Inclusion (EDI) Officer and developed its EDI Policy. As part of the process, and to understand its strengths and opportunities for development in this regard, the DHDA consulted its staff, external stakeholders, and Board. This resulted in an Action Plan which outlines actions that DHDA commits to undertake. The DHDA will report on developments and achievements arising from implementation of this plan in its annual reports.



# COMPANIES OPERATING

IN THE DIGITAL  
HUB ON 31ST  
DECEMBER 2020

Akara Robotics

Bizimply

Black Shamrock

Braahmam

Cloudbeds

Dot Nice International

Emailage

Good Travel Software

H2 Learning

iNavtas

Incognito

Infocare Healthcare Systems

Inneall

Jude Healy Creative

Juvo

Lonely Planet

MEG Support Tools

Mobility Mojo

Neuromod Devices

Nextdoor

Noggin

Odin Consultants

One Foundation

PixelSoup

Pulsate HQ

Quantum Information  
Systems

Sonru

South West Inner City Local  
Employment Centre

SWOT Digital

Total Digital

TrueCommerce

Tyndall National Institute

UX Design Institute

waytoB

WB Gaming

Xwerx

# THE DHDA BOARD

The Board of the DHDA is responsible for setting the broad strategy and policies for the Agency and has oversight responsibility for the activities of the Agency.

Board members are appointed by the Minister for the Environment, Climate & Communications with the consent of the Minister for Public Expenditure & Reform in accordance with the terms of the Digital Hub Development Agency Act 2003. Board appointments are for a period of not more than three years, and members are eligible for re-appointment.

Within its own activities and use of committees with approved terms of reference, the Board operates in accordance with the provisions set out in the Digital Hub Development Agency Act 2003, and within the guidelines set out in the Code of Practice for the Governance of State Bodies issued by the Department of Finance. The Board holds as many meetings each year as may be necessary for the performance of its functions and not less than one meeting per quarter.



**Paul Holden**  
CHAIRMAN



**Fiach Mac Conghail**  
CEO, DIGITAL HUB  
DEVELOPMENT AGENCY



**Stephen Casey**  
NON-EXECUTIVE DIRECTOR

**Michael Conlon**  
NON-EXECUTIVE DIRECTOR,  
REPRESENTATIVE OF THE  
LOCAL COMMUNITY



**Carol Gibbons**  
NON-EXECUTIVE DIRECTOR,  
ENTERPRISE IRELAND



**Owen Keegan**  
NON-EXECUTIVE DIRECTOR  
CHIEF EXECUTIVE, DUBLIN  
CITY COUNCIL



**Brian Keogh**  
NON-EXECUTIVE DIRECTOR



**Darina Kneafsey**  
NON-EXECUTIVE DIRECTOR



**Ann Markey**  
NON-EXECUTIVE DIRECTOR



**Nora Nanayakkara**  
NON-EXECUTIVE DIRECTOR



**Aimée Williams**  
NON-EXECUTIVE DIRECTOR,  
IDA IRELAND

# CORPORATE GOVERNANCE

**The DHDA was established as a statutory body under the Digital Hub Development Agency Act 2003 and operates under the aegis of the Minister for the Environment, Climate & Communications who is empowered to provide funds to the Agency, to issue general policy directives, and to seek information on the Agency's activities.**

While operating in accordance with the provisions of the Act, the Agency also complies with a range of other statutory and administrative requirements, in particular those set out below:

## **Code of Practice for the Governance of State Bodies**

The DHDA's Governance Manual adopted by the Board sets out all aspects of governance, accountability, procedures, and operational structures, and seeks to apply all the provisions of the Code of Practice for the Governance of State Bodies issued by the Department of Public Expenditure & Reform in 2016. In a separate report furnished annually to the Minister, the Chairman confirms compliance with the requirements of the 2016 Code.

## **Guidelines for the Appraisal and Management of Capital Expenditure**

The DHDA adopts the guidelines set out in the Public Spending Code issued by the Department of Public

Expenditure & Reform for the planning, appraisal, and evaluation of capital expenditure projects.

## **Ethics in Public Office Act 1995, and Standards in Public Office Act 2001**

Board members and staff members holding designated positions are obliged to comply with the provisions of the Ethics in Public Office Act 1995, and the Standards in Public Office Act 2001, and to furnish a Statement of Interests to the Standards in Public Office Commission where there may be a material influence on their performance of Agency matters.

## **Freedom of Information Act 2014**

The DHDA complies with the provisions of the Freedom of Information Act 2014. The Act provides a legal right to individuals to access information held by the Agency, to the greatest extent possible consistent with the public interest and the right to privacy. However, the Act provides protection for information that is confidential, commercially sensitive or personal, and such information cannot be released under the Act without those who supplied the information being consulted. Requests for information under the Act can be addressed to the Freedom of Information Executive, Digital Hub Development Agency, The Digital Hub, Dublin 8, D08 TCV4.

## **Employment Equality Acts 1998-2015**

The DHDA is an equal opportunities employer and is committed to a policy of equal opportunities in the organisation. The Agency is committed to ensuring that no staff member or applicant for employment receives less favourable treatment than any other on any grounds not relevant to good employment practice.

### Safety, Health and Welfare at Work Act 2005

The wellbeing of the DHDA's employees is safeguarded through strict adherence to health and safety standards. The Agency has taken the necessary actions to ensure compliance with the Safety, Health and Welfare at Work Act 2005, including the adoption of a safety statement. This extends to the Public Health (Tobacco) Acts 2002 and 2004.

### Clients' Charter

The DHDA has issued its Clients' Charter, which sets out its commitment to a high quality of service to clients and to the general public. This Charter includes a procedure for dealing with complaints if they arise.

### Official Languages Act 2003

The DHDA comes under the remit of the Official Languages Act 2003, which provides a statutory framework for the delivery of services through the Irish language. In accordance

with Section 10 of the Act, this Annual Report is published simultaneously in Irish and English.

### Prompt Payment of Accounts Act 1997

The DHDA is committed to meeting its obligations under the Prompt Payment of Accounts Act 1997 and ensuring that payments to suppliers in respect of all valid invoices are made promptly. The Agency's internal controls include procedures to identify invoices and contracts for payment within the prescribed payment dates.

