



UNIVERSITY OF
LIMERICK
OLLSCOIL LUIMNIGH

Annual Report 2021





research & educational excellence



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Governors and Other Information

Members of Governing Authority

- See Appendix 1 of Annual Statement of Governance

Chancellor

- Ms. Mary Harney

Deputy Chairperson

- Ms. Rose Hynes

President

- Professor Kerstin Mey

Provost and Deputy President

- Professor Nigel Healey (Interim)

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





inclusivity & diversity



President's Report

Introduction

I am pleased to introduce the 2020-21 edition of the **University of Limerick Annual Report** incorporating the consolidated financial statements for the year ended 30 September 2021.

UL Strategy

Extensive work and engagement has been ongoing in relation to the recalibration of the UL@50 Strategic Plan throughout the year. The Executive Committee set out renewed parameters, planning cycle and benchmarking for the recalibration, which focused on research excellence, campus infrastructure, and critical learnings from Covid 19. Work on the key performance indicators progressed to reflect the renewed strategic emphases of the plan, alignment with sectoral measures and closer alignment with the HEA's Performance Compact cycles. These renewed parameters will be integrated with feedback from the campus-wide consultation that took place through the year.

Covid 19

Our key priority was to maintain an excellent student experience throughout Covid 19. UL performed remarkably well in transforming course delivery and assessment; and in providing essential remote services that enabled the University to remain fully operational at all times. This is testament to the hard work and ongoing commitment of all staff. Additional Government funding provided through a number of effective funding programmes was also very welcome.

In late September 2020, the Department requested all non-essential face-to-face teaching to be transitioned to online delivery; resulting in an urgent revision of the planned schedule and limited essential teaching activities. This reduced numbers on-campus at any one time to less than 10% of the enrolled student body. The University successfully adapted to all revised government and public health advice throughout the year.

Management Structure

A re-organisation of the structure of Executive Committee, which increased from ten to twelve members was approved by the Governing Authority. The new Executive Committee Membership is more representative with eight academic posts and three support appointments plus the President. The structure provides for increased two-way

communication and access to the President for all staff and stakeholders. The alignment of portfolios underneath the revised senior management structure was completed; and requirements for further structural adjustments will be further refined as part of the review of the Strategic Plan.

Education

Ensuring the **health and wellbeing of staff, students and the community** during the pandemic continued to be a major operational priority.

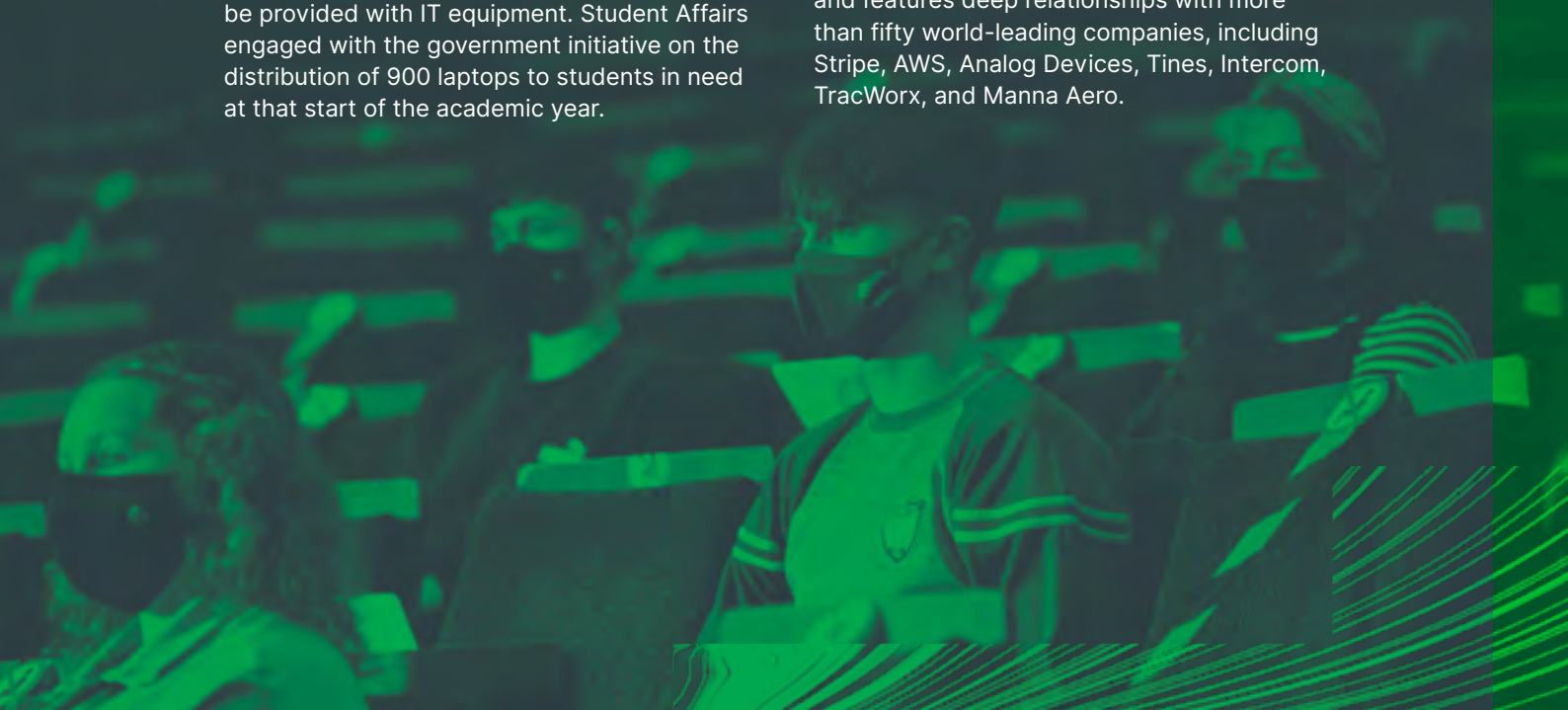
There were three broad strands to the University's approach throughout the year:

1. Welcoming international students safely;
2. Encouraging UL students living off-campus to behave responsibly and follow public health guidelines, and
3. Ensuring that on-campus delivery of teaching minimise the risk of infection.

Students' access to IT equipment: A major issue that emerged during the lockdown was students' ability to access online learning. In recognition of this, the Government made funding available for low-income students to be provided with IT equipment. Student Affairs engaged with the government initiative on the distribution of 900 laptops to students in need at that start of the academic year.

Graduate Careers Fair: The Cooperative Education & Careers Division (CECD) hosted the 2020 Graduate Careers Fair in October 2020. The largest careers fair nationally, it attracted over 120 employer and supported 1600 final year students in their post-graduation career planning and development.

Immersive Software Engineering: UL launched a new BSc/Msc in Immersive Software Engineering (ISE) on February 24th, 2021. This accelerated programme consists of block-based learning with continuous assessment throughout, five paid placements called residencies, and an innovative portfolio submission. ISE is philanthropically supported and features deep relationships with more than fifty world-leading companies, including Stripe, AWS, Analog Devices, Tines, Intercom, TracWorx, and Manna Aero.



Research

Despite the continuing impact of Covid 19, UL saw **strong research output and success** in external funding in this period.

For AY 20/21 researchers authored over one thousand (1,287) scholarly publications in Web of Science (62% of them co-authored with researchers from 135 countries). Research awards totalled €53.6 million for the academic year; and overall research activity as measured by research income was up 4.6% on the previous year.

UL leads three SFI funded Research Centres, one SFI funded Centre for Research Training and two EI/IDA funded Technology Centres. Of these, Lero, the SFI Research Centre for Software, was awarded funding of over €37 million from SFI during this period for its next 6-year phase (2021-2026). Lero's team of over 300 researchers throughout Ireland plays a crucial role in keeping Ireland at the forefront of software development and design.

Other notable developments during this period included the following:

- UL received funding of €3.7 million from the Higher Education Authority to support research students and staff impacted by Covid-19
- UL joined YERUN, the Young European Research Universities Network, a cluster of highly-ranked young universities in Europe that strengthens and facilitates cooperation in the areas of scientific research, academic education and services which benefit society
- UL-hosted Confirm, the SFI Research Centre for Smart Manufacturing, launched its new headquarters and digital manufacturing research facility
- UL launched the Limerick Digital Cancer Research Centre, a multidisciplinary initiative dedicated to improving our understanding of the fundamental biology of cancer and using this new knowledge to find better ways to prevent, diagnose and treat the disease.

1287+
scholarly
publications

€53.6m
research awards

4.6%
increase in
research income

€37m
awarded to Lero
SFI Research
Centre for Software





Internationalisation

The International Education Division was renamed as **UL Global** in 2020; and it welcomed Prof Máiréad Moriarty as Acting Vice President Global and Community Engagement in May 2021.

Notable highlights throughout the year include:

- Following the EU Commission announcement of a new, €26.2 billion, 7-year Erasmus+ programme (2021-27), the UL Executive approved the development of a new Erasmus+ projects function within UL Global to maximise UL's future engagement with Erasmus+ programmes from 2022 onwards
- The global pandemic proved challenging for international student mobility and international student enrolments dropped by 18% during the year. This reflects a sharp decrease in Study Abroad mobility from the US, as well as decreases in mobility from China and India. Student support was key to the student experience in 2020/21 to ensure students felt engaged during the period of virtual teaching and learning. This Division also worked with colleagues across the sector to develop policy and ensure the safe arrival of international students to Ireland. The availability of pandemic unemployment payments to international students, who had been working part-time, was also well received by international media.
- The Faculty of Arts Humanities and Social Science (AHSS) developed a significant new International PhD programme, which welcomed 140 Algerian candidates in 2020. The programme, initiated through a long-standing Erasmus collaboration, will support the transformation of university level teaching in Algeria.
- New bilateral agreements were signed in key territories including, Jinjiang College of Sichuan University, China; City University College of Ajman (CUCA) UAE; and a law agreement with Christ University, Bangalore, building on the recognition of the UL Law degree by the Indian Bar Council. The School of Medicine also signed an agreement with the Kuwaiti government to receive sponsored medical students to UL each year.

City and Region

In May 2021, **UL and Limerick City and County Council** agreed to regularise executive team engagements (twice yearly) and establish a number of joint working groups to strengthen partnership efforts and discuss mutually beneficial strategic projects.

The *Academy for Children*, established by UL's Access Office in 2020, was awarded the European Language Label for 2021 for its French programme delivered in Our Lady Queen of Peace National School. The Academy seeks to enhance the University's commitment to community engagement and widening the participation of underrepresented groups at third level.

UL hosted a highly successful Limerick Innovation Virtual Event (LIVE) at the SFI-funded CONFIRM centre in Castletroy. The two-day event included an overview of Smart Limerick's journey and including the centrality of UL's role in partnering and innovating with organisations across the city, to help realise Limerick's ambitions to foster digital transformation and sustainable integrated urban development.



CLLR DANIEL
BUTLER
COUNCILLOR OF LIMERICK



MINISTER
NIALL COLLINS



PROFESSOR
KERSTIN MEY
UNIVERSITY OF LIMERICK

LIVE

**LIMERICK INNOVATION
VIRTUAL EVENT**



City Centre Campus

Phase 1 of works was completed to create a new space for the UL FabLab, the +CityxChange project, a citizen innovation lab and community engagement hub. Embedded in the overall allocation of URDF for the overall development of Limerick's *World-class Waterfront* project is an award of €2.25m for the master-planning of the UL site from the Department of Housing, Local Government and Heritage.

A UL Steering Group, led by the COO, was established to oversee this strategic work, liaise with LCCC and progress with the next phase of planning as soon as possible in 2022.

Strategic Development Zone

In 2021 UL and Clare County Council applied to government to designate lands adjoining the north campus of the University as an Economic Strategic Development Zone. It is anticipated that the decision regarding the designation will be made by Government in 2022. If successful, the designation will enable the site to generate upwards of 3,500 jobs (with additional employment being generated in the construction phase and other spin-off developments). Foreign and indigenous enterprises will partner with the University in designing and delivering an innovative dual, immersive educational model; advanced translational research; and will allow the main campus to expand in an environmentally sustainable manner over the next 50 years.



contributing
to civic society

Sustainability

A UL sustainability website was launched and UL's first institutional UL Sustainability Report was published in AY20/21. The Report brings together an impressive range of examples including student-led projects that represent UL's work and impact created across the 17 Sustainable Development Goals. It also sets out a framework for the UL Sustainability Working Group in the development of UL's Sustainability Strategy, which will be completed in 2022.



Equality and Human Rights

We continued to implement our Athena SWAN action plan, gender action plan and the Equality and Human Rights strategy in AY20/21 and we remain on track to achieve a 30% gender representation in applicant pools for senior positions and 40% representation of women at professorial level by 2024. Key achievements in 2020 include securing of Athena Silver Award to UL's Department of Physics, the first academic department to receive silver status in Ireland. Significant planning is also underway to achieve an Athena SWAN (Institutional) Silver Award in 2022.



Operating Model

UL continued with the review of internal structures to ensure they are aligned with strategic imperatives. This included a full internal review of the Marketing and Communications Offices with approved recommendations on a new operating model for the entire function. In light of Covid-19, substantial efforts were also made to enhance digital infrastructure and digital transformation including the fit-out of teaching spaces to support hybrid teaching. Finally, a new Executive post of Chief Finance and Performance Officer was successfully recruited in 2021 to form the key financial management, planning and performance management function within the new Executive Committee structures.

Risk Management

The Executive Committee (EC) continuously reviewed the COVID-19 situation throughout the year, 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 remained key to ensuring students achieved their programme's learning objectives; and research activity continued their inquiries.

On an ongoing basis, UL is targeted by cyber-hackers including Ransomware attempts. To date, IT Security defences successfully held up against any ransomware attempts to compromise the UL systems or network, but remain on 'high alert' mode due to the recent ransomware attacks in the UK, at two other HE institutions in Ireland and HSE; and the risk level of this exposure has been elevated in the IT risk register because of the increased level of this type of activity.

Conclusion

As we look ahead to living with Covid, and returning to face-to-face teaching, providing **a safe on campus experience for students and staff** is at the forefront of our considerations.

We are mindful of the lessons learnt during the last two years, how we have improved connectivity and the options that online can enhance and supplement our student experience.

I would like to thank students, colleagues, partners and stakeholders for their continued hard work last year and particularly the way in which all adapted to the changing circumstances in an agile and effective manner.



A white handwritten signature of Kerstin Mey on a green background.

Professor Kerstin Mey
President
University of Limerick

30.06.22



research, education & engagement



Chief Finance & Performance Officer's Review

Financial Review

I am pleased to present my report on the **University's financial affairs for 2020/21**. As in 2019/20, the impact of the COVID-19 pandemic continued to present challenges for the University.

However, once again, the University community pulled together to support our staff and students as well as our various partners and stakeholders.

Academic and professional staff have continued to deliver the core activities of teaching and research in different and innovative ways, despite the challenging circumstances.

The University achieved a surplus of €7.9m for the Financial Year 2020-21. This was a significant improvement on the Budget that was approved by the Governing Authority due to large savings in operating costs and growth of fee income of €7.5m compared to the prior year. Throughout the year the University achieved savings associated with the closure/partial closure of the campus and although these contributed to the overall surplus position, they are not expected to be recurrent savings.

The University acknowledges the strong state support towards COVID-19 related costs. This enabled the University to continue to prioritise measures to protect the safety, health and well-being of our students and staff, and make further investment in the delivery of high-quality online education and remote working.

The table below provides a summary of the financial performance during 2020-21.

