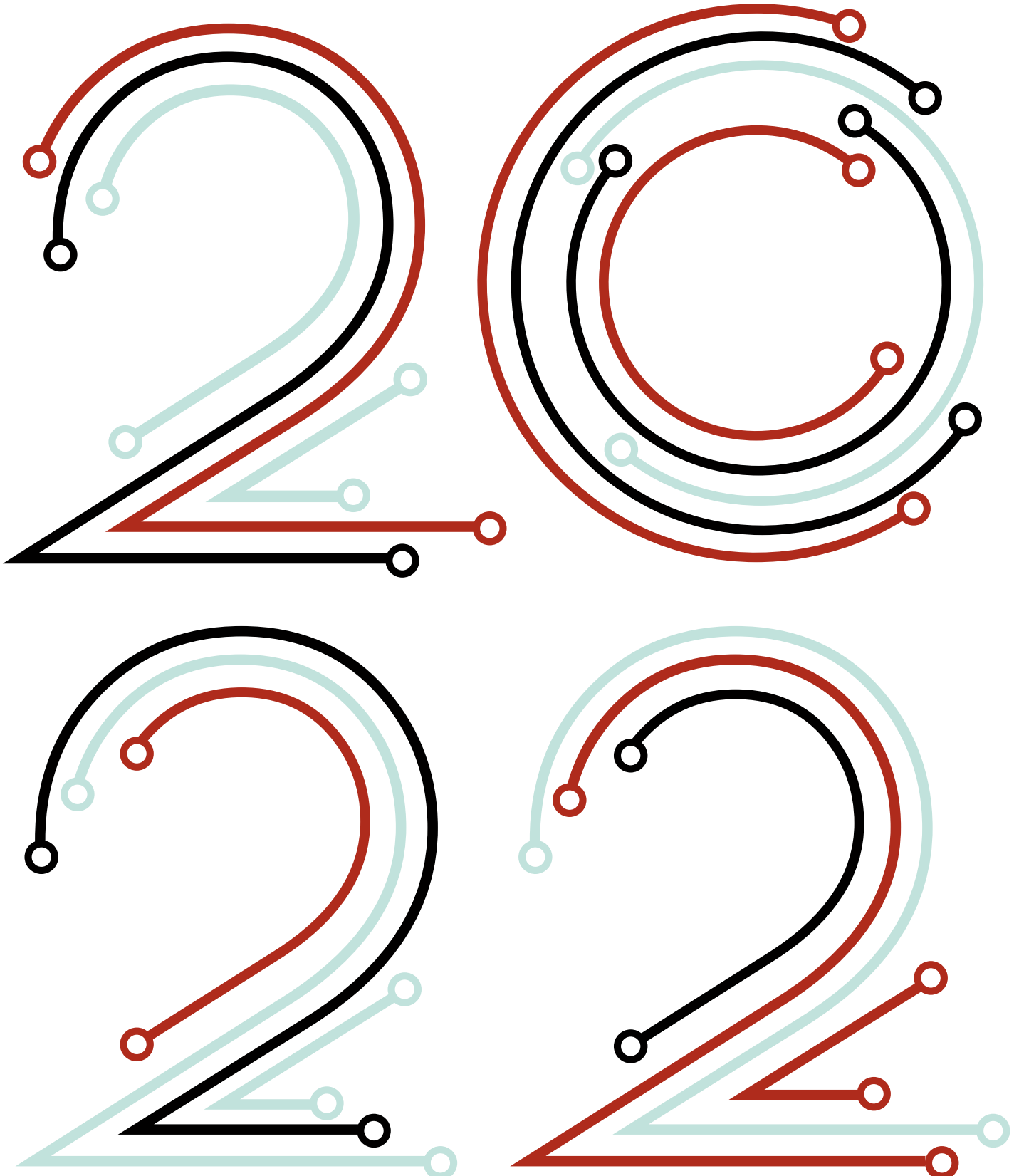


The Digital Hub  
Annual Report 2022



THE DIGITAL HUB





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# Chairman's Statement

As Chairman of the Digital Hub Development Agency (DHDA), I am pleased to present the 2022 Annual Report and Financial Statements.

Pending the implementation of the Government decision to dissolve the DHDA and transfer its property portfolio to the Land Development Agency, the DHDA continues to operate its multi-faceted brief, which includes aspects of urban regeneration, enterprise support, property development, community engagement, and property management. As the country emerged from the disruption brought on by the COVID-19 pandemic, I am happy to report that the DHDA continued to make progress on these fronts during 2022.

The DHDA is custodian of a significant number of buildings and land in the historic centre of Dublin. This presents both challenges and opportunities. The chief opportunity is for the area to once again become the vibrant city quarter that it was during the heyday of the brewing industry, when it was the base for a wide range of thriving businesses, and provided living accommodation, employment, cultural outlets, training facilities and social amenities for the local residents – in effect, the 15-minute city quarter that underpins current thinking on sustainable urban development and regeneration. The main challenge is that many of the buildings are of architectural or cultural importance, and enjoy protected status, which makes their refurbishment difficult and expensive. This, in turn, presents an opportunity for the redevelopment of The Digital Hub to act as a demonstrator project for the effective and efficient use of heritage structures, for the reuse and repurposing of materials and for making a positive contribution to national climate-related goals.

The companies in the DHDA's enterprise cluster emerged slowly from the pandemic constraints. Many continued – and still continue – to operate a hybrid working model, resulting in considerable changes to their accommodation requirements. As always, the DHDA responded flexibly, offering a range of solutions to fit their changing needs. In particular, the DHDA opened a number of collaboration spaces that could be booked on a short-term basis, and these have proven to be popular, both with our member companies and with external organisations that have been attracted by the facilities and the energy in The Digital Hub. At the start of the year, as COVID-related restrictions were eased, The Digital Hub was home to 29 companies; by the end of the year that had increased to 47 – a solid indication that The Digital Hub continues to be an attractive location for creative enterprises focused on significant societal challenges, such as health, wellbeing and climate action.

Throughout the year, the DHDA continued to grow its network and sphere of influence, cooperating with Trinity College Dublin, NUI Maynooth, the National College of Art & Design, the Tyndall National Institute, St James's Hospital, Dublin City Council, and, on EU-funded projects, with a number of international partners. The most significant of these cooperative ventures is the Smart D8 project, which is further described later in this report.



Our education, training and awareness-raising initiatives with the local community continue to engage young and old – for example, the Future Creator Cadets is intended for pre-teens, and the Screen8 project involved local residents ranging in age from 61 to 90. In line with the National Digital Strategy, these initiatives are focused on health, wellbeing and sustainability. They are also described in more detail later in this report.

I am pleased to report that during the year the DHDA was able to provide some support for people fleeing the war in Ukraine. We have made space available for English-language services, employment mentorship, upskilling and English language lessons through a partnership with the Red Cross Ukrainian HUB and FIT (Fastrack into Information Technology).

Throughout the year, the Board provided the DHDA with support, advice and guidance, on both strategic and operational matters. I would like to thank them for their vision, commitment and hard work. During the year, Carol Gibbons and Aimée Williams retired when their terms of appointment expired. They both contributed significantly to the work of the Board throughout their respective terms and they will be

missed. As vacancies arise on the Board, I hope to work with the Minister to ensure that the board continues to have the expertise and experience it needs to discharge its responsibilities and that it has a membership that is reflective of Irish society.

I would also like to thank Victor Leonov for his service on the Audit and Risk committee and his valued contribution over the last number of years. He will be missed.

I also extend thanks, on my own behalf and on behalf of the Board, to the staff of the DHDA and in particular to the Chief Executive, Fiach Mac Conghail.

I would also like to express my appreciation for the support of Ministers Eamon Ryan and Ossian Smyth and their officials at the Department of the Environment, Climate and Communications, and I look forward to continued cooperation in 2023.

Paul Holden  
**Chair**

# CEO's Report

2022 was a year of strong growth for The Digital Hub.

As COVID-19 restrictions ended and life was able to get back to normal, our Dublin 8 campus returned to being a bustling centre of entrepreneurial and creative activity.

Throughout the pandemic, our Liberties base remained operational but at reduced capacity, so it was wonderful to welcome our members back in person. As the year developed, it became evident that the 'new normal' involved remote, hybrid and other flexible working arrangements and, thankfully, this was something The Digital Hub was extremely well-placed to facilitate.

Our spaces were adapted to ensure the working environment was able to accommodate the new ways of doing business and our numbers increased as new and returning members sought solutions to their changing needs and the new reality. Our refurbished iD8 Studio became particularly attractive, both to our existing members as well as external companies and organisations looking for space to facilitate team building and in-person connection.

