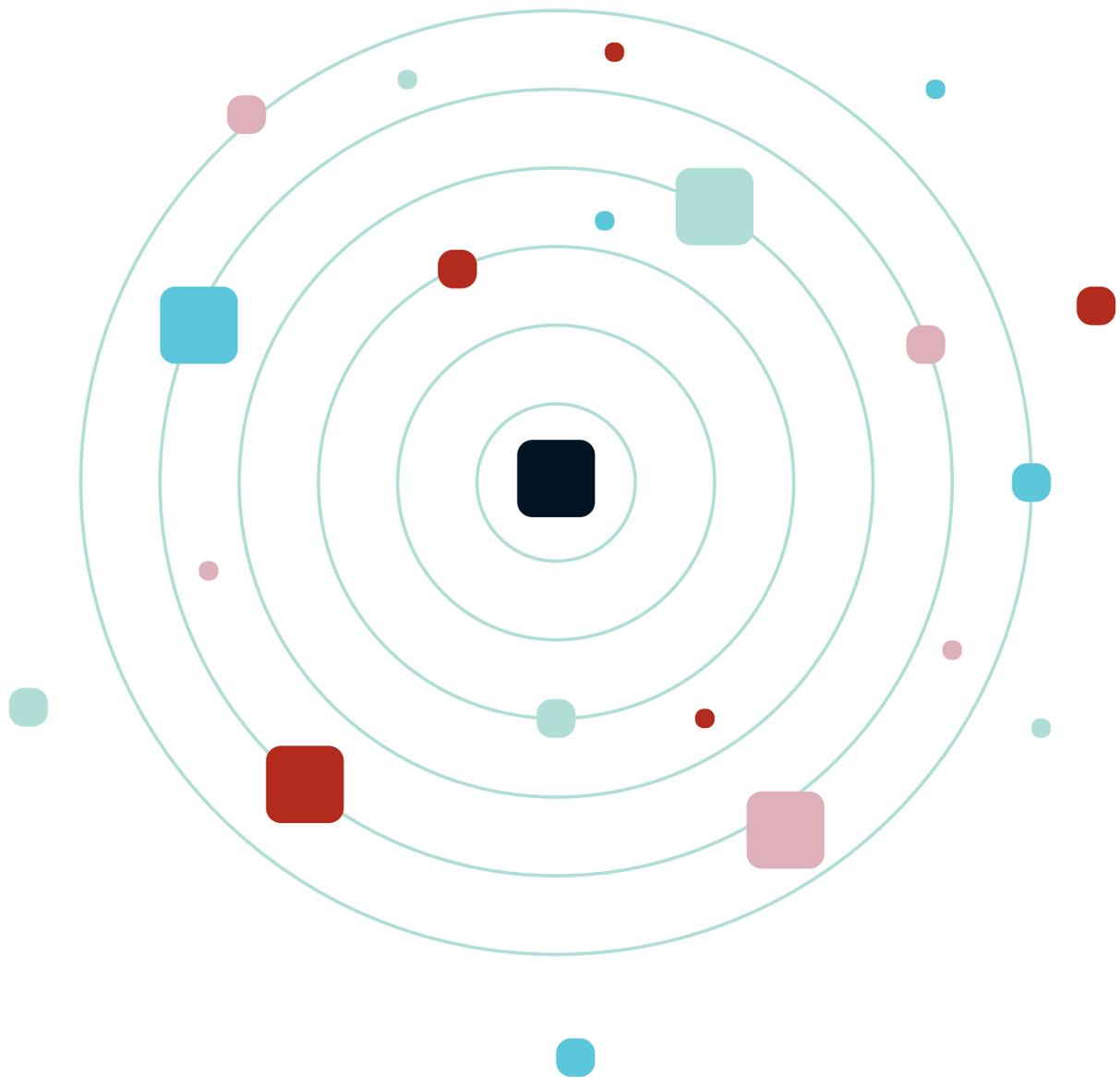


# The Digital Hub Annual Report 2021





## **Contents**

1. Chairman's Statement	4
2. CEO Report	6
3. Dissolution	8
4. Work of the DHDA	9
5. Companies operating in The Digital Hub on 31st December 2021	20
6. The Board	21
7. Corporate Governance	22
8. Protected Disclosures Annual Report 2021	24
9. Financial Statements	25

# Chairman's Statement

As Chair of The Digital Hub Development Agency (DHDA), I present the Annual Report and Financial Statements for 2021.

Throughout 2021, the DHDA worked hard to deal with two separate disruptions to 'business as usual'. The first was the continuing global Covid-19 pandemic, which not only negatively impacted on the commercial income the Agency was able to generate during the year, but also brought about considerable changes in working practices, the long-term effects of which remain uncertain. The Agency responded quickly and creatively to adapt its offerings to clients and to introduce new facilities suited both to the immediate needs and to the changing work landscape. While much remains uncertain, the initial indications are that The Digital Hub continues to be an attractive location for digital enterprise focused on significant societal challenges, such as health and well-being, and climate action.

The announcement in April 2021 that the Agency is to be dissolved introduced a further level of uncertainty that posed challenges in attracting and retaining clients. This was considerably alleviated in November, when the Digital Hub Development Agency was granted Ministerial consent to issuing licences and leases to client companies pending the redevelopment of the campus by the Land Development Agency (LDA). As it is likely that the transfer of the property to the LDA will take some time, we expect that the enterprise cluster in The Digital Hub will continue to grow and thrive in the years ahead.

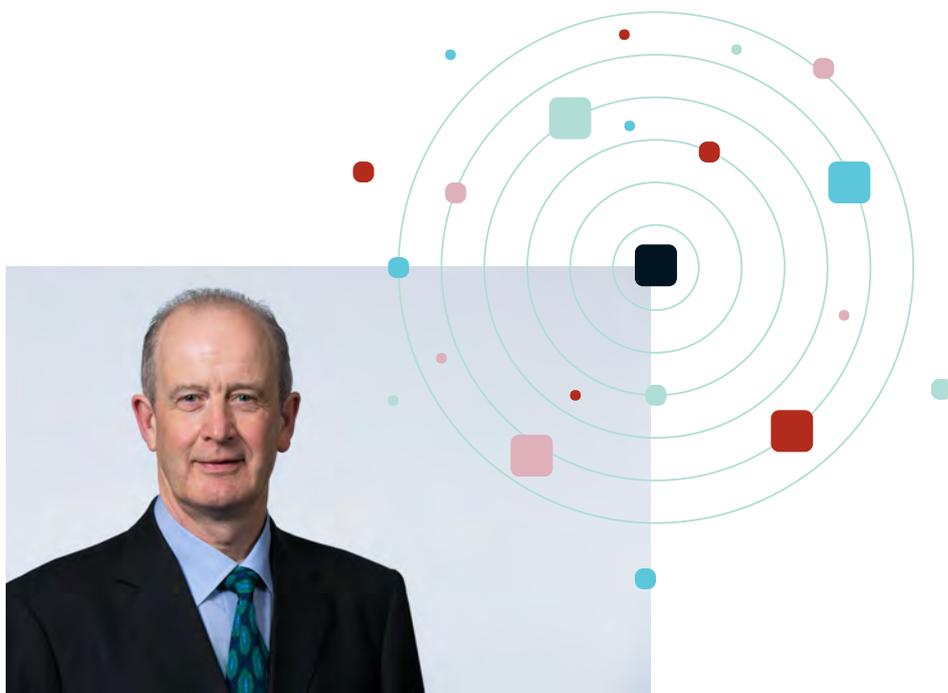
The Memorandum of Understanding that the DHDA signed with the Land Development Agency in 2020 (prior to the decision to dissolve the DHDA) envisaged the entire campus being developed as part of an integrated, sustainable city quarter, incorporating social and affordable housing, enterprise space, retail outlets, and amenity facilities, and in which sufficient office space would be provided for The Digital Hub to no longer rely on Exchequer funding. Both agencies envisaged the continuation of the community engagement programmes that have been a significant part of the DHDA's success. As we work with the Land Development Agency over the coming months, we will try to

ensure that this vision is kept alive, and that the regeneration of the area is planned and executed in a way that benefits all those who live, work and recreate in Dublin 8, and that the creativity and energy of the enterprise base continue to make a positive contribution to Irish society.