These procedures are designed to provide reasonable, although not absolute, assurance of compliance with the Prompt Payment of Accounts Act 1997, amended by the European Communities (Late Payment in Commercial Transactions) Regulations 2002. On a quarterly basis, the DHDA, on its website, reports the number and values of payments made

The table below provides a breakdown of payments made to suppliers during 2020:

Detail	Number	Value
Payments made:		
within 15 days	633	€3,020,569.16
within 16 to 30 days	52	€92,526.69
in excess of 30 days	3	€685.26
<b>Total payments</b>	<b>688</b>	<b>€3,113,781.08</b>
Disputed invoices at end of year		



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# GOVERNANCE STATEMENT AND BOARD MEMBERS' REPORT

## Governance

The Board of the Digital Hub Development Agency was established under the Digital Hub Development Agency Act 2003. The functions of the Board are set out in section 8 of this Act. The Board is accountable to the Minister for the Environment, Climate & Communications and is responsible for ensuring good governance and performs this task by setting strategic objectives and targets and taking strategic decisions on all key business issues. The regular day-to-day management, control and direction of the Digital Hub Development Agency is the responsibility of the Chief Executive Officer (CEO) and the senior management team.

The CEO and the senior management team must follow the broad strategic direction set by the Board, and must ensure that all Board members have a clear understanding of the key activities and decisions related to the entity, and of any significant risks likely to arise. The CEO acts as a direct liaison between the Board and management of the Digital Hub Development Agency.

## Board Responsibilities

The work and responsibilities of the Board are set out in the Digital Hub Development Agency Act 2003 and the Digital Hub Development Agency Governance Manual, which also contains the matters specifically reserved for Board decision. Standing items considered by the Board include:

- declaration of interests;
- reports from committees;
- financial reports/management accounts;
- performance reports; and
- reserved matters.

Section 31 (4) of the Digital Hub Development Agency Act 2003 requires the Board of the Digital Hub Development Agency to keep, in such form as may be approved by the Minister for the Environment, Climate & Communications

with consent of the Minister for Public Expenditure & Reform, all proper and usual accounts of money received and expended by it.

In preparing these financial statements, the Board of the Digital Hub Development Agency is required to:

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

The Board 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 31 (4) of the Digital Hub Development Agency Act 2003. The maintenance and integrity of the corporate and financial information on the Digital Hub Development Agency's website is the responsibility of the Board.

The Board is responsible for approving the annual plan and budget. An evaluation of the performance of the Digital Hub Development Agency by reference to the annual plan and budget was carried out on 25 February 2020.

The Board is also responsible for safeguarding its assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In 2020, the Board continued its governance responsibilities and all scheduled Board and Committee meetings took place. Following Covid-19 restrictions in March, all remaining

Board and Committee meetings in 2020 took place remotely via video conference. An additional unplanned meeting of the Board was convened in April 2020 to discuss Covid-19 related matters for which an impact assessment was prepared by the Executive. It was agreed that the Executive would provide additional reporting on Covid-19 related issues as a standing agenda item at the subsequent Board meetings.

The Board considers that the financial statements of the Digital Hub Development Agency give a true and fair view of the financial performance and the financial position of the Digital Hub Development Agency at 31 December 2020.

## Board Structure

At 31 December 2020, the Board consisted of a Chairperson and ten ordinary members, all of whom were appointed by the Minister for the Environment, Climate and Communications.

The table below sets out the appointment periods for individuals serving on the Board during 2020:

Board Member	Role	Date first appointed	Term expiration date
Aimée Williams	Member	07/10/19	17/10/22
Ann Markey	Member	03/06/16	02/06/21
Brian Keogh	Member	03/06/16	02/06/24
Carol Gibbons	Member	13/06/17	04/07/22
Darina Kneafsey	Member	05/07/19	04/07/22
Fiach Mac Conghail	Chief Executive Officer	21/10/16	20/10/21
Michael Conlon	Member (Local Community Representative)	03/06/16	02/06/21
Nora Nanayakkara	Member	05/07/19	04/07/22
Owen Keegan	Member (Chief Executive Officer, DCC)	07/10/13	04/10/21
Paul Holden	Chairperson	29/05/12	04/07/22
Stephen Casey	Member	05/07/19	04/07/22

The Board received the results of an external Board Effectiveness and Evaluation Review in 2019 and recommendations continue to be implemented by the Board. An internal Board Effectiveness and Evaluation Exercise was conducted in 2020. The Board has established two committees, as follows:

**Audit & Risk Committee:** comprises three Board members and one independent member. The role of the Audit & Risk Committee (ARC) is to support the Board in carrying out its responsibilities in relation to 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 Board at each meeting, and formally in writing annually.

The members of the ARC in the year were: Ann Markey (Chairperson), Nora Nanayakkara (appointed to the ARC on 13 February 2020), Stephen Casey and Victor Leonov (external member). There were 6 meetings of the ARC in 2020.

**Property Committee:** comprises four Board members. The role of the Property Committee is to support the Board by overseeing the effectiveness of management's implementation of the Agency's policies relating to its property portfolio and reporting on its findings regularly to the Board.

The members of this committee in the year were: Brian Keogh (Chairperson), Darina Kneafsey, Fiach Mac Conghail and Michael Conlon. There were 6 meetings of the Property Committee in 2020.

## Schedule of Attendance, Fees and Expenses

A schedule of attendance at the Board and Committee meetings for 2020 is set out below including the fees and expenses received by each member:

	Board	Audit & Risk Committee	Property Committee	Fees 2020 €	Expenses 2020 €
Aimée Williams*	7			-	-
Ann Markey	7	6		7,695	-
Brian Keogh	7		6	7,695	-
Carol Gibbons*	5			-	-
Darina Kneafsey	7		6	7,695	918
Fiach Mac Conghail**	7		6	-	-
Michael Conlon	7		4	7,695	-
Nora Nanayakkara	6	4		7,695	329
Owen Keegan*	5			-	-
Paul Holden	7			11,970	-
Stephen Casey	6	6		7,695	-
Victor Leonov***		6		-	-
<b>Total</b>				<b>58,140</b>	<b>1,247</b>

\*Fees are not paid to Board members employed in the public service, under the 'One Salary One Person Principle' directive, issued by the Department of Public Expenditure & Reform. As a result, three of the DHDA's Board members, during the year were not in receipt of fees (Aimée Williams, Carol Gibbons and Owen Keegan).

\*\* Fiach Mac Conghail is CEO of the DHDA and does not receive a Board Fee.

\*\*\* Victor Leonov is not a Board Member. He acts as an unremunerated external member of the Audit & Risk Committee.

Fees were paid to Board members at the approved standard rates for the periods involved.

## Key Personnel Changes

### Board

- Paul Holden was reappointed as Chairperson and Member on 5 July 2020.

### Audit & Risk Committee

- Nora Nanayakkara was appointed as a Member of the Audit & Risk Committee on 13 February 2020.

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

The Board is responsible for ensuring that the Digital Hub Development Agency has complied with the requirements of the Code of Practice for the Governance of State Bodies ("the Code"), as published by the Department of Public Expenditure & Reform in August 2016. The following disclosures are required by the Code.