Financial Year	2020-21 €'m	2019-20 €'m	2018-19 €'m
State Grant	59.3	52.1	47.3
Covid State Grants	3.1	3.5	
Academic Fees	120.1	112.6	102.7
Research grants and contracts	34.7	33.1	34.3
Ancillary income	9.0	8.7	10.0
Other Income	41.9	36.6	42.7
Donations	0.0	0.0	0.2
Deferred pension funding	34.5	34.2	34.8
Total Income	302.6	280.8	272.0
Staff costs	176.8	161.6	151.0
Other operating expenses	68.1	67.6	74.8
FRS17 adjustment pensions	34.5	34.2	34.8
Total operating expenses	279.4	263.4	260.6
EBITDA - Earnings before interest, tax, depreciation and amortisation	23.2	17.4	11.4
Interest payable/(receivable) (net)	1.2	1.1	1.2
Depreciation net of amortisation	13.6	13.2	12.7
Surplus for the year before other gains and losses	8.4	3.1	-2.5
Gain/(Loss) on investment	-0.5	0.8	0.4
Surplus/(Deficit) for the year	7.9	3.9	-2.1
Cash flow generated from operations	40.5	29.0	39.4
Fixed asset investment and loan funding	-14.0	-22.3	-28.6
Movement in cash and cash equivalents	26.5	6.7	10.8
Net asset at end of year	263.7	255.8	251.9

Key Performance Metrics

The table below includes some key metrics around the University's financial performance. These highlight the improvement in financial performance during 2020/21.

Key Financial Ratios as a % of income	20/21	19/20	18/19
EBITDA	7.5%	6.0%	4.1%
Operating Surplus/(Deficit)	2.7%	1.1%	-0.9%
Surplus/(Deficit)	2.5%	1.4%	-0.8%
Staff Costs	64.3%	64.4%	60.3%
Operating Cash	13.1%	10.0%	14.2%
	€'000	€'000	€'000
EBITDA	23,122	17,382	11,390
Operating Cash Generated	40,531	28,698	39,495

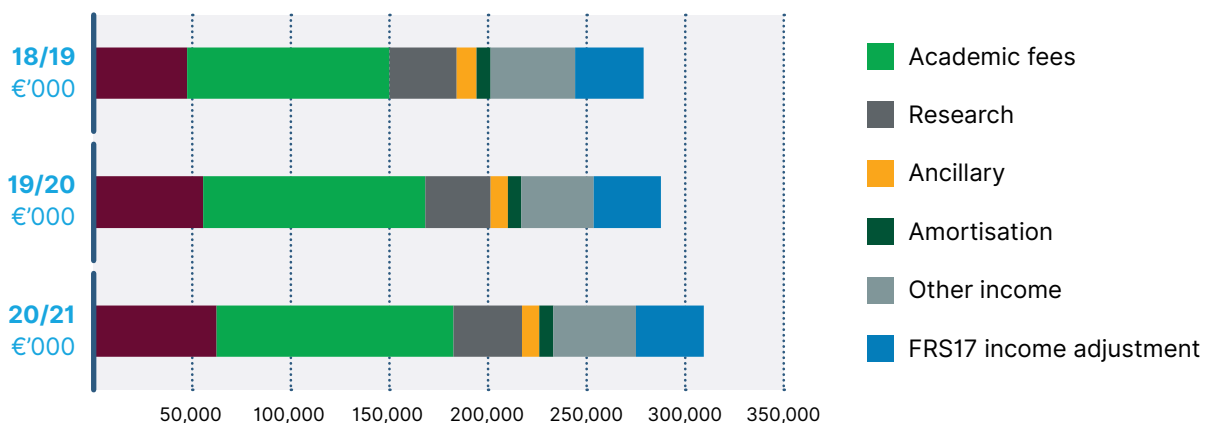
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) is a measure of operational financial performance as this removes any non-cash figures. EBITDA is a way of measuring an institution's financial performance without having to factor in financing decisions, accounting decisions or tax environments.

The percentage of operating cash against Income is a measure of the institution's ability to generate cash, which is arguably even more important than generating a surplus. 10% upwards is considered to be an indicator of good performance.

Income

The University has continued to grow its income despite the impact of COVID-19 as highlighted in the analysis below.

Income comparison 3 years to 20/21



Academic Fees

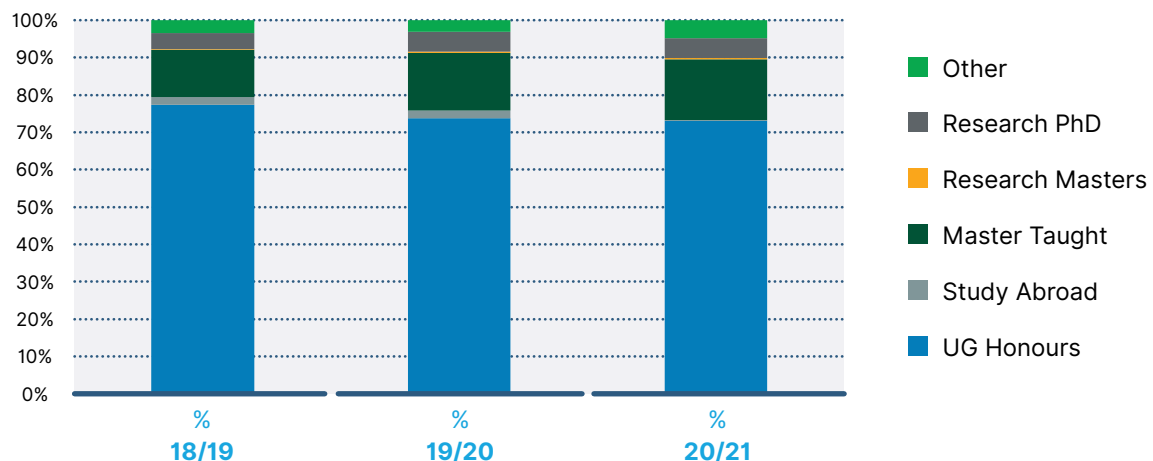
As expected, the main negative impact on fee income in 2020/21 was a reduction in fee income from Non EU students of €2.3m when compared to the prior year. However, this reduction was more than offset by an increase in fee income from EU students of €8.9m.

Of this growth in EU fee income of €8.9m a total of €3.6m related to undergraduate students and €4.7m related to Masters Taught. In the short to medium term this trend is likely to continue as the increase in Central Applications Office places offered in September 2020 was maintained and increased in September 2021.

This is likely to result in a further increase in undergraduate EU fee income and this increase will be maintained for the four years that these students take to complete their degrees.

The Budget adopted by the Governing Authority for 2021-22 forecasts a growth in Non EU fee income and it is expected that the majority of the loss of income from this source in 2020-21 will be reversed in 2021-22.

Mix of academic fee income



State grant income

The core grant for 2021 was not affected by COVID-19. Additional state grants were received for COVID-19 related costs incurred and for additional research related costs arising as a result of COVID-19.

The University received a grant under the Human Capital Initiative (HCI) during 2020-21. The total award to the University of Limerick as lead institution for the UL@Work project amounts to €16.3m.

This grant will be received over the next five years as the initiative is implemented. The University will also receive HCI funding for projects where it is not the lead institution. The total award for these projects is €3.8m.

During 2020-21 new State Grants were received for devolved grant towards essential infrastructure investments, additional places grant and student wellbeing grant. In the short to medium term it is expected that these grants will continue to be allocated.

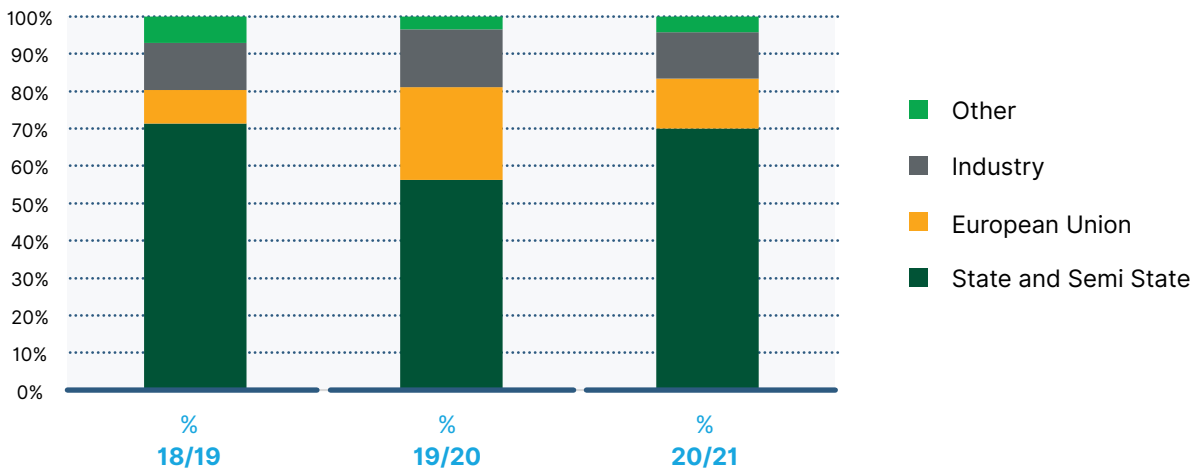
Research Grants and Contracts

Research Income has increased by c. 5% to c.€ 34.7m compared to c.€ 33.1m in prior year. During the financial year the University was notified of new research funding awards totalling €53.3m.

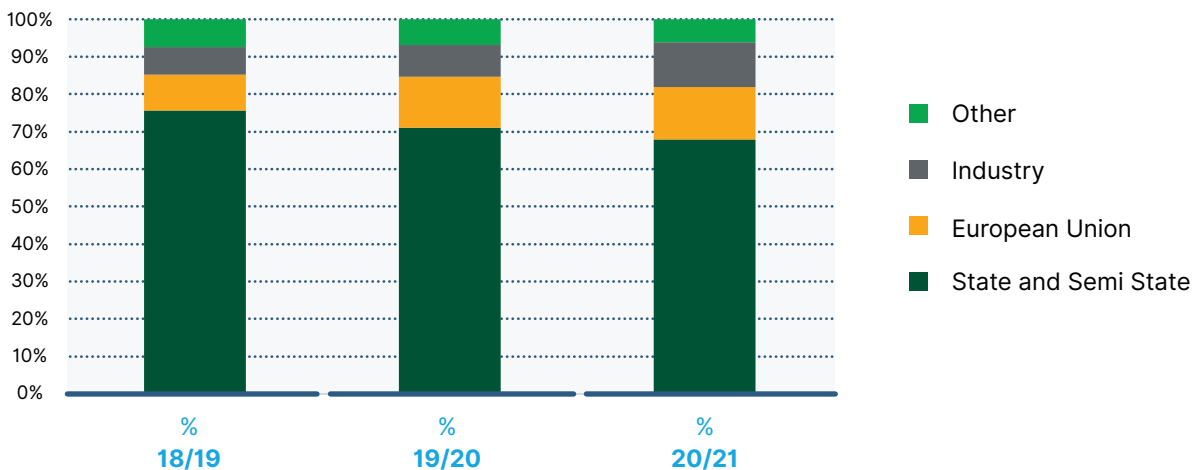
Additional advanced Income has been received and will be recognised in future financial years as projects are delivered, in total research advance funding at end of the financial year amounted to €79.4m while €15.7m was due from research funders. It should be noted that there will have been delays in delivery due to COVID-19 and this has led to a reprofiling of activities and no cost extensions agreed with funders.

Income is recognised in the financial statements in line with delivery and it is not unusual for funding to be deferred and recognised in future years.

Research awards mix



Research income mix



Ancillary Income

Ancillary income includes activities that are self-funding but not core teaching and research activities. The main income sources include National Forum for Teaching and Learning, the Education Procurement Service, The National Centre for STEM education, Erasmus and other international mobility funding, Language Centre, other faculty and support activities (conferences etc.) and student aid/European social funding. While there a small increase in ancillary income, activity at the Language Centre and Erasmus mobilities were well down, while student aid/ESF supports were higher by a similar amount reflecting the impact of covid.

As with research much of ancillary activities are externally funded under grant/agreements and income is recognised in line with delivery/expenditure. A small amount of activities are self funded from its own operation e.g. Language Centre, conference and other events income in those case income is recognised in the period to which it relates.



Other Operating Income

Other operating income increased by c.14% from €36.7M in 2019-20 to €41.9M in 2020-21.

Unijobs accounts for a c.€5.4M increase in income year on year. This growth in Unijobs is mainly attributable to placement of staff with the HSE. Unijobs, was established in 2013, and is a wholly owned subsidiary of the University of Limerick. The business model sees dedicated specialist resources recruited in Unijobs in order to manage and centralise this temporary recruitment activity for its clients.

Unijobs then second their employees to the client for the duration of the short-term contract on cost recoupment basis only

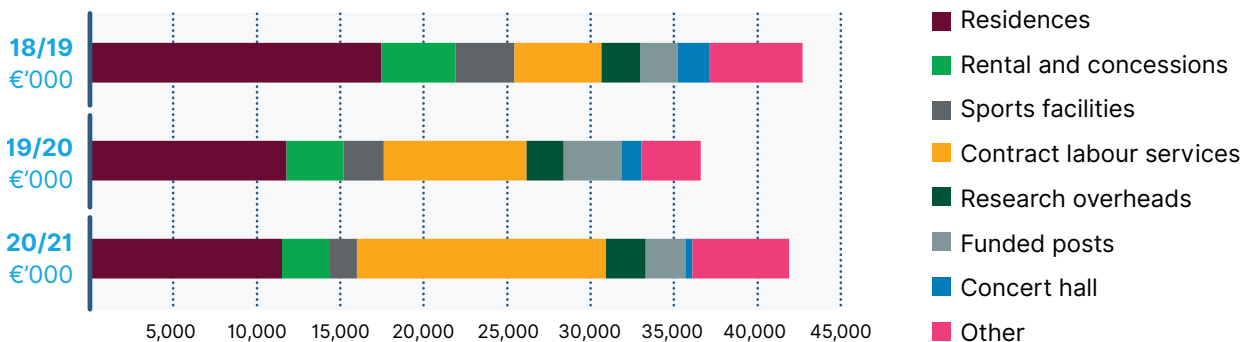
Not surprisingly Residences, Sports and Concert Hall income was significantly impacted by COVID-19 with significant periods of closure of Sports and Concert Hall facilities and the cancellation of summer events on campus.

The impact has been mitigated through cost management and state supports. In the short to medium term the trading position of these commercial activities has been helped by the fact that students are residing on campus during semester 1 of 2021-22 and it is expected that this will continue.

The subsidiary operations should return to profitability once the occupancy percentage returns close to 100%.

The chart below highlights the impact that COVID-19 has had on the other areas of income that the University generates.

