

University of Limerick

Annual Report and Consolidated Financial Statements

Financial Year Ended 30 September 2020

CONTENTS

	Page
GOVERNORS AND OTHER INFORMATION	2
PRESIDENT'S REPORT	3 - 8
STATEMENT OF GOVERNING AUTHORITY RESPONSIBILITIES	9
ANNUAL STATEMENT OF GOVERNANCE	10 - 27
STATEMENT ON THE SYSTEMS OF INTERNAL CONTROL	28 - 34
AUDITORS' REPORT	35 - 37
CONSOLIDATED AND UNIVERSITY STATEMENT OF COMPREHENSIVE INCOME	38 - 39
CONSOLIDATED AND UNIVERSITY STATEMENT OF CHANGES IN RESERVES	40
CONSOLIDATED AND UNIVERSITY STATEMENTS OF FINANCIAL POSITION	41
CONSOLIDATED STATEMENT OF CASH FLOWS	42
NOTES TO THE FINANCIAL STATEMENTS	43 – 81
APPENDIX NOT FORMING PART OF THE UNIVERSITY'S FINANCIAL STATEMENTS AND NOT AUDITED BY THE COMPTROLLER AND AUDITOR GENERAL	
1. UNIVERSITY OF LIMERICK FOUNDATION FINANCIAL STATEMENTS	

GOVERNORS AND OTHER INFORMATION

Members of Governing Authority

See Appendix 1 of Annual Statement of Governance

Chancellor

Ms. Mary Harney

Deputy Chairperson

Mr. John O'Connell

President

Professor Kerstin Mey (Interim) - from 1 September 2020
Dr Des Fitzgerald -to 31 August 2020

Deputy President, Chief Operating Officer and Registrar

Gerry O'Brien

Governing Authority appointed Auditors

PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Bank Place
Limerick

Auditor

Comptroller & Auditor General
3A Mayor Street Upper
Dublin 1

Secretary and Registered Office

Callista Bennis
University of Limerick
Limerick

Registered Charity Number

CHY5806

Solicitor

Caroline Keane
University of Limerick
Limerick

Principal Bankers

Bank of Ireland
125 O'Connell Street
Limerick

European Investment Bank
100 boulevard Konrad Adenauer
Luxembourg
L-2950 Luxembourg

PRESIDENT'S REPORT

Introduction

I am pleased to introduce the 2019-2020 edition of the University of Limerick Annual Report incorporating the consolidated financial statements for the year ended 30 September 2020.

Scope of the Financial Statements

I present the consolidated financial statements of the University of Limerick ("the University") for the year ended 30 September 2020. The Financial Statements are prepared in accordance with the Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice ("SORP") – Accounting for Further and Higher Education (2015), issued in the UK by the Further and Higher Education SORP Board, which the University has adopted. The Consolidated Financial Statements include the University and its subsidiary undertakings as set out in note 17 on page 67. As set out in note 3 (b) subsidiaries are all entities over which the University has the power to exercise control.

The financial statements of the University of Limerick Foundation are excluded from these financial statements as the University of Limerick Foundation is not controlled by the University. Details of the activity with the Foundation are set out in note 26. A copy of the Financial Statements of the University of Limerick Foundation for year ended 31 August 2020 is also included as an appendix.

Results for the Year

The consolidated and University's statement of comprehensive income and net loss for the year to 30 September 2020 are shown on page 37 of the financial statements.

Total consolidated income increased by €8.914m +3.20% (2019: €2.809m +1.02%) and total expenditure increased by €3.351m +1.19% (2019: €7.717m +2.82%). The surplus (2019: loss) before other gains and losses on investments was €3.107m (2019: €2.456m loss). There was a net gain on investments of €Nil (2019: €0.093m), net gain on investment property of €0.810m (2019: €0.228m) and a taxation charge of €0.003m (2019: €0.003m) resulting in an overall surplus of €3.914m (2019: €2.138m loss).

This surplus (2019: loss) is made up of a University surplus of €4.746m (2019: €4.019m loss), which is inclusive of €Nil (2019: €2.845m) donations from the subsidiaries, and a loss generated by subsidiary undertakings of €0.832m (2019: surplus €1.881m).

Treasury Management

The consolidated bank and cash balances increased during the year from €126.707m to €133.294m, an increase of €6.587m.

The net cash inflow from operating activities was €28.960m (2019: €39.495m) and there were capital investments of €13.405m (2019: €25.149m). The University reduced its borrowing during the year by €6.763m (2019: €5.3m). Bank borrowings decreased from €103.444m to €96.681m.

Capital Investment

The University including its subsidiary companies incurred expenditure of €10.658m on land and buildings and €3.065m on equipment bringing total capital expenditure to €13.723m.

The main areas of expenditure during the year were on the following capital developments:

- Climbing Wall: The Climbing Wall is an extension to the UL Sport Arena. The facility is circa. 210m² with a maximum height of 21m² and includes wall and boulder climbing courses for the novice to the experienced (€2.799m).
- Student Centre: As articulated by the students, "The Centre for Student Life" will support the student life journey in the University of Limerick. It will be a space where students can relax, chill, party, play, be informed, be advised, supported, network and live life. The Centre will add significant value to the student experience (€2.820m).
- Confirm smart manufacturing: A state of the art facility being developed at Park Point (€2.910m).

PRESIDENT'S REPORT - Continued

UL Strategy

In November 2019, we launched our institutional Strategic Plan UL@50, setting out a path for the next five years of the development of the university. The strategy has been developed with wide stakeholder engagement involving the campus community, students and staff and external stakeholders.

In the context of the Covid-19 impact on Ireland, the new Programme for Government: A Shared Future (2020), and its plans for the revitalization of Irish Society and rebooting of the country's economy, it became necessary to revisit and recalibrate the Strategic Plan UL@50. An inclusive consultation process with UL community and stakeholders was launched in November 2020 and is ongoing.

2020 CINNTE Institutional Review

The reporting period coincides with the successful QQI CINNTE Institutional Review. It was concluded in August 2020 with an exploratory 'visit' by members of the international panel, held online due to Covid 19. The successful evaluation has provided UL with a welcome opportunity to further develop its quality assurance and enhancement processes and procedures and for organisational learning through the received commendations and recommendations. The Review Report was published in January 2021.

Covid-19

Following governmental announcement on the closure of schools and higher education institutions in Ireland, University of Limerick closed its campus from end of business on 12th March 2020 to all staff and students. For the new academic year, which began on 25 September 2020, a hybrid academic delivery model was developed, which combines a social bubble with approach with circuit breakers. It was adjusted to conform to the country-wide implementation of level 3+ health restrictions at that time.

Since the beginning of the pandemic, we have performed remarkably well in transforming our course delivery, in completing assessments, in providing the student and staff support services to enable the University to remain operational with most staff working remotely and in providing residential supports for the students who chose to reside on campus.

Many compliments have been made to our outstanding staff who continue to deliver in the most challenging circumstances, and I wish to thank them for their great efforts and positive spirit throughout this challenging time. UL's resilience and community spirit received commendations by the 2020 CINNTE Institutional Quality Review Report.

Education

Despite the continuing restrictions and disruption caused by the Covid-19 pandemic, the core business of learning and teaching has continued smoothly for the vast majority of students.

We have adopted a blended model of delivery, intended to ensure that the University can continue to deliver higher and professional education, deemed nationally essential by the Government, in a way that maintains the quality of the educational experience while protecting the health of students, staff and the communities we serve. The University is continuously seeking to learn from those experiences so that lasting improvements can be embedded in our academic model when the Covid-19 pandemic is eventually behind us.

In November 2020, Cooperative Education and Careers Division (CECD) undertook a largescale survey of regional, national and global employers/placement providers. The purpose of the survey was to gain an understanding of Coop students' work-based resilience and competence development during the disruption of the pandemic. Industry partners reported very high levels of agility, resilience and responsiveness to change amongst Coop students, as well as significant levels of professional competency development across e.g., communications, teamwork, ability to work remotely, ability to learn.

In 2019-2020 CECD partnered with Northern Trust on the launch of the MidWest Disability Forum. The purpose of the forum is to bring together employers and higher education professionals to support the recruitment lifecycle and on boarding opportunities for students with disabilities, and to share best practices in attracting diverse graduate talent. The forum has a focus on tangible, pragmatic outcomes, with over 150 participants across all sectors.

Research Excellence

In spite of the impact of the global pandemic, University of Limerick saw strong research output and success in external funding during the reporting period.

In 2020, UL researchers have authored over a one thousand (1,114) scholarly publications in Web of Science with 63% of them co-authored with researchers from 93 countries around the world.

UL was awarded research grants of €39.1 million. UL leads three SFI funded Research Centres, one SFI funded Centre for Research Training and is a partner institution in four others SFI national centres. The level of research expenditure for the year 2019-20 decreased by 3.26% (2019: - 14.64%) to €33.131m.

While research has always been a cornerstone of UL's strategic vision, the Covid-19 pandemic has served to heighten the importance of research impact. The University research community responded rapidly to seek solutions and supports for the issues raised by the pandemic. At a national level, UL academics are advising and informing government through membership of the National Epidemiological Modelling Advisory Group to the National Public Health Emergency Team (NPHE), Department of Public Expenditure and Reform (DPER), and the Department of An Taoiseach Research Group, on how best to manage the emerging impacts from Covid-19.

Over €1,000,000 research funding has been allocated to UL investigators in Covid-19 rapid response calls. The range of projects funded shows the agility of our research community as well as the breadth of research with topics from psychological responses to Covid-19 in healthcare workers, individualised support interventions for health professionals, societal experience, testing reagents.

Internationalisation

Erasmus + programme has been the key driver for Internationalisation at UL since 1988, through increased staff and student mobility. UL continues to hold the record as Ireland's leading Erasmus University and was, once again, awarded Best Erasmus programme in 2020, for a third year in a row.

2019-2020 saw strong growth in international enrolments, in particular Postgraduate Taught programmes attracted 26% more students year-on-year. The Faculty of Arts Humanities and Social Science (AHSS) developed a significant new International PhD programme, which welcomed 140 Algerian candidates in early 2020. The programme will support the transformation of university level teaching in Algeria and was initiated through a long-standing Erasmus collaboration.

Exciting partnerships were developed with leading international universities. These include New York University, USA, Beijing University of Chemical Technology (BUCT), China as well as Dual Degree agreements between the Kemmy Business School and partners in three countries: Audencia Business School, France; Kozminski University, Poland and Nagoya University of Commerce and Business, Japan.

The second part of 2020 was consumed by Covid-19 and supporting our international students as the university moved to remote teaching and learning. In March, our students undertaking study at partner universities returned home and concluded their semester virtually.

UL Global, in collaboration with the other Irish universities, worked with the new Department of Further and Higher Education, Research, Innovation and Science (DFHERFIS) to develop and implement a national protocol entitled "Welcoming international students back to Irish Higher Education Institutions in safety". This protocol contains a series of measures to support students arriving in Ireland from overseas, to ensure safe transport from airport to accommodation, provide support and advise on restricted movement and health protocol, and ultimately to ensure the protection of public health and the safety of all students, staff and the wider community. UL Global organised a comprehensive series of orientation, cultural and social engagement events to provide a smooth transition to UL.

How we engage internationally has transformed dramatically over 2020 and with a lighter carbon footprint, we look forward to a new chapter in internationalisation.

PRESIDENT'S REPORT - Continued

City and Region

During 2019-2020 planning began for the development of the UL City campus at the former Dunnes Stores site on Sarsfield Street in Limerick City, acquired the previous year. Representing what will become the largest single development in Higher Education in Limerick City Centre, the current 5,500 sq.m building on a one-acre site will become the location for the University's City Campus, which will bring UL directly to Limerick city and contribute in a major way to the city's rejuvenation. The UL City Campus, when fully developed, is intended to accommodate up to 2,000 students. This significant project forms part of the joint application with Limerick City and County Council under the URDF programme to develop a "World Class Waterfront" in Limerick City. It is considered the plan will deliver key enablers that are identified in the NPF and RSES, including expansion of third level education in the city centre, delivery of key elements of the Limerick 2030 Economic and Spatial Plan and encouragement of inner-city development and regeneration, among other benefits.

In 2019-2020, Limerick was chosen as one of two European light house cities to roll out a project that has the potential to revolutionise how we produce and use energy in European cities and towns. UL partners in the EU Horizon 2020 funded +CityxChange programme led by the Norwegian University of Science and Technology (NTNU) together with the Lighthouse Cities Trondheim and Limerick.

In 2019-2020, The University of Limerick opened CONFIRM, a Science Foundation Ireland-funded world class research centre for smart manufacturing at its premises at Parkpoint, Limerick.

CONFIRM specialises in smart manufacturing research delivering solutions in data analytics, product and process control, enterprise modelling and simulation, software systems, network systems and IoT, sensors, robotics and controls and materials processing for over 100 industry partners.

On request for facilities from UHL and the HSE, UL has provided the UL Sports Arena as a field hospital. The specifications were developed by the HSE for an intermediate care facility to be managed by the UHL, with contributions from our staff and nursing students who have applied for the HCA positions created by the HSE. The facility served as an interim measure while bed capacity was being completed at UHL and Croom Orthopaedic hospital sites.

For the second year in a row at the 2020 Irish Education Awards UL's stunning, 367-acre campus, has won the award, a recognition of the unrivalled facilities on offer to the more than 16,000 students attending the University.

Sustainability

The University of Limerick is committed to the development and implementation of a holistic approach to sustainable development, in partnership with the communities we serve, locally and regionally, and through our national and international alliances.

UL's strategic approach will see the SDGs systematically embedded across every facet of university life building on existing strengths and achievements in this area. This is crucial to ensure deep meaningful engagement and alignment across the whole organisation.

Equality and Human Rights

We continue to implement our Athena SWAN action plan, gender action plan and the Equality and Human Rights strategy. We aim to achieve a 30% gender representation in applicant pools for senior positions, and all senior posts now include the key criterion 'Demonstrable experience of leadership in advancing gender equality'. The University strategic plan targets 40% representation of men and women at professorial level by 2024. Having been awarded 2 Senior Academic Leadership Initiative Professorships from the HEA in 2020, female Chairs in Data Science and Statistical Learning and in Genomics and Biomedical Sciences are being recruited. Following 2020 academic promotions, the current female representation at professorial grades is 30%.

PRESIDENT'S REPORT - Continued

We have implemented Equality and Human Rights within our quality reviews for linked providers and plan to extend this requirement in 2021. We are currently implementing the Framework for Consent in Higher Education Institutions: Safe, Respectful, Supportive and Positive – Ending Sexual Violence and Harassment in Irish Higher Education Institutions, published by the Department of Education. We have set up sub-committees to review Academic Structures for Inclusive Learning and to promote Racial Equality and Multiculturalism. We are developing a Gender Identity and Recognition policy and have run Trans Awareness workshops for staff and students in UL.

Healthy UL – Healthy Campus Initiative

The Healthy UL Framework was launched on 22 November 2019 by the Minister of State at the Department of Health with responsibility for Health Promotion and the National Drugs Strategy, Catherine Byrne TD.

The Healthy UL framework clearly demonstrates how, collectively, we will work together to improve the health and wellbeing of students, staff, and visitors to the University.

It is the ambition of UL to be a leading university in the promotion of Health and Wellbeing supporting over 16,000 students and 1,600 staff. Building on the launch of the Healthy UL Framework, Healthy UL members have begun to implement many of the key actions outlined in the framework.

In November 2019, extensive surveys were conducted to establish a baseline of the health-related behaviours of the UL community. 1294 students and 641 staff members engaged in the research.

These datasets provided a unique opportunity to gain insights into our community's health-related behaviours, particularly in the context of the pandemic and the basis to develop targeted interventions and initiatives.

Operating Model

In 2019-2020 UL continued with the review of internal structures to ensure they are aligned with strategic imperatives.

In the light of Covid-19 substantial efforts have been made to enhance our digital infrastructure including the fit-out of teaching spaces to support the recording of lectures and seminars, the upgrade of existing digital tools and the addition of new ones, and the conversion of spaces into additional classrooms to enhance face to face teaching capacity under physical distancing rules. Significant amounts of masks and PPE were procured. A robust protocol for welcoming international students on our campus was developed and implemented at short notice resulting in over 700 international students joining us for the start of the academic year.

Risk Management

University of Limerick implements Risk Management Policy which provides a framework for management to identify, assess and rate risks, and to develop strategies to deal with risks to provide assurance that the University's strategic objectives will be achieved.

The Executive Committee (EC) has been reviewing the COVID-19 situation, including risks, on an ongoing

basis, supporting students' and staff mental health and wellbeing being the central focus during these unprecedented times.

Close collaboration and clear communication between all internal and external stakeholders remains key to ensure we enable students to achieve their programme's learning objectives; researchers to continue as much as possible with their inquiries; academics to prepare and deliver their teaching, all of this while at the same time managing personal responsibilities including those as parents and care givers.

PRESIDENT'S REPORT - Continued

Procurement

The University undertook a full review of its procurement compliance on all VAT exclusive supplier spend above €25,000 during the year. In section 9 of the Annual Statement of Governance the results of this review are outlined. The University is working closely with the Office of Government Procurement (OGP) to address the identified areas of non-compliance. It is acknowledged that as the portfolio of OGP frameworks expand and are renewed taking increased account of sector requirements greater compliance will be achieved. However, the matching of contract expiry with the OGP framework availability will continue to present challenges for the foreseeable future.

In November 2019 the University submitted its Corporate Procurement Plan including 3-year multi annual planning to the Education Procurement Service, the education hub of the OGP.

Pensions

The University operates a defined benefit pension scheme, the University of Limerick Superannuation (Amendment) Scheme, which is funded annually on a "pay as you go" basis from monies provided by the HEA and from contributions deducted from staff salaries. Since January 2013 the University also operates the Single Public Service Pension Scheme (the "Single Scheme"). The new Single scheme came into effect for all new entrants to pensionable public service employment on or after 1 January 2013. The Single Scheme changes the basis of assessing the pension benefits on retirement to assessing on career average earnings and increasing the minimum retirement age. The legislation establishing the Single Scheme provides that pension contributions are deducted from employee pay and these are remitted by the employing organisation directly to the Department of Public Expenditure and Reform. Funding for pension in payment will be provided separately from the Exchequer through the Central Fund or a separate vote.

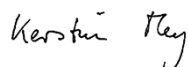
The University of Limerick regards that under both schemes defined benefits are being provided and accordingly these should be accounted for as defined benefit obligations under FRS 102, Para 28.10(b). The University does not, in substance, bear actuarial risk for the plans and the University's obligation is, in effect, acting as an agent in paying pension payments to the pensioners based on the amount confirmed and advised to the University and funded to the University by the HEA.

In addition (i) the establishment of newer schemes gives a statutory basis for what in practice was happening on the older schemes, i.e. the new Single scheme provides that pension deductions are to be remitted and separate funding will be provided by the Exchequer for pensions (and lump sums) in payment. (ii) The University is not exposed to the actuarial risk; this is because the structure of the Superannuation Scheme is such that the final pension will be paid from the last employer regardless of the level of service provided by the member. For example, if a lecturer provides 39 years of pensionable service to another Irish University and joins UL and later retires, then the entire lump sum and monthly pension payment will be paid by UL. The University of Limerick would not take on this liability without being certain that the State will reimburse all of the expenditure required to settle this employee's pension entitlements. In practice the University has always received an allocation as part of their funding to cover the cost of pensions and in the event of differences a 'top-up' from the HEA is received or the University refund the excess to the HEA. (iii) The University's role in relation to the pension schemes is administrative in nature.

The University is of the view that under FRS102 it is virtually certain that a reimbursement asset exists and accordingly a reimbursement asset (match asset) is recognised in the accounts.

Conclusions

Excellence in staff performance was recognised as 2020 drew to a close. Despite the significant challenges brought by the global pandemic, UL continues to engage in national strategic debates and reviews and identifies and realises opportunities to develop research and educational partnerships nationally and internationally.



Professor Kerstin Mey
President

Date: 13 December 2021

STATEMENT OF GOVERNING AUTHORITY RESPONSIBILITIES

The Governing Authority is required to comply with the Universities Act, 1997 and to keep in such form as may be approved of by An t-Údarás um Ard-Oideachas all proper and usual accounts of money received and expanded by it.

In preparing those accounts, the Governing Authority is required to:


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

The Governing Authority is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the University and which enable it to ensure that its financial statement comply with the Universities Act, 1997, the Statement of Recommended Practice for Further and Higher Education Institutions and are prepared in accordance with FRS102 "*The Financial Reporting Standard applicable in the UK and Republic of Ireland*".

The Governing Authority is responsible for ensuring that the business of the University is conducted in a proper and regular manner and for safeguarding all assets under its operational control and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

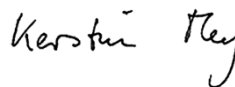
The Governing Authority considers that the financial statements of the University to be a true and fair view of the University's financial performance and its financial position at the end of the year.

On behalf of Governing Authority



Ms Mary Harney
Chancellor

Date: 13 December 2021



Professor Kerstin Mey
President

Date: 13 December 2021

ANNUAL STATEMENT OF GOVERNANCE

This constitutes the University of Limerick's Annual Governance Statement for year ended 30 September 2020.

1. Code of Conduct for Members of Governing Authority

- 1.1 The Governing Authority approved a revised Code of Conduct for its members in December 2018 that was circulated to all members. The Code includes clear requirements on conflict of interest and the Ethics in Public Office Act (1995) and the Standards in Public Office provisions to which members must adhere. The Code also addresses provisions in the 2019 Code of Governance for Irish Universities. Nevertheless, it is planned to review the Code of Conduct again in the latter part of 2021 to ensure it continues to reflect best practice.

2. Code of Conduct for Employees

The Code of Conduct for Employees was last reviewed and updated by Governing Authority in September 2011. The Code contains explicit provisions setting out requirements for conflicts of interest and for adherence to the Ethics in Public Office Act (1995) and the Standards in Public Office to which employees must adhere. The Code is available to all employees via the UL website and is brought to the attention of all new employees as part of the University's Induction Process. Revisions to the Code of Conduct for Employees will be reflective of best practice and the requirements of the 2019 Code of Governance for Irish Universities. Any revisions to the Code of Conduct require appropriate consultation. Commencement of the consultation process is imminent and once completed, the proposed revised Code of Conduct for Employees will be submitted to the Governing Authority for approval through its Finance, HR & Asset Management Committee.