## Consultancy Costs

Consultancy costs include the cost of external advice to management and exclude outsourced 'business-as-usual' functions.

	2020 €	2019 €
Legal advice	17,464	13,360
Procurement	77,296	3,505
Consultancy & redevelopment	31,035	124,032
Health & Safety	1,102	29,031
Governance	4,239	1,490
Property valuation	7,078	6,200
Internal audit & tax	124,841	100,327
<b>Total consultancy costs</b>	<b>263,055</b>	<b>277,945</b>
Consultancy costs capitalised	88,435	66,159
Consultancy costs charged to the Income and Expenditure and Retained Revenue Reserves	174,620	211,786
<b>Total</b>	<b>263,055</b>	<b>277,945</b>

## Legal Costs and Settlements

In 2020, Digital Hub Development Agency did not incur any legal costs or settlements under the terms set out in the Code of Practice for the Governance of State Bodies.

## Travel and Subsistence Expenditure

Travel and subsistence expenditure is categorised as follows:

	2020 €	2019 €
<b>Domestic</b>		
- Board	918	1,283
- Employees	459	1,314
<b>International</b>		
- Board	329	397
- Employees	-	738
<b>Total</b>	<b>1,706</b>	<b>3,732</b>

## Hospitality Expenditure

The Income and Expenditure Account includes the following hospitality expenditure:

	2020 €	2019 €
Client hospitality*	1,558	18,854
Staff hospitality	786	5,206
<b>Total</b>	<b>2,344</b>	<b>24,060</b>

\*Includes enterprise and community networking events on the campus.

## Statement of Compliance

The Digital Hub Development Agency was in compliance with the Code of Practice for the Governance of State Bodies 2016 at 31st December 2020.

Signed on behalf of the Board:

**Paul Holden**  
Chairman

**Fiach Mac Conghail**  
Chief Executive Officer

**30th July 2021**

# STATEMENT ON INTERNAL CONTROL FOR THE YEAR ENDED 31ST DECEMBER 2020

## Responsibility for Internal control

On behalf of the Board of the Digital Hub Development Agency, I acknowledge our responsibility for ensuring that an effective system of internal control is maintained and operated.

The system provides reasonable, but 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 period.

## Capacity to Handle Risk

The Board has taken steps to support its management of risk by establishing:

- i. a risk management policy;
- ii. appropriate policies, procedures and training on risk management;
- iii. an internal audit function to provide independent assurance on the effectiveness of internal control;
- iv. an Audit & Risk Committee that oversees the effectiveness of internal control and reports its findings regularly to the Board;
- v. a Property Committee that oversees the effectiveness of management's implementation of the Digital Hub Development Agency's policies relating to its property portfolio and reports its findings regularly to the Board.

## Impact assessment of Covid-19 to key business, internal controls, and personnel procedures

The Digital Hub Development Agency commenced activities in the first quarter of 2020 to enable the Agency to maintain business operations during the period of the pandemic. These activities, which were taken in response to business challenges and increased risks to internal controls included:

- i. revisions to and testing of the DHDA's business continuity plan;

- ii. implementation of health and safety measures across campus and with the DHDA offices;
- iii. strengthened ICT security controls and refresher information security training for DHDA staff;
- iv. implementation of homeworking and relevant supports as required;
- v. revisions to key business process and internal controls in response to homeworking;
- vi. additional human resources related supports for staff;
- vii. additional monitoring and reporting to the Audit & Risk Committee on staffing and operational issues;
- viii. securing additional funding from the Department of the Environment, Climate & Communications for 2020 and 2021.

The DHDA management team continued to maintain risk management a standing agenda item at management meetings whereby existing and emerging risks were considered. In addition, near misses, internal control weaknesses and any control breaches were raised through this forum and reported to the Audit & Risk Committee and Board where appropriate. The CEO and Executive actively encourage the timely reporting of issues.

## Risk and Control Framework

The Board has taken steps to establish a control environment that provides assurance that the Digital Hub Development Agency will achieve its objectives with an acceptable degree of residual risk.

The Digital Hub Development Agency's risk and control framework consists of:

- i. a Risk Management Policy agreed and signed-off by the Board;
- ii. a Risk Register which reflects those risks which are material in the context of the Digital Hub Development Agency achieving its overall objectives. The Risk Register records the Agency's assessment of the impact and likelihood of each risk identified, controls in place to

mitigate risks and individuals responsible for their implementation and effectiveness. The Risk Register is reviewed by the Executive, Audit & Risk Committee and Board at least twice yearly. Significant control failures are reported to the Audit & Risk Committee and the Board and appropriate corrective action is implemented;

- iii. the Digital Hub Development Agency's key processes for the control of risks include:
- a. documented procedures for all key business processes;
  - b. a framework of regular management information, administrative procedures including segregation of duties, and a system of delegation and accountability;
  - c. assignment of responsibilities with corresponding accountability and reporting arrangements;
  - d. comprehensive budgeting system with an annual budget which is reviewed and agreed by the Board, regular reviews by the Board of periodic and annual financial reports which indicate financial performance against forecast, setting of targets to measure financial and other performance;
  - e. systems aimed at securing the security of and resilience of the Agency's ICT systems;
  - f. systems in place to safeguard assets;
  - g. systems in place for the reporting and escalation of near misses and internal control weaknesses/failures.

### Ongoing Monitoring and Review

DHDA has an internal audit function which operates in accordance with the Framework Code of Best Practice set out in the Code of Practice for the Governance of State Bodies (2016). The work of internal audit is informed by analysis of the risk to which the body is exposed; the annual internal audit plans are based on this analysis. The analysis of risk and the internal audit plans are reviewed and approved by the Audit & Risk Committee and approved by the Board. At least annually, Internal Audit provides the Board with a report of internal audit activity. The report includes Internal Audit's opinion on the adequacy and effectiveness of the system of internal control.

The Board's monitoring and review of the effectiveness of the system of internal control is informed by the work of internal audit, the Audit & Risk Committee which oversees

the work of internal audit, the management of the Digital Hub Development Agency who have responsibility for the development and maintenance of the financial control framework, and comments made by the Comptroller & Auditor General in his management letter or other reports.

### Review of Effectiveness

I confirm that, in respect of the year ended 31st December 2020 the Board commissioned a review of the effectiveness of the system of internal control.

A review of Internal Controls in 2020 was carried out by an external firm and signed off by the Board of the Agency in 2021.

The Agency is reasonably assured that the systems of Internal Control instituted and implemented in the Digital Hub Development Agency for the financial year ended 31st December 2020 are effective, other than as set out below under Internal Control Issues.