I commend and thank the staff of the Agency for their work throughout 2021 and in particular, the CEO, Fiach Mac Conghail. I am also grateful for the guidance, assistance and hard work of my colleagues on the Board of the Agency. In particular, I would like to thank Ann Markey and Michael Conlon, whose term of office expired during the year; both of them contributed significantly to the work of the Board throughout their term.

In conclusion, I thank the Minister for the Environment, Climate & Communications and the officials in his Department for their support in 2021, and I look forward to continued cooperation in 2022.

Paul Holden  
Chair



# CEO Report

**At the start of 2021, we hoped for a return to normality, collegiality in shared spaces and an economic boost to communities in need of respite following a challenging 2020.**

However, the COVID-19 pandemic continued to disrupt business, as restrictions were several times imposed and lifted, but I am delighted to say that the community spirit that has been fostered in The Digital Hub over many years remained as strong as ever.

Our campus remained open throughout the year, albeit at reduced capacity and with the necessary health and safety precautions in place, to support our companies and the range of community and learning initiatives. At this point, I must pay huge credit to the staff of The Digital Hub who again showed an incredible level of resilience and adaptability in the face of challenges brought on by the pandemic.

2021 was also a significant year in the history of The Digital Hub. It was the year in which it was determined that the Digital Hub Development Agency (DHDA) would be dissolved, and the lands are to be transferred to the Land Development Agency (LDA) to be redeveloped under a master plan, which is currently being drawn up.

We were disappointed that the Government decided that the Agency is to be dissolved, as the vision we shared with the LDA was to create a sustainable urban quarter in the Liberties, with The Digital Hub enterprise cluster at its heart.

Our task now is to prepare for the implementation of the decision to dissolve the DHDA, while ensuring that the value created in The Digital Hub is preserved and enhanced, and that the enterprise cluster continues to grow and thrive, as it increasingly focuses on urgent societal challenges such as e-health and climate action.

While the planning and preparation for this transfer is underway, I am pleased to confirm that The Digital Hub will remain as a location of choice for businesses and creatives in need of vibrant, affordable office space in the Liberties until at least 2025. I can also reassure our neighbours that we will continue our extensive community and social engagement programmes in 2022, alongside our other operations.

The pandemic has changed how we will approach the world of work in future, and The Digital Hub is adapting by future-proofing the options we offer to prospective member companies, offering greater flexibility with space and leases.

I am proud to report on a number of significant activities which took place in 2021, either at our campus or in which we were directly involved.

- **Smart D8, a unique community health project drawing together expertise in health and wellbeing from around Dublin, was officially launched.**
- **We saw a number of pilot projects from Smart D8 take place, which will lead to tangible positive outcomes for the health and wellbeing of those in Dublin 8. Civic Dollars is trialling innovative ways to boost exercise in Dublin 8 parks through community currency incentives, while Heart of Our City is aiming to improve cardiovascular health.**
- **Our campus has been transformed with the help of Pocket Forests and the establishment of Ireland's first native tree nursery in a city location. This nursery will supply native Irish trees to locations around Dublin 8, improving biodiversity and adding much-needed greenery to our area. In the same vein, we are also hosting a community garden, complete with beehives, with the Robert Emmet CDP, bringing to six the total number of beehives on the campus.**
- **We continued to facilitate a range of learning and community initiatives throughout the year, from our D8 Surfers Club to drone education for local schoolchildren and our partnership with the Virgin Media Dublin International Film Festival, now into its 3rd year.**
- **Our Artist in Residence programme continues to be a highlight at the intersection of art and technology. In 2021 we welcomed Seoidín O'Sullivan, while Elaine Hoey finished her residency by co-convening the inaugural In Public Digital Cultures webinar series in partnership with NCAD.**

These initiatives, and many others described within these pages, have weathered the storm of restrictions for a second year in a row and remain a key part of our unique approach.

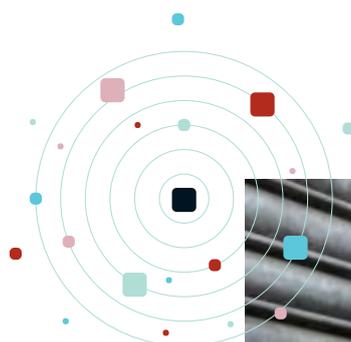
Equality, Diversity, and Inclusion (EDI) remains a key pillar for us, and despite the challenges posed in 2021, we made considerable progress in implementing our EDI plan, as detailed in this report.

I would like to thank our many valued stakeholders who support 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, The Digital Hub's member companies, and the local community.

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

Fiach Mac Conghail  
Chief Executive Officer



# Dissolution

In 2021 the Government announced its decision to dissolve the Digital Hub Development Agency (the DHDA) and initiate an orderly wind down of operations at our campus. The timeline below sets out the recent activity linked to the dissolution decision.

## December 2020

The DHDA agrees a memorandum of understanding with the Land Development Agency (LDA) to explore collaborative opportunities for the further development of The Digital Hub campus and lands in Dublin 8. Both Agencies envisaged the entire campus being developed as part of an integrated, sustainable city quarter, incorporating social and affordable housing, enterprise space, retail outlets, and amenity facilities, and in which sufficient office space would be provided for The Digital Hub to no longer rely on Exchequer funding.

## April 2021

The Government announces its decision to dissolve the DHDA following a recommendation by the Minister for Environment, Climate and Communications.

- **Properties held by the DHDA in the Liberties area of Dublin 8 are to be transferred to the Land Development Agency (LDA) and permanent staff will be redeployed within the public service.**
- **A managed wind down will mean that there is no immediate effect on the DHDA's client companies, who will be in a position to continue trading as normal throughout the wind down period.**

## November 2021

The DHDA agrees with the Department of the Environment, Climate and Communications that The Digital Hub campus will remain available as a location for digital companies beyond June 2022, pending the redevelopment of the campus by the Land Development Agency over the coming years. The agreement:

- **provides certainty to existing tenants and provides for new and flexible leases up to at least 2025;**
- **ensures the most efficient use of space during redevelopment and continued support for tech companies in Dublin 8;**
- **safeguards existing community, learning and social programmes to continue in 2022.**

This agreement forms part of the plan for an orderly wind down and the DHDA will continue to work with its parent department and the LDA to facilitate this in 2022 and beyond.



# Work of the DHDA

## The Campus

By the end of 2021, The Digital Hub campus had 54,720 sq. ft. of lettable office space located across nine buildings.

The Digital Hub Development Agency (the DHDA) remains resilient and adaptable in the face of challenges brought about by the COVID-19 pandemic and Government decision to dissolve the DHDA and transfer its lands to the Land Development Agency (LDA).

The DHDA is committed to an orderly transfer of ownership of its lands to the LDA and while the preparation for this is underway, the DHDA maintains and continues to promote The Digital Hub campus as a prime location for technology and digital media businesses and creatives. The DHDA remains committed to continuing its wide range of community programmes and partnerships that engage a variety of people of different ages, abilities and interests in our local community and the wider digital ecosystem.

The DHDA provides a state-of-the-art campus with adaptable, affordable and accessible office space fitted out to a high standard with all the features and infrastructure a high-energy, expanding company needs. To achieve this requires a well-run workplace environment, and to that end, Acacia Facilities Management were appointed in July to provide outsourced facility management services throughout the campus.

The Digital Hub welcomed The Salty Buoy food truck to the campus in February. The 1972 Citroen H Van served sustainable and restaurant-quality seafood dishes to locals, workers and visitors to the Liberties area.

The historic St. Patrick's Tower continued to play its part in drawing attention to The Digital Hub campus. The Tower, which is Europe's tallest smock windmill, was lit up spectacularly with colourful projections as part of Dublin City Council's 'Dublin Winter Lights' from 14th November to 1st January.



St. Patrick's Tower is set to be the focal point for an outdoor market, following an enquiry from a new group called 'We Love Markets' in late 2021. The market vendors believe in the potential of city and neighbourhood markets to infuse urban areas with new energy and social and circular economic activity. The idea of markets being key public gathering places that highlight local culture and reinvigorate a vibrant city centre aligns closely with the work of the DHDA. It is hoped the markets will begin in the first quarter of 2022.