Other income comparison 3 years to 20/21



Pay Costs

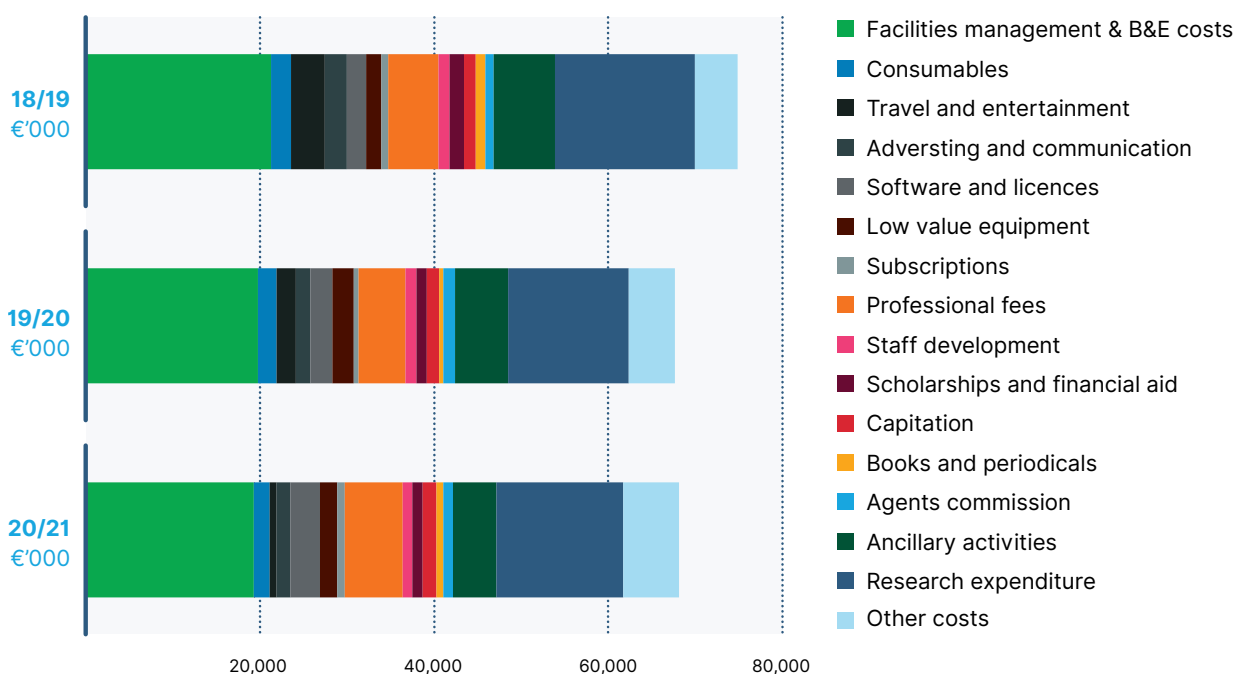
Pay costs have increased by c. €15.2m from the prior year. The increase includes pension payments to retired staff which are up on the prior year by c. €1.7m and pay costs within Unijobs which are up c.€5.4m on prior year. This growth in Unijobs is mainly attributable to placement of staff with the Health Service Executive (HSE). The remaining c. €7.9m increase in pay costs relates to University, up 5.8% on the previous year, where whole time equivalents increased by FTE51 to FTE1,919.

Operating costs

The closure of the campus during the 2020-21 financial year led to a significant reduction in operating costs. The most significant reduction in costs relates to travel and hospitality. When compared to pre covid levels of expenditure the University has saved €3m on this cost. When the impact of the COVID-19 related costs that were grant funded are eliminated the underlying saving to pre covid levels on recurrent costs (excludes research and ancillary operating costs) the saving is close to c €7m. In the short term some level of savings continue as COVID-19 continues to have an impact. As the full return to work ramps up and we start to live with COVID-19, these temporary operating cost savings will be eliminated. This is a driver of the 20-21 operating surplus.

The chart below highlights a breakdown of other operating costs by category over the last three years.

Other operating costs comparison to 20/21



Deferred Pension Income

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.

Balance Sheet

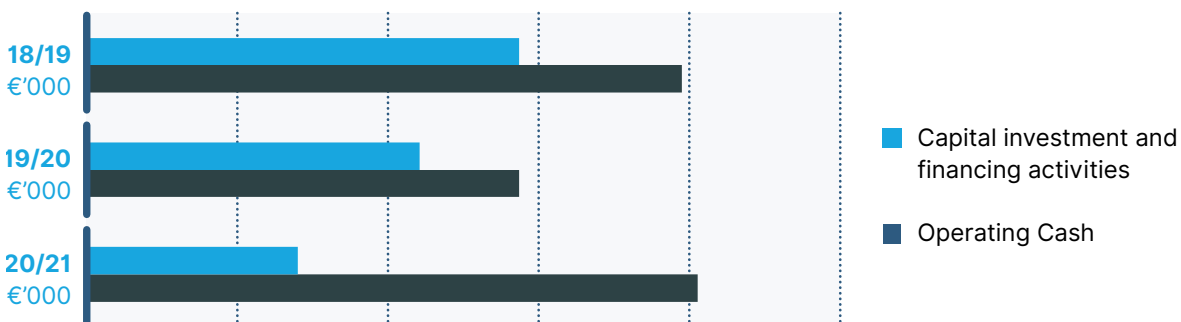
Due to careful financial management the University balance sheet has remained strong throughout the duration of COVID-19.

Consolidated additions to fixed assets totalled €5.729m of which €3.552m relates to computer and other equipment and €2.177m on land and buildings. Funding from State capital grants for equipment of €1.793m was received.

During the year cash and cash equivalents increased from c.€133m to c.€160m. A delay in the construction of a new student centre has partly impacted on the increase in the cash balances as has the receipt of advance research funding. The net cash flow from operating activities was c. €40.5m compared to €28.7m in 2019/20.

The chart below highlights the Operating Cash and Capital Investments and financing activities of the last three financial years.

Operating Cash & Capital Investment and financing activities





In the prior financial year 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 deferred because of COVID-19 restrictions impacting on meetings of Governing Authority and the general uncertainty around the financial impact of COVID-19.

This remains the case in 2021/22. However, the plans are being revised to reflect changes to the operating model arising from the impact of COVID-19 and to reflect the recalibration of the Strategic Plan. The University faces increasing pressure due to a shortage of student accommodation and a need for more teaching and research space to ensure that it can meet the needs of the desire to increase student numbers and to also realise its ambitions to be regarded as a research led University.

The Student Fee Debt portion of academic fees outstanding at the year ended 30 September 2021 amounted to c. €9.6m cumulatively. In recognition of the very challenging economic environment for students and their families, University of Limerick has:

- Offered flexible payment terms during the COVID-19 pandemic
- Ensured that no student is financially penalised for a COVID-19 related issue
- Extended payment terms to progressing students.

To offset the possibility of not collecting the remaining student debt there is a bad debt provision of c.€5.6m. This provision covers 58% of the total student debt and is deemed to be adequate for requirements.

During the financial year the University repaid bank loans of c. €8.3m leaving a balance of €88.4M (€96.7m in 2019-20).

Total net assets increased from c.€256m to c.€264m. Revenue reserves as at 30 September 2021 are c.€264m.

Summary

As expected in 2020/21 the University experienced a significant impact from the COVID-19 pandemic across most aspects of University life.

The University has had to navigate itself carefully and systematically through a series of uncertainties that arose as a result of COVID-19. The Governing Authority have supported the University throughout this period of uncertainty and staff, students, partners and stakeholders have jointly worked together to ensure that the University has continued to operate without financially putting itself at risk.

The impact of COVID-19 will also be seen during the current 2021-22 financial year but the University is on a sound footing from which to realise its future ambitions.

The University recorded an in year operating surplus, despite the impact of the COVID-19 pandemic, its cash and balance sheet positions remain strong and it plans to at worst break even in 2021/22.


The University's long-term forecasts show a continued healthy liquidity position and incorporate investment in its new strategy. There are still a number of risks and uncertainties including the longer term impact of the pandemic. The University's financial plan seeks to maintain its financial strength and provide ongoing capacity to invest in order to deliver against the ambitions in its recalibrated strategic plan.

The University's recalibrated strategy and values will guide its plans over the next period as it embarks on a new period of investment which will be focused on transforming the way in which it delivers excellent research, education and student experience in a digitally transformed world, and ensuring that it strives to make a positive difference in the world.



Mr. Gary Butler
Chief Financial & Performance Officer
30.06.22





**Investing in the
delivery of high-quality
online education &
remote working.**

A photograph of two young women outdoors. The woman on the left is wearing a blue and white striped turtleneck and is looking towards the woman on the right. The woman on the right is wearing a black hoodie and is smiling broadly at the camera. The background is bright and slightly out of focus, suggesting an outdoor setting. A large, semi-transparent red rectangle is overlaid on the bottom half of the image, containing the title text.

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 expended 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
30.06.22



Professor Kerstin Mey
President
30.06.22



Annual Statement of Governance



This constitutes the **University of Limerick's Annual Governance Statement** for year ended 30 September 2021.

1. Code of Conduct for Members of Governing Authority

The University confirms that:

- 1.1 The Governing Authority has an approved Code of Conduct that has been circulated to all members. The Code includes clear requirements for dealing with conflicts of interest and ethics provisions as set out in 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.
- 1.2 A review of the Code of Conduct was undertaken and a revised Code is being presented to the Governance Committee in March/April 2022.

2. Code of Conduct for Employees

The University confirms that:

- 2.1 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 requirements 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. The Code has been revised to ensure it is reflective of best practice and the requirements of the 2019 Code of Governance for Irish Universities.
- 2.2 Any revisions to the Code of Conduct require appropriate consultation with the body representing the workforce. A revised Code of Conduct was approved by the Governing Authority Finance, HR & Asset Management Committee (FHRAMC) in September 2021 for consultation with the Unite Trade Union. Following completion of the consultation process the Code, incorporating changes arising from the consultation process, was resubmitted to the FHRAMC for consideration. On the recommendation of the FHRAMC, the revised Code approved by Governing Authority at its meeting at the end of February 2022.

3. Commercially significant developments

3.1 The following is a brief outline of the commercially significant developments affecting the University in FY2020-21 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 in FY2020-21 in overall terms was positive as the reduction in operating costs arising from the impact of restrictions was greater than the reduction in income as a result of Covid. The financial impact on the University can be summarised under the following headings:

- **Fee income** – the main negative impact on fee income in 2020/21 was a reduction in fee income from Non EU students of €2.3m when compared to the prior year. This reduction was more than offset by an increase in fee income from EU students of €8.9m. Of this growth in EU fee income of €8.9m, a total of €3.6m related to undergraduate students and €4.7m related to Masters Taught. In the short to medium term this trend is likely to continue for undergraduate fee income as the increase in CAO places offered in September 2020 was maintained and increased in September 2021. This is likely to result in a further increase in undergraduate EU fee income and this increase will be maintained for the four years that these students take to complete their degrees. For the Masters Taught it will be more challenging to maintain the growth as employment prospects are likely to improve as the economy reopens and this may impact demand for Masters programmes. The Budget adopted by the Governing Authority for 2021-22 forecasts a growth in Non EU fee income and it is expected that the majority of the loss of income from this source in 2020-21 will be reversed in 2021-22.
- **State grant income** – the core grant for 2021 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 significant periods of closure of Sports and Concert Hall facilities and the cancellation of summer events on campus. The impact has been mitigated through cost management and state supports. In the short to medium term the trading position of these commercial activities has been helped by the fact that students are residing on campus during semester 1 of 2021-22 and it is expected that this will continue. The subsidiary operations should return to profitability once the occupancy percentage returns close to 100%.
- **Operating costs** – the closure of the campus during FY2020-21 led to a significant reduction in operating costs. The most significant reduction in costs relates to travel and hospitality. When compared to pre covid levels of expenditure the University has saved €3m on this cost. In the short to medium term this saving might continue as Covid is likely to have an ongoing impact on this expenditure area.
- The University achieved a surplus for the Financial Year 2020-21. This was a significant improvement on Budget due to large savings in operating costs and growth of fee income of €6.6m compared to the prior year.

The University received a grant under the Human Capital Initiative (HCI) during 2020-21. The total award to UL as lead institution for the UL@Work project amounts to €16.3m. This grant will be received over the next five years as the initiative is implemented. The University will also receive HCI funding for projects where it is not the lead institution. The total award for these projects is €3.8m.

During 2020-21 new State Grants were received for devolved grant towards essential infrastructure investments, additional places grant and student wellbeing grant. In the short to medium term it is expected that these grants will continue to be allocated.

On 1 March 2021 the University was advised by Bank of Ireland that the Bank was closing a number of branches from September 2021 and that this plan includes the UL branch. The solo on campus banking concession and the rent of the bank branch are valuable sources of income for the University. It is likely in the short to medium term that there will be a significant reduction in the level of income from this source.

In February 2020 the 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 was deferred because of Covid restrictions impacting on meetings of Governing Authority. This remained the case in 2021. The plans are being revised to reflect changes to the operating model arising from the impact of Covid and to reflect the recalibration of the Strategic Plan.

In September 2021 the FHRAMC reviewed the challenges being faced by the University in relation to Treasury Management as a result of negative interest rates. The FHRAMC agreed that the Treasury Policy be amended and noted that negative interest rates are likely to result in an ongoing additional cost to the University of €0.5m.

During the period October 2020 – September 2021 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. The Governing Authority approved a Supplementary Budget for AY2020/21 on the recommendation of the FHRAMC in February 2021. This reflected the additional budgets for HCI and July Stimulus measures. Again, on the recommendation of the FHRAMC, the Governing Authority approved the University's budget for AY2021/22 in June 2021.

During the period under review the FHRAMC received regular updates on progress in the retendering for completion of the Student Centre capital development project resulting in additional costs of €6.34 million to that originally estimated for completion of the project. This additional cost is to be funded by the student levy. On the recommendation of the FHRAMC and receipt of a satisfactory cost analysis requested by FHRAMC, the Governing Authority approved this additional cost in the development of the new Student Centre. A letter of was issued to the contractor and post financial year end they advised that their costs had increased and they could not contract at the tender amount. Following engagement with the second and third lowest tenders they also advised that they would not be in a position to stand over their May 2021 bids. Following legal advice, the University issued tender invitations for a competitive procedure with negotiation. All contractors except one who had a full 'order book' confirmed agreement to participate. The process has resulted in a further increase in cost of €2.94m, bringing the final gross cost of development to €29.18m. On the recommendation of FHRAMC, the Governing Authority approved the additional costs in the development of the student centre. The additional cost is to be funded by the student levy.



In October 2021 the Executive of the University approved the taking of judicial review proceedings against a decision by Irish Water to reclassify the student villages from “domestic” status to “non- domestic” status in respect to tariffs for water charges. In the short to medium term there will be a cost incurred on the proceedings (which the University will be seeking to recover from Irish Water if the action is successful). If the action is unsuccessful, additional costs for water will arise. This has been estimated at €0.3m per annum from 2024/25 onwards.

The Minister for Further and Higher Education, Research, Innovation and Science approved the provision of an expanded Devolved Capital Grant allocation of €40 million to the higher education sector in August 2021. The grant is intended to support Institutes in addressing their most urgent infrastructural requirements for the academic year 2021-2022. The University was notified that it had been awarded an allocation of the devolved capital grant of €2,447,809 on 31st August 2020. The disbursement of the total devolved grant funding was paused by the Department of Further and Higher Education, Research, Innovation and Science. The Governing Authority has provided the requested assurances to the HEA.

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

Procedure	Policy	€
Mediation	Student Dignity and Respect	584
Mediation	Student Complaint Policy	339
Investigation	Dignity and Respect	16,984
Investigation	Grievance Procedure	10,261
Investigation	Governing Authority Commissioned	110,700
	Total	138,868

- (iii) A review has been conducted for the year ended 30 September 2021 of advisory fees paid. Details are set out below:

Category	€
Digital transformation - Student Records	1,649,347
Legal costs	542,020
Estate advisory costs	355,998
Technology transfer - legal, IP and patent costs	349,348
Systems development	199,507
Health and Safety	96,786
Recruitment	70,314
Taxation	78,620
Student services	61,992
Pensions	41,120
Public Relations	31,042
GDPR	28,124
Futures and Foresight	25,215
Systems testing	11,685
Athena Swan	10,059
Strategic Planning	9,120
Valuations	6,695
Governance	2,768
Archives	512
Total	3,570,272

- (iv) 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 value of Exchequer funding relating to Section (iv) above in the financial year
Not applicable.
- (vii) Confirmation of financial position of the University.
A surplus was achieved in FY 2020/21 and was noted by the Governing Authority. There is nothing to report on going concern.

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 634.2 (FTE) full-time academic and 40.11 (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 2021 the total value of the payments to full time staff was €456,655.

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. A review of the Policy is currently underway to ensure it continues to reflect best practice. The University is confident that current 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.