3. Financially significant developments

- (i) The following is a brief outline of the financially significant developments affecting the University in FY2019-20 together with major issues that are likely to arise in the short to medium term:
- The impact of Covid 19 is the most financially significant development affecting the University in the past financial year and is the most significant major issue that is likely to arise in the short to medium term. The financial impact on the University can be summarised under the following headings:
 - Fee income – the timing of the shutdown due to Covid meant that the majority of fee income had been billed for the financial year 2019/20. The only significant development on fee income was an increase in the level of fee remaining uncollected at the year end. The impact on fee income in 2020/21 will include a reduction in fee income from Non EU students and a reduction in Study Abroad fee income.
 - State grant income – the core grant for 2020 was not affected by Covid. Additional state grants were received for Covid related costs incurred and for additional research related costs arising as a result of Covid.
 - Residences, Sports and Concert Hall income – this income source was significantly impacted by Covid with an overall drop in income of €7.5m compared to the prior year. The drop in income arose as a result of rent refunds for residences, the cancellation of summer events on campus and due to the closure of Sports and Concert Hall facilities. The closure of the Sports facilities enabled the establishment of a temporary Intermediate Care Facility in the Sports Arena.
 - Operating costs – the closure of the campus led to a significant reduction in operating costs.
 - The University achieved a surplus for the Financial Year 2019-20. This was an improvement on Budget due to savings in operating costs and growth of fee income of €10m compared to the prior year.
 - In February 2020 the Finance, HR & Asset Management Committee (FHRAMC) reviewed the Framework for Physical Development and the Physical Development Plan. The consideration of these plans by Governing Authority was scheduled for March 2020. This has been deferred because of Covid restrictions impacting on meetings of Governing Authority and the plans are being revised to reflect changes arising from the impact of Covid.

ANNUAL STATEMENT OF GOVERNANCE – continued

3. Financially significant developments - continued

- During the period April to September 2020 the Governing Authority and the FHRAMC regularly reviewed the financial impact of Covid and numerous financial scenarios for Budget 2020/21. In October 2020 the Governing Authority approved a Budget for 2020/21 projecting a consolidated loss for the period.
- In September 2020 the FHRAMC authorised the revision of financial covenants with the European Investment Bank.
- In September 2020 the FHRAMC noted that the contractor for the construction of the Student Centre was in breach of their obligations for the project and that a proposal to terminate to the contract had been referred to conciliation. The contract has since been terminated and preparation of a Request to Tender for the completion of the project is near completion.
- The Minister for Further and Higher Education, Research, Innovation and Science approved the provision of a Devolved Capital Grant allocation of €25 million to the higher education sector in August 2020. The grant is intended to support Institutes in addressing their most urgent infrastructural requirements for the academic year 2020-2021. The University was notified that it had been awarded an allocation of the devolved capital grant of €1,356,000 on 20th August 2020. This allocation was subsequently increased by an additional grant of €809,000 on 28th October 2020 giving a total allocation of €2,165,000.

(ii) *Details of the engagement and associated costs of external consultancy firms and investigators contracted to carry out investigations and enquiries on internal matters.*

Investigation costs of €214,049.

(iii) *Details of expenditure on external consultancy/adviser fees paid to external parties providing advisory services of any nature (including legal, tax and financial advisory, PR/Marketing, pensions, HR and any other advisory/consultancy services).*

ANNUAL STATEMENT OF GOVERNANCE – continued

3. Financially significant developments - continued

A review has been conducted for the year ended 30 September 2020 of advisory fees paid. Details are set out below:

Category	Total €
Strategic project change management and advisory services	681,103
Project Management services	595,320
Legal advices	464,485
Legal governance	18,243
Legal procurement	16,755
Legal estates	3,001
TTO – Legal, IP, Patents	423,814
Estates	250,362
GDPR	91,345
Campus Master Plan	84,649
Strategic planning	61,293
Brand refresh project	57,710
Health and Safety	51,303
Systems development	48,905
ICT and research advisory services	47,575
Pension	34,169
Recruitment search services	33,825
IT Systems	30,741
Employee assistance programme	29,925
Brand implementation	28,960
Public relations research centre	27,154
Governance	18,327
Quality	16,293
Athena Swan	8,550
Public relations	5,535
Valuation	5,190
Accreditation	4,800
Regulatory report	1,029
	3,140,361

(iv) *Details of significant commercially sensitive developments in the past financial year.*

There were no significant commercially sensitive developments in the past financial year or for the remainder of the current year other than those set out in Section 3(i) above.

(v) *Details on financing arrangements attaching to any joint venture including details of loans, dividends or other forms of funding at the point of establishment and on an on-going basis.*

None.

(vi) *The aggregate cost to the Exchequer of the arrangements outlined in Section (v)*

Not applicable.

ANNUAL STATEMENT OF GOVERNANCE – continued

- (vii) *Confirmation of financial position of the University.*

A surplus was achieved in FY 2019/20 and was noted by the Governing Authority.

4. Pay & Pensions

- (i) The University of Limerick is complying with Government Policy on Pay and the Framework for Departure from Approved Levels of Remuneration as agreed with the HEA under Section 25 of the Universities Act, 1997.

There was a total of 621.91 (FTE) full-time academic and 34.36 (FTE) part-time academic staff employed by the University at the end of the period under review. The University has permission from the Department of Education & Skills which allows the University to pay overtime to academic staff for work outside of their normal contract hours e.g. evenings and weekends. In the year ended September 2020 the total value of the payments to full time staff was €267,834.

The University is complying with Government Policy on pensions.

- (ii) No severance payments were processed by the University without the consent of the Department of Education & Skills in the period under review.

- (iii) External work undertaken by members of Academic Staff is governed by their contract of employment and also by the University's Policy for Private Consultancy and External Commercial Work approved by the Governing Authority in September 2009. This Policy stipulates that academic staff are appointed on the understanding that they may engage in outside paid work only with the permission of the President, or his/her nominees. The University is confident that these arrangements ensure that external work undertaken by employees does not impact on the performance of core contracted duties.

External work undertaken by non-academic staff is addressed in their contracts of employment which prohibit other additional work for which remuneration is to be paid without the prior approval of their line manager.

5. Financial Reporting

- (i) The University is subject to annual audit by both the Office of the Comptroller & Auditor General and by the Governing Authority appointed External Auditors, PricewaterhouseCoopers. All appropriate procedures for the production of the University's annual financial statements are in place.

The University has not made any payment of interest and penalties under the Prompt Payments Act.

- (ii) The production of the University's Consolidated Financial Statements for Y/E 30 September 2020 is in compliance with the 2019 Code of Governance for Irish Universities as set out above.

6. Off Balance Sheet Transactions

The University has not entered into any off balance sheet transactions such as leases, letters of credit, guarantees, derivatives, sale of receivables, debit or debt like instruments of non-consolidated equity interests or joint ventures which give rise to or may give rise to an asset or liability in excess of €10m or 2% of the total net assets of the University (€5m).

The University arranged through Bank of Ireland, drawn on Wells Fargo, an irrevocable Letter of Credit in the amount of US\$167,476, which expires on 30 September 2022, to the US Department of Education in respect of commitments under the US Federal Aid Loan programme.

ANNUAL STATEMENT OF GOVERNANCE – continued

7. Trusts and Foundations

The transactions between the University and the University of Limerick Foundation are included in the notes to the Annual Report in the form of the Financial Statements and a copy of the signed audited Financial Statements of the Foundation are included as an appendix to the Financial Statements of the University.

8. Internal Audit

- (i) The University of Limerick has all appropriate procedures in place for internal audit. The University had outsourced its Internal Audit function up to the end of 2019 but changed this approach by appointing an in-house Internal Auditor in January 2020. This appointment is at an appropriately senior level and is for an initial two-year period. The job description of the Internal Auditor provides for independence in the role and reporting on a functional basis to the Chairperson of the Governing Authority Audit & Risk Committee and administratively to the Corporate Secretary.

There is a robust system of Internal Audit in place through the Internal Auditor carrying out an annual programme of risk-based audits that is approved by the Audit & Risk Committee. The Audit & Risk Committee approved the University's Internal Audit Plan for 2020 in March 2020. In addition, the Internal Audit Charter is in place and the implementation of its provisions ensures not only clarity in the Internal Audit process but also provides for a review of the status of implementation of Internal Audit recommendations on a regular basis, the outcome of which is reported to the Audit & Risk Committee. The Internal Audit Charter was approved by Governing Authority in April 2019. It was revised to ensure it is in line with the provisions of the 2019 Code of Governance for Irish Universities and was approved by the Audit & Risk Committee in March 2021 and by the Governing Authority in April 2021. The terms of reference of the Audit & Risk Committee, which were updated in 2018, were considered further in 2021 to ensure they remain relevant and that they effectively meet the requirements of the 2019 Code. The current Terms of Reference were approved by the Audit & Risk Committee and Governing Authority in September 2021.

In accordance with recommended best practice, the composition of the Audit & Risk Committee provides for two members external to the University who are not members of Governing Authority and who bring additional expertise to the Committee.

In the period October 2019 to September 2020 the Audit & Risk Committee held six meetings and reported to the Governing Authority on the outcome of each meeting. These included single item agenda meetings dedicated to consideration of Fundamental (Corporate-Level) risks presented by the identified risks owner who is a member of the University's Executive Committee.

The Audit & Risk Committee meets annually with the External Auditors appointed by Governing Authority, the Internal Auditor, and with representatives of the Office of the Comptroller & Auditor General (C&AG) without members of the Executive present.

- (ii) During the period October 1 to September 30 2020 a total of 11 Internal Audit Reviews were completed and were approved in accordance with the provisions of the University's Internal Audit Charter.
- (iii) The Internal Audit reviews completed are:
- Review of Risk Management
 - Review of Safeguarding of Assets arising from Research
 - Review of GDPR
 - Review of Payments to Third Parties
 - IFC Fixed Assets
 - IFC Payroll
 - IFC Travel & Subsistence
 - IFC Income
 - PCC Remuneration Review
 - Follow Up report on Governance Report
 - Follow Up report on Internal Audit Report Recommendations (this is to confirm that recommendations reported as completed have been closed appropriately as reported).

ANNUAL STATEMENT OF GOVERNANCE – continued

9. Procurement

- (i) **Procurement Procedures:** *Confirmation that the University is in compliance with current procurement legislation and rules and all appropriate procedures for procurement have been developed, published to all relevant staff and are being carried out including confirmation that the University is using the services and frameworks of the OGP, and of the EPS, whenever applicable.*

The University's policy is to always be compliant with national procurement guidelines and EU Public Procurement Regulations and has procedures in place that have been communicated to the staff of the University. The University is actively working with the Office of Government Procurement (OGP) and the Education Procurement Service (EPS) to ensure that procurement activities are taking place in accordance with requirements of the operating model put in place by the OGP. The OGP model is applied across all of the public sector and due to the breadth of the model and primarily due to resourcing and timing issues it is not always possible to match the output of the OGP process to the procurement requirements of the University. This leads to the risk that contracts expire in advance of being retendered or that contracts are extended temporarily beyond their original duration with the existing procured supplier without going through the appropriate procurement process. There is a significant number of instances where the OGP cannot deliver a procurement request and the University must complete the process with its own resources. The University may not have the resources available to it to complete the necessary process in a timely manner. The University continues to deploy its procurement resources to minimise this risk.

The purchase of goods and services that form part of this transition process to the OGP model during the year ended 30 September 2020 amounted to €2.351m (2019 €3.259m). This amount is across eleven commodities or services. We have now completed procurement and contracts on 86% of this spend. The remaining four requirements are included in our corporate procurement plan for completion during 2021.

The University's expenditure with suppliers, including both recurrent and research costs and equipment additions during the year amounted to €63.3m.

Other than to the extent referred to in 9 (ii) below, the University is compliant with current procurement rules and guidelines as set out by the OGP and the EPS.

- (ii) **Procurement Non-Compliance:** *Confirmation that procedures are in place to detect non-compliance with procurement procedures including confirmation that a contracts database/listing for all contracts/payments in excess of €25,000 with monitoring systems is in place to flag non-compliant procurement.*

The University operates an online purchase requisition system with automated workflow directing the requisition to the appropriate approvers who have the budget management responsibility for the expenditure. Members of staff that raise requisitions are required to electronically attach three quotations where required. For purchase requisitions of a value in excess of €5,000, after the budget holder has approved the requisition, the automated workflow will route these requisitions to the Procurement Office for checking and approval of the procurement process followed.

A listing of all contracts that have been procured is maintained and details of contracted suppliers by commodity are available to all staff on the Procurement website.

In order to detect any possible non-compliance the University conducts a post factum review annually on aggregate spend on suppliers. This review informs whether a revised procurement strategy is required for such suppliers as aggregate annual spend has exceeded the €25,000 threshold for tendering. Work is under way to configure the ERP system Unit4 Business World to identify when requirements are approaching thresholds requiring a competitive procurement process.

A review of all suppliers with spend greater than €25,000 identified an aggregate total spend of €407,583 (2019 €650,593) that was not compliant with procurement guidelines. This includes the items identified in the review referred to in the previous paragraph.

ANNUAL STATEMENT OF GOVERNANCE – continued

9. Procurement - continued

- (iii) **Corporate Procurement Plan:** Confirmation that the relevant procurement policy and procedures and the development and implementation of the Corporate Procurement Plan are being adhered to where appropriate.

The University submitted its completed Corporate Procurement Plan (CPP) to the EPS in November 2020 following its approval by the FHRAMC on 27 November 2020.

- (iv) **Details of Non-Competitive Procurement:** Details of non-competitive procurement (aggregate total).

During FY19-20 the University spent €1.849m with suppliers where the procurement process was non-competitive. These include maintenance/support contracts on previously tendered competitions for systems and equipment, exclusive rights for library journals, repairs and parts for specialist research equipment etc. These are single source compliant procurements where the University's purchase approval process requires a completed supplier selection justification setting out details of the circumstances such as exclusive rights, replacement parts or accessories, technical services etc.

10. Asset disposals

A statement affirming that all appropriate procedures for asset disposals are being carried out and details of and explanations for the disposals of assets or grants of access to property or infrastructure for commercial arrangements with third parties above the threshold of €150,000 which have not been subject to auction or competitive tendering process.

The disposal of assets by the University is carried out in accordance with the University's fixed assets disposal process in accordance with its Disposal/Transfer of Assets Policy. This Policy was reviewed and approved by FHRAMC in November 2020 and it is in compliance with the 2019 Code of Governance for Irish Universities. Additionally, the University maintains a Fixed Asset Register which is considered as part of the overall audit by the Office of the C&AG and the External Auditors of the University.

11. Management of Capital Projects

The University affirms that its policies and procedures are compliant with the relevant principles, requirements and guidelines of the Public Spending Code and the Capital Works Management Framework.

12. Travel policy

Certification that Government travel policy requirements are being implemented in all respects.

The University implements Government travel policy requirements through its Travel & Subsistence Policy approved by Governing Authority, which was reviewed by the FHRAMC in June 2020 and a revised policy came into effect on 1 July 2020.

The University is satisfied that there are robust controls in place in relation to the payment of travel related expenses. The requirements of Government travel policy are being implemented throughout the University.

ANNUAL STATEMENT OF GOVERNANCE – continued

13. Guidelines on Achieving Value for Money in Public Expenditure

Confirmation that the Guidelines on Achieving Value for Money in Public Expenditure as set out in the address by the Minister for Finance of 20 October 2005 and communicated to the universities are being followed.

The University has followed the Guidelines on Achieving Value for Money in Public Expenditure as set out in the address by the Minister for Finance on 20 October 2005.

14. Tax laws

A statement affirming the university's compliance with tax laws.

The University seeks to be compliant with taxation laws and is committed to ensuring that all known tax liabilities are paid at the relevant due dates. Where an error in tax liability is identified the University corrects this error to ensure continued compliance with tax law.

The University is engaged in a profile interview process with Revenue as part of Revenue's compliance intervention options and the process is at an advanced stage with many detailed issues resolved, a small number of items remain under discussion.

15. Legal Disputes

Details of all legal disputes involving other State bodies.

The University did not engage in any legal disputes involving other State bodies in the period under review.

16. Good Faith Reporting – Protected Disclosures Act 2014

In line with legislation, the Governing Authority should put in place procedures for Confidential Disclosure Reporting whereby employees may, in confidence, raise concern about possible irregularities in financial reporting or other matters and for ensuring meaningful follow-up of matters raised in this way.

(i) *Confirmation that a Protected Disclosures policy in line with the Protected Disclosures Act 2014 is in place.*

The University's Protected Disclosures Policy & Procedures were developed in accordance with Guidelines issued by DPER and first approved by the Governing Authority in April 2016. It was revised by the Governing Authority in October 2018. In order to further improve the policy in light of experience gained in its operation, the Policy was updated, approved by the FHRAMC in February 2020 and approved by Governing Authority in April 2020. In June 2020, the Governing Authority was provided with specific training by recognised experts on the legislation and the implementation of the University's Protected Disclosures Policy & Procedures.

(ii) *Confirmation that the annual report required under section 22(1) of the Act has been published.*

The University's Annual Report as required under section 22(1) of the Act was published in June 2020, thereby meeting the required deadline.

(iii) *Confirmation of the number of protected disclosures received during the year and the broad nature of these disclosures.*

ANNUAL STATEMENT OF GOVERNANCE – continued

16. Good Faith Reporting – Protected Disclosures Act 2014 - continued

In September and October 2017, an employee made three submissions to the then Chancellor containing a number of allegations of wrongdoing related to a member of senior management of the University. The processing of the protected disclosure was paused at the request of the individual who made the disclosure (as disclosed in the 2018 AGS). The Protected Disclosure Group established to consider the submissions determined that the information contained in one of the submissions should be treated as a protected disclosure and considered it appropriate to appoint an external person to investigate the alleged wrongdoings raised. An external investigator was appointed in March 2019.

The University received a submission in March 2020 from an employee alleging unfair treatment by the University as well as alleging inappropriate implementation of recruitment procedures and alleging mismanagement of the University which was similar to the 2017 disclosure. The Protected Disclosures Group considered that two of the matters raised should be referred to the external investigator. The report of the investigation was finalised in November 2020. The investigator was unable to make findings in relation to three of the seven allegations investigated based on the information and evidence available. For the remaining four allegations (in the areas of recruitment and procurement), the investigator found evidence that the member of senior management had breached the University's policies and procedures. In relation to one allegation, the investigation found that the actions of the member of senior management were inappropriate and unprofessional. The senior manager has left the University. The investigation report made a number of recommendations in relation to appointment and interview procedures; procurement procedures; and encouragement and support of staff to raise concerns. The University accepted the six recommendations in the report. Three of the recommendations have been implemented. Two of the recommendations are being progressed and implementation is expected to be completed by end of 2021. One recommendation is awaiting the completion of the consultations on the review of the UL Strategic Plan and will be implemented during 2022.

The Protected Disclosure is now deemed closed by the University.

17. Governing Authority meetings

Confirmation of the number of Governing Authority meetings held during the financial year in question and attendance record of members. The Governing Authority should meet at least twice a year without executive Board members or management present to discuss any matters deemed relevant. Cognisant of the legislation in this regard, the HEA would encourage that Governing Bodies consider this.

During the period under review there were ten meetings of the Governing Authority. The attendance records of members of Governing Authority at these meetings are attached as Appendix 1.

The Governing Authority met without Executive members present in January and in December 2020.

18. Audit and/or Risk Management Committee meetings

- (i) *Confirmation of the number of Audit and/or Risk Management Committee meetings held during the financial year in question and attendance record of members.*

The Audit & Risk Committee met on six occasions in the period under review and the attendance record of members of the Committee is attached as Appendix 2.

- (ii) *The Audit and/or Risk Management Committee should meet at least four times a year. In the event that four meetings are not considered necessary, please confirm that the Chairperson of the Governing Authority is satisfied that the Audit and/or Risk Management Committee discharged its role with fewer than four meetings in a year.*

Not applicable.

ANNUAL STATEMENT OF GOVERNANCE – continued

19. Review of Governing Authority performance

- (i) *Confirmation that the Governing Authority reviews its own performance and that it commissions an external review at least once during the Governing Authority's term of office.*

In 2020 following an appropriate tender process, the Governing Authority appointed the Institute of Public Administration (IPA) to undertake an evaluation of the Governing Authority's effectiveness. The IPA also reviewed the effectiveness of the Governing Authority Audit & Risk Committee, the FHRAMC and the Access, Equality & Student Affairs Committee as part of this external review. While the onset of Covid delayed the process somewhat, the IPA reported on its findings to a special meeting of the Governing Authority on 15 January 2021. The Governing Authority noted a range of recommendations arising from the review and agreed that its Governance Committee will consider them in the first instance. The recommendations of the IPA as they relate to the Committees were considered by each Committee and reported on to the Governance Committee as agreed by the Governing Authority. The Governance Committee continues to review progress on the IPA recommendations at their meetings and reports on them to the Governing Authority.

A self-evaluation of the GA and its sub-committees will take place in early 2022.

A Governance Evaluation commissioned in 2017 resulted in 27 recommendations for change/improvement. Of the 27 recommendations, 24 are implemented and 3 are in progress at the time of writing this report. The timeframe for the implementation of these four remaining recommendations has been set out and conveyed to the Governance Committee. The Governing Authority is updated on the status of the implementation of the recommendations after each meeting of the Governance Committee.

- (ii) *Confirmation should also be provided on when both internal and external reviews were last carried out and when both will be carried out again.*

The term of office of the Governing Authority commenced on 1 December 2017. An external review of Governing Authority and its committees by the IPA was completed and presented to the Governing Authority in January 2021. The recommendations are under consideration at the time of writing this report. A self-evaluation process is planned for early 2022.

20. Salary of President

The former President who left the University at the end of August 2020 was paid €180,278 for the period 1 October 2019 to 31 August 2020. An interim President was appointed on 1 September 2020 and was paid €16,389 during the financial year 2020.

The former President advised the University in May 2020 that he had decided to resign as President following which the University sought clarification from him regarding his end date. The former President, through his legal team, contended that he should be entitled to give a lengthy notice period. The contract of employment of the former President did not include a notice period.

The University sought legal advice and was advised that, as there was no notice period in the contract of employment, the law implies a term into every contract of employment that reasonable notice must be given. In light of this contractual entitlement, the legal advisers for the former President entered into negotiations with the University's legal advisers. A notice period of six months (to end of December 2020) was eventually agreed. This was paid by way of salary for two months and an *in lieu* of notice payment of €65,355 in September 2020 for the remaining four months. Based on legal advice, the University was satisfied that the recognition and payment of notice did not constitute "severance terms" for the purpose of circular 09/2018. Therefore, the University concluded that prior approval of the Department of Public Expenditure and Reform was unnecessary.

ANNUAL STATEMENT OF GOVERNANCE – continued

Total legal costs paid by the University amounted to €38,550 plus VAT (€45,625 total) of which €26,050 plus VAT (€30,250 total) related to costs incurred by the former President and €12,500 approx. plus vat (€15,375 total) incurred directly by the University.