## 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 and Communications.

Energy Usage (kWh)	2021	2020
Electricity (MPRN)	866	1,255
Gas (GPRN)	942	1,109
Non-MPRN/GPRN Energy	3.6	
Gasoil	30	74
<b>Total Consumption</b>	<b>1,747</b>	<b>2,438</b>

# Focus on the Enterprise Cluster

## Responding to the dissolution

The DHDA was able to quickly reassure many concerned companies that The Digital Hub would continue to support them and keep them informed of the schedule for the orderly transfer of ownership of The Digital Hub's lands to the Land Development Agency (LDA). The DHDA has an excellent reputation amongst all companies and enterprise stakeholders so it was of the utmost importance that people heard this news directly from the DHDA's Client Services team, who received many messages of support.

By November, the DHDA was able to confirm that the campus would remain available as a location for digital companies until at least 2025, pending the redevelopment of the campus by the LDA over the coming years. The DHDA continues to provide reassurance to its current and prospective clients that it is 'business as usual' for the DHDA until the wind down of operations is completed.

The ongoing effects of the pandemic continued to impact on The Digital Hub's enterprise development activities. Many of the technology and digital media companies at The Digital Hub continued to work from home while others continued to blend office and home working throughout the year. As these companies determine new ways of working for the foreseeable future, the DHDA remains committed to supporting them and the technology sector at large with flexible options.

## iD8 Studio at The Gatelodge

In response to the growing demand for hybrid working, The Digital Hub launched a new workspace, called iD8 Studio. This fully equipped space was previously office space, but it has been repurposed for those companies who are trying to facilitate blended working for their teams. Since its launch in the summer the workspace has hosted meetings, events and classes for tech companies, hospitals and healthcare providers, academic institutions and training providers. A second workspace, Studio 2, is now equipped to provide similar facilities, such has been the demand for the iD8 Studio since it opened in August 2021.

## Responding to the market with hybrid working solutions

Toward the end of 2021 the DHDA began to design new hybrid working packages. These are intended to give companies access to all the benefits of The Digital Hub campus but with even more flexible terms and conditions and competitive up-front pricing. These new hybrid working packages will be launched in early 2022.

In light of the experience gathered from our companies over the past two years, and our understanding of the change provoked by developments in hybrid working, we are redesigning our cluster development strategy and marketing activities, particularly through social media.





The aim is to rebuild our client base and broaden our appeal, particularly to those in the creative sectors, so that we continue to deliver not only economic but also cultural benefits to Dublin as society emerges from the pandemic.

#### **Highlights from the Enterprise Cluster**

By year end there were 31 established businesses within the cluster, with companies employing approximately 300 people throughout the year. The Digital Hub welcomed two new Irish companies to its campus — Remedy Bio, a nano-scale biotechnology company and Equiendo, who deliver operational efficiency solutions for mobile operators. Three previous tenants of The Digital Hub also returned to its office space over the course of the year — strategic

insights consultancy, Bricolage, and industry and academic organisations, the Dublin International Film Festival and the National College of Art and Design.

With member companies at the forefront of technology and digital media innovation, there were some notable successes in 2021;

- **Akara Robotics were awarded significant funding by the European Innovation Council (EIC), which will aid the creation of a robot production facility in Dublin and expand the commercial operations of the business. The recommended funding, awarded through the EIC's highly competitive accelerator programme, is expected to provide a minimum of €2.4 million, with more expected to be raised via co-investment.**

- Another company to benefit from EIC funding was RemedyBio, who announced the final closing of €8m in equity financing from the EIC. The €8m is in addition to the €2.5m awarded to RemedyBio in June 2020 by the EIC Accelerator to develop a 'Rapid Pandemic Response Platform', bringing the total funding to €10.5m.
- Campsited, the online booking platform for campsites, launched a fundraising round to raise €2.9m to support its plan to further scale the growth of the business and to look at potential acquisitions.
- MEG Support Tools continued to expand their client family with NHS Lothian, Scotland, Reem Hospital, United Arab Emirates and Tallaght University Hospital, Dublin. NHS Lothian joined NHS institutions including Guy's and St. Thomas' NHS Foundation Trust and Barnsley Hospital in using MEG's all-in-one platform to digitise and manage their auditing processes from end to end. Both Reem Hospital and Tallaght University Hospital will use MEG's Quality Management product suite for positive impacts on quality and patient safety.
- Neuromod Devices announced a major expansion of its tinnitus treatment device, Lenire, into two new European countries. Lenire is now available to people with tinnitus through specialist partner clinics in the United Kingdom and Switzerland. It also launched Ireland's first telemedicine service dedicated to remote assessment, care and treatment of patients with tinnitus.
- WaytoB partnered with Trinity College to co-develop Digi-ID, an inclusive e-learning platform. WaytoB are the tech partner for Digi-ID which aims to address the challenge of digital inclusion and low usage of digital technologies amongst people with intellectual disabilities.

#### WITECH

The Digital Hub alongside TU Dublin are the 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. The Digital Hub took the lead on the creation of a website to promote WITECH and this was launched in July at [www.witech.training](http://www.witech.training).

Work continues amongst the partners on the creation of a blended learning course which builds the skills and confidence a woman with STEM qualifications needs in order to create their own innovative business. A MOOC (Massive Open Online Course) is currently in development, and it is expected to be launched in Q2 2022 before being promoted across Europe.



# Focus on Community Programmes & Partnerships

The Digital Hub delivers imaginative programmes that span a variety of areas, from developing 21st century skills in people, young and old, to demonstrating the potential of digital technology and content to promote the health and wellbeing of citizens and the sustainability of the Dublin 8 environment.

The Digital Hub's programmes engage a variety of people of different ages, abilities and interests in its local community and the wider digital ecosystem. In 2021 The Digital Hub worked with new partners to bring new programmes to the community in addition to continuing long-standing partnerships and activities.

## **Smart D8**

March saw the official launch of Smart D8 — an exciting initiative aiming to transform the health and wellbeing of citizens through innovation and collaboration. Alongside Smart Dublin, Dublin City Council and St. James's Hospital, The Digital Hub is one of four lead partners in this initiative, which also includes a range of other partners, such as major hospitals, research institutes and businesses.

Following extensive primary research on the health and wellbeing issues in the Dublin 8 area, a call for innovative pilot projects that address the areas of mental health, population health management and COVID-19 impact, was made. Five successful projects were announced, and three of these pilots got underway in Autumn 2021:

- **Virtual Nature** — In partnership with SolasVR, this project will pilot a Virtual Reality Meditation platform in the community. SolasVR enables a micro-break to allow the users to create some time and space away from events or situations that are impacting them.
- **Heart of our City** — In partnership with the Irish Heart Foundation and Novartis, Heart of our City is a population health programme that will focus on heart health in Dublin 8. This pilot project will connect people in Dublin 8 with a range of resources to support their cardiovascular health, building on existing social prescribing initiatives in the locality.
- **Ways to Wellbeing: Learning from Locals** — In partnership with St. Patrick's Mental Health Services, Ways to Wellbeing is a project that will support students in learning about mental health and wellbeing by engaging with the lives of the older community in Dublin 8. The project is designed for students of both primary and secondary schools in the locality.

Further calls for pilot projects will be made over the course of the two-year Smart D8 initiative.

### #D8 Together Video Challenge

The #D8 Together Video Challenge is a new programme for local secondary school students from a new partnership between CB Media and The Digital Hub. This programme was designed to foster positive youth development and resilience, a trait which is needed now more than ever to help students recognise their own strengths and explore mental health in ways that are meaningful and productive to them.

The programme challenges students to learn how to produce their own professional-quality videos, enhance connectedness and support each other through sharing stories of strength, while learning the skill of video production, filming and editing, which will be useful for their future careers.