The University's Policy for Conflicts of Interests requires employees to declare (to their line manager) any potential, perceived or actual conflict of interest arising in the context of external consultancy work. Where such conflict arises, an appropriate plan for the management of the conflict is put in place. An annual return of all recorded Conflicts of Interest and the management mechanisms put in place is presented to the Governing Authority annually.

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 2021 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.

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, while it was for an initial two-year period, it is now recruited on a multi-annual basis. 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 2021 in March 2021. 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 updated to ensure alignment 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 Governing Authority in April 2021. The terms of reference of the Audit & Risk Committee were reviewed and approved by the Audit & Risk Committee and Governing Authority in September 2021 to ensure further alignment with the 2019 Code of Governance for Irish Universities.

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 2020 to September 2021 the Audit & Risk Committee held twelve 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 1 October 2020 to 30 September 2021 a total of 10 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:
 - Internal Audit Review of Anonymous Correspondence
 - Unijobs Credit Cards Review
 - UL Credit Cards Review
 - Internal Financial Controls Review – Travel and Subsistence : Business Class Flights
 - Internal Financial Controls Review – Travel and Subsistence : Claims Over €1,500
 - Internal Financial Controls Review – Travel and Subsistence : Kilometres
 - Internal Financial Controls Review – Travel and Subsistence : Top 20 Claims
 - Research Integrity Policy Review
 - PCC Credit Card Review
 - Invoice Redirection Report.

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 2021 amounted to €96k (2020 €2.351m). This amount is across two commodities or services. We have prior to the end of the financial year completed contracts on one and we are currently at contract signing stage on the second commodity.

The University's expenditure with suppliers, including both recurrent and research costs and equipment additions during the year amounted to €63.8m.

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 has been completed on the ERP system Unit4 Business World that from FY21-22 onwards will enable the University 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 €551,770 (2020 €407,583) that was not compliant with procurement guidelines. This includes the items identified in the review referred to in the previous paragraph. Substantial progress has been made in progress procurement processes on these commodities.

- (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 Multi Annual Procurement Plan (MAPP) to the EPS in November 2021. The Corporate Procurement Plan (CPP) was approved by FHRAMC in February 2022.

(iv) Details of Non-Compliant Procurement

The University expended €63.8m on goods, services, and equipment during the FY20-21. Non-compliant procurement of €551,770 represents less than 1% of total expenditure. Circa 50% of this non-compliance was addressed prior to the end of the financial year. Where there were delays in replacement procurement processes, the contractor from the previous process was retained.

Service/Commodity	€	Reason	Was this previously tendered	Status
PG marketing campaigns and associated works	117,995	Contract expired, delays in provision of new framework which is now in place	Yes	Resolved
Marketing campaigns multiple media and website services	100,791	Contracts now in place covering media campaigns, web tender process is being progressed for the web element	Yes	Partially resolved
Digital Marketing	42,867	Delay in completing new tender process which was completed before the year end and is now in place	Yes	Resolved
Finance system upgrade support and development	61,541	Currently going to tender – work increased above the level anticipated	No	In progress
Specialist module delivery	40,549	Recruitment of a lecturer	No	Resolved
Website hosting	35,285	Moving website to new platform tender is being progressed, hosting of legacy sites pending transfer to new platform	No	Under review
Specialist research testing	35,162	Article 32 urgency – out-sourcing of specialist research testing during COVID. No on-going requirement	No	Resolved
Occupational health assessments	34,649	Currently reviewing procurement strategy to address	No	To be progressed
Seeds, turf and other landscaping suppliers	30,324	Planned to run a tender process during 2022	No	To be progressed
UG CAO campaign	27,392	Contract expired, delays in provision of new framework which is now in place	Yes	Resolved
Employee Assistance Programme	25,215	Currently reviewing procurement strategy to address	No	Resolved
	551,770			

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

The University reviewed all its suppliers where spend exceeded €25,000 and during FY19-20 the University spent €2.256m with these 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.

Service/Commodity	€	Reason
Student record system support and development	166,717	Exclusive rights
Learning management system support	160,089	Legacy system - exclusive rights
Support and parts specialist research equipment	127,694	Exclusive rights original manufacturer
Student record system support and development	115,251	Legacy system - exclusive rights
Academic recruitment website	111,762	Exclusive design and not available from any other source
Exclusive licence Fraunhofer	100,000	Exclusive rights, EPS market review no alternatives/competitors
Statutory body	98,689	Statutory body
Online access databases - Library	94,172	Exclusive Rights online access State Papers 1509-1714
Statutory body	100,083	Statutory body
Library access software expansion	70,644	Continuation of a prior work and exclusive design
Bespoke E-Textbook collection	68,810	Exclusive rights and Art 32
Door access units, support, and maintenance costs	65,434	Exclusive design and continuation of a prior work, access units were part of buildings tender
Online classroom software licence and support costs	63,917	Licence and support Legacy system
Software annual renewal costs MATLAB	60,962	Exclusive right – now covered by a VEAT issued by HEAnet
Trading floor licence	59,608	EPS after previous tender advised that this is a single source
Specialist teaching IWAM&D	65,356	Single source
Finance system annual licence cost	46,381	Licence cost legacy system
Global professional network for scientists and researchers	45,658	Exclusive design and not available from any other source.
Service contract research equipment	42,818	Technical service
Transfer of phone charges for off campus clinical placement sites	40,918	No alternative option
Apprenticeships	40,407	Network leading apprenticeship
Software support plagiarism check integrated to the University supported learning management system	40,151	Licence legacy software
National Academic Body	49,185	National Academic Body
Employers Body	49,104	Membership of Employers Body
State Agency	45,000	Statutory body
Futures and Foresights	36,500	Exclusive design and technical services
Open access	36,097	Open access - single source
End Note - software	35,237	Exclusive rights Europe
Technical services hazardous in nature, highly specialised	42,350	Technical Services
Virtual tour platform	32,000	Exclusive rights
Article publishing	30,830	Article publishing - single source
Specialist laboratory materials for research purposes	30,378	Continuity of research - specialist laboratory materials
Digital recruitment database technically connected to Google and all social media platforms	28,615	Exclusive design
Spare parts research equipment	28,245	Exclusive design
Specialist laboratory materials for research purposes	26,739	Continuity of research - specialist laboratory materials
Total	2,255,801	

10. Asset disposals

10.1 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 provided to the C&AG and External Auditors. A further review of the Policy in 2021 indicated that there were no amendments required.

10.2 In accordance with the provisions of the Policy for the Disposal of Assets, the FHRAMC received an annual report providing details of and explanations for all disposals or grants of access to property or infrastructure for commercial arrangements with third parties with an individual or combined material value (i.e., at or in excess of €1,000) below the threshold value of €150,000 without auction or competitive tendering process.

It is confirmed that there was no disposal of assets in any form above the threshold of €150,000 in the period under review.



11. Management of Capital Projects

- 11.1 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.
- 11.2 The University further affirms that all capital projects are managed and delivered in compliance with the requirements of (i) above. However, queries did arise in relation to the University's purchase of a site in Limerick City Centre in April 2019 and this matter is address in Section 29 below.
- 11.3 The University affirms that all property related transactions are being managed in compliance with the relevant principles, requirements and guidelines of the Public Spending Code.
- 11.4 The Governing Authority approved a revised Schedule of Matters Reserved to Governing Authority in April 2021. This provides that prior approval of the Governing Authority Finance, HR & Asset Management Committee is required for significant expenditure by the University or its subsidiaries $>€150,000$ and $\leq €2m$. Prior approval of Governing Authority is required where such expenditure is in excess of €2 million.

The University confirms that prior approval has been obtained from the Governing Authority, for any significant expenditure ($>€2m$) on land or buildings acquisitions by the University or its subsidiaries.

12. Travel Policy

The University confirms 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 revised and came into effect on 1 July 2020. Further revisions to the Policy are to be considered by FHRAMC in 2022.

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.

13. Guidelines on Achieving Value for Money in Public Expenditure

Confirmation that the Guidelines on Achieving Value for Money in Public Expenditure, both current and capital expenditure, as set out in the Department of Public Expenditure and Reform Spending Code are being followed.

The University has followed the Guidelines on Achieving Value for Money.



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.

Following a detailed review of all tax heads involving tax payments across the four-year review period c €175m, the University disclosed additional tax liabilities of €134k to Revenue. The disclosure also included interest of €58k and a penalty of €6k. The additional liabilities arose from processing errors in relation to VAT/RCT as principal contractor, a technical adjustment arising from the reclassification of a contractor as an employee and BIK relating to professional subscriptions.

15. Legal Disputes

Details of all legal disputes involving other State bodies.

15.1 Despite every effort to avoid doing so, the University has issued proceedings against Irish Water because of their reclassification of student accommodation which would result in increased costs to the University in the form of water charges which may be borne by the student village residents. The proceedings are anticipated for hearing in 2022. Every effort is being made in the interim to resolve the matter outside the Courts. It is not possible at this stage to estimate expenditure.

15.2 Details of the above matter relating to Irish Water have been notified to the HEA and will be included in the annual report to the HEA by 30 June 2022.

16. Good Faith Reporting – Protected Disclosures Act 2014

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 2021, thereby meeting the required deadline.

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

No submissions under Protected Disclosures legislation were received by the University in the period under review. However, in December 2021 the University received an anonymous allegation against a current employee regarding inappropriate use of University resources, which based on legal advice received, is being treated under the Protected Disclosures Policy & Procedures.

A number of recommendations were made to the University by an externally appointed investigator to consider two submissions from previous years under the Protected Disclosures legislation. The report of the investigation was finalised in November 2020 and resulted in 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 in 2022 and one recommendation is awaiting the completion of the consultations on the review of the UL Strategic Plan and will be implemented during 2022.

17. Governing Authority meetings

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

The Chairperson of Governing Authority is satisfied that the number of meeting held in the period under review was satisfactory to enable the Governing Authority to discharge its duties.

The Governing Authority met without Executive members present in June and in December 2021.

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 twelve 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.

19. Review of Governing Authority performance

- (i) *Confirmation that the annual internal review of the effectiveness of the Governing Authority and its committees was carried out in the financial year.*

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 Finance, HR & Asset Management Committee 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.

Where the recommendations related to Governing Authority Committees, they each reported to the Governance Committee on their acceptance and status of the implementation of recommendations arising from their review.

The Governance Committee's reports on the status of these recommendations are submitted on a regular basis to the Governing Authority.

A self-evaluation of the GA and its sub-committees commenced in January 2022 with a view to its completion and report back to Governing Authority by end of March 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 three 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 that an external review is commissioned at least once during the Governing Authority's term of office.*

The term of office of the Governing Authority commenced on 1 December 2017. The IPA undertook an external review of Governing Authority and its committees that was presented to the Governing Authority in January 2021. As indicated previously, the status of implementation of recommendations is monitored by the Governance Committee and reported to Governing Authority. The self-evaluation process will be completed in 2022.

- (iii) *Date of the last internal review of the effectiveness of the Governing Authority*

The Governing Authority has reviewed its effectiveness on a number of occasions through presentations on their role and effectiveness followed by resultant discussion. A formal internal review is in process and it is expected it will be completed by the end of March 2022. This timeframe also applies to the Governing Authority sub-committees.

- (iv) *Date of the last external review of the effectiveness of the Governing Authority*

The external review of the effectiveness of Governing Authority was completed in January 2021.

(v) *Next external review will take place in [year]*

Due to the uncertainty of dates as a result of the impact of the HEA Act 2022, it is not possible at this stage to give a definitive date for external review of the next Governing Authority. It is planned that the next external review will be undertaken mid-way through the term of office of the next Governing Authority.

20. Salary of President

The total salary paid to the President for the period from 1 October 2020 to 30 September 2021 was €200,598. The President is a member of the Single Pension Scheme and the post-employment benefits arising from her appointment as president do not extend beyond the terms of that scheme.

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 under the Employment Control Framework and as otherwise 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

The University confirms that it has implemented institutional structures, policies and processes which will support achievement of the objectives of the Framework for Promoting Consent and Preventing Sexual Violence in Higher Education Institutions.

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 chaired by the Provost/Deputy President. 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 two sub-groups chaired by the Director Human Rights, Equality, Diversity and Inclusion: a Policies Review Working Group and a Sexual Health & Well-being Group. The University's approved Consent Framework Action Plan is in place and was submitted by the President to the HEA. 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. Action Plan updates are provided on request to the HEA.

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 all new buildings and infrastructure comply with the provisions of the Disability Act 2005 and Part M Building Regulations. Older buildings and infrastructure are substantially compliant and are upgraded and modified for compliance on a continuous basis subject to available funds.

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 2021 are as follows:

External Governing Authority Members	
Fees Payable	
Expenses Payable	€390

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 of which it was established, remains and will continue 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:** *The University confirms 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. The sectoral level code of governance for subsidiary companies has been completed. The Codes of Governance for each subsidiary are being reviewed to ensure they reflect appropriate provisions of the newly completed sectoral code and will be submitted to the respective Boards of Directors in the first half of 2022. Once approved by the Board of Directors, the revised Code(s) of Governance will be submitted to the FHRAMC and thereafter to Governing Authority for approval.

PCC, a subsidiary of the University, has procurement procedures in place and these have been communicated to the staff of PCC. PCC reported in its Annual Governance Statement that other than the matters below PCC has been compliant with these procedures.

Following a review of procurement PCC has been found that its procedure requiring that renewed tenders "will commence 6 months in advance of expiry date" has not been complied with on occasion. The number of contracts found not to be complying with the procedure was seven to the annual value of €606,273. PCC will establish a central register of all contracts and all managers confirming compliance in support of its Annual Governance Statement will have to review that register for completeness and compliance prior to providing their Annual Governance Statement declaration.

- (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.

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%
Ostiform	Pharmaceutical technology and discovery	~7%
Hook Bio	Pharmaceutical technology and discovery	~10%
MicaNanotech	Novel materials	~10%

~ = approximately

27. Intellectual Property (IP) and Conflict of Interest

- (i) The University confirms that it 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 updated to reference the new National IP Protocol published in 2019 and approved by the Finance, HR & Asset Management Committee in November 2020 and by the Governing Authority in December 2020.

It should be noted that the revised IP Policy:

- 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 is available on the UL Policy Hub. The Policy was made known to all staff when first approved by Governing Authority in September 2020. Training has been delivered throughout the year under review and the development of an on-line provision of training is being explored. Reference to the Policy is included in the induction process for all new staff.

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

The Governing Authority is made aware of all IP commercialisation and a report on 2020 and 2021 IP Commercialisation was presented by the Vice President Research to Governing Authority in January 2022.

- (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).*

On 9th October 2020 Amryt Pharmaceutical DAC, a company incorporated in Ireland under registration number 566448 having its registered office at 90 Harcourt Street, Dublin 2, Ireland acquired the entire share capital of Cala Medial, a UL Campus Company, for a consideration of five-hundred thousand (€500,000) EUR. The value of the UL share disposal was €25,123.16.

The sale of the UL shares in Cala was a possibility under an existing shareholder agreement (minority shareholder drag along provisions). The company will continue to trade as Cala Medical but will be a wholly owned subsidiary of Amryt.

Prior to the acquisition, Cala Medical had entered into a licence with UL to commercialise certain specified UL owned intellectual property (IP). Under the terms of the share sale there is no change in the IP arrangements and UL will continue to licence the IP to Cala/ Amryt on the same terms.

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

The University affirms that the University has adhered to the principles of good research practice as set out in the HEA Framework.

The University affirms that it has adhered to the principles of good research practice as set out in the HEA Framework. The Office of the Vice President Research is responsible for the implementation of the University's policy and procedures in the area of Research Integrity. The Research Integrity Policy was audited and approved by UL Internal Audit in December 2020. UL has had an appointed Research Integrity Officer who has been in place since 2016. In addition, the Office of the Vice President Research 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). UL is represented on relevant national bodies such as the National Research Integrity Forum through the Office of the Vice President Research.