We started 2022 with a total of 29 member companies and organisations and I am pleased to report that we had 47 by year end, a figure that illustrates the strength of our reputation as a location of choice for Irish and international businesses.

This total involved traditional Digital Hub companies working on innovations in industries such as healthtech and digital technology, but also a growing cluster of creatives, who added yet more vibrancy, diversity and collegiality to our expanding community.

Given the return to in-person gatherings, the year also brought rising demand for our multipurpose spaces, expanding our contribution to local people, groups, organisations and institutions as well as the wider Dublin community.

We continued to prepare for the Government decision to dissolve the Digital Hub Development Agency (DHDA), while seeking to ensure that the value created in The Digital Hub will be preserved and enhanced under the Land Development Agency's (LDA) plans for the area. We are working in partnership with the LDA in supporting them on the phased implementation of their masterplan.

We have said before that The Digital Hub's thriving and growing enterprise cluster must be preserved and enhanced and this remains our vision. Meanwhile, current and future members can continue to rely on The Digital Hub when seeking affordable space for their businesses and creative activities. Our neighbours can also be assured that our extensive community and social engagement programmes will continue.

In a year when people were looking for a return to normality, it was great to see The Digital Hub remaining as flexible, relevant and dynamic as ever.

I am proud to report on a number of significant activities which took place in 2022, either at our campus or in which we were directly involved.

We worked with We LOVE Markets to introduce a new monthly market on The Digital Hub campus. The grand opening took place on St Patrick's weekend 2022 and the series of markets throughout the year showcased a mix of local design and locally-made artisan food, supporting local enterprises, organisations, designers and creatives in Dublin 8. This was a great addition to the locality and its launch coincided with a time when society was reopening after the lifting of COVID-19 restrictions. It confirmed The Digital Hub's role as a focal point for enterprise in the Liberties.

Our campus hosted an increasing number of events and creative activities including a unique creative ecologies project focused on environmental sustainability and curated by Artist-in-Residence, Seoidín O’Sullivan. The Radicle Lab brought local communities, artists and researchers together to connect, celebrate and develop ecologically sustainable projects in the surrounding Dublin 8 area.

Renowned international artist and inventor Robin Price presented a unique public artwork in January which saw a nightly laser projection onto the iconic St Patrick’s Tower on our campus in the Liberties and explored Dublin 8’s relationship with social media and data.

The Digital Hub partnered with the Robert Emmet Community Development Project on a new Smart D8 pilot programme called Bee8. Together with the National College of Art & Design, St Patrick’s Mental Health Services and the Tyndall National Institute, Bee8 focused on bringing the community together to develop a link between society, nature and wellbeing using bees and data to better understand the Dublin 8 ecosystem. A total of 20 sensors across four beehives were installed to monitor key data relating to bees, including temperature, hive weight, sound, humidity and bee activity levels. It is hoped that from its beginnings as a social enterprise in Dublin 8, Bee8 will grow into a system that can be applied to beehives internationally.

We continued to foster and facilitate a range of learning and community initiatives including the D8 Surfers Club and Turning Ground, a series of seminars run in collaboration with the National College of Art & Design featuring international and national experts on socio-ecological futures in urban environments. We also partnered with Teen-Turn again for the Technovation Challenge 2022. The project offers interactive learning programmes in which young people learn how to use technology to solve real-world problems.

Working with Pryvit, a non-profit initiative from the Tech for Good community in Dublin, The Digital Hub offered free co-working space and internet access for three months to people fleeing Ukraine working in a tech or digital media-focused business.

These initiatives, among the many others which we took throughout the year, highlight the importance of The Digital Hub to our local area, as well as much further beyond the border of the Liberties.

I would like to thank our many valued stakeholders who support The Digital Hub, including Ministers Ryan and Smyth and their officials at the Department of the Environment, Climate and 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 DHDA who continue to work tirelessly on behalf of the DHDA, 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**





# Work of the DHDA

## The Campus

By the end of 2022, The Digital Hub campus had 60,610sq.ft gross lettable office space across nine active buildings. This is made up of net lettable office space (49,054sq.ft), single desk space (4,776sq.ft), and event spaces (6,780sq.ft).

The Digital Hub is committed and constantly driven to develop a diverse and creative digital technology quarter in Dublin 8 that realises tangible social, economic and community benefits for Ireland, while regenerating this historic part of Dublin city.

The Digital Hub's multipurpose spaces were in high demand for events, rehearsal space, training days and meetings throughout the year, bringing new people to The Digital Hub campus daily. Bay 1 in the Digital Depot, which had previously been office space, was put to use as a flexible multipurpose space for business and creative communities. This new space, along with iD8 Studio and Studio 2, which opened in 2021, were collectively in use for rehearsal space, training days and meetings on over 330 days of the calendar year.

Local educational institutes BIMM Dublin and NCAD used these spaces for a number of classes and the Abbey Theatre was among five theatre companies that occupied space for rehearsals. 50% of the days booked were by organisations external to The Digital Hub – an indication of the increased demand for flexible networking and collaboration options in Dublin city.

As a focal point for enterprise and creativity in the community, The Digital Hub was delighted to make its spaces available for uses that bring people, vitality and economic activity to this historic part of Dublin City.

We LOVE Markets held the first monthly market outside St Patrick's Tower in March to coincide with the St Patrick's Festival. The flea market proved to be a great success throughout the year in attracting hundreds of people to the Liberties area for each Sunday market, which hosted roughly 50 eclectic stalls. 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.

In June, the iD8 Studio was turned into 'Radicale Lab' – a Creative Laboratory. This series of events, held across six days, was curated by Artist-in-Residence Seoidín O'Sullivan, and it brought local communities, artists and researchers together on The Digital Hub campus to connect with each other and explore ecology and sustainability projects in the local area.

After a two-year break, The Liberties Festival returned in September for four days of family-friendly sporting, cultural and arts events. As a proud supporter of the Festival for many years, The Digital Hub was delighted to make available space for the main music stage outside St Patrick's Tower; iD8 Studio was also the venue for many events as part of the environment programme.







Minister Ossian Smyth T.D. visits The Digital Hub campus. Also pictured are Paul Holden, Chairperson, Digital Hub Development Agency and Fiach Mac Conghail, CEO of The Digital Hub.



### Energy Usage

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

Energy Usage (MWh)	2022	2021
Electricity (MPRN)	627	866
Gas (GPRN)	692	942
On-site renewable generation	6.16	3.6
Gasoil	50	30
<b>Total Consumption</b>		<b>1,747</b>

### Digital Depot on-site generation

The solar panels, which are operational on the Digital Depot building since June 2021, displaced an estimated two tonnes of carbon in 2022. This solar installation – an 11kw rooftop solar Photovoltaics (PV) system – produces electricity which offsets the need to buy that electricity from the power grid. It is estimated that over the lifetime of the system (25 years), the total savings to the Digital Hub Development Agency will be over six times the initial investment in financial terms, while significantly reducing our carbon footprint.

# Focus on the Enterprise Cluster

## Highlights from the Enterprise Cluster

At the start of 2022, we had fewer than 30 companies residing in The Digital Hub and our buildings were only 47% occupied, down from over 70 companies and 85% occupancy in early 2020. The pandemic had a material impact on many of our members, as had the announcement that the Digital Hub Development Agency's (DHDA) was to be dissolved. However, given the assurance that the DHDA will continue to operate until at least 2025, the immediate task for 2022 was to rebuild our membership and occupancy, adapting the way we do business to new patterns of working and creating new uses for vacated office spaces.

During 2022, The Digital Hub welcomed 26 companies and organisations to its Dublin 8 campus. Of the 26 companies, 19 were new companies, two were longer-term alumni who decided to return operations to The Digital Hub and five were companies who had left during 2020 and 2021 but returned in 2022.

By year end, there were 47 member companies and organisations based at The Digital Hub who collectively employ approximately 400 people. DHDA achieved 69% occupancy at 31st December 2022 which was an increase of 22% in occupancy since the start of the year. The average occupancy achieved in 2022 was 59% in comparison to 48% in 2021. In that regard a degree of recovery in occupancy levels had commenced by the end of 2022. The issue of market rates continued to be a challenge but despite that the Agency achieved the commercial income target agreed with DECC for 2022.