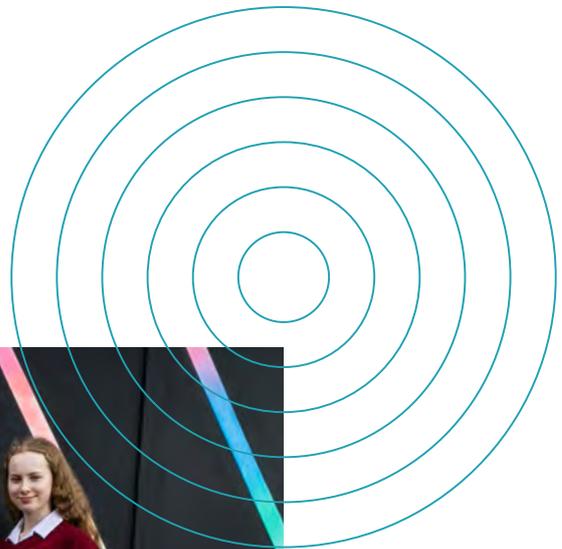
### MAP Junior

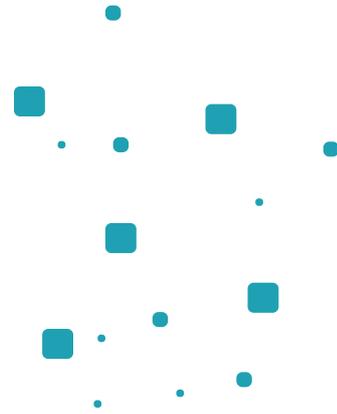
Millennia Aviation and The Digital Hub teamed up to deliver MAP Junior (Millennia Aviation programme) — a fun and creative programme about unmanned aerial vehicles (UAV) and IoT technologies. This STEM education programme immerses secondary school students into the world of UAVs (aka drones) in a fun and creative hands-on class environment. Students learned about this fast-evolving technology, and more importantly, how to use it safely and ethically.

### Bee8

The Digital Hub is supporting a local community group, the Robert Emmet Community Development Project (CDP), with its inner-city beekeeping project. The project's aim is to enhance Dublin 8's natural environment, create employment, provide education opportunities for the local community through a social enterprise, and obtain a better understanding of the state of the area's environment through technological innovation.

With help from The Digital Hub and Smart D8, 20 beehives are now installed and operational across Dublin 8 including six on The Digital Hub campus. The medium-term plans for the project are to integrate Internet of Things (IoT) sensors to monitor the health and productivity of the hives, and also provide insights into the environment of the area.





### **Pocket Forests Tree Hub**

In the Summer of 2021 a partnership between The Digital Hub and social enterprise Pocket Forests came to fruition with the installation of the Pocket Forests Tree Hub on The Digital Hub campus. The Tree Hub is Ireland's first nursery in a city centre location for growing native Irish trees and serving as a distribution point for further planting around Dublin 8 and beyond. In addition to the native tree nursery, Pocket Forests also installed Dublin 8's first pocket forest. Located in a reconditioned skip and containing native plants such as birch, rowan, spindle and guelder rose, the pocket forest promotes biodiversity and pollination. Pocket Forests ran a series of workshops at The Digital Hub to educate people on the benefits of biodiversity, pollination, compost, soil health and the importance of healthy forest ecosystems in urban areas. This partnership is the latest in The Digital Hub's efforts to foster sustainable activities in Dublin 8 that promote environmental health and combat climate change.

### **Screen8**

Screen8, an out of school programme for young people from Dublin 8 and its surrounds, screened the short movie created as part of this filmmaking programme, titled 'The Debs Debacle', in March as part of Virgin Media Dublin International Film Festival. Set in the world of COVID-19, the short film reflected the doubts and disappointments that come along with being a teenager during a pandemic. It addressed the themes of friendship, self-esteem, and mental health.

Later in the year the Screen8 filmmaking programme made a creative pivot — The Digital Hub and the Dublin International Film Festival, who jointly run Screen8, decided to give those aged 60 and older a chance to experience a taste of filmmaking and work with a professional filmmaker to create their own short film. The process will challenge and engage older people in a creative and fun project. The short film will premiere at the Virgin Media Dublin International Film Festival in February 2022.





### **D8 Surfers Club**

The D8 Surfers Club, where local residents are guided in their discovery of how digital technologies can benefit them in their everyday lives, remained a valuable source of connection and interaction for many in the area throughout COVID-19. The group of older participants from Dublin 8 continued to meet virtually for most of the year, and towards the end of 2021 some group members returned to The Digital Hub's learning studio for some in-person sessions.

### **Future Creators Cadets**

The Future Creators Cadets is an after-school digital learning programme for 10- to 12-year-olds from Dublin 8 established by The Digital Hub in 2015 and delivered by H2 Learning. Due to public health guidelines during 2021, it was necessary to adapt this programme for delivery online in the form of coding workshops with local primary schools. The workshops helped the children to develop an understanding of the code and algorithms required to build their own Retro Games.

### **The Liber8 Music Project**

The Liber8 Music Project is an afterschool programme for 14-to-16-year-olds living in Dublin 8 and its surroundings established by The Digital Hub and BIMM Institute Dublin in 2017. A creative turn was taken in 2020 to ensure the programme could continue despite difficulties caused by COVID-19, and this allowed the programme to continue online in 2021, in the form of an introductory course in music production. Young people joined a tutor online where they were guided to learn the basics of Ableton software and music production techniques, enabling them to create their own tracks.

### **Teen-Turn**

Since 2017, The Digital Hub has supported the work of Teen-Turn — a volunteer-led, registered charity that works with organisations throughout Ireland to provide STEM career role models and hands-on experience to teenage girls from disadvantaged communities in order to address industry social inclusion, gender disparity and skills shortage challenges. In 2021, The Digital Hub continued to support the Technovation Challenge and Project Squad initiatives by encouraging female students from our locality and women working in technology and digital media in our enterprise cluster to participate in the programmes.

# Focus on Engagement with the Artistic & Creative Community

## Artist-in-Residence

The Liberties area is home to one of Dublin city's most colourful and creative communities, and The Digital Hub provides an intersection between creativity, art, innovation and technology for the benefit of our community.

The Digital Hub's Artist-in-Residence Programme, operating since 2018, is a vital element of that intersection. In 2021 Seoidín O'Sullivan became The Digital Hub's fourth artist-in-residence. She is a contemporary artist with a socially engaged practice who lectures in Visual Culture at NCAD. Her art projects are collaborative and focus on bringing communities together to address issues including land use, lost knowledge, social justice, and biodiversity.

## Digital Cultures Webinar Series

In the spring of 2021, the National College of Art and Design, Dublin (NCAD) and The Digital Hub announced a new partnership with an inaugural In Public webinar series to focus on the transformative nature of emerging technologies, attending to artistic practice, academic research, and industry.



The Digital Hub's third artist-in-residence, Elaine Hoey, whose residency finished in 2021, co-convoked this programme of seven webinars that were broadcast live on YouTube to a virtual audience due to public health restrictions on in-person gatherings. This partnership between NCAD and The Digital Hub built on stakeholder participation at the intersection of artistic practice, technology and society.

## Public Art Installation

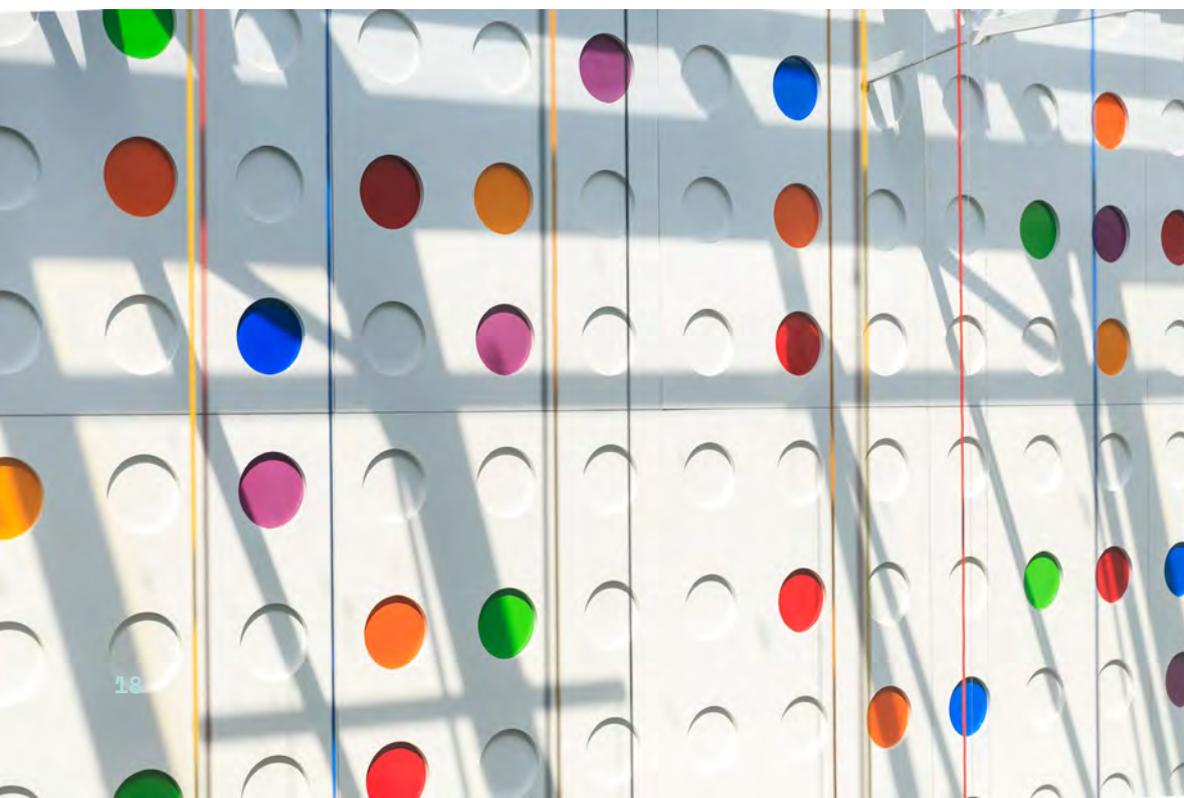
In late 2021 The Digital Hub — in partnership with artist and inventor Robin Price — commissioned an art project to explore Dublin 8's relationship with social media and data. The project, which is part of The Digital Hub's involvement in the health and wellbeing initiative, Smart D8, will involve a nightly laser projection on St. Patrick's Tower. It is planned to launch this exciting public art installation in January 2022.