29. General governance and accountability issues

- (i) Confirmation that, as per the Oversight agreement between the University and the HEA, the Chief Officer has kept the HEA informed, on a timely basis, of any governance issues, concerns, or major risks that arose for the Institution in the reporting period.

Based on reports from the President, the Governing Authority is satisfied that the President keeps the HEA informed appropriately and on a timely basis of any governance issues, concerns or major risks that arise for the University.

- (ii) 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) above, 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, where applicable, 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 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. KPMG has now issued its report but based on a legal submission received, further consideration is required prior to the Report's appropriate dissemination.

Chairperson:



President:



Name of Institution:

University of Limerick

Date:

30.06.22



Appendix 1

Attendance at Governing Authority meetings 1 October 2020 – 30 September 2021

The Governing Authority met 14 times during the period under review.

	Governing Authority Member	No. of Meetings Attended	No. of Meetings Eligible to Attend
Chief Officer:	Professor Kerstin Mey	12	14
Chancellor:	Ms Mary Harney	14	14
Senior Officer of University:	Mr Gerry O'Brien	2	4
	Professor Nigel Healey	11	11
Professors/Associate Professors: (elected by such staff)	Professor Sean Arkins	13	14
	Professor Eoin Devereux*	11	13
	Professor Kevin M Ryan	12	14
	Dr Seamus Gordon	10	14
	Dr Amanda Haynes*	3	3
Academic & Research Staff: (elected by such staff)	Dr Fergal O'Brien*	8	8
	Dr Jennifer Schweppe*	7	8
	Mr Gerard Slattery	12	14
	Dr Peter Tiernan*	3	3
	Ms Michelle Breen	12	14
Support Staff: (elected by such staff)	Ms Kim O'Mahony	13	14
	Mr Cian Ó Caoineáin	9	9
	Mr Cillian O'Donohue	5	5
	Mr Peadar Collins	8	9
	Mr Seán Ó Maoilchiaráin	5	5
	Ms Andrea La Touche	10	11
	Ms Rania Shadeed	3	3
Elected officers of the Students' Union:	Ms Joan Aherne	14	14
	Mr Ger Lyons*	8	10
Nominees of Organisations:	Ms Grainne Barron	12	14
	Dr Garret A FitzGerald	11	14
Nominees of Minister for Education & Skills:	Ms Aibhlín McCrann	13	14
	Ms Trish Long	10	14
	Ms Judith Woodworth	13	14
Persons appointed having regard to Artistic/Cultural Interests:	Mr Liam Carroll	6	14
	Mr Colin Clarke	10	14
Graduates of the University of Limerick: (elected by such graduates)	ClIr Sarah Kiely	5	10
	ClIr Catherine Slattery	0	4
*Cathaoirleach of the City & County of Limerick:	ClIr Michael Collins	3	10
	ClIr Daniel Butler	2	4
*Mayor of the Metropolitan District of Limerick:	Ms Rose Hynes (Deputy Chairperson)	14	14
	Mr Eddie Sullivan	13	14
University of Limerick Foundation Nominees:	Professor Eugene Wall	12	14

*See notes below:

- Professor Eoin Devereux resigned September 2021
- Dr Amanda Haynes resigned November 2021
- Dr Peter Tiernan resigned November 2020
- Dr Fergal O'Brien elected February 2021
- Dr Jennifer Schweppe elected February 2021
- Mr Ger Lyons appointed December 2020 and resigned September 2021
- Cathaoirleach of the City & County of Limerick and Mayor of the Metropolitan District of Limerick new terms commenced June 2021
- Professor Norelee Kennedy was in attendance 12 of 14 meetings
- Professor Nigel Healey was in attendance 3 of 3 meeting
- Mr Andrew Flaherty was in attendance 13 of 14 meetings
- Mr Gerry O'Brien was in attendance 5 of 10 meetings

Appendix 2

Sub-committee meeting attendance period 1 October 2020- 30 September 2021

Audit & Risk Committee

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

Members of Governing Authority and ARC members

- Mr Ger Lyons – attended 7 of 8 meetings
- Mr Eddie Sullivan (Chair) – attended 12 of 12 meetings

External Committee members who are not members of Governing Authority

- Mr Chris Cullen – attended 12 of 12 meetings
- Ms Imelda Hurley – attended 9 of 10 meetings.
- Mr Andrew Flaherty was in attendance 8 of 10 meetings
- Mr Gerry O'Brien was in attendance 1 of 2 meetings

Finance, Human Resources & Asset Management Committee

The Finance, Human Resources & Asset Management Committee met on 6 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 Aibhlín McCrann – attended 3 of 5 meetings
- Dr Fergal O'Brien – attended 2 of 2 meetings
- Mr Cian Ó Caoinleáin – attended 3 of 4 meetings
- Mr Cillian O'Donohue – attended 2 of 2 meetings
- Ms Kim O'Mahony – attended 5 of 6 meetings
- Professor Kevin M Ryan – attended 5 of 6 meetings
- Dr Peter Tiernan – attended 1 of 1 meeting
- Ms Judith Woodworth – attended 6 of 6 meetings

Members of Governing Authority in attendance

- Professor Nigel Healey – attended 2 of 2 meetings
- Mr Andrew Flaherty - attended 5 of 6 meetings
- Mr Gerry O'Brien - attended 4 of 6 meetings
- Professor Kerstin Mey – attended 4 of 6 meeting

External Committee members who are not members of Governing Authority

- Mr Ambrose Loughlin – attended 5 of 6 meetings
- Mr Mark Kennelly – attended 5 of 6 meetings

Governance Committee

The Governance **Committee** met on 3 occasions and the attendance record is detailed below:

Members of Governing Authority and GC members

Professor Seán Arkins – attended 1 of 3 meetings
Mr Liam Carroll (Chair) – attended 3 of 3 meetings
Mr Colin Clarke – attended 2 of 2 meetings
Ms Trish Long – attended 3 of 3 meetings
Ms Kim O'Mahony – attended 3 of 3 meetings
Mr Ger Slattery – attended 3 of 3 meetings

Sub-committee meeting attendance period 1 October 2020- 30 September 2021**Access, Equality & Student Affairs Committee**

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

Members of Governing Authority and AESAC members

Ms Joan Aherne – attended 6 of 6 meetings
Ms Michelle Breen – attended 5 of 6 meetings
Mr Peadar Collins – attended 3 of 5 meetings
Professor Eoin Devereux – attended 3 of 5 meetings
Dr Amanda Haynes - attended 2 of 2 meetings
Professor Nigel Healey – attended 6 of 6 meetings
Ms Sarah Kiely – attended 2 of 3 meetings
Ms Andrea LaTouche – attended 5 of 5 meetings
Ms Trish Long (Chair) - attended 6 of 6 meetings
Professor Kerstin Mey - attended 5 of 6 meetings
Mr Cían Ó Caoineáin – attended 2 of 5 meetings
Mr Cillian O'Donohue – attended 1 of 1 meeting
Mr Seán Ó Maoilchiaráin – attended 1 of 1 meeting
Dr Jennifer Schweppe – attended 0 of 1 meeting
Ms Rania Shadeed – attended 1 of 1 meeting

Member of AESAC but not Governing Authority

Dr Marie Connolly – attended 1 of 1 meeting
*Dr Sindy Joyce – attended 0 of 5 meetings
Ms Siobhan Long – attended 4 of 4 meetings

In attendance

Mr Jordan Cassells – attended 1 of 1 meeting
Ms Chelsea Joyce – attended 4 of 5 meetings
Ms Rhona McCormack – attended 2 of 2 meetings
Ms Orfhlaith McLoughlin - attended 2 of 3 meetings
Mr Eamon Moran – attended 2 of 2 meetings
Dr Patrick Ryan – attended 2 of 2 meetings

*Dr Sindy Joyce resigned July 2021



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 University is aware and acknowledges that its system of internal controls is designed to minimise risk thereby managing it to an acceptable level. However, it is acknowledged that the system of internal controls does not eliminate risk and therefore cannot provide absolute assurance that assets are safeguarded, transactions are appropriately authorised and recorded and that material errors or irregularities are either prevented or detected in a timely manner.

It is confirmed that the University's system of internal controls has been in place for the year ended September 2021 and up to the approval of the financial statements.

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, is 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 structure, documented management responsibilities, and reporting lines).*

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

- In September 2020, the University 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.
- An annual strategic budgeting process involving key individuals within the University takes place that informs the development of the University's budget.
- 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.
- Senior executives of the University are appointed as directors on all subsidiary company boards and they provide advice as requested by management and/or the respective Boards of Directors of these companies on the impact of the University's strategy, policies and procedures on the work of the company. Additionally, the Governing Authority approved a revised Schedule of Matters Reserved to Governing Authority in April 2021 and the revised terms of reference of its Finance, HR & Asset Management Committee in December 2021 to provide for increased levels of oversight of subsidiary activities.

- The University has established a Policy Management Framework 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, professional service and affiliate units across the University and the implementation of agreed recommendations arising from such reviews where practicable. The outcomes of these reviews (Quality Review Group Report) and the respective quality implementation plan are presented to the UI Quality Committee for approval. Outputs from quality reviews are reported to Governing Authority by the Provost. All review reports are published on the Quality Support Unit website, along with review schedules, guidelines and summary implementation reports.
- 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 and approved by Governing Authority in December 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 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 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 approved by Governing Authority in December 2021.
- Subsidiary companies have Codes of Governance in place. These are being reviewed to bring them into line with the sectoral level code of governance for subsidiary companies that has just been finalised. It is envisaged that individual updated Codes of Governance for UL subsidiaries will be in place by mid-2022.
- 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 considered in March 2021 by the Audit & Risk Committee and subsequently the Governing Authority. 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.
- Organisational and technical measures have been put in place in the University to enable compliance with data protection law. During the year, additional work was carried out to bring the University websites into compliance with the ePrivacy Regulations relating to the use of cookies. Data protection training is provided to all staff through an online training module and online webinars. In the period under review, two 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 University has co-operated fully with the DPC and their report is awaited.

ii. **Business Risks:** *Processes used to identify business risks, evaluate their implications and manage them within the University's risk management framework.*

- The University has a robust Risk Management Framework in place that is subject to regular review to ensure it reflects best practice. The Framework includes clearly defined process for the identification of new risks and process for evaluating and managing existing risks.
- 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. 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 are being reviewed to take account of the provisions of the recently agreed sectoral code of governance for subsidiaries.
- 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 Risk Management Policy together with the Risk Appetite Statement were reviewed during the period. The revised Risk Management Policy and Risk Appetite Statement were considered by Executive Committee in April 2021, by Audit & Risk Committee in June 2021 and approved by Governing Authority in June 2021.
- 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. Four 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. During the period, the Fundamental Risk Register was 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 April 2021, by Audit & Risk Committee in June 2021 and approved by Governing Authority in June 2021.
- 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;
 - 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 twenty 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. The risk registers for PCC, UL Alumni Association and UniJobs were presented to Audit & Risk Committee in September 2021.



- (ii) **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 through the FHRAMC.
 - The University recruited a Chief Finance & Performance Officer in the period under review. 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. The Chief Financial & Performance Officer took up his role in September 2021.
- (iii) **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. Following the approval of the revised Matters Reserved to Governing Authority in April 2021 consideration of a revised Signing Authority Policy progressed. The revised Contracts Signing Authority Policy will be submitted to the Audit & Risk Committee in 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 or legal professionals are members of the following Governing Authority Sub-Committees:
 - Audit & Risk Committee
 - Finance, HR and Asset Management Committee
 - Boards of subsidiary companies.

- 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.

(iv) **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 has been 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 financial statements 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 presented to the Audit & Risk Committee in March 2021 to ensure compliance with the 2019 National Code of Governance. The Charter was approved 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 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.

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 8 February 2022.

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

During the period under review the University of Limerick was the subject of an invoice redirect fraud involving a French supplier and unknown fraudsters in the amount of €101,949 (subsequently reimbursed to the University by its banking service providers). The matter was reported by the University to the Gardai. The University Anti-Fraud Group met in August 2021 and agreed unanimously that the fraud warranted an investigation of the facts of this matter. The Internal Auditor was engaged to investigate the facts of the fraud and produced a detailed report on findings and recommendations for improvements to prevent a reoccurrence of an incident of this nature. A report was issued to the Anti-Fraud Group, chaired by the Chief Corporate Officer. The Chief Corporate Officer presented the report to the President and to the Audit & Risk Committee on behalf of the Group in September 2021. The Chief Finance & Performance Officer, has executive responsibility for the implementation of the recommendations noted in the report.

The findings of the report were the failure to follow a control when updating the supplier record and both supplier and university staff failed to recognise non-sophisticated generic email addresses used by the unknown fraudsters.

A misapplication of circular 07/2019 to a number of University staff occurred. Details have been submitted to the Department of Further and Higher Education, Research, Innovation and Science (DFHERIS) which outlines the details of the issue, how the matter is to be rectified and the steps put in place to ensure that an issue such as this does not occur in the future. While the staff impacted have been informed of the misapplication of the circular, the next step is to provide a detailed report to each staff member and agree the corrective action that is to be taken, which is currently in progress.

8. Description of the action taken to correct weaknesses:

The report to the Anti-Fraud Group made eight recommendations, five of which have been fully implemented and closed, projects are underway to progress the three other recommendations requiring systems development work, IT security awareness for new staff on joining the University and a reduction in the volume of suppliers, this latter recommendation will be implemented through an annual target reduction in the volume of suppliers.

The actions taken to address the misapplication of the pay circular includes a review by the Compensation & Benefits team leader to access implementation steps followed by a peer review with the Team and sign off by the Head of HR Central Services. The approach is confirmed at sectoral meetings to ensure consistency of interpretation and application. The approach recommended is advised to Finance with final approval by the Director of HR.



Independent Auditors' Report to the Governing Authority of University of Limerick

Dáil Chruinne Éireann
Irish World Academy



UNIVERSITY OF
LIMERICK
OLLSCOIL LUIMNIGH



Oifig an Ard-Reachtair Cuntas agus Ciste
Office of the 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 ended 30 September 2021 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 2021 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 2021.

The recognition of a deferred pension funding asset in respect of the Single Public Service Pension Scheme (€59 million) reflects statutory provisions relating to the funding of those schemes.

The recognition of an asset of €944 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 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 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, the Chief Finance and Performance Officer's review, 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 2021.

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.

Procurement non-compliance

The annual statement of governance discloses that in 2020/2021 the University incurred a material level of expenditure on goods and services the procurement of which was not compliant with the relevant procedures. The statement also sets out the steps being taken by the University to address the non-compliance.

A handwritten signature in blue ink that reads "Seamus McCarthy".

Seamus McCarthy
Comptroller and Auditor General
30 June 2022

Appendix to the report

Responsibilities of Governing Authority members

The members are responsible for

- the preparation of annual 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.