With members at the forefront of technology, digital media innovation, art and the creative industries, there were some notable successes in 2022:

- Akara Robotics won the award for Best Application of AI in Healthcare at the 2022 AI Awards in Dublin. The company also signed an MoU with Estonia's largest healthcare provider, while its robot, which decontaminates air was trialled in a major NHS hospital in Cornwall, UK — with early results suggesting it could reduce room downtime in critical parts of the hospital by more than 60%.
- Allgo announced the launch of the new Allgo Mastercard Digital Gift Card in two versions — Allgo Online Only and Allgo Digital+. The universal gift cards can be used anywhere that accepts Mastercard® instore, online, or abroad.
- Pocket Forests was announced as the awardee of three funds: the Rethink Ireland Social Enterprise Start Up Fund, Royal London Changemakers Programme, and the AXA Community Foundation of Ireland Parks Grant.
- Neuromod launched Ótologie, a specialist healthcare service for people living with tinnitus. This service enables tinnitus patients, in Ireland and Europe, to avoid waiting lists and gives them immediate access to a novel treatment for tinnitus.
- Animation studio Kavaleer Productions was nominated, as part of the production team for Circle Square, for a "Pre-school Animation" award at the BAFTA's Children & Young People Awards 2022. The awards celebrate programming for children and young people spanning film, games and television. Kavaleer celebrated its 21st birthday in 2022 and two decades of creating animations.
- MEG Support Tools partnered with New Zealand's largest independent private healthcare network, Southern Cross Healthcare. Following a successful trial across the organisation, Southern Cross Healthcare announced a full implementation of MEG's healthcare Audit Management software into its network of hospitals.
- Indiana University and patientMpower announced a new project monitoring rural Interstitial Lung Disease (ILD) patients remotely. The project involves patientMpower's remote patient monitoring platform being used to track changes in patient lung function and patient-reported outcomes, which are key indicators of ILD progression.
- Pallas Projects/Studios, one of Ireland's longest-running artist-run spaces announced the launch of its new studios at The Digital Hub with Minister for the Arts Catherine Martin and Arts Council Director Maureen Kennelly. This significant new development provides 25 large single and double studios, which were secured at a crucial time, for Pallas Projects/Studios and the creative community in Dublin city.





- Tech For Good Dublin launched a new website to help Irish businesses welcome Ukrainian refugees. Working with pryvit.ie, The Digital Hub offered free co-working space and internet access for three months to Ukrainian refugees who were involved in a tech or digital media focussed business. Through this initiative we connected with the new Dublin arm of digital payment solutions provider, Payoma, which was established by two Ukrainian refugees and the business quickly became a commercial tenant.

**A growing sub-cluster of artistic companies**

The creative nature of The Digital Hub’s surrounding area is reflected in a growing sub-cluster of artistic companies residing in the campus. This cluster includes Block T, Dead Centre, Dublin International Film Festival, Eclipse Pictures, field:arts, Jude Healy Creative, Kavaleer, Pallas Projects, Photolreland, South Winds Blows and Verdant Productions. Thanks to the collaboration with Block T and Pallas Projects there are now over 60 artists and craftspeople using studios in buildings at The Digital Hub.

**Multipurpose spaces in demand**

One important way we adapted to the consequences of the pandemic was to establish new multipurpose spaces such as iD8 Studio, Studio 2, and Bay 1, as well as spaces in the Grainstore. These locations proved to be in high demand for events, rehearsal space, training days and meetings throughout the year. Over 330 days were used as such across all three spaces in 2022. Local educational institutes BIMM Dublin and NCAD utilised rooms at The Digital Hub for a number of classes, while the Abbey Theatre was among five theatre companies that occupied space for rehearsals. 50% of the days booked were by organisations external to The Digital Hub, illustrating the increased demand for flexible networking and collaboration options in Dublin City.

# Focus on Community Programmes and 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 is an active member of Ireland's digital technology and content ecosystem. We partner with public, private and academic organisations to further innovation with scaling potential. The Digital Hub's programmes engage a variety of people of different ages, abilities and interests in the local community and the wider digital ecosystem.

## The #D8 Together Video Challenge

The #D8 Together Video Challenge is a new programme for local secondary school students from CB Media and The Digital Hub which was piloted from December 2021 to March 2022 reaching 26 local students over 11 one-hour online sessions. The programme enables young people to discuss mental health and wellbeing challenges, through storytelling and using their creativity, while supporting one another, sharing experiences and having fun in a safe space.

The impact of the programme on the participants' video production skills, mental health and resilience was evaluated.

- 85% of students reported that the programme increased their level of self-confidence.
- 80% of students reported that they learned more about themselves and why they are strong.
- 73% of students reported that they learned about other students' mental health issues and how sharing experiences of being strong in difficult situations supports everyone to tell their own stories.
- 80% of students reported an increase in their knowledge of video production, filming, and editing.

## Screen8

The Digital Hub and the Dublin International Film Festival (DIFF) decided to run the Screen8 filmmaking programme for older people in the community for the 2021/22 iteration of the programme. In February 2022 the participants, who were aged 60 and older, saw their creative work premiere on the big screen. 'Waiting', a short film created by this group under the guidance of professional filmmaker Paul Farren, was screened as part of DIFF.

Later in the year a new group of older participants was recruited for the 2022/23 run of the programme with a new Filmmaker-in-Residence, Laura O'Shea. The programme will culminate with a festival-ready short which premieres at DIFF in Spring 2023.

## Teen-Turn — the Technovation Challenge and Project Squad

The Digital Hub continued its partnership with Teen-Turn for the Technovation Challenge 2022 — the world's largest tech and entrepreneurship contest for girls. In Ireland, the Technovation Challenge is run by Teen-Turn, which is a volunteer-led registered charity that works with organisations throughout Ireland to provide STEM career role models and hands-on experience to teen girls from disadvantaged communities. The Digital Hub financially supports the programme and also provides classroom space and equipment. This year, two local girls from the Presentation Secondary School, Warrenmount made the semi-finals of the Technovation Challenge with their project, Study Box — an app to motivate secondary school students to learn and engage in their education.



The Digital Hub also supports Teen-Turn’s Project Squad which takes place at The Digital Hub. Project Squad invites teen girls to create a science fair project, in keeping with the requirements of both SciFest and the BT Young Scientist.

**Teen-Turn Plus**

The Digital Hub and Teen-Turn launched Teen-Turn Plus — a new project that took place weekly from February to May and from August to November at The Digital Hub. Teen-Turn Plus was developed to provide hands-on exposure to advanced scientific and technology topics in AI, physics and object-oriented programming. The initiative was open to Teen-Turn participants attending secondary school in Dublin 8 or whose home residence was nearby.

**D8 Surfers Club**

The D8 Surfers Club made a welcome return to their Tuesday in-person gatherings at The Digital Hub this year. The participants — all older people in the Dublin 8 community — had been meeting virtually over Zoom due to the COVID-19 pandemic. While the Zoom meetings had been a valuable source of connection and interaction for many in the area throughout the pandemic, meeting in-person in a pleasant social environment is the preference for the group, who are guided by a tutor in their discovery of how digital technologies can benefit them in their everyday lives.

**Pear Tree Community Harvest**

The Digital Hub held a community harvest of the pear tree at The Digital Hub campus in September. The National College of Art & Design (NCAD), the Liberties Training Centre and the South Inner City Community

Development Association (SICCCA) represented the community and spoke about the importance of the historic pear tree, which is believed to be the oldest fruit-bearing tree in the country. Following the harvest, the crop of pears was put to good use by all involved, as students and lecturers/tutors from NCAD, the Liberties Training Centre along with SICCCA, the Robert Emmett Community Development programme and The Digital Hub gathered at NCAD to taste an array of pear jams and pear tarts.

**The Liber8 Music Project**

The Digital Hub and BIMM Dublin have run ‘The Liber8 Music Project’ since 2017 with the aim of providing young people living in Dublin 8, who have limited exposure to music production and digital media, with an opportunity to immerse themselves in a creative programme. With in-person classes being most effective for this type of hands-on programme, classes had to pause during the COVID-19 public health restrictions. The intention is to recommence the programme in an in-person setting at the BIMM Institute Dublin and The Digital Hub campus in early 2023.

**Introduction to Music Production course**

While The Liber8 Music Project was on hold, The Digital Hub and BIMM Dublin ran two four-week Music Production courses online — one at the beginning of the year and a second at year-end. Secondary-school-aged students were invited to join the free online classes where they learned the basics of Ableton software and music production techniques. This knowledge was put to use by the students who created their own music tracks.





### **Future Creator Cadets workshop on Internet Safety**

To mark Internet Safety Day 2022, The Digital Hub's Future Creator Cadets programme ran a special online coding workshop for the students in a local school. Students at St Catherine's National School attended a coding workshop where they learned how to create a quiz using coding concepts such as conditionals, loops, adding a score and text to speech. They used Scratch software to create the quiz, choosing their own backgrounds, robot characters, dialogue, and special effect sounds. The result was an Internet security quiz unique to each creator. Four classes at the school participated and now understand basic coding concepts as well as important Internet safety facts.