## Supporting the Arts and Creative Industries

Throughout the year The Digital Hub continued to support those working and/or studying in the creative industries and arts sector. Highlights include:

- The Performance Corporation in association with Once Off Productions and The Digital Hub created a unique experience that mixed Virtual Reality with live performance. Called 'Emperor 101' and held as part of the Dublin Theatre Festival, audiences were invited to a venue at The Digital Hub campus where they were immersed in an alternate digital world that reflects the mind of a conspiracy theorist.
- The Digital Hub continued to support the Dublin Fringe Festival's work of presenting performances at the intersection of art and technology. As Official Digital Partner, The Digital Hub supported five shows, most of which were created to be enjoyed online and touched upon themes of technology, creativity, storytelling and wellbeing.
- The Digital Hub continued its sponsorship of The Digital Hub Award at TU Dublin's Creative Digital Media degree end-of-year show called Kaleidoscope. The showcase event took place via live stream in May and the winner of The Digital Hub Award was Nhu Thai for her interactive animation project called 'Glasbot', which is designed to teach children about the positive impact of recycling.
- The Digital Hub supports Dublin 8 based arts organisation, Common Ground, to deliver two programmes that will benefit people in the area — Republic of Sound (an inter-generational music project) and Mapping Green Dublin 2 (consolidating recommendations from Mapping Green Dublin research carried out by UCD's School of Geography in collaboration with arts organisation Common Ground and associates including The Digital Hub's artist in residence, Seoidín O'Sullivan).



# Focus on Equality, Diversity and Inclusion

Equality, Diversity, and Inclusion (EDI) remains a key pillar for the Digital Hub Development Agency (the DHDA).

With its task of running a collaborative campus for companies and organisations at the forefront of technology and digital media, and facilitating urban regeneration in the Liberties area, The DHDA can play a key role in promoting equality, diversity, and inclusion within its sector, as well as its national and local community.

The DHDA appointed an EDI Officer in 2019, and The Digital Hub Board and staff members adopted an EDI policy with an action plan for 2021. The announcement of the dissolution of the DHDA and its consequent impact upon our business and strategy, combined with the impact of COVID-19 on our activities, resulted in the curtailment of some of our action plan deliverables. However, progress has been made:

- An external evaluation of the performance of the Board and its Committees was undertaken by the Institute of Public Administration, that considered the Board gender balance, diversity and skills mix.
- Recruitment campaigns have clearly articulated the DHDA's commitment to Equality, Diversity and Inclusion.

- We have continued to analyse and monitor the diversity of our client companies and continued our work to develop a campus that is representative of the diversity of tech start-up founders and teams.

A new Annex on Gender Balance, Diversity, and Inclusion to supplement the existing Code of Practice for the Governance of State Bodies was published in September 2020. The DHDA continues to meet this Annex's requirement for gender balance on the Board. When vacancies on the Board arise, the Chair conveys to the Minister the gender balance of the current Board and confirms that the Board would welcome continued and further diversity in its membership.

# Companies operating in The Digital Hub on 31st December 2021

Akara Robotics

---

Bizimply

---

Black Shamrock

---

Braahmam

---

Bricolage

---

Cloudbeds

---

Dublin International  
Film Festival

---

Dot Nice International

---

Equiendo

---

Good Travel Software

---

H2 Learning

---

iNavtas

---

Incognito

---

Jude Healy Creative

---

Juvo

---

Lonely Planet

---

MEG Support Tools

---

National College  
of Art and Design

---

Neuromod Devices

---

Nextdoor

---

Noggin

---

Odin Consultants

---

One Foundation

---

PixelSoup

---

Quantum Information  
Systems

---

Remedy Biologics

---

South West Inner City  
Local Employment Centre

---

Total Digital

---

UX Design Institute

---

waytoB

---

Xwerx

---

# The 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 and Communications with the consent of the Minister for Public Expenditure and 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 Public Expenditure and Reform. 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.

## Board Members



Paul Holden,  
Chairperson



Fiach Mac  
Conghail,  
Board Member  
and CEO



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 Communications, Climate Action and Environment 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 and 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 and 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 paid 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 2021:

<b>Detail</b>	<b>Number</b>	<b>Value</b>
Payments made:		
within 15 days	<b>323</b>	<b>€2,634,475.40</b>
within 16 to 30 days	<b>27</b>	<b>€229,013.10</b>
in excess of 30 days		
<b>Total payments</b>	<b>350</b>	<b>€2,863,488.50</b>
Disputed invoices at end of year	-	-

# Protected Disclosures Annual Report 2021

## 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 2021 to 31st December 2021.



# Financial Statements

## Contents

---

Governance Statement and Board Members' Report	26
Statement on Internal Control	31
Comptroller and Auditor General Report	34
Statement of Income and Expenditure and Retained Revenue Reserves	37
Statement of Comprehensive Income	38
Statement of Financial Position	39
Statement of Cash Flows	40
Notes to the Financial Statements	41

---

# 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 Environment, Climate and 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.

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 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;
- Covid-19;
- dissolution of the DHDA 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 Environment, Climate and Communications with consent of the Minister for Public Expenditure and 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 24th February 2022.

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 2021, the Board continued its governance responsibilities and all scheduled Board and Committee meetings took place. Each of these Board and Committee meetings took place remotely via video conference. There were two additional unscheduled meetings of the Board convened in 2021 (in April to discuss the Government decision to dissolve the Agency, and in September to discuss the reappointment of the CEO). In 2020, it was agreed that the Executive would provide additional reporting on Covid-19 related issues as a standing agenda item at Board meetings. This practice continued throughout 2021.

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 2021.

### Board Structure

At 31 December 2021, the Board consisted of a Chairperson and eight ordinary members, all of whom were appointed by the Minister for Environment, Climate and Communications.

The table below sets out the appointment periods for individuals serving on the Board during 2021:

Board Member	Role	Date first appointed	Term expiration date
Aimée Williams	Member	07/10/19	06/10/22
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	20/10/26
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	03/10/24
Paul Holden	Chairperson	29/05/12	04/07/22
Stephen Casey	Member	05/07/19	04/07/22

An external Board Effectiveness and Evaluation Exercise was conducted in 2021. The Board considered the results of this review on 24th February 2022. Recommendations will be implemented by the Board during 2022. The Board has established two committees, as follows:

### Audit and Risk Committee

The role of the Audit and 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 after each meeting, and formally in writing annually

The members of the ARC in the year were: Ann Markey (Chairperson), Stephen Casey (Chairperson), Nora Nanayakkara and Victor Leonov (external member). There were 6 meetings of the ARC in 2021.

### Property Committee

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 5 meetings of the Property Committee in 2021.