21. Data provided to HEA

- (i) *Confirmation that the university has satisfied itself as to the integrity and robustness of any data on student numbers and courses provided to the HEA for the purpose of calculating and allocating the core grant and other funding allocations.*

The University is satisfied as to the integrity and robustness of the data that it has provided on student numbers to the HEA in accordance with HEA guidelines.

- (ii) *Confirmation that the university has satisfied itself as to the integrity and robustness of staff numbers provided to the HEA as required.*

The University is satisfied as to the integrity and robustness of the data that it has provided on staff numbers to the HEA in accordance with HEA guidelines.

22. The Framework for Promoting Consent in Higher Education

Confirmation that the university has applied institutional processes which will support achievement of the objectives of the Framework for Promoting Consent and Preventing Sexual Violence in Higher Education

The University's Executive Committee established a formal structure to implement the Framework for Promoting Consent in Higher Education (the Framework) in October 2020. The achievement of the objectives of the Framework is led by a Framework Steering Group comprising a balanced membership of key stakeholders. It is chaired by the Deputy President & Provost of the University. The roles and responsibilities of the Steering Group are clearly set as is the role of its Chairperson. The Steering Group is supported in its efforts by a Policies Working Group and a Sexual Health & Well-being Group. The Steering Committee is required to report to the Executive Committee on a regular basis. In turn, the Executive Committee will report to the Governing Authority on implementation of the Framework on an annual basis.

Cooperation is taking place at a sectoral level to ensure a consistency of approach in Framework associated policies and investigative processes.

23. Child Protection Policy

Confirmation that an appropriate child protection policy is in place in compliance with the requirements of the Children First legislation and rules.

The University of Limerick's Child Safeguarding Statement complies with the Children First Act 2015 and is being implemented. The University's associated organisations have local Child Safeguarding Statements in place that conform to *Children First* and are being implemented as confirmed in writing to the University's Designated Liaison Person. The Audit and Risk Committee receives an annual report on the implementation of the University's Child Safeguarding Statement and verification that the University's associated organisations' policies are being applied. This is subsequently reported to Governing Authority by the Committee.

No garda vetting issues arose that impacted on the appointment of individuals to the University during the period under review.

24. Disability Act 2005

The University confirms that it is meeting its obligations under the Disability Act 2005.

ANNUAL STATEMENT OF GOVERNANCE – continued

25. Fees and expenses

Confirmation that fees and/or expenses paid to members of Governing Authority are in accordance with the guidelines from the Department of Finance and are presented in the University's Annual Report. A note on the schedule of fees and aggregate expenses payable to external Governing Authority members should be included.

Expenses paid to external members of Governing Authority are in accordance with the Guidelines from the Department of Finance. These are included in the University's Annual Reports in the form of the Financial Statements. Details of the fees and expenses paid to external members of Governing Authority for year ended 30 September 2020 are as follows:

	External Governing Authority Members
Fees Payable	Nil
Expenses Payable	€30,423

26. Subsidiaries and interests in external companies

- (i) **Compliance with terms and conditions of consent of establishment:** *Statement confirming that any subsidiary of the University (or subsidiary thereof) continues to operate solely for the purpose as approved by Governing Authority, remains and continues to remain in full compliance with the terms and conditions of the consent under which it was approved.*

The University confirms that its subsidiary companies operate solely for the purpose as approved by the Governing Authority and continue to operate on that approved basis.

- (ii) **Code of governance for trading subsidiaries:** *Confirmation that an appropriate code of governance is in place in respect of trading subsidiaries (i.e. subsidiaries with annual turnover and employees), with annual statements provided to the Governing Authority and the Governing Authority has received a formal report of compliance from the Chairperson of the Board of each subsidiary.*

The University's subsidiaries have codes of governance in place as confirmed by their respective Board's Annual Governance Statement signed by their respective Chairpersons. These are submitted to the FHRAMC Committee and subsequently reported to Governing Authority. These Codes of Governance will be reviewed following the issuing of a sectoral level code of governance for subsidiary companies that is being finalised at present.

- (iii) *Details of any shareholdings and interests held by the University in external companies.*

The University holds minority shareholdings in a number of Campus Companies listed below. Campus companies are created predominantly from University of Limerick research results and approved in accordance with UL Campus Company Procedures. The University does not operate any investment fund nor does it invest any University funds into campus companies. The equity holding is a return for the intellectual property arrangements. These arrangements are covered by legal agreement between the University and the campus company including a provision that the University does not provide any warranties or assurance in relation to the use of the intellectual property by the campus company. In addition the University will generally seek an indemnity from the company around its use of the intellectual property. In initial shareholder agreements the University may reserve the right to appoint a director or observer to the board, this option has not been exercised. The right to a board seat is generally impacted by the various funding rounds which result in a dilution of the University shareholding and loss of right to a board appointment.

ANNUAL STATEMENT OF GOVERNANCE – continued

The carrying value of such investments in the University financial statements is €Nil.

Campus Company Name	Activity	Share-holding
LearnOpt Ltd	Software solutions for CPD organisations	15%
Crescent Diagnostics Ltd	Bio –medical	1.70%
Bearna Medical Ltd	Development of novel bone cements and grafts	~15%
Poly Pico Ltd	Printing high density protein/antibody/ DNA microarrays	~ 4%
ALR Innovations	Manufacture and sale of LCD recycling equipment	~15%
Class Medical Ltd	Medical device design and manufacture	~7%
Transgero Ltd	Risk management services	~5%
Farmhedge	On-farm weather risk information	~8%
Vanadium Investments	Battery technology	~15%
Ostoform	Pharmaceutical technology and discovery	~7%
Cala Medical	In start-up phase	~9%
Hook Bio	Pharmaceutical technology and discovery	~10%
MicaNanotech	Novel materials	~10%

~ = approximately

27. Intellectual Property (IP) and Conflict of Interest

- (i) *A statement confirming that the University has in place a single IP policy, published on its website, which includes all these elements:*
- *Reflects the National IP Management requirements of the national IP Protocol*
 - *Clearly sets out all IP processes and researcher obligations*
 - *Includes a clear description of IP commercialisation decision-making processes*
 - *Includes a clear dispute resolution process*
 - *Describes revenue share mechanisms*
 - *Describes potential for conflicts of interest and directs researchers to the relevant sections of the HEI's Conflict of Interest Policy*
 - *The policy is published on its external website*

The University has a single IP Policy that is published on its website. During the period to which this statement relates, the IP Policy was being updated to reference the new National IP Protocol published in 2019.

It should be noted that the revised IP Policy (as in place during the reporting period):

- Reflects the requirements of the 2019 National IP Protocol.
- Provides that the procedures and processes for commercialisation shall be set out by the Technology Transfer Office. These procedures have since been incorporated into the revised UL IP Policy.
- Sets out how disputes between IP creators and UL shall be handled.
- Describes how income from commercialisation is distributed.
- A UL institutional Conflict of Interest Policy was finalised during the period under reporting here. The UL IP Policy has been updated to describe potential for conflicts of interest and will direct researchers to the relevant sections of the new UL Conflict of Interest Policy as appropriate.

- (ii) *A statement confirming that the University has in place a Conflict of Interest Policy, published on its website.*

A University-wide Conflicts of Interest Policy was approved by the Governing Authority in September 2020 and is available on the UL Policy Hub. The Policy was made known to all staff at that time. Work is currently underway on the roll-out of appropriate training for all staff and the development of an on-line provision of training is being explored also. Reference to the Policy is included in the induction process for all new staff.

ANNUAL STATEMENT OF GOVERNANCE – continued

- (iii) *Confirmation that the Governing Authority is made aware of all IP commercialisation and IP conflicts of interest on an annual basis.*

During the period in question, there were no disclosures of interest made by staff advised to the Office of Vice President Research in relation to any potential conflicts of interest relating to IP.

The Governing Authority is made aware of all IP commercialisation through consideration of this Annual Governance Statement and regular reports by the Vice President Research.

- (iv) *Provide the names of any spin-out companies from which you have received revenue in the relevant financial year from (i) equity sale (ii) dividends (iii) any milestone related (or similar) event not covered in (i) or (ii).*

During the financial year, UL received payments in the amount of €310,000 in relation to SoloPep Ltd. This payment relates to €210,000 from the disposal of UL shares in the company and €100,000 arising from the assignment of UL intellectual property.

28. HEA Principles of Good Practice in Research in Irish Higher Education Institutions

The University affirms commitment to the key characteristics of good research practice as set out in the HEA Framework.

The Research Office is responsible for the implementation of the University's policy and procedures in the area of Research Integrity. These policies were reviewed and updated in 2019, and UL has had an appointed Research Integrity Officer continuously since 2016. Further, the Research Office supports the University's Research Ethics governance, as well as providing support as appropriate in the areas of research data management (in collaboration with other University units). The Research Office is represented on relevant national bodies such as the National Research Integrity Forum.

The Research Office also contributed significantly to the review and updating of other related University policies, particularly in the areas of Intellectual Property and Conflict of Interest management.

29. General governance and accountability issues

Description of other governance and accountability issues that the university may wish to bring to the attention of the HEA.

The University had a number of legacy matters that resulted in various reviews. The recommendations arising from the reviews were implemented by the University and reported upon to the Governing Authority through its Audit & Risk Committee.


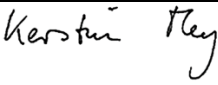
An External Governance Review was commissioned by the President in 2017 and, as indicated in 19 (i) in the Statement of Governance, of 27 recommendations 24 are implemented and 3 are in progress at the time of writing this report. The Governing Authority Governance Committee received updates on this External Governance Review at each meeting and will continue to do so until all recommendations are addressed.

The University is progressing the implementation of the recommendations arising from the HEA Rolling Governance Review on Pay, Pensions, T&S and Leave and is reporting on progress to the Governing Authority through its Audit & Risk Committee.

The University purchased a site in April 2019 for €8 million for the purpose of developing a campus in Limerick city centre. In March 2020, an employee of the University raised a number of concerns in relation to the purchase. The University engaged KPMG as consultants to conduct a review of the purchase, which commenced in March 2021. The terms of reference of the review include examining the due diligence procedures prior to the purchase, any structural or engineering reports obtained and the accuracy of the information provided to the Governing Authority prior to its approval of the purchase.

ANNUAL STATEMENT OF GOVERNANCE – continued

The consultants have issued a draft report to the relevant parties to allow for comment on factual accuracy. The parties have responded and KPMG are considering all submissions and responses in consultation with their legal team.

Chairperson:	
President:	
Name of Institution:	University of Limerick
Date:	13 December 2021

ANNUAL STATEMENT OF GOVERNANCE – continued

Appendix 1

Attendance at Governing Authority meetings 1 October 2019 – 30 September 2020

The Governing Authority met **10** times during the period under review.

	Governing Authority Member	No. of Meetings Attended	No. of Meetings Eligible to Attend
Chief Officer:	Dr Desmond Fitzgerald*	8	9
	Professor Kerstin Mey**	1	1
Chancellor:	Ms Mary Harney	10	10
Senior Officer of University:	Mr Gerry O'Brien	9	10
Professors/Associate Professors: (<i>elected by such staff</i>)	Professor Sean Arkins	9	10
	Professor Eoin Devereux	10	10
	Professor Kevin M Ryan	10	10
Academic & Research Staff: (<i>elected by such staff</i>)	Dr Seamus Gordon	9	10
	Dr Amanda Haynes	10	10
	Mr Gerard Slattery	7	10
	Dr Peter Tiernan	10	10
Support Staff: (<i>elected by such staff</i>)	Ms Michelle Breen	8	10
	Ms Kim O'Mahony	10	10
Elected officers of the Students' Union:	Mr Jack Scanlan	8	8
	Mr Cian Ó Caoimleáin	2	2
	Ms Serena Hare	8	8
	Mr Peadar Collins	2	2
	Mr Abraham Agboola	9	9
	Ms Andrea La Touche	1	1
Nominees of Organisations:	Ms Joan Aherne	8	10
	Mr John O'Connell***	9	9
Nominees of Minister for Education & Skills:	Ms Grainne Barron	9	10
	Dr Garret A FitzGerald	5	10
Persons appointed having regard to Artistic/Cultural Interests:	Ms Aibhlín McCrann	6	7
	Ms Trish Long	9	10
	Ms Judith Woodworth	10	10
Graduates of the University of Limerick: (<i>elected by such graduates</i>)	Mr Liam Carroll	9	10
	Mr Colin Clarke	8	10
Cathaoirleach of the City & County of Limerick:	Cllr James Collins	4	8
	Cllr Sarah Kiely	2	2
Mayor of the Metropolitan District of Limerick:	Cllr Michael Sheahan	6	8
	Cllr Michael Collins	0	2
University of Limerick Foundation Nominees:	Ms Rose Hynes (Deputy Chairperson)	8	10
	Mr Eddie Sullivan	9	10
President, MIC:	Professor Eugene Wall	9	10

*Dr Des Fitzgerald resigned in August 2020

**Professor Kerstin Mey was in attendance 9 of 9 meetings and was appointed Interim President 1 September 2020

***Mr John O'Connell resigned in September 2020

Dr Puneet Saidha was in attendance 2 of 2 meetings

Professor Norelee Kennedy was in attendance 8 of 8 meetings

Professor Nigel Healy was in attendance 1 of 1 meeting

Mr Andrew Flaherty was in attendance 7 of 7 meetings

ANNUAL STATEMENT OF GOVERNANCE – continued

Appendix 2

Sub-Committee meeting attendance period 1 October 2019- 30 September 2020

Audit & Risk Committee

The Audit & Risk Committee met on six occasions and the attendance record is detailed below:

Members of Governing Authority and ARC members

*Mr John O’Connell – attended 5 of 5 meetings

Mr Eddie Sullivan (Chair) – attended 6 of 6 meetings

External Committee members who are not members of Governing Authority

Mr Chris Cullen – attended 6 of 6 meetings

Ms Imelda Hurley – attended 5 of 6 meetings.

*Mr John O’Connell resigned September 2020

Mr Gerry O’Brien was in attendance 5 of 6 meetings

Finance, Human Resources & Asset Management Committee

The Finance, Human Resources & Asset Management Committee met on six occasions and the attendance record is detailed below:

Members of Governing Authority and FHRAMC members

Mr Liam Carroll - attended 4 of 6 meetings

Ms Rose Hynes (Chair) – attended 6 of 6 meetings

Ms Kim O’Mahony – attended 5 of 6 meetings

Professor Kevin M Ryan – attended 6 of 6 meetings

Mr Jack Scanlan – attended 4 of 4 meetings

Dr Peter Tiernan – attended 6 of 6 meetings

Ms Judith Woodworth – attended 4 of 6 meetings

Members of Governing Authority in attendance

**Dr Des Fitzgerald – attended 5 of 5 meeting

Mr Gerry O’Brien - attended 6 of 6 meetings

Professor Kerstin Mey – attended 1 of 1 meeting

External Committee members who are not members of Governing Authority

Mr Ambrose Loughlin – attended 6 of 6 meetings

Mr Mark Kennelly – attended 5 of 6 meetings

**Dr Des Fitzgerald resigned August 2020

Governance Working Group

The Governance Working Group met on five occasions and the attendance record is detailed below:

Members of Governing Authority and GWG members

Professor Seán Arkins – attended 5 of 5 meetings

Mr John O’Connell (Chair) – attended 5 of 5 meetings

Mr Liam Carroll – attended 4 of 5 meetings

Ms Trish Long – attended 5 of 5 meetings

Ms Kim O’Mahony – attended 5 of 5 meetings

Mr Ger Slattery – attended 5 of 5 meetings

ANNUAL STATEMENT OF GOVERNANCE – continued

Sub-Committee meeting attendance period 1 October 2019- 30 September 2020

Access, Equality & Student Affairs Committee

The Access, Equality & Student Affairs Committee met on five occasions and the attendance record is detailed below:

Members of Governing Authority and AE&SA members

Mr Abraham Agboola - attended 3 of 5 meetings
Ms Joan Aherne – attended 5 of 5 meetings
Ms Michelle Breen – attended 3 of 5 meetings
Professor Eoin Devereux – attended 2 of 5 meetings
*Dr Des Fitzgerald – attended 0 of 5 meetings
Ms Serena Hare – attended 5 of 5 meetings
Dr Amanda Haynes - attended 5 of 5 meetings
Ms Trish Long (Chair) - attended 4 of 5 meetings
Mr John O'Connell - attended 4 of 5 meetings
Mr Jack Scanlan - attended 4 of 5 meetings

Member of AE&SA but not Governing Authority

Professor Kerstin Mey - attended 5 of 5 meetings
Dr Sindy Joyce – attended 1 of 4 meetings
**Ms Louise Bruton – attended 2 of 3 meetings

In attendance

Mr Peadar Collins – attended 1 of 1 meeting
Mr Eamonn Moran – attended 4 of 4 meetings
Mr Cian Ó Caoimleáin – attended 1 of 1 meeting
Dr Lucy Smith - attended 0 of 5 meetings

*Dr Des Fitzgerald resigned August 2020

**Ms Louise Bruton resigned October 2020

STATEMENT ON THE SYSTEMS OF INTERNAL CONTROL

1. Governing Authority responsibility for system of Internal Control

The President acknowledges that Governing Authority has overall responsibility for the University's system of internal control, including that of its subsidiary companies. The system covers all material controls including financial, operational and compliance controls and risk management systems that support the achievement of the University's Strategic Plan, the achievement of the Strategic Plans/objectives of its subsidiary companies and the implementation of University policies and procedures while safeguarding the public and other funds and assets for which the University is responsible.

2. Reasonable assurance against material error

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve the aims and objectives of the Strategic Plan or the implementation of University policies and procedures, or to conduct its affairs in an orderly and legitimate manner. To that extent it can, therefore, only provide reasonable and not absolute assurance against material error.

3. Review of the Statement of Internal Control (Governing Authority and Audit and/or Risk Management Committee)

It is confirmed that the Statement on the System of Internal Controls, which accompanies the University's Annual Report in the form of the Financial Statements, has been reviewed by the Audit & Risk Committee and forwarded to Governing Authority by the Committee for formal approval.

4. Review of the Statement of Internal Control (External Auditors)

It is confirmed that the Statement of Internal Controls is reviewed by the University's External Auditors as part of their consideration of the Financial Statements. The External Auditors are required to include a statement in the Financial Statements Audit Report indicating whether or not the Statement of Internal Controls is consistent with the information of which they are aware as a result of their audit work.

5. Key procedures put in place designed to provide effective internal control

- (i) **Appropriate Control Environment:** *The steps taken to ensure an appropriate control environment (such as clearly defined management responsibilities and evidence of reaction to control failures).*

The following ensure that there is an appropriate control environment in place in the University:

- Since the appointment of its interim President in September 2020, the University has put in place a revised senior management structure designed to ensure best governance practice throughout the University.
- The University's Executive Committee has written terms of reference that clearly set out the role and responsibilities of the Committee. The Executive Committee also established a number of sub-committees with written terms of reference that provide for clear levels of authority and reporting structures to Executive Committee. A review of remaining University committees to ensure clarity around reporting structures with written terms of reference providing for appropriate delegation of authority is in progress at present.
- An annual strategic budgeting process involving key individuals within the University takes place that informs the development of the University's budget.

STATEMENT ON THE SYSTEMS OF INTERNAL CONTROL - continued

- Vice Presidents, Executive Deans, Divisional Directors and Heads of Academic Departments/Administrative Units, in fulfilling their functions, operate with clear staff structures and appropriate assignment of duties within their respective areas of responsibility. In addition, their respective units have appropriate committee/group structures in place to support the development and work of the units. These units operate in accordance with internal policies and procedures as well as corporate-level policies approved by the Governing Authority on the recommendation of its sub-committees.
- The University undertakes an update to its Annual Governance Statement and Statement of Internal Control on an annual basis. This update is secured through the circulation of a questionnaire to a wide range of functional managers throughout the University. The questionnaire has been the subject of external review to ensure it is fit for purpose. In addition, external experts provided specific training to all members of Management Council on their responsibilities in responding to the questionnaire and the type and level of information required. This training was provided in 2019 and again in 2020.
- Senior executives of the University are appointed as directors on all subsidiary company boards and they, along with the management of these subsidiaries, ensure they operate in accordance with University policies and procedures where appropriate and also in accordance with policies and procedures approved by their boards of directors.
- The University has established a Policy Management Framework that was approved by Governing Authority in September 2019. The Policy Management Framework ensures consistency in the development and implementation and monitoring of implementation of corporate level statutes and policies. All new policies and revised existing policy must conform to the requirements of the Framework prior to approval by the Governing Authority. The implementation of the requirements of the Policy Management Framework is supported by an online Policy Hub launched in September 2020. The Policy Hub is the single authoritative source of all University statutes and policies.
- Procedural manuals and guidelines on academic, financial, IT, research and HR management are available to all managers.
- The University's Academic Council, composed in accordance with the Universities Act, 1997, meets regularly and has a range of sub-committees in place to ensure the development, review and implementation of academic related policies, regulations and procedures. These sub-committees report regularly to the Academic Council.
- There is a robust Quality Review process in place that operates in accordance with statutory requirements that ensures regular quality reviews of the academic and functional units across the University and the implementation of agreed recommendations arising from such reviews where practicable. The outcomes of these reviews, the respective quality implementation plan where practicable and follow-up reviews are reported to the Executive Committee for approval. As a result of restructuring of the Governing Authority sub-committees, a revised process whereby the outcome of the quality reviews are presented to Governing Authority has been implemented.
- The University of Limerick is focused on providing the optimum student experience and in this regard, conducts institutional module satisfaction and student exit surveys and participates in ISSE to elicit where the University can improve its offerings to the students. The outcomes of these surveys are considered in detail and acted upon where practicable. Additionally, the University's Centre for Transformation & Learning works to enhance teaching and learning processes through supporting students' transition into university (First Seven Weeks), offering staff development programmes in learning, teaching and scholarship, heightening the profile and value of teaching activities including through Teaching Excellence Awards, collaboratively engaging in related research nationally and internationally and enabling key teaching innovations including technology assisted learning.
- The Intellectual Property Policy was updated in November 2020 to ensure its compliance with HEA governance requirements, recommendations arising from Internal Audit and the new UL Policy Framework format. The Policy provides for procedures to be laid down from time to time

STATEMENT ON THE SYSTEMS OF INTERNAL CONTROL - continued

for the appropriate management of the University's IP arising out of research activities. Procedures are in place for management of intellectual property and for the formation of UL Campus Companies. The Research Commercialisation Committee (RCC) provides oversight and guidance to the VPR on matters pertaining to research commercialisation, campus company formation and management of the Nexus Centre.