The Digital Hub Future Creator Cadets programme ran online coding lessons for schools in Dublin 8 from January to June 2022 with 390 young people aged 9 to 12 years of age.

### **Pocket Forests Tree Hub**

The partnership with the social enterprise, Pocket Forests, has provided The Digital Hub with an opportunity to showcase approaches on sustainably green urban environments. During 2022 a pocket forest (a method of planting native trees, shrubs and wildflowers in small urban areas) was used as a testbed for environmental data capture and the development of novel sensor applications. It was also used to engage the wider community in sustainable approaches to food waste which can be turned into a resource for planting. Pocket Forests also held various workshops at the Tree Hub which is located on the DHDA campus outside the Digital Depot.

First established in June 2021, the Pocket Forests Native Tree Nursery had a great first year. The raised air-pruning beds at The Digital Hub have been home to more than 180 young trees, some of which have been planted in projects around Dublin, including the Oliver Bond Flat complex and Cherry Orchard Family Resource Centre in 2022.

A newly installed rainwater harvesting system has saved an estimated 3,000 litres of rainwater which has been used to irrigate the trees during dry weather. Thanks to the support of The Digital Hub, Pocket Forests were able to create and trial a new tree pack — twenty communities around Ireland received a tree pack and used them to create their own small pocket forests with the support of the Woodland Support Fund.

### **Smart D8**

From its launch in 2021, Smart D8 has continued to develop into a significant population health and wellbeing demonstrator with national and international application. Twelve public, private and academic institutions have come together to pool their resources and focus on enabling a novel collaborative innovation model dedicated to population health and wellbeing. The Smart D8 initiative successfully delivered a number of innovative pilots in 2022:

#### **Heart of our City**

A collaboration between St James's Hospital, Novartis Ireland and the Irish Heart Foundation was actioned following the identification of heart health as a key concern for Dublin 8 residents. 23% of respondents wanted more support and information on heart



health, and a public health information campaign was launched to encourage attendance at the Irish Heart Foundation's Mobile Health Unit in four locations across Dublin 8 in early 2022. Over 800 Dublin 8 citizens were engaged with, and 35% were identified as having high blood pressure.

'Heart of Our City' won the 'Highly Commended for Public Health Initiative of the Year' award at the Irish Healthcare Awards 2022.

### Ways to Wellbeing

A project by Walk in My Shoes, the flagship awareness-raising campaign of St Patrick's Mental Health Services (SPMHS), connected students with elderly members of the Dublin 8 community to foster local connections and learn about wellbeing and mental health. Students of both primary and secondary schools in the locality were invited to interview family members from the Dublin 8 area, write letters to day centres or nursing homes, and use a range of media for conversation, including podcasts, written stories, film and photography, to help showcase the connections between young and old. 306 students from six schools were connected to elderly members of the Dublin 8 community as a result of Ways to Wellbeing.

### Civic Dollars

Civic Dollars is Ireland's first community currency, launched in 2021 through a collaboration between Smart Dublin, Dublin City Council and Moai Digital. Designed to incentivise the use of public parks and promote exercise and healthy living, Civic Dollars allowed users to earn currency through time spent in Dublin 8 parks, with the currency being redeemable at participating local businesses. Users were also able to donate their earned Civic Dollars to local community groups, who could put them towards much needed professional services. Over 1,100 users had downloaded the Civic Dollars app by the end of 2022, and 44% of all earned Civic Dollars were donated to local community groups.

The work of Smart D8, The Digital Hub and Murray Consultants, who provide PR services to The Digital Hub, on the launch of the Civic Dollars project was recognised with an award at the Awards for Excellence in Public Relations 2022. 'A walk in the park: Launching Ireland's first community currency' was the winning project in the Best Use of Media Relations category.

### Bee8

The Digital Hub and Smart D8, together with the National College of Art & Design, St Patrick's Mental Health Services and the Tyndall National Institute are working with the Robert Emmet Community Development Project (RECDP) on a new project called Bee8. This project focuses on bringing the community together to develop a link between society, nature and wellbeing using bees and data to better understand the Dublin 8 ecosystem. To drive for long term wellbeing impacts for the D8 community, the project also aims to support the creation of sustainable jobs in a social enterprise. These jobs will facilitate the upkeep of the beehive network but will also act as a vehicle for long term engagement with the community. Building on the existing work of RECDP, Bee8 has seen sensors developed and installed on hives to monitor key data relating to the bees, including temperature, hive weight, sound, humidity and bee activity levels. It is hoped that from its beginnings as a social enterprise in Dublin 8, Bee8 will grow into a system which can be applied to beehives internationally.

### WITECH

As the Irish partner in the EU Erasmus+ WITECH (Women in Technology) initiative, The Digital Hub was required to hold a multiplier event for female scientists, engineers and technologists who may wish to develop businesses based on their STEM expertise. The resulting event — 'Entrepreneurship for Women in Technology' — was held in November at The Digital Hub. This event provided an opportunity for young women to be inspired by the stories of other women who have followed an entrepreneurial path, and to introduce the free WITECH MOOC (Massive Open Online Course) developed to build skills and confidence in women with STEM qualifications and lead them to create their own innovative businesses.

### A home for English lessons for Ukrainian refugees

In conjunction with the Red Cross Ukrainian HUB and FIT.com, we made two spaces available in the Grainstore to be used as classrooms for Ukrainian people. This initiative began in June 2022 and over the next six months it saw 12 weekly classes set up providing free English language tuition to over 350 people. Of these, 260 have been provided with employment mentoring and over 100 have been assisted in finding places on full-time vocational education courses.



# Focus on Engagement with the Artistic and Creative Community

## **'Do Algorithms Dream of Electronic Shapes?' – a unique art project**

The Digital Hub, in partnership with artist and inventor, Robin Price, commissioned one of its most unique art projects to date in the form of a laser installation called 'Do Algorithms Dream of Electronic Shapes?'.

The public artwork saw a nightly laser projection on the iconic St Patrick's Tower and it explored Dublin 8's relationship with social media and data. The project, which was part of The Digital Hub's involvement in the health and wellbeing initiative, Smart D8, aimed to explore our complex relationship with technology and how people share their lives through social media.

It culminated with a panel discussion featuring local and international experts who examined how digital technology has already shifted society and what may yet come.

## **Technologist-in-Residence**

The Digital Hub sought a new technologist for a six-month residency commencing in May 2022. Unlike traditional technologist-in-residence programmes, which operate independently, The Digital Hub aimed to blend the successful applicant's work with future artist-in-residence programmes.

Trinity College Dublin graduate Patrick Lynch was announced as the technologist-in-residence. He had recently completed a PhD thesis on robotic grasping and was awarded a doctoral degree later in the year.

The residency saw Patrick deploy sensors to collect a range of data relating to the urban environment of Dublin 8, such as air quality, traffic levels and pollution. The data gathered by Patrick was shared with the new artist-in-residence, Leon Butler, later in the year, who went on to develop a digital model of the area outside the Digital Depot.

## **Artist-in-Residence**

The Digital Hub welcomed award winning artist Leon Butler to its campus for a six-month artist-in-residence programme. Leon, who was The Digital Hub's fifth Artist-in-Residence since the programme commenced in 2018, specialises in digital design, with a focus on

using 3D designs to invite audience participation and interaction. As part of his residency, Leon took data collected from sensors deployed by The Digital Hub's most recent Technologist-in-Residence that monitored air quality, traffic levels and pollution, to develop a virtual reality model of the area.

Earlier in the year, The Digital Hub's fourth Artist-in-Residence, Seoidín O'Sullivan, curated the Radicle Lab — a unique creative ecologies project focusing on environmental sustainability. It brought local communities, artists and researchers together to celebrate and create ecologically sustainable projects in the Dublin 8 area. Through daily workshops and lunchtime excursions, ideas were exchanged and discussions facilitated on future ecologically creative sustainable projects among the local community.

During her residency, Seoidín O'Sullivan took part in multiple research projects including a continuation of Mapping Green Dublin with Common Ground and UCD Geography, Urban Grit with the Robert Emmet Community Development Project and geographer Alma Clavin and the emotional mapping of the Camac River alongside geographer Ronan Foley. The Radicle LAB project also offered an insight into these research developments.