### Schedule of Attendance, Fees and Expenses

A schedule of attendance at the Board and Committee meetings for 2021 is set out below including the fees and expenses received by each member:

	Board	Audit and Risk Committee	Property Committee	Fees 2021 €	Expenses 2021 €
Aimée Williams*	7			-	-
Ann Markey	3	3		3,270	-
Brian Keogh	8		5	7,695	-
Carol Gibbons*	5			-	-
Darina Kneafsey	8		5	7,695	-
Fiach Mac Conghail**	7		5	-	-
Michael Conlon	4			3,270	-
Nora Nanayakkara	5	6		7,695	5
Owen Keegan*	6			-	-
Paul Holden	8			11,970	-
Stephen Casey	8	6		7,695	-
Victor Leonov***		6		-	-
<b>Total</b>				<b>49,290</b>	<b>5</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 and 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 and Risk Committee.

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

## Key Personnel Changes

### Board

- Ann Markey left the Board on 02/06/21 due to the expiration of her term.
- Michael Conlon left the Board on 02/06/21 due to the expiration of his term.
- Owen Keegan was reappointed as a Board Member on 04/10/21 until, the earlier of the date of the dissolution of the Agency or on 03/10/24.
- Brian Keogh was reappointed as a Board Member on 03/06/21 until, the earlier of the date of the dissolution of the Agency or on 02/06/24.
- Fiach Mac Conghail was reappointed as CEO and Member of the Agency on 21/10/2021 until, the earlier of the date of the dissolution of the Agency or on 20/10/26.

### Chief Executive Officer

- Fiach Mac Conghail was reappointed as CEO and Member of the Agency on 21/10/2021 until, the earlier of the date of the dissolution of the Agency or on 20/10/2026.

### Audit and Risk Committee

- Stephen Casey was appointed as Chair of the Audit and Risk Committee on 27/05/2021 replacing Ann Markey.

### Board Secretary

- Eoin Corrigan was appointed as interim Board Secretary on 31/03/2021.

## 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 and 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.

	2021 €	2020 €
Legal advice	2,004	17,464
Procurement *	(38,187)	77,296
Consultancy and redevelopment	41,855	31,035
Health and Safety	4,828	1,102
Governance	8,538	4,239
Property valuation	5,552	7,078
Internal audit and tax	57,624	124,841
<b>Total consultancy costs</b>	<b>82,214</b>	<b>263,055</b>
Consultancy costs capitalised	23,144	88,435
Consultancy costs charged to the Income and Expenditure and Retained Revenue Reserves	59,070	174,620
<b>Total</b>	<b>82,214</b>	<b>263,055</b>

### \*Procurement

At 31st December 2020, the company estimated costs incurred relating to a procurement for ICT services. Due to the dissolution announcement, the work was postponed and will resume in 2022. As a result an accrual held at 31st December 2020 was released during 2021.

### Legal Costs and Settlements

In 2021, 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:

	2021 €	2020 €
<b>Domestic</b>		
Board	5	918
Employees	-	459
<b>International</b>		
Board	-	329
Employees	-	-
<b>Total</b>	<b>5</b>	<b>1,706</b>

### Hospitality Expenditure

The Income and Expenditure Account includes the following hospitality expenditure:

	2021 €	2020 €
Client hospitality*	279	1,558
Staff hospitality	137	786
<b>Total</b>	<b>416</b>	<b>2,344</b>

### 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 2021.

Signed on behalf of the Board:

**Paul Holden**  
Chairman

**Fiach Mac Conghail**  
Chief Executive Officer

17 June 2022

# Statement on Internal Control

For the year ended 31st December 2021

## **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 and 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 continued throughout 2021 and 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 the 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 and Risk Committee on staffing and operational issues;
- viii. secured additional funding from the Department of Environment, Climate and Communications for 2021.

The DHDA management team continued to maintain risk management as 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 and 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 and Risk Committee and Board at least twice yearly. Control failures are reported to the Audit and Risk Committee and the Board and appropriate corrective action is implemented;
- iii. a Dissolution risk register which focuses on risks arising from the Government decision to dissolve the DHDA and transfer its properties to the Land Development Agency;
- iv. 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**

The 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 and 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 and 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 and Auditor General in his management letter or other reports.

#### **Review of Effectiveness**

I confirm that, in respect of the year ended 31st December 2021 the Board commissioned a review of the effectiveness of the system of internal control.

A review of Internal Controls in 2021 was carried out by an external firm and signed off by the Board of the Agency on 24th February 2022.

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 2021 are effective, other than as set out below under Internal Control Issues.

#### **Internal Control Issues**

There were no internal control issues/weaknesses identified during 2021.

#### **Procurement**

The Digital Hub Development Agency has established policies and procedures designed to ensure compliance with procurement rule.

During 2021, for information, there was one instance where Digital Hub Development Agency applied Article 32.2 (a) – “Use of the negotiated procedure without prior publication”, as stated in the Directive 2014/24/EU of the European Parliament on public procurement and repealing Directive 2004/18/EC. This is in line with 127 and 128 of the Office of Government Procurements Public Procurement Guidelines for Goods and Services and occurred after a tender exercise failed to return satisfactory responses.

These services were to remediate fire safety issues and therefore urgent in nature. Steps were taken to ensure value for money for the Agency in the process and rates payable were comparable to those achieved by other civil/public sector bodies through open procurement competitions.

#### **Approval by the Board**

The Statement on System of Internal Control has been reviewed by the Audit and 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

17 June 2022

# Comptroller and Auditor General Report

## Report for presentation to the Houses of the Oireachtas – Digital Hub Development Agency

### **Opinion on the financial statements**

I have audited the financial statements of the Digital Hub Development Agency for the year ended 31 December 2021 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 2021 and of its income and expenditure for 2021 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 owned by the Agency that has not been developed. The expenditure amounted to €227,500 in respect of 2021.

### **Seamus McCarthy**

Comptroller and Auditor General

20 June 2022

### **Responsibilities of 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.

I report by exception if, in my opinion,

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

#### **Information other than the financial statements**

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

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

#### **Reporting on other matters**

My audit is conducted by reference to the special considerations which attach to 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.

# Statement of Income and Expenditure and Retained Revenue Reserves

For the year ended 31st December 2021

	Notes	2021 €	2020 €
<b>Income</b>			
Commercial and other Income		1,404,158	2,516,290
Exchequer Grants	4	2,311,000	1,095,000
		<b>3,715,158</b>	<b>3,611,290</b>
<b>Expenditure</b>			
Staff Related Costs	5	1,373,308	1,277,478
Operations, General and Administration Costs	6	2,442,607	2,561,458
Community Liaison	7	100,980	79,152
Digital Initiatives	8	3,152	47,833
		<b>3,920,047</b>	<b>3,965,921</b>
<b>Deficit from Operating Activities</b>		<b>(204,889)</b>	<b>(354,631)</b>
Increase in value of Property, Plant and Equipment previously recognised as impairment	9	4,794,439	3,465,366
Movement in fair value of Investment Properties	10	(1,608,874)	(2,140,521)
Corporation Tax	12	25,719	(29,189)
<b>Surplus for Year</b>		<b>3,006,395</b>	<b>941,025</b>
Balance at 1 January		(5,806,875)	(6,747,900)
Balance at 31 December		(2,800,480)	(5,806,875)

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

Signed on behalf of the Board:

**Paul Holden**  
Chairman

**Fiach Mac Conghail**  
Chief Executive Officer

17 June 2022

# Statement of Comprehensive Income

For the year ended 31st December 2021

	Notes	2021 €	2020 €
<b>Surplus for Year</b>		<b>3,006,395</b>	<b>941,025</b>
Actuarial Losses/(Gains) on Pension Liabilities	16(c)	109,000	(444,000)
Adjustment to Deferred Pension Funding		(109,000)	444,000
<b>Total Recognised Gains for the year</b>		<b>3,006,395</b>	<b>941,025</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**  
Chairman