- The University Research Committee, reporting to the University Executive Committee, advises and reports on University research priorities, strategy, and policy.
- The Research Ethics Governance Committee (ULREG), supported by the Research Governance Officer, reports to Academic Council and in turn is reported to by five standing Research Ethics Committees: one each from the University's four faculties, and a separate Animal REC. ULREG is responsible for research ethics governance, setting standards for research ethics scrutiny, defining mechanisms to deliver these standards and overseeing associated monitoring and assessment arrangements. ULREG is supported in this role by research ethics committees (RECs). All research ethics applications are submitted to and considered by the relevant REC, whose decisions are reported to and ratified by ULREG.
- The Governing Authority has a sub-committee structure with clear terms of reference that are reviewed regularly. Membership of these committees provides for additional external expertise relevant to the sub-committee.
- The Audit & Risk Committee, supported by the Internal Auditor, reviews the scope and effectiveness of the University's internal controls and those of its subsidiaries, including financial, operational and compliance controls and reports regularly to the Governing Authority.
- Regular reporting to the relevant Governing Authority sub-committees and the Governing Authority on the financial aspects of major projects being proposed and/or completed.
- Regular reporting to the relevant Governing Authority sub-committee on the physical design of capital projects to ensure they complement surrounding buildings on the Campus.
- The terms of reference of the Governing Authority sub-committees include the oversight of major initiatives within their remit and they report regularly to Governing Authority on such matters.
- The University of Limerick Governing Authority operates in accordance with legislation. The requirements of the 2019 national Code for the Governance of Irish Universities are in the main implemented by the University and this has been reported to Governing Authority. This implantation process is supported by the completion of a compliance analysis to identify gaps, if any, between what is in place in the University and the requirements of the 2019 Code of Governance for Irish Universities. The Compliance Analysis was presented to the Governance Committee in March 2020. Updates to the implementation of recommendations is a standing agenda item for the Governance Committee that reports to Governing Authority after each meeting. While the University works to the provisions of the 2019 Code of Governance, the University's own Code of Governance has been updated to comply with the 2019 national Code and reflect other updated practices within the University and was approved by the Governance Committee in November and due for Governing Authority approval at its December 2021 meeting.
- Subsidiary companies have Codes of Governance in place. These will be reviewed following the issuing of a sectoral level code of governance for subsidiary companies that is being finalised at present.
- A revised Schedule of Matters Reserved to Governing Authority was approved by Governing Authority in October 2018 to reflect its revised sub-committee structure. A further revision to the Schedule was approved by the Audit & Risk Committee and subsequently the Governing Authority at its April 2021 meeting. The latest revision to the Schedule reflects requirements of the 2019 Code of Governance for Irish Universities and recommendations arising from review by the IPA.

STATEMENT ON THE SYSTEMS OF INTERNAL CONTROL - continued

- The GDPR Implementation Project, which has now concluded, resulted in a number of important organisational and technical measures being put in place to ensure compliance with data protection law. The University recognises, however, that it needs to continuously review existing arrangements relating to the handling of personal data and to remain vigilant to any threats. In 2020, a number of significant technical measures to safeguard personal data were put in place including migration of staff email to Office 365 and the introduction of Multifactor Authentication. Data protection training is provided to all staff through an online training module and online webinars. In the period under review, three data breaches were reported to the Data Protection Commission "DPC").
 - In July 2019, the DPC initiated a statutory inquiry into the University's handling of certain phishing incidents. The inquiry is ongoing and the University is co-operating fully with the DPC.
- (ii) **Business Risks:** *Processes used to identify business risks, evaluate their implications and manage them within the University's risk management framework.*
- The Governing Authority operates in accordance with legislation and 2019 Code of Governance for Irish Universities. A compliance analysis to identify gaps between the 2019 Code of Governance and what is in place in the University was completed and presented to the Governance Committee in May and in October 2020. Progress on the implementation of identified action items in the Compliance Analysis are kept under continuous review and updates provided to the Governing Authority through the Governance Committee.
 - University subsidiaries operate in accordance with their Code of Governance and submit annual governance statements to Governing Authority through its FHRAMC. These subsidiary codes will be reviewed upon completion of the sectoral level subsidiary code of governance that is being developed at present.
 - A Risk Management Policy adopted by the Governing Authority is in place. This Policy is implemented by way of a formal risk management process which involves all areas of the University, academic and administrative, in assessing and managing the risks, including the financial implications thereof, in a structured manner. This Policy is also implemented in relation to the work of University subsidiaries. This Policy is under review at the time of writing this report.
 - The roll-out of the Risk Management Policy across various faculties and divisions continues to progress and a total of thirty two risk registers, including the University's Fundamental/Corporate Risk Register, were in place by the end of the period under review. Given its importance within the University, progress relating to Risk Management is a standing agenda item at meetings of the Audit & Risk Committee. Six such meetings took place during the period under review. The Committee in turn reports to the Governing Authority on risk management related matters after each meeting and includes updates in its annual report to the Governing Authority. The Fundamental Risk Registrar was approved by Governing Authority in April 2020. The Fundamental Risk Register is currently being reviewed to align with the new senior management structure and any new risks that have emerged, such as the impact of Covid on the operations of the University. The revised Fundamental Risk Register was considered by Executive Committee in June 2021 and thereafter by Audit & Risk Committee and Governing Authority.
 - The University has developed and rolled out a Risk Management online system. The application enables users to add/edit risks on their Local Risk Register (LRR). A feature of the system is the automatic colour coding related to the inputted risk score in line with the University's Risk Management Policy. This highlights to users which risks pose the highest risk and facilitates their decision in relation to the escalation process. There are currently thirty two local risks registers approved online.
 - There is an agreed process for the review of local risk registers once established that is as follows:
 - Within one month of any internal audit report where a recommendation from the Internal Auditors graded as 'fundamental' is recorded;
 - Following major changes to the structure, funding or strategic direction of the Faculty/Division/Unit;

STATEMENT ON THE SYSTEMS OF INTERNAL CONTROL - continued

- Following a specific request by the Executive Committee;
 - At least annually, notwithstanding the above conditions.
- Following the completion of a review of their local risk register, Vice Presidents/Executive Deans/Head of Administrative Units and the senior University executives appointed to subsidiary company boards will prepare a report using the standard risk & control template and risk register template set out in the Risk Management Policy. During the period five local risk registers were presented to Operations Sub Committee and then to Executive Committee, for consideration and discussion.. In the case of subsidiary companies, this report is submitted to the board of directors in the first instance.
- (iii) **Information Systems:** *Details of the major information systems in place such as budgets, and means of comparing actual results with budgets during the financial year.*
- The University has established a resource allocation and budgeting system. It carries out an annual strategic budgeting process and the resulting Annual Budget is approved by the FHRAMC and then the Governing Authority. Budgets are reviewed against actual expenditure during the year. Monthly reports are issued to budget-holders and financial reports are reviewed by the FHRAMC on a quarterly basis.
 - Subsidiary companies carry out an annual budgeting process and the budget is approved by the board of directors. Budgets are reviewed against actual during the year and quarterly reports are reviewed by the board. The subsidiary companies report on their performance to the Governing Authority.
 - The University appointed a Chief Finance & Performance Officer who took up the role on 1 September 2021. A key part of the role is to build on existing information systems in the University through the development of a data and reporting capability that enables data driven decision making, will drive business reporting, benchmarking and performance analysis and interpretation, resource optimisation and process improvement across the University.
- (iv) **Financial Implications of Major Business Risks:** *The procedures for addressing the financial implications of major business risks (such as financial instructions and notes of procedures, delegation practices such as authorisation limits, segregation of duties and methods of preventing and detecting fraud).*
- The Governing Authority approved the UL Signing Authority Policy in November 2017. This will be updated following approval of a revised Schedule of Matters which was approved by Governing Authority in April 2021. A revised Policy will be submitted to FHRAMC in Q1 2022. The University has a structured authorisation process matching the monetary limits for the signing authority on financial transactions, within specified accounts, to the appropriate grade within each area. The Head of Department/Function has overall responsibility for the delegation of signing authority within his/her area. In a devolved financial structure the Executive Dean/Divisional Director is accountable to the Governing Authority, through its FHRAMC, for all financial matters of his/her Faculty/Division. The Finance Division works in partnership with and advises areas of the University in relation to compliance with legislative and other obligations on the University. A devolved financial structure also operates within subsidiary companies and the executive management are accountable to the board of directors for all financial matters
 - Detailed procedures on handling financial transactions are published on the University website by the Finance Division. This Division also provides training to staff on a regular basis. Policies and procedures are regularly reviewed and updated as appropriate. Staff in subsidiary companies are trained as required and policies and procedures specific to the subsidiary are reviewed on a regular basis and updated where needed.
 - Finance professionals are members of the following Governing Authority Sub-Committees:
 - Audit & Risk Committee
 - Finance, HR and Asset Management Committee
 - Boards of subsidiary companies.

STATEMENT ON THE SYSTEMS OF INTERNAL CONTROL - continued

- Members of the Finance Division/subsidiary companies attend meetings of the Audit & Risk Committee as and when required by the Committee.
 - Finance Division staff and finance staff of subsidiary companies provide direct advice and support to the campus communities in relation to financial matters.
 - The University's Anti-Fraud Policy was approved by Governing Authority in April 2016 and a revised Policy was approved by Governing Authority on 5 February 2021 ensuring its provisions remain in accordance with best practice.
- (v) ***Monitoring the Effectiveness of the Internal Control System:*** *The procedures for monitoring the effectiveness of the internal control system which may include: audit committees, management reviews, consultancy, inspection and review studies, the work of internal audit, quality audit reviews and statements from the heads of internal audit.*
- A programme of external quality reviews of academic and support areas, the results of which feed into the risk registers of the individual areas.
 - A compliance/gap analysis was completed between the 2019 Code of Governance for Irish Universities and University practices. Progress on action items from this review is monitored by the Governance Committee reporting to the Governing Authority. In addition a revised UL Code of Governance is being developed to reflect the 2019 Code provisions and updates to existing University practices. An Internal Audit review of the implementation of the provisions of the 2019 Code will be included in the Audit Plan in due course.
 - The University's accounts are audited by external independent auditors who express an Audit Opinion.
 - The University has in place an Internal Audit Charter that is considered on a regular basis to ensure it continues to reflect best practice in the area of Internal Audit. A revised Internal Audit Charter was approved by the Audit & Risk Committee in March 2021 and by Governing Authority in April 2021. The Internal Audit process is carried out in accordance with the Charter.
 - The Audit & Risk Committee approves an internal audit plan on an annual basis. This plan provides for internal audit review of a range of functional areas throughout the University, including its subsidiary companies. The subsequent Internal Audit Reports are submitted to the Executive Operations Committee and then the Executive Committee for consideration and approval in the first instance. Subsequently, the reports are submitted to the Audit & Risk Committee for information and reporting to Governing Authority. These Internal Audit Reports are based on the status of internal controls within the respective functional areas and the Internal Auditor meets with the head of the functional area/subsidiary to which the reports relate to ensure the accuracy of the report and to secure the management responses to recommendations for inclusion in the report.
 - The Audit & Risk Committee reports to the Governing Authority on a regular basis on the outcome of such reviews. As part of its internal audit process, the University has established an Internal Audit Review Group comprising senior executives of the University whose remit is to monitor the implementation of recommendations arising from any Internal Auditor review of controls in the various functional areas. The Review Group operates in accordance with a remit set down by the Governing Authority through its Audit & Risk Committee. The remit is also provided for in the University's Internal Audit Charter.
 - The Review Group reports regularly to the Audit & Risk Committee and interacts with the Internal Auditor on the status of implementation of recommendations arising from the Internal Audit reviews. In turn the Internal Auditor undertakes a follow-up review of a sample of recommendations deemed implemented and reports to the Audit & Risk Committee to provide assurances on the implementation of recommendations.

STATEMENT ON THE SYSTEMS OF INTERNAL CONTROL - continued

6. *Review of the effectiveness of the system of internal control:*

The Governing Authority confirms that there has been a review of the effectiveness of internal controls during the period to which this Statement relates and that such review was completed on 12 November 2020.

7. *Weaknesses in internal control - Disclosure of details regarding instances where breaches in control occurred:*

In the period under review no material weaknesses in internal control have been identified that have resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or the auditor's report on the financial statements.

8. *Description of the action taken to correct weaknesses:*

These have been detailed in the relevant sections.



Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

University of Limerick

Opinion on the financial statements

I have audited the financial statements of the University of Limerick for the year ending 30 September 2020 as required under the provisions of the Universities Act 1997. The financial statements comprise

- the consolidated and University statement of comprehensive income
- the consolidated and University statement of changes in reserves
- the consolidated and University statement of financial position
- the consolidated 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 University and of the University group at 30 September 2020 and of the income and expenditure of the University and of the University group for the year then ended in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

Emphasis of matter — deferred pension funding asset

Without qualifying my opinion on the financial statements, I draw attention to note 27 which relates to retirement benefits accrued by current and former staff up to 30 September 2020.

The recognition of a deferred pension funding asset in respect of the Single Public Service Pension Scheme (€30 million) reflects statutory provisions relating to the funding of those schemes.

The recognition of an asset of €884 million in respect of the University of Limerick Superannuation (Amendment) Scheme anticipates that funding will be provided by the State to meet pension liabilities as they fall due. Inherent in this accounting treatment is an assumption that any income generated by the University will in the first instance be applied towards current expenses and that State funding will meet any shortfall in resources required to meet future pension liabilities.

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 University and have fulfilled my other ethical responsibilities in accordance with the standards.

In conducting my audit, I seek to rely on evidence from an audit of the financial statements by independent auditors engaged by the University.

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

Report of the C&AG (continued)

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

The University has presented certain other information together with the financial statements. This comprises the President's report, a statement of governing authority responsibilities, an annual statement of governance, a statement on the systems of internal control, and the financial statements of the University of Limerick Foundation for the year ended 31 August 2020.

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.

I draw attention to the following matters disclosed in the annual statement of governance.

1 Procurement non-compliance

The University incurred significant expenditure on goods and services the procurement of which was not compliant with the relevant procurement procedures. The statement of governance sets out the steps being taken by the University to enhance procurement procedures and to address non-compliance.

2 Purchase of site for city campus

The University has engaged consultants to conduct a review of the due diligence procedures in relation to the purchase of a site in Limerick city centre in April 2019. The review is also examining the accuracy of the information provided to the Governing Authority prior to its approval of the purchase. The statement of governance sets out the current status of the review.

3 Override of controls

An investigation was completed in November 2020 into a number of allegations made in 2017 and in early 2020 about the actions of a member of the University's senior management. The statement of governance summarises the findings of the investigation, including that the senior manager breached the University's policies and procedures in the areas of recruitment and procurement. In relation to one of the allegations, the investigation found that the actions of the senior manager were inappropriate and unprofessional. The senior manager has left the University, and the progress made by the University in implementing the recommendations in the investigation report is explained in the statement of governance.

4 President's remuneration

The statement of governance sets out the arrangements for the resignation of the former President effective from the end of August 2020, including the payment of an amount equivalent to four months' salary (€65,355) and the payment of legal costs incurred by the former President (€30,250).

In my view, the agreement between the University and the former President in relation to his resignation has the typical characteristics of a severance agreement.

A 2018 circular issued by the Department of Public Expenditure and Reform sets out the procedures to be followed where severance terms are being considered. For universities, prior consultation with the Department of Further and Higher Education, Research, Innovation and Science and the prior approval of the Department of Public Expenditure and Reform is required. In this case, these procedures were not followed.



Seamus McCarthy
Comptroller and Auditor General

15 December 2021

Appendix to the report

Responsibilities of Governing Authority members

The members of the governing Authority of the University are responsible for

- the preparation of financial statements in the form prescribed under the Universities Act 1997
- ensuring that the financial statements give a true and fair view in accordance with FRS102
- 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 the Universities Act 1997 to audit the financial statements of the University 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 University'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 University to cease to continue as a going concern.
- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Information other than the financial statements

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

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

Reporting on other matters

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

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

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

CONSOLIDATED AND UNIVERSITY STATEMENT OF COMPREHENSIVE INCOME
Financial Year Ended 30 September 2020

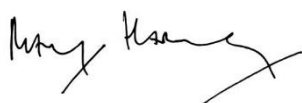
	Notes	Consolidated		University	
		30 September 2020 €'000	30 September 2019 €'000	30 September 2020 €'000	30 September 2019 €'000
Income					
State grants	5	55,588	47,278	55,588	47,278
Academic fees	6	112,611	102,743	112,611	102,743
Research grants and contracts	7	33,131	34,248	33,131	34,248
Ancillary services and other self-funded income	29	8,710	10,034	8,710	10,034
Amortisation of deferred capital grants	23	6,900	6,902	6,900	6,902
Other operating income	8	36,607	42,690	12,246	13,614
Interest income	9	26	22	26	22
Donation		-	232	-	3,045
Net deferred funding for retirement benefits	27	34,247	34,757	34,247	34,757
Total income		287,820	278,906	263,459	252,643
Expenditure					
Staff costs	10	161,656	151,008	149,610	141,238
Retirement benefit service cost	27	23,781	17,202	23,781	17,202
Other operating expenses	11	67,635	74,849	60,069	65,770
Interest payable and similar charges	12	1,135	1,173	1,042	1,060
Retirement benefit interest cost	27	10,466	17,555	10,466	17,555
Depreciation	15	20,040	19,575	13,945	13,837
Total expenditure		284,713	281,362	258,913	256,662
Surplus/(loss) before other gains and losses		3,107	(2,456)	4,546	(4,019)
Gain on investments	17	-	93	-	-
Gain on investment property	16	810	228	200	-
Surplus/(loss) for the year after depreciation of assets and before taxation and impairment		3,917	(2,135)	4,746	(4,019)
Taxation	13	(3)	(3)	-	-
Surplus/(loss) for the year	14	3,914	(2,138)	4,746	(4,019)
Actuarial gain/(loss) in respect of retirement benefit scheme	27	39,717	(127,428)	39,717	(127,428)
Adjustment to deferred retirement benefit funding	27	(39,717)	127,428	(39,717)	127,428
Total comprehensive income/(expense) for the financial year		3,914	(2,138)	4,746	(4,019)
Represented by:					
Restricted comprehensive income for year		-	-	-	-
Unrestricted comprehensive income/(expense) for year		3,914	(2,138)	4,746	(4,019)
		3,914	(2,138)	4,746	(4,019)

CONSOLIDATED AND UNIVERSITY STATEMENT OF COMPREHENSIVE INCOME - continued
Financial Year Ended 30 September 2020

All items of income and expenditure relate to continuing activities.

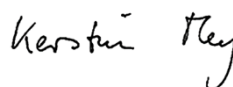
The financial statements on pages 38 to 81 were approved by the Governing Authority on 10 November 2021 and were signed on its behalf by:

On behalf of Governing Authority



Ms Mary Harney
Chancellor

Date: 13 December 2021



Professor Kerstin Mey
President

Date: 13 December 2021

CONSOLIDATED AND UNIVERSITY STATEMENT OF CHANGES IN RESERVES
Financial Year Ended 30 September 2020

€'000

Consolidated

Balance at 1 October 2018	254,037
Deficit from income and expenditure statement	(2,138)
Other comprehensive income	-
Release of restricted capital funds spend in year	-
Balance at 30 September 2019	251,899

Balance at 1 October 2019	251,899
Surplus from income and expenditure statement	3,914
Other comprehensive income	-
Release of restricted capital funds spend in year	-
Balance at 30 September 2020	255,813

University

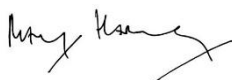
Balance at 1 October 2018	163,172
Surplus from income and expenditure statement	(4,019)
Other comprehensive income	-
Release of restricted capital funds spend in year	-
Balance at 30 September 2019	159,153

Balance at 1 October 2019	159,153
Surplus from income and expenditure statement	4,746
Other comprehensive income	-
Release of restricted capital funds spend in year	-
Balance at 30 September 2020	163,899

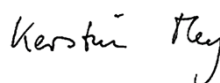
CONSOLIDATED AND UNIVERSITY STATEMENTS OF FINANCIAL POSITION
As at 30 September 2020

	Notes	Consolidated		University	
		30 September 2020 €'000	30 September 2019 €'000	30 September 2020 €'000	30 September 2019 €'000
Non-current assets					
Tangible assets	15	471,448	480,488	342,335	343,695
Investment property	16	9,720	6,705	4,500	4,300
Financial assets	17	-	-	-	-
		<u>481,168</u>	<u>487,193</u>	<u>346,835</u>	<u>347,995</u>
Current assets					
Trade and other receivables	18	31,432	24,197	74,038	70,752
Cash and cash equivalents	19	133,294	126,707	117,566	109,525
		<u>164,726</u>	<u>150,904</u>	<u>191,604</u>	<u>180,277</u>
Payables: amounts falling due within one year	20	(164,017)	(149,238)	(151,227)	(135,747)
Net current assets		<u>709</u>	<u>1,666</u>	<u>40,377</u>	<u>44,530</u>
Total assets less current liabilities		<u>481,877</u>	<u>488,859</u>	<u>387,212</u>	<u>392,525</u>
Payables: amounts falling due after one year	21	(226,064)	(236,960)	(223,313)	(233,372)
Provisions:					
Retirement benefit receivable	27	913,822	917,414	913,822	917,414
Retirement benefit provisions	27	<u>(913,822)</u>	<u>(917,414)</u>	<u>(913,822)</u>	<u>(917,414)</u>
Total net assets		<u>255,813</u>	<u>251,899</u>	<u>163,899</u>	<u>159,153</u>
Unrestricted reserves:					
Revenue reserves		<u>255,813</u>	<u>251,899</u>	<u>163,899</u>	<u>159,153</u>
Total reserves		<u>255,813</u>	<u>251,899</u>	<u>163,899</u>	<u>159,153</u>

The financial statements on pages 38 to 81 were approved by the Governing Authority on 10 November 2021 and were signed on its behalf by:



Ms Mary Harney
Chancellor



Professor Kerstin Mey
President

Date: 13 December 2021

Date: 13 December 2021

CONSOLIDATED STATEMENT OF CASH FLOWS
Financial Year Ended 30 September 2020

	Notes	Consolidated	
		2020 €'000	2019 €'000
Cash flow from operating activities			
Surplus/(deficit) for the year		3,917	(2,135)
Taxation paid		(3)	(3)
Gain on disposal of fixed assets		(262)	-
Adjustment for non-cash items			
Depreciation	15	20,040	19,575
Amortisation of deferred capital grants	23	(6,900)	(6,902)
Transfer from tangible assets to investment property		2,205	455
Revaluation		(610)	(228)
Investment income		(26)	(22)
Interest payable		1,135	1,173
Operating cash flow before movement in working capital		<u>19,496</u>	<u>11,913</u>
Adjustment for working capital items			
(Increase) in trade and other receivables		(7,235)	(27)
Increase in trade payables		13,915	22,545
Other movements			
Capital grants received (note 23)		3,631	6,215
Adjustment for investing or financing activities			
Investment income		26	22
Interest payable		(1,135)	(1,173)
Net cash inflow from operating activities		<u>28,698</u>	<u>39,495</u>
Cash flows from investing activities			
Purchase of investments	17	-	2,327
Purchase of investment property		(2,405)	(607)
Proceeds on sale of assets		780	36
Purchase of tangible fixed assets	15	(13,723)	(25,149)
Net cash (outflow) from investing activities		<u>(15,348)</u>	<u>(23,393)</u>
Cash flows from financing activities			
<i>Debt due within one year:</i>			
Increase in short term borrowings		823	2,290
<i>Debt due after one year:</i>			
Decrease in long term borrowings		(7,586)	(7,590)
Decrease in long term liabilities		-	-
Net cash outflow from financing activities		<u>(6,763)</u>	<u>(5,300)</u>
Increase in cash and cash equivalents in the year			
Cash and cash equivalents at beginning of year		126,707	115,905
Cash and cash equivalents at end of year	19	<u>133,294</u>	<u>126,707</u>

NOTES TO THE FINANCIAL STATEMENTS

Financial Year Ended 30 September 2020

1 General information

The mission of the University of Limerick is to be a distinctive, pioneering and connected university that shapes the future through educating and empowering people to meet the real challenges of tomorrow.