### Internal Control Issues

Internal Control issues/weaknesses identified during 2020 are disclosed below:

### Non-compliant Procurement

The Digital Hub Development Agency has established policies and procedures designed to ensure compliance with procurement rules. Subject to the exceptions below, the Agency was substantially compliant with procurement rules and guidelines as set out by the Office of Government Procurement in 2020.

During 2020, there were three instances where the Digital Hub Development Agency procured services without a competitive process. These services, with a total value of €53,153 (excluding VAT) included telecommunications and public relations support. Procurement of these services has now been regularised.

## Approval by the Board

The Statement on System of Internal Control has been reviewed by the Audit & Risk Committee and the Board to ensure it accurately reflects the control system in operation during the reporting period.

Signed on behalf of the Board:

**Paul Holden**

Chairman

**Fiach Mac Conghail**

Chief Executive Officer

**30th July 2021**

# COMPTROLLER & AUDITOR GENERAL REPORT

## FOR PRESENTATION TO THE HOUSES OF THE OIREACHTAS

### Opinion on the financial statements

I have audited the financial statements of the Digital Hub Development Agency for the year ended 31 December 2020 as required under the provisions of section 31 of the Digital Hub Development Agency Act 2003. The financial statements comprise

- the statement of income and expenditure and retained revenue reserves
- the statement of comprehensive income
- the statement of financial position
- the statement of cash flows and
- the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of the Digital Hub Development Agency at 31 December 2020 and of its income and expenditure for 2020 in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

### Basis of opinion

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Digital Hub Development Agency and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

The Digital Hub Development Agency has presented certain other information together with the financial statements. This comprises the annual report, the governance statement and Board members' report, and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

### Vacant site levy

I draw attention to note 6 to the financial statements which discloses that the Agency incurred expenditure as a result of a vacant site levy charged by the local authority in respect of a site that has not been developed. The expenditure amounted to €227,500 in respect of 2020.

### Seamus McCarthy

Comptroller and Auditor General  
31 August 2021

# Appendix to the report

## Responsibilities of the Board members

As detailed in the governance statement and Board members' report, the Board members are responsible for

- the preparation of financial statements in the form prescribed under section 31 of the Digital Hub Development Agency Act 2003
- ensuring that the financial statements give a true and fair view in accordance with FRS 102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## Responsibilities of the Comptroller and Auditor General

I am required under section 31 of the Digital Hub Development Agency Act 2003 to audit the financial statements of the Digital Hub Development Agency and to report thereon to the Houses of the Oireachtas.

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

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

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Digital Hub Development Agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Digital Hub Development Agency to cease to continue as a going concern.
- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Information other than the financial statements**

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

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

**Reporting on other matters**

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

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

I also report by exception if, in my opinion,

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

# STATEMENT OF INCOME AND EXPENDITURE AND RETAINED REVENUE RESERVES

FOR THE YEAR ENDED 31ST DECEMBER 2020

	Note	2020 €	2019 €
<b>Income</b>			
Commercial and Other Income		2,516,290	3,166,035
Exchequer Grants	4	1,095,000	682,000
		<b>3,611,290</b>	<b>3,848,035</b>
<b>Expenditure</b>			
Staff Related Costs	5	1,277,478	1,090,908
Operations, General and Administration Costs	6	2,561,458	2,957,416
Community Liaison	7	79,152	67,614
Digital Initiatives	8	47,833	78,991
		<b>3,965,921</b>	<b>4,194,929</b>
<b>(Deficit)/ Surplus from Operating Activities</b>		<b>(354,631)</b>	<b>(346,894)</b>
Increase in value of Property, Plant and Equipment previously recognised as impairment	9	3,465,366	1,285,965
Movement in fair value of Investment Properties	10	(2,140,521)	374,773
Corporation Tax	12	(29,189)	(74,592)
<b>Surplus for Year</b>		<b>941,025</b>	<b>1,239,252</b>
Balance at 1 January		(6,747,900)	(7,987,152)
Balance at 31 December		(5,806,875)	(6,747,900)

The Statement of Cash Flows and Notes 1 to 19 form part of the financial statements.

Signed on behalf of the Board:

**Paul Holden**  
Chair

**Fiach Mac Conghail**  
Chief Executive Officer

**30th July 2021**

# STATEMENT OF COMPREHENSIVE INCOME

## FOR THE YEAR ENDED 31ST DECEMBER 2020

	Note	2021 €	2019 €
<b>Surplus for Year</b>		<b>941,025</b>	<b>1,239,252</b>
Actuarial Gains/(Losses) on Pension Liabilities	16(c)	(444,000)	(884,000)
Adjustment to Deferred Pension Funding		444,000	884,000
<b>Total Recognised Gains for the year</b>		<b>941,025</b>	<b>1,239,252</b>

The Statement of Cash Flows and Notes 1 to 19 form part of the financial statements.

Signed on behalf of the Board:

**Paul Holden**

Chair

**Fiach Mac Conghail**

Chief Executive Officer

**30th July 2021**

# STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER 2020

	Note	2020 €	2019 €
<b>Fixed Assets</b>			
Property, Plant and Equipment	9	35,273,926	31,771,097
Investment Properties	10	19,801,404	21,775,000
		<b>55,075,330</b>	<b>53,546,097</b>
<b>Current Assets</b>			
Receivables	13	299,193	609,104
Cash and Cash Equivalents		1,710,846	1,778,797
		<b>2,010,039</b>	<b>2,387,901</b>
<b>Current Liabilities</b>			
Payables (amounts falling due within one year)	14	(1,733,669)	(1,623,323)
<b>Net Current Assets Less Liabilities</b>		<b>276,370</b>	<b>764,578</b>
<b>Total Assets Less Liabilities before Pensions</b>		<b>55,351,700</b>	<b>54,310,675</b>
Deferred Pension Funding	16(c)	4,300,000	4,480,000
Pension Liabilities	16(c)	(4,300,000)	(4,480,000)
<b>Total Net Assets</b>		<b>55,351,700</b>	<b>54,310,675</b>
<b>Represented by:</b>			
Capital Account	15	61,158,575	61,058,575
Retained Revenue Reserves		(5,806,875)	(6,747,900)
		<b>55,351,700</b>	<b>54,310,675</b>

The Statement of Cash Flows and Notes 1 to 19 form part of the financial statements.