**Fiach Mac Conghail**  
Chief Executive Officer

17 June 2022

# Statement of Financial Position

as at 31st December 2021

	Notes	2021 €	2020 €
<b>Fixed Assets</b>			
Property, Plant and Equipment	9	40,162,431	35,273,926
Investment Properties	10	18,750,000	19,801,404
		<b>58,912,431</b>	<b>55,075,330</b>
<b>Current Assets</b>			
Receivables	13	285,761	299,193
Cash and Cash Equivalents		1,172,431	1,710,846
		<b>1,458,192</b>	<b>2,010,039</b>
<b>Current Liabilities</b>			
Payables (amounts falling due within one year)	14	(1,391,528)	(1,733,669)
<b>Net Current Assets Less Liabilities</b>		<b>66,664</b>	<b>276,370</b>
<b>Total Assets Less Liabilities before Pensions</b>		58,979,095	55,351,700
Deferred Pension Funding	16(c)	4,686,000	4,300,000
Pension Liabilities	16(c)	(4,686,000)	(4,300,000)
<b>Total Net Assets</b>		<b>58,979,095</b>	<b>55,351,700</b>
<b>Represented by:</b>			
Capital Account	15	61,779,575	61,158,575
Retained Revenue Reserves		(2,800,480)	(5,806,875)
		<b>58,979,095</b>	<b>55,351,700</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**  
Chairman

**Fiach Mac Conghail**  
Chief Executive Officer

17 June 2022

# Statement of Cash Flows

For the year ended 31st December 2021

	Notes	2021 €	2020 €
<b>Cash Flows from Operating Activities</b>			
Surplus from Operating Activities		3,006,395	941,025
Depreciation	9	49,316	72,657
Revaluation of Properties	9	(4,794,439)	(3,465,366)
Revaluation of Investment Properties	10	1,608,874	2,140,521
Decrease in Receivables	13	13,432	309,911
(Decrease)/Increase in Payables	14	(342,141)	110,346
Bank Interest		(30)	(187)
<b>Net Cash Flows from Operating Activities</b>		<b>(458,593)</b>	<b>108,907</b>
<b>Cash Flows from Investing Activities</b>			
Payments to acquire Property, Plant and Equipment	9	(143,382)	(110,120)
Payments to acquire Investment Properties	10	(557,470)	(166,925)
<b>Net Cash Flows from Investing Activities</b>		<b>(700,852)</b>	<b>(277,045)</b>
<b>Cash Flows from Financing Activities</b>			
Bank Interest Received		30	187
Capital Funding	15	621,000	100,000
<b>Net Cash Flows from Financing Activities</b>		<b>621,030</b>	<b>100,187</b>
<b>Net Decrease in Cash and Cash Equivalents</b>		<b>(538,415)</b>	<b>(67,951)</b>
Cash and Cash Equivalents at 1 January		1,710,846	1,778,797
<b>Cash and Cash Equivalents at 31 December</b>		<b>1,172,431</b>	<b>1,710,846</b>

# Notes to the Financial Statements

For the year ended 31st December 2021

## 1. Accounting Policies

The Digital Hub Development Agency was set up under The Digital Hub Development Agency Act 2003, with the head office located in the Digital Depot, The Digital Hub, Dublin 8, D08 TCV4.

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 2021 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 and Communications of Ireland 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 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, it is recognised in the Statement of Income and Expenditure and Retained Revenue Reserves.

#### (ii) Fixtures and Fittings and Computer Equipment

Fixtures and 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	33 1/3% 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 the 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.

The DHDA has an arrangement with the Department of the Environment, Climate and Communications (DECC) under which the DHDA will be reimbursed all monies required to settle pension obligations when they fall due. In return, the 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 and Reform. Pension costs reflect pension benefits earned by the 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 the 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 and 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 and 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**

The 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 the DHDA in 2021 and this has continued into 2022.

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 and Communications has provided a letter of support reaffirming its commitment to provide Exchequer funding to assist the Agency in discharging its costs in 2022 and for the future period required 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

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

Grants received from the Department of the Environment, Climate and 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:

	2021 €	2020 €
<b>Current</b>		
Operations	2,159,000	943,000
Community Liaison	70,000	70,000
Digital Initiatives	82,000	82,000
	<b>2,311,000</b>	<b>1,095,000</b>
<b>Capital</b>		
Development Works and management of derelict sites*	621,000	100,000

\*Infrastructure maintenance Exchequer funding received and capitalised.

#### 5. Staff Related Costs

##### a) Aggregate Employee Benefits

The average number of persons employed by the DHDA during the year was 15 (2020: 14). In addition, the DHDA retains the services of one third party agency staff member. The aggregate payroll costs were as follows:

	<b>2021</b>	<b>2020</b>
	<b>€</b>	<b>€</b>
<b>Short-Term Benefits</b>		
Salaried Staff	1,022,103	935,152
Third party agency Staff	47,531	29,370
Secondment Staff	-	23,948
Board Member fees	49,290	58,140
Employer's PRSI	109,343	97,944
Employer's Pension Contribution	145,041	132,924
	<b>1,373,308</b>	<b>1,277,478</b>

#### **b) Staff Short-Term Benefits**

	<b>2021</b>	<b>2020</b>
	<b>€</b>	<b>€</b>
Salary	1,022,103	935,152
Allowances	-	-
Termination Benefits	-	-
Health Insurance	-	-
	<b>1,022,103</b>	<b>935,152</b>

#### **c) Key Management Personnel**

Key management personnel in the 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 €342,073 in 2021 (€274,545 in 2020). Maternity cover included for the Chief Financial Officer in 2021.

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 €118,867 for 2021 (2020: €115,222).

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) The DHDA adheres to Government pay policy and the terms of the Lansdowne Road Agreement which took effect from 1st July 2016. In 2021, an amount of €28,275 was deducted from payroll in respect of the additional superannuation contribution (ASC) and paid over to the Department of the Environment, Climate and Communications (2020: €18,581). In 2021, expenditure of €3,500 (2020: €3,250) was awarded to staff as employee recognition.

Additional staff related costs totalling €137 (2020: €786) were incurred in respect of staff events.

#### f) Salaried Staff Breakdown (above €60,000)

	No of Employees 2021	No of Employees 2020
€60,000 to €69,999	2	2
€70,000 to €79,999	2	2
€80,000 to €89,999	-	-
€90,000 to €99,999	1	-
€100,000 to €109,999	1	1
€110,000 to €119,999	2	2
€120,000 to €129,999	-	-

## 6. Operations, General and Administration Costs

	2021 €	2020 €
Travel and Subsistence	40	1,706
Property-Related Costs	1,380,266	1,602,561
Insurance	147,488	121,559
Marketing-Related Costs	29,142	34,053
Property Development-Related Costs	44,019	37,531
Vacant Site Levy (see Note 6.1)	227,500	227,500
Professional Services (see Note 6.2)	190,328	244,426
Office Overheads (See Note 6.3)	238,755	206,526
Dissolution Costs (See Note 6.5)	50,963	-
Smart D8 Funding	60,000	-
Networking Events (Agency's contribution) (See Note 6.4)	279	1,558
Interest	7,347	-
Tax penalty	-	(2,257)
Audit Fee	12,100	12,356
Depreciation (see Note 9)	49,316	72,657
Bad Debts	2,077	-
Bank Charges	2,987	1,282
	<b>2,442,607</b>	<b>2,561,458</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 the rate payable was 7% of the value of site and the VSL amounted to €227,500. 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

	2021 €	2020 €
Recruitment	43,306	10,172
Property Valuation	5,552	7,078
Legal / Internal Audit / Taxation *	(21,168)	100,714
PR / Public Affairs	88,609	47,877
Other Services	74,029	78,585
	<b>190,328</b>	<b>244,426</b>

\* **Legal / Internal Audit / Taxation** – At 31st December 2020, the company estimated costs incurred relating to a procurement for ICT services. Due to the dissolution announcement, the work was postponed and will resume in 2022. As a result an accrual held at 31st December 2020 was released during 2021.

### 6.3 Office Overheads

Office Overheads include two non-cancellable operating leases with the total amount of €6,122. The total future minimum lease payments under non cancellable operating leases are:

	2021 €
Not later than one year	5,142
Later than one year and not later than five years	5,128
	<b>10,270</b>

### 6.4 Networking Events

The 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.

### 6.5 Dissolution Costs

Following the Government announcement on 27th April 2021 to dissolve the DHDA and transfer the assets to the Land Development Agency, the DHDA incurred additional legal and professional fees in relation to this matter.

## 7. Community Liaison

Relates to the cost of providing local community programmes.