Our vision is to be internationally recognised as a distinctively progressive, research led university that provides an engaging student experience, conducts world-class research renowned for its translational impact and is globally and locally connected in terms of its contribution to economic, social and cultural life.

Reinforced by an abiding commitment to the principles of academic freedom, we will be guided by six core values in the realisation of our vision: excellence, creativity, ethics, sustainability, community and global focus.

2 Statement of compliance

The entity financial statements have been prepared on a going concern basis and in accordance with Irish GAAP (accounting standards issued by the Financial Reporting Council of the UK and the Companies Act 2014). The entity financial statements comply with Financial Reporting Standard 102, *The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)*, the Companies Act 2014 and the *Statement of Recommended Practice – Accounting for Further and Higher Education*.

3 Summary of significant accounting policies

The significant accounting policies used in the preparation of the entity financial statements are set out below. These policies have been consistently applied to all financial years presented, unless otherwise stated.

(a) Basis of preparation

The entity financial statements have been prepared under the historical cost convention, as modified by the measurement of certain financial assets and liabilities at fair value through the statement of comprehensive income, and the measurement of freehold land and buildings at their deemed cost on transition to FRS 102 issued by the Financial Reporting Council.

The preparation of financial statements in conformity with FRS 102 requires the use of certain key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the financial year. It also requires the Governing Authority to exercise its judgement in the process of applying the university's accounting policies. The areas involving a higher degree of judgement or areas where assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed in note 4.

The functional currency of the University is considered to be Euro because that is the currency of the primary economic environment in which the University operates. The consolidated financial statements are stated in Euro. Foreign operations are included in accordance with the policies set out below.

NOTES TO THE FINANCIAL STATEMENTS - continued
Financial Year Ended 30 September 2020

3 Summary of significant accounting policies - continued

(b) Basis of consolidation

The university's consolidated financial statements include the financial statements of the university and all of its subsidiary undertakings made up to 30 September 2020. Subsidiaries are all entities over which the group has the power to exercise control.

University of Limerick Foundation

The financial statements of the University of Limerick Foundation are excluded from these financial statements as the Foundation is not controlled by the University of Limerick. Details of activity with the University of Limerick Foundation is set out in note 26.

(c) Going concern

The University and its subsidiaries incurred a surplus of €3.914m for the year and is in a net asset position of €255.813m at 30 September 2020. The consolidated cash and cash equivalents balance at 30 September 2020 is €133.294m.

The University meets its day-to-day working capital requirements through its bank facilities. As further outlined in Note 28 to the financial statements, the Covid-19 virus is creating challenges to the University's ability to generate non-Exchequer sourced income. Furthermore, adopting to current public health guidelines will result in additional costs. However, the University and its subsidiaries are taking cost reduction and other mitigating measures to reduce this financial impact.

The University and its subsidiaries have prepared forecasts under various scenarios. Based on these forecasts and after making further enquiries, the governors have a reasonable expectation that the University and its subsidiaries have adequate resources to continue in operational existence and meet their obligations as they fall due for the 12 month period following the approval of these financial statements based on its current cash balances and existing facilities. Thus, the Governing Authority continues to adopt the going concern basis of accounting in preparing the annual financial statements.

(d) Foreign currency

(i) Functional and presentation currency

The university's functional and presentation currency is the euro, denominated by the symbol "€" and unless otherwise stated, the financial statements have been presented in thousands ('000).

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At the end of each financial year foreign currency monetary items are translated to euro using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at exchange rates at the end of the financial year of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'interest receivable and similar income' or 'interest payable and similar charges' as appropriate. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other expensing expenses'.

(e) Tangible fixed assets

Tangible fixed assets are carried at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to the location and condition necessary for its intended use, applicable dismantling, removal and restoration costs and borrowing costs capitalised.

NOTES TO THE FINANCIAL STATEMENTS - continued
Financial Year Ended 30 September 2020

3 Summary of significant accounting policies - continued

(e) Tangible fixed assets - continued

(i) Land and buildings

The University's buildings are valued at cost or deemed cost for land and buildings measured at valuation at the date of transition to FRS102 less accumulated depreciation and accumulated impairment losses on buildings, furniture and fittings. Tangible fixed assets are not depreciated until they are brought into use. Freehold land and buildings are stated in the statement of financial position at cost as they are specialised buildings and therefore it is not appropriate to value them on the basis of open market value. Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic lives to the University of between 33 and 50 years.

Where land and buildings are acquired with the aid of specific state grants, they are capitalised and depreciated as above. The related state grants are credited to a deferred capital grant account and are released to the Statement of Comprehensive Income over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Finance costs where applicable, which are directly attributable to the construction of land and buildings, are not capitalised as part of the cost of those assets.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable.

Buildings under construction are accounted for at cost, based on the value of architects' certificates and other direct costs incurred to the financial year end. They are not depreciated until they are brought into use.

(ii) Equipment and minor works

Equipment costing less than €25,000 per individual item is written off to the income and expenditure account in the year of acquisition. All other equipment is capitalised at cost. Capitalised equipment is depreciated over its useful economic life as follows:

Leased assets	5 years or primary lease period, if shorter
Computer equipment	3 years
Equipment and minor works	Up to 10 years
All weather pitches	20 years

Where equipment is acquired with the aid of specific grants it is capitalised and depreciated in accordance with the above policy, with the related state grant being credited to a deferred capital grant account and released to the income and expenditure account over the expected useful economic life of the related equipment.

(iii) Donations

The University receives on occasion benefits in kind such as gifts or equipment. Items of significant value donated to the University, which if purchased, the group would treat as tangible fixed assets, are capitalised at their current value and depreciated in accordance with the policy set out above. The recognition of income is accounted for in accordance with the policy set out below.

(f) Heritage assets

The University of Limerick has acquired many assets of unqualified historic and cultural importance to the State. This collection includes a period house (Plassey House), artworks and other paintings and artefacts.

Plassey House is part of the working infrastructure of the University campus and as such is capitalised in the statement of financial position in line with Section 17 FRS 102. All artwork purchased for the benefit of the University is capitalised in the statement of financial position at original cost and is not depreciated.

NOTES TO THE FINANCIAL STATEMENTS - continued
Financial Year Ended 30 September 2020

3 Summary of significant accounting policies - continued

(f) Heritage assets - continued

Donated archives and printed books are not capitalised in the financial statements. All costs incurred in relation to preservation and conservation are expensed as incurred.

(g) Investment properties

Investment properties comprise of properties held by the group for rental, capital appreciation or both, rather than for use in the group's primary activity of teaching and research.

Investment properties are initially measured at cost. Cost comprises the purchase price plus any directly attributable expenditure.

Investment properties are subsequently measured at fair value, with all changes in fair value being recognised in the statement of comprehensive income. Fair value deficits are reflected in the revenue reserve.

(h) Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

The university has chosen to apply the provisions of Section 11 and 12 of FRS102 to account for all of its financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and cash equivalents, short-term deposits and investments in corporate bonds, are initially recognised at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction the resulting financial asset is initially measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument.

Trade and other receivables, cash and cash equivalents, investments in corporate bonds and financial assets from arrangements which constitute financing transactions are subsequently measured at amortised cost using the effective interest method.

At the end of each financial year financial assets measured at amortised cost are assessed for objective evidence of impairment. If there is objective evidence that a financial asset measured at amortised cost is impaired an impairment loss is recognised in the statement of comprehensive income. The impairment loss is the difference between the financial asset's carrying amount and the present value of the financial asset's estimated cash inflows discounted at the asset's original effective interest rate.

If, in a subsequent financial year, the amount of an impairment loss decreases, and the decrease can be objectively related to an event occurring after the impairment was recognised the previously recognised impairment loss is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment loss not previously been recognised. The impairment reversal is recognised in the statement of comprehensive income.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such financial assets are subsequently measured at fair value and the changes in fair value are recognised in the statement of comprehensive income, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are subsequently measured at cost less impairment.

NOTES TO THE FINANCIAL STATEMENTS - continued
Financial Year Ended 30 September 2020

3 Summary of significant accounting policies - continued

(h) Financial instruments - continued

(i) Financial assets - continued

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of ownership of the financial asset are transferred to another party or (c) control of the financial asset has been transferred to another party who has the practical ability to unilaterally sell the financial asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction the resulting financial liability is initially measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Trade and other payables, bank loans, loans from fellow group companies, preference shares and financial liability from arrangements which constitute financing transactions are subsequently carried at amortised cost, using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is treated as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as due within one year if payment is due within one year or less. If not, they are presented as falling due after more than one year. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

FRS102, 11.38A, 12.25A

Financial assets and liabilities are offset, and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

(i) Taxation

As an exempt charity, the University is not liable for Corporation Tax or Income Tax on any of its charitable activities. It is registered for Value Added Tax, but since the supply of education is an exempt activity on which no output tax is charged, it is unable to recover input tax on the majority of its purchases.

Trading activities undertaken by the University are administered through its subsidiary companies, which as commercial organisations are liable to Corporation Tax where applicable. Where applicable current tax is provided at amounts to be paid (or recovered) under current tax legislation.

NOTES TO THE FINANCIAL STATEMENTS - continued
Financial Year Ended 30 September 2020

3 Summary of significant accounting policies – continued

(i) Taxation - continued

(i) Deferred taxation

In subsidiary companies, who do not hold a charitable status, deferred taxation is provided on all timing differences that have originated but not reversed at the statement of financial position date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the statement of financial position date.

Timing differences are temporary differences between surpluses as computed for taxation purposes and surpluses as stated in the financial statements, which arise because certain items of income and expenditure in the financial statements are dealt with in different periods for taxation purposes.

Deferred tax is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is not discounted.

(j) Revenue recognition

(i) State grants

Grant from the Higher Education Authority and other government bodies are recognised based on the accrual model and are measured at fair value of the asset received or receivable. Grants are classified as relating either to revenue or assets. Recurrent and non-recurrent grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants from the Higher Education Authority or other government bodies received in respect of the acquisition or construction of fixed assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

(ii) Academic fees

Academic fees are recognised in the period to which they relate. Academic fees received in advance are deferred and credited to the income and expenditure account once the service is deemed to have been performed.

(iii) Research grants and contracts

Income from research grants and contracts from government sources is recognised based on the performance/accrual model. Income from research grants and contracts from non-government sources is recognised based on the performance model i.e. income is recognised to the extent that performance-related conditions have been met.

Research grants from non-government sources

Income from grants from non-government sources is recognised in the Statement of Comprehensive Income when performance related conditions are met. If a restriction in use but no performance related condition exists, the income is recorded in the Statement of Comprehensive Income.

Grants with unfulfilled performance related conditions are held as deferred income until such time as the conditions are met, at which point the income is recorded in the Statement of Comprehensive Income.

Grants with restrictions are recorded within the Statement of Comprehensive Income on entitlement of the income and subsequently retained within a restricted reserve until such time that the expenditure is incurred in line with the restriction.

NOTES TO THE FINANCIAL STATEMENTS - continued
Financial Year Ended 30 September 2020

3 Summary of significant accounting policies - continued

(j) Revenue recognition - continued

(iv) Donations

The most common classes of such transactions are:

1) Donations with no restrictions

Donations with no restrictions include amounts given to the University by way of cash or asset with no restriction as to how the donation should be used. Such donations are recorded in the Statement of Comprehensive Income on entitlement to the income.

2) Donations with restrictions

Donations with restrictions are recorded in the Statement of Comprehensive Income on entitlement to the income. The restricted income received is held in the temporarily restricted reserve until such time that the expenditure is incurred in accordance with the restrictions.

(v) Income from short-term deposits

All income from short-term deposits is credited to the income and expenditure account in the period in which it is earned.

(vi) Rental income and other rental charges

Rental income arising on rent and other charges relating to the student villages and sports facilities is recognised on an accruals basis and as the service is provided.

(vii) Other income

Other income is recognised in the financial statements on an accrual's basis.

(k) Leasing

(i) Finance leases

Finance leases transfer substantially all the risks and rewards incidental to ownership to the lessor.

At the commencement of the finance lease term the university recognises its right of use and obligation under a finance lease as an asset and a liability at the amount equal to the fair value of the leased asset, or if lower, at the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined the university's incremental borrowing rate is used. Incremental and directly attributable costs incurred in negotiating and arranging a finance lease are included in the cost of the asset.

Assets under finance leases are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at the end of each financial year.

The minimum lease payments are apportioned between the outstanding liability and finance charges, using the effective interest method, to produce a constant periodic rate of interest on the remaining balance of the liability.

(ii) Operating leases

Operating leases do not transfer substantially all the risks and rewards of ownership to the lessor. Payments under operating leases are recognised in the statement of comprehensive income on a straight-line basis over the period of the lease.

(l) Investments

Investments are stated at cost less any permanent diminution in value. Investment income is recognised on an accrual's basis. Investments included in current assets have a maturity of 12 months or less.

NOTES TO THE FINANCIAL STATEMENTS - continued
Financial Year Ended 30 September 2020

3 Summary of significant accounting policies - continued

(m) Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those qualifying assets, until such time as the qualifying assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the statement of comprehensive income in the financial year in which they are incurred.

(n) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities. Cash and cash equivalents are initially measured at transaction price and subsequently measured at amortised cost.

Bank deposits which have original maturities of more than three months are not cash and cash equivalent and are presented as current asset investments.

(o) Employee benefits

The university provides a range of benefits to employees, including short term employee benefits such as annual bonus arrangements and paid holiday arrangements and post-employment benefits (in the form of defined benefit or defined contribution retirement benefit plans). A subsidiary company operates a performance related bonus up to an agreed monetary value (see note 10).

(i) Short term employee benefits

Short term employee benefits, including paid holiday arrangements and other similar non-monetary benefits, are recognised as an expense in the financial year in which employees render the related service. The university operates an annual bonus plan for employees. An expense is recognised in the statement of comprehensive income when the university has a present legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

(ii) Post-employment benefits
Defined contribution plan

The university operates a defined contribution plan for certain employees. A defined contribution plan is a retirement benefit plan under which the university pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further contributions or to make direct benefit payments to employees if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The assets of the plan are held separately from the university in independently administered funds. The contributions to the defined contribution plan are recognised as an expense when they are due. Amounts not paid are shown in accruals in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS - continued
Financial Year Ended 30 September 2020

3 Summary of significant accounting policies - continued

(o) Employee benefits - continued

Defined benefit pension schemes

(i) UL Superannuation scheme

The pension benefits for employees are governed by the University of Limerick Superannuation (Amendment) Scheme (UL Superannuation Scheme).

The University operates an unfunded defined benefit pension scheme, the University of Limerick Superannuation (Amendment) Scheme, which is funded annually on a pay as you go basis from monies provided by the Higher Education Authority and from contributions deducted from staff salaries.

The University believes that it operates as an agent in the operation of the Scheme and does not contribute formally to the Scheme. The University believes that the liability in respect of the benefits payable to employees who are under UL Superannuation Scheme will be repaid in full by the HEA/State.

In accordance with FRS 102 Section 28.28, the University believes that it is virtually certain that the HEA/State will reimburse all of the expenditure required to settle the defined benefit obligation, and it recognises a reimbursable asset (plan asset), an amount corresponding to the unfunded deferred liability for pensions. Defined benefit pension scheme liabilities are measured on an actuarial basis using the projected unit method. The defined benefit pension charge to operating surplus comprises the current service cost and past service costs. The excess of the matching deferred asset is presented in the income and expenditure account as net deferred funding for pensions. Actuarial gains and losses arising from changes in actuarial assumptions and from experience surpluses and deficits are recognised in the other comprehensive income for the year in which they occur.

(ii) The Single Public Service Pension Scheme

The Single Public Service Pension Scheme commenced with effect from 1 January 2013. Most new employees after this date in the University will be members of the Single Scheme, which is an unfunded defined benefit scheme, funded annually on a pay as you go scheme from monies provided by the HEA. Pension contributions are remitted to the Department of Public Expenditure and Reform. The University is prescribed in S.I. No 584 of 2012 as a relevant authority for the purposes of the single Scheme. Future benefits accruing to Scheme members have been provided for in these financial statements. It is the University's opinion (in accordance with Section 44 of the 2012 Act) that any liability in respect of the Single Scheme would be offset by an equivalent asset in respect of future State funding. Accordingly, the University recognises an asset, an amount comprising the unfunded deferred liability for pensions as the liabilities are considered to be guaranteed by the State.

(p) Provisions and contingencies

(i) Provisions

Provisions are liabilities of uncertain timing or amount.

Provisions are recognised when the university has a present legal or constructive obligation as a result of past events, it is probable that a transfer of economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the best estimate of the amount required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are reviewed at the end of each financial year and adjusted to reflect the current best estimate of the amount required to settle the obligation. The unwinding of the discount is recognised as a finance cost in the statement of comprehensive income, presented as part of 'interest payable and similar charges' in the financial year in which it arises.

NOTES TO THE FINANCIAL STATEMENTS - continued
Financial Year Ended 30 September 2020

3 Summary of significant accounting policies - continued

(p) Provisions and contingencies - continued

(i) Provisions - continued

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

In particular:

- (i) Restructuring provisions are recognised when the university has a legal or constructive obligation at the end of the financial year to carry out the restructuring. The university has a constructive obligation to carry out a restructuring when there is a detailed, formal plan for the restructuring and the university has raised a valid expectation in those affected by either starting to implement the plan or announcing its main features to those affected; and
- (ii) Provision is not made for future operating losses.

(ii) Contingencies

Contingent liabilities, arising as a result of past events, are not recognised as a liability because it is not probable that the university will be required to transfer economic benefits in settlement of the obligation, or the amount cannot be reliably measured at the end of the financial year. Possible but uncertain obligations are not recognised as liabilities but are contingent liabilities. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

(q) Grants

Capital government grants (other than Land) are treated as deferred income, which is credited to the income and expenditure account on the same basis as the related assets are depreciated.

Non-government Capital Grants are accounted for under the performance model and are recognised in the Statement of Comprehensive Income when the performance related conditions have been met.

(r) Impairment of non-financial assets

At the end of each financial year date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash-generating unit) is estimated.

The recoverable amount of the asset (or cash-generating unit) is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from continuing use of the asset (or cash-generating unit) and from its ultimate disposal. In measuring value-in-use pre-tax and interest cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

If the recoverable amount of the asset (or cash-generating unit) is less than the carrying amount of the asset (or cash-generating unit) the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the statement of comprehensive income, unless the asset has been revalued. If the asset has been revalued the impairment loss is recognised in other comprehensive income to the extent of the revaluation gains accumulated in equity in respect of that asset. Thereafter any excess is recognised in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS - continued
Financial Year Ended 30 September 2020

3 Summary of significant accounting policies - continued

(r) Impairment of non-financial assets - continued

If an impairment loss reverses (the reasons for the impairment loss have ceased to apply), the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior financial years. A reversal of an impairment loss is recognised in the statement of comprehensive income, unless the asset is carried at a revalued amount.

4 Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements made in the process of preparing the entity financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting estimates and assumptions

The governors make estimates and assumptions concerning the future in the process of preparing the University financial statements. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Useful economic lives of tangible fixed assets

The annual depreciation on tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reviewed annually. They are amended when necessary to reflect current estimates, based on future refurbishment plans, economic utilisation and the physical condition of the assets. See note 15 for the carrying amount of the tangible fixed assets and note 3(e) for the useful economic lives for each class of tangible fixed assets.

(ii) Impairment of receivables

The governors make an assessment at the end of each financial year of whether there is objective evidence that a trade or other debtor is impaired. When assessing impairment of trade and other receivables, the directors consider factors including the current credit rating of the debtor, the age profile of outstanding invoices, recent correspondence and trading activity, and historical experience of cash collections from the debtor.

(iii) University of Limerick Foundation

The financial statements of the University of Limerick Foundation are excluded from these financial statements as the Foundation is not controlled by the University of Limerick. Details of activity with the University of Limerick Foundation is set out in note 26.

(iv) Employee benefits

The accrual for holidays earned but not taken is based on estimates of total holiday leave less leave taken.

(v) Pension provisions

The pension provision is calculated based on actuarial assumptions provided by an actuary annually. The actuarial assumptions include discount rates, salary increases, pension increases and inflation rates.

NOTES TO THE FINANCIAL STATEMENTS - continued
Financial Year Ended 30 September 2020

5 State grants	Consolidated and University	
	2020 €'000	2019 €'000
State grant allocated for recurrent purposes	40,841	33,764
State grant pension*	14,747	13,514
	<u>55,588</u>	<u>47,278</u>

All of the above grant income was received from the Higher Education Authority.

- State grant pension includes members' contributions of €6.005m (2019: €5,676m).

	2020 €'000	2019 €'000
State grant received in respect of current year	57,900	51,454
State grant deferred from prior accounting year	4,111	(65)
State grant deferred to subsequent accounting years	(6,423)	(4,111)
	<u>55,588</u>	<u>47,278</u>

State funding is allocated on a calendar year basis. The University financial year is based on the academic year from October to September. In accordance with the University's accounting policies recurrent grants have been recognised on an accruals basis. In any accounting year, therefore an element of funding will be deferred to subsequent accounting periods in order to match the funding to the related expenditure.