### 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 Digital Hub and the National College of Art & Design (NCAD) partnered for the second year on a series of talks to explore important societal themes. Titled 'Turning Ground', the hybrid talks series created a space that brought artists, local communities, activists and academics together to discuss how creative ecologies and socio-ecological futures can be supported in an urban environment, particularly focusing on the Dublin 8 area. The talks and workshops, held online and in-person at The Digital Hub and at NCAD, featured international and national experts, and was convened by The Digital Hub's Artist-in-Residence for 2022 Seoidín O'Sullivan and NCAD lecturer and artist Gareth Kennedy.
- Kaleidoscope is the end-of-year show for graduates of Creative Digital Media at TU Dublin's Blanchardstown campus. Since 2018 The Digital Hub Award recognises one outstanding final-year project and the 2022 winner was Isabel Hartnett for 'Fast Fashion Unadorned', a project that highlighted the consequences of fast fashion industry practices through an illustrative storytelling parallax website.
- The Digital Hub was the official digital partner of the Dublin Fringe Festival for the third year in a row and supported the creation of six new projects at the intersection of art and technology. These included a VR opera, a multilingual mystery game for young people and a 30-minute sound piece to experience at home.
- After a two-year hiatus, the Liberties Festival returned in September with four days of family-friendly, sporting, cultural and arts events, of which The Digital Hub was a proud supporter. The festival featured an array of events that celebrated health and wellbeing, the environment, music, old classics, young people, culture and a family fun day. The Digital Hub made space available for many of the events as part of the environment programme (iD8 Studio at The Digital Hub) and music programme (Main stage at The Digital Hub, next to St Patrick's Tower).



## 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, organisations and individuals at the forefront of technology, digital media and the creative industries in Ireland and facilitating urban regeneration in the Liberties area, the DHDA can play a key role in promoting equality, diversity, and inclusion. It is not only our public duty but our moral obligation to do so. As we enter into a new phase of strategy development, we are updating our EDI policy of 2019 and agreeing on targets and initiatives for 2023 and beyond.

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. 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. A recent amendment to the DHDA Act has reduced the board membership to eight directors. This means that the recalibration of gender balance can only be achieved as vacancies arise from the current membership.





# Companies operating in The Digital Hub on 31st December 2022

1. aCGT Vector
2. Akara Robotics
3. Allgo
4. Arenametrix
5. Ballyfermot Chapelizod Partnership
6. BIMM Institute Dublin
7. Bitcoin Marketing Team
8. Bizimply
9. Block T
10. Bricolage
11. Campsited
12. CB Media
13. Dead Centre
14. dotNice International
15. Dublin International Film Festival
16. Eclipse Pictures
17. Equiendo
18. field:arts
19. Good Travel Software
20. H2 Learning
21. Henny Penny Vintage
22. iNavtas
23. Incognito Software Systems
24. Jude Healy Creative
25. Juvo
26. Kavaleer
27. Lonely Planet
28. MEG Support Tools
29. Neuromod Devices
30. Odin Consultants
31. Pallas Projects
32. patientMpower
33. Payoma
34. Photolreland
35. Pocket Forests
36. Quantum Information Systems
37. Remedy Biologics
38. Robert Emmet Community Development Project
39. South Wind Blows
40. Total Digital
41. Usheru
42. UX Design Institute
43. Verdant Productions
44. VM Digital
45. Wattics
46. Xwerx
47. Zenadrone



# The Board

The Board of the Digital Hub Development Agency (DHDA) is responsible for setting the broad strategy and policies for the DHDA and has oversight responsibility for the activities of the DHDA.

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

Within its own activities and use of committees with approved terms of reference, the Board operates in accordance with the provisions set out in the Digital Hub Development Agency Act 2003, and within the guidelines set out in the Code of Practice for the Governance of State Bodies issued by the Department of Public Expenditure & 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 2022



**Paul Holden,**  
Chairperson



**Owen Keegan,**  
Board Member (Non-Executive Director,  
Chief Executive, Dublin City Council)



**Fiach Mac Conghail,**  
Board Member & CEO



**Brian Keogh,**  
Non-Executive Director



**Stephen Casey,**  
Non-Executive Director



**Darina Kneafsey,**  
Non-Executive Director



**Austin Campbell,**  
Non-Executive Director



**Nora Nanayakkara,**  
Non-Executive Director



**Carol Gibbons,**  
Non-Executive Director,  
Enterprise Ireland



**Aimée Williams,**  
Non-Executive Director,  
IDA Ireland

Approved by the Board 23.02.23

# Annual Financial Statements 2022

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# Governance Statement and Board Members' Report

## Governance

The Board of the Digital Hub Development Agency was established under the Digital Hub Development Agency Act 2003. The functions of the Board are set out in section 8 of this Act. The Board is accountable to the Minister for 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 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.
- 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.
- 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 23rd February 2023.

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 2022, the Board continued its governance responsibilities, and all scheduled Board and Committee meetings took place. Board and Committee meetings were conducted in-person, remotely via video conference and in a hybrid manner of in-person and online.

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 31st December 2022.

### Board Structure

At 31st December 2022, the Board consisted of a Chairperson and seven 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 2022:

Board Member	Role	Date first appointed	Term expiration date
Aimée Williams	Member	07/10/19	06/10/22
Austin Campbell	Member (Local Community Representative)	05/07/22	04/07/25
Brian Keogh	Member	03/06/16	02/06/24
Carol Gibbons	Member	13/06/17	04/07/22
Darina Kneafsey	Member	05/07/19	04/07/25
Fiach Mac Conghail	Chief Executive Officer	21/10/16	20/10/26
Nora Nanayakkara	Member	05/07/19	04/07/25
Owen Keegan	Member (Chief Executive Officer, DCC)	07/10/13	03/10/24
Paul Holden	Chairperson	29/05/12	04/07/25
Stephen Casey	Member	05/07/19	04/07/25

## Governance Statement and Board Members' Report (cont.)

An internal Board Effectiveness and Evaluation Exercise was conducted in 2022. The Board considered the results of this review on 23rd February 2023. 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:** Stephen Casey (Chairperson), Alice Butler (external member), Nora Nanayakkara, Paul Holden and Victor Leonov (external member). There were five meetings of the ARC in 2022.

**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), Austin Campbell and Darina Kneafsey. There were five meetings of the Property Committee in 2022.

### Schedule of Attendance, Fees and Expenses

A schedule of attendance at the Board and Committee meetings for 2022 is set out below including the fees and expenses received by each member:

	Board	Audit & Risk Committee	Property Committee	Fees 2022 €	Expenses 2022 €
Aimée Williams*	3	-	-	-	-
Alice Butler**	-	1	-	-	-
Austin Campbell	3	-	2	3,818	-
Brian Keogh	6	-	5	7,695	-
Carol Gibbons*	2	-	-	-	-
Darina Kneafsey	6	-	3	7,695	941
Fiach Mac Conghail***	6	-	3	-	74
Nora Nanayakkara	3	1	-	7,695	411
Owen Keegan*	5	-	-	-	-
Paul Holden	5	4	-	11,970	-
Stephen Casey	6	5	-	7,695	-
Victor Leonov**	-	4	-	-	-
<b>Total</b>	<b>45</b>	<b>15</b>	<b>13</b>	<b>46,568</b>	<b>1,426</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).

\*\* Unremunerated external member of the Audit and Risk Committee.

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

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

## **Key Personnel Changes**

### **Board**

- Carol Gibbons retired as a Member of the Board on 4th July 2022 due to the expiration of her term.
- Aimée Williams retired as a Member of the Board on 6th October 2022 due to the expiration of her term.
- Paul Holden was reappointed as a Chairperson on 5th July 2022 until, the earlier of the date of the dissolution of the Agency or on 4th July 2025.
- Darina Kneafsey was reappointed as a Board Member on 5th July 2022 until, the earlier of the date of the dissolution of the Agency or on 4th July 2025.
- Nora Nanayakkara was reappointed as a Board Member on 5th July 2022 until, the earlier of the date of the dissolution of the Agency or on 4th July 2025.
- Stephen Casey was reappointed as a Board Member on 5th July 2022 until, the earlier of the date of the dissolution of the Agency or on 4th July 2025.
- Austin Campbell was appointed as a Board Member on 5th July 2022 until, the earlier of the date of the dissolution of the Agency or on 4th July 2025.

### **Audit and Risk Committee**

- Paul Holden was appointed as Member of the Audit and Risk Committee on 11th February 2022.
- Victor Leonov was reappointed as Member of the Audit and Risk Committee on 11th February 2022.
- Alice Butler was appointed as Member of the Audit and Risk Committee on 11th November 2022.