	2021 €	2020 €
Programme Delivery	33,518	29,308
Other Costs	67,462	49,844
	100,980	79,152
Included in fixed assets	-	-
	<b>100,980</b>	<b>79,152</b>

## 8. Digital Initiatives

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

	2021 €	2020 €
Future Creators	3,152	47,833

## 9. Property, Plant and Equipment

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

	Development Assets €	Fixtures and Fittings €	Computer Equipment €	Total €
<b>Cost/Valuation</b>				
at 1 January 2021	35,098,608	2,892,623	1,342,112	39,333,343
Additions	6,965	17,981	118,436	143,382
Revaluation	4,794,439	-	-	4,794,439
<b>At 31 December 2021</b>	<b>39,900,012</b>	<b>2,910,604</b>	<b>1,460,548</b>	<b>44,271,164</b>
<b>Depreciation</b>				
at 1 January 2021	-	2,747,126	1,312,291	4,059,417
Charge for year	-	30,511	18,805	49,316
<b>At 31 December 2021</b>	<b>-</b>	<b>2,777,637</b>	<b>1,331,096</b>	<b>4,108,733</b>
<b>Net Book Value</b>				
at 1 January 2021	35,098,608	145,497	29,821	35,273,926
<b>at 31 December 2021</b>	<b>39,900,012</b>	<b>132,967</b>	<b>129,452</b>	<b>40,162,431</b>

## 10. Investment Properties

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

Investment Properties	31 Dec 2020 €	Additions €	Disposal €	Reclass €	Reclass €	31 Dec 2021 €
Digital Depot	5,150,000	416,663	-	-	(816,663)	4,750,000
Gatelodge	750,000	17,664	-	-	(67,664)	700,000
Digital Court	4,300,000	25,755	-	-	(325,755)	4,000,000
10-13 Thomas Street	1,301,404	34,432	-	-	(85,836)	1,250,000
157 Thomas Street	1,700,000	33,887	-	-	(83,887)	1,650,000
85-87 Thomas Street	700,000	-	-	-	(50,000)	650,000
Townhouse Twenty2	1,300,000	12,797	-	-	(62,797)	1,250,000
Bonham Street car spaces	550,000	-	-	-	-	550,000
Grainstore	4,050,000	16,272	-	-	(116,272)	3,950,000
	<b>19,801,404</b>	<b>557,470</b>	<b>-</b>	<b>-</b>	<b>(1,608,874)</b>	<b>18,750,000</b>

## 11. Revaluation of Properties

- (i) FRS 102 requires revaluation each year to fair value (equivalent to open market value) of investment properties with value changes taken to profit or loss. The cost less depreciation model is used only if fair value cannot be measured reliably without undue cost or effort. The DHDA has engaged a professional firm of valuers to carry out an independent valuation of the Agency's properties.
- (ii) Due to movements in property values in recent years, independent valuations were conducted by a professional firm of valuers as at 31 December 2021 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) The 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 2021 resulted in an overall upward revaluation of €4,794,439 (2020: €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 2021.

### Investment Properties

The independent valuation of the Investment Properties as at 31 December 2021 resulted in an overall downward revaluation of €1,608,874 (2020: downward of €2,140,521) which was recognised in the Statement of Income and Expenditure and Retained Revenue Reserves for the year ended 31 December 2021.

## 12. Taxation

The DHDA is liable to Corporation Tax in respect of interest income (Case III/IV) and rental income (Case V). The 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:

	2021 €	2020 €
<b>Current tax:</b>		
Irish tax on profits of the financial year	(21,003)	49,636
<b>Total current tax</b>	<b>(21,003)</b>	<b>49,636</b>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(4,716)	(9,932)
Overprovision in prior years	-	(10,515)
<b>Total deferred tax</b>	<b>(4,716)</b>	<b>(20,447)</b>
<b>Total tax</b>	<b>(25,719)</b>	<b>29,189</b>

Section 610 of the Taxes Consolidation Act 1997 (Schedule 15) provides an exemption to the 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:

	<b>2021</b> €	<b>2020</b> €
Surplus on ordinary activities before tax	2,980,676	970,214
Profit on ordinary activities multiplied by applicable rate of tax in the ROI of 25% (2020 25%)	745,169	242,554
Effects of:		
Expenditure not deductible	42,570	142,208
Capital allowances in excess of depreciation	(12,351)	(3,856)
Deferred tax	(4,716)	(9,932)
Movement in fair value of Investment Properties (not subject to tax)	(796,391)	(331,208)
Overprovision in prior years	-	(10,515)
Income tax withheld	-	(62)
<b>Tax on profit on ordinary activities (note 12(a))</b>	<b>(25,719)</b>	<b>29,189</b>

### 13. Receivables

	<b>2021</b> €	<b>2020</b> €	
Rental Receivables	10,723	64,521	
Corporation Tax	70,096	1,926	
Other Receivables and Prepayments	126,728	158,886	
Deferred Tax Asset*	39,291	34,575	
Accrued Income	24,318	4,091	
VAT	14,605	35,194	
	<b>285,761</b>	<b>299,193</b>	
<b>*Deferred Tax Asset</b>			
On Fixtures and Fittings	39,291	34,575	
<b>Movement in temporary differences during the year</b>	<b>Balance 31 Dec 2020</b> €	<b>Recognised in I&amp;E</b> €	<b>Balance 31 Dec 2021</b> €
On Fixtures and Fittings	34,575	4,716	39,291

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

	2021 €	2020 €
Payables and Accruals		
- Operations	322,938	523,310
- Property Development	752,687	789,322
PSWT and Relevant Contracts Tax	16,577	8,463
Sundry Deductions	4,012	73,751
Holiday Pay Accrual	16,083	13,008
Tenants' Security Deposits	232,765	278,281
Deferred Income	12,995	12,956
PAYE and PRSI	33,471	34,578
	<b>1,391,528</b>	<b>1,733,669</b>

## 15. Capital Account

	2021 €	2020 €
1 Jan		
Opening Balance	61,158,575	61,058,575
Funding: Exchequer		
- Development Works	621,000	100,000
31 Dec		
Closing Balance	61,779,575	61,158,575

## 16. Pension Costs

### a. Pension Scheme

Under Section 21 of the Digital Hub Development Agency Act 2003, the DHDA provides a scheme for the granting of superannuation benefits to and in respect of its staff members, subject to Ministerial approval. The 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 and Communications with the consent of the Minister for Public Expenditure and 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 and 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. The 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 2021 is €686,000 (2020: €4,300,000).

The results set out below are based on an actuarial valuation of the pension liabilities in respect of Agency staff as at 31st December 2021. 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:

	<b>2021</b> €	<b>2020</b> €
Discount rate	1.2%	0.80%
Salary rate increase	3.5%	2.50%
Pension rate increase	3.00%	2.00%
Inflation rate increase	2.00%	1.75%
Life expectancy at age 65: Male	21.8 years	21.7 years
Life expectancy at age 65: Female	24.2 years	24.1 years

### c. Pension Costs

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

Pensions Cost of €145,041 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:

	<b>2021</b> €	<b>2020</b> €
Employer Contributions (Main scheme)	52,645	48,383
Employer Contributions (SPSPS scheme)	92,396	84,541
Current service cost *	248,000	220,000
Interest Costs	36,000	47,000
Adjustment to Deferred Exchequer Pension Funding	(284,000)	(267,000)
	<b>145,041</b>	<b>132,924</b>

\* Employee contribution of €46,104 (2020: €42,718) has been included in the calculation of the current service cost.

## ii) Movement in Net Pension Liability

	<b>2021</b> €	<b>2020</b> €
Net Pension Liability at 1 January	4,300,000	4,480,000
Current Service Cost	248,000	220,000
Interest Cost	36,000	47,000
Actuarial (gain)/loss on scheme liabilities	109,000	(444,000)
Pensions paid in year	(7,000)	(3,000)
Net Pension Liability at 31 December	4,686,000	<b>4,300,000</b>

## 17. Related Party Disclosures

Key management personnel in the 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 €342,078 (2020: €275,792). Maternity cover included for the Chief Financial Officer in 2021.

## 18. Post Balance Sheet Events

There have been no 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 16 June 2022.



Digital Hub Development Agency  
The Digital Hub, Dublin 8  
D08 TCV4, Ireland

T: +353 1 480 6200  
E: [info@thedigitalhub.com](mailto:info@thedigitalhub.com)  
[www.thedigitalhub.com](http://www.thedigitalhub.com)



**THE DIGITAL HUB**



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