I report by exception if, in my opinion,

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

Information other than the financial statements

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

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

Reporting on other matters

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

Consolidated and University Statement Of Comprehensive Income

Financial Year Ended 30 September 2021

	Notes	Consolidated		University	
		30 September 2021 €'000	30 September 2020 €'000	30 September 2021 €'000	30 September 2020 €'000
Income					
State grants	5	62,369	55,588	62,369	55,588
Academic fees	6	120,139	112,611	120,139	112,611
Research grants and contracts	7	34,649	33,131	34,649	33,131
Ancillary services and other self-funded income	29	8,977	8,710	8,977	8,710
Amortisation of deferred capital grants	23	7,049	6,900	7,049	6,900
Other operating income	8	41,884	36,607	11,559	12,246
Interest income	9	6	26	6	26
Net deferred funding for retirement benefits	27	34,490	34,247	34,490	34,247
Total income		309,563	287,820	279,238	263,459
Expenditure					
Staff costs	10	176,805	161,656	159,249	149,610
Retirement benefit service cost	27	22,265	23,781	22,265	23,781
Other operating expenses	11	68,097	67,635	61,304	60,069
Interest payable and similar charges	12	1,154	1,135	1,037	1,042
Retirement benefit interest cost	27	12,225	10,466	12,225	10,466
Depreciation	15	20,659	20,040	14,755	13,945
Total expenditure		301,205	284,713	270,835	258,913
Surplus before other gains and losses					
		8,358	3,107	8,403	4,546
(Loss)/gain on investment property	16	(495)	810	150	200
Surplus for the year after depreciation of assets and before taxation and impairment		7,863	3,917	8,553	4,746
Taxation	13	(9)	(3)	-	-
Surplus for the year	14	7,854	3,914	8,553	4,746
Actuarial (loss)/gain in respect of retirement benefit scheme	27	(54,752)	39,717	(54,752)	39,717
Adjustment to deferred retirement benefit funding	27	54,752	(39,717)	54,752	(39,717)
Total comprehensive income for the financial year		7,854	3,914	8,553	4,746
Represented by:					
Restricted comprehensive income for year		-	-	-	-
Unrestricted comprehensive income for year		7,854	3,914	8,553	4,746
		7,854	3,914	8,553	4,746

All items of income and expenditure relate to continuing activities.

The financial statements on pages 70 to 123 were approved by the Governing Authority on 28 March 2022 and were signed on its behalf by:

On behalf of Governing Authority



Ms Mary Harney
Chancellor
30.06.22



Professor Kerstin Mey
President
30.06.22



Consolidated and University Statement of Changes In Reserves

Financial Year Ended 30 September 2021

	€'000
Consolidated	
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
Balance at 1 October 2020	255,813
Surplus from income and expenditure statement	7,854
Other comprehensive income	-
Release of restricted capital funds spend in year	-
Balance at 30 September 2021	263,667
University	
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
Balance at 1 October 2020	163,899
Surplus from income and expenditure statement	8,553
Other comprehensive income	-
Release of restricted capital funds spend in year	-
Balance at 30 September 2021	172,452

Consolidated and University Statement of Financial Position

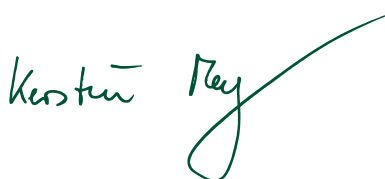
As at 30 September 2021

	Notes	Consolidated		University	
		30 September 2021 €'000	30 September 2020 €'000	30 September 2021 €'000	30 September 2020 €'000
Non-current assets					
Tangible assets	15	456,501	471,448	332,234	342,335
Investment property	16	9,231	9,720	4,650	4,500
		465,732	481,168	336,884	346,835
Current assets					
Trade and other receivables	18	34,600	31,432	73,442	74,038
Cash and cash equivalents	19	159,828	133,294	145,023	117,566
		194,428	164,726	218,465	191,604
Payables: amounts falling due within one year	20	(182,667)	(164,017)	(171,223)	(151,227)
Net current assets		11,761	709	47,242	40,377
Total assets less current liabilities		477,493	481,877	384,126	387,212
Payables: amounts falling due after one year	21	(213,826)	(226,064)	(211,674)	(223,313)
Provisions:					
Retirement benefit receivable	27	1,003,429	913,822	1,003,429	913,822
Retirement benefit provisions	27	(1,003,429)	(913,822)	(1,003,429)	(913,822)
Total net assets		263,667	255,813	172,452	163,899
Unrestricted reserves:					
Revenue reserves		263,667	255,813	172,452	163,899
Total reserves		263,667	255,813	172,452	163,899

The financial statements on pages 70 to 123 were approved by the Governing Authority on 28 March 2022 and were signed on its behalf by:



Ms Mary Harney
Chancellor
30.06.22



Professor Kerstin Mey
President
30.06.22

Consolidated Statement of Cash Flows

Financial Year Ended 30 September 2021

	Notes	Consolidated	
		2021 €'000	2020 €'000
Cash flow from operating activities			
Surplus for the year		7,863	3,917
Taxation paid		(9)	(3)
Loss/(gain) on disposal of fixed assets		16	(262)
Adjustment for non-cash items			
Depreciation	15	20,659	20,040
Amortisation of deferred capital grants	23	(7,049)	(6,900)
Transfer from tangible assets to investment property		-	2,205
Revaluation loss/(gain)		495	(610)
Investment income		(6)	(26)
Interest payable		1,154	1,135
Operating cash flow before movement in working capital		23,123	19,496
Adjustment for working capital items			
(Increase) in trade and other receivables		(3,168)	(7,235)
Increase in trade payables		19,931	13,915
Other movements			
Capital grants received (note 23)		1,793	3,631
Adjustment for investing or financing activities			
Investment income		6	26
Interest payable		(1,154)	(1,135)
Net cash inflow from operating activities		40,531	28,698
Cash flows from investing activities			
Purchase of investment property		(6)	(2,405)
Proceeds on sale of assets		1	780
Purchase of tangible fixed assets	15	(5,729)	(13,723)
Net cash (outflow) from investing activities		(5,734)	(15,348)
Cash flows from financing activities			
<i>Debt due within one year:</i>			
(Decrease)/increase in short term borrowings		(1,380)	823
<i>Debt due after one year:</i>			
Decrease in long term borrowings		(6,883)	(7,586)
Decrease in long term liabilities			-
Net cash outflow from financing activities		(8,263)	(6,763)
Increase in cash and cash equivalents in the year		26,534	6,587
Cash and cash equivalents at beginning of year		133,294	126,707
Cash and cash equivalents at end of year	19	159,828	133,294





Notes to the Financial Statements

Financial Year Ended 30 September 2021

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.

(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 2021. 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 €7.854m for the year and is in a net asset position of €263.667m at 30 September 2021. The consolidated cash and cash equivalents balance at 30 September 2021 is €159.830m.

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 has created challenges to the University's ability to generate non-Exchequer sourced income. Furthermore, adopting to public health guidelines results 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.

(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.

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.

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.

(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.

(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.

(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.

*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.

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.

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.

5. State grants

	Consolidated and University	
	2021 €'000	2020 €'000
State grant allocated for recurrent purposes	42,425	37,335
Covid grant	3,128	3,506
State grant pension*	16,816	14,747
	62,369	55,588

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

- State grant pension includes members' contributions of €6.380m (2020: €6.005m).

	2021	2020
	€'000	€'000
State grant received in respect of current year	65,458	57,900
State grant deferred from prior accounting year	6,423	4,111
State grant deferred to subsequent accounting years	(9,512)	(6,423)
	62,369	55,588

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.

6. Academic fees

	Consolidated and University	
	2021 €'000	2020 €'000
Academic fee income	117,099	109,032
Miscellaneous fee income	3,040	3,579
Total fees paid by or on behalf of individual students	120,139	112,611

A total of €36,022,510 (2020: €33,786,740) included in academic fee income was paid directly by the Higher Education Authority.





7. Research grants and contracts

	Consolidated and University	
	2021 €'000	2020 €'000
State and semi-state	23,524	23,546
European Union	4,860	4,521
Industry	4,154	2,784
Other	2,111	2,280
	34,649	33,131

8. Other operating income

	Consolidated		University	
	2021 €'000	2020 €'000	2021 €'000	2020 €'000
Residences	11,516	11,782	-	-
Other rental and concession income	2,346	2,822	2,126	2,588
Sports facility income	1,624	2,431	-	-
Retail and visitor centre	180	259	-	-
Contract labour services	14,935	8,548	-	-
Car park income	337	320	337	320
Research overheads	2,369	2,248	2,369	2,248
Funded post income	2,426	3,457	2,426	3,457
Concert Hall	367	1,155	-	-
Other self-funded income	1,422	1,436	2,049	2,154
Gain on disposal of asset	-	262	-	262
Other income	4,362	1,887	2,252	1,217
	41,884	36,607	11,559	12,246

9. Interest income

	Consolidated		University	
	2021 €'000	2020 €'000	2021 €'000	2020 €'000
	6	26	6	26

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	
	2021 Number	2020 Number	2021 Number	2020 Number
Staff employed (WTE)	2,394	2,160	1,919	1,868

	Consolidated		University	
	2021 €'000	2020 €'000	2021 €'000	2020 €'000
Salaries	145,248	133,330	130,161	123,062
Overtime	811	617	196	431
Allowances	617	339	617	339
Short term employee benefits	146,676	134,286	130,974	123,832
Social welfare	13,447	12,423	11,825	11,052
Defined contribution employers' cost	232	221	-	-
Pensions in payment (note 27)	16,450	14,726	16,450	14,726
	176,805	161,656	159,249	149,610

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 €10.436m (2020: €10.599m) (note 27).

Termination and severance payments (including statutory redundancy) amounted to €30,380 were paid to two staff members (2020 €359,190 paid to seven 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 €50,000 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 2021, €3,400 (2020: €Nil) of this fund was awarded to staff.

A misapplication of circular 07/2019 to 123 staff occurred. Details were submitted to the Department of Further and Higher Education, Research, Innovation and Science (DFHERIS) which outlines the detail of the issue, how the matter is to be rectified and the steps put in place to ensure that an issue such as this does not occur in the future. A process is underway to engage with the staff impacted and to agree corrective action. Following a full review additional increments amounting to total gross pay of €580,995, of which €175,751 relates to 20-21 (€320,168 19-20) were misapplied. A process is underway with the staff impacted to ensure an agreed corrective action to recover the full amount.

(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 (2020: 3) are key management personnel. Their salaries are therefore included in the key management note below, while the other 8 (2020: 8) members' salaries are stated separately below. There were two vacancies on the Governing Authority at 30 September 2021.

(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	
	2021 Number	2020 Number	2021 Number	2020 Number
Governing Authority (staff members)	8	8	8	8
Governing Authority (non-staff members)	17	17	17	17
Senior management	11	11	11	11
	36	36	36	36

Key management are members of the University's pension schemes and their post-employment benefits arising from their appointments do not extend beyond the terms of the relevant schemes.

	Consolidated		University	
	2021 €'000	2020 €'000	2021 €'000	2020 €'000
Governing Authority (staff members)	786	792	786	792
Governing Authority (non-staff members)	-	-	-	-
Senior management	1,956	1,878	1,956	1,878
	2,742	2,670	2,742	2,670

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.

Salary bands	Consolidated		University	
	Number of employees 30 September 2021	Number of employees 30 September 2020	Number of employees 30 September 2021	Number of employees 30 September 2020
€60,000 to €69,999	168	147	167	145
€70,000 to €79,999	124	127	120	124
€80,000 to €89,999	164	164	162	163
€90,000 to €99,999	103	115	103	115
€100,000 to €109,999	72	26	71	25
€110,000 to €119,999	64	55	63	54
€120,000 to €129,999	17	11	17	10
€130,000 to €139,999	10	9	9	8
€140,000 to €149,999	7	10	7	10
€150,000 to €159,999	52	50	52	50
€160,000 to €169,999	7	3	7	3
€170,000 to €179,999	1	3	1	3
€180,000 to €189,99	1	0	1	0
€190,000 to €199,999	-	2	-	2
€200,000 to €209,999	3	2	3	2
€210,000 to €219,999	-	1	-	1
€220,000 to €229,999	1	1	1	1
€230,000 to €239,999	-	0	-	0
€240,000 to €249,999	-	1	-	1
€250,000 to €259,999	1	1	1	1
€330,000 to €339,999	1	-	1	-
€380,000 to €390,000*	-	1	-	1
	796	729	786	719

* 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.

11. Other operating expenses

	Consolidated		University	
	2021 €'000	2020 €'000	2021 €'000	2020 €'000
Consumables	1,820	2,197	1,800	2,138
Heat, light, water and power	3,961	3,694	2,660	2,505
Repairs and general maintenance	5,799	5,688	5,798	5,684
Travel and entertainment	782	2,204	782	2,188
Student village management and maintenance	1,782	2,445	-	-
Equipment maintenance	1,874	1,717	1,463	1,453
Security	2,048	2,035	1,762	1,782
Telephone and administration	181	294	27	97
Advertising, promotions and publications	1,346	1,220	1,012	982
Subscriptions	895	586	885	584
Software licences	3,354	2,534	3,172	2,354
Audit and professional	6,688	5,937	6,465	5,779
Rent and rates	555	502	424	312
Ancillary and other self-funded programmes	4,972	6,038	4,972	6,038
Research expenditure	14,557	13,860	14,557	13,860
Capitation	1,562	1,449	1,562	1,449
Other expenses	4,166	3,578	3,024	1,896
Books and periodicals	789	488	789	488
Contract cleaning	2,633	2,801	2,039	2,291
Agent commission	1,111	1,334	1,111	1,334
Low value equipment	1,973	2,413	1,973	2,413
Scholarships and financial aid	1,174	1,156	1,174	1,156
Recruitment costs	215	140	201	140
Postal services	104	142	98	142
External examiner fees	125	177	125	177
HEA network	1	98	1	98
Staff development and course fees	1,102	1,266	1,102	1,266
Module delivery	1,617	781	1,617	781
Loss on disposal of fixed assets	16	-	16	-
Insurance	895	861	693	682
	68,097	67,635	61,304	60,069

Other operating expenses include:

	Consolidated		University	
	2021 €'000	2020 €'000	2021 €'000	2020 €'000
Auditors' remuneration:				
- External audit - management auditor	149	137	80	80
- C&AG	44	44	44	44
- Internal audit	87	87	-	87
Other services from either external or internal audit service providers	63	73	59	59

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.

Travel and entertainment costs, including these costs included in research expenditure and ancillary and other self-funded programmes are Travel €872k (2020 €2,956k) and Entertainment €113k (2020 €1,020k).

Details of advisory fees paid by the University are set out in the annual governance statement on page 48.