### **Property Committee**

- Austin Campbell was appointed as Member of the Property Committee on 22nd July 2022.
- Fiach Mac Conghail retired as a Member of the Property Committee on 22nd July 2022 and continued to attend in his capacity as CEO.

### **Board Secretary and Chief Risk Officer**

- Róisín Henehan was reappointed as Board Secretary and Chief Risk Officer on 8th March 2022.

## **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.

## Governance Statement and Board Members' Report (cont.)

### Consultancy Costs

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

	2022 €	2021 €
Legal advice	12,391	2,004
Procurement*	-	(38,187)
Consultancy & redevelopment	56,251	41,855
Health & safety	3,218	4,828
Governance	13,795	8,538
Property valuation	12,667	5,552
Internal audit & tax	52,590	57,624
<b>Total consultancy costs</b>	<b>150,912</b>	<b>82,214</b>
Consultancy costs capitalised	56,251	23,144
Consultancy costs charged to the statement of income and expenditure and retained revenue reserves	94,661	59,070
<b>Total</b>	<b>150,912</b>	<b>82,214</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 2023. As a result, an accrual held at 31st December 2020 was released during 2021.

### Legal Costs and Settlements

In 2022, 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:

	2022 €	2021 €
<b>Domestic</b>		
- Board	941	5
- Employees	74	-
<b>International</b>		
- Board	411	-
- Employees	-	-
<b>Total</b>	<b>1,426</b>	<b>5</b>

### Hospitality Expenditure

The Income and Expenditure Account includes the following hospitality expenditure:

	2022 €	2021 €
Client hospitality*	9,753	279
Staff hospitality	975	137
<b>Total</b>	<b>10,728</b>	<b>416</b>

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

### Statement of Compliance

The Digital Hub Development Agency was in compliance with the Code of Practice for the Governance of State Bodies 2016 at 31st December 2022.

Signed on behalf of the Board:

**Paul Holden**

Chairman

**Brian Keogh**

Board member

22nd June 2023

# Statement on Internal Control

For the year ended 31st December 2022

## Responsibility for Internal control

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

The system provides reasonable, but not absolute, assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or detected in a timely period.

## Capacity to Handle Risk

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

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

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

The Digital Hub Development Agency commenced activities in the first quarter of 2020 to enable the Agency to maintain business operations during the period of the pandemic. These activities, which were taken in response to business challenges and increased risks to internal controls continued in 2022 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 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 2022.

The DHDA management team continued to maintain risk management a standing agenda item at management meetings whereby; existing and emerging risks were considered. In addition, near misses, internal control weaknesses and any control breaches were raised through this forum and reported to the Audit 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 & Risk Committee and Board at least twice yearly. Control failures are reported to the Audit & Risk Committee and the Board and appropriate corrective action is implemented.
- (iii) The Digital Hub Development Agency's key processes for the control of risks include:
  - a) Documented procedures for all key business processes.
  - b) A framework of regular management information, administrative procedures including segregation of duties, and a system of delegation and accountability.
  - c) Assignment of responsibilities with corresponding accountability and reporting arrangements.
  - d) Comprehensive budgeting system with an annual budget which is reviewed and agreed by the Board, regular reviews by the Board of periodic and annual financial reports which indicate financial performance against forecast, setting of targets to measure financial and other performance.
  - e) Systems aimed at securing the security of and resilience of the Agency's ICT systems.
  - f) Systems in place to safeguard assets.
  - g) Systems in place for the reporting and escalation of near misses and internal control weaknesses/failures.

### **Ongoing Monitoring and Review**

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

The Board's monitoring and review of the effectiveness of the system of internal control is informed by the work of internal audit, the Audit & Risk Committee which oversees the work of internal audit, the management of the Digital Hub Development Agency who have responsibility for the development and maintenance of the financial control framework, and comments made by the Comptroller and Auditor General in his management letter or other reports.



## **Statement on Internal Control (cont.)** **For the year ended 31st December 2022**

### **Review of Effectiveness**

I confirm that, in respect of the year ended 31st December 2022 the Board commissioned a review of the effectiveness of the system of internal control.

A review of Internal Controls in 2022 was carried out by an external firm and signed off by the Board of the Agency on 23rd February 2023.

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 2022 are effective, and no internal control issues were identified.

### **Internal Control Issues**

There were no internal control issues/weaknesses identified during 2022.

### **Procurement**

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

### **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

**Brian Keogh**

Board member

22nd June 2023

# Comptroller and Auditor General 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 31st December 2022 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 31st December 2022 and of its income and expenditure for 2022 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

Note 7.1 to the financial statements discloses that the Agency continued to incur expenditure as a result of a vacant site levy charged by Dublin City Council in respect of a site owned by the Agency that has not been developed. The expenditure incurred in respect of 2022 was €227,500 (2021: €227,500).

### Seamus McCarthy

Comptroller and Auditor General

27th June 2023

## **Comptroller and Auditor General Report (cont.)** **For presentation to the Houses of the Oireachtas**

### **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 2022

	Note	2022 €	2021 €
<b>Income</b>			
Commercial and Other Income	4	1,497,068	1,404,158
Exchequer Grants	5	2,346,060	2,311,000
		<b>3,843,128</b>	<b>3,715,158</b>
<b>Expenditure</b>			
Staff Related Costs	6	1,276,683	1,373,308
Operations, General and Administration Costs	7	2,792,859	2,442,607
Community Liaison	8	83,670	100,980
Digital Initiatives	9	49,995	3,152
		<b>4,203,207</b>	<b>3,920,047</b>
<b>Deficit from Operating Activities</b>		<b>(360,079)</b>	<b>(204,889)</b>
(Decrease)/Increase in value of Property, Plant and Equipment	10	(6,561,680)	4,794,439
Movement in fair value of Investment Properties	11	(1,679,699)	(1,608,874)
Corporation Tax	13	535	25,719
<b>(Deficit)/Surplus for Year</b>		<b>(8,600,923)</b>	<b>3,006,395</b>
Balance at 1 January		(2,800,480)	(5,806,875)
Balance at 31 December		(11,401,403)	(2,800,480)

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

Signed on behalf of the Board:

**Paul Holden**      **Brian Keogh**  
Chairman              Board member

22nd June 2023

# Statement of Comprehensive Income

For the year ended 31st December 2022

	Note	2022 €	2021 €
<b>(Deficit)/Surplus for Year</b>		<b>(8,600,923)</b>	<b>3,006,395</b>
Actuarial Gains (Losses) on Pension Liabilities	17(c)	1,788,000	109,000
Adjustment to Deferred Pension Funding		(1,788,000)	(109,000)
<b>Total Recognised (Losses)/Gains for the year</b>		<b>(8,600,923)</b>	<b>3,006,395</b>

The Statement of Cash Flows and Notes 1 to 20 form part of the financial statements.

Signed on behalf of the Board:

**Paul Holden**      **Brian Keogh**  
Chairman              Board member

22nd June 2023

# Statement of Financial Position

as at 31st December 2022

	Note	2022 €	2021 €
<b>Fixed Assets</b>			
Property, Plant and Equipment	10	33,780,798	40,162,431
Investment Properties	11	17,100,000	18,750,000
		50,880,798	58,912,431
<b>Current Assets</b>			
Receivables	14	253,696	285,761
Cash and Cash Equivalents		1,342,150	1,172,431
		1,595,846	1,458,192
<b>Current Liabilities</b>			
Payables (amounts falling due within one year)	15	(1,363,472)	(1,391,528)
<b>Net Current Assets Less Liabilities</b>		232,374	66,664
<b>Total Assets Less Liabilities before Pensions</b>		51,113,172	58,979,095
Deferred Pension Funding	17(c)	3,255,000	4,686,000
Pension Liabilities	17(c)	(3,255,000)	(4,686,000)
<b>Total Net Assets</b>		51,113,172	58,979,095
<b>Represented by:</b>			
Capital Account	16	62,514,575	61,779,575
Retained Revenue Reserves		(11,401,403)	(2,800,480)
		51,113,172	58,979,095

The Statement of Cash Flows and Notes 1 to 20 form part of the financial statements.