Signed on behalf of the Board:

**Paul Holden**  
Chair

**Fiach Mac Conghail**  
Chief Executive Officer

30th July 2021

# STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED 31ST DECEMBER 2020

	Note	2020 €	2019 €
<b>Cash Flows from Operating Activities</b>			
Surplus from Operating Activities		941,025	1,239,252
Depreciation		72,657	77,404
Revaluation of Properties	9	(3,465,366)	(1,285,965)
Revaluation of Investment Properties	10	2,140,521	(374,773)
Increase/(Decrease) in Receivables	13	309,911	(207,631)
Increase/(Decrease) in Payables	14	110,346	136,131
Bank Interest		(187)	-
<b>Net Cash Flows from Operating Activities</b>		<b>108,907</b>	<b>(415,582)</b>
<b>Cash Flows from Investing Activities</b>			
Payments to acquire Property, Plant and Equipment		(110,120)	(128,149)
Payments to acquire Investment Properties		(166,925)	(200,227)
<b>Net Cash Flows from Investing Activities</b>		<b>(277,045)</b>	<b>(328,376)</b>
<b>Cash Flows from Financing Activities</b>			
Bank Interest Received		187	-
Capital Funding	15	100,000	100,000
<b>Net Cash Flows from Financing Activities</b>		<b>100,187</b>	<b>100,000</b>
<b>Net Decrease in Cash and Cash Equivalents</b>		<b>(67,951)</b>	<b>(643,958)</b>
Cash and Cash Equivalents at 1 January		1,778,797	2,422,755
<b>Cash and Cash Equivalents at 31 December</b>		<b>1,710,846</b>	<b>1,778,797</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31ST DECEMBER 2020

### 1. Accounting Policies

The Digital Hub Development Agency was set up under The Digital Hub Development Agency Act 2003, with the project office located in the Digital Hub, Roe Lane, Dublin 8.

The basis of accounting and significant accounting policies adopted by the Digital Hub Development Agency are set out below. They have all been applied consistently throughout the year and for the preceding year.

#### a. General Information

The primary functions of the Digital Hub Development Agency as set out in Section 8 of that Act are as follows:

- i. procure, secure the provision of and to promote and facilitate the development, including the carrying out of construction or maintenance works, of the Digital Hub as a location for digital enterprises and related activities;
- ii. formulate strategies to encourage individuals and enterprises engaged in digital content and related activities to locate in the Digital Hub;
- iii. promote and facilitate the procurement of technical and communications infrastructure to attract digital enterprises to the Digital Hub;
- iv. prepare a development plan in accordance with Section 9;
- v. prepare estimates of the costs of implementation of the development plan and propose possible funding options;
- vi. oversee and manage implementation of the development plan;
- vii. consult with local community interests in or adjacent to the Digital Hub as part of the implementation of the development plan;
- viii. enter into agreements with other persons in order to secure the development of the Digital Hub whether by means of a concession, joint venture, public private partnership or any other means;
- ix. enter, where appropriate, into an agreement with a person who has arranged or provided funding for the carrying out of any part of the development of the Digital Hub.

The Digital Hub Development Agency is a Public Benefit Entity (PBE).

#### b. Statement of Compliance

The financial statements of the Digital Hub Development Agency for the year ended 31 December 2020 and the prior year 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.

### c. Basis of Preparation

The financial statements have been prepared under the accruals method of accounting, except for Exchequer Grants and for certain assets and liabilities that are measured at fair values as explained in the accounting policies below. The financial statements are in the form approved by the Minister for the Environment, Climate & Communications with the concurrence of the Minister for Finance under the Digital Hub Development Agency Act 2003. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements of the Digital Hub Development Agency.

### d. Revenue

#### *Exchequer Grants*

Revenue is generally recognised on an accruals basis; one exception to this is in the case of Exchequer Grants which are recognised on a cash receipts basis.

#### *Commercial Income and Other Income*

Commercial and other income is recognised on an accruals basis. Unearned revenue is recorded as deferred income and is transferred to the Statement of Income and Expenditure and Retained Revenue Reserves when earned.

#### *Interest Income*

Interest income is recognised on an accruals basis using the effective interest rate method.

### e. Property, Plant and Equipment

#### i. Development Assets

Development assets consist of land and buildings owned by the Agency to be used for the purpose of developing a centre of innovative technology-based enterprise. Upon development, the assets are accounted for as Investment Properties.

Development Assets are treated as Property, Plant and Equipment and are measured using the revaluation model. Where the assets carrying amount is increased as a result of revaluation, the increase is recognised in the Statement of Comprehensive Income. Where the increase reverses a revaluation decrease previously recognised for the relevant assets in the Statement of Income and Expenditure and Retained Reserves, it is recognised in the Statement of Income and Expenditure and Retained Revenue Reserves.

#### ii. Fixtures & Fittings and Computer Equipment

Fixtures & Fittings and Computer Equipment are stated at cost less accumulated depreciation, adjusted for any provision for impairment. Depreciation is provided at rates estimated to write off the cost less the estimated residual value of each asset on a straight line basis over their estimated useful lives, as follows:

Fixtures and Fittings	20% per annum
Computer Equipment	33⅓% per annum

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

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

## **f. Investment Properties**

Investment Properties are properties on which development has been completed and which are retained by DHDA for the purpose of their investment potential and rental generation.

Investment properties are initially recognised at cost. Investment properties whose fair value can be measured reliably are measured at fair value. Changes in fair value are recognised in the Statement of Income and Expenditure and Retained Revenue Reserves.

## **g. Receivables**

Receivables are recognised at fair value, less a provision for doubtful debts. The provision for doubtful debts is a specific provision, and is established when there is objective evidence that DHDA will not be able to collect all amounts owed to it. All movements in the provision for doubtful debts are recognised in the Statement of Income and Expenditure and Retained Revenue Reserves.

## **h. Operating Leases**

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

## **i. Employee Benefits**

### ***Short-term Benefits***

Short term benefits such as holiday pay are recognised as an expense in the year, and benefits accrued at year-end are included under Payables in the Statement of Financial Position.

### ***Retirement Benefits***

Digital Hub Development Agency operates a defined benefit pension scheme.

DHDA has an arrangement with the Department of the Environment, Climate & Communications (DECC) under which DHDA will be reimbursed all monies required to settle pension obligations when they fall due. In return, DHDA is required to pay DECC an amount equal to employee contributions for the year plus an employer contribution at rates set by the Department of Public Expenditure & Reform. Pension costs reflect pension benefits earned by DHDA staff in the period and are shown net of employee pension contributions, which are retained by DECC. An amount equal to the benefits earned by staff is recognised as deferred funding in line with the reimbursement arrangement set out above.

Pension scheme liabilities represented by the present value of future pension payments earned by DHDA staff to date are measured on an actuarial basis using the projected unit method (if appropriate). The amount to be included in the financial statements for the Deferred Pension Funding amount is estimated at an amount equal to the estimate of the obligation for the pension scheme liabilities.

The Agency also operates the Single Public Service Pension Scheme ('Single Scheme') for staff who commenced public sector employment on or after 1 January 2013. Single scheme members' contributions and an Employer contribution (as required under DPER circular 28/2016) are paid over to the Department of Public Expenditure & Reform. The retirement benefit charge in respect of the Single Scheme is the Employer contribution.