12. Interest payable and similar charges

	Consolidated		University	
	2021 €'000	2020 €'000	2021 €'000	2020 €'000
On bank loans, overdrafts and other loans:				
Wholly repayable within 5 years, not by instalments	284	220	167	127
Wholly repayable within 5 years, by instalments	9	26	9	26
Wholly repayable in more than 5 years	861	889	861	889
	1,154	1,135	1,037	1,042

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

(a) Current taxation:

	Consolidated		University	
	2021 €'000	2020 €'000	2021 €'000	2020 €'000
Irish corporation tax on surplus/ (deficit) for the year	9	3	-	-
Adjustments in respect of prior years	-	-	-	-
Current tax charge for the year	9	3	-	-
Deferred tax:				
Origination and reversal of timing differences	-	-	-	-
Effect of reduction in tax rate on opening liability	-	-	-	-
Deferred tax charge for the year	-	-	-	-
	9	3	-	-

- (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	
	2021 €'000	2020 €'000	2021 €'000	2020 €'000
Surplus/(deficit) after depreciation of assets before taxation and impairment	7,863	3,917	8,553	4,746
Surplus/(deficit) before tax multiplied by the average rate of Irish corporation tax for the year of 12.5%	983	490	1,069	593
<i>Effects of:</i> Surplus/(deficit) not subject to Irish corporation tax	(974)	(487)	(1,069)	(593)
	9	3	-	-

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. Surplus for the year

	2021 €'000	2020 €'000
The surplus for the year is made up as follows:		
University's surplus for the year	8,553	4,746
Deficit) generated by subsidiary undertakings	(699)	(832)
Consolidated surplus for the year	7,854	3,914

15. Tangible assets

	Land and buildings €'000	Minor works €'000	Computer equipment €'000	Equipment €'000	Leased assets €'000	Total €'000
Consolidated 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	578,428	3,106	8,264	101,303	536	691,637
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	149,783	2,367	6,357	61,146	536	220,189
Net book value						
At 30 September 2020	428,645	739	1,907	40,157	-	471,448
At 30 September 2019	433,535	709	1,831	44,413	-	480,488
Consolidated - continued Cost						
At 1 October 2020	578,428	3,106	8,264	101,303	536	691,637
Additions	2,177	-	512	3,040	-	5,729
Disposals	-	-	(2,145)	(850)	-	(2,995)
At 30 September 2021	580,605	3,106	6,631	103,493	536	694,371
Accumulated depreciation						
At 1 October 2020	149,783	2,367	6,357	61,146	536	220,189
Charge for year	12,770	-	575	7,314	-	20,659
Disposals	-	-	(2,135)	(843)	-	(2,978)
At 30 September 2021	162,553	2,367	4,797	67,617	536	237,870
Net book value						
At 30 September 2021	418,052	739	1,834	35,876	-	456,501
At 30 September 2020	428,645	739	1,907	40,157	-	471,448

	Land and buildings €'000	Minor works €'000	Computer equipment €'000	Equipment €'000	Leased assets €'000	Total €'000
University 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	440,745	3,106	8,264	66,701	536	519,352
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	126,088	2,367	6,357	41,669	536	177,017
Net book value						
At 30 September 2020	314,657	739	1,907	25,032	-	342,335
At 30 September 2019	313,638	709	1,831	27,517	-	343,695
University - continued Cost						
At 1 October 2020	440,745	3,106	8,264	66,701	536	519,352
Additions	2,177	-	512	1,982	-	4,671
Disposals	-	-	(2,145)	(613)	-	(2,758)
At 30 September 2021	442,922	3,106	6,631	68,070	536	521,265
Accumulated depreciation						
At 1 October 2020	126,088	2,367	6,357	41,669	536	177,017
Charge for year	9,122	-	575	5,058	-	14,755
Disposals	-	-	(2,135)	(606)	-	(2,741)
At 30 September 2021	135,210	2,367	4,797	46,121	536	189,031
Net book value						
At 30 September 2021	307,712	739	1,834	21,949	-	332,234
At 30 September 2020	314,657	739	1,907	25,032	-	342,335

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 €2,205k was transferred to investment property during the prior year. The investment property was stated at open market value, which was determined following a formal independent valuation by Savills at 30 September 2021. 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 (2020: €2,164k). 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 €12.41m (2020: €12.44m).

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.

	2021 €'000	2020 €'000	2019 €'000	2018 €'000
Four-year summary of Consolidated and University heritage assets				
Artwork				
Opening balance - valuation	3,846	3,836	3,784	3,745
Additions – cost	6	10	52	39
Closing balance	3,852	3,846	3,836	3,784
Archives				
Opening balance - valuation	1,550	1,547	1,529	1,458
Additions – valuation	8	2	7	-
Change in valuation	34	1	11	71
Closing balance - valuation	1,592	1,550	1,547	1,529
Printed books				
Opening balance - valuation	7,047	6,867	6,863	6,962
Additions – valuation	1	180	-	-
Change in valuation	(83)	-	4	(99)
Closing balance - valuation	6,965	7,047	6,867	6,863



16. Investment property

	Consolidated		University	
	2021 €'000	2020 €'000	2021 €'000	2020 €'000
Munster training centre	4,650	4,500	4,650	4,500
Park Point	4,581	5,220	-	-
	9,231	9,720	4,650	4,500

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 14 December 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 prior year. The investment property was stated at open market value following a formal independent valuation by Savills at 30 September 2021.

	2021 €'000	2020 €'000
At beginning of year	5,220	2,405
Transfer from tangible assets (note 15)	-	2,205
(Loss)/gain on revaluation	(645)	610
Additions	6	0
At end of year	4,581	5,220

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

17. Financial instruments

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

	Consolidated		University	
	2021 €'000	2020 €'000	2021 €'000	2020 €'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	6,726	6,139	4,563	4,347
- Amounts due from subsidiary undertakings	-	-	42,545	45,278
<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	79,713	86,596	77,561	83,845
Obligations under finance leases				
<i>Measured at undiscounted amount payable</i>				
Bank loans and overdraft	8,705	10,085	8,316	9,049
Trade and other payables	8,526	6,982	7,757	6,045
Amounts owed to subsidiary companies	-	-	1,764	1,097

The Group's income, expense, gains and losses in respect of financial instruments are summarised below:

	2021 €'000	2020 €'000
<i>Interest income and expense</i>		
Total interest income for financial assets at amortised cost	6	26
Total interest expense for financial liabilities at amortised cost	1,781	1,853
<i>Fair value gains and losses</i>		
On financial assets (including listed investments), measured at fair value through statement of comprehensive income	-	-
<i>Impairment losses</i>		
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	-	-

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.

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	
	2021 €'000	2020 €'000	2021 €'000	2020 €'000
Trade receivables	5,692	5,503	3,583	3,759
Research grants and contracts receivable (note 30)	15,712	14,046	15,712	14,046
Ancillary and other self-funded receivable (note 30)	717	895	717	895
State grant receivable - HEA	1,516	3,033	1,516	3,033
Academic fees receivable	6,819	5,078	6,819	5,078
Prepayments	2,972	2,074	1,570	1,361
Amounts due from subsidiary undertakings	-	-	42,545	45,278
Other receivables	1,172	803	980	588
	34,600	31,432	73,442	74,038

19. Cash and cash equivalents

	Consolidated		University	
	2021 €'000	2020 €'000	2021 €'000	2020 €'000
Cash at bank including balances held on short term deposit	159,828	133,294	145,023	117,566
Restricted bank balances	-	-	-	-
	159,828	133,294	145,023	117,566

20. Payables: Amounts falling due within one year

	Consolidated		University	
	2021 €'000	2020 €'000	2021 €'000	2020 €'000
Trade payables	3,301	3,044	2,553	2,117
Research grants and contracts in advance (note 30)	79,385	72,910	79,385	72,910
Ancillary and other self-funded in advance (note 30)	8,422	7,963	8,422	7,963
Academic fees received in advance	29,682	23,075	29,682	23,075
State grant received in advance - HEA	9,512	6,423	9,512	6,423
Accruals	20,958	19,115	13,472	13,701
Deferred income	5,415	8,146	1,451	1,991
Bank loans and overdrafts (note 22)	8,705	10,085	8,316	9,049
Amounts owed to subsidiary undertaking	-	-	1,764	1,097
Other taxation and social security	5,045	4,391	4,445	4,046
Other payables	5,225	1,947	5,204	1,937
Deferred capital grants (note 23)	7,017	6,918	7,017	6,918
	182,667	164,017	171,223	151,227

21. Payables: Amounts falling due after one year

	Consolidated		University	
	2021 €'000	2020 €'000	2021 €'000	2020 €'000
Bank loans (note 22)	79,713	86,596	77,561	83,845
Deferred capital grants (note 23)	134,113	139,468	134,113	139,468
	213,826	226,064	211,674	223,313

22. Borrowings**(a) Bank loans and overdrafts**

Bank loans and overdrafts are repayable as follows:

	Consolidated		University	
	2021 €'000	2020 €'000	2021 €'000	2020 €'000
Amounts due within one year	8,705	10,085	8,316	9,049
Due between one and two years	6,586	6,935	6,197	6,284
Due between two and five years	19,130	19,579	18,391	18,479
Due after more than five years	53,997	60,082	52,973	59,082
Total	88,418	96,681	85,877	92,894

(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.



23. Deferred capital grants

	State 2021 €'000	State 2020 €'000
Consolidated and University At beginning of year		
Buildings	129,642	130,743
Equipment	16,744	18,912
Total	146,386	149,655
Received during the year		
Buildings	-	2,626
Equipment	1,793	1,005
Total	1,793	3,631
Amortised to income and expenditure account		
Buildings	(3,787)	(3,727)
Equipment	(3,262)	(3,173)
Total	(7,049)	(6,900)
At 30 September		
Buildings	125,855	129,642
Equipment	15,275	16,744
Total	141,130	146,386

24. Analysis of changes in net funds

	At 1 October 2020 €'000	Cash flow €'000	At 30 September 2021 €'000
Consolidated			
Cash	133,294	26,534	159,828
Bank overdraft	(10,085)	1,380	(8,705)
	123,209	27,914	151,123
Loans	(86,596)	6,883	(79,713)
Total	36,613	34,797	71,410
University			
Cash	117,566	27,457	145,023
Bank overdraft	(9,049)	733	(8,316)
	108,517	28,190	136,707
Loans	(83,845)	6,284	(77,561)
Total	24,672	34,474	59,146

25. Capital commitments

	Consolidated		University	
	2021 €'000	2020 €'000	2021 €'000	2020 €'000
Contracted for but not provided	4,372	18,862	4,372	18,862
Authorised but not contracted out	20,513	-	20,513	-
	24,885	18,862	24,885	18,862

Following a competitive procedure with negotiation the University Governing Authority authorised additional cost relating to the completion of the student centre which will increase the overall costs by a further €2.94m, this increased the authorised but not contracted value post year end to €23.453m.

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 €368k (2020: €350k) towards the running costs of the Foundation. During the year the University received funding from the University of Limerick Foundation of €3,257k (2020: €2,993k). This funding was received for the following purposes:

	2021 €'000	2020 €'000
Funding completed capital projects included in other income	22	-
Funded posts	1,339	1,452
Research grants and contracts	1,472	923
Ancillary projects included in other operating income	102	560
Scholarships included in student fee income	322	58
	3,257	2,993

The net assets of the University of Limerick Foundation at 31 August 2021 were €9.500m (2020: €8.146m).

Plassey Campus Developments

Plassey Campus Developments was the principal contractor associated with ongoing property development contracts totalling €2,063,747 in the year (2020: €7,622,120) 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 €1,593,093 (2020: €1,498,238) was outstanding in respect of such work.

	2021 €'000	2020 €'000
Plassey Campus Arena CLG		
<i>Income:</i>		
University of Limerick	233,000	1,452
<i>Receivable at 30 September:</i>		
University of Limerick	109,562	73,329

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 (2020: €36,987).

The balance due to the University of Limerick at the year-end amounted to €2,569 (2020: €779).

The balance due by University of Limerick at the year-end amounted to €39,586 (2020: €20,689).



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 €232k (2020: €221k) – 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.

The valuation prepared under FRS 102 Section 28 has been based on an actuarial valuation on 13 December 2021 by a qualified independent actuary to take account of the requirements of FRS 102 in order to assess the scheme liabilities at 30 September 2021 and 2020. The financial assumptions used to calculate scheme liabilities are:

	At 30 September 2021 Projected unit %	At 30 September 2020 Projected unit %
Valuation method:		
Discount rate	1.55	1.35
Inflation rate	1.90	1.25
Salary increases	3.40	2.75
Pension increases	2.40	1.75

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.

Consolidated and University

	2021 €'000	2020 €'000
Analysis of amount charged to operating profit:		
Current service cost *	32,701	34,380
Past service cost	-	-
Total operating charge	32,701	34,380
Analysis of the amount credited to other finance income:		
Expected return on scheme assets	-	-
Interest on scheme liabilities	(12,225)	(10,466)
Net return	(12,225)	(10,466)
Analysis of the amount recognised in statement of total recognised gains and losses:		
Actual less expected return on scheme assets	-	-
Experience gain	22,684	1,451
Changes in assumptions	(77,436)	38,266
Actuarial (loss)/gain recognised in Statement of comprehensive income	(54,752)	39,717
<i>Movement in present value of defined benefit obligation</i>		
At beginning of year	913,822	917,414
Current service cost	32,701	34,380
Interest cost	12,225	10,466
Plan members - contributions	6,520	6,005
Actuarial (gain)/loss	54,752	(39,717)
Insurance premium for risk benefits	-	-
Benefits paid	(16,591)	(14,726)
At 30 September	1,003,429	913,822

	Consolidated and University	
	2021 €'000	2020 €'000
<i>Analysis of movement in pension receivable during the year:</i>		
Pension receivable at beginning of year	913,822	917,414
Actuarial loss/(gain)	54,752	(39,717)
Incremental pension cost underwritten by the State *	22,265	23,781
State underwritten finance charge	12,225	10,466
Employer contributions *	10,436	10,599
Members contributions	6,520	6,005
Insurance premium for risk benefits	-	-
Benefits paid (note 10)	(16,591)	(14,726)
At 30 September	1,003,429	913,822

In accordance with the accounting policy (Note 3(o)), the total amount required to fund the retirement benefit deficit at 30 September 2021 amounts to €1,003,429,000 (2020: €913,822,000).

Within this figure, €58.9m (2020: €30.2m) 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.

	2021 €'000	2020 €'000	2019 €'000	2018 €'000	2017 €'000
<i>History of actuarial gains and losses:</i>					
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	22,684	1,451	(2,903)	21,603	(8,276)
Expressed as a percentage of scheme liabilities	2.26%	0.01%	(0.03%)	2.9%	(1.1%)
Total amount recognised in statement of comprehensive income	(54,752)	39,717	(127,428)	61,758	143,248
Expressed as a percentage of scheme liabilities	(5.5%)	4.3%	(13.9%)	8.2%	18.5%

28. US Department of Education Financial Responsibility Supplemental Schedule

In satisfaction of its obligations to facilitate students' access to US federal financial aid, the University is required, by the US Department of Education, to present the following Supplemental Schedule in a prescribed format.

The amounts presented within the schedules have been:

- prepared under the historical cost convention, subject to the revaluation of certain fixed assets;
- prepared using Irish generally accepted accounting practice, in accordance with Financial Reporting Standard 102 (FRS102) and the Statement of Recommended Practice: Accounting for Further and Higher Education (2019 edition); and,
- presented in Euro.

The schedules set out how each amount disclosed has been extracted from the financial statements. As set out above, the accounting policies used in determining the amounts disclosed are not intended to and do not comply with the requirements of accounting principles generally accepted in the United States of America.