Grant income for 2020 includes funding related to COVID 19 of €3.506m.

6 Academic fees	Consolidated and University	
	2020 €'000	2019 €'000
Academic fee income	109,032	100,171
Miscellaneous fee income	3,579	2,572
Total fees paid by or on behalf of individual students	<u>112,611</u>	<u>102,743</u>

A total of €31,949,425 (2019: €32,694,271) included in academic fee income was paid directly by the Higher Education Authority.

7 Research grants and contracts	Consolidated and University	
	2020 €'000	2019 €'000
State and semi-state	23,546	25,890
European Union	4,521	3,286
Industry	2,784	2,550
Other	2,280	2,522
	<u>33,131</u>	<u>34,248</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
Financial Year Ended 30 September 2020

8 Other operating income	Consolidated		University	
	2020 €'000	2019 €'000	2020 €'000	2019 €'000
Residences	11,782	17,444	-	-
Other rental and concession income	2,822	3,850	2,588	3,275
Sports facility income	2,431	3,538	-	-
Retail and visitor centre	259	297	-	-
Contract labour services	8,548	5,215	-	-
Car park income	320	327	320	327
Research overheads	2,248	2,319	2,248	2,319
Funded post income	3,457	2,220	3,457	2,220
Concert Hall	1,155	1,879	-	-
Other self-funded income	1,436	3,088	2,154	3,571
Gain on disposal of asset	262	-	262	-
Other income	1,887	2,513	1,217	1,902
	<u>36,607</u>	<u>42,690</u>	<u>12,246</u>	<u>13,614</u>

9 Interest income	Consolidated		University	
	2020 €'000	2019 €'000	2020 €'000	2019 €'000
Interest income	<u>26</u>	<u>22</u>	<u>26</u>	<u>22</u>

10 Staff costs

- (i) The average weekly number of persons (including senior post-holders) employed by the University (including its subsidiaries) during the year, expressed as full-time equivalents was:

	Consolidated		University	
	2020 Number	2019 Number	2020 Number	2019 Number
Staff employed (WTE)	<u>2,160</u>	<u>2,098</u>	<u>1,868</u>	<u>1,823</u>

	Consolidated		University	
	2020 €'000	2019 €'000	2020 €'000	2019 €'000
Salaries	133,330	125,209	123,062	116,896
Overtime	617	585	431	549
Allowances	339	214	339	214
Short term employee benefits	134,286	126,008	123,832	117,659
Social welfare	12,402	11,239	11,031	10,074
Defined contribution employers' cost	221	256	-	-
Pensions in payment (note 27)	14,747	13,505	14,747	13,505
	<u>161,656</u>	<u>151,008</u>	<u>149,610</u>	<u>141,238</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
Financial Year Ended 30 September 2020

10 Staff costs - continued

(i) continued

Total staff costs include payments for all full and part time staff and any other costs in respect of their employment relationship with the University, including employer pension contributions cost of €10.599m (2019: €9.401m) (note 27).

Termination and severance payments (including statutory redundancy) paid to seven staff members amounted to €359,190 (2019 €148,468 paid to three staff members). In respect of severance payments there were no professional added year agreements entered into in current or prior year.

The board of a subsidiary, Plassey Campus Centre CLG, following a review of the year ahead and review of performance of current year put in place an annual fund of €56,500 to provide for performance related pay for staff involved in the development of summer business in the residences and visitor centre. This is a highly competitive market. During 2020, €Nil (2019: €36,872) of this fund was awarded to staff.

(ii) Governors

No payments were made in the current or previous year to any Governor for work undertaken in their role as Governor. Of the 29 members of the current Governing Authority, whose term commenced on 1 December 2017, 11 are members of University Staff 3 of whom (2019: 2) are key management personnel. Their salaries are therefore included in the key management note below, while the other 8 (2019: 9) members' salaries are stated separately below. There were two vacancies on the Governing Authority at 30 September 2020.

(iii) Key management compensation

The costs below reflect the salaries for the period which staff served on Executive while the number for senior management reflects the number on Executive at the end of the year.

Key management personnel are both the Governing Authority and Senior Managers, the compensation of both split out as follows:

	Consolidated		University	
	2020 Number	2019 Number	2020 Number	2019 Number
Governing Authority (staff members)	8	9	8	9
Governing Authority (non-staff members)	17	17	18	18
Senior management	11	12	10	12
	<u>36</u>	<u>38</u>	<u>36</u>	<u>39</u>
	2020 €'000	2019 €'000	2020 €'000	2019 €'000
Governing Authority (staff members)	792	925	792	925
Governing Authority (non-staff members)	-	-	-	-
Senior management	1,878	1,882	1,878	1,882
	<u>2,670</u>	<u>2,807</u>	<u>2,670</u>	<u>2,807</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
Financial Year Ended 30 September 2020

10 Staff costs - continued

The University has adopted a starting value of €60,000 to identify higher paid staff. Staff remuneration, in salary bands of €10,000 using €60,000 as the starting value is as follows.

	Consolidated		University	
	Number of employees 30 September 2020	Number of employees 30 September 2019	Number of employees 30 September 2020	Number of employees 30 September 2019
Salary bands				
€60,000 to €69,999	147	149	145	147
€70,000 to €79,999	127	127	124	126
€80,000 to €89,999	164	166	163	164
€90,000 to €99,999	115	72	115	71
€100,000 to €109,999	26	29	25	29
€110,000 to €119,999	55	55	54	54
€120,000 to €129,999	11	19	10	17
€130,000 to €139,999	9	7	8	7
€140,000 to €149,999	10	54	10	54
€150,000 to €159,999	50	2	50	2
€160,000 to €169,999	3	0	3	0
€170,000 to €179,999	3	0	3	0
€180,000 to €189,999	0	1	0	1
€190,000 to €199,999	2	3	2	3
€200,000 to €209,999	2	1	2	1
€210,000 to €219,999	1	1	1	1
€220,000 to €229,999	1	1	1	1
€230,000 to €239,999	0	1	0	1
€240,000 to €249,999	1	1	1	1
€250,000 to €259,999	1	0	1	0
€380,000 to €390,000*	1	0	1	0
Total	729	689	719	680

*A Professor in the School of Medicine on HSE consultant professor pay scale received a retrospective pay award arising from a settlement following a High Court decision on a number of lead cases.

NOTES TO THE FINANCIAL STATEMENTS - continued
Financial Year Ended 30 September 2020

11 Other operating expenses	Consolidated		University	
	2020 €'000	2019 €'000	2020 €'000	2019 €'000
Consumables	2,197	2,296	2,138	2,204
Heat, light, water and power	3,694	4,227	2,505	2,969
Repairs and general maintenance	5,688	5,731	5,684	5,731
Travel and entertainment	2,204	3,910	2,188	3,887
Student village management and maintenance	2,445	2,265	-	-
Equipment maintenance	1,717	2,099	1,453	1,753
Security	2,035	1,893	1,782	1,629
Telephone and administration	294	593	97	273
Advertising, promotions and publications	1,220	1,749	982	1,329
Subscriptions	586	816	584	815
Software licences	2,534	2,228	2,354	2,006
Audit and professional	5,937	5,732	5,779	5,478
Rent and rates	502	712	312	766
Ancillary and other self-funded programmes	6,038	7,028	6,038	7,028
Research expenditure	13,860	16,089	13,860	16,089
Capitation	1,449	1,379	1,449	1,379
Other expenses	4,359	4,222	2,677	1,865
Books and periodicals	488	1,046	488	1,046
Contract cleaning	2,801	3,429	2,291	2,297
Agent commission	1,334	959	1,334	959
Low value equipment	2,413	1,707	2,413	1,707
Scholarships and financial aid	1,156	1,628	1,156	1,628
Recruitment costs	140	229	140	229
Postal services	142	206	142	206
External examiner fees	177	230	177	230
HEA network	98	229	98	229
Staff development and course fees	1,266	1,328	1,266	1,328
Insurance	861	889	682	710
	<u>67,635</u>	<u>74,849</u>	<u>60,069</u>	<u>65,770</u>
Other operating expenses include:				
Auditors' remuneration:				
- External audit - management auditor	137	136	80	80
- C&AG	44	38	44	38
- Internal audit	87	103	87	103
Other services from either external or internal audit service providers	<u>73</u>	<u>168</u>	<u>59</u>	<u>112</u>

External audit fee includes the audit fee paid in respect of the audit of Plassey Campus Centre Limited and its subsidiaries and the audit of the University of Limerick.

NOTES TO THE FINANCIAL STATEMENTS - continued
Financial Year Ended 30 September 2020

11 Other operating expenses - continued

Travel and entertainment costs, including these costs included in research expenditure and ancillary and other self-funded programmes are Travel €2.956M (2019 €5.213M) and Entertainment €1.02M (2019 €1.725M).

Details of advisory fees paid by the University are set out in the annual governance statement on page 12.

Total legal costs associated with settlements and defending against proceedings were €92,200.

12 Interest payable and similar charges

	Consolidated		University	
	2020 €'000	2019 €'000	2020 €'000	2019 €'000
On bank loans, overdrafts and other loans:				
Wholly repayable within 5 years, not by instalments	220	314	127	270
Wholly repayable within 5 years, by instalments	26	111	26	42
Wholly repayable in more than 5 years	889	748	889	748
Total	<u>1,135</u>	<u>1,173</u>	<u>1,042</u>	<u>1,060</u>

Interest is payable on loans taken out to build new residential accommodation for students. This activity is carried out by a subsidiary undertaking: Plassey Campus Centre Limited.

13 Taxation

	Consolidated		University	
	2020 €'000	2019 €'000	2020 €'000	2019 €'000
(a) Current taxation:				
Irish corporation tax on surplus/(deficit) for the year	3	3	-	-
Adjustments in respect of prior years	-	-	-	-
Current tax charge for the year	<u>3</u>	<u>3</u>	<u>-</u>	<u>-</u>
Deferred tax:				
Origination and reversal of timing differences	-	-	-	-
Effect of reduction in tax rate on opening liability	-	-	-	-
Deferred tax charge for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>3</u>	<u>3</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
Financial Year Ended 30 September 2020

13 Taxation - continued

- (b) The total tax charge for the year differs from the charge that would result from applying the standard rate of Irish corporation tax to the surplus for the year. The differences are explained below:

	Consolidated		University	
	2020 €'000	2019 €'000	2020 €'000	2019 €'000
Surplus/(deficit) after depreciation of assets before taxation and impairment	3,917	(2,135)	4,746	(4,019)
Surplus/(deficit) before tax multiplied by the average rate of Irish corporation tax for the year of 12.5%	490	(267)	593	(502)
<i>Effects of:</i>				
Surplus/(deficit) not subject to Irish corporation tax	(487)	270	(593)	502
Total tax charge for the year	<u>3</u>	<u>3</u>	<u>-</u>	<u>-</u>

Provision for taxation has not been made in the University or its relevant subsidiary companies as they were established for charitable and educational purposes only. The income of subsidiary companies is exempt from taxation once it is applied in furthering the charitable objectives of the companies. The income of Plassey Campus Arena Limited is exempt from taxation also once it is applied to the sole purposes of promoting athletic or amateur games or sports.

14 (Deficit)/surplus

2020 €'000	2019 €'000
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The surplus/(deficit) for the year is made up as follows:

University's surplus/(deficit) for the year	4,746	(4,019)
(Deficit) generated by subsidiary undertakings	(832)	1,881
Consolidated surplus/(deficit) for the year	<u>3,914</u>	<u>(2,138)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
Financial Year Ended 30 September 2020

15 Tangible assets	Land and buildings	Minor works	Computer equipment	Equipment	Assets in course of construction	Leased assets	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Consolidated Cost							
At 1 October 2018	554,073	2,638	6,725	94,264	-	536	658,236
Additions	17,737	282	1,332	5,798	-	-	25,149
Disposals	-	-	(139)	(532)	-	-	(671)
Transfer	(455)	-	-	-	-	-	(455)
At 30 September 2019	<u>571,355</u>	<u>2,920</u>	<u>7,918</u>	<u>99,530</u>	<u>-</u>	<u>536</u>	<u>682,259</u>
Accumulated depreciation							
At 1 October 2018	125,443	2,036	5,563	49,253	-	536	182,831
Charge for year	12,377	175	663	6,360	-	-	19,575
Disposals	-	-	(139)	(496)	-	-	(635)
At 30 September 2019	<u>137,820</u>	<u>2,211</u>	<u>6,087</u>	<u>55,117</u>	<u>-</u>	<u>536</u>	<u>201,771</u>
Net book value							
At 30 September 2019	<u>433,535</u>	<u>709</u>	<u>1,831</u>	<u>44,413</u>	<u>-</u>	<u>-</u>	<u>480,488</u>
At 30 September 2018	<u>428,630</u>	<u>602</u>	<u>1,162</u>	<u>45,011</u>	<u>-</u>	<u>-</u>	<u>475,405</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
Financial Year Ended 30 September 2020

15 Tangible assets - continued	Land and buildings	Minor works	Computer equipment	Equipment	Assets in course of construction	Leased assets	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Consolidated - continued							
Cost							
At 1 October 2019	571,355	2,920	7,918	99,530	-	536	682,259
Additions	10,472	186	748	2,317	-	-	13,723
Disposals	(876)	-	(402)	(544)	-	-	(1,822)
Transfer	(2,523)	-	-	-	-	-	(2,523)
At 30 September 2020	<u>578,428</u>	<u>3,106</u>	<u>8,264</u>	<u>101,303</u>	<u>-</u>	<u>536</u>	<u>691,637</u>
Accumulated depreciation							
At 1 October 2019	137,820	2,211	6,087	55,117	-	536	201,771
Charge for year	12,648	156	672	6,564	-	-	20,040
Disposals	(685)	-	(402)	(535)	-	-	(1,622)
At 30 September 2020	<u>149,783</u>	<u>2,367</u>	<u>6,357</u>	<u>61,146</u>	<u>-</u>	<u>536</u>	<u>220,189</u>
Net book value							
At 30 September 2020	<u>428,645</u>	<u>739</u>	<u>1,907</u>	<u>40,157</u>	<u>-</u>	<u>-</u>	<u>471,448</u>
At 30 September 2019	<u>433,535</u>	<u>709</u>	<u>1,831</u>	<u>44,413</u>	<u>-</u>	<u>-</u>	<u>480,488</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
Financial Year Ended 30 September 2020

15 Tangible assets - continued	Land and buildings	Minor works	Computer equipment	Equipment	Assets in course of construction	Leased assets	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
University							
Cost							
At 1 October 2018	420,104	2,638	6,725	64,405	-	536	494,408
Additions	11,045	282	1,332	1,646	-	-	14,305
Disposals	-	-	(139)	(503)	-	-	(642)
At 30 September 2019	<u>431,149</u>	<u>2,920</u>	<u>7,918</u>	<u>65,548</u>	<u>-</u>	<u>536</u>	<u>508,071</u>
Accumulated depreciation							
At 1 October 2018	108,768	2,036	5,563	34,242	-	536	151,145
Charge for year	8,743	175	663	4,256	-	-	13,837
Disposals	-	-	(139)	(467)	-	-	(606)
At 30 September 2019	<u>117,511</u>	<u>2,211</u>	<u>6,087</u>	<u>38,031</u>	<u>-</u>	<u>536</u>	<u>164,376</u>
Net book value							
At 30 September 2019	<u>313,638</u>	<u>709</u>	<u>1,831</u>	<u>27,517</u>	<u>-</u>	<u>-</u>	<u>343,695</u>
At 30 September 2018	<u>311,336</u>	<u>602</u>	<u>1,162</u>	<u>30,163</u>	<u>-</u>	<u>-</u>	<u>343,263</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
Financial Year Ended 30 September 2020

15 Tangible assets - continued	Land and buildings	Minor works	Computer equipment	Equipment	Assets in course of construction	Leased assets	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
University - continued							
Cost							
At 1 October 2019	431,149	2,920	7,918	65,548	-	536	508,071
Additions	10,472	186	748	1,697	-	-	13,103
Disposals	(876)	-	(402)	(544)	-	-	(1,822)
At 30 September 2020	<u>440,745</u>	<u>3,106</u>	<u>8,264</u>	<u>66,701</u>	<u>-</u>	<u>536</u>	<u>519,352</u>
Accumulated depreciation							
At 1 October 2019	117,511	2,211	6,087	38,031	-	536	164,376
Charge for year	8,944	156	672	4,173	-	-	13,945
Disposals	(367)	-	(402)	(535)	-	-	(1,304)
At 30 September 2020	<u>126,088</u>	<u>2,367</u>	<u>6,357</u>	<u>41,669</u>	<u>-</u>	<u>536</u>	<u>177,017</u>
Net book value							
At 30 September 2020	<u>314,657</u>	<u>739</u>	<u>1,907</u>	<u>25,032</u>	<u>-</u>	<u>-</u>	<u>342,335</u>
At 30 September 2019	<u>313,638</u>	<u>709</u>	<u>1,831</u>	<u>27,517</u>	<u>-</u>	<u>-</u>	<u>343,695</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
For the financial year ended 30 September 2020

15 Tangible assets - continued

Plassey Village, Kilmurry Village, Thomond Village, Dromroe Village, Cappavilla Village Residences, Quigley Residences and William Brennan Court were stated at open market value, which was determined following a formal independent valuation by DTZ Sherry Fitzgerald Limited at 30 September 2014. The university applied the transition exemption in Section 35 of FRS102 and used this previous valuation as the deemed cost for certain freehold land and buildings on transition to FRS102. The deemed cost of the freehold land and buildings will be depreciated over the remaining useful lives of the freehold land and buildings. As the assets are depreciated or sold an appropriate transfer is made from the revaluation reserve to the statement of comprehensive income.

The remaining portion of the Park Point asset of €2,205k (2019: €455k) was transferred to investment property during the current year. The investment property was stated at open market value, which was determined following a formal independent valuation by Savills at 30 September 2020. Management are satisfied that there has been no material change in value since that date.

Heritage assets

Period house

Plassey House is part of the working infrastructure of the University campus and as such is capitalised in the statement of financial position in line with FRS 102 section 17.

Artwork, archives and printed books

Artwork purchased for the benefit of the University is capitalised in the statement of financial position at original cost and is not depreciated. The value of artwork capitalised in the statement of financial position is €2,164k (2019: €2,161k). Archives, printed books and other artefacts donated to the University have not been capitalised as these are, in effect, inalienable, held in perpetuity, are mostly irreplaceable and are not readily realisable. They are neither disposed of for financial gain nor encumbered in any manner. Artwork, archives and printed books have been valued for insurance purposes at €12.44m (2019: €12.25m).

Artwork

The University is the permanent home of several art collections, including:

- The National Self-Portrait Collection of Ireland
- The Watercolour Society of Ireland Collection
- The O'Malley Sculpture Collection
- The Irish American Cultural Institute's O'Malley Collection
- The Armitage Collection
- The Medical Art Collection

The University's own Arts Collection includes outdoor sculptures by international artists including Michael Warren, Peter Logan, Alexandra Wejchert, James McKenna, Tom Fitzpatrick, Antony Gormley and Sean Scully. These sculptures have added significantly to the artistic and cultural ambience of the University and the region.

The University of Limerick seeks to acquire, preserve and provide access to unique and distinct materials including rare books, manuscripts and other primary sources, as well as strong collections of supporting published materials.

Archives

The University of Limerick houses a range of archival collections of private origin, including estate collections, the papers of noted literary and political figures, as well as collections of local interest. The archives are made available for consultation in the Reading Room.

Printed Books

The University of Limerick seeks to acquire, preserve and provide access to unique and distinct materials including rare books, manuscripts and other primary sources, as well as strong collections of supporting published materials.

NOTES TO THE FINANCIAL STATEMENTS - continued
Financial Year Ended 30 September 2020

15 Tangible assets- continued	2020 €'000	2019 €'000	2018 €'000	2017 €'000
Four-year summary of Consolidated and University heritage assets				
Artwork				
Opening balance - valuation	3,836	3,784	3,745	3,699
Additions – cost	10	52	39	46
Closing balance	<u>3,846</u>	<u>3,836</u>	<u>3,784</u>	<u>3,745</u>
Archives				
Opening balance - valuation	1,547	1,529	1,458	1,338
Additions – valuation	2	7	-	-
Change in valuation	1	11	71	120
Closing balance - valuation	<u>1,550</u>	<u>1,547</u>	<u>1,529</u>	<u>1,458</u>
Printed books				
Opening balance - valuation	6,867	6,863	6,962	1,973
Additions – valuation	180	-	-	5,289
Change in valuation	-	4	(99)	(300)
Closing balance - valuation	<u>7,047</u>	<u>6,867</u>	<u>6,863</u>	<u>6,962</u>

16 Investment property	Consolidated		University	
	2020 €'000	2019 €'000	2020 €'000	2019 €'000
Munster training centre	4,500	4,300	4,500	4,300
Park Point	5,220	2,405	-	-
	<u>9,720</u>	<u>6,705</u>	<u>4,500</u>	<u>4,300</u>

The Munster training centre is leased to Munster Rugby on a 15-year lease, commencing from September 2016. The investment property is stated at open market value, which was determined by a formal valuation by Cushman Wakefield at 22 January 2021.

The Park Point asset includes two units that were transferred to investment property in 2017, with the rest of the building transferred to investment property in the current year. The investment property was stated at open market value following a formal independent valuation by Savills at 30 September 2020.

	2020 €'000	2019 €'000
At 1 October	2,405	1,570
Transfer from tangible assets (note 15)	2,205	455
Gain on revaluation	610	228
Additions	-	152
At 30 September	<u>5,220</u>	<u>2,405</u>

All other units in Park Point are included in consolidated fixed assets land and buildings at their original cost.