### **j. Deferred Tax**

In accordance with FRS 102, the Digital Hub Development Agency provides for deferred tax on a 'full provision' basis arising from timing differences between the recognition of gains or losses in the financial statements and their recognition in a tax computation. Deferred tax balances are not discounted as it is considered that the effect of discounting would not be material.

### **k. Capital Account**

Capital Account represents the value of assets transferred to the Agency on its establishment and thereafter plus other capital funding and grants received.

## **2. Critical Accounting Judgements and Estimates**

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

#### ***Depreciation and Residual Values***

The DHDA 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 fixtures & fittings and computer equipment, and have concluded that asset lives and residual values are appropriate.

#### ***Retirement Benefit Obligation***

The assumptions underlying the actuarial valuations from 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 pension and post-retirement plans.

#### ***The assumptions can be affected by:***

- (i) the discount rate, changes in the rate of return on high-quality corporate bonds;
- (ii) future compensation levels, future labour market conditions;
- (iii) health care cost trend rates, the rate of medical cost inflation in the relevant regions.

## **3. Going Concern and Future Development**

DHDA currently meets its operational costs from a mix of Exchequer grants and commercial income. The Covid 19 pandemic has materially affected and reduced the commercial income of DHDA in 2020 and this has continued into 2021.

In April 2021, the Government decided to dissolve the DHDA and that all of its land and property assets are to be transferred to the Land Development Agency. Legislation is required to give effect to the decision.

The Department of the Environment, Climate & Communications has provided a letter of support reaffirming its commitment to provide Exchequer funding to assist the Agency in discharging its costs for the remainder of 2021 and the period required in 2022 to facilitate its orderly wind down.

In the circumstances described above, the Board is satisfied that the Agency will be able to meet its financial obligations as they fall due, and considers therefore that it is appropriate to prepare these accounts on a going concern basis. The Agency continues to value its investment and development assets in accordance with its accounting policies.

#### 4. Exchequer Grants

DHDA confirms that it has adequate financial control systems in place to manage granted funds as per guidelines under the Department of Public Expenditure & Reform Circular 13/2014.

Grants received from the Department of the Environment, Climate & Communications made under Section 29 of the Digital Hub Development Agency Act 2003 (Vote 29: Subhead A4) for the purposes of expenditure by the Agency in the performance of its functions were as follows:

	2020 €	2019 €
<b>Current</b>		
Operations	943,000	530,000
Community Liaison	70,000	70,000
Digital Initiatives	82,000	82,000
Management & Security of Undeveloped Properties	-	-
	<b>1,095,000</b>	<b>682,000</b>
<b>Capital</b>		
Development Works and management of derelict sites*	100,000	100,000

\* Infrastructure maintenance Exchequer funding received and capitalized.

## 5. Staff Related Costs

### a. Aggregate Employee Benefits

The average number of persons employed by DHDA during the year was 14 (2019: 11). In addition, the DHDA retained the services of one third party agency administrative staff. The aggregate payroll costs were as follows:

	2020 €	2019 €
<b>Short-term benefits</b>		
Salaried Staff	935,152	707,348
Third party agency Staff	29,370	75,021
Secondment Staff	23,948	52,505
Board Member fees	58,140	47,010
Employer's PRSI	97,944	79,976
Employer's Pension Contribution	132,924	129,048
	<b>1,277,478</b>	<b>1,090,908</b>

### b. Staff Short-Term Benefits

	2020 €	2019 €
Salary	935,152	707,348
Allowances	-	-
Termination Benefits	-	-
Health Insurance	-	-
	<b>935,152</b>	<b>707,348</b>

### c. Key Management Personnel

Key management personnel in DHDA consists of the members of the Board, the Chief Executive Officer and the Chief Financial Officer. The total value of employee benefits for key management personnel is €274,545 in 2020 (€278,572 in 2019).

This does not include the value of retirement benefits earned in the period. The non-executive Board Members are not members of the pension scheme. The Chief Executive Officer is a member of the DHDA Superannuation Pension Scheme and the Chief Financial Officer is a member of the Single Public Service Pension Scheme.

### d. Chief Executive Officer Salary and Benefits

The Chief Executive Officer remuneration package for the financial period was €115,222 for 2020 (2019: €110,509).

The Chief Executive Officer is a member of the DHDA Superannuation Pension Scheme and his entitlements in that regard do not extend beyond the terms of the model public service pension scheme. The value of retirement benefits earned in the period is not included above.

- e. DHDA adheres to Government pay policy and the terms of the Lansdowne Road Agreement which took effect from 1st July 2016. In 2020, an amount of €18,581 was deducted from payroll in respect of the additional superannuation contribution and paid over to the Department of the Environment, Climate & Communications (2019: €22,027). In 2020, expenditure of €3,250 (2019: €3,250) was awarded to staff as employee recognition.

Additional staff related costs totalling €786 (2019: €1,956) were incurred in respect of staff events.

**f. Salaried Staff Breakdown (above €60,000)**

	No. of employees 2020	No. of employees 2019
€60,000 to €69,999	2	1
€70,000 to €79,999	2	1
€80,000 to €89,999	-	1
€90,000 to €99,999	-	-
€100,000 to €109,999	1	-
€110,000 to €119,999	2	2
€120,000 to €129,999	-	-

## 6. Operations, General and Administration Costs

	2020 €	2019 €
Travel & Subsistence	1,706	3,732
Property-Related Costs	1,602,561	1,684,017
Insurance	121,559	95,188
Marketing-Related Costs	34,053	64,069
Property Development-Related Costs	37,531	107,605
Vacant Site Levy (see Note 6.1)	227,500	227,500
Professional Services (see Note 6.2)	244,426	280,224
Office Overheads (See Note 6.3)	206,526	158,069
Networking Events (Agency's contribution) (See Note 6.4)	1,558	400
Tax penalty	(2,257)	94,652
Audit Fee	12,356	12,481
Depreciation (see Note 9)	72,657	77,404
Bad Debts	-	150,157
Bank Charges	1,282	1,918
	<b>2,561,458</b>	<b>2,957,416</b>

### 6.1 Vacant Site Levy

The campus is made up of development and investment properties including a number of derelict industrial sites. For the financial year ended 31 December 2019 and 2020 the vacant site levy (VSL) rate payable was 7% of the value of site and the VSL amounted to €227,500 per annum. This was paid in full in February 2020 and February 2021 respectively. The VSL remains payable for each subsequent year that the site is deemed vacant by Dublin City Council. While the DHDA makes every effort to ensure that levies are kept to a minimum, the Agency does not have the resources required to develop the sites on its own. In that regard the level of VSL imposed on the DHDA is outside of its direct control.