Primary Reserve Ratio

Note/Schedule	Term used in the Financial Statements	Term used in US Department of Education Financial Responsibility Supplemental Schedule	2021 €'000	2021 €'000	2021 €'000	2021 €'000
Expendable Net Assets:						
CONSOLIDATED AND UNIVERSITY STATEMENTS OF FINANCIAL POSITION	Income and expenditure – unrestricted reserve	Net assets without donor restrictions		263,667		255,813
N/A	N/A	Net Assets with donor restrictions		-		-
N/A	N/A	Secured and Unsecured related party receivable	-		-	
N/A	N/A	Unsecured related party receivable		-		-
15,23	Tangible Fixed assets €456,501k less Deferred Capital Grants €141,130k	Property, plant and equipment, net (includes Construction in progress)	315,371		325,062	
15	Note 15 of the Financial Statements – Analysis of non-current assets for US Financial Responsibility Supplement Schedule	Property, plant and equipment – pre-implementation		309,642		311,339

Note/Schedule	Term used in the Financial Statements	Term used in US Department of Education Financial Responsibility Supplemental Schedule	2021 €'000	2021 €'000	2021 €'000	2021 €'000
15	N/A	Property, plant and equipment – post-implementation with outstanding debt for original purchase		-		-
15	Note 15 of the Financial Statements – Analysis of non-current assets for US Financial Responsibility Supplement Schedule	Property, plant and equipment – post implementation without outstanding debt for original purchase		5,729		13,723
N/A	N/A	Construction in progress		-		-
N/A	N/A	Lease right-of-use asset, net		-		-
N/A	N/A	Lease right-of-use asset pre-implementation		-		-
N/A	N/A	Lease right-of-use asset post-implementation		-		-
N/A	N/A	Intangible assets		-		-
CONSOLIDATED AND UNIVERSITY STATEMENTS OF FINANCIAL POSITION	Retirement benefit receivable €1,003,429 less re-tirement benefit pro-visions €1,003,429	Post-employment and pension liabilities		-		-
22	Total bank loans	Long-term debt – for long term purposes	88,418		96,681	
22	2020 Total bank loans €96,681k	Long-term debt – for long term purposes pre-implementation		88,418		96,681
22	N/A	Long-term debt – for long term purposes post-implementation		-		-
N/A	N/A	Line of Credit for CIP		-		-
N/A	N/A	Lease right-of-use asset liability		-		-
N/A	N/A	Pre-implementation right-of-use leases		-		-

Note/Schedule	Term used in the Financial Statements	Term used in US Department of Education Financial Responsibility Supplemental Schedule	2021 €'000	2021 €'000	2021 €'000	2021 €'000
N/A	N/A	Post-implementation right-of-use leases		-		-
N/A	N/A	Annuities with donor restrictions		-		-
N/A	N/A	Term endowments with donor restrictions		-		-
N/A	N/A	Life income funds with donor restrictions		-		-
N/A	N/A	Net assets with donor restrictions: restricted in perpetuity		-		-
Total Expenses and Losses:						
CONSOLIDATED AND UNIVERSITY STATEMENT OF COMPREHENSIVE INCOME	Consolidated Statement of Comprehensive Income and Expenditure - Total expenditure €301,205 less Pension service cost €22,265k less Pension Interest cost €12,225k less Amortisation of deferred grants income €7,049k less loss on Sale of Fixed Assets €16k	Total expenses without donor restrictions – taken directly from Statement of Activities		259,650		243,566
Expendable Net Assets:						
CONSOLIDATED AND UNIVERSITY STATEMENT OF COMPREHENSIVE INCOME	Consolidated Statement of Comprehensive Income and Expenditure – Loss on investments (€495k) less Taxation (€9k) plus Deferred funding for pensions €34,490k less Pension service cost (€22,265k) less Pension Interest expense (€12,225k).	Non-Operating and Net Investment (loss)		(504)		807

Note/Schedule	Term used in the Financial Statements	Term used in US Department of Education Financial Responsibility Supplemental Schedule	2021 €'000	2021 €'000	2021 €'000	2021 €'000
Total Expenses and Losses:						
CONSOLIDATED AND UNIVERSITY STATEMENT OF COMPREHENSIVE INCOME	(Loss)/Gain on investments	Net investment gains/(losses)		(495)		810
N/A	N/A	Pension-related changes other than net periodic costs		-		-
Modified Net Assets:						
		Net assets without donor restrictions		263,667		255,813
		Net assets with donor restrictions		-		-
		Intangible assets		-		-
		Secured and Unsecured related party receivable		-		-
		Unsecured related party receivables		-		-
Modified Assets:						
CONSOLIDATED AND UNIVERSITY STATEMENTS OF FINANCIAL POSITION	Consolidated Statement of financial position – Non-current assets €465,732k plus Current assets €194,428k less Deferred Grants(Note 23) €141,130k	Total assets		519,030		499,508
N/A	N/A	Lease right-of-use asset pre-implementation		-		-
N/A	N/A	Pre-implementation right-of-use leases		-		-
N/A	N/A	Intangible assets		-		-
N/A	N/A	Secured and Unsecured related party receivable		-		-
N/A	N/A	Unsecured related party receivables		-		-

Note/Schedule	Term used in the Financial Statements	Term used in US Department of Education Financial Responsibility Supplemental Schedule	2021 €'000	2021 €'000	2021 €'000	2021 €'000
Net Income Ratio:						
CONSOLIDATED AND UNIVERSITY STATEMENT OF COMPREHENSIVE INCOME	Consolidated Statement of Comprehensive Income and Expenditure – Surplus for the year	Change in Net Assets Without Donor Restrictions		7,854		3,914
CONSOLIDATED AND UNIVERSITY STATEMENT OF COMPREHENSIVE INCOME	Consolidated Statement of Comprehensive Income and Expenditure – total income Total income €309,563k less investment loss €495k, less loss on sale of tangible fixed assets €16k less net deferred funding for retirement benefits €34,490k less Amortisation of deferred capital grants €7,049k	Total Revenues and Gains		267,513		247,483



29. Events after the reporting period

The Coronavirus disease (COVID-19) pandemic has continued since the year end and it continues to create a level of uncertainty, nationally and globally, and will continue to have an impact on the operation of the University and its subsidiaries as we learn to live with Covid.

Since year end the Government has removed all restrictions relating to Covid except in health care settings.

This crisis was unprecedented both in Ireland and at a global level. The income associated with the provision of accommodation provided by a subsidiary of the University was adversely impacted during the closure of the campus and would be further impacted by re-implementation of public health measures in the foreseeable future, should that arise. The sports facilities and concert hall have reopened and are generating income.

The Governing Authority recognise that in the current environment it is difficult to predict the future of the COVID-19 pandemic or its impact.

The University and its subsidiaries continue to closely monitor the financial impacts of Covid and the impact of restoration of costs following a full reopening, temporary savings during periods of shutdown mitigated other losses and costs. 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 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.

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

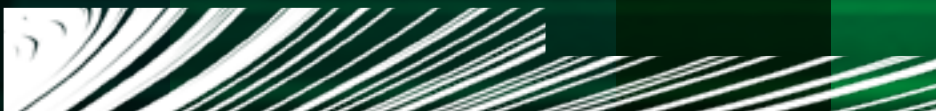
This information is required by circular 13/2014 issued on 26 September 2014 by the Department of Expenditure and Public Reform. It is not a requirement under FRS 102.

	Grant deferred (due) 1/10/2020 €'000	Cash received 2020-21 €'000	Taken to income 2020-21 €'000	Grant deferred 30/09/21 €'000	Grant due 30/09/21 €'000
RESEARCH GRANTS					
Exchequer Funding					
Science Foundation Ireland	18,652	19,114	11,801	31,844	(5,879)
Enterprise Ireland	3,581	4,325	5,892	4,413	(2,399)
Department of Agriculture, Food and Marine	79	139	474	396	(652)
Health Research Board	1,258	1,013	794	1,721	(244)
Irish Research Council	1,330	2,846	2,126	2,088	(38)
Higher Education Authority	437	4,799	1,263	4,712	(739)
State – other	6,499	588	970	6,823	(706)
Environment Protection Agency	(309)	337	171	162	(305)
Teagasc	(9)	38	33	26	(30)
Sub-total Exchequer	31,518	33,199	23,524	52,185	(10,992)

	Grant deferred (due) 1/10/2020 €'000	Cash received 2020-21 €'000	Taken to income 2020-21 €'000	Grant deferred 30/09/21 €'000	Grant due 30/09/21 €'000
Non-Exchequer Funding					
Industry	10,147	4,955	4,154	12,591	(1,643)
European Commission	13,021	(713)	4,860	9,385	(1,937)
Other	4,178	2,017	2,111	5,361	(1,277)
Sub-total Non-Exchequer	27,346	6,259	11,125	27,337	(4,857)
Total Research Grants	58,864	39,458	34,649	79,522	(15,849)
Other self-funded and ancillary activities	7,068	9,614	8,977	8,422	(717)
Total other self-funded and Ancillary Grants	7,068	9,614	8,977	8,422	(717)
STATE GRANT RECURRENT					
Higher Education Authority	6,423	66,008	62,369	10,062	-
Total State Grant Recurrent	6,423	66,008	62,369	10,062	-
STATE CAPITAL GRANT BUILDINGS & EQUIPMENT					
Higher Education Authority	-	1,793	1,793	-	-
Total State Capital Grant	-	1,793	1,793	-	-

31. Approval of financial statements

The financial statements were approved by the Governing Authority on 30 June 2022.



Appendix

Not forming part of the University's Financial Statements
and not audited by the Comptroller and Auditor General

The University of Limerick Foundation Annual Report

Financial Year Ended **31 August 2021**

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DIRECTORS AND OTHER INFORMATION

Board of Directors

Loretta Brennan Glucksman (USA)
Harry Fehily (Chairman)
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
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 2021.

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 UL's new Immersive Software Engineering Programme, 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 Strategic Development Zone, and is supportive of the University recalibrating its Strategic Plan under the leadership of the new President, Professor Kerstin Mey.

DIRECTORS' REPORT - continued

Principal activities and business review (continued)

Income is derived from donations and gifts received for the year amounting to €3,776,617 (2020: €3,751,230).

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) and the war in Ukraine. 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 these issues 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 whilst the ultimate extent of the effect of these matters on the company cannot be precisely determined at present, the directors are satisfied that their impact is limited and do not impact the company's ability to operate as a going concern.

Governance

The Board comprises of 22 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 surplus for the financial year was €1,365,556 (2020: surplus €85,028).

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 2021 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 (USA)
Harry Fehily (Chairman)
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 (resigned 14 May 2021)
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
Chairman



Patrick Gerard Boland
Director

19 May 2022



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 2021 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 2021;
- 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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.



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 2021 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.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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
14 June 2022

INCOME AND EXPENDITURE ACCOUNT
For the financial year ended 31 August 2021

	Notes	2021 €	2020 €
Income	5	<u>3,776,617</u>	<u>3,751,230</u>
Other operating income			
Gain on market value of investments	8	<u>1,623,031</u>	<u>362,858</u>
Expenditure			
Fundraising, publicity and administration		555,681	528,496
Research and development grants		<u>3,478,411</u>	<u>3,500,564</u>
		<u>4,034,092</u>	<u>4,029,060</u>
Surplus for the financial year	6	<u>1,365,556</u>	<u>85,028</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 2021

	Notes	2021 €	2020 €
Fixed assets			
Financial assets	8	<u>7,824,162</u>	<u>6,339,472</u>
Current assets			
Cash at bank and in hand		12,195,803	13,848,408
Debtors	9	<u>127,536</u>	<u>144,578</u>
		12,323,339	13,992,986
Creditors - amounts falling due within one year	10	<u>(10,634,960)</u>	<u>(12,185,473)</u>
Net current assets		<u>1,688,379</u>	<u>1,807,513</u>
Net assets		<u>9,512,541</u>	<u>8,146,985</u>
Permanent endowment fund	13	7,720,049	6,296,947
Venture capital fund	13	545,454	518,456
Income and expenditure account	13	<u>1,247,038</u>	<u>1,331,582</u>
Total equity	13	<u>9,512,541</u>	<u>8,146,985</u>

On behalf of the board

Harry Fehily

Harry Fehily
Chairman

Patrick Gerard Boland

Patrick Gerard Boland
Director

STATEMENT OF CHANGES IN EQUITY
Financial Year Ended 31 August 2021

	Venture capital fund €	Permanent endowment fund €	Income and expenditure account €	Total equity €
Balance at 1 September 2019	505,059	6,089,810	1,467,088	8,061,957
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 income 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>
Investment gains for the financial year	26,998	1,596,033	-	1,623,031
Endowment payments for the financial year	-	(172,931)	-	(172,931)
Deficit for the financial year	-	-	(84,544)	(84,544)
Total comprehensive income for the financial year	<u>26,998</u>	<u>1,423,102</u>	<u>(84,544)</u>	<u>1,365,556</u>
Balance at 31 August 2021	<u>545,454</u>	<u>7,720,049</u>	<u>1,247,038</u>	<u>9,512,541</u>

CASH FLOW STATEMENT
For the financial year ended 31 August 2021

	Notes	2021 €	2020 €
Cash from operations	12	(1,790,945)	(693,729)
Income taxes paid		-	-
Net cash used in operating activities		<u>(1,790,945)</u>	<u>(693,729)</u>
Cash flows from investing activities			
Proceeds from disposal of financial asset	8	150,059	49,417
Purchase of financial asset	8	<u>(11,719)</u>	<u>(5,511,750)</u>
Net cash generated from/(used in) investing activities		<u>138,340</u>	<u>(5,462,333)</u>
Net decrease in cash and cash equivalents		(1,652,605)	(6,156,062)
Cash and cash equivalents at 1 September		<u>13,848,408</u>	<u>20,004,470</u>
Cash and cash equivalents at 31 August		<u>12,195,803</u>	<u>13,848,408</u>
Cash and cash equivalents consist of:			
Cash at bank and in hand		<u>12,195,803</u>	<u>13,848,408</u>
Cash and cash equivalents		<u>12,195,803</u>	<u>13,848,408</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 1471116. 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 2021 there were 9 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	2021	2020
	€	€
Unrestricted	471,130	492,992
Restricted	3,305,487	3,258,238
	<u>3,776,617</u>	<u>3,751,230</u>
Income analysis:		
Grants received	434,012	2,954,210
Grants deferred	2,921,475	304,028
Related party contributions (note 14) & other income	421,130	492,992
	<u>3,776,617</u>	<u>3,751,230</u>
6 Surplus for the financial year	2021	2020
	€	€
Surplus for the financial year is stated after charging:		
Wages and salaries	338,180	246,871
Social insurance	35,359	28,105
Pension costs	57,436	37,976
	<u>430,975</u>	<u>312,952</u>
Directors' remuneration	-	-
Auditors' remuneration	9,421	9,421
	<u>9,421</u>	<u>9,421</u>
7 Employer information	2021	2020
	Number	Number
(i) The average number of persons employed during the year (including shared employees), was:		
Management and administration	4	4
	<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.		
	2021	2020
	€	€
Senior management	236,586	133,219
Total key management compensation	<u>236,586</u>	<u>133,219</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

8 Financial assets	Managed funds €	BOI seed funds €	Total €
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 year ended 31 August 2021			
At 1 September 2020	5,849,461	490,011	6,339,472
Divested	-	(150,059)	(150,059)
Invested	-	11,718	11,718
Fair value gain on investments	1,596,033	26,998	1,623,031
At 31 August 2021	<u>7,445,494</u>	<u>378,668</u>	<u>7,824,162</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:

	2021 €	2020 €
BOI Seed and Early Stage Equity Funds	378,668	490,011
Davy Fund	<u>7,445,494</u>	<u>5,849,461</u>
	<u>7,824,162</u>	<u>6,339,472</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	2021 €	2020 €
Debtors and other receivables	<u>127,536</u>	<u>144,578</u>
	<u>127,536</u>	<u>144,578</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

10 Creditors - amounts falling due within one year	2021	2020
	€	€
Deferred income (note 11)	8,944,964	12,063,380
Accruals	116,253	79,297
Trade creditors	79,267	440
Amounts owed to related parties (note 14)	1,285,726	30,571
Sundry creditor	196,940	-
Other creditors including tax and social insurance	11,810	11,785
	<u>10,634,960</u>	<u>12,185,473</u>
Other creditors including tax and social insurance comprise:		
Income tax deducted under PAYE	7,818	7,826
Pay related social insurance	3,992	3,959
	<u>11,810</u>	<u>11,785</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	2021	2020
	€	€
At 1 September	12,063,380	12,339,222
Additions during the year	382,461	2,952,622
Released during the year	(3,500,877)	(3,228,464)
At 30 August	<u>8,944,964</u>	<u>12,063,380</u>

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

12 Note to the statement of cash flows	2021	2020
	€	€
Surplus for the financial year	1,365,556	85,028
Tax	-	-
Surplus before tax	<u>1,365,556</u>	<u>85,028</u>
Working capital movements		
- decrease in creditors	(1,550,512)	(300,683)
- decrease/(increase) in debtors	17,042	(115,216)
Gain on investments	(1,623,031)	(362,858)
Cash flow from operating activities	<u>(1,790,945)</u>	<u>(693,729)</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 €421,130 (2020: €458,992) from directors of the company and related parties. Amounts of €1,285,726 (2020: €30,571) were recorded as owed to University of Limerick at 31 August 2021 and amounts of €nil (2020: €35,000) were recorded as being owed from University of Limerick at 31 August 2021.

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 19 May 2022 and were signed on its behalf on that date.



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