Signed on behalf of the Board:

**Paul Holden**

Chairman

**Brian Keogh**

Board member

22nd June 2023

# Statement of Cash Flows

For the year ended 31st December 2022

	Note	2022 €	2021 €
<b>Cash Flows from Operating Activities</b>			
(Deficit)/Surplus from Operating Activities		(8,600,923)	3,006,395
Depreciation	10	91,101	49,316
Revaluation of Properties	10	6,561,680	(4,794,439)
Revaluation of Investment Properties	11	1,679,699	1,608,874
Decrease in Receivables	14	32,065	13,432
Increase/(Decrease) in Payables	15	(28,056)	(342,141)
Bank Interest		-	(30)
<b>Net Cash Flows from Operating Activities</b>		<b>(264,434)</b>	<b>(458,593)</b>
<b>Cash Flows from Investing Activities</b>			
Payments to acquire Property, Plant and Equipment	10	(325,148)	(143,382)
Proceeds from disposal of Property, Plant and Equipment	10	54,000	-
Payments to acquire Investment Properties	11	(29,699)	(557,470)
<b>Net Cash Flows from Investing Activities</b>		<b>(300,847)</b>	<b>(700,852)</b>
<b>Cash Flows from Financing Activities</b>			
Bank Interest Received		-	30
Capital Funding	16	735,000	621,000
<b>Net Cash Flows from Financing Activities</b>		<b>735,000</b>	<b>621,030</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>169,719</b>	<b>(538,415)</b>
Cash and Cash Equivalents at 1 January		1,172,431	1,710,846
<b>Cash and Cash Equivalents at 31 December</b>		<b>1,342,150</b>	<b>1,172,431</b>



# Notes to the Financial Statements

For the year ended 31st December 2022

## 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, Thomas Street, Dublin 8.

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

### a) General Information

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

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

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

### b) Statement of Compliance

The financial statements of the Digital Hub Development Agency for the year ended 31st December 2022 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.

**Other Grant Income**

Grant income collected but not earned is held as deferred income on the Statement of Financial Position and is allocated to the Statement of Income and Expenditure in the year to which the grant relates.

**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 Income And Expenditure And Retained Revenue Reserves. 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 & Fittings and Computer Equipment**

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

Fixtures and Fittings    20% per annum

Computer Equipment    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.

## Notes to the Financial Statements (cont.)

For the year ended 31st December 2022

### f) Investment Properties

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

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

### g) Receivables

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

### h) Operating Leases

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

### i) Employee Benefits

#### Short-term Benefits

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

#### Retirement Benefits

Digital Hub Development Agency operates a defined benefit pension scheme.

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

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

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

**Valuation of property**

The fair value of investment property is determined by the Agency's real estate valuation experts using recognised valuation techniques and the principles of FRS102. The significant methods and assumptions used by valuers in estimating the fair value of the investment properties and development assets are set out in detail in note 12.

**3. Going Concern and Future Development**

DHDA currently meets its operational costs from a mix of Exchequer grants and commercial income. The Covid 19 pandemic has materially affected and reduced the commercial income of DHDA in 2022 and this has continued into 2023.

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 2023 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.

## Notes to the Financial Statements (cont.)

For the year ended 31st December 2022

### 4. Commercial and Other Income

Included in Commercial and Other Income is Smart D8 income amounting to €108,400.

### 5. Exchequer Grants

DHDA confirms that it has adequate financial control systems in place to manage granted funds as per guidelines under the Department of Public Expenditure 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:

	2022 €	2021 €
<b>Current</b>		
Operations	2,194,060	2,159,000
Community Liaison	70,000	70,000
Digital Initiatives	82,000	82,000
	<b>2,346,060</b>	<b>2,311,000</b>
<b>Capital</b>		
Development Works and management of derelict sites*	735,000	621,000

\*Exchequer funding received and capitalised in respect of development works.

### 6. Staff Related Costs

#### a) Aggregate Employee Benefits

The average number of persons employed by DHDA during the year was 12 (2021: 15). In addition, the DHDA retains the services of one third party agency staff member. The aggregate payroll costs were as follows:

	2022 €	2021 €
<b>Short-Term Benefits</b>		
Salaried Staff	908,588	1,022,103
Third party agency Staff	49,780	47,531
Secondment Staff	33,588	-
Board Member fees	46,568	49,290
Employer's PRSI	97,929	109,343
Employer's Pension Contribution	140,230	145,041
	<b>1,276,683</b>	<b>1,373,308</b>



**b) Staff Short-Term Benefits**

	2022 €	2021 €
Salary	908,588	1,022,103
Allowances	-	-
Termination Benefits	-	-
Health Insurance	-	-
	<b>908,588</b>	<b>1,022,103</b>

**c) Key Management Personnel**

Key management personnel in DHDA consists of the members of the Board, the Chief Executive Officer and the Chief Financial Officer. The total value of employee benefits for key management personnel is €288,947 in 2022 (2021: €342,073). Maternity cover was 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 €122,711 for 2022 (2021: €118,867).

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

**e)** DHDA adheres to Government pay policy and the terms of the Lansdowne Road Agreement which took effect from 1st July 2016. In 2022, an amount of €29,118 was deducted from payroll in respect of the additional superannuation contribution (ASC) and paid over to the Department of the Environment, Climate and Communications (2021: €28,275). In 2022, expenditure of €3,000 (2021: €3,500) was awarded to staff as employee recognition.

Additional staff related costs totalling €918 (2021: €137) were incurred in respect of staff events.

## Notes to the Financial Statements (cont.)

### For the year ended 31st December 2022

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

	No of Employees 2022	No of Employees 2021
€60,000 to €69,999	2	2
€70,000 to €79,999	1	2
€80,000 to €89,999	2	-
€90,000 to €99,999	-	1
€100,000 to €109,999	-	1
€110,000 to €119,999	1	2
€120,000 to €129,999	2	-

#### 7. Operations, General and Administration Costs

	2022 €	2021 €
Travel & Subsistence	1,354	40
Property-Related Costs	1,588,370	1,380,266
Insurance	170,619	147,488
Marketing-Related Costs	30,191	29,142
Property Development-Related Costs	19,611	44,019
Vacant Site Levy (see Note 7.1)	227,500	227,500
Professional Services (see Note 7.2)	191,209	190,328
Office Overheads (See Note 7.3)	236,024	238,755
Dissolution Costs (See Note 7.5)	21,782	50,963
Smart D8 Provision for Expenditure	199,838	60,000
Networking Events (Agency's contribution) (See Note 7.4)	-	279
Interest	-	7,347
Audit Fee	13,334	12,100
Depreciation (see Note 10)	91,101	49,316
Bad Debts	-	2,077
Bank Charges	1,926	2,987
	2,792,859	2,442,607

##### 7.1 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 31st December 2022 the rate payable was 7% of the value of site and the vacant site levy (VSL) amounted to €227,500. 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.

## 7.2 Professional Services

	2022 €	2021 €
Recruitment	4,762	43,306
Property Valuation	17,041	5,552
Legal/Internal Audit/Taxation*	37,410	(21,168)
PR/Public Affairs	91,644	88,609
Other Services	40,352	74,029
	191,209	190,328

\* 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.

## 7.3 Office Overheads

Office Overheads include two non-cancellable operating leases with the total amount of €1,495.

The total future minimum lease payments under non cancellable operating leases are:

	2022 €	2021 €
Not later than one year	1,495	5,142
Later than one year and not later than five years	-	5,128
	1,495	10,270

## 7.4 Networking Events

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

## 7.5 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.

## 7.6 Smart D8 Expenditure

In 2020, the DHDA launched Smart D8 with Dublin City Council and St. James's Hospital. The initiative was set up to develop an innovative solution to population health and wellbeing in Dublin 8. It involves several elements such as working with local residents, healthcare providers, industry partners start-ups and academic researchers to develop applications which could positively impact city life and the health and wellbeing of citizens in the decades to come. Due to the success of the Smart D8 initiative the project is being extended for an additional two-years from October 2022. The DHDA as lead partner, are in receipt of Smart D8 funding from various partners for the next phase of the project. The DHDA also contributed €30,000 in 2022 to the project. The DHDA has provided for €199,838 of expenditure against the funding received which has been allocated to programmes or salaries over the next two years.

## Notes to the Financial Statements (cont.)

For the year ended 31st December 2022

### 8. Community Liaison

Relates to the cost of providing local community programmes.

	2022 €	2021 €
Programme Delivery	81,720	33,518
Other Costs	1,950	67,462
	<b>83,670</b>	<b>100,980</b>

### 9. Digital Initiatives

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

	2022 €	2021 €
Future Creators	19,995	3,152
Smart D8	30,000	-
	<b>49,995</b>	<b>3,152</b>

Costs of €18,748 were capitalised bringing the total spend in relation to the Community Liaison and Digital Initiatives budget to €152,413.