## 6.2 Professional Services

	2020 €	2019 €
Recruitment	10,172	25,460
Property Valuation	7,078	6,200
Legal / Internal Audit / Taxation	100,714	133,100
PR / Public Affairs	47,877	66,551
Digital Content Services	-	15,134
Other Services	78,585	33,779
	<b>244,426</b>	<b>280,224</b>

## 6.3 Office Overheads

Office Overheads include one non-cancellable operating lease with the total amount due for the remaining contract period as follows: €2,578 within one year.

## 6.4 Networking Events

DHDA's policy on networking events ensures that a high standard of probity and accountability is maintained and that instances where expenditure is incurred on food and/or drink are managed responsibly and with business purpose.

## 7. Community Liaison

Relates to the cost of providing local community programmes.

	2020 €	2019 €
Programme Delivery	29,308	29,311
Furniture & Equipment	-	8,999
Other Costs	49,844	29,304
	<b>79,152</b>	<b>67,614</b>
Included in fixed assets	-	3,563
	<b>79,152</b>	<b>71,177</b>

## 8. Digital Initiatives

Relates to the cost of digital projects and initiatives which provide a test-bed for use of digital media.

	2020 €	2019 €
Future Creators	47,833	78,991
	<b>47,833</b>	<b>78,991</b>

## 9. Property, Plant and Equipment

	Development Assets €	Fixtures & Fittings €	Computer Equipment €	Total €
<b>Cost/Valuation</b>				
at 1 January 2020	31,625,000	2,807,737	1,325,120	35,757,857
Additions	8,242	84,886	16,992	110,120
Revaluation	3,465,366	-	-	3,465,366
<b>At 31 December 2020</b>	<b>35,098,608</b>	<b>2,892,623</b>	<b>1,342,112</b>	<b>39,333,343</b>
<b>Depreciation</b>				
at 1 January 2020	-	2,705,441	1,281,319	3,986,760
Charge for year	-	41,685	30,972	72,657
<b>At 31 December 2020</b>	<b>-</b>	<b>2,747,126</b>	<b>1,312,291</b>	<b>4,059,417</b>
<b>Net Book Value</b>				
at 1 January 2020	31,625,000	102,296	43,801	31,771,097
<b>at 31 December 2020</b>	<b>35,098,608</b>	<b>145,497</b>	<b>29,821</b>	<b>35,273,926</b>

## 10. Investment Properties

The movement in the carrying value of the assets held as Investment Properties is set out below.

	31 Dec 2019 €	Additions €	Disposal €	Reclass €	Revalue €	31 Dec 2020 €
<b>Investment Properties</b>						
Digital Depot	5,750,000	127,948	-	-	(727,948)	5,150,000
Gatelodge	825,000	15,854	-	-	(90,854)	750,000
Digital Court	4,800,000	1,404	-	-	(501,404)	4,300,000
10-13 Thomas Street	1,450,000	1,404	-	-	(150,000)	1,301,404
157 Thomas Street	1,900,000	1,404	-	-	(201,404)	1,700,000
85-87 Thomas Street	750,000	-	-	-	(50,000)	700,000
Townhouse Twenty2	1,450,000	1,404	-	-	(151,404)	1,300,000
Bonham Street car spaces	600,000	-	-	-	(50,000)	550,000
Grainstore	4,250,000	17,507	-	-	(217,507)	4,050,000
	<b>21,775,000</b>	<b>166,925</b>	<b>-</b>	<b>-</b>	<b>(2,140,521)</b>	<b>19,801,404</b>

## 11. Revaluation of Properties

- i. Every five years, DHDA has engaged a professional firm of valuers to carry out an independent valuation of the Agency's properties. In the interim period, DHDA has valued its properties by reference to general property market indices and/or professional opinion.

- ii. Due to movements in property values in 2018 and 2019, independent valuations were conducted by a professional firm of valuers as at 31 December 2018 and 31 December 2019 which resulted in material revaluation gains including the reversal of prior impairment charges.
- iii. The valuation was determined on the basis of rental income while taking account of the short-term nature of the various licences and leases, the location, the condition of the properties and general market conditions.
- iv. DHDA is restricted to using the relevant properties for digital enterprises and mixed development purposes. This was taken into account in determining the valuations.

### Development Assets

As outlined in the Accounting Policies, Development Assets are valued using the revaluation model.

The independent valuation of the Development Assets as at 31 December 2020 resulted in an overall upward revaluation of €3,465,366.

The upward revaluation reversed a valuation decrease previously charged against profit. Accordingly, the net movement in the fair value of Development Assets was recognised in the Statement of Income and Expenditure and Retained Revenue Reserves for the year ended 31 December 2020.

### Investment Properties

The independent valuation of the Investment Properties as at 31 December 2020 resulted in an overall downward revaluation of €2,140,521 which was recognised in the Statement of Income and Expenditure and Retained Revenue Reserves for the year ended 31 December 2020.

## 12. Taxation

DHDA is liable to Corporation Tax in respect of interest income (Case III/IV) and rental income (Case V). DHDA also provides for Deferred Tax on a 'full provision' basis arising from timing differences between the recognition of gains or losses in the financial statements and their recognition in a tax computation.

### a. Taxation charged / (credited) to the Income and Expenditure Account was as follows:

	2020 €	2019 €
<b>Current tax:</b>		
Irish tax on profits of the financial year	49,636	80,997
<b>Total current tax</b>	<b>49,636</b>	<b>80,997</b>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(9,932)	(6,405)
Overprovision in prior years	(10,515)	
<b>Total deferred tax</b>	<b>(20,447)</b>	<b>(6,405)</b>
<b>Total tax</b>	<b>29,189</b>	<b>74,592</b>

Section 610 of the Taxes Consolidation Act 1997 (Schedule 15) provides an exemption to DHDA from Capital Gains Tax on disposals made on or after 1st January 2008. For all other tax liabilities, the Digital Hub

Development Agency strives to be exemplary in its compliance with taxation laws and in accordance with its tax obligations.