NOTES TO THE FINANCIAL STATEMENTS - continued
Financial Year Ended 30 September 2020
17 Financial instruments

The carrying values of the Group's and University's financial assets and liabilities are summarised by category below:

	Consolidated		University	
	2020 €'000	2019 €'000	2020 €'000	2019 €'000
Financial assets				
<i>Measured at fair value through statement of comprehensive income</i>				
- Investments in listed equity instruments	-	-	-	-
<i>Debt instruments measured at amortised cost</i>				
- Long term loans receivable	-	-	-	-
<i>Measured at undiscounted amount receivable</i>				
- Trade and other receivables	6,139	8,644	4,347	6,812
- Amounts due from subsidiary undertakings	-	-	45,278	49,267
<i>Equity instruments measured at cost less impairment</i>				
- Fixed asset investments in unlisted equity instruments	-	-	-	-
- Current asset unlisted investments	-	-	-	-
Financial liabilities				
<i>Measured at amortised cost</i>				
Loans payable	86,596	94,182	83,845	90,594
Obligations under finance leases				
<i>Measured at undiscounted amount payable</i>				
Bank loans and overdraft	10,085	9,262	9,049	8,036
Trade and other payables	6,982	11,219	6,045	10,276
Amounts owed to subsidiary companies	-	-	1,097	2,937

NOTES TO THE FINANCIAL STATEMENTS - continued
Financial Year Ended 30 September 2020

17 Financial instruments – continued	2020 €'000	2019 €'000
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The Group's income, expense, gains and losses in respect of financial instruments are summarised below:

Interest income and expense

Total interest income for financial assets at amortised cost	26	22
Total interest expense for financial liabilities at amortised cost	1,853	1,656

Fair value gains and losses

On financial assets (including listed investments), measured at fair value through statement of comprehensive income	-	-
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Impairment losses

On financial assets measured at amortised cost	-	-
On unlisted equity instruments measured at cost less impairment	-	-

Investments at the year-end were held as follows:

Management funds	-	-
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The University held an interest in the following subsidiary and associate undertakings:

Subsidiary undertaking name	% Control	Activity
Incorporated		
Plassey Campus Centre CLG	100%	Property holding and rental
Plassey Trust Company CLG	100%	Property holding and rental
Plassey Campus Developments Limited	100%	Construction contracting
Kilmurry Village CLG (dissolved 15 January 2020)	100%	Property rental (non-trading)
Plassey Campus Arena CLG	100%	Operating the university arena
University Concert Hall CLG	100%	Venue for artistic performances and other activities
Unijobs DAC	100%	Recruitment company
University of Limerick Alumni Association DAC	100%	Alumni relationships

All the subsidiary companies are incorporated in the Republic of Ireland and their registered offices are at Plassey House, University of Limerick, Limerick.

NOTES TO THE FINANCIAL STATEMENTS - continued
Financial Year Ended 30 September 2020

17 Financial instruments - continued

The University holds minority shareholdings in a number of Campus Companies. Campus companies are created predominantly from University of Limerick research results and approved in accordance with UL Campus company procedures. The University does not operate any investment fund, nor does it invest any University funds into campus companies. The equity holding is a return for the intellectual property arrangements. These arrangements are covered by legal agreement between the University and the campus company including a provision that the University does not provide any warranties or assurance in relation to the use of the intellectual property by the campus company. In addition, the University will generally seek an indemnity from the company around its use of the intellectual property. In initial shareholder agreements the University may reserve the right to appoint a director or observer to the board, this option has not been exercised. The right to a board seat is generally impacted by the various funding rounds which result in a dilution of the University shareholding and loss of right to a board appointment.

The carrying value of such investments in the University financial statements is €Nil.

18 Trade and other receivables	Consolidated		University	
	2020 €'000	2019 €'000	2020 €'000	2019 €'000
Trade receivables	5,503	8,125	3,759	6,487
Research grants and contracts receivable (note 29)	14,046	11,687	14,046	11,687
Ancillary and other self-funded receivable (note 29)	895	414	895	414
State grant receivable - HEA	3,033	-	3,033	-
Academic fees receivable	5,078	2,572	5,078	2,572
Prepayments	2,074	880	1,361	-
Amounts due from subsidiary undertakings	-	-	45,278	49,267
Other receivables	803	519	588	325
	<u>31,432</u>	<u>24,197</u>	<u>74,038</u>	<u>70,752</u>

19 Cash and cash equivalents	Consolidated		University	
	2020 €'000	2019 €'000	2020 €'000	2019 €'000
Cash at bank including balances held on short term deposit	133,294	126,707	117,566	109,525
Restricted bank balances	-	-	-	-
	<u>133,294</u>	<u>126,707</u>	<u>117,566</u>	<u>109,525</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
Financial Year Ended 30 September 2020
20 Payables: Amounts falling due
 within one year

	Consolidated		University	
	2020 €'000	2019 €'000	2020 €'000	2019 €'000
Trade payables	3,044	6,198	2,117	5,255
Research grants and contracts in advance (note 29)	72,910	55,188	72,910	55,188
Ancillary and other self-funded in advance (note 29)	7,963	5,994	7,963	5,994
Academic fees received in advance	23,075	27,358	23,075	27,358
State grant received in advance - HEA	6,423	4,111	6,423	4,111
Accruals	19,115	17,430	13,701	11,171
Deferred income	6,155	7,449	-	-
Bank loans and overdrafts (note 22)	10,085	9,262	9,049	8,036
Amounts owed to subsidiary undertaking	-	-	1,097	2,937
Other taxation and social security	4,391	4,350	4,046	3,799
Other payables	3,938	5,021	3,928	5,021
Deferred capital grants (note 23)	6,918	6,877	6,918	6,877
	<u>164,017</u>	<u>149,238</u>	<u>151,227</u>	<u>135,747</u>

21 Payables: Amounts falling due
 after one year

	Consolidated		University	
	2020 €'000	2019 €'000	2020 €'000	2019 €'000
Bank loans (note 22)	86,596	94,182	83,845	90,594
Deferred capital grants (note 23)	139,468	142,778	139,468	142,778
	<u>226,064</u>	<u>236,960</u>	<u>223,313</u>	<u>233,372</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
Financial Year Ended 30 September 2020

22 Borrowings	Consolidated		University	
	2020 €'000	2019 €'000	2020 €'000	2019 €'000
(a) Bank loans and overdrafts				
Bank loans and overdrafts are repayable as follows:				
Amounts due within one year	10,085	9,262	9,049	8,036
Due between one and two years	6,935	10,337	6,284	6,749
Due between two and five years	19,579	18,625	18,479	18,625
Due after more than five years	60,082	65,220	59,082	65,220
Total	96,681	103,444	92,894	98,630

(b) Security details

The borrowings of the subsidiary companies are secured as follows:

Bank of Ireland hold:

- (a) A letter of guarantee from Plassey Trust Company CLG for amounts totalling €6 million.
- (b) A legal charge over land and buildings at Plassey, Co. Limerick, known as Plassey Village, stamped to a total of €4 million.
- (c) A first legal charge over land and buildings at Plassey, Co. Limerick, known as Kilmurry Village (Phase 1), stamped to €4 million.
- (d) A legal charge over Plassey Village Phase 1, Phase 2 and Phase 3.
- (e) A legal charge over Brennan Court Apartments.
- (f) A first legal charge over the leasehold interest in property at the Sports Pavilion and All-Weather Pitches.
- (g) A letter of guarantee from University of Limerick.

The European Investment Bank provided part of the funding necessary for the University's capital expenditure programme. The facility is repayable over a maximum of 20 years (2033) and currently incurs interest at Euribor plus a margin.

NOTES TO THE FINANCIAL STATEMENTS - continued
Financial Year Ended 30 September 2020

23 Deferred capital grants	State 2020 €'000	State 2019 €'000	
Consolidated and University			
At 1 October			
Buildings	130,743	129,554	
Equipment	18,912	20,788	
Total	149,655	150,342	
Received during the year			
Buildings	2,626	4,893	
Equipment	1,005	1,322	
Total	3,631	6,215	
Amortised to income and expenditure account			
Buildings	(3,727)	(3,704)	
Equipment	(3,173)	(3,198)	
Total	(6,900)	(6,902)	
At 30 September			
Buildings	129,642	130,743	
Equipment	16,744	18,912	
Total	146,386	149,655	
24 Analysis of changes in net funds			
	At 1 October 2019 €'000	Cash flow €'000	At 30 September 2020 €'000
Consolidated			
Cash	126,707	6,587	133,294
Bank overdraft	(9,262)	(823)	(10,085)
	117,445	5,764	123,209
Loans	(94,182)	7,586	(86,596)
Total	23,263	13,350	36,613
University			
Cash	109,525	8,041	117,566
Bank overdraft	(8,036)	(1,013)	(9,049)
	101,489	7,028	108,517
Loans	(90,594)	6,749	(83,845)
Total	10,895	13,777	24,672

NOTES TO THE FINANCIAL STATEMENTS - continued
Financial Year Ended 30 September 2020

25 Capital commitments	Consolidated		University	
	2020 €'000	2019 €'000	2020 €'000	2019 €'000
Contracted for but not provided	18,862	26,998	18,862	26,998
Authorised but not contracted out	-	806	-	806
	<u>18,862</u>	<u>27,804</u>	<u>18,862</u>	<u>27,804</u>

Future minimum lease payments under non-cancellable operating leases at the end of the financial year were:

	Consolidated		University	
	2020 €'000	2019 €'000	2020 €'000	2019 €'000
Payments due				
Not later than one year	300	289	300	289
Later than one year and not later than five years	1,326	1,275	1,326	1,275
Later than five years	<u>1,978</u>	<u>2,329</u>	<u>1,978</u>	<u>2,329</u>

26 Related parties

The University has availed of exemptions permitted under Section 33.1.A FRS 102.

University of Limerick Foundation

During the year the University contributed €350k (2019: €350k) towards the running costs of the Foundation. During the year the University received funding from the University of Limerick Foundation of €2,993k (2019: €2,558k). This funding was received for the following purposes:

	2020 €'000	2019 €'000
Funding completed capital projects included in other income	-	200
Funded posts	1,452	-
Research grants and contracts	923	1,490
Ancillary projects included in other operating income	560	442
Scholarships included in student fee income	58	426
	<u>2,993</u>	<u>2,558</u>

The net assets of the University of Limerick Foundation at 31 August 2020 were €8.147m (2019: €8.062m).

Plassey Campus Developments

Plassey Campus Developments was the principal contractor associated with ongoing property development contracts totalling €7,622,120 in the year (2019: €6,071,203) on behalf of the University of Limerick. Representatives of the University are members of Plassey Campus Centre Company Limited by Guarantee. At the statement of financial position date €1,498,238 (2019: €1,790,772) was outstanding in respect of such work.

NOTES TO THE FINANCIAL STATEMENTS - continued
Financial Year Ended 30 September 2020

26 Related parties - continued	2020 €'000	2019 €'000
<u>Plassey Campus Arena CLG</u>		
<i>Income:</i>		
University of Limerick	233,192	236,736
<i>Receivable at 30 September:</i>		
University of Limerick	<u>73,329</u>	<u>421,484</u>

University Concert Hall CLG

The University Concert Hall Limited provides lecture facilities to the University of Limerick as part of its normal trading activities.

The value of the facilities provided during the year amounted to €36,987 (2019: €36,987).

The balance due to the University of Limerick at the year-end amounted to €779 (2019: €91,550).

The balance due by University of Limerick at the year-end amounted to €20,689 (2019: €53,971).

27 Retirement benefits

The University operates both defined benefit and defined contribution retirement benefit schemes.

Defined contribution retirement benefit scheme

The University operates a defined contribution scheme to cater for the specific circumstances of its employees. This scheme seeks to ensure that both the requirements of the relevant employees and the responsibilities of the University are properly addressed. The retirement benefit charge for the period represents contributions payable by the University to the scheme and amounted to €203k (2019: €256k) – note 10.

Defined benefit pension scheme

The University operates a defined benefit pension scheme, the University of Limerick Superannuation (Amendment) Scheme, which is funded annually on a “pay as you go” basis from monies provided by the Higher Education Authority and from contributions deducted from staff salaries. The scheme provides for a retirement benefit and retirement lump sum based on pensionable pay on the date of retirement (average salary used if promoted within the last 3 years of service), and spouse's and children's pensions. Staff employed prior to 1 January 2006 must retire when they reach the age of 65. For staff employed after that date, there is no compulsory retirement age; an employee may retire at any time after reaching age 65. The scheme includes an actuarially reduced early retirement facility from age 55.

Single public service retirement benefit scheme

The Single Public Service Pension Scheme (Single Scheme), which the University operates on behalf of the Department of Public Expenditure & Reform, is the defined benefit pension scheme for pensionable public servants appointed on or after 1 January 2013 in accordance with the Public Service Pension (Single Scheme and Other Provisions) Act 2012. The scheme provides for a retirement benefit and retirement lump sum based on career-average pensionable remuneration, and spouse's and children's pensions. The minimum pension age is 66 years (rising in line with State pension age changes). It includes an actuarially reduced early retirement facility from age 55. Pensions in payment increase in line with the consumer price index.

NOTES TO THE FINANCIAL STATEMENTS - continued
Financial Year Ended 30 September 2020

27 Retirement benefits - continued

The valuation prepared under FRS 102 Section 28 has been based on an actuarial valuation on 17 December 2019 by a qualified independent actuary to take account of the requirements of FRS 102 in order to assess the scheme liabilities at 30 September 2020 and 2018. The financial assumptions used to calculate scheme liabilities are:

	At 30 September 2020 Projected unit %	At 30 September 2019 Projected unit %
Valuation method:		
Discount rate	1.35	1.15
Inflation rate	1.25	1.25
Salary increases	2.75	2.75
Pension increases	<u>1.75</u>	<u>1.75</u>

On foot of EU Directive, the Protection of Employee Acts 2001 and 2003 extended pension benefits to part-time and fixed term workers. The University immediately entered into negotiations with the University Sector and relevant Government Departments in relation to the funding of these statutory liabilities.

Unfunded liability for retirement benefits

The University recognises an asset, an amount corresponding to the unfunded deferred liability for retirement benefits. The University believes that it operates as an agent in the operation of the UL Superannuation Scheme and does not contribute financially to the Scheme. The University believes that it is virtually certain that the State will reimburse all of the expenditure required to settle the defined benefit obligation, and in accordance with FRS 102 recognises a reimbursable amount.

The University also recognises a reimbursable asset value under FRS102 in respect of the Single Scheme as the obligations and liabilities under the Single Scheme are guaranteed by the State.

NOTES TO THE FINANCIAL STATEMENTS - continued
Financial Year Ended 30 September 2020

27 Retirement benefits - continued	2020	2019
	€'000	€'000
Consolidated and University		
Analysis of amount charged to operating profit:		
Current service cost *	34,380	26,603
Past service cost	-	-
Total operating charge	<u>34,380</u>	<u>26,603</u>
Analysis of the amount credited to other finance income:		
Expected return on scheme assets	-	-
Interest on scheme liabilities	(10,466)	(17,555)
Net return	<u>(10,466)</u>	<u>(17,555)</u>
Analysis of the amount recognised in statement of total recognised gains and losses:		
Actual less expected return on scheme assets	-	-
Experience gain/(loss)	1,451	(2,903)
Changes in assumptions	38,266	(124,525)
Actuarial gain/(loss) recognised in Statement of comprehensive income	<u>39,717</u>	<u>(127,428)</u>
<i>Movement in present value of defined benefit obligation</i>		
At 1 October	917,414	753,758
Current service cost	34,380	26,603
Interest cost	10,466	17,555
Plan members - contributions	6,005	5,575
Actuarial (gain)/loss	(39,717)	127,428
Insurance premium for risk benefits		
Benefits paid	(14,726)	(13,505)
At 30 September	<u>913,822</u>	<u>917,414</u>
	Consolidated and University	
	2020	2019
	€'000	€'000
<i>Analysis of movement in pension receivable during the year:</i>		
Pension receivable at beginning of year	917,414	753,758
Actuarial (gain)/loss	(39,717)	127,428
Incremental pension cost underwritten by the State *	23,781	17,202
State underwritten finance charge	10,466	17,555
Employer contributions *	10,599	9,401
Members contributions	6,005	5,575
Insurance premium for risk benefits	-	-
Benefits paid (note 10)	(14,726)	(13,505)
At 30 September	<u>913,822</u>	<u>917,414</u>

In accordance with the accounting policy (Note 3(o)), the total amount required to fund the retirement benefit deficit at 30 September 2020 amounts to €913,822,000 (2019: €917,414,000).

Within this figure, €30.2m (2019: €24.7m) relates to the accrued liability for the single Public Service Pension Scheme (Single Scheme).

* Current service cost comprises employer contributions and incremental pension cost underwritten by the State.

NOTES TO THE FINANCIAL STATEMENTS - continued
Financial Year Ended 30 September 2020

27 Retirement benefits - continued	2020	2019	2018	2017	2016
	€'000	€'000	€'000	€'000	€'000
History of actuarial gains and losses:					
Difference between expected and actual return on scheme assets	-	-	-	-	-
Expressed as a percentage of scheme assets	0%	0%	0%	0%	0%
Experience gains and losses on scheme liabilities	1,451	(2,903)	21,603	(8,276)	(53,463)
Expressed as a percentage of scheme liabilities	0.01%	(0.03%)	2.9%	(1.1%)	(6.1%)
Total amount recognised in statement of comprehensive income	39,717	(127,428)	61,758	143,248	(205,257)
Expressed as a percentage of scheme liabilities	4.3%	(13.9%)	8.2%	18.5%	(23.4%)

NOTES TO THE FINANCIAL STATEMENTS - continued
Financial Year Ended 30 September 2020

28 Events after the reporting period

The Coronavirus disease (COVID-19) pandemic has continued since the year end and it continues to create a high level of uncertainty, nationally and globally, and is having a significant negative impact on the operation of the University and its subsidiaries.

Since year end the Government has implemented, to date, two periods of lockdown. The second period which commenced in late December 2020 is currently expected to continue to March 2021 and may continue further into 2021. The academic delivery model for 2020/21 is predominantly online and the majority of the campus is closed.

This crisis is unprecedented both in Ireland and at a global level. The income associated with the provision of accommodation provided by a subsidiary of the University has been adversely impacted since the closure of the campus and will be further impacted by the implementation of public health measures for the foreseeable future. The sports facilities and concert hall are also closed and are not generating income.

Travel restrictions currently in place in many regions are having a negative impact on the recruitment of non-EU students for the current and forthcoming academic year. The continuance of public health measures, including social distancing, may also restrict the level of research activities which can be undertaken at the University for some time.

The Governing Authority recognise that in the current environment it is difficult to predict the duration of the COVID-19 pandemic or its impact. There are some financial savings from the closure of the campus and these will in the short term mitigate some of the income losses. The number of EU Undergraduate students recruited through the CAO process has increased and the Government has committed to funding these additional places. This will also help to mitigate losses in income from non-EU students.

The University and its subsidiaries continue to closely monitor the financial impacts of Covid. The most significant uncertainty is to estimate what period of time that the pandemic will continue for.

The Governing Authority are satisfied that with the current level of reserves, and tight cost control measures for the duration of the pandemic, the University can sustain its operations in the current volatile environment for the academic year 2021/22. On that basis the Governing Authority continues to adopt the going concern basis of accounting in preparing the annual financial statements.

NOTES TO THE FINANCIAL STATEMENTS - continued
Financial Year Ended 30 September 2020

29 Circular 13/2014 - Management of and accountability for grants from exchequer funds

This information is required by circular 13/2014 issued on 26 September 2014 by the Department of Expenditure and Public Reform. It is not a requirement under FRS 102.

	Grant deferred/(due) 1/10/2019 €'000	Cash received 2019-20 €'000	Taken to income 2019-20 €'000	Grant deferred 30/09/20 €'000	Grant due 30/09/20 €'000
RESEARCH GRANTS					
Exchequer Funding					
Science Foundation Ireland	9,263	24,335	14,946	25,097	(6,445)
Enterprise Ireland	2,926	7,511	6,856	6,801	(3,220)
Department of Agriculture, Food and Marine	(16)	436	341	399	(320)
Health Research Board	1,245	863	850	1,476	(218)
Irish Research Council	584	2,801	2,055	1,415	(85)
Higher Education Authority	68	1,179	810	455	(18)
State - other	7,086	(3,309)	(2,722)	7,173	(674)
Environment Protection Agency	(423)	477	363	(5)	(304)
Teagasc	(10)	48	47	22	(31)
Sub-total Exchequer	<u>20,723</u>	<u>34,341</u>	<u>23,546</u>	<u>42,833</u>	<u>(11,315)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
Financial Year Ended 30 September 2020

29 Circular 13/2014 - Management of and accountability for grants from exchequer funds - continued	Grant deferred/(due) 1/10/2019 €'000	Cash received 2019-20 €'000	Taken to income 2019-20 €'000	Grant deferred 30/09/20 €'000	Grant due 30/09/20 €'000
Non-Exchequer Funding					
Industry	9,407	3,524	2,784	11,127	(980)
European Commission	10,011	7,531	4,521	13,975	(954)
Other	3,360	3,098	2,280	4,975	(797)
Sub-total Non-Exchequer	<u>22,778</u>	<u>14,153</u>	<u>9,585</u>	<u>30,077</u>	<u>(2,731)</u>
Total Research Grants	<u>43,501</u>	<u>48,494</u>	<u>33,131</u>	<u>72,910</u>	<u>(14,046)</u>
Other self-funded and ancillary activities	5,580	10,198	8,710	7,963	(895)
Total other self-funded and Ancillary Grants	<u>5,580</u>	<u>10,198</u>	<u>8,710</u>	<u>7,963</u>	<u>(895)</u>
STATE GRANT RECURRENT					
Higher Education Authority	4,111	57,900	55,588	6,423	-
Total State Grant Recurrent	<u>4,111</u>	<u>38,979</u>	<u>55,588</u>	<u>6,423</u>	<u>-</u>
STATE CAPITAL GRANT BUILDINGS					
Higher Education Authority	-	3,631	3,631	-	-
Total State Capital Grant	<u>-</u>	<u>3,631</u>	<u>3,631</u>	<u>-</u>	<u>-</u>

In order to provide further clarity to users of these financial statements, other self-funded and ancillary activities which was previously included within other operating income is now shown separately on the face of the Statement of Comprehensive Income. Other self-funded and ancillary income comes from a variety of sources.

NOTES TO THE FINANCIAL STATEMENTS - continued
Financial Year Ended 30 September 2020

30 Approval of financial statements

The financial statements were approved by the Governing Authority on 10 November 2021.

APPENDIX

The University of Limerick Foundation Financial statements

The University of Limerick Foundation

Annual Report

Financial Year Ended 31 August 2020

CONTENTS

	Page
DIRECTORS AND OTHER INFORMATION	2
DIRECTORS' REPORT	3 - 5
INDEPENDENT AUDITORS' REPORT	6 - 8
INCOME AND EXPENDITURE ACCOUNT	9
BALANCE SHEET	10
STATEMENT OF CHANGES IN EQUITY	11
CASH FLOW STATEMENT	12
NOTES TO THE FINANCIAL STATEMENTS	13 - 19

DIRECTORS AND OTHER INFORMATION

Board of Directors

Loretta Brennan Glucksman (Chairman) (USA)
Harry Fehily
Rose Hynes
Paul Kimball (USA)
Dr James McCarron (USA)
Michael O'Keefe (USA)
Michael Houlihan
Paul O'Connell
Ralph Parkes
Daniel Tierney
Michael Tiernan
Dr Edward Walsh
Patrick Gerard Boland
Kathleen O'Toole (USA)
Richard Meaney
Mary Harney
James Normile (USA)
Michael Noonan
John Moran
Conor Gilligan
Mark Kennelly
Daniel Geary
Kerstin May

Solicitors

Holmes O'Malley Sexton
Bishopsgate
Henry Street
Limerick

Bankers

Bank of Ireland
International Banking Division
Baggott Street
Dublin 4

Bank of Ireland
University Branch
Plassey
Limerick

Chief Executive Officer

Harvey Duthie

Secretary and Registered Office

Niall Murphy
Plassey House
University of Limerick
Plassey Technological Park
Limerick

Registered Number: 147116

Charitable Status Number: CHY 9688

Registered Charity Number: 20024260

Independent Auditors

PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Bank Place
Limerick

DIRECTORS' REPORT

The directors present their report and the audited financial statements of The University of Limerick Foundation ("the company") for the financial year ended 31 August 2020.