### 10. Property, Plant and Equipment

	Development Assets €	Fixtures & Fittings €	Computer Equipment €	Total €
<b>Cost/Valuation</b>				
at 1 January 2022	39,900,012	2,910,604	1,460,548	44,271,164
Additions	36,680	279,336	9,132	325,148
Disposals	-	-	(54,000)	(54,000)
Revaluation	(6,561,680)	-	-	(6,561,680)
<b>At 31 December 2022</b>	<b>33,375,012</b>	<b>3,189,940</b>	<b>1,415,680</b>	<b>37,980,632</b>
<b>Depreciation</b>				
at 1 January 2022	-	2,777,637	1,331,096	4,108,733
Charge for year	-	57,803	33,298	91,101
<b>At 31 December 2022</b>	<b>-</b>	<b>2,835,440</b>	<b>1,364,394</b>	<b>4,199,834</b>
<b>Net Book Value</b>				
at 1 January 2022	39,900,012	132,967	129,452	40,162,431
<b>at 31 December 2022</b>	<b>33,375,012</b>	<b>354,500</b>	<b>51,286</b>	<b>33,780,798</b>

## 11. Investment Properties

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

	31 Dec 2021	Additions	Disposal	Reclass	Revalue	31 Dec 2022
Investment Properties	€	€	€	€	€	€
Digital Depot	4,750,000	29,207	-	-	(729,207)	4,050,000
Gatelodge	700,000	-	-	-	(50,000)	650,000
Digital Court	4,000,000	-	-	-	(250,000)	3,750,000
10-13 Thomas Street	1,250,000	-	-	-	(50,000)	1,200,000
157 Thomas Street	1,650,000	-	-	-	(200,000)	1,450,000
85-87 Thomas Street	650,000	-	-	-	(50,000)	600,000
Townhouse Twenty2	1,250,000	-	-	-	(50,000)	1,200,000
Bonham Street car spaces	550,000	-	-	-	(50,000)	500,000
Grainstore	3,950,000	492	-	-	(250,492)	3,700,000
	<b>18,750,000</b>	<b>29,699</b>	-	-	<b>(1,679,699)</b>	<b>17,100,000</b>

## 12. 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 Statement of Income and Expenditure and Retained Revenue Reserves. The cost less depreciation model is used only if fair value cannot be measured reliably without undue cost or effort. 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 31st December 2022 which resulted in material impairment charges.
- (iii) The valuation was determined on the basis of rental income while taking account of the short-term nature of the various licences and leases, the location, the condition of the properties and general market conditions.
- (iv) DHDA is restricted to using the relevant properties for digital enterprises and mixed development purposes. This was taken into account in determining the valuations.

### Development Assets

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

The independent valuation of the Development Assets as at 31st December 2022 resulted in an overall downward revaluation of €6,561,680 (2021: upward of €4,794,439), which is recognised in the Statement of Income and Expenditure and Retained Revenue Reserves.

### Investment Properties

The independent valuation of the Investment Properties as at 31st December 2022 resulted in an overall downward revaluation of €1,679,699 (2021: downward of €1,608,874) which was recognised in the Statement of Income and Expenditure and Retained Revenue Reserves for the year ended 31st December 2022.



## Notes to the Financial Statements (cont.)

For the year ended 31st December 2022

### 13. Taxation

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

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

	2022	2021
	€	€
<b>Current tax:</b>		
Irish tax on profits of the financial year	-	(21,003)
<b>Total current tax</b>	<b>-</b>	<b>(21,003)</b>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(535)	(4,716)
Overprovision in prior years	-	-
<b>Total deferred tax</b>	<b>(535)</b>	<b>(4,716)</b>
<b>Total tax</b>	<b>(535)</b>	<b>(25,719)</b>

Section 610 of the Taxes Consolidation Act 1997 (Schedule 15) provides an exemption to DHDA from Capital Gains Tax on disposals made on or after 1st January 2008. For all other tax liabilities, the Digital Hub Development Agency strives to be exemplary in its compliance with taxation laws and in accordance with its tax obligations.

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

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

	2022	2021
	€	€
(Deficit) Surplus on ordinary activities before tax	(8,601,458)	2,980,676
(Loss) Profit on ordinary activities multiplied by applicable rate of tax in the ROI of 25% (2021 25%)	(2,150,365)	745,169
Effects of:		
Expenditure not deductible	83,858	42,570
Capital allowances in excess of depreciation	(3,261)	(12,351)
Utilisation of excess capital allowances	9,423	-
Deferred tax	(535)	(4,716)
Movement in fair value of Investment Properties (not subject to tax)	2,060,345	(796,391)
<b>Tax on (loss) profit on ordinary activities (note 13(a))</b>	<b>(535)</b>	<b>(25,719)</b>

**14. Receivables**

	<b>2022</b>	<b>2021</b>
	<b>€</b>	<b>€</b>
Rental Receivables	19,812	10,723
Corporation Tax	10,365	70,096
Other Receivables & Prepayments	178,068	126,728
Deferred Tax Asset*	39,826	39,291
Accrued Income	5,625	24,318
VAT	-	14,605
	<b>253,696</b>	<b>285,761</b>
<b>*Deferred Tax Asset</b>		
On Fixtures & Fittings	39,826	39,291
<b>Movement in temporary differences during the year</b>	<b>Balance 31</b>	<b>Recognised</b>
	<b>Dec 2021</b>	<b>in I&amp;E</b>
	<b>€</b>	<b>€</b>
On Fixtures & Fittings	39,291	535
		<b>Balance 31</b>
		<b>Dec 2022</b>
		<b>€</b>
		39,826

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

	<b>2022</b>	<b>2021</b>
	<b>€</b>	<b>€</b>
Payables and Accruals		
– Operations	430,015	322,938
– Property Development	663,817	752,687
PSWT and Relevant Contracts Tax	8,977	16,577
Sundry Deductions	11,808	4,012
Holiday Pay Accrual	8,274	16,083
VAT	6,817	-
Tenants' Security Deposits	156,633	232,765
Deferred Income	43,257	12,995
PAYE and PRSI	33,874	33,471
	<b>1,363,472</b>	<b>1,391,528</b>

In December 2022, the Digital Hub Development Agency was awarded €43,257 from Science Foundation Ireland (Discover Programme) which related to the 2023 financial year and this amount was treated as deferred income.

## Notes to the Financial Statements (cont.)

For the year ended 31st December 2022

### 16. Capital Account

		2022	2021
		€	€
1 Jan	Opening Balance	61,779,575	61,158,575
	Funding: Exchequer		
	- Development Works	735,000	621,000
31 Dec	Closing Balance	62,514,575	61,779,575

### 17. Pension Costs

#### a) Pension Scheme

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

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

The Board has adapted the treatment and disclosures required by the accounting standard, Financial Reporting Standard 102 (Retirement Benefits) to reflect the arrangements in operation. The FRS 102 pension liability at 31st December 2022 is €3,255,000 (2021: €4,686,000).

The results set out below are based on an actuarial valuation of the pension liabilities in respect of Agency staff as at 31st December 2022. 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:

	2022	2021
Discount rate	3.5%	1.2%
Salary rate increase	4.00%	3.5%
Pension rate increase	3.50%	3.00%
Inflation rate increase	2.50%	2.00%
Life expectancy at age 65: Male	21.9 years	21.8 years
Life expectancy at age 65: Female	24.3 years	24.2 years

**c) Pension Costs**

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

Pensions Cost of €140,230 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>2022</b>	<b>2021</b>
	<b>€</b>	<b>€</b>
Employer Contributions (Main scheme)	87,483	52,645
Employer Contributions (SPSPS scheme)	52,746	92,396
Current service cost *	304,000	248,000
Interest Costs	60,000	36,000
Adjustment to Deferred Exchequer Pension Funding	(364,000)	(284,000)
	<b>140,230</b>	<b>145,041</b>

\* Employee contribution of €45,107 (2021: €46,104) has been included in the calculation of the current service cost.

## ii) Movement in Net Pension Liability

	<b>2022</b>	<b>2021</b>
	<b>€</b>	<b>€</b>
Net Pension Liability at 1 January	4,686,000	4,300,000
Current Service Cost	304,000	248,000
Interest Cost	60,000	36,000
Actuarial loss on scheme liabilities	(1,788,000)	109,000
Pensions paid in year	(7,000)	(7,000)
Net Pension Liability at 31 December	<b>3,255,000</b>	<b>4,686,000</b>

**18. Related Party Disclosures**

Key management personnel in DHDA consist of the Chief Executive Officer, Chief Financial Officer and members of the Board. Total compensation paid to key management personnel, including Board members' fees and expenses and total Chief Executive Officer remuneration, amounted to €288,947 (2021: €342,078). Maternity cover included for the Chief Financial Officer in 2021.

**19. 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.

**20. Approval of Financial Statements**

The Financial Statements were approved by the Board on 20th June 2023.

# NOTES



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

**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)