- b. Reconciliation between tax expense included in profit and loss and profit on ordinary activities before tax multiplied by the applicable tax rate:

The tax assessed for the financial year is different to the standard rate of corporation tax in Ireland (25%). The differences are explained below:

	2020 €	2019 €
Surplus on ordinary activities before tax	970,214	1,313,844
Profit on ordinary activities multiplied by applicable rate of tax in the ROI of 25% (2019 25%)	242,554	328,461
<b>Effects of:</b>		
Expenditure not deductible	142,208	170,744
Capital allowances in excess of depreciation	(3,856)	(3,024)
Deferred tax	(9,932)	(6,405)
Impairment reversal (not subject to tax)	-	(321,491)
Movement in fair value of Investment Properties (not subject to tax)	(331,208)	(93,693)
Overprovision in prior years	(10,515)	
Income tax withheld	(62)	
<b>Tax on profit on ordinary activities (note 12(a))</b>	<b>29,189</b>	<b>74,592</b>

### 13. Receivables

	2020 €	2019 €	
Rental Receivables	64,521	335,822	
Corporation Tax	1,926	27,078	
Other Receivables & Prepayments	158,886	100,650	
Deferred Tax Asset*	34,575	24,643	
Accrued Income	4,091	99,608	
VAT	35,194	10,943	
PAYE		10,360	
	<b>299,193</b>	<b>609,104</b>	
<b>*Deferred Tax Asset</b>			
On Fixtures & Fittings	34,575	24,643	
<b>Movement in temporary differences during the year</b>	<b>Balance 31 Dec 2019 €</b>	<b>Recognised in I&amp;E €</b>	<b>Balance 31 Dec 2020 €</b>
On Fixtures & Fittings	24,643	9,932	34,575

**14. Payables (amounts falling due within one year)**

	<b>2020</b> €	<b>2019</b> €
Payables and Accruals – Operations	523,310	230,693
– Property Development	789,322	759,411
PSWT and Relevant Contracts Tax	8,463	22,444
Sundry Deductions	73,751	13,988
Holiday Pay Accrual	13,008	3,206
Tenants' Security Deposits	278,281	482,849
Tax Penalty		94,651
Deferred Income	12,956	16,081
Paye and PRSI	34,578	
<b>Total</b>	<b>1,733,669</b>	<b>1,623,323</b>

**15. Capital Account**

		<b>2020</b> €	<b>2019</b> €
1 Jan	Opening Balance	61,058,575	60,958,575
	Funding: Exchequer		
	- Development Works	100,000	100,000
31 Dec	Closing Balance	61,158,575	61,058,575

**16. Pension Costs****a. Pension Scheme**

Under Section 21 of the Digital Hub Development Agency Act 2003, DHDA provides a scheme for the granting of superannuation benefits to and in respect of its staff members, subject to Ministerial approval. DHDA's Superannuation Scheme and Spouses and Children's Pension Scheme were operated on an approved 'administrative basis' until formally sanctioned on 27th March 2017 by the Minister for the Environment, Climate & Communications with the consent of the Minister for Public Expenditure & Reform. The Superannuation scheme provides retirement benefits (lump sum and pension) and death gratuity benefits in respect of death in service. The Spouses and Children's Pension scheme provides pension benefits for surviving spouses and dependent children of deceased members. The benefits payable to members of the Single scheme are provided for under the terms of that scheme under the management of DPER. Both schemes are unfunded defined benefit superannuation schemes.

Pension levies are deducted from salaries and paid over to the Department of the Environment, Climate & Communications annually together with the employer contribution. Under the arrangement in place, DECC will reimburse in full the pension liability of the Agency as and when those liabilities fall due. DHDA recognises its right to the reimbursement as a separate asset.

The Board has adapted the treatment and disclosures required by the accounting standard, Financial Reporting Standard 102 (Retirement Benefits) to reflect the arrangements in operation. The FRS 102 pension liability at 31st December 2020 is €4,300,000 (2019: €4,480,000).

The results set out below are based on an actuarial valuation of the pension liabilities in respect of Agency staff as at 31st December 2020. This valuation was carried out by a qualified independent actuary for the purposes of FRS 102.

## b. Financial Assumptions

The financial assumptions used to calculate scheme liabilities under FRS 102 are:

	2020	2019
Discount rate	.80%	1.00%
Salary rate increase	2.50%	2.50%
Pension rate increase	2.00%	2.50%
Inflation rate increase	1.75%	1.75%
Life expectancy at age 65: Male	21.7 years	21.5 years
Life expectancy at age 65: Female	24.1 years	23.9 years

## c. Pension Costs

### i. Analysis of total pension costs charged to expenditure

Pensions Cost of €132,924 charged to the Income and Expenditure Account is in accordance with funding arrangements agreed with DECC. In the absence of the reimbursement arrangement, the impact on costs would have been:

	2020 €	2019 €
Employer Contributions (Main scheme)	48,383	56,483
Employer Contributions (SPSP scheme)	84,541	72,565
Current service cost *	220,000	187,000
Interest Costs	47,000	67,000
Adjustment to Deferred Exchequer Pension Funding	(267,000)	(254,000)
	<b>132,924</b>	<b>129,048</b>

\* Employee contribution of €42,718 (2019: €46,104) has been included in the calculation of the current service cost.

### ii. Movement in Net Pension Liability

	2020 €	2019 €
Net Pension Liability at 1 January	4,480,000	3,350,000
Current Service Cost	220,000	187,000
Interest Cost	47,000	67,000
Actuarial (gain)/loss on scheme liabilities	(444,000)	884,000
Pensions paid in year	(3,000)	(8,000)
Net Pension Liability at 31 December	4,300,000	4,480,000

## **17. Related Party Disclosures**

Key management personnel in DHDA consist of the Chief Executive Officer, Chief Financial Officer and members of the Board. Total compensation paid to key management personnel, including Board members' fees and expenses and total Chief Executive Officer remuneration, amounted to €275,792 (2019: €280,253).

## **18. Post Balance Sheet Events**

Subsequent to the year end, there was a government decision to dissolve the company and to transfer DHDA properties to The Land Development Agency.

Due to the evolving nature of the Covid-19 pandemic, it is not possible at the date of issue of these financial statements to estimate with absolute certainty its future financial impact on the Agency other than it is likely to have a material impact on its expected commercial income for an unknown period. The Board will continue to monitor the impact on the Agency's activities.

There have been no other significant events after the reporting period, which would require revision of the figures or disclosure in the financial statements.

## **19. Approval of Financial Statements**

The Financial Statements were approved by the Board on 29th July 2021.

## APPENDIX ONE

# 2020 PROTECTED DISCLOSURES ANNUAL REPORT

Annual Report of the Digital Hub Development Agency under the Protected Disclosures Act, 2014

Section 22 of the Protected Disclosures Act 2014 requires the publication of an Annual Report each year relating to the number of protected disclosures made in the preceding year and any actions taken in response to such disclosures.

Pursuant to this requirement, the Digital Hub Development Agency confirms that no reports were received or are under investigation in accordance with the provisions of the Protected Disclosures Act, 2014 for the financial year from 1st January 2020 to 31st December 2020.





## THE DIGITAL HUB

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**An Roinn Comhshaoil,  
Aeráide agus Cumarsáide**  
Department of the Environment,  
Climate and Communications