Statement of directors' responsibilities

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

Irish law requires the directors to prepare financial statements for each financial year giving a true and fair view of the company's assets, liabilities and financial position at the end of the financial year and the profit or loss of the company for the financial year. Under that law the directors have prepared the financial statements in accordance with Irish Generally Accepted Accounting Practice (accounting standards issued by the UK Financial Reporting Council, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland and Irish law).

Under Irish law, the directors shall not approve the financial statements unless they are satisfied that they give a true and fair view of the company's assets, liabilities and financial position as at the end of the financial year and the profit or loss of the company for the financial year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards and identify the standards in question, subject to any material departures from those standards being disclosed and explained in the notes to the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to:

- correctly record and explain the transactions of the company;
- enable, at any time, the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy; and
- enable the directors to ensure that the financial statements comply with the Companies Act 2014 and enable those financial statements to be audited.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Legal status

The University of Limerick Foundation ("the company") is a company limited by guarantee. The liability of the members (of which there are 7) in the event of a winding up is limited to €1.27 each. The guarantee continues for one year after membership of the company ceases.

The company has been granted charitable exemption by the Revenue Commissioners.

Principal activities and business review

The company's principal activity is the furtherance of education and research, in particular the furtherance of education and research carried out by the University of Limerick and other educational, research and development bodies associated with the University of Limerick. The directors consider any events that could lead to a substantial reduction in donations and income received as the principal risk faced by the company. The directors are satisfied that there are relationships in place and being developed at present that mitigate this risk.

The Foundation continued to support the University throughout the year in its missions of education, and research and this included supporting professorships in the Bernal Institute and the awarding of scholarships and bursaries. It also continued to collaborate with the University on a number of development projects including the Inner City Technology & Innovation Campus and Academic Health Centre, and is supportive of the University's Strategic Plan 'UL@50'.

DIRECTORS' REPORT - continued

Principal activities and business review (continued)

Income is derived from donations and gifts received for the year amounting to €3,715,926 (2019: €4,017,128).

In addition to the principal risks outlined above, the directors have recently considered the risks on the company's liquidity and viability in connection with the continuing Coronavirus pandemic (COVID-19). The Company has a resilient and proven business model, as well as robust structures in place for governance and oversight which is well placed to respond to this challenge. The Company continues to operate in this uncertain period in a robust financial position, with a strong balance sheet and liquidity. Although the full extent of the potential impact on the business, operations and the global economy as a whole is not yet clear, executive management continue to communicate with company donors and potential donors and to manage the response to the COVID-19 pandemic as effectively as possible. The COVID-19 pandemic has not materially impacted the company's financial position or its performance at the date of approval of these financial statements.

The directors have assessed the relevant factors and in particular the risks on the company's business model being impacted by the COVID-19 pandemic. Whilst the ultimate extent of the effect of this matter on the company cannot be precisely determined at present, the directors are satisfied that its impact is limited and it does not impact the company's ability to operate as a going concern.

Governance

The Board comprises of 23 directors and brings a range of relevant experience and expertise to the company. Board members do not receive any remuneration for their services and are supported by the following sub-committees:

Audit, Finance and Risk Committee

The Audit, Finance and Risk Committee monitors risk, conducts an overview of the company's annual budgets, management financial statements and internal financial control systems. It liaises with the company's external auditors and conducts a review of the company's annual financial statements and directors report.

Remuneration and Benefits Committee

The Remuneration and Benefits Committee is charged with monitoring the appropriateness and relevance of remuneration for senior management and its application.

Accounting records

The measures taken by the directors to secure compliance with the company's obligation to keep adequate accounting records are the use of appropriate systems and procedures and employment of competent persons. The accounting records are kept at Plassey House, University of Limerick, National Technological Park, Limerick.

Results

The company's gain for the financial year was €72,136 (2019: deficit €226,384).

Future developments

The directors foresee no significant changes in the principal activities of the company in the foreseeable future.

Disclosure of information to auditors

The directors in office at the date of this report have each confirmed that:

- as far as he/she is aware, there is no relevant audit information of which the company's statutory auditor is unaware; and
- he/she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's statutory auditors are aware of that information.

Directors and secretary

The Constitution of the Company require the directors to retire by rotation. The names of the persons who were directors at any time during the year ended 31 August 2020 and since the year end are set out below. Unless indicated otherwise they served as directors for the entire year.

DIRECTORS' REPORT - continued

Directors:

Loretta Brennan Glucksman (Chairman) (USA)
Charles F Feeney (USA) (resigned 24 April 2020)
Harry Fehily
Kenneth Gorman (USA) (resigned 2 April 2020)
Rose Hynes
Paul Kimball (USA)
Dr James McCarron (USA)
Michael O'Keefe (USA)
Michael Houlihan
Paul O'Connell
Ralph Parkes
Dermot Smurfit (resigned 24 April 2020)
Daniel Tierney
Michael Tiernan
Dr Edward Walsh
Patrick Gerard Boland
Kathleen O'Toole (USA)
Richard Meaney
Desmond Fitzgerald (resigned 2 September 2020)
Mary Harney
James Normile (USA)
Michael Noonan
John Moran
Conor Gilligan
Mark Kennelly
Daniel Geary
Kerstin May (appointed 2 September 2020)

Events since the balance sheet date

There have been no significant events since the balance sheet date.

Statutory auditors

The statutory auditor, PricewaterhouseCoopers, have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the Annual General Meeting.

On behalf of the board

Harry Fehily
Director

Patrick Gerard Boland
Director

13 May 2021



Independent auditors' report to the members of The University of Limerick Foundation

Report on the audit of the financial statements

Opinion

In our opinion, The University of Limerick Foundation's financial statements:

- give a true and fair view of the company's assets, liabilities and financial position as at 31 August 2020 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Irish law); and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

We have audited the financial statements, included within the Annual Report, which comprise:

- the Balance Sheet as at 31 August 2020;
 - the Income and Expenditure Account for the year then ended;
 - the Cash Flow Statement for the year then ended;
 - the Statement of Changes in Equity for the year then ended; and
 - the notes to the financial statements, which include a description of the significant accounting policies.
-

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law.

Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.



Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the Companies Act 2014 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (Ireland) and the Companies Act 2014 require us to also report certain opinions and matters as described below:

- In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 August 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.
- Based on our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The directors are also responsible for 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.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at:

https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf

This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with section 391 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Other required reporting

Companies Act 2014 opinions on other matters

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
 - In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
 - The financial statements are in agreement with the accounting records.
-

Other exception reporting

Directors' remuneration and transactions

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.

Maria O'Connell
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Limerick
27 May 2021

INCOME AND EXPENDITURE ACCOUNT
For the financial year ended 31 August 2020

	Notes	2020 €	2019 €
Income	5	<u>3,751,230</u>	<u>4,017,128</u>
Other operating income			
Gain on market value of investments	8	<u>362,858</u>	<u>142,833</u>
Expenditure			
Fundraising, publicity and administration		528,496	811,129
Research and development grants		<u>3,500,564</u>	<u>3,575,216</u>
		<u>4,029,060</u>	<u>4,386,345</u>
Surplus/(deficit) for the financial year	6	<u>85,028</u>	<u>(226,384)</u>

All amounts above relate to continuing operations.

The company had no comprehensive income apart from that reflected in the income and expenditure account above and, therefore, no separate statement of comprehensive income is presented.

BALANCE SHEET
As at 31 August 2020

	Notes	2020 €	2019 €
Fixed assets			
Financial assets	8	<u>6,339,472</u>	<u>514,281</u>
Current assets			
Cash at bank and in hand		13,848,408	20,004,470
Debtors	9	<u>144,578</u>	<u>29,361</u>
		13,992,986	20,033,831
Creditors - amounts falling due within one year	10	<u>(12,185,473)</u>	<u>(12,486,155)</u>
Net current assets		<u>1,807,513</u>	<u>7,547,676</u>
Net assets		<u>8,146,985</u>	<u>8,061,957</u>
Permanent endowment fund	13	6,296,947	6,089,810
Venture capital fund	13	518,456	505,059
Income and expenditure account	13	<u>1,331,582</u>	<u>1,467,088</u>
Total equity	13	<u>8,146,985</u>	<u>8,061,957</u>

On behalf of the board

Harry Fehily
Director

Patrick Gerard Boland
Director

STATEMENT OF CHANGES IN EQUITY
Financial Year Ended 31 August 2020

	Venture capital fund €	Permanent endowment fund €	Income and expenditure account €	Total equity €
Balance at 1 September 2018	525,149	6,093,877	1,669,315	8,288,341
Investment (losses)/gains for the financial year	(20,090)	162,923	-	142,833
Endowment payments for the financial year	-	(166,990)	-	(166,990)
Deficit for the financial year	-	-	(202,227)	(202,227)
Total comprehensive loss for the financial year	<u>(20,090)</u>	<u>(4,067)</u>	<u>(202,227)</u>	<u>(226,384)</u>
Balance at 31 August 2019	<u>505,059</u>	<u>6,089,810</u>	<u>1,467,088</u>	<u>8,061,957</u>
Investment gains for the financial year	13,397	349,461	-	362,858
Endowment payments for the financial year	-	(170,510)	-	(170,510)
Deficit for the financial year	-	-	(107,320)	(107,320)
Transfer	-	28,186	(28,186)	-
Total comprehensive loss for the financial year	<u>13,397</u>	<u>207,137</u>	<u>(135,506)</u>	<u>85,028</u>
Balance at 31 August 2020	<u>518,456</u>	<u>6,296,947</u>	<u>1,331,582</u>	<u>8,146,985</u>

CASH FLOW STATEMENT

For the financial year ended 31 August 2020

	Notes	2020 €	2019 €
Cash from operations	12	(693,729)	(1,890,586)
Income taxes paid		-	-
Net cash used in operating activities		<u>(693,729)</u>	<u>(1,890,586)</u>
Cash flows from investing activities			
Proceeds from disposal of financial asset	8	49,417	3,803,627
Purchase of financial asset	8	(5,511,750)	(25,626)
Net cash generated from investing activities		<u>(5,462,333)</u>	<u>3,778,001</u>
Cash flows from financial activities			
Decrease in long term activities		-	-
Net cash used in financing activities		<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents		(6,156,062)	1,887,415
Cash and cash equivalents at 1 September		<u>20,004,470</u>	<u>18,117,055</u>
Cash and cash equivalents at 31 August		<u>13,848,408</u>	<u>20,004,470</u>
Cash and cash equivalents consist of:			
Cash at bank and in hand		13,848,408	20,004,470
Short term investments		-	-
Cash and cash equivalents		<u>13,848,408</u>	<u>20,004,470</u>

NOTES TO THE FINANCIAL STATEMENTS

1 General information

The University of Limerick Foundation ("the company") is incorporated as a company limited by guarantee in the Republic of Ireland under the registered number 147116. The address of its registered office is Plassey House, University of Limerick, National Technological Park, Limerick. The company's principal activity is the furtherance of education and research, in particular the furtherance of education and research carried out by the University of Limerick and other educational, research and development bodies associated with the University of Limerick.

At 31 August 2020 there were 7 guarantors whose guarantee is limited to €1.27 each. The guarantee continues for one year after membership of the company ceases.

2 Statement of compliance

The financial statements have been prepared on a going concern basis and in accordance with accounting standards issued by the UK Financial Reporting Council and the Companies Act 2014. The financial statements comply with Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102").

3 Summary of significant accounting policies

The significant accounting policies used in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the financial year. It also requires the directors to exercise judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or areas where assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed in note 4.

(b) Going concern

The company meets its day-to-day working capital requirements from donations received. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Therefore these financial statements have been prepared on a going concern basis.

(c) Income

Income comprises donations and income on investments.

Donations received that have performance obligations attached are accounted for on an accruals basis. Donations are deferred to the balance sheet until such time as the performance related criteria have been met. Uncommitted donations are recognised on a cash receipts basis.

The use of income earned by the permanent endowment fund is restricted to certain types of expenditure. The excess of this income over expenditure is transferred to the permanent endowment fund.

(d) Receipts in kind

No value is attributed to donations received in kind from the University of Limerick and other third parties.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

(e) Taxation

There is no charge to taxation as the company has been granted charitable exemption by the Revenue Commissioners.

(f) Financial assets and investments

Financial assets and investments are held at fair value. Changes in fair values are presented in the income and expenditure account.

(g) Foreign currencies

Income and expenses arising in foreign currencies are translated into Euro at the exchange rate ruling on the dates of the transactions.

Assets and liabilities in foreign currencies are translated into Euro at the rate ruling at the balance sheet date. All exchange differences arising during the year are dealt within the income and expenditure account.

(h) Employee benefits

The company provides a range of benefits to employees, including short term employee benefits such as paid holiday arrangements and post-employment benefits (in the form of defined contribution pension plans).

(i) Short term employee benefits

Short term employee benefits, including paid holiday arrangements and other similar non-monetary benefits, are recognised as an expense in the financial year in which employees render the related service.

(ii) Post-employment benefits

Pension benefits are funded over each relevant employees' service life by way of contributions to a separately administered fund. Annual contributions are charged to the income and expenditure account in the year to which they relate.

(i) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are initially measured at transaction price and subsequently measured at amortised cost.

Bank deposits which have original maturities of more than three months are not cash and cash equivalents and are presented as short term investments.

(j) Financial instruments

The company has chosen to apply the provisions of Sections 11 and 12 of FRS 102 to account for all of its financial instruments.

(i) Financial assets

Basic financial assets, including debtors and other receivables, cash and cash equivalents, short-term deposits and investments, are initially recognised at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction the resulting financial asset is initially measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

(j) Financial instruments - continued

Trade and other debtors, cash and cash equivalents, investments and financial assets from arrangements which constitute financing transactions are subsequently measured at amortised cost using the effective interest method.

At the end of each financial year financial assets measured at amortised cost are assessed for objective evidence of impairment. If there is objective evidence that a financial asset measured at amortised cost is impaired an impairment loss is recognised in profit or loss. The impairment loss is the difference between the financial asset's carrying amount and the present value of the financial asset's estimated cash inflows discounted at the asset's original effective interest rate.

If, in a subsequent financial year, the amount of an impairment loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognised the previously recognised impairment loss is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment loss not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of ownership of the financial asset are transferred to another party or (c) control of the financial asset has been transferred to another party who has the practical ability to unilaterally sell the financial asset to an unrelated third party without imposing additional restrictions.

(ii) *Financial liabilities*

Basic financial liabilities, including trade and other creditors are initially recognised at transaction price, unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction the resulting financial liability is initially measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Trade and other creditors and financial liability from arrangements which constitute financing transactions are subsequently carried at amortised cost, using the effective interest method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as due within one year if payment is due within one year or less. If not, they are presented as falling due after more than one year. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

4 Critical accounting judgements and estimation uncertainty

Estimates and judgements made in the process of preparing the entity financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The directors make estimates and assumptions that affect the reported amount of assets and liabilities. On an ongoing basis, management re-evaluates these estimates. The most significant estimates relate to the recognition of income and deferred income based on the performance obligations of a donation received. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. The actual amounts may vary from the estimates used in the preparation of the accompanying financial statements.

NOTES TO THE FINANCIAL STATEMENTS - continued

5 Income	2020	2019
	€	€
Unrestricted	492,992	608,900
Restricted	3,258,238	3,408,228
	<u>3,751,230</u>	<u>4,017,128</u>
Income analysis:		
Grants received	2,954,210	1,975,901
Grants deferred	304,028	1,432,327
Related party contributions (note 13) & Other income	492,992	608,900
	<u>3,751,230</u>	<u>4,017,128</u>
6 Surplus/(deficit) for the financial year	2020	2019
	€	€
Surplus/(deficit) for the financial year is stated after charging:		
Wages and salaries	246,871	298,955
Social insurance	28,105	32,138
Pension costs	37,976	88,417
	<u>312,952</u>	<u>419,510</u>
Directors' remuneration	-	-
Auditors' remuneration	9,421	9,375
	<u>9,421</u>	<u>9,375</u>
7 Employer information	2020	2019
	Number	Number
(i) The average number of persons employed during the year (including shared employees), was:		
Management and administration	<u>4</u>	<u>4</u>
(ii) Key management compensation		
Key management includes members of senior management. The compensation paid or payable to key management for employee services is shown below. Compensation paid and payable includes salaries, social insurance costs and post employment benefits.		
	2020	2019
	€	€
Senior management	133,219	226,372
Total key management compensation	<u>133,219</u>	<u>226,372</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

8 Financial assets	Managed funds €	BOI seed funds €	Total €
Financial year ended 31 August 2019			
At 1 September 2018	3,640,704	508,745	4,149,449
Divested	(3,803,627)	-	(3,803,627)
Invested	-	25,626	25,626
Fair value gain/(loss) on investments	162,923	(20,090)	142,833
At 31 August 2019	<u>-</u>	<u>514,281</u>	<u>514,281</u>
Financial year ended 31 August 2020			
At 1 September 2019	-	514,281	514,281
Divested	-	(49,417)	(49,417)
Invested	5,500,000	11,750	5,511,750
Fair value gain on investments	349,461	13,397	362,858
At 31 August 2020	<u>5,849,461</u>	<u>490,011</u>	<u>6,339,472</u>

Financial assets represent an investment in the Bank of Ireland Seed and Early Stage Equity Fund together with units in managed and equity funds and bonds operated by Davy Private Clients. The carrying values of the investments are as follows:

	2020 €	2019 €
BOI Seed and Early Stage Equity Funds	490,011	514,281
Davy Fund	<u>5,849,461</u>	<u>-</u>
	<u>6,339,472</u>	<u>514,281</u>

The company together with a number of project partners, entered into a Limited Partnership Agreement in respect of the Bank of Ireland Seed and Early Stage Equity Fund in 2009, whereby it committed €1 million to the fund. The fund consists of investments in a number of high potential start-up unlisted entities.

9 Debtors - amounts falling due within one year	2020 €	2019 €
Debtors and other receivables	<u>144,578</u>	<u>29,361</u>
	144,578	29,361

NOTES TO THE FINANCIAL STATEMENTS - continued

10 Creditors - amounts falling due within one year	2020	2019
	€	€
Deferred income (note 11)	12,063,380	12,339,222
Accruals	79,297	44,640
Trade creditors	440	71,902
Amounts owed to related parties (note 13)	30,571	25,820
Other creditors including tax and social insurance	11,785	4,571
	<u>12,185,473</u>	<u>12,486,155</u>
Other creditors including tax and social insurance comprise:		
Income tax deducted under PAYE	7,826	2,678
Pay related social insurance	3,959	1,893
	<u>11,785</u>	<u>4,571</u>

Trade and other creditors are payable at various dates in the three months after the end of the financial year in accordance with the creditors usual and customary credit terms.

Creditors for tax and social insurance are payable in the timeframe set down in the relevant legislation.

Amounts owed to related parties are unsecured, interest free, have no fixed repayment date and are repayable on demand.

11 Deferred income	2020	2019
	€	€
Opening balance	12,339,222	13,771,549
Additions during the year	2,952,622	1,974,288
Released during the year	(3,228,464)	(3,406,615)
	<u>12,063,380</u>	<u>12,339,222</u>

Deferred income represents performance related donations received and paid during the year.

12 Note to the statement of cash flows	2020	2019
	€	€
Surplus/(deficit) for the financial year	85,028	(226,384)
Tax	-	-
Surplus/(deficit) for the year	<u>85,028</u>	<u>(226,384)</u>
Working capital movements		
- decrease in creditors	(300,683)	(1,558,336)
- (increase)/decrease in debtors	(115,216)	36,967
Gain on investments	(362,858)	(142,833)
Cash flow from operating activities	<u>(693,729)</u>	<u>(1,890,586)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

13 Total equity

A description of the nature of each component of equity is provided below.

The movement in each component of equity in the current and previous financial year is provided in the Statement of Changes in Equity.

Venture capital fund

This represents funds allocated specifically for investment in domestic start up operations. Movements represent additional amounts invested, gains or losses on market value and/or on disposals of any of these investments.

Permanent endowment fund

This represents monies received to provide for a permanent endowment to fund scholarships and other activities in the University of Limerick on an annual basis.

Income and expenditure account

This represents the accumulated unrestricted surplus from the entity's operations.

14 Related party transactions

During the year the company received donations and other income in respect of fundraising events in the amount of €458,992 (2019: €445,100) from directors of the company and related parties. Amounts of €30,571 (2019: €25,820) were recorded as owed to University of Limerick at 31 August 2020 and amounts of €35,000 (2019: €Nil) were recorded as being owed from University of Limerick at 31 August 2020.

15 Events since the end of the financial year

There have been no significant events since the balance sheet date.

16 Approval of financial statements

The financial statements were approved and authorised for issue by the board of directors on 13 May 2021 and were signed on its behalf on that date.

THE FOLLOWING PAGES DO NOT FORM PART OF THE FINANCIAL STATEMENTS

APPENDIX I
For the financial year ended 31 August 2020

	2020 €	2019 €
Income		
Grants received	2,954,210	1,975,901
Deferred grants	304,028	1,432,327
Grant income	<u>3,258,238</u>	<u>3,408,228</u>
University of Limerick	385,000	385,000
Director funds & other donations	107,992	90,100
Event income	-	133,800
Operational income	<u>492,992</u>	<u>608,900</u>
Investment gain	<u>362,858</u>	<u>142,833</u>
Total income	<u>4,114,088</u>	<u>4,159,961</u>
Expenditure		
Grant payments	3,500,564	3,575,216
Fundraising, promotion and events	154,274	284,198
Staff costs & training	339,855	486,545
Administration	34,367	40,386
Total expenditure	<u>4,029,060</u>	<u>4,386,345</u>
Surplus/(deficit) for the financial year	<u>85,028</u>	<u>(226,384)</u>